

Draft minutes subject to addition, correction and Committee approval

**Cape & Vineyard Electric Cooperative, Inc.
Executive Committee & Finance Committee
Open Session Meeting Minutes
Friday, January 12, 2018**

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee & Finance Committee met in open session on Friday, January 12, 2018 at 1:00 p.m. at the Cape & Vineyard Cooperative, Inc. Office, 23H2 White's Path, Ste. 2, S. Yarmouth, Mass.

PRESENT WERE:

1. Leo Cakounes, President, Executive Committee Member/Finance Committee/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director by phone
3. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
4. Joseph Bayne, Treasurer/Finance Committee/Director, Eastham
5. Charles Hanson, Executive Committee Member/Director, Brewster @ 1:14 p.m.
6. Steve Gavin, Finance Committee/Director, Yarmouth

Executive Committee Members physically present: 3

Executive Committees participating remotely: 1

Finance Committee Members physically present: 3

ABSENT WERE:

7. Charles McLaughlin, Executive Committee Member/ Finance Committee/Director, Barnstable

STAFF PRESENT:

Liz Argo, Manager Programs & Administration
Karen Loura, Administrative Assistant

PUBLIC PRESENT:

None

1. CALL TO ORDER

Pres. Cakounes called the Finance Committee meeting to order at 1:05 p.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on January 9, 2018 @ 11:57 a.m.

2. PUBLIC COMMENT

There were no members of the general public present.

3. ROUND 1 ADDER UPDATE & EDGARTOWN RESPONSE

L. Argo reported all Round 1 PV participants have agreed to continue to pay adder except for Edgartown.

4. DISCUSSION OF BYLAW REVISION OF FORMULA TO DISTRIBUTE ADDER FOR NON-PARTICIPANTS

There was discussion about CVEC Bylaws Section II – Dissolution language. L. Argo said the section addresses fair distribution based upon proportion of contributions for members. She said the bylaws are silent in a scenario of CVEC being flush monetarily. It was agreed to manage that scenario as a policy and there is no need to add language until the next annual meeting. The Executive Committee will explain to the full Board of Directors that there is a policy in place and the bylaws may need revising.

At 1:14 p.m., C. Hanson arrived to the meeting and President Cakounes called the Executive Committee Meeting to order.

5. AGREEMENT BETWEEN CAPE & VINEYARD ELECTRIC COOPERATIVE, INC. AND CAPE LIGHT COMPACT**LETTER OF CREDIT FOR CONEDISON SOLUTIONS**

The Committees reviewed the Letter of Credit issued by Cape Light Compact for ConEdison Solutions. CVEC has posted the Line of Credit with TD Bank. Pres. Cakounes and J. Bayne have executed a letter requested by Cape Light Compact stating that Cape Light Compact has provided the funding for the Letter of Credit.

6. COOPERATIVE FINANCE CORPORATION/CONEDISON SOLUTIONS (CES) LETTER OF CREDIT/CREDIT CARD

The Committees discussed obtaining a Credit Card through Cooperative Finance Corporation (CFC) in order to establish a financial relationship with them. The offer provides cash back once \$5,000 is charged. CFC is an organization seeing to provide future funding. CFC would establish credit card limit and members are not liable if used fraudulently. The Board can impose desired monthly limit. There is currently a Board established limit of \$1,000/mo. Pres. Cakounes expressed his support in order to establish a relationship and to also continue a relationship with a local bank. *S. Gavin moved the Finance Committee vote to approve the President and Manager to apply for the credit card through CFC, seconded by J. Bayne and voted unanimously in favor by the Finance Committee members present.*

A. Brandt moved the Executive Committee vote to authorize the President and Manager to apply for the credit card through CFC, seconded by C. Hanson and voted by roll call due to remote committee member as follows:

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

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

L. Argo reported an \$870 annual fee imposed by TD Bank to hold the funds for the Letter of Credit. CFC is checking if they could hold the LOC at no charge. Pres. Cakounes said CVEC should always seek to minimize fees to hold the \$100,000 LOC. Pres. Cakounes and L. Argo will pursue in an on-going effort.

7. CVEC/CLC Merger Meeting

Pres. Cakounes reported on a meeting with Maggie Downey, Administrator, Cape Light Compact, relative to potentially merging the two agencies. He said that, while the CLC Board has not voted it, the Administrator of the Cape Light Compact sees no benefit in pursuing the matter. He reported CLC's willingness to step in on behalf of members in the event of CVEC's dissolution.

8. REGIONAL PLANNING AGENCY (RPA) STATUS

L. Argo reported Cape Light Compact is eligible to obtain Municipal Energy Technical Assistance (META) grant funding. CVEC is being denied META grant funding and she is unsure as to the reason. CLC is not a RPA as far as the legal term is concerned. Pres. Cakounes speculated it may be a limited status per region/county. He said the Cape Cod Commission is an RPA and there is one on Martha's Vineyard. There was discussion about criteria to qualify for META Grants. The Department of Energy Resources has indicated CVEC does not qualify because it lacks RPA Status. L. Argo said Cape Light Compact is eligible and she would like CVEC to also be eligible. L. Argo will pursue and also follow-up with Beth Albert, Barnstable County Human Services Director.

9. DPU #17-105 EVERSOURCE RATE CASE

Pres. Cakounes provided a favorable response received from the DPU. A press release was issued but reported by very few newspapers. Pres. Cakounes said he will request each Director to make televised reports to their local Boards of Selectmen and will provide a prepared statement for use if needed. L. Argo reported CVEC spent \$30,000 participating in the Case. The decision provides Eversource the ability to impose rates in the

future. There was discussion among entities about filing an appeal. Paul Gromer, Peregrine Energy Group, has said he does not see what gain an appeal could provide.

10. EVERSOURCE DELINQUENT RECEIPTS

There was discussion to follow-up on response from Eversource relative to tardy generation payments and documents being made to CVEC. Eversource has informed CVEC that Jeff Gomes of Eversource has been assigned to manage payments going forward. CVEC has requested these transactions be handled electronically. Wire transfers do not indicate the source(s) of the funds when made. Eversource continues to utilize a system designed in the 1980's and they have multiple systems. The Committees agreed to keep the matter on the agenda and to track progress.

11. ROUND III PV INITIATIVE

L. Argo reported receipt of Interconnection Service Agreements for all seven Round 3 PV projects and she will bring them before the participating Towns for execution. She said CVEC has been reimbursed legal fees in the process of these projects. Projects should be up and running by the end of March, 2018.

12. CITIZENS' CLIMATE LOBBY - CARBON TAX OR CARBON DIVIDEND AND FEE

L. Argo distributed copies of "The Basics of Carbon Fee and Dividend" summary prepared by Citizens' Climate Lobby and "Community Leader's Letter to Congress" Organization/Individual Endorsing Carbon Fee & Dividend Form opportunity. She reported the "fee and dividend" approach to carbon curbing measures involves revenue collected that is invested back to rate payers and/or green infrastructure development. The Mass. Legislature is reviewing and the effort is gaining bi-partisan support at the federal level. Cape Light Compact is one of the founders of Cape Cod Community Change Collaborative (5C) which has not taken a position. L. Argo has emailed links to articles appearing in the Wall Street Journal, the Washington Post and more sophisticated publications in response to C. McLaughlin's request for more information. There was discussion about CVEC's mission. Pres. Cakounes said he is not in support of Board endorsement. He said the Board may entertain presentations from Pro and Con advocates to become informed. He said as citizens, consideration should be given and as voters, education is needed but he is not in favor of the Board as an organization taking one side or the other on political issues. J. Bayne said as a Board interested in renewable energy, it is appropriate to identify ways to motivate people to become more involved. He said it is an economic issue which, if done correctly, will benefit Towns. A. Brandt said his sense is to bring the matter before the Board of Directors with pro & con presentation. It was agreed to keep the matter on the agenda to determine appetite for involvement. L. Argo will not spend more time in research.

13. NEXAMP NET METERING CREDIT SALES AGREEMENT, INTERGOVERNMENTAL SERVICES AGREEMENT – WELLFLEET, BREWSTER, MONOMOY SCHOOL DISTRICT, HARWICH WATER DEPARTMENT AND SANDWICH WATER DISTRICT.

L. Argo reported on discussions with Nexamp to determine if there are sufficient NMC available to aggregate for sale in a second Nexamp agreement. The target is 3 million kWh but the total appetite is not completely known at this time. The NMC value is declining and the Power Purchase Agreement value is tied to the Net Metering Credit value. If doable, March 30th is the absolute deadline to execute a contract.

14. DENNIS/YARMOUTH BATTERY BACK-UP PROJECT

L. Argo reported CVEC is close to moving forward on the project. She requested the Board authorize her to contract with Atty. Kevin Batt of Andersen Krieger to review the Request for Proposals and determine procurement method (whether MGL Ch. 30B or exemption) once he meets with the Department of Public Utilities. She said the legal expense is estimated at \$6,000 at \$325/hour and these services would be necessary through procurement. The total expense is below the \$10,000 threshold formerly established by the Board but she requests the Committees' approval. *A. Brandt moved the Executive Committee authorize the Manager to*

Cape & Vineyard Electric Cooperative, Inc
enter into a contract with Andersen Krieger Counsel specific to Battery Back-up procurement, seconded by C.
Hanson and voted by roll call as follows:

January 12, 2018 Executive & Finance Committee Meeting Minutes

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|----------------------------------|-----|-----------------------------------|-----|
| 1. A. Brandt, Cape Light Compact | Yes | 3. L. Cakounes, Barnstable County | Yes |
| 2. C. Hanson, Brewster | Yes | 4. J. Rand, West Tisbury | Yes |
- Motion carried in the affirmative (4-0-0).

15. STRATEGY CONSULTANT SERVICES

The Committees reviewed an outline prepared by L. Argo entitled *Review of Opportunities and Consultant Responses* dated 1/4/18. There was discussion about revenue possibilities with electric car charging stations.

J. Rand informed the committees that she will need to disconnect from the meeting. Pres. Cakounes moved the agenda to Item 18. Edgartown Nunnepog PV System owned by Clean Focus.

18. EDGARTOWN NUNNEPOG PV SYSTEM – INVERTER NOISE ISSUE

J. Rand reported Pam Dolby, Edgartown Town Manager, has proposed to put the noisy inverter off-line during the summer months. There was discussion about the noise created by all 4 inverters at Nunnepog but specifically one which is located nearby residents. Clean Focus is the owner of the system and has installed a wooden enclosure to mitigate noise. The Town of Edgartown approved the site plan and are now seek to shut down an inverter during the most productive season. This would impact the Guaranteed Annual Output (GAO). Replacement of the inverter is more expensive than shutting it down. There was discussion about the repercussions and legal obligations to off-takers and others involved. There was discussion about issuing a letter informing Clean Focus that both CVEC and Edgartown concur the best solution is to disconnect the inverter during the Summer Season. J. Rand suggested L. Argo communicate with Clean Focus that Edgartown seeks to shut the inverter down but added the Town was not forced to build the system as sited, but they did. A. Brandt said CVEC has no authority to shut down an inverter but there are grounds for the Town to have it removed. CVEC can work with Clean Focus on the Town’s behalf and can advocate for Edgartown. *A. Brandt moved the Executive Committee vote that CVEC issue a letter to Clean Focus explaining Edgartown’s solution to the noise problem is to shut the inverter down during the summer months, seconded by C. Hanson and voted by roll call as follows:*

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|----------------------------------|-----|-----------------------------------|-----|
| 1. J. Rand, West Tisbury | Yes | 3. C. Hanson, Brewster | Yes |
| 2. A. Brandt, Cape Light Compact | Yes | 4. L. Cakounes, Barnstable County | Yes |
- Motion carried in the affirmative (4-0-0).

15. STRATEGY CONSULTANT SERVICES (CONT.)

Pres. Cakounes said he is not in support of contracting for blanket strategy planning. He is concerned with finances. L. Argo urged the Committee to decide and be proactive on opportunities once the Battery Back-up financial analysis is complete and compare it to potential new projects. There was discussion about Community Solar for non-profit organizations and the potential there for CVEC if there is no impact on the tax status. J. Bayne said there are members advocating for strategy and requested the item be brought before the Board of Directors. Pres. Cakounes reported being contacted by Chris Powicki offering consulting/strategic planning services. He is very involved with 350.org but not with 5 C’s. S. Gavin reported the Center for Sustainable Energy in Southern California has been active for 20 years. They have a good comparison report of electric and gas-powered vehicles. He said they are more than open to providing advice to CVEC. He participated in their class and he will distribute the information. He reported the Town of Yarmouth is having a presentation and he will inform the President of the date.

16. FINANCIAL REPORT

J. Bayne reported CVEC has additional \$22-\$23,000 at the end of December, 2017 than at the beginning of the year. L. Argo said The CPower arrangement from Round II Roof-mounted PV Projects has \$8,000 receipts and represents peak-hour income from ISO-NE. The Committees reviewed Financial Position Dashboard; Balance Sheet Prior Year Comparison; Income & Expenditure Budget vs Actual – Administrative; A/R & A/P Aging Summaries as of December 31, 2017.

17. FY17 AUDIT UPDATE

L. Argo reported the Auditors questioned the accounting of two new projects; Future Generation Wind (FGW) and Syncarpha, which were cash-out projects. These were posted incorrectly but have been changed to a posting first to a holding account and then to revenue once wire is received. With this correction she has provided a response to auditors as such.

19. FEBRUARY 7 & FEBRUARY 14 MEETINGS WITH TOWN STAFF/MASS MUNICIPAL ASSOCIATION MEETING/SELECTMEN’S MEETING PRESENTATION FEBRUARY 9TH.

L. Argo reported on presentations with towns providing the most thorough reporting for their projects. She will provide these reports to the Directors. She will also include the news on the CVEC success with the DPU 17-105 Rate Case to members. L. Argo will compile year to year detailed comparison reports for Towns.

L. Argo reported she will present to the Selectmen’s & Council Association Meeting taking place on February 9th. Venue and time to be announced.

L. Argo reported she has again been invited to speak before Solar Power Northeast.

There were no tables available for CVEC at the Mass. Municipal Association Conference.

20. FY17/2017 PRODUCTION & SAVINGS DATA

L. Argo reported all systems are generating above Guaranteed Annual Output (GAO) and she distributed “Totals by System” and “Totals by Participant” Reports.

At 3:04 p.m. the Committees unanimously voted to adjourn.

Respectfully submitted,
Karen E. Loura

List of Documents & Exhibits:

- Meeting Notice/Agenda
- Copy of page 14 of CVEC Bylaws
- Citizens’ Climate Lobby “How Carbon Fee and Dividend Works” dated 1/11/18
- Community Leader’s Letter to Congress; Organization/Individual Endorsing Carbon Fee & Dividend
- Review of Opportunities and Consultant Responses dated 1/4/18
- Financial Reports as of December 31, 2017
 - Financial Position Dashboard
 - Balance Sheet Prior Year Comparison
 - Income & Expenditure Budget vs Actual – Administrative
 - A/R & A/P Aging Summaries
 - PV System Totals for FY17 by System & Participant
- Articles
 - Central Virginia Electric Cooperative (CVEC) by News Staff posted Dec 08, 2017

- Energy Wise for your Home re: Electric Vehicles from East Central Energy rev. 05/17
- Ampion Focus Your Energy; Renewable energy for everyone, everywhere
- How Have Clean Energy Jobs In Massachusetts Fared Over the Last Year” by Betsy Lillian – December 21, 2017

Draft Minutes