

**Cape Light Compact Governing Board
Meeting Minutes
September 12, 2012**

The Governing Board of the Cape Light Compact met in regular session on Wednesday, September 12, 2012 in Rooms 11 & 12, Superior Court House, 3195 Main Street, Barnstable, Mass. 02630

Present were:

William Doherty, Chairman, Barnstable County
Robert Schofield, V. Chairman, Bourne
Peter Cocolis, Treasurer, Chatham
Peter Cabana, Member @ Large, Dukes County
David Anthony, Barnstable
Deane Keuch, Brewster
Ronald Zweig, Falmouth
Barry Worth, Secretary, Harwich
Tom Mayo, Mashpee
Richard Toole, Oak Bluffs
Kenneth Rowell, Orleans
Everett Horn, Sandwich
Bill Straw, Tisbury
Peter Fontecchio, Truro
Kathy Hubby, Wellfleet
Joyce Flynn, Yarmouth

Absent were:

Michael Hebert, Aquinnah
Timothy Carroll, Chilmark
Brad Crowell, Dennis
Fred Fenlon, Eastham
Vacant, Edgartown
Sharon Lynn, Provincetown
Tim Twombly, W. Tisbury

Counsel/Media Present

Jeffrey Bernstein, Esq., BCK Law, Counsel

Rich Eldred, *The Cape Codder*, Orleans

Staff Present

Maggie Downey, Compact Administrator
Briana Kane, Sr. Res. Program Coordinator
Meredith Miller, C&I Program Manager
Nicole Price, C&I Program Planner
Debbie Fitton, Energy Education Coordinator

Margaret Song, Residential Program Manager
Matt Dudley, Residential Program Coordinator
Joseph Soares, Sr. Power Supply Planner
Philip Moffitt, EM&V Analyst
Karen Loura, Administrative Assistant

Public Present

James Rogers, Sandwich
Mitch Relin, Brewster
Kathy Sherman, Brewster

Preston Ribnick, Wellfleet
Bob Hubby, Wellfleet
Lilly Green, Wellfleet

This meeting was video recorded by P. Ribnick as a private citizen.

Chairman Doherty called the meeting to order at 2:00 p.m.

PUBLIC COMMENT

2:00 – 2:10 p.m. There was public comment.

MEETING MINUTES OF JULY 11, 2012

The Board then considered the July 11, 2012 Meeting Minutes. D. Anthony requested correction on Pg. 6, 1st bullet to remove the word “Director” from title of “Bud” Breault, former Barnstable Alternate. Chr. Doherty offered an amendment to the minutes on Pg. 1, Paragraph 1 to add the words: “as a private citizen.” so that the sentence will read: “Preston Ribnick video-recorded the meeting as a private citizen.” *D. Anthony moved the Board vote to accept the minutes as amended, seconded by P. Cabana and voted unanimously in favor with K. Hubby, Wellfleet abstaining.*

TREASURER’S REPORT – P. COCOLIS

P. Cocolis provided his report entitled Cape Light Compact Special Revenue Funds as of 8/31/12 (Attachment A). He explained that the energy efficiency fund expenses are on a 12-month calendar year cycle and revenues are on a July to June fiscal year cycle and revenues are always behind expenses.

*At 2:18 p.m. R. Schofield, V. Chairman, Bourne arrived.

CONTINUED DISCUSSION ON ENGAGEMENT OF AUDITOR FOR EXPANSION OF PREVIOUS CLC AUDITS AND VOTE ON ENGAGEMENT AND SUPPLEMENTAL BUDGET

P. Cocolis moved the Board vote to engage Sullivan, Rogers & Company, LLC to perform agreed-upon Procedures for the period of July 1, 2003 through December 21, 2008 to specifically test the appropriateness of expenses incurred related to the CLC Energy Efficiency funds and CLC Power Supply reserve funds.

And moved that the Board vote to engage Sullivan, Rogers & Company, LLC to review the CLC RFP process for selecting its competitive electric supplier(s) for the period of 2005 through the present, including the decision for appropriateness;

And moved that the Board vote to engage Sullivan, Rogers & Company, LLC to perform an Audit of all CLC funds for the years ending December 31, 2009, 2010, 2011;

And moved that the Board vote to prepare an Annual Audit of all CLC funds for the year ending December 31, 2012 and thereafter;

And moved that the Board vote to appropriate \$90,000 from CLC fund 8038 and \$30,000 from CLC fund 8046 to complete the audit tasks above (motions 1-3), seconded by B. Worth.

Discussion followed. E. Horn presented a letter from the Sandwich Board of Selectmen advising an independent vs. previous auditor be selected and he read an excerpt of the Selectmen’s letter. P. Cocolis explained the word “thereafter” indicates a separate audit will be conducted each year. M. Downey reported the audits meet the State requirements. P. Cocolis said Rogers & Sullivan & Company were hired by the Assembly of Delegates. CLC can issue an RFP which would delay the process 6+/- months. It is unknown if results would be better and unlikely to be cheaper. He added that the Assembly voted for CLC to do audits beginning in 2012 and beyond and there was no perception of wrong doing. D. Keuch noted Chris Rogers said the cost could be less depending upon time it takes. T. Mayo said audits are exempt from MGL Chapter 30B. With no further discussion the Board then voted unanimously in favor by roll call

P. Ribnick indicated video recording has stopped and he is audio recording.

ENERGY EFFICIENCY PROGRAM UPDATE

1. ANNUAL REPORT ON ENERGY EFFICIENCY PROGRAM FUNDS AND SAVINGS – P. MOFFIT, Evaluation Manager provided a Power Point Presentation entitled 2011 Annual Report. (Attachment B)

2. POTENTIAL VOTE ON REQUEST FOR WAIVER OF CLC CAP ON CONTRIBUTION FOR C&I PROJECTS – M. MILLER, Commercial/Industrial Program Manager requested the Board consider waivers of the \$150,000 incentive cap for Cape Cod & Falmouth Hospitals. There was discussion concerning the impact upon the budget and it was determined funding is available for this. N. Price, C&I Program Planner said there is a 30-page analysis and Demand Management Institute (DMI) will oversee to ensure the vendor follows all proper installation and connection methods. T. Mayo said it is helpful to see grading of projects and noted the Benefit Cost Ratio minimum is 1. BCR values of 2.58 & 4.12 have been calculated for these projects. There was discussion of the history of the cap which historically has been waived for significant savings and frequently for municipal projects. The \$150,000 cap was due to limited funding. N. Price said this project does not add load to the grid. B. Straw asked for a listing to compare like projects over the past 5 years. D. Keuch called the question. *J. Flynn moved that the Board vote to approve the waiver of the \$150k incentive cap of Cape Cod Hospital's Custom Chiller and VSD Project, thereby allowing a total project incentive of \$376,285.00, seconded by D. Keuch. P. Cabana moved to put the Falmouth Hospital waiver motion on the floor, seconded by R. Schofield and voted unanimously in favor.*

3. DISCUSSION AND POTENTIAL VOTE AFFIRMING CLC POLICY FOR RESIDENTIAL ENERGY AUDITS FOR NATURAL GAS CUSTOMERS – M. SONG, Residential Program Manager asked the Board to consider endorsing the policy of offering incentives to all customers within our service territory regardless of fuel type. She explained Cape Light Compact has been serving all customers over the past 5-6 years and we provide richer benefits to our customers than National Grid. *R. Toole moved the Board vote to offer home energy assessments with their related incentives to all customers regardless of fuel type, seconded by R. Schofield and voted unanimously in favor.*

4. CLC FAST FACTS - LINDSAY HENDERSON, Customer Service Coordinator distributed copies of nicely illustrated flyers showing individual town facts including the number of electric accounts, the number served and their electricity cost savings as well as information on municipal savings and the Solarize our Schools for 2011. Members were provided 25 copies of their Town's Fact Sheet for distribution/circulation within their town.

- P. Cocolis asked if it is appropriate to request copies of the CLC Public Information video.

DISCUSSION AND POTENTIAL VOTE ON PROPOSED AMENDMENTS TO CLC INTERGOVERNMENTAL AGREEMENT – ARTICLE XVI; SECTION E, REPORTS – M. DOWNEY, Administrator presented redlined IGA showing proposed language change. This amendment would impose a more strict conditions than required by MGL Ch. 40§4A. (Attachment C). *P. Cocolis moved that the Board vote to amend the existing language in Article XVI, Section # Reports of the Intergovernmental Agreement such that it reads as amended:*

“The Compact shall keep accurate and comprehensive records of services performed, costs incurred, and reimbursements and contributions received. The Compact agrees that it will perform regular audits of such records separate and apart from audits conducted by the Compact's fiscal agent. Periodic financial statements shall be issued to all members. Compact officers responsible for this Agreement, or County officials to the extent treasury or other functions are delegated to them pursuant to Article VII (H) hereof, are to give appropriate performance bonds. To the extent applicable, if at all, any reimbursement for or contribution toward the cost of any work related to this agreement shall be made at such intervals as provided in the Administrative Services Agreement or other applicable agreements. The Compact will comply with all other applicable provisions of G.L. C.40§4A.

The Compact shall also prepare a written annual report, in the format required by the Massachusetts Department of Public Utilities (“DPU”) regarding the expenditure of energy efficiency funds for the previous calendar year. Such reports shall be filed with the DPU no later than August 1, unless filing or reporting requirements established by the DPU necessitate a different date, and posted to the Compact’s web site within thirty days of submission to the DPU. In addition, the Compact shall periodically prepare written overviews of the Compact’s program activities for each member for inclusion in its individual town annual reports.”

seconded by B. Worth and voted unanimously in favor.

DISCUSSION AND POTENTIAL VOTE ON CVEC GRANTS FROM CLC

P. Cocolis moved that the Board vote that CLC will continue to provide grants as requested to CVEC for its operations through FY15 and to notify CVEC of the same in writing, seconded by J. Flynn. Discussion followed. T. Mayo requested an amendment that the CLC will consider grants after presentation showing the need and benefit to CLC. By agreement. M. Downey read the amended motion as follows: that the Board vote that CLC will continue to consider for approval grants, after presentation showing the need and benefit to CLC, as requested to CVEC for its operations through FY 15 and to notify CVEC of the same in writing. - P. Cocolis said he recalls a discussion about CLC’s responsibility and rights to support CVEC, and it is an appropriate measure to fund CVEC through the next 2-3 years. The Board then voted unanimously in favor of the amended motion.

UPDATE ON PROPOSED CLC ASSEMBLY OF DELEGATES RESOLUTIONS

The Board received a copy of a proposed Assembly of Delegates resolution seeking to end funding of CVEC.

*Chr. Doherty announced taking up “Other Business from Board Members” out of order on the agenda so that the Board could enter into Executive Session and not return to Regular Session for the benefit of the general public.

OTHER BUSINESS

- Copies of the Cape Light Compact Annual Report on Energy Efficiency Activities in 2011 were distributed to the Board.
- D. Anthony requested the topic of Meeting Frequency be added to the next meeting agenda. M. Downey said she is seeking approval from the Board on 10/24/12 of the 2013-15 EE Plan prior to filing with the State. She said she will add this to that agenda.
- Tisbury & W. Tisbury have received status as a Renewable Energy Community under the Green Communities Act qualifying them for the ability to access \$140,000 and more from the State..
- There will be an open house on Residential Energy Audits & Mass. Heat Loans on Sunday, 10/14/12 from 2:00 pm – 4:00 pm. at the Yarmouth Presbyterian Church on 6A in Yarmouthport. M. Song & M. Dudley will provide the presentation.
- T. Mayo requested “General Criteria and Cap Information” be on the next agenda.
- The Board agreed to receive Board Meeting Packets electronically and to have copies available at the meeting.

P. Cabana moved the Board vote to enter into Executive Session pursuant to MGL Ch. 30A§21 (a) 3 to discuss pending regulatory litigation – MA DPU 12-30 and not to reconvene in regular session at the conclusion of the Executive Session, seconded by B. Worth and voted unanimously in favor by roll call.

Respectfully submitted,

Karen E. Loura

Administrative Assistant

Reviewed by B R Worth, Secretary

TOTAL EXPENDITURES V. BENEFITS

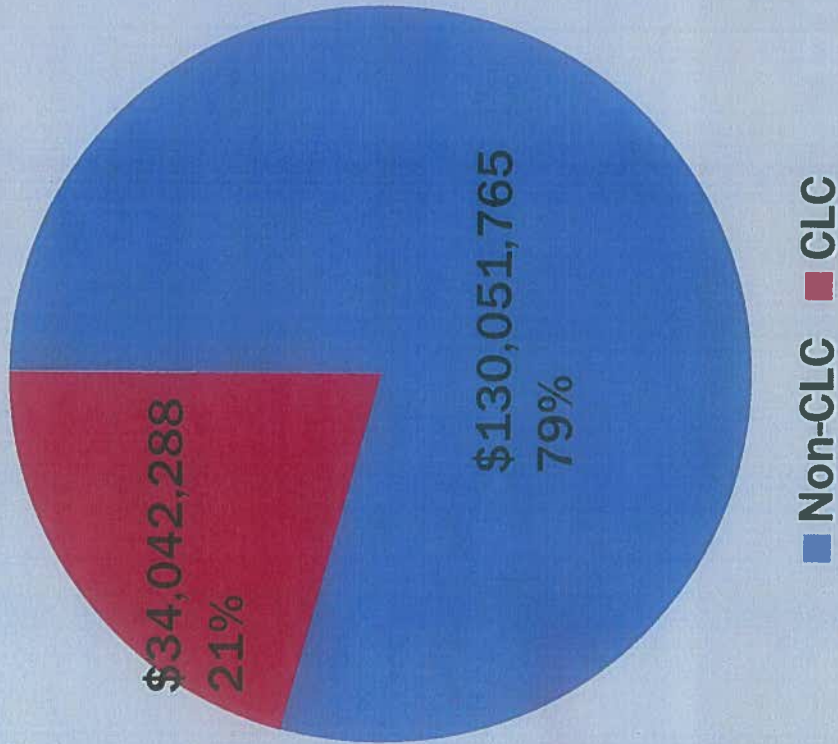
Program Administrator	Actual PA Costs	Actual Total Benefits	BCR
Cape Light Compact	\$16,908,160	\$69,262,085	3.6
NSTAR	\$124,057,410	\$644,737,184	3.9
NGRID	\$125,474,515	\$642,157,614	4.2
WMECO	\$23,732,535	\$107,481,988	3.4
Unitil	\$3,893,837	\$34,517,862	3.5

BENEFITS

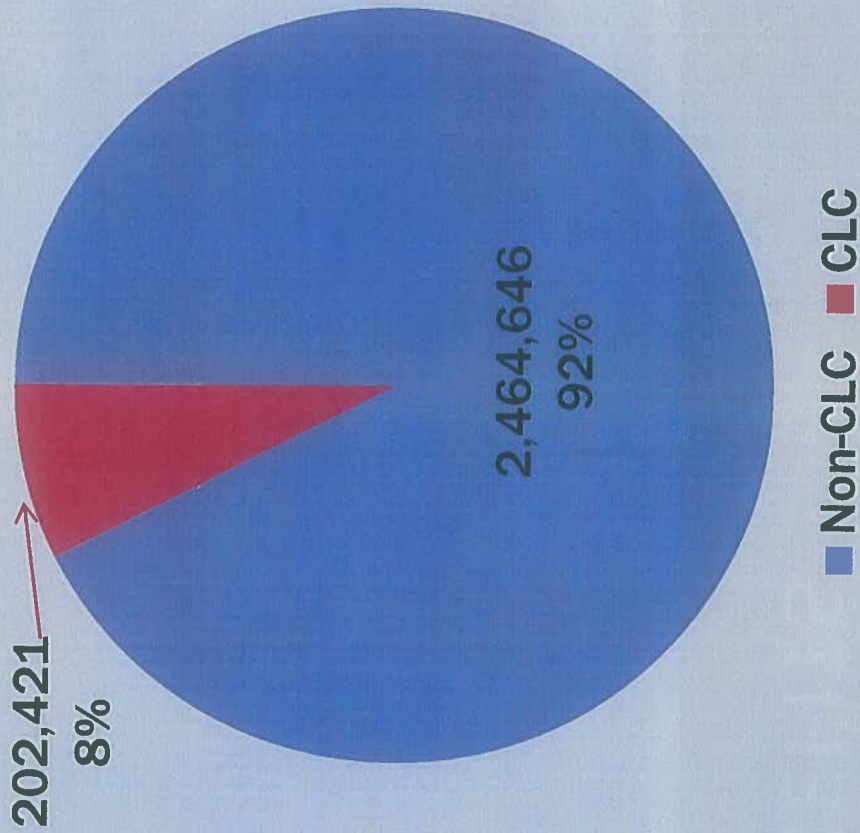
- **Benefits =**
 - **Electric Savings**
 - **Avoided Costs**
 - **Electricity Generation and Transmission**
 - **Non-Electric Impacts**
 - **Non-Electric Benefits (NEBs)**
 - **Fuel Savings (Oil, Natural Gas, Propane)**
 - **Non-Energy Impacts (NEIs)**
 - **Reduced Water/Sewer Costs**
 - **Reduced Lighting/Equipment Maintenance**
 - **Increased Property Value**

NON-ELECTRIC IMPACTS (NEBS & NEIS): CLC COMPARED TO STATE

NEBs and NEIs

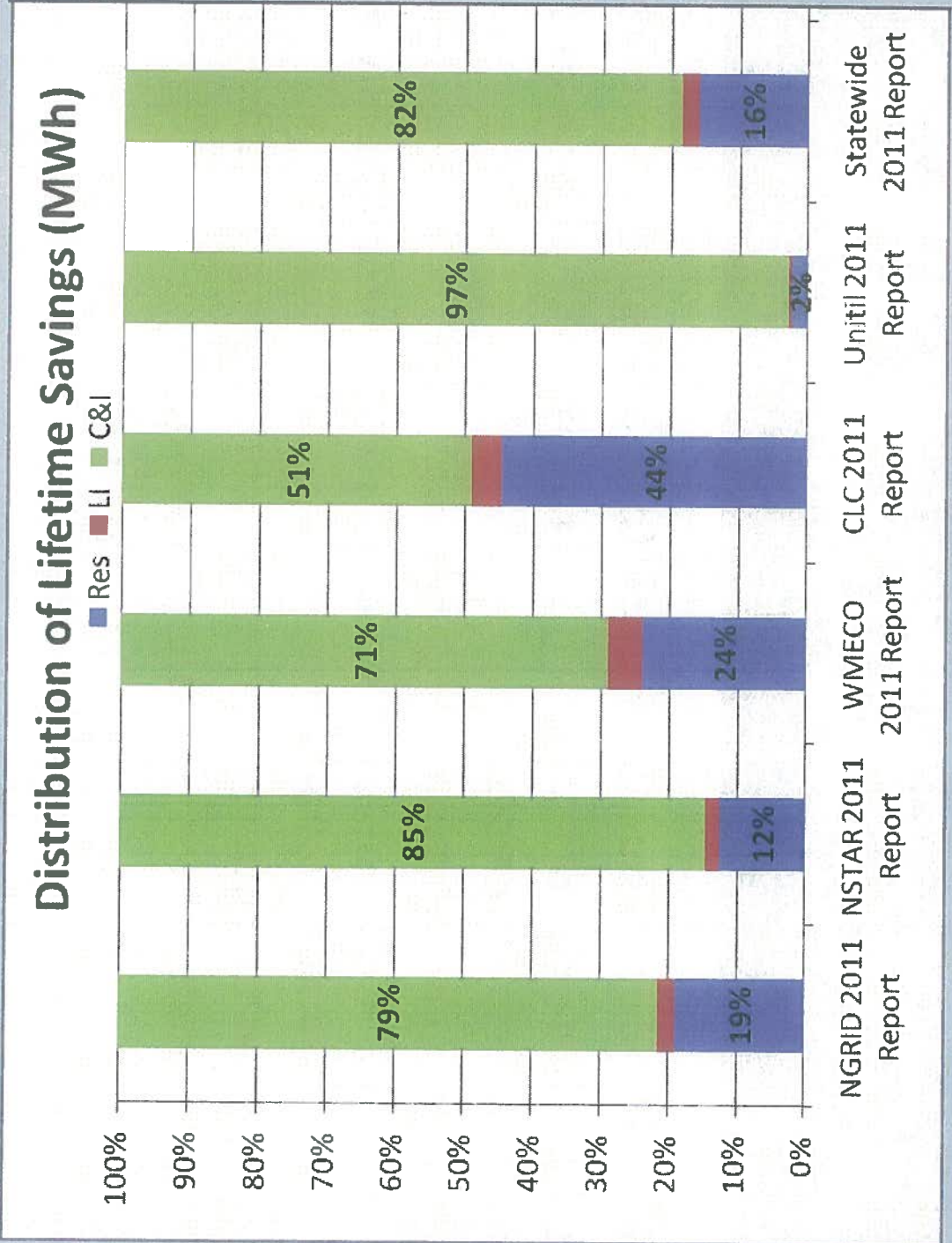


Electric Accounts



NEBs = Non-Electric Benefits (e.g. oil) NEIs = Non-Energy Impacts (e.g. reduced maintenance cost)

DISTRIBUTION OF ELECTRIC SAVINGS



FINAL TAKEAWAYS

- CLC provides robust benefits for each dollar invested
- CLC provides a disproportionate amount of non-energy and non-electric impacts
 - Comprehensive nature of programs
 - Measure mix is targeted to our customer base (usually more expensive and comprehensive)
 - Enhanced incentives compared to other program administrators
 - 100% incentive for municipal customers
- CLC plans to continue robust benefits in 2013 and beyond

THANK YOU

- For more information, please visit <http://www.capelightcompact.org/report/annual-reports-on-energy-efficiency-activities/>
- Thank you!
Phil Moffitt, Evaluation Manager
pmoffitt@capelightcompact.org

E. Reports: Compliance with G.L. c. 40, §4A.

NOTE TO READERS: This is the applicable provision of G.L. c. 40, §4A:

All agreements put into effect under this section shall provide sufficient financial safeguards for all participants, including, but not limited to: accurate and comprehensive records of services performed, costs incurred, and reimbursements and contributions received; the performance of regular audits of such records; and provisions for officers responsible for the agreement to give appropriate performance bonds. The agreement shall also require that periodic financial statements be issued to all participants.

The Compact shall prepare an annual report which shall be provided, without charge, to each of its members no later than sixty days after the close of its fiscal year.—The Compact shall keep accurate and comprehensive records of services performed, costs incurred, and reimbursements and contributions received. The Compact agrees that it will perform regular audits of such records separate and apart from audits conducted by the Compact's fiscal agent. Periodic financial statements shall be issued to all members. Compact officers responsible for this Agreement, or County officials to the extent treasury or other functions are delegated to them pursuant to Article VII(H) hereof, are to give appropriate performance bonds. To the extent applicable, if at all, any reimbursement for or contribution toward the cost of any work related to this Agreement shall be made at such intervals as provided in the Administrative Services Agreement or other applicable agreements. The Compact will comply with all other applicable provisions of G.L. c. 40, §4A.

The Compact shall also prepare a written annual report, in the format required by the Massachusetts Department of Public Utilities ("DPU") regarding the expenditure of energy efficiency funds for the previous calendar year. Such reports shall be filed with the DPU no later than August 1, unless filing or reporting requirements established by the DPU necessitate a different date, and posted to the Compact's web site within thirty days of submission to the DPU. In addition, the Compact shall periodically prepare written overviews of the Compact's program activities for each member for inclusion in its individual town annual reports.