

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

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee met in Open Session on Thursday, May 22, 2014 @ 9:43 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

CALL TO ORDER

With a quorum of the Executive Committee present, V. Pres. McLaughlin called the meeting to order at 9:43 a.m.

NO PUBLIC COMMENT

No public present.

CONSIDERATION OF MEETING MINUTES

The Committee then considered the April 4, 2014 Executive Committee Open Session Meeting Minutes. *M. Zielinski moved the Committee vote to accept the minutes as presented, seconded by S. Wollenburg.* Due to the impossibility of a majority vote in the affirmative to accept or amend the minutes, *M. Zielinski withdrew his motion and S. Wollenburg withdrew his second.* This action was tabled to the next Executive Committee Meeting Agenda.

TOWN OF FALMOUTH PARTICIPATION IN CVEC MUNICIPAL NET METERED SALES TO MEMBER TOWNS

The Committee then discussed the Falmouth School's participation in PV power supply. The Schools have indicated there currently is no reserve account or way to pay for or receive cash until it is set up by a vote of Town Meeting in the Fall of 2014. M. Zielinski & M. Downey met with Falmouth Schools and offered to have CVEC "Borrow" their accounts and CVEC would pay the PPA and also take the benefit until Falmouth has account set up. S. Wollenburg and L. Argo will present to the Falmouth Finance Committee.

There was discussion concerning the reason it is not beneficial of have excess Net Metering Credits. L. Argo explained CVEC would lose money paying for Net Metering Credits. C. McLaughlin explained the scenario of stranded benefits (credits). He said users are needed because CVEC pays the PPA price for NM Credits.

There was discussion about contracting with Future Generation Wind (FGW) which, if in the mix, would

underserve all off-takers equally. There was discussion about whether FGW generation would be cash-out or allocated. Atty. Eidelman informed the Committee that Orleans has not signed its LOI or PSA with FGW energy represented as part of the CVEC production pool. She said it may be difficult to bring FGW in with off-takers already presented with a Letter of Intent (LOI). The mix becomes more expensive with FGW and the perfect scenario with FGW would be if generated energy was not included in the production pool going to off-takers who already have pricing in place and LOI's. FGW chose allocation method of accounting. There was discussion about the potential Falmouth would not accept the agreement if energy is generated by wind. The Town may be unwilling to inflict their experience on another community. H. Harper did not foresee an issue in this area. Without FGW CVEC would be unable to serve Falmouth, and if Falmouth does not participate, CVEC cannot use FGW as existing needs are met by existing CVEC projects.

There was discussion about implementing a deadline for Falmouth to execute a Power Sales Agreement (PSA). There was discussion about timing of systems coming on line which may provide time needed to wait on Falmouth. There was discussion about Orleans Town Meeting vote; Atty. Eidelman said she would check wording to determine if there is any flexibility but currently the agreement does not take into account projects being added into the production pool and there is some concern from a policy perspective since Towns may be unable to accept the pricing. L. Argo said renewable wind energy was included in all presentations made to Energy Committees including Falmouth. C. Hanson added Brewster Energy Committee sees a mix as an advantage and Brewster Selectmen are aware there may be off-cape wind generation in the mix. There was discussion about the amount of excess generation once Phase I & II are complete, leaving Falmouth out and assuming Brewster signs on as an off-taker. Atty. Eidelman explained it is a timing issue. CVEC cannot distribute excess from projects with allocation to Falmouth and CVEC would end up reserving energy for Falmouth from cashed out generation.

M. Zielinski explained Falmouth's situation and the Town's desire to create a Special Revenue Account which requires Town Meeting vote.

There was discussion about status of other interested towns. None have locked in. M. Zielinski said towns should recognize a cost of .08 cents for a .15 cent benefit. There was discussion about bringing the proposal up at the next Managers Meeting. M. Zielinski said FGW should be taken out of the discussion and the excess production of (anticipated approximately 1 million kWh) should be offered to Falmouth. L. Argo will create Schedule Z's for Phase II and revise Phase I. There was discussion about deadlines for LOI/PSA's. It was agreed deadlines are needed.

DISCUSSION AND POTENTIAL VOTE REGARDING AMENDMENT TO POWER SALES AGREEMENTS FOR ROUND I PV PROJECTS

The Committee then discussed proposed 2nd Amendment to the PSA for Phase I PV with American Capital Energy to allow CVEC billing during the first 6 months to enable M. Zielinski to send invoices to collect to pay the PPAs. There was discussion about NSTAR's decision to cash out on a billing cycle basis. A. Eidelman agreed to draft a formal letter on behalf of CVEC to NSTAR to formalize NSTAR's decision to cash out.

There was discussion about the report from Edgartown & Tisbury that they do not have available cash to pay CVEC Invoices. Ch. McLaughlin confirmed that Barnstable is not being treated differently than other participating municipalities. *M. Zielinski moved the Committee vote to waive the requirement in the 6-month billing provision in the 2nd amendment proposed for Edgartown & Tisbury, second by S. Wollenburg and voted unanimously in favor (4-0-0).* Town Administrators will be notified.

M. Zielinski reported he, L. Argo and S. Wollenburg presented the approved budget for FY15 as well

as a request for a \$100,000 line of credit for cash flow purposes to the Cape Light Compact Governing Board at their meeting of May 21, 2014. P. Cabana reported the Cape Light Compact Board is in favor of CVEC and interested in seeing CVEC continue to develop renewable energy projects.

OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSES:

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 listed on the Agenda 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 that the consideration of the purchase, exchange, lease or value of real property will have a detrimental effect on CVEC's negotiating position as a public body 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.

Respectfully submitted,

Karen E. Loura
Assistant Clerk

List of materials used:

- Falmouth & Future Generation Wind scenario table dated 5/22/14 by L. Argo
- Municipal Net Metered Sales Opportunity calculations by L. Argo
- Draft April 4, 2014 Executive Committee Open Session Meeting Minutes
- Draft April 10, 2014 Board of Directors Open Session Meeting Minutes