

**Cape & Vineyard Electric Cooperative, Inc.**  
**Board of Directors and Executive Committee**  
**Open Session Meeting Minutes - Thursday, June 29, 2017**

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in Open Session on Thursday, June 29, 2017 at 12:30 p.m. at the Dennis Police Station Meeting Room, 90 Bob Crowell Road, S. Dennis MA 02660.

**PRESENT WERE:**

1. Leo Cakounes, President, Executive Committee Member/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director
3. Charles McLaughlin, Esq., Executive Committee Member/Director, Barnstable
4. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
5. John Scott, Director, Chatham
6. Lee-Gray Boze, Director, Falmouth
7. Lawrence Cole, Director, Harwich
8. Richard Toole, Director, Oak Bluffs (Remotely by telephone until 1:52 p.m.)
9. Robert Hannemann, Director, Chilmark (Remotely by telephone until 1:52 p.m.)
10. Ronald Collins, Director, Orleans
11. Lydia Hamnquist, Director, Provincetown
12. Steve Gavin, Director, Yarmouth

**ABSENT WERE:**

13. Bourne - Vacant
14. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
15. Greg Rounseville, Director, Dennis
16. John Alley, Director, Dukes County
17. Joseph Bayne, Treasurer/Director, Eastham
18. Edgartown – Vacant
19. Sandwich – Vacant
20. William Straw, Director, Tisbury

**STAFF PRESENT**

Liz Argo, Manager Programs & Administration

Karen Loura, Administrative Assistant

**PUBLIC PRESENT**

None

**1. CALL TO ORDER**

Pres. Cakounes called the meeting to order at 12:37 p.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on June 26, 2017 @ 2:30 p.m.

**2. PUBLIC COMMENT**

There were no public comments.

Pres. Cakounes requested the Board Table Agenda Items 3, 4 & 5 and take up Item 6. By agreement.

**3. CONSIDERATION OF MEETING MINUTES – TABLED**

**4. TREASURER’S REPORT – TABLED**

**5. DISCUSSION AND EXECUTIVE COMMITTEE VOTE ON FY18 BUDGET - TABLED**

**6. EVERSOURCE RATE CASE DPU 17-05 AND JUNE 30, 2017 REVISIONS**

An inquiry was made by John Scott as to the dating of the revision in the agenda item title and staff acknowledged a typo. The correct title is June 1, 2017 Revisions.

C. McLaughlin said it has become apparent the proposed Net-metering Credit (NMC) rate will diminish income to towns by about \$0.02/kWh. He reminded the Board of the fixed obligation to pay the developers regardless of changes to Eversource's NMC Rate and that the impact will be wholly out of the net benefit to towns. He said it is a highly complex and convoluted rate system. He said the impact amounts to about \$750,000/year and comes to a possible \$15,000,000 after 20 years should this new rate be approved. He said Eversource could propose another rate change every 5 years which could further diminish towns' benefits.

A. Brandt explained that the Net-metering Credit value is set by a formula that utilizes elements within the electric bill. While the formula is set by law and is not changing, the proposed revision would reduce the transmission, distribution and transmission rates that comprise the elements of the formula, taking approximately 2 cents/kWh off the NMC Value. It was acknowledged that basic service rates increase and decrease with the fluctuations in the cost of power, but the devaluation of the distribution portions of the NMC formula was not contemplated and is important because CVEC PPA's require payment of flat rates to developers regardless of the NMC value. Cape Light Compact has been involved since January. Eversource made additional changes in June resulting in the Department of Public Utilities (DPU) re-opening a window for intervenors and more public hearings.

CVEC's options are 1) Not participate 2) File written Comments and participate at an entry level providing input; 3) Petition for Limited Intervener Status which would enable CVEC to submit Information Requests (IR); 4) Writing Briefs or 5) Full Intervener Status with ability to write briefs, provide witness testimony, submit Information Requests and Discovery Requests and to cross examine Eversource's witnesses. Cape Light Compact is a full intervenor.

The DPU Hearing Officer would review CVEC's Petition for Intervener Status and decide. If Petition is denied, CVEC could appeal to the DPU.

*At 1:52 p.m. R. Toole and R. Hannemann were disconnected from the conference phone due to technical difficulties.*

The new Procedural Schedule establishes a 7/10/17 deadline to petition for Intervener status. A series of Public Hearings has been scheduled including one taking place at the Cape Cod Community College in Hyannis on 8/2/17. Public Comment Period ends 8/31/2017.

C. McLaughlin said having Full Intervener Status gives CVEC the right to appeal all of its arguments to the Mass. Supreme Judicial Court. Limited Intervener Status provides no right to appeal. He said there is more than enough cause for CVEC to petition for Full Intervener Status.

There was discussion about CVEC's responsibility to members and CVEC's limited legal budget and financial resources available to fund Intervener Status. There was discussion about asking members to help pay legal fees. C. McLaughlin believes CVEC has sufficient resources in reserve and his view is that there is general intent to not upset existing contracts and that is the focus of what CVEC should argue and force Eversource to acknowledge the impact on existing contracts and further to preserve rights to appeal to the SJC or Federal

District Court should changes interfere with CVEC contracts. He believes Eversource is aware of this and CVEC needs to draw a line in the sand. He is already preparing to petition as Counsel for the Town of Barnstable which he would share to minimize CVEC's expense. Atty. Troy would provide review for CVEC. There was discussion about CVEC revenue with Round I adder income. L. Argo noted that with the Round 1 Adder CVEC will no longer deplete its reserves.

There was discussion about Cape Light Compact's standing in the case. CLC can argue whatever interests exists to make sure rates are set in a fair manner but that may not align with CVEC's interest in the Net-metering Credit values. L. Argo stated for the record that CVEC discussed the matter in March and has struggled since then to understand the impact. She reached out to Mass Municipal Association and the Cape Light Compact to define possible impact but there was confused response. She reached out to towns to alert them to the issue but the timing of the matter and attention to it was in competition with Towns preparing for Town Meetings. Consensus was that Towns may be willing to contribute to the legal expenses. There was review of the FY18 Budget and projected revenue from Round I adder. L. Argo said the amount showing in reserve currently decreases monthly.

There was discussion about reliance upon Round I adder income. There was discussion about approving a limited dollar amount for initial filing providing time for Directors to appeal to their towns for financial support. C. McLaughlin estimated it would cost \$50,000 to get CVEC through hearings and that the case is limited. Pres. Cakounes said CVEC has notified members by letter of the impending devaluation of NMC savings and has not been asked by any Town Manager, Selectman or Energy Committee member to move CVEC forward in this case. He said his responsibility is to CVEC. The Towns of Dennis, Sandwich and Falmouth will also see significant ramifications. Although their projects are not CVEC's, the towns are CVEC members and will, of course, be included in CVEC's effort.

*J. Rand moved the Board vote to instruct the President and Executive Committee to draft a motion seeking Intervener Status to participate in proceeding of the Department of Public Utilities relative to DPU Case 17-05 on behalf of our member Towns and authorize the expenditure up to \$20,000 and further authorize the Executive Committee to contract with General Legal Counsel and Special Counsel if deemed necessary, seconded by R. Collins and voted nine in favor and A. Brandt abstaining. (9-1-0).*

*A. Brandt left the meeting at 2:00 p.m.*

**7. WELLFLEET & NAUSET SCHOOL DISTRICT OFF-TAKER NMC PSA UPDATE – TABLED**

**8. META GRANT & CVEC PV INITIATIVE – ROUND 3 UNDER NEW SEC II EXTENSION UPDATE - TABLED**

**9. COMMUNITY CLEAN ENERGY RESILIENCE INITIATIVE GRANT UPDATE - TABLED**

**10. LAKE STREET DEVELOPMENT PV PROJECT – CVEC MEMBER HOSTING**

Lake Street Development seeks a host for its 3 MW PV system to be built across from the Barnstable Landfill and are offering a one-time \$15,000 finder's fee to CVEC. The host community would need to have sufficient Net-metering capacity available in the 10MW limit. J. Rand said W. Tisbury will never reach 10 MW and she will seek host status on behalf of W. Tisbury. L. Cole moved the Board vote to instruct staff to offer to our members the opportunity to be host community for Lake Street Development PV Project in Barnstable with a 50/50 split of the \$15,000 compensatory fee, seconded by S. Gavin and voted unanimously in favor.

**11. ANNUAL PV PROJECTS PRODUCTION REPORTS – REPORTS DISTRIBUTED**

L. Argo said all systems that have reached their next year of operations are exceeding the Estimated Annual Output projections.

## **12. MANAGER'S REPORT**

L. Argo reported the Request For Proposals (RFP) for the Clean Energy Resiliency Grant is complete and is under review by the owner's agent.

L. Argo reported the Municipal Energy Technical Assistance (META) Grant application deadline is approaching and CVEC will seek to apply on behalf of Round III interested communities for roof-top PV systems behind the meter.

L. Argo reported CVEC is awaiting Power Sales Agreement from multiple vendors to offer NMC to Wellfleet and Nauset School District.

Tisbury backed out from participation in CVEC's Round 3 Initiative this week.

## **5. FY18 BUDGET**

*J. Rand moved the Board vote to accept the FY18 Budget, seconded by C. McLaughlin and voted unanimously in favor.*

## **13. DIRECTOR'S REPORTS**

Pres. Cakounes reported he has been working with Clean Focus on erosion control issues. He said the workers are excellent and are showing up and are in contact. He said Harwich issues are under control and he sent loam to Martha's Vineyard to be used to encourage grass growth. R. Collins reported Marina Energy contracts with Total Solar and golf could be played on the grass surrounding the Orleans system. Tisbury is in year three with mowing issues. Organic herbicides may be used to remedy the growth issues. J. Rand read an excerpt from an article appearing in the Martha's Vineyard Times.

C. McLaughlin left the meeting and the Board adjourned due to lack of a quorum at 2:26 p.m.

## **14. FY18 MEETING SCHEDULE - TABLED**

Respectfully submitted,

Karen Loura  
Administrative Assistant

## **LIST OF DOCUMENTS & EXHIBITS**

- **6/29/17 Meeting Notice/Agenda**
- Draft May 18, 2017 Board of Directors Open Session Meeting Minutes
- Draft June 7, 2017 Executive Committee Emergency Open Session Meeting minutes
- Financial Reports as of May 31, 2017:
  - Financial Position Dashboard
  - Balance Sheet Prior Year Comparison
  - Income & Expenditure Budget vs Actual – Administrative
  - A/R Aging Summary
  - A/P Aging Summary
- Proposed FY18 Budget

- Report showing current NMC benefits vs. DPU 17-05 proposed rates.
- Net Metering Annual Production Reports for:
  - Barnstable Airport
  - Eastham Landfill PV System
  - Marguerite Small School PV System
  - Dennis/Yarmouth Regional High School PV System
  - W. Tisbury Landfill PV System

**\*\*\*\*\*End of June 29, 2017 Meeting Minutes\*\*\*\*\***