



ATTORNEYS AT LAW

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to practice in District of Columbia,
Idaho, New York and Vermont

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September 15, 2011

BY HAND DELIVERY AND ELECTRONIC MAIL

Charles McLaughlin, President
Cape & Vineyard Electric Cooperative, Inc.
P.O. Box 427/SCH
Barnstable, MA 02630

Re: *Cape Light Compact*

Dear Mr. McLaughlin:

As you know, BCK Law, P.C. ("BCK") represents the Cape Light Compact (the "Compact"). The Cape & Vineyard Electric Cooperative, Inc. ("CVEC") has asked BCK to provide it with information regarding certain matters as set forth below. These questions are being raised in connection with a management representation letter that CVEC's auditors have recently requested from CVEC's officers.

We understand that CVEC has posed the following questions to the Compact:

1. *Are there any restrictions on the mil adder funds collected by the Compact?*

The Compact's collection of the mil adder funds was addressed in a final order of the Department of Telecommunications and Energy (the "Department") in D.T.E. 04-32. In that proceeding, the Compact requested that the Department approve the nonprice terms included in its electric supply agreements ("ESAs"). The ESAs submitted to the Department contained the following provision:

15.3 Reserve Fund - In order to ensure timely access to funds and: (a) provide the Compact with further financial security in the event Supplier declines to or otherwise fails to indemnify it pursuant to Article 13 (Indemnification) and that the insurance coverage pursuant to Article 15.1 (Insurance) and the other financial sureties provided pursuant to Article 15.2 (Additional Financial Sureties and Guarantees) are unavailable or insufficient, and (b) provide the Compact

VERMONT OFFICE:
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P.O. Box 1527
Keetchum, Idaho 83340
Telephone: 208.727.9734
Facsimile: 617.244.9550
E-Mail: bckidaho@bck.com

with a special reserve fund ("Reserve Fund") to give further assurances that the Compact will be able to respond appropriately to any risks associated with this Agreement, Supplier agrees to collect on behalf of the Compact, one mill (\$.001) for every kWh sold to Consumers for the duration of service under this Agreement. The County may elect to release Supplier, in whole or in part, from this obligation. If the County elects to do so, it shall provide Supplier with sixty (60) days advance written notice of its decision. Supplier shall remit to the Compact or its designee on a monthly basis, by electronic funds transfer or such other mutually acceptable method, the amounts due pursuant to this Article 15.3 and provide reasonable supporting documentation as to the total number of kWh sold in each preceding month upon which such payment is calculated.

Once paid to the Compact or its designee, Supplier shall have no further interest or claim in such Reserve Fund. The Compact may use the Reserve Fund to cover any costs, claims, liabilities, damages, expenses (including reasonable attorney's fees), causes of action, suits or judgments, incurred by or on behalf of the Compact or Member Municipalities. The Compact shall cause all funds collected for it by Supplier hereunder to be deposited in a dedicated, interest-bearing account. The Compact may expend such funds for any purpose as may be allowed by law and as determined in the reasonable discretion of the Compact's Governing Board.

In the final order D.T.E. 04-32, the Department approved the administrative adder and it did not restrict the Compact's use of the adder. The contract language regarding the reserve fund has been included in every ESA that the Compact has executed since the contract form was approved in D.T.E. 04-32.

Historically, the mil adder fund has been used by the Compact to fund costs associated with its routine business as a municipal aggregator. More specifically, the mil adder is typically used for the following purposes: (1) to purchase renewable energy certificates ("RECs") for compliance with the Massachusetts Renewable Portfolio Standard; (2) as a float for the Cape Light Compact Green power supply offering due to the timing on the trading of RECs; (3) technical consultants to assist in the procurement of electricity; (4) Compact operational expenses; and (5) most recently as a grant to CVEC.

2. *Are there any restrictions on use of the grant funds provided to the Compact by ConEdison Solutions, Inc. in 2006?*

Margaret Downey, the Compact Administrator, met with Jorge J. Lopez, the President and Chief Executive Officer of ConEdison Solutions, Inc. ("CES") on November 3, 2006. As conveyed at that meeting and as confirmed in recent correspondence (see attached letter from CES dated August 18, 2011), CES did not place any restrictions on use of the grant funds.

3. *Does the Compact have the power to disburse Compact funds to CVEC?*

The Compact does have the power to disburse Compact funds to CVEC. Article II (d) of the Third Amended and Restated Inter-Governmental Agreement dated February 9, 2011 states that the Compact shall have the power “to adopt an annual budget and to direct the expenditure of funds made available to the Compact by grant or contribution from public and private sector entities, or on account of any contract negotiated or administered by the Compact.” The Compact is governed by a Governing Board, which is responsible for the general management and supervision of the business and affairs of the Compact. The Compact’s Governing Board authorized the disbursement of funds to CVEC on the following dates:

- A. August 8, 2007. Though the Member Services Agreement, the Compact made a \$500,000.00 contribution.
- B. July 22, 2009. At a Compact Governing Board meeting, there was a motion by Barry Worth seconded by Charles Kleekamp to authorize the Compact to provide a \$500,000 grant to CVEC derived from mill adder revenues from the Power Supply Reserve Fund.
- C. June 9, 2010. The Compact’s FY 2011 operating budget includes a request from CVEC for an additional \$500,000 for FY 2011 operations. The budget is approved as prepared by the Governing Board.
- D. March 23, 2011. The Compact Executive Session minutes reflect a request for a grant in the amount of \$335,792 for FY 2011 expenses (legal) for the Brewster wind project.
- E. May 11, 2011. At the Compact Governing Board, the Compact’s FY 2012 operating budget was approved, which includes a \$408,000 grant to CVEC for its FY 2012 operating expenses.

Copies of the minutes of the meetings referenced above and the letters to CVEC documenting transfers of the funds are enclosed.

4. *Did the respective votes of CLC to award grants of its funds to CVEC comport with the requirements of the Massachusetts Open Meeting Law, its internal corporate requirements, and any other statutory or regulatory requirements governing CLC’s actions?*

The votes taken by the Compact listed in the response to question 3 above were taken in accordance with the procedures set forth in the Compact’s governing organizational instrument, its Intergovernmental Agreement as amended to date. To the best of my knowledge, with one exception, these votes were taken in open session and in accordance with the Massachusetts Open Meeting Law (“OML”), but I note that certain complaints have been made by Mr. Eric Bibler to the Massachusetts Attorney General’s Office (“AGO”), particularly with respect to the March 23, 2011 executive session. The AGO is expected to issue an OML determination(s)

Charles McLaughlin, President

September 15, 2011

Page 4

shortly. CVEC has a copy of the response to the Bibler complaints which was submitted to the AGO on August 8, 2011; you have already received a copy of that document.

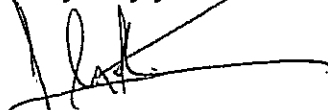
We have not made any investigation of other statutory or regulatory requirements; to do so would be an extremely time-consuming and expensive undertaking. However, we are not aware of any statutory or regulatory requirements that prohibit such grants.

5. *For each grant made by the CLC to CVEC, were the correct CLC accounts accessed for such purpose?*

Pursuant to the Administrative Services Agreement between Barnstable County (the "County") and the Compact, the County provides fiscal agent services for the Compact. As noted in the Compact Governing Board meeting minutes listed in the response to question three above, and the attached report from the County's financial accounting system provided to me by Compact staff, the grants to CVEC were from the Compact's mil adder account, which as noted in the response to question number one above has no restrictions on its use. In addition, according to Compact staff and as documented accounting records provided to me, the CES grant was also transferred appropriately. Please see the enclosed report from the County's financial accounting system. I note that we have no independent knowledge as to the Compact accounts and rely entirely on the information referenced earlier in this paragraph.

We hope this letter provides the information that CVEC's officers need to proceed with execution of the management representation letter. Please let me know if there is any additional information that you require. Thank you.

Very truly yours,



Jeffrey M. Bernstein
for BCK Law, P.C.

JMB/drb

Enclosures

cc: Margaret T. Downey (w/enc.) (via hand delivery)
Erin M. O'Toole, Esq. (w/enc.) (via email only)



Jorge J. Lopez
President & Chief Executive Officer

Ms. Margaret Downey
Cape Light Compact Administrator
Barnstable County Courthouse
PO Box 427
Barnstable, MA 02630

August 18, 2011

Dear Ms. Downey:

I am writing in connection with recent inquiries concerning the relationship between ConEdison Solutions and the Cape Light Compact and the \$520,000 grant that ConEdison Solutions provided to the Cape Light Compact in 2006, so as to confirm ConEdison Solutions' objective in providing the grant and to correct any misinformation regarding the selection of ConEdison Solutions as the Cape Light Compact's competitive electric supplier.

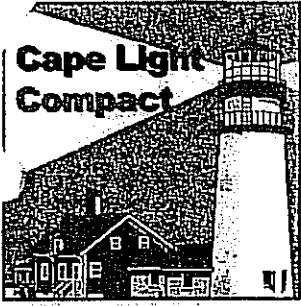
ConEdison Solutions was selected by the Cape Light Compact through a competitive bid process to provide competitive electric supply to customers on Cape Cod and Martha's Vineyard. ConEdison Solutions was awarded the initial contract, as well as subsequent contracts also awarded through competitive bid processes, because, in the judgment of the Cape Light Compact's Board, ConEdison Solutions provided the best price and contract terms to the Cape Light Compact.

The grant was given to the Cape Light Compact in 2006 to supplement the Cape Light Compact's energy efficiency programs. The Cape Light Compact subsequently requested that the funds be used to advance renewable energy projects through the Cape & Vineyard Electric Cooperative. Specifically, the Cape & Vineyard Electric Cooperative was exploring the development of land-based wind projects and the Cape Light Compact wanted the grant to be used for that purpose.

In November 2006, you and I discussed the Cape Light Compact's recent study of the formation of an electric cooperative for the purpose of pursuing wind projects and ConEdison Solutions had no objections to the Cape Light Compact using the grant for the development of such projects through the Cape & Vineyard Electric Cooperative. It is my hope that providing this information will help to clarify the relationship between ConEdison Solutions and the Cape Light Compact and eliminate any misinformation going forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jorge J. Lopez', is written over a horizontal line.



Cape Light Compact

Tel: (508) 375-6648 • Fax: (508) 362-4136

www.capelightcompact.org

December 12, 2007

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

Charles S. McLaughlin, Jr., President
Cape & Vineyard Electric Cooperative, Inc.
367 Main Street
Hyannis, MA 02601

Re: *Contribution by the Cape Light Compact*

Dear Mr. McLaughlin:

Pursuant to Section 4 of the Member Services Agreement, the Cape Light Compact is enclosing a check for \$100,000 to cover the formation and initial operating and transactional costs of the Cape & Vineyard Electric Cooperative, Inc.. Please sign this letter below to confirm the Cooperative's acceptance of the enclosed funds. I have enclosed a duplicate original for your records; please return a fully-executed original version of this letter to me. Thank you.

Very truly yours,

Robert Mahoney
Chairman, Cape Light Compact

cc: Jeffrey M. Bernstein, Esq.

ACCEPTED AND AGREED:

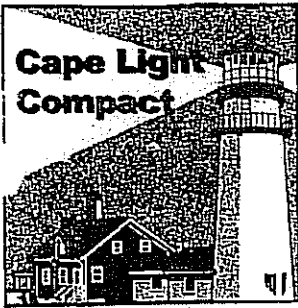
CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.

By:
E. Mark Zielinski, Treasurer

12/13/07

Brian
Please give the letter to TRS for review

VENDOR #	<i>new-see attached W-9</i>
ORG	<i>8046</i>
OBJECT	<i>5499</i>
PROJECT	
APPROVED	<i>Margaret Dawson</i>



orig to Joanne

Cape Light Compact

Tel: (508) 375-6648 • Fax: (508) 362-4136
www.capelightcompact.org

July 15, 2008

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

Charles S. McLaughlin, Jr., President
Cape & Vineyard Electric Cooperative, Inc.
367 Main Street
Hyannis, MA 02601

\$200,000.00

VENDOR #	24244
ORG	8046
OBJECT	5499
PROJECT	
<i>Nargant Dowling</i>	
APPROVED	

Re: *Contribution by the Cape Light Compact*

Dear Mr. McLaughlin:

Pursuant to Section 4 of the Member Services Agreement, the Cape Light Compact is enclosing a check for \$200,000 to cover the initial operating and transactional costs of the Cape & Vineyard Electric Cooperative, Inc. Once executed, this award will bring the total Cape Light Compact contribution to \$300,000. Please sign this letter below to confirm the Cooperative's acceptance of the enclosed funds. I have enclosed a duplicate original for your records; please return a fully-executed original version of this letter to me. Thank you.

Very truly yours,

Robert P Mahoney

Robert Mahoney
Chairman, Cape Light Compact

cc: Jeffrey M. Bernstein, Esq.

ACCEPTED AND AGREED:

CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.

By:

E. Mark Zielinski
E. Mark Zielinski, Treasurer 7/17/08

Charles S. McLaughlin
Charles S. McLaughlin, President

Cape Light
Compact



The Cape Light Compact

Tel: (508) 375-6648 • Fax (508) 362-4136

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

February 23, 2009

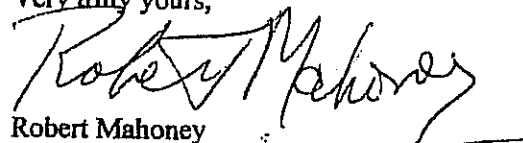
Charles S. McLaughlin, Jr., President
Cape & Vineyard Electric Cooperative, Inc.
367 Main Street
Hyannis, MA 02601

Re: *Contribution by the Cape Light Compact*

Dear Mr. McLaughlin:

Pursuant to Section 4 of the Member Services Agreement, the Cape Light Compact is enclosing a check for \$220,000 to cover the initial operating and transactional costs of the Cape & Vineyard Electric Cooperative, Inc. Once executed, this award will bring the total Cape Light Compact contribution to \$520,000. Please sign this letter below to confirm the Cooperative's acceptance of the enclosed funds. I have enclosed a duplicate original for your records; please return a fully-executed original version of this letter to me. Thank you.

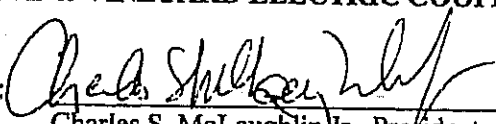
Very truly yours,


Robert Mahoney
Chairman, Cape Light Compact

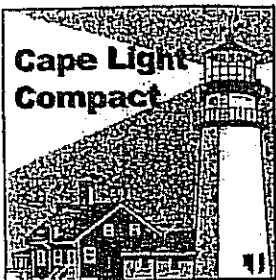
cc: Jeffrey M. Bernstein, Esq.

ACCEPTED AND AGREED:

CAPE & VINEYARD ELECTRIC COOPERATIVE, INC.

By: 
Charles S. McLaughlin Jr., President

Vendor # 24244
a/c # 8046 549



The Cape Light Compact

Tel: (508) 375-6648 • Fax (508) 362-4136

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

INVOICE

October 30, 2006

Consistent with the agreement between Cape Light Compact and Con Edison *Solutions*, Inc. (CES), CES shall provide value added services to the Cape Light Compact in the form of energy efficiency services and consumer education (energy fairs) during calendar year 2006 in the amount of \$520,000. The grant will be paid in three payments as follows:

- \$200,000 in February 2006
- \$200,000 on May 31, 2006
- ~~\$120,000 on September 30, 2006~~

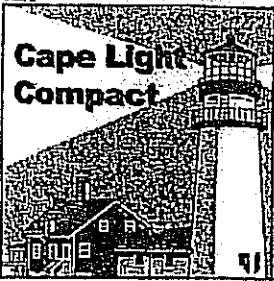
TOTAL AMOUNT DUE

\$120,000.00

Amount due can be sent via wire transfer as follows:

Rec'd 11/1/06

Bank: TDBanknorth
 ABA: 211370545
 Account Name: County of Barnstable
 Account #: 8242689707



The Cape Light Compact

Tel: (508) 375-6648 • Fax (508) 362-4136

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

INVOICE

May 15, 2006

Consistent with the agreement between Cape Light Compact and Con Edison Solutions, Inc. (CES), CES shall provide value added services to the Cape Light Compact in the form of energy efficiency services and consumer education (energy fairs) during calendar year 2006 in the amount of \$520,000. The grant will be paid in three payments as follows:

\$200,000 in February 2006

~~\$200,000 on May 31, 2006~~

\$120,000 on September 30, 2006.

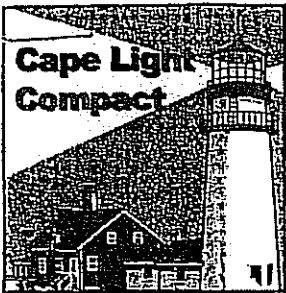
TOTAL AMOUNT DUE

\$200,000.00

Amount due can be sent via wire transfer as follows:

Bank: TDBanknorth
ABA: 211370545
Account Name: County of Barnstable
Account #: 8242689707

Handwritten:
R...
5/18/06
8046
4/2/06



The Cape Light Compact

Tel: (508) 375-6648 • Fax (508) 362-4136

POST OFFICE BOX 427 • BARNSTABLE SUPERIOR COURT HOUSE • BARNSTABLE, MASSACHUSETTS 02630

INVOICE

February 6, 2006

Consistent with the agreement between Cape Light Compact and Con Edison Solutions, Inc. (CES), CES shall provide value added services to the Cape Light Compact in the form of energy efficiency services and consumer education (energy fairs) during calendar year 2006 in the amount of \$520,000. The grant will be paid in three payments as follows:

- ~~\$200,000 in February 2006~~
- \$200,000 on May 31, 2006
- \$120,000 on September 30, 2006.

TOTAL AMOUNT DUE

\$200,000.00

Amount due can be sent via wire transfer as follows:

Bank: TDBanknorth
 ABA: 211370545
 Account Name: County of Barnstable
 Account #: 8242689707

8046
4301

[Handwritten signature]

Energy Resource
2046 5098
CES
E.E. MEASURES

To file the Energy Audits

MEMBER SERVICES AGREEMENT

SECTION 1 PREAMBLE

This Member Services Agreement ("Agreement") is entered into by and among Barnstable County (the "County"), the Town of Barnstable (the "Town"), the Cape Light Compact (the "Compact") and the Cape & Vineyard Electric Cooperative, Inc. ("Cooperative"). The County, the Town and the Compact comprise the initial members of the Cooperative and are referred to collectively in this Agreement as the "Members." Within this document, the Members and the Cooperative are sometimes referred to individually as a "Party" and _____ collectively as the "Parties."

The purpose of this Agreement is to allow the Members to provide the Cooperative with certain administrative and financial services under the terms specified below.

SECTION 2. INTERPRETATION

This Agreement is not intended to expand upon or alter any authority that any of the Parties have under, among other things, its organizational instruments, charter, intergovernmental agreement or under Massachusetts law. This Agreement shall be interpreted to be in accordance with the foregoing and other relevant provisions of the Massachusetts General Laws. If any terms of this Agreement shall be deemed in conflict with the foregoing, or any provisions of the General Laws of Massachusetts, this Agreement shall yield.

If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances, other than those to which it is held invalid, shall not be affected.

SECTION 3. TERM OF AGREEMENT AND TERMINATION

This Agreement shall be effective as of the date that the last of the Parties signs below, or the date of the Cooperative's incorporation, whichever is later. This Agreement shall continue in effect full force and effect until for two years unless sooner terminated by agreement of all Parties. The services provided under this Agreement shall be subject to annual appropriation and therefore this Agreement is subject to early termination if there is a failure to appropriate adequate funding.

SECTION 4. INITIAL FUNDING OF COOPERATIVE

The Compact shall provide the Cooperative up to \$500,000 with an initial cash transfer of \$100,000 to cover its formation and initial operating and transactional costs (the "Compact Funds"). The Cooperative shall provide a full accounting of all expenses to all Members.

SECTION 5. MANAGEMENT OF COOPERATIVE FUNDS

A. The Parties agree that the County shall set up a Cooperative bank account and the County shall act as fiscal administrator of any funds which may be due or owing to the members of the Cooperative through the Cooperative (whether in the nature of payment, grants, financial contributions, or otherwise), provided, however, that the County shall segregate those funds from all other funds that it controls or maintains and shall hold those funds solely for the benefit of the Cooperative. The County shall set up and maintain such accounts as may be necessary to properly segregate and account for any such funds received. For these purposes, the County shall act only as fiscal administrator for the Cooperative, and shall not gain any right or title to such funds. The costs or fees associated with said accounts, if any, shall be deducted from account funds.

B. The Parties agree that the County may draw upon or otherwise expend any of the funds which it has received pursuant to the provisions of the preceding paragraph to make payments on bills, debts and obligations of the Cooperative, provided that the Cooperative has duly authorized payment of such bills consistent with the bylaws, debts or obligations in accordance with this Agreement and that sufficient funds are available. The County agrees for the term of this Agreement to provide these administrative services for the sum of \$1.00 per annum. All Parties agree that notwithstanding the foregoing, the County shall not be required to provide County funding to cover any shortfall of funds in Cooperative accounts were such to occur.

C. The County shall provide the Cooperative with reports on the Cooperative's financial status under this Section on a periodic basis, and as reasonably requested by the Cooperative. All books and records of the County relating to the activities of the Cooperative under this Agreement shall be available to the Cooperative and the Members for inspection. The County shall engage the services of a qualified auditor to review the financial records of the Cooperative. The County shall be reimbursed by the Cooperative for the cost of the audit.

SECTION 6. SERVICES TO BE PROVIDED BY THE COUNTY

A. The Parties agree to the following process for the procurement of goods and services related to the Cooperative.

1. The County will provide administrative services necessary for procuring goods and services on behalf of the Cooperative. The County, in its sole discretion, may designate one or more of its employees to serve as staff for the Cooperative and to provide the services set forth in this Agreement. The Parties agree that the purchase of goods and services for the Cooperative shall comply with the County's procurement process. The purchase of goods and services on behalf of the Cooperative with a value of \$1,000.00 or less shall be at the discretion of the County. The purchase of goods and services on behalf of the Cooperative with a value greater than \$1,000.00 shall require the authorization of two of the Cooperative's officers or such other persons as may be designated by the Cooperative's Board of Directors (the "Cooperative Reps").

2. After being so directed by the Cooperative, the County shall prepare solicitation of quotes, Requests for Proposals ("RFP") or Invitations for Bids ("IFB") for goods and services on behalf of the Cooperative, or use alternate procurement processes consistent with applicable law.
3. Other administrative services, such as state corporate filings, tax filings, and grant administration may be performed, or contracted for, by the County, upon mutual approval of the County and Cooperative.

B. Nothing in this Section shall be interpreted to limit the ability of the Cooperative or any of its members to sign contracts in their own names.

C. Nothing in this Agreement shall be interpreted to limit the fiduciary responsibility and authority of the County Treasurer under Massachusetts General Laws, or local laws and ordinances.

SECTION 7. OTHER MEMBER SERVICES

Each Member agrees to use its best efforts to ensure that any of its employees performing services for the Cooperative are covered by such Member's directors and officers insurance, workers' compensation insurance, and other applicable insurance policies.

SECTION 8. RESPONSIBILITIES OF THE COOPERATIVE

A. The Cooperative Reps shall review in a timely manner all purchase requisitions on behalf of the Cooperative with a value greater than \$1,000.00.

B. The Cooperative authorizes the County to prepare solicitation of quotes or RFP or IFB for goods and services. The Cooperative agrees as part of this process to appoint a review or advisory committee where appropriate. The Cooperative shall approve all specifications for RFP and IFB documents.

C. Prior to submission of the County for payment, the Cooperative Reps shall approve all vendor invoices with a value greater than \$1,000.00.

SECTION 9. KEY STAFF AND NOTICES

The following representatives of each Party shall manage, administer and implement its respective rights and responsibilities under this Agreement:

Town:	County:
Charles S. McLaughlin, Jr.	Mark Zielinski
Assistant Town Attorney	County Administrator
367 Main Street	PO Box 427/SCH
Hyannis, MA 02601	Barnstable, MA 02630
charles.mclaughlin@town.barnstable.ma.us	emz@cape.com
(508) 862-4620	(508) 375-6636

Compact:	Cooperative:
Margaret Downey	Charles S. McLaughlin
Compact Administrator	President
PO Box 427/SCH	367 Main Street
Barnstable, MA 02630	Hyannis, MA 02601
<u>mags@cape.com</u>	charles.mclaughlin@town.barnstable.ma.us
(508) 375-6636	(508) 862-4620

All notices and other communications required by this Agreement or which are necessary in carrying out the terms of this Agreement shall be sent to the Parties' representatives at their addresses set forth above. Any Party may specify a different address by sending notice as provided in this Section.

SECTION 10. MISCELLANEOUS

A. This Agreement shall be deemed the collective work-product of the Parties hereto, and shall not be construed against any Party by reason thereof.

B. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. This Agreement is not intended to supersede the Memorandum of Understanding among the Members dated February 14, 2007 (the "MOU"). The MOU and this Agreement are intended to be construed harmoniously; to the extent that there are any conflicts, this Agreement shall prevail.

C. This Agreement may only be amended or modified by a written instrument signed by all Parties hereto.


D. Unless all Parties otherwise agree, the provisions in Section 4 regarding reimbursement of the Compact shall survive termination of this Agreement.

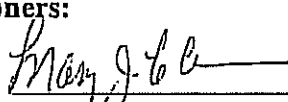
E. From time to time and at any time at and after the execution of this Agreement,

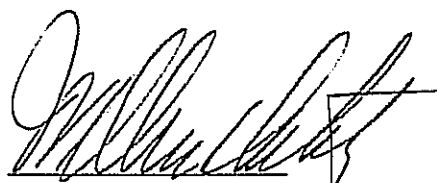
each Party shall execute, acknowledge and deliver contracts, deeds, assignments, conveyances, other instruments and assurances, reasonably requested by the other and shall take any other action consistent with the terms of this Agreement that may be reasonably requested by any Party for the purpose of effecting or confirming any of the activities, purposes or transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the last date set forth below.

By, Barnstable County Commissioners:

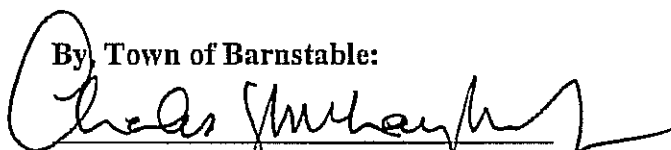

Lance Lambros, Chairman


Mary J. LeClair


William Doherty

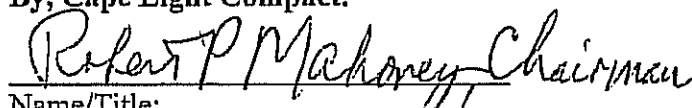
Signed this 8th day of August, 2007

By, Town of Barnstable:


Name/Title:

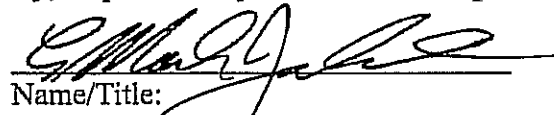
Signed this 6th day of September, 2007

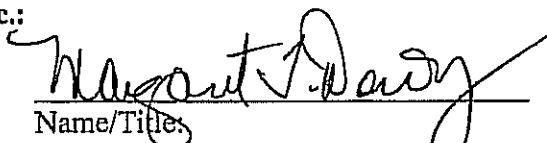
By, Cape Light Compact:


Name/Title:

Signed this ninth day of August, 2007

By, Cape & Vineyard Electric Cooperative, Inc.:


Name/Title:


Name/Title:

Name/Title:

Signed this 8th day of August, 2007



CAPE LIGHT COMPACT

Minutes of Meeting: July 22, 2009

Attendance: D Anthony, R Bigelow, J Burns, P Cabana, J Cunningham, W Doherty, M Downey, K Galligan, P Hefler, J Hodgkinson, J Howard, K Johnson, B Kane, C Kleekamp, C Koblish, S Lempitski, R Mahoney, R Schofield, J Soares, L Stranger, C Striebel, B Worth, W Worthington, A Voll, J Sexton

Also in attendance: M Zielinski, County Administrator- Director CVEC
C McLaughlin, Barnstable Assistant Town Attorney, President CVEC

Public Comment: Mike Prokosch and Soledad Boyd from the Green Justice Coalition addressed the Governing Board and then left the meeting. They noted the three objectives of this group.

- Community Based Outreach, similar to that used by CLC
- Making energy efficiency affordable, getting money for low income and those in need
- Encouragement of job creation

Minutes of meeting of July 8, 2009. Approved as corrected with removal of the word Cottage from the description of Martha's Vineyard Hospital.

Presentation by Cape & Vineyard Electric Cooperative (CVEC)- Mark Zielinski, County Administrator and Treasurer of CVEC made a presentation outlining the need for additional funding for the CVEC to assist in startup of two committed wind projects, application process, work with financial institutions which will fund the CVEC projects, payment for staff and legal fees.

This money is required to continue the successful work being accomplished and will provide the funds needed to get projects started. It is anticipated that the coop will pay these funds back, but it cannot be guaranteed. The money would be provided by Governing Board vote from the mil-adder which is collected from CLC electric users with every kilowatt purchased. It was pointed out that the purposes of the compact and the coop would be addressed.

After some initial discussion, Mr. Mahoney directed that the minutes reflect that there is an obligation for CVEC to attempt to re-pay the grant, but that it is recognized by the Board that it may not be possible if the initial projects do not come to be.

At the end of the presentation, *Motion by B Worth, seconded by C Kleekamp- To authorize the Cape Light Compact to provide a \$500,000 grant to the Cape and Vineyard Electric Cooperative to be derived from the Mil-Adder Revenues in the "Power Supply Reserve Fund" effective this date.*

After some discussion regarding whether this would be a grant or a loan, the following amendment to the motion was made by P Cabana and seconded by K Johnson.- Move to change the word grant to loan.

Discussion continued for some time relative to the merits and problems which would be created by making this money transfer to the CVEC a loan rather than a grant.

Wm Worthington called the question

A weighted vote was first taken on the amendment with the following results

Town	vote yes to change Grant to Loan
Barnstable	Yes
Edgartown	Yes
Harwich	No
Brewster	No
Bourne	No
Tisbury	Yes
Orleans	Yes
Falmouth	Yes
Mashpee	No
Truro	Yes
Yarmouth	No
Dennis	No
Chatham	Yes
Sandwich	No
Wellfleet	Yes

Yes- 45.49 %of population

No 45.9%

The Amendment did not carry

The vote on the main motion passed by a vote of 14 yes and 1 abstention

Energy Efficiency Update: Kevin Galligan reported that full copies of the state wide energy efficiency plan are now available, that seven copies are ready for distribution at the meeting and that the whole document is available on our website. He noted that this document has tripled in size since last seen, mainly related to integration of both gas and electric in one document. The next step in the process is a public hearing where opinions of the council charged with evaluation of the report will be heard. This is scheduled for next Tuesday.

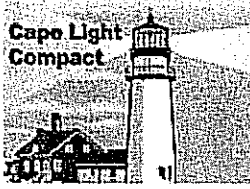
Power Supply: J Soares noted that our new rates, which are significantly higher than NStar's for the remainder of the year went into effect on July 1, 2009. Between June 25 and July 20 106 customers Opted out of CLC supply. In that same time period, 80 customers signed up for two years of price stabilization

ISO has indicated that it will not work to bifurcate the present SEMA zone, which is a positive for Compact. Also, a changed operating procedure change being implemented will further reduce the need to apply uplift charges.

P Cabana- Distributed a significant document for each board member to evaluate related to power supply in the present time period, and the application and future use of Nuclear Power. He noted that there are over 100 operating nuclear power plants working in US at this time.

Yarmouth- M Downey and C Striebel both addressed the presentation made to the Yarmouth Board of Selectmen on July 20, detailing the process used by compact in obtaining municipal power from 1/1/10 to 7/7/11, as well as addressing a general overview of accomplishments and goals of the compact over the years. This was at request of BOS who also heard a presentation by a town resident who disputes our work. This individual will come back with some rebuttal to the CLC presentation, but it has been decided that we will not attend or attempt another round of discussion.

Barry R Worth
Secretary



CAPE LIGHT COMPACT

Minutes of Meeting: June 9, 2010

Attendance: D Anthony, P Cabana, M Downey, F Fenlon, D Fitton, P Hefler, J Hodgkinson, J Howard, K Johnson, D Keuch, S Lempitski, R Mahoney, V Marchant, R Schofield, J Soares, M Song, L Stranger, C Stribel, B Worth, W Worthington, J Sexton, W Doherty, R Zweig.

Public Comment: none

Approval of Minutes: Meeting Minutes from May 12, 2010 were approved as written

Energy Efficiency Update:

- Independent Contractors- Ms Song noted that seven (7) contractors have been approved to meet the requirements of CLC program and names are supplied to customers when audits are performed. All Audits continue to be performed by Rise Engineering, at least until a new RFP for work at end of current contract will be awarded.
- Ms Song stated that \$2 million has already been spent of the Federal Funds provided for the Appliance Rebate Program, with almost \$1.8 million going for rebates. Deadline for submitting applications has been extended to 8/31 to accommodate deliveries which could not meet original expectations
- She detailed the LPrize program where various manufacturers are attempted to build an LED 60W equivalent lamp for a \$10 Million award. Phillips has been the first to come up with such a lamp and CLC has been chosen as one of the organizations in Northeast to test 30 bulbs. It was agreed that one bulb would be distributed to each Governing Board member who agreed to take part in the test. Most agreed to do so and the test units were distributed prior to the end of the meeting.

New Board Member: R Zweig, representing Falmouth was introduced to the board. He is attending his first meeting after replacing B Bigelow who can no longer serve due to health reasons.

CVEC Update: M Downey presented the following information:

- Treasurers report which was approved at the CVEC meeting on May 20, 2010
- The last two PV installations are currently being worked and are near completion
- The new metering accounting and billing problems at Eastham DPW building have been resolved
- Brewster wind project continues into the permitting and siting stages
- Cape Cod Commission has proposed DRI requirements for land based wind turbines which if enacted as originally presented would make any wind turbine over 250KW impossible to

build. The regulations have been sent back to committee where CLC will be able to gain input. It was agreed that the Power Supply Committee would be charged with meeting with CCC and representing the Compact. Ms Downey noted that this will occur within the next two weeks

Streetlight Contracts- M Downey noted that only 5 towns have indicated their preference regarding the type of maintenance contract to be used for the next three years. Those five Towns will receive either a proposed contract calling for \$1.27/ light and Republic Spotting or \$1.21 with town spotting. All others will only receive a contract calling for continuing the present method of maintenance.

CLC Operating Budget FY 2011- After presenting the monthly update on the Compact budget which did not indicate any problems to be discussed, K Johnson presented the Compact proposed operating budget for FY 2011. The largest item generating significant discussion was the request from the CVEC for an additional \$500,000 for FY 2011 operations. This additional funding is similar to the startup funding provided by the County of Barnstable over its first years of operation. With this additional funding a total of \$1,000,000 will have been advanced. Until operational PV or wind turbines become a reality for CVEC, no significant revenue will be expected to be seen.

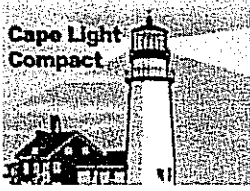
On a motion by C Striebel, seconded by W Worthington, Board voted to authorize the Cape Light Compact Operating Budget for FY2011 as prepared and approved by the Executive Committee. Vote was 15 Yes, one abstention (Eastham)

The Board also agreed that in future years, the Operating Budget will be presented to the Board in May for approval at June meeting

Executive Session- The Governing Board was in Executive Session from 352PM until 435PM

Expenses- Maggie Downey reminded the board members that all expenses for FY 2010 must be submitted to her for reimbursement by 6/30/10

**Barry R Worth
Secretary**



CAPE LIGHT COMPACT

Meeting Minutes: March 23, 2011-revised (revised also on 7/14/2011

Minutes revised on June 13, 2011 to indicate the vote of the board to enter Executive Session. This which will be presented to the Board for approval at its next meeting on July 14, 2011 (change is underlined but not in bold type)

Attendance: D Anthony, P Cabana, P Cocolis, J Cunningham, W Doherty (after 3:15PM), M Downey, F Fenlon, D Fitton, J Flynn, C Galazzi, K Galligan, E Horn, K Hubby, K Johnson, B Kane, D Keuch, K Laura, S Lempitski, V Marchant, N Price, R Schofield, J Soares, M Song, B Worth, W Worthington, R Zweig

Public Attendance: (Identified) PRibnick, Richard Andres

Chair: In the absence of Chairman Doherty, Vice Chairman S Lempitski chaired the meeting from 200 PM until 315PM

Public Comment: Two residents of the Town of Wellfleet and one from Brewster. All spoke against Brewster Wind project and urged the Compact Governing Board, not to continue funding for CVEC activities

Resignation: B Worth read a letter from former Chair of the Compact, Robert Mahoney who has resigned his appointment as Town of Dennis representative. A copy of this letter will be attached to these minutes.

Minutes: Minutes for 2/9/11- were approved with revision to be posted and filed by the Secretary upon motion by R Schofield, seconded by P Cocolis. W Worthington abstained.
Executive Session Minutes for February 9 were approved with correction of meeting date and refiling upon motion by R Schofield, seconded by F Fenlon. J Cunningham abstained

Supplemental Operating Budget Request. Treasurer K Johnson detailed the process for funding the Operating Budget for the Compact, pointing out that in recent years, some funding has been provided by MTC (Mass Technology Collaborative), but that mainly, our funding comes from the " mill-adder" from electric energy sales. This provides about 1 million dollars a year and the fund balance normally varies from one to two million dollars available

At this time, documentation was presented and defended by Mr Johnson leading to a need for additional \$160,000 for legal issues for the remaining part of FY 2011.

Preliminary information was also supplied regarding the proposed draft budget for FY 2012.

Motion by B R Worth, seconded by J Flynn to approve \$160,000 supplementary budget request for the period March 1 to June 29, 2011.

Discussion : R Zweig asked about the possibility that additional legal issues which are not known at this time could require an additional request for funding. This was answered in the affirmative

A roll-call vote of all members who were present at the meeting resulted in unanimous approval of this supplementary budget.

Executive Session: At 240PM, during a Cape Light Compact Governing Board Meeting, and upon a motion by K Johnson, seconded by P Cocolus, 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.

The Board returned to regular session at 348PM

Energy Efficiency

- Kevin Galligan reviewed the 2011 Mid Term Modifications to the Statewide energy efficiency programs. His handout detailed the specific modifications to our program , updating budget and savings goals for 2011. Compact continues to be judged to have all cost effective programs. Our goals have been reduced by \$242, 000 which will make them more attainable in 2011
- Margaret Song went thru the detail involved in the new Mass Save program designed to increase competition and make work more available for local contractors. This addresses the issues we have faced in recent months. The new program is clearly set up to allow homeowners who have worked with a contractor to continue to do same. Contractors must be certified to work within the guidelines of the program.
- Briana Kane described a new effort to work in conjunction with RSVP/Senior Environmental Volunteers on a number of new programs which couple a volunteer with a homeowner to encourage them to take advantage of available programs and helping to explain them as needed
- Debbie Fitton presented an array of program which will take place in area schools over the next few months. Governing Board members are encouraged to attend as many of these programs as possible. Detailed listing can be obtained from Ms Fitton.
- This year's Turn-in event will be coupled with the Lower Cape Expo, scheduled for April 9 at Cape Tech HS in Harwich. Board members will be asked to attend and meet customers on a schedule which will be distributed.

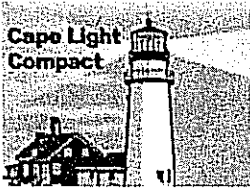
Electronic Communication with the public- W Doherty& M Downey. There have been a number of electronic messages received at the Compact with requests for M Downey to distribute them to all board members. This practice gives the impression that the messages are being sponsored or endorsed

by the Compact and many times this is not correct. Complete evaluation and comment on every message received is not possible, so the following procedure is being implemented. In addition, such a means of communication between staff and directors might be judged to be deliberation and in violation of Open Meeting law procedures. Board member, e-mail addresses are available on our website and any individual who requests distribution of material or messages will be instructed to utilize those e-mail addresses and send communication directly.

Next meeting is scheduled to be held on May 11, 2011.

Meeting adjourned at 448PM

Barry R Worth
Secretary



CAPE LIGHT COMPACT

May 11, 2011-Revised 7/14/11

Minutes of Meeting: May 11, 2011

Attendance: D Anthony, P Cocolis, J Cunninham, W Doherty, F fenlon, D Fitton, C Galazzi, K Galligan, J Hodgkinson, E Horn, K Hubby, K Johnson, D Keuch, S Lempitski, MV Marchand, N Price, R Schofield, J Soares, M Song, B Straw, B Worth, R Zweig

Public Comment: The meeting was attended by 15 members of the public, many of whom expressed their concerns related to Brewster Wind project support by CVEC and also concerns about the fact that CLC has provided financing for the establishment and continuation of CVEC. Although the Chair announced that public comment would be heard for up to fifteen minutes, comments did not extend the full term allowed

NEED Awards Update: D Fitton announced that the State Elementary Level Winner for 2011 is the **Eastham Elementary Green Energy Army**. She was also proud to announce that **Harwich Community Learning Center** has been recognized for the National and State Special Category project of the Year. The Harwich group has been invited to go to Washington DC to receive their award between June 24 to 27. She also provided an Events Schedule for energy programs for the spring

Minutes- The minutes of the Compact Governing Board meeting for March 23 were approved as written upon a motion by S Lempitski, seconded by P Cocolus

CLC Operating Budget, FY12. K Johnson presented the final FY12 Operating Budget which had been presented in draft form in March. Between that presentation and the present, the Compact Executive Committee met, reviewed, and recommended the budget for approval by the full Governing Board. **Upon a motion by J Cunningham, seconded by R Schofield, the Governing Board voted to approve the Operating Budget as presented. The Roll Call vote, required since this is a financial decision, showed that all members in attendance at the meeting voted to approve.**

Executive Session Minutes- M Downey reported that after her review and approval by the Executive Committee, minutes from past Executive Sessions which have been judged legally appropriate for release will be posted on the website next week.

CVEC Update-

- M Downey noted that the Contract with ACE for the installation of all 7 solar farms is being finalized. There are no known issues to prevent this from happening in near time frame

- **Second Wave of Solar installations.** CVEC is prepared to develop a second wave of solar farm installations on Cape & MV. Each board member is urged to work within your town to develop and forward a request to be included in the project to M Downey. It is hoped that this would go out for bid in 90 days

Net Metering- J Soares-Detailed the joint proposal presented by several affected groups to DPU in an effort to get movement and have the rules finalized for establishment and operation of the que under regulations which are supposed to set the new expanded cap for net metering supply for the state. This has become well overdue. There is a lot of compromise involved to this development.

Home Score Pilot- K Galligan explained the pilot program and noted that The Compact is one of only 11 community programs in the country to have already scored over 100 homes. Our number to date is 139. One notable fact uncovered in this process so far is the 35% of our customers indicated that they did ~~not~~ not know who we are!

Mass Save Financing Program- V Marchant described the new financing program launched by the Compact and area banking institutions to promote Interest Free Loans for area businesses in amounts of \$5000 up to \$100,000. Each board member was urged to be part of the promotion effort over the summer. **Each Board Member is urged to make contact with two businesses in their town and to report on the progress at our next board meeting in Sept.**

Residential HEAT Loan program. M Song presented new information relating to revisions in this program which provides zero interest loans on top of incentives. Changes in the program were provided to each member.

Streetlights- N Price spoke about new LED streetlight products, progress being made in education, pilot programs and work that NStar is promising relating to revisions to their streetlight tariffs which will make it possible and economical for towns to consider changing some lighting to LED. There is hope for the future in this regard.

Treasurer's Report- K Johnson reports that he sees no place in the months numbers where we have an area for alarm. RE-imburement from NStar for energy efficiency funds continues to be slow.

Expenses- M Downey urged all members wishing reimbursement for travel expenses over the past year must submit them by June 30

Recognition- for Board members who recently have left the Board will be held immediately after the July meeting

Listing of Documents presented by various speakers during this meeting. Copies are available upon request

- NEED awards as presented by D Fitton
- Net Metering –Document presented by J Soares on Enhanced Cap implementation
- Home Score Pilot as presented by K Galligan
- Mass Save financing enhancement – presented by V Marchant
- Heat Loan revisions-presented by M Song
- LED Streetlights –recent advancements- N Price

Barry R Worth,Secretary

YEAR/PERIOD: 2006/1 TO 2012/2

ACCOUNT/VENDOR	INVOICE	PO	YEAR/PR	TYP S	WARRANT	CHECK	DESCRIPTION
5490	GRANTS						
8046-1-120-120-00-0-00-5490					POWER SUPPLY RES	FD-GRANTS	
024244	CAPE & VINEYARD ELEC GRANT 3-23-11		2011 10	INV P	335,792.00	04132011	101365350GRANT-CAPE & VINE
024244	CAPE & VINEYARD ELEC GRANT-07-12-10		2011 1	INV P	500,000.00	07142010	101359778GRANT-CAPE & VYAR
024244	CAPE & VINEYARD ELEC GRANT 072209		2010 1	INV P	500,000.00	07292009	101351210GRANT-CAPE & VYAR
5499	MISC CHARGES						
8046-1-120-120-00-0-00-5499					POWER SUPPLY RES	FD-MISC CHRGS	
024244	CAPE & VINEYARD ELEC 02-23-09		2009 8	INV P	220,000.00	022509	1013469440PERATING/TRANSAC
024244	CAPE & VINEYARD ELEC 07-15-08		2009 2	INV P	200,000.00	08062008	101341232CONTRIBUTION
024244	CAPE & VINEYARD ELEC 12-13-07		2008 6	INV P	100,000.00	12192007	101334114CONTRIBUTION

08/12/2011 10:36
jnelson

| Barnstable County
| INVOICE LIST BY GL ACCOUNT

| PG 3
| apinvgl

YEAR/PERIOD: 2006/1 TO 2012/2

ACCOUNT/VENDOR	INVOICE	PO	YEAR/PR	TYP S	WARRANT	CHECK	DESCRIPTION
5490	GRANTS						
8074-1-120-120-00-0-00-5490	-						
024244 CAPE & VINEYARD ELEC	05-11-11-1		2012	1 INV P	408,000.00	07202011	101367790FY'12 OPERATING B