

Cape & Vineyard Electric Cooperative, Inc.
EXECUTIVE COMMITTEE MEETING, and FINANCE COMMITTEE MEETING
THURSDAY, SEPTEMBER 8, 2022 8:30 am REMOTE VIA ZOOM

Executive Committee and Finance Committee Minutes are combined.

1. Call to Order

a. Roll Call & Identification of persons attending remotely

President Lake called the meeting to order at approximately 8:32 am.

Roll call:

Executive Committee:

W. Lake- present, J. Rand-present, M. Marchand-present, M. Forest-Present, C. Mclaughlin-present

Finance Committee”

C.Hanson, R.Wirtshafter-present(attending during approval of minutes), C. McLaughin-present(attending after approval of minutes)

b. Public comment

There was no public participation.

2. Approval of Minutes

a. Executive Committee Meeting Minutes 6.10.22

Upon a motion and second, the Executive Committee approved the minutes as written.

W. Lake-yes, J.Rand-yes, M. Marchand-yes, M.Forest-abstain, C. McLaughlin-not yet present

b. Executive & Finance Committees Executive Session Minutes 6.10.22

Upon a motion and second the Executive Committee approved the minutes as written. With the subject matter, DOER Grant, having already become public, the minutes were deemed a public record.

W. Lake-yes, J.Rand-yes, M. Marchand-yes, M.Forest-abstain, C. McLaughlin-not yet present

c. Executive & Finance Committees 4.14.22

Upon a motion and second, the minutes were approved as written

Executive Committee:

W. Lake- yes, J. Rand-yes, M. Marchand-preesent, M. Forest-abstain, C. Mclaughlin-not yet present

Finance Committee:

C.Hanson-yes, R.Wirtshafter-yes, C. McLaughin-not yet present

3. President’s Report

a. Comments

W. Lake announced that Yarmouth had appointed a Joe Baker as its new CVEC director. He also stated that he and the Executive Director will prepare a summary of Executive Committee activities for the annual board meeting per the bylaws.

b. Energy Committee organization request for event sponsorship

Upon a motion and second, the respective committees voted to approve one third sponsorship of the Energy Committees planned September meeting costs. The total request made by Ms. Argo via email is \$217.50, est.

Executive Committee:

W. Lake- yes, J. Rand-yes, M. Marchand-preesent, M. Forest-abstain, C. Mclaughlin-abstain

Finance Committee”

C.Hanson-yes, R.Wirtshafter-yes, C. McLaughin-abstain

c. **Executive Committee Nominations**

W.Lake informed the members that all Executive Committee members are interested in another year of service with the exception of Ms. Jennifer Rand who will be stepping down. She announced that she hopes the Town of West Tisbury will vote on her replacement before the CVEC Annual Meeting. W. Lake, with concurrence of other members, thanked Ms. Rand for her valuable years of service to CVEC. W.Lake asked the Executive Director to circulate another email to directors asking for nominations and to send out Duke County director Tain Leonard-Pecks' letter of interest in being nominated as Vice President.

d. **CVEC Membership Fees Discussion**

The Executive and Finance Committees were asked to review of CVEC's membership dues, as a periodic measure and pursuant to the bylaws. Presently, dues are fixed as a \$25 one-time fee. Ms. Rand stated that if CVEC were financially stable, that it may unnecessary to assess additional fees and that if funds were needed there would be other ways to collect monies. Bob Wirtshafter stated that CVEC already collects an adder and believes that CVEC at present generates sufficient funds. Charles McLaughlin noted that CVEC could always revisit asking Round 1 members for fees. Charles Hanson indicated that he agreed with Ms. Rand and did not see a need to revisit the Round 1 adder at this time.

4. **Treasurer's Report**

a. **Financial Report Ending June 30, 2022**

Robert Wirtshafter stated that CVEC is in a healthy financial position, noting that the unaudited unrestricted funds balance is \$692,116. He noted that CVEC generates additional income from its participation in the ISO-NE markets, noting in particular the On-Peak Hours Resources Income. Net income exceed budgeted expectations with a projected, approximate \$61,341 in net income. FY22 budget projections forecast a net loss; however, Ms. Marasco noted that with the transition to in-house bookkeeping and related functions, as well as strict monitoring of expenses, CVEC was able to realize a substantial amount of net income. She thanked staff for their efforts.

b. **Audit Update with System Reporting Update**

Ms. Marasco noted that CVEC is on target for delivering required CVEC materials to the auditors, but believes that the audited financial statements will not be ready until after the annual board meeting. She stated that unlike last year where it took 5 months to prepare for the audit, she has been able to deliver materials in 2.5 months. There are likely to be additional follow-up issues with the auditors in the regular course of an audit.

Ms. Marasco stated that since bringing the bookkeeping and report functions in house, given the transition and limited staff resources that CVEC will roll out FY system reports by system first, then by member, then as grand totals. R.Wirtshafter will work with M.Marasco to review what information, i.e., net benefits or other metric, will be used.

5. **Director's Report**

a. **CVEC Operations**

Ms. Marasco noted that staff has worked tirelessly to bring all transactions up to professional standards as well as to document them thoroughly. She presented detailed information for review and informed the committees that accounts have been reviewed and consolidated, transactions have been streamlined and made uniform, and the ultimate goal would be to have immediate access to accurate and timely production and financial information at any time.

b. **Advisory Committees**

i. Finance Committee- Discussion regarding role and responsibilities

C. McLaughlin confirmed that the Finance Committee is a committee established by board authorization. In the absence of a description of its function, Ms. Marasco presented a proposed description for committee review.

ii. Advisory Committees- Discussion regarding roles and responsibilities

W.Lake supported CVEC reenergizing a Program Committee which Ms. Rand believes was in existence a number of years ago. Ms. Marasco will circulate an email to the board members to determine their level of interest in such a committee. The duties of that committee will be circulated. It was noted that stakeholders other than directors may become members of this committee (if reenergized), but it was advised that developers should likely not be a part of the committee given concerns about a potential conflict of interest. Ms. Marasco suggested calling upon developers for a round table discussion in general. W.Lake supported a roundtable event to gain insights into the new legislation and efforts to expand clean energy.

c. DOER Grant/DYRSD DY HS Project Status and Discussion

Ms. Marasco informed the committee that the first reimbursement (of 4) was received for the deposit of the BESS and other related expenses incurred before 6.30.22, that the battery is on schedule for delivery, and that she will be meeting again with DOER next week for a regular update session. She will be reaching out to the BESS Advisory Committee in the next several weeks.

d. US Inflation Reduction Bill and MA Act Driving Clean Energy and Offshore Wind- Highlights and Opportunities

Ms. Marasco presented the committees with a list of highlights noting particular interest in the opportunity to monetize tax credits, reduce solar PV and battery construction costs, and access to loan funds. She stated that she met with MassDevelopment shortly after the passage of the legislation and stated that as a courtesy MassDevelopment asked bond counsel for advice. Both MassDevelopment and bond counsel agreed that a CVEC project was viable and looked forward to CVEC's pursuit of projects. Ms. Marasco stated that she had already had discussions with KO Law and a number of current developers. They will explore the application of these incentives on existing and on future projects.

M.Marasco informed the committees that Round 6 was cancelled due to failure to meet procurement guidelines and that she will inform the participants today, pending any further direction from the committee. CVEC will not charge participants to reissue the RFP, with the exception of any additional legal fees for final contract negotiations, provided the projects are generally the same. CVEC, Ameresco and the participants met on August 11th to discuss the supply chain and inflation issues affecting the Round post COVID.

6. Project Reports

a. Status of Rounds 4, 5 and 6 Projects

Ms. Marasco reviewed the Round 4 and 5 project status list, noting that the Oak Bluffs Elementary School project was operational in June. It is CVEC's first project with a battery. She noted that CVEC has arranged a meeting with DSD and the participants in Rounds 4 & 5 that were subject of the Eversource Group Studies. Under CVEC's contracts, there is obligation to modify the PPA price in the event of an overage of interconnection costs. There is also an obligation to modify the contracts if there has been a change in legislation. CVEC has asked both DSD and Greenskies (1 project in the study group) to consider application of these incentives. The contracts are silent as to whether PPA pricing goes up or down.

7. Other Business

Ms. Marasco stated that the annual meeting agenda was amended to include a request by C.McLaughlin to include a discussion on battery storage.

M.Forest stated that he would like to have more information about CVEC's overall energy goals, and what are the needs of the Cape & Islands as he a relatively new director. He encouraged an understanding of what other organizations in the area are doing regarding clean energy goals, such as the Cape Cod Commission. He was interested in how to establish goals and benchmarks. C. Hanson stated that early on all towns started slowly and at a time when there were no state or federal goals. C.McLaughlin stated that historically towns wanted to take advantage of net metering credits, before caps. W. Lake noted that the MA legislation will allow towns to take advantage of offshore wind energy production which CVEC should consider. Ms. Marasco stated that she will ask Eversource for more information about regional electricity use and that CVEC' current production is approximately

50 MW with another 2-3 MW in the pipeline. She will forward the information to the committees.

8. Adjournment

Upon a motion and second, the Executive Committee and the Finance Committee voted to adjourn the meeting at approximately 10:45 am.

Executive Committee:

W. Lake- yes, J. Rand-yes, M. Marchand-present, M. Forest-abstain, C. McLaughlin-abstain

Finance Committee”

C.Hanson-yes, R.Wirtshafter-not present, C. McLaughin-abstain

Approved _____ 12.8.22 _____ Executive Committee

Approved _____ 1.19.23 _____ Finance Committee

Meeting materials are available upon request.