

Cape & Vineyard Electric Cooperative, Inc.
Executive Committee
Executive Session Meeting Minutes
Wednesday, October 9, 2013

The Executive Committee of the Cape & Vineyard Electric Cooperative, Inc. met in Executive Session on Wednesday, October 9, 2013 at 1:35 p.m. in Conference Room 11/12, Barnstable Superior Courthouse, 3195 Main Street, Barnstable MA 02630

PRESENT WERE:

John Checklick, President/Director, Falmouth
Charles McLaughlin, V. President/Director, Barnstable @ 1:43 p.m.
Joseph Soares, Executive Member/Director, Cape Light Compact
Peter Cabana, Executive Member/Director, Dukes County

ABSENT WAS:

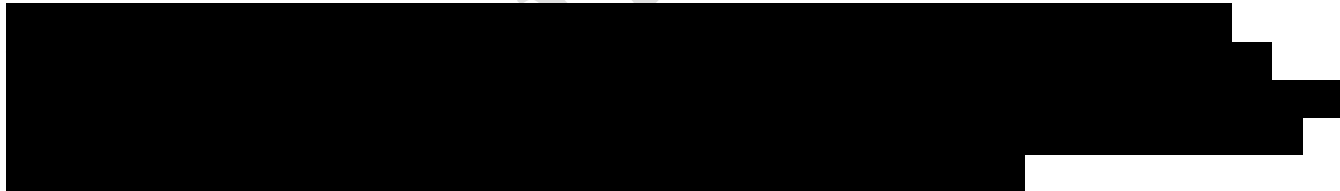
E. Mark Zielinski, Treasurer/Director, Barnstable County

COUNSEL & STAFF PRESENT:

Jeffrey Bernstein, Esq. BCK Law LLC
Liz Argo, CVEC Special Projects Coordinator
Karen Loura, Assistant Clerk

Following a vote in open session, Pres. Checklick called the Executive Session to order.

YARMOUTH BOARD OF APPEALS LITIGATION STRATEGY

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Round I PV Procurement

The Committee then reviewed a 10/8/13 email from Atty. Eidelman to Pres. Checklick relative to Round I Energy Management Services (EMS) Agreement 1st Amendments for Brewster, Tisbury, Nunnepog and Katama Farm PV Projects. American Capital Energy (ACE) had increased the system size for Brewster, Tisbury & Katama to over 1 MW to qualify for Class III Net Metering cash-out of the net metering credit. The increases in size created the need to update the output numbers in the price Exhibit C. A decrease to the system size at the Nunnepog site had resulted from a reduction in system size in order to avoid NHESP lands. This change also required update of annual output totals in price Exhibit C for Nunnepog. *P. Cabana moved the Committee vote to approve the amendments as shown, seconded by J. Soares.* Atty. Eidelman stated the change only effects the agreements between ACE & CVEC and does not require the Towns' approvals. It was noted these changes are of mutual benefit to all but Nunnepog. L. Argo noted that the Town of Edgartown has been notified of the reduction in size to their Nunnepog installation. At 1:43 p.m. C. McLaughlin arrived to the meeting. *The Committee then voted unanimously in favor by roll call vote as follows:*

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| <i>Peter Cabana, Executive Member/Director, Dukes County</i> | <i>Yes</i> |
| <i>Joseph Soares, Executive Member/Director, Cape Light Compact</i> | <i>Yes</i> |

*John Checklick, President/Director, Falmouth
C. McLaughlin, V. President/Director, Barnstable*

*Yes
not voting*

ROUND II PV PROCUREMENT

The Committee then met with John Faltings, G&S Solar, Doug Riley, General Counsel, G&S Solar, Jonathan Weinslaw, Broadway Electrical and Scott Dushand, RNK Capital. Broadway has terminated their relationship with Rockland, former financiers, and introduced the aforementioned individuals. G&S provided their history in PV development and ownership, primarily in the State of New Jersey, consisting of 50-55 MW generation of mostly roof-top systems. They own, operate and maintain systems as well, including a 4 MW system in Palmer Ma, 2.4 GM system in Westboro, and a project in Marlboro.

RNK Capital also provided history beginning in late 2004 as a carbon trading fund manager, moving in 2008 into more private financing of water, solar and biomass generation under the umbrella of green energy. They have worked closely with G&S Solar.

The new finance team would like to review the Documents with BCK, Law, LLC to get clarification and consent to change over to G&S & RNK. They will develop a list of changes with Nancy Pearlman. There does not seem to be anything contained in the agreements which would be considered insurmountable. D. Riley said it is only economically sensible if Broadway is able to meet the December 31st and June 30th SREC hurdles.

Atty. Bernstein said he can prepare a Consent Agreement between CVEC & Broadway to change names as long as there are not requests for new changes that would impact the agreements between CVEC & the Host Towns. Atty. Bernstein commented that this is necessary because any changes to the agreements with the Host Towns requiring their approval would take 30-45 days to complete.

There was discussion concerning various performance criteria, buy-out rights and buy-out pricing and sign-off expectations. There was discussion relative to terms and future costs.

Broadway's financiers expressed concern that the Town can withdraw their projects if the costs exceed the PPA price, which would put them in a financially "up-side-down" situation. Atty. Bernstein said it may be possible to work on the timing or work out a bracketing, but the Host Town cannot be expected to commit to the unknown.

It was agreed that G&S would email a list of items or areas for clarification to BCK Law and they requested cost information as soon as possible. It was agreed both parties would meet or discuss these items on Friday, and; if issues are resolved, CVEC Board would meet on Thursday, October 17th.

Recess at 2:45 pm – 2:52 pm. The Broadway Electrical finance team left the meeting.

Atty. Bernstein said a purchase price adjustment is not reasonable, but CVEC may consider shortening the time.

L. Argo expressed concern about the DY High School system costs rising. They are close to the highest costs and an anti-climbing fence is now required. It may not be a benefit for them to go forward. L. Argo

and C. McLaughlin will have an updated punch list. It is likely CVEC will lose the Chatham and Brewster projects with NSTAR issues jeopardizing their projects.

Atty. Bernstein said a 2/3 vote of a quorum of the Board of Directors is required to approve contract amendments.

C. McLaughlin moved the Committee vote that Pres. Checklick be authorized to message that CVEC will be looking to Broadway Electric to incur legal fees, seconded by P. Cabana. Discussion followed. The Committee then voted unanimously in favor by roll call vote as follows:

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|---|------------|
| <i>Joseph Soares, Executive Member/Director, Cape Light Compact</i> | <i>Yes</i> |
| <i>John Checklick, President/Director, Falmouth</i> | <i>Yes</i> |
| <i>Peter Cabana, Executive Member/Director, Dukes County</i> | <i>Yes</i> |
| <i>C. McLaughlin, V. President/Director, Barnstable</i> | <i>Yes</i> |

It was agreed an amount could be estimated once BCK Law has a chance to review the list from Broadway.

There was discussion about the financial stability of Broadway finance team. C. McLaughlin asked if due diligence is in order, adding they sound fledgling. He also said much time and legal expense was spent with Deutsche & Key Banks and CVEC swallowed some bitter pills in the process. This may also be an opportunity to recover costs.

The Assistant Clerk was asked to email business cards of G&S and RNK to Atty. Bernstein and a meeting notice to the Board of Directors for 10/9/13.

YARMOUTH BOARD OF APPEALS LITIGATION STRATEGY

ROUND I PV PROCUREMENT

American Capital Energy (ACE) is making progress. Atty. Eidelman has been working with Pat Boylston, ACE financiers' legal representative.

FUTURE GENERATION WIND

- Pres. Checklick reported on information received from Keith Mann, Manager, and Carlos Pineda, CEO, representing Future Generation Wind's 8 MW wind project in Plymouth. They have previously offered 12.5¢/kWh. A new offer of 11.5¢ has been made and if CVEC will commit to 8 million kw/year, a reduced price of 10.85¢. He distributed copies of Future Generation Wind Project Overview, Public Off-taker offer and calculations of pricing.
- L. Argo said she also anticipates developers of a wind project in Peru, Massachusetts will also approach CVEC once they have a PPA price.
- J. Checklick noted reasons for working with Future Generation are; Keith Mann is a farmer trying to keep his farm, CVEC does not have wind generation in its renewable portfolio, and CVEC can resell the energy with an adder.

- L. Argo agreed to contact Boreal Renewables for comparison purposes.
- There was discussion about availability of 20-year fixed rate of 8.4¢ from Northern New England Wind Generation. Atty. Bernstein said CVEC couldn't provide the kind of guarantees and backstopping that would be required.

OTHER BUSINESS

- Pres. Checklick distributed copies of a letter from Richard Knabel, W. Tisbury Board of Selectmen dated October 8, 2013 relative to Cape Light Compact and CVEC. Pres. Checklick will respond.

ADIJOURNMENT

At 3:31 p.m., J. Soares moved to adjourn, seconded by P. Cabana and voted unanimously in favor.