

Minutes of Light Commission Meeting
October 19, 2016
7:00 p.m.

Present: Frank DelVecchio, Chairman; Michael Trowbridge, Vice-Chairman; Steve Schoonveld, Clerk; Jess Aptowitz and George Dentino. Also present was William Ross, Town Manager and Joe Sollecito

1. Meeting Called To Order At 7:00 p.m.

Chairman DelVecchio called the meeting to order at 7:00 p.m. The Chairman reminded everyone that the meeting is being broadcast live and taped for future broadcast on Mansfield Cable. He asked if there were any members of the audience recording, to which there was no response.

2. Discussion And Possible Action Regarding Change Of Ownership Of Branch Street Solar Development Purchase Power Agreement

Mr. Trowbridge will be recusing himself from the discussion due to a past and possible future financial dealing with Joe Lynch, Branch Street Solar Partners. Mr. Trowbridge exited at this point.

Present before the Commission are Ed Valanzola, counsel for Branch Street Solar Partners, as well as Joe Lynch, Jonathan Abe, Branch Street Solar Partners and Joe Bauer, Sun Financial/Kenyon Energy.

Mr. Valanzola summarized that the Town has entered into a number of agreements (Purchase Power and Development) with Branch Street Solar Partners, noting that the project is well underway. Mr. Valanzola summarized that in connection with Branch Street Solar Partners' financing, it has reached out to Sun Financial/Kenyon Energy, which will acquire a membership interest in the LLC. The entity (Sun Financial) requires an Opinion Letter, which it has been working on with Town Counsel, which states the Town has authorized to enter into these agreements, that the agreements are valid and binding with no pending litigation. Mr. Valanzola noted that Mr. Ross felt it to be a good idea for the group to approach the Commission to see if it had any questions prior to Mr. Ross authorizing execution.

Mr. Ross explained the bottom line on this is both the Purchase Power Agreement and the Development Agreement have conditions that carry through to the new operators/owners of the facility itself, furthering the land/equipment will remain in the hands of Branch Street Solar Partners. Mr. Ross further noted that the Town has the ability to enforce because if the two agreements are not fully conformed by all parties, the Town will not purchase the power. Mr. Ross furthered that if ownership falls out of compliance with those agreements, in any way, the Town has ability to give notice and not buy power, and by State law, there are no other customers available. All parties are aware of the conditions. Mr. Ross, in speaking with other communities, has learned this acquisition to be a common practice.

Chairman DelVecchio would like to give the Commission a chance to ask questions.

Mr. Schoonveld looked for clarification with regards to ownership and responsibilities. Mr. Valanzola explained that Branch Street Solar Partners will remain owners of the land, facility and project reiterating that it is the membership interest that is changing. Mr. Schoonveld asked if that is often the case where the land is retained by the developer with future cash flows sold. Mr. Lynch explained it could work both ways but because of contamination to the site it was felt that the land should remain with Branch Street Solar Partners. Mr. Bauer explained that with Sun Financial it never purchases land as it is its practice to require a second or third party to own the land. He furthered that typically these types of transactions are on already owned government property in which case the Town would retain ownership.

Mr. Dentino asked for a status of the project (schematic/financial) to which Mr. Lynch reported it is 95% complete in terms of panels on top of racks, expecting the project to be completed in December with power available in January. Mr. Lynch furthered that at that point the 25 year contract will then kick in for the Town to purchase power from the project. Mr. Dentino asked about pricing to which Mr. Bauer noted the project will be lower than the standard contracts but does depend greatly on the State and the incentive structure. Mr. Bauer reported the project will most likely see \$.06-\$.08 per kwh, which is a perfectly acceptable price for the returns and investment that Sun Financial intend to make on the project. Mr. Abe was confident that the Purchase Power Agreement will be the lowest priced PPA in the State because at the same time the cost of equipment is going down the incentive that the State is offering solar projects is decreasing as fast or faster.

Mr. Aptowitz has been critical of the project, noting it is nothing personal as he has found the group to be hard working. Mr. Aptowitz viewed the site today referencing fencing on the Branch Street side is in place asking specifically if the plantings were to follow, to which the group agreed they were. Mr. Aptowitz was concerned with the street view feeling it does not look that great and it is his job to protect the residents. Mr. Lynch explained the area with the bump is due to the conditions of the AUL where it was found certain areas could not be graded out and fill was brought in to try to ease the curve out. Mr. Lynch assured there will be better fencing in place along with landscaping for area residents. Mr. Aptowitz asked, with Kenyon being involved, what entity will be in charge. Mr. Bauer explained Sun Financial is the owner/operator and manage through Bay Four Energy with one single core of executive staff that is in charge of all three companies. He went on to explain that Kenyon Energy is a development company which goes out and finds projects and move to acquire into Sun Financial and that Sun Financial is the substantial cash holding entity that owns and operates the project. Finally, Bay Four (headquartered out of Tuscon) is a business that goes out and manages/operates and does maintenance and monitoring. Mr. Bauer noted the site is monitored (material and mechanically) with annual visits AND contracts locally for continuous maintenance of the site.

Chairman DelVecchio asked for comments from the public to which there was none.

Mr. Schoonveld asked, of the three entities, who would be the point person to which Mr. Bauer noted Bay Four.

At this point, Dan Deutsche, Town Counsel, approached looking for clarification on ownership assuming it will be Sun Financial and not a subsidiary (which is a more common practice) to which all agreed. With regards to the transfer of control Mr. Deutsche asked if it will occur prior to completion of construction to which Mr. Bauer confirmed noting Sun Financial will oversee. Mr. Bauer explained that Kenyon's role as a developer is a subtle one where the role of Sun Financial is to work specifically with the developers to optimize their projects to meet Sun's requirements. Mr. Deutsche asked if Sun Financial has a presence in Massachusetts to which Mr. Bauer noted it is currently developing projects in Deerfield, Somerville, Lynn, Dalton, so a substantial developing footprint but not an operating footprint. Finally, Mr. Bauer noted it does have with over 50 megawatts of operating assets in New York. There was an exchange regarding Sun Financial's history since the 80's in Massachusetts to which Mr. Bauer could not speak to as they were not solar projects.

Chairman DelVecchio was uncomfortable with the exchange where Mr. Deutsche clarified his purpose being to the extent this Commission needs to provide consent for the transfer of control, the decision by the Commission to grant the consent would largely be a business judgement. And the purpose of his questions is on the Commission's behalf and to ensure the Commission has adequate information.

The discussion moved to whether Branch Street Solar Partners was even required to seek the Commission's approval to which the two sides disagreed with Mr. Valanzola referencing the agreement furthering that the group out of courtesy came before the Board to note the transfer and answer any questions the Commission may have. Mr. Valanzola noted that Sun Financial's is in a much better financial position than Branch Street Solar Partners. Mr. Schoonveld felt if the Commission is not required to give consent for the transaction he does not want to be doing so.

Mr. Aptowitz provided a brief history of the project (3:2 vote) and questioned why the Sun Financial aspect was never mentioned and is now unclear as to who will be representing the project/site. Mr. Valanzola noted, with all due respect, the group did not know at the time of the original presentation where it was going in terms of financing. Assurances were given to the Commission from the entire group as to availability with any concerns to which Chairman DelVecchio countered that there was approval because of the comfort level that the developers were local. Mr. Valanzola stated the Town has all the leverage reminding if any agreements or conditions are broken the Town can decide not to purchase power.

Motion: To authorize Town Counsel to release the Opinion Letter and the Representation Letter (Schoonveld/Dentino) PASSES 3:1 Aptowitz NAY

3. Resident Questions and Comments

None.

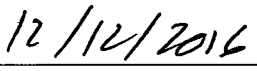
4. Items Not Anticipated 48 Hours in Advance of Meeting

None

MOTION: To adjourn 7:58 pm (Aptowitz/Schoonveld) PASSES: 4:0



Signature



Date

Minutes prepared by: Tracey Whalen

Documents provided: