



# Cape & Vineyard Electric Cooperative, Inc.

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5.26.20

*RE: CVEC Services Fees for PV/Storage Management*

Dear Janice,

Following the presentation given by the Cape & Vineyard Electric Cooperative to the Barnstable County Assembly of Delegates on May 20, 2020, the Cooperative was asked to provide an estimation of CVEC compensation for its management services starting with project commissioning and continuing for the 20-year terms of the proposed photovoltaic/storage projects for Barnstable County. The following chart provides an estimate for each of the 7 proposed projects. The potential fees to CVEC are highlighted in yellow as are the percentages of each project's rent/savings to the County.

Name of PV System	Annual Prod. Estimate -EAO in kWh - per contract	CVEC Ops Adder per kWh of production for PPA Projects	Annual Services Agreement Fee for Lease Only Projects	Approximate Annual Fee to CVEC	Approximate Annual Savings or Rent to County before CVEC fee	Percentage CVEC's Fee is of Rent/Savings to County	Approximate Annual Savings or Rent to County in Presentation - With Fees Calculated Out	
BC County Farm Dual Use	7,651,862		\$ 4,000	\$ 4,000	\$ 455,000	1%	\$ 451,000	*
BC Deeds Building	85,800	\$ 0.0075		\$ 644	\$ 10,324	6%	\$ 9,681	**
BC 1st District Court	83,450		\$ 200	\$ 200	\$ 4,450	4%	\$ 4,250	***
BC Lab	332,800	\$ 0.0075		\$ 2,496	\$ 28,055	9%	\$ 25,559	**
B.C Orleans Court House Canopy	127,965		\$ 500	\$ 500	\$ 9,600	5%	\$ 9,100	***
B.C Orleans Court House Rooftop	116,228		\$ 500	\$ 500	\$ 9,600	5%	\$ 9,100	***
BC Main Campus Park Lot	1,409,200	\$ 0.0075		\$ 10,569	\$ 102,872	10%	\$ 92,303	**
			TOTALS	\$ 18,909	\$ 619,901	3%	\$ 600,992	****
* In the presentation to the Assembly, the Annual Lease Payment was presented without deducting the CVEC fee								
** In the presentation to the Assembly, the Annual Savings were presented as less the CVEC fee								
*** In the presentation to the Assembly, the Annual Lease payment was presented as less the CVEC fee								
**** In the presentation to the Assemble, the Sum of Annual Rent and Estimated Savings to County was understated at \$600,063								

Note that there are two different contract arrangements for the 7 County projects; either a Power Purchase Agreement (PPA) with a PPA fee per kilowatt hour of production paid to the developer in exchange for the Net Metering Credits paid per kilowatt hour, or a straight Lease with an annual payment made to the County.

In the case of the PPA, the CVEC Operational Adder will be added to the PPA fee which is collected every month by CVEC. As an example, for the Lab Building, the PPA

under a Block 5 SMART incentive award will be \$0.1257 per kilowatt hour. CVEC's Operational Adder fee of \$0.0075 will make the total monthly fee \$0.1332 per kilowatt hour. In exchange for the PPA costs, the County will get Net Metering Credits at ~ \$.017 per kilowatt hour.

In the case of a straight Lease, using the Orleans Courthouse as an example, a Lease payment of \$9,600 will be paid annually to the County. The CVEC Service Fee of \$500 will be collected annually. The CVEC annual Service Fees are based on a sliding scale and were determined in consideration of management complexity. The fees were voted into place by the CVEC Board of Directors. Note that the First District Courthouse will receive an adjusted service agreement that eliminates some services in order to reduce the service fee to the minimum of \$200.

A listing of some of the CVEC services supported by the Operational Adder and, alternatively, the CVEC Service Fee, is included at the end of this document as Appendix A.

As a final note, as explained in the presentation to the Assembly, there remain many variables that could change the sizes of the projects as well as the final fees and Lease payments. These potential adjustments will correspondingly affect the CVEC Operational Adder. However, the CVEC fees as presented here are a reasonable estimation of the CVEC service fees should the projects be constructed.

Please reach out with questions or concerns.

Yours Truly,



Liz Argo  
Executive Director  
The Cape & Vineyard Electric Cooperative, Inc

## **APPENDIX A:**

### **Sample of Services CVEC provides under the CVEC Operational Adder / Service Agreement**

- (a) Represents the County's interests concerning PV System design and construction conduct throughout construction and commissioning
- (b) Represents the County's interests with the Developer and the utility and facilitates PV System commissioning
- (c) Provides all utility Schedule Zs and manages net metering credit distribution activities
- (d) Collects and maintains all as-builts, Interconnection Documentation, warranties, and manuals
- (e) Represents the County's interests in disputes with local utility or with developer
- (f) Provides Ribbon Cutting and/or Ground Breaking Press Releases and Ceremonies
- (g) Provides public facing Data Acquisition Dashboards
- (h) Monitors the Data Acquisition Dashboards for system outages
- (i) Manages software control settings for storage system to leverage financial benefit and maintain resilience reserve
- (j) Initiates and manages capacity participation in appropriate markets
- (k) Monitors Developer's compliance with maintenance obligations, arranges for inspections of the PV System as necessary
- (l) Collects annual Operations and Maintenance reports from developers
- (m) Provides County with access to information regarding the operations of the PV System or other data concerning the PV System and provides an in-person annual presentation to review system performance and all annual financial transactions at end of fiscal year
- (n) Monitors for meeting Guaranteed Annual Output obligation and collects shortfall payments on behalf of Town
- (o) Notifies County as soon as practicable when CVEC becomes aware that the PV System may be mechanically inoperable for more than a seven (7) day period
- (p) Provides liaison to the utility during utility servicing outages and oversight to ensure meter accuracy
- (q) Monitors Developer's compliance with the federal, state, and local permit and regulatory requirements identified in the Lease, exclusive of tax issues

- (r) Provides management of property tax pass-through in accordance with state regulations and the Leases
- (s) Ensures that Developer provides for Decommissioning Assurance per the terms of the Lease
- (t) Facilitates the County's decision-making steps concerning the County's Purchase Option, as set forth in the Lease