

**Cape & Vineyard Electric Cooperative, Inc.**  
**Board of Directors**  
**Open Session Meeting Minutes - Thursday, August 24, 2017**

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in open session on Thursday, August 24, 2017 at 9:30 a.m. in the Innovation Room, Open Cape Building, 3195 Main Street, Barnstable, Mass.

**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. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
6. Greg Rounseville, Director, Dennis
7. Joseph Bayne, Treasurer/Director, Eastham
8. John Scott, Director, Chatham
9. Lee-Gray Boze, Director, Falmouth @ 10:18 a.m.
10. Lawrence Cole, Director, Harwich
11. Richard Toole, Director, Oak Bluffs @ 10:18 a.m.
12. Robert Hannemann, Director, Chilmark @ 10:18 a.m.
13. Ronald Collins, Director, Orleans
14. Lydia Hamnquist, Director, Provincetown
15. Kirk Metell, Director, Tisbury – by phone
16. Steve Gavin, Director, Yarmouth

**ABSENT WERE:**

17. John Alley, Director, Dukes County
18. Bourne - Vacant
19. Edgartown – Vacant
20. Sandwich – Vacant

**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 9:41 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on August 22, 2017 at 9:05 a.m.

**2. PUBLIC COMMENT**

There were no public comments.

**3. CONSIDERATION OF MEETING MINUTES**

The Board considered the June 29, 2017 Board of Directors' Meeting Minutes. *C. McLaughlin moved the Board vote to approve, seconded by S. Gavin.* A typographical error was corrected. It was noted that L.

Hamnquist was listed as a Director but staff was asked to confirm her official appointment by Provincetown prior to 8/14/17. *The Board then voted by roll call as follows:*

- |                                  |     |                                    |     |
|----------------------------------|-----|------------------------------------|-----|
| 1. C. McLaughlin, Barnstable     | Yes | 8. G. Rounseville, Dennis          | Abs |
| 2. J. Scott, Chatham             | Yes | 9. R. Collins, Orleans             | Yes |
| 3. J. Bayne, Eastham             | Abs | 10. S. Gavin, Yarmouth             | Yes |
| 4. L. Cole, Harwich              | Yes | 11. J. Rand, West Tisbury          | Yes |
| 5. L. Hamnquist, Provincetown    | Yes | 12. L. Cakounes, Barnstable County | Yes |
| 6. A. Brandt, Cape Light Compact | Yes |                                    |     |
| 7. C. Hanson, Brewster           | Abs |                                    |     |

*Motion carried in the affirmative (9-0-3).*

**4. TREASURER’S REPORT**

J. Bayne presented the Financial Position Dashboard, Balance Sheet Prior Year Comparison, Income & Expenditure Budget vs. Actual – Administrative, AR & AP Aging Summaries as of July 31, 2017. Discrepancies are due to outstanding deposits and July revenue which was recently billed. L. Argo will confirm and also provide the Board approved budget which reflects the updated Legal Expense Line and a zero balance between income and expenses.

**5. EVERSOURCE RATE CASE – DPU 17-05**

Pres. Cakounes read an email from Atty. Robert Troy dated 8/24/17 relative to the attorney’s report and recommendations made during a conversation with himself, C. McLaughlin and L. Argo on 8/23/17. There was discussion about proposed rate changes shifting Western Mass. costs onto Eastern Mass. There was discussion about the Department of Public Utilities (DPU) position of not considering Constitutional Arguments. C. McLaughlin said Constitutional Argument will be made at the Town of Barnstable level and CVEC may join the argument. C. McLaughlin provided history of a precedent established in 1977 where the improper design of the hearing process can result in the improper taking of benefits not properly compensated for. He said there is a general prohibitive statute blocking subsidiary governmental bodies from challenging the “parent government entity” (i.e., the State) unless it can be shown that contracts are affected and the governmental body is being attacked and being impacted just as a private entity would be.

*At 10:18 a.m. R. Toole, R. Hannemann and L. Boze arrived to the meeting.*

C. McLaughlin said if CVEC does not enjoin now, it may not have the ability to pursue on appeal. L. Argo reported she, Paul Gromer, CEO, Peregrine Energy Group and Atty. Troy do not believe joining Barnstable on the constitutional argument will add legal cost as long as the Town of Barnstable writes the case based upon their argument. CVEC Directors previously authorized a cap of \$20,000 for legal expenses. Directors were asked to see if their BOS would entertain the notion of providing financial support to defray further legal expense if needed. The Eastham Board of Selectmen has voted in support of financing further pursuit of CVEC’s case. Pres. Cakounes said he has spoken with Harwich leaders and has received their verbal support. There was discussion about Cape Light Compact’s arguing on behalf of ratepayers and CVEC’s arguing on behalf of Town’s interests, specifically to protect renewable energy generation incentives.

P. Gromer is the lead witness for CVEC and Atty. Troy will provide filing services. There was discussion about tasking Atty. Troy to be available during hearings occurring between 9/11-9/15/17 and being available as Legal Counsel for two days to P. Gromer.

There was discussion about the expansion of the legal budget using CVEC financing only. There was discussion about CVEC benefitting from favorable DPU rulings made resulting from other intervenors cases and was noted that the Town of Newton's legal counsel has set the "grandfathering request" into place. The argument for CVEC has been established and CVEC will only expand its case as long as there is no cost to CVEC beyond that established by the Board.

C. McLaughlin said CVEC's fiduciary obligation to Towns is ample cause for CVEC to provide further financing to expand the CVEC case. Concern was voiced by L. Argo that the requests from the Town of Barnstable for time to discuss the Barnstable case with CVEC's lawyer and expert has resulted in expense that should be avoided as it does not further the CVEC case. There was discussion about forming a small subcommittee to support decision making on these requests during the process.

*J. Rand moved the Board vote to expand the legal budget from \$20,000 to \$35,000 total for the purposes of pursuing the DPU 17-05 case, seconded by C. McLaughlin. Discussion followed about possibly expanding CVEC's position within the proposed amount and whether the proposed amount will be sufficient. L. Argo stated that as long as the expansion to include the constitutionality argument is a "cut and paste" and the conferences with CVEC's lawyer and expert are only allowed with the President's approval, the \$35,000 should be sufficient. The Board then voted by roll call as follows:*

- |                               |     |                                    |     |
|-------------------------------|-----|------------------------------------|-----|
| 1. R. Toole, Oak Bluffs       | Yes | 9. A. Brandt, Cape Light Compact   | Abs |
| 2. C. McLaughlin, Barnstable  | Yes | 10. C. Hanson, Brewster            | Yes |
| 3. L. Boze, Falmouth          | Yes | 11. G. Rounseville, Dennis         | Yes |
| 4. J. Scott, Chatham          | Yes | 12. R. Collins, Orleans            | Yes |
| 5. J. Bayne, Eastham          | Yes | 13. S. Gavin, Yarmouth             | Yes |
| 6. L. Cole, Harwich           | Yes | 14. J. Rand, W. Tisbury            | Yes |
| 7. R. Hannemann, Chilmark     | Abs | 15. L. Cakounes, Barnstable County | Yes |
| 8. L. Hamnquist, Provincetown | Yes | 16. Kirk Mettel, Tisbury           | Yes |

*Motion carried in the affirmative (14-0-2).*

There was continued discussion about forming a subcommittee to support decision making on these requests during the process. J. Rand said CVEC's President should be the gatekeeper for access to CVEC's legal counsel and expert witness in DPU Case 17-05 and moved access to CVEC Counsel or expert needed by any member must be made through a request to L. Cakounes as President, seconded by S. Gavin. There was further discussion on broadening the CVEC case and consensus was that with the President's monitoring access, the expense will not exceed the previously approved \$35,000 budget. The Board then voted for access to CVEC counsel or expert by any member be made through a request to L. Cakounes as President by roll call as follows:

- |                               |     |                                    |     |
|-------------------------------|-----|------------------------------------|-----|
| 1. R. Toole, Oak Bluffs       | Yes | 9. A. Brandt, Cape Light Compact   | Abs |
| 2. C. McLaughlin, Barnstable  | Abs | 10. C. Hanson, Brewster            | Yes |
| 3. L. Boze, Falmouth          | Yes | 11. G. Rounseville, Dennis         | Yes |
| 4. J. Scott, Chatham          | Yes | 12. R. Collins, Orleans            | Yes |
| 5. J. Bayne, Eastham          | Yes | 13. S. Gavin, Yarmouth             | Yes |
| 6. L. Cole, Harwich           | Yes | 14. J. Rand, W. Tisbury            | Yes |
| 7. R. Hannemann, Chilmark     | Yes | 15. L. Cakounes, Barnstable County | Yes |
| 8. L. Hamnquist, Provincetown | Yes | 16. Kirk Mettel, Tisbury           | Yes |

*Motion carried in the affirmative (14-0-2).*

**6. WELLFLEET & NAUSET SCHOOL DISTRICT OFF-TAKER NET-METERING POWER SALES AGREEMENT –**  
Tabled (see after Item 11)

**7. DONG ENERGY/BAY STATE WIND NON-BINDING LETTER OF INTENT**

The Directors reviewed a draft Nonbinding Letter of Intent dated 7/25/17 following a meeting between representatives from DONG Energy and CVEC taking place on 7/19/17. L. Argo provided the background on the potential opportunity. R. Hannemann said if CVEC is interested in purchasing off-shore wind power, it should issue a Request for Proposals soliciting offers from all lease holders. He spoke about the value of CVEC’s partnering with lease-holders competing for authorization to develop. C. McLaughlin agreed, adding lease holders off and on-shore may compete for CVEC’s participation. He said there are three companies offering proposals for their output and it would be premature and not prudent to bind CVEC in any way at this stage. *R. Hannemann moved the Board vote not to move forward with the idea of purchasing wind power until it has been assessed in a measured purposeful way, seconded by A. Brandt.* Discussion followed wherein A. Brandt explained there are three Federal Lease-holders (DONG, Vineyard Wind & Deepwater Wind) south of Martha’s Vineyard who have responded to the Mass. Request for Proposals and are competing for selection. He said Vineyard Wind partnered with Vineyard Power to obtain local support which gave them an advantage in the Bureau of Ocean Energy Management (BOEM) lease selection process. L. Cole said CVEC needs to decide how to interact with the three entities and discussion is needed. *He moved to table the matter. Pres. Cakounes did not recognize the motion. C. Hanson called the question. A. Brandt said to issue the letter provides benefit to DONG and no benefit to CVEC. He said the Eversource partner with DONG is an unregulated parent company and has 50% stake in DONG Energy. The Board then voted by roll call as follows.*

- |                               |     |                                    |     |
|-------------------------------|-----|------------------------------------|-----|
| 1. R. Toole, Oak Bluffs       | Yes | 9. A. Brandt, Cape Light Compact   | Yes |
| 2. C. McLaughlin, Barnstable  | Yes | 10. C. Hanson, Brewster            | Yes |
| 3. L. Boze, Falmouth          | Yes | 11. G. Rounseville, Dennis         | Yes |
| 4. J. Scott, Chatham          | Yes | 12. R. Collins, Orleans            | Yes |
| 5. J. Bayne, Eastham          | Yes | 13. S. Gavin, Yarmouth             | Yes |
| 6. L. Cole, Harwich           | Yes | 14. J. Rand, W. Tisbury            | Yes |
| 7. R. Hannemann, Chilmark     | Yes | 15. L. Cakounes, Barnstable County | Yes |
| 8. L. Hamnquist, Provincetown | Yes | 16. Kirk Metell, Tisbury           | Yes |

*Motion carried in the affirmative (16-0-0).*

*C. McLaughlin left the meeting at 12:18 p.m.*

**8. PV ROUND II ADDER INCREASE BASED ON CONSUMER PRICE INDEX (CPI)**

The Board reviewed a Round II Contract Clause providing an annual increase based on the Consumer Price Index (CPI) following a full year of operation. With the first full year excused from the CPI raise, starting in July, 2017 participants in Round II will be issued invoices at the new rate.

**9. ANNUAL REPORT**

The draft Annual report will be reviewed by R. Collins, J. Rand, C. Hanson and J. Bayne.

**10. CVEC OFFICERS’ NOMINATING COMMITTEE**

Pres. Cakounes announced he is seeking members to serve on a nominating committee to canvas members to determine any willingness to run for CVEC Office positions. S. Gavin and R. Toole agreed to the President’s appointment of them to a Nominating Committee.

**11. FY19 PV ROUND I ADDER EXTENSION**

*J. Rand moved the Board vote to renew for FY19 the 1/2¢ adder (\$0.005)/kWh from Round I participants, seconded by R. Toole and voted by roll call as follows:*

<i>1. R. Toole, Oak Bluffs</i>	<i>Yes</i>	<i>8. A. Brandt, Cape Light Compact</i>	<i>Yes</i>
<i>2. L. Boze, Falmouth</i>	<i>Yes</i>	<i>9. C. Hanson, Brewster</i>	<i>Yes</i>
<i>3. J. Scott, Chatham</i>	<i>Yes</i>	<i>10. G. Rounseville, Dennis</i>	<i>Yes</i>
<i>4. J. Bayne, Eastham</i>	<i>Yes</i>	<i>11. R. Collins, Orleans</i>	<i>Yes</i>
<i>5. L. Cole, Harwich</i>	<i>Yes</i>	<i>12. S. Gavin, Yarmouth</i>	<i>Yes</i>
<i>6. R. Hannemann, Chilmark</i>	<i>Yes</i>	<i>13. J. Rand, W. Tisbury</i>	<i>Yes</i>
<i>7. L. Hamnquist, Provincetown</i>	<i>Yes</i>	<i>14. L. Cakounes, Barnstable County</i>	<i>Yes</i>
		<i>15. Kirk Mettel, Tisbury</i>	<i>Yes</i>

*Motion carried in the affirmative (15-0-0).*

#### **6. WELLFLEET & NAUSET SCHOOL DISTRICT OFF-TAKER NET-METERING POWER SALES**

A Power Sales Agreement is being negotiated for Net Metering Credit (NMC) sales with the Town of Wellfleet, Nauset Public Schools, and the Harwich and Sandwich Water Departments. L. Argo asked Directors to let her know if there are any other interested parties. She noted that roof-mounted, behind the meter systems are the best benefit but purchases of NMC is a good benefit as well.

#### **12. SREC II EXTENSION – CVEC PV ROUND III INITIATIVE**

L. Argo reported work on a Request for Proposals (RFP) seeking a developer for 5 proposed PV systems in Provincetown, Chatham, Eastham and Oak Bluffs. The terms will include direct leasing between the Towns and the vendor.

#### **13. COMMUNITY CLEAN ENERGY RESILIENCY INITIATIVE GRANT UPDATE**

L. Argo reported the RFP is under review with the Department of Energy Resources.

#### **14. LAKE STREET DEVELOPMENT PV PROJECT HOST TOWN.**

L. Argo reported the proposed PV System in Barnstable has not been successful in getting a land lease agreement to date.

#### **15. ANNUAL PROJECT PRODUCTION REPORTS**

No additional reports received

**16. MANAGER’S REPORT** – The Board of Directors Annual Meeting is scheduled for September 21, 2017.

#### **17. DIRECTORS’ REPORTS**

- J. Bayne reported \$60,000 net benefit dropped to \$55,000 in Eastham and asked if it was due to bad weather or Eversource’s meter failure.
- R. Collins reported Orleans property tax pass through was paid but not the delinquency charges.
- Pres. Cakounes reported an Eversource transformer blew at a utility pole which may have leaked fluid which, in turn, was ignited by a cigarette at the Harwich Landfill PV site resulting in no damage to the PV system. Eversource replaced their transformer.
- Pres. Cakounes reported Clean Focus mowing is going well.
- C. Hanson said Brewster growth is terrible.
- J. Rand reported she will check on wash out situation at West Tisbury Capped Landfill.

The meeting adjourned at 12:43 p.m.

**LIST OF DOCUMENTS & EXHIBITS:**

- Meeting Notice/Agenda
- Draft 6/29/17 Board of Directors/Executive Committee Meeting Minutes
- DPU 17-05 Eversource Energy Exhibit Es-RDP-Rebuttal-1 (pages 30-33) dated 8/22/17
- Financial Reports dated as of 7/31/17
- Copy of Email from Robert Troy, Esq. to L. Cakounes & C. McLaughlin dated 8/24/17 re: Report to CVEC Board of Directors
- Draft Nonbinding Letter of Intent to DONG Energy Wind Power dated 7/25/17
- Round II (CPI) Adder Increase - projected revenue