

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

The Cape Light Compact JPE Board of Directors met on Wednesday, December 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/Executive Committee, Barnstable
2. Robert Schofield, Executive Committee, Bourne
3. Colin Odell, Brewster
4. Peter Cocolis, Executive Committee, Chatham
5. Erik Peckar, Dukes County – **By Phone**
6. Fred Fenlon, Eastham
7. Alan Strahler, Edgartown – **By Phone**
8. Ronald Zweig, Chair/Executive Committee, Falmouth
9. Valerie Bell, Harwich
10. Martin Culik, Executive Committee, Orleans
11. Nathaniel Mayo, Provincetown
12. Leanne Drake, Sandwich
13. Richard Elkin, Wellfleet
14. Sue Hruby, West Tisbury
15. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

Absent Were:

1. Michael Hebert, Aquinnah
2. Timothy Carroll, Chilmark
3. Brad Crowell, Dennis
4. Wayne Taylor, Mashpee
5. Richard Toole, Executive Committee, Oak Bluffs
6. Kirk Metell, Tisbury
7. Jarrod Cabral, Truro

Members/Alternates:

Physically present: 13

Present by phone: 2

Legal Counsel:

Audrey Eidelman, 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

Public Present:

None.

Ronald Zweig called the meeting to order at 2:04 PM. Ronald Zweig recognized Alan Strahler and Erik Peckar of Edgartown who were remotely participating because physical attendance at the meeting would be unreasonably difficult.

PUBLIC COMMENT:

There was no public comment.

PRESENTATION BY EVERSOURCE, RONIT GOLDSTEIN, ON THE EVERSOURCE BATTERY STORAGE PROJECTS ON CAPE COD AND MARTHA'S VINEYARD:

Ronit Goldstein reviewed the Eversource Energy Storage Facilities PowerPoint. Energy storage facilities are to be built in Provincetown and Martha's Vineyard. The one in Provincetown is to be built at the transfer station and the one in Martha's Vineyard is to be built at Eversource's service center in Oak Bluffs.

Ronit Goldstein stated that lithium ion batteries were chosen for the Energy Storage Facilities. Peter Cocolis stated that with his background in aerospace he's seen research and development on improvements of batteries. Lithium batteries have had problems overheating and starting fires in the past. He asked if this has improved over the past 10 years or if there are any alternatives. Ronit Goldstein stated that the technology is cutting edge. These batteries are installed worldwide. They are large scale, highly efficient, and do not produce any emissions. Fred Fenlon asked how big the buildings will be. Ronit Goldstein stated that the Provincetown building is just under 10,000 square feet and the one on Martha's Vineyard is of similar size.

Ronit Goldstein stated that Eversource took into consideration the environment, safety, noise, and traffic when planning this project. For the environment, Eversource reached out to the Conservation Commission, National Heritage, and Endangered Species. The only environmental permit needed is from Environmental Protection that has to do with the land use. Safety is the top priority. Eversource is working with fire stations and going over fire safety plans that are specific for these facilities. They are looking for ways to reduce the noise coming from these facilities. After a year they will look for ways to improve if needed. As for traffic, it will be worse during construction than when it is in use. Martha's Vineyard's facility won't be as bad since it is at the Eversource's service center. The one in Provincetown will be more difficult since there is quite a bit of traffic already at the transfer station.

Kevin Galligan stated that when it comes to fire safety, fire stations from Provincetown to Brewster should be involved as they are often called to go up to Provincetown to help. Ronit Goldstein stated that she is scheduled to meet with them in January. Ron Zweig asked if a tree falls on a wire cutting off the power, can the grid bring power to homes affected from a different direction. Ronit Goldstein stated that it depends on the area. Some smart switches can be remotely controlled to turn on, off, or to feed from a different location. John Hoey stated that if a main line lost power, that by switching where the power comes from it could pick up half about half of the customers. Nate Mayo asked what the megawatt hour capacity was. Ronit Goldstein said that she would get the answer back to the Compact.

Sue Hruby stated that many solar panels have been installed throughout the Cape and Vineyard. She asked is it true that they automatically turn off during an outage and if there is something that can be done to get batteries for that energy to be stored. She also asked is there some way to do this for the neighborhoods on Martha's Vineyard as well. John Hoey stated that Eversource can come back with a different group of people from grid modernization to answer these questions. Sue Hruby stated that it would be beneficial for Eversource to reach out to various communities when planning for these kinds of facilities. She also stated that it is much better to work cooperatively, and that everyone should figure how to improve on this together. Maggie Downey stated that the Compact Board can discuss whether or not to have a presentation from Eversource's grid modernization department.

Fred Fenlon stated that much hasn't changed for poles and wires in several years. In Niagara Falls on the Canadian side they don't have poles, the wires are underground. John Hoey stated that it is usually done for aesthetic reasons. The cost to move wires underground would fall on the rate payers. Also, if there were to be issues with the wires, it is harder to pinpoint the problem being underground making for a much longer restoration time.

Martin Culik asked if the diesel generators on Martha's Vineyard are going to be removed. Ronit Goldstein stated that they are not owned by Eversource and they are on a contract through 2025. The goal is to be less reliant on them though. Erik Peckar asked how long it would take for the batteries in Martha's Vineyard to recharge. Ronit Goldstein stated because it is a two-phase approach, she's not sure. Kevin Galligan stated that it takes 4 hours. Erik Peckar asked if the power goes off will the batteries kick on first or the diesel generators. Ronit Goldstein stated that she'd have to get back to the Compact with that answer. Alan Strahler asked if the facilities will be used for demand management or peak shaving. Ronit Goldstein answered yes. Alan Strahler asked how that would affect the rate structure. Ronit Goldstein stated that she doesn't have the answer to that at this time.

APPROVAL OF MINUTES:

The Board considered the October 9, 2019 Open Session Meeting Minutes. David Anthony stated that these minutes were discussed at last month meeting. The only correction was the spelling of Erik Peckar's name.

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

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	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 (14-0-0)

The Board considered the November 13, 2019 Open Session Meeting Minutes. David Anthony stated that on page two, under Approval of Minutes that “spelt” should be “spelled”.

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

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Abstained
Peter	Cocolis	Chatham	Abstained
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	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 (12-0-2)

CHAIRMAN’S REPORT:

Ron Zweig stated that after many attempts, Falmouth voted to become a Green Community.

FINANCIAL REPORTS:

Peter Cocolis stated that the Energy Efficiency Budget is in pretty good shape. There are still some outstanding projects that will be invoiced in 2019. Margaret Song stated that there are bills coming in now for these projects. She stated that she may need some assistance when it comes to getting into some of the Towns’ buildings. it is hard this time of year since many of them are in use.

Peter Cocolis stated that 65% of the Operating Budget has been spent. It is predicted to go up a little bit. He stated that this is a lot different than last year’s Operating Budget due to less regulatory activity.

Richard Elkin asked if the Compact would meet its Energy Efficiency goals. Phil Moffitt stated that the Compact is projected to meet all the savings and benefits goals this year. This is contingent on getting into C&I buildings to perform audits. Both residential and low-income programs are in good shape.

Maggie Downey stated that Megan Terrio will give a 2019-year end presentation to the Board at the March Board meeting.

ADMINISTRATORS REPORT:

1. Open Nominations for 2020 Seven Member Executive Committee

Maggie Downey stated the nominations are open for the seven-member executive committee. This will be brought back and voted on in January.

Maggie Downey asked if there were any nominations for Chair. Joyce Flynn nominated Ron Zweig. Seconded by Sue Hruby.

Maggie Downey asked if there were any nominations for Vice Chair. Ron Zweig nominated Joyce Flynn. Seconded by Martin Culik.

Maggie Downey asked if there were any nominations for Secretary. Martin Culik nominated David Anthony. Seconded by Peter Cocolis.

Maggie Downey asked if there were any nominations for the position of Treasurer. Martin Culik nominated Glivinski and Associates, Inc. Seconded by Peter Cocolis.

Maggie Downey asked if there were any nominations for the position of Business Officer. Martin Culik nominated Megan Terrio. Seconded by Peter Cocolis.

Maggie Downey asked that if there were any nominations for the four general Executive Committee members. Robert Schofield nominated Peter Cocolis. Seconded by David Anthony.

Richard Elkin nominated himself. Seconded by Sue Hruby.

David Anthony nominated Martin Culik. Seconded by Joyce Flynn.

Valerie Bell nominated Robert Schofield. Seconded by Joyce Flynn.

2. Discussion and Potential Vote on 2020 Operating Budget

Maggie Downey reviewed the proposed 2020 Operating Budget. She stated that the allocations for staff salaries is based on 2019 timesheets. She stated that the pension liability, OPEB, health insurance, and rent's total cost is split 96% Energy Efficiency and 4% Operating. She noted that the 2.5% Cost of living Adjustment (COLA) and travel mileage reimbursement amount will be separate votes.

Martin Culik asked why there is an increase in advertising compared to what has been spent to date. Maggie Downey stated that the additional money is for the power supply ads for the new December rates that have not gone out yet.

David Anthony asked what the \$128,083 next to the OPEB line is. Maggie Downey stated that it is 4% of the total. David Anthony asked if funds were to be moved from OPEB or Pension Liability into another line item would that be brought back to the Board for approval. Maggie Downey answered yes, that OPEB and pension liability are not allowed to be moved into another line item without approval from the Board. Richard Elkin asked why the Compact hasn't been funding the pension liability all along. Maggie Downey stated that there are several pieces to the pension costs: (1) the portion that staff pays into their pension liability as a payroll deduction (11% of his/her salary); (2) the employer portion (paid annually to Barnstable County Retirement Association); and the unfunded balance is the "pension liability." The Compact's portion of the unfunded pension liability is determined by an actuarial and was included in the Compact's 2018 Financial Statement. The Compact is responsible for fully funding its pension liability and appropriates funds for this liability through the Operating and Energy Efficiency budgets.

Richard Elkin asked why the funding percentage isn't the same for pension liability and OPEB. Maggie Downey stated that the Compact allocated funds based on availability and not a percentage basis. Martin Culik noted that the Compact did not have a predetermined formula, he noted that the amounts were arbitrary and based on available funds. Sue Hruby requested that Maggie Downey bring back the fund balances for both the OPEB and Pension Liability to the next meeting and then the Board can decide to adjust if needed. Colin Odell stated that basically what this is saying is that the Compact was never billed for future liabilities and therefore couldn't have accrued that much.

Maggie Downey stated that the Compact did not know what its pension liability was until the Compact separated from Barnstable County and became a member of the Barnstable County Retirement Association. Robert Schofield stated that was overlooked because nobody had required anyone to do it. Now the Compact has to catch up. Maggie Downey stated that she will bring back the totals of what has been set aside already.

Colin Odell stated that the encumbered funds should be shared on a semiannual basis. Maggie Downey stated that the Board sees this each month in the operating fund report. She noted that what isn't presented are bank statements which include interest earned. Maggie noted that as of this date that the Compact has not established an irrevocable trust for its OPEB and Pension liabilities.

Martin Culik moved the CLCJPE Board of Directors vote to appropriate the Cape Light Compact Joint Powers Entity Operating Budget in the amount of \$842,260.00.

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 Peter Cocolis.

Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	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 (14-0-0)

3. Discussion and Potential Vote on 2.5% Cost of Living Adjustment (COLA) for Calendar Year 2019

Martin Culik moved the CLCJPE Board of Directors the Board vote to approve a 2020 employee cost of living adjustment (COLA) in the amount of 2.5%. The effective date is January 1, 2020.

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 Colin Odell.

Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	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 (14-0-0)

4. Discussion and Potential Vote on adopting 2020 IRS mileage reimbursement of .58 cents per mile

Robert Schofield moved the CLCJPE Board of Directors the Board vote to approve adoption of the IRS 2020 mileage reimbursement rate of 58 cents per mile for all Compact related travel by automobile. The effective date is January 1, 2020.

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 Peter Cocolis.

Colin Odell proposed an amendment to the vote to say, “moved the CLCJPE Board of Directors the Board vote to approve the adoption of the current IRS reimbursement rate for each calendar year.” Seconded by Martin Culik. Accepted by Robert Schofield and Peter Cocolis.

David Anthony asked if the rates ever change during the year. Colin Odell answered yes, and therefore it would change for the Compact as well.

Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Fred	Fenlon	Eastham	Abstained
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
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 (13-0-1)

5. Discussion and Potential Vote to authorize the Administrator and Secretary to review unreleased executive session minutes to determine whether they can be released, or whether they should continue to be withheld as publication may defeat the lawful purposes of the executive sessions

Richard Elkin asked why this has to be a voted on. Maggie Downey stated that the Board must vote to authorize a designee and that the Board has voted on this before. It is advised by legal counsel.

Martin Culik moved that the CLCJPE Board of Directors vote to authorize the Compact Administrator and the Secretary to periodically review all unreleased executive session minutes at least once every six months and report back to the Governing Board in executive session with their recommendations regarding continued withholding of such minutes.

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 Robert Schofield.

Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Ronald	Zweig	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	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 (14-0-0)

POWER SUPPLY PRICING OVERVIEW, AUSTIN BRANDT:

Austin Brandt reviewed the Power Supply Pricing Update PowerPoint. NextEra couldn't determine the specifics of the 20% differential between Eversource's and Compact's power supply rates beyond the blending of the South Eastern MA (SEMA) and (NEMA) capacity charges. NextEra believes it is related to how Eversource procures its Renewable Energy Certificates (RECs). NextEra is going to continue to research this issue.

Austin Brandt stated that the Compact's pricing must include the entirety of any SEMA capacity charge increases relative to NEMA, whereas Eversource is able to blend its SEMA and NEMA rates. Peter Cocolis asked if the Compact knows if this will be the same for the summer rates. Austin Brandt stated that the Compact doesn't know pricing for the next term yet. The Compact extended the residential rate to seven months instead of six for the upcoming pricing term to reduce the pricing impact. Colin Odell asked if this has anything to do with RECs. Austin Brandt stated that the Compact does procure a higher percentage of RECs than Eversource

does for basic service, which accounts for some of the cost differential between the Compact's power supply product and basic service.

Fred Fenlon asked if there is a cost trend. Austin Brandt stated that winter pricing this year is not as high as it has been in recent winters. The Compact's residential power supply rate was over 13 cents last year. Ron Zweig asked if someone calls him, how should he explain the power supply rates. Austin Brandt reiterated that the Compact and its power supplier are not making more money as a result of the rate increase. He stated that customers are able to leave the Compact's power supply any time they wish and opt back in later, without penalty. Customers should be careful regarding competitive power supply contracts and to read the fine print and determine what power supply rate and for how long they get locked into the rate.

ADJOURNMENT:

Motion to adjourn made at 4:30 PM moved by Sue Hruby, seconded by Peter Cocolis.

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- Eversource Energy Storage Facilities PowerPoint
- October 9, 2019 Draft Meeting Minutes
- November 13, 2019 Draft Meeting Minutes
- 2019 Operating Budget
- 2019 Energy Efficiency Budget
- Agenda Action Request: Calendar Year 2020 Operating Budget
- Agenda Action Request: 2.5% 2020 Employee Cost of Living Adjustment (COLA)
- Agenda Action Request: Internal Revenue Service (IRS) Mileage Reimbursement Rate for 2020
- Agenda Action Request: Authorize Review of Unreleased Executive Session Minutes
- Power Supply Pricing Update PowerPoint