

Cape & Vineyard Electric Cooperative, Inc.
Executive Committee
Open Session Meeting Minutes
Thursday, June 11, 2015

The Executive Committee of the Cape & Vineyard Electric Cooperative, Inc. met in Open Session on Thursday, June 11, 2015 at 9:00 a.m. in the Commissioners' Meeting Room, Superior Court House, 3195 Main Street, Barnstable MA 02630

PRESENT WERE:

1. John C. Checklick, President/Executive Committee Member/Director, Falmouth
2. Peter Cabana, Member at Large/Executive Committee Member/Director, Dukes County
3. Charles McLaughlin, V. President/Executive Committee Member/Director
4. Leo Cakounes, Executive Committee Member/Director, Barnstable County @ 9:04 a.m.
Joseph Bayne, Treasurer/Director, Eastham
William Straw, Director, Tisbury

ABSENT WAS:

5. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact

STAFF PRESENT:

Liz Argo, Special Projects Coordinator

1. CALL TO ORDER

With a quorum present, Pres. Checklick called the meeting to order at 9:03 a.m.

2. NO PUBLIC COMMENT

3 DISCUSSION ON APPROACH TO ROUND 1 HOST-TOWNS TO DISCUSS RECOVER OF ADDITIONAL COSTS ASSOCIATED WITH ONGOING OPERATIONS AND FINANCIAL MANAGEMENT OF THE ROUND 1 PV PROJECTS

The Executive Committee reviewed and approved the Power Point prepared by Liz Argo at the Committee's previous direction. The Power Point is for the purpose of communicating the need for an adder to the Round 1 project. The Power Point reviewed incorporated a suggestion from Leo Cakounes that the "ask" slide and the "services" slide be reversed.

Minor language changes from John Checklick were approved.

Based on a suggestion from Charlie McLaughlin, a slide will be added that lays out CVEC's income and expenses.

The Committee then discussed the costs of the services now provided by CVEC to the hosts and the off-takers of the Round 1 projects.

The point was made that CVEC can function without any staff if necessary, with services curtailed. The questions were raised, what specifically can be eliminated from the services CVEC provides and what specifically is CVEC required to provide? Liz Argo was charged with finding the answers to these questions.

At 9:28 the Board adjourned.

L. Argo

LIST OF DOCUMENTS & EXHIBITS:

- Meeting Notice/Agenda
- Round 1 Adder Power Point Presentation



Cape & Vineyard Electric Cooperative, Inc.

Town of Brewster

6.16.15



John C. Checklick, CVEC President
Liz Argo, Manager, Programs & Administration



Cape & Vineyard Electric Cooperative, Inc.

Municipal Net Metered Power

CVEC's Participating Towns/Counties/Districts -



- Barnstable
- Bourne
- Brewster
- Chatham
- Chilmark
- Edgartown
- Eastham
- Harwich
- Oak Bluffs
- Orleans
- Provincetown
- Tisbury
- West Tisbury
- Yarmouth
- Barnstable Fire District
- Barnstable County
- Duke's County
- Monomoy Schools
- Dennis Yarmouth School District



Cape & Vineyard Electric Cooperative, Inc. Municipal Net Metered Power

Cape & Vineyard Electric Cooperative Past - Present - Future

- Three PV Initiatives totaling 28MW are now producing power
 - The largest block of Cooperative PV power in New England
 - End FY15, distribution of cashed out net metering benefits = \$1,445,011 (with systems coming online throughout year and 6 systems still not yet processed by the utility's billing department)
- Potential Future PV Initiatives - based on 3 previous initiatives' successes
- Battery Back-up - CVEC currently awarded a \$1.5 million grant for a battery back-up system at DY High School
- Potential Future Battery Initiatives
- Cooperative participation with Future Generation Wind with a fixed cost PPA



Cape & Vineyard Electric Cooperative, Inc.

CVEC Benefits

- CVEC provides PV installations at **no capital cost to participating towns**. For Brewster, the to-date net savings from the CVEC Capped Landfill PV totals \$43,432.82.
- The low PPA costs CVEC negotiated **are fixed for 20 years, which is highly uncommon in other similar contracts.**
- The Cooperative allows towns to benefit from distributed generation **beyond the state's per town limit of 10MW.**
- The Cooperative provides **optimization of PV installation location.** For instance, the power from 8 capped landfills developed to capacity is now shared through the Cooperative.
- To date the Cooperative's **revenue sharing feature** has provided \$15,947.41 additional income to Brewster as an offtaker.



Cape & Vineyard Electric Cooperative, Inc.

The "Ask"

- In 2010 the CVEC Board voted to avoid the Administrative Operations Adder on the 8 Round 1 projects
 - In 2011, the Board voted to defray CVEC expenses with a per kWh Administrative Operations Adder on the Round 2 projects; \$0.01 for members and \$0.015 for non-members added to the PPA cost
-
- Without an Adder on the 8 Round 1 projects, CVEC recognizes it can't provide the same services as for the 17 Round 2 projects
 - In the interest of fairness and to continue the same services for Round 1, in winter 2015 the CVEC Board voted to consider an Adder on the Round 1 projects
 - Without CVEC, Towns would be responsible for in-house provision of the services listed on next slide



Cape & Vineyard Electric Cooperative, Inc.

CVEC Operations Management Services

- Maintain database populated with Schedule Z data (needed for accurate distribution of net metering credits)
- Monthly reports detailing net metering credit activities: Expense, Revenue, Net
- Professional third party annual audit reports
- Annual reports to hosts and offtakers; shows annual costs and net benefits
- Verification of production expectations (GAO)
- Interface with utility and PV system owners on behalf of participants
- Annual reports to Mass DOER
- Legal services associated with management of systems
- Advisory services for tax assessment, insurance, emergency response, etc.



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The Adder in dollars and cents

	NMC **	Year One Net Benefit
Year One Net Benefit from 2012/2013 Pro Formas (with low NMC)	\$0.1468	\$66,053
Apply new, averaged NMC to pro forma	\$0.16	\$80,569
Apply adder of \$0.01 per kWh to pro forma	\$0.16	\$69,589

For CVEC, an adder on all the Round 1 projects will provide additional annual revenue of approximately \$197,637

* It should be noted that Brewster also participates as a CVEC off taker by purchasing net metered power from the following CVEC Round 1 projects, Harwich, Tisbury and Edgartown's Nunnepog. The PPA price for these projects would also be subject to the \$0.01 adder.
 ** The NMC amount will adjust up or down over the life of the project.



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The Need in dollars and cents

CVEC previously relied on an annual contribution from founding member, CLC, of about \$400,000. Last contribution in FY15.

CVEC Annual Income and Expenses without CLC annual member contribution

	Income	Expense	Net Income (Loss)
Projected TOTALS	162,199	382,815	\$220,616



Cape & Vineyard Electric Cooperative, Inc.

Assurances

- This is a one time request

