

To: Barnstable, Brewster, Chatham, Eastham, Edgartown, Harwich, Orleans, Tisbury and West Tisbury

From: CVEC

Date: September 24, 2026

Re: CVEC Membership and the Next Generation of Our Municipal Energy Portfolio

Dear CVEC Members:

As I complete my service as President of the Cape & Vineyard Electric Cooperative, I am pleased to introduce Alanna Nelson of Marion as CVEC's new President. This transition comes at an important time for CVEC and its members as it begins to implement a modernization strategy focused on maximizing the value of its existing energy portfolio while identifying and developing new opportunities for members.

CVEC was created by Cape Cod and Martha's Vineyard municipalities for a specific purpose: to work collectively to develop renewable-energy resources, procure energy and energy-related services for our members, and use the strength of the Cooperative to produce benefits that individual municipalities might not achieve on their own. The current bylaws continue to state that CVEC is to conduct its business for the mutual benefit of its members.

That model has produced real results. CVEC's solar portfolio has provided participating municipalities with substantial savings and cash benefits while putting municipal land, including capped landfills, to productive use.

But a major share of that portfolio is now mature. The energy market, net-metering rules, municipal loads, technology, and economics have changed substantially since these projects were developed. **CVEC therefore believes that this is the appropriate time for a comprehensive assessment of the existing portfolio and of the Cooperative's role in its next generation.** That work is underway, and we will be reaching out to you shortly with the details.

CVEC membership carries both rights and obligations.

When the Board adopted the *Rights and Obligations of Membership*, it stated plainly that members “must satisfy any contractual commitments they make to the Co-op” and “must abide by Bylaws, Articles of Organization, the Terms and Conditions of Cooperative Membership and other policies and votes of the Co-op.”

Those obligations are accompanied by significant benefits. The membership structure contemplates that a Host Member may use project production against its municipal electrical load, while remaining production can benefit other Cooperative members. Members are also entitled to share in other project output and net benefits distributed by CVEC. These provisions reflect an important principle that remains relevant today: **CVEC was organized as a**

cooperative portfolio, not simply as a vehicle for a collection of unrelated individual projects.

These concepts became part of the Production Pool arrangements entered into by participating municipalities. The towns of Eastham, Edgartown, Harwich and Tisbury are the Production Pool hosts of the Production Pool agreements. There are 10 other towns, including Barnstable, Brewster, and Chatham, that are offtakers for these projects.

For a host, **reservation of municipal load** has a practical meaning under these agreements. A municipality reserves a portion of available project production to serve its municipal electricity requirements. Production not reserved or needed by the host may, depending on the applicable agreements, become available to serve other participating members through the Production Pool.

These arrangements create something larger than a collection of unrelated solar projects. **They create a municipal energy portfolio of which your towns are an integral part.**

The Portfolio Is Changing

CVEC has learned alongside its members as the portfolio has matured. It continues to administer contractual relationships, production, and allocations and to address the increasingly complicated issues that arise as projects age. Since 2022, CVEC has not charged your town for administration of these projects.

CVEC's engagement provides something valuable for the host municipality: **the ability to evaluate an existing project as part of a broader municipal energy strategy rather than simply as an aging solar array, and to evaluate follow-on opportunities in the same holistic way**. A decision concerning one project may affect existing production, municipal-load reservations, Production Pool allocations, and net-metering value. Those interrelationships should be part of the evaluation process.

What Comes Next?

CVEC is working on two initiatives that we believe can provide substantial value to members. First, CVEC is developing a Municipal Load & Project Analysis program to help members **evaluate their existing municipal energy projects**. For our landfill hosts, that work can include examining current project performance and economics, municipal electricity load, remaining contract term, net-metering arrangements, and the alternatives available as the project matures—including continued operation, repowering, storage, redevelopment and other uses of the site.

The objective is not simply to answer, "*Should we repower the landfill?*" It is to answer the larger question: **What combination of existing and new energy assets will provide the greatest long-term benefit to this municipality?**

Second, CVEC is pursuing a new opportunity with the Massachusetts Municipal Wholesale Electric Company (MMWEC), an established state agency supporting municipal light plants, involving the potential development of a larger solar-and-storage resource from which participating CVEC municipalities could receive energy or economic benefits. The concept remains under development, and participation decisions will follow appropriate analysis, but it

represents precisely the kind of opportunity that municipalities formed CVEC to pursue collectively. CVEC will be reaching out to members about both initiatives.

We Need Your Participation

The next stage cannot be accomplished by CVEC alone. We need members to tell us about changing municipal loads, planned wastewater facilities, electrification, school or municipal-building projects, available land, contemplated solar and storage projects, and proposals being considered from third parties. **We also need members to participate actively through their appointed CVEC Directors.**

That information allows CVEC to evaluate opportunities across the portfolio rather than municipality by municipality and project by project.

As the existing projects enter their next stage, we ask our members to remain engaged with their Cooperative and to give CVEC the opportunity to help you evaluate the alternatives. **CVEC's new phase of modernization means helping members manage what they already have, plan intelligently for what comes next, and use the collective strength of the Cooperative to pursue opportunities that may not be available to municipalities acting individually.**

We believe there is significant value still to be realized from the assets our communities built together. With the cooperation of our members, the maturation of the existing portfolio can become the opportunity for CVEC's next contribution to its members rather than simply the end of its first.

Sincerely,

William Lake

Alanna Nelson

William Lake
Immediate Past President
Cape & Vineyard Electric Cooperative, Inc.

Alanna Nelson
Incoming President
Cape & Vineyard Electric Cooperative, Inc.

Attachment: Excerpts from CVEC August 11, 2008 "Rights and Obligations of Membership"

Excerpts from CVEC August 11, 2008 “Rights and Obligations of Membership”

1. Members may participate in any project they deem best.

“Members may not choose to participate on a project by project basis.”

2. Members remain bound by CVEC's governing documents and policies

“Members must abide by Bylaws, Articles of Organization, the Terms and Conditions of Cooperative Membership and other policies and votes of the Co-op as duly amended from time to time.”

3. Members must honor their contractual commitments

“Members must satisfy any contractual commitments they make to the Co-op.”

4. The host-member concept was built around municipal load

“The Host Member is entitled to net meter up to ninety percent (90%) of the energy output” from projects on municipal land against the host's municipal accounts, subject to the limitations described in the agreement. It then provides: “The remaining energy output shall be allocated to other Cooperative members on a pro rata basis.”

5. Members were intended to share in broader Cooperative benefits

“Members are entitled to pro rata share of other project output and net benefits that the Co-op determines to distribute.” “The Co-op’s goal is to develop projects. Members will benefit through projects which will produce energy, capacity, RECs and other benefits for the Co-op...”