

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

**DATE:** Monday, June 13, 2016

**LOCATION:** Innovation Room, Open Cape Building  
3195 Main Street, Barnstable County Complex

**TIME:** 2:00 – 3:30 p.m.

## **AGENDA**

- 2:00 – 3:30 Meeting with Representative Randy Hunt
1. Proposed MA Legislation
  2. Compact Executive Session Document Request
  3. Questions



## Cape Light Compact

P.O. Box 427, Barnstable, MA 02630

1.800.797.6699 | Fax: 508.362.4136 | capelightcompact.org

### **Response to Specific Questions On the Cape Light Compact's Governance, Oversight and Operations**

*Is it true that consumers have no opportunity for input on Cape Light Compact policies and operations?*

Unlike private utilities, the Compact offers multiple opportunities for consumers to meet and communicate their concerns.

- opportunity at public Cape Light Compact Governing Board meetings
- opportunity to discuss with their town's Compact board representative
- opportunity to discuss with selectmen or town manager and/or town council
- opportunity to discuss with Compact staff
- opportunity at public meetings sponsored by the Compact to solicit customer feedback

*Is it true that the state does not provide on-going regulatory oversight on Compact operations?*

The Compact's operations are reviewed by the Massachusetts Department of Public Utilities. These reviews include:

- approval of the Compact's Three-Year Energy Efficiency Plans
- annual review and approval of Energy Efficiency Plan program expenditures and program savings
- approval of the Compact's Aggregation Plan
- submittal of Annual Report on its Power Supply program

*Is it true that the town governments on Cape Cod and Martha's Vineyard receive an unfair level of incentives for energy efficiency programs, and don't make energy efficiency payments ("have any skin in the game")?*

The Massachusetts Department of Public Utilities approved the Compact's ability to offer 100% incentives (no co-pay) for all cost effective energy efficiency measures for municipal facilities, which includes schools, colleges, libraries, Massachusetts Military Reservation facilities, and the Towns on Cape Cod and Martha's Vineyard. Providing enhanced incentives to municipal facilities benefits not only the Towns, state and federal governments through reduced energy consumption, but also benefits everyone on Cape Cod and Martha's Vineyard through the energy and money they save on town, state and federal budgets.

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It should also be noted that municipal operations such as schools are among the largest electric accounts and pay a comparatively high amount of money for energy efficiency charges on their electric bills.

The Compact has offered 100% incentives to other commercial customers for targeted commercial programs such as its "Main Streets" initiative offered to businesses in participating towns. In the 2016-2018 Energy Efficiency Plan the Compact is offering 100% incentives for up to 100 non-profit organizations. All of the utilities in Massachusetts offer specific programs for 100% incentives to selected commercial customers.

*Is it true that the Compact enjoys "loopholes" in Open Meeting Laws?*

The Compact complies with all provisions of the Open Meeting Law. The Massachusetts Attorney General's Office has reviewed and affirmed the Compact's procedures for compliance with the Open Meeting Law, specifically, the Compact's use of executive sessions.

*Would the process of electing Compact Board members guarantee a benefit to Compact operations?*

It is common for boards of selectmen and town managers to take advantage of local expertise and appoint individuals with backgrounds in business, energy, the environment, or other fields to regional boards such as the Cape Cod Commission, the Regional Transit Authority, or the Cape Light Compact. This provides the benefit of having a depth of experience and cooperative temperament to formulate policies and make decisions on a timely basis. Many individuals with this expertise and temperament might not be interested in financing and running a political campaign for an unpaid regional position, particularly in a time of increasingly negative campaigns. These individuals serve at the pleasure and discretion of a board of selectmen or town manager. They can be recalled by the selectmen or town manager and replaced at any time; this would not be true for elected board members. There is no guarantee that election of board members would improve the current quality of representation, conversely this process could introduce a politicizing influence and contention.

**Please See Additional FAQ Information on the Cape Light Compact Website at [www.capelightcompact.org/about](http://www.capelightcompact.org/about), and in the Compact's Annual Report.**

## Amendment #1025 to H.4200

### Amendment to Promote Transparency in Municipal Aggregator Reporting

Mr. Hunt of Sandwich moves to amend the bill by adding the following section:

\*SECTION XXXX. Chapter 40 of the General Laws is hereby amended by adding, after section 4K, the following new section:-

Section 4L. Any group of municipalities acting together to aggregate the electric load of interested electricity consumers within its boundaries for the transaction of any lawful business associated with the purchase of energy or energy related services to retail customers shall report annually to member municipalities on accurate and comprehensive records of services performed, costs incurred, and reimbursements and contributions received relating to the purchase of energy or energy related services to retail customers."

Timothy R. Whelan

**Cape Light Compact  
Governing Board  
Executive Sessions**

Purpose 10 Adopted as a MGL on July 1, 2010	Meeting Notice Cited Purpose 10 Yes/No	Meeting Minutes Posted to CLC web site before June 8, 2016 Yes/No	Meeting Minutes Available on CLC web site after June 8, 2016 with No Redactions Yes/No	Meeting Minutes Available on CLC web site after June 8, 2016 with Redactions Yes/No
7/14/10	No	Yes	Yes	
11/17/10	No	Yes	Yes	
3/23/11	Yes	Yes	Yes	
7/13/11	Yes	Yes	Yes	
9/14/11	Yes	Yes	Yes	
11/9/11	Yes	Yes	Yes	
10/24/12	Yes	Yes	Yes	
3/13/13	Yes	Yes	Yes	
8/14/13	Yes	Yes	Yes	
11/20/13	Yes	Yes	Yes	Yes (not Purpose 10)
1/8/14	Yes	No	No	Yes
6/11/14	Yes	No	No	Yes
7/9/14	Yes	No	No	Yes
9/10/14	Yes	No	No	Yes
10/8/14	Yes	No	No	Yes
11/12/14	Yes	No	No	Yes
12/10/14	Yes	No	No	Yes
3/11/15	Yes	No	No	Yes
4/13/16	Yes	No	No	Yes
6/8/16	Yes	Minutes Not Compiled	Minutes Not Compiled	Yes

date prepared 6/13/16



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### Links for Representative Hunt

Pricing and all power supply contracts: <http://www.capelightcompact.org/power-supply/>

- Pricing note: Cape Light Compact clearly discloses its prices and collection of operational adder on its website. Cape Light Compact also links directly to Basic Service website for customers to compare rates.
- Note: Exhibit A is redacted in all contracts as it has our pricing strategy, but Compact Light Compact has inserted historical pricing for each contract

Cape Light Compact Reports page: <http://www.capelightcompact.org/reports/>

- Energy Efficiency Budgets
- Operating and Power Supply budgets/funds
- All Cape Light Compact Financial Audit Reports
- Monthly town reports on energy efficiency expenditures and savings
- Annual Report to Communities on all Cape Light Compact activities

Municipal Aggregation reports on DPU Website: <http://www.mass.gov/eea/energy-utilities-clean-tech/electric-power/electric-market-info/muni-aggregation-annual-reports.html>

Approved 2016-2018 Energy Efficiency Plan: <http://3iy14ha9u771r7qzn35g0s6c.wpengine.netdna-cdn.com/wp-content/uploads/2014/09/2016-2018-Final-Cape-Light-Compact-Energy-Efficiency-Plan.pdf>

- *(Please refer to Exhibit Compact-10 and Compact-11 for Cape Light Compact-specific program enhancements – starts on page 298)*

*Working Together Toward A Smarter Energy Future*

By Mary Ann Bragg

Print Page

June 11, 2016 2:00AM

## Cape lawmaker seeks more oversight of regional energy agency

State Rep. Randy Hunt, R-East Sandwich, is proposing more oversight of the regional agency that buys power in bulk for thousands of customers on Cape Cod and Martha's Vineyard.

**HYANNIS** — State Rep. Randy Hunt, R-East Sandwich, is proposing more oversight of the regional agency that buys power in bulk for thousands of customers on Cape Cod and Martha's Vineyard.

Hunt is on the agenda Monday for the meeting of the Cape Light Compact's board and is expected to discuss his proposals with members.

The board had asked for the meeting with Hunt to better understand his recent filing in the state Legislature that sought annual reporting by the compact and similar multi-town agencies to member towns, compact administrator Maggie Downey said Friday.

"The board was perplexed," Downey said. "We do that every year."

The compact, which serves about 200,000 customers in 21 towns across the Cape and Islands, according to its website, is the state's only multi-town "aggregator," buying electricity in bulk from competitive suppliers on behalf of residents and businesses.

"I know he had proposed something that we had already done," said Robert Schofield, of Bourne, vice chairman of the compact's board. "That's why we asked him to sit down with us. This has opened up a wider focus on this whole thing."

In 2015, the state Department of Public Utilities approved the compact's revised operational plan, bringing an end to a regulatory review that included scrutiny from the state attorney general's office and critics of the regional energy agency.

At a meeting with the Times editorial board Thursday, Hunt said he wants the compact's board to be elected directly rather than appointed — as is currently the case — by elected leaders such as a selectmen or county commissioners.

"The ratepayer would probably like to say I'd like to control that board and have it work for us rather than work for the towns that put the people on the board to be the governing body," he said.

In particular, he criticized how the compact offers energy efficiency programs, such as solar equipment, to towns for free that businesses and residents must chip in for.

Towns "don't have to put any skin into the game at all" for the benefits they receive, he said.

Ratepayers lack any kind of control or say over how the compact or the Cape & Vineyard Electric Cooperative use ratepayer money, Hunt said. The compact had previously provided the majority of support for the cooperative, which was formed in 2007 to pursue renewable energy projects for its members, but has now stopped doing so.

Hunt said he would like to see the first election of the board take place in November 2018 but, in the meantime, he would like to see more oversight by the Department of Public Utilities.

He also wants to rein in an exception in the Open Meeting Law that allows the compact to decide what information in executive session meeting minutes it feels should be withheld because of what the board decides is a competitive disadvantage. Hunt said that, while he understands the need to protect proprietary information, he would like to see the release of executive session minutes within a certain time frame or a periodic report to a state watchdog agency, such as the attorney general's office, about why minutes can't be released.

"This is going to be something I'll file for the next session," Hunt said Thursday.

Hunt, who is a member of the Joint Committee on Telecommunications, Utilities and Energy, said he has spoken with Energy and Environmental Affairs Secretary Matthew Beaton about his concerns, as well as other members of the Cape delegation.

Downey said Friday she was unaware of Hunt's proposals for the next legislative session. Schofield, also unaware of Hunt's proposals, said the Legislature-approved charter of the compact is what determines the board is appointed rather than elected.

Downey defended her agency's financial incentives for public sector customers as cost-effective and legal. Downey said that at Hunt's request she was prepared to show on Monday the agency's release of executive session meeting minutes.

The board released the 2014 executive session meeting minutes in the past few days, she said, explaining that doing so was delayed by the focus in 2015 on getting the revised operational plan approved by the state.

"We never got to them," she said. "We were not timely in approving them."

— Follow Mary Ann Bragg on Twitter: @maryannbraggCCT