

Cape & Vineyard Electric Cooperative, Inc.
Future Projects Committee
Open Session Meeting Minutes
Tuesday, December 8, 2015

The Future Projects Committee of the Cape & Vineyard Electric Cooperative, Inc. met in Open Session on Tuesday, December 8, 2015 at 1:00 p.m. in the Bay Room, Cape Cod Commission Building, 3225 Main Street, Barnstable, MA 02630

FUTURE PROJECTS COMMITTEE MEMBERS PRESENT WERE:

1. Austin Brandt, Director/Executive Committee Member/Future Projects Committee Member, Cape Light Compact
2. Charles Hanson, Director/Clerk/Member-at-Large Executive Committee Member/Future Projects Committee Member, Brewster
3. Steve Gavin, Director/Future Projects Committee Member, Yarmouth
4. John Scott, Director/Future Projects Committee Member, Chatham
5. William Straw, Director/Future Projects Committee Member, Tisbury – participating by phone

FUTURE PROJECTS COMMITTEE MEMBERS ABSENT WERE:

Richard Toole, Director/Future Projects Committee Member, Oak Bluffs

MEMBERS OF BOARD OF DIRECTORS PRESENT:

Charles McLaughlin, President/Director/Executive Committee Member, Barnstable

STAFF PRESENT:

Liz Argo, Manager of Programs & Administration

OTHER PUBLIC OFFICIALS PRESENT:

David Anthony, Director of Property and Risk Management, Town of Barnstable
Richard Elrick, Energy Coordinator, Town of Barnstable

OTHERS:

Stephan Wollenburg, Cape Light Compact consultant
William Cratty, CPower Corporation

1. CALL TO ORDER

Austin Brandt called the meeting to order at 1:13 p.m. stating that the Meeting Notice/Agenda had been duly posted pursuant to the Open Meeting Law on December 4, 2015 @ 9:05 a.m. on the CVEC website and exterior public meeting notice board at the Superior Court House.

2. NO PUBLIC COMMENT

Austin Brandt stated that there would be no public comment opportunity at this meeting, as noted on the posted agenda.

3. POSSIBILITY OF ENROLLMENT OF CVEC PV SYSTEMS IN THE ISO-NE FORWARD CAPACITY MARKET THROUGH CPOWER CORP.

Liz Argo introduced William Cratty of CPower Corporation. W. Cratty presented an overview of the Independent System Operator of New England (ISO-NME) markets, with emphasis on the Forward Capacity Market. He explained that the CVEC PV systems would be enrolled in the Forward Capacity Market as “on-peak resources” and how ISO-NE compensates these types of resources.

R. Elrick asked Mr. Cratty where the value of these systems comes from. Mr. Cratty explained that ISO-NE is responsible for maintaining the grid so that it can meet peak capacity and that it is equally effective, but less

expensive, to be able to provide capacity by reducing demand rather than increasing supply. For that reason, ISO-NE compensates these on-peak resources because they are providing assurance that they will be able to reduce demand, thereby reducing the need for additional supply capacity, which is expensive to build and run.

W. Cratty and the committee discussed the contract at length. W. Cratty explained that the contract is for a one year term with options to renew for up to four years, and that the contract is state-approved, meaning the normal procurement process is not necessary for enrollment through CPower. S. Wollenburg asked W. Cratty how the ISO-NE Pay-for-Performance rules would impact the enrollment, to which W. Cratty responded that he felt confident that on-peak resources would not be subject to penalties, but would double-check with ISO-NE and get back to the committee on the matter. Pres. McLaughlin asked if there was any possibility of CVEC being hit with penalties for under performance or non-performance, to which W. Cratty responded that the state-approved contract does not allow for penalty pass-through to the enrollee, and that if the systems under-performed or did not perform at all, then the payment from ISO-NE would simply be reduced or eliminated. W. Cratty and S. Wollenburg stressed to the committee that this was a no-risk potential source of additional revenue.

L. Argo and the committee questioned W. Cratty about the data reporting requirements for enrollment. W. Cratty explained that the requirement generally consists of reporting hourly interval production data from the system on a spreadsheet, and that many other entities that are enrolled are able to “copy and paste” the necessary data in to the spreadsheet template. The committee discussed whether the reporting process would actually be that simple for L. Argo, and if she would have time to do this every month for multiple systems. L. Argo stated that she thought she would have the time to do this given her recently-lessened accounting workload, and that she thought this is a worthwhile use of that time given the benefit to CVEC.

W. Straw left the meeting @ 2:36 p.m.

The committee came to a consensus that it makes sense for CVEC to enroll these systems with CPower, but another issue was how to approach the towns with the issue in order to get their permission to enroll, since the towns are the account holders for the electric meters that the PV projects feed in to.

The committee, Pres. McLaughlin, D. Anthony, and R. Elrick discussed the how to best approach the towns and convince them to enroll, including how the compensation payments from ISO-NE would be allocated between the respective towns and CVEC. It was generally agreed that some portion of the payment should come back to CVEC since CVEC is the entity that brought this possibility forward, but D. Anthony pointed out that some towns might be reluctant to allow CVEC to benefit financially in a way that is disproportionate to the administrative costs associated with CVEC’s enrollment and reporting work. All present concluded that a reasonable way to split the payments received would be for the towns to receive a certain percentage of the capacity revenues produced by the PV systems located in that town, and that CVEC would receive the remaining percentage of the revenues. Specific numbers were not discussed, but L. Argo stated she would look at the each system’s production to come up with some proposed percentages.

C. McLaughlin pointed out that CVEC should seek ways to leverage the contract to get a loan so that CVEC and the towns are able to begin financially benefiting from the enrollment contract immediately, then assign the payments from the contract to the lender until the loan is paid. C. McLaughlin mentioned the possibility of utilizing the \$100,000 line of credit that had been extended to CVEC from Cape Light Compact (CLC). D. Anthony explained that the \$100,000 line of credit that CLC previously extended had already expired due to its sunset clause. A. Brandt stated that he would bring the issue to the Compact Administrator. D. Anthony and A. Brandt stated that ultimately, any loan extension from CLC would be the decision of the CLC Governing Board.

J. Scott moved to recommend enrollment in the on-peak hours resource opportunity through CPower to the CVEC Board of Directors at their next meeting, C. Hanson seconded, and the motion carried in the affirmative (4-0-0).

4. SOLAR CARPORT PARKING SPACE LEASE OPPORTUNITY

Pres. McLaughlin, D. Anthony, and R. Elrick explained that they had been approached in their capacities as officials for the Town of Barnstable by a vendor who was interested in leasing parking spots from towns for \$10 per space per month through a land lease arrangement. Pres. McLaughlin explained that there may be a potential financial benefit in having CVEC put out a bundled Request for Proposals for parking spots, similar to the towns' solar projects. The Committee discussed the idea and whether it would be better to go with a power purchase agreement or land lease arrangement if CVEC was going to be involved. The Committee decided that it would be easier if CVEC could do an RFP with a land-lease type arrangement, as it avoids having to find a home for net metering credits and arrange for their distribution to appropriate offtaker accounts. There was discussion on whether or not CVEC's current Project Development Agreement with the Towns would allow CVEC to implement land-lease projects. L. Argo said that she thought it would allow CVEC to do so, but would check. Pres. McLaughlin and D. Anthony expressed that the Town of Barnstable would like an answer as to whether or not CVEC will pursue the opportunity by February, so that the Town may have time to pursue if CVEC declines to. The Committee agreed CVEC should gather interest in order to make a decision on whether or not to pursue a bundled RFP on behalf of the towns.

S. Gavin moved that CVEC send a letter to eligible public entities asking for non-binding letters of intent to participate in the carport lease opportunity, and to recommend that CVEC pursue this RFP opportunity to the Board of Directors at their next meeting, C. Hanson seconded, and the motion carried in the affirmative (4-0-0).

5. POSSIBLE DISCUSSION ON OTHER FUTURE PROJECT IDEAS

The Committee decided to postpone any discussion on other future project ideas until a future meeting.

ADJOURNMENT

At 4:10 p.m., C. Hanson moved the Committee vote to adjourn, seconded by J. Scott. The Committee voted and the motion carried in the affirmative (4-0-0).

Respectfully submitted,

Austin Brandt

Director/Executive Committee Member/Future Projects Committee Member, Cape Light Compact

LIST OF DOCUMENTS & EXHIBITS:

- Meeting Notice/Agenda
- Potential Program Revenue Stream figures and information dated 9/14/15, prepared by CPower
- On-Peak Hours Resources information sheet prepared by CPower