

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors and Executive Committee
Executive Session Meeting Minutes
Thursday, June 19, 2014

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee met in Open Session on Thursday, June 19, 2014 @ 12:00 noon in Conference Room 11/12, Superior Court House, 3195 Main Street, Barnstable MA 02630

PRESENT WERE:

1. John C. Checklick, President/Executive Committee Member/Director, Falmouth
2. Charles McLaughlin, V. President/Executive Committee Member/Director, Barnstable
3. Peter Cabana, Member at Large/Executive Committee Member/Director, Dukes County
4. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact
5. Jon Nelson, Director, Bourne
6. John Scott, Director, Chatham
7. Timothy Carroll, Director, Chilmark
8. Joseph Bayne, Eastham
9. Barbara Conroy, Edgartown
10. Richard Toole, Director, Oak Bluffs – Remotely by telephone
11. Ronald Collins, Director, Orleans
12. Peter Petas, Director, Provincetown until 12:25 pm
13. Jennifer Rand, W. Tisbury

LEGAL COUNSEL

Audrey Eidelman, Esq. BCK Law

ABSENT WERE:

14. E. Mark Zielinski, Treasurer/Executive Committee Member/Director, Barnstable County
15. Charles Hanson, Clerk/Director, Brewster
16. Richard White, Director, Dennis
17. Lawrence Cole, Director, Harwich
18. James Killion, Director, Sandwich
19. William Straw, Director, Tisbury
20. Steven Gavin, Director, Yarmouth
21. Michael Richardson, Director, Mashpee

STAFF PRESENT:

Liz Argo, Special Projects Coordinator
Karen Loura, Assistant Clerk

OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION

At 12:00 noon, T. Carroll moved the Board vote to enter Executive Session pursuant to MGL Ch. 30A § (a)10, seconded by P. Petas. Pres. Checklick declared 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 or 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 Board would return to Open Session at the conclusion of Executive Session. The Committee then voted unanimously (4-0-0) in favor by roll call vote as follows:

- | | | | |
|---------------------------|-----|--------------------------|-----|
| 1. J. Checklick, Falmouth | Yes | 7. J. Rand, W. Tisbury | Nay |
| 2. P. Petas, Provincetown | Yes | 8. T. Carroll, Chilmark | Yes |
| 3. S. Wollenburg, CLC | Yes | 9. R. Collins, Orleans | Yes |
| 4. J. Bayne, Eastham | Yes | 10. B. Conroy, Edgartown | Yes |

- | | | | |
|------------------------------|-----|-----------------------------|-----|
| 5. C. McLaughlin, Barnstable | Yes | 11. P. Cabana, Dukes County | Yes |
| 6. J. Scott, Chatham | Yes | 12. R. Toole, Oak Bluffs | Yes |
- Motion carried in the affirmative (11-1-0).*

OPEN MEETING LAW COMPLAINT FILED BY E. BIBLER, WESTON CT DATED MARCH 15, 2014

The Committee then reviewed the Open Meeting Law (OML) complaint and response drafted by BCK Law for Pres. Checklick. The Committee discussed a review of the past year’s worth of previous minutes to verify they include a list of documents used during the meetings and if not to add the list to the minutes. (See also open session minutes regarding the adoption of meeting minute preparation guidelines which is part of the response.) Having reviewed the OML complaint and response President Checklick will send out the response.

P. Petas left the meeting at 12:25 p.m.

Additional Security and Purchase Option Amounts for EMS Agreements in Round 2 of CVEC’s PV Initiative

Atty. Eidelman distributed a draft amendment to the Energy Management Services (EMS) Agreements. She explained lenders are unable to work with the buyout figures contained in the EMS. Counsel to G&S Equity Lenders have requested a change to the process of determining the purchase price and buyout options occurring @ 7, 10, 12 & 15 years. The Committee reviewed the buyout values spreadsheet. There was discussion about the 8% discount factor. There was discussion about CVEC’s option to purchase the systems. If so, the price would be fair market value. *S. Wollenburg moved subject to clarification that using the term “service contract” does not jeopardize CVEC’s rights in the event of a bankruptcy and there is clarification as to the size issue, that the Committee vote to authorize the President and V. Pres. to finalize the revision, seconded by B. Conroy and voted by roll call vote as follows:*

- | | | | |
|------------------------------|-----|-----------------------------|-----|
| 1. J. Checklick, Falmouth | Yes | 6. J. Rand, W. Tisbury | Nay |
| 2. C. McLaughlin, Barnstable | Yes | 7. T. Carroll, Chilmark | Yes |
| 3. S. Wollenburg, CLC | Yes | 8. R. Collins, Orleans | Yes |
| 4. J. Bayne, Eastham | Yes | 9. B. Conroy, Edgartown | Yes |
| 5. J. Scott, Chatham | Yes | 10. P. Cabana, Dukes County | Yes |
| | | 11. R. Toole, Oak Bluffs | Yes |

Motion carried in the affirmative (11-0-0).

Phase I PV Initiative re: Katama Farm

The Committee then discussed an error in the filing submitted to Department of Energy Resources (DOER) by American Capital Energy (ACE) as to the size of the Katama Farm PV System. The actual size of the system is 60 kW greater than the amount provided in filings to DOER. DOER said that based on filing the system needs to disconnect and remove 60kW. There are Solar Renewable Energy Certificate (SREC) impacts and there is also an impact on (Net Metering) NM Credits due to lower production. It was thought that removing 60 kW may not change the output significantly and it is not a significant impact on CVEC. However, ACE has requested to keep the system as is or opt to add it into SREC II program. He argued there were SREC I projects canceled or not built and kW capacity could be taken from other projects and added to Katama. He was not able to persuade DOER to make an exception and has asked if CVEC would pursue this on ACE behalf with the DOER. He has offered to pay the legal fees incurred if CVEC agrees. J. Rand asked if the error in the Agreement with Edgartown was the same error. Atty. Eidelman said it was not and that it was purely a paperwork error. The DOER has not been willing to do what ACE is asking for anyone. (They have denied similar requests from others.) There is an SREC revenue loss which ACE is trying to keep. There was consensus of agreement not to pursue this where DOER has stated there is no flexibility. They either need to take it down or qualify for SREC II. There is no risk to CVEC or Edgartown but there is an economics downside for ACE. P. Cabana said CVEC should inform the state that there are 3 towns participating on Martha’s Vineyard and support ACE. He said a formal inquiry as to the facts and determine the reason some

form of a swap cannot be arranged. *P. Cabana moved to direct BCK Law at ACE's expense to contact ACE to investigate the facts as they know them relative to the 60kW issue at Katama Farm and then contact DOER to ascertain relevant facts and asking them how to resolve to benefit Edgartown, seconded by C. McLaughlin. It was mentioned that SREC II requires a new inverter and net meter. The Board then voted as follows:*

- | | | | |
|------------------------------|-----|-----------------------------|-----|
| 1. J. Checklick, Falmouth | Yes | 7. J. Rand, W. Tisbury | Nay |
| 2. C. McLaughlin, Barnstable | Yes | 8. T. Carroll, Chilmark | Yes |
| 3. S. Wollenburg, CLC | Yes | 9. R. Collins, Orleans | Yes |
| 4. J. Bayne, Eastham | Yes | 10. B. Conroy, Edgartown | Abs |
| 5. J. Nelson, Bourne | Yes | 11. P. Cabana, Dukes County | Yes |
| 6. J. Scott, Chatham | Yes | 12. R. Toole, Oak Bluffs | Yes |

Motion carried in the affirmative (10-1-1).

RENEWABLE ENERGY PROCUREMENT OPTIONS & ALLOCATION OF ADDITIONAL NMC

The Board then discussed the Yarmouth request and whether to consider an agreement for 5-6M kWh with Future Generation Wind (FGW). There was discussion about the amount they have available at a price acceptable to CVEC. Atty. Eidelman reviewed the issues to be addressed prior to completing negotiations with Future Generation Wind. One issue was guaranteed output and CVEC taking a fixed amount from the project. S. Wollenburg said CVEC will spend more legal fees than the amount of revenue produced from the deal in the first year. He said it may be better to direct FGW back to the Towns like Falmouth and Monomoy because the pricing structure is so different requiring new contracts. The Town of Bourne withdrew due to pricing structure. There was discussion about taking up negotiations with Assonet. Atty. Eidelman said if seeking providers to satisfy off-taker requests a Request for Proposals (RFP) is not required. There was discussion concerning legal costs to towns who would not be looking at 8 off-takers and lower legal review/costs at the local level. S. Wollenburg proposed an attempt to obtain indicative pricing. It was mentioned that the Mattacheese Middle School project is still viable which could get permitted and generation factored into the pool. There was discussion about managed growth of supply. *C. McLaughlin moved the Board vote to authorize the Executive Committee to the non-legal pursuit of FGW and prospective SREC II Projects and pursue projects and bring them back to the Board at the next meeting, seconded by P. Cabana and voted unanimously in favor by roll call vote as follows:*

- | | | | |
|------------------------------|-----|-----------------------------|-----|
| 1. J. Checklick, Falmouth | Yes | 6. J. Rand, W. Tisbury | Yes |
| 2. C. McLaughlin, Barnstable | Yes | 7. T. Carroll, Chilmark | Yes |
| 3. S. Wollenburg, CLC | Yes | 8. R. Collins, Orleans | Yes |
| 4. J. Bayne, Eastham | Yes | 9. B. Conroy, Edgartown | Yes |
| 5. J. Scott, Chatham | Yes | 10. P. Cabana, Dukes County | Yes |
| | | 11. R. Toole, Oak Bluffs | Yes |

Motion carried in the affirmative (11-0-0).

CONSIDERATION OF MEETING MINUTES

J. Bayne moved the Board vote to approve the March 27, 2014 & April 10, 2014 Executive Session Meeting Minutes, seconded by S. Wollenburg and voted by roll call vote as follows:

March 27, 2014 Executive Session		April 10, 2014 Executive Session	
1. J. Checklick, Falmouth	Yes	1. J. Checklick Falmouth	Yes
2. C. McLaughlin, Barnstable	Yes	2. C. McLaughlin	Abs
3. S. Wollenburg, CLC	Yes	3. S. Wollenburg, CLC	Yes
4. J. Scott, Chatham	Yes	4. J. Scott, Chatham	Yes
5. T. Carroll, Chilmark	Abs	5. T. Carroll, Chilmark	Abs
6. J. Rand, W. Tisbury	Abs	6. J. Rand, W. Tisbury	Abs
7. R. Collins, Orleans	Yes	7. R. Collins, Orleans	Yes

8. B. Conroy, Edgartown	Abs	8. B. Conroy, Edgartown	Abs
9. P. Cabana, Dukes County	Yes	9. P. Cabana, Dukes County	Yes
10. R. Toole, Oak Bluffs	Yes	10. R. Toole, Oak Bluffs	Yes
11. J. Bayne, Eastham	Yes	11. J. Bayne, Eastham	Yes

Motion carried in the affirmative (8-0-3 for the 3/27/14 Minutes and (7-0-4) for the 4/10/14 Minutes.

ADJOURNMENT

At 1:38 p.m. J. Rand moved the Board vote to exit Executive Session, seconded by T. Carroll and voted unanimously (11-0-0) in favor.

Respectfully submitted,

Karen E. Loura
Assistant Clerk

LIST OF DOCUMENTS & EXHIBITS:

- Open Meeting Law Complaint filed by E. Bibler, Weston CT dated March 15, 2014
- Draft response to 3/15/14 OML Complaint.
- Draft amendment to the Energy Management Services (EMS) Agreements
- March 27, 2014 and April 10, 2014 Draft Executive Session Meeting Minutes