

To: Members of Greenbelt Community Solar

From: Robert Kessel

CC:

Date: July 1, 2016

Subject: Minutes and Actions for the June 15, 2017 GCS management team meeting

Attendance: Shalom Fisher, Luisa Robles, John Mason, Jerry Bonnell, Michael Travis, Lore Rosenthal (convener), and Bob Kessel

Minutes

1. Luisa Robles opened the meeting with news about the City's efforts to reduce our carbon footprint. Constellation Energy has entered the picture with a pool offer to multiple cities for electricity at 4¢ per kW-hr for a 3 year term. The offered rate is very low and is be 100% wind. Constellation Energy's offer forces a choice between near-term saving versus longer-term goal of increasing locally-supplied renewable energy use. The City's alternative is to continue with its current higher-priced 100% wind electricity supplier and pursue the solar garden project. This topic will be discussed by the Greenbelt City Council at this Monday's (6/19) 8pm meeting. Luisa requested that GCS management team attend if possible. (Subsequent to the meeting, Lore Rosenthal forwarded a similar request email from GCS's Steve Skolnik.)
2. Lore Rosenthal provided the current status of Neighborhood Sun's efforts in her meeting opening. The bonds were posted by the competing subscriber organizations on May 5th. In the next few weeks PEPCO and the other utilities will respond with their offered interconnect agreements. At that point, each of the competing organizations have to decide whether the financial aspects of the interconnect agreement justifies continuing. In late summer, the PSC will select those projects that are actually going to be built.
3. Discussion of sale of the system to GBC was the longest discussion of the meeting. The discussion focused on four points: 1) summary letter to GBC suggesting exercise the host purchase option this year, 2) my spread sheet describing the forward finances for both GCS and GBC, 3) Cathie Meetre's capital gain/loss spread sheet, and 4) negotiations with GBC.
 - a. The summary letter for GBC was initially drafted by Cathie Meetre to address an action from this past February's GCS annual meeting and has gone through multiple revisions with input from Jerry Bonnell and myself. It now based on the PPA's article 9 Host Purchase Option and provides an example case rather than a full proposal. Both John Mason and Luisa Robles suggested shortening the paragraph on why GCS would sell to just the external aspects of SREC market changes. Lore Rosenthal wanted a clearer statement that GBC's savings would be smaller while making loan payments and much larger after the loan was paid off. Multiple members suggested a more positive character since the SREC price collapse occurred because we've seen one of goals met -- increased use of solar. To move the purchase along, all members present agreed to a one week review period after the summary has been revised.
 - b. The three tabs of the forward value spread sheet give the GBC savings based on loan value and term. The spread sheet also gives the GCS's forward value. Luisa Robles observed that providing GBC with savings from the first year with a \$35k price is probably more

important than the extra \$5k from a \$40k price. After some discussion, the \$40k price was retained as the example for the summary since we can drop the price more easily during negotiations than increase it. The forward value spread sheets also proved less obvious to the rest of GCS management team than they are to its author (me). In current form, the spread sheets are intended for internal GCS discussions. While not immediately needed, the spread sheet will need to be simplified to show the GBC savings as the top center result rather than off in cell Y19.

- c. There was a shorter effort to work through Cathie Meetre's capital gain/loss spread sheet. It appeared that the members might owe capital gains taxes due to the effect of the accelerated depreciation despite having a small capital loss. While some present felt they understood the result, we decided to table the discussion until Cathie has returned home. We need to have a clear understanding for the GCS membership which will probably require some help from Rich Simonen (our accountant).
 - d. John Mason has contacted Daniel Gomez of GBC governing board. Daniel is interested in hearing about the possible savings from GBC purchasing the array. Daniel also requested a copy of the PPA. Once the summary is in final form, John will arrange meeting with Daniel to discuss the purchase and provide both the summary and the PPA. If John gets a positive response, the assumed route forward is Daniel brings the summary to the GBC governing board and arranges for a meeting between the GBC governing board and GCS to start detailed negotiations.
4. John Mason described the unexpected fragmentation of some of the cinder blocks used as ballast in the array's support structure. Please see John's email of June 12, 2017, 16:38 for a photograph. The fragmentation is occurring on a small percentage of the cinder blocks. While not an immediate problem, we need to know how/why it is occurring. John will get in touch with Direct Energy who installed and warranted the array about the problem. John will also check with Steve Skolnik to see if he's seen this problem in other arrays.

Actions

1. While not a formal action agreed to at the meeting, attendance of the June 19th 8pm Greenbelt City Council meeting by any GCS management team who is available would be helpful.
2. Bob Kessel to revise the summary for GBC in line with the meeting's suggestions. (Subsequent to the meeting, I've revised the summary and distributed to all GCS management team members with my email of June 16, 2017, 22:04.)
3. All GCS management team members are to review GBC summary within in a week of the revision. The options are to accept the version as is, suggest edits, or raise an objection.
4. John Mason to meet with Daniel Gomez of GBC and present summary of the Host Purchase.
5. John Mason to contract Steve Hess of Direct Energy Solar about the cinder block fragmentation.
6. John Mason to contract Steve Skolnik about the cinder block fragmentation.