

BERKSHIRE WIND POWER COOPERATIVE CORPORATION

JOINT BOARD OF DIRECTORS & MEMBERSHIP MEETING

VIA REMOTE PARTICIPATION

**NOVEMBER 12, 2020
10:00 AM**

REGULAR SESSION

MINUTES

1. CALL TO ORDER

Chairman Driscoll declared a quorum of the Board of Directors and a quorum of the Members present and called the Regular Session of the Berkshire Wind Power Cooperative Corporation Joint Board of Directors and Membership Meeting to order at 10:05 AM.

Those present:

BOARD OF DIRECTORS

Peter Dion, Wakefield; John Driscoll, Templeton; Sean Hamilton, Sterling; Jon Blair, Ipswich; and Ronald C. DeCurzio, MMWEC.

MEMBERS

Kevin Sullivan, Ashburnham; Mark Barakian Boylston; Kevin Kelly; Groton; Jane Parenteau, Holden; Panos Tokadjian, Hull; Jon Blair, Ipswich; Joseph Kowalik, Marblehead; Tara Rondeau, Paxton; Chuck Orphanos, Peabody; Christopher Roy, Shrewsbury; Sean Hamilton, Sterling; John Driscoll, Templeton; Peter Dion, Wakefield; Jon Fitch, West Boylston; and; and Ronald C. DeCurzio, MMWEC.

OTHERS

Nicholas J. Scobbo, Jr. Clerk; and Tammy Kane, Recording Secretary, Ferriter Scobbo & Rodophele PC; Brian Quinn, Director, Engineering & Generation Assets; Carol Martucci, Director of Accounting & Financial Reporting; Jason Viadero, Chief Emerging Technologies Engineer; Sara Erwin, Senior Accountant & Payroll Supervisor, all of MMWEC.

2. APPROVAL OF AGENDA – MEMBERSHIP & BOARD

A motion to approve the Agenda of the Joint Board of Directors and Membership Meeting as presented was made by Hamilton and seconded by Dion for both the Board of Directors and the Membership and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted to approve the Agenda as presented.

Barakian	"aye"
Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Hamilton	"aye"
Kowalik	"aye"
Kelly	"aye"
Orphanos	"aye"
Parenteau	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"

3. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

a. Membership Only: Approval of Joint Board of Directors and Membership Meeting November 18, 2019 Regular Session Meeting Minutes

A motion to approve the Regular Session Joint Board of Directors and Membership Meeting Minutes Membership only portion of November 18, 2019 was made by Blair and seconded by Dion for the Membership and because this is a remote participation meeting it was unanimously voted to approve the Regular Session Joint Board of Directors and Membership Meeting Minutes, Membership only portion, of November 18, 2019 as presented as follows:

Barakian	"aye"
Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Hamilton	"aye"
Kowalik	"aye"
Kelly	"aye"
Orphanos	"aye"
Parenteau	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"

b. Board Only: Approval of Board of Directors Meeting April 30, 2020 Regular Session Meeting Minutes

The Regular Session Minutes of the April 30, 2020 Board of Directors Meeting were not presented today. Scobbo apologized for mistakenly sending two copies of the April 30 Board of Directors Executive Session Minutes. This item should not be on the Board of Directors meeting agenda.

4. BOARD and MEMBERSHIP

c. Operations/Status – Phase I and Phase II

Quinn reviewed the Activities Report - Annual Updates for Phase I and Phase II which was distributed. Quinn started with Item c of the Activities Report so items can be discussed before moving onto Budget Items a and b.

Phase I Availability Factor through October 2020 is 84.11% with the Phase I Capacity Factor for the same time frame of 28.01%. The Capacity Factor for Phase I since COD is 35.03%. Phase I is underperforming. Historically, the October Capacity Factor for Phase I has been 37.66%.

Phase II Availability Factor is 83.68% with the Phase II Capacity Factor of 38.59%. Phase II just reached the one-year mark, so going forward the Cooperative will have year by year comparisons for both availability and capacity. Since COD, the Phase II Availability Factor is 84.23% and the Phase II Capacity Factor is 39.31%.

Quinn stated highlights for the year included resolving engineering solutions and supply chain issues with parts and resources. COVID 19 impacts extended to MMWEC and the Cooperative. MMWEC closed its Administrative Offices on March 17, 2020 and employees worked remotely. MMWEC lost its certified wind turbine technician in the spring. MMWEC faced supply chain issues for the facilities such as delays in getting parts and extended lead times. MMWEC stocked up on Phase I and Phase II spare parts when it could, including Phase II parts under warranty in the interest of time. MMWEC can be reimbursed by GE for these parts or the parts can be shelved. MMWEC had to lean on GE for manpower but GE faced personnel shortages and COVID 19 issues as well. For example, technicians from Canada utilized by GE were unable to cross the U.S. border. Viadero was able to support MMWEC staff until a new certified turbine technician could be hired. Much of the GE site work still required a three-man crew which MMWEC added but with personnel being scarce, MMWEC used outside resources and had its new three-man crew go to Ipswich Municipal Light to climb with GE. This effort resulted in certifications for MMWEC's three (3) turbine climbers. This will be beneficial because MMWEC's new team, including the recently hired wind turbine technician, will be able to mobilize and be on site faster than GE personnel resulting in improved availability and MW output.

Quinn addressed discussions from 2018-2019 regarding Verizon's copper line causing guard signal trips due to a lost Verizon copper line signal. Modifications were implemented and new automatic re-sets lessened the impacts which resulted in significantly fewer trips. In 2020 there were 60 incidences where the guard signal was lost from 1-3 minutes. As a result of software modifications MMWEC was able to make controlled shutdowns of the turbines,

rather than having all shut down at once. Signals were restored and turbines were returned back to service. Quinn stated from an availability standpoint this helped the Cooperative greatly but due to the number of total closures MMWEC is working with Eversource on an automatic re-set. Quinn stated if there is a recloser trip due to an actual fault, Eversource will perform an automatic re-set once the trip has cleared. Viadero stated if there is still power at the site, MMWEC can close down automatically because MMWEC networked the recloser. MMWEC has a program ready to go awaiting Eversource approval.

Roy stated this is his first Cooperative meeting. He wants to understand the recloser operations to confirm they are originating from Verizon service issues. Quinn replied yes and said the Cooperative took a parallel path on this issue and put \$60,000 in the budget across Phases I and II for purposes of a resolution but now there is no justification to replace the copper lines. MMWEC recommends continued monitoring, and that at this point, it does not make economic sense to upgrade that system due to the engineering solutions just discussed. Currently, given the situation, there are no plans to go with fiber as previously discussed. Viadero stated MMWEC worked with Verizon, Holyoke Gas & Electric and MBI regarding alternative options. In addition to initial costs there would be operational costs of up to \$15,000 a year. Hamilton stated keep fiber in mind because discontinued maintenance on copper lines is occurring. Quinn replied monitoring will continue. Roy stated sub-par service and negative impacts due to poor service whether it be from Verizon or Eversource should not be acceptable to the DPU or anyone else. Quinn replied he met with Verizon staff on site in 2018 and 2019 to address this issue. Discussions escalated to Verizon's upper management regarding concerns over performance. MMWEC will continue to seek and assess any upgrades at reasonable costs. DeCurzio told Roy MMWEC has been fighting this issue since Day 1.

c. 2021 Annual Budget

Quinn stated the first item to address is Turbine 5A. Quinn referenced Lines 43 and 44 on the 2020 O&M Budget to Actual handout. Several weeks ago, there was an incident with Turbine 5A, Over the summer, anomalies from the gear box area were detected from the Turbine 5A CMS. GE service was immediately scheduled and during a video probe inspection a roller bearing cage assembly issue was found. Pieces of the cage were obliterated. MMWEC undertook a simple pay back analysis at the time and due to the lack of any better numbers MMWEC estimated a \$500,000 repair. Payback is one and a half years. Driscoll and Dion were informed, and they wanted to move forward with scheduling the repairs. Turbine 5A remains shut down at this time. Quinn stated the good news is the CMS reporting prevented a catastrophic gearbox failure. Viadero stated this is the main bearing, it is the largest in the turbine, it could have damaged the rotors or gearbox and repair costs could have exceeded \$1,500,000. GE submitted a quote for the repair and MMWEC put a \$356,000 contingency in the budget. There is also a \$50,000 estimate for road work to get the crane to the site. Martucci stated these estimates have been added to the budget.

a. 2021 Annual Budget – Presentation for Membership Approval

Martucci reviewed the 2020 Budget to Actuals. Due to the loss of MMWEC's wind turbine technician there is an under run which has been offset by MMWEC having to lean on GE for services ordinarily performed by MMWEC. It is increasingly difficult to get reasonably priced insurance policies for the turbines. Costs are up every year. There are overruns on legal

due to unexpected issues, in particular the Phase II OSHA matter. There is a net over-budget variance which has not been collected yet. The Phase I over budget variance is much greater with Turbine 5A repairs. Phase I has been in operation longer so therefore reserves have been built up as a result of billing in the early stages of Phase I. MMWEC wants to discuss the appetite for accessing the reserves or increasing Phase II billings to build up those reserves while Phase II is still new to operations.

O&M underruns for Phase II were used to help offset excess on construction.

Martucci reviewed the Proposed 2021 O&M Budget.

Overall budget projecting is \$16,000 higher in total for O&M driven by negotiating the GE maintenance agreement and parts There is a net decrease for Phase I and an increase for Phase II. Phase II was not fully operational at the time. This happens in new operations.

Highlights on the 2021 MMWEC Administrative costs include:

Line Item 23 – slightly higher in 2021 as a result of Markets Manager-Planning overhauled reporting and new system with an emphasis on asset analysis.

Line Item 24 – an under run of \$30,000 driven by Phase III work, this has been put on hold.

Line Item 25 – Engineering costs remain about level.

Line Item 26 – no major changes.

Line 27 – there is a slight increase on easement agreements expenses due to revenue projections for the landowners.

Line Item 31 – MMWEC received a projected insurance premium that it hopes to negotiate to a lower amount.

Martucci stated due to potential tax issues for a contribution in aid of construction (CIAC) for WMECO early in Phase I there was the possibility that WMECO might charge the Cooperative for the CIAC income tax effect. Rather than paying WMECO at the time, the Cooperative maintained a reserve with the agreement of WMECO (CIAC Agreement) that would cover this tax assessment if it had to be paid. The CIAC Agreement expires in 2021, ten (10) years after the commercial operations date. WMECO has never charged this tax. Consequently, it is expected that slightly over \$950,000 would be freed up at the conclusion of the CIAC Agreement.

Martucci stated the Phase I Operating Reserves would be lean if they are used for Turbine 5A repairs. Does the Board want to build up Phase II reserves she asked. If Phase I is billed the full amount, that would equal one cent per Kw/hr. For Phase II the full amount would equal a fraction of a penny per Kw/hr.

Hamilton asked if the Cooperative qualifies for Business Interruption or property damage insurance for Turbine 5A repairs. Quinn stated MMWEC contacted the insurance carrier and continues to evaluate the best option. It looks like the repairs will remain in the \$400,000 range. MMWEC is running the numbers to determine a claim value and potential impacts on future annual insurance costs. DeCurzio stated it is more difficult every year to obtain insurance for the wind farm. If repair costs are not catastrophic, MMWEC is leaning towards not filing a claim because doing so would jeopardize a renewal and premium costs. Hamilton asked if there are any negotiation points, i.e. the CMS the Cooperative installed prevented a lot of damage.

Hamilton asked what Line Item 20 for Phase II entailed. Quinn stated the Cooperative has to pay Partridge interconnection costs. Hamilton stated he thought Phase II charges were included in Phase I negotiations. Scobbo replied no, but the Cooperative and WMECO agreed to ratchet up the interconnection cost by the inclusion of the Phase II MWs. Scobbo stated Eversource wanted to charge about \$350,000 a year for point to point service under Schedule 21 of the ISO Tariff. We argued against that and the result was an agreed upon charge of \$40,000 per year, not escalated for Phase I (remaining flat for 20 years). Then we agreed with Eversource to ratchet that amount up to account for the Phase II MWs being interconnected without having to get into another arrangement. So, the total interconnection costs remain flat for both Phase I and Phase II. These costs ended up being substantially less than WMECO wanted to charge. The costs were estimated based on the actual utilization of the Partridge facility and the ties to the 115 kv lines, as opposed to a formula percentage of the distribution system around Partridge. That is the difference in the price.

Dion asked if MMWEC is looking for a recommendation on the Turbine 5A and charges for Phase I and Phase II. DeCurzio replied yes, a motion is requested.

Whereupon a motion was made by Dion and seconded by Hamilton and because this is a remote participation meeting, on the basis of a roll-call vote as follows it was unanimously voted:

Vote: 20-02 That the Board of Directors authorizes taking \$500,000 out of Phase I reserves to pay for the Turbine 5A repair and to replenish the reserve with the CIAC Agreement funds when they are returned and that the Board authorizes an increase in Phase II billings from the original \$36,000 billing to include an additional \$20,000 to build up Phase II reserves.

Blair	“aye”
DeCurzio	“aye”
Dion	“aye”
Driscoll	“aye”
Hamilton	“aye”

Scobbo stated that the CIAC Agreement monies could be releasable today. If not, then the monies are releasable in April. Scobbo stated in 2016 the IRS released a CIAC tax guideline after the Cooperative monies were put into the CIAC Agreement escrow. It is possible the monies can be released now without any controversy. Scobbo thinks this can be achieved with paperwork between the Cooperative and Eversource. Dion stated if this would involve significant time and legal work it would be best to wait until April to avoid incurring legal fees because there is no urgent need for the monies right now. DeCurzio stated Dion’s point was well taken and he would look into this.

Whereupon a motion was made by Kelly and seconded by Hamilton for the Membership to approve the 2021 Operations & Maintenance Budget and because this is a remote participation meeting on the basis of a roll-call vote as follows it was voted:

Vote MEM 20-01 To approve the 2021 Operations & Maintenance Budget for the Berkshire Wind Power Cooperative Corporation as proposed and presented by the Board of Directors for Phase I and Phase II.

Barakian	"aye"
Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Hamilton	"aye"
Kelly	"aye"
Kowalik	"aye"
Orphanos	"aye"
Parenteau	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"

b. Board Vote only on 2021 Annual Budget

Whereupon a motion was made by Hamilton and seconded by Dion for the Board of Directors to adopt the 2021 Operations & Maintenance Budget as approved by the Membership and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted:

Vote 20-03 To adopt the 2021 Operations & Maintenance Budget for the Berkshire Wind Power Cooperative Corporation as proposed, presented and approved by the Membership.

Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Hamilton	"aye"

5. MEMBERSHIP ONLY

a. Election of Board of Directors

Scobbo stated the Board of Directors needed to be elected, with the exception of DeCurzio who does not need to be re-elected because he is MMWEC's Appointee. Scobbo stated he sent the slate to everyone. The terms are three (3) years.

Whereupon a motion was made by Barakian and seconded by Parenteau to elect the slate of the Directors as presented and because this is a remote participation meeting on the basis of a roll-call vote as follows it was unanimously voted by the Members of the Berkshire Wind Power

Cooperative Corporation in accordance with Article III, §2 of the Cooperative's By-Laws as follows:

- Vote MEM 20-02: Re-elect Peter Dion as a member of the Board of Directors of the Cooperative for a term of three years and until his successor is chosen and qualified.
- Vote MEM 20-03: Re-elect John Driscoll as a member of the Board of Directors of the Cooperative for a term of three years and until his successor is chosen and qualified.
- Vote MEM 20-04: Re-elect Sean Hamilton as a member of the Board of Directors of the Cooperative for a term of three years and until his successor is chosen and qualified.
- Vote MEM 20-05: Re-elect Jon Blair as a member of the Board of Directors of the Cooperative for a term of three years and until his successor is chosen and qualified.

Barakian	"aye"
Blair	"aye"
DeCurzio	"aye"
Dion	"aye"
Driscoll	"aye"
Fitch	"aye"
Hamilton	"aye"
Kelly	"aye"
Kowalik	"aye"
Orphanos	"aye"
Parenteau	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"

6. BOARD ONLY

a. Election of Officers

DeCurzio stated the current Officers of the Board of Directors are Dion, President, DeCurzio, Treasurer and Scobbo, Clerk.

Whereupon a motion was made by Hamilton and seconded by Blair to elect the slate of the current Officers as presented and because this is a remote participation meeting on the basis of a roll-call vote as follows it was voted:

- Vote 20-04: That the Board of Directors of the Berkshire Wind Power Cooperative Corporation ("Cooperative"), in accordance with Article III, §6 of the By-Laws, hereby votes to re-elect the following as Officers of the Cooperative: (1) Peter Dion as President of the Cooperative; (2) Ronald C. DeCurzio as Treasurer of the Cooperative; and (3) Nicholas J. Scobbo, Jr. as Clerk of

the Cooperative, with each of the Officers to serve a one-year term and until his respective successor is chosen and qualified.

Hearing no other nominations, Hamilton nominated Driscoll as Chairman of the Board of Directors.

Whereupon a motion was made by Hamilton and seconded by DeCurzio to elect Driscoll as Chairman of the Board of Directors for one year and until his successor is chosen and qualified and because this is a remote participation meeting on the basis of a roll-call vote as follows it was voted:

Vote 20-05: That the Board of Directors of the Berkshire Wind Power Cooperative Corporation (“Cooperative”), in accordance with Article III, §6 of the By-Laws, hereby votes to re-elect John Driscoll as Chairman of the Board of Directors of the Cooperative to serve for a one-year term and until his successor is chosen and qualified.

Blair	“aye”
DeCurzio	“aye”
Dion	“aye”
Driscoll	“aye”
Hamilton	“aye”

7. OTHER

There was no other business to discuss at this time.

8. EXECUTIVE SESSION

A motion was made by Hamilton and seconded by Dion for both the Board of Directors and the Membership to enter into Executive Session for purposes of discussing, the potential purchase, exchange or lease of real property, trade secrets and confidential, corporate-sensitive information where the corporation has determined that disclosure will have an adverse effect on the corporation’s ability to conduct its business with respect to competitors, to discuss strategy with respect to litigation and to reconvene the Joint Board of Directors and Membership Meeting into Regular Session at the conclusion of the Executive Session for purposes of adjournment and because this is a remote participation meeting on the basis of a roll-call vote as follows:

Barakian	“aye”
Blair	“aye”
DeCurzio	“aye”
Dion	“aye”
Driscoll	“aye”

Fitch	"aye"
Hamilton	"aye"
Kelly	"aye"
Kowalik	"aye"
Orphanos	"aye"
Parenteau	"aye"
Rondeau	"aye"
Roy	"aye"
Sullivan	"aye"
Tokadjian	"aye"

The Joint Board of Directors and Membership Meeting entered Executive Session at 11:11 AM.

The Joint Board of Directors and Membership Meeting re-entered Regular Session at 11:15 AM.

9. ADJOURNMENT

All business having been concluded, a motion was made by Hamilton and seconded by Dion for both the Board of Directors and the Membership to adjourn the Berkshire Wind Power Cooperative Corporation Joint Membership and Board of Directors meeting and it was unanimously voted by all present to adjourn the Joint Membership and Board Meeting.

Chairman Driscoll declared the Berkshire Wind Power Cooperative Corporation Joint Board Directors and Membership meeting adjourned at 11:16 AM.

A TRUE RECORD

ATTEST:



Clerk, Nicholas J. Scobbo, Jr.
Berkshire Wind Power Cooperative Corporation