



# Cape & Vineyard Electric Cooperative, Inc.

23H2 White's Path, Suite 2, South Yarmouth, MA 02664

774-722-1812 [www.cvecinc.org](http://www.cvecinc.org)

10.2.19

*RE: Extension of the CVEC Round 1 Adder for FY21 at continued reduced rate*

Dear Administrator,

FY19 has been a noteworthy year for the Cape & Vineyard Electric Cooperative with the completion of seven Round 3 PV projects on member municipal roofs, successful negotiations with developers for twenty-one more PV projects in CVEC's PV/Storage Initiative Round 4, the launching of CVEC's PV/Storage Initiative Round 5, and CVEC's facilitating municipal member's acquirement of grant-based electric vehicles and charging stations. We are proud to report that at by June 30, 2019, CVEC had provided over \$13,000,000 in savings to our participants. Adding over 25 PV projects through Rounds 4 & 5 will not only boost the current \$3,000,000 saved yearly by our towns in electric costs, it will also help shore up CVEC's operations funding.

However, in reviewing the budget for FY22 at the March 2019 Board meeting, CVEC's Board of Directors determined that to keep CVEC as productive and ground-breaking as it has been in this last year, it is premature to eliminate the Round 1 Adder. Thus, the Board voted to request the extension of the Round 1 Adder, again at the reduced rate of \$0.0025.

To facilitate the extension, the following clause exists in the Round 1 Operational Adder Memorandum of Agreement signed by all of you last year:

- 4. Extension.** On or before December 1, 2019, 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, 2020 and the extended duration of the agreement shall be effective from July 1, 2020 until June 30, 2021.

A template one-year extension letter is included as Exhibit A. Also included as Exhibit B are the projected effects on all participants.

Please do not hesitate to contact me with questions or concerns.

The appreciation of CVEC's work, shown through town support, is critical to CVEC's success. With continued member support, CVEC can build on current successes and provide further benefits to our community.

Sincerely,

Liz Argo  
Manager

Cape & Vineyard Electric Cooperative, Inc.

EXHIBIT A

Template Letter to Extend CVEC Agreement

Dear President Cakounes,

The Town of \_\_\_\_\_ 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 \$0.0025 per kilowatt hour of production. The extension for the Memorandum of Agreement for the Round One Operational Administrative Adder of \$0.0025 is to be for one year with the duration extending from July 1, 2020 through June 30, 2021.

## EXHIBIT B

# Projected Effects of Quarter Penny Adder on Round 1 Participants Using FY17 Production

## Lowered Potential Annual Savings

ROUND 1						
Hosts of R1 Projects - Green signifies Project has Offtakers (OT)	Project's annual kWh of production to Host in FY17	FY 2017 Income to Host	Adder @ quarter penny for Host's kWh (share X Adder)	\$ to CVEC from Host @ \$0.0025 R1 Adder		% of earned \$\$ to go to CVEC
			\$ 0.0025			
Barnstable	5,150,520	\$ 382,604.72		\$ 12,876.30		3%
Brewster	1,543,380	\$ 97,611.57		\$ 3,858.45		4%
Chatham	2,381,400	\$ 183,613.13		\$ 5,953.50		3%
Eastham	514,271	\$ 40,833.00		\$ 1,285.68		3%
Harwich	3,592,642	\$ 364,920.95		\$ 8,981.61		2%
Tisbury	1,337,040	\$ 177,683.68		\$ 3,342.60		2%
Totals	16,564,323	\$ 1,376,666.38		\$ 36,298.13		
Offtakers of R1 Projects -	Annual kWh of production to Offtaker in FY17	FY 2017 Income to Offtaker	Adder @ eighth penny for Offtaker's kWh (share X 1/2 Adder)	\$ to CVEC from Offtaker share of Adder @ \$0.00125		% of earned \$\$ to go to CVEC
			\$ 0.00125			
Barnstable County	684,732	\$ 25,044.69		\$ 855.92		3%
Brewster	418,071	\$ 15,293.55		\$ 522.59		3%
Chatham	180,569	\$ 6,605.98		\$ 225.71		3%
Chilmark	35,371	\$ 1,279.32		\$ 44.21		3%
Dukes County	60,031	\$ 2,171.86		\$ 75.04		3%
Monomoy Schools	240,414	\$ 7,478.09		\$ 300.52		4%
Oak Bluffs	183,238	\$ 6,680.64		\$ 229.05		3%
Provincetown	488,009	\$ 17,805.37		\$ 610.01		3%
Yarmouth	920,073	\$ 33,594.23		\$ 1,150.09		3%
Totals	3,210,508	\$ 115,953.73		\$ 4,013.14		
	19,774,831					
				CVEC Earns from Adder using FY17 Production: \$ 40,311.27		

