

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, November 10, 2021**

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, November 10, 2021 at 2 p.m. 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. Peter Doyle, Barnstable Alternate
2. Robert Schofield, Executive Committee, Bourne
3. Francis Erdman, Bourne Alternate
4. Colin Odell, Executive Committee, Brewster
5. Peter Cocolis, Chatham
6. Timothy Carroll, Executive Committee, Chilmark
7. Brad Crowell, Dennis
8. Fred Fenlon, Eastham
9. Alan Strahler, Edgartown
10. Matthew Patrick, Falmouth
11. Dion Alley, Executive Committee, Oak Bluffs
12. Martin Culik, Chair/Executive Committee, Orleans
13. Nathaniel Mayo, Provincetown
14. Bob Higgins-Steele, Truro Alternate
15. Richard Elkin, Executive Committee, Wellfleet
16. Sue Hruby, West Tisbury
17. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth
18. Mike Duffy, Yarmouth Alternate

Absent Were:

1. Forest Filler, Aquinnah
2. David Anthony, Secretary/Executive Committee, Barnstable
3. Erik Peckar, Dukes County
4. Valerie Bell, Harwich
5. Wayne Taylor, Mashpee
6. Leanne Drake, Sandwich
7. Kirk Metell, Tisbury
8. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

Audrey Eidelman, Esq., BCK Law, P.C. (in part)
Jeffrey Bernstein, Esq., BCK Law, P.C.

Staff Participating Remotely:

Lindsay Henderson, Commercial & Industrial Senior Analyst
Maggie Downey, Administrator

Margaret Song, Commercial & Industrial Program Manager
Melissa Allard, Senior Administrative Coordinator
Phil Moffitt, Planning & Evaluation Manager

Public Participants:

None.

Martin Culik called the meeting to order at 2:00 PM.

PRESENTATION ON ENERGY MARKETS, MIKE ZENKER, MANAGING DIRECTOR OF RESEARCH, NEXTERA ENERGY RESOURCES:

Mike Zenker reviewed the New England Natural Gas and Power Outlook for Cape Light Compact PowerPoint.

Mike Zenker stated that higher natural gas prices are driving New England power prices sharply higher. The Algonquin terminal/pipeline cost of wholesale natural gas delivered to Boston has moved from about \$3.50 in early 2020 (or 21?) to \$7 in fall of 2021. He stated the Algonquin price is what drives wholesale power supply prices in the New England market. In New England electricity is produced mainly by natural gas fired generation plants; therefore, as natural gas prices go up so do wholesale electricity/power prices.

Mike Zenker reviewed the natural gas supply prices. He stated generally they are around the \$2 or \$3 level. In February they increased due to the winter storm that hit Oklahoma and Texas and supply was constricted (frozen plants and pipelines). Then, this past July natural gas prices started to increase again. Mike Zenker stated that this is the first winter where the natural gas prices will be above \$5 since the early 2000's which was before the Shale Era (natural gas produced from shale), with the exception of 2014 when we had a very cold winter.

Mike Zenker stated that natural gas production has stalled this year due to the pandemic. He stated it is not that there is a shortage, but increased production of natural gas from oil production has stopped. Natural gas from oil wells is expected to contribute the largest share of natural gas supply this decade but drilling for oil is lagging behind the oil price recovery. Mike Zenker stated that natural gas demand from the generation sector has been significantly higher when compared to historical pricing relationships.

Mike Zenker stated that strong Asian and European gas prices are attracting high levels of imports of Liquefied Natural Gas (LNG) from the United States. The United States is now the second largest exporter of LNG in the world. About 13% of worldwide demand is supplied by exported LNG. In order to reverse the export of LNG from the U.S. the price of LNG would have to get closer to European prices.

Mike Zenker stated natural gas futures prices have moved higher reflecting tighter markets in 2021 and 2022. He stated that New England is a market that does not have a lot of surplus pipeline capacity. While there is a sufficient pipeline capacity for most of the year, there are on average eleven very cold days in the winter where prices in New England are very high relatively to the rest of the country. New England has historically relied on LNG from Everett to help keep the prices from increasing further on those cold winter days. Mike Zenker stated that going forward winter New England gas prices and power prices will be sharply higher as the market believes it will be hard to attract more LNG to the region.

OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION PURSUANT TO M.G.L. C. 30A §§21(A)(3) AND (10) TO DISCUSS MATTERS BELOW, TO RETURN TO OPEN SESSION:

Martin Culik at 2:37 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and (10) to (1) review and approve executive session minutes which contain discussions regarding pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to a proposed Low-Income Community Solar project (when the release of the discussion would have a detrimental effect on the Compact's negotiating position); (2) to discuss and potential vote on pending or imminent regulatory litigation related to Massachusetts Department of Public Utilities 20-40, Cape & Vineyard Electrification Offering (CVEO) and the 2022-2024 Energy Efficiency Plan, DPU 21-126 to return to open session thereafter. Seconded by Robert Schofield.

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

Return to Open Session

At 3:34 PM, Martin Culik asked for a motion to end executive session, moved by Robert Schofield, seconded by Joyce Flynn.

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes

Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

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 October 14, 2021 Open Session Meeting Minutes.

Robert Schofield moved the Board to accept the minutes as amended and to release them as amended, seconded by Peter Cocolis.

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

CHAIRMAN’S REPORT:

1. Richard Toole, Oak Bluffs, Recognition of Service

Martin Culik stated that Richard Toole is retiring from the Cape Light Compact Board of Directors. He thanked him for his service, wisdom, and guidance.

Richard Toole stated that the work the Compact does is very important and meaningful. He stated that it has been a learning experience for all of us, especially as we work through the recent changes in state law. He stated

that we live in a vulnerable place and as sea levels rise and storms intensify, the work the Compact does is becoming more important.

2. Introduction of Dion Alley, New Oak Bluffs Representative

Richard Toole introduced Dion Alley, the new Oak Bluffs representative. He stated that Dion Alley grew up in Oak Bluffs. Dion Alley left to go to college and work, then retired and returned to Oak Bluffs. He stated that he thinks it is great to have someone who has lived on and understands the island.

Dion Alley stated that last night at the Oak Bluffs town meeting, the goal to be 100% renewable by the year 2040 passed 231 to 2. He stated that was due to Richard Toole's leadership.

PRESENTATION ON UPDATED COMPACT 2022-2024 ENERGY EFFICIENCY PLAN BUDGET, PHIL MOFFITT

Phil Moffitt reviewed the PowerPoint presentation on the 2022-2024 Energy Efficiency Plan (Plan) Updated to Reflect October 14, 2021 Compact Board Votes, DPU Order on 20-40 and technical corrections.

Phil Moffitt reviewed the proposed budget. He stated that it includes Board direction to reduce heat pumps by 20% and remove oil and propane heating system incentives for Residential Market Rate customers. He stated through the Compact's final review process, \$8 million was added back into the Commercial & Industrial (C&I) budget for heat pumps and electrification projects. Overall, the three-year budget decreased by about \$7.5 million.

Phil Moffitt stated that in terms of greenhouse gas emissions reductions, the Compact is still robustly meeting those goals even with those changes. The statewide goal for the electric Program Administrators (PAs) has decreased by about 30,000 metric tons which was moved to the gas PAs. The Compact's allocation is still about 5% of the total GHG reduction goal.

Phil Moffitt stated that the Plan was filed with the Department of Public Utilities (DPU) on November 1st. Now the Compact is in the discovery phase until November 29th. Public hearings are scheduled for December 1st and 2nd and Evidentiary Hearings from December 9th to 15th. Per statute, the DPU has 90 days from date of filing to issue an order.

Phil Moffitt reviewed the residential bill impacts. The Energy Efficiency charge on the current bill represents 11.1% of the total bill and on the 2022 bill it represents 15.9%. He stated that reducing the heat pump installations by 20% and removing residential market rate fossil fuel heating system incentives results in an average monthly bill impact savings of \$0.52 in 2022, \$0.70 in 2023 and \$1.04 in 2024. There was no change in the bill impact for income eligible customers because of reducing heat pumps by 20% and removing residential market rate fossil fuel heating system incentives. He stated that by increasing the C&I budget by \$8 million that the monthly bill will increase by \$0.27 to \$7.24 for 2022, \$0.76 to \$20.63 for 2023, and \$2.03 to \$54.86 for 2024.

Colin Odell stated that when you look at the allocation of costs between residential and C&I sectors, it is obvious that we are meeting the carbon reduction goal using money from our market rate residential customers. He stated that within the next three years the Compact will need to ensure that the C&I programs are allocated their share of the carbon reduction costs. Margaret Song stated right now the Compact's Energy Efficiency Reconciliation Factor (EERF) only assigns the costs of C&I efforts to C&I customers She asked if Colin was saying that residential customers are being charged for C&I efficiency measures. Colin Odell answered no. He stated that the reason the Compact is exceeding the carbon reduction goal is because it has built a much more

robust and expensive residential program than what would be needed to get to 100% if commercial was providing and paying for a program that would achieve only its 30% share. He stated therefore, the residential is paying for the majority of reaching these more aggressive goals and the Compact needs to figure out how to not have that happen the next time. Margaret Song stated she agrees. Residential is over indexing across the Commonwealth and commercial is under indexing. She stated that some of that has to do with the cost and the infrastructure of electrification. She stated that one of the things the Compact has committed to is a C&I working group to increase C&I savings and participation by investing in research development, technical assistance, and looking at the viable options.

DISCUSS 2022 PROPOSED BUDGET, MAGGIE DOWNEY

Maggie Downey reviewed the proposed operating budget. She stated that we are still waiting for a report on where the Compact is with unencumbered fund balances. She stated that there are no new line items except for the “Marketing CLC Local Green” line because that was our takeaway from previous Board Meetings, to stay with the power supply as it is now, but to push the local green program. She stated she is looking for feedback to put together a budget that is more reflective that will be brought back at the December Board Meeting for a vote.

Maggie Downey stated that the overall budget has gone down. She stated what is not in there is the contingency fund because it will be fully funded by the end of the year. She stated that she knows the Board likes to see the budget items in descending order by amount and will do that for the December Meeting. She stated that for salary it reflects Mariel Marchand’s time and a portion of other staff’s as well. She stated it has a COLA of 3%, which will be a separate vote next month.

Peter Cocolis asked what the marketing CLC local green entails. Maggie Downey stated that it includes social media ads, direct mailing, and audio ads. She stated she can add more information on the worksheet in next month’s packet.

Brad Crowell left the meeting at 4:17PM.

SUMMARY OF CAPE LIGHT COMPACT’S SMALL BUSINESS 2021 MAIN STREETS INITIATIVE, LINDSAY HENDERSON

Lindsay Henderson reviewed the 2021 Main Streets – Recap PowerPoint.

Lindsay Henderson stated that the Compact worked with RISE Engineering and Natural Resource Management (NRM), going door-to-door to small businesses in a specified area to install energy efficiency measures on-site and several customers received additional measures after the event was completed. She stated that the Compact worked with Chambers of Commerce and merchant associations as well as Town staff to promote efforts and partnered with Towns on materials.

Lindsay Henderson stated that the Compact offered up to an 100% incentive for small businesses since April 2020 that was extended through the end of this year. She stated that in advance of the Main Street’s event the Compact sent out direct mail and posted flyers. Local Chambers of Commerce and business associations also helped with outreach to the businesses.

Lindsay Henderson stated that the events went very well. She reviewed the spring and fall results. The total results from RISE Engineering are 395 customers signed contracts and had measures installed with 1,621,419 kWh saved, and \$1,690,877.47 in incentives. For NRM, the total results were 70 customer that signed contracts

and had measures installed, with 902,756 kWh saved, and \$615,688.91 in incentives. These are changing as RISE Engineering continues to follow up with customers.

Tim Carroll asked if we should reach out to those who participated and thank them and/or with those who did not and figure out why. Lindsay Henderson answered yes. She stated that RISE Engineering will be following up with those customers that did not move forward.

Matt Patrick stated that he saw that Falmouth had 351 customers targeted for potential participation but only 59 participated and asked if she knew why so few actually participated. He also asked if she analyzed how much on average was saved by these businesses so those numbers could be used in marketing.

Lindsay Henderson stated that RISE Engineering had issues getting in contact with customers to set up appointments. She stated that she can ask for specific feedback about Falmouth. She stated that for savings the kWh and MMBtu is shown and asked if he was looking for something different. Matt Patrick answered he was looking for the dollar savings. He stated that for the next event the Compact can send potential customers marketing materials showing the average cost saved by their neighboring businesses who participated the following year.

Colin Odell left the meeting at 4:23PM.

ADMINISTRATOR’S REPORT:

1. Massachusetts Department of Public Utilities Virtual Public Hearings on 2022-2024 Energy Efficiency Plan, December 1st and 2, 2021 (notice to be forwarded when posted)

Maggie Downey stated that there will be a virtual public hearing on December 1st and 2nd. **Bill Impacts**

Maggie Downey stated that she has started working on informing Cape and Vineyard residents and businesses on the upcoming bill impacts. She has presented on this issue at the Net Zero Conference, Energy and Climate Committees and Cape Cod Climate Change Collaborative. She stated that she and Matt Patrick are working with Senator Moran to get a meeting with the Cape and Vineyard Delegation to discuss this issue. She stated that she is open to suggestions on next steps, but suggested we wait until the Plan is approved and the Compact knows exactly what the bill impacts will be for customers.

ADJOURNMENT:

Motion to adjourn made at 4:34 PM moved by Robert Schofield, seconded by Matt Patrick.

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes

Bob	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)

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- October 14, 2021 Draft Meeting Minutes
- New England Natural Gas and Power Outlook for Cape Light Compact PowerPoint
- 2022-2024 Energy Efficiency Plan Updated to Reflect October 14, 2021, Compact Board Votes, DPU Order on 20-40 and QC PowerPoint
- 2021 Main Streets – Recap PowerPoint