

Cape & Vineyard Electric Cooperative, Inc.
Board of Directors
Open Session Meeting Minutes – Thursday, May 24, 2018

The Cape & Vineyard Electric Cooperative, Inc. Board of Directors met in open session on Thursday, May 24, 2018 at 9:30 a.m. in the Cape Light Conference Room, 261 Whites Path, Unit 4 South Yarmouth, MA 02664

PRESENT WERE:

1. Leo Cakounes, President, Executive and Finance Committees Member/Director, Barnstable County
2. Jennifer Rand, V. President/Executive Committee Member/Director, West Tisbury
3. Charles McLaughlin, Esq., Executive and Finance Committees Member/Director, Barnstable
4. Charles Hanson, Executive Committee Member/Clerk/Director, Brewster
5. Joseph Bayne, Finance Committee Member/Treasurer/Director, Eastham
6. Lawrence Cole, Director, Harwich
7. Richard Toole, Director, Oak Bluffs - by phone
8. Steve Gavin, Finance Committee Member/Director, Yarmouth
9. Robert Hannemann, Director, Chilmark- by phone
10. Lydia Hamnquist, Director, Provincetown
11. Betty Hyde-McGuire, Director, Sandwich

ABSENT WERE:

1. Austin Brandt, Executive Committee Member/Director, Cape Light Compact
2. Lee Gray-Boze, Director, Falmouth
3. Bourne - Vacant
4. John Alley, Director, Dukes County
5. Edgartown – Vacant
6. Greg Rounseville, Director, Dennis
7. John Scott, Director, Chatham
8. Kirk Metell, Director, Tisbury
9. Ronald Collins, Director, Orleans

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 9:39 a.m. and announced the Meeting Notice/Agenda was duly posted on the CVEC, Inc. website in accordance with the Open Meeting Law on May 17,

2018 at 2:40 p.m. Pres. Cakounes introduced Betty Hyde-McGuire, a new member to the board who was formally appointed as a town representative by the Town of Sandwich. The board members welcomed B. Hyde-McGuire and introduced themselves.

2. PUBLIC COMMENT

There were no public comments.

3. CONSIDERATION OF MEETING MINUTES

The Board reviewed March 29, 2018 Board of Directors and Executive Committee Meeting Minutes. L. Cole noted several typos: there was a grammatical error on page 2 section 5; typo on page 4 section title 9; and an error on page 7 section 3. No other corrections were noted.

C. McLaughlin then moved the Board to accept March 29, 2018 Meeting Minutes as corrected, seconded by L. Cole and motion carried as follows:

- | | | | |
|------------------------------------|---------|-----------------------------------|-----|
| 1. Leo Cakounes, Barnstable County | Yes | 7. Richard Toole, Oak Bluffs | Yes |
| 2. Jennifer Rand, West Tisbury | Yes | 8. Steve Gavin, Yarmouth | Yes |
| 3. Charles McLaughlin, Barnstable | Abstain | 9. Robert Hannemann, Chilmark | Yes |
| 4. Charles Hanson, Brewster | Yes | 10. Lydia Hamnquist, Provincetown | Yes |
| 5. Joseph Bayne, Eastham | Yes | 11. Betty Hyde-McGuire, Sandwich | Yes |
| 6. Lawrence Cole, Harwich | Yes | | |

Motion carried in the affirmative (10-0-1)

Executive and Finance Committees reviewed April 10, 2018 Meeting Minutes. No corrections were noted.

C. McLaughlin moved the Executive Committee to approve Tuesday, April 10, 2018 Meeting Minutes seconded by L. Cakounes. The motion carried as follows:

- | | |
|-----------------------------------|---------|
| 1. L. Cakounes, Barnstable County | Yes |
| 2. C. McLaughlin, Barnstable | Yes |
| 3. J. Rand, West Tisbury | Abstain |
| 4. C. Hanson, Brewster | Yes |

Motion carried in the affirmative (3-0-1)

S. Gavin moved Finance Committee to approve Tuesday, April 10, 2018 Meeting Minutes seconded by J. Bayne. The vote carried out as follows:

- | | |
|-----------------------------------|---------|
| 1. S. Gavin, Yarmouth | Yes |
| 2. J. Bayne, Brewster | Yes |
| 3. L. Cakounes, Barnstable County | Yes |
| 4. C. McLaughlin, Barnstable | Abstain |

Motion carried in the affirmative (3-0-1)

L. Cakounes noted typo on Agenda pertaining April 19, 2018 Meeting Minutes. L. Cakounes decided not to take any action at this time.

4. UPDATE ON ENTERING CVEC STAND-ALONE PV PROJECTS INTO INDEPENDENT SYSTEM OPERATORS (ISO-NE)

L. Argo updated the Board about CVEC’s entering its’ stand alone PV projects into the energy capacity market. L. Argo noted that CVEC has been working with L. Barrett (CLEAResult) and ISO-NE on getting all the necessary documentation for the registration of the PV. L. Argo pointed out that ISO-NE is asking for information on points of interconnection (feeder lines, poles’ numbers and other), and so far, Eversource has been responsive. L. Cakounes added that some money to be paid to CLEAResult has been included in the FY19 budget. J. Bayne requested the total list of expenses expected. L. Argo clarified that the expenses will include qualification cost that is fronted by CLEAResult and later deducted from first year pay off and include CLEAResult’s billable hours. She mentioned that the estimated costs are provided on the CLEAResult estimation spreadsheet previously distributed and reviewed. There was a brief discussion about Financial Assurance amount. C. McLaughlin inquired if CLEAResult is willing to front Financial Assurance fees. L. Argo responded that, although CLEAResult is not providing funds for Financial Assurance, it is highly likely CVEC will not have this expense due to the fact that most of the projects have been built already. J. Rand asked if there is an option to withdraw a project. L. Argo answered that, in fact, such an option is available. There was a brief discussion about the timing of the earliest delivery payment. It has been determined that the profit is going to be realized in Fiscal Year 2020. C. Hanson inquired why qualification costs for several projects are higher than for others. L. Argo explained that the cost is estimated based on the size of the projects. L. Cole asked about the scenario if projects are not performing as expected. J. Rand said that the vendor has “buffered” for low energy delivery and the delivery estimates are very conservative. L. Argo noted that CLEAResult already calculated delivery based on reduced size of installations for contingency purposes, and, she added, they have a large portfolio from which to reconfigure production supply if a shortfall situation takes place. C. McLaughlin inquired about historical production data. L. Argo replied that historically the installations are overproducing. C. Hanson added that last year it was 10% down from the year before, but it was still above the guaranteed amount. L. Argo mentioned that she is expecting even lower production this year due to bad weather conditions. C. Hanson had a question about legal fees. L. Cakounes reminded the Board that the Chair has been approved by the Board to sign the contract, which has stipulation that, in the case of dispute, both parties agree to pay their own legal costs. L. Argo noted that next year, Sandwich may be a candidate to enter the market as well. S. Gavin added that Yarmouth is interested in participating, too. The Board had no other questions on that matter.

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

L. Cakounes briefed the Board about a service agreement with the Town of Sandwich. L. Argo explained that CVEC offers a similar service to the Town of Dennis and she has verified with

legal, the audit firm and the accountant that they see no issue with CVEC providing the service. L. Argo added that the service fee amount is \$730 a month. L. Cakounes inquired about an audit fee going up. L. Argo responded that the added audit fee has been added to the budget. B. Hyde-McGuire mentioned that the Town of Sandwich is planning to utilize the services for a short period of time until the task can be performed internally. L. Argo said that the contract has been considered for 9 years when discussed with town administration, but it can be a shorter time period.

L. Cakounes made the motion to approve the Net Metering Service Agreement with the Town of Sandwich as presented, and to authorize the Chair to execute the final contract. J. Rand moved the Board to vote seconded by C. McLaughlin and voted by roll call as follows:

1. Leo Cakounes, Barnstable County	Yes	7. Richard Toole, Oak Bluffs	Yes
2. Jennifer Rand, West Tisbury	Yes	8. Steve Gavin, Yarmouth	Yes
3. Charles McLaughlin, Barnstable	Yes	9. Robert Hannemann, Chilmark	Yes
4. Charles Hanson, Brewster	Yes	10. Lydia Hamnquist, Provincetown	Yes
5. Joseph Bayne, Eastham	Yes	11. Betty Hyde-McGuire, Sandwich	Yes
6. Lawrence Cole, Harwich	Yes		

Motion carried in the affirmative (11-0-0)

6. UPDATE AND DISCUSSION ON CVEC, CAPE LIGHT COMPACT AND CAPE COD CLIMATE CHANGE COLLABORATIVE CO-SPONSORSHIP OF AN “ALL-ENERGY COMMITTEES MEETING” ON JUNE 7TH

L. Cakounes briefed the Board about the upcoming “All-Energy Committees Meeting” and encouraged the members of the board to attend this information-sharing gathering. L. Cakounes mentioned that public is welcome to attend and stressed the importance of towns’ Energy Committees’ participation for mutual benefit and future planning. L. Argo referred the Board to their hand-outs for more detailed information. Brief discussion took place about transportation to the event for those who live on Martha’s Vineyard. It was agreed that organizational details of the meeting are to be discussed via email.

7. PRESENTATION OF “NET ZERO CAPE & ISLANDS” SCHEDULED FOR SEPTEMBER 27TH SPONSORED BY CAPE COD CLIMATE CHANGE COLLABORATIVE

L. Argo announced that the Climate Change Collaborative presenter was unable to attend the Board meeting. The Board agreed to move to the next topic on Agenda.

8. UPDATE ON NOISE MITIGATION AT NUNNEPOG

L. Argo informed the Board that Greenskies posted a formal letter to the Town of Edgartown and is actively involved in solving the noise problem. L. Argo elaborated that Greenskies has reached out to a sound technician who is known to the Town of Edgartown’s technical expert to assist with solving the noise issue. She added that the first sound assessment with both experts present is scheduled for early June.

9. PRESENTATION OF DRAFT BUDGET FOR FY19

L. Cakounes directed the Board's attention to the hand-out pertaining to the FY19 budget. There was a brief pause in the discussion in order to send the information to all the remote participants who did not get a physical copy. The discussion resumed shortly. L. Argo pointed out that a mistake was made in attributing forward capacity income to FY19, as it won't be available until FY20. The Board agreed to strike out that income amount from the budget, bringing net income to \$8,676.77. J. Bayne was concerned if CVEC would still need to keep the expense for entering Forward Capacity Market. The Board was not certain about the answer and decided to leave the expense in FY19 budget. There was a brief discussion about legal expense. The Board agreed on the projected legal expense amount in the budget. J. Bayne discussed in detail the payroll expense and explained to the Board that several years ago the Board agreed to add \$4,700 to L. Argo's salary to compensate on loss of her County employee retirement benefits. He proceeded with the discussion, saying that L. Argo did not get her yearly increase for two years. He noted that there is an increase on salary portion by 6%. C. McLaughlin argued that 6% increase is high. J. Bayne clarified that 6% increase is to compensate for two missing years. J. Bayne also pointed out that there is a decrease in payroll expense for L. Argo due to the decrease in medical expense. C. McLaughlin inquired why there is no income from the Town of Sandwich's service fee. L. Argo explained that since the contract has not been executed yet it would be premature to add the income to the budget. The discussion continued with a decision to vote the budget as amended and plan to return to a review in light of the Adder at the end of the summer. S. Gavin noted the increase in rent. L. Argo explained that the amount is coming from expanding office area by adding an extra room for a reasonable price of \$100 a month. The Board discussed income from Round 1, 2 and 3 projects. C. McLaughlin was concerned that the numbers projected are optimistic and would rather see a more conservative approach to income forecasting. L. Argo noted that some numbers reflect winter months' calculations, and several projects, such as Syncarpha, has had their budget adjusted down. L. Cakounes expressed his personal opinion that Round 2 has been showing poor performance and will possibly come under the projected \$150,000. The Board proceeded with a discussion of expenses. It was concluded that the "Miscellaneous Expenses" line item's totals number was missing due to document formatting problem. The Board proceeded to calculate Miscellaneous Expenses to find the missing number. The Board identified the "Miscellaneous Expenses" amount to be \$17,581. J. Bayne stated that CVEC is doing well with cash flow. C. Hanson inquired as to why the legal expense is lower than expected for FY18 in light of the legal expenses relative to the Rate Case fight. L. Argo explained that the Peregrine expense relative to the Rate Case fight is listed as a separate line item in FY18, so the total legal expense is the sum of several components. C. McLaughlin noted that CVEC might need to include additional legal expense for the purpose of protecting the value of net-metering credits if Eversource brings the devaluation back. While the Board agreed with C. McLaughlin that there may be a battle looming, no expansion of the legal budget was needed at this time. L. Cakounes noted that he prefers "zero-ing" budget practice and suggested appropriating the left-over amount to a separate project. The Board did not find the suggestion necessary. J. Rand mentioned that she feels concerned about income uncertainty. Other Board members concurred.

L. Cakounes made the motion to approve FY19 budget as amended. L. Cole moved the Board to vote seconded by J. Rand and voted by roll call as follows:

1. Leo Cakounes, Barnstable County	Yes	7. Richard Toole, Oak Bluffs	Yes
2. Jennifer Rand, West Tisbury	Yes	8. Steve Gavin, Yarmouth	Yes
3. Robert Hannemann, Chilmark	Yes	9. Lydia Hamnquist, Provincetown	Yes
4. Betty Hyde-McGuire, Sandwich	Yes	10. Charles McLaughlin, Barnstable	Yes
5. Charles Hanson, Brewster	Yes	11. Joseph Bayne, Eastham	Yes
6. Lawrence Cole, Harwich	Yes		

Motion carried in the affirmative (11-0-0)

10. UPDATE ON BIENNIAL COMPREHENSIVE SCHEDULE Z REVISIONS

L. Argo informed the Board about the ongoing comprehensive Schedule Z revisions. L. Argo mentioned that several towns have responded already, and she urged Barnstable to take action. C. McLaughlin inquired about the time schedule for revision. L. Argo replied that there is one more week available to complete the task. L. Cole asked about the revisions' help sheet sent around previously by CVEC. B. Hyde-McGuire asked if she can get the same help sheet. L. Argo stated that she is going to send a specific data sheet to Sandwich once the contract is executed.

11. DISCUSSION AND POSSIBLE VOTE ON AMENDMENT TO POWER SALES CONTRACTS WITH YARMOUTH, BREWSTER, BARNSTABLE COUNTY, CHATHAM, DUKES COUNTY, MONOMOY SCHOOLS, OAK BLUFFS, AND PROVINCETOWN TO ALLOW REPLACEMENT OF WIXON SCHOOL NET METERING CREDITS WITH NEXAMP'S DARTMOUTH PHASE 2 NET METERING CREDITS

L. Cakounes noted that this topic on the Agenda is just information and for CVEC's Board discussion. L. Argo explained that the project at Wixon School was created originally to serve the school during the school year and share energy production during the summer with other off-takers. She added that recently Wixon school realized higher energy need and could use the remaining energy benefits for its own consumption. L. Argo brought up a consideration to the Board to amend the contract to see if the off-takers would be willing to forgo their offtaking benefit for the sake of the school, as the loss for the off-takers is minimal. L. Argo also noted that it would aid in simplifying the book-keeping. J. Rand expressed her doubts that any town would be willing to let go of any benefit, regardless of its amount. J. Rand also added that amending contracts creates precedent for others to do the same. J. Rand noted that this practice may be deemed unfair, as West Tisbury previously asked for an amendment to allow a larger energy portion from its own PV project but was denied. L. Cole suggested connecting Nexamp with Wixon school. The Board agreed that staff should look into the Nexamp project for Wixon.

12. MANAGERS UPDATES ON:

- a. Battery Energy Storage System Request for Proposals
- b. Round 3 PV Initiative
- c. Nexamp Dartmouth 1

- d. **Nexamp Dartmouth 2**
- e. **Operating PV sites:**
 - i. **Chatham**
 - ii. **Brewster**
 - iii. **Tisbury**
 - iv. **Katama**
 - v. **Barnstable High School**
 - vi. **Barnstable West Villages**
 - vii. **Hyannis Airport/Fire District**

A) L. Argo invited C. McLaughlin to speak about Battery Energy Storage Systems. C. McLaughlin noted that state officials are still debating how Battery Energy Storage Systems should be procured. C. McLaughlin suggested scheduling a meeting to discuss the issue as, he noted, it is time sensitive matter and the consequences can result in loss of an income opportunity. L. Argo noted that multiple meetings have already transpired and inquired if the Board would help with this by producing a letter. C. McLaughlin answered that he would like to have time with CVEC legal counsel to construct a letter addressed to appropriate governmental official to get the project to move forward. There was a brief discussion about authorizing funds for the legal help. B. Hyde-McGuire asked if it would be helpful if the Board sent a letter to the Massachusetts Secretary of Energy and Environment, Matthew Beaton. J. Rand suggested that it may be helpful to also send the letter to the officials that are higher than the Department of Energy and Environmental Affairs, like the Governor and Legislative Reps.

L. Cakounes made the motion to authorize staff and C. McLaughlin to spend up to 3 hours with legal counsel drafting a letter signed by the Chair and addressed to Secretary Beaton with copies to State Representatives to move the Battery Energy Storage System project forward. J. Rand moved the Board to vote seconded by S. Gavin and voted by roll call as follows:

1. Leo Cakounes, Barnstable County	Yes	7. Richard Toole, Oak Bluffs	Yes
2. Jennifer Rand, West Tisbury	Yes	8. Steve Gavin, Yarmouth	Yes
3. Robert Hannemann, Chilmark	Yes	9. Lydia Hamnquist, Provincetown	Yes
4. Betty Hyde-McGuire, Sandwich	Yes	10. Charles McLaughlin, Barnstable	Yes
5. Charles Hanson, Brewster	Yes	11. Joseph Bayne, Eastham	Yes
6. Lawrence Cole, Harwich	Yes		

Motion carried in the affirmative (11-0-0)

B) L. Argo briefed the Board that all the contracts have been signed by the towns for the Round 3 roof mounts and she has asked the vendor for construction schedules. L. Argo added that she is not satisfied with vendor's response, and that there is a delay on developer contracting due to a legal team delay on vendor's side.

C) L. Argo reported that Nexamp's Dartmouth 1 is running and CVEC got the first check from them and has already distributed it to the offtakers.

D) L. Argo announced that Nexamp's Dartmouth 2 is yet to execute final PPA contracts because CVEC is questioning why it is necessary to have Dartmouth 1 and Dartmouth 2 referred to in the

Dartmouth 2 contract and why we would have to amend Dartmouth 1. She added that, although Eversource considers the projects as one, their connection at one point is immaterial to CVEC. E) L. Argo briefed the Board that poor performance is expected this year due to bad weather conditions. She also described a bird nesting problems and acts of vandalism at Chatham capped landfill. L. Argo mentioned that the gull situation at Barnstable High School seems to be resolved. C. McLaughlin noted that an expert has been hired to evaluate the roof leaking problem at West Villages location. L. Argo informed the Board that local first responders did a “walk-through drill test” at the Airport site. L. Cakounes mentioned that presently, more fire training associated with solar energy is taking place at the Firefighters school. There was no other discussion on this topic.

13. DIRECTOR’S REPORTS

L. Cakounes advised the Board to consider a new appointee for the CVEC Board as his reelection for County Commissioner is in November and there is a possibility that he may not be reelected. L. Cakounes informed the Board that on June 30th he is hosting a non-political family pot luck event and all were invited.

R. Toole and R. Hannemann left the discussion at 11.55 a.m.

The next CVEC Board meeting was scheduled for July 26 at 9.30 am, notice to follow. L. Argo suggested putting together a nomination committee.

L. Cakounes left at 12 p.m.

Brief Director’s reports followed. L. Hamnquist informed the Board that Provincetown has been working with its Recycling Committee to address plastic straws and cigarette pollution. S. Gavin announced that Yarmouth approved the stretch code in anticipation of becoming a Green Community. B. Hyde-McGuire expressed her excitement about upcoming work with L. Argo reviewing the possibility of an electric vehicle fleet on the other side of the canal. C. McLaughlin reported to the members on the state of Airport Solar Canopies and High School projects.

L. Cole departed at 12.05 p.m.

J. Bayne noted that he has identified some possible replacement candidates for his position for Eastham representative as he is moving off-Cape in future. C. Hanson mentioned that they are looking to pursue the Green Community opportunity. L. Argo noted that Provincetown is a Green Community already and may be a source of expertise on the subject. C. Hanson expressed his concern that Brewster has done many improvements already and he is not sure if more improvements can be done to achieve a 10-15% improvement threshold. L. Argo distributed an EV availability chart for the Board to view and consider. B. Hyde-McGuire expressed a desire to start a school science project to build a car. L. Argo mentioned that the Tech School is very active in “green” efforts and may be a great source to which to reach out. There was a brief discussion on recharging stations for EV and the poor profitability margin.

The Board adjourned at 12:15 pm.

LIST OF DOCUMENTS & EXHIBITS:

- March 29, 2018 Board of Directors Meeting Minutes
- April 10,2018 Executive Committee and Finance Committee Meeting Minutes
- FY19 Draft Budget
- Projected chart for Wixon school change from oftakers
- Cape Climate Change Collaborative conference flyer