

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, July 17, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, July 17, 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. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Bourne
4. Peter Cocolis, Chatham
5. Timothy Carroll, Chilmark – **By Phone**
6. Brad Crowell, Dennis
7. Fred Fenlon, Eastham
8. Alan Strahler, Edgartown
9. Ronald Zweig, Chair, Falmouth
10. Valerie Bell, Harwich
11. Wayne Taylor, Mashpee – **By Phone**
12. Richard Toole, Oak Bluffs – **By Phone**
13. Nathaniel Mayo, Provincetown
14. Leanne Drake, Sandwich
15. Richard Elkin, Wellfleet
16. Sue Hruby, West Tisbury
17. Joyce Flynn, Yarmouth

Absent Were:

1. Michael Hebert, Aquinnah
2. Colin Odell, Brewster
3. Robert Hannemann, Dukes County
4. Martin Culik, Executive Committee, Orleans
5. Kirk Metell, Tisbury
6. Jarrod Cabral, Truro

Members/Alternates:

Physically present: 14

Present by phone: 3

Legal Counsel:

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

Staff Present:

Austin Brandt, Senior Power Supply Planner

Dan Schell, Marketing and Communications Coordinator

Maggie Downey, Administrator

Margaret Song, C&I Program Manager
Megan Terrio, Comptroller
Melissa Allard, Senior Administrative Coordinator

Consultant:

Emily Davis, Glivinski & Associates, Inc.

Public Present:

Janice Marks, Bourne

Ronald Zweig called the meeting to order at 2:02 PM. Ronald Zweig recognized Wayne Taylor of Mashpee and Richard Toole of Oak Bluffs who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF MINUTES:

The Board considered the June 12, 2019 Meeting Minutes. On page three under Energy Efficiency Program it should say “Energy Efficiency Advisory Council (EEAC).”

Robert Schofield moved the Board to accept the minutes as amended, seconded by Fred Fenlon.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Abstained
Brad	Crowell	Dennis	Abstained
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Wayne	Taylor	Mashpee	Abstained
Richard	Toole	Oak Bluffs	Abstained
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (9 – 0 – 4)

Nathaniel Mayo joined meeting at 2:06pm.

Valerie Bell joined meeting at 2:10pm.

CHAIRMAN’S REPORT, TREASURER TO REPORT ON UNINSURED CASH BALANCE. PRESENTATION, BY GLIVINSKI & ASSOCIATES:

Emily Davis, Glivinski & Associates, presented the Compact's options for reducing the custodial risk (risk of bank failure) of the Compact's deposits. As of December 31, 2017, \$7.4M of the Compact's bank balance was uninsured and potentially exposed to custodial credit risk. She stated that the first option would be to stay with Rockland Trust. Rockland Trust has the highest rating, green with three stars. These ratings come out quarterly and therefore can be reviewed quarterly. The second option would be to use Rockland Trust's additional insurance. The interest income rate would drop from 1.1% to 0.6 % and the estimated cost/loss due to the interest rate drop is \$92,500. The third option is to request proposals from other banks. Cooperative Bank of Cape Cod, Cape Cod Five and TD Bank have all contacted. These three banks are able to issue letters of credit and are on the approved list from ISO New England.

Peter Cocolis stated he didn't realize Rockland Trust was proposing to lower the interest rate as a way to mitigate the custodial credit risk. Emily Davis stated that Rockland Trust collateralizes funds to pay for insurance. Maggie Downey stated Rockland Trust partners with another bank to provide the Letter of Credit ("LOC") to the ISO New England ("ISONE") and that the Compact does need a bank that can post a letter of credit with ISONE. Meetings have been set up this week with other banks. She stated that she is looking for direction from the Board on what it wants to do. Sue Hruby stated that the Compact should look at other banks and know what options there are. Maggie Downey stated that the Compact will look for the best deal relative to risk and interest rate as well as the ability to obtain a LOC to provide ISO New England. Sue Hruby stated it would be a good idea to have information on the bank's insurance company as well.

FINANCIAL REPORTS, PETER COCOLIS:

Peter Cocolis reviewed the energy efficiency budget. To date, 27.8% of the budget has been spent which is low. However, there are many invoices currently being processed.

Peter Cocolis reviewed the operating budget. To date, 35% of the budget has been spent. Maggie Downey stated that she included the original appropriation and revised budget on the expenditure list to show where funds have been moved. Funds were moved to pay the Compact's insurance through the Massachusetts Interlocal Insurance Association (MIIA). Ron Zweig asked if the reserve fund would be coming out of this operating budget. Peter Cocolis stated that it would be coming out of the next budget. There will be a budget line for the reserve fund.

ADMINISTRATORS REPORT:

Maggie Downey introduced Megan Terrio, the Compact's new comptroller. She also introduced the Massachusetts Maritime Academy interns, Dominic Vaccari and Anna Deeley, who have been helping out enormously.

Open Session Vote on entry into Executive Session pursuant to M.G.L. c. 30A §§21(a)(3) and (10) to discuss matters below, to return to open session:

- 1. Review and approve, and potential vote to consider whether to release, executive session minutes from May 9, 2018, June 13, 2018, December 5, 2018, January 9, 2019 and February 13, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information and/or regulatory litigation strategy for DPU 18-116, CLC 2019-2021 Energy Efficiency Plan Filing and/or the Cape Light Compact 2019 and beyond power supply program portfolio (renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions**

Ronald Zweig at 2:35 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and (10) to review and approve, and potential vote to consider whether to release, executive session minutes from May 9, 2018, June 13, 2018, December 5, 2018, January 9, 2019 and February 13, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information and/or regulatory litigation strategy for DPU 18-116, CLC 2019-2021 Energy Efficiency Plan Filing and/or the Cape Light Compact 2019 and beyond power supply program portfolio (renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions, to return to open session thereafter.

Each member participating remotely has stated that no other individuals are present and/or able to hear the discussion at his or her location, unless the presence of such individuals has been approved by a vote of the public body.

Ronald Zweig declared that an open session may adversely affect the Cape Light Compact's litigating position. The Governing Board will return to Open Session at the conclusion of Executive Session. Seconded by Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Nathaniel	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16 – 0 – 0)

Return to Open Session

At 3:02 PM, Ron Zweig asked for a motion to end executive session, moved by Peter Cocolis, seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes

Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Nathaniel	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16 – 0 – 0)

ENERGY EFFICIENCY PROGRAM:

1. DPU 18-116: Update on Discussion with Eversource Over the Compact’s Active Demand Response Initiative, Austin Brandt

Austin Brandt stated that negotiations are progressing fairly well. Eversource has agreed to most mitigation measures that the Compact presented. The Compact believes that it is close to an agreement that will allow it to move forward. Sue Hruby asked why Eversource may have shifted. Austin Brandt stated that he doesn’t know. Eversource stated before that the distribution side of Eversource was the holdup. Also, customers were going to Department of Energy Resources (“DOER”) asking why they can’t participate in this program while the rest of the state is doing it. After there is a signed agreement with Eversource it will be presented to the Energy Efficiency Advisory Council (“EEAC”) and then filed at the Department of Public Utilities (“DPU”) for final approval. Ron Zweig asked when the Compact thinks it may be able to start the program. Austin Brandt is hopeful that the program will be up and running for next summer. Ron Zweig asked if people have been calling about the program. Austin Brandt stated that there has been a higher call volume recently, especially from those who already have batteries. People have been calling DOER and the Massachusetts Clean Energy Center asking questions and then they have been directing those people to the Compact. A list is being kept of those interested in the program that will be contacted when the program gets started.

Richard Elkin asked about the thermostats that were remotely controlled during peak hours and how many of them are no longer working. Austin Brandt stated that the Compact is working with those customers to replace those thermostats with compatible ones and that there are more available now. Also, customers who already have compatible thermostats can enroll.

2. Cape & Vineyard Electrification Offering (“CVEO”) Update: Changes and Potential Funding, Maggie Downey

Maggie Downey stated that the DPU order on the Compact’s 2019-2021 Plan commented that it appreciated the effort the Compact has made on CVEO, but the DPU stated that there was not enough stakeholder engagement on CVEO. Therefore, for this reason among others, the CVEO portion of the Plan was not approved. The DPU directed the Compact to have more stakeholder engagement on CVEO. The Compact has met with many Boards of Selectmen, DOER, EEAC, and Attorney General’s Office (“AGO”) on CVEO and will continue to communicate with these entities.

Maggie Downey reviewed the Proposed Cape & Vineyard Electrification Offering (“CVEO”) Update PowerPoint. The Compact had received information on solar installations for Cape Cod and Martha’s Vineyard from the Massachusetts Clean Energy Center and Eversource. There is a concern that low-income and moderate-income consumers are being left behind in this area. These customers can’t afford to pay the upfront costs. The last EDC report stated that there were no low-income customers participating in the SMART program across the state.

The Compact has collected data that shows Cape Cod and Martha’s Vineyard requires greater incentives when compared to what the rest of the state provides to increase participation for low- and moderate-income customers. The Compact will now be focusing on 250 customers, instead of the original 700. 150 of those customers will be low-income and 100 customers will be moderate income. At the DOER meeting the Compact stated that it would not be having low-income customers participating in the SMART program. Other customers would be then be able to get in queue. DOER is frustrated with how hard it has been to get low-income customers to install solar photovoltaics. Fred Fenlon asked if low-income renters could participate. Maggie Downey stated they could, but the property would have to be deed restricted, so customers don’t just sell their homes after the program is put in place.

Maggie Downey stated that she received a call from Attorney Seth Kaplan who asked if the Compact was interested in collaborating with his company, Mayflower Wind LLC. Mayflower Wind LLC is placing a bid to the state for offshore wind. It is offering to provide the Compact with \$5 million to help fund the CVEO program for low-income customers. Maggie Downey stated she is looking for direction from the board. If the Compact chooses to do so, it would enter into a memorandum of agreement with Mayflower. Brad Crowell stated that the Compact has had issues before in receiving outside funding from private parties. Maggie Downey stated that the Compact did have trouble when it received funding from Con Ed Solutions for the energy efficiency fund. Jeff Bernstein stated that in this case there would be no contract and it would be structured as a pure donation agreement. Sue Hruby asked whether the state would still have to approve the Mayflower Wind proposal. Maggie Downey stated that that is correct. Mayflower is looking to enhance its proposal.

Nate Mayo disclosed that he works with Vineyard Wind and that unless counsel states it is okay to comment, he recused himself from any discussion.

Ron Zweig asked if there was a possibility of seeing whether the Compact could receive more than \$5 million. Jeff Bernstein stated that he doesn’t know what the Mayflower proposal looks like. Maggie Downey stated that there are most likely other requirements for its proposal. The sense of the Board is that it is interested in a possible memorandum of agreement with Mayflower.

Brad Crowell asked if customers must have cold climate heat pumps, PV systems, and battery storage to participate in the CVEO program. Maggie Downey answered yes and noted that some customers may already have some of these. She also stated that this will be presented at Cape Cod Commission’s OneCape event at the end of this month and the Compact needs people to go to Boston to speak on our behalf. Joyce Flynn asked if the Compact is hoping to start the CVEO program this fall. Maggie Downey stated that staff hope to present a revised CVEO to the Energy Efficiency Advisory Council and then the DPU later this year.

POWER SUPPLY PROGRAM:

1. Vote to Ratify Establishment of a \$250,000 Operating Fund Budget Reserve.

Peter Cocolis moved the Cape Light Compact JPE ("Compact") Board of Directors vote to ratify the June 12, 2019 vote of the Executive Committee to establish an operating contingency fund account in the amount of \$250,000. The funds for this account shall be generated by the mil adder collected through the Compact's power supply program and shall accrue over a period of three years. Said funds are to be appropriated through the annual 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 may be necessary or appropriate to implement this vote. Seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Nathaniel	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (16 – 0 – 0)

Richard Toole left meeting at 3:48pm.

2. Power Supply Rate

Austin Brandt gave an update on a recent mistake and problem by Eversource in properly incorporating the June Compact power supply rate on bills to customers. He stated that the power supply rates didn't change properly on the June meter read date for those customers with meter read dates July 1st through July 11th. All customers with meter read dates after that or customers that have opted into the local green program have been given the new power supply rate. About 43,000 customers were affected. The Compact, NextEra, and Eversource are working on addressing this problem.

Wayne Taylor and Timothy Carroll left meeting at 3:50pm.

ADJOURNMENT:

Motion to adjourn made at 3:52 PM moved by Robert Schofield, seconded by Peter Cocolis.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- June 12, 2019 Draft Meeting Minutes
- CLC Bank Funds Insurance Options
- ISO New England Eligible Letter of Credit Banks
- CLC Notes to Financial Statements – December 31, 2017
- Veribanc, Inc. – The Massachusetts Banks State Ratings Report
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- Agenda Action Request: Ratify the Establishment of a Reserve Fund for CLCJPE Operations, Exclusive of Energy Efficiency Programs

Draft Minutes subject to correction, addition and Committee/Board Approval