

Minutes – Rev 2
Vineyard Power Board Meeting
VP/VEP Offices
February 10, 2012

Present: Warren Doty, Richard Andre, Erik Peckar, Dan Seidman, Janet Orosz
Calling in: Paul Pimentel, Ted Bayne, Bill Lake, and Rosalie Kerr
Absent: Ron Dagostino, Suzie Wasserman

The meeting opened at 10:37 am.

1. The Minutes of 1/6/12 were accepted.
2. Richard's and Erik's Reports on Offshore Wind (MVOW)
 - BOEM meeting & RFI Status
 - Economic Update (natural gas (NG) at \$1.94/MBtu)

Richard and Erik gave updates. BOEM is Feb 13. Call for Info was issued. (EA) Environmental assessment is coming. (The RFI Area will now be called the Call Area.) We'll be resubmitting our application. OffshoreMW is "qualified" (technically and financially). EA will consider the environmental impact on the whole area (1300 sq. mi.). This will probably be an 18-month process. Proposed Sale Notice would be the next formal step in the leasing process followed by a Sale Notice. The auction format and lease guidelines would be included in these later steps. The auction format could be different from state to state. Final construction time line goes out to 2018-2020 or after. We're still lobbying for "multi-factorial" auction format that gives consideration to non-financial attributes. We will begin to incur development spending somewhere in 2015. We'll probably have to do an EIS (Environmental Impact Statement) after the Fed's EA. The fact that the construction milestone is out several years reduces the impact of the natural gas issue. But there are other risk factors. One being that New Jersey may be developed before MA using vital financial and management resources

Paul sent out a spreadsheet (*wind power cost comp data.xlsx*) showing the impact of low NG prices on a series of scenarios showing VP member gains and losses over time (you do your own *what-ifs* with it – see notes below cell D39). A few of the cases are positively bad. Most show some gains however modest. And, again, the fact that our turbines would not be online until as far out as 2020 is a *potentially* good thing: Drilling and fracking are not without political risk & production leakages of NG cancel some of the greenhouse gas advantage NG has over coal (i.e. NG may *not* be a slam dunk transitional fuel); carbon offset legislation is unlikely but possible; the psychological/financial impact of *peak oil* may grow (the days of *really easy oil* are over

3. Richard reported on the PV projects
 - Aquinnah Project – things are moving along – legal wrap-up during mid-Feb. Construction in July / August
 - Cronig's Project – the Commission approved (pending the ethics issue)
 - Next projects: Chilmark, Cronigs Second Canopy, Airport Canopy, WT Library

We have successfully raised the capital and loans we need for the Aquinnah and Cronig's projects. The big issue right now for the PV projects is raising additional capital (~ \$2M): we need to have a stream of these projects where each one fuels the process of the next one. Current business liabilities are in excess of income from the two projects.

Richard discussed two financing opportunities from outside investors that are looking to invest in large PV projects (> 500kw) and perhaps we can string a few projects together at that size. More info on this at our next meeting.

Officers & Directors insurance was procured.

4. President's Report

- Membership – 1185

5. Next meeting date is Fri 3/16/12 at 10:30 am? Paul will be back from CA March 9th.

The meeting closed at 11:55 am.

Respectfully submitted,

Ted Bayne