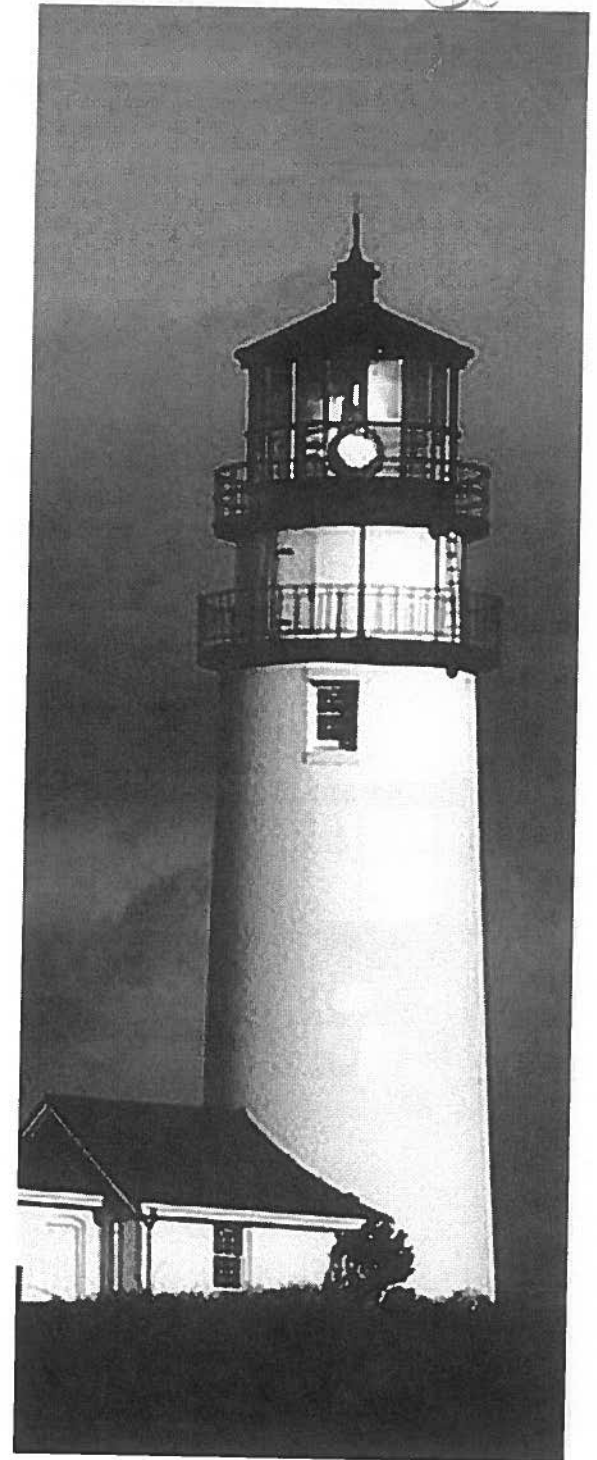


Index to Attachments for Assembly of Delegates Special Committee  
September 21, 2011

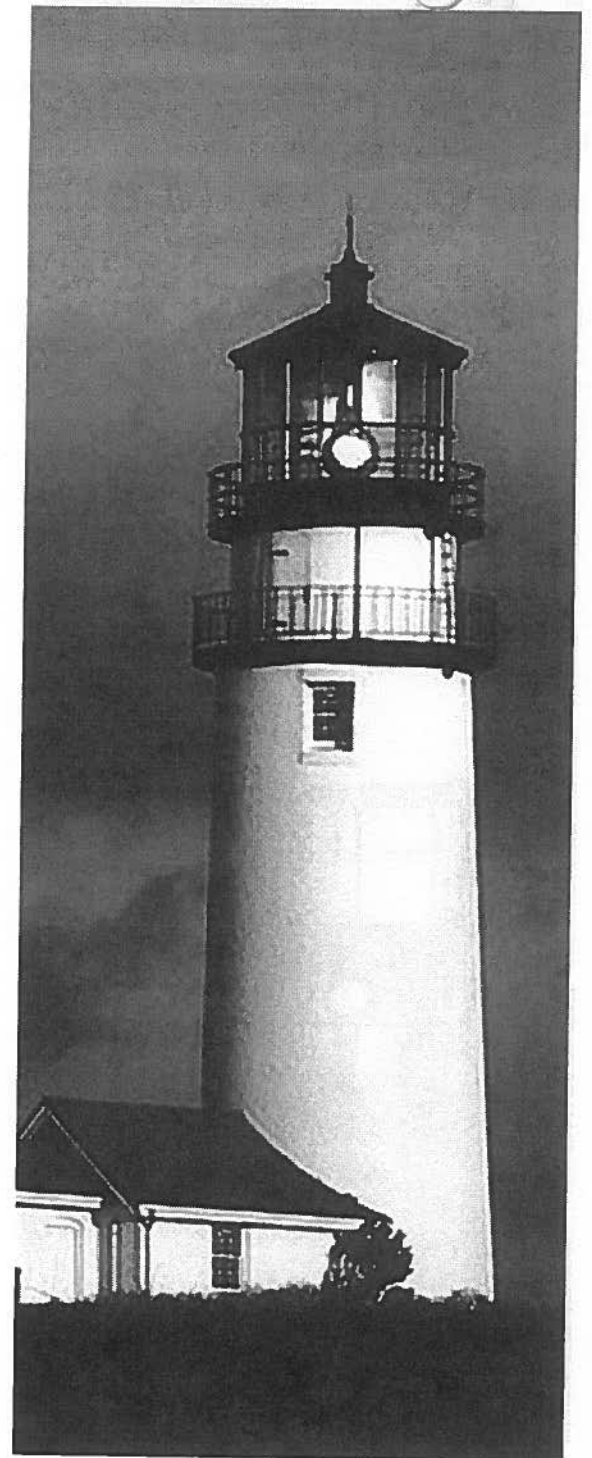
- ✓ A. Power Point Presentation on Cape Light Compact (CLC) and cape & Vineyard Electric Cooperative, Inc. (CVEC), 9/21/11
  - ✓ B. CVEC Board of Directors contact information
  - ✓ C. CVEC Articles of Organization
  - ✓ D. CVEC Articles of Amendment
  - ✓ E. CVEC Bylaws
  - ✓ F. Administrative Services Agreement Between CVEC and Barnstable County
  - ✓ G. Letter from Jeffrey Bernstein, BCK Law, to Charles McLaughlin, CVEC President, September 15, 2011
  - ✓ H. CLC Board Member contact information
  - ✓ I. Third Amended and Restated Inter0Governmental Agreement of the Cape Light Compact
  - ✓ J. Administrative Services Agreement Between CLC and Barnstable County
- Provided Under Separate Cover:**  
**Avoided Energy Supply Costs in New England: 2011 Report, Synapse Energy Economics, Inc.**

***Committee of the Barnstable  
County Assembly of  
Delegates  
September 21, 2011***



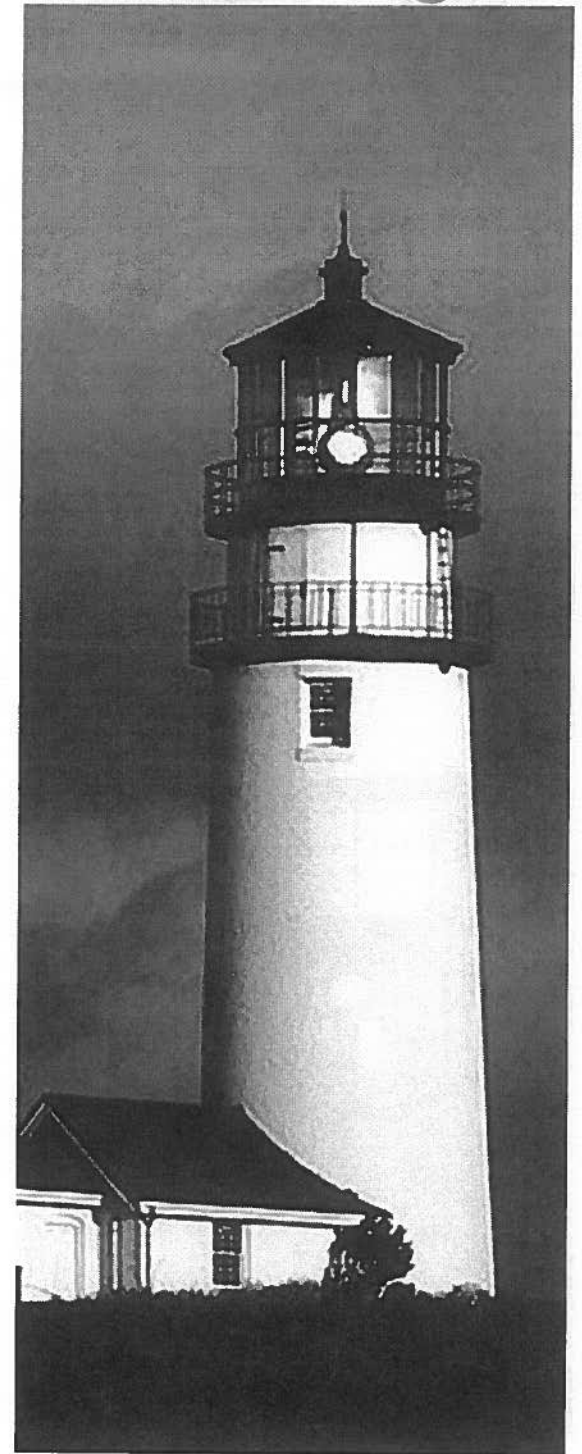
# Background on CLC

- CLC was originally formed in 1997 through an inter-governmental agreement (IGA) pursuant to G.L. c. 164, §134, c. 25A, §6 and c. 40, §4A. The CLC now consists of Barnstable County, Dukes County, and all of the twenty-one municipalities located within these counties on Cape Cod and Martha's Vineyard
- Under current IGA, the purposes of the CLC include: aggregating consumers as part of the competitive market for electricity, negotiating the best terms and conditions for electricity supply, ensuring transparent pricing, providing equal sharing of economic savings based on current electric rates, providing and enhancing consumer protection, allowing consumers who choose not to participate to opt-out, as well as supporting environmental protection, energy efficiency, and renewable energy development



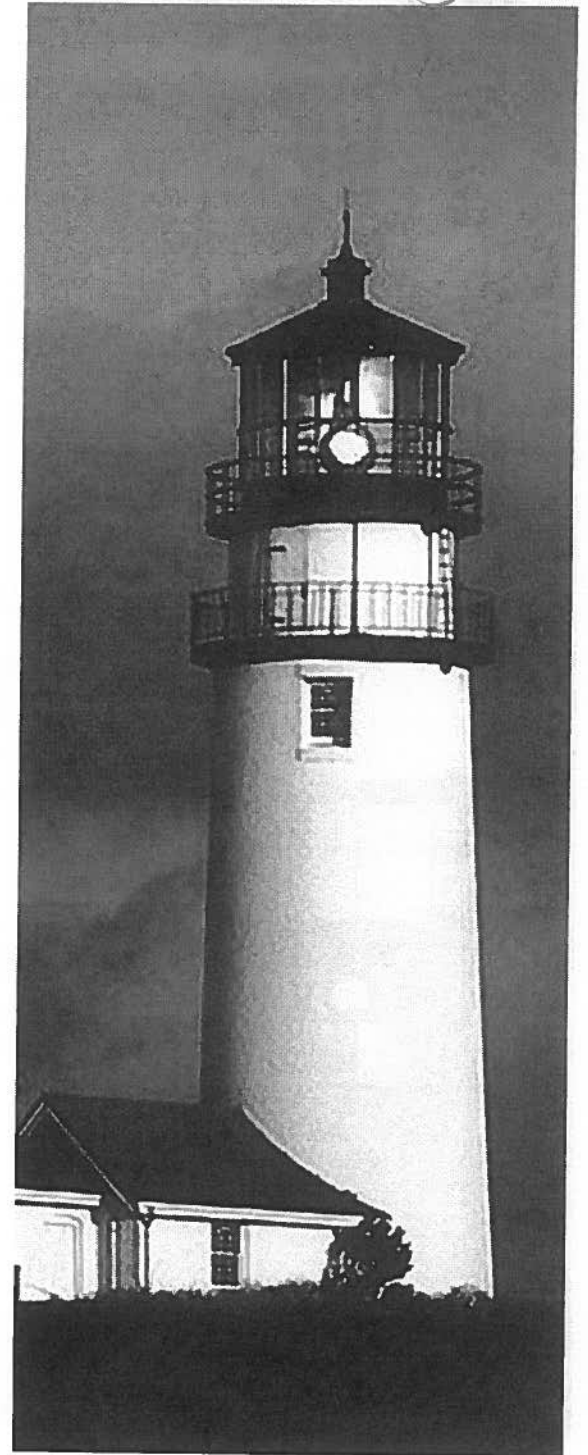
# Background on CLC - 2

- The CLC is funded through several sources, including ratepayer funds, federal and state grants, administrative charges levied on electricity sold through the CLC's aggregated power supply contract with its private competitive electric supplier, and other sources as described further below
- Barnstable County has provided \$3.6 million through County general fund over the past 15 fiscal years
- Barnstable County funded CLC as a regional effort similar to its funding of other independent regional efforts
  - Wastewater Collaborative - \$1.2 million over the past 6 fiscal years
  - Open Cape - \$3.2M through long term lease of County Public Safety Building



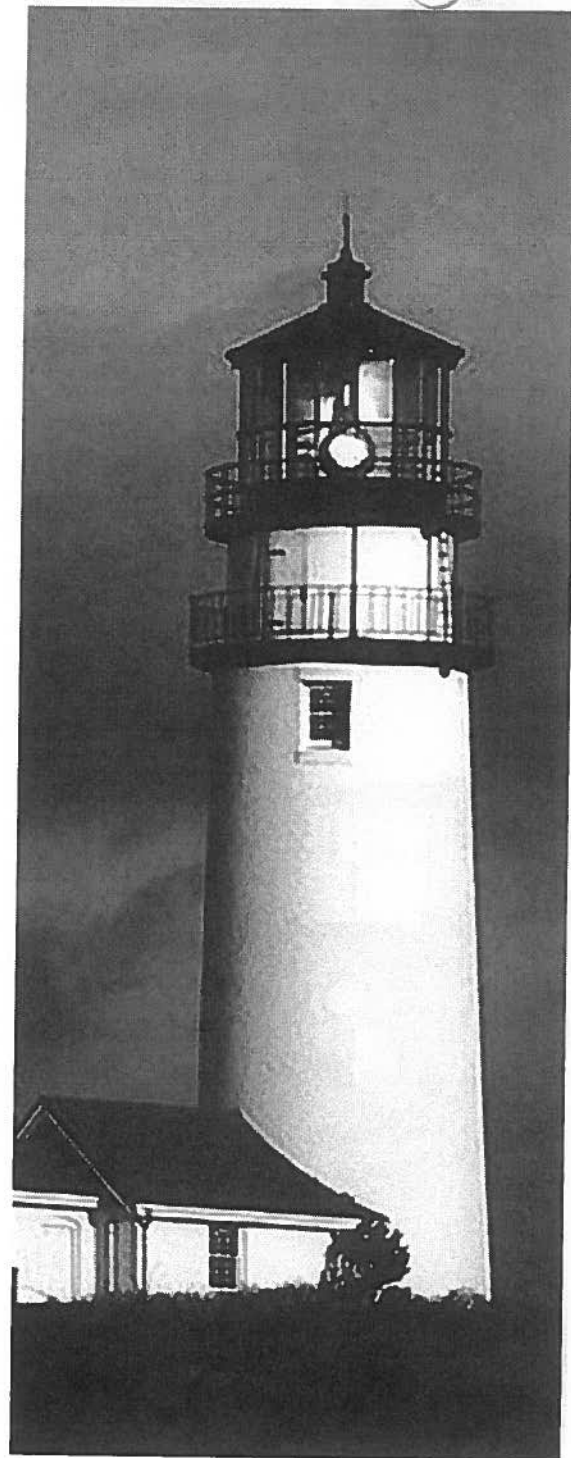
# Background on CVEC

- CVEC was formed out of a strategic planning process commissioned and undertaken by the CLC
- Neither CLC, nor its member towns, could develop or finance electric generation projects and enter into long-term power purchase and other agreements on a wholesale basis
- Desire to stabilize electric rates for all ratepayers with renewable energy projects
- Develop renewable energy projects
- Public policy



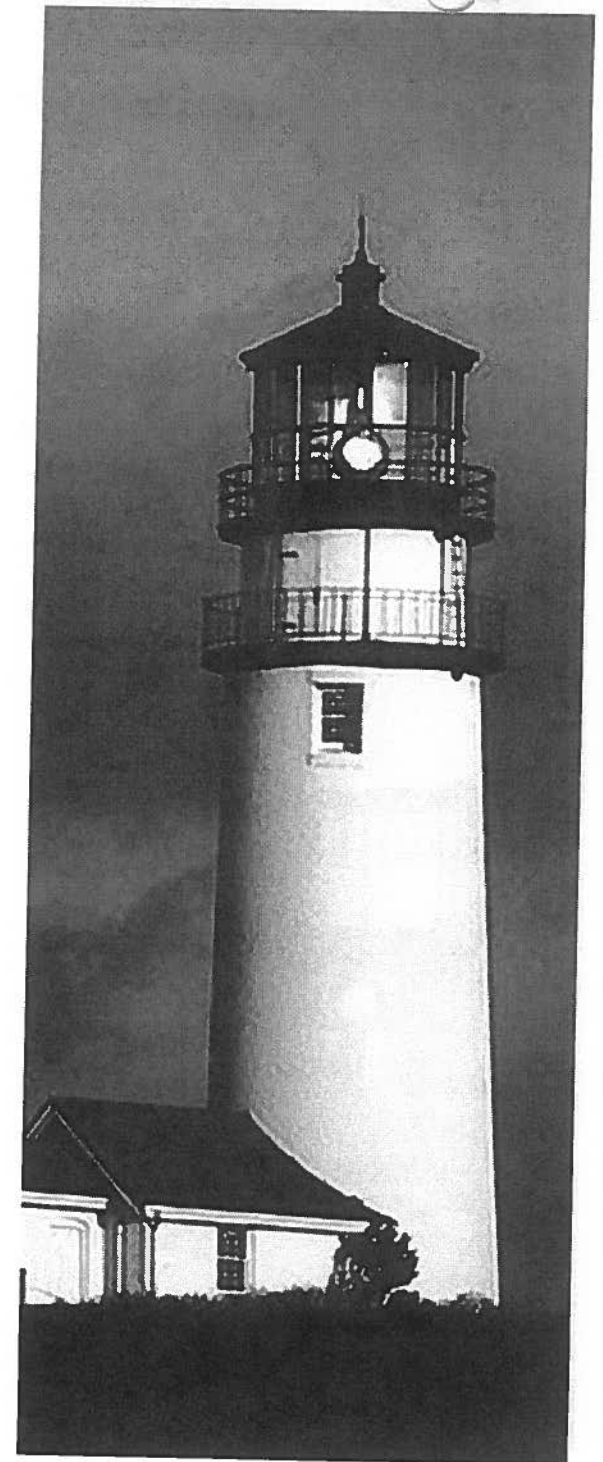
# CVEC's Objectives

- Maximize the economic benefits of projects through net metering of municipal load
- Projects developed, owned and operated by CVEC
- RECs, capacity and other benefits will stabilize electric rates for all CLC customers
- Long term - develop electric generation projects and wholesale power purchase contracts over the next 10 years to stabilize electric rates for all CLC customers



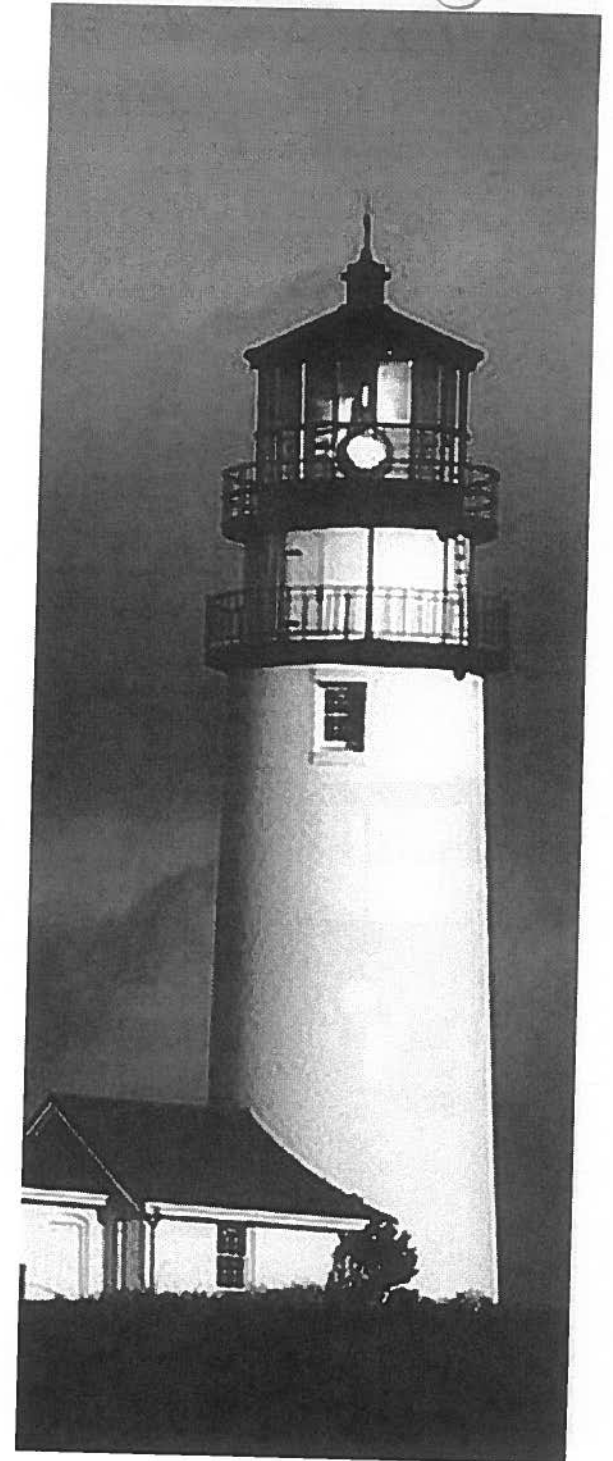
# Cooperative Bylaws – Governance

- Membership on CVEC's Board of Directors is controlled by the member governmental units, with each of them having a representative on the Board
- For the purpose of organizational efficiency, the Board has delegated most of its powers, with some exceptions, to the Executive Committee.
- CVEC's bylaws expressly permit it to retain counsel who may also represent its members or other public entities (e.g. the CLC) in matters in which CVEC has a direct or substantial interest, subject to certain conditions set forth in the bylaws



# Rights and Obligations of Membership

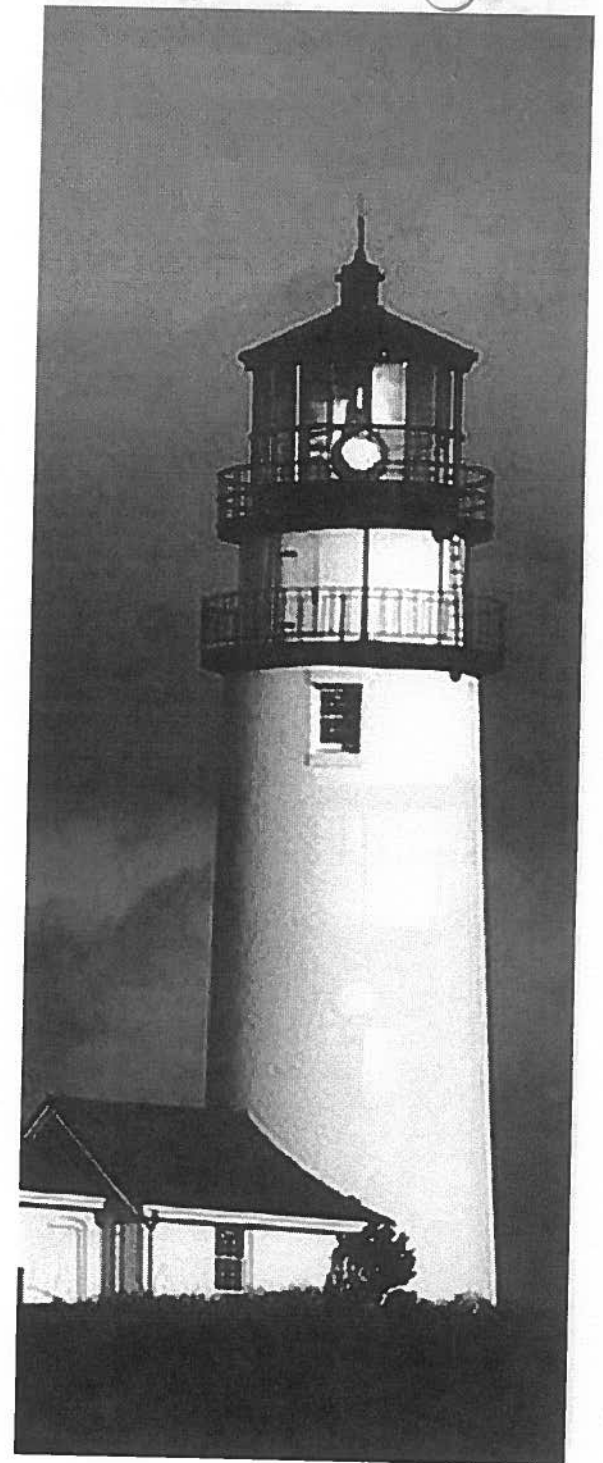
- For Projects Financed by CVEC
  - CLC is entitled to receive 10% of the annual energy output
  - The Host Member is entitled to net meter up to ninety percent (90%) of the energy output (but not capacity or RECs) from any projects located on municipal land against such Member's municipal accounts up to the limit of project output or municipal load
  - The remaining energy output shall be allocated to other CVEC members on a *pro rata* basis





# Initial Benefits of Joining CVEC

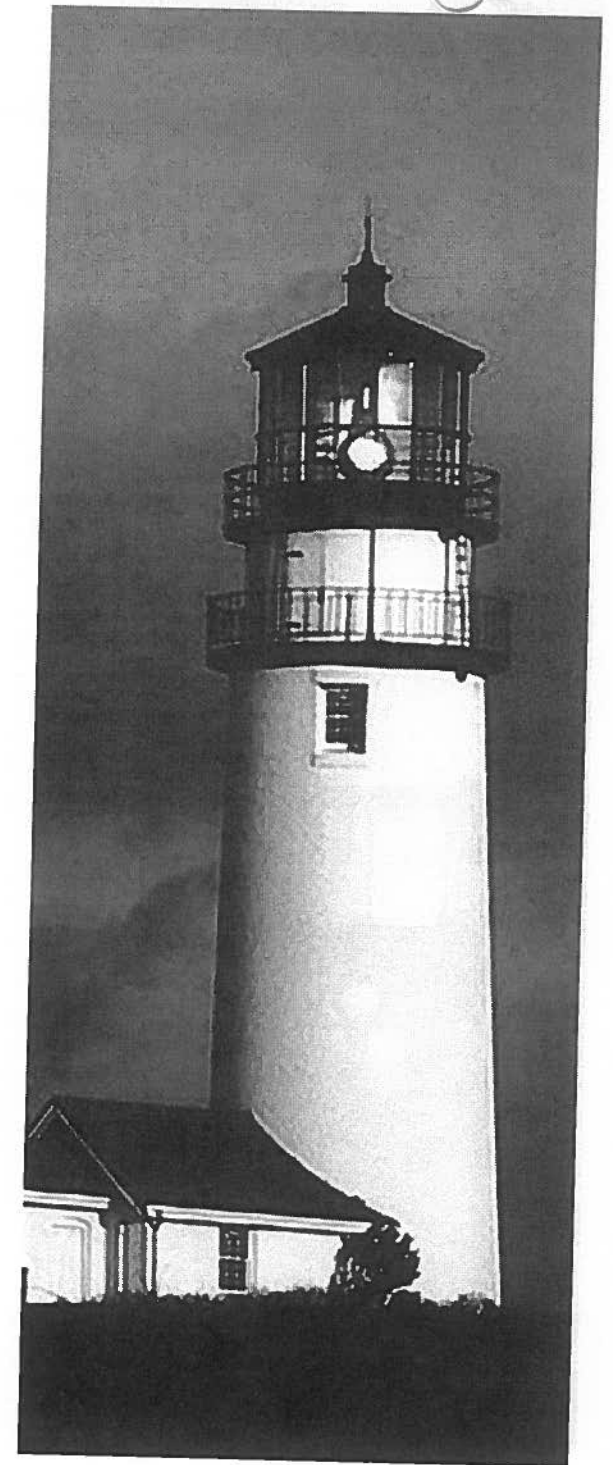
- Lower cost financing (Rural Utilities Service, potential financial backing with renewable energy trust funds)
- Electric Cooperative statute generally limits member liability exposure to member pledge or capitalization
- Benefits of proposed net metering law will bring financial savings to towns and consumers
- Long term goal is to develop projects that will benefit all ratepayers



# What we did to form CVEC

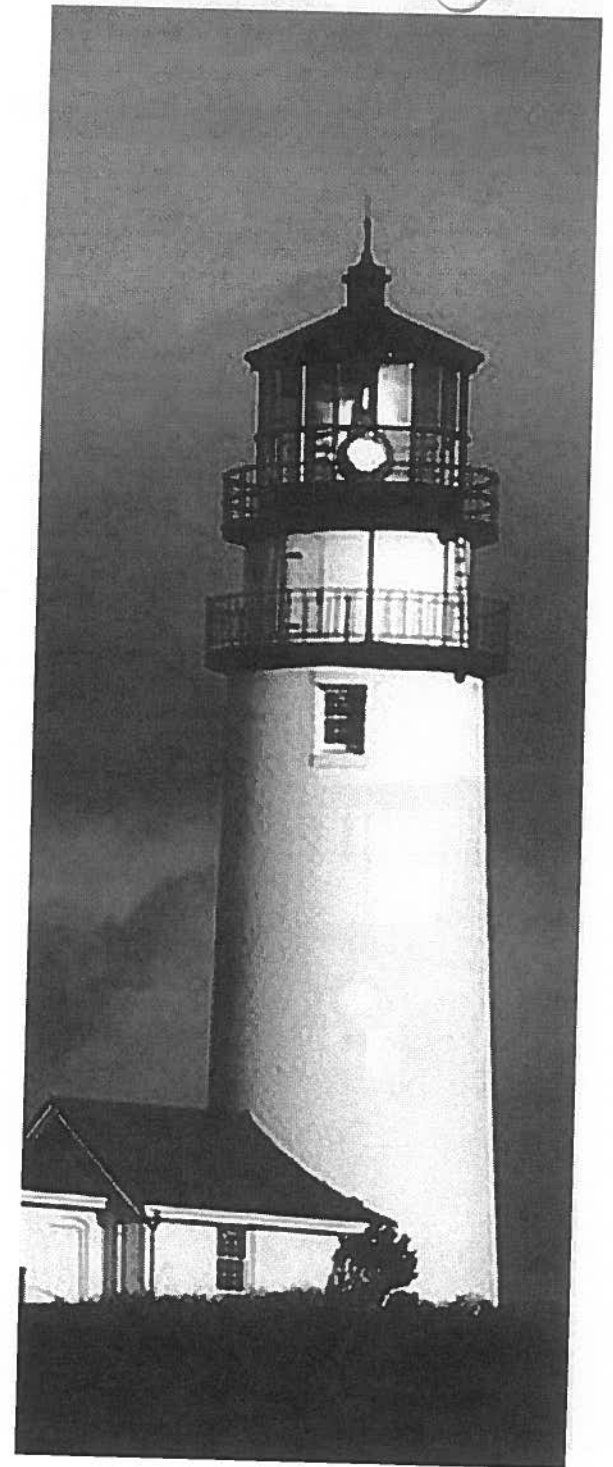
- No rate payer energy efficiency funds were used for CVEC
- Expenditure of CLC energy efficiency funds are subject to annual regulatory review and accounting
- Votes to make CLC grants to CVEC were taken in open session, except one, and are in CLC's meeting minutes posted on CLC web site
- Pursuant to MGL Chapter 30A, Section 21(a)(3) and MGL Chapter 30A, Section 21(a)(10), CLC held an executive session discussion and vote on March 23, 2011 to grant additional funds for Brewster wind project

*\$65.5 MIL  
BANK TO  
COUNTY*



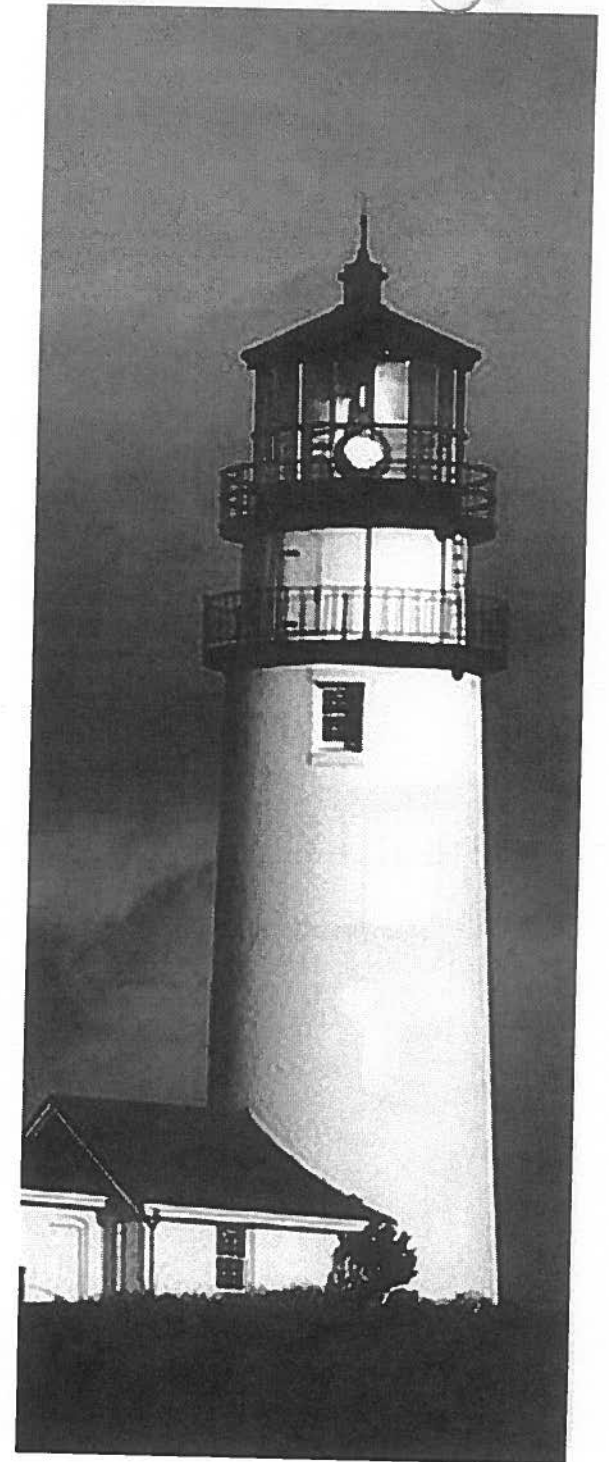
# Harwich and Brewster Wind Projects

- CVEC assumed development responsibilities: financing, permitting, and constructing of the Brewster project
- Fall 2009, Harwich Town Meeting votes not to pursue the wind turbines
- Summer 2010 Brewster wind turbines begin the permitting process
- Brewster wind turbines, located in Commerce Park, Brewster's wind overlay district require a special permit from the Planning Board



# Brewster “Commerce Park” Wind Project

- Town of Brewster elects to include the Commerce Park property in CVEC’s Round Two Request for Proposals to Install Photovoltaic Panels
- CVEC Board of Directors agree to take no further action on the DPU proceeding until the Town of Brewster has reviewed the responses to the PV RFP and selected the type of project it wishes to advance at the Commerce Park property



# Avoided Energy Supply Costs (AESC) Attributable to CVEC PV Projects

- Four components of AESC
  - Energy (not included in calculation)
  - Capacity
  - Price Impact
  - Infrastructure
- 16.5 MW of PV is expected to save ratepayers nearly \$20M in avoided costs over 20 year term of the contract
- 85.9 MW of installed PV is expected to save \$204M in avoided costs over 20 year term of the contract
- Avoided cost benefits accrue to all ratepayers regardless of whether they are CLC customers of CVEC members

