

**Cape Light Compact  
Governing Board and Executive Committee  
Open Session Meeting Minutes  
Wednesday, November 9, 2016**

The Cape Light Compact Governing Board and Executive Committee met on Wednesday November 11, 2016 in the Innovation Room, Open Cape Building, Barnstable County Complex, 3195 Main Street, Barnstable MA 02630 at 1:02 p.m.

**PRESENT WERE:**

1. Joyce Flynn, Chair, Yarmouth
2. Robert Schofield, Vice-Chair
3. Ronald Zweig, Secretary, Falmouth
4. Peter Cocolis, Treasurer, Chatham
5. Fred Fenlon, Eastham
6. Andrew Gottlieb, Mashpee
7. Thomas Donegan, Provincetown – By phone
8. Richard Elkin, Wellfleet – Arrived at 1:05 pm
9. Sue Hruby, West Tisbury
10. Paul Pimentel, Edgartown – By phone
11. Martin Culik, Orleans Alternate
12. Joshua Peters, Sandwich
13. David Anthony, Barnstable – Arrived at 1:11 pm
14. Richard Toole, Member at Large, Oak Bluffs – By phone at 1:08 pm
15. Sheila Lyons, Barnstable County, By phone at 1:59 pm

**ABSENT WERE:**

16. Deane Keuch, Brewster
17. John Ally, Dukes County
18. Michael Hebert, Aquinnah
19. Brad Crowell, Dennis
20. Tisbury - vacant
21. Tim Carroll, Chilmark
22. Valerie Bell, Harwich
23. Joseph Buteau, Truro

Members physically present: 11  
Members present by phone: 4

**LEGAL COUNSEL**

Jeff Bernstein, Esq., BCK Law, PC

**AUDITOR**

Chris Rogers, CliftonLarsonAllen, LLP

**STAFF PRESENT:**

Maggie Downey, Administrator  
Margaret Song, Commercial & Industrial Program Manager  
Austin Brandt, Power Supply Planner  
Meredith Miller, EM&V Manager  
Lindsay Henderson, Analyst  
Jacob Wright, Special Projects Coordinator

**PUBLIC PRESENT:**

Chris Powicki at 2:32 pm

Chair J. Flynn opened the meeting at 1:02 pm and recognized Board Members that were participating remotely by phone due to geographic distance.

### **EXECUTIVE SESSION**

At 1:04 p.m., Chair J. Flynn moved that we enter into Executive Session pursuant to MGL Chapter 30A §21(a) 3 to discuss strategy with respect to pending regulatory litigation relative to National Grid and the Cape Light Compact and the National Grid Agreement for Natural Gas Heated Homes (DPU16-169) and in accordance with M.G.L. 30A, §21(a)(10), to discuss confidential Next Era Energy power supply contract including confidential and competitively sensitive or other proprietary information. The Chair declared that an open session may have a detrimental effect on the Cape Light Compact’s litigating position and that disclosure of confidential and competitively-sensitive information will adversely affect its ability to conduct business in relation to other entities making, selling or distributing electric power and energy. The Executive Committee/Governing Board will return to Open Session at the conclusion of Executive Session.

Seconded by R. Schofield and voted by roll call as follows:

- |                          |     |
|--------------------------|-----|
| 1. R. Schofield - Bourne | yes |
| 2. R. Zweig – Falmouth   | yes |
| 3. P. Cocolis – Chatham  | yes |
| 4. J. Flynn - Yarmouth   | yes |

*Motion carried in the affirmative (4-0-0)*

The Executive Committee returned to open session at 1:55 pm.

### **PUBLIC COMMENT**

There was no public comment.

S. Lyons joined the meeting remotely at 1:59PM.

### **PRESENTATION AND DISCUSSION OF 2015 INDEPENDENTLY AUDITED FINANCIAL STATEMENTS, CHRIS ROGERS, CLIFTON LARSON ALLEN, LLP**

Chris Rogers presented the audit for the 2015 Financials. Mr. Rogers briefly touched on some terminology changes to address confusion with how employees of the Compact are processed through Barnstable County. The Auditor’s opinion was listed as ‘unmodified’, which is the best opinion available, and that the statements are being provided fairly. He stated that capital assets have increased by 500k due to the new Energy Efficiency Collaboration Platform, which will depreciate over 5 years to 2021. Accrued long term liabilities jumped due to the fact that pensions are now required to be reported on long term liabilities. R. Elkin asked if these pension liabilities would transition with us seamlessly if we moved fiscal agents. M. Downey stated that the statement of position would roll over. T. Donegan asked what the strictly pension cost to the Compact would be. C. Rogers stated that the parent entity is still responsible for their share of time related to the pensions.

The audit’s overall finding was no significant discrepancies within the financials of the Compact.

## **POWER SUPPLY – 2017 GREEN AGGREGATION PROGRAM**

Austin Brandt provided a presentation on the 2017 Green Aggregation Program. He stated this information has been previously provided to the board; but, for the benefit of the public, he's going to cover it again. A. Brandt noted that the purpose of RECs is to incentivize the growth of renewable energy. Class 1 RECs are from renewable energy projects built post 1997, whereas Class 2 are all pre-1998. The renewable energy projects can be located in other states but must be deliverable to ISO-New England Grid.

The Board needs to determine if it wishes to increase the purchase of RECs to match 100% of Compact's load and fund new renewable energy projects. The Board directed staff to conduct outreach to inform ratepayers about green aggregation, which has already been initiated via public meetings held in West Tisbury, Mashpee and Harwich, . Ratepayers have indicated that 'going green' is important, but price is also important. The Board agreed that becoming a green aggregator adds value to the Compact, adding an incentive for electric customers to stay with or even switch to the Compact.

R. Zweig moved that the Board pursue the roll-out of a Cape Light Compact Green Aggregation Program for all participating electric customers effective on January meter reads: the Compact staff be directed to roll out the program on Wednesday, December 7, 2016: and the Compact Administrator be 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 R. Schofield and voted by roll call as follows:

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|--------------------------|-----|
| 1. R. Schofield - Bourne | yes |
| 2. P. Cocolis – Chatham  | yes |
| 3. R. Zweig – Falmouth   | yes |
| 4. R. Toole – Oak Bluffs | yes |
| 5. J. Flynn - Yarmouth   | yes |

*Motion carried in the affirmative (5-0-0)*

## **ENERGY EFFICIENCY UPDATE, MARGARET SONG**

M. Song asked the Board to approve up to a \$475,000 incentive for a lighting retrofit at Mashpee High School. The lighting project will add sensors to the school and wireless control. Margaret noted that there are enough funds in the energy efficiency budget. This project would account for 26.65% of our annual budget but would account for 45% of our total kWh savings. M. Song indicated that the payback is 5 years. R. Zweig asked if the cost of this project will place other projects on the back burner. M. Song indicated that there are other projects in queue in Bourne, Barnstable, Sandwich and Harwich in terms of signatures, indicating that there is ample budget to cover all projects. P. Pimentel inquired as to cyber-security threats in regards to the wireless sensors. M. Song said she'd follow up and find out about that.

B. Schofield moved the board vote to revise the waiver of \$150,000 incentive cap for Mashpee High School, increasing the cap to allow for a project incentive of no more than \$475,000. 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 P. Cocolis and voted by roll call of the Executive Committee as follows:

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|--------------------------|-----|
| 1. R. Schofield - Bourne | yes |
| 2. P. Cocolis – Chatham  | yes |
| 3. R. Zweig – Falmouth   | yes |
| 4. R. Toole – Oak Bluffs | yes |
| 5. J. Flynn - Yarmouth   | yes |

*Motion carried in the affirmative (5-0-0)*

P. Pimentel left at 3:05pm.

### **ENERGY EFFICIENCY SURCHARGE PRESENTATION – M. DOWNEY**

M. Downey states that the 2017 budget is increasing by almost \$2.7 million due to increased liabilities reflected through the audit as a result of rule changes.

### **CHAIRMAN’S REPORT**

J. Flynn stated that the staff has put together new member packets. She reminded everyone to follow up with their respective Selectmen and/or Council Members, regarding the DPU hearing on 16-169 and also reminded the Board that they should advise people to sign up for energy audits. She suggested that monthly Energy Efficiency reports that are sent to town administrators be included in Selectmen/Council Member packets as well.

### **TREASURER’S REPORT**

P. Cocolis referred everyone to the operating budget, reminding everyone it is a July to June fiscal budget. From a general overview, the Compact is in good shape. He referred to first page and stated that CLC Outreach and Marketing is already at 88%, mostly due to encumbrances. Other Post Employment Benefits, which is already paid up front, is at 76%. D. Anthony asked about the bill for the 2015 Audit, which M. Downey replied saying that it’s been paid, and is paid in 2 separate invoices, each calendar year.

P. Cocolis referred everyone to the Energy Efficiency budget. He stated that this accounting just covers those items that have already been paid. He commented that Commercial and Industrial is the predominant share. R. Zweig inquired why expenditures haven’t reached a sort of average plateau, rather than this spiking pattern we see with three year plans. M. Downey stated that with new incentives and plans with a new 3 year program, it seems to take time for things to ramp up. P. Cocolis continued saying that it’s important for us to be aware of new initiatives and how they can affect the expenditure pattern.

### **ADMINISTRATOR’S REPORT:**

### **UPDATE ON ADMINISTRATIVE SERVICES DISCUSSIONS WITH BARNSTABLE COUNTY**

M. Downey stated she’s been meeting with other entities to discuss the desire of the board to pursue a new fiscal agent. Meanwhile, updating the Administrative Services Agreement is still being actively worked on with representatives from Barnstable County. There is a meeting on November 14, 2016 with the Barnstable County

Administrator and County Legal Counsel to discuss this matter. M. Culik asked if there was any progress with the county. M. Downey said there was, but it was causing friction with the Assembly of Delegates. M. Culik stated he was more under the impression that the County Administrator was trying to reach a status quo scenario. M. Downey stated that members of the Assembly have made it clear they do not wish the Compact to remain with the County as currently constituted, and that feeling must be respected.

**DISCUSSION ON COMPACT RECORDS OFFICER**

M. Downey stated that updates to the Public Records law required that the Compact must now designate a Records Officer. M. Downey said that it should be the Administrator or a member of staff and not a Board member due to constraints of needing to respond to members of the public in a timely manner. D. Anthony stated we should likely emulate towns in terms of how they execute it, and the closest way would be to have the Compact Administrator do this.

P. Cocolis moved to have Maggie Downey designated as the Compact Records Officer.

Seconded by R. Schofield and voted by roll call as follows:

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|--------------------------|-----|
| 1. R. Schofield - Bourne | yes |
| 2. P. Cocolis – Chatham  | yes |
| 3. R. Zweig – Falmouth   | yes |
| 4. R. Toole – Oak Bluffs | yes |
| 5. J. Flynn - Yarmouth   | yes |

*Motion carried in the affirmative (5-0-0)*

**DISCUSSION ON COMPACT CONTRACT EXECUTION PROCESS**

M. Downey stated Banstable County Counsel has advised that Barnstable County Commissioners need not be signing Compact contracts. M. Downey has drafted an amendment to change the process. In summary the revised process will be as below specified, P. Cocolis stated that he feels this is a good process in terms of good questions and input. D. Anthony inquired if a new fiscal agent would require a change to this policy, and M. Downey stated the decision would rest with the board. J. Bernstein stated that the ongoing conversations about the role of a fiscal agent assume that the role would involve simply holding the funds, not making policy.

P. Cocolis moved that the Board approve the following process regarding all contracts executed by the Compact Administrator that utilize or commit the Compact’s Energy Efficiency Funds and/or Operating Funds:

- 1) The Compact Administrator will present information to the Compact Treasurer regarding any such contract sufficient to allow for the Treasurer to determine whether such contract is consistent with the Compact’s approved budget(s);
- 2) If the Treasurer determines such contract is consistent with the Compact’s approved budget(s), the Compact Administrator will execute the contract;
- 3) The Compact Treasurer will provide a contract summary report with any requisite supporting material on all such contracts at a subsequent Compact Board meeting; and

4) After the Compact Treasurer provides a report to the Compact Board, the Compact Board will vote to ratify the Administrator's execution of the contracts.

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 R. Schofield and voted by roll call as follows:

- |                          |     |
|--------------------------|-----|
| 1. R. Schofield - Bourne | yes |
| 2. P. Cocolis – Chatham  | yes |
| 3. R. Zweig – Falmouth   | yes |
| 4. R. Toole – Oak Bluffs | yes |
| 5. J. Flynn - Yarmouth   | yes |

*Motion carried in the affirmative (5-0-0)*

#### **EXECUTIVE COMMITTEE MEMBERS UPCOMING VOTE**

M. Downey stated nominations will be open in December through January for all executive committee positions, which run for one year.

#### **BOARD MEMBER UPDATE**

D. Anthony stated that Midea manufactured dehumidifiers had a major recall. Crane has sold these at our turn-in events. J. Flynn asked if the information could be forwarded to M. Downey. M. Song pulled up the information and said she'd forward it on.

Meeting adjourned at 3:53 pm.

Respectfully submitted,  
Jacob Wright

#### **LIST OF DOCUMENTS & EXHIBITS**

- Meeting Notice/Agenda
- October 11, 2016 Meeting Minutes – Draft
- Green Aggregation Program Presentation
- Waiver of Incentive Cap – Falmouth ESCO Project
- Waiver of Incentive Cap – Mashpee High School
- Deane Keuch Service Information
- Treasurer Operating Fund Report
- Clifton Larson Allen Presentation