



9.19.17

*RE: CVEC Extension of the Round 1 Adder for FY19*

Dear Administrator,

I hope your summer has been a good one. As you know, CVEC spent its summer working hard to represent the municipalities, counties and districts in the Eversource Rate Case. We thank you all for the many letters submitted to the Department of Utilities to support our case against Eversource's proposed lowering of Net Metering Credit values.

As many of you will remember, when seeking agreements for the FY18 Round 1 Operational Adder last winter, CVEC agreed to return by December 1, 2017 to ask for the Adder's extension through FY19. The promise was made so the renewal request for FY19 would coincide with FY19 budget preparation. To facilitate the extension, the following clause exists in the Round 1 Operational Adder Memorandum of Agreement signed by all of you:

- 4. Extension.** On or before December 1, 2017, the CVEC Board of Directors shall determine the necessity of the Round 1 Adder, and, upon determining the necessity of the Round 1 Adder to CVEC operations, CVEC shall solicit the Town for a one-year extension to this Agreement. If the Town elects to exercise its option to extend this Agreement for one year, it shall notify CVEC in writing on or before January 1, 2018 and the extended duration of the agreement shall be effective from July 1, 2018 until June 30, 2019.

At our last CVEC Board meeting, CVEC Board members reviewed multiple actual and projected financials and voted to direct staff to seek the FY19 extension. Based on the Board directive, I emailed all CVEC Round 1 PV Initiative participants requesting an opportunity to appear for the renewal of the Round 1 Adder for FY19. Most of you have responded that an appearance is not required, and that you will present CVEC's request for the renewal letter in accordance with the extension clause if CVEC supplies supporting documents.

To that end, I am enclosing a summary of the CVEC FY17 financials, our FY18 budget, our projected FY19 budget as Exhibit A and the approximate annual change to your FY19 savings as Exhibit B. I am also including a template letter to extend our Agreement for one year as Exhibit C. Please do not hesitate to contact me with questions or concerns.


CVEC appreciates the support and appreciation voiced for the energy cooperative when seeking the Round 1 Adder last winter. The Adder is essential to keeping the energy cooperative as dynamic and instrumental as it has been to date. At the end of FY17, CVEC had provided over \$7,340,500 in savings to our participants. With your support, CVEC can continue to represent our participants at the state level while bringing energy savings to the towns, counties and districts.

Sincerely,

A handwritten signature in blue ink, appearing to read "Liz Argo", is enclosed in a light blue rectangular box.

Liz Argo  
Manager, Programs & Administration  
Cape & Vineyard Electric Cooperative, Inc.

## EXHIBIT A

|   |                       |                       |                 |   |                        |
|---|-----------------------|-----------------------|-----------------|---|------------------------|
|  | Budget                |                       |                 |   |                        |
|   | 8/16/2017             |                       |                 |   |                        |
|   | Audited Actual FY2015 | Audited Actual FY2016 | Budgeted FY2017 | Actual Based on June Preliminaries FY2017 | Working Budget FY 2018 |
|   |                       |                       |                 |   |                        |
| <b>REVENUES</b>   |                       |                       |                 |   |                        |
| <i>PV Solar Adder Revenue (Round 1)</i>   |                       |                       |                 |   | 100,610                |
| <i>PV Solar Adder Revenue (Round 2)</i>   | 58,839                | 166,887               | 150,000         |   | 150,000                |
| <i>PV Solar Adder Revenue (Round 3)</i>   |                       |                       |                 |   | 12,000                 |
| <i>Wind Project Administrative Adder Revenue</i>                                  |                       |                       | 6,322           |   | 15,624                 |
| <i>Nexamp Dartmouth Farms Solar Adder Revenue</i>                                 |                       |                       |                 |   | 2,187                  |
| <i>Syncarpha Freetown Solar Adder Revenue</i>                                     |                       |                       | 6,500           |   | 26,000                 |
| <i>CVEC Consulting Services Revenue</i>   | 10,042                | 4,600                 | 6,000           |   | 12,000                 |
| <i>ISO-NE Income</i>  |                       | 1,500                 | 9,350           |   | 12,000                 |
| <i>PV Solar Design/Engineering Support</i>  |                       | 919                   |                 |   |                        |
| <i>Grant/Contributions</i>  | 403,455               |                       |                 |   |                        |
| <i>Member Fee Revenue</i>   | 25                    |                       |                 |   |                        |
| <i>Interest Income</i>  | 154                   | 266                   | 150             |   | 270                    |
|   |                       |                       |                 |   |                        |
| <b>Total Revenues</b>   | 472,515               | 174,172               | 178,322         | 188,202                                   | 330,691                |
| <b>EXPENSES</b>   |                       |                       |                 |   |                        |
| <i>Legal - General Counsel</i>  | \$ 181,816            | \$ 33,091             | \$ 33,000       |   | \$ 45,000              |
| <i>Administration for Round 3</i>   |                       |                       |                 |   | \$ 18,000              |
| <i>Match for Community Clean Energy Resilience Grant</i>                          |                       |                       |                 |   | \$ 72,210              |
| <i>Audit Fees</i>   | \$ 14,000             | \$ 16,000             | \$ 25,400       |   | \$ 27,000              |
| <i>Consultants (Accounting/Bookkeeper)</i>  | \$ 6,998              | \$ 38,684             | \$ 33,240       |   | \$ 35,000              |
| <i>Consultants (Peregrine Energy Group)</i>                                       | \$ 43,800             | \$ 31,200             | \$ 35,000       |   | \$ 35,000              |
| <i>Contractual Professional Services: Implement data upload</i>                   |                       |                       |                 |   | \$ 15,000              |
| <i>Internet, Phone and IT</i>   | \$ 750                | \$ 3,191              | \$ 4,171        |   | \$ 5,684               |
| <i>Insurance</i>  | \$ 15,230             | \$ 15,450             | \$ 15,450       |   | \$ 15,450              |
| <i>Taxes- State Income</i>  |                       | \$ 456                | \$ 456          |   | \$ 456                 |
| <i>Office Rental</i>  |                       | \$ 2,000              | \$ 6,000        |   | \$ 6,000               |
| <i>Filing Fees</i>  |                       | \$ 125                | \$ 125          |   | \$ 125                 |
| <i>Misc Office, Administrative Overhead, and Office Assis</i>                     | \$ 5,319              | \$ 7,445              | \$ 14,051       |   | \$ 27,547              |
| <i>Food - Board Lunches</i>   |                       | \$ 807                | \$ 807          |   | \$ 850                 |
| <i>Travel Expense and Conference Costs</i>  |                       | \$ 3,390              | \$ 4,000        |   | \$ 7,500               |
| <i>Professional Development</i>   |                       | \$ 344                | \$ 400          |   | \$ 2,600               |
| <i>One-time Non-recurring Development Cost Adjustment</i>                         |                       |                       |                 |   | \$ 11,000              |
| <i>CVEC-7 Project Fee and Costs for LOC</i>                                       | \$ 6,267              | \$ 6,967              | \$ 6,267        |   | \$ 6,270               |
|   |                       |                       |                 |   |                        |
| <b>Total Expenses</b>   | \$ 274,180            | \$ 159,150            | \$ 178,367      | \$ 238,740                                | \$ 330,692             |
|   |                       |                       |                 |   |                        |
| <b>NET INCOME/(LOSS)</b>  | \$ 198,335            | \$ 15,022             | \$ (45)         | \$ (50,538)                               | \$ (0)                 |
| <i>Beginning Unrestricted Cash Balance</i>  | \$ 264,322            | \$ 462,657            | \$ 477,679      |   | \$ 477,634             |
| <i>End Unrestricted Cash Balance after apply end FY balance</i>                   | \$ 462,657            | \$ 477,679            | \$ 477,634      |   | \$ 477,634             |
| <b>Reserve Fund - Established in FY16</b>   |                       | \$ (180,000)          | \$ (180,000)    |   | \$ (180,000)           |
| <i>End Unrestricted Cash Balance less Reserve</i>                                 |                       | \$ 297,679            | \$ 297,634      |   | \$ 297,634             |

[illegible]

EXHIBIT C

## Template Letter to Extend CVEC Agreement

Dear President Cakounes,

The Town of \_\_\_\_\_ (School District) wishes to extend the Memorandum of Agreement for the Round One Operational Administrative Adder previously agreed to on or before March 2017. The Adder paid to CVEC for management of the Round 1 projects will continue to be \$0.005 per kilowatt hour of production. The extension for the Memorandum of Agreement for the Round One Operational Administrative Adder of \$0.005 is to be for one year with the duration extending from July 1, 2018 through June 30, 2019.