

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive & Financial Committee**  
**Open Session Meeting Minutes - Monday, September 18, 2017**

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in open session on Monday, September 18, 2017 at 1:30 p.m. in the CVEC Office, 23H2 White's Path, Ste 2, S. Yarmouth, Mass.

**PRESENT WERE:**

1. Leo Cakounes, President, Executive & Finance Committee Member/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director – by phone until 3:03 p.m.
3. Charles McLaughlin, Esq., Executive & Finance Committee Member/Director, Barnstable-by phone to 2:10 pm
4. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
5. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
6. Joseph Bayne, Treasurer/Finance Committee Member/Director, Eastham – by phone until 2:30 p.m.
7. Steve Gavin, Finance Committee Member/Director, Yarmouth

Executive Committee Members Present: 3            Executive Committee Members participating by phone: 2

Finance Committee Members Present: 2            Finance Committee Members Participating by phone: 2

**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 1:37 p.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on September 12, 2017 at 10:45 a.m.

**2. PUBLIC COMMENT**

There were no public comments.

**3. TREASURER'S REPORT**

The Committees reviewed the Financial Position Dashboard, Balance Sheet Prior Year Comparison, Income & Expenditure Budget vs. Actual – Administrative, Accounts Receivable & Payable Aging Summaries as of August 31, 2017. J. Bayne expressed concern that revenue amounts not increasing. L. Argo said both revenue and expenses are in arrears due to late receipt of invoices/payments and Eversource statements. She will follow-up on revenue projections and low expenses appearing on financial reports. C. McLaughlin requested Tammy Glivinski provide a report to the Board at one of the next meetings. L. Argo will obtain a letter from Carol Shaw at Glivinski & Associates explaining the delay appearing in financials.

**4. FY19 ROUND I ADDER REQUEST & ADDER POLICY UPDATE**

The Committees discussed changing the Round I Adder Request Policy in light of the Round I Adder Income from non-participating Towns. Pres. Cakounes requested a written policy outlining CVEC's position eliminating the all or none approach used last year. J. Rand reported Edgartown is not going to agree to pay the adder. L. Argo reported Atty. Eidelman's opinion is that CVEC's management and Peregrine's services provided by CVEC to participants are contractual. Without Adder Revenue, CVEC cannot afford to continue providing the level of service currently being provided. C. McLaughlin said CVEC could pare down to an

accounting service. C. McLaughlin said he is unsure about Barnstable's adder participation and he will meet with Town Manager Ells to seek direction and determine whether Ells will recommend or need to obtain input from Council leadership. C. McLaughlin believes any hesitancy is due to a main concern over CVEC's direction and he would like to have a long-term plan with goals and a timeline. He said Barnstable Council will want to see a business plan. Pres. Cakounes noted the volunteer status of the Directors and the amount of time & resources being devoted to DPU 17-05 Eversource Rate Case on behalf of the members.

C. McLaughlin requested the Committees take up Item 5.

#### **5. DPU 17-05 EVERSOURCE RATE CASE UPDATE**

C. McLaughlin reported on hearings attended at the Department of Public Utilities (DPU) with CVEC's consultant, Paul Gromer of Peregrine Energy Group, who was terrific and is an enormous resource to CVEC. He said Eversource did not even want to question Gromer. He said he was there 3-4 days and will share his draft with the Directors. He said Eversource does not feel any obligation to honor past contracts or to concern themselves with any future renewable energy contracts. He said developers will be unable to contract or obtain financing if projects are subject to rate changes. C. McLaughlin provided the schedule and next steps. He said the brief is due Sept. 29<sup>th</sup>, Eversource then has 2 weeks to respond followed by a week for interveners to reply to the Eversource response, followed by oral arguments. He said the DPU has committed to issue its decision by the end of the year.

*At 2:10 p.m. C. McLaughlin disconnected from the phone.*

Discussion continued and L. Argo reported DPU originally requested CVEC be prepared to provide testimony. On Wednesday (9/13/17) CVEC was informed it would not be called to testify. P. Gromer will be on vacation for the next few weeks and Atty. Troy is comfortable to prepare the brief based upon P. Gromer's notes.

#### **6. PV INITIATIVE – ROUND III**

L. Argo reported there are 5 projects in 4 participating Towns participating in CVEC's Round III. She said the Request for Proposals seeking a developer is complete and will appear in the Central Register, Cape Cod Times and CVEC Website. She will also email it to potentially interested vendors. She reported Chatham is reviewing the lease agreement and that projects can still be added to Round III. Participants are being asked to appropriate up to \$15,000 toward legal fees and costs. She said everything needs to be complete by April, 2018 under SREC II.

#### **7. 2<sup>ND</sup> NET METERING SALES AGREEMENT (PSA) WITH NEXAMP & CORRESPONDING INTERGOVERNMENTAL SERVICES AGREEMENT (IGA) WITH WELLFLEET, NAUSET REGIONAL SCHOOL DISTRICT & HARWICH & SANDWICH WATER DEPARTMENTS**

L. Argo reported she has been working since spring with Wellfleet, Nauset Schools and the Harwich & Sandwich Water Departments to purchase Net Metering Credits. Nexamp has opened Phase a II in its Dartmouth project and, because of devaluation, was considering selling into the energy market. There are 3 million kWh of capacity among the off-takers listed. Wellfleet is now unsure and Nauset Regional School District is vacillating due to devaluation of NMC pricing. Projected NMC value will decline from 4¢ to 2¢/kWh under Eversource rate change proposal. CVEC is still asking for 1¢/kWh as the CVEC work is unchanged. She said the NMC market is drying up and it is becoming more difficult to find off-takers. The Committee consensus was that the potential participants be notified to formally commit or withdraw.

**8. PEREGRINE ENERGY GROUP – STRATEGY CONSULTING SERVICES**

There was discussion about possibly retaining P. Gromer for a strategy consultant. There was discussion about costs. Pres. Cakounes said he cannot justify an expenditure to engage a strategist. A. Brandt said CVEC needs expertise in the regulatory and economic environment in Mass. and does not believe the cost would be prohibitive. He suggested a conversation with P. Gromer to determine if he would be the right person for this role. There was discussion about current and future activities. L. Argo said CVEC will need to prepare for the 2022 Purchase Option of the ConEdison/CVEC 7 projects. It is rumored ConEdison has recently been selling off generation system assets. CVEC, as a cooperative, was established to be able to bond and borrow. Cooperative Finance Corporation has funding available for loans to members. CVEC will need assistance with financing and specifications. A. Brandt noted that the Cape Light Compact is now able to bond.

*At 2:40 J. Bayne disconnected from the phone.*

Solar Panels are warrantied for 25 years. L. Argo reported Clean Focus might be eager to sell systems to CVEC. Systems require substantial maintenance while they do provide income. There was discussion about possibly retaining a consultant to assist CVEC in purchasing and bonding for renewable energy generation systems.

Pres. Cakounes asked the matter be brought before the Board of Directors for a vote at their Sept. 24, 2017 meeting.

**9. COMMUNITY CLEAN ENERGY RESILIENCE INITIATIVE GRANT – DY HIGH SCHOOL ENERGY STORAGE PROJECT**

L. Argo reported on a procurement question at the State Level relative to the Request for Proposals. Thus, the RFP is being held up.

**10. TITLE CHANGE FOR POSITION OF MANAGER, PROGRAMS & ADMINISTRATION**

The Committees considered the request from L. Argo to change the title of her position to Manager. Discussion followed. *J. Rand moved the Executive Committee vote to recommend to the Board of Directors to change the title from Manager, Programs & Administration, to Manager, seconded by C. Hanson and voted by roll call as follows:*

- |   |            |  |            |
|---|------------|--|------------|
| <i>1. A. Brandt, Cape Light Compact</i> | <i>Yes</i> | <i>3. L. Cakounes, Barnstable County</i> | <i>Yes</i> |
| <i>2. C. Hanson, Brewster</i>           | <i>Yes</i> | <i>4. J. Rand, West Tisbury</i>          | <i>Yes</i> |

*Motion carried in the affirmative (4-0-0)*

**11. EDGARTOWN NUNNEPOG PV SYSTEM – NOISE ISSUE**

L. Argo reported an inverter installed at the Nunnepog Solar PV system which converts DC to AC is creating a noise issue. Despite efforts to dampen the noise with plantings and an enclosure, the problem persists. The inverter cannot be relocated. It has been suggested that the inverter be removed and Edgartown operate with 1/3 less generation. Clean Focus owns the system. The noise is in the decibel (dB) nuisance level and the owner is contracted to replace. CVEC enforces the contract. The State standard is 10 dB at the property line. Edgartown also has issues involving plantings & inverter at the Katama installation. The same inverter is in use at the Wixon installation. The cut sheet says the inverter is loud. Edgartown redesigned the original system installation in an effort to avoid moths and the inverter was sited closer to residents. The system generates about one million dollars annually. Estimated inverter replacement cost is \$150,000. The array is located on 3 acres

and is a project with off-takers generating 1.3 MW annually. The matter is under study and an engineer will make a site visit next week.

*At 3:03 p.m. J. Rand disconnected from the phone.*

**12. DONG ENERGY/BAY STATE WIND**

L. Argo reported representatives from DONG Energy will meet with the Board on September 24, 2017 to discuss a relationship with CVEC and explain benefits and desired content of the proposed Letter of Interest. There was discussion about the role of Cape Light Compact and CVEC. CVEC was formed to enable ownership of electric generation systems.

At 3:21 p.m. the Meeting adjourned.

Respectfully submitted,

Karen E. Loura  
Administrative Assistant

**LIST OF DOCUMENTS & EXHIBITS**

- Meeting Notice/Agenda
- Financial Position Dashboard, Balance Sheet Prior Year Comparison, Income & Expenditure Budget vs. Actual – Administrative, Accounts Receivable & Payable Aging Summaries as of August 31, 2017