



Cape & Vineyard Electric Cooperative, Inc.

Barnstable County

9.11.15



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Cape & Vineyard Electric Cooperative, Inc.

Municipal Net Metered Power

Cape & Vineyard Electric Cooperative Past - Present - Future

- Three PV Initiatives totaling 28MW are now producing power
 - The largest block of Cooperative PV power in New England
 - At end FY15, with projects still in development, distribution of cashed out net metering benefits was **\$2,250,000**
- Potential Future PV Initiatives - based on 3 previous initiatives' successes
- Battery Back-up - CVEC currently awarded a \$1.5 million grant for a battery back-up system at DY High School Regional Emergency Shelter
- Potential Future Battery Initiatives
- Cooperative participation with Future Generation Wind with fixed cost PPA



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CVEC Benefits

- CVEC provides PV installations at *no capital cost to participating towns.*
- The low PPA costs CVEC negotiated *are fixed for 20 years, which is highly uncommon in other similar contracts. Savings from a fixed PPA of \$0.07 vs escalating at 2% over 20 years = \$664,000 for Chatham's 1.8MW PV installation – the average size PV system in Round 1*
- The Cooperative allows towns to benefit from distributed generation *beyond the state's per town limit of 10MW.*
- The Cooperative provides *optimization of PV installation location.* For instance, some of the power from 6 CVEC capped landfill projects developed to capacity is now shared with Barnstable County through the Cooperative.



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The "Ask"

- In 2010 the CVEC Board voted to avoid the Administrative Operational Adder on the 8 Round 1 projects
 - In 2011 the Board voted to cover costs for monitoring and billing, etc. with a per kWh Administrative Operations Adder on the Round 2 projects; \$0.01 for members and \$0.015 for non-members added to the PPA cost
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- Without an Adder on the 8 Round 1 projects, CVEC recognizes it can't maintain its services for all participants at the current level
 - In the interest of fairness and to continue services for all, in 2015 the CVEC Board voted to propose an Adder on the Round 1 projects, similar the Adder on its other projects.



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CVEC Operations Management Services

In addition to leading further PV and Battery development for Region

- Maintain Schedule Z database for all projects - host & offtaker (needed for accurate distribution of net metering credits)
- Calculate monthly net metering credit activities: Expense, Revenue, Net
- Provide professional third party annual audit reports
- Provide annual reports; showing annual costs and net benefits
- Verify achievement of production expectations (GAO) and assure shortfall compensation
- Interface with Utility and PV system owner to assure proper compensation and proper maintenance and repairs.
- Provide annual reports to Mass DOER
- Provide legal services associated with management of systems
- Provide assistance with tax assessment, insurance, emergency response, etc.



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The Adder to Barnstable County in dollars and cents

	Net Benefit
Year One Estimated Net Benefit from R1, R2 and Future Generation Wind to Barnstable County as Offtaker	\$52,477
Apply adder of \$0.01 per kWh to R1	\$3,392
Adjusted Estimated Net Benefit from R1, R2 and Future Generation Wind to Barnstable County as Offtaker	\$49,086
Percentage Year One Income Reduced	6.46%

*** The NMC used in calculations of \$0.159 will adjust up or down over the life of the project, with a net rise expected as the cost of electricity is expected to rise.



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The Need in dollars and cents

CVEC FY16 Annual Income and Expense

	Annual Income from R2 and FGW adders	Annual Budget	Net Income (Loss)
Projected TOTALS	\$162,348	\$352,815	\$190,466

An adder on all Round 1 projects will provide an approximate annual revenue of **\$197,637**



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Assurances

- CVEC will revisit the adder on Round 1 at year three to determine whether it is recommended that the adder be discontinued, continued, or reduced



CVEC
Board & Staff
Barnstable Airport
Earth Day 2015