

Cape & Vineyard Electric Cooperative, Inc.
Procurement Officer's Advisory Subcommittee
Open Session Meeting Minutes
Thursday, December 4, 2014

The Procurement Officer's Advisory Subcommittee of the Cape & Vineyard Electric Cooperative, Inc. met on Thursday, December 4, 2014 at 9:00 a.m. in the Commissioner's Conference Room, Barnstable County Courthouse, 3195 Main Street, Barnstable, MA 02630.

Present were:

C. McLaughlin, V. President/Director, Barnstable
Charles Hanson, Director, Brewster
Austin Brandt, Director, Provincetown

Remote:

Peter Cabana, Director, Duke's County

Absent:

Joseph Bayne, Director, Eastham

Staff:

Liz Argo, CVEC Special Projects Coordinator

No Public Comment

Discussion of subcommittee procedures and business conduct:

Despite the group's only function being advisory to the Public Procurement Officer, the group will operate as though an appointed or volunteer subcommittee and observe Open Meeting Laws and follow OML procedures.

Discussion of recommendation for a potential CVEC PV Initiative Round 3:

Chuck Hanson asked initial questions pertinent to review of CVEC and a Round 3; what's in it for our members and what's in it for CVEC?

L.Argo noted that we have had members come to us asking for help in getting their PV projects completed. A hand-out with the asked for projects list was provided.

P. Cabana asked that the Oak Bluffs landfill as a potential development site be added to the list.

A discussion ensued as to whether the group's charge was specific to a quick short-term RFP or more expansive. It was decided a bit of brainstorming was appropriate to the charge.

A further discussion was had on limitations to development due to limited remaining municipal use on the Cape & Martha's Vineyard and the 10MW cap. It was recognized that CVEC can provide Net Metering Credits (NMC) beyond town usages through its offtaker distribution capacity. C. Hanson noted there is a

further NMC appetite with the inclusion of other governmental entities, like school districts and fire districts.

A short discussion on CVEC membership qualifications followed with the reminder that CVEC members are required to be taxing authorities. The rationale and history behind that decision was reviewed; the rationale being that members should be able to step up to the plate to cover a project. It was noted that the districts generally don't have taxing authority but they have the ability to reach to the towns for needed dollars.

The question was raised as to whether the tax exempt status of members was part of the special legislation supporting CVEC. A request was made that a review of CVEC membership requirements and rationale be added to a future CVEC Board meeting.

L. Argo noted that there was about 919,816 kWh of appetite for NMC remaining amongst CVEC members and offtaker non-member participants (like Monomoy Schools). She added that that number did not include 500,000 of kWh that Oak Bluffs has reserved for a PV project on their capped landfill. P. Cabana commented that he believes the OB landfill can hold more than 500,000 kWh worth of PV.

L. Argo commented that she thought CVEC could orchestrate a small income stream from the roof mounts on the project list distributed. She added that she believed costs for a 25A procurement process using an existing RFP could be kept under control. She pointed out again that the towns have come to CVEC to have their projects expedited and that it seems in keeping with the CVEC mission to provide that expediting.

A discussion ensued as to whether it would be better economics to find a large site for development and net meter it. Could there be a better return? The question of viable incentivized large barren sites was raised and remained unanswered. C. Hanson reminded the group that SREC 2 is not favorable to any net metered ground mounts not on brownfields. C. McLaughlin posed the airports as a possibility. L. Argo noted that, in terms of large developments, the current limited net metering capacity should be a concern. C. McLaughlin commented that CVEC needs to look at the legislative status when considering if developing a large ground mount in Falmouth or Barnstable would be better than the small roof mounts. He also wondered if Article 97 lands should again be considered and whether legislative relief for Article 97 lands might again be examined. P. Cabana cited a news article on Georgia Power that reported a 50MW development at \$0.085 and another 495MW to come at \$0.08. L. Argo noted that despite the attractiveness of the larger PV installations, such as that in Georgia, in Massachusetts the outlook is not good due to the Net Metering cap, the lack of incentives for large PV, the lack of large tracts and the infrastructure congestion in NSTAR's Southeastern Massachusetts Area (SEMA).

C. Hanson commented that the legislative approach will be long term. He believes a focus on the roof mounts proposed by the towns is better but noted that we need to understand the costs associated with CVEC bringing them forward. A. Brandt added that we need to pick the projects on the list that are viable and run some numbers.

P. Cabana asked that the current Net Metering capacity be confirmed. Is it 34 MW or should it include the 200 MW that is being held up by developers? C. McLaughlin added that we need to also better understand what will happen legislatively with the new administration. He would like to review wholesale electric prices for Net Metered power too.

C. McLaughlin mentioned CVEC might want to look into CHP for the municipal buildings. The current Nat Grid impasse in gas delivery was noted. P. Cabana commented there is only propane on the island. P. Cabana wondered if CVEC should discuss partnering with Vineyard Power. C. McLaughlin inquired as to the status of PV for the MV airport. P. Cabana answered that there was no actions towards it to his knowledge.

A. Brandt raised the possibility of power from off-gases at the new Provincetown Waste Treatment plant. P. Cabana noted that it has not proven cost effective for smaller plants. Larger cities only have seen profits.

C. McLaughlin raised the notion of a Non-profit Solar Garden provided by CVEC. The group responded enthusiastically although the issue of where to put it was again raised. C. McLaughlin proposed the OB landfill might support some excess NMC to non-profits, or the Marston Mills Airport. This would need BCK input.

L. Argo told the group that CVEC had received an offer for the purchase of NMC from NextSun Energy at a 25% discount off the NMC value and a \$0.08 floor. At a NMC of \$.146 this translated to a PPA price of \$.1095. She brought this forward just to reflect the activity in the commercial side of PV development. She noted that finding sites in SEMA has become quite challenging.

P. Cabana suggested CVEC send out a letter to both members and non-members asking for projects and/or land so we can develop up to the 34MW, noting the more CVEC does the better the return. C. McLaughlin added that CVEC should discuss opening up membership to include Plymouth and Bristol Counties.

It was decided that L. Argo will answer the questions on costs for a smaller RFP for the Oak Bluffs ground mount, the listed roof projects and the parking canopy project, She will develop costs to the best of her ability with input from BCK and the group will decide whether to recommend a smaller scale round 3 for the Executive Committee meeting on December 18th.

At 10:45 a.m. the motion was made by C. Hanson and seconded by A. Brandt to adjourn the meeting and the motion was unanimously approved.

Submitted by Liz Argo

LIST OF DOCUMENTS & EXHIBITS:

- Meeting Notice/Agenda
- Potential Projects List
- Offtaker Status List