

Background

Formation of Compact

1. What is the purpose of a municipal aggregation?

The 1997 Massachusetts Restructuring Act enabled towns and cities to establish municipal aggregators like Cape Light Compact that could:

- a. Purchase power on behalf of all customers in the municipality
- b. Implement the energy efficiency programs instead of the local electric utility
- c. Administer rate-payer funded surcharge. This charge appears on your monthly electric bill as the “Energy Conservation” charge and is one of the funding sources for Cape Light Compact’s Energy Efficiency Programs, which are available to every resident and business on Cape Cod and Martha’s Vineyard regardless of which electric supplier the ratepayer chooses.

2. What steps were taken to create Cape Light Compact?

The process of municipal aggregation for the Compact involved a multi-step public process that the Compact originally undertook from 1998 to 2001:

- 1.1 Vote of town meeting
- 1.2 Vote of selectmen, town council, or county commissioners
- 1.3 Town/county representative participates on Compact Governing Board
- 1.4 Planning process/development of policy including Aggregation Plan, RFPs, contracts
- 1.5 Development and release of Request for Proposals
- 1.6 Review of Aggregation Plan by citizens
- 1.7 Power supply contract to selectmen/town council for acceptance vote, conditioned on DPU approval and final signing
- 1.8 Power supply contract and Aggregation Plan submitted to DPU for approval
- 1.9 Final signing by each participating town
- 1.10 Notification of consumers of automatic enrollment
- 1.11 Administrative transfer of customers to Compact supplier(s)
- 1.12 180-day opt-out period begins on first day of service
- 1.13 File contract and report with state (DPU, DOER, Inspector General) within 15 days of signing contract

3. What is the Compact’s relationship to Barnstable County?

In addition to being represented on the Compact’s Governing Board, Barnstable County acts as the Cape Light Compact’s fiscal agent and provides certain administrative services. While Barnstable County provided funds to help establish the Compact and for several years thereafter, the County has not provided any direct financial support to the Compact’s Operating Fund since Fiscal Year 2012.

Structure

1. How is the Compact structured?

The Compact is a municipal aggregation, enabled by Massachusetts General Law Chapter 164, Section 134. The Compact is structured as an intergovernmental agreement, authorized by votes of town meeting, boards of selectmen, town council and county commissioners, similar to other entities such as regional school districts. The Compact consists of 21 towns and Barnstable and Dukes Counties. The Compact’s Governing Board is made up of one representative appointed by each of the member municipalities and the two counties. The Compact Governing Board is responsible for

establishment of the policies and development of the Compact, except with respect to those powers reserved to the member municipalities of the Compact by law or the Inter-Governmental Agreement.

The Compact Governing Board elects officers at its first meeting following the end of each calendar year. The Board and its officers are responsive and responsible to consumers and the Board of Selectmen and Town Manager/Town Council at whose pleasure they serve.

2. Who makes the decisions at the Compact?

Cape Light Compact has a Governing Board, comprised of representatives from each of the 21 member towns and the 2 member counties. The Compact also employs a staff to administer its programs. Most of the day-to-day operations of the Compact are carried out by the staff, with the Governing Board providing policy direction to staff. The Governing Board also votes on the Compact's operating budget and Energy Efficiency Plan. These authorities are laid out in the Compact's Aggregation Plan and its Intergovernmental Agreement.

3. Who has oversight of the Compact?

There are many levels of oversight of the Cape Light Compact. Most directly, each member of the Compact appoints a representative to the Compact's Board. Through these representatives, each of the member towns and counties has a role in overseeing the Compact. Further, many of the Compact's programs are subject to oversight by various regulatory bodies, such as the Department of Public Utilities and the Department of Energy Resources.

Relationship with Barnstable County

1. Is the Compact part of Barnstable County?

Barnstable County serves as the Compact's procurement agent for all matters related to the procurement of basic goods and services as requested, i.e. office supplies and equipment. The Compact's Chief Procurement Officer ("CPO"), appointed by the Compact Governing Board, procures all other services for both the Compact's energy efficiency and power supply activities, except for certain energy efficiency contracts that are procured on a statewide basis. In addition, Barnstable County, under an Administrative Services Agreement, provides office and meeting space and administrative support to coordinate the Compact's operations contingent upon the Compact's approval.

Aggregation Plan

1. What is the aggregation plan?

Cape Light Compact developed its aggregation plan in compliance with Massachusetts law regarding public aggregation of electric consumers. It contains required information on the structure, operations, services, funding, and policies of the Compact. The Compact's original aggregation plan was approved by the Department of Public Utilities (DPU) then the Department of Telecommunications and Energy) in a proceeding that included the Massachusetts Attorney General and NSTAR.

2. How often does it get updated?

When the Compact prepared and submitted its original aggregation plan, its understanding was that the plan would not need to be updated, but, instead, served as a document needed only for approval at the inception of the aggregation. The Compact maintained and updated several times its Inter-Governmental Agreement. On August 27, 2013, the DPU, which approved the Compact's original plan, sent a letter to the

Compact, asking that the Compact review its plan and update it if there were elements that no longer accurately described the Compact's operations. The Compact found that there were elements that could be updated, and proceeded to file a revised plan. The DPU, in its order approving the City of Lowell's aggregation plan, clarified events that would trigger the need to file a revised aggregation plan in the future.

Inter-Governmental Agreement (IGA)

1. What is the IGA?

Under Massachusetts General Laws, cities and towns may enter into an Inter-Municipal Agreement to perform services, activities or undertakings authorized by law. The twenty one towns of Cape Cod and Martha's Vineyard and the two counties determined that municipal aggregation services were most effectively and efficiently delivered together through an Intergovernmental Agreement. This governing document was executed by all twenty one Cape and Vineyard towns and Barnstable and Dukes counties. Each municipality has a member who is appointed to the Cape Light Compact Governing Board.

2. Does this agreement change?

This agreement may change as needed, and has been updated five times. Any change is approved by the Compact Governing Board.

Governing Board

1. How are Board members appointed?

Board members are appointed by their respective town's or county's appointing authority.

2. When does the Board meet?

The Board's regularly scheduled meetings are on the 2nd Wednesday of every other month, starting in January. The Board may add or adjust additional meetings as needed.

3. Are their meetings, and any committee meetings, open to the public?

Yes, provided that the Board or Committee does not enter into Executive Session.

4. Where can I find meeting agendas and minutes from the Governing Board meetings?

Governing Board meeting agendas and minutes can be found on the Compact's website at www.capelightcompact.org/meetingcenter. Additionally the agendas are posted on the outside bulletin board at the Barnstable County Superior Court House.

5. What is the proper way to bring an issue before the Board?

Each town has a representative to the Board. If a citizen has a concern they would like addressed, they should present it to their respective town's board of selectmen or town manager, who will then notify the Town's representative to the Compact's Governing Board. If a member town has a concern that they would like addressed, the Town's representative to the Compact would bring the matter to the full Compact Board for consideration.