

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, March 9, 2022**

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, March 9, 2022, 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. David Anthony, Secretary/Executive Committee, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Executive Committee, Bourne
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. Valerie Bell, Harwich
11. Wayne Taylor, Mashpee
12. Dion Alley, Executive Committee, Oak Bluffs
13. Martin Culik, Chair/Executive Committee, Orleans
14. Nathaniel Mayo, Provincetown
15. Leanne Drake, Sandwich
16. Bob Higgins-Steele, Truro Alternate
17. Richard Elkin, Executive Committee, Wellfleet
18. Erik Peckar, West Tisbury
19. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth
20. Mike Duffy, Yarmouth Alternate

Absent Were:

1. Forest Filler, Aquinnah
2. Matthew Patrick, Falmouth
3. Kirk Metell, Tisbury
4. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

Jeffrey Bernstein, Esq., BCK Law, P.C.
Audrey Eidelman Kiernan, Esq., BCK Law, P.C.
Erin O'Toole, Esq., BCK Law, P.C.
Rebecca Zachas, Esq., BCK Law, P.C.

Staff Participating Remotely:

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

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

Public Participants:

None.

Martin Culik 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 February 9, 2022, Open Session Meeting Minutes.

David Anthony stated that on page 4 in the middle paragraph that starts with “Maggie Downey reviewed...”, in the last sentence it should say “12 Cape and Vineyard towns”. He stated on page 6, RCS should be spelled out the first time it is used to say, “Residential Conservation Services (RCS)” and CVEO as well to say, “Cape and Vineyard Electrification Offering (CVEO)”. Lastly, on page 7 in the middle paragraph that starts out “Bob Higgins-Steele asked...”, in the second line it should say “35% participation rate using the weighted average.”

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

David	Anthony	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
Valerie	Bell	Harwich	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

CHAIRMAN’S REPORT:

1. Report on Update to Selectmen/Council on Previous Main Streets Initiative

Martin Culik stated at the January Board Meeting Lindsay Henderson shared the results from each Main Street event. He reminded the Board Members that they should share those results with their town’s Select Boards and/or Town Counsel if they have not done so already.

Wayne Taylor joined meeting at 2:13PM.

2. Cape & Vineyard Legislative Delegation Meeting

Martin Culik stated that some Board Members met with Senators Cyr and Moran, as well as Representatives Peake, Fernandez, and Diggs. He stated that as a result of the meeting there are three initiatives that will be worked on with staff/leadership from various delegation members. Firstly, Representative Fernandez offered to provide leadership to help the Compact draft a letter from the Delegation to the Department of Public Utilities (DPU) in support of the Cape and Vineyard Electrification Offering (CVEO). Senator Cyr and Representative Peake will take the lead to look at a legislative fix for the Compact and CVEO activities. Also, Senator Moran has offered to provide leadership to review the Green Communities Act (GCA) legislation regarding the intent of that legislation to allow CVEO like activities in order to provide testimony the Supreme Justice Court (SJC) case on the Compact’s behalf. Martin stated it was a productive meeting and that there were three good outcomes.

David Anthony stated that one of the approaches talked about was that with a new Governor coming in and therefore, new DPU members, that the Compact should wait and see what happens. He stated he appreciated that there was uncertainty with this strategy and agreed that the Compact should not put all its hope into things changing once a new Governor is elected.

ENERGY EFFICIENCY:

1. Presentation on the 2022 Energy Efficiency Customer Rebate Levels and Supply Chain Delays and Impact on Programs

Maggie Downey stated that there are a lot of program changes in the 2022-2024 Energy Efficiency Plan. She stated that she wanted to take this opportunity to give a high-level update on rebates and programs.

Dan Schell began the review of the 2022 Program Updates PowerPoint. He stated that all program administrators (PAs), including the Compact, will continue to offer customers incentives for fossil fuel systems that are cost-effective. This includes condensing to condensing heating system upgrades. He stated that the DPU did approve removing incentives for installing oil boilers statewide as they are no longer cost-effective. He stated that there are changes to heat pump incentives. The Compact is required to take a tiered approach with higher incentives for pairing of weatherization and heat pumps. He stated following the DPU order there was a motion for clarification submitted on whether the Program Administrators (PAs) could offer natural gas conversions to heat pumps. The DPU responded that the gas PAs can offer incentives for gas conversions to heat pumps. This would be National Grid for the Compact’s service territory.

Dan Schell reviewed the residential heat pump offer open to any customer currently heating their home with natural gas, oil, propane, or electric resistance. There are two options for heating and cooling with heat pumps:

(1) a customer can do a partial home installation where heat pumps must be used to supplement the pre-existing heating system during heating season and integrated controls must be installed. The rebate amount for this option is \$1,500 per ton; and (2) a customer removes the existing fossil fuel heating system and installs a heat pump as the sole source of heating and cooling. The rebate is up to \$10,000 and the home must be weatherized. He stated that customers can retroactively add integrated controls to an existing heat pump and fossil fuel heating system and receive a \$500 per zone rebate, up to \$1500.

Dan Schell stated that there is now a heat pump installer network. This has replaced the measureQuick list. Contractors receive leads through their listing on the Mass Save website, marketing materials and brochures, no-cost virtual trainings and exclusive access to some offers like measureQuick incentives and heat pump financing through the Heat Loan. He stated there is also a heating comparison calculator now live on the Mass Save website. It shows the customer the savings they could get by switching to different heating systems and equipment types.

Dan Schell reviewed the new requirements and enhanced rebate amounts for the oil and propane systems. Customers replacing existing Condensing Oil Furnaces are not eligible for higher incentive levels. Customers replacing existing Condensing Propane Furnaces or Boilers are not eligible for higher incentive levels. If customers are pursuing enhanced rebates, pre-verification is required prior to installation. He also reviewed the rebates for propane and oil water heaters. There are no major changes.

Dan Schell stated that for moderate income residents, the Compact will cover up to 80% of the heat pump installation costs. There are also enhanced incentives towards oil and propane heating systems. In order to receive any of these enhanced incentives the customer must complete weatherization which is covered at 100%. He stated there are a few changes to the Heat Loan. Customers can now receive up to an additional \$25,000 for heat pumps if they have already maxed out the Heat Loan. They can also now finance up to \$5,000 in electric panel upgrades when using the Heat Loan for heat pumps. Anyone choosing to finance their heat pumps must use a contractor from the Heat Pump Installer Network Contractor list.

Dan Schell stated there are not any major changes to the thermostats and products rebates. He stated that some new offers that are coming are for battery-powered lawn equipment. Also, rebates for replacing single pane windows with triple pane, ENERGY STAR Certified windows. Pre-verification of existing windows is required through a home energy assessment.

Dan Schell stated that the ConnectedSolutions program, the Compact demand response program, is encouraging people to take action to help reduce peak demand. He stated that there were no changes for thermostats that participate in the ConnectedSolutions program. As for residential batteries there was a slight change; the winter program is now gone. He stated because of that the Compact rolled the \$50 per kw incentive into what is now the \$275 per kw incentive. He stated that there is still 0% interest financing for the batteries through the Heat Loan. He stated that subject to DPU approval electric vehicle (EV) chargers will be added to the ConnectedSolutions program to help get customers to not charge during peak demand events.

Richard Elkin asked about weatherization required before installation of heat pumps. He stated that it might present a problem because the installation may be something that needs to be done as soon as possible and the customer may not be able to wait to get the weatherization completed first. Dan Schell stated he is correct. He stated that the parameters are that the weatherization must be completed within 6 months of the heat pump installation to receive the new whole house displacement rebate of up to \$10,000. He stated that the Compact will pay out the \$1,250 per ton until it has documentation that the weatherization is completed. Mike Duffy stated regarding the weatherization requirement, if a customer had a home energy assessment last year are they required to get another one. Dan Schell answered no. The parameters are still in the works but if a customer has

had an assessment in 2019 or sooner and had the weatherization completed, it could get the rebate. The customer would have to submit the rebate along with the certificate of completion received after the weatherization was installed.

Martin Culik asked if the rebates for lawn equipment is only for battery operated and not corded equipment. Dan Schell stated that for the time being it is just battery operated. Erik Peckar asked if customers need an energy assessment to receive the rebate for lawn equipment. Dan Schell answered no, an assessment is not required. Erik Peckar asked if there are rebates for commercial lawn equipment. Dan Schell stated that there will be, and Lindsay Henderson will go over that when she presents.

Meredith Miller continued reviewing the PowerPoint. She stated that there is a new all electric offer for single family (1 to 4 units) new construction buildings. She stated that this offer will have two levels. Level one is a savings of 30% or Home Energy Rating System (HERs) Score of 45 or less. Level two savings of 50% or HERs Score of 35 or less. She stated that the focus is on heat pumps and continuous envelope construction. Incentives will range between \$15,000 to \$40,000 depending on the number of units. She stated that there will be a workshop training series starting in April. There are several requirements to the all-electric offer. For level one some of those requirements are optional.

Meredith Miller stated that the DPU approved the Compact's enhanced incentives for multifamily income eligible and moderate-income new construction projects. There are enhanced incentives for high performance HVAC and Envelope measures. For income eligible customers eligible heating systems are covered at 100% and at 80% for moderate income customers. As for weatherization, it is covered at 100%. The requirements are that it needs to be deed restricted project for 25+ years, the Compact must review technical specifications/project design, must agree to work with the Compact's evaluation, contractor must be certified for multi-family, and must ensure that incentive and other grant funds do not exceed 100% of the project costs.

David Anthony asked if these incentives cover the cost differences, so that if someone adopts this it essentially makes it a zero cost add on. He stated that in Barnstable they are trying to be creative as they can to try and incentivize affordable housing and workforce housing. He stated if this adds any cost to a building then it becomes sort of a disincentive. He also asked if Meredith would be willing to come present to the town's affordable housing trust and talk about these incentives. Meredith Miller stated that the Compact is always willing to present. She stated that the Compact has built relationships directly or through its main vendor ICF with a number of developers and affordable housing trusts. She stated that for income eligible sites these incentives are designed to cover 100% of the installation of heat pumps. She stated that is not incremental costs, which is 100% of that cost.

Alan Strahler asked to what extent is the Compact coordinating with the stretch code. Meredith stated the stretch code has not been finalized but hoping that these will support the stretch codes and vice versa. Margaret Song stated that one of the agreements the Compact had with the Department of Energy Resources (DOER) when the Green Communities Act (GCA) was enacted was that the Compact would use a User Defined Reference Home (UDRH). She stated that was basically so that there wouldn't be a disincentive to go to stretch code. She stated the Compact does not per say use stretch code as a baseline. Peter Cocolis stated that Chatham is moving ahead with building a couple large affordable and attainable housing projects. He stated that part of the issue is trying to balance the need for affordable housing with sustainability. He stated that when the town goes out to do a project for sustainable housing, they cannot use the housing trust and must start using free cash. He stated that it would be nice to know what the towns can get from the Compact ahead of time.

Before Lindsay Henderson began reviewing the Commercial & Industrial (C&I) portion of the DPU Order Impacts part of the PowerPoint, she addressed Erik Peckar's earlier question on lawn equipment. She stated that an offer is being developed and she hopes to have more detail by the end of quarter two of 2022.

Lindsay Henderson stated that the C&I heat pump offerings have greatly expanded, and incentives have increased from previous years. Depending on what is being installed the rebate ranges from \$2,500 to \$4,500 per ton for heat pumps. These rebates are available for full or partial displacement of natural gas, oil, propane or electric resistance heating. For new construction projects or projects more than fifty tons, pre-approval is required by the Compact.

Lindsay Henderson reviewed the instant savings that are available for C&I customers through participating distributors and dealers. There are no major changes to these incentives from the previous year. She stated that coming April 1st there will be an incentive for heat pump water heaters at participating plumbing distributors.

Margaret Song stated as a reminder for the DPU enhancements for the C&I sector that all enhancements were approved but require further study before filing the next Energy Efficiency Plan. She stated that small businesses and environmental justice communities identified by the DPU will be the focus over the next three-years. She stated that in the original plan the Compact had removed co-generation units. The DPU is requiring the PAs to provide incentives for cogeneration units that satisfy four specific criteria. She stated that at this time the Compact does not have any marketable co-generation units that meet those four criteria, but that could change.

Lindsay Henderson stated that there are supply and labor concerns that are disrupting the Compact's delivery of energy efficiency services on Cape Cod and Martha's Vineyard. She noted that the small business direct install program has a 4 month wait for installations, and that approximately \$2 million in projects are waiting to be installed due to delays in the supply chain. She stated that some types of insulation have been hard to obtain. As for the supply chain, there are high material costs, container pricing increases, and distributors facing shipping delays. She stated that foodservice dealers are reporting at least 4-to-9-month lead times and lighting controls are backordered 6 months.

2. Presentation on the Takeaways from the Residential Nonparticipant Customer Profile Study

Wayne Taylor left meeting at 3:17PM.

Phil Moffitt reviewed the Takeaways from the Residential Nonparticipant Customer Profile Study PowerPoint.

Phil Moffitt stated that the Residential Nonparticipant Customer Profile Study (Study) was prepared by a consulting firm, DNV, which is one of the PAs' evaluation vendors. The Study calculates participation rates four separate ways. The DPU focused on Consumption Weighted Participation which is only one of four participation metrics in the study and did not focus comprehensively on all four metrics. Utilizing this metric as the sole measure of participation will always result in the Compact participation rate being below the statewide average because of how it is calculated and the makeup of the Compact's service territory.

Phil Moffitt reviewed the residential unweighted participation which is participation based on location. He stated that nearly 70% of our towns exceed the statewide average. He then reviewed the residential consumption weighted participation. Only six of the Compact's towns exceeded the statewide average. He stated that the residential consumption weighted participation is computed based on the consumption of all the participants divided by the total consumption. He stated that the issue with this metric is that it is biased to PAs with service territories that have large multifamily buildings.

Phil Moffitt then reviewed the residential account participation. The Compact has the second highest account participation rate compared to all the PAs. He then reviewed the residential savings and consumption participation. He stated that this data was not provided in DNV's memo. It does not capture consumption of oil and propane customers. Also, the Compact territory has fewer larger multifamily buildings compared to the statewide average.

Phil Moffitt stated that in terms of next steps the Compact is working with DNV to prepare a memo that explains the Compact's participation rates more comprehensively, utilizing all four metrics with the goal of identifying where there is low participation so the Compact can develop a strategy for serving those customers. He noted that the Study defines the four-participation metrics and describes their strengths and weaknesses, and how they should be utilized when making comparisons to statewide average participation rates. He stated that pending review by DNV, utilizing all four metrics the following seven towns likely have participation rates below the statewide averages: Chilmark, Edgartown, Aquinnah, Oak Bluffs, Provincetown, Tisbury, and West Tisbury. He stated the Compact will address this issue in its Term Report filed with the DPU on August 1st.

Maggie Downey stated that there is work that needs to be done to increase participation in these seven towns. She stated that staff is working on how to increase participation rates in these seven towns. The Martha's Vineyard towns will need their own specific solution to increase participation and the same for Provincetown. She stated that the similarity of these towns is that they have the highest number of non-year-round residents. Dion Alley stated that we need to look at the demographics and some of the other data. He stated that it is not just second homeowners, there is a disparity that when we look at who our demographic is of those that live there year-round. He stated that we have some unique issues. These towns are constrained by how much land use they have and what is done with it. Dion Alley said we also need to look at the seasonality of the businesses.

Martin Culik asked if the data was from 2013 to 2017. Phil Moffitt stated that was correct. Martin Culik asked if the data from the last five years has changed. Phil Moffitt stated that the Compact does have data from 2018 and 2019. He stated that DNV will be incorporating that data in the analysis for us.

Erik Peckar asked about the marketing budget that is spent on Martha's Vineyard. He stated that when talking about Cape Light Compact on Martha's Vineyard many people think that it is just for the Cape. He stated that maybe we can look into more funding or radical thought, a potential name changes to include Martha's Vineyard in there. Maggie Downey stated excellent points and that the staff has and is continuing to look for additional funding. She stated the DPU Order requires the Compact to track its marketing spending in the environmental justice communities.

ADMINISTRATOR'S REPORT:

1. Introduce Isabelle Caplan, Communications Coordinator

Maggie Downey introduced the Compact's Communications Coordinator, Isabelle Caplan. She stated that she joined the Compact on February 14th. Isabelle Caplan stated that she has a background in non-profit marketing and video production. She stated that her passion is in environmental sustainability and that she is excited to be here and be able to do this work.

2. Review and Release of Executive Session Minutes

Maggie Downey stated that she, David Anthony, and Counsel reviewed executive session minutes that had been redacted and will be releasing several meeting minutes that no longer have a rationale for withholding and

redacting anymore. Some minutes will still be withheld from the public because the purpose for the confidentiality has not expired.

3. Update on CLCJPE Policies and Procedures Manual

Maggie Downey stated that she is updating the Cape Light Compact JPE Policies and Procedure Manual. She has been working with labor counsel, Regina Ryan on the document. She stated that Regina will be presenting at the April Board Meeting.

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 NOT RETURN TO OPEN SESSION:

Martin Culik at 3:47 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and (10) to review and approve executive session minutes which contain discussions regarding pending or imminent regulatory litigation related to Massachusetts Department of Public Utilities (DPU) 20-40, Cape & Vineyard Electrification Offering (CVEO), the 2022-2024 Energy Efficiency Plan, D.P.U. 21-126, the Eversource Rate Case, DPU 22-22, and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to Low Income Community Shared Solar Project, not to return to open session thereafter. Seconded by Robert Schofield.

David	Anthony	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
Valerie	Bell	Harwich	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Absent
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- February 9, 2022, Draft Meeting Minutes

- 2022 Program Updates PowerPoint
- Takeaways from the Residential Nonparticipant Customer Profile Study PowerPoint