

To: Members of Greenbelt Community Solar
From: Robert Kessel
CC:
Date: July 8, 2016 (revised for completed actions)
Subject: Minutes and Actions for the June 30, 2016 GCS meeting
Attendance: Shalom Fisher, John Mason, Cathie Meetre, Jerry Bonnell, Luisa Robles, Lore Rosenthal (convener), and Bob Kessel

Minutes

1. Minutes from the March 6th annual membership meeting had already been prepared by John Mason and Lore Rosenthal and are posted.
2. Organization of Management Committee. With the departure of Steve Skolnik, the committee modified the organization for this and future meetings. John, Cathie, Jerry, Luisa, and myself concurred with the organizational change.
 - a. Lore Rosenthal will serve as convener with responsibility for setting a proposed agenda and shepherding the meeting to address the agenda topics and recognizing additional topics.
 - b. John Mason will serve as email coordinator circulating information and announcements among both the management committee and to the full membership as needed. He will also provide a first contact for email coming to GCS from outside individuals and groups.
3. Operational Status of the Greenbelt Baptist Church (GBC) array. John Mason reported the hardwiring of the connection between the Enphase monitor and the router. This has eliminated reporting outages from the array. We hadn't lost revenue during the outages as the monitor stored the generation information and forwarded once internet connectivity was restored. GBC was aware of and approved the catch up.
4. Treasurer's report from Jerry Bonnell:
 - a. GCS has a bank balance of \$6,430.73.
 - b. The first quarter 2016 electricity payment from GBC has not been received and Jerry has not seen a cc email for the invoice. Jerry will follow up with Richard Simonen.
 - c. There have been no further SREC sales since the February 2016 sale that was announced at the annual membership meeting. That sale was of 23 SRECs at \$137.50 per SREC for a total of \$3,162.50
5. Discussion of the SREC brokerage contract:
 - a. The immediate focus of the discussion was a request from Direct Energy Solar (originally Astrum Solar) to re-sign the existing SREC brokerage contract. They had apparently lost the original. As part of the discussion we revisited the clause that allows Direct Energy to sell the SRECs when it best suits their judgement without checking with GCS. While we might be able to wring some additional income if one or more management committee

members were to actively follow the GATS market, no one stepped forward. The consensus is to continue with the presently-in-force arrangement.

- b. John Mason and Jerry Bonnell signed for GCS after annotation to paragraph 4 was added that identified the start date of the brokerage agreement as December 31, 2011.
 - c. The presently-in-force SREC brokerage contract runs through December 2016. We will need to actively reach out to Direct Energy Solar in November for a renewal of the SREC brokerage contract. [Subsequent to the meeting, John's email back to Direct Energy Solar questioned whether the contract signed at the meeting was the presently-in-force contract or the follow-on. Once this uncertainty is resolved, please circulate the answer.]
 - d. We then had a smart phone and computer users search for the current price of a Maryland SREC. It turns out to be only \$40 per SREC which is clearly a lot lower than the February price. Based on this low value, John is to ask if Direct Energy Solar can delay further sales of our SRECs until next year with the expected override of Gov. Hogan's veto of the RPS increase.
6. There was discussion of a request from a gentleman from New Jersey for the GCS documents. We will send the standard distribution document set. Note that the standard distribution document set includes a cover listing that states these are templates only and an attorney's support will be needed to customize them for a new situation. The distribution does not include either our installation contract or our PPA with GBC.
7. There was slightly longer discussion of dissolving the LLC. The basis for doing so is Cathie Meetre's observation that our net income from electricity and SREC sales is modest. The relevant numbers for 2015 are \$3,600 from electricity sales and \$3,200 from SRECs. GCS has operating costs of \$1,000 for accounting and \$700 for liability insurance. With SRECs dropping by a factor of three, it will take at least 10 more years to reach pay back on the members' initial investment. The discussion focused on three specific issues.
- a. Reduction in GCS's operating costs. We have changed to quarterly billing of GBC to reduce the accounting cost. Our liability insurance is purchased early on in solar system deployment. The policy also has been generating questions to Jerry Bonnell from the company that suggest we may be insuring against an inappropriate risk. Cathie Meetre will get the policy from Jerry Bonnell and see if some other broker might offer a lower-cost policy more specific to our liability risk. [Subsequent to the meeting Shalom Fisher asked if we had recently inspected the array with a view to minimizing the risk.]
 - b. Cathie Meetre proposed donating the system to GBC for the charitable tax write-off by the members. Potentially the members might also be able to recover the depreciation which, at present, can only be booked against other passive activity income.
 - c. Another possibility is to sell the system to GBC. There is a paragraph in the PPA that gives them the option to purchase the system "...at a cost based on fair market value" after the tenth year. The fair market value is to be established by a mutually acceptable professional appraiser. As a first step, John Mason will check with GBC whether they are interested in buying the system sooner than 2021. We also need to figure the value of the

electricity and SRECs going forward. The electricity's value is pretty deterministic given the PPA's Exhibit A. ("Pretty deterministic" assumes Exelon doesn't introduce dramatic rate cuts that force the SOS clause into effect.) The SREC value, as we've seen, can be harder to anticipate, so we'll need a conservative low estimate.

8. The next management committee meeting will be via email in September unless circumstances dictate the need for an in-person gathering. The next next management committee meeting will be in late November with Lore sending initial notifications and a query for lowest conflict date at the end of October. There are currently three agenda items planned for the November management committee meeting: 1) Distribution of funds, 2) SREC brokerage contract renewal [subject to possible change as noted above], and 3) change in insurance policy.

Actions

1. Jerry Bonnell to ask Richard Simonen about the first quarter 2016 electricity billing. [Subsequent to the meeting Jerry, exchanged email with Rich. GBC has been billed for the first two quarters of 2016, but hasn't paid yet. Jerry's email of July 7, 2016, 10:14]
2. John Mason to resolve contract renewal status with Steve Hess of Direct Energy Solar and email the status to the management committee. [Action added after meeting based on John's July 1, 2016, 09:43 email to Steve.][Subsequent to the meeting and based on Steve Hess' email of July 5, 2016, 15:43, it appears that Direct Energy Solar expects a renewal contract in December to cover the next five years. I expect we will have to request the renewal contract, though I'm not certain.]
3. John Mason to ask Steve Hess of Direct Energy Solar to delay further sales of our SRECs for the balance of 2016. [Action already completed with John's July 1, 2016, 09:43 email to Steve.] [Subsequent to the meeting and based on Steve Hess' email of July 5, 2016, 15:43, there is no benefit to holding our 2016 SRECs beyond the end of the year.]
4. John Mason to send the standard distribution document set to the gentleman from New Jersey. [John, could you please supply the man's name just so we have a record?][Subsequent to the meeting John sent Jonathan Welle <jonathan.welle@gmail.com> the standard distribution document set.]
5. Cathie Meetre will get the policy from Jerry Bonnell and see if some other broker might offer a lower-cost policy more specific to our liability risk. [Subsequent to the meeting, Jerry sent Cathie the current insurance policy. Jerry's email of July 7, 2016, 10:03. Cathie has begun looking for a more suitable and cheaper policy.]
6. John Mason will check with GBC whether they are interested in buying the system sooner than 2021.