

**Cape Light Compact JPE
Executive Committee
Meeting Minutes
Wednesday, November 13, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, November 13, 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, Executive Committee, Bourne
4. Erik Peckar, Dukes County – **By Phone**
5. Fred Fenlon, Eastham
6. Ronald Zweig, Chair, Falmouth
7. Martin Culik, Executive Committee, Orleans
8. Nathaniel Mayo, Provincetown – **By Phone**
9. Richard Elkin, Wellfleet
10. Sue Hruby, West Tisbury
11. Joyce Flynn, Vice Chair, Yarmouth
12. Brad Crowell, Dennis

Absent Were:

1. Michael Hebert, Aquinnah
2. Colin Odell, Brewster
3. Peter Cocolis, Executive Committee, Chatham
4. Timothy Carroll, Chilmark
5. Alan Strahler, Edgartown
6. Valerie Bell, Harwich
7. Wayne Taylor, Mashpee
8. Richard Toole, Executive Committee, Oak Bluffs
9. Leanne Drake, Sandwich
10. Kirk Metell, Tisbury
11. Jarrod Cabral, Truro

Members/Alternates:

Physically present: 9

Present by phone: 2

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
Phil Moffit, Planning and Evaluation Manager

Public Present:

No members of the public were present.

Noting that there was not a quorum of the full Board, Ronald Zweig called the meeting of the Executive Committee to order at 2:05 PM. Ronald Zweig recognized Nathaniel Mayo of Provincetown and Erik Peckar of Dukes County who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There was no public comment.

UPDATE FROM COMPTROLLER ON SWITCHING BANKS:

Megan Terrio stated that 75% of the Compact's funds that were deposited with Rockland Trust have been moved to Cape Cod Five. The balance in the Rockland Trust accounts is there to cover the next couple of accounts payable warrants until the new check stock comes in from Cape Cod Five, and outstanding checks issued from the Rockland Trust clear the account. Once these two issues are resolved, the Compact will transfer the remaining balance of the funds from Rockland Trust to Cape Cod Five. Megan Terrio stated that the new checks should be ready in December.

Maggie Downey stated that the Compact will be implementing paying vendors electronically. Also, reimbursements to staff and board will be done through direct deposit.

APPROVAL OF MINUTES:

The Board considered the October 9, 2019 Open Session Meeting Minutes. Because there was not a quorum of the Governing Board in attendance, review of the minutes was tabled.

David Anthony stated that he had no further edits. Erik Peckar stated that his name was spelled incorrectly. Erik is spelt with a "k" not a "c."

CHAIRMAN'S REPORT:

1. Update on Mayflower Wind Selected for Offshore Wind and Compact Collaboration

Ron Zweig stated that Mayflower Wind was selected by the state to develop Massachusetts's next offshore wind project. They will be collaborating with the Compact by providing \$5 million to help fund the Cape & Vineyard Electrification Offering ("CVEO") program for low-income customers. Ron Zweig asked when this would start. Maggie Downey stated that right now there is a memorandum of agreement between the two entities with a commitment to continue to work out the details. The Compact and Mayflower Wind still have to finalize an agreement. The \$5 million would fund the CVEO program for over 10 years.

2. 2018 Audited Financial Statements

Ron Zweig stated that the 2018 Audited Financial Statements have been finalized. Maggie Downey stated that she will send the 2018 Audited Financial Statements booklet to Board Members who are not present.

3. Report Out on Cape Cod Climate Change Collaborative Net Zero Cape & Islands Roundtable

Ron Zweig stated that he attended the Net Zero Cape and Islands Roundtable event. Maggie Downey gave a presentation on the CVEO program at the event. He stated that it was a powerful agenda and well delivered.

Sue Hruby asked if there were any specific outcomes from the event. Maggie Downey answered that there was an energy action plan and that she will email it to the Board. Joyce Flynn stated that the Compact is mentioned eight times throughout the energy action plan.

FINANCIAL REPORTS:

Maggie Downey stated that the Compact has used around 62% of the Operating Budget. Also, the Compact has received the October Mil Adder and the power supply reserve fund balance through October 31, 2019 is \$793,065.13. Jeffrey Bernstein stated that the Compact could add a header on the report listing the exact date and time the report was run.

Maggie Downey asked the Board if it preferred the Energy Efficiency Budget printed on one large piece of paper or split onto two pages of regular size paper. The sense of the Board is that it would like it printed on the larger paper. Maggie Downey stated that through the end of October the Compact has spent almost 66% of the Energy Efficiency Budget. There are some C&I projects that are outstanding. The Compact believes it will spend most of the budget. Richard Elkin asked what the Compact estimated it would spend of the Energy Efficiency Budget. Maggie Downey answered that the Compact estimated it would spend 100%.

ADMINISTRATORS REPORT:

1. Review and Discuss 2020 Proposed Operating Budget

Maggie Downey stated that on the left side of the operating budget update document is what was approved for the 2019 Operating Budget and what has been spent as of now. On the right is what is being requested for 2020. Any expenses that require an allocation that the Board adopted at the May meeting are noted on the very right of the page. For staff salary allocations she used percentage year to date from time sheets. She stated that when she presents it next month for a vote it will only show the proposed Operating Budget for 2020. She stated that she doesn't think the Compact will spend all of this year's Operating Budget.

Richard Elkin asked how much the Compact has in the reserve fund. Maggie Downey answered \$85,000. Fred Fenlon asked why the legal budget for next year was so high after seeing what has been spent this year. Jeffrey Bernstein stated that it's not prepared in anticipation of any judicial lawsuit, but aggregation and regulatory proceedings are expected to be at a higher level after a very quiet year. Maggie Downey stated that the Farmington PV project was coming online, which will require legal assistance and the Compact will be preparing a Request for Proposals (RFP) for electricity on behalf of participating municipal entities. Richard Elkin asked when the RFP was to be completed. Maggie Downey answered in the fall.

Richard Elkin asked what the total estimated retirement liability is for Compact employees. Maggie Downey noted that the retirement liability is approximately \$3 million. The costs for retirement liability are allocated based on payroll allocation and how staff spend their time between energy efficiency and the operating programs. The Operating Budget share for 2020 is \$128,000. Richard Elkin asked if the Compact has fully

funded this liability, and Maggie Downey stated that it has not fully funded this liability. Maggie noted that an analysis prepared by the Barnstable County Retirement Association (“BCRA”) has shown that employees and employer contributions will likely fully fund their pensions and overall cost less than if they were enrolled in social security. Unlike pension liabilities, OPEB goes with employees from job to job. Richard Elkin asked if the Compact were to interview a possible new employee could they deny him or her a position if he or she had prior public service and came with OPEB liabilities. Jeffrey Bernstein stated that, that would likely be unlawful discrimination and there would be a claim. Martin Culik mentioned the decrease in the advertising budget. Dan Schell stated that the \$20,000 was moved from advertising to the Outreach/Marketing Contractor budget. Richard Elkin asked if remote participation could ever count towards a quorum. Jeff Bernstein stated that it can’t in Massachusetts under current Open Meeting Law requirements, but the Compact could seek legislatively to implement that, at least for a JPE with a large board.

2. Discuss and potential vote on Cape Cod Municipal Health Group (“CCMHG”) 268A Disclosure

Maggie Downey stated that all 52 public members (Towns and special purpose districts) who have a representative to CCMHG, and who subscribe to a CCMHG health insurance plan, are being advised to disclose their financial interest to their Board. All representatives participate in deliberations and votes that affect the benefits and costs of health insurance.

Martin Culik moved the Cape Light Compact JPE (“Compact”) Executive Committee vote to acknowledge the financial interest of the Compact Administrator due to her participation in the health insurance plan offered by CCMHG. We have determined that the financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Compact may expect from the Administrator, and we authorize the Compact Chair to execute the attached disclosure form as required by M.G.L. c. 268A, Section 19.

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.

Roll Call Vote

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

Motion carried in the affirmative (5 – 0 – 0)

3. Discuss and potential vote on proposed amendments to Cape Cod Municipal Health Group Agreement for Joint Negotiation & Purchase of Health Care Coverage

Maggie Downey stated that this vote would give her the authorization to vote on the attached proposed amendments to the CCMHG Agreement. This will be voted on in January. Richard Elkin asked if this allows member towns and districts to withdraw. Maggie Downey stated yes, and that Sandwich withdrew last year

Martin Culik moved the Cape Light Compact JPE (“Compact”) Executive Committee vote to approve to authorize the Compact Administrator to vote on the attached proposed amendments to CCMHG Agreement for Joint Negotiations & Purchase of Health Coverage.

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.

Roll Call Vote

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

Motion carried in the affirmative (5 – 0 – 0)

4. Update on DPU 19-96, Cape Light Compact 2016-2018 Energy Efficiency Term Report

Maggie Downey stated that comments are being accepted through December 3rd. It has been posted on the Compact’s website and there is a copy in the office for the public to come in and review. The Compact has not yet received a hearing officer schedule. Maggie Downey stated that an Order on the Compact’s last term report has not been issued by the Department of Public Utilities (“DPU”).

Maggie Downey stated that the Compact has received its first set of Information Requests (“IRs”) on the 2016-2018 Term Report and the Compact has been working on replying to the IRs. Phil Moffit stated that all Program Administrators (“PAs”) have received the same IRs the Compact has received so far.

5. Update on Recent CLC Events

Maggie Downey stated that many customers have been stopping at the Compact’s booth and picking up energy efficiency program information at the events attended by Compact staff.

Maggie Downey stated that she and Joyce Flynn attended a “talkback” after seeing *Crude, The Climate Change Musical* at the Cape Cod Theatre Company. Also, Maggie and Briana are to meet with Representative Dylan Fernandez on Thursday 11/14. Maggie is leaving for Washington D.C. after Thanksgiving to attend a National Energy Education Development (“NEED”) Board meeting.

6. Upcoming Meeting Topics

Maggie Downey stated that Megan Terrio will present year end budget for both the Operating and Energy Efficiency Budget in March when she has closed the accounts for 2019.

7. CVEC Update

Maggie Downey stated that Cape & Vineyard Electric Cooperative (“CVEC”) is on round five of bids for solar. To date it has installed 49 megawatts of solar and savings are around \$9.1 million. It is on target to surpass its goals.

ENERGY EFFICIENCY PROGRAM:

1. Update on Cape & Vineyard Electrification Offering, Austin Brandt

Austin Brandt reviewed the Update on Cape & Vineyard Electrification Offering PowerPoint. He stated that there will be a total of 250 non-gas participants who are either low-income or moderate income. Oil, propane, electric systems will be converted to cold climate heat pumps, PV systems will be installed, and battery storage will be installed at the participant properties.

Richard Elkin asked what the average cost of the system is. Austin Brandt stated that the average cost is approximately \$10,000 per system. The Compact's next step is to talk to Department of Energy Resources ("DOER") and stakeholders on how to package the incentives. Richard Elkin asked why not offer this to the general public and see if they pay will pay the \$10,000. Austin Brandt stated that the price is different based on the income of the customer. Richard Elkin asked how ratepayers are involved in the budget. Austin Brandt stated that the Third-Party Ownership ("TPO") of PV systems and batteries has reduced the energy efficiency funds needed from ratepayers.

Brad Crowell asked if the Compact was looking into making a product for the general public in the future. Austin Brandt answered yes. The Compact is looking to see where other PAs are going with solar. Then the Compact will figure out where it wants to fit in, whether it wants to do something similar or go beyond. Richard Elkin stated that he thinks there would be a lot of acceptance for the product that the customers can finance on their own, because it has been vetted by the Compact. He also stated that it is part of the Compact's mission to expedite programs like these. Brad Crowell asked if there was a new construction piece for incentives towards renewable power. Maggie Downey stated that it was pulled out of the Compact's 3-year plan because there was an issue with using funds for solar and not storage.

Fred Fenlon asked if the \$7.4 million for the total budget was going to change. Austin Brandt stated that it may change, but not by much. Richard Elkin asked if rental properties could participate. Austin Brandt stated that the current renters must be low-income and live in a single-family home. Ron Zweig asked why the program was not being offered to gas customers. Austin Brandt answered that it is not cost effective. Ron Zweig asked why low-income customers receive 100% solar incentive and moderate-income customers have an up to \$5,000 solar incentive. Austin Brandt stated that it is because they have more ability to afford paying a portion of the total cost. Ron Zweig asked how the amount a moderate customer will receive for the solar incentive is calculated. Austin Brandt stated that it functions the same way as the insulation cap for our energy audits. Ron Zweig asked what happens if after it is all installed the customer puts the house on the market. Austin Brandt stated that's why it has to be deed restricted property; it limits who the house can be sold to.

Nate Mayo asked, if the Compact names the back-end price in advance and the IRS potentially views it as unreasonable, could it put the ITC at risk? Jeffrey Bernstein stated that there is an "economic reality" test that has been used for many years. There are aspects of this program that set it apart. Austin Brandt stated that it's something the Compact will look into. He does not recall hear anything about this in the Request for Information ("RFI").

ADJOURNMENT:

Motion to adjourn made at 3:54 PM moved by David Anthony, seconded by Robert Schofield.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- October 9, 2019 Draft Open Session Meeting Minutes
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- Proposed 2020 Operating Budget
- Legal Services Budget – 2020 Operating Account
- Agenda Action Request: Vote to Acknowledge the Disclosure of Financial Interest for Compact Administrator Participating in Cape Cod Municipal Health Group Deliberation and Votes
- Agenda Action Request: Vote to Authorize Compact Administrator to Vote on Proposed Amendments to Cape Cod Municipal Health Group Agreement for Joint Negotiation & Purchase of Health Coverage
- Cape & Vineyard Electrification Offering - Update PowerPoint