

Minutes  
Vineyard Power Board Meeting  
VP/VEP Offices  
November 15, 2013

Present: Paul Pimentel, Dan Seidman, Ted Bayne, Rex Jarrell,  
and Mike Jacobs  
Calling in: Bill Lake and Janet Orosz  
Non-Board: Richard Andre and Erik Peckar  
Absent: Rosalie Kerr and Ron Dagostino (briefed by Richard earlier in the week)

The meeting opened at 10:35 am.

1. The Minutes of the 6/7/13 Board Meeting and 8/3/13 Annual Meeting were accepted.

2. PV Projects:

a. Chilmark Landfill

Total of 171kW. The surveyors' site plan shows 2 parts: Phase I is 99.9kW and Phase II is 71kW. Solar LLC 4 and 5 are set up and Chilmark is on track to sign four contracts (a lease and a PPA for each Phase) actually signed on 11/20/13. Project II execution is contingent upon the Commonwealth enacting a second SREC carve-out Regulation substantially as currently proposed by DOER. The extended SREC I program covers Phase I which must be interconnected by June 30 2014 to qualify. Phase II interconnect deadline is Dec 31, 2014.

b. Ice Arena

We are in talks with the Ice Arena about a canopy project that just meets their needs (they are a 501c3). They have a big donor who will be approached as an LLC investor.

3. BOEM Offshore Wind Status

- a. The MA Wind Area lease auction could be as early as Q1 but probably will be Q3 of 2014. MVOWA must pony up \$2 million upon lease signing and then make nominal annual payments until we produce power after which the payment amount is tied to production.
- b. We need a JDA with Offshore MW soon. They put a draft in front of us some time ago that we have not had the time or money to review properly.
- c. The definition of Community Benefit is in process. We need a meeting with all the players on the island so we're all singing the same song. Need a date for this before the end of January. Stakeholders all need to say to BOEM that we want a multifactor selection process that rewards community-benefit.

- d. Paul reported on the prospects for a Feed in Tariff (FIT). FIT is a government guaranteed, fixed-price supplement vs. a market-based, variable incentive like our SREC program; the key advantage is that banks/investors would honor FIT as low risk revenue. Although common (and arguably successful) in Europe, FIT is unlikely to happen in our tax-averse legislative environment.

#### 4. EV Car Day Report

Excellent event. 150 people. Steven Russell from the state is interested in VTA outreach. People signed the Petition to BOEM.

#### 5. Strategic Outlook Session

Richard presented the following financial summary status:

		(\$k)	
<u>Current Finance Plan</u>			
		<u>Source</u>	<u>Use</u>
11/15/13	Balance	\$ 0	
11/19/13		\$97	Phase I Chilmark fee
			\$15 Erik back pay
			\$12 Past due & current bills
			\$20 Richard back pay (part of \$120k accrued)
			\$35 Basic operations** for 6 mo (thru 5/31/14)
			\$15 PV Project & general admin hire* for 6 mo
			\$ 0 Director loan repayment (part of \$71k accrued)
3/15/14		\$55	Phase II Chilmark fee (after SREC II confirmed)
			\$51 Basic operations** for 6 mo (thru 11/31/14)
12/31/14	Balance	\$ 4	

\* Rebecca as full time Admin Assistant at \$15/hr  
\*\* no project development professional fees

#### Development Needs

1/15/14		\$ 40	Ice Arena RFP and contracts
3/15/14		\$100	JDA with OffShore MW and auction expense
		\$ 40	200 kW PV project RFP & contracts
4/15/14		\$160	Ice Arena fee
6/15/14		\$160	Wind site studies & financing
9/15/14		\$180	200 kW PV project fee

#### Obligations

- 10 year operating expense and service for 5+ PV projects
- Escalating investment in wind project.

The Board approved the Current Finance Plan. Adding the Admin Assistant to cover PV project administration and other day-to-day routine frees Erik to pursue more complex tasks. We discussed and recognized the critical need to complete two additional PV projects in 2014 to sustain operations and keep up with wind development – the Ice Arena (or another 175 kW project) and an unnamed 200 kW project. Timing is important because SREC II will be quickly subscribed.

Recruiting additional members is a source of revenue but it has proven lately to be too labor intensive, barely paying for itself. Although our lease status should be clear by the end of 2014 and we may have negotiated with Offshore MW to cover some of our wind development expenses in return for a community benefit lease discount, banking on that is too uncertain.

The Board acknowledged that development fees from the two new PV projects will come later than when we incur development expenses. We must borrow \$180k against a future development fee by 3/31/14 to meet that cash flow gap. Those funds can be donated outright, contingent liability notes, PV investments or whatever. We may need to raise another \$100k by the end of 2014 to pay for basic operations the following year.

#### 6. Development

We agreed to organize an investor/donors' outreach process – a series of dinners, for example, to inform and recruit potential investors thru the investors that have already worked with us. Paul, Dan and Rex will work on a program and series of events to meet the above goals.

7. The meeting was adjourned at 11:52am. Next board meeting is scheduled for Jan 10<sup>th</sup> 2014 at 10:30am.

Respectfully submitted,  
Ted Bayne, Secretary