

### ATTORNEYS AT LAW

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April 1, 2019

### VIA EMAIL AND HAND DELIVERY

Mark D. Marini, Secretary Commonwealth of Massachusetts Department of Public Utilities One South Station, 5<sup>th</sup> Floor Boston, MA 02110

# Re: D.P.U. 19-MA (Hearing Officer Reporting Procedures – 2018 Municipal Aggregation Annual Reports)

Dear Secretary Marini:

The Cape Light Compact JPE ("Compact") hereby submits its 2018 Municipal Aggregation Annual Report in accordance with the Hearing Officer Memorandum dated November 28, 2018 and the March 1, 2019 Stamp-Granted Motion for Extension issued to the Compact in the above-referenced docket. For reference in filing, the Compact's current Aggregation Plan was approved in D.P.U. 14-69.

Thank you for your attention to this matter.

Sincerely,

Andrey A. Editor

Audrey A. Eidelman

AAE/drb Enclosures

cc: Jessica Ellis, Hearing Officer (via email only)
 Rebecca Tepper, Esq., Division Chief, Office of the Attorney General (via email only)
 Nathan Forster, Esq., Deputy Division Chief, Office of the Attorney General (via email only)
 Margaret T. Downey, Cape Light Compact JPE Administrator (via email and first class mail)

VERMONT OFFICE: P.O. Box 205 Woodstock, Vermont 05091 Telephone: 802.457.9050 Facsimile: 802.419.8283 E-Mail: bckvt@bck.com MOUNTAIN STATES OFFICE: P.O. Box 3625 Hailey, Idaho 83333 Telephone: 617.584.8338 Facsimile: 802.419.8283 E-Mail: bckidaho@bck.com

# CAPE LIGHT COMPACT JPE ANNUAL REPORT TO THE MASSACHUSETTS DEPARTMENT OF PUBLIC UTILITIES

# April 1, 2019

# (Reporting Period: Calendar Year 2018)

### BACKGROUND

The towns of Aquinnah, Barnstable, Bourne, Brewster, Chatham, Chilmark, Dennis, Edgartown, Eastham, Falmouth, Harwich, Mashpee, Oak Bluffs, Orleans, Provincetown, Sandwich, Tisbury, Truro, West Tisbury, Wellfleet and Yarmouth, and Dukes County are organized and operating collectively as the Cape Light Compact JPE (Compact), a joint powers entity organized pursuant to G.L. c. 40, §4A ½ and G.L. c. 164, §134. The Compact is a municipal aggregator under G.L. c. 164, §134, was originally formed in 1997 and is currently organized through a Joint Powers Agreement (JPA) executed by all of its members. The purposes of the Compact include, among other things, to negotiate the best terms and conditions for the supply and distribution of electricity for consumers on Cape Cod and the Vineyard and to advance consumer protection and interests for the residents of Cape Cod and the Vineyard. Compact JPA at Article II. The 1997 Massachusetts Restructuring Act enabled towns and cities to become municipal aggregators like the Compact that could, among other things:

- Purchase power on behalf of all customers in the municipality and provide the power to all customers on an opt-out basis; and
- Implement energy efficiency programs instead of the local electric utility, ensuring that funds collected from Cape and Vineyard residents and businesses are spent to reduce the energy costs of Cape and Vineyard residents and businesses.

On May 10, 2000, the Compact filed its Aggregation Plan developed in accordance with G.L. c. 164, §134 (Section 134) for review and approval by the Massachusetts Department of Telecommunications and Energy (DTE), now the Massachusetts Department of Public Utilities (DPU). DTE docketed the proceeding as D.T.E. 00-47. On August 10, 2000, the DTE issued an Order approving the Compact's Aggregation Plan and model electric supply agreement, concluding that the Compact's Aggregation Plan and agreement was consistent with all requirements of Section 134 and DTE regulations. On April 3, 2014, at the request of the DPU, the Compact filed its updated Aggregation Plan for review and approval. D.P.U. 14-69. On May 1, 2015, the DPU issued a conditional approval order for the updated Aggregation Plan. The DPU issued an approval order on the Compact's compliance filing for the updated Aggregation Plan on May 18, 2015 in D.P.U. 14-69-A.

The report below is provided in response to the Hearing Officer Memorandum dated November 28, 2018 regarding reporting procedures in D.P.U. 19-MA and is organized in accordance with the data requested therein.

### I. COMPETITIVE SUPPLIER FOR CALENDAR YEAR 2018

During 2018, the Compact's competitive supplier was NextEra Energy Services Massachusetts, LLC (NextEra) for all customer classes.

## II. TERM OF POWER SUPPLY CONTRACT

On January 1, 2018, the Compact's competitive electric supplier was NextEra, pursuant to a competitive electric supply agreement (CESA) that was amended and restated on May 2, 2016 for a supply term ending on the last consumer meter read dates in December 2018. Pursuant to a February 2018 request for proposals and competitive procurement process, the Compact entered into a CESA with NextEra on May 3, 2018 for a supply term beginning on the first consumer meter read dates in December 2018 and ending on the last consumer meter read dates in December 2018 and ending on the last consumer meter read dates in December 2018.

## III. MONTHLY ENROLLMENT AND OPT-OUT STATISTICS

Please see Exhibit A for monthly enrollment and opt-out statistics during Calendar Year 2018.

Please note the following about the data provided:

- The number of customers listed in Column A of the Monthly Customer Enrollment sheet are the total number of <u>accounts</u> in the Compact's member towns, not customers.
- The Compact's supplier reports that the distribution company (NSTAR Electric Company d/b/a Eversource Energy ("Eversource")) was unable to provide residential customer class information for residential customers in the Compact's service territory not eligible to participate in the aggregation. Therefore, the Compact's supplier was unable to determine how many total R-2 customers are within the Compact's member towns. In addition, Column B of the section representing all non-R-2 customers may include some R-2 customers.
- Column A of the Opt Out Notices sheet reflects the number of opt-out notices that were sent to newly-enrolled customers in the given month. Column B reflects the number of customers that opted out with the given month, either by phone or by returning their opt-out card. Customers counted in Column B may or may not have received their opt-out card within the given month.

In response to the DPU's request that a municipal aggregator explain all steps taken to obtain the data from the distribution company, please see the data collection description set forth in Exhibit D. This data collection process took approximately six weeks and 80 hours of staff time to

complete. The Compact is providing this detailed summary to enhance the DPU's understanding of the difficulty the Compact encountered in this data collection process.<sup>1</sup>

# IV. NUMBER AND PERCENTAGE OF CUSTOMERS THAT OPTED-OUT OF THE PROGRAM OVER THE PAST YEAR

Please see Exhibit A for customer opt-out information.

### V. RENEWABLE ENERGY SUPPLY OPTIONS & GREEN AGGREGATION

In 2016, the Compact began exploring the possibility of becoming a green aggregation (meaning that all customers' electricity supply would exceed the Massachusetts Renewable Energy Portfolio Standard (RPS) renewable content requirements by default). Compact staff and Governing Board members reviewed options for exceeding the RPS requirements and solicited public input at several public meetings on the idea of the Compact becoming a green aggregation. At their November 9, 2016 meeting, the Compact's Governing Board elected to become a green aggregation beginning with January 2017 meter read dates.

Effective with January 2017 meter read dates and continuing through calendar year 2018, the Compact became a green aggregation by exceeding the Massachusetts RPS renewable content requirements. As a result of contract negotiations, NextEra, the Compact's supplier during this time period, also agreed to direct its standard supplier and retail fees to new renewable energy projects through the EarthEra<sup>TM</sup> Renewable Energy Trust (Trust).<sup>2</sup> The Trust is a fund established by EarthEra, LLC, an affiliate of NextEra, for the purpose of developing renewable energy projects in the United States. Funds from the Trust, which is administered by an independent third party, can only be used to build new renewable energy projects. NextEra has made a commitment to the Compact to direct those funds to projects in New England to the extent possible.

The NextEra supply contracts in place for calendar year 2018 included green aggregation provisions which 1) require NextEra to procure and reserve an additional 1% of RPS-qualified MA Class 1 renewable energy credits (RECs) on an annual basis, beyond the RPS requirements; 2) require NextEra to reserve EarthEra<sup>TM</sup> RECs to meet 100% of Compact customers' load, in addition to the RPS-qualified RECs; and 3) require NextEra to deposit the premium paid by Compact customers for the EarthEra<sup>TM</sup> RECs, in addition to its supplier and retail fees, into the Trust.

<sup>&</sup>lt;sup>1</sup> The Compact notes that its supplier expended significant time and effort to compile the data in Exhibit A and was ultimately unable to obtain all of the data requested by the DPU from Eversource. The Compact respectfully suggests that the DPU consider not requiring this level of data in future annual reports, or, if it does wish to obtain this data, DPU should direct the distribution companies to undertake uniform reporting for municipal aggregation annual reports in the format requested by the DPU, in order to reduce the administrative and cost burden that municipal aggregators will otherwise face compiling the requested data.

<sup>&</sup>lt;sup>2</sup> More information on the Trust may be found at <u>http://nexteraenergyresources.com/what/earthera.shtml</u>.

### VI. ALTERNATIVE INFORMATION DISCLOSURE STRATEGY

The Compact's alternative information disclosure strategy was approved by the DPU in D.T.E. 00-47. For calendar year 2018, in accordance with the alternative methods of disclosure approved by the DPU, the Compact maintained a link to its suppliers' current disclosure label at <a href="http://www.capelightcompact.org/power-supply">http://www.capelightcompact.org/power-supply</a>. The Compact also publishes a quarterly advertisement containing its suppliers' disclosure label information in all Cape Cod and Martha's Vineyard daily and weekly print newspapers, an example of which is included as Exhibit B. The Compact provides the information included in Exhibit B to area municipalities, libraries, and senior centers on an annual basis.

In addition, the Compact brings copies of its advertisement containing its suppliers' disclosure label information to several events the Compact attends.

## VII. COMPLIANCE WITH PUBLIC EDUCATION PLAN PROVISIONS

In accordance with its Aggregation Plan most recently approved in D.P.U. 14-69, the Compact provides information about its power supply program and offerings through its website, press releases, social media, and public notices, including opt-out notices sent to newly-enrolled customers.

The Compact maintains its current power supply agreement, rates and product information, links to the electric distribution company's basic service webpage, and past power supply agreements at <u>www.capelightcompact.org/power-supply</u>. In addition, the Compact provides information to customers about its power supply program through its "frequently asked questions" page at <u>https://www.capelightcompact.org/faqs</u>. Screenshots of this information are included in Exhibit C. The Compact also maintains copies of all press releases regarding its power supply program and offerings on its website at <u>https://www.capelightcompact.org/category/press-releases/</u>. A sample press releases is also included in Exhibit C. In addition, a copy of the opt-out notice template sent to customers that are newly auto-enrolled is included in Exhibit C.

## VIII. COPIES OF ANY COMPLAINTS RECEIVED

The Compact has not received any written complaints from customers in calendar year 2018. The Compact's supplier did not receive any written complaints from customers in calendar year 2018.

# EXHIBIT A

### MONTHLY ENROLLMENT AND USAGE STATISTICS CUSTOMER OPT-OUT INFORMATION

Municipality	Cape Light Compact
	D.T.E. 00-47, D.P.U 14-
Docket municipal aggregation approved	69
Annual report calendar year	2018

**Instructions:** This document should be filed to the Department in Microsoft Excel. For a breakdown of which customer classes are included in each table, refer to the "customer class reference" tab. For instructions on how to calculate the average number of customers in a given month, refer to the "avg # of customers calculation" tab.

	R-2 (low-income) residential enrollment customer information					
		Average # of R-2		Percentage of R-2	Percentage of R-2	
	Average # of R-2	customers eligible	Average # of R-2	customers on	eligible customers	
	customers in	for municipal	customers on	municipal	on municipal	
	municipality	aggregation	municipal aggregation	aggregation	aggregation	
January		1,934	4	#DIV/0!	0.2%	
February		1,932	4	#DIV/0!	0.2%	
March		1,868	4	#DIV/0!	0.2%	
April		1,875	4	#DIV/0!	0.2%	
Мау		1,951	4	#DIV/0!	0.2%	
June		1,949	4	#DIV/0!	0.2%	
July		1,869	4	#DIV/0!	0.2%	
August		1,888	4	#DIV/0!	0.2%	
September		1,883	4	#DIV/0!	0.2%	
October		1,842	3	#DIV/0!	0.2%	
November		1,845	3	#DIV/0!	0.2%	
December		1,695	3	#DIV/0!	0.2%	
Total average	#DIV/0!	1,878	4	#DIV/0!	0.2%	

	All other residential (excluding R-2) enrollment customer information					
	Average # of other residential customers in municipality	-	Average # of other residential customers on municipal aggregation	residential customers	Percentage of other eligible customers on municipal aggregation	
January	179,466	143,668	125,218	69.8%	87.2%	
February	179,628	143,695	125,261	69.7%	87.2%	
March	178,833	142,753	125,156	70.0%	87.7%	
April	179,246	143,045	125,275	69.9%	87.6%	
May	180,388	144,034	125,484	69.6%	87.1%	
June	180,774	144,239	125,657	69.5%	87.1%	
July	180,300	143,630	125,861	69.8%	87.6%	
August	181,410	144,589	126,158	69.5%	87.3%	
September	181,862	144,856	126,391	69.5%	87.3%	
October	182,698	145,488	126,698	69.3%	87.1%	
November	183,256	145,685	126,961	69.3%	87.1%	
December	182,268	144,255	127,194	69.8%	88.2%	
Total average	180,844	144,161	125,943	69.6%	87.4%	

	Small C&I enrollment customer information					
	Average # of small C&I customers in municipality	Average # of small C&I customers eligible for municipal aggregation	Average # of small C&I customers on	C&I customers on municipal	Percentage of small C&I eligible customers on municipal aggregation	
January	26,406	16,671	13,729	52.0%		
February	26,361	16,613	13,734	52.1%	82.7%	
March	26,268	16,504	13,716	52.2%	83.1%	
April	26,226	16,448	13,712	52.3%	83.4%	
May	26,507	16,705	13,696	51.7%	82.0%	
June	26,388	16,575	13,703	51.9%	82.7%	
July	26,242	16,410	13,737	52.3%	83.7%	
August	26,556	16,714	13,781	51.9%	82.5%	
September	26,569	16,716	13,826	52.0%	82.7%	
October	26,757	16,893	13,871	51.8%	82.1%	
November	26,820	16,947	13,933	52.0%	82.2%	
December	26,448	16,567	13,972	52.8%	84.3%	
Total average	26,462	16,647	13,784	52.1%	82.8%	

Large C&I enrollment customer information					
					Percentage of large
		Average # of large		Percentage of large	C&I eligible
	Average # of large C&I	C&I customers	Average # of large C&I	C&I customers on	customers on
	customers in	eligible for municipal	customers on	municipal	municipal
	municipality	aggregation	municipal aggregation	aggregation	aggregation
January	35	35	17	48.6%	48.6%
February	33	33	17	51.5%	51.5%
March	31	31	16	51.6%	51.6%
April	31	31	16	51.6%	51.6%
May	34	34	17	50.0%	50.0%
June	38	38	18	47.4%	47.4%
July	38	38	18	47.4%	47.4%
August	38	38	19	50.0%	50.0%
September	39	39	20	51.3%	51.3%
October	38	38	20	52.6%	52.6%
November	39	39	21	53.8%	53.8%
December	38	38	22	57.9%	57.9%
Total average	36	36	18	51.1%	51.1%

Municipality	Cape Light Compact
	D.T.E. 00-47,
Docket municipal aggregation approved	D.P.U. 14-69
Annual report calendar year	2018

Opt out notice information for residential customers				
	Total number of opt	Total number of		
	out notices sent to	customers that were sent	Percentage of	
	customers new to the	opt-out notices that opted	customers that opted	
	municipality in the	out of municipal	out of municipal	
	month	aggregation	aggregation	
January	1,493	25	1.7%	
February	1,230	49	4.0%	
March	1,333	32	2.4%	
April	1,729	30	1.7%	
May	1,962	30	1.5%	
June	1,987	28	1.4%	
July	1,590	27	1.7%	
August	1,741	43	2.5%	
September	1,811	20	1.1%	
October	1,938	24	1.2%	
November	1,854	34	1.8%	
December	1,520	26	1.7%	
Total count	20,188	368	1.8%	
Total average	1,682	31		

## EXHIBIT B

## EXAMPLE OF QUARTERLY ADVERTISEMENT WITH SUPPLIER DISCLOSURE LABEL



# This disclosure is required by the Massachusetts Department of Public Utilities Content Label for Cape Light Compact Retail Access Electricity Supply Customers

Data for this label is provided by NextEra Energy Services Cape Light Compact's current competitive supplier.

The electricity you consume comes from the New England power grid, which receives power from a variety of power plants and transmits the power throughout the region as needed to meet the requirements of all customers in New England. When you choose a power supplier, that supplier is responsible for generating and/or purchasing power that is added to the power grid in an amount equivalent to your electricity use. "System Power" includes the mix of power generating resources in the regional electricity market.

Although the power delivered to Compact customers comes from the regional New England power grid, the Compact's supplier provides 100% renewable energy to Compact customers by retiring renewable energy certificates ("RECs") to match customers' usage as follows: 1) RECs to meet the MA Renewable Portfolio Standard (RPS), which includes a mix of RECs from wind, solar, biomass, and other qualified renewable generation resources; 2) RECs in addition to those required by the RPS from a MA Class 1 resource located in MA in a quantity equal to 1% of usage; and 3) RECs in addition to those required by the RPS representing generation from North American wind resources in a quantity equal to 99% of usage. This renewable content is reflected in the "Power Attribute Content" table to the right.

NextEra Energy Services will update fuel sources and emissions data to its customers quarterly, allowing customers to compare data among the companies providing electricity service on Cape Cod and Martha's Vineyard.

#### **Generation Prices\***

- Residential customers: prices in effect for June 2018 Dec 2018 are 10.6¢ per kWh
- Commercial customers: prices in effect for June 2018 Dec 2018 are 11.075¢ per kWh
- Industrial customers: prices in effect for Sept 2018 Dec 2018 are 11.348¢ per kWh

Prices do not include regulated charges for customer service and delivery. Those charges are billed by your local distribution company. For a breakdown of supply pricing, visit capelightcompact.org/power-supply. \*Prices include an adder of \$0.001/kWh for the Cape Light Compact Operating Fund.

#### Air Emissions

Emissions for each of the following pollutants are presented as a percent of the region's average emission rate based on the System Mix. System average emission rates were prepared for New England Power Pool (NEPOOL) by ISO New England and are based on data from Q2 2017 through Q1 2018 for residential, and commerical and industrial rates.

Nitrogen Oxide  $(NO_X)$  is formed when fossil fuels and biomass are burned at high temperatures. They contribute to acid rain and ground-level ozone (or smog), and may cause respiratory illness in children with frequent hight level exposure.  $NO_X$  also contributes to oxygen deprivation of lakes and coastal waters which is destructive to fish and other animal life.

Sulfur Dioxide (SO<sub>2</sub>) is formed when fuels containing sulfur are burned, primarily coal and oil. Major health effects associated with  $SO_2$  include asthma, respiratory illness and aggravation of existing cardiovascular disease.  $SO_2$  combines with water and oxygen in the atmosphere to form acid rain, which raised the acid level of lakes and streams, and accelerates the decay of buildings and monuments.

Carbon Dioxide (CO<sub>2</sub>) is released when fossil fuels (e.g., coal, oil and natural gas) are burned. Carbon dioxide, a greenhouse gas, is a major contributor to global warming.

## Disclosure Label Based on Data from Q2 2017 - Q1 2018

New England System Mix			
System N Power Source Percer			
Biomass Coal Diesel Digester Gas Efficient Resource (Maine) Fuel Cell Hydroelectric/Hydropower Hydrokinetic Jet Landfill Gas Liquid Biofuels Municipal Solid Waste Natural Gas Nuclear Oil Solar Photovoltaic Solar Thermal Trash-to-energy Wind Wood Other	0.29		
*TOTAL	99.987		

Based on data from Q2 2017 - Q1 2018. Actual totals may vary slightly from 100% due to rounding.

Power Attribute Content* Cape Light Compact Aggregation			
Source	Percentage		
MA Renewable Portfolio Standard Requirements (includes Wind, Solar, Bio- mass, and other renewable resources pursuant to MA regulations)	22.66		
Voluntary Wind	99.00		
Additional MA Class 1 REC	s 1.00		
TOTAL**	122.66		
*Power Attribute Content table reflects REC retirements for load during Q2 2017 - Q1 2018.			

\*\*Total is above 100% because the Compact's supplier retires RECs in an amount greater than customers' annual load.

Note: Electricity customers in New England are served by an integrated power grid, not particular generating units. The System Mix information is based on the most recently available information provided via the NEPOOL Generation Information System. Cape Light Compact's Power Supplier procures electricity supply through system power contracts, not from specific generating units.

### **Emissions** Data

Emission Type	Lbs. per MWh	% NEPOOL System Average
Nitrogen Oxides Sulfur Dioxide (S Carbon Dioxide	O <sub>2</sub> ) 1.5034	100

New unit emissions data for  $CO_2$  is 895lbs/MWh; for  $NO_X$  is 0.055 lbs/MWh; for  $SO_2$  is 0.011 lbs/MWh.

## EXHIBIT C PUBLIC EDUCATION INFORMATION

# **Power Supply**

# Sustainability, Security, and Stability

We are strongly committed to providing competitive electricity prices and worry-free service to our customers through competitively-bid contracts. The Compact offers the security of a fixed rate and stable power supply option for a specific time frame, typically six months, for residential and small commercial customers. The rate for large commercial customers changes every three months.

We are proud to announce that we have teamed up with our supplier, NextEra® Energy Services Massachusetts (NextEra Energy Services), to become a green aggregator by matching 100% of Compact customers' annual usage with Renewable Energy Certificates (RECs).

View the table below to learn more about pricing.

Read more about Green Aggregation. Read more about Resources for Consumers.



For additional questions about Cape Light Compact, to discuss your options or other inquiries call (508) 375-6644 or email info@capelightcompact.org.



Call 1-800-381-9192 to sign up for Cape Light Compact's Power Supply

# Rates for Cape Light Compact 100% Renewable Electricity

2019 POWER SUPPLY RATES*			
	Dec. 2018 - March 2019 meter reads	March 2019 - June 2019 meter reads:	
Residential	13.699 cents/kWh	13.460 cents/kWh	
Commercial	13.299 cents/kWh	13.299 cents/kWh	
Industrial	16.259 cents/kWh	10.446 cents/kWh	

\* Prices include an adder of \$0.001/kWh for the Cape Light Compact Operating Fund

 View the components and pricing build-up for the Compact's power supply rates, which will begin after December 2018 meter read and will end on June 2019 meter read for residential



customers.

- View the components and pricing build-up for the Compact's power supply rates, which will begin after Dec 2018 meter read and will end on June 2019 meter read for commercial customers.
- View the components and pricing build-up for the Compact's power supply rates, which will begin after Dec 2018 meter read and will end on March 2019 meter read for industrial customers.
- will end on March 2019 meter read for industrial customers.
  View the components and pricing build-up for the Compact's power supply rates, which will begin after February 2019 meter read and will end on June 2019 meter read for industrial customers.
- View Eversource's basic service rate.
- Click below to view the Compact's Current Competitive Electric Supply Agreement (CESA). The pricing strategy and supplier payment guarantee, Exhibit A and Exhibit E to these agreements contain certain confidential and competitively sensitive information and are not public documents.
  - NextEra Energy Services Massachusetts, LLC for residential, commercial and industrial electric customers
    - First Amendment to CESA with NextEra Energy Services Massachusetts, LLC
- View how Cape Light Compact procures electricity and sets the rate
- View a list of licensed competitive electric suppliers, please visit the Executive Office of Energy and Environmental Affairs website.
- View information on the Retail Electric Market, including info on basic service, competitive supply, and municipal aggregation.

\*Please note that the Compact cannot ensure or verify the accuracy of the information provided by other service providers.\*

Sign up for our newsletter to receive electric rate announcements, special offers, consumer advisories, event updates and breaking news items from Cape Light Compact.

- \* Prices include an adder of \$0.001/kWh for the Cape Light Compact Operating Fund
- View the components and pricing build-up for the Compact's power supply rates, which will begin after December 2018 meter read and will end on June 2019 meter read for residential customers.
- View the components and pricing build-up for the Compact's power supply rates, which will begin after Dec 2018 meter read and will end on June 2019 meter read for commercial customers.
- View the components and pricing build-up for the Compact's power supply rates, which will begin after Dec 2018 meter read and will end on March 2019 meter read for industrial customers.

View the components and pricing build-up for the Compact's



- power supply rates, which will begin after February 2019 meter read and will end on June 2019 meter read for industrial customers.
- View Eversource's basic service rate.
- Click below to view the Compact's Current Competitive Electric Supply Agreement (CESA). The pricing strategy and supplier payment guarantee, Exhibit A and Exhibit E to these agreements contain certain confidential and competitively sensitive information and are not public documents.
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- View information on the Retail Electric Market, including info on basic service, competitive supply, and municipal aggregation.

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# **Basic Electric Service Disclosure Label**

Electric Power Suppliers are required by the Department of Public Utilities (DPU) to provide customers with a disclosure label. The label enables consumers to look at the energy sources, air emissions and information

# **Past Compact Power Supply Contracts**

Please click on the links below to view past Cape Light Compact Power Supply Contracts.

about the supplier in order to make a more informed choice of a power supplier. Consumers can compare energy labels to make the best choice based on their energy needs.

Click on the following links to view the current Disclosure Labels for Basic Electric Service

NextEra Energy Services Content Disclosure Label for Commercial and Industrial Consumers

NextEra Energy Services Content Disclosure Label for Residential Customers 05.02.16 – NextEra Energy Services Massachusetts, LLC for residential, commercial and industrial electric customers

- First Amendment to CESA with NextEra Energy Services Massachusetts, LLC
- Second Amendment to CESA with NextEra Energy Services Massachusetts, LLC

10.28.14 – Consolidated Edison Solutions, Inc. for residential electric customers

 Modification of Exhibit A to CESA with Consolidated Edison Solutions, Inc.

10.22.14 – NextEra Energy Services Massachusetts, LLC for commercial and industrial electric customers

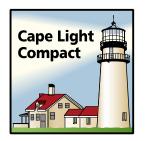
 First Amendment to CESA with NextEra Energy Services Massachusetts, LLC

01.21.2014 – Extension with Consolidated Edison Solutions, Inc.
01.10.2013 – Extension with Consolidated Edison Solutions, Inc.
01.01.2011 – Contract with Consolidated Edison Solutions, Inc
03.31.2009 – Extension with Consolidated Edison Solutions, Inc.
08.14.2006 – Extension with Consolidated Edison Solutions, Inc.
12.01.2005 – Contract with Consolidated Edison Solutions, Inc.
01.01.2005 – Contract with Consolidated Edison Solutions, Inc.

# EMAIL INFO@CAPELIGHTCOMPACT.ORG

MAIL CAPE LIGHT COMPACT JPE 261 WHITES PATH, UNIT 4 S. YARMOUTH, MA 02664 CALL ENERGY EFFICIENCY 1-800-797-6699 POWER SUPPLY 1-800-381-9192





For More Information Contact: Maggie Downey, Compact Administrator – (508) 737-3774 mdowney@capelightcompact.org

PRESS RELEASE For Immediate Release: May 29, 2018

# CAPE LIGHT COMPACT ANNOUNCES DECREASE IN ELECTRIC PRICING

**South Yarmouth, MA** – Cape Light Compact is pleased to announce a substantial decrease in electricity prices for its green aggregation power supply program for the next six-month term, beginning on customers' June 2018 meter read dates and ending on December 2018 meter read dates. With this new pricing for the upcoming term, the Compact's power supply program will continue to provide cost savings to customers against the utility's basic service pricing and support renewable energy resources.

"We are pleased to be able to offer our customers' savings against the utility's basic service rate while supporting renewable energy above and beyond state requirements," said Maggie Downey, Cape Light Compact Administrator, "and we are proud to provide a safe and stable power supply option that doesn't require customers to sign a contract and doesn't come with any surprise fees or charges."

The Compact's new residential pricing, which starts on customers' June meter read dates, will be 10.6 cents per kilowatt-hour (kWh), and they should see this price reflected on the bills that they receive in July. The average residential customer using 584 kWh per month will see a savings of about \$4.65 per month compared to the utility's upcoming basic service price, and a decrease of about \$12.85 per month against the Compact's current price. In aggregate, Compact residential power supply customers are expected to save nearly \$2.6 million dollars versus the utility's basic service price price over the upcoming pricing term.

The Compact's green aggregation power supply program supports renewable resources by matching all customers' electricity usage with renewable energy certificates (RECs), by purchasing RECs from New England-based projects above Massachusetts state requirements, and by helping to finance new renewable energy projects directly. Since the Compact's implementation of its green aggregation program in December 2016, the Compact has been able to maintain lower pricing than the local utility, while exceeding the mandated Massachusetts renewable energy component.

"Our price decrease comes just in time to help customers, that use air conditioning and dehumidifiers to keep their homes and businesses comfortable, save money on their bills," said Downey. "While this price drop will help decrease energy costs, we always like to remind our customers that the cheapest kilowatt hour is a kilowatt hour that isn't used, so we encourage our customers to participate in our energy efficiency programs. Having a free energy assessment and installing recommended insulation will not only reduce your energy bills but will make you more comfortable as well. We also have many offers available for businesses to take advantage of. We encourage customers to call our energy efficiency hotline at 1-800-797-6699 to save money on energy bills this summer, and even to start preparing for winter."

The Compact's new commercial rate for June 2018 through December 2018 meter read dates will be 11.075 cents per kWh and the industrial rate for the period of June 2018 through September 2018 meter reads will be 10.274 cents per kWh.

	Residential	Commercial	Industrial
Eversource Basic	11.397 cents/kWh	11.403 cents/kWh	11.498 cents/kWh
Service - Proposed	7/1/18 - 12/31/18	7/1/18 - 12/31/18	7/1/18 - 9/30/18
	10.6 cents/kWh	11.075 cents/kWh	10.274 cents/kWh
Cape Light Compact	June'18 – December	June '18 – December	June '18 – September
	'18 meter reads	'18 meter reads	'18 meter reads

New Pricing:

## ABOUT CAPE LIGHT COMPACT JPE

Cape Light Compact JPE, is an award-winning energy services organization operated by the 21 towns on Cape Cod and Martha's Vineyard and Dukes County. The Compact's mission is to serve its 200,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy and renewable competitive electricity supply. For more information, visit www.capelightcompact.org.

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# **Frequently Asked Questions**

**Energy Efficiency** 

Residential

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# Background

# **Financial Information**

# **Power Supply**

# 1. Why does the Cape Light Compact have a power supply program?

Consistent with the 1997 Massachusetts Restructuring Act, the Cape Light Compact (Compact) was established by the 21 towns and 2 counties of Cape Cod and Martha's Vineyard as a municipal aggregator to advance the interests of consumers in a restructured electricity market. To this end, one of the Compact's primary missions is to provide a safe and secure power supply choice for consumers.

The Compact leverages the aggregated purchasing power of all our customers to negotiate competitive pricing with strong terms and conditions that protect our customers, which gives our customers a worry-free, competitively-priced power supply option from a community founded public organization.

# 2. How does the Cape Light Compact procure a competitive supplier?

The Compact uses a competitive selection process to select suppliers that are responsible for providing retail electricity for all the participants in the Compact's power supply program. Compact staff, board members, consultants, and counsel work together to ensure that the Compact secures contracts that are in the best interest of the Compact's consumers. The size of the Compact's aggregation gives it weight in conducting these negotiations that are not available to individual consumers.

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The Compact selected NextEra® Energy Services Massachusetts (NextEra Energy Services) through this competitive Request for Proposal (RFP) process in 2014 to provide electricity to commercial and industrial customers on Cape Cod and Martha's Vineyard. The RFP allowed for a contract extension through 2018. As part of its review of becoming a green aggregator, the Compact requested NextEra Energy Services and ConEdison Solutions to submit proposals for extending their contracts and to include a green aggregation element. After reviewing proposals from both entities, the Compact elected to extend its contract with NextEra Energy Services through December 2018 to provide electricity to all Compact electric customers.

# 3. What is the meaning of "renewable electricity"?

Renewable electricity is electricity that is generated by resources that are naturally replenished on a relatively short timescale, including wind, solar, geothermal, tidal, etc. For reasons discussed further below, a person is considered to be using renewable energy when their electric usage is matched with Renewable Energy Certificates.

# 4. What are Renewable Energy Certificates (RECs)?

A Renewable Energy Certificate is a tradable commodity that represents the clean energy attributes of 1 megawatt-hour (MWh), or 1,000 kilowatthours (kWh) of electricity generated by a renewable energy resource (e.g., a solar farm). RECs were created for the purpose of tracing energy back to renewable generators. The electrons that power our homes and businesses can almost never be traced back to a specific generator – instead, the power from thousands of generators, large and small, of all different fuel types, flows in to a regionalized power grid and ultimately to the consumer's meter. Since it is impossible to know what kind of electricity ends up at the delivery point (i.e., the meter), electricity characteristics are tracked at the production point instead. In New England, and many other areas, for every MWh of electricity that is generated, a corresponding certificate is produced in a centrally-managed clearinghouse. This certificate includes all of the details of the source of the energy – when it was generated, by what kind of generator, associated emissions, etc. In effect, generators produce two commodities, which can be (and often are) www.capelightcompactorg

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# 5. What is the Massachusetts Renewable Portfolio Standard?

The Massachusetts Renewable Portfolio Standard (RPS) is a statutory requirement that Retail Electric Suppliers obtain a certain percentage of their yearly sales of electricity from qualified renewable energy sources. Suppliers meet their RPS obligations by acquiring RPS-qualified RECs and retiring them, so that they cannot be used for RPS compliance again in the future. The RPS creates demand for RECs, which encourages developers to build renewable energy resources that can provide the RECs, thereby enabling the expansion of renewable energy.

# 6. What kind of RECs are the Compact/NextEra Energy Services using to get to 100% renewable?

The Compact, through NextEra Energy Services as its supplier, will be acquiring both RPSqualified RECs from New England sources and EarthEraTM RECs (more below) from sources in the U.S. outside of New England. The Compact is requiring NextEra Energy Services to purchase an additional 1% MA Class 1 RECs over the RPS requirement, and also to purchase enough EarthEraTM RECs to make all Compact customers' load 100% renewable or more. The RPS-qualified RECs will include MA Class 1 RECs from local sources: seven rooftop solar photovoltaic (PV) systems located on Cape Cod, and the Greater New Bedford Landfill Gas Utilization Project in North Dartmouth, MA. The local solar PV systems were installed in 2010 through the Cape and Vineyard Electric Cooperative, a local electric cooperative that has helped municipalities across Cape Cod and Martha's Vineyard install 28 megawatts of solar PV to date. The Greater New Bedford Landfill Gas Utilization Project collects and burns landfill gas released by landfill waste to create energy. This landfill gas, which contains methane and carbon dioxide, would otherwise be released into the atmosphere. Instead, it is utilized daily to generate 3.4 megawatts of electricity, enough to light about 3,500 homes per day. In addition to procuring 1% more than the required amount of RPS-qualified RECs as described above, NextEra Energy Services will be allocating voluntary EarthEraTM RECs from renewable projects outside of New England sufficient to make all Compact customers' load 100% renewable. By way of example, if the RPS requires that 27% of retail electric sales be met with RPS-qualified RECs, NextEra Energy Services will meet 28% of Compact customers' retail electric sales with RPS-qualified RECs, and will then also procure the amount of EarthEraTM RECs required to bring the total renewable energy content to 100% or more of retail sales.

# 7. What is the EarthEra™ Trust?

The EarthEra™ Renewable Energy Trust (Trust) is a fund established by EarthEra, LLC, an affiliate of NextEra Energy Services for the purpose of developing renewable energy projects in the United States, in order to accelerate the addition of clean energy sources. The Trust is overseen by an independent third-party trustee, which ensures that 100% of the funds deposited in the Trust are used solely for the development of new renewable energy projects. All revenue from the sale of the EarthEra™ RECs that NextEra Energy Services will use to match Compact customers' usage will be deposited in the Trust.

# 8. Why did the Cape Light Compact choose to become a green aggregation by matching 100% of customers' usage with renewable energy?

As stated in its approved 2015 Aggregation Plan, one of the purposes of the Cape Light Compact's power supply program is to utilize and encourage renewable energy development. One of the ways in which to accomplish this purpose is to become a green aggregation. Green aggregations are municipal aggregations that make an affirmative decision to meet more than the RPS-required amount of their aggregated electricity usage with renewable energy, usually through the purchase of additional RECs. This "greener" power supply option is the default option for customers participating in the aggregated supply. There are several municipal aggregations in Massachusetts offering higher renewable content products, notably the Town of Dedham and City of Melrose, among others. After discussions over the course of several meetings on renewable electricity and the impacts, both environmental and economic, of becoming a green aggregation, the Compact Governing Board asked Compact staff to hold stakeholder input sessions to provide insight into the importance of renewable energy to our customers, and what concerns they may have that the Board should be aware of. The Compact held three public input forums (West Tisbury, Mashpee and Harwich) in the fall of 2016, and attended a forum sponsored by the Brewster Community Network. Those in attendance agreed that supporting renewable energy through the Compact's power supply program was an important step in combating climate change, but that it must come at a reasonable price, and it is important for consumers to understand which projects they are supporting through the program.

Compact staff presented findings from the input sessions in open session at the November 9th Compact Governing Board meeting, and the Board voted to become a green aggregation by (1) requiring NextEra Energy Services to purchase 1% more MA Class 1 RECs than the RPSrequired amount, (2) in addition to RPS-qualified RECs, requiring NextEra Energy Services to meet 100% of the Compact customers' usage with EarthEra<sup>TM</sup> RECs, (3) requiring NextEra Energy Services to deposit the funds from the sale of the EarthEra<sup>TM</sup> RECs in to the EarthEra<sup>TM</sup> Renewable Energy Trust, and (4) requesting that NextEra Energy Services direct the proceeds deposited in to the Trust from Compact customers to developing renewable energy projects in New England.

# 9. How does becoming a green aggregation and teaming up with NextEra Energy Services help the environment and fight climate change?

Becoming a green aggregation utilizes the vehicle of municipal aggregation to achieve renewable energy purchasing at scale, which makes a tangible impact on accelerating renewable energy development by creating more demand for renewable energy. The way this is accomplished is threefold:

a. The Compact has directed NextEra Energy Services to procure an additional 1% of RPS-qualified MA Class 1 RECs on an annual basis. When aggregated across the combined usage of all of the Compact's customers, this represents a significant number of RECs. Since the RPS requirement for Class 1 RECs increases year-over-year, there is built-in growing demand, for which new projects must be built in order to produce the RECs required to meet the growing demand. By taking an extra 1% of those RECs off of the market every year above the already-growing requirement, Compact customers are creating an additional incentive for new renewable projects to be developed.

b. In addition to exceeding the procurement requirement for RPS-qualified RECs as described above, the Compact has also directed NextEra Energy Services to purchase enough EarthEra<sup>TM</sup> RECs to make all Compact customers' load 100% renewable or more, and to deposit those funds into the EarthEra<sup>TM</sup> Renewable Energy Trust. Funds from the Trust, which is administered by an independent third party, can only be used for renewable energy project development. NextEra Energy Services has made a commitment to direct those funds to projects in New England to the extent possible.

c. NextEra Energy Services has also made a commitment to direct its own funds into the Trust in addition to those proceeds from the sale of the EarthEra<sup>TM</sup> RECs, which leverages the Trust contributions of Compact customers. The result is that customers who participate in the Compact's green aggregation power supply program will be purchasing renewable energy, creating an increased demand for renewable

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Cape Light Compact Local Green<sup>SM</sup>

**Consumer Advocacy** 

# **Cape & Vineyard Electric Cooperative**

**Cape Light Compact JPE Retirement and OPEB Liabilities** 

# EMAIL INFO@CAPELIGHTCOMPACT.ORG

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CALL **ENERGY EFFICIENCY 1-800-797-6699** POWER SUPPLY 1-800-381-9192

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DATE

«PREFIX» «FIRST» «LAST»

«COMPANY»

«ADDRESS\_1»

«ADDRESS\_2»

«CITY», «STATE» «ZIP»

Dear «PREFIX» «LAST»«F5»:

Cape Light Compact welcomes you as a new customer to our service territory! We are proud to offer you 100% renewable energy for your electricity.

This letter is intended to tell you about your electric power supplier. In accordance with state law, it also informs you of your rights and options, including those if you choose not to participate in the Cape Light Compact's power supply program.

## PURPOSE OF CAPE LIGHT COMPACT

Cape Light Compact is an award-winning regional energy services organization made up of all 21 towns of Cape Cod and Martha's Vineyard, as well as Dukes County. As authorized by each Town, the purpose of the Cape Light Compact is to:

- Administer the region's energy efficiency program
- Contract on behalf of consumers for a supply of electricity
- Advocate on behalf of the ratepayers' interest at the Massachusetts Department of Public Utilities (DPU) and to represent and protect consumer interests in a restructured utility industry.

## CAPE LIGHT COMPACT'S ELECTRIC POWER SUPPLY

Cape Light Compact is automatically the supplier of electricity to all customers on Cape Cod and Martha's Vineyard when a new electric account is established with Eversource. Cape Light Compact has contracted with NextEra® Energy Services Massachusetts to provide power supply to all electric service customers. The contract with NextEra® Energy Services Massachusetts ensures stable, competitive pricing for all customers within Cape Light Compact's service territory. The Compact's power supply is also 100% renewable. Cape Light Compact's electric supply prices will generally change every six months for residential and commercial customers, and every three months for large industrial customers. You can learn more about the Compact's power supply at www.capelightcompact.org/power-supply.

### **EVERSOURCE – DISTRIBUTION COMPANY**

Regardless of whom you choose as your power supplier, Eversource will continue to be your electric distribution company. Cape Light Compact's customers will continue to receive a single electric bill from Eversource *Working Together Toward A Smarter Energy Future*  containing NextEra® Energy Services Massachusetts' supply charge, (shown as "Generation Charges") on your bill. Charges for Eversource's distribution services are shown as the "Delivery Charges" on your Eversource bill. A single payment will be due to Eversource according to their usual billing schedule. Eversource will continue to read your meter and maintain the distribution and transmission lines. Reliability and quality of distribution will remain unchanged. Furthermore, you will continue to have all existing consumer protections and rights.

### **EVERY CONSUMER HAS A CHOICE**

You do not need to take any action to purchase electricity supply from Cape Light Compact. Cape Light Compact is the region's default power supplier. Under Massachusetts law, you have the right to choose the company from which you purchase your electric supply, which is shown in the "Generation Charges" section of your electric bill.

### HOW TO OPT-OUT

If you decide you do not want to purchase your electric supply from Cape Light Compact and wish to "opt-out," please sign, date and return the enclosed card. If you choose to opt-out more than 30 days after you receive this letter, please call Cape Light Compact at 1-800-381-9192 and ask to cancel your account, or call Eversource at 1-800-592-2000 and ask to cancel your account with NextEra® Energy Services Massachusetts. <u>Consumers who opt-out can return to the Compact's power supply at any time.</u> However, depending on market conditions, they may be placed on a rate different from that being charged to existing Cape Light Compact customers.

# For additional information, please contact Cape Light Compact at (508) 375-6644 or visit our website at <u>www.capelightcompact.org</u>.

LED PRICES AND TERMS
e Light Compact
l Electric Supply Rates*
<b>10.6 ¢/kWh</b> (\$0.106/kWh)
No charge for customers to exit.
e Light Compact
l Electric Supply Rates*
11.075 ¢/kWh (\$0.11075/kWh)
No charge for customers to exit.
e Light Compact
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<b>10.274 ¢/kWh</b> (\$0.10274/kWh)
No charge for customers to exit.

### CAPE LIGHT COMPACT CONSUMER NOTICE FIXED PRICES AND TERMS

\*Prices include an adder of \$0.001/kWh for the Cape Light Compact Operating Fund

### EXHIBIT D DATA COLLECTION AND SORTING PROCESS

- NextEra initially requested from Eversource a list of all customers in the Compact's service territory.
- Eversource provided two lists. After processing both lists, NextEra discovered the lists only included all customers active with NextEra's supply and customer's eligible for the Compact's supply. (Customers served by competitive suppliers are not considered "eligible" per the DPU's definition in D.P.U. 16-10.)
- NextEra explained to Eversource that the list needed to include all customers, even if they are on competitive supply. NextEra explained the request was for a filing with the DPU.
- Eversource then provided NextEra with "External Supply" lists comprising all customers supplied by competitive suppliers within the Eversource East service territory.
  - The data came in 11 separate text files, which then needed to be converted to a workable format.
  - The files did not contain any field headers, so NextEra again contacted Eversource to receive additional clarification on the data provided in the files:
    - Eversource then provided column headers for all 11 files.
    - The files containing Residential customer data did not include customer class information (R1, R2, etc), though the files for the commercial customers did include this.
  - Since the data Eversource provided was for all of Eversource East, NextEra needed to filter down to get only those customers in the Cape Cod and Martha's Vineyard towns. (NextEra filtered by the town name in each customer's service address.)
  - The residential files were the most challenging to work through. These files included all customers on competitive supply (~600,000 customers), which included the Compact's customers. NextEra spent several days combing through and verifying this data to try to make sure that it included all relevant customers. Account numbers were not provided by Eversource, so vetting the data took some time as NextEra needed to compare the list to its files to verify accuracy (NextEra compared by customer name and service address).
- This process took approximately 6 weeks from start to finish, and at the end of that time NextEra was still unable to get information regarding the total R2 customers in the Compact's service territory. Processing the data took approximately 80 hours of staff time.