

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive Committee and Finance Committee**  
**Open Session Meeting Minutes - Thursday, April 19, 2018**

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee and Finance Committee met in open session on Thursday, April 19, 2018 at 9:00 a.m. in the CVEC Offices, 23H2 Whites Path, Suite 2, South Yarmouth, MA 02664

**PRESENT WERE:**

1. Leo Cakounes, President, Finance and Executive Committee Member/Director, Barnstable County
2. Steve Gavin, Finance Committee/Director, Yarmouth
3. Austin Brandt, Executive Committee Member/Director, Cape Light Compact (CLC)
4. Charles McLaughlin, Executive Committee Member/ Finance Committee/Director, Barnstable

**ABSENT WERE:**

1. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury
2. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
3. Joseph Bayne, Finance Committee Member/Treasurer/Director, Eastham

**STAFF PRESENT**

Liz Argo, Manager  
Tatsiana Nickinello, Assistant Office Manager

**PUBLIC PRESENT**

None

**1. CALL TO ORDER**

Pres. Cakounes called the meeting to order at 9:08 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law April 16, 2018 at 12.31 p.m.

**2. PUBLIC COMMENT**

There were no public comments.

**3. UPDATE, DISCUSSION AND VOTE ON VENDORS' OFFERS TO ENTER CVEC STAND-ALONE PV PROJECTS INTO THE INDEPENDENT SYSTEM OPERATORS (ISO-NE) FORWARD CAPACITY MARKET AUCTION**

L.Argo informed the committees that Anderson & Kreiger examined the contract, made some changes in accordance with public record law aspect, and Clear Result accepted the changes. L.Argo also notified the Board that J. Bayne expressed his concern about the risk of paying money without receiving benefits, but Argo also reminded the Committees that J. Bayne was not present when those concerns were discussed last week. L.Argo discussed the topic further and added that, although there

is a chance of non-performance penalties through a limited period, CLEAResult has enough bank of projects to reconfigure to call on other projects if one project underperforms. C. McLaughlin inquired if CLEAResult's "fronting" the Qualification Deposit and the Financial Assurance money question got resolved. L.Argo replied that she does not believe a loan payment clause has been structured. L.Cakounes suggested creating a separate agreement for a qualification deposit. A. Brandt added that in the current contract "the client will provide all the Financial Assurance". The members agreed on contacting L. Barrett to answer some questions.

L. Barrett joined on the phone at 9.20 a.m.

L.Argo asked if the qualification cost repayment provision can be added to the contract. L.Barrett said she was willing to include the language to deduct qualification cost from the first-year capacity revenue. L.Barrett informed the Board that she will send an updated version of the contract later that morning.

The call ended at 9.23 a.m.

The members resumed the discussion of the contract. L. Cakounes had several questions: how many people need to sign it; can the contract be sent out; and did CVEC receive towns' authorization? L.Argo said that the contract can be signed just by CVEC in the form of L.Cakounes based on CVEC's position as the account holder and capacity rights holder. She read an email from CLEAResult that confirmed that understanding. L.Argo added that she is working with Eversource to reconfirm their lack of desire for the capacity rights. The members resumed the discussion about ISO NE qualification requirements, such as presenting copy of lease and evidence of the relationship between CVEC and vendors. C. McLaughlin suggested seeking Anderson & Kreiger's help to sign off on contract. The Board agreed. L.Cakounes added that withdrawing has a cost, so getting all the documents together is of utmost importance. A. Brandt offered adding a provision to put a cap on billable hours. A brief discussion took place on whether the payment is rendered annually or quarterly. The Committees decided to contact L.Barrett again.

L.Barrett joined on the phone at 9.32 a.m.

L.Argo asked if the payment is issued quarterly with an annual true up or if there is another payment schedule. C.McLaughlin also asked how ISO NE distributes its payments. L.Barrett explained that CLEAResult gets paid monthly but only when ISO NE has had shortage conditions. There was a brief discussion on CVEC's objective to get payment as fast as possible with minimal processing cost and possible options to achieve this goal. C.McLaughlin suggested CLEAResult propose the payment schedule that would be most optimal in this situation. The members and L.Barrett agreed on this course of action.

The call ended at 9.36 a.m.

*L.Cakounes read a motion for the Committees to authorize the President to execute contract with CLEAResult as amended with today's conditions, contingent to approval by attorney. C.McLaughlin*

*moved the Executive Committee to vote as read, seconded by A. Brandt and voted by roll call as follows:*

1. *L. Cakounes, Barnstable County*            *Yes*
2. *A. Brandt, CLC*                                    *Yes*
3. *C. McLaughlin, Barnstable*                *Yes*

*The vote carried in the affirmative (3-0-0)*

**4. UPDATE AND POSSIBLE VOTE ON CONSULTANT AGREEMENT FOR CVEC’S ADMINISTRATIVE SERVICES WITH TOWN OF SANDWICH**

L.Argo briefed the Board that she spoke with Glivinski & Associates, as well as Anderson & Kreiger and they are “on board” to proceed with the project. L.Argo asked the Board on their thoughts about the fee and suggested a “set up” fee plus monthly cost arrangement for the services. She added that the cost should include audit and administrative costs. A brief discussion took place about service fee to be based on the monthly adder amount. A. Brandt mentioned that it makes more sense to have a flat fee. L. Cakounes agreed that he is concerned with changing adder value and flat fee would be easier and more straight forward for all parties involved. C. McLaughlin expressed his concern to include an “exclude services” clause. The Board agreed that it is not necessary and if the service is not in the contract, it is not to be performed. The Board agreed to continue working on this project.

Staff brought up a matter which came in an email on April 18, 2018, subsequent to having posted the Agenda. The President asked the Board to discuss this important piece of correspondence and specified that there is no vote to be cast at this time.

With the consensus, the Committees were presented with a Memorandum from BCK Law that analyzes possible CVEC activities and assesses effect on its current IRS standing. The Board briefly discussed the four scenarios presented. L.Cakounes drew the conclusion from the Memo that Scenario 2, which is building a Community Solar project to benefit members of the cooperative, is possible with current legal standing. The Board agreed that to execute other scenarios CVEC must get another Private Letter Ruling from IRS. A brief discussion ensued about the cost and time of obtaining another PLR letter. The Board decided to return to this matter at a later date.

Next Meeting was scheduled on May 24 at 9.30 a.m.

The Board adjourned at 9.57 a.m.

**LIST OF DOCUMENTS & EXHIBITS:**

- April 19, 2018 Meeting Notice/Agenda
- CLEAResult Master Service Agreement
- BCK Law Memorandum