

**Cape Light Compact JPE
Executive Committee
Open Session Meeting Minutes
Wednesday, April 10, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, April 10, 2019 in the Martha's Vineyard Conference Room at the Cape Light Compact JPE Offices at 261 Whites Path, Yarmouth, MA 02664 at 2:00 PM.

Present Were:

1. David Anthony, Secretary, Barnstable
2. Robert Schofield, Executive Committee, Bourne
3. Ronald Zweig, Chair, Falmouth
4. Richard Toole, Executive Committee, Oak Bluffs – **By Phone**
5. Martin Culik, Executive Committee, Orleans
6. Joyce Flynn, Vice-Chair, Yarmouth

Absent Were:

1. Peter Cocolis, Executive Committee, Chatham

Members/Alternates:

Physically present: 5

Present by phone: 1

Board Members Present:

Colin Odell, Brewster
Timothy Carroll, Chilmark – **By Phone**
Brad Crowell, Dennis
Alan Strahler, Edgartown – **By Phone**
Leanne Drake, Sandwich
Richard Elkin, Wellfleet
Sue Hruby, West Tisbury

Legal Counsel:

Jeffrey Bernstein, Esq., BCK Law, P.C.

Staff Present:

Austin Brandt, Senior Power Supply Planner
Dan Schell, Marketing and Communications Coordinator
Margaret Song, C&I Program Manager
Melissa Allard, Senior Administrative Coordinator

Public Present:

None Present.

Ronald Zweig called the Executive Committee meeting to order at 2:00 PM. Ronald Zweig recognized Richard Toole of Oak Bluffs who was participating remotely because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There were no members of the public present.

APPROVAL OF MINUTES:

The Board considered the March 13, 2019 Meeting Minutes. Ron Zweig stated that the word “report” needs to be added after the word “actuarial” in the middle of page 3. The minutes will be voted on at next month’s meeting when there is a full Board.

CHAIRMAN’S REPORT:

Ron Zweig stated that Nathaniel Mayo has been appointed by the Town of Provincetown to be a member of the Compact’s Board.

Ron Zweig asked the Board if they had looked over the 2017 audited financial statements that Maggie Downey emailed out and whether they had any interest in the auditor coming back for the May Board Meeting to answer any questions. He believes it is a good idea to have them come back. He found the use of an exclamation point in the report to be surprising. Also, he would like an explanation on the bank account containing \$7 million that is uninsured, to know what the recommendations to management are, and suggested that in the future the Board gets the report first and then the presentation from the auditors.

Ron Zweig asked the Board for potential topics for May’s Board Meeting. Richard Elkin stated that the Compact should put together monthly projections of the budget rather than just assuming that it is on budget. Ron Zweig stated that with the scale of the budget and the “hockey stick” (accelerated spending at the end of the calendar year) pattern that the projections could be difficult to put together. Richard Elkin stated that the “hockey stick” pattern can be built in the plan. The Compact should look at previous year’s financial reports and apply those to future projections. Margaret Song stated that the Compact can prepare the budget according to the wishes of the Board. The Compact has tried to apply projections years ago, but it was a bit confusing for those that aren’t at most of the meetings. Joyce Flynn stated that the amount of work fluctuates with the seasons. Richard Elkin stated that the Compact knows by now what time of the year is busy or slow and can figure that into the plan. Richard Elkin was interested in how front-loaded expenses such as OPEB Liability and Retirement were reflected in a budget. Colin Odell added that he would be interested in seeing not only the budget but also the savings as well as the cost to achieve.

Ron Zweig stated that at the next month’s meeting that Board Members will be reviewing executive session minutes. Jeff Bernstein stated that each set of minutes will have to be discussed one at a time. He stated that the Board may decide to make some of the minutes public, in whole or in part.

Ron Zweig stated that the 2019 Operating and Energy Efficiency Budget are in the Board packet. However, Peter Cocolis is not here to review them today.

ENERGY EFFICIENCY PROGRAM:

1. Discussion and Potential Vote on Proposed Incentive for Hyannis Youth and Community Center, Margaret Song

Margaret Song reviewed the proposed incentive of \$295,000 for the Hyannis Youth and Community Center Project. The project involves upgrading over a thousand interior and exterior light fixtures to LEDs. The total annual kWh savings would be \$325,555.

Brad Crowell asked if other measures were considered or was it just lighting. Margaret Song stated that the Compact is also looking at a wide range of services and has worked on other projects there in the past. Richard Elkin asked what the cost benefit ratio is of the project. Margaret Song answered around 2.3. Colin Odell asked if it was done prescriptively. Margaret Song answered that it is a mix of prescriptive and custom.

David Anthony asked if it was appropriate for the Executive Committee to vote on this and whether it could bear in a direct and material fashion on the interests of municipal members. Jeff Bernstein stated that it would be fine because of where the funding is coming from. David Anthony asked if there was an issue if the Executive Committee were to decide to table the vote and bring it back to a full board next month. Margaret Song stated that the Hyannis Youth and Community Center is anxious to get started working. She would have to let them know that the vote was being delayed until next month’s meeting.

Martin Culik moved the Board vote to approve an incentive of up to \$295,000 for the Hyannis Youth and Community Center. The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Ronald	Zweig	Falmouth	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (6 – 0 – 0)

2. Discussion and Potential Vote on Allocation of Shared Costs Policies, Margaret Song

Margaret Song stated that the changes that were suggested at last month’s meeting were made. Joyce Flynn asked if it were best to pass the vote now and affirm at the May Board Meeting when there is a full board. Jeff Bernstein stated that it wouldn’t be a bad idea. Martin Culik made a motion to table the vote until next month’s meeting. Jeff Bernstein stated that there should at least be some discussion today to see if the changes that he and Maggie Downey made reflected what the Board wanted in order to save time during next month’s meeting. He also stated that it would speed things up if Board Members are comfortable with the Executive Committee voting today.

Ron Zweig stated that there is no mention of legal services. Jeff Bernstein stated that legal advocacy and related expenses will be the subject of a separate policy to be discussed at a future meeting.

David Anthony moved the Cape Light Compact JPE (“Compact”) Board of Directors voted to allocate shared costs between the Compact’s energy efficiency and operating budgets as follows:

Staff salaries, including employee benefits, pension and Other Post Employment Benefit (OPEB) liabilities, shall be allocated based on the ratio between a) their time spent working on energy efficiency matters,

including consumer advocacy matters related to energy efficiency as determined by the Board, and b) time spent on all other matters (operating budget). Staff allocating their time shall track time on their bi-weekly timesheets. Payroll Services, custodial, utilities, office space, software licenses, and internet fees shall be allocated based on staff's salary allocations.

Auditor, treasury services, and financial software costs shall be allocated based on the percentage of total of the energy efficiency, including consumer advocacy matters related to energy efficiency, and operating budgets that each respective budget represents. For example, based on the current budgets, the 2019 energy efficiency budget represents about 98% of the total budget and the 2019 operating budget represents about 2%.

All insurance related expenses associated with staff are allocated based on the salary allocation above. Board member insurance related expenses are allocated 50% to energy efficiency budget and 50% to operating budget. This will result in an allocation shown on the attached where costs are allocated 68% to energy efficiency budget and 32% to operating budget.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as ay be necessary or appropriate to implement this vote.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Ronald	Zweig	Falmouth	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (6 – 0 – 0)

3. DOER Grant Opportunity, Margaret Song

Margret Song stated that Cape Light Compact is providing services to towns pursuing Green Community status or already so designated. The Regional Energy Program Assistance will help with maintaining green community status and with completing the application. She stated that the towns that are interested should let her know by Friday, April 12th. The MOU's will be sent to those towns. Many communities have reached out already. The application is due May 10th to the Department of Energy Resources (DOER). The Compact will be paid directly by DOER to help these towns. The Contract lasts for two years.

Brad Crowell asked if there was any reason for non-green communities to participate in this program. Margaret Song mentioned that she was looking for clarification from the DOER as there is a task within the grant that references non-Green Communities, and this seems to allow for work to assist those communities that are not Green Communities.

4. DPU 18-1116: Update on Discussions with Eversource Over the Compact's Active Demand Response Initiative, Austin Brandt

Austin Brandt stated that the Compact has been negotiating with Eversource over the Compact's Active Demand Response program. Eversource has agreed to some changes on the MOU they sent. Austin Brandt

stated that Maggie Downey proposed that the Compact could use the same dispatch method that Eversource uses and come up with a plan.

Austin Brandt stated that Maggie Downey had a meeting with the EEAC on April 3rd and discussed the status of Compact's negotiations with Eversource. The EEAC made it very clear that the Compact and Eversource need to figure it out on their own. EEAC does not want to have to get involved. Eversource is to give an answer about the program by April 26th and hopefully the Compact should be able to move forward this summer. The Compact will keep the Board updated as negotiations continue.

POWER SUPPLY PROGRAM:

1. Discussion on 2018 Municipal Aggregation Report, Austin Brandt

Austin Brandt reviewed the 2019 DPU Annual Report PowerPoint. The Compact filed annual report on April 1, 2019 and had to request extension of March 1, 2019 due to data issues.

Austin Brandt stated that NextEra and the Compact are looking into why the percentage of eligible customer average participation for low-income is so low. Brad Crowell asked if it was percent of load or accounts. Austin Brandt answered that it is percent of accounts. Jeff Bernstein asked if the low-income customers are opting out. Austin Brandt stated that the Compact doesn't get the rate code on the opt out list telling whether they are low income or not. Ron Zweig stated that the 0.2% low-income customers seems suspect. Austin Brandt stated that Eversource may be putting a hold on low-income customer accounts. Richard Elkin asked if it financially benefits the Compact that there is such a small number of low-income customers on the power supply. Austin Brandt stated that it's neutral. He stated that on average 18,000 customers are on basic service who didn't tell Eversource to lock their account. How did they get on basic service and what is Eversource doing differently when it comes to those customers?

Margaret Song stated that one of the reasons there may be such a small percentage of discount rate customers is that the customers have to prove they are low-income and when the opt out cards go out, they may not have sent in all their income verification forms. Richard Elkin asked if low-income customers get 36% deducted from all of their bills. Austin Brandt stated that he believes it is just off the distribution side of the bill. Robert Schofield stated that for 20 years he has been helping seniors apply for fuel assistance. He has seen many electric bills with the Compact as their power supplier. Ron Zweig asked how a customer would know if they qualify as low-income. Margaret Song stated that if the customer is on fuel assistance then they automatically go under discount rate. The Compact will send out income verification forms to those that think they will qualify. Richard Elkin asked if the Compact has any information on its website about qualifying for low-income. Margaret Song answered yes. The income guidelines and incentives are on the Compact's website.

Austin Brandt stated that NextEra was unable to obtain information requested from the DPU on low-income customers because they were having a hard time getting that information from Eversource. NextEra is continuing to research a bit more to see what they can find. David Anthony stated that Eversource doesn't seem to be cooperating as they should be. He asked if this has been communicated to the DPU and whether other aggregators having the same issue. Austin Brandt stated it had been put into the annual report, along with a request to not require this level of reporting or for EDCs to provide uniform reporting for all aggregations in their territory for administrative efficiency for future reports.

POTENTIAL TOPICS FOR MAY'S BOARD MEETING CONTINUED:

Ron Zweig asked if the Board had reviewed the reallocation of interest earned on the Compact's bank account. Colin Odell asked what the Compact has in its power supply reserve funds and whether the Board had established (voted) a policy for the level of required power supply reserves. He also asked whether the Compact needs to do some belt tightening on its finances.

ADJOURNMENT:

Motion to adjourn made at 3:55 PM moved by Joyce Flynn, seconded by Robert Schofield.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- March 13, 2019 Draft Meeting Minutes
- Certificate of Appointment – Town of Provincetown
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- Interest Reallocation
- Agenda Action Request: Proposed Incentive for Hyannis Youth and Community Center Project
- Agenda Action Request: Allocation of Shared Costs Policy
- D.P.U. 19-MA (Hearing Officer Reporting Procedures – 2018 Municipal Aggregation Annual Reports)
- Calendar of Events the Compact is Participating in
- 2019 DPU Annual Report PowerPoint