Cape Light Compact
Governing Board and Executive Committee Meeting

DATE: Wednesday, January 11, 2017
LOCATION: Innovation Room, Open Cape Building
3195 Main Street, Barnstable County Complex
TIME: 1:30 - 4:30 p.m.

AGENDA

1:30 – 1:45 2017 Open/Close Nominations and Vote on 2017 Executive Committee Members
1:45 – 1:55 Public Comment
1:55 – 2:05 Approval of Minutes
2:05 – 2:15 Treasurer’s Report, Potential Vote to Ratify Treasurers’ Approval of Contracts
2:15 – 2:20 Chairman’s Report
2:20 – 2:25 Administrators’ Report
2:25 – 2:35 Power Supply, Marketing Plan Update, Austin Brandt and Lindsay Henderson
2:35 – 2:55 Overview of DPU 16-177: Presentation and Potential Vote on Cape Light Compact Demand Response Offering and Potential Mid-Term Modification, Austin Brandt
2:55 – 3:45 Discussion and Presentation on Joint Powers Act and Establishment of a Joint Powers Entity, Compact Counsel
3:45 – 4:20 Open Session Vote on entry into Executive Session pursuant to M.G.L. c. 30A §§21(a)(3) to discuss and potential vote on matters below, not to return to open session.
   1. Regulatory litigation strategy. Discussion and Potential Vote on Participation in 2017 Eversource Rate Case
   2. Pending regulatory litigation strategy (D.P.U. 16-169) regarding dispute with National Grid and Compact and National Grid Agreement for Natural Gas Heated Homes
4:20 Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)
Draft Minutes subject to correction, addition and Committee/Board Approval

Cape Light Compact
Governing Board and Executive Committee
Open Session Meeting Minutes
Wednesday, December 7, 2016

The Cape Light Compact Governing Board and Executive Committee met on Wednesday, December 7, 2016 in the Innovation Room, Open Cape Building, Barnstable County Complex, 3195 Main Street, Barnstable MA 02630 at 2:00 p.m.

Present Were:
1. Joyce Flynn, Chair, Yarmouth
2. Robert Schofield, Vice-Chair, Bourne
3. Ronald Zweig, Secretary, Falmouth
4. Peter Cocolis, Treasurer, Chatham
5. Fred Fenlon, Eastham
6. Valerie Bell, Harwich
7. Thomas Donegan, Provincetown
8. Tim Carroll, Chilmark
9. Richard Elkin, Wellfleet
10. Sue Hruby, West Tisbury
11. Paul Pimentel, Edgartown – by phone at 2:12 PM.
12. Martin Culik, Orleans Alternate – Until 4:01 PM
13. David Anthony, Barnstable
14. Richard Toole, Member at Large, Oak Bluffs – by phone at 2:12 PM.
15. Andrew Gottlieb, Mashpee
16. Sheila Lyons, Barnstable County

Absent Were:
17. Brewster - Vacant
18. John Alley, Dukes County
19. Michael Hebert, Aquinnah
20. Brad Crowell, Dennis
21. Tisbury - vacant
22. Joshua Peters, Sandwich
23. Joseph Buteau, Truro

Members physically present: 14
Members present by phone: 2

Legal Counsel
Jeff Bernstein, Esq., BCK Law, PC

Staff Present: DF
Maggie Downey, Administrator
Austin Brandt, Power Supply Planner
Phil Moffitt, Residential Manager
Lindsay Henderson, Analyst
Jacob Wright, Special Projects Coordinator

Public Present
Chris Powicki
Jillian Douglass

Public Comment
No members of the public wished to speak.
Maggie Downey requested a vote on a proposed motion so that the record reflect what the Board wishes her to do in regards to pursuit of a new fiscal agent.

Richard asked if the Compact is restricted to specifically member towns as fiscal agents. Jeff Bernstein replied and said that we are not restricted to member towns, although the proposed motion refers simply to discussion with Compact members. David Anthony asked what the scope and ability of this motion was in terms of execution of a new agreement. Jeff Bernstein stated that this allows for wide ranging discussion, but any execution would return to the board first. The motion itself only allows the discussion with the 23 members, including Barnstable County.

Peter Cocolis said that the agreement would be simpler with one of our own towns, and then the Compact could look outside of that if no agreements can be reached. He said MUNIS and other systems would be much more seamlessly transferred to another town.

David Anthony said that the Town of Barnstable is one of the towns potentially serving as fiscal agent. He said that OPEB liability is a major issue, but it’s the easiest one to deal with. He went on to say that the biggest true problem is absorbing employees and retirement obligations. He said he’s surprised that more towns haven’t had conversations regarding taking on the Compact. Maggie Downey said she brought this issue to the town managers, and town managers said collectively that the Town of Barnstable was best suited, and should start there.

Tom Donegan stated that the Board of Selectmen of Provincetown did vote 5-0 to enter into discussions. He said that there’s many opportunities for the towns to work together. He said that there are many people who are committed to working this out.

Sheila Lyons spoke, saying that she was not in favor of this entire situation (the County terminating its relationship as fiscal agent with the Compact), and said she’ll be making a statement regarding the situation at the commissioner’s meeting. She said that there is good work being done here at the Compact, and the County is making a mistake.

Martin Culik responded by saying that he had received the impression that Jack Yunits was more on the side of the Compact, and not wanting the Compact to depart. Maggie Downey responded by saying that while that may be true, members of the Assembly the County Commissioners feel very strongly about not supporting the Compact as it is currently constructed.

Consistent with the Cape Light Compact’s Intergovernmental Agreement, Article II(P), Ronald Zweig moved the Board vote to authorize the Compact Administrator, legal counsel, and Compact Board members to enter into discussions with Compact members regarding serving as the fiscal agent for the Cape Light Compact.

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 and voted by roll call as follows:
Draft Minutes subject to correction, addition and Committee Board Approval

David Anthony moved the board vote to authorize the Compact Chair to execute a Transition Agreement Between Barnstable County and the Cape Light Compact, to be approved as to form by legal counsel. The Transition Agreement shall terminate the Administrative Services Agreement and allow for the Cape Light Compact’s orderly transition to a new fiscal agent, and shall include, but not be limited to, provisions for: (i) Barnstable County’s role as fiscal administrator during the transition; (ii) additional related services to be provided by Barnstable County during the transition; and (iii) payment by the Cape Light Compact for such services.

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, second by R. Schofield and voted by roll call as follows:

2. R. Schofield - Bourne   yes  11. S. Hruby – West Tisbury    yes
6. V. Bell – Harwich      yes  15. R. Toole – Oak Bluffs     yes
8. M. Culik – Orleans     yes
9. P. Cocolis – Chatham    yes

Motion carried in the affirmative (15-0-1)

CHAIRMAN’S REPORT

Joyce Flynn asked all members to see their board of selectmen very soon. She wants the Towns to understand the green aggregation power supply program and that the Compact is entering negotiations for a new fiscal agent. She then recognized Sheila Lyons, as her last board meeting as a County Commissioner.

TREASURER’S REPORT

Peter Cocolis stated that the operational fund is paying Barnstable County for services, reflecting our continued payments to the county for rent and other expenses.

ADMINISTRATOR’S REPORT

1. Nominations for Executive Committee
   Maggie. Downey notified the Board that nominations for Executive Committee positions are now open, and will be open through the January meeting, when they will be voted on.

   R. Elkin and B. Schofield nominated Joyce Flynn for Chairman.
   P. Cocolis and S. Lyons nominated Bob Schofield for Vice Chairman.
Draft Minutes subject to correction, addition and Committee/Board Approval

1. D. Anthony – Barnstable
2. R. Schofield - Bourne
3. F. Fenlon - Eastham
4. P. Pimentel – Edgartown
5. R. Zweig – Falmouth
6. V. Bell – Harwich
7. R. Elkin – Oak Bluffs
8. M. Culik – Orleans
9. P. Cocolis – Chatham
10. T. Donegan – Provincetown
11. S. Hruby – West Tisbury
12. J. Flynn - Yarmouth
13. T. Carroll – Chilmark
14. A. Gottlieb – Mashpee
15. R. Toole – Oak Bluffs
16. Richard Elkin – Wellfleet

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

No updates from the Board Members.

Meeting adjourned at 4:33 pm.

Respectfully submitted,
Jacob Wright

LIST OF DOCUMENTS & EXHIBITS
- Meeting Notice/Agenda
- October 11th Meeting Minutes – Draft
- November 9th Meeting Minutes – Draft
- 8074 CLC Operating Fund Budget dated 12/6/2016
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 January 1, 2017 through January 11, 2017.

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

<table>
<thead>
<tr>
<th>Motion by:</th>
<th>Second by:</th>
<th># Aye</th>
<th># Nay</th>
<th># Abstain</th>
<th>Disposition</th>
</tr>
</thead>
</table>


### Power Supply Price Comparison

#### Cape Light Compact Prices

<table>
<thead>
<tr>
<th>Type</th>
<th>Price</th>
<th>Term (meter read dates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>9.930 cents/kWh</td>
<td>January 2017 - June 2017</td>
</tr>
<tr>
<td>Commercial</td>
<td>9.700 cents/kWh</td>
<td>December 2016 - June 2017</td>
</tr>
<tr>
<td>Industrial</td>
<td>9.800 cents/kWh</td>
<td>December 2016 - March 2017</td>
</tr>
</tbody>
</table>

- No Contracts, No Termination or Monthly Service Fees = No Surprises
- 100% Renewable = 100% of customers' supply load will be matched with RECs some of which are from local projects
- Support Future Renewable Energy Development = Supplier Fee (which would have been paid anyways) is redirected to the EarthEra™ Renewable Energy Trust for future development

#### Eversource Basic Service Prices

<table>
<thead>
<tr>
<th>Type</th>
<th>Price</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10.318 cents/kWh</td>
<td>January 1, 2017 - June 30, 2017</td>
</tr>
<tr>
<td>Commercial</td>
<td>10.033 cents/kWh</td>
<td>January 1, 2017 - June 30, 2017</td>
</tr>
<tr>
<td>Industrial</td>
<td>10.144 cents/kWh</td>
<td>January 1, 2017 - March 30, 2017</td>
</tr>
</tbody>
</table>

- No Contracts, No Termination or Monthly Service Fees
- If customer leaves Basic Service before end of month there will be a tru-up as to what they would have been expected to pay
- Not 100% Renewable

www.capelightcompact.org/power-supply • 1-800-381-9192
Other Available Programs:

New Construction - Homes that are to be built more energy efficient than a typical, code-built home. Call 1-800-628-8413 to learn more.

Income Eligible Households - Increased incentives for customers on Eversource's Discount Rate, Fuel Assistance, or whose household income is below 60% of median income.

Multi-Family Facilities - Residential facilities with 5 or more dwelling units on the property. For more info call 1-800-694-7277.

OpenCape Building
PO Box 427
Barnstable, MA 02630

1-800-797-6699
www.capelightcompact.org

www.capelightcompact.org

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

- Conceptual overview of Demand Response (DR)
- Review Compact’s current DR Demonstration Offering and 2016 Recap
- Review DR Demonstration Offering expansion proposal
- Decide whether to file a Mid-Term Modification to expand DR Demonstration Offering
Demand Response

Demand Response: demand curtailment in response to a signal vs.

Demand Reduction: any reduction in demand, including through passive measures (e.g., energy efficiency measures)

*Energy efficiency has resulted in overall demand reduction, but is fundamentally different from active demand response, where the focus is reduction in instantaneous demand rather than energy savings.*

Some DR measures may have negative energy savings, i.e., may result in a net increase in energy consumption
- e.g., dispatching batteries to reduce peak demand

Green Communities Act mandates pursuit of cost effective demand measures
Summer 2016

- **Numbers:**
  - 9 DR Events
  - 39 participants enrolled, 56 thermostats installed
  - ~160 thermostat DR events called

- **Successes**
  - Very low opt-out rate for events
  - Overall, technology and concept was well-received by customers

- **Evaluation** being currently being finalized
2017 Residential Improvements

• Platform
  — Develop algorithm to call events to target demand
  — Day-of baseline adjustment

• Expanding participation
  — Leverage thermostats installed through HES, and include offering information in HES packets
  — Bring Your Own Thermostat (BYOT) for customers with eligible thermostats already installed
  — Expanding a/c equipment compatibility to increase participation
    • Plan to incorporate load control for ductless mini-split systems

• Reduce costs by eliminating energy monitoring equipment
  — Possibly use currently enrolled customers with monitoring equipment to help model demand reductions
Ice Bears

- Ice Bears are a thermal storage technology that works in concert with air conditioning units to reduce their demand during certain hours.
- Makes ice during off-peak hours and uses the ice in place of the A/C compressor during peak hours.

Image source: Ice Energy
Discussion:

Support staff’s recommendation to expand the DR Demonstration Offering?

• Expansion would:
  – Provide a DR offering to commercial & industrial customers
  – Demonstrate potential of more than one primary DR technology as part of the Offering
  – Explore energy storage, and measure associated benefits
  – Further inform the development of the 2019-2021 Energy Efficiency Plan
THE JOINT POWERS STATUTE
AND FORMATION OF A JOINT POWERS ENTITY

January 11, 2017
GENERAL FORMATION CONCEPTS/LIABILITY

- The Act allows governmental units to enter into joint powers agreements. A joint powers agreement ("JPA") is a contract specifying the terms and conditions of the joint exercise of powers and duties within a region.

- At least two government units are needed to sign a JPA to establish a joint powers entity ("JPE").

- In a Town, the chief executive officer or a board, committee or officer authorized by law to execute a contract for the Town may enter into the JPA. The JPA must be authorized by the board of selectmen for each governmental unit.

- The Joint Powers Statute is clear that there is no liability of one governmental unit for the acts or omissions of another participating governmental unit or the JPE itself unless otherwise agreed to in the JPA.
GENERAL POWERS OF THE JPE
GRANTED BY STATUTE

The JPE is a body politic and corporate with the power to:

- sue and be sued;
- make and execute contracts and other instruments necessary for the exercise of the powers of the region;
- make, amend and repeal policies and procedures;
- receive and expend funds;
- apply for and receive grants from the commonwealth, the federal government and other grantors;
- submit an annual report to each member governmental unit, which shall contain a detailed audited financial statement and a statement showing the method by which the annual charges assessed against each governmental unit were computed; and
- any such other powers as are necessary to properly carry out its powers as a body politic and corporate.
FINANCIAL CONTROLS

The Joint Powers Statute contains audit, reporting and accounting requirements.
The JPE must establish and maintain a budget and perform annual audits.
The audits are to be distributed to its constituent members, and to DOR.
Annual reports to members are also required.
Management of funds is subject to a system of checks and balances requiring review by the board of directors, its treasurer and its business officer.
The JPE could choose to enter into a services contract with a member or an outside vendor to perform payroll, check writing, bookkeeping, accounting and other functions, but it does not have to.
DISCUSSION

- The Compact’s current IGA expires in 2022.
- In 2016, Barnstable County notified the Compact that it no longer wished to continue to render administrative and fiscal services.
- In December 2016, the Compact executed a Termination and Transition Agreement with Barnstable County that runs through June 2017, and may be extended through December 2017, subject to certain conditions.
- The formation of a JPE will provide the Compact with the administrative and fiscal functions that Barnstable County no longer wishes to provide.
- The Compact could implement an orderly transition to transfer its operations to the JPE such that the JPE would serve as the operational successor to the Compact.
DRAFTING THE JPA FOR PHASE I

- The Town of Provincetown and the Town of Sandwich intend to schedule consideration of the JPE/JPA by their respective Boards of Selectmen in early 2017.
- A draft JPA is currently under consideration by Town Counsel to several Compact member Towns on the Cape & Vineyard, including Provincetown and Sandwich.
- Due to time constraints, a draft of the JPA will need to be provided to Provincetown and Sandwich Boards of Selectmen for consideration prior to the Compact Governing Board approving a final form of JPA (but after review and input from Town Counsel).
JPA DISCUSSION ITEMS

- Transition from Phase II to Phase III of the JPE
  - Guidance from the Department of Public Utilities ("DPU") is necessary to determine whether a revised Aggregation Plan or some other notification/filing is required for the Compact when fully operational as the JPE.
  - Trigger of transition – how many Compact members must join the JPE for the transition to Phase III to commence?
  - The transition will be over a period of time such that Compact members will be informed of the ultimate end date to consider joining the JPE.

- If a Compact member municipality does not wish to join the JPE, there are two options available to the municipality:
  - In order to continue operating as a municipal aggregator, the municipality would need to petition the DPU in accordance with state law for approval of its own aggregation plan and for approval of its own energy efficiency plan.
  - If the municipality does not petition DPU for this approval, customers in the municipality will default to Eversource basic service power supply and Eversource will deliver energy efficiency programs within the municipality.
<table>
<thead>
<tr>
<th>VENDOR NAME</th>
<th>AMOUNT OF CONTRACT</th>
<th>AMOUNT OF AMENDMENT</th>
<th>TERM</th>
<th>PURPOSE</th>
<th>COMPETITIVELY PROCURED</th>
<th>P. COCULS</th>
<th>APPREHENDED</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilner Sanetti Voelk</td>
<td>$10,000.00</td>
<td>n/a</td>
<td>1/1/17-12/31/17</td>
<td>Standing Marketing Services</td>
<td>Yes</td>
<td>1/11/2017</td>
<td></td>
<td>Initial contract was done in 1/1/17, new contract (in place of 2nd amendment) to accommodate change with Barnstable County.</td>
</tr>
<tr>
<td>Stephen Wernburg</td>
<td>$12,973.00</td>
<td>n/a</td>
<td>1/1/17-6/30/17</td>
<td>EE &amp; FS Consulting</td>
<td>No</td>
<td>1/11/2017</td>
<td></td>
<td>Initial contract was for FY17, new contract replaces in order to carry through the rest of the FY</td>
</tr>
<tr>
<td>Gulligan Energy Consulting, Inc</td>
<td>n/a</td>
<td>n/a</td>
<td>1/1/16-12/31/16</td>
<td>auxiliary services</td>
<td>yes</td>
<td>1/11/2017</td>
<td></td>
<td>new contract to accommodate change with Barnstable County</td>
</tr>
<tr>
<td>Perpetue Energy Group</td>
<td>$1,429,433.00</td>
<td>n/a</td>
<td>1/1/16-12/31/16</td>
<td>municipal services</td>
<td>yes</td>
<td>1/11/2017</td>
<td></td>
<td>new contract to accommodate change with Barnstable County</td>
</tr>
<tr>
<td>RSC Engineering</td>
<td>n/a</td>
<td>n/a</td>
<td>1/1/16-12/31/16</td>
<td>municipal services</td>
<td>yes</td>
<td>1/11/2017</td>
<td></td>
<td>new contract to accommodate change with Barnstable County</td>
</tr>
<tr>
<td>TRC Energy Group</td>
<td>n/a</td>
<td>n/a</td>
<td>1/1/16-12/31/16</td>
<td>municipal services</td>
<td>yes</td>
<td>1/11/2017</td>
<td></td>
<td>new contract to accommodate change with Barnstable County</td>
</tr>
<tr>
<td>Demand Management Institute</td>
<td>n/a</td>
<td>n/a</td>
<td>1/1/16-12/31/16</td>
<td>municipal services</td>
<td>yes</td>
<td>1/11/2017</td>
<td></td>
<td>new contract to accommodate change with Barnstable County</td>
</tr>
<tr>
<td>CMC Energy Services</td>
<td>$15,000.00</td>
<td>n/a</td>
<td>1/1/17-6/30/17</td>
<td>CA/OC for CSI, Utilization Lighting &amp; HVAC</td>
<td>yes</td>
<td>1/11/2017</td>
<td></td>
<td>Initial contract was done in 7/2012, new contract (in place of 4th amendment) to accommodate change with Barnstable County.</td>
</tr>
</tbody>
</table>
January 11, 2017

TO: Cape Light Compact Governing Board
FROM: Maggie Downey, Administrator
       Austin Brandt, Power Supply Planner

Re: January 6th Communication from Mr. Powicki Regarding the Cape Light
    Compact’s Renewable Power Supply Offering

In his January 6, 2017 CIRENEW email blast, attached, Mr. Powicki made several false and
misleading statements regarding the Cape Light Compact’s renewable power supply program. In
his article, Mr. Powicki manipulates data to the detriment of the Compact and makes statements
that are factually inaccurate. Since last Friday, Mr. Powicki has circulated his allegations to
many different organizations in what can only be interpreted as another effort to discredit and
undermine the efforts of the Cape Light Compact, as he has done frequently in the past. His
apparent animus for Compact staff and the Board are evident in this article. We wanted to take
this opportunity to correct the record and provide you with information that you can use to
address Mr. Powicki’s allegations.

Inaccurate Statements Regarding Town Meeting votes:
Mr. Powicki’s article claims that the Compact promised Town Meeting voters that the Compact
would have the “least expensive” electricity. No such claim was made at Town Meeting, as
evidenced in the attached May 4, 1998 Brewster Town Meeting Article. For the past fifteen
years, the Compact has operated in a manner consistent with that vote, which states the Compact
member towns resolve “to seek lower electric rates in a competitive electric market.” The Town
Meeting vote makes no promises or guarantees that the Compact would have the lowest electric
rates. This was intentional because the Compact understood that electricity is a market
commodity and therefore the Compact could not promise to deliver the lowest price electricity at
all times. Mr. Powicki seems to be under the impression that the Compact is, or should be, in a
position to automatically procure the lowest-priced electricity for its customers. This is not the
case - the Compact is simply one participant in the regional electricity market, and thus subject
to the same rules and market conditions as all other market participants. The power of
aggregation is not to beat the market, but to bring the weight of many customers to bear in
supply contract negotiations. In this regard, the Compact has been successful in securing power
supply contracts that protect its customers with strong terms and conditions that are generally
unavailable to an individual customer, except through Basic Service. Mr. Powicki’s allegations
demonstrate a lack of understanding of electricity markets and the purpose of municipal
aggregation, and his blatant disregard of facts.

Manipulation of Data in an Attempt to Undermine the Cape Light Compact:
The Cape Light Compact has been offering customers a competitive supply option since January
of 2002. Mr. Powicki claims that the “average Cape Light Compact customer paid about
$325.00 relative to NSTAR/Eversource service.” In calculating this number Mr. Powicki focuses on a specific period of time, 10 years, and fails to include the complete data set and calculate the actual number. His manipulation of pricing data, which is all publicly available, fails to present the actual cost/savings for a residential customer, and appears to be a deliberate attempt to show the Compact in a negative light. In reality, an average residential customer participating in the Compact’s power supply program from January 2002 through June of 2017 will have paid $95.51 in total above Eversource’s basic service rate for this 15-plus-year period. This equates to less than $0.52 more per month for each of the 185 months.

**Cape Light Compact’s 2017 100% Renewable Energy Offering:**
Mr. Powicki criticizes the Compact for having 100% of its “all-requirements electricity” supplied to Compact customers sourced from a “fossil fuel-heavy market mix.” His statements on this issue are disingenuous and misleading. The basis of this criticism is centered on the distinction between the Renewable Energy Certificates (RECs) and the electricity itself.

RECs are individually-tracked certificates that represent the environmental qualities of electricity produced by renewable resources. For every 1,000 kilowatt hours (kWh) of electricity that a renewable generator produces, it also produces one REC, which is tracked and traded independently of the electricity itself. Since it is impossible to track the ultimate use point of the renewably-produced electrons themselves, RECs are used to track the production of renewable energy at its source, and then the ultimate “use” of the renewable energy through retirement of the certificate. In order for one to be considered to be using renewable electricity, they must retire RECs in an amount equal to their usage (e.g., a person using 5,000 kWh per year must retire 5 RECs per year to have used 100% renewable electricity). This concept of what constitutes renewable energy and been upheld time and time again by the Federal Trade Commission, the Association of Attorneys General, and by the state of Massachusetts itself through its requirement that suppliers obtain RECs in order to meet the renewable electricity procurement requirements set forth by the Massachusetts Renewable Portfolio Standards (RPS).

What Mr. Powicki is criticizing in this statement is the fact that the Compact’s supplier is purchasing the electricity for the Compact’s customers from the regional electricity market, which is operated by ISO New England. The statement includes a link to the ISO New England resource mix, which shows the different resources that provide power to the electric grid, and is indeed comprised of mostly fossil-fuel resources. However, what Mr. Powicki fails to mention is that every entity interconnected to the grid draws at least portion of its electricity from these sources — the only way you can avoid using electricity from the regionalized grid (and thus, from the market mix of resources) is to disconnect entirely from the grid. This is an admirable goal, but an impossibility for any retail supplier selling reasonably-priced electricity to grid-tied customers, as the Compact does. The Compact is not aware of any retail supplier, including Eversource basic service, operating in Massachusetts offering electricity provided from somewhere other than the regional electric grid.

Furthermore, Mr. Powicki contradicts himself by criticizing the Compact’s (accurate) claim of providing 100% renewable electricity by matching all usage which RECs while still purchasing market-mix power from the regional grid, but then going on to uphold the concept of RECs and their value in his mention of other Massachusetts green aggregations. It is also worth noting that
the green aggregations praised by Mr. Powicki in his article are acquiring the additional 5% MA Class 1 RECs through a non-profit REC aggregator that has long-term REC contracts with renewable generators, which enables them to provide low-cost Class 1 RECs. This allows these communities to have a higher MA Class 1 REC content at a reasonable price while directly supporting renewable energy generators. However, Mr. Powicki has been a vocal critic of the Compact’s entering into these types of long-term REC contracts in the past.

The Compact’s power supply, provided by NextEra Energy Services, will be 100% renewable because the supplier will acquire and retire enough RECs on an annual basis to meet 100% of all Compact customers’ usage. A further criticism from the article is the fact that most of these RECs will be voluntary, out-of-state RECs that are not providing additionality, i.e., the retirement of which are not driving the development of new renewable resources. While it is often true that the retirement of voluntary RECs does not provide additionality in and of itself, the Compact board and staff only decided to use voluntary RECs because NextEra agreed to direct all proceeds from the sale of those RECs in to the EarthEra™ Renewable Energy Trust, a third-party-administered trust that ensures 100% of all Trust funds are invested in new renewable energy projects in the United States, thus ensuring additionality.

The article then goes on to allege that this arrangement to direct funds to new renewable resources is “lining the pocket” of NextEra with “$3M in additional annual revenue,” and that “$6M in ratepayer funds will be siphoned away to the benefit of NextEra shareholders by helping this large corporation expand its continent-wide asset base, rather than applied to provide additionality or better yet to deliver localized benefits to Cape and Vineyard residents, businesses, and other consumers.” These are further examples of incorrect and misleading statements. The only additional revenue collected by NextEra is revenue from the sale of the voluntary EarthEra™ RECs (less than 0.1 cents/kWh), which will be placed in the EarthEra™ Trust. However, this is a relatively small portion of the approximately $3M of Compact power supply customer funds that will be placed in to the Trust. Most of $3M is actually NextEra’s supplier and retail fees, which it agreed to place in the Trust to be put towards new renewable energy projects as part of the power supply contract negotiations. To be clear, these fees are built into the price and would have been paid by the consumer even if the Compact did not go 100% renewable. In this instance, these fees are being redirected to the EarthEra™ Renewable Energy Trust and are guaranteed to be used for the development of new renewable energy projects in North America, with an effort to direct those funds to projects in New England if they become available.

While it is also true that the money is ultimately used by NextEra to develop new renewable resources that will be owned by NextEra, this is irrelevant to the fact that these new renewable projects will ultimately be offsetting carbon-based resources, and thus mitigating the climate change impacts of electricity production. Even though these projects may not be developed locally on Cape Cod and Martha’s Vineyard, climate change is a global, not just a local, problem. The Compact is providing a way for local electricity customers to address this global problem.
It is ironic that Mr. Powicki disparages the Compact’s increased purchase of Renewable Energy Certificates because, in a meeting with him and other members of Self Reliance in 2014, while he was President of Self Reliance, he encouraged community choice aggregators to exceed the Renewable Portfolio Standard (RPS) while maintaining affordability, which is exactly what the Compact’s renewable energy supply offer is now doing. Exceeding the RPS standard by 1% and contributing to the development of new renewable energy generation, regardless of where the generation is located, is a step forward in the battle against climate change.

In summary, Cape Light Compact’s new renewable power supply program is going above and beyond its original purpose to seek lower electric rates – not only is the Compact and its power supply customers playing a role in addressing climate change by purchasing 100% renewable electricity and helping fund new renewable energy projects, but it is doing so at a reasonable cost – less than an additional 0.1 cents/kWh. This means it will be less expensive than Basic Service for the first half of 2017. While Basic Service is the most comparable product to the Compact’s supply, it is not 100% renewable electricity, and it is not driving the development of renewable energy by going above and beyond RPS requirements and directly funding new projects, like the Compact is doing in cooperation with NextEra Energy Services. Doing this at a reasonable cost exemplifies the power and purpose of municipal aggregation – leveraging the aggregated purchasing power of its customers in negotiations with suppliers to provide better value and consumer protections to customers.

Enclosures
Cape Light Compact Aggregation Goes Green - 100% Renewable Electricity or 1% Solution?

At a December 7 media event, town and county officials announced that the Cape Light Compact (CLC) municipal aggregation would be providing 100% renewable electricity to local electricity consumers (press release). Representatives of the Cape Cod Climate Change Collaborative and Cape & Islands Self-Reliance expressed unqualified support for this new offering at the media event.

The "100% Renewable" offering comes through the CLC aggregation's new business partner, NextEra Energy Services. This signals a welcome departure of long-time CLC power supplier ConEdison Solutions (CES). Over some 10 years of CES service, the average CLC residential consumer experienced excess supply costs of about $325 relative to NStar/Eversource service - despite the foundational promise of "least expensive" electricity accepted by Town Meeting voters who authorized individual towns to form municipal aggregations. With CES, "best terms and conditions" became the CLC procurement metric - and look who enjoyed those terms and conditions: CES. Now the CLC aggregation power supply avers to be "going green."

Claiming that the new 2-year contract with NextEra will deliver "100% Renewable Electricity" is greenwashing. Yes, NextEra Energy Services is a subsidiary of the leading US owner of wind and solar energy capacity. However, 100% of the all-requirements electricity supplied through the CLC aggregation will continue to be based on a fossil-fuel-heavy market mix of power generated throughout New England and imported from New York and Canada. Some energy, capacity, and other services could come directly from NextEra generating assets within New England, which include gas-fired plants in MA, oil-fired plants in Maine, and Seabrook nuclear but no wind or solar projects. So the power supply itself will certainly not be "100% Renewable."

To meet the state Renewable Portfolio Standard (RPS), NextEra also will need to purchase renewable energy certificates (RECs) and other attribute-based commodities equivalent to more than 20% of total electricity sales to CLC consumers, in megawatt-hours (MWh). These RECs must be certified as Class I, meaning that they are based on renewable electricity supplied within the New England electricity marketplace. The CLC aggregation refuses to disclose the sources of RECs procured for RPS compliance purposes.

With the "100% Renewable" offering, the CLC aggregation and NextEra are not only meeting the RPS but also matching every single MWh sold with a REC. However, only 1% represents beyond-RPS REC purchasing of Class 1 RECs. About 700 kW of PV capacity funded in part by Cape and Vineyard ratepayers will chip in some of these RECs, but the majority will be generated by gas-fired turbines at the operating Crapo landfill in New Bedford. The Sierra Club has expressed opposition to this form of renewable energy, in that landfill operators may juice landfill cells and continue burying compostable or recyclable
organics to guarantee a steady fuel supply. Still, taking these Class I RECs off the RPS compliance market will provide 1% "additionality" by helping support deployment of new renewable projects in New England.

The overwhelming majority of RECs underlying the "100% Renewable" offering are to be purchased from NextEra-owned wind and solar projects deployed in areas where these RECs have no additionality value - beyond lining the pocket of the owner with additional profit. In this instance, NextEra has promised that the $3M in additional annual revenue it expects to collect from Cape and Vineyard ratepayers will be placed into a trust, which NextEra then promises to invest in developing new renewable energy projects in North America. At the December 7 event, NextEra representatives noted that the funds would not be applied to support offshore wind projects developed in local waters, as they view the technology as not commercially viable.

**In conclusion, this is a 1% solution, in two different ways.** First, it falls well short of green aggregations in Massachusetts communities like Dedham, which has committed to 5% additionality based on beyond-RPS Class I RECs from wind and solar projects in New England. Second, some $6M in ratepayer funds will be siphoned away to the benefit of NextEra shareholders by helping this large corporation expand its continent-wide asset base, rather than applied to provide additionality or better yet to deliver localized benefits to Cape and Vineyard residents, businesses, and other consumers.

Achieving "100% Green Power Production" as envisioned through CIRenew - based on renewable energy output relative to electricity consumption, not RECs - is no easy challenge, but now is not the time to lower sights or compromise principles. The good news is that consumers able to install solar power systems can expect full return on investment within about 5 years, and that the electricity marketplace offers a growing diversity of options for people who cannot host or afford solar. Also, the state's utilities are scheduled to procure 400 MW of offshore wind later this year, helping pave the way for bulk renewable energy production from future projects south of the Vineyard.
To Whom It May Concern:

This is to certify that at the Special Town Meeting held May 4, 1998, with a quorum being present, the following article was adopted unanimously.

ELECTRIC DEREGULATION

ARTICLE 8: To see if the Town will vote to adopt the following resolution:

RESOLUTION TO SEEK LOWER ELECTRIC RATES IN A COMPETITIVE ELECTRICITY MARKET

WHEREAS the Commonwealth of Massachusetts is engaged in a process to establish a competitive market place through deregulation and restructuring of the electric utility industry, and;

WHEREAS the citizens of Brewster in Barnstable County have a substantial economic, environmental, and social interest at stake, and;

WHEREAS the town’s residential and business consumers are interested in lowering their electric rates and improving service;

BE IT THEREFORE RESOLVED that Town Meeting members of Brewster, grant the Board of Selectmen authority to participate in a contract for power supply independently or in joint action with other towns. If such contracts are effected individually, consumers would regain the option not to participate and to choose any alternatives they desire.

or to take any other action relative thereto.

(Board of Selectmen)

MOTION: I move that the Town vote to approve Article 8 as printed in the warrant.

ACTION: ADOPTED UNANIMOUSLY

A TRUE COPY ATTEST:

Joan K. Cole
Town Clerk