

To: Members of Greenbelt Community Solar

From: Robert Kessel

CC:

Date: May 18, 2017

Subject: Minutes and actions for the February 26, 2017 GCS annual meeting

Attendance: Steve Skolnik, Richard Roth, Dorrie Bates, Cathie Meetre (and proxy on behalf of Margo Duesterhaus), Michael Travis, John Mason (and proxies on behalf of Shalom Fisher and Steve Linder), Richard Bates, Suzette Agans, Luisa Robles, Robert Trumbule, Michael Hartman, Lore Rosenthal (convener), and Bob Kessel, and Frank Gervasi (fashionably late)

Minutes

1. Lore Rosenthal served as convener for the Greenbelt Community Solar (GCS) annual meeting hosted by Cathie Meetre. With 16 members present or having sent a proxy, the Operating Agreement 6.2.3 requirement of 12 members for quorum was satisfied. As part of the member introduction, Lore posed as a question to all why they became members of GCS. Most people had a combination of reasons: support for our community, interest in solar systems, wanting to learn more about solar systems, and a reasonable investment.
2. Cathie Meetre and Jerry Bonnell presented the 2016 Annual Report. The report had been distributed in an email to all members prior to the meeting.
 - a. Our 22.05 kW array's production in 2016 was 25.7 MW-hr which is higher than 2015. John Mason reported that after the change to a hardwired communications connection, the array operated without data drop outs.
 - b. The electricity sales to Greenbelt Baptist Church (GBC) brought in \$3,992 at \$0.155 per kW-hr. This is the first year that our Power Purchase Agreement (PPA) inflator clause came into effect by increasing the price by $\frac{1}{2}\text{¢}$ per kW-hr.
 - c. The sale of SRECs by our Direct Energy broker generated in \$3,162. There was gratitude towards our broker's timing of the sale since the SREC market collapsed with the price dropping by about a factor of seven almost immediately after the sale. While the LLC dodged the impact of the SREC price collapse in 2016, 2017 and beyond are a different matter. It is very unlikely SRECs will provide significant future income for the LLC.
 - d. The expected lack of future SREC income resulted in new section on Potential Exit Strategy being added to the Annual report. While the LLC can continue in its current form, the loss of SREC income has greatly increased the date for profitability. The management committee's recommendation is to explore a sale of our array to the GBC. The GBC can own the array with far lower expenses than the LLC. Over the remaining period of the PPA through 2031 using one specific set of forward assumptions, the array would be worth about \$35,000 more the GBC than to the LLC. Additional discussions on selling the array are collected below in 5.
3. John Mason reported on the renewal of our Direct Energy SREC brokerage contract for the next five years. The renewal contract is very similar to the prior contract which allows Direct Energy a free hand to sell our SRECs at whatever time and price the judge as best. Direct

Energy provides the brokerage service at zero cost since the firm installed our array. The contract also contains a conveyance clause which would transfer the contract and terms to the GBC in event of a sale. The conveyance clause is to GBC's benefit in the event of a sale. Without objection, the members requested that John sign the contract on our behalf and send it to Direct Energy for their signature.

4. Election of the 2017 management committee: Beth Leamond is stepping down from the management committee. The management committee thanks her for her efforts. The remaining members of the management committee are willing to serve for 2017. Michael Travis offered to fill the open position. Without objection, the members elected Jerry Bonnell, Shalom Fisher, Frank Gervasi, Robert Kessel, John Mason, Cathie Meetre, Luisa Robles, Lore Rosenthal and Michael Travis as the 2017 management committee.
5. Discussion of sale of the system to GBC addressed several inter-related issues and moved back and forth between them. I've grouped related discussions and actions.
 - a. As noted above, the basic reason for the sale is that with the collapse the SREC market, GCS will be spending most of our income on accounting, insurance, and the State of Maryland's annual LLC fee. The church would have neither accounting nor LLC fee costs and a much lower insurance cost. Between today and the end of the PPA in 2031, the estimated difference between our and the church's costs amounts to somewhere above \$30,000. As noted by both Cathie Meetre and Bob Kessel, the precise accounting assumptions used in the estimation can shift the date for profitability by a decade. The best case is a few years of profit near the end of the PPA with high fixed costs that benefit neither ourselves nor our single customer. A poll of all members present was unanimous that the LLC should go forward with the sale if mutually agreeable terms can be reached with GBC.
 - b. John Mason reported that Daniel Gomez is the GBC governing board's new chair and would be the likely first person to contact to raise the possibility of a sale.
 - c. While we need to open the discussion of selling the system with GBC, multiple members would like any offer to circulate within in the LLC's members first. After some discussion Richard Roth agreed to Bob Kessel's proposal that a précis or abstract of the basic terms of the sale be circulated rather than a completed offer package. A generally acceptable offer price would be the balance needed cover members' outstanding investment. Independent of the price, several members present requested a 23 out of 34 member vote to proceed with the sale. This standard was accepted without paramount objection.
 - d. Cathie Meetre raised the issue that 8.2 (a) of our Operating Agreement requires the unanimous consent of the members to dissolve the LLC. However, the members may amend our Operating Agreement under 6.6 (a). After a lively discussion, members at the annual meeting proposed amending the Operating Agreement to require consent of 23 out of 34 members to dissolve the LLC. (Subsequent to the meeting I looked the notification and voting required to amend our Operating Agreement. Amending the Operating Agreement appears to require a special meeting (or email poll) with at least 10 days notice

and within 90 days as per Section 6.2.2. The amendment requires a simple majority under section 6.2.4. One other point -- Section 8.2 (c) states that the LLC may be dissolved after "sale of all or substantially all of the Company Assets." Perhaps just selling the array to GBC would supersede a need to amend the Operating Agreement.)

- e. As time allows, Cathie Meetre will begin assembling the possible offer terms for a sale to GBC. (Subsequent to the meeting, Cathie drafted a one-page summary of the sale's benefits and basic structure for the GBC. She also revised it based on initial comments from Jerry and myself. It is probably at, or close to, ready for circulation and comment by the rest of the Board. A further note, our PPA with GBC has an Article that sets out rules for GBC's purchase of the array, though after the tenth rather than the fifth.)

6. There were reports on three outside solar projects and one solar initiative.

- a. Steve Skolnik reported on the Washington Ethical Society Community Solar. Despite a sizable outlay to buy the WES a new roof, the very healthy D.C. SREC market (\$400 per SREC) means that WESCS will hit break even payback in 6 or 7 years.
- b. Luisa Robles reported on the City of Greenbelt's intention to generate at least 20% of our energy with local renewable by 2022. The City now has PPA offers from two companies. Both have land in Prince George's and within PEPCO service area which could accommodate a multi-MW ground array to meet the 90%. The City has the meter aggregation rule advantage so an offsite solar farm can offset the City's 46 separate building meter charges. There will be another City Council work session to explore the PPA options.
- c. Luisa Robles and Steve Skolnik jointly reported on the City's grant proposal to the Maryland Energy Administration for funds to install arrays on two roofs at the Spring Hill Lake Rec Center and the large south-facing roof at Department of Public Works. It is unclear whether the MEA will fund all three roofs to that maximum possible array size (about 100 kW total). The grant proposal is in, so it is a matter of waiting.
- d. Lore Rosenthal reported on the PSC's community solar rules that were released on February 15th. There are three separate queues that a community solar initiative has to work through. A community solar organization has to first file for right to be a "Subscriber Organization", then an engineering (interconnection) review, and finally the PSC will select 15 community solar projects per utility for the first year of the pilot. Separate from her membership in GCS, Lore is a part-time employee for Neighborhood Sun which is one of the community solar companies participating in the pilot. Any members interested in buying electricity or becoming a member of Neighborhood Sun should contact Lore directly for details. More broadly, there are likely to be multiple community solar groups making pitches in the PEPCO area in the near-term. Lore expects that most will be offering electricity below the PEPCO Standard Offer of Service price, but she also recommends reading the offer carefully.

7. Subsequent to the meeting by email discussion the December 1, 2016 Board meeting minutes were accepted without objection.

Actions

1. John Mason to sign and return the SERC brokerage contract renewal to Direct Energy Solar.
2. Cathie Meetre to assemble a presentation for the GBC on the purchase. (Subsequent to the meeting the presentation's content has morph somewhat. It is more a summary of why it is in GBC's interest to consider a purchase. The precise terms will need to be negotiated with GBC, so generating a full offer of terms would be premature.)
3. Prior to opening discussions with GBC, the summary is to be circulated for comment by the management team.
4. John Mason to broach the topic of the sale of the system with GBC.