

Minutes
Vineyard Power Board Meeting
VP/VEP Offices
August 15, 2014

Present: Dan Seidman, Paul Pimentel, Rex Jarrell, Ron Dagostino, Bill Lake
Calling in: Ted Bayne, Mike Jacobs, Janet Orosz
Non-Board: Richard Andre, Erik Peckar

1. The Board approved meeting minutes – for 7/11/2014 Board and 2014 Annual Meeting

2. Solar Update

Chilmark– Construction is complete, waiting on NSTAR interconnection.

OB Water District – Awarded. We have begun pre-negotiations with the District to construct a 650 kW project.

Bowling alley – This is new construction and private so somewhat different. Be cautious about load risk but we need a project to put to work our financial commitments. Dan says the Hospital is also still a possibility. Sit down meeting with either or both of these organizations should happen soon. Richard will recast the Hospital deal at \$800k for Dan to use.

3. Investor update

Kohlberg Meeting – Paul will follow up with a letter to Nancy Kohlberg in hopes of setting up a meeting.

Rex Party – Saturday the 23rd, from 5-7 pm for Don Berwick. The Board discussed to what extent Vineyard Power should be connected to the event. There is a lot of risk if VP appears to sponsor the event. In the end it will be a fundraiser for Don Berwick; some board members will be there to connect individual potential investors to the organization.

4. Offshore Wind

H. 3968 “Hydro” Bill Status – We started a process with the NBEDC and came together, building up an effective constituency with Sen. Wolf, Reps Madden, Haddad and others. We amended the bill to include offshore wind procurement of 800 MW. In the final hours of negotiation, the Bill died. If the original Bill had passed, offshore wind in MA would have been dealt a near fatal blow. If the bill had passed with our amendment, it would have been a homerun for VP and offshore wind (although the cost of a lease would have increased). Stakeholder negotiations should begin this fall with a new bill incorporating offshore wind introduced in next formal session after January. It would not pass until well after the BOEM auction but the momentum could be evident in time to influence the bidders.

BOEM CBA Value Campaign – MV task force members, Senator Markey and Congressman Keating with Wolf & Madden have written letters in support of an increase in the discount factor in the CBA. We now need to know if Offshore MW will bid or not. Vineyard Power will reach out to other developers and possibly the

town of Somerset to talk to them about an interconnect with our offshore wind farm.

5. Presentation for September 9, CLC Meeting

Our business plan calls for selling retail power to 8,000 members but we have only 1,350. We want CLC to commit long term to buy power from VP to make up the difference. The premise is that CLC's 170,000 "sticky" customers constitute a PPA for auction credit and collateral for equity and RUS debt. We need this in effect before the auction.

This arrangement is cast as a CLC pilot but what do they get out of it? Renewables create a general price suppression effect due to ISO NE capacity auction rules – if the modeling is correct, much more than enough to offset the higher price of the renewable energy itself. So there is a credible, if complex, argument that we will lower the price for CLC ratepayers. The VP business model aligns well with CLC's aggregation plan allowing the Compact to join in to develop a larger than 40 MW project jointly.

Paul needs to convince them of the concept and importance of doing something soon.

6. Housekeeping

The Board intends at its next regular meeting to amend the bylaws to remove the present limit of three consecutive terms for VP Directors. This is to ensure continuity at a critical time given the lack of candidates for Director in the recent election.

Sunday August 9, 2015 will be the next annual meeting date.

Next Board meeting will be 9/12/2014.

Meeting adjourned at 12:05.

Respectfully submitted,

Ted Bayne

VP Board Meeting Agenda

10:30 am – 12:00 am on Friday, August 15, 2014
(at the office)

- 1) OK of 7/11/14 Board meeting minutes 10:30
OK of 2014 Annual Meeting minutes

- 2) Solar Update 10:34
 - a. Chilmark – Construction
 - b. OB Water Dept PV Awarded
 - c. Bowling Alley and others

- 3) Investor Update 11:00
 - a. Kohlberg Meeting
 - b. Rex Party

- 4) Offshore Wind 11:15
 - a. H. 3968 Bill Status
 - b. BOEM CBA Value campaign

- 5) Presentation for Sep 9 CLC meeting 11:35

- 6) Annual Meeting date for 2015 11:55

- 7) Next Bd meeting dates -- Fri 9/18/14 at 10:30 am ?

- 8) Adjourn 12:00