

**Cape Light Compact JPE
Executive Committee &
Governing Board Meeting**

DATE: Wednesday, October 9, 2019
LOCATION: Cape Light Compact Offices – MV Conference Room
261 Whites Path, Unit 4, South Yarmouth
TIME: 2:00 – 4:30 p.m.

AGENDA

2:00 PM

Public Comment

Presentation: Draft Cape Light Compact JPE 2018 Audited Financial Statements, Christopher Rogers, Clifton Larson Allen, LLP

Approval of Minutes: March 13, 2019, May 8, 2019 and September 11, 2019

Chairman's Report: Introduce new Dukes County Board Member, Erik Peckar and update on Move to CLC New Banking Institution

Financial Reports, Peter Cocolis

Administrator's Report: (1) Cape and Vineyard Electrification Offering Schedule; (2) Announce Release of Executive Session Minutes; (3) 2017 CLCJPE Annual Report; and (4) Upcoming meeting topics

Energy Efficiency Program

1. Presentation on the Proposed 2020 Energy Efficiency Surcharge Filing, Phil Moffitt
2. Update on Main Streets Events, Lindsay Henderson

Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)

**Cape Light Compact JPE
Governing Board
Open Session Meeting Minutes
Wednesday, March 13, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, March 13, 2019 in the Martha's Vineyard Conference Room at the Cape Light Compact JPE Offices at 261 Whites Path, Yarmouth, MA 02664 at 2:00 PM.

Present Were:

1. David Anthony, Secretary, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Executive Committee, Bourne
4. Colin Odell, Brewster
5. Peter Cocolis, Executive Committee, Chatham
6. Timothy Carroll, Chilmark – **By Phone**
7. Brad Crowell, Dennis
8. Fred Fenlon, Eastham
9. Alan Strahler, Edgartown
10. Ronald Zweig, Chair, Falmouth
11. Valerie Bell, Harwich
12. Richard Toole, Executive Committee, Oak Bluffs – **By Phone**
13. Martin Culik, Executive Committee, Orleans
14. Lanne Drake, Sandwich
15. Richard Elkin, Wellfleet
16. Sue Hruby, West Tisbury
17. Joyce Flynn, Vice-Chair, Yarmouth

Absent Were:

1. Michael Hebert, Aquinnah
2. Robert Hannemann, Dukes County
3. Wayne Taylor, Mashpee
4. Dave Panagore, Provincetown
5. Kirk Metell, Tisbury
6. Jarrod Cabral, Truro

Members/Alternates:

Physically present: 15

Present by phone: 2

Legal Counsel:

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

Staff Present:

Austin Brandt, Senior Power Supply Planner

Phil Moffit, Planning and Evaluation Manager

Dan Schell, Marketing and Communications Coordinator

Maggie Downey, Administrator
Melissa Allard, Senior Administrative Coordinator

Public Present:

None Present.

Ronald Zweig called the meeting to order at 2:00 PM. Ronald Zweig recognized Tim Carroll of Chilmark and Richard Toole of Oak Bluffs who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There were no members of the public present.

APPROVAL OF MINUTES:

The Board considered the February 13, 2019 Meeting Minutes.

Martin Culik moved the Board to accept the minutes as amended, seconded by Peter Cocolis.

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Abstained
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Abstained
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (14 – 0 – 2)

David Anthony joined the meeting at 2:07pm.

CHAIRMAN’S REPORT:

Ron Zweig introduced the new member of the Board, Alan Strahler from Edgartown. He thanked him for joining the Compact’s Board and stated how it was important to have good representation from the Vineyard.

Ron noted that there was no need for an executive session discussion today.

FINANCIAL REPORTS, PETER COCOLIS:

Peter Cocolis reviewed the 2019 Energy Efficiency Budget. He stated that only 2% has been spent as of the end of February.

The 2019 Operating Budget was handed out. Maggie Downey stated that this is the first budget report in MUNIS and went through the new format. Peter Cocolis stated that OPEB is going to be separate and come after the audit is complete. Also, that the list of contracts that have been approved will be shared at the next meeting. Ron Zweig asked how the Board felt about the revised budget column. Maggie Downey stated that it is the budget and no money has been moved around yet. She will make sure to change it to make it clearer and then add a revised budget column when needed.

PRESENTATION ON DRAFT 2017 CAPE LIGHT COMPACT FINANCIAL STATEMENTS, JENNIFER COOK, CLIFTON LARSON ALLEN, LLP:

Jennifer Cook reviewed the Cape Light Compact JPE 2017 Audit Exit Meeting PowerPoint.

Jeff Bernstein stated that the legal financial highlight should be changed to legal and consultants. In 2017 the Compact was involved in several complex Department of Public Utilities regulatory proceedings (Eversource Rate case and Grid Modernization). Sue Hruby stated that it should say related consultants, as it wasn't just any consultants. Jennifer Cook stated that she will make that change.

Maggie Downey stated that the Compact doesn't have its own actuarial yet because some of the data in 2017 comes from when it was still a part of Barnstable County. Jennifer Cook stated that next year the Compact will have its true OPEB liability amount. Richard Elkin asked if the Compact will see how much money it would need to come up with for OPEB. Jennifer Cook stated that it wouldn't be right away. Maggie Downey stated that during the last 3-Year Plan, the Compact allocated costs for OPEB and pension liabilities associated with energy efficiency staff. Once the Compact has its own actuarial tables, the exact amount of the liability will be identified. Valerie Bell stated that when the Compact was a part of Barnstable County, Compact employees were paying for their allocated pension costs and liability. However, once the Compact separated, it started paying pension costs/liabilities as the Cape Light Compact. Maggie Downey stated that the Compact, through Barnstable County paid the employer portion of all pension costs/liabilities and employees paid the employee portion.

Peter Cocolis asked if there would be any management recommendations in the final. Jennifer Cook stated that there would be. She just wanted to make sure as the Compact goes through changes that the recommendations would still be applicable. Colin Odell asked if the Compact's accounting procedures are efficient for how the Compact has set up the energy efficiency and operating budget reports. Jennifer Cook answered yes. Colin Odell stated that there are some unresolved issues from the December Board Meeting about where around \$79,000 in interest income had come from (Operating Account and/or EE). Maggie Downey stated she will get the information and share at the next Board Meeting. She asked if the Board wanted to have the auditor come back to go over the final audit with them. Sense of the Board is for each Director to review the audit and if the auditor needs to come back and answer questions, the auditor would come to the May 8th meeting.

ADMINISTRATOR'S REPORT:

1. Update on DPU 18-116, 2019-2021 Energy Efficiency Plan

Maggie Downey stated that the Compact has submitted a reply in response to the comments filed by Eversource on the Compact’s Motion for Clarification and/or Reconsideration. Acadia Center, Conservation Law Foundation and they Massachusetts Division of Energy Resources submitted letters in support of the Compact’s position. Jeff Bernstein stated that Eversource wrote that the Department of Public Utilities (“DPU”) previously found that there was a factual basis to conclude that the Compact’s program would endanger the grid. The Compact does not believe that it is accurate. Colin Odell stated that there have been power supply offerings that were based on having control of customer’s usage during peak hours. He stated that, that might be something to look into and bring forward. Jeff Bernstein stated that he remembers hearing about this as well. Austin Brandt stated that anyone can do individual demand response however they want. The problem here is that the Compact’s program is to be funded through the energy efficiency portion of our bill subject to the DPU’s oversight. Colin Odell stated that there is so much demand response out there that is not utility controlled and taking into consideration the Compact’s scale of its proposed demand response program and concluding that, it is going to affect the safety and reliability of the grid doesn’t make any sense.

2. Discussion and Potential Vote on Allocation of Shared Costs Policies

Maggie Downey reviewed the allocation costs. Colin Odell stated that he doesn’t see OPEB and retirement in with the staff salaries. Maggie Downey stated that she will add in the wording. Jeff Bernstein stated that healthcare should be added also. Maggie Downey stated she will break it down more. Peter Cocolis asked if all staff was on salary and that there is no overtime. Maggie Downey stated that, that is correct.

Maggie Downey stated that the DPU is looking to see how the Compact allocates shared costs between the energy efficiency and operating budget. It isn’t looking to approve or disapprove what the Compact has established. Richard Elkin stated that office space, custodial and utilities should be allocated the same way as staff salaries. Many Board Members agreed. Colin Odell stated that treasury services and financial software costs are more related to the dollars. He also stated that auditor services should be allocated the same way.

Jeff Bernstein stated that the Board’s contribution is currently the same as the Compact’s staff. However, because the Board is split 50/50 between the energy efficiency and operating budget, he asked if some of that money should be moved to the Energy Efficiency budget. Maggie Downey stated that she didn’t disagree and that she would work on it and bring back at the next meeting for the Board to vote on.

3. Discussion and Potential Vote on Utilizing State Median Income versus Area Median Income in 61%-80% Income Range

Martin Culik moved the Board vote to approve the use of the higher of State Median Income and Area Median Income in the 61-80% in all households.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Colin Odell.

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
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

4. Compact's Participation in Upcoming Community Events

Maggie Downey stated that the Compact has several community events coming up if any Board Members want to stop by. An updated list will be given at the April Board Meeting. She also stated that the meeting of the Energy Efficiency Advisory Council has been moved to April 10th, the same day and time as the Compact Board meeting. Therefore, Margaret Song will be taking her place at the Compact April Board meeting.

Valerie Bell stated that the Compact's education programs were going well. She participated in the NEED Teacher Training that Dan Schell had put together last month. They are looking into getting more involved in schools and sending out Compact volunteers to help teachers in the classroom.

David Anthony asked if the Compact was aware of anything going on with the electric charging stations being installed on Cape Cod. Is there a trend and/or how are people are making this infrastructure work? He stated maybe there is something the Compact could do to get in front of it. Maggie Downey stated that she will ask the town managers at their next meeting and see if they know of anything that is happening with the charging stations and then chat internally to see what the Compact can bring to the table. Brad Crowell stated that Eversource may be better positioned to handle something like this. Maggie Downey stated that Eversource has a role in the infrastructure required for the charging stations, but not in the operation of the physical charging stations. Eversource wants the municipality to own and operate them. She stated that the Compact could research whether there is a role for someone to create an RFP for the design and operation and if there is an opportunity to create a service. Martin Culik asked if David Anthony knew who was using these charging stations the most. Is it mainly tourists? David Anthony stated that the biggest usage seems to be around January. Maggie Downey stated that the Compact will see if someone is already working on something and if it can help.

ADJOURNMENT:

Motion to adjourn made at 3:36 PM moved by Robert Schofield, seconded by Martin Culik.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- February 13, 2019 Draft Meeting Minutes
- Email from Edgartown introducing new Compact Board Member
- D.P.U. 18-116, Motion for Clarification and Reconsideration
- 2019 Energy Efficiency Budget
- 2019 Operating Budget
- Cape Light Compact 2017 Audit Exit Meeting PowerPoint
- Proposed Amendment to 2019-2021 Energy Efficiency Plan: Income Eligible Program Guidelines
- Allocation of Shared Costs Policy
- Events Calendar

**Cape Light Compact JPE
Governing Board
Open Session Meeting Minutes
Wednesday, May 8, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, May 8, 2019 in the Martha's Vineyard Conference Room at the Cape Light Compact JPE Offices at 261 Whites Path, Yarmouth, MA 02664 at 2:00 PM.

Present Were:

1. David Anthony, Secretary, Barnstable
2. Robert Schofield, Executive Committee, Bourne
3. Colin Odell, Brewster
4. Peter Cocolis, Executive Committee, Chatham
5. Timothy Carroll, Chilmark – **By Phone**
6. Brad Crowell, Dennis
7. Robert Hannemann, Dukes County – **By Phone**
8. Fred Fenlon, Eastham
9. Alan Strahler, Edgartown – **By Phone**
10. Ronald Zweig, Chair, Falmouth
11. Valerie Bell, Harwich
12. Richard Toole, Executive Committee, Oak Bluffs – **By Phone**
13. Martin Culik, Executive Committee, Orleans
14. Nathaniel Mayo, Provincetown
15. Leanne Drake, Sandwich
16. Richard Elkin, Wellfleet
17. Sue Hruby, West Tisbury
18. Joyce Flynn, Vice-Chair, Yarmouth

Absent Were:

1. Michael Hebert, Aquinnah
2. Wayne Taylor, Mashpee
3. Kirk Metell, Tisbury
4. Jarrod Cabral, Truro

Members/Alternates:

Physically present: 14

Present by phone: 4

Legal Counsel:

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

Erin O'Toole, Esq., BCK Law, P.C.

Staff Present:

Austin Brandt, Senior Power Supply Planner

Dan Schell, Marketing and Communications Coordinator

Lindsay Henderson, Senior Analyst

Maggie Downey, Administrator
Margaret Song, C&I Program Manager
Melissa Allard, Senior Administrative Coordinator
Phil Moffit, Planning and Evaluation Manager

Public Present:

None Present.

Ronald Zweig called the meeting to order at 2:02 PM. Ronald Zweig recognized Robert Hannemann of Dukes County, Alan Strahler of Edgartown, and Richard Toole of Oak Bluffs who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There were no members of the public present.

David Anthony joined the meeting at 2:10pm.

APPROVAL OF MINUTES:

The Board considered the April 10, 2019 Meeting Minutes. Ron Zweig asked that the words “Executive Committee” be added before the word “meeting” at the bottom of the first page. He also asked that on page 5 to change the word “low-income” to “discount rate” in the first line of the 3 paragraph under “Discussion on 2018 Municipal Aggregation Report” and to add an “s” to “need” on the last page under “Potential Topics for May Board Meeting Continued”.

Martin Culik moved the Board to accept the minutes as amended, seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Abstained
Ronald	Zweig	Falmouth	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (6 – 0 – 1)

The Board considered the June 13, 2018 Meeting Minutes.

Martin Culik moved the Board to accept the minutes as amended, seconded by Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Abstained
Peter	Cocolis	Chatham	Yes
Brad	Crowell	Dennis	Yes

Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Abstained
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nathaniel	Mayo	Provincetown	Abstained
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (13 – 0 – 3)

Tim Carrol joined the meeting at 2:14pm.

CHAIRMAN’S REPORT:

Ron Zweig introduced Nate Mayo, the new Board Member from Provincetown.

2019 CONTRACT UPDATE AND FINANCIAL REPORTS, PETER COCOLIS

Peter Cocolis stated that the Operating Budget is in decent shape. Maggie Downey stated that the salary category is high because the Compact had an employee retire towards the beginning of the year and the Compact, consistent with its’ Personnel Policies and Procedures Manual, had to pay out the employee’s accrued time. Peter Cocolis stated that payroll services is over by \$54 which is not a major concern.

Peter Cocolis stated that the Compact has spent 18% of the Energy Efficiency Budget so far. This is typical with the “hockey stick” pattern; the Compact always starts off slow.

Peter Cocolis reviewed the list of contracts that have been approved so far in 2019. He noted that the amounts on the RISE Engineering contracts are some of the highest as they do a lot of work on the Compact’s behalf. Sue Hruby asked what the Mass Save Marketing Agreement is. Dan Schell stated that it is the statewide marketing that all the PAs use. Peter Cocolis asked about the Low-Income Energy Affordability Network (“LEAN”) procurement process for the Housing Assistance Corporation (“HAC”) contract. Maggie Downey stated that HAC was selected to serve low-income residents on Cape Cod and Martha’s Vineyard as an approved state low-income provider of services. The LEAN federal funds help bring more (savings?) to low-income residents. Martin Culik stated that in the “Amount of Contract” column there should be a number instead of “no change.” Margaret Song stated that in the notes section of the document the Compact has put in what the amendment was for. For instance, it has referred to a time extension. Peter Cocolis stated that another column will be added to show the original contract amount.

DISCUSSION ON 2017 CAPE LIGHT COMPACT FINANCIAL STATEMENTS, JENNIFER COOK. CLIFTON LARSON ALLEN, LLP

Jennifer Cook stated that for the \$7 million that is in an uninsured bank account the Compact should evaluate the risks. Banks are rated by color and stars. Rockland Trust has a bank rating of green and three stars. The

Compact can determine whether it would like to have additional insurance on top of the Bank's insurance. Peter Cocolis stated the Compact is not sure what its other options are. Jennifer Cook stated that the Compact could do a collateral agreement. Maggie Downey asked if this is common in municipalities. Jennifer Cook stated that municipalities tend to be a little exposed. Valerie Bell asked how much it would cost for a collateral agreement. Jennifer Cook answered that the Compact should talk to the Treasurer to figure out how much it will cost and what the risks are. Maggie Downey asked if this is a Treasurer or Board decision. Jeff Bernstein stated that it is in the Treasurer's control, but the Board can add its input. Maggie Downey stated that she will ask the Treasurer to research this issue and bring back her recommendations to the Board. Colin Odell asked if the costs for a collateral agreement would come out of the Energy Efficiency Budget or the Operating Budget. Maggie Downey stated that it would be subject to the shared cost policy recently approved by the Board.

Jennifer Cook stated that the money from the Barnstable County has been received and she will follow up with that in the 2019 audit.

Richard Elkin asked to see how the Compact's spending looks now after being separated from the Barnstable County for over a year now compared to when it was still a part of it. Is the Compact saving money? Maggie Downey stated that the Compact can put that together and present it as part of the 2020 budget review process.

ENERGY EFFICIENCY PROGRAM:

1. Main Streets Initiative, October 2019, Lindsay Henderson

Lindsay Henderson reviewed the Main Streets Initiative October 2019 PowerPoint. On Wednesday, October 2nd, Energy Efficiency Day, all PAs are interested in doing a one-day "Main Streets" event. The Compact is looking to go door to door on a specified street with the help from RISE Engineering to install energy efficiency measures on site.

Valerie Bell asked where non-profits fit in. Lindsay Henderson stated that the incentives for commercial are very in line with non-profits. An application is sent out to make sure they qualify for the non-profit enhanced incentive. She stated that if any of the Board Member towns are interested in participating, to let her know by Friday, May 17th. Maggie Downey asked Lindsay Henderson to send an email to the Board with information on the event and when she'd like to know if towns are interested. Lindsay Henderson stated that if the Compact doesn't hear from the towns then it will select by town criteria. Brad Crowell asked what the criteria is for deciding on a town. Lindsay Henderson stated that it will be based mainly on historical participation to see how much has already been done. Joyce Flynn asked if the amount of MMBtus saved in 2018 was correct. Lindsay Henderson answered that yes, they were correct. Ron Zweig asked about the difference in kWh savings in 2017 and 2018. Lindsay Henderson stated that it is due to evaluations and size of the projects. Ron Zweig asked if the Compact has received any push back from business owners. Lindsay Henderson answered that there hasn't been much push back.

2. Analysis of Energy Efficiency Program Budgets 2014-2021

Phil Moffitt reviewed the Cape Light Compact Energy Efficiency Program Budget and Savings PowerPoint. The purpose of the presentation is to assess 2019 progress compared to historical trends.

Richard Elkin stated that he'd like to see each month's spending, not just the average of the past 5 years. Phil Moffitt stated he would create the graph that way the next time the Compact updates the Board. Richard Elkin asked what will happen when LEDs become the standard. Phil Moffitt stated that when LEDs become the

baseline the Compact will not be able to incentivize them. Valerie Bell asked if CFLs could be upgraded to LEDs. Phil Moffitt stated that it is not cost effective to replace CFLs with LEDs.

Peter Cocolis asked if this is something that will be presented at every meeting. Maggie Downey stated that the Compact can present it quarterly but it takes a lot of time to do every month. Martin Culik asked about the jump in spending in April and June. Margaret Song stated there are a lot of promotions and events paid for during those months. Brad Crowell asked that there be a graph that shows the percentage relative to the annual budget spent. Phil Moffitt stated that it won't equal 100%. Colin Odell stated that as presented doesn't give a good picture of where the Compact stands for progress through the year. Ron Zweig stated that September's meeting will be the next time the Board is updated on the Energy Efficiency Budget and savings. Richard Elkin stated that he has a concern about the savings and thinks there should be an update sooner than September. Margaret Song stated there will be a jump in savings for April. There has been a decrease in savings due to baselines and evaluated results. Ron Zweig stated that staff is requested to update the Board at their July meeting.

3. DPU 18-1116: Update on Discussions with Eversource Over the Compact's Active Demand Response Initiative, Austin Brandt

Austin Brandt stated that on April 26th Eversource had responded to the Compact's proposal on our Active Demand Response Initiative. Eversource stated in the response that it would allow the Compact to administer the Demand Load Control ("DLC") program for the summer of 2019 provided that the Compact acknowledge to the Department of Public Utilities ("DPU") the following:

1. Any DLC program that the CLC runs is done under the authority and control of Eversource as the grid operator, no different than any other resources/loads currently on the grid;
2. Behind the meter ("BTM") distributed energy resources ("DERs") have the potential to impact the safety and reliability of the grid; and
3. BTM DERs can be used for purposes other than energy efficiency and are therefore not inherently energy efficiency resources.

Austin Brandt stated that it seems Eversource has not changed its position. Eversource wants control of the Compact's demand response ("DR") program. On April 29th the Compact responded saying that the request was unacceptable and reiterated the Compact's proposed mitigation measures and asked Eversource to respond by May 10th whether the mitigation measures were acceptable or to provided non-fundamental changes to the Compact's proposed mitigation measures. The Compact met with the Energy Efficiency Advisory Council ("EEAC") Executive Committee to provide an update on negotiations, and the EEAC was unhappy as to how negotiations were going so far. The Compact is to update them once it has received a response from Eversource. Martin Culik asked about getting members of the State Legislature involved. Maggie Downey stated that she has met with a few of them and they are aware about what is going on. Maggie Downey stated that Eversource believes that it should be administering the program and not the Compact because of potential safety and reliability issues, but the Compact's position is that the issues raised can be mitigated. Sue Hruby stated that it sounds as if Eversource is afraid of losing control.

4. Discussion and potential Vote on Consumer Advocacy Cost Allocation Policy, Maggie Downey

Maggie Downey reviewed the Consumer Advocacy Cost Allocation Policy presented. The Consumer Advocacy Allocation Worksheet will be filled out at the beginning and end or every 12 months of each proceeding. Jeff Bernstein stated that research on each proceeding will be presented to the Board to help with determining the allocation or deciding whether to continue with the proceedings. Richard Elkin stated that as regulatory

proceedings go new issues may arise that could change the allocation. Jeff Bernstein stated that the Board can revisit the allocation based on how things develop. Maggie Downey stated that this paperwork will be submitted to the DPU to show how the Compact determined how the bills were allocated.

Martin Culik asked that the motion be made general in nature and the word “she” should be removed in the second bullet and “deem” turned into “deemed.” Colin Odell stated that in the first bullet in the parenthesis it should say (taken together, “Consumer Advocacy Matter”).

Richard Elkin stated that the worksheet should be a guideline but not a policy. Jeff Bernstein stated that the worksheets are to help satisfy the DPU when the Compact has to show how these expenses were allocated. He stated the that the Board could add to the worksheet and answer N/A where appropriate. Richard Elkin asked what happens when the research is presented and there are questions the Board wants to add. Maggie Downey stated then the Board would be able to add it. Richard Elkin suggested that the worksheet be submitted as it is. Maggie Downey stated that the Compact can add another question where the Board can discuss any other factors that might be necessary.

Martin Culik moved the Cape Light Compact JPE Board of Directors vote to adopt a process to allocate consumer advocacy costs between the Compact's energy efficiency and operating budgets as follows:

1. After identifying a regulatory matter, rule-making proceeding, legislative action or other activity relating to or affecting the Compact's administration of its energy efficiency plan or its provision of power supply (taken together, "Consumer Advocacy Matter"), the Compact Administrator will provide the Board with pertinent information regarding the Consumer Advocacy Matter and present a completed consumer advocacy worksheet (as attached) for the Board's consideration and review.

2. The Board will thereafter vote to authorize and direct the Compact Administrator to take all actions deemed necessary or appropriate to implement the Compact's participation in the Consumer Advocacy Matter (subject to any limitations imposed by the Board), and to execute and deliver all documents as may be necessary or appropriate to enable and effectuate such participation.

Additional Information:

Pursuant to the Order of the Massachusetts Department of Public Utilities approving the Compact's 2019-2021 Energy Efficiency Plan dated January 29, 2019, the Compact is required to demonstrate that its consumer advocacy activities have a direct energy efficiency related benefit. Seconded by Brad Crowell.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carrol	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nathaniel	Mayo	Provincetown	Yes

Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

POWER SUPPLY PROGRAM:

1. Analysis of JPE Operating Budgets and Reserve Balance, Austin Brandt

Austin Brandt reviewed the Cape Light Compact JPE Operating Reserves and Budget PowerPoint.

Austin went over the Revenue Trends graph. Jeff Bernstein noted that the revenue is not received in the month it is earned. Austin Brandt stated that is correct, the Compact doesn't receive the revenue in that month; it receives the revenue that the following month. For example, revenue collected on January electric bills is not received until sometime in February

2. Power Supply, Operating and Solarize our Schools Fund Analysis

Maggie Downey reviewed the Power Supply, Operating and Solarize our Schools Fund Analysis document put together by Dan Sullivan from Clifton Larson Allen. She stated that the Compact has received the money owed to it from the Barnstable County and that for being a member of the Washington Electric Cooperative ("WEC") the Compact has received \$5,000. The document shows that the remaining portion of the 2018 Operating budget was \$7,687.16. She asked the Board if they wanted to create a policy where the Compact would have to keep a set amount of money in a reserve fund.

Sue Hruby stated that she believes it is always a good idea to have a reserve fund, but does the Compact have the capacity to produce it. Maggie Downey stated that the Compact can set a target for a reserve and build it over time through the budget. Jeff Bernstein stated that another option could be for the Compact to purchase a letter of credit or other similar support. Colin Odell asked if the money CVEC owes the Compact will be added to the remaining budget. Maggie Downey stated that the Compact has received the money back from CVEC and it is included in this document. Richard Elkin asked how the Compact ended up around \$7,700 from \$100,000. Maggie Downey stated that expenses came in such as retirement assessment that were not anticipated because the Compact was still included as part of Barnstable County. The Compact will not receive its own assessment until July 2019. Richard Elkin asked if this is a trend the Compact should expect. Austin Brandt answered no, that load is weather variable. Sue Hruby stated that Cape Cod is in a storm zone and asked what happens to the mill adder revenue if Cape Cod has massive power outages. Jeff Bernstein stated that factor can be added into the model as well.

Maggie Downey stated that the Board wants a reserve but needs direction on where to start. Sue Hruby stated that it may be a good idea to get a few Board members together to come up with recommendations. Maggie Downey stated that she was fine with doing that. Richard Elkin stated that the Compact must assess the risks that may need to be covered by the reserve fund. Valerie Bell stated that the reserve fund should be a balance between cash and some sort of insurance policy. Maggie Downey stated that the new comptroller will be starting in June and that he along with Dan Sullivan and a few board members could get together to review the risk and come up with recommendation. She then asked the Board to raise their hands if they were interested in participating. Colin Odell, Richard Elkin, and Peter Cocolis raised their hands. Maggie Downey stated that she

will coordinate. Colin Odell stated that the Compact needs take a look at the 2019 Operating Budget and see what it could get away with not spending incase something came up in 2019.

ADJOURNMENT:

Motion to adjourn made at 4:25 PM moved by Martin Culik, seconded by Joyce Flynn.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- June 13, 2018 Meeting Minutes
- April 10, 2019 Meeting Minutes
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- 2019 Contracts
- Main Streets Initiative PowerPoint
- Cape Light Compact Energy Efficiency Program Budget and Savings PowerPoint
- Agenda Action Request: Allocation of Consumer Advocacy Costs Policy
- Cape Light Compact JPE Operating Reserves and Budget PowerPoint
- Power Supply, Operating and Solarize our Schools Fund Analysis Document

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, September 11, 2019**

The Cape Light Compact JPE Board of Directors met on Wednesday, September 11, 2019 in the Martha's Vineyard Conference Room at the Cape Light Compact JPE Offices at 261 Whites Path, Yarmouth MA 02664 at 2:00 PM.

Present Were:

1. David Anthony, Secretary, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Robert Schofield, Bourne
4. Colin Odell, Brewster
5. Peter Cocolis, Chatham– **By Phone**
6. Timothy Carroll, Chilmark – **By Phone**
7. Eric Peckar, Dukes County – **By Phone**
8. Fred Fenlon, Eastham
9. Alan Strahler, Edgartown
10. Ronald Zweig, Chair, Falmouth
11. Valerie Bell, Harwich
12. Richard Toole, Oak Bluffs – **By Phone**
13. Martin Culik, Executive Committee, Orleans
14. Leanne Drake, Sandwich
15. Richard Elkin, Wellfleet
16. Sue Hrubby, West Tisbury – **By Phone**
17. Joyce Flynn, Yarmouth

Absent Were:

1. Michael Hebert, Aquinnah
2. Brad Crowell, Dennis
3. Wayne Taylor, Mashpee
4. Nathaniel Mayo, Provincetown
5. Kirk Metell, Tisbury
6. Jarrod Cabral, Truro

Members/Alternates:

Physically present: 12

Present by phone: 5

Legal Counsel:

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

Staff Present:

Austin Brandt, Senior Power Supply Planner

Dan Schell, Marketing and Communications Coordinator

Maggie Downey, Administrator

Margaret Song, C&I Program Manager
Megan Terrio, Comptroller
Melissa Allard, Senior Administrative Coordinator
Phil Moffit, Planning and Evaluation Manager

Consultant:

Tammy Glivinsky, Glivinski & Associates, Inc.

Public Present:

Liz Argo, CVEC

Ronald Zweig called the meeting to order at 2:04 PM. Ronald Zweig recognized Peter Cocolis of Chatham, Timothy Carroll of Chilmark, Eric Peckar of Dukes County, Richard Toole of Oak Bluffs, and Sue Hruby of West Tisbury who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There was no public comment.

Sue Hruby joined meeting by phone at 2:10pm.

APPROVAL OF MINUTES:

The Board considered the July 17, 2019 Open Session Meeting Minutes.

Jeff Bernstein stated several corrections to the Meeting Minutes. On page three, second to last line of the first paragraph, the word “been” should be added between “all” and “contacted.” On page five, fourth line down in the first paragraph, “holdup” should be hyphenated. And lastly, on page six, the first line of the second paragraph, “s” is to be removed from “requires” and the word “when” is switched to “as.”

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

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Abstained
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Richard	Toole	Oak Bluffs	Abstained
Martin	Culik	Orleans	Absent
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes

Joyce	Flynn	Yarmouth	Yes
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Motion carried in the affirmative (12 – 0 – 2)

CHAIRMAN’S REPORT: INTRODUCE TREASURER TO REPORT ON UNINSURED CASH BALANCE. PRESENTATION AND BANKING OPTIONS, BY GLIVINSKI & ASSOCIATES, DISCUSSION AND POTENTIAL VOTE

Tammy Glivinsky stated she contacted three banks; TD Bank, Cape Cod Five, and Cooperative Bank of Cape Cod. The Cooperative Bank of Cape Cod couldn’t provide the required ISO letter of credit and as a result was taken off the list. Rockland Trust, TD Bank, and Cape Cod Five can all provide an ISO letter of credit and have a Veribanc rating of green and triple Asterix.

Tammy Glivinsky presented a document that showed a comparison of Bank Options for securing/Insuring Cash Assets based on her approaching the three banks that could provide the required letter to ISO. After working through the document for the benefit of the board members, she presented the bottom line net estimated earnings after fees to the CLC/JPE as follows: Rockland with projected net estimated earnings of \$91,998, TD Bank with projected net estimated earnings of \$320,723 and CC5 with projected net estimated earnings of \$341,555. This was based on a stated estimated average bank balance.

Valerie Bell asked if it would be worth it to go back to Rockland Trust to see if they would change their numbers since the Compact’s money is currently in their bank. Otherwise the Compact would have to spend time moving their accounts. Tammy Glivinsky stated that she is not concerned about the time involved to switch banks and move accounts; it is a simple process. Robert Schofield stated that the Compact should have Rockland Trust explain themselves. He also stated that Cape Cod Five is a local bank and has been easy to work with. Tammy Glivinsky agreed that doing local banking is much easier. Martin Culik asked whether since Rockland Trust’s fees and charges for ensuring the fund balance is three times more than the other banks, is it worth it to try and see if they will change their numbers? Tammy Glivinsky stated that she did let Rockland Trust know the Compact was looking at other banks. Richard Elkin asked whether Cape Cod Five currently has an ISO relationship. Tammy Glivinsky stated they did not at present, but they can get one through U.S. Bank or JP Morgan. Ron Zweig asked the Board what they would like to do. Would they like the Compact to go back to Rockland Trust to see if they will do better? Richard Elkin stated that if the Compact waits another month it is losing more money and should move forward based on the information the Treasurer has obtained to date.

Martin Culik moved the Cape Light Compact JPE Board vote to choose Cape Cod Five as the banking institution for Cape Light Compact JPE and to transfer over all Compact funds as soon as feasible, provided that their terms are as presented. Seconded by Colin Odell.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes

Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

FINANCIAL REPORTS, PETER COCOLIS:

Peter Cocolis stated that the Compact has spent almost 50% of the Energy Efficiency Budget and that the Operating Budget was being expended at the same rate.

Maggie Downey stated that at the bottom of the presented Operating Budget it should state “Mil Adder Revenue January through July.”

ADMINISTRATORS REPORT:

- 1. Consumer Advocacy Worksheets, Department of Public Utilities (DPU) 15-122 and DPU 18-50, Informational Purposes Only, no action required:**

Maggie Downey stated that at the May 2019 Board meeting, the Board voted on the Advocacy Cost Allocation Worksheet. The Compact and Council have worked on filling it out for two dockets; D.P.U. 18-50 and D.P.U. 15-122, consistent with the past direction of the Board. She stated that these forms were for the Board’s records and that no further action is required at this time on these two dockets.

- 2. Release of Executive Session Minutes:**

Maggie Downey stated that with advice from the Secretary and Counsel, the Board has determined which Executive Session Minutes to release entirely or redact during last month’s Board Meeting. These minutes will be released and posted to the Compact’s web site.

Jeff Bernstein stated that under the Open Meeting Law, at the next Board Meeting following the Board voting on the release of redaction of Executive Session Minutes, the Compact must make a public statement on such action(s) that were taken by the Board that were discussed at the previous 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 return to open session:

- 1. Provide an update on Pending Regulatory Litigation and strategy discussion related to the Compact’s Current Priority DPU Dockets (see below), and to review and approve, and potential vote to consider whether to release, executive session minutes from July 17, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information; regulatory litigation strategy for DPU 18-116, CLC 2019-2021 Energy Efficiency Plan Filing; the Cape Light Compact 2019 and beyond power supply program portfolio**

(renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions, to return to open session thereafter.

- a. DPU 15-122 Grid Modernization
- b. DPU 16-127 2013-2015 Energy Efficiency Term Report
- c. DPU 17-164, Joint Distribution Company Proposal Regarding Distributed Generation Interconnection Standards
- d. DPU 18-50, Eversource Performance-Based Ratemaking Metrics
- e. DPU 18-116, CLC 2019-2021 Three-Year Plan, Compact Active Demand Response and Cape & Vineyard Electrification Offering
- f. DPU 19-07, Investigation into Consumer Protection and Retail Electric Competitive Supply
- g. DPU 19-55, Distributed Generation Interconnection Standards
- h. DPU 19-96, 2016-2018 Energy Efficiency Plan, Three-Year Term Report

Ronald Zweig at 2:50 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and(10) to provide an update on Pending Regulatory Litigation and strategy discussion related to the Compact's Current Priority DPU Dockets (see below), and to review and approve, and potential vote to consider whether to release, executive session minutes from July 17, 2019 that discuss trade secrets and confidential, competitively-sensitive or other proprietary power supply information; regulatory litigation strategy for DPU 18-116, CLC 2019-2021 Energy Efficiency Plan Filing; the Cape Light Compact 2019 and beyond power supply program portfolio (renewable energy and REC contracting) as well as whether it is appropriate to release any portion of confidential competitive electric supply contract provisions, to return to open session thereafter.

1. DPU 15-122 Grid Modernization
2. DPU 16-127 2013-2015 Energy Efficiency Term Report
3. DPU 17-164, Joint Distribution Company Proposal Regarding Distributed Generation Interconnection Standards
4. DPU 18-50, Eversource Performance-Based Ratemaking Metrics
5. DPU 18-116, CLC 2019-2021 Three-Year Plan, Compact Active Demand Response and Cape & Vineyard Electrification Offering
6. DPU 19-07, Investigation into Consumer Protection and Retail Electric Competitive Supply
7. DPU 19-55, Distributed Generation Interconnection Standards
8. DPU 19-96, 2016-2018 Energy Efficiency Plan, Three-Year Term Report

Each member participating remotely has stated that no other individuals are present and/or able to hear the discussion at his or her location, unless the presence of such individuals has been approved by a vote of the public body.

Ronald Zweig declared that an open session may adversely affect the Cape Light Compact's ability to conduct business in relation to other entities making, selling or distributing electric power and energy. The Governing Board will return to Open Session at the conclusion of Executive Session. Seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes

Timothy	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

Return to Open Session

At 3:12 PM, Ron Zweig asked for a motion to end executive session, moved by Martin Culik, seconded by Colin Odell.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

ENERGY EFFICIENCY PROGRAM:

1. 2016-2018 Energy Efficiency Plan Term Report Presentation, Phil Moffit

Phil Moffit reviewed the Cape Light Compact Energy Efficiency 2016-2018 Term Report PowerPoint. Overall the Compact had a good three years.

Phil Moffit stated that the Compact compared planned and actual numbers for both annual and lifetime savings. Even with National Grid serving mutual customers who heat their homes with natural gas, the Compact still

served its planned number of residential customers. The State requires that 10% of the Compact's budget be spent on low-income customers. The Compact has had a difficult time meeting that 10%. There seems to be a downward trend in weatherization opportunities for low-income properties. As for Commercial & Industrial (C&I) the Compact was not where it planned to be in the 2016-2018 plan. Most of the C&I on the Cape and Vineyard are small businesses which are more expensive to serve, and the measures needed resemble more closely those provided to a residential customer than an average C&I customer. The Compact planned to serve small business C&I customers comprehensively but was only able to install lighting at most locations. Phil Moffitt stated that the benefits and costs are similar to the savings. For costs the Compact spent 100% for its residential budget and did the best it could for low-income and C&I. Phil Moffitt stated that small businesses make-up a significant part of the Compact's C&I portfolio compared to other PAs that have large commercial and industrial customers and can achieve large savings at a low cost. Maggie Downey stated that since the majority of the Compact's small C&I customers are located in buildings that are comparable to residential structures and their electric usage resembles residential customers, the Compact needs to find a way to claim benefits for commercial buildings similar to how benefits are claimed for residential customers.

Regarding the requirement to spend 10% of the budget on low-income projects, David Anthony stated that Cape Cod has been treated the same as the rest of the state, but in fact it's not the same. Cape Cod is dealing with a crisis in building affordable housing. Is there anyone looking at our mix of people? The housing stock and low-income population doesn't support that 10% requirement. Maggie Downey stated that if the Compact is able to provide up-front 100% incentives for batteries and solar PV for low-income customers, (Cape and Vineyard Electrification Offering (CVEO)) the Compact could potentially meet that 10% requirement.

Ron Zweig asked if the C&I planned budget amounts are always high. Margaret Song stated that the Compact planned budgets are prepared based on the best available information, meaning what projects are anticipated to move forward in a given year. With the Green Community program happening in 2018 – 2019, many municipal customers did not move forward with projects. In the 2019 - 2021 Plan the Compact did reduce the C&I budget. Ron Zweig asked if the budget and savings goals were unattainable and if the Compact should decrease the savings and budget amounts. Maggie Downey stated that if the Compact were to do this, and the many Green Communities projects move forward as planned, the Compact might not have the budget/funds to implement these projects and would potentially have to go back to the DPU for a budget increase. Asking for a budget increase is a timely process and Compact staff recommend using the planned budget, and reconciling spending and revenues annually in its Energy Efficiency Reconciliation filing.

Joyce Flynn asked whether outdoor fluorescent lighting is being upgraded to LEDs at commercial buildings. Margaret Song stated that it depends on the hours of use in order for them to be upgraded. With the Main Streets program the Compact may be able to get them done.

Peter Cocolis left the meeting at 3:20pm.

2. Update on Proposed Active Demand Response (ADR) Offering and Proposed Revisions to Cape & Vineyard Electrification Offering (CVEO), Austin Brandt

Austin Brandt stated that in the Order approving the 2019-2021 Energy Efficiency Plan the Department of Public Utilities (DPU) said the Compact had to do more stakeholder outreach for CVEO. The Compact did extensive stakeholder engagement locally here on Cape Cod and Martha's Vineyard, but not as much with the Energy Efficiency Advisory Council (EEAC). In addition to meeting with the Attorney General's Office (AGO), Acadia Center and Low-Income Energy Advocacy Network (LEAN), the Compact plans to present a

revised CVEO to the EEAC Executive Committee and the full Board of the EEAC. The Compact intends to submit this revised CVEO to the DPU before the end of the calendar year.

Austin Brandt stated that Eversource and the Compact have come to an agreement on ADR. The Compact has to file a report by the end of September to the DPU. If the DPU approves, the ADR program should be able to start the summer of 2020. The Compact has agreed to use Eversource's dispatch plan, vendors, and keep them updated on the program. Ultimately the Compact will be keeping the relationship with the customers and vendors.

Richard Elkin asked how many participants the Compact is expecting the first year. Austin Brandt stated that CVEO is separate, but the Compact is expecting around 2,000 participants in the ADR program. The Compact is further updating its numbers and assumptions. There are people that already have batteries that want to participate; therefore, the Compact is revising its plans to add those customers to the program.

3. 2020 Energy Efficiency Surcharge Update, Maggie Downey

Maggie Downey stated that the 2020 Draft Energy Efficiency Surcharge (EES) is to be filed by November 1, 2019 with the DPU. This EES sets the revenue to be collected from electric ratepayers to fund the energy efficiency program for 2020. The DPU must give approval before the end of December so Eversource can set its rates. As part of the EES filing, the Compact's managers are looking to see what has been spent this year and what they think they will need to serve customer next year. This is not related to CVEO. That would be a separate filing.

Maggie Downey stated that the Compact is to meet with EEAC in November on CVEO. She asked that if any Board Members could come to Boston to show their support that it would be appreciated. Once EEAC approves it will then go to the DPU for approval. The Compact hopes to start the CVEO program in 2020, but it may not happen until 2021. Martin Culik asked what the date of the meeting was. Maggie Downey stated it is to be on the third Wednesday of November.

Colin Odell stated that Eversource is marketing via email in the Compact's territory, and it is causing customer confusion. Dan Schell stated that this was supposedly rectified. The Compact has talked to Eversource before about it, but their vendors continue to do this in error. Maggie Downey stated that contacting Compact customers about energy efficiency programs is inconsistent with the Operating Agreement between the Compact and Eversource. Maggie noted that she will reach out to the Eversource management team to discuss this matter.

Timothy Carroll, Eric Peckar, Richard Toole, and Sue Hrubby left meeting at 3:42pm.

ADJOURNMENT:

Motion to adjourn made at 3:54 PM moved by Robert Schofield, seconded by Martin Culik.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda

Draft Minutes subject to correction, addition and Committee/Board Approval

- July 17, 2019 Draft Open Session Meeting Minutes
- Comparison of Bank Options for Securing/Insuring Cash Assets
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- Consumer Advocacy Allocation Worksheet – D.P.U. 15-122
- Consumer Advocacy Allocation Worksheet – D.P.U. 18-50
- Cape Light Compact Energy Efficiency 2016 – 2018 Term Report PowerPoint

Draft Minutes subject to correction, addition and Committee/Board Approval

2019 Budgeted (Based on 2019 EES)

Program	PA Costs			STAT	EMV	Total PA Costs
	PP&A	Marketing	Incentives			
A - Residential	\$ 1,541,781	\$ 372,442	\$ 17,548,962	\$ 4,744,187	\$ 718,497	\$ 24,975,242
A1 - Residential New Buildings	\$ 412,497	\$ 21,943	\$ 127,071	\$ 202,071	\$ -	\$ 919,738
A1.1 - Residential New Homes & Renovations	\$ 412,497	\$ 21,943	\$ 127,071	\$ 202,071	\$ -	\$ 919,738
A1.2 - Residential Energy Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A2 - Residential Conversion	\$ 946,183	\$ 481,308	\$ 15,386,771	\$ 4,279,913	\$ -	\$ 21,095,165
A2.1 - Residential Conversion Delivery	\$ 493,253	\$ 163,112	\$ 8,641,779	\$ 1,705,201	\$ -	\$ 10,943,347
A2.2 - Residential Conversion Services (RCS)	\$ 85,291	\$ 45,085	\$ -	\$ 1,776,442	\$ -	\$ 1,901,817
A2.3 - Residential Rental	\$ 314,639	\$ 248,158	\$ 5,815,995	\$ 623,271	\$ -	\$ 7,002,988
A2.4 - Residential Behavior	\$ 38,393	\$ 9,657	\$ 787,200	\$ 20,545	\$ -	\$ 654,077
A2.5 - Residential Active Demand Reduction	\$ 15,192	\$ 18,314	\$ 141,998	\$ 162,352	\$ -	\$ 318,754
A3 - Residential Active Demand Reduction	\$ 242,359	\$ 217,269	\$ 1,520,816	\$ 284,131	\$ 753,497	\$ 3,948,962
A3.1 - Residential Standalone Marketing	\$ 6,160	\$ 12,019	\$ -	\$ -	\$ -	\$ 18,179
A3.2 - Residential Standalone Database	\$ 145,089	\$ -	\$ -	\$ -	\$ -	\$ 145,089
A3.3 - Residential DOER Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A3.4 - Residential Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A3.5 - Residential Workforce Development	\$ -	\$ -	\$ -	\$ 31,590	\$ -	\$ 31,590
A3.6 - Residential Evaluation and Market Research	\$ 30,537	\$ -	\$ -	\$ -	\$ 753,497	\$ 784,034
A3.7 - Residential EAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,537
A3.8 - Residential R&D and Demonstration	\$ 72,453	\$ 20,193	\$ 1,386,390	\$ 116,511	\$ -	\$ 1,615,546
A3.9 - Residential HEAT Loan	\$ -	\$ 75,000	\$ -	\$ 50,000	\$ -	\$ 125,000
A3.10 - Residential Education	\$ 22,114	\$ 95,419	\$ 3,843,377	\$ 606,163	\$ 36,430	\$ 4,992,763
B - Income Eligible	\$ 161,123	\$ 73,794	\$ 3,030,377	\$ 655,162	\$ -	\$ 3,979,454
B1 - Income Eligible Energy Buildings	\$ 68,071	\$ 21,825	\$ 3,030,377	\$ 655,162	\$ -	\$ 3,979,454
B1.1 - Income Eligible Coordinated Delivery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1.2 - Income Eligible Active Demand Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1.3 - Income Eligible Hard-to-Heat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B2 - Income Eligible Standalone Marketing	\$ 1,103	\$ 21,825	\$ -	\$ 25,000	\$ 34,439	\$ 62,167
B2.1 - Income Eligible Standalone Database	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B2.2 - Income Eligible DOER Assistance	\$ 29,341	\$ -	\$ -	\$ -	\$ -	\$ 29,341
B2.3 - Income Eligible Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B2.4 - Income Eligible Workforce Development	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
B2.5 - Income Eligible Evaluation and Market Research	\$ 29,547	\$ -	\$ -	\$ -	\$ 34,439	\$ 64,086
B2.6 - Income Eligible Energy Affordability Network	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C - Commercial & Industrial	\$ 854,921	\$ 349,841	\$ 9,578,519	\$ 1,738,518	\$ 678,482	\$ 22,191,282
C1 - CBI New Buildings	\$ 47,021	\$ 7,767	\$ 380,659	\$ 116,618	\$ -	\$ 623,209
C1.1 - CBI New Buildings & Major Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C1.2 - CBI Energy Buildings	\$ 47,021	\$ 7,767	\$ 380,659	\$ 116,618	\$ -	\$ 623,209
C2 - CBI Existing Building Network	\$ 555,130	\$ 233,991	\$ 7,779,271	\$ 1,489,572	\$ -	\$ 11,848,064
C2.1 - CBI New & Replacement Equipment	\$ 77,592	\$ 37,947	\$ 914,101	\$ 170,376	\$ -	\$ 1,400,017
C2.2 - CBI Active Demand Reduction	\$ 28,810	\$ 11,547	\$ 417,897	\$ 71,311	\$ -	\$ 499,864
C2.3 - CBI Hard-to-Heat	\$ 117,649	\$ 68,706	\$ 37,600	\$ 28,354	\$ 478,482	\$ 702,841
C2.4 - CBI Standalone Marketing	\$ 3,317	\$ 43,788	\$ -	\$ -	\$ -	\$ 47,105
C2.5 - CBI Standalone Database	\$ 97,520	\$ -	\$ -	\$ -	\$ -	\$ 97,520
C2.6 - CBI DOER Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2.7 - CBI Sponsorships & Subscriptions	\$ -	\$ 5,000	\$ -	\$ 28,154	\$ -	\$ 33,154
C2.8 - CBI Workforce Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2.9 - CBI Evaluation and Market Research	\$ 16,532	\$ -	\$ -	\$ -	\$ 478,482	\$ 495,014
C2.10 - CBI EAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2.11 - CBI R&D and Demonstration	\$ -	\$ -	\$ 26,119,254	\$ 71,140,038	\$ 1,317,489	\$ 41,972,444
Grand Total	\$ 2,386,887	\$ 1,107,408	\$ 26,119,254	\$ 71,140,038	\$ 1,317,489	\$ 41,972,444

2019 Actuals through Sep Sep 2019

Program	PA Costs			STAT	EMV	Total PA Costs
	PP&A	Marketing	Incentives			
A - Residential	\$ 2,103,833	\$ 394,471	\$ 18,388,041	\$ 7,241,678	\$ 289,725	\$ 21,911,649
A1 - Residential New Buildings	\$ 38,007	\$ 11,432	\$ 488,864	\$ 84,866	\$ -	\$ 542,371
A1.1 - Residential New Homes & Renovations	\$ 38,007	\$ 11,432	\$ 488,864	\$ 84,866	\$ -	\$ 542,371
A1.2 - Residential Energy Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A2 - Residential Conversion	\$ 972,894	\$ 266,500	\$ 9,941,859	\$ 2,238,297	\$ -	\$ 12,481,941
A2.1 - Residential Conversion Delivery	\$ 458,435	\$ 116,482	\$ 6,165,279	\$ 1,064,889	\$ -	\$ 7,970,844
A2.2 - Residential Conversion Services (RCS)	\$ 89,480	\$ 33,246	\$ -	\$ 770,838	\$ -	\$ 914,764
A2.3 - Residential Rental	\$ 289,393	\$ 123,734	\$ 2,748,048	\$ 270,863	\$ -	\$ 3,402,018
A2.4 - Residential Behavior	\$ 35,377	\$ 7,038	\$ 228,544	\$ 13,117	\$ -	\$ 284,768
A2.5 - Residential Active Demand Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A3 - Residential Active Demand Reduction	\$ 192,447	\$ 168,539	\$ 857,182	\$ 199,298	\$ 289,725	\$ 1,647,328
A3.1 - Residential Standalone Marketing	\$ 1,103	\$ 74,488	\$ -	\$ -	\$ -	\$ 75,591
A3.2 - Residential Standalone Database	\$ 145,377	\$ -	\$ -	\$ -	\$ -	\$ 145,377
A3.3 - Residential DOER Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A3.4 - Residential Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ 299	\$ 299
A3.5 - Residential Workforce Development	\$ -	\$ -	\$ -	\$ -	\$ 9,157	\$ 9,157
A3.6 - Residential Evaluation and Market Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A3.7 - Residential EAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A3.8 - Residential R&D and Demonstration	\$ 66,762	\$ 13,387	\$ 817,125	\$ 91,629	\$ -	\$ 1,021,901
A3.9 - Residential HEAT Loan	\$ -	\$ 75,000	\$ -	\$ 50,000	\$ -	\$ 125,000
A3.10 - Residential Education	\$ 186,491	\$ 52,495	\$ 1,465,844	\$ 249,831	\$ 81,164	\$ 2,310,825
B - Income Eligible	\$ 135,017	\$ 35,441	\$ 3,465,844	\$ 645,512	\$ -	\$ 4,246,246
B1 - Income Eligible Energy Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1.1 - Income Eligible Coordinated Delivery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1.2 - Income Eligible Active Demand Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B1.3 - Income Eligible Hard-to-Heat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B2 - Income Eligible Standalone Marketing	\$ 1,103	\$ 21,825	\$ -	\$ 25,000	\$ 34,439	\$ 62,167
B2.1 - Income Eligible Standalone Database	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B2.2 - Income Eligible DOER Assistance	\$ 29,341	\$ -	\$ -	\$ -	\$ -	\$ 29,341
B2.3 - Income Eligible Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B2.4 - Income Eligible Workforce Development	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
B2.5 - Income Eligible Evaluation and Market Research	\$ 29,547	\$ -	\$ -	\$ -	\$ 34,439	\$ 64,086
B2.6 - Income Eligible Energy Affordability Network	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C - Commercial & Industrial	\$ 791,747	\$ 186,863	\$ 8,978,727	\$ 645,942	\$ 338,658	\$ 11,975,648
C1 - CBI New Buildings	\$ 27,733	\$ 5,044	\$ 77,437	\$ 68,022	\$ -	\$ 110,214
C1.1 - CBI New Buildings & Major Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C1.2 - CBI Energy Buildings	\$ 27,733	\$ 5,044	\$ 77,437	\$ 68,022	\$ -	\$ 110,214
C2 - CBI Existing Building Network	\$ 691,198	\$ 182,116	\$ 8,949,889	\$ 565,548	\$ -	\$ 12,349,751
C2.1 - CBI New & Replacement Equipment	\$ 539,143	\$ 110,102	\$ 3,649,819	\$ 461,788	\$ -	\$ 6,760,851
C2.2 - CBI Active Demand Reduction	\$ 62,648	\$ 22,015	\$ 291,281	\$ 102,760	\$ -	\$ 878,101
C2.3 - CBI Hard-to-Heat	\$ 72,794	\$ 51,483	\$ -	\$ 12,812	\$ -	\$ 135,079
C2.4 - CBI Standalone Marketing	\$ 608	\$ 51,600	\$ -	\$ -	\$ -	\$ 52,208
C2.5 - CBI Standalone Database	\$ 71,864	\$ -	\$ -	\$ -	\$ -	\$ 71,864
C2.6 - CBI DOER Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2.7 - CBI Sponsorships & Subscriptions	\$ -	\$ 81	\$ -	\$ 12,811	\$ -	\$ 12,912
C2.8 - CBI Workforce Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2.9 - CBI Evaluation and Market Research	\$ -	\$ -	\$ -	\$ -	\$ 338,658	\$ 338,658
C2.10 - CBI EAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C2.11 - CBI R&D and Demonstration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 2,995,580	\$ 607,777	\$ 16,104,412	\$ 7,925,183	\$ 628,383	\$ 24,955,148

\$ as Percent

ORG	OBJECT	ACCOUNT DESCRIPTION	ORIGINAL	APPRO	REVISED	BUDGE	YTD EXPENDE	AVAILABLE	BUDGE	% USED
01001	5110	OP-SALARIES	\$ 80,176.00	\$ 80,176.00	\$ 80,176.00	\$ 53,177.70	\$ 26,998.30			66.30
01001	5119	OP-SALARY RESERVE	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00			0.00
01001	5171	OP-RETIREMENT	\$ 20,044.00	\$ 20,044.00	\$ 20,044.00	\$ 8,013.50	\$ 12,030.50			40.00
01001	5173	OP-GROUP INSURANCE	\$ 12,035.00	\$ 12,035.00	\$ 12,035.00	\$ 11,530.55	\$ 504.45			95.80
01001	5174	OP-MEDICARE/OTHER TAXES	\$ 2,060.00	\$ 2,060.00	\$ 2,060.00	\$ 680.49	\$ 1,379.51			33.00
01001	5175	STATE UNEMPLOYMENT INSURANC	\$ -	\$ 1,000.00	\$ 1,000.00	\$ 235.61	\$ 764.39			23.60
01001	5179	OP-MISC FRINGES	\$ 7,090.00	\$ 6,090.00	\$ 6,090.00	\$ 178.00	\$ 5,912.00			2.90
01001	5180	OP-RETIREMENT LIABILITY	\$ 5,300.00	\$ 5,300.00	\$ 5,300.00	\$ -	\$ 5,300.00			0.00
01001	5181	OP-OPEB LIABILITY	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ -	\$ 7,100.00			0.00
01001	5210	OP-UTILITIES	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 215.46	\$ 784.54			21.50
01001	5270	OP-MISC RENTALS	\$ 3,500.00	\$ 2,855.00	\$ 2,855.00	\$ -	\$ 2,855.00			0.00
01001	5272	OP-RENT	\$ 22,500.00	\$ 22,500.00	\$ 22,500.00	\$ 18,750.00	\$ 3,750.00			83.30
01001	5290	OP-CUSTODIAL SERVICES	\$ 3,938.00	\$ 3,438.00	\$ 3,438.00	\$ 2,833.52	\$ 604.48			82.40
01001	5301	OP-ADVERTISING	\$ 170,000.00	\$ 145,000.00	\$ 145,000.00	\$ 91,802.18	\$ 53,197.82			63.30
01001	5309	OP-IT SERVICES	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 593.13	\$ 4,406.87			11.90
01001	5313	OP-STAFF PROFESSIONAL DEVELOP	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 385.67	\$ 4,614.33			7.70
01001	5314	OP-PAYROLL SERVICES	\$ 500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,136.70	\$ 363.30			75.80
01001	5315	OP-LEGAL SERVICES	\$ 230,800.00	\$ 225,800.00	\$ 225,800.00	\$ 72,402.73	\$ 153,397.27			32.10
01001	5316	OP-AUDIT FEES	\$ 11,250.00	\$ 11,250.00	\$ 11,250.00	\$ 4,820.00	\$ 6,430.00			42.80
01001	5318	OP-TREASURY SERVICES	\$ 5,000.00	\$ 5,500.00	\$ 5,500.00	\$ 5,092.42	\$ 407.58			92.60
01001	5319	OP-CONTRACTUAL	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 8,161.24	\$ 11,838.76			40.80
01001	5320	OP-OUTREACH/MARKETING CONTR	\$ 75,000.00	\$ 100,000.00	\$ 100,000.00	\$ 83,286.19	\$ 16,713.81			83.30
01001	5341	OP-POSTAGE	\$ 26,500.00	\$ 21,500.00	\$ 21,500.00	\$ 6,520.85	\$ 14,979.15			30.30
01001	5343	OP-TELEPHONES	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 2,020.93	\$ 1,479.07			57.70
01001	5344	OP-INTERNET	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 3,627.38	\$ 1,372.62			72.50
01001	5345	OP-PRINTING	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,076.98	\$ (76.98)			101.00
01001	5400	OP-SUPPLIES	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 174.24	\$ 2,325.76			7.00
01001	5490	OP-FOOD SUPPLIES	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 199.22	\$ 4,800.78			4.00
01001	5710	OP-TRAVEL IN STATE	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 4,512.33	\$ 12,487.67			26.50
01001	5720	OP-TRAVEL OUT STATE	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 2,292.01	\$ 3,707.99			38.20
01001	5730	OP-SPONSORSHIPS	\$ 39,300.00	\$ 39,300.00	\$ 39,300.00	\$ 36,679.50	\$ 2,620.50			93.30
01001	5731	OP-SUBSCRIPTIONS	\$ 20,000.00	\$ 19,000.00	\$ 19,000.00	\$ 18,769.50	\$ 230.50			98.80
01001	5732	OP-SOFTWARE LICENSES	\$ 1,000.00	\$ 4,000.00	\$ 4,000.00	\$ 1,848.03	\$ 2,151.97			46.20
01001	5741	OP-INSURANCE	\$ 10,600.00	\$ 20,745.00	\$ 20,745.00	\$ 20,745.00	\$ -			100.00
01001	5786	OP-BANK FEES	\$ 500.00	\$ 500.00	\$ 500.00	\$ -	\$ 500.00			0.00
01001	5789	OP-UNPAID BILLS	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00			0.00
01001	5850	OP-MISC EQUIPMENT	\$ -	\$ -	\$ -	\$ 58.55	\$ (58.55)			100.00
01001	5854	OP-FINANCIAL SOFTWARE SYSTEM	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 2,427.49	\$ 2,572.51			48.50
01001	5855	OP-COMPUTER EQUIPMENT	\$ 5,000.00	\$ 2,000.00	\$ 2,000.00	\$ 551.19	\$ 1,448.81			27.60
Total 01 OPERATING FUND			\$ 848,693.00	\$ 848,693.00	\$ 848,693.00	\$ 471,798.29	\$ 376,895			55.60
Mil Adder Revenue January - August			\$ 632,210.18							

2020 Energy Efficiency Surcharge (EES)

Cape Light Compact Governing Board Meeting

October 9, 2019

**Cape Light
Compact**



Working together toward a smarter energy future

What is the EES?



- Energy Efficiency Surcharge (EES) is the primary source of funding for Compact's energy efficiency programs. Also known as Energy Efficiency Reconciliation Factor (EERF)
- The Compact's effective EES date is January 1st of each year and the proposed EES must be filed 60 days prior
- The rate proposed each year reflects:
 - the Program Administrator's most recent projections of budgets
 - revenues from non-EES funding sources
 - Sales for the current year
 - a reconciliation of any under- or over-recovery of costs from the previous year

How is the EES calculated?



- The EES is designed such that, if revenue and expenditures are exactly as planned, then the Compact's bank account would be \$0 at year end
- In the real world, both expenditures and revenue vary from the plan, and there is a positive or negative balance at year end (i.e., carryover)
- Annually, the EES fully reconciles the Compact's change in expenditures and revenue

What are all the pieces that fund the Compact's programs?



- **SBC:** The System Benefits Charge is a charge of \$0.25 per kWh on customers' bills.
- **FCM:** Revenue from the Forward Capacity Market auction run by ISO.
- **RGGI:** Revenue from the Regional Greenhouse Gas Initiative auctions.
- **EES:** The Energy Efficiency Surcharge collects from customers the remainder of the Compact's budget.
 - Reestablishing annual EES rate adjustments and reconciliations will not impact the performance or the implementation of energy efficiency programs. The Department finds that the return to an annual EES rate adjustment and reconciliation is both administratively efficient and will promote the goal of rate continuity by limiting the possibility of significant EES under- or over-recoveries that would not be reconciled until the end of a term under the current guidelines (D.P.U. 15-160 through D.P.U. 15-169, at 113).

What is the EES calculation?

Cape Light
Compact



2020 Revenues & Expenditures

Total Expenditures \$ 48,352,296

Revenues

2019 Carryover	\$ 6,170,779
2020 SBC	\$ 4,839,682
2020 FCM	\$ 3,201,721
2020 RGGI	\$ 997,151
2020 Interest	\$ (40,034)
Subtotal	\$ 15,169,299

2020 EES \$ 33,182,997

Total Revenues \$ 48,352,296

- * Carryover is the ending balance from the previous year.
- * Interest projections are calculated on each sector's monthly balance, and summed for the year.

What is the Compact's 2020 budget?

Cape Light Compact



Sector	2019-2021 Plan, Compliance	2020 EES	Difference	Change (%)
Residential	\$ 30,738,563	\$ 26,242,376	\$ (4,496,188)	-15%
Income Eligible	\$ 9,172,553	\$ 5,151,010	\$ (4,021,542)	-44%
C&I	\$ 16,270,190	\$ 16,958,910	\$ 688,720	4%
Total	\$ 56,181,306	\$ 48,352,296	\$ (7,829,010)	-14%

What are the proposed 2020 EES rates and monthly customer bill impacts?

Cape Light Compact



EES Rates (¢ / kWh)			
Sector	2019 in Effect	2020 in Plan	2020 Proposed
Residential	2.028	2.903	2.190
Income Eligible	0.005	0.368	0.169
C&I	0.214	2.029	1.241

2019 in Effect vs. 2020 Proposed		
Sector	Bill Impact \$	Bill Impact %
Residential	\$0.83	0.7%
Income Eligible	\$0.52	0.8%
C&I	\$4.62 - \$6,315.03	3.3% - 7.3%

Main Streets Events on October 2nd

**Cape Light
Compact**



Working Together Toward A Smarter Energy Future

Overview

Cape Light
Compact



- Main Streets Events were held on October 2nd (Energy Efficiency Day) in the towns of Chatham and Oak Bluffs
- Partnered with the Towns of Chatham and Oak Bluffs, Chatham Chamber of Commerce, Chatham Merchants Association and Oak Bluffs Association
- Small businesses in targeted areas were given energy assessments and instant savings measures (LED screw-in bulbs, faucet aerators, etc.) when applicable
- Increased incentives available up to 90% (lighting and refrigeration) and up to 65% for custom measures

Feedback from Businesses



- Positive feedback from business owners
- Excited to have Cape Light Compact doing the assessments to help them save on their energy costs
- Some didn't even know about the program, good opportunity for CLC to be in the community
- Many customers signed up for further efficiency improvements

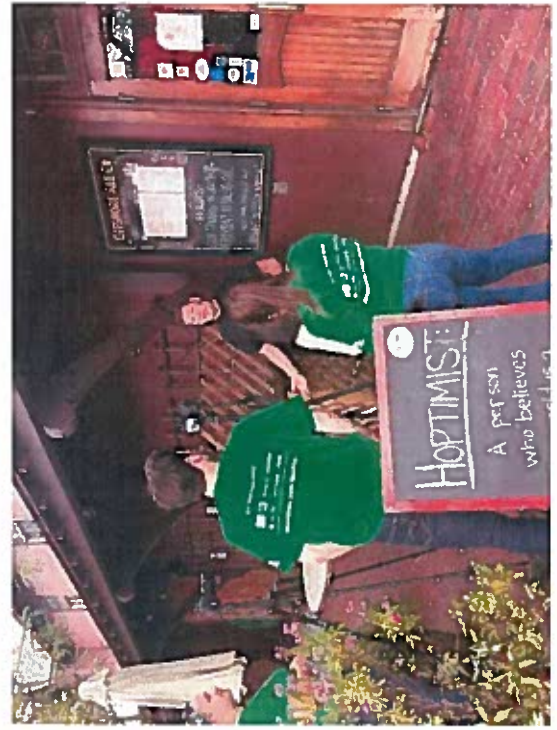


Pictures from Chatham



Pictures from Oak Bluffs

Cape Light Compact



For a limited time

Save up to **90%** on
**Efficiency Upgrades
for Your Business**

Cape Light Compact is offering enhanced incentives* to help local businesses save energy and money.

Sign up **by October 31** to save up to **90%** on select lighting, refrigeration, and other eligible electric energy-efficiency upgrades!

*Qualifying businesses must use less than 15 million kWh per year and be located on Cape Cod or Martha's Vineyard.

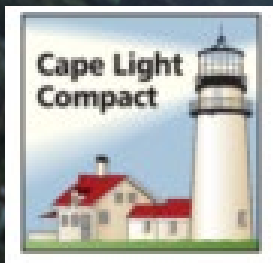
Learn more and sign up:

Call 1-800-797-6699 or visit
CapelLightCompact.org/MainStreets



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Cape Light Compact JPE

2018 Audit Exit Conference

October 9, 2019

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

Agenda

- Terms of Engagement
- Open Items
- Executive Summary
- Financial Highlights
- Future GASB Implementation
- Questions

Terms of Engagement

- Express an opinion on whether the financial statements are presented in accordance with GAAP
- Express an opinion on the supplemental information (combining statements and expense reconciliation to DPU)
- Provide a report on internal control over financial reporting and compliance with laws, regulations, contracts and grants



Open Items

- Updated GASBS 75 (OPEB) actuarial valuation
- Updated legal letter response
- CLA independent 2nd review process
- Signed representation letter

Executive Summary

- Draft financial statements issued October 7th
- Implementation of GASBS 75
 - Requires recording total OPEB liability
 - Will result in restatement (decrease) to beginning net position
- Net position totals \$14.7M
- Net (loss) totals (\$3.4M)



Financial Highlights

Statement of Net Position

	<u>2018</u>	<u>2017</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Assets				
Cash (2017 Includes Cash Held by County)	\$18.2M	\$23.1M	(\$4.9M)	(21%)
Receivables and Other Assets	\$5.8M	\$2.6M	\$3.2M	123%
Capital Assets, net	\$0.5M	\$0.6M	(\$0.1M)	(17%)
Deferred Outflows – Pension & OPEB	\$0.9M	\$ 0.8M	(\$0.1M)	(13%)
Liabilities				
Accounts Payable and Accrued Expenses	\$5.6M	\$4.4M	\$1.2M	27%
Net Pension Liability	\$3.2M	\$3.5M	(\$0.3M)	(9%)
Net OPEB Obligation	\$1.3M	\$0.9M	\$0.4M	44%
Deferred Inflows – Pension & OPEB	<u>\$0.5M</u>	<u>\$0.1M</u>	\$0.4M	400%
Net Position	<u>\$14.7M</u>	<u>\$18.4M</u>	(\$3.7M)	(20%)



Financial Highlights

Statement of Revenues, Expenses and Changes in Net Position

	<u>2018</u>	<u>2017</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Operating Revenues				
Energy Efficiency	\$30.4M	\$38.8M	(\$8.4M)	(22%)
Mil-adder	\$0.9M	\$0.9M	\$0.0M	0%
Intergovernmental	\$1.0M	\$0.7M	\$0.3M	43%
Other	\$0.0M	\$0.1M	(\$0.1M)	100%
Operating Expenses				
Salaries and Benefits	\$2.3M	\$1.8M	\$0.5M	28%
Energy Efficiency	\$37.3M	\$30.4M	\$6.9M	23%
Legal	\$1.0M	\$1.7M	(\$0.7M)	(41%)
Other	\$1.1M	\$1.2M	(\$0.1M)	(8%)



Financial Highlights

Statement of Revenues, Expenses and Changes in Net Position (Continued)

	<u>2018</u>	<u>2017</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Nonoperating Revenues (Expenses)				
Forward Cap Market	\$5.9M	\$2.7M	\$3.2M	119%
REC's and Investment Income	\$0.2M	(\$0.1M)	\$0.2M	300%
Change in Net Position	(\$3.4M)	\$8.0M	(\$11.4M)	(143%)



Financial Highlights

- Note 6 – Pension Plan (Pg. 18-21)
 - Net Pension Liability totals \$3,202,074
 - ◇ Measured as of December 31, 2017
 - ◇ Compact’s proportionate share totals 0.471% (0.493% PY)
 - ◇ Pension Expense: \$373,498
 - ◇ Deferred Outflows: \$816,235
 - ◇ Deferred Inflows: \$375,152
 - Discount rate sensitivity
 - ◇ Current (7.375%) - \$3,202,074
 - ◇ Increase 1% - \$2,362,963
 - ◇ Decrease 1% - \$4,200,061



Financial Highlights

- Note 7 – OPEB (Pg. 22-24)
 - All the numbers will change but disclosures will consist of the following:
 - ◇ Plan description
 - ◇ Benefits provided
 - ◇ Participants covered
 - ◇ Total OPEB liability
 - ◇ Actuarial assumptions
 - ◇ Changes in Total OPEB Liability
 - ◇ Sensitivity to changes in discount rate
 - ◇ Sensitivity to changes in health care cost trend rate
 - ◇ OPEB expense and deferred outflows and inflows



Financial Highlights

- Note 10 – Commitments (25-26)
 - Commitment to deliver specified units of energy efficiency to ISO NE Forward Capacity Market (FCM)
 - ◇ \$2M letter of credit to meet financial assurance requirements of FCM
 - Secured by \$2M line of credit
 - Power Purchase Agreement (PPA) with future solar facility in Maine
 - ◇ 20-year commitment from commercial operation date
 - ◇ Letter of credit required that ranges from \$5M in year one to \$219k in final year of operation



Future GASB Implementation

- GASB Statement No. 84 – *Fiduciary Activities*
 - Effective for fiscal year 2019
- GASB Statement No. 87 – *Leases*
 - Will be effective for fiscal year 2020



Questions



CAPE LIGHT COMPACT JPE

**INDEPENDENT AUDITORS' REPORT ON
FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY
INFORMATION AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2018

Draft - 10-07-19

Draft - 10-07-19

**CAPE LIGHT COMPACT JPE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cape Light Compact JPE
South Yarmouth, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Cape Light Compact JPE (Cape Light Compact) as of and for the year ended December 31, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cape Light Compact as of December 31, 2018, and the change in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During the year ended December 31, 2018, the Cape Light Compact adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, the Cape Light Compact reported a restatement for the change in accounting principle (see Note 2). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (located on pages 4 through 9) and certain pension and other postemployment benefits information (located on pages 27 and 28) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The combining statements and reconciliation of audited energy efficiency GAAP expenses to Department of Public Utilities report (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Cape Light Compact JPE

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the Cape Light Compact's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cape Light Compact's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cape Light Compact's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Boston, Massachusetts
REPORT DATE

Draft - 10-07-19

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

As management of the Cape Light Compact JPE (Compact), we offer readers of these financial statements this narrative overview and analysis of the Compact's financial activities for the calendar year ended December 31, 2018.

The management's discussion and analysis (MD&A) is presented in the following sections:

1. Background
2. Overview of the Financial Statements
3. Financial Statement Analysis

Please refer to the audited *Financial Statements* when reading the MD&A.

Cape Light Compact Joint Powers Entity:

The Compact's mission is to serve our over 200,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, and renewable competitive electricity supply.

The Compact is a Joint Powers Entity (JPE) pursuant to Massachusetts General Law Chapter 40, Section 4A ½, consisting of the 21 towns on Cape Cod and Martha's Vineyard, and Dukes County.

The Compact as Energy Efficiency Program Administrator and the 2016-2018 Energy Efficiency Plan:

The Compact's 2016 - 2018 Energy Efficiency Plan, its third three-year plan, was approved by the DPU on January 28, 2016 in compliance with the Massachusetts state energy efficiency goals and policies, including the Green Communities Act ("GCA"), (Chapter 169, Section 11 of the Acts of 2008). The Compact is pleased with the results of 2018. Program year 2018 built on the nationally acclaimed accomplishments of the 2013-2015 Three-Year Plan and the 2010-2012 Three-Year Plan, showing remarkable success with respect to goal attainment and achievement of real benefits for the environment and the economy in the Commonwealth of Massachusetts.

For 2018 the Compact enjoyed the following notable awards and accomplishments:

- 2018 ENERGY STAR Certified Homes Market Leader Award
- 2018 Advanced Rooftop Unit (RFU) Campaign Award for Commercial and Industrial HVAC program

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Over the three-year term, the Compact has achieved:

- Robustly cost-effective programs with a benefit-cost ratio ("BCR") of 2.24,
- Net benefits of \$166 million,
- Annual energy savings of 157 gigawatt hours ("GWh"),
- Lifetime energy savings of 1,403 GWh,
- Total benefits of \$300 million, and
- Program costs of \$105 million.

The Compact is committed to energy education outreach within its community and continues to be a regionally and nationally recognized leader in the design and implementation of its energy education programs. As a municipal aggregator with a unique service territory, the Compact supports the community's efforts to develop a deeper and broader knowledge of energy efficiency technology and practices, moving towards an energy-literate society.

The Compact's Power Supply Program:

During 2018, the Compact's power supplier for all residential, commercial, and industrial customers was NextEra Energy Services of Massachusetts (NextEra). The Compact is pleased that our residential price in 2018 was lower than Eversource's basic service residential, while also being 100% renewable.

The Compact has been a green aggregation since January 2017, meaning 100% of the Compact's power supply customers' annual electricity usage is met with renewable energy certificates (RECs). Each REC represents the generation of 1 megawatt hour (1,000 kilowatt hours) of electricity produced by a renewable resource, such as wind or solar. By retiring RECs to match the Compact's customers' usage, Compact customers are financially supporting renewable energy resources, including resources located on Cape Cod and southeastern Massachusetts. In addition, NextEra pledged to deposit all premiums paid for voluntary RECs, plus their supplier and retail fees (expected to total over \$3 million per year), into a trust fund to be used solely for the development of new renewable energy resources. In December 2018, the Compact also announced that it had entered in to a long-term power purchase agreement (PPA) for both energy and RECs from a solar facility under development in Farmington, Maine, which is scheduled to begin delivering energy to Compact customers in 2021. Now, by purchasing electricity through the Compact, all Compact power supply customers are supporting renewable energy and acting locally to combat climate change.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

At a regional level, New England continues to face electricity pricing challenges during the winter months. Over the last fifteen years, New England has greatly increased its reliance on natural gas for electricity production, and now over fifty (50) percent of New England's electricity is generated with natural gas. However, natural gas pipeline capacity has not substantially increased during that same period. As a result, during winter cold snaps, demand for natural gas to generate electricity competes with natural gas demand for heating purposes. Allocation of natural gas for heating has priority over natural gas for generating electricity. This creates a supply shortage of natural gas for electricity production, and therefore increases prices for electric generators, which is passed on to all New England power supply customers. Massachusetts has taken a major step to address this issue through the execution of long-term contracts for off-shore wind energy, and continues to negotiate contracts for additional renewable energy resources; however, until such time as this issue is fully resolved, either through additional infrastructure, demand reduction or other targeted programs, the possibility of future high winter pricing remains, and as such, consumers should still expect seasonal pricing fluctuations for the foreseeable future. The Compact will continue to seek ways to help customers reduce their electricity costs through innovative energy efficiency programs to mitigate the impacts of higher winter electricity pricing.

The Compact as Consumer Advocate:

Consistent with its mission, Cape Light Compact remains a strong advocate for residents and businesses of Cape Cod and Martha's Vineyard on energy issues.

In 2018, the Compact continued its focus on grid modernization, reviewing the plans submitted by the utilities in August 2015. The Compact held community and stakeholder meetings about what is being proposed and the implications for the energy future of Cape Cod and Martha's Vineyard. There were several key areas of concern that the Compact and engaged stakeholders identified, mainly centered around the fact that Eversource's grid modernization plan was mostly grid-facing and did not offer many opportunities to engage customers with a modernized grid. The Compact was an active participant in the DPU docket and retained experts to analyze Eversource's plan and present expert witness testimony, submitted information requests to Eversource, and submitted briefs. The DPU issued their grid modernization orders in May 2018, approving some of the utilities' requests but deferring decisions on customer-facing technologies (such as advanced metering infrastructure) to future proceedings. The Compact will seek to participate in future grid modernization proceedings at the DPU to advocate for the interests of Cape and Vineyard customers.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Overview

This discussion and analysis is intended to serve as an introduction to the financial statements, which consists of the following two components:

1. Financial statements
2. Notes to the financial statements

This report also contains additional information that supplements the financial statements.

Financial Statements

The Compact's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). The financial statements are presented on the accrual basis of accounting and include the following three basic financial statements: (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses and Change in Net Position and (3) the Statement of Cash Flows.

The financial statements can be found on pages 10 – 12 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 – 26 of this report.

Required Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information are certain pension and other post employment benefits information, which can be found on pages 27-28.

Additional Information

In addition to the financial statements and accompanying notes, this report also presents additional information. Presented in this information are combining statements of net position and revenues, expenses and change in net position, as well as a reconciliation of audited energy efficiency GAAP expenses to the amounts reported to the DPU. The additional information can be found on pages 29 – 31.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Financial Statement Analysis

The following tables present current and prior year data on the financial statements.

Net Position

The Compact's assets and deferred outflows exceeded liabilities and deferred inflows by \$14,714,436 at the close of the calendar year and are summarized as follows:

	<u>2018</u>	<u>2017</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Assets				
Current Assets	\$ 23,974,454	\$ 25,785,672	\$ (1,811,218)	-7.0%
Noncurrent Assets	462,558	588,438	(125,880)	-21.4%
Total Assets	<u>24,437,012</u>	<u>26,374,110</u>	<u>(1,937,098)</u>	<u>-7.3%</u>
Deferred Outflows of Resources	<u>914,145</u>	<u>783,363</u>	<u>130,782</u>	<u>16.7%</u>
Liabilities				
Current Liabilities	5,555,404	4,286,245	1,269,159	29.6%
Noncurrent Liabilities	4,602,488	4,416,079	186,409	4.2%
Total Liabilities	<u>10,157,892</u>	<u>8,702,324</u>	<u>1,455,568</u>	<u>16.7%</u>
Deferred Inflows of Resources	<u>478,829</u>	<u>44,426</u>	<u>434,403</u>	<u>977.8%</u>
Net Position				
Net Investment in Capital Assets	462,558	588,438	(125,880)	-21.4%
Unrestricted	14,251,878	17,822,285	(3,570,407)	-20.0%
Total Net Position	<u>\$ 14,714,436</u>	<u>\$ 18,410,723</u>	<u>\$ (3,696,287)</u>	<u>-20.1%</u>

The Compact's assets consist primarily of cash and cash equivalents, accounts receivable and capital assets. The decrease in the Compact's current assets primarily reflects the increase in the current year expenses and decrease in revenues for the energy efficiency program.

Liabilities primarily consist of accounts payable, the net pension liability and total OPEB liability. The increase in current liabilities is primarily due to increases in energy efficiency program payables.

**CAPE LIGHT COMPACT JPE
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Changes in Net Position

The Compact's net position decreased by \$3,369,328 for the year ended December 31, 2018 and is summarized as follows:

	2018*	2017	Change (\$)	Change (%)
Operating Revenues	\$ 32,313,746	\$ 40,456,685	\$ (8,142,939)	-20.1%
Operating Expenses	41,715,800	35,082,341	6,633,459	18.9%
Operating Income (Loss)	(9,402,054)	5,374,344	(14,776,398)	-274.9%
Nonoperating Revenues (Expenses), Net	6,032,726	2,667,606	3,365,120	126.1%
Change in Net Position	(3,369,328)	8,041,950	(11,411,278)	-141.9%
Net Position - Beginning of Year (As Restated)	18,083,764	10,368,773	7,714,991	74.4%
NET POSITION (DEFICIT) - END OF YEAR	\$ 14,714,436	\$ 18,410,723	\$ (3,696,287)	-20.1%

* Beginning balance restated due to the implementation of GASB Statement No. 75. See Note 2M, page 16.

Operating revenues primarily consist of mandatory energy efficiency charges (\$5,030,314) and energy efficiency reconciliation factor charges (\$25,352,106). The decrease in operating revenues primarily reflects the decrease of energy efficiency funds earned during 2018.

Approximately 89% (or \$37,348,797) of the Compact's operating expenses relate directly to energy efficiency programs. This compares to approximately 87% in 2017.

Requests for Information

This financial report is designed to provide a general overview of the Compact's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report should be addressed to the Compact Administrator, 261 Whites Path, Unit 4, South Yarmouth, Massachusetts, 02664.

**CAPE LIGHT COMPACT JPE
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 18,218,044
Receivables, Net of Allowance for Uncollectible Amounts:	
Energy Efficiency	552,258
Energy Efficiency Reconciliation Factor	3,807,066
Mil-Adder	70,864
Forward Capacity Market	622,824
Intergovernmental (RGGI)	292,197
Other	14,920
Prepaid Expenses	296,074
Other Assets	100,207
Total Current Assets	23,974,454

Noncurrent Assets:

Capital Assets, Net of Accumulated Depreciation	462,558
Total Assets	24,437,012

DEFERRED OUTFLOWS

Related to Pensions	816,235
Related to OPEB	97,910
Total Deferred Outflows	914,145

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Expenses	5,488,586
Accrued Payroll	57,393
Compensated Absences, Current	9,425
Total Current Liabilities	5,555,404

Noncurrent Liabilities:

Compensated Absences, Net of Current	84,831
Total OPEB Liability	1,315,583
Net Pension Liability	3,202,074
Total Noncurrent Liabilities	4,602,488

Total Liabilities	10,157,892
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DEFERRED INFLOWS

Related to Pensions	375,152
Related to OPEB	103,677
Total Deferred Inflows	478,829

NET POSITION

Net Investment in Capital Assets	462,558
Unrestricted	14,251,878
Total Net Position	\$ 14,714,436

See accompanying Notes to Financial Statements.

**CAPE LIGHT COMPACT JPE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2018**

OPERATING REVENUES

Energy Efficiency	\$ 5,030,314
Energy Efficiency Reconciliation Factor	25,352,106
Mil-Adder	938,601
Intergovernmental (RGGI)	774,236
Intergovernmental (Other)	212,902
Other	5,587
Total Operating Revenues	<u>32,313,746</u>

OPERATING EXPENSES

Salaries and Benefits (Excluding Pension and OPEB)	1,758,405
Pension and OPEB	509,558
Energy Efficiency Programs:	
Residential Programs	26,165,134
Low Income Programs	2,438,845
Commercial and Industrial Programs	8,005,609
Other Programs	739,209
Legal and Related Consulting Services	1,004,131
Other Professional Services	41,225
Marketing	217,736
Other Operating	688,068
Depreciation	147,880
Total Operating Expenses	<u>41,715,800</u>

Operating (Loss) (9,402,054)

NONOPERATING REVENUES

Forward Capacity Market	5,878,697
Renewable Energy Certificates, Net	15,398
Investment Income	138,631
Total Nonoperating Revenues	<u>6,032,726</u>

CHANGE IN NET POSITION

(3,369,328)

Net Position - Beginning of Year (As Restated)

18,083,764

NET POSITION - END OF YEAR

\$ 14,714,436

**CAPE LIGHT COMPACT JPE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers and Users	\$ 29,767,632
Payments to Vendors and Customers	(38,565,443)
Payments for Salaries and Benefits	(1,570,247)
Net Cash Used by Operating Activities	(10,368,058)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from Sales of Renewable Energy Certificates	59,355
Purchase of Renewable Energy Certificates	(289,118)
Proceeds from Forward Capacity Market	5,561,167
Net Cash Provided by Noncapital Financing Activities	5,331,404

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of Capital Assets	(22,000)
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	146,933
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NET CHANGE IN CASH AND CASH EQUIVALENTS

(4,911,721)

Cash and Cash Equivalents - Beginning of Year (Including Cash Held by County)

23,129,765

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 18,218,044

RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES

Operating (loss)	\$ (9,402,054)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities not Requiring Current Cash Flows:	
Depreciation	147,880
Change in Total OPEB Liability	133,449
Change in Deferred Outflows related to OPEB	(97,910)
Change in Deferred Inflows related to OPEB	103,677
Change in Net Pension Liability	(265,173)
Change in Deferred Outflows related to OPEB	(32,872)
Change in Deferred Inflows related to Pension	330,726
Effect of Changes in Operating Assets and Liabilities:	
Accounts Receivable	(2,546,114)
Accounts Payable and Accrued Expenses	1,244,072
Accrued Payroll	26,068
Compensated Absences	(9,807)
Total Adjustments	(966,004)

NET CASH USED BY OPERATING ACTIVITIES

\$ (10,368,058)

See accompanying Notes to Financial Statements.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 REPORTING ENTITY

The Cape Light Compact (Compact) is a joint powers entity (JPE) pursuant to G.L. c. 40, §4A ½. The Compact was created for the purpose of providing competitive electric supply, green power options, energy efficiency programs and consumer advocacy for the residents and businesses of Cape Cod and Martha's Vineyard.

The Compact's current membership consists of 21 towns and Dukes County and is governed by a 22 member Board of Directors appointed by each of the member towns and county.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The Compact accounts for its operations as an enterprise fund. The significant accounting policies are described herein.

A. Measurement Focus, Basis of Accounting and Basis of Presentation

The Compact's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred, regardless of the timing of related cash flows.

The Compact distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

C. Accounts Receivable

Accounts receivable are recorded at the time of the underlying event. The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis. At December 31, 2018, all amounts are considered 100% collectible.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Capital Assets

Capital assets are recorded at historical cost. All individual purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Depreciable capital assets are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Asset Type</u>	<u>Estimated Useful Life (in Years)</u>
Vehicles	5
Software*	6

* Term of contract

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

E. Compensated Absences

Employees are granted vacation and sick leave. Vested or accumulated vacation and sick leave are reported as liabilities and expected as incurred.

F. Revenue Recognition

Energy efficiency revenues are derived from the Massachusetts Department of Public Utilities (DPU) mandatory charge of 2.5 mills (\$0.0025) per kilowatt hour to fund energy efficiency programs. These charges are initially collected by the electric distribution company and subsequently provided to the Compact. The Compact recognizes the energy efficiency charge as operating revenue on the accrual basis of accounting.

In addition to the mandatory charge, the Compact, and all Massachusetts energy efficiency program administrators, have an “Energy Efficiency Reconciliation Factor Charge” (EERF). The EERF is a fully reconciling funding mechanism designed to recover costs associated with energy efficiency programs by reconciling energy efficiency revenue amounts collected in electric rates with the total expense amounts incurred for energy efficiency programs, as approved by the DPU. These charges are initially collected by the electric distribution company and subsequently provided to the Compact. The Compact recognizes the EERF charge as operating revenue on the accrual basis of accounting.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operational-adder revenues are derived from a 1 mil (\$0.001) per kilowatt hour surcharge used to fund the Compact's nonenergy efficiency operational expenses as provided in the Compact's form of competitive electric supply agreement (CESA) approved by the Massachusetts Department of Telecommunications and Energy, now the Department of Public Utilities. These funds are collected by the Compact's contracted electric supply company on behalf of the Compact as part of the Compact's electric rates and are subsequently remitted to the Compact. The Compact's Governing Board appropriates these funds through the annual budget process; in addition, funds are disbursed by the Compact's Administrator based on contractual and regulatory obligations. Operational-adder charges are recognized as operating revenue on the accrual basis of accounting.

Intergovernmental revenues are received from the Commonwealth via the Commonwealth's participation in the Regional Greenhouse Gas Initiative (RGGI) quarterly CO2 auctions. The 2008 Massachusetts Green Communities Act assigned at least 80% of RGGI fund proceeds for energy efficiency programs administered by the state's electric utilities and energy efficiency service providers. The Compact recognizes the Intergovernmental (RGGI) proceeds as operating revenue on the accrual basis of accounting.

Various other grants are applied for and received annually. For nonexpense driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expense driven grants, revenue is recognized when the qualifying expenses are incurred and all other grant requirements are met.

G. Forward Capacity Market

The Compact participates in ISO New England's forward capacity market. The Compact recognizes proceeds from the forward capacity market as nonoperating revenue on the accrual basis. These funds are used for energy efficiency projects.

H. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Deferred outflows of resources related to pensions and OPEB are reported by the Compact.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows of resources related to pensions and OPEB are reported by the Compact.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Barnstable County Retirement Association (BCRA) and additions to/deductions from BCRA's fiduciary net position have been determined on the same basis as they are reported by BCRA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

K. Postemployment Benefits

In addition to providing pension benefits, the Compact provides health and life insurance coverage for current and future retirees and their spouses as more fully described in Note 7.

L. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

M. GASB Implementation

For the year ended December 31, 2018, the Compact implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of the statement resulted in, among other things, the recognition of the total OPEB liability in the Statement of Net Position, as well as the deferred inflows and outflows related to OPEB activities. As a result, the Compact has restated its 2018 beginning net position to reflect the implementation of the Statement. The Compact's previously reported net position of \$18,410,723 was restated to \$18,083,764, to reflect the cumulative effect of change in accounting principle. The Compact has determined that restating the prior year was not practical.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits are governed by the Massachusetts General Laws and the Compact's by laws.

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Compact's deposits may not be recovered. The Compact does not have a policy for custodial credit risk of deposits. As of December 31, 2018, \$19,103,436 of the Compact's bank balance of \$19,353,436 was uninsured and exposed to custodial credit risk.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital Assets Being Depreciated:</u>				
Software	\$ 790,281	\$ 22,000	\$ -	\$ 812,281
Vehicle	23,319	-	-	23,319
Total Capital Assets Being Depreciated	813,600	22,000	-	835,600
<u>Accumulated Depreciation:</u>				
Software	(201,843)	(147,880)	-	(349,723)
Vehicles	(23,319)	-	-	(23,319)
Total Accumulated Depreciation	(225,162)	(147,880)	-	(373,042)
Total Capital Assets Being Depreciated, Net	588,438	(125,880)	-	462,558
Total Capital Assets	\$ 588,438	\$ (125,880)	\$ -	\$ 462,558

NOTE 5 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the year ended December 31, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Compensated Absences	\$ 104,063	\$ -	\$ (9,807)	\$ 94,256	\$ 9,425

The Compact also has an unused line of credit totaling \$2,000,000.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 PENSION PLAN

Plan Description

Effective January 1, 2018, the Compact became a member of the Barnstable County Contributory Retirement Association (BCRA), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 59 member units. The previous County employees that became Compact employees July 1, 2017, reported no lapse in participation in the BCRA.

The BCRA is administered by five board members (Board) on behalf of all current employees and retirees. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.barnstablcounty.org/retirement/association/>.

Benefits Provided

The BCRA provides retirement, disability, survivor, and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the BCRA a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. Contributions to the BCRA (through the County) totaled \$277,827 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2018, the Compact reported a liability of \$3,202,074 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The Compact's proportion of the net pension liability was based on a projection of the Compact's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2017, the measurement date, the Compact's proportion was 0.471%. At December 31, 2016, the Compact's proportion was 0.493%.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 PENSION PLAN (CONTINUED)

Pension Expense

For the year ended December 31, 2018, the Compact recognized pension expense of \$373,498. At December 31, 2018, the Compact reported deferred inflows of resources related to pensions of \$816,235 and deferred outflows of resources related to pensions of \$375,152.

The balances of deferred outflows and inflows at December 31, 2018 consist of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 208,980
Changes in Assumptions	399,034	-
Differences Between Expected and Actual Experience	-	45,873
Changes in Proportion	79,540	120,299
Contributions Made Subsequent to the Measurement Date	337,661	-
	<u>\$ 816,235</u>	<u>\$ 375,152</u>

Deferred outflows of resources totaling \$337,661 related to contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in 2019. The remaining net deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31

2019	\$ 56,227
2020	55,090
2021	(2,840)
2022	(27,352)
2023	22,297
Total	<u>\$ 103,422</u>

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date of December 31, 2017:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal Cost Method
Investment Rate of Return	7.375%, net of pension plan investment expense, including inflation
Projected Salary Increases	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4
Cost of living adjustments	3.0% of the first \$18,000
Mortality Rates:	Pre-Retirement: The RP-2014 Blue Collar Mortality Table projected generationally with a Scale MP-2017 Healthy Retiree: The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with a Scale MP-2017 Disabled Retiree: The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with a Scale MP-2017

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	17.5 %	6.15 %
International Developed Markets Equity	15.5	7.11
International Emerging Markets Equity	6.0	9.41
Core Fixed Income	12.0	1.68
High-Yield Fixed Income	10.0	4.13
Real Estate	10.0	4.90
Commodities	4.0	4.71
Hedge Fund, GTAA, Risk Parity	13.0	3.94
Private Equity	12.0	10.28
	100.0 %	

Discount rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.375%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Net Pension Liability	\$ 4,200,061	\$ 3,202,074	\$ 2,362,963

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Compact's defined benefit OPEB plan provides health, dental, and life insurance coverage for its retirees and their survivors (hereinafter referred to as the "Plan") as a single employer defined benefit Other Post Employment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Compact and the employees. The Plan does not issue a publicly available financial report.

Benefits Provided

The Cape Light Compact provides health, dental, and life insurance coverage for its retirees and their survivors. The Compact contributes 75% of the cost of current-year health, dental, and life insurance premiums for eligible retired plan members and their dependents. Plan members receiving benefits contribute the remaining 25% percent of their premium costs. The required contribution is based on a pay-as-you-go financing requirement. For 2018, the Compact contributed approximately \$2,478 to the plan. The costs of administering the Plan are paid by the Compact.

Employees Covered by Benefit Terms

The number of covered participants in the Plan consisted of the following at January 1, 2018, the date of the latest actuarial valuation:

Active Employees	11
Retirees and Survivors	<u>5</u>
Total	<u><u>16</u></u>

Total OPEB Liability

The Compact's total OPEB liability of \$1,315,583 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.87%
Health Care Trend Rates	Medicare: 7.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Non-Medicare: 0% for 1 year, then 7.0% decreased by 0.25% each year to an ultimate level of 4.5% per year.
Mortality Rates:	Pre-Retirement: The RP-2014 Blue Collar Employee Mortality Table projected generationally with a Scale MP-2017 Postretirement: Healthy: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with a Scale MP-2017; Disabled: RP-2014 Blue Collar Health Annuitant Mortality Table set forward on year projected generationally with Scale MP-2017

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	\$ 1,182,134
Changes for the Year:	
Service Cost	96,600
Interest	45,735
Differences between expected and actual experience	(115,197)
Changes in assumptions	108,789
Benefit Payments	(2,478)
Net Changes	<u>133,449</u>
Balance at June 30, 2018	<u>\$ 1,315,583</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability, calculated using the discount rate of 3.87%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 1,568,725	\$ 1,315,583	\$ 1,114,821

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability, calculated using the healthcare cost trend rates, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,078,589	\$ 1,315,583	\$ 1,634,557

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Compact recognized OPEB expense of \$141,694.

At December 31, 2018, the Compact reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 97,910	\$ -
Differences Between Expected and Actual Experience	-	103,677
Contributions Made Subsequent to the Measurement Date	-	-
	<u>\$ 97,910</u>	<u>\$ 103,677</u>

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	
2019	\$ (641)
2020	(641)
2020	(641)
2021	(641)
2022	(641)
Thereafter	<u>(2,562)</u>
Total	<u>\$ (5,767)</u>

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 RELATED PARTY TRANSACTIONS

Cape & Vineyard Electric Cooperative (CVEC)

The Compact is a Member of CVEC, whose purpose is to develop and/or own renewable electric generation facilities and procuring and/or selling long-term electric supply or other energy-related goods or services at competitive prices to its Members and consumers within its Member communities.

Renewable Energy Certificates

RECs purchased by CVEC are sold to the Compact for an amount equal to CVEC's cost for the Compact's Green Power Supply Program. Purchases for the year ended December 31, 2018 totaled approximately \$41,000.

Letter of Credit

The Compact has guaranteed a letter of credit obtained by CVEC. The letter of credit is guaranteed by Compact funds. The Compact funds are held in the name of CVEC which amounted to \$100,207 December 31, 2018 and are included as other assets in the accompanying Statement of Net Position.

The value of the letter of credit totals \$100,000 and no amounts have been drawn.

NOTE 9 OPERATING LEASES

The Compact is committed under operating lease agreements for office space and vehicles used by the Compact. Future minimum payments under these operating leases are as follows:

<u>Calendar Year</u>	<u>Vehicles</u>	<u>Office Space</u>
2019	\$ 9,761	\$ 90,000
2020	9,761	90,000
2021	3,140	90,000

Lease expenses for the agreements for the year ended December 31, 2018 totaled \$100,374 and are reported as other operating expenses.

NOTE 10 COMMITMENTS

The Compact participates in ISO New England's forward capacity market and has made commitments to deliver specified units of energy efficiency at a fixed price per unit. If the Compact fails to deliver its capacity supply obligation it is subject to penalties determined by the rules of the forward capacity market. The Compact has obtained a \$2,000,000 letter of credit to meet the financial assurance requirements of ISO New England, which is secured by a \$2,000,000 line of credit.

**CAPE LIGHT COMPACT JPE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 COMMITMENTS (CONTINUED)

On November 20, 2018, the Compact entered into a Power Purchase Agreement (PPA) with Farmington Solar, LLC to purchase 5 megawatts of energy and REC's generated by a photovoltaic solar electric energy generating facility (Facility) to be constructed and owned by Farmington Solar, LLC.

The term of the PPA is 20 years following and including the commercial operation date (as defined in the PPA), which is anticipated to be sometime during 2021. All energy delivered to the Compact under the PPA will be at a fixed contract price. To support the Compact's obligations under the PPA, the Compact must provide a letter of credit (ranging from \$5,000,000 in the first year of operation to \$219,000 in the last year of operation) in accordance with the terms of the PPA.

Draft - 10-07-19

**CAPE LIGHT COMPACT JPE
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

PENSION PLAN SCHEDULES

**SCHEDULE OF THE COMPACT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (1)(2)**

	<u>2018</u>	<u>2017</u>
Compact's Proportion of the Net Pension Liability	0.471%	0.493%
Compact's Proportionate Share of the Net Pension Liability	\$ 3,202,074	\$ 3,467,247
Compact's Employee Payroll	\$ 1,423,681	\$ 1,340,875
Compact's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	44.46%	38.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.86%	57.28%

(1) Data is being accumulated annually to present 10 years of the reported information

(2) Measurement date is December 31 of the prior year

SCHEDULE OF COMPACT CONTRIBUTIONS (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Required Contribution	\$ 337,761	\$ 277,827	\$ 293,912
Contributions in Relation to the Actuarially Required Contribution	<u>(337,761)</u>	<u>(277,827)</u>	<u>(293,912)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Compact's Employee Payroll	\$ 1,284,983	\$ 1,351,689	\$ 1,340,875
Contributions as a Percentage of Employee Payroll	26.29%	20.55%	21.92%

(1) Data is being accumulated annually to present 10 years of the reported information

See accompanying independent auditors' report.

**CAPE LIGHT COMPACT JPE
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

**SCHEDULE OF CHANGES IN THE COMPACT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS (1)**

	2018
TOTAL OPEB Liability	
Service Cost	\$ 96,600
Interest	45,735
Differences between expected and actual experience	(115,197)
Changes in assumptions	108,789
Benefit Payments	(2,478)
Change in Total OPEB Liability	133,449
Total OPEB Liability - Beginning	1,182,134
Total OPEB Liability - Ending	\$ 1,315,583
Covered Employee Payroll	\$ 1,423,681
Total OPEB Liability as a Percentage of Covered Employee Payroll	108.22%

(1) Data is being accumulated annually to present 10 years of the reported information

See accompanying independent auditors' report.

**CAPE LIGHT COMPACT JPE
COMBINING STATEMENT OF NET POSITION BY PROGRAM
DECEMBER 31, 2018**

ASSETS	Energy Efficiency	Power Supply Reserve	OPEB/Pension Reserve Fund	Operating	Green/Solar Programs	Total
Current Assets:						
Cash and Cash Equivalents	\$ 13,927,640	\$ 685,432	\$ 3,385,436	\$ 78,706	\$ 140,830	\$ 18,218,044
Receivables, Net of Allowance for Uncollectible Amounts:						
Energy Efficiency	552,258	-	-	-	-	552,258
Energy Efficiency Reconciliation Factor	3,807,066	-	-	-	-	3,807,066
Mil-Adder	-	70,864	-	-	-	70,864
Forward Capacity Market	622,824	-	-	-	-	622,824
Intergovernmental (RGI)	292,197	-	-	-	-	292,197
Other	8,116	-	-	6,804	-	14,920
Prepaid Expenses	-	-	-	-	296,074	296,074
Other Assets	-	100,207	-	-	-	100,207
Total Current Assets	19,210,101	856,503	3,385,436	85,510	436,904	23,974,454
Noncurrent Assets:						
Capital Assets Not Being Depreciated	462,558	-	-	-	-	462,558
Total Assets	19,672,659	856,503	3,385,436	85,510	436,904	24,437,012
DEFERRED OUTFLOWS						
Related to Pensions	742,775	-	-	73,460	-	816,235
Related to OPEB	89,498	-	-	8,412	-	97,910
Total Deferred Outflows	832,273	-	-	81,872	-	914,145
LIABILITIES						
Current Liabilities:						
Accounts Payable and Accrued Expenses	5,407,312	-	-	81,274	-	5,488,586
Accrued Payroll	53,083	-	-	4,310	-	57,393
Compensated Absences, Current	8,927	-	-	498	-	9,425
Total Current Liabilities	5,469,322	-	-	86,082	-	5,555,404
Noncurrent Liabilities:						
Compensated Absences, Net of Current	80,346	-	-	4,485	-	84,831
Total OPEB Liability	1,147,997	-	-	167,586	-	1,315,583
Net Pension Liability	2,913,892	-	-	288,182	-	3,202,074
Total Noncurrent Liabilities	4,142,235	-	-	460,253	-	4,602,488
Total Liabilities	9,611,557	-	-	546,335	-	10,157,892
DEFERRED INFLOWS						
Related to Pensions	341,389	-	-	33,763	-	375,152
Related to OPEB	94,770	-	-	8,907	-	103,677
Total Deferred Inflows	436,159	-	-	42,670	-	478,829
NET POSITION						
Net Investment in Capital Assets	462,558	-	-	-	-	462,558
Unrestricted	9,994,658	856,503	3,385,436	(421,623)	436,904	14,251,878
Total Net Position	\$ 10,457,216	\$ 856,503	\$ 3,385,436	\$ (421,623)	\$ 436,904	\$ 14,714,436

See accompanying independent auditors' report.

**CAPE LIGHT COMPACT JPE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGE IN NET POSITION BY PROGRAM
YEAR ENDED DECEMBER 31, 2018**


	Energy Efficiency	Power Supply Reserve	OPEB/Pension Reserve Fund	Operating	Green/Solar Programs	Eliminations	Total
OPERATING REVENUES							
Energy Efficiency	\$ 5,030,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,030,314
Energy Efficiency Reconciliation Factor	25,352,106	-	-	-	-	-	25,352,106
Mil-Adder	-	938,601	-	-	-	-	938,601
Intergovernmental (RGGI)	774,236	-	-	-	-	-	774,236
Intergovernmental (Other)	-	-	-	14,382	198,520	-	212,902
Other	-	5,000	-	587	-	-	5,587
Total Operating Revenues	<u>31,156,656</u>	<u>943,601</u>	<u>-</u>	<u>14,969</u>	<u>198,520</u>	<u>-</u>	<u>32,313,746</u>
OPERATING EXPENSES							
Salaries and Benefits (Excluding Pension and OPEB)	1,605,949	-	-	152,456	-	-	1,758,405
Pension and OPEB	721,139	-	-	(211,581)	-	-	509,558
Energy Efficiency Programs:							
Residential Programs	26,165,134	-	-	-	-	-	26,165,134
Low Income Programs	2,438,845	-	-	-	-	-	2,438,845
Commercial and Industrial Programs	8,005,609	-	-	-	-	-	8,005,609
Other Programs	739,209	-	-	-	-	-	739,209
Legal and Related Consulting Services	709,705	-	-	294,426	-	-	1,004,131
Other Professional Services	31,463	-	-	9,762	-	-	41,225
Marketing	195,439	-	-	22,297	-	-	217,736
Other Operating	343,876	-	-	344,192	-	-	688,068
Depreciation	147,880	-	-	-	-	-	147,880
Total Operating Expenses	<u>41,104,248</u>	<u>-</u>	<u>-</u>	<u>611,552</u>	<u>-</u>	<u>-</u>	<u>41,715,800</u>
Operating Income (Loss)	(9,947,592)	943,601	-	(596,583)	198,520	-	(9,402,054)
NONOPERATING REVENUES (EXPENSES)							
Forward Capacity Market	5,878,697	-	-	-	-	-	5,878,697
Renewable Energy Certificates	-	-	-	-	15,398	-	15,398
Investment Income	120,693	11,563	1,560	4,815	-	-	138,631
Total Nonoperating Revenues (Expenses), Net	<u>5,999,390</u>	<u>11,563</u>	<u>1,560</u>	<u>4,815</u>	<u>15,398</u>	<u>-</u>	<u>6,032,726</u>
Income (Loss) Before Transfers	(3,948,202)	955,164	1,560	(591,768)	213,918	-	(3,369,328)
TRANSFERS							
Transfers In	-	78,460	2,343,876	901,085	50,913	(3,374,334)	-
Transfers Out	(2,331,476)	(951,998)	-	(90,860)	-	3,374,334	-
Total Transfers	<u>(2,331,476)</u>	<u>(873,538)</u>	<u>2,343,876</u>	<u>810,225</u>	<u>50,913</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(6,279,678)	81,626	2,345,436	218,457	264,831	-	(3,369,328)
Net Position - Beginning of Year (As Restated)	16,736,894	774,877	1,040,000	(640,080)	172,073	-	18,083,764
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 10,457,216</u>	<u>\$ 856,503</u>	<u>\$ 3,385,436</u>	<u>\$ (421,623)</u>	<u>\$ 436,904</u>	<u>\$ -</u>	<u>\$ 14,714,436</u>

See accompanying independent auditors' report.

**CAPE LIGHT COMPACT JPE
RECONCILIATION OF AUDITED ENERGY EFFICIENCY GAAP
EXPENSES TO DEPARTMENT OF PUBLIC UTILITIES (DPU) REPORT
YEAR ENDED DECEMBER 31, 2018**

Energy Efficiency Operating Fund Expenses Reported on 2018 Combining Statement of Revenues, Expenses and Change in Net Position (Page 29)	\$ 41,104,248
<u>Reconciling items:</u>	
To Record Net Change in Accrued Payroll	(24,826)
To Record Net Pension Liability, Net of Deferred Outflows and Inflows	(286,611)
To Record Total OPEB Liability, Net of Deferred Outflows and Inflows	(127,256)
To Record Net Change in Accrued Compensated Absences	2,849
Transfers Made to the OPEB and Pension Reserve Fund	2,331,476
Net Prior Year and Current Year Commitments reported in DPU Report	526,675
Expenses Capitalized for Financial Reporting Purposes	22,000
Amortization of Capitalized Expenses	<u>(147,880)</u>
Total Reconciling Items	<u>2,296,427</u>
2018 Energy Efficiency Expenses Reported on the 2016-2018 Term Report	<u>\$ 43,400,675 (A)</u>
(A) This amount is reported on the modified accrual basis of accounting and reviewed annually by the DPU	

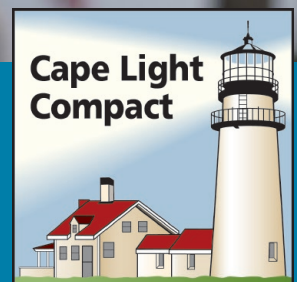
See accompanying independent auditors' report.



Lighting The Way Forward

2017 Annual Report

Aquinnah · Barnstable · Bourne · Brewster · Chatham · Chilmark
Dennis · Dukes County · Eastham · Edgartown · Falmouth · Harwich
Mashpee · Oak Bluffs · Orleans · Provincetown · Sandwich · Tisbury
Truro · Wellfleet · West Tisbury · Yarmouth



Cape Light Compact (the “Compact”) and energy efficiency in Massachusetts had a busy and exciting 2017. The Compact member towns reorganized in April of 2017 as a joint powers entity pursuant to changes made by the Massachusetts Municipal Modernization Act and relocated our offices from Barnstable Village to South Yarmouth. These organizational changes were seamless and did not impact the delivery of services to our customers on Cape Cod and Martha’s Vineyard. As we entered the second year of our 2016 – 2018 Energy Efficiency Plan, we hit our stride and reinvested \$3.4M to Cape Cod and Martha’s Vineyard. This means putting money back into the pockets of business owners and residents, reducing reliance on fossil fuels, and cutting harmful greenhouse gas emissions.

This was an active year for consumer advocacy; Eversource filed its first fully litigated rate case since the 1980s. This rate case proposed changes that would shift costs from Western Massachusetts customers to Eastern Massachusetts customers and would have negative impacts on seasonal residents and businesses. While the DPU ultimately approved many aspects of Eversource’s rate case, they did not allow the level of fixed customer charges that Eversource had proposed and which the Compact argued strongly against. This resulted in approximately \$54 million of annual savings for ratepayers in Commonwealth Electric Company legacy service territory, which includes all of Cape Cod and Martha’s Vineyard. As we look to the future, we will continue to be a ratepayer advocate for Cape and Vineyard customers at the state level. Our power supply program also saw some major achievements.

Through our power supply agreement with NextEra Energy Services, Cape Cod and Martha’s Vineyard electricity customers now have access to stable, competitively priced electricity that is matched 100% with renewable energy certificates. As a result of the Compact’s contract negotiations, NextEra Energy has committed to fund roughly \$3M per year to develop new renewable projects in North

America, and in New England wherever possible. This is a great step forward as we look to reduce reliance on fossil fuels and invest in renewable technology and infrastructure that will help curb climate change.

While this past year saw many milestones, our work is never truly done. In 2018 we will begin drafting our next Three-Year Energy Efficiency plan which will embrace the best practices and cutting-edge technologies that will allow residents and business owners to save energy and money. We look forward to continuing to partner with all our customers to ensure a smarter energy future for Cape Cod and Martha’s Vineyard agreement with NextEra Energy Services, Cape Cod and Martha’s Vineyard electric ratepayers now have access to stable, competitively-priced electricity while supporting and promoting renewable energy development, including right here on Cape Cod and in New England. In accordance with the agreement, NextEra Energy Services will direct up to \$3M annually into the EarthEra™ Renewable Energy Trust. One hundred percent of all proceeds from the EarthEra™ Trust will be used to develop new renewable projects in North America – and NextEra will use best efforts to direct those funds to new projects within New England.

Working together with the residents and businesses of the 21 towns and two counties of Cape Cod and Martha’s Vineyard, the Compact is proud of the work we do to deliver proven energy efficiency programs, effective consumer advocacy and renewable competitively priced electricity supply. The following pages highlight the many ways in which we’re working to fulfill our mission and deliver on the trust you’ve placed in us. We’re so grateful to do what we do every day on behalf of our 200,000 customers and our communities.



Joyce Flynn
Chair, Cape Light Compact Governing Board

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Cape Light Compact JPE
261 Whites Path, Unit 4
South Yarmouth, MA 02664

800.797.6699 Energy Efficiency

800.381.9192 Power Supply

www.capelightcompact.org



2017 Board Members

Aquinnah	Michael Hebert
Barnstable	David Anthony
Bourne	Robert Schofield (Vice Chairman)
Bourne	Thomas Guerino (Alternate)
Brewster	Colin Odell
Brewster	Michael Embury (Alternate)
Chatham	Peter Cocolis (Treasurer)
Chatham	Jillian Goldsmith (Alternate)
Chilmark	Timothy Carroll
Chilmark	Robert Hannemann (Alternate)
Dennis	Brad Crowell
Dukes County	Robert Hannemann
Eastham	Fred Fenlon
Edgartown	Paul Pimentel
Falmouth	Julian Suso
Harwich	Valerie Bell
Mashpee	Wayne Taylor
Oak Bluffs	Richard Toole (Secretary)
Orleans	Martin Culik
Orleans	Chris Galazzi (Alternate)
Provincetown	Thomas Donegan
Provincetown	Eric Larson (Alternate)
Sandwich	George "Bud" Dunham
Tisbury	Jay Grande
Truro	Jarrold Cabral (Alternate)
Wellfleet	Richard Elkin
West Tisbury	Sue Hruby
West Tisbury	Jen Rand (Alternate)
Yarmouth	Joyce Flynn (Chairman)
Yarmouth	Daniel Knapik (Alternate)

Achievements in Energy Efficiency

Year Two of the Three Year Plan

The results of the second year of the 2016 – 2018 Three-Year Plan, indicate that the Compact is on track to reach its three-year goals by the end of 2018. Including results from 2017, the Compact achieved 57 percent of its three-year annual energy savings goal, 48 percent of its three-year total benefit goal, and spent 48 percent of its planned three-year budget. Based on these results in combination with the 2016 actuals and the 2018 planned values, over the three-year term, the Compact expects to achieve:

- Robustly cost-effective programs with a benefit-cost ratio of 2.5
- Net benefits of \$198 million
- Annual energy savings of 159 gigawatt hours (“GWh”)
- Lifetime energy savings of 1,484 GWh
- Total benefits of \$332 million, and
- Program costs of \$109 million.



Home Energy Services

The Home Energy Services core initiative conducted 83,873 Home Energy Assessments throughout the Commonwealth.

ENERGY STAR Award

Mass Save Program Administrators received the ENERGY STAR® Partner of the Year Award for excellence in energy efficiency program delivery for the Residential Lighting & Products core initiative. This is the fourth consecutive year the Program Administrators have been honored with the Environmental Protection Agency’s most prestigious award that recognizes the success and innovation of the Program Administrators’ efforts to increase the adoption of energy efficient products in Massachusetts.

Statewide Highlights from 2017

ACEEE

For the seventh consecutive year, Massachusetts received the number one spot from the American Council for an Energy-Efficient Economy (ACEEE) in their annual state energy efficiency scorecard.

3 Year Plan Goals



Save **1,691,761 mWh's** of electricity over the lifetime of the measures . . .



. . . enough to power **106,438** homes for a year



. . . saving emissions of **1,166,555** metric tons of carbon dioxide, which is equivalent to taking **245,591** cars off the road

Cape Light Compact



\$99,107,824

Total lifetime benefits realized by residential, commercial and industrial customers due to energy efficiency measures



\$27,253,441

Total cost reinvested by Cape Light Compact for energy efficiency measures



505,889,936

Lifetime kWh savings from energy efficiency measures

2017



170,295

Number of residential and low-income customers who participated in energy efficiency programs or received efficiency products



1,806

Number of commercial and industrial (C&I) customers who participated



65,610,000

Total number of kWh saved by customers. (41,861,000 by residential customers, and 23,794,000 kWh by C&I customers.)

The number of kWh saved by customers is equivalent to:



9,740

Number of equivalent cars removed from the road for one year



5,188,380

Gallons of gasoline not consumed for energy



43,647

Acres of U.S. forest carbon sequestration in one year

Smart A/C Savings

In summer 2017, Cape Light Compact continued its Smart A/C Savings demand response program, which aims to reduce strain on the electric grid during the hottest days of the year. Cape Cod and Martha's Vineyard residents could sign up for the free program, which enabled them to control their air conditioning use directly via an app on their smart phone or tablet.

To participate, users with central A/C systems needed an eligible Wi-Fi thermostat (Centralite Pearl, Honeywell Lyric Round 2nd Generation or Honeywell T-5 or T-6). The Compact offered rebates for those who did not currently own one of the approved smart thermostats. Residents with mini-split heat pumps who wished to participate received a free Sensibo Sky device (\$99 value).

From June through September between the hours of 10 am – 9 pm, when air conditioning electric load was at its peak, Cape Light Compact could call a Demand Response Event, in which it would automatically increase air conditioning temperatures by 2 to 4 degrees. Participants received a notification via email and an in-app message prior to each event and could override the automatic set point adjustments at any time to meet their cooling needs. Participants were rewarded with a \$25 Visa gift card if they participated in at least 75 percent of Demand Response Events called by Cape Light Compact.



Achievements in Energy Efficiency

Low Income Solar Revolving Grant

In June of 2017 Cape Light Compact started the Low Income Solar Revolving Grant Program. The Program funded 100% of the equipment and installation cost of solar photovoltaic ("PV") systems on affordable housing properties to reduce electric bills for low-income homeowners and renters and provided the added benefit for the environment by increasing the amount of renewable electricity on the electric grid. The program was made available to qualified individual homeowners, organizations that own income-qualified rental housing, and organizations that construct housing to be sold to income-qualified home buyers (such as Habitat for Humanity).

Once the PV system is installed, the homeowner will own the PV system and the electricity that it produces, thereby providing a zero-cost source of electricity for the homeowner or tenant to reduce or eliminate their electric bill. The recipient homeowner will assign the Renewable Energy Certificates (RECs) that the PV system will produce over its lifetime to the Compact. The Compact will sell these RECs and reinvest the sale proceeds into the Revolving Grant Fund in order to continue funding future PV systems on low-income properties.

The initial round of awards under the Low Income Solar Revolving Grant Program were funded by a \$250,000 grant from the Massachusetts Clean Energy Center and a \$125,000 match from the Cape Light Compact. The Compact's grant match is funded by former Cape Light Compact Green power supply customers, who chose to opt-in to a renewable power supply product and pay a small premium to support local renewable energy resources.



Power Supply

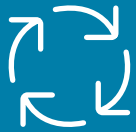
Cape Light Compact Launches Local Green Power Option

This year Cape Light Compact was able to lead the way in fighting climate change by becoming a 100% green aggregation. This shift will allow consumers to support clean, renewable energy simply by paying their monthly electric bill.

Starting at the beginning of the year, the Compact's power supplier, NextEra Energy Services Massachusetts, was able to match 100% of Cape and Vineyard customers' annual energy usage with renewable energy certificates (RECs), all while being competitively priced compared to Eversource's basic service supply rate.

What is a REC?

A Renewable Energy Certificate, or REC, is a certificate representing the environmental attributes of electricity. RECs are tracked, traded, and "retired" separately from the electricity. One REC is minted each time a qualified renewable energy facility generates 1 megawatt hour (MWh) of electricity.



Prior to making this shift, Cape Light Compact staff held three public forums in the fall of 2016 in West Tisbury, Mashpee, and Harwich, and presented at a forum sponsored by the Brewster Community Network. Attendees emphasized their support for renewable energy and the Compact's shift to a green aggregation but wanted to make sure the price was still affordable and competitive.

The Compact Governing Board discussed the issue at several meetings, and in November of 2016 voted to become a green aggregation by (1) directing NextEra Energy Services to purchase one percent more MA Class 1 RECs than the RPS- required amount, (2) requiring NextEra Energy Services to meet 100% of Compact customers' usage with Earth Era RECs, (3) requiring NextEra Energy services to deposit the funds from the sale of the EarthEra RECs into the EarthEra Energy Trust, and (4) requiring that NextEra Energy Services make good faith efforts to direct the proceeds deposited in to the EarthEra Renewable Energy Trust from Compact customers to developing renewable energy projects in New England, if possible.

Understanding Renewable Energy Portfolio Standard (RPS)

The Massachusetts Renewable Energy Portfolio Standard (RPS) requires retail electricity suppliers (both regulated distribution utilities and competitive suppliers) obtain a percentage of the electricity they serve to their customers from qualifying renewable energy facilities. The RPS began with a compliance obligation of one percent in 2003 and increased by one-half percent annually until it reached four percent in 2009. Now, the RPS obligation increases by 2% annually, there is an RPS Class II for existing renewable energy facilities, an Alternative Portfolio Standard (APS) for other types of technologies, and Clean Energy Standard (CES). Each standard has different annual compliance requirements as well as different eligibility criteria for qualifying facilities.

Suppliers meet their annual RPS, APS, and CES obligations by acquiring a sufficient quantity of qualified Renewable Energy Certificates, Alternative Energy Certificates, and Clean Energy Certificates that are created, traded, and tracked at the New England Power Pool (NEPOOL) Generation Information System (GIS).

The 2017 requirements included 12% Class I RECs, 6.09% Class II RECs, and 4.25% Alternative Energy Credits.

2017 Power Supply Rates

All rates are cents per kWh and periods are based on that month's meter read date.

Commercial



Dec. 2016 -
Jun. 2017 **9.700**

Jun. 2017 -
Dec. 2017 **10.930**



Residential



Dec. 2016 -
Jan. 2017 **9.613**

Jan. 2017 -
Jun. 2017 **9.930**

Jun. 2017 -
Dec. 2017 **10.550**



Industrial



Dec. 2016 -
Mar. 2017 **9.800**

Mar. 2017 -
Jun. 2017 **7.625**

Jun. 2017 -
Sept. 2017 **8.330**

Sept. 2017 -
Dec. 2017 **8.949**



Rate Changes

In January 2017, Eversource filed their first fully litigated rate case since the 1980s, asking the Department of Public Utilities (DPU) to approve major rate design changes and an overall increase in rates. Cape Light Compact, at the Compact Governing Board's direction, intervened in the rate case and was an active participant, pushing back against many of the changes and increases that Eversource was asking the DPU to approve. Many other parties also intervened to oppose Eversource's requests, including the Attorney General. The Compact's major focuses included:

- Opposing the proposed increase to the flat monthly customer charge
- Opposing the proposed 10.5% return on equity, which is higher than other recently approved rate cases
- Opposing the Monthly Minimum Reliability Contribution (MMRC), a demand-based charge that would be imposed on customers with net-metered generation (e.g., rooftop solar) beginning in 2019
- Opposing the consolidation of commercial and industrial (C&I) rate classes and accompanying rate design changes, which would lead to drastically increased bills for some C&I customers on Cape Cod and Martha's Vineyard
- Opposing the proposed separate treatment (non-consolidation) of legacy Commonwealth Electric transition charges, which would have left Cape and Vineyard ratepayers paying higher transition charges than the rest of the state
- Opposing the proposed rate consolidation would shift approximately \$30 million on to Eastern Massachusetts residential ratepayers

While the DPU ultimately did not issue an Order that was favorable relative to the Compact's (and other parties') positions on many of the above issues, there were several positive outcomes as a result of the Compact's and other parties' participation in the rate case proceeding:

- The DPU approved customer charge amounts that were lower than the amounts requested by Eversource, resulting in approximately \$54 million

of annual savings for ratepayers in Commonwealth Electric Company (COM) legacy service territory (which includes all of Cape Cod and Martha's Vineyard).

- The DPU disallowed the consolidation of C&I rate classes, resulting in approximately \$102 million in annual savings to COM ratepayers (when comparing the final DPU approved rates against the initial Eversource filing). The DPU Order referred to the Compact's testimony that showed "individual bill increases of up to \$25,000 per year" for some customers and further stated, "The Department directs the Companies to focus on customer bill impacts and ensure that any proposed rate design is transparent" when they submit a filing in the future.
- The DPU disallowed separate treatment of transition charges for COM ratepayers, saving COM ratepayers approximately \$8 million in 2018.

It is important to note that, while the DPU did not specifically cite the Compact's arguments in the section of their Order that disallowed the separate treatment of COM transition charges, the Compact was the only party that raised this issue specifically during the rate case proceedings.

The Attorney General and other parties have appealed parts of the DPU's Order to the Massachusetts Supreme Judicial Court (SJC), including the 10.5% approved return on equity and the approval of the MMRC. These appeals are pending before the SJC, being monitored by the Compact, and the results of the SJC's decision(s) may impact rates in the future.



What Consumers Need To Know

Buying electricity can be challenging for the average customer to understand.

The Compact continues its efforts to educate customers about the key things to remember when considering a switch between electricity suppliers (the “Supply” or “Generation” portion of electric bill).

When electricity prices spike during the winter (due to natural gas pipeline constraints in the colder months when it is used for both heating homes and electricity production), customers often look for ways to reduce electricity costs. During this period, competitive electric suppliers market more aggressively through direct mail, phone solicitations and door-to-door. Unfortunately, some competitive suppliers take advantage of customers, misleading them about the true cost of the supply contract, the contract length, or the services they’re providing. To protect yourself from this kind of activity, here are three things you should do:

ALWAYS



ask for written information on what is being offered to you, so that you may review it without any pressure.

NEVER



provide your Eversource electric account number before you have decided to sign a contract, as the supplier has the ability to switch your account to their supply if they have your account number.

NEVER



commit to a price or contract over the phone. Verbal offers are hard to enforce if the need arises later on, and may not provide you with all the terms & conditions of the contract you are about to enter into.

For more information, please visit WWW.CAPELIGHTCOMPACT.ORG/POWER-SUPPLY

Gallo Ice Arena

Cost Breakdown

Total Project Cost	\$353,196
Mass Save Sponsor Incentives	\$102,073
Estimated Annual Energy Savings	7,832 therms 209,267 kWh
Estimated Annual Cost Savings	\$34,694



In 2017, the Gallo Ice Arena underwent an energy makeover. The rink is owned by the Bourne Recreation Authority (BRA) who were interested in replacing old equipment with new, efficient equipment as well as improving the skating experience for all who use the rink. They engaged Rethinking Power Management (RPM), an energy and sustainability consulting company, to help design and oversee the projects. BRA also worked closely with Sia Karplus, Science Wares Inc. on project development and Cape Light Compact to take full advantage of its energy efficiency incentive programs.

Beginning with upgrades to the boilers and lighting, the final project provided a variety of benefits and changed the arena dramatically. In addition to energy savings, it improved the ice surface, expanded skating opportunities, improved rink aesthetics, and enhanced use by the community. The installed measures are expected to save about 25% on energy costs annually.

The rink has a new look, thanks to LED lights, a new energy efficient ceiling, and some newly replaced wall panels. The rink is now easier to operate. Internet-enabled gateways positioned throughout the facility allow management to control the new heating and lighting systems from a local computer. A cell phone app allows control of these systems anywhere on-site or remotely. Management can now adjust light levels throughout the arena. The new system even takes advantage of natural light in the bleacher areas to reduce energy costs during daylight hours. The new lighting can be made bright enough for TV filming, allowing use by regional high school and college hockey tournaments that want to televise their games. It can be turned low enough so community skates are comfortable and fun. The tighter building envelope translates to a harder ice surface and opens more opportunities for additional figure skating clubs and events. It also means lighter refrigeration load and lower costs.



2017 Numbers

473 Dehumidifiers

151 Freezers

884 Refrigerators

1,508 non-efficient appliances removed from the grid and recycled



Recycling

Not only does Cape Light Compact help customers purchase energy efficient products but it also helps them dispose of inefficient products in an environmentally friendly way. Over the years, the Compact has partnered with Appliance Recycling Centers of America to process and recycle the raw material from inefficient freezers, refrigerators, and dehumidifiers. The Compact offered a \$50 rebate to recycling fridges and freezers and \$30 to recycling dehumidifiers. During 2017, the Compact collected and recycled 473 dehumidifiers, 151 freezers, and 884 refrigerators.

The Compact is committed to energy education outreach within its community and continues to be a regionally and nationally recognized leader in the design and implementation of its energy education programs. As a municipal aggregator with a unique service territory, the Compact supports the community's efforts to develop a deeper and broader knowledge of energy efficiency technology and practices, moving towards an energy-literate society.

2017 saw the continuation of the Compact's energy efficiency education program Be Energy Efficient Smart ("BEES"), which includes both a classroom lesson and take-home student kit and survey. Within this initiative, the Compact trained teachers and engaged the following schools:

Energy Carnivals

The Compact participated in energy education-based presentations and all-school Energy Carnivals, through which students learn the basic lessons of energy efficiency, energy forms, and energy sources in a first-hand, fun, and engaging way. Over 2,000 students and teachers were reached through these efforts in 2017.

- Eastham Elementary
- Eddy Elementary
- Orleans Elementary
- Monomoy Middle and High School
- Mattacheese Middle School
- Sandwich STEM Academy
- Mashpee Middle School
- Barnstable Middle School

Within BEES, a total of 1,432 students received kits to install energy saving measures in their homes. Of those students, 28 percent completed and returned their surveys, resulting in net annual savings of 27.6 MWh with a six-year measure life.

NEED Workshops

The Compact reached teachers in its service territory through the National Energy Education Development ("NEED") Teacher Workshops, in partnership with the statewide Energy Education Working Group and in-service training for school systems.

The Compact's greatest successes continue with the "kids as teachers" model, where students are trained, conduct studies, and present information on energy efficiency, renewable energy, and related topics to younger students and community members.

Science Festivals

The Compact participated in Cape Cod and Martha's Vineyard science education festivals, demonstrating the science of energy, building energy efficiency, and renewable energy resources.

With the addition of BEES, this effort has now successfully reached into the home. Schools have fully adopted energy education into their yearly schedule of classroom activities, as evidenced by their repeated requests for energy education programs from the Compact. As a result, the Compact and the schools it works with continue to reach teachers, students, and families every year. The Compact continues to use updated and innovative energy education materials from local and national energy education-based resources. Using a model for science-based facts and local science, technology, engineering and math ("STEM") initiatives, the Compact designs and uses curriculum materials that align with Massachusetts' standards for science and technology, allowing teachers to introduce lesson plans discussing energy efficiency, innovation, and conservation.

Looking Forward

Restructuring to JPE and Office Move

In April of 2017, the Compact member towns reorganized as a joint powers entity under the Massachusetts Municipal Modernization Act. The act inserts a new section in the General Laws that allows a municipality to enter into an agreement with another governmental unit in the interest of sharing common powers and duties within a region. The Compact's joint powers agreement gives Cape Light Compact, under the direction of the 21 towns of Cape Cod and Martha's Vineyard and Duke's County, the ability to hire employees, execute contracts, and receive and expend funds.

As part of the restructuring, Cape Light Compact moved our offices from the Barnstable County complex in Barnstable village to 261 Whites Path in South Yarmouth. The new office includes a much larger and more functional space and a large conference room which is open to community organizations to use.

As we move into 2018, we are looking forward to settling into our new space and adjusting to life as a joint powers entity.

2019-2021 EE Plan

In the fall, Cape Light Compact staff began planning for the next three-year energy efficiency plan. In order to best serve the Cape and the Vineyard, Cape Light Compact hosted a series of stakeholder sessions throughout the fall and winter. The purpose of these sessions was to raise awareness of the many ways in which the Compact strives to save energy and reduce costs to customers. Information from these sessions will be incorporated into the new three-year plan which will be drafted over the next year and will cover plan years 2019-2021.

Eversource Rate Case Appeals

As mentioned in the Consumer Advocacy section, the Attorney General and other parties have appealed parts of the DPU's Order to the Massachusetts Supreme Judicial Court (SJC), including the 10% approved return on equity and the approval of the MMRC. These appeals are pending before the SJC, being monitored by the Compact, and the results of the SJC's decision(s) may impact rates in the future.

Cape Light Compact will be keeping an eye on these appeals and will continue to advocate for the interests of Cape and Vineyard residents and business when necessary.



Financial Statements

Combining Statement of Net Position By Program Year Ending December 31, 2017

ASSETS	Energy Efficiency	Power Supply Reserve	OPEB/ Pension Reserve Fund	Operating	Green Program	Eliminations	Total
Current Assets:							
Cash and Cash Equivalents	\$5,617,534	\$ -	\$920,000	\$ -	\$ -	\$6,537,534	\$6,537,534
Cash Held by Barnstable County	15,352,156	801,370	120,000	146,632	172,073	16,592,231	16,592,231
Due from Other Funds	313,740	-	-	-	-	(313,740)	-
Receivables, Net of Allowance for Uncollectable Amounts:							
Energy Efficiency	278,466	-	-	-	-	-	278,466
Energy Efficiency Reconciliation Factor	1,687,703	-	-	-	-	-	1,687,703
Mil-Adder	-	68,811	-	-	-	-	68,811
Intergovernmental (RGGI)	104,751	-	-	-	-	-	104,751
Other	305,294	8,302	-	51,480	-	-	365,076
Prepaid Expenses	-	50,913	-	-	-	-	50,913
Other Assets	-	100,207	-	-	-	-	100,207
Total Current Assets	23,659,624	1,029,603	1,040,000	198,112	172,073	(313,740)	25,785,672
Noncurrent Assets:							
Capital Assets Not Being Depreciated	588,438						588,438
Total Assets	24,248,062	1,029,603	1,040,000	198,112	172,073	(313,740)	26,374,110
Deferred Outflows:							
Related to Pensions	652,811			130,552			783,363
LIABILITIES							
Current Liabilities:							
Accounts Payable and Accrued Expenses	4,139,119	-	-	105,395	-	-	4,244,514
Accrued Payroll	28,019	-	-	3,306	-	-	31,325
Compensated Absences, Current	9,212	-	-	1,194	-	-	10,406
Due to Other Funds	-	254,726	-	59,014	-	(313,740)	-
Total Current Liabilities	4,176,350	254,726	-	168,909	-	(313,740)	4,286,245
Noncurrent Liabilities:							
Compensated Absences, Net of Current	82,910	-	-	10,747	-	-	93,657
Net OPEB Obligation	727,144	-	-	128,031	-	-	855,175
Net Pension Liability	2,842,288	-	-	624,959	-	-	3,467,247
Total Noncurrent Liabilities	3,652,342	-	-	932,646	-	-	4,416,079
Liabilities	6,828,692	254,726	-	932,646	-	(313,740)	8,702,324
Deferred Intflows:							
Related to Pensions	36,418			8,008			44,426
Net Position							
Net Investment in Capital Assets	5,88,438	-	-	-	-	-	588,438
Unrestricted	16,477,325	774,877	1,040,000	(611,990)	172,073	-	17,822,285
Total Net Position							
Total Current Assets	\$17,035,763	\$774,877	\$1,040,000	\$(611,990)	\$172,073	\$ -	\$18,410,723

Combining Statement of Revenues, Expenses and Change in Net
Position by Program Year Ending in December 2017

	Energy Efficiency	Power Supply Reserve	OPEB/ Pension Reserve Fund	Operating	Green Program	Eliminations	Total
OPERATING REVENUES							
Energy Efficiency	\$4,824,129	\$ -	\$920,000	\$ -	\$ -	\$ -	\$4,824,129
Energy Efficiency Reconciliation Factor	33,952,991	-	-	-	-	-	33,952,991
Mil-Adder	-	869,766	-	-	-	-	-
Green Program	-	-	-	-	6,096	-	-
Intergovernmental (RGGI)	673,762	-	-	-	-	-	673,762
Intergovernmental (Solar)	-	-	-	51,480	-	-	51,480
Other	-	-	-	78,461	-	-	78,461
Total Operating Revenues	39,450,882	869,766	-	129,941	6,096	-	40,456,685
OPERATING EXPENSES							
Salaries and Benefits	941,958	-	-	51,821	-	-	993,779
Contracted Labor	684,773	-	-	107,679	-	-	792,452
Commercial and Industrial Programs	5,987,033	-	-	-	-	-	5,987,033
Other Programs	418,119	-	-	-	-	-	418,119
Legal and Related Consulting Services	704,630	-	-	972,372	-	-	1,677,002
Other Professional Services	56,697	-	-	114,495	-	-	171,192
Marketing	85,194	-	-	11,511	-	-	96,705
Other Operating	404,468	-	-	349,500	42,738	-	796,706
Depreciation	123,248	-	-	-	-	-	123,248
Total Operating Expenses	33,432,225	-	-	1,607,378	42,738	-	35,082,341
Operating Income (Loss)	6,018,657	869,766	-	(1,477,437)	(36,642)	-	5,374,344
NONOPERATING REVENUES (EXPENSES)							
Forward Capacity Market	2,708,274	-	-	-	-	-	2,708,274
Renewable Energy Certificates	-	(99,382)	-	-	(39,072)	-	(138,454)
Investment Income	82,880	14,744	-	162	-	-	97,786
Total Nonoperating Revenues (Expenses), Net	2,791,154	84,638	-	162	(39,072)	-	4,416,079
Income (Loss) Before Transfers	6,828,692	254,726	-	(1,477,275)	(74,714)	-	8,041,950
TRANSFERS							
Transfers In	-	271,652	920,000	1,087,447	-	(2,279,099)	-
Transfers Out	(920,000)	(1,087,447)	-	(271,652)	-	2,279,099	-
Total Transfers	(920,000)	(815,795)	920,000	815,795	-	-	-
CHANGE IN NET POSITION							
Net Position - Beginning of Year	9,145,952	805,544	120,000	49,490	247,787	-	20,368,773
NET POSITION (DEFICIT) - EOY							
	\$17,035,763	\$774,877	\$1,040,000	\$(611,990)	\$172,073	\$ -	\$18,410,723

Frequently Asked Questions

What is the Cape Light Compact?

The Compact is an award-winning energy services organization formed in 1997. It is operated by an intergovernmental organization authorized by votes of town meeting, boards of selectmen, town council and county commissioners. The Compact consists of 21 towns and Dukes County and serves 200,000 customers on the Cape and Martha's Vineyard. As the first municipal aggregation program of its kind, the Compact has served as a model for hundreds of similar organizations across the country.

What are the Cape Light Compact's goals?

The goals set out in the Intergovernmental Agreement approved by town meetings, local boards, and county commissioners in 1997 and 1998, include development of energy efficiency, consumer advocacy, renewable energy, and competitive power supply. These same goals are outlined in the Compact Aggregation Plan approved by the Massachusetts Department of Public Utilities in 2000.

What services does the Cape Light Compact provide?

The Compact operates an energy efficiency program, provides effective consumer advocacy, supports renewable energy efforts, and contracts for competitive power supply for the region. Monthly bills for services are issued by Eversource which



owns the region's distribution system and conducts metering and billing. Charges for the Compact's power supplier are identified and included on those bills.

How does a consumer receive services from the Compact?

All new electric consumers are automatically enrolled in the Cape Light Compact power supply program. Consumers are also free to "opt-out" of this automatic enrollment and contract for their own power supply. Those who wish to return to the Compact's supply may do so but depending on market conditions, may be placed on a different rate form that being charged to other Compact customers. All electric consumers are eligible for energy efficiency services regardless of whether they receive the Compact power supply.

What does the Compact do to advocate for consumers?

The Compact participates at the state level in matters critical to our region's consumers. Decisions made by legislators or state regulators can have far-reaching impacts on what consumers pay for electricity. With the support of technical and legal consultants the Compact has successfully won the return of more than \$25 million to the region's consumers, and avoided millions more in costs. Building on this effort, the Compact has succeeded in preventing more than \$10 million in charges from being added to residential consumer delivery charges on monthly bills.

Testimonials

"I am so much more comfortable in my home and CLC selected the right contractors for the job. The guys were awesome."

-June from Harwich

"It was easy to participate; I was able to have the assessment and sign the contract to have work done all in the same day. Also, everyone was on time and very efficient."

-Kathleen from Brewster

"Cape Light Compact is great and we have recommended you to everyone. Nauset Insulation did the insulation work that was recommended through the energy assessment and we couldn't be happier!"

-Tom & Lynne from Brewster

How is the Compact governed?

The Compact's Governing Board is made up of one representative appointed by each of the member municipalities and one county. The Compact Governing Board, and through them the towns and counties, are responsible for establishment of policies and oversight of Compact budgets. The Compact programs are also subject to oversight by various regulatory bodies such as the Massachusetts Department of Public Utilities and the Department of Energy Resources. All Governing Board meetings are open to the public.

How is the Compact funded?

The Compact's Energy Efficiency program is funded primarily through a state-mandated energy efficiency charge paid by all electric customers, as well as by additional state-approved distribution charges. The power supply and consumer advocacy programs are funded by an operational charge of up to one-tenth of one cent per kilowatt hour (\$0.001) for Compact power supply customers. This adder is part of the power supply price paid on customer monthly bills. The use of the adder was included in the Compact's original Aggregation Plan approved in August 2000.

Who oversees the Cape Light Compact's budget?

The staff and Governing Board have direct oversight of the budget. The Massachusetts

"We have an old Victorian home and had a lot of work done on the house. Participation in the program is a no brainer, and we couldn't have been happier with the whole process."

-Chuck from Harwich

"When we initially started the energy audit through the Cape Light Compact we did not fully understand the extent of the savings, in both energy use and money, as well as how easy the process would be. With the incentives offered and significant upgrade to our lighting system the savings we are going to have over the next year will almost cover our entire cost of the project. This was a great opportunity to go more "green" at Liberty Commons and to improve the quality of our lighting for our patients and staff as well. Over the years, some areas never seemed as bright as we would have liked, and now that the work is almost complete the difference is staggering. The savings, ease of the process, great work by RISE Engineering, and improvement in our facilities lighting made this move an all-around big win for Liberty Commons."

-Bill Bogdanovich,
President and CEO of
Broad Reach Healthcare

Department of Public Utilities also reviews energy efficiency budgets. Although it is not required, the Compact also files each of its power supply contracts with the Department of Public Utilities.

How are public records made available?

The Compact has focused on making all public documents available. Documents regarding meetings, budgets, policy and other matters are posted on the Compact website. Updates are regularly provided to the towns and the media. Copies of documents may also be requested through a formal state-approved document request process. The Compact complies with state law regarding fees associated with the compilation and preparation of requested information.

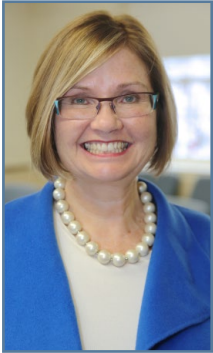
How do I get a copy of the Cape Light Compact's Power Supply Contract so I can see the terms of service?

The contracts are posted online at www.capelightcompact.org/power-supply. Scroll down the page and click on the residential or commercial contract you wish to view.

Where can I find the most current power supply prices?

The Compact's most recent power supply prices can be found on the Compact web site at www.capelightcompact.org/power-supply.

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