

Minutes

Vineyard Power Board Meeting

VP/VEP Offices

January 6, 2012

Present: Ted Bayne, Paul Pimentel, Ron Dagostino, Warren Doty, Richard Andre, Erik Peckar, Dan Seidman

Calling in: Janet Orosz, Bill Lake, and Rosalie Kerr

Absent: Suzie Wasserman

The meeting opened at 10:30 am.

1. The Minutes of 11/18/11 were accepted.
2. Richard spoke at length on the status and upcoming events relating to our offshore wind initiative. BOEM decisions regarding the auction format and the multifactorial issue will be revealed soon. There is a BOEM concall Monday January 9th. The period for comments closes January 20th. Offshore MW (OMW) felt that the multifactorial would not happen in our favor. Also OMW might be interested in the idea of doing the VP turbines first perhaps because of the USDA money and perhaps because it would be a useful and contained learning experience.
3. Paul presented a kind of tutorial on the natural gas (NG) situation: the different price tiers reflecting distribution and other costs. Because shale gas comes in from all over, it doesn't follow the traditional pattern of gas accumulation and flow to the end buyer. NG will have its own price trend apart from oil. Although this wasn't true until recently, conversion from coal to NG makes economic sense now. Paul will be sending out a spreadsheet showing 8 predictive scenarios 2 of which are very bad for our members. One could argue that we do need NG as a transitional fuel anyway but the economics could undermine renewable thrust. The delta between propane/oil prices vs. the cost of electricity is an opportunity to exploit. There was discussion of conservation/efficiency help to members. There was agreement that we need a mission statement that dealt with the conservation and efficiency goals. Saving energy through conservation and improved efficiency is cheaper than capital investment for the same energy benefit. We don't need to decide now whether NG is a killer for our off shore wind project. We have about 2 years before major money would need to be spent after the BOEM environmental studies are done.
4. Richard reported on the PV projects: major learning effort particularly regarding Taxes and how to balance equity vs. debt to make the projects as lucrative as they can be. VP can take a development fee, which in a sense we already have because of project costs that had to be attended to in 2011. Richard explained the 2 layer corporate setup (the VP Solar Inc. C-corp versus the LLC). This structure applies to both the Aquinnah and Cronigs projects. Cronigs 2 canopies are over about 2/3's of parking area. South Mountain is doing both projects and relationships are on track with them.
5. Next meeting date: Feb 10, 2012 10:30am at VEP/VP offices.

The meeting closed at 12:05pm.

Respectfully submitted,

Ted Bayne