

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive Committee &/or Finance Committee REMOTE ZOOM**  
**Friday May 1, 2026 8:30 AM**

**1. Call to Order**

**a. Roll Call & Identification of individuals attending remotely**

President Lake called the meeting to order at approximately 8:33 am.

W.Lake-present, A.Nelson-present, M.Marchand-present, M.Forest-absent, D. Anthony-present

Finance Committee: David Anthony-present, R.Wirtshafter-absent, C.Hanson-yes

**b. Public Attendance:** Catherine Walton, Bourne Director to CVEC, Liz Argo, Yarmouthport.  
Public comment- Liz Argo announced her presence.

**2. Minutes**

**a. Approval Open Session Minutes, 3.5.26**

*Upon a motion and second from each committee, the committees each approved the minutes subject to correction of non-substantive scrivener's errors.*

*Executive Committee: W.Lake-yes, A.Nelson-yes, M.Marchand-yes, M.Forest-absent, D. Anthony-yes*

*Finance Committee: D.Anthony, yes, R.Wirtshafter-absent, , C.Hanson-yes*

**3. President's Report**

**a. Strategic Planning Update- Clarification of Government Entity Status Activities**

President Lake presented an overview of the strategic planning options before the Committees. The Executive Director discussed the materials before the Committees:

- 1) Operational reality requires CVEC's Board to complete a strategic plan for the next 10-20 years: CVEC currently operates within a relatively fixed 10-year revenue horizon unless it repositions itself strategically and develops new or revised programs. Absent adoption of a new operating model, CVEC will continue to experience declining revenue and will ultimately transition into a passive wind-down.
- 2) While CVEC awaits legislative action regarding its decision to strengthen its status as a governmental entity, within the next several months the organization must address threshold questions: pursue a new strategic direction (TRANSFORM), and/or expand or revamp existing programs (MODIFY), or implement an orderly wind down of operations (WIND DOWN).
- 3) Management recommended that CVEC transition from a passive administrative role to an active coordinator of municipal energy infrastructure by delivering pre-screened, grid-aligned project opportunities and portfolio-level net metering credit management.
- 4) To implement this shift, Management recommends that the Executive and Finance Committees prioritize and advance an integrated strategy built on three core program areas:

- a. Planning & Pipeline Model – systematic assessment of overall municipal status, identification, screening, and development of municipal energy infrastructure opportunities. Repositions CVEC from a passive administrator to an active, regional coordinator of municipal energy- requires alignment with CLC, grid realities to deliver “buildable” and “needed” projects
- b. Portfolio Optimization – optimization and enhancement of existing assets, including targeted storage and performance improvements, and advancement of an Energy Clearinghouse(NMC Optimization Platform)(subject to regulatory approval) to enable portfolio-level allocation and reallocation of net metering credits
- c. Utility-Aligned Infrastructure Deployment – alignment of project development with grid constraints and advancement of partnerships under Section 77 of the Climate Act

These strategies provide the most immediate path to revenue stabilization while establishing the foundation for long-term, utility-aligned infrastructure development.

- 5) CVEC’s future operating model is defined by three core functions: (1) developing a grid-ready municipal project pipeline, (2) optimizing net metering credits at the portfolio level, and (3) aligning infrastructure deployment with utility constraints and investment.
- 6) The Director outlines possible pathways (programs) to either TRANSFORM and/or MODIFY CVEC.

President Lake stated that any pathway forward would require a deeper relationship with other regional organizations that share critical information to develop any new renewal energy projects. He stated that maybe CVEC has fulfilled its purpose, and that a plan to start is shared data for either Transforming or Modifying CVEC’s operations. Director Anthony stated that he was interested in further reviewing options to Transform or Modify, that some members rely on CVEC to be the “expert”, that towns are facing overrides and increasing costs, and that he was aware that CVEC staff and CLC’s new director were going to have a preliminary conversation next week. He discussed issues such as Barnstable’s battery ban and opportunities to explore solutions. Director Nelson opined that regulatory realities require CVEC to modify. Marion still has the landfill project at Benson Brook still “on the books” and that Marion joined CVEC for its expertise and relationships. She opined that in a time of uncertainty, it is important to have a targeted vision of what CVEC needs to become. Director Hanson stated that Wind Down should be the last resort, and that until the state finalizes an energy plan, CVEC should do what makes sense, such as extend leases where possible. Director Walton stated that she heard a lot of opportunities for CVEC and inquired about regionalization. Director Marchand requested more concrete information.

President Lake requested more information on the shared information relationships for the next meeting.

Detailed information regarding specific proposed programming was sent separately to the members and is currently exempt from the Public Records law, under cooperative . However, the broad pathways are public information:

#	Middle Tier Strategic Path	Description	Assessment (CVEC Strength / Strategic Fit)	Benefit to Members	Revenue Expectation (CVEC)
1	<b>Municipal Energy Infrastructure Pipeline Program</b>	A coordinated, portfolio-based program to assess, plan, and deliver municipal energy infrastructure projects, including solar, battery: Assessment and Optimization, Planning, Pipeline Development	Serves as the core operating platform for CVEC, aligning municipal demand, regional planning, and grid constraints into a coordinated infrastructure pipeline.	access to vetted, buildable projects, reduced risk of failed procurements, improved energy cost management, coordinated, regional approach*CLC,	Near-term Revenue(Immediate) Ph1 \$10-\$20k/municipality, Phase 2 Planning \$15K-\$40K/municipality, Mid-term Revenue scales with member participation, L-T Revenue (Pipeline & Development) \$15K-\$50K per site, plus participation-based revenue (kWh or %)
2	<b>Network Existing Portfolio Add-On</b>	Add storage to existing projects and optimize underperforming assets	High alignment and fastest path to impact. Leverages existing assets, avoids interconnection risk, and improves performance and credibility.	Increased value from existing projects; potential bill savings; improved NMC utilization; minimal disruption vs new builds	Medium (Fastest to Realize): \$25K-\$75K/project/year equivalent (fees or shared savings); low development risk
3	<b>Advisory / Shared Services (Energy Profile + NMC Monitoring)</b>	Provides system-level insight and coordination, complementing existing programs (CLC). Services include development of municipal energy profiles (centralized shared database for accounts, usage, demand charges), ongoing NMC tracking, coordination of account-level data f	Near-term revenue opportunity, moderate strategic value. Builds upon municipal and CLC relationships and members but does not include building-level audits.	Immediate visibility into energy costs and NMC balances; identification inefficiencies and savings opportunities, improved coordination across municipal accounts, reduce administrative burden on staff	Low-Medium (Immediate): ~\$10K-\$20K/town/year; steady but capped
4	<b>Energy Clearinghouse (NMC Optimization Platform)</b>	Portfolio-based NMC allocation and optimization system (subject to DPU approval)	High long-term value but regulatory dependent. Positions CVEC as a market operator. Should advance in parallel as policy initiative.	Maximizes use of NMCs; reduces stranded credits; potential cost savings across accounts; simplified administration	Medium-High (If Approved): ~\$0.003-\$0.005/kWh managed or % of value; scalable across full portfolio; dependent on DPU approval
#	Top Tier Strategic Path	Description	Assessment (CVEC Strength / Strategic Fit)	Benefit to Members	Revenue Expectation (CVEC)
5	<b>Asset Optimization / Monetization</b>	Develop larger-scale (1+ MW) projects and integrate storage; optimize	Strong upside with moderate-high execution risk.	Increased value from existing assets; new revenue streams	Medium: \$30K-\$100K+/project annually depending on structure;

#	Top Tier Strategic Path	Description	Assessment (CVEC Strength / Strategic Fit)	Benefit to Members	Revenue Expectation (CVEC)
	(1+ MW + Storage)	or monetize existing assets	Depends on interconnection and capital structure. Best pursued selectively or paired with storage and known grid capacity. Highest strategic value. Direct alignment with DPU priorities and utility capital deployment.	(storage, demand response); improved project economics	performance-based upside possible
6	Utility Partnership (\$77 of Climate Bill)	Joint development of solar + storage aligned with utility needs and grid constraints	CVEC provides coordination; Eversource Energy provides infrastructure context. Requires sequencing after pipeline is established. High long-term value. Enables CVEC to capture upside beyond administrative fees. Requires governance clarity and disciplined project selection.	Lower-cost, buildable projects; reduced interconnection risk; potential host/community payments; faster project execution	Medium–High: program/coordination fees (\$25K–\$75K/project), potential recurring revenue if structured programmatically
7	Development Fund (Capital Strategy)	Establish pooled capital fund to invest in CVEC-led projects and infrastructure		Access to capital; potential revenue participation; ability to advance projects towns could not finance alone	High (Long-Term): return on investment + revenue share; low near-term cash flow

#	Lower Tier Strategic Path	Description	Assessment (CVEC Strength / Strategic Fit)	Benefit to Members	Revenue Expectation (CVEC)
8	Regional Integration/Merger		Moderate strategic value. Could provide scale and resources, but risks dilution of mission and control. Evaluate opportunistically.	Potential access to expanded services, staff capacity, and regional coordination; possible cost-sharing	Variable / Indirect: cost savings rather than new revenue; potential shared program income; not a primary revenue driver

#### 4. Treasurer’s Report

##### a. Preliminary 3.31.25 Financial Statements

The Executive reported as follows: The reported loss is not operational; it is driven by non-cash depreciation and a one-time FCM penalty.”

Non-cash + one-time hits are distorting the bottom line: Depreciation (BESS): +\$69K (new this year); FCM penalty: ~\$89.6K. Combined impact: ~\$158K negative swing  
Reality check: "True" Adjusted operating income ≈ +\$52K

Core operations remain modestly positive. Investing in IT (dues and subscriptions up 67%), personnel (additional PT staff, up \$2,700), most notable.

However, the current revenue model still does not cover long-term operating needs.

## 5. Director's Report

### a. Proposed Schedule Z Policy and Program for Current Projects

CVEC administers Net Metering Credit ("NMC") allocations under R1 and R2 Net Metering arrangements pursuant to executed Offtaker agreements under the Production Pool. Under these agreements, CVEC is responsible for executing NMC allocations exactly as directed by each Offtaker. CVEC must allocate NMCs "in accordance with Buyer's Percentage Share" and to the accounts identified by the Buyer (Section 3.5(a)). "Buyer's Accounts" and "Buyer's Allocation" are defined in Exhibit B, which is Buyer-supplied information. However, CVEC has no duty (under agreement or adder) to: analyze usage patterns validate whether the Buyer's account choices are optimal monitor load vs. credits. At the March 5, 2026, the Executive and Finance Committees authorized the Director to develop a monitoring program for Production Pool projects.

The final Net Metering Credit Policy is below:

- I. *Purpose and Rationale. CVEC administers Net Metering Credit ("NMC") allocations under Round 1 and Round 2 Net Metering arrangements pursuant to executed Offtaker agreements. Under these agreements, CVEC executes allocations as directed by each Offtaker.*

*Eversource permits Schedule Z changes at any time through its Net Metering Credit portal. Uncoordinated changes, however, increase the risk of administrative error, misallocation, and delayed execution. This policy establishes a structured framework to: Standardize Schedule Z change submissions, Enable orderly and transparent transfer of NMCs among Production Pool participants, Allow CVEC to manage excess or underutilized credits within the portfolio, and Establish an administrative fee structure for transfers and related services. [This policy is limited Production Pool members and participants only.]*

- II. *Delegation of Authority. The Executive Committee hereby delegates to the Executive Director authority to:*

- *Implement and administer this policy and modify it for administrative purposes only, from time to time*
- *Establish forms, procedures, and deadlines*
- *Approve and execute NMC transfers consistent with this policy*
- *Establish and adjust reasonable administrative fees*

- *Solicit and coordinate participation among Offtakers and other eligible entities*

### *III. Contractual Framework*

- *Under applicable Power Sale Agreements (“PSAs”): CVEC must allocate NMCs in accordance with the Buyer’s Percentage Share and designated accounts (Section 3.5(a)).*
- *Buyer’s Accounts and Allocations are defined by the Buyer (Exhibit B).*
- *CVEC must act in good faith and use Commercially Reasonable Efforts to deliver NMCs (Sections 3.5(b), 6.1)*
- *Nothing in this policy modifies CVEC’s obligation to execute Buyer-directed allocations. This policy governs the process by which changes and transfers are requested, coordinated, and implemented.*

### *VI. Transfer and Administrative Fees. CVEC may charge reasonable administrative fees for:*

- *Processing Schedule Z changes*
- *Coordinating and executing NMC transfers*
- *Portfolio balancing and credit optimization services*
- *Fees may include:*
- *Flat transaction fees*
- *Percentage-based fees tied to transferred NMC value*
- *Ongoing monitoring or management fees where applicable*
- *Fee schedules shall be established and published by the Executive Director and may be updated from time to time.*

### *VII. Allocation Responsibility Clarification. This policy affirms that:*

- *The Offtaker determines allocation decisions*
- *CVEC executes those decisions*
- *CVEC does not evaluate:*
- *Economic efficiency of allocations*
- *Adequacy of account matching*
- *Resulting surplus or deficit positions*

*Any excess credits, underutilization, or mismatch remains the responsibility of the Offtaker unless participating in a CVEC-administered transfer or optimization program.*

### *VIII. Policy Modification. CVEC reserves the right to modify, suspend, or terminate this policy upon reasonable notice.*

The Director presented options of how to assess transfer fees of excess net metering credits to the committees. Options included having the buyer assume the costs, both the buyer and seller, and the seller assume all the costs. At the next meeting, upon the committees inquiry, the director will supplement the pricing structure proposal with discount information and how the transaction would occur: How Barnstable, for example, would request the excess, documents, and the like. The Director stated that for now, the policy pertains to the Production Pool participants and that those contract

control the process and potential buyers. President Lake stated that a program that permitted CVEC to offer excess credit outside the Production Pool would be beneficial to all members. The Director stated that this policy could be the foundation for a NMC Optimization Program (Modify or Transform).

**6. Other Business**

There was no other business.

**7. Executive Session- Executive, &/or Finance Committees**

- a. Roll call, and Notice of Reconvening or Adjourning  
There was no Executive Session due to time constraints.
- b. Discussion on matters conducted by a cooperative subject to MGL c. 164, s. 136, and/or pursuant to MGL c. 30A, s.21(a)(3) to discuss strategy with respect to [ ] litigation if any open meeting may have a detrimental effect on the litigating position of the public body, in re: BWay DY HS Solar, LLC . New Leaf Proposal to purchase NMCs.

Catherine Laurent and Liz Argo left the Zoom meeting room.

Executive Committee: W.Lake-yes, A.Nelson-yes, M.Marchand-yes, M.Forest-absent, D. Anthony-yes

Finance Committee: D. Anthony-yes, R.Wirtshafter-yes, D.Anthony- yes, C.Hanson-yes

**8. Adjournment**

Upon a motion and second, the committees voted to adjourn.

Executive Committee: W.Lake-yes, A.Nelson-yes, M.Marchand-yes, M.Forest-absent, D. Anthony-yes

Finance Committee: , D.Anthony- yes, R.Wirtshafter-absent, C.Hanson-yes

Adjournment: 10:30am

Approved \_\_\_\_\_ 5.21.26 \_\_\_\_\_