

**Cape Light Compact Governing Board
Open Session Meeting Minutes
Wednesday, May 13, 2015**

The Governing Board of the Cape Light Compact convened on Wednesday, May 13, 2015 at 2:00 p.m. in Room 11/12, Superior Court House, 3195 Main Street, Barnstable, MA 02630.

PRESENT WERE:

1. Dr. Joyce Flynn, Chairwoman, Yarmouth
2. Robert Schofield, Vice-Chair, Bourne
3. Peter Cocolis, Treasurer, Chatham
4. Peter Cabana, Member at Large, Dukes County
5. Barry Worth, Secretary, Harwich
6. Sheila Lyons, Barnstable County until 3:01 p.m.
7. David Anthony, Barnstable
8. Deane Keuch, Brewster
9. Brad Crowell, Dennis – until 4:06 p.m.
10. Frederick Fenlon, Eastham
11. Paul Pimentel, Edgartown – remotely by phone
12. Ronald Zweig, Falmouth
13. Raymond Castillo, Orleans
14. Thomas Donegan, Provincetown
15. Everett Horn, Sandwich
16. Peter Fontecchio, Truro
17. Richard Elkin, Wellfleet
18. Susan Hruby, W. Tisbury

ABSENT WERE:

19. Michael Hebert, Aquinnah
20. Thomas Mayo, Mashpee
21. Richard Toole, Oak Bluffs
22. Timothy Carroll, Chilmark

LEGAL COUNSEL:

Jeffrey Bernstein, Esq., BCK Law, PC

STAFF PRESENT:

Margaret Downey, Administrator
Stephan Wollenburg, Sr. Power Supply planner
Margaret Song, Residential Program Manager
Meredith Miller, C&I Program Manager
Philip Moffitt, EM&V Manager
Lindsay Henderson, Marketing Coordinator & Data Analyst
Karen Loura, Administrative Assistant

CALL TO ORDER

Chr. Flynn called the meeting to order at 2:05 p.m. The meeting notice/agenda having been posted pursuant to the Open Meeting Law on the Cape Light Compact website.

PUBLIC COMMENT – There were no members of the public present.

CONSIDERATION OF MEETING MINUTES

B. Worth presented the April 8, 2015 Open Session Meeting Minutes for review and approval. R. Zweig noted the second sentence in the 5th paragraph on page 4 was not stated by him. The record does not name the member who made the statement but it may appear as it though it was attributed to him. The statement is “Our program will start in 2016 and the Compact is doing all of that without the meters.” P. Cocolis moved the

Board vote to strike the sentence and accept the minutes as amended, seconded by D. Anthony and voted by roll call vote as follows:

- | | | | |
|--------------------------------|-----------|------------------------------|-----|
| 1. S. Lyons, Barnstable County | Abstained | 11. B. Worth, Harwich | Yes |
| 2. D. Anthony, Barnstable | Yes | 12. R. Castillo, Orleans | Yes |
| 3. R. Schofield, Bourne | Yes | 13. T. Donegan, Provincetown | Yes |
| 4. D. Keuch, Brewster | Yes | 14. E. Horn, Sandwich | Yes |
| 5. P. Cocolis, Chatham | Yes | 15. P. Fontecchio, Truro | Yes |
| 6. B. Crowell, Dennis | Yes | 16. R. Elkin, Wellfleet | Yes |
| 7. P. Cabana, Dukes County | Yes | 17. S. Hrubby, West Tisbury | Yes |
| 8. F. Fenlon, Eastham | Yes | 18. J. Flynn, Yarmouth | Yes |
| 9. P. Pimental, Edgartown | Yes | | |
| 10. R. Zweig, Falmouth | Yes | | |
- Motion carried in the affirmative (17-0-1)

CHAIRMAN'S REPORT – NEXT MEETING CELEBRATION

Chr. Flynn said there will be a celebration in light of recently received notice of Department of Public Utilities (DPU) approval of the Updated Aggregation Plan at the next meeting and she invited members to come prepared to make comments on this and other accomplishments.

OVERVIEW OF MASSACHUSETTS CONFLICT OF INTEREST LAW This item was moved to the end of the agenda in the interest of time for anyone in need of training.

Treasurer's Report

P. Cocolis distributed 5/13/15 Operating Budget Expenditure Totals Report. He said the overage in medicare expense will be corrected with a funds transfer. Unspent funds will roll into Reserve Account 8046.

P. Cocolis distributed the 2015 Budgeted (based on 3-year plan and Actuals (January-April) Energy Efficiency Budget Report. He said the increased funding for the Heat Loan Program is in the proposed Mid-term Modification (MTM) filing. Once the MTM is approved, the budget will be increased and the lines will be adjusted. The MTM Hearing is scheduled for Friday, May 15th and the decision will be made in all likelihood before June 30th.

Proposed FY16 Operating Budget

M. Downey distributed the Proposed FY16 Operating Budget. R. Elkin asked about the appropriation for Streetlight Reserve. P. Cocolis reviewed the report line by line. He said appropriations to Barnstable County for Financial, Information Technology, Rent and Utilities are newly added line items beginning in FY16. He reported that it is not final but it has been proposed that the Cape Light Compact offices be moved to the Open Cape Building within the County Complex. If so, it will be necessary to provide additional cost for Facilities maintenance. He said this is good for the County as Cape Light Compact is producing \$100,000 revenue for the County. He said the County has supported Cape Light Compact since inception and it is good to be able to pay for services received.

There was discussion about in-state travel which is available to Board Members for travel expense reimbursement to and from meetings. It was agreed to look into providing a car service for use by the Martha's Vineyard members. R. Zweig who is near the Ferry terminal said he could also pick up and transport members to the meetings he attends.

M. Downey will provide the travel information to P. Pimentel.

DISCUSSION ON GRID MODERNIZATION AND POTENTIAL VOTE ON NEXT STEPS

S.Wollenburg provided a presentation entitled Grid Modernization dated 5/13/14. There was discussion about smart meters, granular data and demand response. M. Downey submitted a draft letter she is preparing to send to Eversource and there was discussion about opportunities for incorporating the Compacts energy efficiency programs with their Grid Modernization Plan. Eversource’s plan focuses primarily on large C & I customers but the Compact’s territory attributes 55% consumption to residential class. The draft letter requests continued dialogue with Eversource. Discussion about collaboration with other stakeholders with the Compact taking the lead is crucial. R. Zweig recommended a plan and annual review.

M. Downey noted that the DPU has acknowledged the importance of Eversource working with the Compact on energy efficiency opportunities. M. Downey asked for a sense of the Board who unanimously signaled their support by raising their hands.

ENERGY EFFICIENCY PROGRAM

Cape Cod Air Force Station

S. Wollenburg reviewed the energy efficiency retrofit project of installing variable frequency drives (VFD’s) at PAVE Phased Array Warning System (PAWS) and will save an estimated 475,046 kWh and 275 MMBTU annually. He requested the Board vote to provide \$220,000 in incentives. Board policy is to vote on government incentives above \$150,000. There was discussion about supporting local municipalities on the same level as the Federal Government. It was noted that they also contribute to the Conservation Fund as ratepayers on their Electric Bill and Cape Light Compact essentially is buying kWh. The Compact has incentivized other Federal Government Retrofit Projects. B. Crowell moved the board vote to approve an incentive of up to \$220,000 for the Cape Cod Air force Station Facility. 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 P. Cabana and voted by roll call as follows:

- | | | | |
|--------------------------------|-----|------------------------------|-----|
| 1. S. Lyons, Barnstable County | Yes | 11. B. Worth, Harwich | Yes |
| 2. D. Anthony, Barnstable | Yes | 12. R. Castillo, Orleans | Yes |
| 3. R. Schofield, Bourne | Yes | 13. T. Donegan, Provincetown | No |
| 4. D. Keuch, Brewster | Yes | 14. E. Horn, Sandwich | Yes |
| 5. P. Cocolis, Chatham | Yes | 15. P. Fontecchio, Truro | Yes |
| 6. B. Crowell, Dennis | Yes | 16. R. Elkin, Wellfleet | Yes |
| 7. P. Cabana, Dukes County | Yes | 17. S. Hrubby, West Tisbury | No |
| 8. F. Fenlon, Eastham | No | 18. J. Flynn, Yarmouth | Yes |
| 9. P. Pimentel, Edgartown | Yes | | |
| 10. R. Zweig, Falmouth | Yes | | |

Motion carried in the affirmative (15-3-0)

B. Crowell left the meeting at 4:04 p.m.

ADMINISTRATOR’S REPORT M. Downey provided an update to the Board of the DPU approval of the updated Aggregation Plan and next steps.

CVEC UPDATE

S. Wollenburg provided the background of the CVEC contract with ConEdison Solutions (CES) for the construction of 7 PV systems totaling about 750 kW producing roughly between 9,000 and 10,000 MWh/year. The systems came online in early 2010. CVEC contracted to purchase these Renewable Energy Certificates (RECs) from CES and to sell them to the Compact. The original REC price between CVEC and the Compact was \$40/REC. The Compact uses these RECs primarily for the CLC Green Program. CVEC’s original contract

with CES put maintenance responsibilities to CVEC. In 2014, after a small repair was needed at one of the systems, the CVEC board decided to negotiate with CES to put O&M responsibility to CES. This arrangement, in which the developer/PPA provider is also responsible for O&M is typical in the industry. It is beneficial because it aligns incentives – CES, which is compensated based on the systems’ outputs, has a strong incentive to ensure the systems are operating.

In order to compensate CES for taking on the responsibility for O&M, part of the negotiation was for CVEC to increase the PPA rate with CVEC. Given CVEC’s extremely limited budget and the attractive price at which the RECs were being sold to the Compact, CVEC asked if the Compact could increase the amount it paid for the RECs from the projects. One of the Compact’s primary interests is ensuring that the systems, by being well-maintained, continue to operate as designed, so that the Compact can continue to purchase local, reasonably-priced RECs. Because solar operations and maintenance is more of a core competency for CES than for CVEC, Compact staff believe that agreeing to pay \$45/REC (up from \$40) is a reasonable way to ensure that the systems do continue to operate well.

S. Wollenburg said that although REC prices are very volatile, current forward REC prices through 2017 exceed the \$45 REC price. This stable source of RECs produced from local PV systems will continue to anchor the Compact’s CLC Green program for the remaining ten years of the contract. For these reasons, Compact staff agreed to amend its agreement with CVEC for the RECs from the projects in question.

F. Fenlon asked for a Rise Engineering Presentation at a future meeting.

CVEC does not have funding to contract elsewhere for O&M. This agreement makes the contract consistent with all other contracts and the system owners get guaranteed annual output incentives.

The Board acknowledged receipt of Everett Horne’s letter of resignation from the Board. He indicated he will attend the June Meeting.

At 4:18 p.m., R. Elkin moved to adjourn, seconded by S. Lyons and voted unanimously in favor.

Respectfully submitted,

Karen Loura
Administrative Assistant

LIST OF DOCUMENTS Y EXHIBITS:

- 5/13/15 Meeting Notice/Agenda
- 4/8/15 Open Session Meeting Minutes – Draft
- Cape Light Compact Operating Fund Expenditure totals as of 5/12/15
- 2015 Budgeted vs Actuals Energy Efficiency Budget Report (January – April, 2015)
- Proposed FY 2016 Operating Budget
- Grid Modernization Power Point Presentation dated 5/13/15
- 5/3/15 Letter from Everett Horn