

Minutes

Vineyard Power Board Meeting

VP/VEP Offices

October 5, 2012

Present: Paul Pimentel, Bill Lake, Ron Dagostino, Warren Doty, Ted Bayne, Rex Jarrell

Calling in: Rosalie Kerr (till 11am), Janet Orosz, Dan Seidman

Non-Board Members Present: Richard Andre and Erik Peckar

The meeting opened at 10:35 am.

1. The Minutes of the 8/5/12 Annual Meeting and the 5/25/12 Board Meeting were accepted.

2. Report on PV Projects (Richard): explained the need for the Solar Inc's. Aquinnah landfill project will be done end of October. Both projects need to be up and running by year-end to get the full depreciation credit. Cronigs II is scheduled for December 17 completion (VP Solar III). We went over budget here and there (bank closing fee and NSTAR interconnect fee, for instance) but we are budgeting enough extra working capital to cover. We need to go back to the bank and do "lessons learned" with the president of the bank (and Elaine Miller) so we don't incur the legal costs all over again. We discussed using TD Bank for the second Cronigs project and there was a consensus that this would be OK even though they are "off island". The project currently is 100% equity and no loan and the agreement would be amended if a suitable loan were procured from TD. Solar IV would potentially be the Chilmark landfill. We discussed VP finances. We need to complete six PV projects to get where we need to be 24 months from now. This would provide enough cash to allow us to reach the offshore wind project (end of 2013 or early 2014). We're leveraging legal and technical knowledge that we've won at some cost. Airport is next – 2 possibilities: parking canopies and airport land in the industrial park.

The board endorsed Richard's financial plan for the next 12 months. Highlights include projected income from PV development fees, banking enough to cover 12 months of basic operations and partial repayment of loans from Richard and board members. A motion to approve the plan was made and seconded and unanimously accepted. Richard mentioned a 3-month leave of absence that was coming up for him (potentially). More on that to follow when the plan firms up.

3. Erik did a status update of the wind project. Crossroads of the stages: defining the AMI and MASS areas. Environmental assessment is published for AMI but not quite done on MASS area. Auction is next, AMI first and then MASS area next. \$70K/yr. for 3 blocks to hold them – could happen as early as start of 2014. Multi factorial is an 80% vs. 20% split between financial and community.

4. VEP GS Status. Ted reported briefly. Waiting on DOE audit results that come through the TPO (not to us directly). Final report Version 2.0 was submitted. Waiting for comments on that.

5. Board separation between VEP and VP. We need to dilute with 2 new VEP board members. Ted will resign from VEP after DOE completion.

6. Warren made a fisheries report. He spelled out the Cape Wind suit agreement with the fishermen's Association (MV Dukes County Fishermen's Assoc.). A Preservation Trust "permit bank" (fish stock management) will subsidize the existing permit system. The settlement raises interesting issues for the Mass Area in terms of access, community benefit, etc.

7. Membership stands at 1262. Discussed methods of getting more members by setting member count targets before we go to \$200. Erik will make a plan and just do it.

8. Next meeting date: Dec 7th Friday at 10:30 am.

The meeting closed at 12:45 am.

Respectfully submitted,

Ted Bayne

VP Board Meeting Agenda

10:30 am – 11:45 pm on Friday, October 5, 2012
(at the office)

- 1) OK minutes of annual Meeting 8/5/12 10:30
- 2) OK of previous Board meeting 5/25/12 10:32
- 3) PV (Richard) 10:35
 - Cronig's Project Phase II
 - Aquinnah Project Underway
 - Project Financing & next projects
- 4) VEP – Grid Solutions – DoE Status (Ted) 10:55
- 5) Board Separation VP/VEP 11:00
- 6) Fisheries & Wind Update (Warren) 11:05
- 7) President's Report (Richard) 11:20
 - Membership
 - VP Finances
- 8) Next meeting dates -- Fri 12/7/12 at 10:30 am? 11:35