

Cape Light Compact

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www.capelightcompact.org

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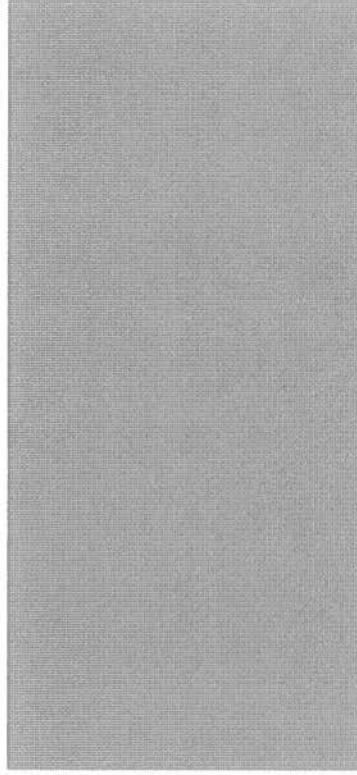
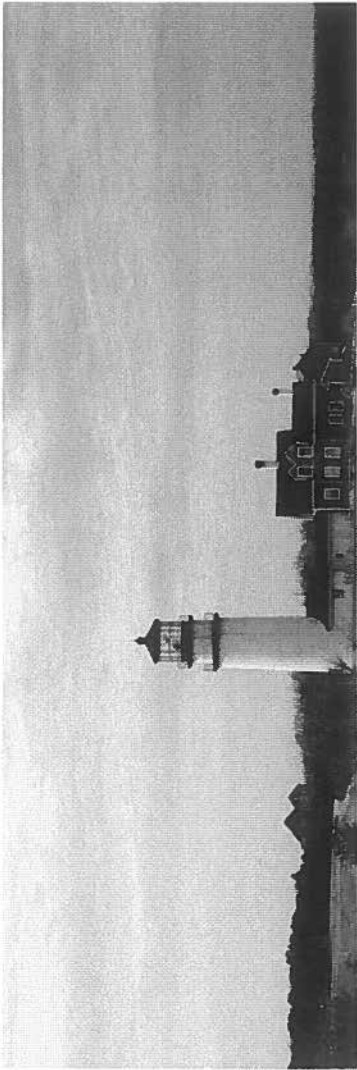
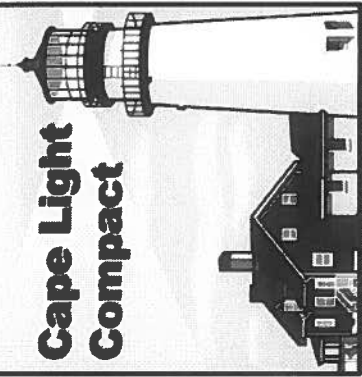
Cape Light Compact Governing Board Meeting

DATE: Wednesday, March 13, 2013
LOCATION: Rooms 11&12, Superior Courthouse, Barnstable
TIME: 2:00 – 4:30 p.m.

AGENDA

- 2:00 – 2:10 Public Comment
- 2:10 – 2:15 Approval of Minutes
- 2:15 – 2:45 Presentation by Sullivan, Rogers & Company, on Results of Phase I – Agreed-Upon Procedures
- 2:45 - 3:15 Energy Efficiency Presentation: 2012 Results and 2013 Looking Forward
- 3:15 – 3:25 Potential Votes on Request for Waiver of CLC Cap on Contribution for C&I Projects
- 3:25 - 3:30 LED Streetlight Update
- 3:30 – 3:45 Treasurer’s Report
- 3:45 – 4:00 Chairman’s Report
 - Administrative Board Meeting Protocols
 - New FAQ
 - FY14 Budget discussions in April
 - Resolution by Cape Cod Selectmen and Councilors’ Association
- 4:00 – 4:10 Update from CLC Legal Counsel
- 4:10 – 4:20 CVEC Update
- 4:20 Open session vote on entry into executive session and required declarations of the chair
 1. Proposed Executive Session – to discuss release of Executive Session Meeting Minutes Held Pursuant to - M.G.L. c. 30A, Section 21(a)(3) and (10)
 2. Update on DPU Regulatory Litigation - M.G.L. c. 30A, Section 21(a)(3)

**Cape Light
Compact**



Cape Light Compact Governing Board Update

March 13, 2013

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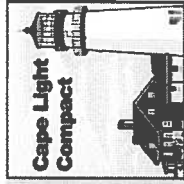
Energy Efficiency Plan (EEP)

- DPU approval includes CLC specific enhancements to the 2013-2015 State wide EEP
- New EERF collection schedule approved starting in April 2013

CLC is part of the statewide energy efficiency plans.



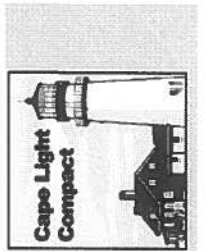
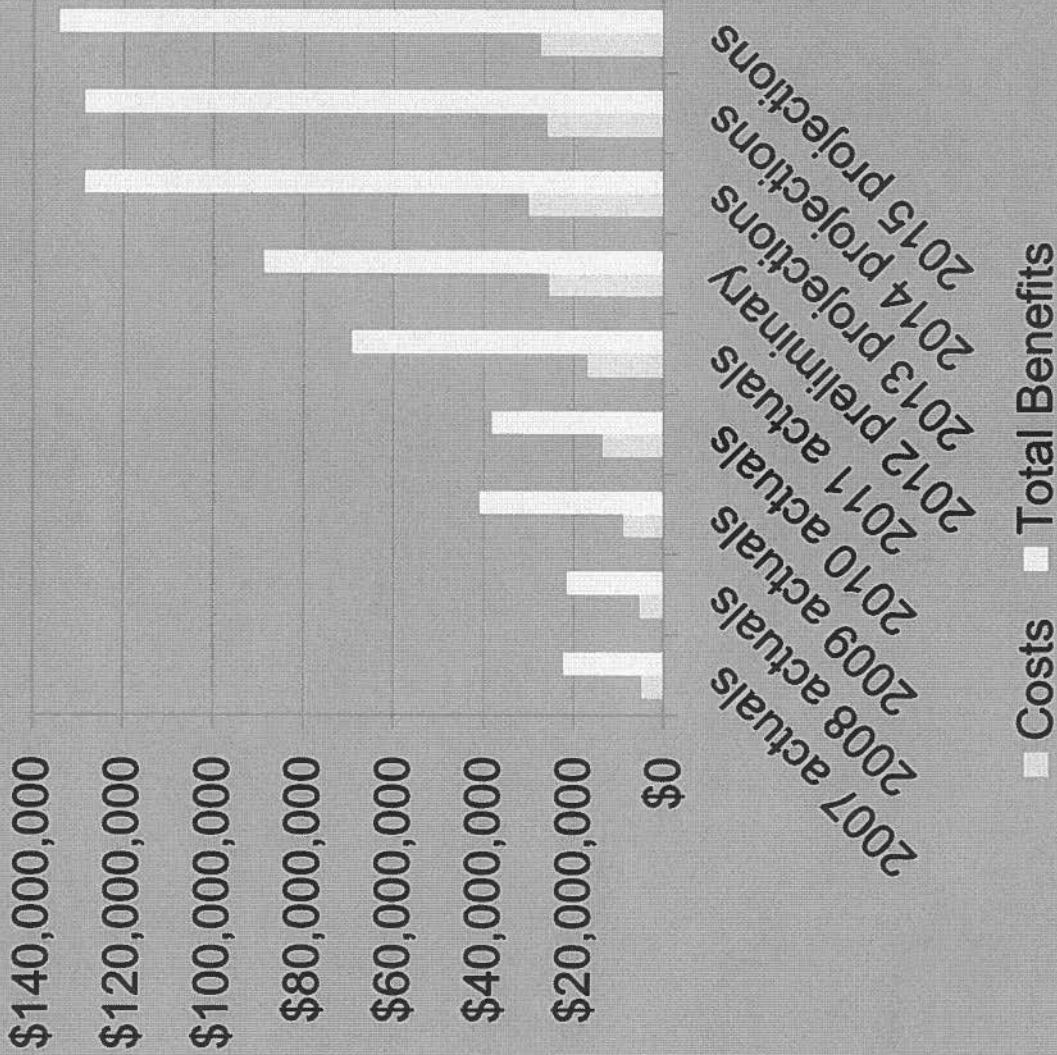
Yarmouth wins the home energy assessment competition!



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CLC Costs and Benefits, 2007-2015



2012 Actuals

More than **\$25MM** in program expenditures and **28,868** Annual MWHs.

* Results are preliminary and subject to change.

2013 Plan

Approximately **\$29.9MM** in program expenditures and **41,665** Annual MWHs.

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2012 Accomplishments

Program Sector	Expenses	Annual MWH Savings	Total Benefits
Residential	\$15,218,828	15,694	\$ 60,652,982
Low Income	\$ 2,924,806	1,755	\$ 8,410,806
C&I	\$ 7,368,352	11,419	\$ 19,738,960
Total	\$25,511,986	28,868	\$ 88,802,748

Results are preliminary and subject to change.

Mass Maritime Academy
receives an Advanced
Buildings plaque for their new
42,000 square foot American
Bureau of Shipping
Information Commons
building.



Current Year (2013)

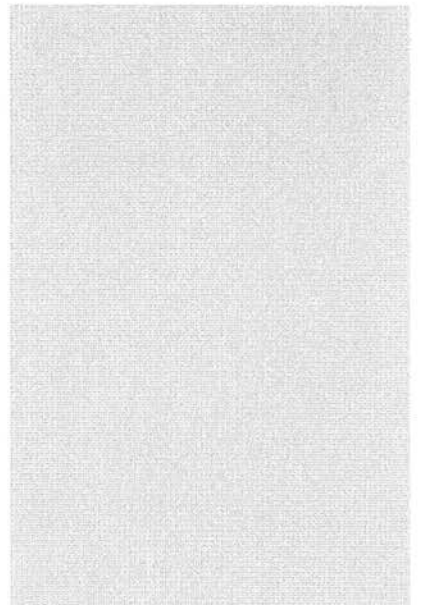
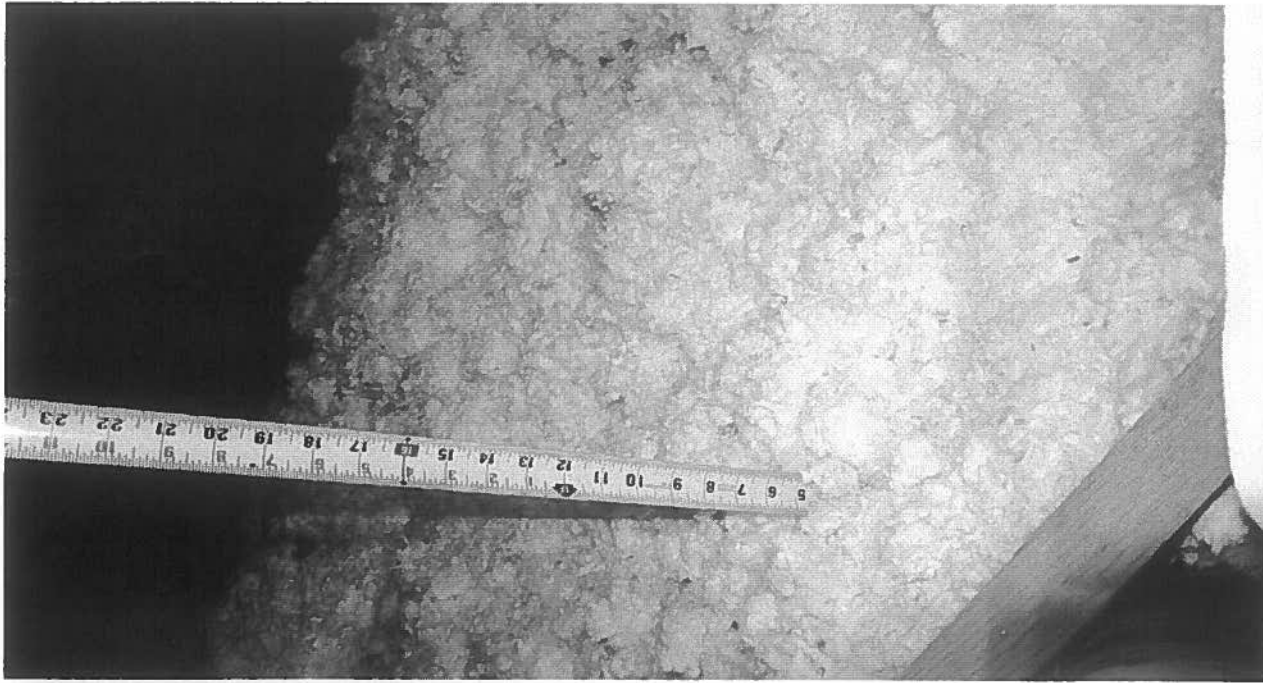
Program Sector	\$ Budget	Annual MWH Savings	\$ Benefits
Residential	\$12,990,648	16,177	\$ 65,841,796
Low Income	\$ 3,306,419	1,322	\$ 12,790,247
C&I	\$13,591,802	24,166	\$ 47,221,377
Total	\$29,888,870	41,665	\$125,853,421

Residential energy auditors



Residential Enhancements

- Home Energy Services (HES) Customers with income 60% - 80% of state median served at the 100% incentive level
- Increased HES residential incentive level from \$2,000 to \$4,000
- HES residential tenants who pay their own electric bill are eligible for 100% incentive up to \$4,000



C&I Enhancements

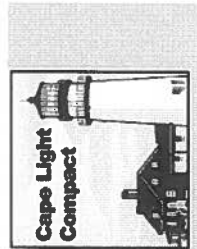
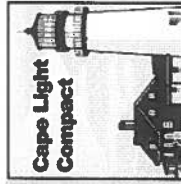
Special incentives for Direct Install customers

- Year round tenants can receive up to 95%
- 12-month zero % financing from RISE for non-tenant copay

Adding HVAC to Upstream Program

LED Streetlight Retrofit Project

- Demonstration installs and feedback
- RFP for full project later this year



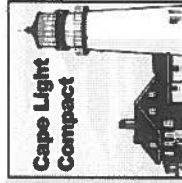
LED streetlight retrofit in Brewster

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Evaluation, Monitoring and Verification & Energy Education

- Third-party evaluation of residential, low-income, and commercial programs
- Support and continue knowledge-base that began when program first introduced in 2003 for energy education
- Work with all elementary, middle, and high schools on energy education within MA framework
- Planning 48 presentations, field trips, Energy Carnivals, and 3 teacher workshops.

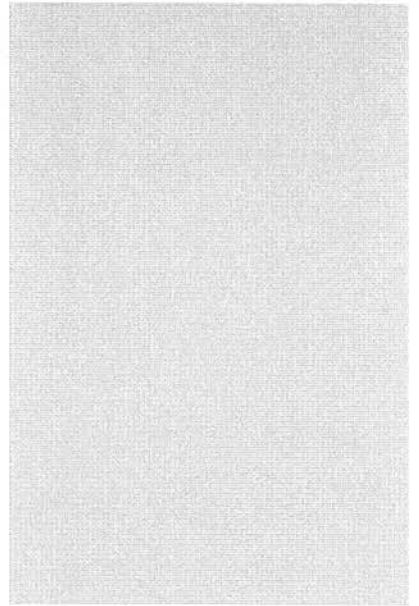


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Marketing Calendar of Events

- 3/23 - 3/24/13 - Hyannis Rotary Home & Garden Show - Barnstable High School - 10 am - 5 pm
- 4/6/13 - Lower Cape Expo - Cape Cod Tech, Harwich - 10 am - 4 pm
- 5/13/13 - Sponsor of Smarter Cape Summit, Cape Codder Resort, Hyannis
- 6/2/13 - Vivapalooza (Emerald Physicians) - Barnstable High School 10 am - 4 pm



**Agenda Action Request
Cape Light Compact
Meeting Date: 3/13/13**



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

**WAIVER OF INCENTIVE CAP
OPENCAPE/BARNSTABLE COUNTY DATA CENTER PROJECT**

REQUESTED BY: *Meredith Miller/Nicole Price*

Proposed Motion(s)

1) *I move the Board vote to approve the waiver of the \$150k incentive cap for the OpenCape Data Center New Construction Project, thereby allowing a total project incentive of \$385,762.*

Additional Information

The Cape Light Compact caps its incentive for individual municipal projects at \$150k, with the proviso that the CLC Board may waive that cap as it deems appropriate. The proposed motion is to approve a waiver for the OpenCape Data Center Project. The Project facts are summarized as follows:

- ***Efficiency Measures: High Performance Air-Cooled Chillers and Free Cooling Modules; High Efficiency Uninterruptible Power Supply Units (UPS); and In-Row Cooling Units for servers.***
- ***Total Annual kWh savings: 347,905 kWh***
- ***Total Summer/Winter kW Demand savings: 26.5/75.9 kW***
- ***Overall Payback Period: 6.5 years***
- ***Total Incremental Project Cost: \$385,762***
- ***Total Customer Incentive: \$385,762***

Record of Board Action

Motion by:	Second by:	# Aye	# Nay	# Abstain	Disposition



Cape Light Compact Municipal LED Streetlight Demonstration Project CLC Board UPDATE



- **148 LED fixtures installed: January 17 – February 22, 2013**
 - 8 fixtures for W. Barnstable F.D. *pending* purchase of streetlights
 - 2 locations have replacement fixtures based on early feedback
- **Let us know what you think and submit Feedback, please visit**
 - www.capelightcompact.org/ledstreetlights/ click on *Survey*
 - OR call 800-797-6699 for a paper copy of the feedback survey
- **Next steps:**
 - Feedback through early May, 2013
 - Meet with DPW, Highway & Town leads
 - Decide to proceed with retrofit of *ALL streetlights*
 - Scope, schedule, RFP out to bid in July, 2013
 - Award by September, Installations Complete by June, 2014
- **Benefits when all 14,000 (approx.) streetlights are complete:**
 - Approx. \$500,000 annual streetlight bill savings
 - Lower energy usage, longer life expectancy, better quality light
 - Project funding through Cape Light Compact energy efficiency program
 - Except for any police detail that is each Town or Fire District responsibility





Answers to Frequently Asked Questions about Cape Light Compact

1. What is Cape Light Compact's relationship to the Cape & Vineyard Electric Cooperative, Inc. (CVEC)?

CVEC was created to provide the municipalities of Cape Cod and Martha's Vineyard a way to work together to integrate renewable energy projects as part of a more sustainable Cape Cod and Martha's Vineyard. Currently there are 20 members of CVEC – 17 Cape and Vineyard towns, Barnstable County, Dukes County and the Cape Light Compact (Compact).

CVEC was formed in 2007 from a strategic planning process commissioned and undertaken by the Compact because the Compact and its members wanted to stabilize future electric rates for all its members and ratepayers through municipally owned renewable energy generation, and wholesale power supply contracts. At the time CVEC was formed, neither the Compact nor its member towns/counties were allowed under state law to develop and own electric generation projects and enter into long-term power purchase agreements. Electric cooperatives such as CVEC, on the other hand, were empowered by statute to do so.

The Compact and CVEC are separate public entities, though the Compact is a member of CVEC and holds a seat on CVEC's Board of Directors.

2. How and why does the Cape Light Compact help finance CVEC?

As part of the initial planning process, Compact determined that financing CVEC's operational costs associated with pursuing renewable energy projects would result in stabilizing electric rates for both its member Towns/Counties and Compact ratepayers. The Compact saw an opportunity to produce additional savings for all Cape Cod and Martha's Vineyard electric ratepayers beyond the Compact's energy efficiency programs. The ability to rely on locally produced electricity for part of the region's load would mean financial savings through avoided energy supply costs that are inevitable when the sources producing the region's electricity are remote from the Cape and Vineyard.

The Compact's initial \$520,000 funding of CVEC was done through the transfer of a grant received from ConEdison *Solutions* to the Compact, which the Compact subsequently assigned to CVEC. This was documented in a contribution letter executed by the Compact Chairman. Subsequent grants to CVEC were approved by the Compact Governing Board from Compact's "mil adder" (a surcharge of up to \$.001 per kilowatt [kWh] on the sale of electricity) account in Fiscal Year (FY) 2010 (\$500,000), FY 2011 (\$500,000), FY 2011 supplemental (\$335,792), FY 2012 (\$408,000) and FY 2013 (402,885).

All grants except the \$335,792 grant in 2011 were debated and approved in open session meetings of the Compact in accordance with the Massachusetts Open Meeting Law, and these grants funded CVEC's operating expenses. Because the \$335,792 grant in 2011 was for use in litigation it was discussed and approved in an executive session portion of a Compact board meeting.

Two facts to keep in mind: first, the Compact's energy efficiency funds are not used to pay for CVEC; and second, the Compact currently plans to continue to support CVEC financially through fiscal year 2015.

3. Are the details of Compact's portion of CVEC's funding subject to public disclosure?

All funds provided to CVEC by the Compact have been disclosed and are listed in several documents on the Compact's web site.

The monies provided to CVEC by the Compact have been given as operating grants with no further reporting requirements. This agreement was affirmed by a vote of the Compact's Governing Board on January 9, 2013.



Answers to Frequently Asked Questions about Cape Light Compact

4. Are the details of Compact's finances subject to public disclosure?

Details of the Compact's finances and budgets are public knowledge. The Compact's energy efficiency funds are subject to reporting via its Annual Report to the Massachusetts Department of Public Utilities, and the Compact operating budget is approved by the Compact Governing Board. Both budgets are available on the Compact web site.

Since 2002, the Compact has posted on its website and sent monthly town reports to each of the 21 Cape and Vineyard town managers detailing energy efficiency dollars spent, customers served, energy savings (kWh), and expenditures on a town by town basis. In addition, the Compact's annual operating budget, any supplemental budgets, and the energy efficiency budget are also on the Compact web site.

5. The Compact recently provided detailed financial documents covering the period from 2006 to February 2013 on all of its funds to the Barnstable County Assembly of Delegates, but certain information was "redacted." Why was information redacted?

The redactions kept individually identifiable customer's information and Renewable Energy Certificate (REC) transactions private. Consistent with Massachusetts General Laws, and as required by a non-disclosure agreement protecting electric customer information, the Compact redacted information related to 1) participants of the energy efficiency program and 2) vendor names associated with Renewable Energy Certificate (REC) contracts. No other information was redacted.

6. Is there a comprehensive public report with the accounting of the Compact's finances including receipts from the "mil adder" funds?

Compact funds from its creation in 1997 have always been included in the Barnstable County audits according to Generally Accepted Accounting Principles (GAAP), and will continue to be included in the annual Barnstable County audits. However at this time no single comprehensive report of Compact financing exists from inception to the present.

The Compact has engaged Barnstable County's auditor, Sullivan & Rogers, to conduct an independent audit for the years 2009, 2010, and 2011. The audits will be completed by July 2013. The annual audit provides a third party independent review of all Compact funds.

In addition, the Compact treasurer provides a monthly financial report to the Governing Board and posts the report to the Compact's web site as part of the Board meeting packet. The report identifies all Compact funds and a summary of the total expenditures and revenues for each fund.

As a public entity, Compact is subject to the Massachusetts Public Records Law. As such, the Compact does its best to satisfy requests for information from members of the public. However, the Compact deals with a large amount of confidential customer data which are bound by Non-Disclosure Agreements. In addition, certain competitively sensitive information is also exempt from disclosure under the Public Records Law. Therefore, all competitively sensitive and customer information that is included in public records must be redacted. Compiling requested reports and redacting information that is exempt from disclosure under the Public Records Law takes considerable staff time and fees associated with the production of requests are charged as permitted by law.

7. Are the regular meetings of Compact committees open to the public?

All Compact committee meetings are properly noticed and public. However, it should be noted that not all committees meet on a regular basis. For example, the Energy Efficiency Committee has not met since 2009 due to state mandated change requiring the Compact to file a three-year statewide Energy



Answers to Frequently Asked Questions about Cape Light Compact

Efficiency Plan. As a result of the state change, the Compact Board discusses energy efficiency issues at its Board meetings and not at a committee meeting. Similarly, the Power Supply Committee has not met since 2010, and power supply issues are discussed at the Board meeting and not at a committee meeting.

The Cape Cod Selectmen and Councilors' Association wishes to express its support for the efforts the Cape & Vineyard Electric Cooperative, CVEC, has taken on behalf of the seventeen member towns to coordinate, finance and establish renewable energy projects on Cape Cod.

WHEREAS, CVEC has successfully established the legal framework to purchase and own renewable energy projects, enter into contracts, borrow money, form public/private partnerships, and purchase, sell and distribute energy for the financial benefit of local communities;

WHEREAS, CVEC has negotiated several cooperative solar projects which will result in significant savings to participating communities;

WHEREAS, The Cape Light Compact, CLC, created and initially funded CVEC to develop renewable energy projects as requested by its member communities, and has identified an end date for its funding commitment;

WHEREAS, The initial CVEC funding source was from CLC rate payers as renewable energy projects are judged to benefit all Cape Cod electrical users

WHEREAS, CLC and CVEC shared management, administrative and support functions to minimize project costs and maximize energy savings/expenses to member communities;

WHEREAS, CLC and CVEC, as judged by the U.S. Internal Revenue Service (IRS) and MA Department of Revenue (DOR), took all reasonable actions to document discussion and decisions in a transparent and accountable manner while respecting the privacy of vendors;

WHEREAS, as CVEC has gained experience with several renewable energy projects and has adopted and refined best practices under the amended Massachusetts Open meeting law and implemented other changes designed to facilitate CVEC's development as an independent organization;

Therefore, The Cape Cod Selectmen and Councilors' Association wishes to publicly state its support for CVEC as CVEC works to bring renewable energy projects to Cape Cod.