

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive Committee and Finance Committee Open Session Meeting Minutes**  
**Thursday, February 8, 2018**

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee and Finance Committee met in open session on Thursday, February 8, 2018 at 3.00 p.m. in the CVEC Offices, 23H2 Whites Path, Suite 2, South Yarmouth, MA 02664

**PRESENT WERE:**

1. Leo Cakounes, President, Executive Committee Member/ Finance Committee Member/ Director, Barnstable County
2. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
3. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
4. Joseph Bayne, Finance Committee Member/ Treasurer/Director, Eastham
5. Steve Gavin, Finance Committee Member/ Director, Yarmouth

**ABSENT WERE:**

1. Jennifer Rand, V. President/Executive Committee Member/Director
2. Charles McLaughlin, Esq., Executive Committee Member/Director, Barnstable

**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 3.15 p.m... He announced the Meeting Notice/Agenda had been duly posted on the CVEC, Inc. website in accordance with Open Meeting Law on Thursday, February 2, 2018 at 3.10 p.m.

**2. PUBLIC COMMENT**

There were no public comments.

**3. CONSIDERATION OF MEETING MINUTES**

Review and approval of January 12, 2018 Executive Committee and Finance Committee Meeting Minutes was postponed by the President due to the minutes not being ready for review and approval. It was noted to put the review of the minutes back on the agenda of the next meeting.

#### **4. UPDATE AND POSSIBLE VOTE ON CLEAN FOCUS RESPONSE TO EMAIL ON EDGARTOWN'S CHOICE FOR SOLUTION TO NOISE AT NUNNEPOG**

L. Argo informed the Board about the letter from Clean Focus and read it aloud. In the letter, Clean Focus, in consultation with inverter manufacturer, Advanced Energy, determined that the sound may be reduced through programming curtailment, reducing how much energy is generated. Clean Focus also informed the parties that Greenskies Renewable Energy (GRE) has assumed responsibility for operations and maintenance, and after performing an assessment at Nunnepog, all inverter filters were replaced. GRE believes this will reduce the sound from operation of the inverters. Clean Focus proposes to conduct sound measurements in conjunction with the coordinated curtailment of the inverter as soon as the hot weather returns.

S. Gavin noted that the sound was measured by a sound expert hired by Edgartown. The measurement recorded 60 dB on the property line, 40 dB when quiet. The state allows 10 dB over 60dB. L.Argo mentioned that ACE performed the test too, but the consultant's measurements were higher than ACE's. There was a discussion on rejecting or accepting Clean Focus's proposal and comments were that it is not up to CVEC.C. Hanson noted that controlling production may cut production noise and will allow continuation of operation of the project rather than its complete shut down. A. Brandt proposed replacement of inverters. His proposal had been reviewed by Edgartown and was rejected due to high replacement cost.

L. Argo noted that she will present the letter to Edgartown, as it is their authority under which the solution may be implemented. L. Argo was asked to bring the issue to J. Rand's attention.

L. Cakounes suggested passing on the brochures on trailers to enclose the inverter for the town's consideration. S. Gavin recommended bringing a sound reduction company, Louisiana based Sound Fighters, into the discussion as they deal with sound absorbing materials. He also noted that there may be MA based companies who offer similar services.

#### **5. DISCUSSION AND POSSIBLE VOTE ON THE HOLDING OF THE CES LOC BY COOPERATIVE FINANCE CORPORATION**

L. Argo informed the Board that the Con Edison Solutions Letter of Credit (LOC) annual fee rate at TD Bank is .95% which equals \$963/year and TD Bank offers no interest. She informed the Board further that Virginia based Cooperative Finance Corporation (CFC) charges .75% annual fee which comes to \$750/yr. In addition, L. Argo mentioned that CFC offers annual interest rates of 1.72% and Cape Light Compact would be a beneficiary of accrued interest. L. Cakounes expressed concern that the transition may be more difficult than anticipated. He also noted that in the past it was difficult to find a financial institution to perform the discussed transaction and TD Bank was one of the few to offer the service.

L. Cakounes also mentioned that TD Bank brought a consultant from Boston to help with transaction and CVEC still has a checking account there. J. Bayne noted that moving LOC will not affect checking account standing, but it can be beneficial to establish business relationship with CFC for future credit options as CFC is a lending institution. C. Hanson posed the question

of credibility of CFC and asked if it is fully insured. L. Argo is to do due diligence to check CFC's good standing.

L. Cakounes made the following motion: That the Board's Committees vote on authorizing the President to move LOC from TD Bank to CFC if it is feasible. *There was a physical quorum present and J. Bayne moved the Executive Committee vote to accept the motion, seconded by S.Gavin. The Executive Committee voted in favor unanimously by those present.*

- |               |     |
|---------------|-----|
| 1. L.Cakounes | Yes |
| 2. C.Hanson   | Yes |
| 3. A.Brandt   | Yes |

*C. Hanson moved Finance Committee accept the proposal seconded by A. Brandt. The Finance Committee voted in favor unanimously by those present.*

- |               |     |
|---------------|-----|
| 1. J. Bayne   | Yes |
| 2. L.Cakounes | Yes |
| 3. S.Gavin    | Yes |

## **6. DISCUSSION AND POSSIBLE VOTE ON SECURING REGIONAL PLANNING AGENCY (RPA) STATUS FOR CVEC**

There was a discussion about eligibility for receiving (Municipal Energy Technical Assistance (META) grants directly by CVEC. Currently, CVEC is not eligible to receive the funding through META grants, and there was a consideration on how to reform the entity to solve the problem. The Board Members discussed possible causes why CVEC is "hitting the wall" on getting the status and the grants. A few suggestions were made on this topic. C. Hanson noted that the problem may be not addressing the right person. L. Argo suggested that it might be helpful to set up a meeting with Department of Energy Resources (DOER) and have L. Cakounes present. A. Brandt mentioned that in the address to DOER's Green Communities, CVEC should show the value it can bring. C. Hanson also mentioned that the language of the letter should be very specific to illustrate the effectiveness of CVEC's involvement. It was agreed that setting up a meeting with the grant agency may be useful. No date has been selected for the meeting.

## **7. UPDATE AND POSSIBLE VOTE ON EVERSOURCE RATE CASE; CVEC'S FOLLOW-UP ACTIONS AND RELATIVE COSTS**

L. Argo updated the Board on the recent events around Eversource's rate case hearing, in which the utility proposed switching the electricity charge from charging per kilowatt/hour to charging per the highest kilowatt. To continue in pushing the proposal by Eversource be rejected permanently, the Board reached consensus authorizing \$1000 to be paid to Paul Gromer for constructing the letter. It was noted that \$29,000 has been spent out of \$40,000 budget, keeping it under the \$35,000 authorized for fighting the rate case. The Board agreed not to pursue the rate case any further beyond the letter.

## **8. DISCUSSION ON CURRENT AFFAIRS WITH EVERSOURCE AND POSSIBLE VOTE TO FOLLOW-UP ON LETTER TO EVERSOURCE DATED 12.20.17**

The Board discussed possible solutions to ongoing problems with Eversource net-metering - credit calculations and document delivery. L. Argo noted that it might be helpful to suggest Eversource installation of new software to resolve the issue. It was decided that the meeting with Eversource would be scheduled some time in March. L. Cakounes noted that the direction of the Eversource meeting should be focused on executing and accomplishing tasks.

## **9. UPDATE, DISCUSSION AND POSSIBLE VOTE TO RETAIN BCK TO DETERMINE POTENTIAL FOR COMMERCIAL POWER SALES IN ACCORDANCE WITH CVEC'S ORIGINAL DOCUMENTS**

L. Argo presented a 2007 the Private Ruling Letter from the IRS that explains that “Cooperative may accept funds only from its members, or other sources that will not jeopardize its tax-exempt status”. There was a discussion that benefits must stay within CVEC’s members. The Board elaborated on the customer base, noting that it is directed that selling must not jeopardize CVEC’s tax-exempt status. J. Bayne proposed requesting the services of a CPA in determining “customer eligibility”. There was also a discussion on making another inquiry to IRS, but it was rejected due to relatively high cost of \$10,000. L. Argo shared her idea about creating a community solar garden for non-profit organizations such as Cape Cod Hospital, Cape Abilities and others. A. Brandt acknowledged that there should be more research done on this topic. J. Brandt suggested asking Clifton Larsen Allen, CVEC’s auditor, but the Board noted they might not have the necessary expertise. The Board agreed that exploration of this topic is worth pursuing and should be back to discussion for future meetings.

## **10. UPDATE, DISCUSSION AND POSSIBLE VOTE TO RETAIN STRATEGY CONSULTANT SERVICES FROM FUTURE ENERGY ADVISORS**

The Board postponed the discussion of this issue until it is clear who CVEC’s customer base might be.

Next meeting has been scheduled for March 22, 2018 at 9:30am

The Board adjourned at 4:50 p.m.

### **LIST OF DOCUMENTS & EXHIBITS:**

- February 8, 2018 Meeting Notice/Agenda
- February 8, 2018 Letter from David W Ruddy, Vice President and Operations & Maintenance Greenskies Renewable Energy, LLC
- May 29, 2008 Letter from Internal Revenue Services
- January 29, 2018 proposal from Richard T. Stuebi, President, Future Energy Advisors, Inc.