

TOWN OF KINGSTON
BOARD OF SELECTMEN

OPEN SESSION MINUTES
December 4, 2015

Chairman Elaine A. Fiore called to order the meeting of the Board of Selectmen at 1:30 p.m. in Room 203 at the Town House, 26 Evergreen Street, Kingston. Also present: Vice Chairman Jean M. Landis-Naumann, Sandra D. MacFarlane, and Susan T. Munford; and Town Administrator Robert H. Fennessy, Jr., and Town Counsel Jason Talerman.

Kingston Wind Independence Power Purchase Agreement/Lease Discussion. Bradford Cleaves, Duncan Peterson and Benjamin Cleaves, all representing Kingston Wind Independence LLC (KWI), were present. Attorney Talerman opened the meeting, summarizing three current issues: the Board of Health's Modified Order of Abatement, KWI's nonpayment of rent since July of this year, and KWI's failure to sign the Surety for Decommissioning.

KWI is seeking to renegotiate the terms of its contract with the Town of Kingston. Brad Cleaves stated that the wind speed used for negotiating the Power Purchase Agreement (6.8) is less in reality (5.3), and that this is a big issue. Discussion followed regarding the request for proposals, the overestimation of the wind speed, the UMass wind study, contacting the CEC, and what contract terms KWI seeks to modify. Benjamin Cleaves stated that KWI is following the original Order of Abatement issued by the Board of Health, but it not complying with the most recent Modified Order. Brad Cleaves stated that KWI is appealing the order but has not yet filed the appeal. He also stated that KWI needs a rate of 18 ½ cents, but even at 18 ½ cents, KWI cannot make tax or lease payments to the Town. Their lending agreements are prohibiting them from making lease payments or giving the Town credits under the power purchase agreement. Ms. Zivkovich noted that KWI stopped providing a credit to the Town from the monthly net metering payments received from Eversource beginning with the June/July 2015 statement.

Attorney Talerman informed the KWI representatives that KWI must provide the Board of Selectmen with firm data, projections and details so that the Town can turn the information over to a consultant to analyze, and KWI must make its lease and tax payments to the Town. Mr. Peterson said there are problems not just with the numbers but also with the abatement order. Attorney Talerman reminded them this board has no power over the abatement order, and the Town has the right to put KWI in default under the terms of the Lease Agreement. Because there is no right of offset, Attorney Talerman instructed Ms. Zivkovich to continue to process the monthly net metering payments that the Town receives from Eversource. Attorney Talerman gave KWI a deadline of January 15, 2016, to submit an airtight proposal to the Board of Selectmen. The KWI representatives were in agreement with the date, and they also agreed to sign the Surety for Decommissioning and to make some lease payments before January 15th to show good faith.

Adjourn. Upon a motion made by Ms. MacFarlane and seconded by Ms. Munford, and a 4-0-0 vote, it was –

VOTED: To adjourn.

The meeting adjourned at 2:42 p.m.

Respectfully submitted,

Laurie A. Zivkovich
Assistant to the Town Administrator/
Board of Selectmen

Approved: December 22, 2015

Documents used at the meeting:

1. Agenda
2. Net Metering Power Sales Agreement; First Amendment to Lease
3. Town of Kingston Independence Wind Turbine Data
4. Town of Kingston Wind Independence Turbine Lease and Taxes Data
5. Town Meeting budget sheet Wind Turbine Activities
6. Letter dated October 28, 2015 from Robert S. Sinsheimer, Esq. re: KWI-Modified Order of Abatement October 19, 2015
7. Letter dated July 30, 2015 from Bradford S. Cleaves
8. Letter dated June 10th, 2015 from Bradford S. Cleaves
9. Email dated June 19, 2015 from Kially Ruiz re: KWI-status of rent payments and net metering credits