

# Annual Report for Fiscal 2023

with Audited Financial Statements

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**CVEC** | Cape & Vineyard Electric Cooperative, Inc.

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## FROM CVEC

Dear Members, Participants, and friends of CVEC:

At the end of FY 23, CVEC added 2 projects to its portfolio of member and participant projects for a total of 48 operational solar photovoltaic projects. We continue to monitor 3 projects under construction and another 11 projects from prior rounds which are pending utility substation and other infrastructure upgrades. At the end of FY 23, CVEC operational projects produced approximately 41.5 MW. CVEC's entire portfolio of solar projects, including Round 6 which will be awarded in FY 24, will produce 55.65 MW.

CVEC is the procurement resource and project management administrator for 25 municipal members and currently 10 other governmental entities. Its procurement program complies with MGL c. 164, s. 137 which provides a structured and streamlined procurement process for CVEC's members. CVEC works with several national and local developers who own CVEC's renewable projects located on participant properties. These projects consist of roof mounts, ground mounts and carport canopies. Newer projects generally include battery energy storage systems.

This year, CVEC joined forces with the Massachusetts Municipal Wholesale Electric Company (MMWEC) for its Round 6 Procurement. MMWEC plans, develops and manages energy resources for many MA municipal light plants. MMWEC's hands-on experience offers CVEC's members analytic and project support. We look forward to working with MMWEC to accelerate projects and planning.

With substantial funding from the MA Department of Energy Resources, CVEC's 250 KW battery energy storage system is now on its pad at the regional emergency shelter in Yarmouth, MA awaiting to be energized. Despite this project's having its share of post-pandemic supply chain constraints and aging building connection issues, CVEC remains committed to the project.

As CVEC's assets mature and federal tax incentives come into play, CVEC will be taking a hard look at its strategic plan. We are hopeful that the region will soon see utility infrastructure progress that will bring electric reliability and, in turn, the ability for CVEC to build and upgrade renewable energy systems.

*/Maria Marasco, Esquire; Executive Director*

Established in 2007, CVEC is an energy cooperative and is deemed a Massachusetts government entity. It develops and manages 74 solar PV projects (operating or pending construction) located on property owned by a members and participants. CVEC also purchases energy from third-party solar and wind projects and will soon operate a 250 KW battery energy storage system.



### GOALS AND OBJECTIVES

Developing and/or owning renewable electric generation facilities and procuring and/or selling long-term electric supply or other energy-related goods or services including renewable energy certificate contracts at competitive prices to members.

### CVEC

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South Yarmouth, MA 02664  
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[www.cvecinc.org](http://www.cvecinc.org)

# CVEC | CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.

## MEMBERS

### Member Representative, CVEC Board of Directors as of 6.30.23

County of Barnstable	Mark Forest (Executive Committee)
Cape Light Compact	Mariel Marchand (Executive Committee)
Aquinnah	William Lake (President, Executive Committee)
Barnstable	Charles McLaughlin, Esq. (Executive & Finance Committees)
Bourne	Janice Marks
Brewster	Charles Hanson (Clerk, Executive & Finance Committees)
Chatham	Robert Wirtshafter (Treasurer, Executive & Finance Committees)
Chilmark	Stephen Lewenberg
Dennis	Thomas O'Connor
Dukes County	Tain Leonard-Peck (Vice President)
Eastham	Vacant
Edgartown	Alan Strahler
Falmouth	Rosemary Dreger-Carey
Harwich	Glenn Miemic
Marion	Alanna Nelson (Executive Committee)
Mashpee	Wayne Taylor
Nantucket	Lauren Sinatra
Oak Bluffs	Dion Alley
Orleans	Ron Collins
Provincetown	Lydia Hamquist
Sandwich	Laura Gregario
Tisbury	Jay Grande
Truro	Mark Farber
West Tisbury	John Christenson
Yarmouth	Joe Baker

## CVEC Participants in Projects (non-members)

Barnstable Fire District, Cape Cod Gateway Airport, Cotuit-Osterville-Marston Mills Fire District, Dennis-Yarmouth Regional School District, Harwich Water District, Martha's Vineyard Airport, Monomoy School District, Nauset Regional School District, Sandwich Water District, Upper Cape Regional Water District.

<b>CVEC'S PROJECTS</b>	<b>Round</b>	<b>Type of Project</b>	<b>COD or Status as of 6.30.23</b>
Barnstable High School	C-7	BTM (Behind the meter)	8.23.10
Bourne Middle School	C-7	BTM	4.30.10
Brewster Eddy Elementary	C-7	BTM	7.16.10
Brewster Stoney Brook Elementary	C-7	BTM	7.16.10
Eastham DPW	C-7	BTM	2.25.10
Eastham Elementary	C-7	BTM	2.27.10
Harwich Elementary	C-7	BTM	7.22.10
Barnstable Landfill 1 & 2	1	Cash-out No OTs (offtakers)	9.15.14
Brewster Capped Landfill	1	Cash-out No OTs	9.15.14
Chatham Capped Landfill	1	Cash-out No OTs	9.29.14
Eastham Landfill	1	NMC w OTs	4.23.14
Edgartown Katama Farms Landfill	1	Cash out No OTs	6.6.14
Edgartown Nunnepog Well	1	Cash-out w OTs	6.6.14
Harwich Capped Landfill	1	Cash-out w OTs	8.1.14
Tisbury Capped Landfill	1	Cash-out w OTs	7.29.14
Barnstable Cape Cod Gateway Airport	2	Cash-out w OTs	4.3.15
Barnstable Fire District	2	NMC w OTs	4.21.15
Barnstable High School	2	BTM	10.8.14
Barnstable Senior Center	2	BTM	12.2.14
Bourne Community Center	2	BTM	8.30.14
Chatham Police Station	2	BTM	8.30.14
Chatham Town Hall Annex	2	BTM	8.30.14
DYRSD High Roof Mount	2	NMC w OTs	3.16.15
DYRSD Ezra Baker School	2	BTM	8.30.14
DYRSD High School Ground Mount	2	NMC w OTs	4.14.15
DYRSD Mattacheese School	2	BTM	12.16.14
DYRSD ME Small School	2	NMC w OTs	2.27.15
DYRSD Wixon School	2	BTM/ NMC w OTs	12.8.14
Orleans Capped Landfill	2	NMC no OTs	5.15.15
Provincetown Transfer Station	2	BTM	12.15.14
West Tisbury Landfill	2	NMC w OTs	1.5.15
West Villages School	2	BTM	10.8.14
Chatham Fire Station	3	BTM	1.1.20
Eastham Library	3	BTM	1.1.20
Oak Bluffs Fire Station	3	BTM	1.1.20
Provincetown VMCC	3	BTM	7.1.20
Provincetown WTP	3	BTM	1.1.20
Yarmouth Fire Station #1	3	BTM	1.1.20
Yarmouth Fire Station #3	3	BTM	1.1.20

	Round	Type of Project	COD or Status as of 6.30.23
Brewster Golf Course Park Lot	4	LO (lease only)	3.22.22
Harwich Cranberry Valley Golf Cart Barn	4	BTM	7.21.21
Monomoy RSD Harwich High School	4	BTM	3.12.21
Oak Bluffs Elementary School	4	BTM	6.14.22
Sandwich Forestdale School	4	BTM	Distribution Study
Sandwich High School	4	BTM	Distribution Study
Sandwich Hollows Golf Course Cart	4	BTM	Distribution Study
Sandwich Oakridge School	4	BTM	Distribution Study
Sandwich Police Station	4	BTM	1.11.21
Yarmouth Parcel E	4	BTM	Distribution Study
Chatham Police Station Canopy	5	TBD	Under construction
Chatham Recreation Center	5	BTM	Under construction
Marion Capped Landfill	5	TBD	Pending Construction
Mashpee Coombs School Canopy	5	BTM	Distribution Study
Mashpee Coombs School Roof	5	BTM	Distribution Study
Mashpee High School Canopy	5	BTM	Distribution Study
Mashpee Quashnet School Canopy	5	BTM	Distribution Study
Mashpee Quashnet School Roof	5	BTM	Distribution Study
Nauset RSD Harwich Middle School	5	BTM	Distribution Study
Sandwich Hollows Golf Course Cart Barn	5	TBD	Distribution Study
Yarmouth Senior Center	5	BTM	Under construction
Future Generation Wind	3rd party	Cash out w OTs	8.15.16
Nexamp	3rd party	Cash out w OTs	11.21.17
Syncharpha	3rd party	Cash out w OTs	11.14.16
CVEC	DOER Grant	Battery Energy Storage System	Under construction

## **CVEC's Form of Contracts- Round 6**

Two main Project Agreements govern the legal obligations, rights and responsibilities of the Developer, CVEC, and Participant for each PV System, as follows:

### Inter-Governmental Power Purchase and Project Development Agreement between CVEC and Participant ("IGA").

The Participant and CVEC will enter into an inter-governmental agreement for CVEC to resell the net energy (associated with net metering or SMART Program alternative on-bill credits) to the Participant for a period of 20 years, with the option to extend for up to five (5) years. The Agreement includes a grant of certain property rights with an option to extend for up to five (5) years.

Solar Power Purchase and Development Agreement ("PPA") between CVEC and Developer: The Developer and CVEC will enter into a long-term PPA with an initial term of twenty (20) years from commercial operation of the PV System. The PPA will govern CVEC's purchase of the net energy from a PV System. The PPA will contain the Developer's PV System permitting, construction and commissioning benchmarks, require routine reporting on design, permitting, and financing for the PV System and will provide for delay liquidated damages in the event that Developer does not construct and/or commission the PV System by a date certain.

The PPA includes an assignment of property rights to the Developer (i.e., a long-term sub-lease from CVEC to the Developer) an initial term of twenty (20) years from commercial operation of the PV System. The PPA will establish the Developer's right to access and use the Participant's property for the design, installation, and operation of the PV System. In addition, the PPA will require the Developer to provide development security and a payment and performance bond in advance of construction of the PV System and to provide decommissioning assurance in the event that the Developer fails to properly remove the PV System from the Participant's property upon expiration of the PPA . The Participant's reserved use of its premises and any special conditions applicable to Developer's development and use of the premises (if any) will be set forth in a special exhibit to the IGA. An exhibit to the PPA will contain limited contract exceptions and supplemental terms that are developed or identified during the RFP phase or the contract negotiations process and approved by CVEC.

## **Implications of the Inflation Reduction Act Renewable Energy Incentives**

Generally, the Inflation Reduction Act increases the number and amount of incentives for renewable energy projects. The new direct pay and transfer options allow governmental organizations, such as CVEC and its members, to utilize clean energy tax credits for equipment placed in service on or after January 1, 2023 through December 31, 2032 . The direct pay option, in lieu of a traditional tax credit, allows certain non-taxable entities to directly monetize certain tax credits including many renewable energy credits where it was not able to before. The base incentive is a tax credit of 30% of eligible costs. This leaves the door open for CVEC and or its members to consider owning renewable energy systems. In FY 23, CVEC started its financial analysis, risk assessment, and operational capacity to build and operate its own systems. These systems include those already operational and new projects.

For more information, refer to: <https://www.epa.gov/green-power-markets/summary-inflation-reduction-act-provisions-related-renewable-energy>

## ISO-NE Forward Capacity Markets

CVEC contracts with two Forward Capacity Market (FCM) vendors who enroll CVEC's projects into ISO-NE and related programs for additional income.

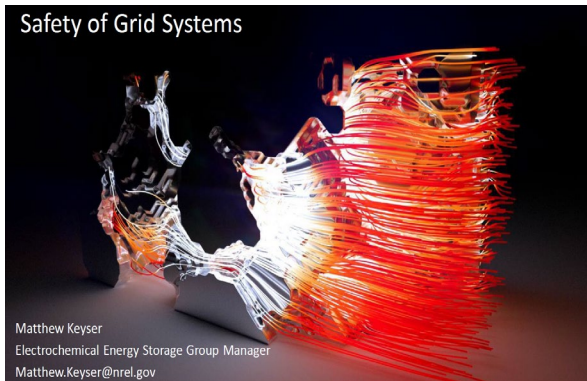
CPower is a demand-side energy management company that operates under a contract with the Massachusetts Department of Capital Management. As a government entity, CVEC utilizes this contract. CPower provides capacity monetization of CVEC's Behind-the-Meter solar PV arrays into the ISO-NE Forward Capacity Market. In Fiscal 23, CVEC had 13 sites with 833 kW capacity enrolled. Systems must be enrolled within the first three years of each system's commercial operation date. Revenues to CVEC will continue over the 20-year life of the solar PV systems.

In deregulated electricity markets, two main products are electricity and capacity. Capacity can be viewed as a call option on electricity where a peaking resource is paid to be on standby in the event that it is needed. In a grid with peaky load characteristics, capacity markets are crucial to keeping the lights on during spikes in demand. The Forward Capacity Market (FCM) ensures that the New England power system will have sufficient resources to meet the future demand for electricity. Forward Capacity Auctions (FCAs) are held annually, three years in advance of the operating period. Resources compete in the auctions to obtain a commitment to supply capacity in exchange for a market-priced capacity payment. These payments help to support the development of new resources as well as to retain existing resources. (Source: ISO-NE)

CVEC also works with CLEAResult, a provider of energy efficiency and demand response solutions. CLEAResult represents 14 of CVEC's Front-of-the Meter solar projects, totaling roughly 9 MW of capacity, in the ISO-NE FCM. CVEC receives an annual payment for 14 projects.



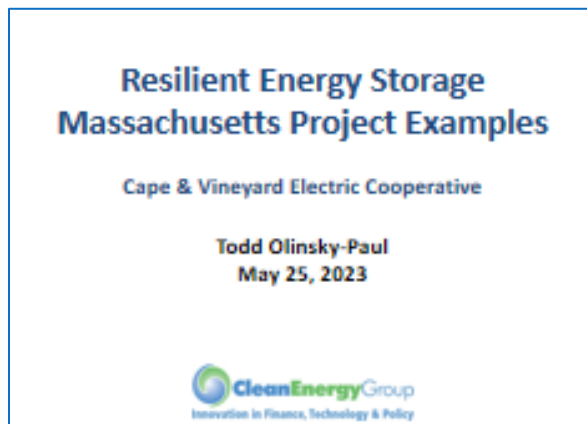
## Relationship Building



Matthew Keyser  
Electrochemical Energy Storage Group Manager  
Matthew.Keyser@nrel.gov

board meetings.

CVEC invites prominent energy leaders from government, research, utilities and the commercial industry each year to meet virtually with board members and exchange information. This past fiscal year, CVEC was pleased to have presentations from Matthew Keyser, Electrochemical Energy Storage Group Manager from the [National Renewable Energy Laboratories](#), Paul Makris and Ed Bludnicki from [Ameresco](#), and Todd Olinsky-Paul, Senior Project Manager from the [Clean Energy Group/ Clean Energy States Alliance](#) attend CVEC



## CVEC'S PROJECTS BY TYPE

### Behind-the-Meter



Yarmouth Fire Station 3

The majority of CVEC's projects are Behind-the-Meter ("BTM") projects in which CVEC buys the energy from a developer and resells it to the host. The developer builds and owns the project located on the host's property. The developer calculates the monthly energy production and invoices CVEC for the energy at a fixed price determined through an initial RFP process. CVEC then invoices the Host for the monthly cost of energy plus an administrative adder per kWh for project management. CVEC does not, however, charge an administrative adder for CVEC-7 BTM Projects.

### Front-of-the Meter Cash-out Projects without Offtakers

CVEC's projects at the [Barnstable Landfills \(1 & 2\)](#), [Edgartown Katama Farms Landfill](#), [Brewster Landfill](#), and [Chatham Landfill](#) are cash-out projects without offtakers, meaning the host

receives 100% of the net cash value of the project production each month. The net cash value is calculated as the net metering credit value, which is calculated by Eversource each month, less the developer's fixed PPA cost and less CVEC's administrative fee where applicable. CVEC ceased charging an administrative fee for all Round 1 projects in FY 21.

OFFTAKER-  
A RECIPIENT OF A PERCENTAGE SHARE OF  
NET METERING CREDITS FROM A PROJECT  
HOSTED BY ANOTHER CVEC MEMBER,  
PARTICIPANT, OR THIRD-PARTY

### Front-of-the Meter Cash-out Projects with Offtakers

The [Edgartown Nunnepog Landfill](#), [Harwich Capped Landfill](#), [Tisbury Capped Landfill](#), and [Cape Cod Gateway Airport](#) are cash-out projects with a host and multiple offtakers. Eversource notifies CVEC of the solar PV monthly production via a Special Ledger and a month or two later sends CVEC, as project administrator, the cash value of the net metering credits via wire transfer. CVEC then allocates the net cash value to the Host and the offtakers in their proportionate shares. The net cash value is the participant's share of: net metering credits less the developer fixed PPA cost less CVEC's administrative fee. CVEC is responsible for preparing monthly accounting allocations and reports and distributing the net proceeds in a timely fashion.

The initial net cash value for each offtaker is reduced by the "Revenue Share" which each offtaker pays to the Host for locating the project on its property. The Participant Revenue Share calculation is:  $50\% \times \text{Total System Net Monthly Benefit} \times \text{the Participant's proportionate share of net metering credits}$ .

## Front-of-the Meter Net Metering Credits with and without Offtakers

CVEC also has projects in which the host and any offtakers receive net metering credits, and not the cash value of those credits, from a project. The net metering credits are used to offset the cost of energy and appear on the Host's and offtaker's utility bills. CVEC is responsible to ensure that the credits are distributed not only in the correct percentage but to particular electric accounts through the administration of Eversource Schedule Z's. These projects include the [Eastham Landfill](#), [Barnstable Fire District](#), [Dennis-Yarmouth Regional School District \(DYRSD\) High School Ground and Roof Mounts](#), [DYRSD Marguerite Small Elementary School Roof Mount](#) and [Wixon School Roof Mount](#), [Orleans Capped Landfill](#), and the [West Tisbury Landfill](#). These projects, with the



Orleans Capped Landfill Solar PV

exception of Orleans which has no offtakers, have as many as nine offtakers for which CVEC calculates each share. The same revenue-sharing method as noted above is applied to these projects.

## Offtaker Rounds I and II Production Pool

In 2014, CVEC established a Production Pool from Round 1 and Round II Projects. Round I Projects included large-scale (6 - 4.4. MW) projects at the [Harwich Landfill](#), [Eastham Landfill](#), [Edgartown Nunnepog Well](#), and [Tisbury Landfill](#). Round II Projects included large-scale (.5 – 6.6 MW0 projects at the [Barnstable Airport](#), [Barnstable Fire District](#), [Dennis-Yarmouth High School](#), and at the [West Tisbury Landfill](#). The energy in the Production Pool is the net energy generated from the projects that the Hosts did not reserve.

The allocation of net metering credits is determined from Inter-governmental Net Metering Power Sales Agreements through which the offtakers, receive the value of the net metering credits either in the form of cash or credits.

### Allocations by System and Offtaker

System	Offtaker	Percentage
<a href="#">Eastham Landfill- R1 Net Metering Credits</a>	Barnstable County	3.96%
	Brewster	2.42%
	Chatham	1.05%
	Chilmark	0.24%
	Dukes County	0.40%
	Eastham	77.07%

Monomoy Schools	4.83%
Oak Bluffs	1.21%
Provincetown	2.15%
Yarmouth	6.67%
Total	100.00%

Nunnepog Well- R1 Cash value of Net Metering Credits

Barnstable County	9.40%
Brewster	5.80%
Chatham	2.50%
Chilmark	0.60%
Dukes County	1.00%
Edgartown	45.20%
Monomoy Schools	11.50%
Oak Bluffs	2.90%
Provincetown	7.50%
Yarmouth	13.70%
Total	100.00%

Harwich Landfill R1- Cash value of Net Metering Credits

Barnstable County	8.40%
Brewster	5.20%
Chatham	2.20%
Chilmark	0.40%
Dukes County	0.70%
Harwich	61.80%
Oak Bluffs	2.60%
Provincetown	6.70%
Yarmouth	12.20%
Total	100.00%

Tisbury Landfill R1- Cash value of Net Metering Credits

Barnstable County	2.10%
Brewster	1.30%
Chatham	0.60%
Chilmark	0.10%
Dukes County	0.20%
Monomoy Schools	2.60%
Oak Bluffs	0.60%
Provincetown	1.70%
Tisbury	87.80%
Yarmouth	3.10%
Total	100.00%

Cape Cod Gateway Airport R2- Cash value of Net Metering Credits

Airport	19.20%
Barnstable	80.80%
Total	100.00%

#### Barnstable Fire District R2-Net Metering Credits

Barnstable County	11.31%
Barnstable Fire District	35.79%
Brewster	6.53%
Chatham	2.73%
Chilmark	0.63%
Dukes County	1.08%
Monomoy Schools	14.23%
Oak Bluffs	3.16%
Provincetown	8.62%
Yarmouth	15.92%
Total	100.0%

#### DYHS Ground Mount R2- Net Metering Credits

DYRSD	0.00%
Yarmouth	100.00%
Total	100.00%

## Lease Only



Brewster Captains Golf Course

Certain projects have a lease agreement between a Host and the developer instead of a PPA between CVEC and the developer. The Host receives a monthly lease payment over the life of the solar PV system. CVEC provides project oversight through an Intergovernmental Agreement in which there is an annual fee in place of an adder. This lease-only agreement falls outside of CVEC's regular procurement model.

## Third-party Power Purchase Agreements

With the goal of managing a diversified portfolio of distributed renewable energy projects, CVEC purchases energy from third-party operators of solar PV and wind projects. CVEC purchases net metering credits and in turn resells them to certain CVEC members and participants as offtakers. These offtakers receive the cash value of the net metering credits less the developer's cost and less CVEC's operational adder per kWh of production each month.

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**Future Generation Wind.** Agreement effective November 20, 2014, for participation in (up to four) wind energy generation facilities, with an aggregate generating capacity of 8 MW located in Buzzards Bay, MA.

**Syncarpha Capital, Marie's Way Solar I, LLC.** Agreement effective November 9, 2016, for participation in solar PV power electrical generation facility with an estimate generation capacity of 6,850,000 KWh per year located in Orleans, MA.

**Nexamp, Dartmouth Farms Solar, LLC.** Agreement effective January 15, 2015 and amended June 22, 2016 for participation in three(3) 2,250 kW (AC)(total) solar PV arrays located in Dartmouth, MA.

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## Service Agreements

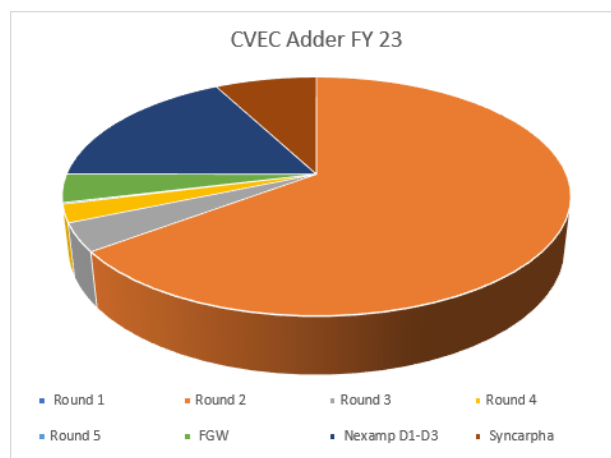
A number of CVEC's member towns have service agreements with CVEC. The services are either outside the scope of CVEC's Administrative or Operational Adder or involve a solar PV project that the member installed on its own. CVEC maintained service agreement relationships in FY 23 with the following members:

- *Dennis* -- CVEC manages the distribution of the Town's net metering credits from their capped landfill PV system which is not a CVEC-procured project.
- *Sandwich* -- CVEC supports the Town with administrative and transactional services relative to a 4-megawatt PV system which is not a CVEC-procured project.
- *Yarmouth* -- CVEC provides the Town with services outside for over 100 electric utility accounts, including electric invoice payment through the town's MUNIS platform, review and analysis of electric charges, and certain Schedule Z support.

**CVEC invites all members and participants to discuss using CVEC's management services to support existing municipal efforts.**

## CVEC's Administrative Adder

CVEC derives its primary source of revenue by charging project participants an administrative fee or "adder" on the energy generated from projects in Rounds 2 through 6. CVEC does not charge the participants an adder for CVEC's original CVEC-7 and Round 1 projects (effective FY 22) which include many landfill projects. The larger one-plus MW projects at various landfills from Round 2 cover the bulk of CVEC's administrative costs.



Round 1	\$ -
Round 2	\$ 191,570.85
Round 3	\$ 11,218.02
Round 4	\$ 7,144.99
Round 5	\$ 564.88
FGW	\$ 11,342.28
Nexamp D1-D3	\$ 50,976.16
Syncarpha	\$ 22,829.97
<b>Total</b>	<b>\$ 295,647.15</b>

## Rounds 4 and 5

Developer Distributed Solar Development energized the carport canopy solar PV and battery energy storage project at the [Nauset Regional Middle School](#) on April 7, 2023 for the Nauset Regional School District. It is an expansive 588.24 kW DC PV system with a 1,073 kWh Tesla battery. By the end of the fiscal year, the net benefit to the school was \$364,919, not including additional cash payments for battery participation on the ConnectedSolutions program. Production equaled approximately 378.6 metric tons of carbon dioxide equivalent.



Nauset Middle School Solar PV with BESS

CVEC issued an RFP for 21 Round 4 solar PV projects in 2018. CVEC acted as the procuring authority under MGL c. 164, s. 137. By the end of 2019, CVEC had completed Round 4 contract negotiations with the developers. In December 2019, CVEC advertised a new Round 5 for 22 projects, of which 13 include batteries. Four Round 4 projects began operations in FY 21. In FY 21, CVEC cancelled a number of projects at the request of certain members.

In FY 22, CVEC realized its first battery energy storage system-- a 231.77 kilowatt (kW) solar PV system with a Tesla 58 kW/232 kWh energy storage system unit located at the [Oak Bluffs Elementary School](#). Annually, the solar array of 600 photovoltaic panels generates over 265,000 kilowatt-hours (kWh) of clean energy, offsetting more than 414,000 pounds of carbon dioxide. Over the next twenty years, that will be the equivalent of taking about 810 gas-powered cars off the road or preserving 4,440 acres of forest. (Source: US EPA Greenhouse Gas Calculator).

Construction of the [Chatham Recreation Center](#), [Chatham Police Station](#), and the [Yarmouth Senior Center](#) started in FY 23. CVEC, at the request of the Town of Aquinnah, cancelled two Round 5 projects.

## Distribution Studies for Round 4 and 5 Projects

In FY 23, the MA Department of Public Utilities approved Eversource's Marion-Fairhaven capital investment project proposal affecting CVEC's Marion landfill solar PV and BESS project. Construction of the Marion project will progress in coordination with infrastructure improvements. At the end of FY 23, the Cape & Islands Study was still pending DPU approval under the DPU's Provisional System Planning Program. CVEC submitted public comments to the DPU as part of the rate determination process expressing concern for delays and increased costs. Eleven CVEC projects are pending under the Cape & Islands proposal.

Members can review the matter at: <https://eeonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (enter "22-55").



**The Commonwealth of Massachusetts**

DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 22-55

May 25, 2022

Petition of NSTAR Electric Company d/b/a Eversource Energy for approval by the Department of Public Utilities of the Company's Cape Cod capital investment project proposal under the Provisional Program established by the Department in Provisional System Planning Program, D.P.U. 20-75-B (2021).

# FINANCIAL STATEMENTS

## CAPE & VINEYARD ELECTRIC COOPERATIVE, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

As management of the Cape & Vineyard Electric Cooperative, Inc. (CVEC), we offer readers of these financial statements this narrative overview and analysis of CVEC's financial activities for the year ended June 30, 2023.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the financial statements, which consist of the following two components:

1. Financial statements
2. Notes to financial statements

### Financial Statements

CVEC's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, as set forth by the Governmental Accounting Standards Board (GASB). The financial statements are presented on the accrual basis of accounting and include the following three basic financial statements: (1) the statement of net position, (2) the statement of revenues, expenses, and change in net position, and (3) the statement of cash flows.

The financial statements can be found on pages 6 – 8 of this report.

### Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 9 – 16 of this report.

### Financial Statement Analysis

The following tables present current and prior year data on the financial statements:

#### Net Position

CVEC's assets exceeded liabilities by \$1,260,833 at the close of the fiscal year and are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>Change (\$)</u>	<u>Change (Percent)</u>
<b>Assets</b>				
Current Assets	\$ 2,844,442	\$ 1,395,161	\$ 1,249,281	89.54%
Capital Assets	580,139	-	580,139	100.00%
Total Assets	<u>3,224,581</u>	<u>1,395,161</u>	<u>1,829,420</u>	
<b>Liabilities</b>				
Current Liabilities	<u>1,963,748</u>	<u>612,524</u>	<u>1,351,224</u>	220.60%
<b>Net Position</b>				
Net Investment in Capital Assets	580,139	-	580,139	100.00%
Unrestricted	680,694	782,637	(101,943)	-13.03%
	<u>\$ 1,260,833</u>	<u>\$ 782,637</u>	<u>\$ 478,196</u>	



**CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

CVEC's assets consist primarily of cash and cash equivalents, construction in progress, and accounts receivable.

Liabilities consist of accounts payable, accrued expenses and net metering credits (NMC) pass-through activities.

The significant increases in assets and liabilities were a result of timing differences in receipt and disbursements of pass-through transactions in the current fiscal year as well as the start of construction on the battery storage equipment.

**Changes in Net Position**

CVEC's net position increased by \$478,196 for the year ended June 30, 2023, and is summarized as follows:

	2023	2022	Change (\$)	Change (Percent)
Operating Revenues	\$ 4,767,186	\$ 4,046,050	\$ 721,136	17.82%
Operating Expenses	4,772,516	4,072,771	699,745	17.18%
Operating Loss	(5,330)	(26,721)	21,391	-80.05%
Nonoperating and Capital Contributions	483,526	117,242	366,284	312.42%
Change in Net Position	478,196	90,521	387,675	428.27%
Net Position - Beginning of Year	782,637	692,116	90,521	13.08%
Net Position - End of Year	<u>\$ 1,260,833</u>	<u>\$ 782,637</u>	<u>\$ 478,196</u>	61.10%

Operating revenues consist primarily of energy sales, operational adder revenue, forward capacity market revenue, and administrative services income. Operating revenues increased by \$721,136, which was primarily due to the increase in energy production.

Operating expenses consist primarily of purchased power costs (\$4,248,389, or 89%) and salaries and benefits (\$234,421, or 5%). Operating expenses increased by \$699,745 primarily due to the corresponding increase in energy sales revenue.

Nonoperating and capital contributions related to grant revenue received in connection with the battery project.

**Capital Assets**

CVEC's capital assets as of June 30, 2023 and 2022 amounted to \$580,139 and \$-0-, respectively. Capital assets include the construction of a battery energy storage system, which has a remaining commitment of approximately \$500,000.

**Requests for Information**

This financial report is designed to provide a general overview of the CVEC's finances. Questions concerning any of the information provided in this report should be addressed to the President of the Board of Directors, 23H2 White's Path, Suite 2, South Yarmouth, MA 02664.



For the full report, please go to [https://cvecinc.org/wp-content/uploads/2024/01/CVECI\\_6.30.23.-Financial-Statements.pdf](https://cvecinc.org/wp-content/uploads/2024/01/CVECI_6.30.23.-Financial-Statements.pdf)

# FY 23 PROJECT REPORTS- SUMMARY

CVEC   Cape & Vineyard Electric Cooperative, Inc,		Annual Systems Report										Dated	9.30.23		
NET BENEFITS BY SYSTEM		kWh / Service Period	Average NMC/kWh value	Total NMC Value	PPA Rate	PPA Cost	Last CVEC Admin Rate	Admin Costs	Additional Project Costs, if any	System Net Revenue (Cost)	Revenue Share to Host, if any	Net Benefit to Host for FTIM Projects	Net Benefit for BTM Projects	System Cost/IF no solar (Est \$/kWh)	Metric Tons of CO2 Equivalent
CVEC-7			BTM Est. \$0.28/kWh	Estimated					RECS to Developer		RECS paid by CIC		Est. \$0.28 NMC x kWh		0.000432
	Round Total	955,361	\$ 0.28	\$ 267,501.12	\$ 0.1345	\$ (128,496)	\$ -	\$ (37,125)		\$ 101,880	\$ 37,125		\$ 139,005	\$ (181,519)	412.7
ROUND 1									RE/PP Tax to Dev						
	Round Total	\$20,483,220	\$ 0.28617	\$ 5,830,871	\$ (0.0797)	\$ (1,596,923)	\$ -	\$ (87,480)	\$ (135,054)	\$ 4,098,893	\$ 750,698	\$ 4,849,591		\$ (3,891,812)	8,848.8
ROUND 2			BTM Est. \$0.28/kWh						RE/PP Tax to Dev						
	Round Total	7,537,114	\$ 0.26908	\$ 1,950,115	\$ (0.0675)	\$ (495,902.56)	\$ (0.01392)	\$ (87,480)	\$ (41,924)	\$ 1,324,808	\$ 9,840	\$ 1,205,579	\$ 401,131	\$ (1,432,052)	3,256.0
ROUND 3			BTM Est. \$0.28/kWh												
	Round Total	1,124,779	0.2800	\$ 314,938	\$ 0.0749	\$ (84,245.96)	\$ 0.00650	6,981		\$ 237,673			\$ 230,692	\$ (213,708)	485.9
ROUND 4			BTM Est. \$0.28/kWh												
	Round Total	250,575	\$ 0.28	\$ 70,161	\$ (0.0775)	\$ (57,831.50)	\$ (0.00950)	(11,875)		\$ 222,525			\$ 228,151	\$ 228,151	373.6
ROUND 5			BTM Est. \$0.28/kWh												
	Round Total	56,488	\$ 0.28	\$ 15,817	\$ 0.1364	(7,705)	\$ 0.0100	\$ (564.88)		\$ 7,547			\$ 23,522	\$ (10,733)	24
Subtotal		61,623,344		\$ 17,125,120		\$ (4,768,519)		\$ (185,879)	\$ (214,104)	\$ 11,986,653	\$ 1,839,284	\$ 12,110,340	\$ 2,045,001	\$ (11,443,408)	26,911
3RD-PARTY SYSTEMS															
	Subtotal	10,172,985		\$ 2,772,553		\$ (1,482,937)	\$ (0.0083)	\$ (85,010)		\$ 1,204,606		\$ 1,204,606		\$ (1,932,867)	4,395
TOTALS for Fiscal FY 23		71,796,329		\$ 19,897,674	0.10043	\$ (6,251,456)	0.0089	\$ (270,889)	\$ (214,104)	\$ 13,191,259	\$ 1,839,284	\$ 13,314,946	\$ 2,045,001	\$ (13,376,275)	31,306

For the full report, please go to <https://cvecinc.org/wp->

## CVEC INFORMATION

For all inquiries, please email [office@cvecinc.org](mailto:office@cvecinc.org) .



Find us at: [www.cvecinc.org](http://www.cvecinc.org)



CVEC is a governmental entity established under MGL c. 164, s. 136 and complies with the MA Public Records Law.

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