

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, October 14, 2020**

Pursuant to Massachusetts Governor Charles D. Baker's Order Suspending Certain Provisions of the Open Meeting Law on March 12, 2020, the Cape Light Compact JPE Board of Directors met on Wednesday, October 14, 2020 at 2pm. The meeting was held through a Zoom videoconference for members of the Board with audio call-in available for members of the public.

Participating Remotely Were:

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Executive Committee, Bourne
4. Colin Odell, Brewster
5. Brad Crowell, Dennis
6. Erik Peckar, Dukes County
7. Fred Fenlon, Eastham
8. Alan Strahler, Edgartown
9. Ronald Zweig, Chair/Executive Committee, Falmouth
10. Valerie Bell, Harwich
11. Martin Culik, Executive Committee, Orleans
12. Nathaniel Mayo, Provincetown
13. Leanne Drake, Sandwich
14. Robert Higgins-Steele, Truro Alternate
15. Richard Elkin, Wellfleet
16. Sue Hruby, West Tisbury
17. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth
18. Daniel Knapik, Yarmouth Alternate

Absent Were:

1. Forrest Filler, Aquinnah
2. Peter Cocolis, Executive Committee, Chatham
3. Timothy Carroll, Chilmark
4. Wayne Taylor, Mashpee
5. Richard Toole, Executive Committee, Oak Bluffs
6. Kirk Metell, Tisbury
7. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

Jeffrey Bernstein, Esq., BCK Law, P.C.

Staff Participating Remotely:

Austin Brandt, Senior Power Supply Planner
Lindsay Henderson, Senior Analyst
Maggie Downey, Administrator
Megan Terrio, Comptroller
Melissa Allard, Senior Administrative Coordinator

Phil Moffitt, Planning & Evaluation Manager

Public Participants:

None.

Ron Zweig called the meeting to order at 2:00 PM.

PUBLIC COMMENT:

There were no members of the public present and no public comments were submitted to the Board in writing under the public comment guidelines.

APPROVAL OF MINUTES:

The Board considered the September 9, 2020 Open Session Meeting Minutes.

Martin Culik moved the Board to accept the minutes as amended and to release them as amended, seconded by Richard Elkin.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes

Motion carried in the affirmative (13-0-0)

Joyce Flynn joined meeting at 2:02 PM.

Nate Mayo joined meeting at 2:04 PM.

Peter Doyle joined meeting at 2:08 PM.

CHAIRMAN’S REPORT, RON ZWEIG:

Ron Zweig stated that during the last meeting Brad Crowell had raised the issue of starting the Board Meetings at a later time, after the workday, to allow individuals who are working to be able to participate. Joyce Flynn asked if this would only be while we are working remotely. Sue Hruby stated that she would be unable to do a later time. She also stated that it would be difficult for those with children at home and be a strain on Board Members from Martha’s Vineyard. Fred Fenlon asked how long the Compact Board Meetings have started at 2pm. Maggie Downey answered, since 1997. Fred Fenlon stated that it has worked and therefore, should not be changed.

Richard Elkin stated that now may be the time to send a formal request to the Governor about continuing remote participation. Martin Culik stated that he agrees with Richard Elkin. Brad Crowell stated that this is both a personal and policy issue. David Anthony stated having been doing the Board Meetings in person and now virtually, that there are benefits to having in person meetings and the Compact should do them as much as possible. It could affect who runs for new Board Members. If the Compact is only doing virtual meetings, there is not as much support for them. Also, it is harder to read the room. Colin Odell stated he agrees with David Anthony. He stated that there is always video for those who cannot make it to the meetings. Maggie Downey stated that yes, the Compact does have the ability to do video. However, 11 Board Members need to be physically present in order to have a quorum. Richard Elkin stated that participation seems to have increased since we started doing the Board meetings remotely. Sue Hruby supports what Richard Elkin stated. She also stated that it is easier for Martha’s Vineyard Board Members to participate remotely.

Martin Culik moved the CLC JPE Board direct Compact staff and legal counsel to draft proposed legislation to allow the Compact to set its own physical e quorum requirements under the Open Meeting Law so as to allow members participating remotely count. Seconded by Richard Elkin.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	No
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

PRESENTATION: DRAFT CAPE LIGHT COMPACT JPE 2019 AUDITED FINANCIAL STATEMENTS, CHRISTOPHER ROGERS, CLIFTON LARSON ALLEN, LLP

Christopher Rogers reviewed the Cape Light Compact JPE – 2019 Audit Exit Conference PowerPoint. He compared the financial highlights from 2018 and 2019.

Maggie Downey stated in the draft letter the Board will see that during the Audit, a few deficiencies in internal controls were identified. Under IT and information security protocols the Compact will be developing an IT Strategic Plan as recommended by the Auditor. The Strategic Plan will address issues noted in vulnerability and penetration testing. She also stated that Megan Terrio is working on the three other issues: reconciliation of cash and account payable, accounts receivable, and grant accounting.

Sue Hruby stated that when creating the strategic plan, the Compact should give thought to continuity to businesses. For instance, if there were to be an extended electricity outage, how would the Compact handle that? Austin Brandt stated that, that level of detail/information is in the Compact's policies and procedures and the proposed IT Strategic Plan is a long-term planning document.

2020 OPERATING AND ENERGY EFFICIENCY BUDGET REPORTS:

Maggie Downey reviewed the 2020 Operating Budget. She stated that several line-item transfers will be done by the Comptroller before the next Board meeting. She stated that 64% of the Operating Budget has been spent thus far. At the November Board Meeting she hopes to have the mil adder update for September and possibly October.

Maggie Downey reviewed the 2020 Energy Efficiency Budget. The Compact has spent 37% of the budget thus far.

POWER SUPPLY UPDATE:

1. RFP for Municipal Electric Accounts, Austin Brandt

Austin Brandt stated that the Compact will be issuing a Request for Proposals (RFP) for electric accounts for approximately 40 municipal entities. This includes towns, fire districts and other public entities. The Compact plans to receive bids in early December and the electric rates would start for July 2021 meter reads. David Anthony stated that he is glad the Compact is doing this again. He stated that towns seek pricing stability through electric rates and to avoid price fluctuations during the fiscal year. Towns will pay a little more for pricing certainty.

Richard Elkin asked if the Compact's RFP will have an option for renewables. Austin Brandt stated that it is an option. The electric suppliers that submit bids will provide pricing increments for Class 1 RECs. Richard Elkin asked how much more would it cost. Austin Brandt answered that he was unsure. Erik Peckar asked if the Compact is setting percentage options. Austin Brandt stated that the Compact will determine the cost for 1% and then multiply that with the percentage the town is asking for. Erik Peckar asked if the Compact could set a minimum of 50%. If a town wanted to go lower, it could opt out. Austin Brandt stated that the Compact can structure the RFP however the municipal participants want. The Compact wants to make sure that the municipal entities understand what the suppliers are proposing before making a selection and executing a contract. Maggie Downey stated to the Board that it would be helpful if they could talk to their towns and start figuring out what they want relative to renewable energy content (what percentage) of their supply.

Erik Peckar stated that West Tisbury voted to be net zero by 2040. He stated that this may set the bar higher for other towns. Austin Brandt stated that the Compact will do as the towns ask. Maggie Downey stated that bid review will be done over Zoom and the Compact is hoping for high participation from the participating municipal entities.

2. Discuss Request from Truro Resident: Should CLC Local Green Option be a Zero Carbon Option?

Austin Brandt stated that the Local Green power supply option matches the customers' annual electricity usage with their chosen percentage (50% or 100%) of local Class 1 renewable energy certificates (RECs). The Compact buys Class 1 RECs as needed and retires them to use for Compact obligations. There is a fairly broad classification of RECs. He stated Class 1 RECs include wind, solar, kinetic, methane, etc. Some are not

considered to be renewable by everyone. Purchasing small volumes of only wind and solar would limit the Compact's options.

Maggie Downey asked for a sense of the Board on whether they wanted to change it to be a Zero Carbon option. The sense of the Board was not to change. Bob Higgins-Steele stated that he would talk to Truro residents directly and explain the Compact's response. Maggie Downey stated that she and Austin Brandt would set up a meeting to discuss this further if they are interested.

UPDATE ON ENERGY EFFICIENCY PROGRAMS:

1. Update on Small Business Offerings, Lindsay Henderson

Lindsay Henderson reviewed the C&I Updates PowerPoint. She stated that offering small business customers up to an 100% incentive has been extended through June 2021. Some of the eligible measures include lighting, thermostats, controls, water-saving devices, refrigeration and more. She stated there are three promotions concluding at the end of November 2020 for instant incentives on lighting, kitchen equipment, and HVAC equipment.

2. Overview of Proposed 2021 Energy Efficiency Surcharge, Phil Moffitt

Phil Moffitt reviewed the 2021 Energy Efficiency Surcharge (EES) PowerPoint. EES is the primary source of funding for energy efficiency programs run by the Compact and the utility Program Administrators (Pas). The Compact's new EES goes into effect on January 1st of each year. The rate proposed reflects a PA's most recent projections of budget expenditures, revenues from non-EES funding sources, sales for the current year, and a reconciliation of an under-or over-recovery of costs from the previous year.

Phil Moffitt calculated the Compact's total 2021 revenues to be \$50,229,456. He presented the 2021 Proposed EES rates for residential, income eligible, and commercial.

ADMINISTRATOR'S REPORT, MAGGIE DOWNEY:

Bob Higgins-Steele joined meeting at 2:40 PM.

1. Update on Rural Energy Savings Program (RESP) loan from the Rural Utilities Service (RUS)

Maggie Downey reviewed the U.S. Department of Agriculture Rural Energy Savings Program (RESP) PowerPoint. The Compact submitted its letter of intent on May 29th and was approved on August 17th. She stated that the Compact must submit the loan application by November 16th.

Sue Hruby stated that the Compact should target marketing towards income groups it wants to have a better chance at participating such as low-income. Maggie Downey stated that the Compact is hoping that Cape & Vineyard Electrification Offering (CVEO) will serve low-income customers. David Anthony stated that the Compact should be targeting those who need the program most. The Compact should offer RESP at the lowest interest rate possible. Joyce Flynn agreed.

Erik Peckar asked if the loans would be available to people looking to refinance their loans for solar and such. Maggie Downey stated that is not an eligible expense under the RESP guidelines. Erik Peckar asked if the customers would have to get an energy assessment first. Maggie Downey answered yes.

Sue Hruby stated the Compact does not have any experience offering loans to low- and moderate-income customers. Maggie Downey stated that the Compact does have several years of experience administering the HEAT Loan program. The intent is to administer the RESP program in the same manner as the HEAT Loan with a third-party administrator. The average default rate in the HEAT Loan program is less than 1%. David Anthony asked how the Compact proposes to cover the costs associated with the RESP program. Maggie Downey stated there are three possible options: (1) include all RESP program costs in the interest rate that borrowers pay; (2) utilize operating reserve funds; or (3) a combination of one and two.

Maggie Downey stated that under the RESP regulations the interest rate can go up to 5%. Richard Elkin stated if the Compact wanted to set the rate at 2% it could add money from the reserve fund. Maggie Downey stated that the Compact could look into that when drafting the budget. Brad Crowell asked if the loans are secured. Maggie Downey stated that similar to the HEAT Loan program, the RESP loans are unsecured. Eligibility for the loans is based on credit score of the borrower. Brad Crowell asked if there were differences between the RESP loan program and the HEAT Loan. Maggie Downey stated that with the HEAT Loan, the bank takes all the risk, and the HEAT Loan is a zero-interest loan because energy efficiency funds are used to buy-down the interest rate. Ron Zweig asked how this program would compare to others. Maggie Downey stated that the current rate through a private bank for loans on solar is approximately 3.5%.

Richard Elkin asked what the average duration of a small business is. Maggie Downey stated that commercial loans are more complicated than residential. Martin Culik asked if the Compact could start with residential borrowers and add small business later after gaining some experience. Maggie Downey answered yes, the Compact could structure the program that way. Robert Schofield stated that the Compact should stick with residential and look into doing the program for businesses later.

Ron Zweig asked if there was money that was set aside to use later. Maggie Downey stated that it is a total of \$4.9 million and is to be split between two years. She stated that it is not a revolving loan fund; if the Compact wants additional funds, it will have to apply to RUS for additional funds but that the RUS has indicated that there is a good chance of a follow-on loan. Richard Elkin asked if the Compact is paying interest. Maggie Downey answered no. Richard Elkin asked if the Compact does not have any customers that sign up in the first 90 days, will it be charged anything? Maggie Downey stated that, that was correct – no charge if no customers enroll.

Colin Odell asked if the Compact has a letter of credit. Maggie Downey stated that it is currently from Cape Cod 5. Colin Odell asked if it is renewed each year. Maggie Downey answered yes. Colin Odell stated that one thing that concerns him is the Compact reviewing customers' applications. He asked if there is anything to protect the Compact if there were to be an error in the review process. Maggie Downey stated that the Compact intends to contract with an outside consultant to review the solar applications. The Compact will also add language to the solar application that addresses these concerns (no guarantee that customers will save money or that the solar system will perform in a certain manner) The liability and risk will be with the customer and not the Compact.

Martin Culik asked if the Compact Administrator wanted a small group to help go through the information before the next Board Meeting. Maggie Downey stated that she needed to pull together the missing pieces and would get in touch. Colin Odell stated that this should be the only topic for November's Board Meeting. Maggie Downey agreed.

The sense of the Board was to direct Maggie Downey to request a thirty-day extension from RUS for submitting the loan application.

Colin Odell moved the CLC JPE Board table further action on the RESP loan program until its November Meeting. Seconded by Sue Hruby.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Did not vote due to technical issues
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Robert	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

2. Cape Cod Municipal Health Group Disclosure of Financial Interest Form

Maggie Downey reviewed the Disclosure by Non-elected Municipal Employee of Financial Interest and Determination by Appointing Authority worksheet she filled out as the Compact’s representative to the Cape Cod Municipal Health Group.

3. Update on Potential Energize Cape & Vineyard Effort

Maggie Downey stated the Energize Effort is expanding to offer it Cape and Vineyard wide. This will likely begin in 2022. The Compact’s role is to continue to offer energy efficiency programs, drive customers to participate, and provide financial help. Starting in 2021 the Massachusetts Clean Energy Center will no longer offer financial assistance to towns for this type of program. She stated that there is no action required of the Board at this time. The volunteers working on this effort have to get it approved at a town level first.

Colin Odell asked how this lines up in the next 3-year plan, as it would be after the Compact filed. Maggie Downey stated that COVID-19 delayed the process which works out for the better as now the Compact may be able to participate. Richard Elkin asked how much they are looking to get from the Compact. Maggie Downey stated the budget is being worked on.

4. Proposed Cape and Vineyard Meeting of Energy/Climate Stakeholders

Maggie Downey stated that the Compact is holding a meeting with the energy committees and stakeholders. This meeting will be for people to update each other on what projects they are working on and determine the contact person if people come to the Compact asking certain questions.

Martin Culik stated that the Cape Cod Commission is putting together a list of stakeholders. Maggie Downey stated she would check with them.

5. November and December Board Meetings

Maggie Downey is looking to get a sense from the Board whether or not November 4th would work for the next Board meeting. The sense of the Board was yes.

Maggie Downey also was looking to get a sense from the Board whether or not December 16th will work for the December Board meeting. The sense of the Board was yes.

6. Update on Executive Session Meeting Minutes and the MA Open Meeting Law

Maggie Downey stated that at the November meeting there will be a vote to authorize her and Counsel to review the executive session minutes and determine what will be redacted or released to the public. She stated that this is something the Compact must act upon at least every six months. She then asked if Board members such as David Anthony wanted to be a part of the process as well. David Anthony stated that he would like to be included.

ADJOURNMENT:

Motion to adjourn made at 5:08 PM moved by Colin Odell, seconded by Martin Culik.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brad	Crowell	Dennis	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Did not vote due to technical issues
Alan	Strahler	Edgartown	Yes
Ron	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Robert	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- September 9, 2020 Draft Meeting Minutes

- 2020 Operating Budget
- 2020 Energy Efficiency Budget
- Cape Light Compact JPE – 2019 Audit Exit Conference PowerPoint
- C&I Updates PowerPoint
- 2021 Energy Efficiency Surcharge (EES) PowerPoint
- U.S. Department of Agriculture Rural Energy Savings Program (RESP) PowerPoint