

**Cape Light Compact Governing Board
Open Session Meeting Minutes
Wednesday, September 16, 2015**

The Governing Board of the Cape Light Compact convened on Wednesday, September 16, 2015 at 1:00 p.m. in the Innovation Room, Open Cape Building, 3195 Main Street, Barnstable, MA 02630.

PRESENT WERE:

1. Dr. Joyce Flynn, Chairwoman, Yarmouth
2. Robert Schofield, Vice-Chair, Bourne
3. Peter Cocolis, Treasurer, Chatham
4. Barry Worth, Secretary, Harwich
5. Sheila Lyons, Barnstable County
6. David Anthony, Barnstable @ 1:42 p.m.
7. Deane Keuch, Brewster
8. Timothy Carroll, Chilmark – remotely by phone
9. Brad Crowell, Dennis
10. Frederick Fenlon, Eastham
11. Thomas Mayo, Mashpee
12. Richard Toole, Oak Bluffs – remotely by phone
13. Raymond Castillo, Orleans
14. Thomas Donegan, Provincetown
15. Joshua Peters, Sandwich
16. Joseph Buteau, Truro
17. Richard Elkin, Wellfleet
18. Jennifer Rand for Sue Hruby, W. Tisbury – remotely by phone

ABSENT WERE:

19. Michael Hebert, Aquinnah
20. Dukes County - vacant
21. Paul Pimentel, Edgartown
22. Ronald Zweig, Falmouth
23. Tisbury - vacant

Members Physically present: 15
Members Participating by phone: 3

LEGAL COUNSEL:

Jeffrey Bernstein, Esq., BCK Law, PC

OTHERS:

Richard Andre, Vineyard Power
Erik N. Peckar, Vineyard Power

STAFF PRESENT:

Margaret Downey, Administrator
Stephan Wollenburg @ 3:20 p.m.
Margaret Song, Residential Program Manager
Meredith Miller, C&I Program Manager
Philip Moffitt, EM&V Manager
Lindsay Henderson, Marketing Coordinator & Data Analyst
Karen Loura, Administrative Assistant

PUBLIC PRESENT

James Rogers, Sandwich
Kathleen Sherman, Brewster
Conor Powers-Smith, Register Newspaper
Eric Bibler, Weston CT

CALL TO ORDER

Chr. Flynn called the meeting to order at 1:00 p.m. The [meeting notice/agenda](#) was posted pursuant to the Open Meeting Laws on Monday, September 14, 2015 at 10:45 a.m.

PUBLIC COMMENT

E. Bibler asked about availability of Board Meeting Packet/Materials and about the status of the Power Supply Planner’s Position.

CONSIDERATION OF MEETING MINUTES

B. Worth presented the July 8, 2015 Meeting Minutes. R. Castillo asked about the Streetlight Monitoring discussion on Page 3. M. Downey said this is a pilot program proposed for 2016-18 and details have yet to be worked out. She encourage Town’s with questions to contact staff. He said the proposal included possibly expanding the program to include parking lot lighting and he wondered if it could also be expanded. M. Downey said it may be possible but all measures must pass the Benefit/Cost Ratio (BCR) test. It was agreed to correct Item 2 on Page 4 to remove redundancy. *B. Schofield moved the Board vote to accept the minutes as corrected, seconded by P. Cocolis and voted by roll call as follows:*

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|--------------------------------|-----|------------------------------|-----|
| 1. S. Lyons, Barnstable County | Yes | 10. R. Toole, Oak Bluffs | Yes |
| 2. R. Schofield, Bourne | Yes | 11. R. Castillo, Orleans | Yes |
| 3. D. Keuch, Brewster | Yes | 12. T. Donegan, Provincetown | Yes |
| 4. P. Cocolis, Chatham | Yes | 13. J. Peters, Sandwich | Yes |
| 5. T. Carroll, Chilmark | Yes | 14. J. Buteau, Truro | Yes |
| 6. B. Crowell, Dennis | Yes | 15. R. Elkin, Wellfleet | Yes |
| 7. F. Fenlon, Eastham | Yes | 16. J. Rand, W. Tisbury | Abs |
| 8. B. Worth, Harwich | Yes | 17. J. Flynn, Yarmouth | Yes |
| 9. T. Mayo, Mashpee | Yes | | |

Motion carried in the affirmative (16-0-1)

2014 INDEPENDENTLY AUDITED FINANCIAL STATEMENTS

Chris Rogers, Clifton Larson Allen provided a Power Point Presentation entitled [Cape Light Compact 2014 Exit Audit Conference Date: September 16, 2015](#). S Lyons asked about the income based on the Power Supply mill adder. This amount is based on usage. F. Fenlon asked about the net worth of CLC. C. Rogers said 90% of funding is for the energy efficiency program. He said it could be calculated but he is not sure what it would mean. T. Donegan asked if anything on Slide 11 (CVEC related transactions) is extraordinary or malfeasant. C. Rogers said this is not uncommon but that it is most important to report and disclose properly. He believes it has been properly disclosed. In his opinion there is nothing for the Board to be concerned about. T. Mayo asked about a management letter. C. Rogers said there is no management letter. M Downey said the first audit included a management letter and all recommendations were adopted. C. Rogers said Slide #15 contains the most important information in report, “No Findings.”

P. Cocolis asked about the new aspect/feature available now with the joining of Clifton, Larson Allen (CLA) and what it means to the Cape Light Compact’s Audits. C. Rogers said that Rogers & Sullivan merged with CLA, a national firm with 40% of their business working in Government Sector on 1/1/14. This merger offers much more resources from which to draw. A completely independent group/pool of auditors is assembled who tries to poke a hole in the review.

TREASURER’S REPORT

P. Cocolis reviewed the [2013-2015 Energy Efficiency Budget](#). The report shows spending is at 53.3%. He noted that there are quite a few invoices still in process. R. Elkin asked if there is a spending plan. Vendors/Contractors submit information on the number of jobs & cost/job and then those numbers are built into the budget. Vendors are held to contracts and budgeted amounts. P. Cocolis explained he reviews contracts

looking at the total amounts to ensure the amount is within the budget. M. Song said we have never been turned down for additional funding on a Mid-Term Modification. She also noted there is an Acronym list at the end of the plan.

He reviewed the [9/16/15 Operating Budget Expenditure Totals Report](#). This is a Fiscal Year Budget which started on July 1, 2015. He said there are encumbrances that still need to be paid in the amount of \$2038.82 which amount is included. He said the Compact was under budget last year by \$48,000 which is put into the reserve fund.

At 1:42 p.m. D. Anthony arrived to the meeting

TREASURER’S APPROVAL OF CONTRACTS

P. Cocolis reviewed the updated [contract summary sheet](#). These are contracts reviewed before submitted to the Commissioners for signature. M. Downey said contract review occurs as they are received signed by the Vendor and contracts are received throughout the year. The current process has been in place since March, 2015. B. Crowell asked about services provided by KEMA. P. Moffitt explained this contractor evaluates our energy efficiency programs throughout the year. Each time a new evaluation or study is identified, a contract amendment is triggered. Evaluations are not all defined at the beginning of the 3-year plan but are identified and scoped and reviewed. 2013-2014 estimated evaluations cost 4% of budget and they are constantly re-calculated. Direct Apps is the vendor providing services for the new database. D. Elkin asked about Rise Engineering Home Energy Services (HES). This includes energy audits/assessments, and QC of installation vendors. Atty. Bernstein clarified that the Treasurer’s role is to look at consistency with budget and terms. P. Cocolis described how the staff manage the process which is overseen by M. Downey. The current Rise Engineering Contract expires 12/31/15 and there will be a Request for Proposals issued for 2016 services. *B. Schofield moved the Board vote to ratify the actions of the Compact Treasurer relative to Compact contracts from April 4, 2015 through September 15, 2015. 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 B. Crowell and voted by roll call as follows:*

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|--------------------------------|-----|------------------------------|-----|
| 1. S. Lyons, Barnstable County | Yes | 11. R. Toole, Oak Bluffs | Yes |
| 2. D. Anthony, Barnstable | Yes | 12. R. Castillo, Orleans | Yes |
| 3. R. Schofield, Bourne | Yes | 13. T. Donegan, Provincetown | Yes |
| 4. D. Keuch, Brewster | Yes | 14. J. Peters, Sandwich | Yes |
| 5. P. Cocolis, Chatham | Yes | 15. J. Buteau, Truro | Yes |
| 6. T. Carroll, Chilmark | Yes | 16. R. Elkin, Wellfleet | Yes |
| 7. B. Crowell, Dennis | Yes | 17. J. Rand, W. Tisbury | Abs |
| 8. F. Fenlon, Eastham | Yes | 18. J. Flynn, Yarmouth | Yes |
| 9. B. Worth, Harwich | Yes | | |
| 10. T. Mayo, Mashpee | Yes | | |

Motion carried in the affirmative (18-0-0)

CHAIRMAN’S REPORT

Chr. Flynn expressed appreciation to Joe Buteau for his work on the Acronym Dictionary/Glossary.

She reported on a meeting with the Mass. Attorney General (AG) on July 28, 2015 in Boston accompanied by R. Schofield, S. Lyons, M. Downey, T. Donegan, and Compact counsel, Jeff Bernstein. The Compact’s relationship with AG’s office was reviewed. Atty. Bernstein read into the record the entirety of [a 9/15/15 email from Chris Barry-Smith, First Assistant Attorney General](#). Chr. Flynn stated that it was agreed that the Compact and AG office would work together and areas of common ground, etc. were identified. She said there was initially work to prepare and review a statement of principles and the AG’s office decided to issue the

statement to be read, distributed and made a part of today's meeting. Atty. Bernstein said the matter of the Compact's operational adder is closed. M. Downey to send an electronic version of the email to the board.

VINEYARD POWER PRESENTATION

R. Andre, Vineyard Power (VP) provided a Power Point Presentation entitled [Community Empowerment \(Bill: H-2895\): An Act to promote long-term renewable contracts for municipal aggregators and municipalities](#) and distributed a [summary of the House Bill 2895](#). He said Vineyard Power was successful at the auction and is partners in a lease holding 165,000 acres 14 miles south of Martha's Vineyard. They are working with Dong Electric, a Danish Company. He said a Hearing is scheduled for Oct 20th at the Statehouse on H-2895. He named a list of representatives who are in support of the legislation. He said once the Energy Omnibus legislation passes, the Compact will be able to enter into long-term contracts. M. Downey said there is an updated version of the legislation and there are some concerns with it. She said these are not contracts for retail electric supply. The legislation requires town meeting and selectmen to take action. J. Bernstein explained that the Compact's authority comes from town meeting votes and the Intergovernmental Agreement; Council vote and two Commissions. J. Bernstein said there is not authority within the legislation for the Compact to act with respect to these contracts nor within the existing Intergovernmental Agreement. M. Downey gave the example of Cambridge.

R. Elkin asked what if the town agrees to participate. If it chooses to do so all residents will still be buying their electricity from whomever they want or from Cape Light Compact. There was discussion about analysis within towns. And asking Town Meetings to buy what amounts to commodity futures. It was stated that this topic would be hard for town meetings. R. Andre is asking on behalf of VP for the Compact to endorse the Legislation and his purpose tonight was to bring the Compact up to date. M. Downey said it may be best for VP to start with Towns designated as Green Communities on the Cape and Vineyard.

Richard recommended additional information available at www.communityempowerment.org

J. Rand disconnected from the telephone at 3:15 pm.

T. Mayo agreed this is the wrong venue for this discussion. He said Vineyard Power needs to speak to Selectmen.

R. Andre said VP will be sharing the legislation with the Towns. He said it is not about buying electricity. It is about a commodities hedge.

ENERGY EFFICIENCY PLAN UPDATE

M. Downey reported that the Board will be reviewing recommendations for the next 3-year plan. (i.e., heat loan, non-profits, getting direction from state on costs and goals, etc.) at their next Board meeting. M. Downey has informed the State where we are headed so the numbers may change. The Compact is scheduling presentations to towns and counties on the 2016-2018 Energy Efficiency Plan. The Compact's next meeting is 10/14/15.

6TH AMENDMENT IGA

The members were provided with the [Draft 6th Amended and Restated Intergovernmental Agreement \(IGA\) of the Cape Light Compact](#) Draft amendments are to make the document consistent with the approved Aggregation Plan (AP) with the exception of item K which describes the role of the Compact Administrator and which spells out the role and responsibilities. This is the one part of the CLC operations that is not completely described in the IGA but is in AP and is consistent with past practice. D. Anthony agrees with the content but sees this as a level 2 job description in a level 1 place. Atty. Bernstein said there is no other document available in which to spell out the Administrator's authority. The section is worded to provide balance and the Governing

Board can add or remove tasks delegated to the Compact Administrator without having to amend the IGA each time. The Department of Public Utilities, Attorney General and Department of Energy Resources did indicate the desire for the IGA to conform to our practices.

T. Mayo suggested a reference to a Job Description be included so as to alleviate D. Anthony's concerns. There was discussion that each Governing Board Member should provide their Town Managers and/or Selectmen/Council with the draft proposed changes, obtain feedback and guidance to vote. The amendments will be voted on at the November meeting.

There was discussion about the Chief Executive Officer (CEO) status of the Chairperson and the reference to consultation with the Administrator. There was discussion about item F. Chairman on page 12. T. Mayo expressed concern that the State often requires the signature of a CEO on various grants, etc. and he caution that the Board maintain authority on the Board over Chief Administrative Officer (CAO). Atty. Bernstein will review and distribute a revised version. M. Downey said that the County, as fiscal agent, would sign for any grants as the Chief Financial Officer. It was suggested to strike the 1st sentence and add "where required to act as CEO." It was asked if the Chairperson should be responsible to issue meeting agendas.

T. Carroll disconnected from the telephone @ 4:02 p.m.

CAPE LIGHT COMPACT GREEN

S. Wollenburg described the process of purchasing Renewable Energy Certificates (RECS) in advance. The Compact will receive funds back once re-sold. The Green Program is an opt-in program where customers can pay a premium electric rate and we match their consumption with the purchase of RECS. There is \$200,000 in fund 8075. The proposal is to use the Green Fund to purchase SRECS and then sell the SRECS for compliance and then return \$ to CLC Green. Purchase the certificates up front and get back over time. He reviewed a mark-up showing the proposed updated terms & conditions. He said the expectation is that over the course of 10 years the Compact will have paid somewhat less than it would have in the open market. The Compact will sell the SRECS at cost to the Power Supply Program. He said this is an attempt to reduce upfront costs for homeowners on low-income housing (example Habitat for Humanity) to convert to solar and reduce the mortgage payments. It is reasonable to assume that over time the price of the SREC 2 will come pretty close to the floor. Letters would be sent out to participants. The homeowner receives the value of electricity for free. It would depend on the number of households participating. He said the offer does not have to be limited to new homes. He said it is possible the Compact would have a security interest in the systems themselves. He said the Compact's interest is very much protected, limited only by the amount available.

T. Mayo left the meeting at 4:05 pm

R. Schofield moved the Board vote to approve the use of a portion of the premium collected from customers in the Cape Light Compact Green Program (Account 8075) for pre-purchasing renewable energy certificates (RECs) from projects on low-income housing and non-profits on the Cape and Vineyard. These RECs will be used for the Compact's power supply RPS compliance, and revenue from these RECs will be returned to Account 8075 and moved the Board vote to approve the updated Cape Light Compact Green SM Program Terms of Service, seconded by R. Elkin. Discussion followed concerning the sale price. S. Wollenburg said they would be sold at cost. R. Elkin suggested possibly considering increase to the price to grow the green fund and make more funding available.

S. Wollenburg said the number of RECs is small but this is a way to help low income participate in renewable energy who may not otherwise be able to or otherwise afford. It will also benefit CLC Green Power Supply.

The letter will be sent to Cape Light Compact Green Program Customers to inform them the terms of service has changed to begin pre-purchasing RECs, and to inform them of the change to the program . The main

benefit is to increase distribution across the population. There was discussion about alternative and the current market pricing.

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|---------------------------|-----|------------------------------|-----|
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| 2. R. Schofield, Bourne | Yes | 9. R. Castillo, Orleans | Yes |
| 3. D. Keuch, Brewster | Yes | 10. T. Donegan, Provincetown | Yes |
| 4. P. Cocolis, Chatham | Yes | 11. J. Peters, Sandwich | Yes |
| 5. B. Crowell, Dennis | Yes | 12. J. Buteau, Truro | Yes |
| 6. F. Fenlon, Eastham | Yes | 13. R. Elkin, Wellfleet | Yes |
| 7. B. Worth, Harwich | Yes | 14. J. Flynn, Yarmouth | Yes |

Motion carried in the affirmative (14-0-0)

ADMINISTRATORS REPORT

- **Grid Modernization Update**

M. Downey updated the board on the Grid Modernization. Eversource has filed its plan. S. Wollenburg & M. Downey are reviewing it. Their plan overlaps with the Compact's Energy Efficiency Demand Response Programs. M. Downey is also updating the Selectmen/Commissioners/Council as part of the 3-year plan presentation. That ratepayers only qualify to participate if they are on Eversource's basic service program is very disappointing, and inconsistent with the DPU directives. The plan is available on the Department of Public Utilities (DPU) website. S. Wollenburg is working on developing a comparison chart.

S. Wollenburg's last day with Cape Light Compact is October 9th. He will work with his replacement, Austin Brandt who is the Energy Manager for Provincetown.

- **Upcoming Meetings**

M. Downey provided the schedule of upcoming presentations taking place between now and Nov 19 to update on the Compact, review highlights of next 3-year plan and grid modernization update. The Power Point Presentation will be sent to Board member and corresponding town in advance.

A request has come from Delegate Killion, Assembly of Delegates, for a meeting with the Assembly's Telecommunications and Energy Committee. M. Downey responded the Compact will be happy to meet, suggested possible meeting dates and added it may be a good idea if members of the board could also attend. She thought the meeting would likely take place around 4 pm on a Wednesday. M. Downey will keep the Board posted.

The next Governing Board Meeting is scheduled for October 14th including an Open House at 12-12:30. The meeting will begin at 1 or 1:30 pm.

- **Contract Template amendment.**

Currently contracts are executed between the Vendor and Barnstable County acting as the fiscal agent to Cape Light Compact. No further action was taken on this issue at this time because it is part of the Intergovernmental Agreement discussion.

The 2014 Annual Report was distributed.

The Board acknowledged receipt of the [9/16/15 CVEC letter](#) relative to the Round 1 PV Projects and Administrative Adder.

R. Toole disconnected from the phone at 4:37 pm.

No member of the Vineyard was present. B. Schofield doubted the presence of a quorum.

The members disbanded at 4:39 p.m.

Respectfully submitted,

Karen E. Loura
Administrative Assistant

LIST OF DOCUMENTS & EXHIBITS:

- Meeting Notice/Agenda
- Draft July 8, 2015 Governing Board Open Session Meeting Minutes
- 2014 Audit Exit Conference Presentation dated 9/16/15 by C. Rogers, CPA, Principal, CliftonLarsonAllen
- 2015 Energy Efficiency Budget Comparison (Budget/Actuals January through August)
- Operating Fund Expenditure Totals report dated 9/16/15
- Contract Summary Sheet April – July, 2015
- Draft 6th Amendment to the Inter-governmental Agreement of the Cape Light Compact dated 10/14/15
- Copy of 9/15/15 email from Chris Barry-Smith, Mass. First Assistant Attorney General to Atty. J. Bernstein
- Vineyard Power – Power Point Presentation
- Copy of Community Empowerment (H.2895)
- Copy of draft letter to Green Program Participants and red-lined Terms of Services
- Copy of proposed pg. 16 Contract Template
- Schedule for Cape Light Compact Update/3-year Plan Presentations
- 9/16/15 Letter from CVEC re: Round 1 PV Projects and Administrative Operational Adder