



Richard Andre

President

Vineyard Power

MEETING AGENDA

Welcome

Admission of New Members

Announcement of new Directors to the Board

Financials

Vineyard Power's Solar Initiative

Federal Offshore Leasing

Outreach & Membership

Question & Answer

Ted Bayne

Secretary

Vineyard Power

Formal Declaration to
Admit New
Vineyard Power
Members

“As the duly appointed and authorized Secretary of the Cooperative, I hereby present the Board of Directors of the Cooperative with a list of the members of the Vineyard Power Cooperative.

I hereby formally admit each person whose name appears on this list from number 1245 to 1351 as a member of the Cooperative.

Each member is admitted with the rights and obligations of members under the Bylaws of the Cooperative adopted by the Board of Directors. By becoming a Member of the Cooperative, each person on this list accepts the authority of each duly appointed member of the Board of Directors and each Officer of the Cooperative and accepts and ratifies the acts of such officers and Directors in connection with the creation of the Cooperative.

Each member of the board of directors shall serve their terms of office until such time as the Directors and Officers may be replaced by a vote of the Members prior to the annual meeting of the Members to be held each August.

This August meeting shall be the fourth annual meeting of the members. At this meeting, the Cooperative will announce a new slate of three directors.”

Paul Pimentel

Chairman

Vineyard Power

Directors & Officers

Michael Jacobs, Director, *term expires 8/2016*

Bill Lake, Director, term expires 8/2016

Ron Dagostino, Director & Treasurer, term expires 8/2016

Paul Pimentel, Director & Chairman, term expires 8/2015

Ted Bayne, Director & Secretary, term expires 8/2015

Rex Jarrell, Director, term expires 8/2015

Rosalie Kerr, Director, term expires 8/2014

Janet Orosz, Director, term expires 8/2014

Daniel Seidman, Director, term expires 8/2014

Richard Andre, President, by appointment of the Board

Richard Andre

President

Vineyard Power

Vineyard Power Solar Initiative

Massachusetts Solar Carve-out

- Solar Carve-out Program was enacted in 2008 as part of the MA Green Communities Act
- In Q1 2013 the quantity reported was 221 MW with the industry and DOER predicting reaching the cap by the end 2014
- On May 29, 2013, the DOER announced that the cap had been reached by a rush of submissions

Massachusetts Solar Carve-out

- On June 28, 2013, the Commonwealth (DOER) announced Emergency Regulations to deal with the over subscription
- DOER has held two public Stakeholder Meetings to develop new regulations, provisionally named S-REC II
- New program will be submitted with current legislative authority under existing regulations and will be very complicated

Massachusetts Solar Carve-out

- First round of SCC Auction held on July 26 and did not clear required 38,886 deposited S-Recs
- Second round of auction held on July 31 & did not clear
 - VP has 28 unsold S-Recs in Auction
- Third round of auction on August 2, 2013
 - Partial sale volume allowed (i.e. if buyer demand is less than the volume available for sale)
 - Auction failed to clear substantial volume

Approval of Members

- As per, By-laws Clause 2.10 and 2.11
 - Board Members will not take action without conducting an electronic poll on the following:
 - The choice of renewable power generation technology to be employed, members approved November, 2011
 - Capital expenditure in excess of \$ 25 million
 - Entering into any financing arrangement in excess of \$ 50m
 - Engaging in any partnership with a third party developer, members approved February 2011

Commercial Scale Solar

- Project target size between 50kW and 200kW
 - Installed capacity of 260 KW funded capacity of 435 KW
 - Total project capital of \$3,400k & operating income of \$269k
- Projects financed through tax equity investors and time to time, loans
 - Tax Equity Investor receives a return targeted between 2-5% after-tax over 10 years.
 - After 10 years the host has the option to purchase the system or the project ownership transfers to VP
- Next project(s) target size is between 500kW to 1,000kW
 - OR Several projects less than 100 KW

Company Structure

Vineyard Power
Cooperative, Inc.

- Member owned electrical co-operative.
- A 501 (c) 12 non-profit organization

Vineyard Power
Solar, Inc.

- Wholly owned subsidiary of Vineyard Power Co-op, Inc.
- Bears legal and accounting financial responsibilities and obligations of solar projects

Vineyard Power
Solar, LLC

Vineyard Power
Solar II, LLC

Vineyard Power
Solar III, LLC

Vineyard Power
Solar IV LLC

- Managed by VP Solar, Inc.
- Aquinnah Project
- 1% investment by VP Solar Inc.

- Managed by VP Solar, Inc.
- Cronig's Project Phase I
- 1% investment by VP Solar Inc.

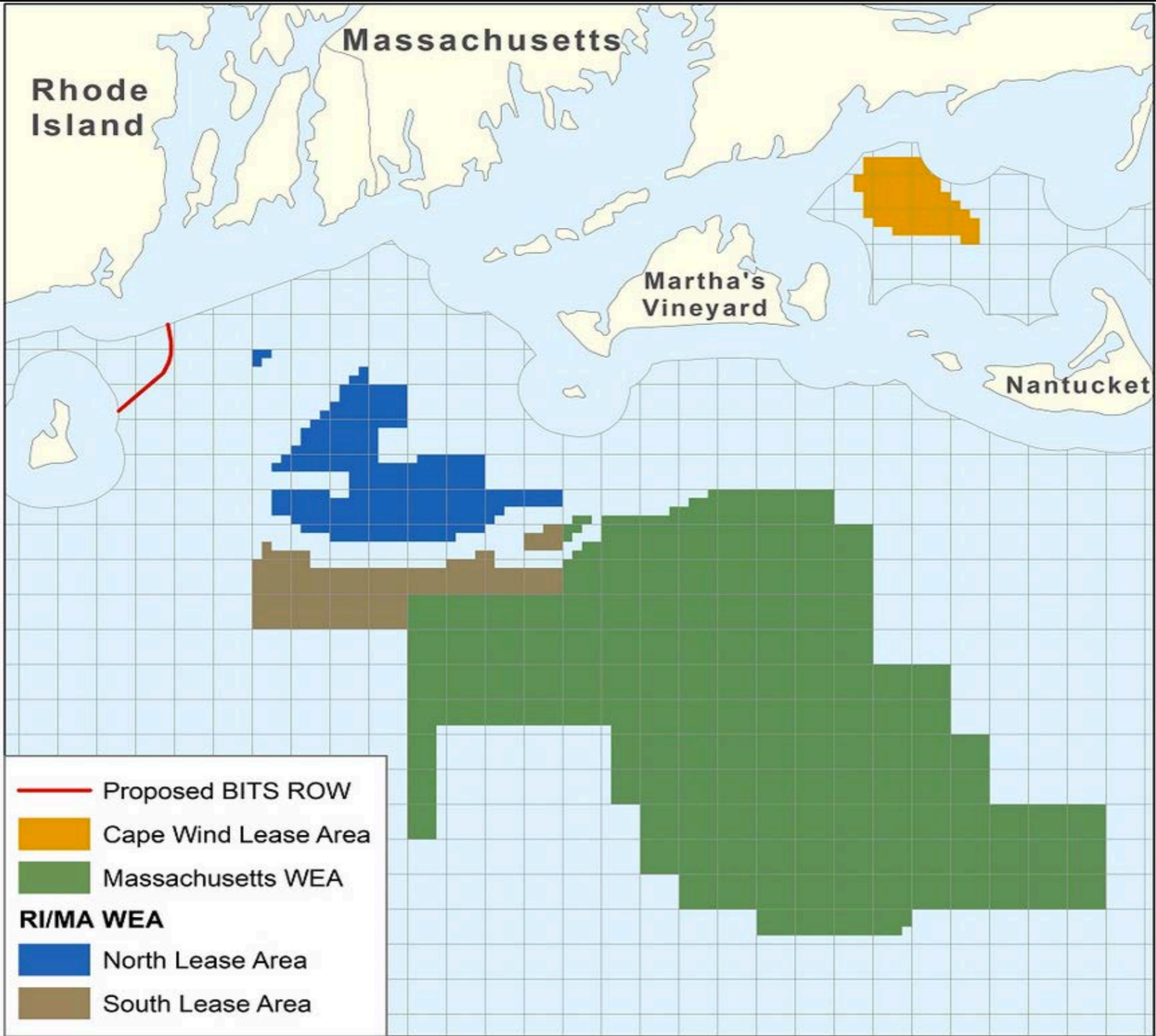
- Managed by VP Solar, Inc.
- Cronig's Project Phase II
- 1% investment by VP Solar Inc.

- Managed by VP Solar, Inc.
- Formed June 2013
- Due Diligence August

Federal Offshore Wind Leasing Process

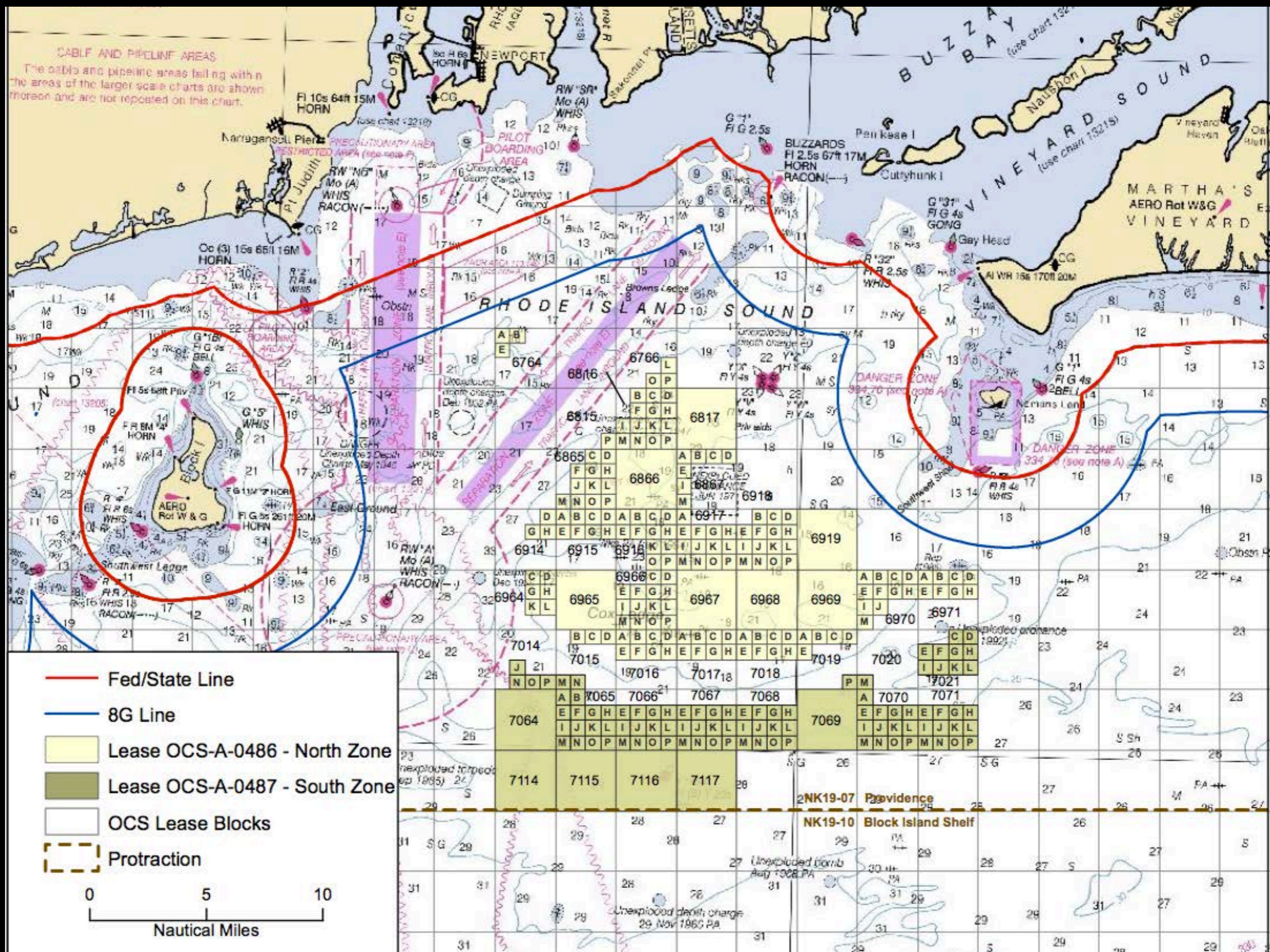
BOEM Development Timeline

- Phase 1 - Planning and Analysis 2009 - 2013
 - Issued a draft Environmental Assessment (EA)
- Phase 2 - Lease issuance (competitive or non-competitive)
 - Proposed Sale Notice & Final Sales Notice
 - Area Definition and Auction format
 - VP Lobbying for Community Benefits & Multi-Factor Auction
- Phase 3 - Site Assessment and Characterization (SAP & COP)
- Phase 4 - Commercial development
- Phase 5 – 25 year Term Offshore Wind Lease
 - Decommission plan must be included



Background

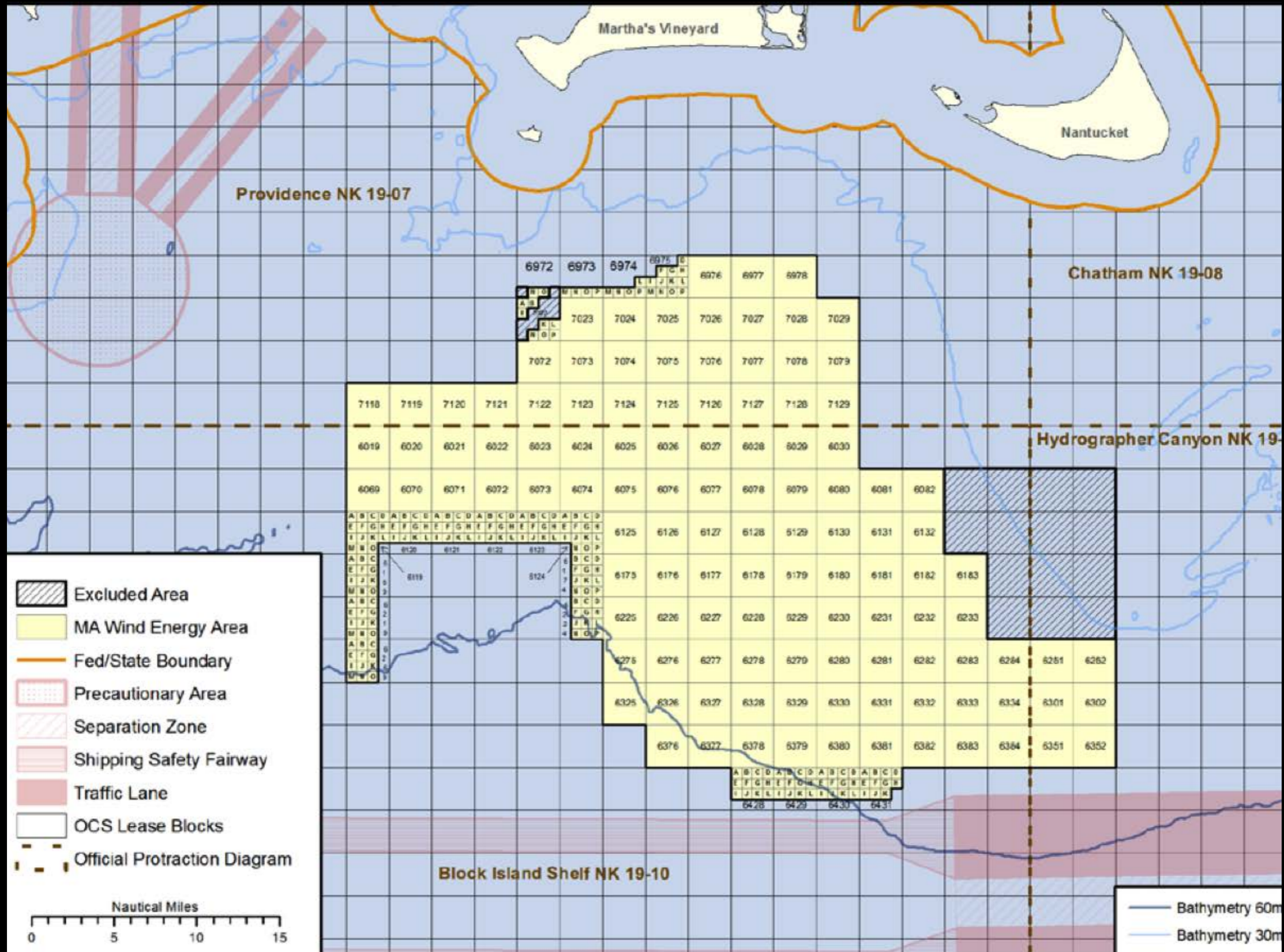
- There are three distinct federal areas surrounding Martha's Vineyard as designated by the US Department of Interior's Bureau of Ocean Energy Management (BOEM):
- Development process began in November 2009
 - We are currently in Phase 2 Leasing-Auction
- Renewable Energy Task Force – inter-agency group of federal, state, tribal and local elected officials



Massachusetts & Rhode Island AMI Wind Energy Area
2 Lease Zones (North & South)

MA & RI AMI Wind Energy Area

- The total lease area is 260 Square Miles (164,750 acres)
- First competitive lease sale for renewable energy in Federal Water
 - Auction began on July 29 and completed on July 31st
- Post Auction
 - Deepwater will pay \$3/acre per year (\$500,000) until commercial operation
 - Once in operation will pay an operating fee to Feds
 - Construction capacity of 1,000 MW by 2017 – 2018



Massachusetts Wind Energy Area

5 Lease zones (TBD)

MA Wind Energy Area

- The total lease area is 1200 Square Miles
 - Vineyard Power expressed an interest in 3 blocks
- The Commonwealth's goal is to power up to 70% of residential demand in MA, or 4,000 MW
- Vineyard Power's development goal, phase I, is for 42 MW
- VP lobbying for multi-factored auction which would benefit our local community "Community Benefit"
 - Plan to submit petition during PSN comment period
 - Goal is 8,000 signatures by November
 - change.org – clipboards – vineyardpower.com

Next Steps

- Prepare for MA WEA Proposed Sale Notice – Auction
 - Auction format will be decided for this area
 - Discounts could be awarded for non-financial attributes – Multi Factored Auction
- VP must become legally, technically & financially qualified to hold a lease – in process
- Convene meeting of Island Task Force members
- State may develop O-Rec program & carbon tax
- VP possible MV default supplier

Federal Task force Members

Aquinnah – Megan Ottens-Sargent

Tisbury – Tristan Israel

Chilmark – Warren Doty

MVC – Mark London

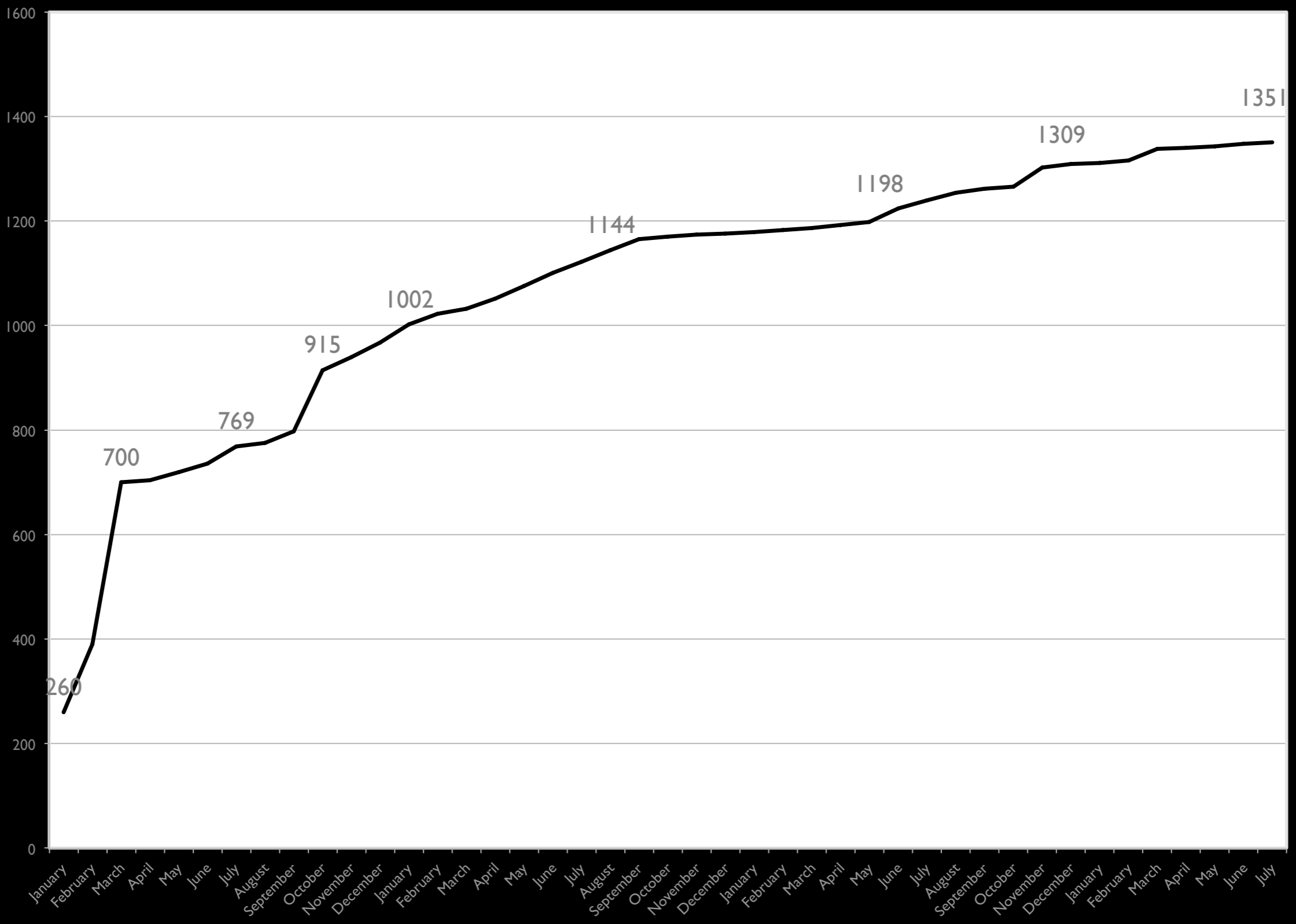
Oak Bluffs – Kathy Burton

Edgartown – Paul Pimentel

West Tisbury – Richard Knabel

Membership and Outreach

Vineyard Power Membership



Membership

Vineyard Power Membership

- Price Increased from \$150 to \$200 on April 1, 2013
- Membership Fee to remain at \$200 through 2013
- Island Club & Edgartown National Bank Gold members receive a 20% discount
- Give the “Gift of Power”
- Payment Plan now available!
- Optional Plan: \$50/month for 4 months
- Direct potential members to vineyardpower.com

Questions & Answer Session

