

Cape Light Compact Executive Committee & Governing Board Meeting

DATE: Wednesday, March 9, 2016
LOCATION: Innovation Room, Open Cape Building
3195 Main Street, Barnstable County Complex
TIME: 2:00 – 4:30 p.m.

AGENDA

- 2:00 – 2:10 Public Comment
- 2:10 – 2:20 Approval of Minutes
- 2:20 – 2:30 Treasurer’s Report, Potential Vote to Ratify Treasurers’ Approval of Contracts
- 2:30 – 2:40 Chairman’s Report
- 2:40 – 2:50 Administrator’s Report
- 2:50 – 3:15 Energy Efficiency Update
1. Review of 2015 Preliminary Savings and Benefits, Meredith Miller
 2. Discussion and Potential Vote on Bourne Middle School, Margaret Song
 3. Discussion and Potential Vote on Clarifying Commercial & Industrial Programs – Policy for Non Profits, Margaret Song
- 3:15 – 4:00 Presentation and Discussion on Grid Modernization and Plans filed by Massachusetts Distribution Companies (DPU 15-120, 15-121 and 15-122), and Overview of Micro Grids, Austin Brandt and Kevin Galligan
- 4:00 – 4:30 Open Session Vote on entry into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) to discuss litigation strategies and potential vote regarding Electric Distribution Companies and Interstate Natural Gas Pipeline Capacity Contracts, DPU 15-181, DPU 16-05 and DPU 16-07
- 4:30 Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)

Draft minutes subject to addition, correction and Board approval.

2. R. Schofield, Bourne	Yes	10. J. Peters, Sandwich	Yes
3. P. Cocolis, Chatham	Yes	11. J. Buteau, Truro	Yes
4. V. Bell, Harwich	Yes	12. R. Elkin, Wellfleet	Yes
5. D. Anthony, Barnstable	Yes	13. S. Hruby, W. Tisbury	Yes
6. F. Fenlon, Eastham	Yes	14. D. Keuch, Brewster	Yes
7. R. Zweig, Falmouth	Yes	15. R. Castillo, Orleans	Abs
8. R. Toole, Oak Bluffs			

Motion carried in the affirmative (14-0-1)

TREASURER'S REPORT

P. Cocolis reviewed the summary of contracts approved since last meeting. S. Hruby moved the Board vote to ratify the actions of the Treasurer, seconded by R. Schofield and voted by roll call as follows:

1. D. Anthony, Barnstable	Yes	9. R. Castillo, Orleans	Abs
2. R. Schofield, Bourne	Yes	10. T. Donegan, Provincetown	Yes
3. D. Keuch, Brewster	Yes	11. J. Peters, Sandwich	Yes
4. P. Cocolis, Chatham	Yes	12. J. Buteau, Truro	Yes
5. F. Fenlon, Eastham	Yes	13. R. Elkin, Wellfleet	Yes
6. R. Zweig, Falmouth	Yes	14. S. Hruby, W. Tisbury	Yes
7. V. Bell, Harwich	Yes	15. J. Flynn, Yarmouth	Yes
8. R. Toole, Oak Bluffs	Yes		

Motion carried in the affirmative (15-0-0)

CHAIRMAN'S REPORT

Chr. Flynn encouraged members to engage commercial and industrial businesses as potential customers in their travels.

DISCUSSION AND PRESENTATION ON ENERGY EFFICIENCY PLAN COMMERCIAL & INDUSTRIAL PROGRAMS – MUNICIPAL AND NON PROFITS, POTENTIAL VOTE ON ANY RECOMMENDED ACTION, MARGARET SONG

M. Song provided a Power Point Presentation entitled Commercial & Industrial Programs. There was discussion about the timing of Municipal projects within the 3-year plan and municipal budget cycles. The Cape Light Compact has recently contracted with Peregrine Energy who has good experience working with Municipalities. Peregrine has a planning tool currently in use in Amesbury which provides Towns with a living document to track equipment and usage. Mass Energy Insights produced a tool for use in the green communities program and they are available to any town. The Board was in support and the staff will test with the Towns.

The sense of the board is comfortable with the changes for municipal customers which are addressed through the program. D. Anthony said he thinks changes will have an impact on the amount of work the town will need to do.

Non-profit Organizations Program

M. Song reviewed qualifying criteria to participate in the Non-profit Organization (NPO) Program. She said the goal is to serve 100 NPO's. She reported there have been 4 NPO inquiries already but the demand or popularity is unknown. The incentives are up to 100% for all cost effective measures. The eligibility criteria are listed on the application and are on the Compact's web site. The members were encouraged to submit candidates. Chr.

Flynn suggested adding ownership as a pre-requisite. 501 (C) 3 organizations are required to file annual reports.

GRID MODERNIZATION PLANS FILED BY MASSACHUSETTS DISTRIBUTION COMPANIES (DPU 15-120, 15-121 AND 15-122)

M. Downey presented the Grid Mod White Paper prepared by Stephan Wollenburg. The Tech Council has requested the White Paper as soon as it is complete. She said members can also share this with their Selectmen. There was discussion about micro grids and the Town of Barnstable was used as an example. A Brandt is working with the Clean Energy Center. Micro grids provide more of a circular (two way) flow of energy that has isolated storage capability. R Elkin asked a question about technology installed in Quebec. He noted that Quebec has bi-directional transformers 100%. J. Flynn asked to have staff research and report back to board. There was discussion about Grid Modernization in Rhode Island. S. Wollenburg and A. Brandt will prepare a presentation covering the topic and Kevin Galligan can provide a presentation on micro grids in general from an engineering standpoint possibly at the March meeting.

DRAFT BOARD MEMBER ROLES AND RESPONSIBILITIES

The Board reviewed the re-drafted Roles & Responsibilities. S. Hruby asked about Board Members who never attend meetings. There was discussion about the Board's responsibility for general management. The Board agreed to insert "alternates" so that the first bullet will read "Compact Governing Board members/*alternates* shall use their best efforts to..." P. Cocolis moved the Board vote to accept the Cape Light Compact Governing Board Roles and Responsibilities dated February 10, 2016 as amended, seconded by S. Hruby and voted by roll call as follows:

1. D. Anthony, Barnstable	Yes	9. R. Castillo, Orleans	Abs
2. R. Schofield, Bourne	Yes	10. T. Donegan, Provincetown	Yes
3. D. Keuch, Brewster	Yes	11. J. Peters, Sandwich	Yes
4. P. Cocolis, Chatham	Yes	12. J. Buteau, Truro	Yes
5. F. Fenlon, Eastham	Yes	13. R. Elkin, Wellfleet	Yes
6. R. Zweig, Falmouth	Yes	14. S. Hruby, W. Tisbury	Yes
7. V. Bell, Harwich	Yes	15. J. Flynn, Yarmouth	Yes
8. R. Toole, Oak Bluffs	Yes		

Motion carried in the affirmative (15-0-0)

BOARD MEMBER UPDATE (RESERVED FOR UPDATES ON MEMBER ACTIVITIES THE CHAIR DID NOT REASONABLY ANTICIPATE WOULD BE DISCUSSED – NO VOTING)

- S Hruby request to see data on power supply customer participation quarterly or bi annually w/o creating too much paperwork. She is interested to see trends.
- P. Cocolis reported on receipt of marketing mail from Direct Energy.
- P. Cocolis reported on an article about Delegate Princi's proposal to revamp the county government to combine the Assembly of Delegates and the Cape Cod Commission and assembling a 5-7 member board run Barnstable County.
- R. Toole reported on M. Downey's presentation to the Oak Bluffs Selectmen on February 9th. He said she did a very professional and great job.
- Elkin asked about the marketing plan and whether the Compact should discuss seeking alternate fiscal agents.

ADMINISTRATOR'S REPORT

Power Supply Marketing Campaign

M. Downey provided the Power Supply Marketing Plan Update. The Cape Light Compact will begin marketing and ConEdison Solutions will provide newspaper advertising and direct mailings to lost customers.

L. Henderson provided a review of the Power Supply Marketing Campaign. She said a "How to Read Your Bill" flyer is being developed for placement in libraries, etc. and there are a few presentations scheduled at senior centers. She asked members to provide feedback if they get it. ConEdison Solutions is keeping track of how customers heard of our program.

DPU 16-161

M. Downey reported on DPU 16-181 which contains a large legal announcement addressing new Natural Gas (NG) pipelines and potential long-term contracts. She said the Compact will need to make a decision timely whether to intervene. She described the issue is that Natural Gas prices drives the price of electricity generation in New England and there are currently pipe-line constraints. They are seeking to have electric customers pay the expense to expand NG pipelines. The Cape Light Compact Staff and technical consultants have expressed concern over the proposal. She said she anticipates this will likely be an expensive docket to participate in but that there may be other partners out there.

Atty. Bernstein reviewed liquid natural gas transportation and the Algonquin pipeline. He said Eversource is seeking to contract for transportation of 98,000 million British Thermal Units (BTUs)/day capacity and 78,400 million BTUs for 20 years and other contracts for smaller amounts. Transportation is from the Marcella shale fracked gas. Plans include a new LNG plant in Acushnet that will be served. It also seeks approval of a reliability service program. Eversource's argument is that it will benefit all electric ratepayers. Petitions/filings are due to DPU by 2/25. There is a LNG facility plant permitted or proposed in Acushnet that will be served by this.

There was discussion about forms of filing, (i.e., as interested party, full participant, in support or against). Atty. Bernstein said an initial filing is within budget but the Board will need to consider how far to go relative to budgets. R. Zweig said the Marcella shale NG reserves were reported to be in decline; and if so, it does not make sense to build pipelines to that reserve.

P. Cocolis recommended positioning the Compact to understand and then decide how to proceed. The Utility seeks to have the consumer pay for the pipeline up front. There was a sense of the board to file initially and then revisit.

Administrative Services Agreement

M. Downey reported the Administrative Services Agreement between Cape Light Compact and Barnstable County is being updated. It will be useful regardless of the fiscal agent entity. The Compact has not engaged anyone else for fiscal agency. She will notify the Board when it is finalized and when it will go before the County Commissioners for approval. She urged Board members to attend. The Cape Light Compact pays 100% of its expense and generates positive revenues for Barnstable County.

Draft minutes subject to addition, correction and Board approval.

Sponsorships

M. Downey reported the Department of Public Utilities (DPU) has required a Sponsorship Policy, which will be brought back to the Board at a future meeting. In general, Board Members should not serve on other boards sponsored by the Cape Light Compact.

Next Meeting

The next Board Meeting will take place March 9, 2016 @ 2:00 p.m. M. Downey said there may be a possible need to meet also on March 23, 2016.

ADJOURNMENT

At 4:17 p.m., S. Hruby moved the Board vote to adjourn, seconded by P. Cocolis, and voted unanimously in favor.

Respectfully submitted,

Karen E. Loura

LIST OF DOCUMENTS & EXHIBITS

- Meeting Notice/Agenda
- January 27, 2016 Meeting Minutes – Draft
- Contract Summary update (1/28/16-2/10/16)
- Commercial & Industrial Programs Power Point Presentation
- Massachusetts Department of Public Utilities Grid Modernization Plan Proceedings and Cape Light Compact Participation by Stephan Wollenburg, dated February 10, 2016
- Draft Non-Profit Enhanced Incentive Application
- Draft Cape Light Compact Governing Board Roles and Responsibilities dated February 10, 2016

**Agenda Action Request
Cape Light Compact
Meeting Date: 3/9/2016**



Ratify Actions of Treasurer

REQUESTED BY: Peter Cocolis

Proposed Motion(s)

I move the Board vote to ratify the actions of the Compact Treasurer relative to Compact contracts from February 16, 2016 through March 8, 2016.

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.

Additional Information

- **This motion is consistent with the Board's March 11, 2015 vote to establish a contract review process**

Record of Board Action

Motion by:	Second by:	# Aye	# Nay	# Abstain	Disposition

- Aquinnah*
- Barnstable*
- Barnstable County*
- Bourne*
- Brewster*
- Chatham*
- Chilmark*
- Dennis*
- Dukes County*
- Eastham*
- Edgartown*
- Falmouth*
- Harwich*
- Mashpee*
- Oak Bluffs*
- Orleans*
- Provincetown*
- Sandwich*
- Tisbury*
- Truro*
- Wellfleet*
- West Tisbury*
- Yarmouth*

Vendor Name	Amount of Amendment	Amount of Contract	Term	Purpose	Competitively Procured Y/N	P. Cocolis (A)Approved/(D) Denied	Commissioner's Approved
Rise Engineering		\$11,843,081 (2016 budget)	1/1/16-12/31/18	Home Energy Services Lead Vendor	Y	2/16/2016	3/2/2016
CLEARResult	\$63,200.00		1/1/16-12/31/16	Residential HVAC services	Y	2/16/2016	3/2/2016
Cadmus Group	\$90,000.00		1/1/16-12/31/16	1st Amendment to Marketing & Education Services of Lighting & Products Program	Y-Statewide RFP	2/16/2016	3/2/2016
Synapse Energy Economics, Inc.	\$15,000.00	\$78,800.00	10/1/15-12/31/15	1st Amendment to ISO New England Forward Capacity Market Services Contract	N Ch. 30B exemption	2/17/2016	3/2/2016
Synapse Energy Economics, Inc.	\$64,620.00	\$64,620.00	1/1/16-6/30/16	2nd Amendment to ISO New England Forward Capacity Market Contract Services	N Ch. 30B exemption	2/17/2016	3/2/2016
Synapse Energy Economics, Inc.	\$153,120.00	\$153,120.00	1/1/16-6/30/16	1st Amendment to Energy Efficiency Services Contract	N Ch. 30B exemption	2/17/2016	3/2/2016
The Weidt Group		pricing matrix	2/1/16-12/31/17	Contract for C/I New Construction Program	Y	2/25/2016	3/2/2016
CMC Energy Services, Inc.	\$60,500.00	\$60,500.00	1/1/16-12/31/16	1st Amendment to Residential HES QA/QC	N Ch 30B Exemption	3/2/2016	
KEMA		\$100,000.00	1/1/16-6/30/19	Residential Evaluation Data Management Services	Y	3/8/2016	
NMR Group, Inc.		\$550,000.00	1/1/16-6/30/16	Residential New Construction and Lighting & Products Evaluation Services	Y	3/8/2016	

FOR 2016 09

ORIGINAL APPROP	TRANSFRS/ADJSTMS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED

120 CAPE LIGHT COMPACT						

8074 CAPE LIGHT COMPACT OPERTG FUND						

6074 5100	CLC OPERTG FD-SALARIES					
0.00	194,586.00	194,586.00	148,930.66	0.00	45,655.32	76.5%*
6074 5213	CLC OPERTG FD-TELEPHONES					
0.00	3,000.00	3,000.00	0.00	0.00	3,000.00	.0%
6074 5220	CLC OPERTG FD-UTILITIES					
0.00	4,500.00	4,500.00	2,654.92	0.00	1,845.08	59.0%
6074 5233	CLC OPERTG FD-AUDIT/ACCTG SVCS					
0.00	32,900.00	32,900.00	11,000.00	0.00	21,900.00	33.4%
6074 5235	CLC OPERTG FD-LEGAL SERVICES					
0.00	299,375.00	299,375.00	99,323.32	0.00	200,051.68	33.2%
6074 5238	CLC OPERTG FD-IT COUNTY SUPPRT					
0.00	8,750.00	8,750.00	8,098.98	0.00	651.02	92.6%*
6074 5239	CLC OPERTG FD-CONTRACTUAL					
0.00	65,000.00	65,000.00	33,127.60	20,745.00	11,127.40	82.9%*
6074 5244	CLC OPERATG FD-PROFESS DEVELOP					
0.00	5,000.00	5,000.00	1,160.00	0.00	3,840.00	23.2%
6074 5270	CLC OPERATG FD-CUSTO/MAIN-CNTY					
0.00	9,226.00	9,226.00	9,226.00	0.00	0.00	100.0%*
6074 5281	CLC OPERTG FD-OUTSTATE TRAVEL					
0.00	6,000.00	6,000.00	2,101.75	0.00	3,898.25	35.0%
6074 5282	CLC OPERTG FD-IN STATE TRAVEL					
0.00	16,000.00	16,000.00	12,983.67	348.75	2,667.58	83.3%*
6074 5291	CLC OPERTG FD-ADVERTISING					
0.00	38,561.00	38,561.00	23,692.70	0.00	14,867.30	61.4%
6074 5293	CLC OPER-OUTRCH/MARKETG CONTRC					
0.00	76,520.75	76,520.75	69,997.75	1,265.00	5,258.00	93.1%*
6074 5294	CLC OPERTG FD-FREIGHT/SHIPPG					
0.00	250.00	250.00	35.14	0.00	214.86	14.1%
6074 5295	CLC OPERTG FD-PRINTG/COPYG					
0.00	10,627.30	10,627.30	4,384.71	5,463.05	777.54	92.7%*
6074 5298	CLC OPERTG-LED ST LIGHTS-CONTR					
0.00	12,944.25	12,944.25	0.00	0.00	12,944.25	.0%
6074 5320	CLC OPERTG FD-FOOD SUPPLIES					
0.00	500.00	500.00	195.20	0.00	304.80	39.0%
6074 5361	CLC OPERTG FD-POSTAGE					
0.00	13,851.52	13,851.52	5,447.21	6,512.03	1,886.28	66.4%*
6074 5399	CLC OPERTG FD-SUPPLIES					
0.00	2,000.00	2,000.00	401.47	84.60	1,513.93	24.3%

FOR 2016 09

	ORIGINAL APPROP	TRANSFRS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
8074 5421		CLC OPERTG FD-SPONSORSHIPS					
	0.00	30,000.00	30,000.00	16,465.00	7,000.00	6,535.00	78.2%*
8074 5429		CLC OPERTG FD-SUBSCRIPTIONS					
	0.00	2,500.00	2,500.00	0.00	0.00	2,500.00	.0%
8074 5433		CL OPERTG FD-PUBLIC OFFICL INS					
	0.00	8,208.51	8,208.51	7,651.96	0.00	556.55	93.2%*
8074 5462		CLC OPERTG FD-BUILDING RENTAL					
	0.00	17,500.00	17,500.00	14,725.44	0.00	2,774.56	84.1%*
8074 5463		CLC OPERTG FD-EQUIP RENTAL					
	0.00	10,000.00	10,000.00	0.00	0.00	10,000.00	.0%
8074 5499		CLC OPERTG FD-BANK FEES					
	0.00	200.00	200.00	38.44	0.00	161.56	19.2%
8074 5981		CLC OPERTG FD-RETIREMENT					
	0.00	33,080.00	33,080.00	45,481.00	0.00	12,401.00	137.5%*
8074 5983		CLC OPERTG FD-GRP INSUR					
	0.00	33,557.00	33,557.00	12,406.61	0.00	21,150.39	37.0%
8074 5984		CLC OPERTG FD-MEDICARE					
	0.00	3,217.00	3,217.00	2,078.40	0.00	1,138.60	64.6%
8074 5990		CLC OPERTG FD-FINANCE SUPPORT					
	0.00	4,791.49	4,791.49	4,791.49	0.00	0.00	100.0%*
	GRAND TOTAL						
	0.00	942,645.82	942,645.82	536,400.44	41,426.43	364,818.95	61.3%

** END OF REPORT - Generated by Maggie Downey **

2015 Preliminary EE Results

Cape Light Compact Governing Board Meeting

March 9, 2016

Meredith Miller

**Cape Light
Compact**



Working together toward a smarter energy future

Introduction

- Preliminary Results for last year of 2013-2015 Three Year Plan
- Final results with filing of Term Year Report likely in June
- Context in history and projections for 2016-2018
- How the Other PAs did



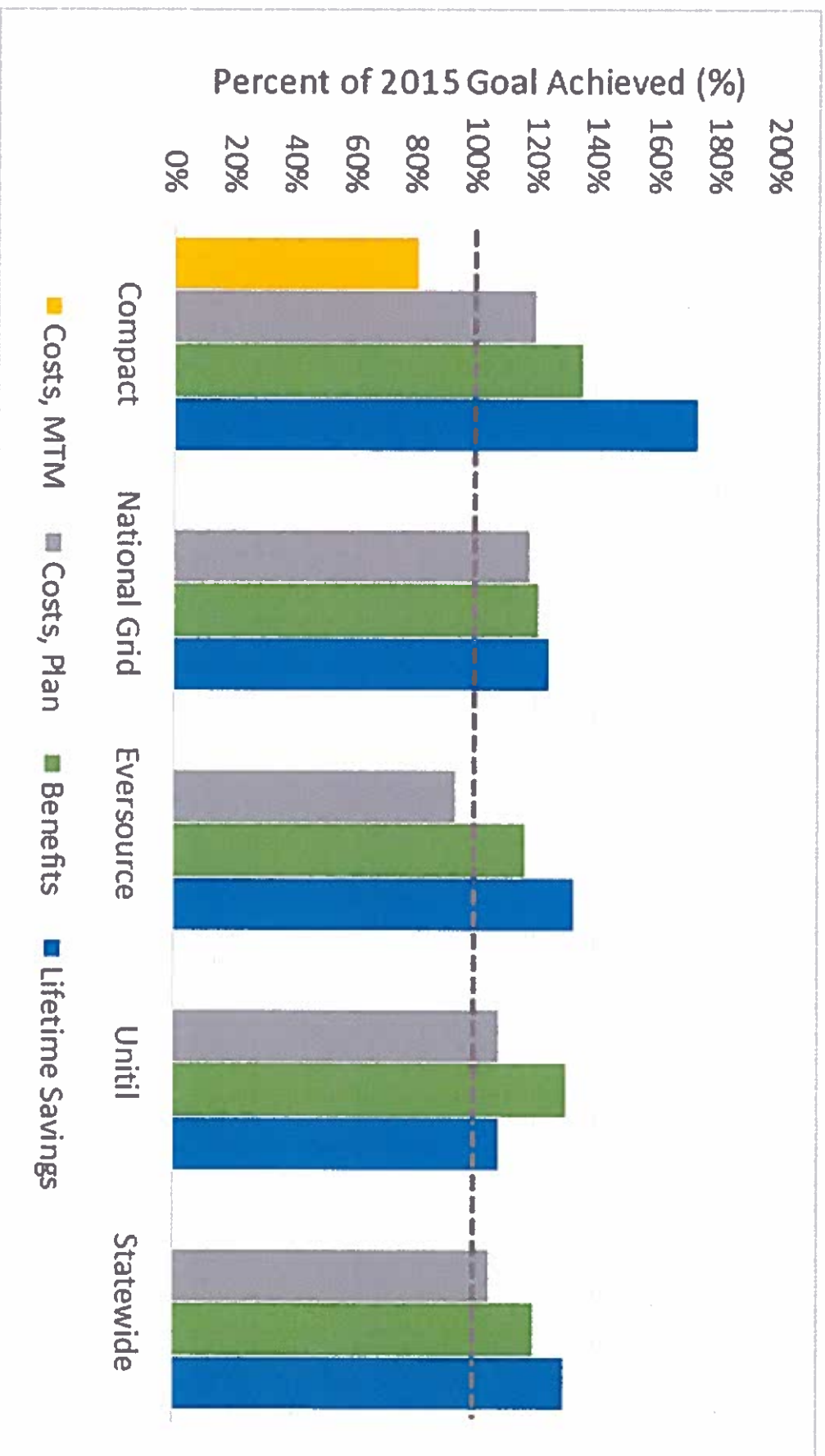
2015 Preliminary Results



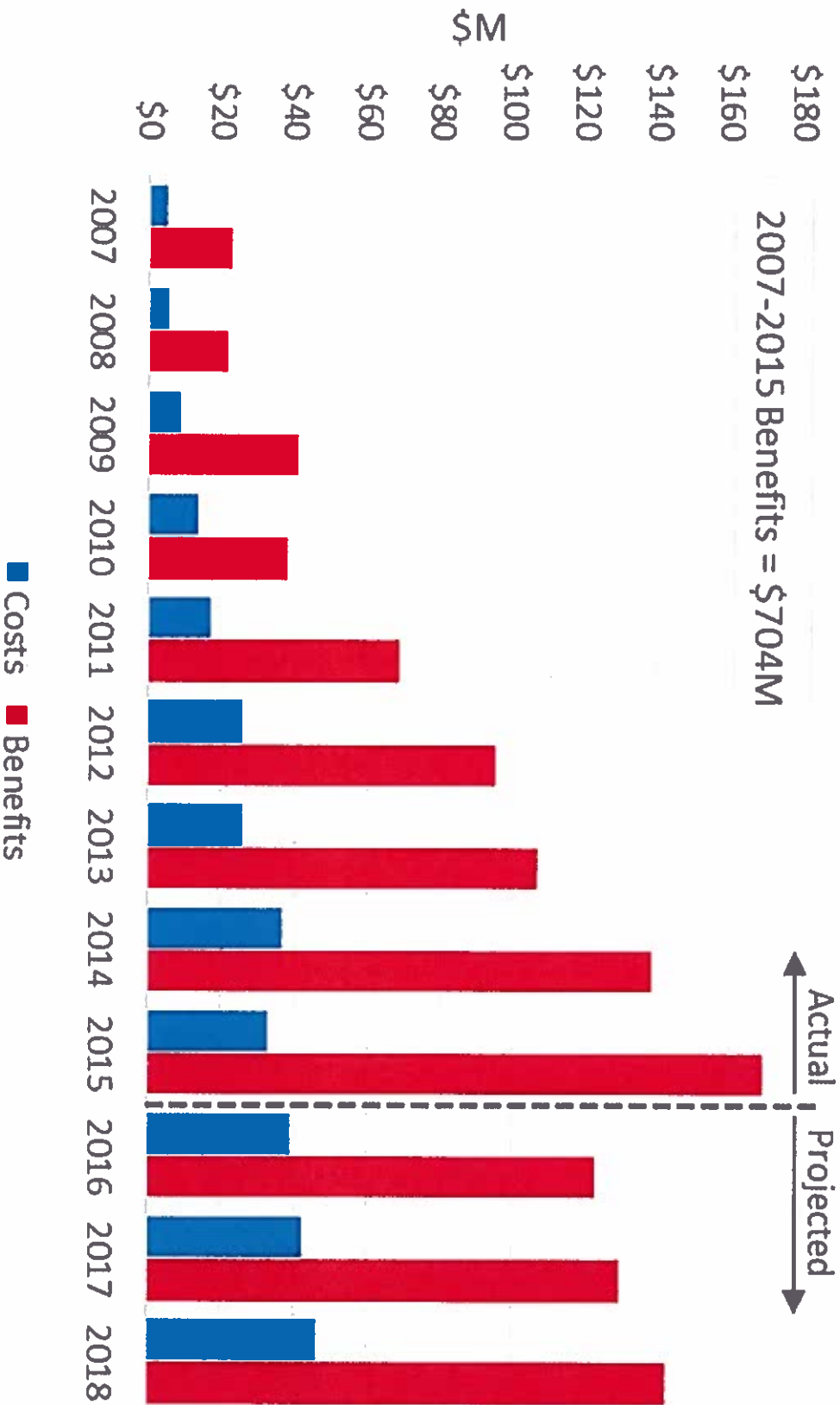
Cape Light Compact 2015 Summary Results					
	Budget (2015 MTM)	Benefits	Annual Savings (MWh)	Lifetime Savings (MWh)	BCR
Planned					
Residential	22,707,927	75,585,299	16,696	156,226	4.33
Low-Income	4,325,302	12,360,221	1,647	14,330	3.43
C&I	13,953,080	37,143,147	19,934	214,709	4.12
Total	40,986,309	125,088,667	38,276	385,265	4.16
Preliminary*					
Residential	19,355,108	115,411,026	26,925	346,769	4.00
Low-Income	3,375,278	8,590,673	1,624	21,033	2.69
C&I	10,531,356	45,197,997	25,152	299,733	3.78
Total	33,261,741	169,199,696	53,701	667,534	3.85
% of Goal	81%	135%	140%	173%	n/a

**Preliminary results as reported in CLC's Q4 Report. Budget figures include MUNIS-reported expenditures through 12/31/2015. Additional expenditures and associated savings and benefits will be included in CLC's final 2015 results in the 2015 Term Report.*

How the Other PAS Did



Where We've Been and Where We're Going



2010-2018 COMPARISON



Cape Light Compact 2010-2018 Comparison

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenditures	\$14M	\$17M	\$26M	\$26M	\$37M	\$33M	\$39M	\$43M	\$47M
Benefits	\$38M	\$69M	\$96M	\$107M	\$139M	\$169M	\$123M	\$130M	\$143M
Annual Savings (MWh)	15K	25K	29K	29K	50K	54K	60K	58K	59K
Lifetime Savings (MWh)	166K	262K	297K	293K	494K	668K	553K	551K	588K
Portfolio BCR	2.54	3.60	3.18	3.55	3.21	3.85	2.50	2.56	2.66

Takeaways

- Compact's Programs are highly cost-effective
- Compact responded to ambitious plan goals with sustained strong performance while maintaining costs within planned levels
- Compact continuing efforts to respond to ambitious goals forward with new enhancements and initiatives

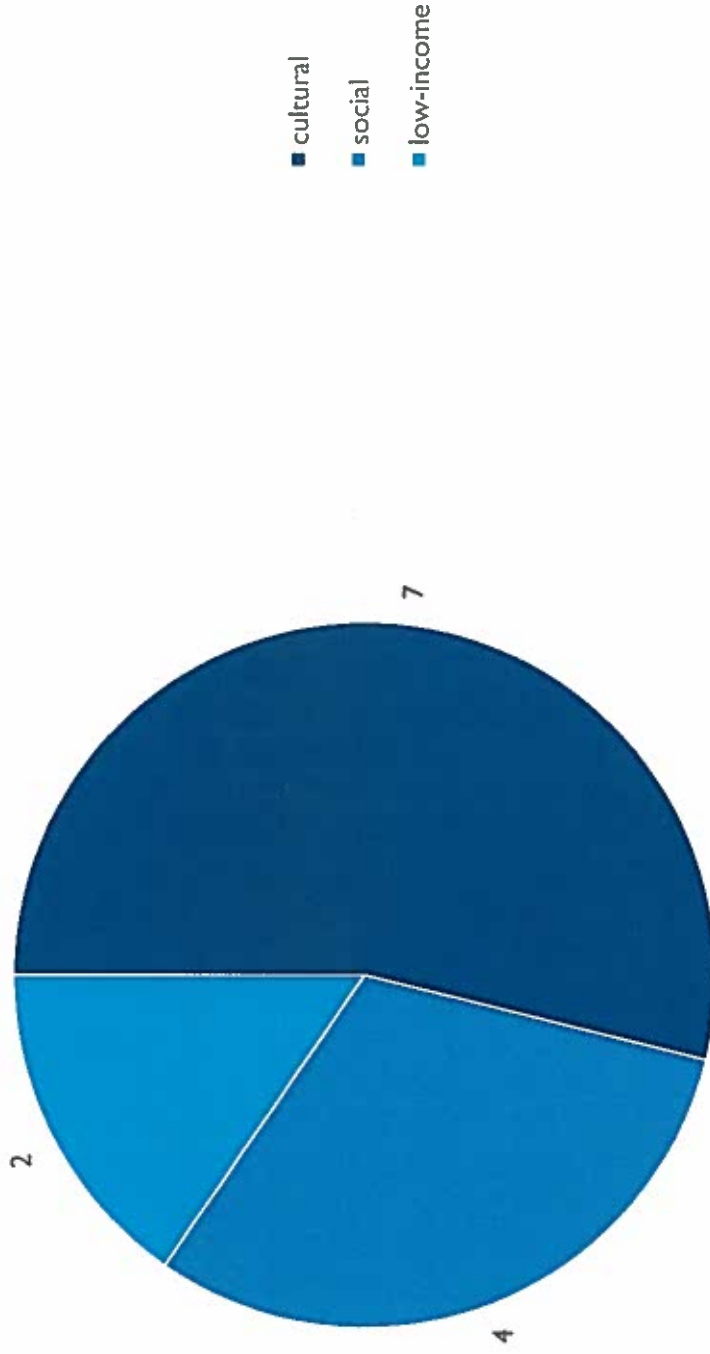


NON-PROFIT UPDATE

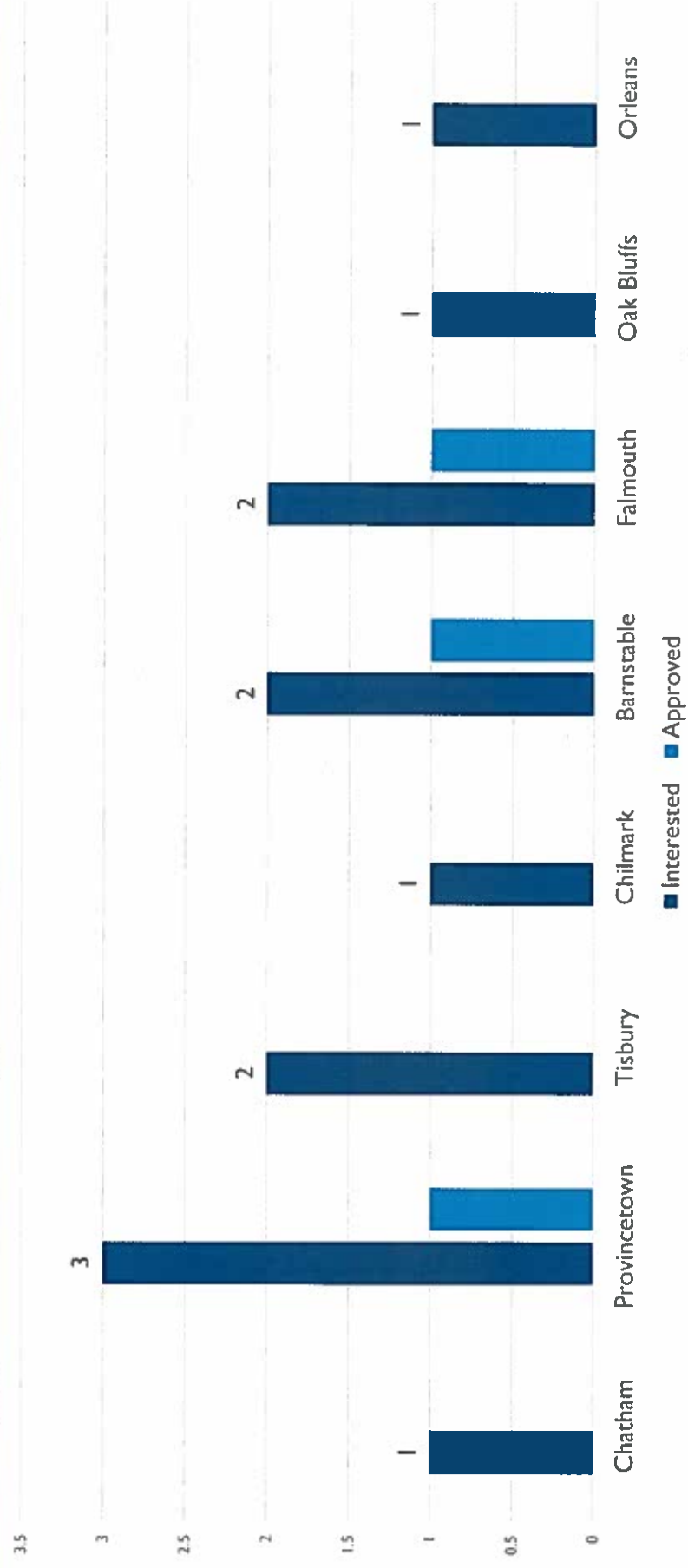
MARGARET SONG – 03.09.16



CATEGORY OF INTERESTED NON-PROFITS



INTERESTED AND APPROVED NON-PROFITS



POLICY DECISION – POTENTIAL VOTE

- Cultural non-profit
- Current language says the following:
 - Unrestricted Annual Operating Revenue of less than \$2 million for:*
 - Organizational purpose to provide one of the following:
 - Promotion and advancement of **economic development**
 - **Social services** that are open to all members of the public
 - **Cultural services** that increase access to arts, science, history and heritage
- \$2.6M budget but 2 different sites
- Other criteria has been met

Policy to reflect budget and multiple sites.

Vote to approve application of budget criteria to each site rather than the entire organization. So, for example, if there are multiple sites (not multiple buildings), then the non-profit criteria of the budget would be assigned as per site.