

Cape & Vineyard Electric Cooperative, Inc.
Executive Committee
Executive Session Meeting Minutes
Thursday, May 22, 2014

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee met in Executive Session on Thursday, May 22, 2014 @ 11:54 a.m. in the Cape Cod Commission Conference Room, 3225 Main Street, Barnstable MA 02630.

PRESENT WERE:

1. Charles McLaughlin, V. President/Executive Committee Member/Director, Barnstable
2. E. Mark Zielinski, Treasurer/Executive Committee Member/Director, Barnstable County
3. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact
4. P. Cabana, Member at Large/Executive Committee Member/Director, Dukes County-by phone
Chuck Hanson, Clerk/Director, Brewster @ 10:02 a.m.

LEGAL COUNSEL

A. Eidelman, Esq. BCK Law, by phone

ABSENT WERE:

John C. Checklick, President/Executive Committee Member/Director, Falmouth

STAFF PRESENT:

Liz Argo, Special Projects Coordinator

Karen Loura, Assistant Clerk

OPEN SESSION VOTE TO ENTER INTO EXECUTIVE SESSION

At 11:54 a.m. V. Pres. McLaughlin requested an Executive Session. *M. Zielinski moved the Committee vote to enter into Executive Session pursuant to MGLA Ch. 30A § 21 (a) (10), seconded by S. Wollenburg.* V. Pres. McLaughlin announced the reasons for moving into Executive Session as follows:

- a) Consideration of and Vote to Approve Executive Session Meeting Minutes pursuant to MGL Ch. 30A § 21 (a) (10).
- b) Discussion and potential vote regarding additional security under EMS Agreements for Round II pursuant to M.G.L. c. 30A, § 21 (a) (10) (confidential and competitively sensitive information).
- c) M.G.L. c. 30A, Section 21 (a) (10): Discussion and potential voting regarding Renewable Energy Procurement Options and the allocation of excess energy. (confidential and competitively sensitive information).

and stated 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 a detrimental effect on the bargaining or litigating position of the public body. He said the Committee would not return to Open Session this day. *The Committee then voted unanimously (4-0-0) in favor by roll call vote as follows:*

<i>M. Zielinski, Barnstable County</i>	<i>Yes</i>
<i>S. Wollenburg, Cape Light Compact</i>	<i>Yes</i>
<i>C. McLaughlin, Barnstable</i>	<i>Yes</i>
<i>P. Cabana, Dukes County</i>	<i>Yes</i>

Counsel & Staff were permitted to remain.

K. Loura, Assistant Clerk had to leave the meeting due to a prescheduled appointment. *M. Zielinski moved the Board vote to appoint L. Argo as Interim Assistant Clerk, seconded by S. Wollenburg and voted unanimously in favor by roll call vote as follows:*

<i>M. Zielinski, Barnstable County</i>	<i>Yes</i>
<i>S. Wollenburg, Cape Light Compact</i>	<i>Yes</i>

P. Cabana, Dukes County Yes
C. McLaughlin, Barnstable Yes

CONSIDERATION OF MEETING MINUTES

The Committee then considered the April 4, 2014 Executive Committee Executive Session Meeting Minutes. Due to the impossibility of a majority vote in the affirmative to accept or amend the minutes this action was tabled to the next Executive Committee Meeting Agenda.

DISCUSSION AND POTENTIAL VOTE REGARDING ADDITIONAL SECURITY UNDER EMS AGREEMENTS FOR ROUND II PURSUANT TO M.G.L. C. 30A, § 21 (A) (10) (CONFIDENTIAL AND COMPETITIVELY SENSITIVE INFORMATION)

C. McLaughlin reported at the request of Pres. Checklick, he spoke with Greg Wasser at G&S last week relative to the \$1M + Escrow Amount. The Account is open. G. Wasser indicated considerable cash flow demands currently and suggested installment payments to the escrow provisions. C. McLaughlin noted the escrow arrangements were agreed to quite some time ago and while pleased with progress, a commitment is needed. Atty. Eidelman reported receipt of a letter received today stating “as in EMS Agreement we (G&S) intend to pay CVEC on July 10, 2014.” She reviewed the history of the fund which was negotiated while Broadway was the developer with G&S on as financier in November. In January, G&S took over and punted on the escrow and started construction. She noted a Guarantee Letter from G&S investors is in place as a backstop. The escrow is additional security to backstop obligations (i.e., construction completion and liability). The formula is .10/watt/project (\$1.1M) in place for 3 years after systems are operational. Unused funds are returned to developer. She noted on commercial operation, a decommissioning fund needs to be established. There are construction bonds in place through Fischback & Moore.

The Committee reviewed options. 1) Issue Formal Notice of default provides them a cure period of 30 business days. No remedy at the expiration of cure period relief is sought through investors. 2) Issue a Less Formal Notice of Default and recognize receipt of G&S May 22, 2014 letter. C. McLaughlin suggested allowing them to July 10th and if payment is not made for CVEC to withhold PPA payments to cure the default. *M. Zielinski moved the Committee authorize a letter be sent saying you will be in default in 30 business days as of July 2nd. CVEC will extend the cure period to July 10th. We will explore other options if not forthcoming July 10th. Options will include withholding PPA payments, seconded by S. Wollenburg and voted unanimously in favor by roll call vote as follows:*

P. Cabana, Dukes County Yes
C. McLaughlin, Barnstable Yes
M. Zielinski, Barnstable County Yes
S. Wollenburg, Cape Light Compact Yes

Atty. Eidelman advised CVEC this letter should not be made public due to the default possibility being embraced. P. Cabana expressed concern about sending a default letter without confidentiality being preserved. C. McLaughlin said CVEC has a responsibility to the Towns and this upholds our responsibility.

M.G.L. C. 30A, SECTION 21 (A) (10): DISCUSSION AND POTENTIAL VOTING REGARDING RENEWABLE ENERGY PROCUREMENT OPTIONS AND THE ALLOCATION OF EXCESS ENERGY. (CONFIDENTIAL AND COMPETITIVELY SENSITIVE INFORMATION).

The Committee then discussed renewable wind generation opportunities. L. Argo said it is good to fill out the portfolio with wind generation and wind provides income. There was discussion about P. Pimentel and his pilot program. L. Argo said John Miller will be at the June 19th CVEC meeting and she noted the Board of Directors voted previously to include FGW as a possible NMC project. C. McLaughlin said if arrangements with

Falmouth are made and FGW provides a conditional in the event Falmouth falls apart, he would be in support. M. Zielinski stated concern about the policy question, as indicated by Atty. Eidelman, PPA amendments will be needed in order to include FGW. It was agreed to treat FGW completely separate and offer generation separately.

There was discussion about the status of Paul Pimental. P. Cabana said he was appointed as representative from Edgartown to CVEC and Cape Light Compact. He is also the President of the Vineyard Power Cooperative. C. McLaughlin expressed concern about conflict of interest. It was agreed to drop discussion since it is not an item listed on the agenda.

At 12:42 p.m., M. Zielinski moved to adjourn, seconded by S. Wollenburg and voted unanimously in favor by roll call vote as follows:

<i>M. Zielinski, Barnstable County</i>	<i>Yes</i>
<i>S. Wollenburg, Cape Light Compact</i>	<i>Yes</i>
<i>P. Cabana, Dukes County</i>	<i>Yes</i>
<i>C. McLaughlin, Barnstable</i>	<i>Yes</i>

Respectfully submitted,

Karen E. Loura
Assistant Clerk

List of Documents & Exhibits:

- Meeting Notice/Agenda