

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive Committee**  
**Emergency Session Meeting Minutes – Wednesday, June 7, 2017**

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in open session on Wednesday, June 7 2017 @ 9:15 am. in the Innovation Room, Open Cape Building, 3195 Main Street, Barnstable, Mass.

**PRESENT WERE:**

1. Leo Cakounes, President, Executive Committee Member/Director, Barnstable County at 10 a.m.
2. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
3. Charles McLaughlin, Esq., Executive Committee Member/Director, Barnstable
4. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster

**ABSENT WERE:**

5. Jennifer Rand, V. President/Executive Committee Member/Director, W. Tisbury

**STAFF PRESENT**

Karen Loura, Administrative Assistant

**PUBLIC PRESENT**

None

**1. CALL TO ORDER**

C. McLaughlin called the meeting to order at 9:18 am and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on June 4, 2017 at 6:00 pm.

**2. PUBLIC COMMENT**

There were no public comments.

**3. DPU 17-05 EVERSOURCE RATE CASE**

C. McLaughlin reviewed the recent history/background relative to the Eversource Rate Case filed with the Mass. Department of Public Utilities (DPU) Case 17-05. He said CVEC learned about the extent of impact of proposed decreased Net Metering Credit Rates in an article appearing in Commonwealth Magazine reporting dire consequences for off-Cape communities. The Attorney General's office has filed a motion with the DPU to extend the public comment period and accommodate due process to provide everyone enough time to review amendment filed on Friday, June 2, 2017. He expressed his concern that CVEC had not appeared in the case previously and were relying on Cape Light Compact to carry CVEC's concerns forward. He has spoken with J. Bernstein and A. Eidelmann, BCK Law relative to CVEC filing intervener status and specific requirements. He said CLC & CVEC interests may diverge. He said consumers/ratepayers on Cape Cod & Martha's Vineyard are paying for NMC by way of added costs on Electric bills. BCK law did not receive directions from CLC Board to protect NMC rates enjoyed by Municipalities. Net Metering Credit costs are passed through to ratepayers. CVEC needs to understand the financial impact on Towns and should lobby for Municipal interests. He believes last Friday's amended filing provides an opportunity for CVEC to be granted intervener status. He believes this is possible if CVEC can demonstrate particular interest in the process which ruling may affect Municipal NMC interests. He said if CVEC does not have intervener status, it has no standing. If CVEC has status, it can appeal a final ruling which negatively impacts municipalities.

C. Hanson asked if the communities mentioned in the Commonwealth Magazine have Intervener Status and if so, CVEC should befriend them.

CVEC has submitted comments and expressed them at a public hearing held locally and are in the record. DPU is obliged to consider comments.

The DPU motion was intended to protect due process rights of existing Interveners.

The Statute allows Eversource two opportunities per year to adjust rates.

A. Brandt distributed an Excel spreadsheet showing comparison of existing rates, transition period rates and rates post 2018 for both the G-1 Demand Customer and G-1 Non-demand customer classifications. He said he believes CVEC members would be classified in the G-1 Demand Customer classification. He also provided a chart showing NMC values in kWh in both classes comparing current, transition and post-2018 time periods. Calculations based on an estimated total production of 38,000,000 kWh using proposed rates results in a loss of .02¢/kWh. There was review of the short-term impact as well as long term-impact. There was discussion about ISO NE forward looking projections which show a consistent upward trend for energy costs. It is market driven and if those prices increase there is nothing anyone can do about it. Eversource is required to file a new rate case in 5 years.

There was discussion about increased pipeline capacity and C. Hanson said a ruling prohibiting costs to be added to electric rates was issued. It was the argument of the Natural Gas Pipeline developers that the costs would be paid by the supply side.

There was discussion about the impact that Eversource's proposed rate structure would impose on the aggregate Net Metering Credit savings that are enjoyed across CVEC. Having in mind that fixed Power Purchase Agreements oblige CVEC and the towns to make fixed payments to developers regardless of current NMC rates, any reduction in NMC credit values will reduce the savings enjoyed by CVEC's off-takers. Based on A. Brandt's preliminary analysis, NMC credit values would be reduced by approximately 2 cents per kWh. However, that reduction (because it comes off the top of the cash flow, i.e., out of the town's pocket), might be reduced by as much as 23%, or even higher. Such a reduction in benefits would be a shock to town budget planners.

L. Argo reported by phone that CVEC has 6 – 10¢ fixed PPA values.

*L. Cakounes arrived to the meeting at 10 am.*

There was discussion about increases in power supply being offset by decreases in distribution prices.

There was discussion about the Non-demand classification and the benefit to CVEC in that classification because there are no distribution charges.

C. McLaughlin reported he has received direction to takes steps to protect Barnstable's interest. He could prepare the petition/motion to receive Intervener Status on behalf of CVEC. Barnstable may also reach out to other large participants.

L. Cakounes said CVEC should notify its members of the Eversource DPU rate case and its negative financial impact.

There was strategy discussion and expense to CVEC to intervene. C. McLaughlin Eversource cannot file a new rate case in the middle of a case without due process. He believes this presents a unique opportunity for CVEC. If CVEC applies and is denied, CVEC is no worse off.

It was noted behind the meter systems would suffer less of a loss.

L. Cakounes said he is not comfortable to move forward without the input and consent of the full Board of Directors.

Evidentiary Hearings are starting at the DPU on this case today and time is of the essence if CVEC is to apply for status. C. McLaughlin said he believes the AG has a good argument which may make the DPU consider avoiding the possibility that a ruling on the Case may be reversed. He said there is no loss to CVEC to file a motion to intervene with Barnstable.

C. Hanson said if there is no cost to CVEC, he is in support of C. McLaughlin preparing the motion for submittal to DPU.

A. Brandt said he will abstain from voting on the matter.

L. Cakounes said he would require CVEC attorney review of any appeal to DPU.

A. Brandt estimated CVEC may have a week or a few days to file.

C. McLaughlin said he believes CVEC has an absolute fiduciary obligation to Towns and can petition the DPU without cost and make an attempt. He said if something were to change, CVEC could withdraw its petition.

There was discussion about the amended filing providing a better scenario for CVEC members than the original filing.

*C. Hanson moved the Committee vote to send a letter with a motion seeking intervener status to the DPU relative to Case #17-05 on the condition that the full board meets to ratify or withdraw motion, seconded by C. McLaughlin. Pres. Cakounes requested amendment to include “draft motion and have CVEC General Counsel review it prior to filing and authorize the President to sign and send to DPU.’ There was discussion about cost of General Counsel review. C. Hanson and C. McLaughlin accepted the amendment. The Committee then voted on the following motion as amended: That the Committee vote to send a letter and draft a motion seeking intervener status to the DPU relative to Case #17-05 on the condition that the full board meets to ratify or withdraw the motion, contingent on CVEC General Counsel review prior to filing and further authorizing the President to sign and send to the DPU.*

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|-------------------------------------|------------|--|------------------|
| <i>1. C. McLaughlin, Barnstable</i> | <i>Yes</i> | <i>3. C. Austin, Cape Light Compact</i>  | <i>Abstained</i> |
| <i>2. C. Hanson, Brewster</i>       | <i>Yes</i> | <i>4. L. Cakounes, Barnstable County</i> | <i>No</i>        |
- Motion failed (2-1-1)*

The Committee discussed calling a full Board of Director’s meeting. Pres. Cakounes agreed to survey the Board and determine best meeting date sometime next week and to send DPU 17-05 information/notice to member towns.

At 10:51 a.m., A. Brandt moved the Committee vote to adjourn, seconded by C. Hanson and voted unanimously in favor.

Respectfully submitted,  
Karen Loura  
Administrative Assistant

**LIST OF DOCUMENTS & EXHIBITS**

- Meeting Notice/Agenda
- Proposed new electric-rate comparison chart prepared by A. Brandt
- June 1, 2017 Future Projects Workshop Notes