



CAPE LIGHT COMPACT

Executive Session Minutes: March 23, 2011

At 2:40PM, during a Cape Light Compact Governing Board Meeting, and upon a motion by K Johnson, seconded by P Cocolis, the Board went into Executive Session with all members who were in attendance at the regular board meeting voting unanimously in favor of the following motion: Motion to go into Executive Session pursuant to 1) MGL Chapter 30A, Section 21(a)(3) to discuss litigation strategy regarding various DPU proceedings and pursuant to 2) Chapter 30A, Section 21 (a)(10) to discuss trade secrets or confidential, competitively sensitive or other proprietary information related to energy projects in which the Compact is participating as a member of the Cape and Vineyard Electric Cooperative since it is determined that disclosure will adversely affect the Compact's ability to conduct business in relation to other entities making, selling or distributing electric power and energy and the Compact is a municipal aggregator under Section 134 of said Chapter 164.

NStar/NU merger-

- The standard or review of a merger has changed by the DPU in that this merger will require the companies demonstrate that there is a consumer benefit that can be measured
- Ms Downey reminded the Board that the CLC has participated as full intervener in these proceedings. We are basically interested in being assured that the commitments made by NStar to the Compact and to the people of Barnstable County will continue to be met. This is detailed in the latest filing of questions to be responded to by the merger parties
- It appears that the regulators are pushing NStar toward the completion of an agreement with Cape Wind to purchase the remaining energy.
- This may be a problem since NStar has also filed for the purchase of wind energy from several other sources, as detailed in next agenda item

DPU Proceeding 11-05,11-06 & 11-07 (NStar contracts)

- 11.05 is a 10 year contract with Groton for 48MW which will come on line by 12/31/2012
- 11-06 is also a 10 year contract with NE Wind for 28.5MW associated with Hoosic Wind which will come on line by 7/1/12

- 11-07 is a 15 year contract for 32.4 MW at Eastbrook coming on line by May of 2012
- Compact concern is that the energy & recs associated with these contracts are not used by NStar to gain competitive advantage in the power supply market
- Associated with this concern, the Compact has submitted comments on rules for net metering.

CVEC Update on Brewster wind and PV negotiations

- M Downey went thru the process of RFP submission, field review and meetings with vendors and narrowing the field to three vendors who will be submitting their best effort price to the subcommittee of M Downey, M Zielinski and C McLaughlin for award of contract

At 3:15PM, W Doherty arrived and assumed the Chair of the meeting

- Brewster wind- Planning Board issued a Functional Denial with a vote of 3-3-1. Options for CVEC and the Brewster BOS is to appeal the decision or to ask for DPU exemption under 40A3. No action is proposed to take place until after Brewster Town Meeting where there are several warrant articles including request to rescind articles passed last year, an another to make the Commercial Park area an zone where the Planning Board has no jurisdiction.
- Funding request from CVEC- Continuing the discussion from Open Session where the board reviewed the need for additional funding for the remainder of FY 2011. CVEC requires funding for legal issues including Brewster Wind in the amount of \$335,792. No action will be taken on the DPU appeal until the results of the May 2, 2011 Brewster Town Meeting are available.

Upon a motion by J Cunningham, seconded by B Worthington, the Cape Light Compact Governing Board voted to provide a grant to CVEC in the amount of \$335,792 for legal expenses in FY 2011. The vote was affirmative for all members who were present, except P Cabana who abstained.

A further motion by B Worthington, seconded by J Cunningham was passed by representatives of all towns represented- Barnstable, Chatham, Brewster, Eastham, Harwich, Yarmouth, Orleans, Sandwich, Bourne, Wellfleet, Edgartown, Mashpee. Tisbury abstained Motion was to make public, the fact that the Supplemental Budget of \$335,792 for CVEC operations for remainder of FY11 was passed by CLC Governing Board

On a motion by B Worthington, seconded by J Cunningham, the board voted to return to open session at 358PM

Barry R Worth
Secretary

Cape Light Compact July 1, 2010 - June 30, 2011 Operating Budget

	<u>CLC FY11 Budget</u>	<u>Supplemental Request</u>	<u>Revised CLC FY11 Budget</u>
	<u>Approved</u>	<u>Expended YTD</u>	
Salaries & fringes	\$ 120,650.00	\$ (71,704.51)	\$ 120,650.00
Legal	\$ 100,000.00	\$ (89,847.47)	\$ 260,000.00
Contractual	\$ 34,500.00	\$ (28,255.00)	\$ 34,500.00
Travel	\$ 15,900.00	\$ (937.64)	\$ 15,900.00
Assoc. Dues	\$ 3,000.00	\$ (3,000.00)	\$ 3,000.00
Miscellaneous Rentals	\$ 500.00	\$ (341.12)	\$ 500.00
Equipment Rental	\$ 5,545.00	\$ -	\$ 5,545.00
TOTAL	\$ 280,095.00	\$ (194,085.74)	\$ 440,095.00

Cape Light Compact FY11 Additional Legal Funds Request

NSTAR Renewables Contract	
General Legal	
Net Metering DPU Proceeding	
NSTAR Merger	
TOTAL	\$ (160,000.00)

Summary of CLC Reserve Account

Beginning Balance in Account 7/1/10	\$ 1,295,689.00
Balance in Account 2/28/11	\$1,400,239.00
Maximum Exposure To Account from RECs (1/1/11-6/30/12)	(\$447,635.00)
Estimated Revenue (March - June 2011, based on 2010))	\$ 347,687.00
Estimated June 30,2011 Balance w/out Proposed Supplemental Budget Request	\$1,300,291.00
Estimated 6/30/11 Balance with Proposed Supplemental Budget Request	\$1,140,291.00

CVCE FY11 Additional Funds Request for January 1 - June 30, 2011

\$ (335,792.00)

Summary of CLC Reserve Account

CVCE FY11 Second Grant	(\$335,792.00)
Revised Ending Balance with CVCE Grant	\$804,499.00

CONFIDENTIAL AND PRIVILEGED - EXEMPT FROM PUBLIC RECORDS DISCLOSURE CVEC RELATED

Summary of FY11Supplemental Budget Request

CVEC FY11 Additional Funds Request for January 1 - June 30, 2011

PV Project for 7 Member Towns	\$ (112,782.00)
Brewster Wind - General	\$ (53,094.00)
Brewster Wind - DPU Exemption	\$ (50,000.00)
General Legal Budget	\$ (24,916.00)
Weston & Sampson/other technical consultants	\$ (95,000.00) \$ (335,792.00)

Preliminary CVEC Fiscal Year 2012 (July 1, 2011 - June 30, 2012) Proposed Operating Budget

Salaries & Fringes	\$ (65,000.00)
Legal	\$ (290,000.00)
Professional Services	\$ (30,000.00)
Travel	\$ (8,000.00)
Insurance	\$ (10,000.00)
Professional Development	\$ (2,000.00)
Assoc. Dues	\$ (3,000.00) \$ (408,000.00)