

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors
Executive Session Meeting Minutes
Thursday, July 18, 2013

The Board of Directors of the Cape & Vineyard Electric Cooperative, Inc. met in Executive Session on Thursday, July 18, 2013 at 12:16 p.m. in Rooms 11/12, Superior Court House, Barnstable, Mass.

Present were:

John Checklick, President/Director, Falmouth
Charles McLaughlin, V. President/Director, Barnstable
E. Mark Zielinski, Director, Barnstable County
Peter Cabana, Executive Member/Director, Dukes County
Charles Hanson, Clerk/Director, Brewster
John Scott, Director, Chatham
Joseph Bayne, Director, Eastham
Lawrence Cole, Director, Harwich
David Gardner, Director, Provincetown @ 10:02 am
William Straw, Director, Tisbury
Jennifer Rand, Director, W. Tisbury
Steven Gavin, Director, Yarmouth

ABSENT WERE:

Joseph Soares, Director, Cape Light Compact
Bourne, Vacant
Richard White, Director, Dennis
Vacant, Edgartown
Michael Richardson, Director, Mashpee
Richard Toole, Director, Oak Bluffs
John Jannell, Director, Orleans
James Killion, Director, Sandwich

COUNSEL & STAFF PRESENT:

Jeffrey Bernstein, Esq., BCK Law, LLC
Karen Loura, Administrative Assistant
Liz Argo, Consultant

OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION AND REQUIRED DECLARATIONS OF THE CHAIR:

At 12:16 p.m. Pres. Checklick announced the topics for the executive session as listed on the agenda. He declared an open meeting may have a detrimental effect on CVEC's ability to conduct business in relation to other entities making, selling or distributing electric power and energy; and that the consideration of the purchase, exchange, lease or value of real property will have a detrimental effect on CVEC's negotiating position and litigating position as a public body. He stated that the Board will not return to open session this day. *L. Cole moved the Board vote to enter into Executive Session pursuant to MGL Chapter 40S § 21(a)(3), (6) & (10) to review Executive Session Minutes, PV Procurement Strategy Discussion and to discuss potential lease of real property and potential PV litigation concerning installation issues with a prior project, seconded by C. Hanson and voted by roll call as follows:*

John Checklick, President/Director, Falmouth	Yes
Charles McLaughlin, V. President/Director, Barnstable	Yes
E. Mark Zielinski, Director, Barnstable County	Yes
Peter Cabana, Executive Member/Director, Dukes County	Yes
Charles Hanson, Clerk/Director, Brewster	Yes

John Scott, Director, Chatham	Yes
Joseph Bayne, Director, Eastham	Yes
Lawrence Cole, Director, Harwich	Yes
David Gardner, Director, Provincetown @ 10:02 am	Yes
William Straw, Director, Tisbury	Yes
Jennifer Rand, Director, W. Tisbury	Abstained
Steven Gavin, Director, Yarmouth	Yes

Motion carried 11-0-1.

CONSIDERATION OF EXECUTIVE SESSION MEETING MINUTS

The Executive Committee then considered the Executive Session Meeting Minutes of May 13, 2013. *C. McLaughlin moved the Committee vote to accept the minutes seconded by M. Zielinski.* C. McLaughlin recommended a finalized Strategic Plan be prepared and published. There was discussion relative to releasing Executive Session Minutes. It was agreed C. McLaughlin, J. Checklick and possible C. Hanson serve on a subcommittee to review Executive Session Meeting Minutes to determine those suitable for release to the public record. It was agreed the target release of minutes would be in September, 2013. It was requested to strike "@ 1:24 p.m." at E. Mark Zielinski. *The Executive Committee then voted to accept the minutes as amended by roll call vote (5-0-0).*

John Checklick, President/Director, Falmouth	Yes
Charles McLaughlin, V. President/Director, Barnstable	Yes
E. Mark Zielinski, Director, Barnstable County	Yes
Peter Cabana, Executive Member/Director, Dukes County	Yes
Charles Hanson, Clerk/Director, Brewster	Yes

PHASE I PV PROCUREMENT – AMERICAN CAPITAL ENERGY

The Board then discussed Phase I PV project. ACE has paid Nstar for adjustments to accommodate the planned PV Systems. ACE would like a press release issued after Labor Day for a groundbreaking at the Harwich Site. ACE is finalizing the Construction Schedule and promised to provide it next week. J. Checklick will ask if the schedule can be made public. B. Straw requested the amount ACE paid to Nstar as he is seeking to provide this information to the Tisbury Board of Selectmen. He also requested a copy of the check. C. McLaughlin agreed indicating there is some skepticism in Barnstable. There has been no contact between ACE and Engineering relative to plans, schedule, coordination, etc. He said ACE needs to communicate locally. There was discussion relative to obtaining Nstar's schedule deemed key to the process. Atty. Bernstein said all of the Phase I projects are now qualified and in the System of Assurances. There are other milestones pending. L. Argo agreed to work with ACE to produce a Press Release. She said ACE expects all projects to be completed by the end of the year. J. Checklick agreed to convey these concerns to Eric MacLean @ ACE.

PHASE II PV PROCUREMENT – BROADWAY ELECTRIC

The Coop. then reviewed a letter sent to Broadway Electric Company dated July 2, 2014 from Pres. Checklick relative to the delay in signing the remaining EMS Agreements and concern about the ability to reserve net metering capacity in the System of Assurance and not moving along as quickly as CVEC would like. There is a question about whether or not the projects will go forward if they do not qualify for net metering or if Broadway will adjust their price. The municipalities signed agreements in anticipation of receiving the benefit of net metering. Interconnectivity agreements are needed with Nstar to go forward. There was discussion relative to delays on the part of Nstar. There was discussion relative to the 6MW system at the airport and additional MW adjacent to it. Rep. Dan Wolfe's office has been in contact to

determine how to best leverage all of this. The net metering issue will be resolved but it is not known when. It was noted CVEC still has a buy-out option. There was discussion relative to SREC values of importance to Broadway and net metering credits important to municipalities. There was discussion about negotiating with Broadway and also to get all of our projects into the System of Assurance so that the only issues remain between Broadway and Nstar. The Airport, Fire District and Independence Park Projects share an interconnection point.

L. Argo distributed a project status summary sheet and reviewed with the Coop.

There was discussion about the revenue stream and timelines as well as the amount needed to accommodate upstart and establishment of a special revenue fund. Barnstable will need a plan to manage excess generation.

There was discussion about property leases in Yarmouth. Pres. Checklick said BCK & Town Counsel are in the process of reviewing leases. PSA and IGA's will need amendment to reflect form of ownership of land. The Dennis/Yarmouth projects may be removed from the System of Assurance.

There was discussion relative to the transfer of capacity from the select Towns to CVEC. CVEC will publish a legal notice soliciting public comment on this transfer.

There was discussion about reducing the amount of the letter of credit due to the diminished anticipated generation and a request from Broadway to make an initial payment followed by scheduled incremental payments. Counsel recommended this amount not fall below \$1.5M. The amount included was to cover the entire range of potential problems and represents cash to go against everything except decommissioning. L. Argo said Phase II anticipated production is currently 20.3MW. Pres. Checklick requested a motion and a sense as to how to proceed and whether the Committee would authorize him to negotiate the matter with Broadway. M. Zielinski said he would not like to reduce the bottom line of \$2M and he is ok with negotiating a phase-in process. *J. Rand moved to negotiate a phased approach to arriving at \$2M Letter of Credit, seconded by M. Zielinski and voted unanimously in favor by roll call vote. J. Rand moved to authorize J. Checklick and C. Hanson to sign amendments to the D/Y School lease agreements, seconded by M. Zielinski and voted unanimously in favor by roll call vote.*

John Checklick, President/Director, Falmouth	Yes
Charles McLaughlin, V. President/Director, Barnstable	Yes
E. Mark Zielinski, Director, Barnstable County	Yes
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Charles Hanson, Clerk/Director, Brewster	Yes
John Scott, Director, Chatham	Yes
Joseph Bayne, Director, Eastham	Yes
Lawrence Cole, Director, Harwich	Yes
David Gardner, Director, Provincetown @ 10:02 am	Yes
William Straw, Director, Tisbury	Yes
Jennifer Rand, Director, W. Tisbury	Yes
Steven Gavin, Director, Yarmouth	Yes

It was noted there are 41MW of space remaining in the Public Cap.

Potential PV Litigation concerning installation issues with prior project

[REDACTED]

There was continued discussion relative to management of excess production. There was discussion about software and accounting system, guidance and policy development which will be needed only if Nstar decides not to use the cash out method. CVEC will need to insure there are off-takers for excess power. The policy is that CVEC will re-allocate power to non-hosts who have a need – first to members then to non-member entities. Member net metered power purchase agreements are needed then allocate against certain accounts. C. McLaughlin said Barnstable does not want to be on the hook to pay for excess generation. Boards of Selectmen can be asked to commit by vote to take excess generation. Discussion followed. Schedule Z will only be amended if filling an account – not if there is a reduction in production. It was agreed that C. McLaughlin, M. Zielinski, L. Argo, C. Hanson and Atty. Eidelman would work to develop a system for off-taking.

The Coop reviewed the letter to DOER dated June 21, 2013 from Atty. Bernstein relative to the Proposed Solar Carve-Out SREC II Program.

It was agreed the next meeting would be the Annual Meeting to be held on September 19, 2013.

L. Cole moved the Coop vote to exit Executive Session and return to Open Session, seconded by C. Hanson and voted unanimously in favor by roll call.

John Checklick, President/Director, Falmouth	Yes
Charles McLaughlin, V. President/Director, Barnstable	Yes
E. Mark Zielinski, Director, Barnstable County	Yes
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David Gardner, Director, Provincetown @ 10:02 am	Yes
William Straw, Director, Tisbury	Yes
Jennifer Rand, Director, W. Tisbury	Yes
Steven Gavin, Director, Yarmouth	Yes

Adjournment at 2:34 p.m.

Respectfully submitted,

Karen E. Loura, Clerk