

**Cape & Vineyard Electric Cooperative, Inc.**  
**Board of Directors/Executive Committee**  
**Open Session Meeting Minutes**  
**Friday, October 2, 2015**

The Board of Directors and Executive Committee of the Cape & Vineyard Electric Cooperative, Inc. met in Open Session on Friday, October 2, 2015 at 10:40 a.m. in Conference Room 11/12, Superior Court House, 3195 Main Street, Barnstable MA 02630

**PRESENT WERE:**

1. Charles McLaughlin, President/Executive Committee Member/Director, Barnstable
2. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact remotely by telephone
3. Leo Cakounes, Executive Committee Member/Director, Barnstable County until 1:40 p.m.
4. Chuck Hanson, Clerk/Director, Brewster
5. Joseph Bayne, Treasurer/Director
6. Ronald Collins, Director, Orleans
7. Steven Gavin, Director, Yarmouth
8. Timothy Carroll, Director, Chilmark-remotely by telephone
9. Barbara Conroy, Director Edgartown-remotely by telephone
10. Richard Toole, Director, Oak Bluffs-remotely by telephone
11. Lawrence Cole, Director, Harwich
12. William Straw, Director, Tisbury-remotely by telephone
13. Greg Rounseville, Director, Dennis
14. Jennifer Rand, V. President, W. Tisbury-remotely by telephone

**ABSENT WERE:**

Jon Nelson, Director, Bourne  
John Scott, Director, Chatham

**LEGAL COUNSEL**

Audrey Eidelman, Esq., BCK Law, P.C. - remotely by telephone

**STAFF PRESENT:**

Liz Argo, Manager Programs & Administration  
Aislinn Gettings, Consultant

**OTHERS PRESENT**

Sandy Cashen, DYRSD, Facilities Director  
Bob Palmieri, Yarmouth Energy Committee

**1. CALL TO ORDER**

Pres. McLaughlin called the meeting to order at 10:40 a.m. stating that the Meeting Notice/Agenda had been duly posted pursuant to the Open Meeting Law on September 29, 2015 @ 11:35 a.m. on the CVEC Website and exterior meeting notice board at the Superior Court House.

**2. PUBLIC COMMENT**

There was no public comment.

**3. NEXAMP NET METERING CREDIT OPPORTUNITY-DISCUSSION AND POTENTIAL VOTE ON NEXAMP POWER SALES PROPOSAL TO CVEC.**

In consideration of taking net metering credits from Nexamp, the board discussed the need to first be clear on any commitment to taking net metering credits from Future Generation Wind (FGW). It was discussed that the cap is different on the net metering credits from FGW than what was presented on Wednesday, September 30, 2015 at the Executive Committee meeting. New numbers means the need to be in a non-binding agreement until more due diligence is done. The first three years CVEC will have to take 125% from FGW. After the 3 years CVEC can look back, if it is 125%, on average or more, CVEC can ratchet down what it is responsible for. The way it works: CVEC will get the annual output once built, divided by 3 (CVEC taking 3MW) at P50. P50 indicates there is a 50/50 chance production might be more than estimated annual output or less. It is similar to a bell curve in that the chance falls off rapidly on either side of the middle. It is anticipated FGW will not provide much production over or under the estimated annual output. Using his 12 wind projects' experience, S. Wollenburg has found projects always come in under estimated annual outputs. It was also noted that there is no incentive to FGW to be off on estimated annual output. They gain nothing from overestimating or underestimating production.

It was also noted that there are several CVEC member towns that have had, and will have, an increase in their need for more offtaking, including Eastham Library, West Tisbury and Brewster.

While holding in a nonbinding contract with Nexamp, CVEC will need a commitment from the existing offtakers.

There is no commitment from Nexamp to help with legal through reduced costs. They will help through a "loan" of sorts, limited to \$15,000 and floating us with the balance after \$8,500.

*L. Cole moved the board to enter into the Nexamp contract with the legal help offer under a non-binding letter of intent. Contingent on getting binding offtaker agreements for the full contracted amount of KWH of net metering credit. Seconded by L. Cakounes and voted by roll call vote as follows:*

<i>C. McLaughlin, Barnstable</i>	<i>Yes</i>
<i>L. Cakounes, Barnstable County</i>	<i>Yes</i>
<i>R. Collins, Orleans</i>	<i>No</i>
<i>G. Rounseville, Dennis</i>	<i>Yes</i>
<i>J. Bayne, Eastham</i>	<i>No</i>
<i>S. Gavin, Yarmouth</i>	<i>Yes</i>
<i>C. Hanson, Brewster</i>	<i>Yes</i>
<i>L. Cole, Harwich</i>	<i>Yes</i>
<i>J. Rand, W. Tisbury</i>	<i>Yes</i>
<i>R. Toole, Oak Bluffs</i>	<i>Yes</i>
<i>W. Straw, Tisbury</i>	<i>Yes</i>
<i>B. Conroy, Edgartown</i>	<i>Yes</i>
<i>S. Wollenburg, Cape Light Compact</i>	<i>Yes</i>
<i>T. Carroll, Chilmark</i>	<i>Yes</i>

**4. DISCUSSION AND POTENTIAL VOTE ON TOWN OF YARMOUTH REQUEST FOR RELEASE FROM CVEC POWER SALES CONTRACTS.**

The town of Yarmouth has requested a release from their contract of 864,400 KWh with CVEC. Yarmouth was offered a better offer by Nexamp than some of the Power Purchase Agreement (PPA) costs through CVEC. L Cakounes stated that CVEC is a cooperative that purchases and builds things to bring communities better electric costs and benefits. As a cooperative, cooperative members need to take the good with the bad. Releasing Yarmouth from their contract would set a bad precedent with other towns.

*L. Cole moved the board vote ratifying the Executive Committees position on the matter of Yarmouth. To send a letter for no release unless they bring offtakers forward, then the Executive Committee might consider it. Seconded by R. Collins and voted by roll call vote as follows:*

- |  |            |
|--|------------|
| <i>C. McLaughlin, Barnstable</i>         | <i>Yes</i> |
| <i>L. Cakounes, Barnstable County</i>    | <i>Yes</i> |
| <i>R. Collins, Orleans</i>               | <i>Yes</i> |
| <i>G. Rounseville, Dennis</i>            | <i>Yes</i> |
| <i>J. Bayne, Eastham</i>                 | <i>Yes</i> |
| <i>S. Gavin, Yarmouth</i>                | <i>Yes</i> |
| <i>C. Hanson, Brewster</i>               | <i>Yes</i> |
| <i>L. Cole, Harwich</i>                  | <i>Yes</i> |
| <i>J. Rand, W. Tisbury</i>               | <i>Yes</i> |
| <i>R. Toole, Oak Bluffs</i>              | <i>Yes</i> |
| <i>W. Straw, Tisbury</i>                 | <i>Yes</i> |
| <i>B. Conroy, Edgartown</i>              | <i>Yes</i> |
| <i>S. Wollenburg, Cape Light Compact</i> | <i>Yes</i> |
| <i>T. Carroll, Chilmark</i>              | <i>Yes</i> |

A. Eidelman left meeting at 11:54 a.m.

**5. UPDATE ON FUTURE GENERATION WIND PROJECT**

Future Generation Wind has been allowed to move their turbine parts through the town of Bourne. Construction will start soon.

**6. DISCUSSION AND POSSIBLE VOTE ON CVEC PV INITIATIVE ROUND 3**

a.) Re: contract with Tisbury, Oak Bluffs and Provincetown for Request For Proposal (RFP) preparation on behalf of Tisbury, Provincetown and Oak Bluffs through a Municipal Energy Technical Assistance (META) grant.

L. Argo has worked with reps from Tisbury, Oak Bluffs and Provincetown to get a Municipal Energy Technical Assistance (META) grant. The grant has been awarded to the Town of Tisbury and will provide financial resources and technical assistance to all three towns towards an RFP for renewable energy. Members of the Board inquired, what are towns' expectations? What will META pay for? Until we have those answers how do we proceed? The Executive Committee motioned on Sept 30, 2015 to do a CVEC Photovoltaic (PV) Initiative

Round 3 with the contingency of answering those questions. But the need to answer those questions and move on a Round 3 is imminent because of the time concern relative to the Tax expiration at the end of 2016.

*L. Cakounes moved the board endorse the Executive Committee recommendation and authorize the Executive Committee to review the results of investigations and authorize the President to approve the move into Round 3. Seconded by G. Rounseville and voted by roll call vote as follows:*

<i>C. McLaughlin, Barnstable</i>	<i>Yes</i>
<i>L. Cakounes, Barnstable County</i>	<i>Yes</i>
<i>R. Collins, Orleans</i>	<i>No</i>
<i>G. Rounseville, Dennis</i>	<i>Yes</i>
<i>J. Bayne, Eastham</i>	<i>Yes</i>
<i>S. Gavin, Yarmouth</i>	<i>Yes</i>
<i>C. Hanson, Brewster</i>	<i>Yes</i>
<i>L. Cole, Harwich</i>	<i>Yes</i>
<i>J. Rand, W. Tisbury</i>	<i>Yes</i>
<i>R. Toole, Oak Bluffs</i>	<i>Yes</i>
<i>W. Straw, Tisbury</i>	<i>No</i>
<i>B. Conroy, Edgartown</i>	<i>Yes</i>
<i>S. Wollenburg, Cape Light Compact</i>	<i>Yes</i>
<i>T. Carroll, Chilmark</i>	<i>Yes</i>

b.) It was noted that other strong participants in a Round 3 exist: Monomoy Schools, Nauset Schools, and Mosquito Control.

**7. DISCUSSION AND POSSIBLE VOTE ON ACCESS FOR MATTACHEESE SCHOOL AND TREE REPLACEMENT FOR BARNSTABLE SENIOR CENTER PV, ME SMALL SCHOOL PV AND WIXON SCHOOL PV.**

Trees are dying at the Barnstable Senior Center, ME Small School and Wixon School PV installations. There is no definite answer as to why the trees are dying; whether it is improper planting, improper care or diseased trees. It is also not clear as to who was responsible for the care of the tree once they were planted. The replacement cost is around \$50,000. C. McLaughlin recommended L. Argo ask County Extension Officer, Bill Clark, to look at the trees at Wixon School PV to see if they were properly installed.

**8. SOLICITATION FOR VACANT MEMBER REPRESENTATION ON CVEC BOARD AND DISCUSSION ON BYLAW AMENDMENT TO PROVIDE CVEC BOARD OF DIRECTOR ALTERNATES.**

BCK has opined that it would be problematic to add a provision to allow alternative members to the bylaws.

Solicitation of new members is needed for Sandwich and Falmouth. C. McLaughlin recommended CVEC send a letter to all towns: If your Director position is vacant and someone wants to be involved, please let us know the desire for a new representative to participate.

**9. DISCUSSION AND POSSIBLE VOTE ON CREATION OF ONE OR MORE SUBCOMMITTEES FOR THE BOARD TO FOCUS ON, MONITOR, AND MAKE PERIODIC RECOMMENDATIONS CONCERNING PARTICULAR ASPECTS OF CVEC'S BUSINESS MODEL INCLUDING, WITHOUT LIMITATION, ACCOUNTING, AND FINANCE, EXISTING**

**PROJECT OPERATIONS AND MAINTENANCE, FUTURE PROJECT OPPORTUNITIES, GRANT AND FINANCE SOURCING, AND MUNICIPAL RELATIONS.**

Volunteer activism is a direct function of the way CVEC was formed; CVEC had a lot of experts involved in its beginning. John Checklick devoted a great deal of energy to bring himself up to speed. Jen Rand pointed out that as a board, we have a great core group with good understanding of the details. If accounting gets taken off of L. Argo, she can interface more with towns. How can CVEC become more educated and informed? Our budget is stretched, so hiring is not an option. There's a need to develop more knowledge at the board level and more board responsibility through committees. At the next meeting each representative should come back with suggested committees and what they would like to participate in.

**10. DISCUSSION AND POSSIBLE VOTE ON INCREASING FREQUENCY OF MEETING SCHEDULES AND THE SETTING OF THE NEXT MEETINGS FOR BOTH FULL BOARD AND THE EXECUTIVE COMMITTEE.**

The board agrees that more meetings are not needed. But it was agreed that the board is more effective when they do meet more frequently. Also being flexible on where they meet and possibly moving some meetings to the Vineyard and down Cape is desirable. Next meeting date was set for November 19, 2015.

**11. APPROVAL OF OPEN SESSION MEETING MINUTES**

*Approval of minutes was tabled.*

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

Executive Session was not entered.

Adjournment was voted unanimously at 12:55 pm.

**LIST OF DOCUMENTS & EXHIBITS**

- Meeting Notice/Agenda
- Letter from Peregrine Energy Group regarding room for net metering credits
- Chart from Peregrine Energy Group depicting CVEC net metering credits distribution and scenarios with percentages of greater production
- Draft Board of Directors minutes of September 17, 2015 (Annual Meeting)



October 2, 2015

Liz Argo  
Manager, Programs and Administration  
Cape and Vineyard Electric Cooperative  
PO Box 427/SCH  
Barnstable, MA 02630

Dear Liz:

I am writing to confirm that, based on a review of CVEC's current net metering commitments and offtaker reservations, as reflected in the attached spreadsheet that I prepared dated September 29, 2015, it is my opinion that CVEC has sufficient net metering appetite to absorb the proposed 874,400 kWh of net metering credits from the Nexamp project.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Paul W. Gromer", is written over a horizontal line.

Paul W. Gromer

**CVEC Net Metering Appetite**

9/29/2015

**Table 1. Initial Analysis of Potentail Appetite: A condensed version of the CVEC table from 9/25**

<b>Offtakers</b>	<b>Reservation</b>	<b>Existing CVEC PV Allocations</b>	<b>Initial Balance (Reservation minus PV Allocation)</b>	<b>Additional Allocation Request</b>	<b>FGW Allocation</b>	<b>Remaining Balance (Additional Allocation Request minus FGW Allocation)</b>
Barnstable County	1,637,695	887,344	750,351	750,351	590,020	160,331
Brewster*	1,000,300	541,988	458,312	558,312	439,015	119,297
Chatham	432,149	234,149	198,000	198,000	155,692	42,307
Monomoy	2,000,000	435,443	1,564,557	1,564,557	1,230,252	334,306
Oak Bluffs	500,000	270,913	229,087	229,087	180,137	48,950
Provincetown*	1,300,989	704,909	596,080	820,000	644,787	175,213
Yarmouth DY first	1,826,649	1,109,471	717,178	450,000	353,847	96,153
<b>Total</b>						<b>976,557</b>

Note: \* indicates that the town has requested an allocation > than their balance to account for expected growth in town kWh use

The key column is "Remaining Balance". It is calculated as the Additional Allocation Request minus the FGW Allocation

The issue of some PV systems producing more than expected affects the Existing CVEC PV Allocations, which in turn affects the Initial Balance.

The Initial Balance is not used in the calculation of the Remaining Balance

But, the Initial Balance does go to whether the Additional Allocation Requests were reasonable.

Also, the Initial Balance can be used to assess whether CVEC as a whole has the appetite to absorb the Nexamp NMC.

Two alternative ways of calculating Existing CVEC PV Allocations are set out below.

The first version uses a) the expected annual output (EAO) of the PV systems and b) calculates the offtaker allocations using the expected host shares (for every system, the host takes what it can and the offtakers divide up the rest)

This is the approach used in the CVEC analysis in Table 1

The second version uses a) EAO + 10% (to create a cushion for potential overproduction); and b) calculates the offtaker allocations using the actual host shares, which turned out higher than expected, meaning the offtakers got less.

The key conclusions are

1. the allocations come out nearly the same under the two methods, meaning that potential PV overproduction is largely offset by lower than expected offtaker allocations.

See Table 2 below

2. Even using version 2, to calculate the remaining balance in nearly every case the amount of additional allocation requested by the offtakers is lower than the remaining balance

The exceptions are:

a. the two towns that have deliberately requested an allocation greater than their balance

b. Monomoy Schools, where the Requested Additional Allocation is just 2.6% higher than the remaining balance.

See Table 3 below

**Table 2. Alternative Methods of Calculating Existing Allocations**

Offtakers	Existing CVEC PV Allocations Version 1	Existing CVEC PV Allocations Version 2	Difference	% Difference
Barnstable County	887,344	866,170	21,174	2.4%
Brewster	541,988	528,993	12,995	2.4%
Chatham	234,149	228,459	5,690	2.4%
Monomoy	435,443	475,549	-40,106	-9.2%
Oak Bluffs	270,913	264,346	6,567	2.4%
Provincetown	704,909	688,201	16,708	2.4%
Yarmouth DY first	1,109,471	1,172,546	-63,075	-5.7%
<b>TOTAL</b>	<b>4,184,216</b>	<b>4,224,264</b>	<b>-40,048</b>	<b>-1.0%</b>

**Table 3. Initial Balance vs Additional Allocation Request**

Offtakers	Reservation	Existing CVEC PV Allocations Version 2	Initial Balance (Reservation minus PV Allocation)	Additional Allocation Request
Barnstable County	1,637,695	866,170	771,525	750,351
Brewster*	1,000,300	528,993	471,307	558,312
Chatham	432,149	228,459	203,690	198,000
Monomoy	2,000,000	475,549	1,524,451	1,564,557
Oak Bluffs	500,000	264,346	235,654	229,087
Provincetown*	1,300,989	688,201	612,788	820,000
Yarmouth DY first	1,826,649	1,172,546	654,103	450,000

**Estimating Potential Overproduction**

The analysis above assumes PV production 10% greater than the Expected Annual Outputs (EAO).

That is a conservative approach because actual production has been running, on average, 5% above EAO



**Table 4. PV System Output**

<b>System</b>	<b>Start Date</b>	<b>End Date</b>	<b>Days</b>	<b>EAO</b>	<b>Actual Output</b>	<b>Annualized Output (365 days)</b>	<b>Difference</b>	<b>% difference</b>
Tisbury Landfill	7/29/2014	8/6/2015	373	1,244,077	1,406,160	1,376,001	131,924	10.6%
Harwich Landfill	8/1/2014	8/9/2015	373	4,888,500	5,388,120	5,272,557	384,057	7.9%
Eastham Landfill	4/23/2014	5/4/2015	376	714,574	785,460	762,481	47,907	6.7%
Katama	6/6/2014	5/31/2015	359	1,548,775	1,373,740	1,396,699	-152,076	-9.8%
Nunnepog	6/6/2014	5/21/2015	349	1,801,865	1,186,380	1,240,770	-561,095	-31.1%
<b>Totals w/out Nunnepog</b>				<b>8,395,926</b>		<b>8,807,739</b>	<b>411,813</b>	<b>4.9%</b>