

Cape Light Compact Governing Board Meeting Executive Committee Meeting

DATE: Wednesday, September 16, 2015
LOCATION: Innovation Room, Open Cape Building, Barnstable County Complex
TIME: 1:00 – 4:30 p.m.

AGENDA

- 1:00 Public Comment
- 1:10 Approval of Minutes
- 1:15 Presentation and Discussion of 2014 Independently Audited Financial Statements, Chris Rogers, Clifton Larson Allen
- 1:45 Treasurer's Report, Peter Cocolis
Potential Vote to Ratify Treasurers' Approval of Contracts
- 1:55 Chairman's Report, Joyce Flynn
- 2:05 Update on Meeting with Attorney General
Potential Vote to Authorize Execution of Statement of Principles Between the Compact and the Attorney General Regarding Power Supply Rate Setting and Related Power Supply Activities
- 2:15 Presentation by Vineyard Power on Proposed Community Empowerment Legislation & Update of Offshore Wind Development in MA, Richard Andre
- 2:45 Energy Efficiency Program: 2016-2018 Planning Update
- 3:00 Review and Discuss Amendments to the Compact's Intergovernmental Agreement (Vote on IGA will be at future meeting)
- 3:45 CLC Green: Discussion and Vote on Proposed Amendments to Terms and Conditions and Funding, Stephan Wollenburg
- 4:00 Administrator's Report
1. Grid Modernization Update
 2. Potential Vote on Revised Vendor Contract Template
 3. Upcoming Meetings

Draft Minutes subject to addition, correction and Board approval
Cape Light Compact Governing Board
Open Session Meeting Minutes
Wednesday, July 8, 2015

The Governing Board of the Cape Light Compact convened on Wednesday, July 8, 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. Barry Worth, Secretary, Harwich
5. Sheila Lyons, Barnstable County from 2:42 p.m.
6. David Anthony, Barnstable
7. Deane Keuch, Brewster
8. Timothy Carroll, Chilmark – remotely by phone
9. Brad Crowell, Dennis
10. Frederick Fenlon, Eastham
11. Paul Pimentel, Edgartown- remotely by phone
12. Ronald Zweig, Falmouth
13. Thomas Mayo, Mashpee
14. Richard Toole, Oak Bluffs – remotely by phone
15. Raymond Castillo, Orleans
16. Thomas Donegan, Provincetown
17. Josh Peters, Sandwich
18. Richard Elkin, Wellfleet
19. Susan Hruby, W. Tisbury – remotely by phone

ABSENT WERE:

20. Michael Hebert, Aquinnah
21. Dukes County - vacant
23. Tisbury - vacant

Members Physically present: 15
Members Participating by phone: 4

OTHERS:

Joseph Buteau, Truro (impending appointee)

LEGAL COUNSEL:

Jeffrey Bernstein, Esq., BCK Law, PC

STAFF PRESENT:

Margaret Downey, Administrator
Matthew Dudley, C/I Program Planner
Briana Kane, Sr. Residential Program Coordinator
Vicki Marchant, C/I Program Analyst
Deborah Fitton, Energy Education Coordinator
Meredith Miller, C&I Program Manager
Philip Moffitt, EM&V Manager
Lindsay Henderson, Marketing Coordinator & Data Analyst
Karen Laura, Administrative Assistant

CALL TO ORDER Chr. Flynn called the meeting to order at 2:00 p.m. The [meeting notice/agenda](#) was posted pursuant to the Open Meeting Laws on Monday, July 6, 2015 at 9:53 a.m.

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PUBLIC COMMENT Chr. Flynn introduced Joshua Peters, newly appointed Board Member representing Sandwich to fill the vacancy created by the resignation of Everett Horn. J. Peters said he is the new Sandwich Assistant Town Planner as of May, 2015 and was recently sworn in.

D. Fitton announced the National Energy Education Development Program (NEED) has recognized the Martha's Vineyard Regional High School as the Massachusetts Senior School of the Year and they were awarded at the 2015 Ceremony taking place in Washington DC. The students formed the "M-vironment Club" with the leadership of Dana Munn, Natalie Munn and Anna Cotton, MVRHS Teachers. High School Students focused on educating elementary school children on energy and energy efficiency. Additional information on their project is available at: http://www.need.org/Files/Youth%20Awards/projects/MA_MarthasVineyard.pdf.

CONSIDERATION OF MEETING MINUTES

B. Worth presented meeting minutes of [June 10, 2015 Governing Board Open Session Meeting Minutes](#). P. Pimentel requested he be listed as absent. D. Anthony requested a correction on pg. 3, 5th paragraph, second sentence. T. Mayo agreed the words "money per" be inserted before month. (...amounts seem like a lot of money per month.") P. Cocolis moved the Board vote to accept the minutes as amended, seconded by D. Keuch and voted by roll call as follows:

- | | | | |
|--------------------------------|-----|----------------------------------|-----|
| 1. D. Anthony, Barnstable | Yes | 11. B. Worth, Secretary, Harwich | Yes |
| 2. S. Lyons, Barnstable County | Yes | 12. T. Mayo, Mashpee | Abs |
| 3. R. Schofield, Bourne | Yes | 13. R. Toole, Oak Bluffs | Yes |
| 4. D. Keuch, Brewster | Yes | 14. T. Donegan, Provincetown | Yes |
| 5. P. Cocolis, Chatham | Yes | 15. J. Peters, Sandwich | Yes |
| 6. T. Carroll, Chilmark | Abs | 16. R. Elkin, Wellfleet | Yes |
| 7. B Crowell, Dennis | Abs | 17. S. Hruby, W. Tisbury | Yes |
| 8. F. Fenlon, Eastham | Yes | 18. J. Flynn, Yarmouth | Yes |
| 9. P. Pimentel, Edgartown | Abs | | |
| 10. R. Zweig, Falmouth | Yes | | |
- Motion carried in the affirmative (14-0-4).

B. Worth presented the [April 24, 2015 Executive Committee Meeting Minutes](#). It was requested the acronyms (HES and RCS) at the top of pg. 3 be spelled out for consistency. B. Schofield moved the Executive Committee vote to accept the minutes as amended, seconded B. Worth and voted unanimously in favor (4-0-0).

CHAIRMAN'S REPORT

Chr. Flynn suggested a glossary for acronyms be organized for distribution at the October Board Meeting. A few Board members expressed an interest in working on this issue. M. Downey said the staff has an edition which could be helpful.

Chr. Flynn reported Attorney General Maura Healy will have a meeting with Cape Light Compact at a time to be announced.

TREASURER'S REPORT

P. Cocolis distributed 2015 Budgeted Energy Efficiency report based on the Mid-term Modification (MTM) and 2015 Actuals ([Jan-June, 2015](#)). The MTM funds have been added. He said the Compact is at 38.2% of budget with invoice payments outstanding. M. Downey reminded the Board of the three Sector Areas of Residential, Low-Income and Commercial/Industrial. Each sector contains programs as listed and within the programs are the initiatives. 20% over budget at the program level (or 2% variance in the bill impact) over the 3 years triggers the need for a MTM. Programs containing products and services are market driven and cannot be foreknown.

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P. Cocolis distributed the [Operating Budget report dated 7/8/15](#). It is 92.2% complete with \$120,000 remaining. There is \$81,000.00 in encumbrances. All FY 15 invoices will be paid within budget. Remaining budget funds revert to Cape Light Compact Account 8046. The final budget report will be available at the September meeting. The current adder is set at a mil. The mil adder is established in a manner consistent with the updated Aggregation Plan. R. Zweig asked if the Compact continues to be included in the County audit. M. Downey said the Compact continues to be included in the County's Audit as an agency fund. The Cape Light Compact contracts for independent audits of its own funds. There was discussion as to whether the Compact Audit is really necessary. M. Downey expressed support for independent auditing and reminded the Board that the Compact included Annual Independent Audits within the Updated Aggregation Plan (AP). There was discussion about the value of approaching an amendment to the AP. Atty. Bernstein said it is an important part of the Compact's relationship with the DPU and even though there are no issues there could always be. M. Downey supported it as a good business practice. S. Lyons agreed. P. Cocolis said he also appreciates the management practices recommendations which come out of an audit. The audit cost \$35,000 this year, and the Compact arranged for audits from 2003-present.

ENERGY EFFICIENCY PROGRAM

1. 2016-2018 Energy Efficiency Plan, Commercial & Industrial Programs

M. Miller provided a Power Point Presentation entitled: [Bill Impacts for Proposed New C&I Efforts 2016-2018](#). M. Downey explained that every customer pays an Energy Efficiency Reconciliation Factor (EERF) fee based on customer type. M. Downey said the Advisory Council has recommended focus on hard to reach, low-income customers. There was discussion of the bill impact and calculations if the Board chooses to move forward with 100% incentive. M. Miller explained most customers are G1 rated. Currently customer contributes 80% and the incentive payment is 20% of cost. The actual budgetary impact is \$200,000/year in additional cost. However, the cost is based on the amount of activity/participation. The actual cost may be more because the group will be directly targeted and marketed to Statewide. M. Miller said the new database will enable the Compact to track this group.

There was discussion about the lack of co-pay as a barrier to low-income participation. Each regional Program Administrator is required to file a plan to reach Low-income organizations as well as submit the bill impact. The way they are submitted on State forms makes it difficult for a member of the general public to understand. The Compact brings it to a very simple level and provides information about bill impacts to our customers. M. Downey said this provides the opportunity to serve customers of all fuel types. There was discussion about programs to assist customers who have electric heating systems to convert. Provincetown has a lot of electric heat. M. Dudley said if there is an opportunity for savings, the Compact will weatherize the building. He said usually the conversion to mini-split systems provide the majority of savings. Condominiums with individual electric heat systems can be incentivized through the Residential Multi-family Program. M. Miller said this presentation covers all fuel types including propane and oil. She said seasonality is an issue and impacts the plan.

There was discussion about the way Eversource charges for Streetlights and the need to work with them to accept meter data for billing. Currently Eversource sets a tariff per light. With the proposed program, controls with motion detectors will need to be added to the streetlights. There was discussion about infra-red technology. There as discussion that the motion detectors may make most sense with some parking lot lighting. There was discussion about "Public Safety Standards" being paramount and that municipalities dictate public safety needs.

It was estimated to cost slightly above \$200 to retrofit street lights with controls. Proposed is a trial program for 300 units (100/year). Once evaluated and if successful and supported, the Compact would retrofit the streetlights. D. Anthony reported Barnstable has a number of un-metered lights at their public schools. P. Pimentel said he has received feedback and pushback from Federal Government customers about low light levels in parking lots. There was discussion about a package system in use in Cuba which includes streetlights, a solar collector and a battery. R. Zweig noted the inconsistency of streetlight siting in Falmouth.

Fred Fenlon left the meeting during the C&I Presentation

The Compact offered Towns the opportunity to de-lamp and the decisions were left to the local Departments of Public Works (DPW's). R. Schofield said during the late 80's & 90's, the Towns cut street lights from budgets.

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M. Miller reviewed the Municipal criteria and Benefit Cost Ratio (BCR) of 1.0 for 100% incentive. The Board discussed whether or not it should continue to provide 100% incentive for all cost effective measures. There was discussion about developing a 3-tiered program for the Municipal Energy Efficiency Program and possibly adding a scaled BCR approach as an alternative. Example: 2BCR receives 100% incentive, 1.75 BCR receives 90% incentive, etc.

S. Hruby expressed support of the updated Municipal Incentive Program adding it is important to formally communicate it to the Towns before budgeting season.

M. Downey said Towns have had 100% incentive because of lack of funding. She said the Compact could pursue a scale if supported by the Board. The 100% policy has been in place since 2001. D. Anthony expressed support for policy change as the landscape has changed and Towns are now calculating energy costs into all capital projects. M. Downey asked for a sense of the Board whether to eliminate the 100% incentive or perhaps continue but add a floor and a ceiling on the incentive amount. S. Hruby said set a cap which once reached would go to lower incentive for other projects. T. Donegan supports a bundle of savings approach vs. individual measures. He said if savings are bundled then incentives should be 100%. There was discussion about the structure of the municipal incentive program. M. Downey would like to meet with staff to brainstorm alternatives/options to present back to the Board.

B. Crowell left the meeting at 3:46 p.m.

2. Role of Energy Service Corporations (ESCOs) Energy Service Corporation

M. Downey informed the Board of an invitation to meet from Paul Gentile, Falmouth Energy Services Company (ESCO) Project Manager to persuade towns to work with ESCO's. She said there are pros and cons to ESCO's and the Compact does not have a policy. She said with an ESCO projects can be bundled into larger portfolios but pricing is usually higher as it includes compensation to the ESCO. M. Downey will send out a listing of pros and cons to assist towns for consideration locally. P. Pimentel disclosed he is Chief Engineer of NORESKO which is an ESCO. The work done in Falmouth was great but there are considerations. ESCO's raise legal and due diligence issues because they are long term.

3. US Environmental Protection Agency (EPA) Change-a-Light-Change-World Promotion

B. Kane provided a Power Point Presentation entitled [Energy Star Change the World Tour 2016](#) which is a national effort by the Environmental Protection Agency (EPA). The theme is "Power of Positive Energy". The EPA has asked that interested participants respond by August 28, 2015. The Light Emitting Diode (LED) bulb sales campaign would take place during the month of October, 2016. The Compact would work with a lighting partner and two 501 (3) (c) organizations (one on Cape Cod and one on Martha's Vineyard) would be selected randomly. She said this is similar to the Elle Fund Campaign which raised money for breast cancer. There was discussion about whether the program would divert or enhance existing programs. B. Kane said the staff demands would be minimal and the expense would be \$20-50,000 which would result in added energy savings to the Compact's goals. This is a 2016 budget item with minimal budget impact and would be Cape Light Compact specific. S. Lyons did not see a downside and said in consideration of the Compact's mission. The sense of the Board was to support moving forward. B. Kane said she will provide the solicitation to the Board.

DPU 15-37 - INVESTIGATION INTO NEW GAS DELIVERY CAPACITY FOR NEW ENGLAND

"Investigation by the Department of Public Utilities (DPU) on its own Motion into the means by which new natural gas delivery capacity may be added to the New England market, including actions to be taken by the electric distribution companies (EDC)." http://web1.env.state.ma.us/DPU/FileRoomAPI/api/Attachments/Get?path=15-37%2fOrder_NOI_042715.pdf Atty. Bernstein provided an overview of the issue and the Compact's comments. It was noted that Attorney General Healey is conducting a comprehensive study on this issue.

The Board discussed the timing of submitting Compact comments.

ADMINISTRATOR'S REPORT

M. Downey reported the Cape Light Compact will host a presentation on Thursday, July 16th at the Mashpee Public Library on the proposed 2016-2018 Energy Efficiency Plan Individual meetings with Boards of Selectmen or possibly joint Selectmen/Councilors meetings will be arranged to provide an update.

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1. Grid Mod Update

M. Downey reported on a meeting with Eversource relative to Grid Modernization. Eversource will file their plan August 6, 2015. The Compact will be very active in the Docket. Many people are not aware of this effort and the Compact is including this topic as part of its community outreach on the energy efficiency plan. .

At 4:33 p.m. R. Castillo and J. Flynn left the meeting

At 4:33 p.m. the meeting ended due to the lack of a quorum.

Respectfully submitted,

Karen E. Loura

Administrative Assistant

2. Aggregation Plan and Related Follow-Up

M. Downey provided an update on the Aggregation Plan to those present. There was no discussion.

CVEC UPDATE

None

LIST OF DOCUMENTS & EXHIBITS

- Meeting Notice/Agenda
- April 24, 2015 Executive Committee Open Session Meeting Minutes – Draft
- June 10, 2015 Governing Board Open Session Meeting Minutes – Draft
- January-June, 2015 Energy Efficiency Budget
- July 8, 2015 Cape Light Compact Operating Budget Report
- PPT – Bill Impacts for Proposed New C&I Efforts 2016-2018
- PPT – Energy Star® Change the World Tour 2016
- Copy of letter of appointment to Josh Peters from the Sandwich Selectmen dated 6/30/15

Minutes Reviewed by B. Worth on: 7/28/15

Cape Light Compact

2014 Audit Exit Conference

Date: September 16, 2015

Presented by: Chris Rogers, CPA, Principal



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Agenda

- Financial statements
 - Structure
 - Reporting entity
 - Opinion
 - Financial statement summary
 - ◇ Financial highlights
 - ◇ Significant footnotes
 - ◇ Additional Information
- Reports on Internal Control Over Financial Reporting and on Compliance and Other Matters
- Governance Communication
- Questions

Financial Statement Structure

- Auditors' opinion (1-2)
- Management's discussion and analysis (3-7)
- Financial statements and notes (9-18)
- Additional information
 - Combining statement of net position by program (19)
 - Combining statement of revenues, expenses and changes in net position by program (20)
 - Reconciliation of Audited Energy Efficiency GAAP Expenses to DPU Report (21)

Reporting Entity

- Financial statements include the direct financial activities of the Compact, such as:
 - Energy efficiency programs funded by:
 - ◇ Energy efficiency/system benefit charges
 - ◇ EERF charges
 - ◇ RGGI proceeds received via the Commonwealth
 - ◇ Forward capacity market
 - Opt-in green program
- Financial statements do not include:
 - Federal and state grants received by Barnstable County but administered by the Compact
 - ◇ These funds are reported as governmental funds in Barnstable County's annual audited financial statements

Opinion

- Unmodified opinion (1-2)
 - ◇ FS presented fairly, in all material respects, the financial position and results of operations and cash flows in accordance with GAAP (GASB)
 - ◇ Best opinion available and consistent with prior years

Financial Highlights

Statement of Net Position				
	<u>2014</u>	<u>2013</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Assets				
Cash	\$9.3M	\$7.0M	\$2.3M	33%
Receivables	\$3.6M	\$4.4M	(\$0.8M)	(18%)
Other (IA)	\$0.1M	\$0.1M	\$0.0M	0%
Liabilities				
Payables	\$8.8M	\$3.4M	\$5.4M	159%
Accrued payroll and other	\$0.1M	\$0.0M	\$0.1M	N/A
Due to BC (Noncurrent)	\$0.6M	\$0.5M	\$0.1M	20%
Other	\$0.1M	\$0.1M	\$0.0M	0%
Net Position	\$3.5M	\$7.5M	(\$4.0M)	(53%)

Financial Highlights

- Components of net position by Program
 - Energy Efficiency - \$1.9M
 - Power Supply Reserve - \$0.9M
 - Operating Fund - \$501k
 - Green Program - \$212k

Financial Highlights

Statement of Revenues, Expenses and Changes in Net Position

	<u>2014</u>	<u>2013</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Operating Revenues				
Energy Efficiency	\$29.9M	\$28.1M	\$1.8M	6%
Mil-adder	\$1.0M	\$1.0M	\$0.0M	0%
Intergovernmental	\$1.9M	\$2.2M	(\$0.3M)	(14%)
Other	\$0.1M	\$0.1M	\$0.0M	0%
Operating Expenses				
Salaries and Benefits	\$1.8M	\$1.6M	\$0.2M	13%
Energy Efficiency	\$34.6M	\$23.5M	\$11.1M	47%
Grants to CVEC	\$0.4M	\$0.4M	\$0.0M	0%
Legal	\$0.8M	\$0.7M	\$0.1M	14%
Other	\$0.6M	\$0.7M	(\$0.1M)	(14%)

Financial Highlights

Statement of Revenues, Expenses and Changes in Net Position (Continued)

	<u>2014</u>	<u>2013</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Nonoperating Revenues (Expenses)				
Forward Cap Market	\$1.1M	\$1.0M	\$0.1M	10%
REC's	\$0.2M	\$0.3M	(\$0.1M)	(33%)
Change in Net Position	(\$4.0M)	\$5.8M	(\$9.8M)	(169%)

Significant Footnotes

- Note 5 - Long-term Obligations (p 15)
 - Due to Barnstable County - \$568k
 - ◇ Represents charge backs related to Net OPEB Obligation
 - ◇ 2014 Charge back totaled \$99k
 - ◇ See Note 6 (p 16) for further detail
 - Compensated absences - \$97K

Significant Footnotes

- Note 8 – Related Party Transactions (16-17)
 - Administrative services agreement with County
 - Grant provided to CVEC (\$403K)
 - The Compact has secured a \$100k line of credit for CVEC
 - ◇ No amounts have been drawn
 - The Compact purchases (at CVEC’s cost) REC’s purchased by CVEC for the Compact’s Green Program
 - ◇ Purchases totaled \$38,000
 - \$100k loan authorized to CVEC for potential cash flow deficits
 - ◇ Loan period is 6 months and an interest rate of 1.1%
 - ◇ No amounts have been drawn on the authorization

Significant Footnotes

- Note 10 – Commitments (18)

- REC Purchases

- ◇ Committed under an agreement to purchase RECs at fixed prices through June 2016
 - Estimated commitment totals \$5.5M
 - ◇ Committed to purchase all REC's purchased by CVEC for an amount equal to CVEC's cost through September 2015
 - Amount cannot be reasonably estimated

- REC Sales

- ◇ Committed to sell REC's it has acquired (or had committed to acquire) at fixed prices through June 2015
 - Expected inflows total \$405k

Significant Footnotes

- Note 10 – Commitments (18)
 - Compact participates in ISO-NE Forward Capacity Market
 - ◇ Committed to deliver specified units of EE at a fixed price per unit
 - Penalties are assessed if Compact fails to deliver its capacity supply obligation
- Note 11 – Future GASB Pronouncements (18)
 - Accounting for pensions

Additional Information

- Additional Information (19-21)
 - Combining statement of net position by program (19) and combining statement of revenues, expenses and changes in net position by program (p 20)
 - ◇ These statements segregate the Compact's activities between Energy Efficiency, Power Supply Reserve, budgeted operating funds and the Green Program
 - Reconciliation of audited GAAP EE operating expenses to annual DPU report (p 21)

Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- Document structure
 - Report on internal control (IC) over financial reporting (FR), compliance and other matters
 - ◇ Required by Government Auditing Standards
 - ◇ No opinion provided
 - ◇ Must report the following:
 - Any significant deficiencies or material weaknesses in internal control over financial reporting
 - Material noncompliance related to laws, regulations, contracts and grant agreements
 - ◇ Results
 - No findings

Governance Communication

- Contents of letter
 - Accounting policies, estimates and disclosures
 - Difficulties encountered
 - Uncorrected and corrected misstatements
 - Disagreements with management
 - Management representations
 - Management consultations with other independent accountants
 - Other audit findings
 - Other information contained in the audited financial statements

Questions



2015 Budgeted (Based on 2015 MTM)

Program	PA Costs					Total PA Costs
	PPA	Marketing	Incentives	STAT	EMV	
Residential (total)	\$1,448,784	\$638,206	\$17,110,128	\$2,929,311	\$885,502	\$22,707,927
1. Residential Whole House	\$ 1,024,711	\$ 187,258	\$ 13,782,322	\$ 1,381,999	\$ 617,918	\$ 16,994,208
Residential New Construction	\$ 22,510	\$ 17,730	\$ 250,002	\$ 91,755	\$ 7,507	\$ 389,503
Residential Multi-Family Retrofit	\$ 32,633	\$ 18,957	\$ 507,822	\$ 39,793	\$ 15,453	\$ 614,658
Residential Home Energy Services	\$ 969,568	\$ 150,571	\$ 12,999,997	\$ 1,160,952	\$ 594,958	\$ 15,876,046
Residential Behavior/Feedback	\$ -	\$ -	\$ 24,501	\$ 89,500	\$ -	\$ 114,001
2. Residential Products	\$ 296,088	\$ 162,034	\$ 3,267,803	\$ 448,811	\$ 56,194	\$ 4,230,930
Residential Cooling & Heating Equipment	\$ 82,607	\$ 18,017	\$ 1,604,378	\$ 113,042	\$ 29,932	\$ 1,847,976
Residential Lighting	\$ 160,740	\$ 48,236	\$ 197,408	\$ 162,218	\$ 30,821	\$ 599,423
Residential Consumer Products	\$ 52,741	\$ 95,780	\$ 1,466,016	\$ 173,552	\$ (4,558)	\$ 1,783,532
3. Residential Hard-to-Measure	\$ 125,985	\$ 288,914	\$ 80,000	\$ 998,500	\$ 11,389	\$ 1,482,789
Residential Statewide Marketing	\$ -	\$ 132,914	\$ -	\$ -	\$ -	\$ 132,914
Residential DOER Assessment	\$ 101,000	\$ -	\$ -	\$ -	\$ 11,389	\$ 112,389
Residential EEAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Sponsorship & Subscriptions	\$ 24,985	\$ -	\$ -	\$ -	\$ -	\$ 24,985
Residential HEAT Loan	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ 850,000
Residential Workforce Development	\$ -	\$ -	\$ -	\$ 133,500	\$ -	\$ 133,500
Residential R&D and Demonstration	\$ -	\$ -	\$ 60,000	\$ 15,000	\$ -	\$ 75,000
Residential Education	\$ -	\$ 154,000	\$ -	\$ -	\$ -	\$ 154,000
Low-Income (total)	\$446,099	\$110,113	\$2,646,056	\$1,039,566	\$63,468	\$4,325,302
4. Low-Income Whole House	\$ 364,853	\$ 52,395	\$ 2,646,056	\$ 1,039,566	\$ 78,921	\$ 4,181,792
Low-Income New Construction	\$ 5,626	\$ 682	\$ 104,779	\$ 1,688	\$ 3,431	\$ 116,207
Low-Income Single Family Retrofit	\$ 302,503	\$ 44,834	\$ 2,169,721	\$ 807,914	\$ 62,841	\$ 3,387,813
Low-Income Multi-Family Retrofit	\$ 56,725	\$ 6,878	\$ 371,556	\$ 229,964	\$ 12,649	\$ 677,772
5. Low-Income Hard-to-Measure	\$ 81,246	\$ 57,718	\$ -	\$ -	\$ 4,547	\$ 143,510
Low-Income Statewide Marketing	\$ -	\$ 18,143	\$ -	\$ -	\$ -	\$ 18,143
Low-Income DOER Assessment	\$ 15,288	\$ -	\$ -	\$ -	\$ 4,547	\$ 19,835
Low-Income Energy Affordability Network	\$ 65,958	\$ 39,575	\$ -	\$ -	\$ -	\$ 105,533
Commercial & Industrial (total)	\$1,208,939	\$349,093	\$10,412,299	\$1,348,408	\$834,343	\$13,953,080
6. C&I New Construction	\$ 243,903	\$ 79,373	\$ 1,833,699	\$ 203,302	\$ 158,179	\$ 2,518,456
C&I New Construction	\$ 243,903	\$ 79,373	\$ 1,833,699	\$ 203,302	\$ 158,179	\$ 2,518,456
7. C&I Retrofit	\$ 934,375	\$ 206,915	\$ 8,578,600	\$ 1,145,104	\$ 461,475	\$ 11,326,469
C&I Retrofit	\$ 436,054	\$ 102,828	\$ 4,500,127	\$ 501,140	\$ 134,292	\$ 5,674,441
C&I Direct Install	\$ 498,320	\$ 104,087	\$ 4,078,473	\$ 643,964	\$ 327,184	\$ 5,652,028
8. C&I Hard-to-Measure	\$ 30,661	\$ 62,805	\$ -	\$ -	\$ 14,689	\$ 108,155
C&I Statewide Marketing	\$ -	\$ 62,805	\$ -	\$ -	\$ -	\$ 62,805
C&I DOER Assessment	\$ 19,740	\$ -	\$ -	\$ -	\$ 14,689	\$ 34,429
C&I EEAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C&I Sponsorships & Subscriptions	\$ 10,921	\$ -	\$ -	\$ -	\$ -	\$ 10,921
GRAND TOTAL	\$3,101,822	\$1,095,411	\$30,168,461	\$5,217,283	\$1,403,312	\$40,986,309

2015 Actuals (January Through August)

Program	PA Costs					Total PA Costs
	PPA	Marketing	Incentives	STAT	EMV	
Residential (total)	\$700,909	\$304,103	\$10,375,778	\$1,048,282	\$504,509	\$12,933,580
1. Residential Whole House	\$ 461,297	\$ 94,931	\$ 8,327,701	\$ 368,957	\$ 314,737	\$ 9,567,623
Residential New Construction	\$ 10,133	\$ 3,020	\$ 156,105	\$ 39,380	\$ 4,440	\$ 213,079
Residential Multi-Family Retrofit	\$ 14,691	\$ 2,616	\$ 340,357	\$ 26,193	\$ 22,800	\$ 406,657
Residential Home Energy Services	\$ 436,473	\$ 89,296	\$ 7,807,239	\$ 241,217	\$ 287,496	\$ 8,861,721
Residential Behavior/Feedback	\$ -	\$ -	\$ 24,000	\$ 62,167	\$ -	\$ 86,167
2. Residential Products	\$ 133,291	\$ 76,315	\$ 2,048,077	\$ 238,676	\$ 186,735	\$ 2,683,092
Residential Cooling & Heating Equipment	\$ 37,187	\$ 11,063	\$ 514,853	\$ 59,309	\$ 56,821	\$ 679,233
Residential Lighting	\$ 72,361	\$ 47,839	\$ 1,423,212	\$ 108,684	\$ 119,887	\$ 1,771,983
Residential Consumer Products	\$ 23,743	\$ 17,413	\$ 110,012	\$ 70,683	\$ 10,027	\$ 231,876
3. Residential Hard-to-Measure	\$ 106,321	\$ 132,857	\$ -	\$ 440,649	\$ 3,038	\$ 682,865
Residential Statewide Marketing	\$ -	\$ 77,244	\$ -	\$ -	\$ -	\$ 77,244
Residential DOER Assessment	\$ 96,364	\$ -	\$ -	\$ -	\$ 3,038	\$ 99,402
Residential EEAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential Sponsorship & Subscriptions	\$ 9,957	\$ -	\$ -	\$ -	\$ -	\$ 9,957
Residential HEAT Loan	\$ -	\$ -	\$ -	\$ 436,115	\$ -	\$ 436,115
Residential Workforce Development	\$ -	\$ -	\$ -	\$ 4,532	\$ -	\$ 4,532
Residential R&D and Demonstration	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 3
Residential Education	\$ -	\$ 55,613	\$ -	\$ -	\$ -	\$ 55,613
Low-Income (total)	\$193,722	\$50,746	\$1,227,751	\$370,154	\$46,656	\$1,689,031
4. Low-Income Whole House	\$ 164,247	\$ 33,136	\$ 1,227,751	\$ 370,154	\$ 46,219	\$ 1,841,508
Low-Income New Construction	\$ 2,533	\$ 451	\$ 102,065	\$ 938	\$ 1,332	\$ 107,320
Low-Income Single Family Retrofit	\$ 136,179	\$ 28,138	\$ 1,012,462	\$ 320,500	\$ 35,563	\$ 1,532,842
Low-Income Multi-Family Retrofit	\$ 25,536	\$ 4,547	\$ 113,224	\$ 48,715	\$ 9,324	\$ 201,346
5. Low-Income Hard-to-Measure	\$ 29,475	\$ 17,611	\$ -	\$ -	\$ 437	\$ 47,523
Low-Income Statewide Marketing	\$ -	\$ 15,017	\$ -	\$ -	\$ -	\$ 15,017
Low-Income DOER Assessment	\$ 25,152	\$ -	\$ -	\$ -	\$ 437	\$ 25,588
Low-Income Energy Affordability Network	\$ 4,323	\$ 2,594	\$ -	\$ -	\$ -	\$ 6,918
Commercial & Industrial (total)	\$612,679	\$181,132	\$5,165,163	\$594,000	\$509,758	\$7,042,731
6. C&I New Construction	\$ 109,799	\$ 19,552	\$ 1,073,976	\$ 229,097	\$ 110,164	\$ 1,542,587
C&I New Construction	\$ 109,799	\$ 19,552	\$ 1,073,976	\$ 229,097	\$ 110,164	\$ 1,542,587
7. C&I Retrofit	\$ 420,630	\$ 75,617	\$ 4,091,188	\$ 364,903	\$ 399,547	\$ 5,351,885
C&I Retrofit	\$ 196,300	\$ 34,956	\$ 1,978,984	\$ 214,103	\$ 173,029	\$ 2,597,372
C&I Direct Install	\$ 224,330	\$ 40,661	\$ 2,112,203	\$ 150,801	\$ 226,517	\$ 2,754,513
8. C&I Hard-to-Measure	\$ 82,250	\$ 65,962	\$ -	\$ -	\$ 48	\$ 148,260
C&I Statewide Marketing	\$ -	\$ 65,962	\$ -	\$ -	\$ -	\$ 65,962
C&I DOER Assessment	\$ 73,345	\$ -	\$ -	\$ -	\$ 48	\$ 73,393
C&I EEAC Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C&I Sponsorships & Subscriptions	\$ 8,905	\$ -	\$ -	\$ -	\$ -	\$ 8,905
GRAND TOTAL	\$1,507,309	\$515,983	\$16,768,692	\$2,012,435	\$1,080,923	\$21,865,343

als as Percent of

PA Costs	Total PA Costs
	57.0%
	56.3%
	54.7%
	66.2%
	55.8%
	75.6%
	63.4%
	36.8%
	91.0%
	53.3%
	46.1%
	58.1%
	88.4%
	0.0%
	39.9%
	51.3%
	3.4%
	0.0%
	36.1%
	43.7%
	44.0%
	92.4%
	45.2%
	29.7%
	33.1%
	82.8%
	129.0%
	6.6%
	50.5%
	61.3%
	61.3%
	47.3%
	45.8%
	48.7%
	137.1%
	105.0%
	213.2%
	0.0%
	81.5%
	53.3%

Source:

FOR 2016 03

ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED

120 CAPE LIGHT COMPACT						

3074 CAPE LIGHT COMPACT OPERTG FUND						

3074 5100	CLC OPERTG FD-SALARIES					
0.00	194,586.00	194,586.00	42,334.37	0.00	152,251.63	21.8%
3074 5213	CLC OPERTG FD-TELEPHONES					
0.00	3,000.00	3,000.00	0.00	0.00	3,000.00	.0%
3074 5220	CLC OPERTG FD-UTILITIES					
0.00	4,500.00	4,500.00	0.00	0.00	4,500.00	.0%
3074 5233	CLC OPERTG FD-AUDIT/ACCTG SVCS					
0.00	40,000.00	40,000.00	11,000.00	0.00	29,000.00	27.5%*
3074 5235	CLC OPERTG FD-LEGAL SERVICES					
0.00	317,575.00	317,575.00	35,133.26	0.00	282,441.74	11.1%
3074 5238	CLC OPERTG FD-IT COUNTY SUPPRT					
0.00	8,750.00	8,750.00	0.00	0.00	8,750.00	.0%
3074 5239	CLC OPERTG FD-CONTRACTUAL					
0.00	65,000.00	65,000.00	8,972.50	0.00	56,027.50	13.8%
3074 5270	CLC OPERATG FD-CUSTO/MAIN-CNTY					
0.00	9,226.00	9,226.00	0.00	0.00	9,226.00	.0%
3074 5281	CLC OPERTG FD-OUTSTATE TRAVEL					
0.00	6,000.00	6,000.00	0.00	0.00	6,000.00	.0%
3074 5282	CLC OPERTG FD-IN STATE TRAVEL					
0.00	16,000.00	16,000.00	1,538.13	0.00	14,461.87	9.6%
3074 5291	CLC OPERTG FD-ADVERTISING					
0.00	38,561.00	38,561.00	8,790.34	0.00	29,770.66	22.8%
3074 5293	CLC OPER-OUTRCH/MARKETG CONTRC					
0.00	63,365.00	63,365.00	12,485.75	52,935.00	-2,055.75	103.2%*
3074 5294	CLC OPERTG FD-FREIGHT/SHIPPG					
0.00	250.00	250.00	0.00	0.00	250.00	.0%
3074 5295	CLC OPERTG FD-PRINTG/COPYG					
0.00	10,627.30	10,627.30	2,243.48	3,108.28	5,275.54	50.4%*
3074 5298	CLC OPERTG-LED ST LIGHTS-CONTR					
0.00	15,000.00	15,000.00	0.00	0.00	15,000.00	.0%
3074 5320	CLC OPERTG FD-FOOD SUPPLIES					
0.00	500.00	500.00	0.00	0.00	500.00	.0%
3074 5361	CLC OPERTG FD-POSTAGE					
0.00	13,851.52	13,851.52	2,546.19	4,286.45	7,018.88	49.3%*
3074 5399	CLC OPERTG FD-SUPPLIES					
0.00	2,000.00	2,000.00	139.00	0.00	1,861.00	7.0%
3074 5421	CLC OPERTG FD-SPONSORSHIPS					
0.00	20,000.00	20,000.00	10,000.00	0.00	10,000.00	50.0%*

R 2016 03

	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
5429		CLC OPERTG FD-SUBSCRIPTIONS					
	0.00	2,500.00	2,500.00	0.00	0.00	2,500.00	.0%
5433		CL OPERTG FD-PUBLIC OFFICL INS					
	0.00	10,000.00	10,000.00	7,651.96	0.00	2,348.04	76.5%*
5462		CLC OPERTG FD-BUILDING RENTAL					
	0.00	17,500.00	17,500.00	0.00	0.00	17,500.00	.0%
5463		CLC OPERTG FD-EQUIP RENTAL					
	0.00	10,000.00	10,000.00	0.00	0.00	10,000.00	.0%
5981		CLC OPERTG FD-RETIREMENT					
	0.00	33,080.00	33,080.00	45,481.00	0.00	-12,401.00	137.5%*
5983		CLC OPERTG FD-GRP INSUR					
	0.00	33,557.00	33,557.00	4,027.23	0.00	29,529.77	12.0%
5984		CLC OPERTG FD-MEDICARE					
	0.00	3,217.00	3,217.00	587.52	0.00	2,629.48	18.3%
990		CLC OPERTG FD-FINANCE SUPPORT					
	0.00	4,000.00	4,000.00	0.00	0.00	4,000.00	.0%
	GRAND TOTAL						
	0.00	942,645.82	942,645.82	192,930.73	60,329.73	689,385.36	26.9%

** END OF REPORT - Generated by Maggie Downey **

Vendor Name	Amount of Contract	Contract or Amendment	Final Appropriation in Energy Efficiency Budget Y/N	Term	Purpose	Competitively Procured Y/N	P. Cocolis (A) Approved (B) Denied	Date Contract Submitted to County Commissioners
April								
Conservation Services Group	\$62,000.00	Contract	Y	2015	Residential HVAC Services	Y	A 4/16/15	4/16/2015
Blackhawk Engagement Solutions (f/k/a) Parago Services Corp.	Pricing Matrix	2nd Amendment	Y	4/1/15-12/31/15	Lighting/Products/Cool Smart Rebate Processing	Y	A 4/23/15	4/23/2015
Kema, Inc. (DNU GL)	\$15,000.00	Contract	Y	3/31/15-8/31/15	ISO-NE Forward Capacity Market (FCM) Portfolio Precision Analysis; Independent Assessment & Certification	Y	A 4/28/15	4/28/2015
Opinion Dynamics Corporation	\$152,524.00	1st Amendment	Y	2015	Potential Study	Y	A 4/28/15	6/28/2015
May								
None								
June								
DirectApps, Inc.	\$646,583.00	1st amendment to 2015 budget	Y	2015	Mgmt. tracking & reporting system	Y	A 6/19/15	6/24/2015
CMC (formerly Competitive Resources)	\$30,000.00	3rd amendment to budget and term.	Y	7/15/15-12/31/16	Upstream Inspection Services	Y	A 6/19/15	6/24/2015
KEMA	not to exceed \$1,454,257	5th amendment	Y	7/1/15-12/31/18	C&I Upstream Evaluation Services	Y	A 6/23/15	6/23/2015
National Resource Management, Inc. (NRM)	\$500,000.00	5TH Amendment to Scope & Budget	Y	2015	Small Commercial Direct Install Services	Y	A 6/23/15	6/23/2015
People Power	\$36,494.30	2nd Amendment to Scope & Budget	Y	6/22/15-12/31/15	Behaviour Monitoring Pilot	Y	A 6/23/14	6/25/2015
Rise Engineering	\$908,070.00	5th Amendment to Incentives Budget	Y	2015	Multi-family services - incentives	Y	A 6/26/15	6/26/2015
Rise Engineering	\$14,102,780.14	10th Amendment to 2015 Budget	Y	2015	Home Energy Services-Lead Vendor	Y	A 6/30/15	7/7/2015
July, 2015								
ClearResult Consulting, Inc.	\$24,900.00	Contract	Y	6/30/15-12/31/15	1st Amendment Grocery Energy Efficiency Ser	Y	A 7/27/2015	7/17/2015
EFI	Pricing Matrix	Contract	Y	1/1/15-12/31/17	Contract for Catalogue Fulfillment	Y	A 7/27/15	7/27/2015
EFI	Not to exceed \$5,000	4th Amendmenet	Y	1/1/15-12/31/15	4th Amendment Upstream HVAC Res ECM Pun	Y	A 7/29/15	7/28/2015
August, 2015								
Blackhawk Engagement Solutions	pricing matrix	3rd Amendment	Y	1/1/16-3/31/16	3rd Amendment - lighting, products and cool smart rebate processing. Costs expected to exceed \$25,000	Y	A 8/7/2015	8/7/2015
Dana Munn	\$9,000.00	Contract	Y	7/1/15-9/31/15	Energy Education Services	N	A 8/13/15	8/13/2015

**Agenda Action Request
Cape Light Compact
Meeting Date: 9/16/2015**



- 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*

Ratify Actions of Treasurer

REQUESTED BY: Peter Cocolis

Proposed Motion(s)

I move the Board vote to ratify the actions of the Compact Treasurer relative to Compact contracts from April 4, 2015 through September 15, 2015.

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.

Additional Information

- **This motion is consistent with the Board's March 11, 2015 vote to establish a contract review process**

Record of Board Action

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

Maggie Downey

Subject: FW: Massachusetts AGO/Cape Light Compact

Importance: High

From: "Barry-Smith, Chris (AGO)" <Chris.Barry-Smith@MassMail.State.MA.US<mailto:Chris.Barry-Smith@MassMail.State.MA.US>>

Date: Tuesday, September 15, 2015 at 4:26 PM

To: "Jeffrey M. Bernstein, Esq." <jbernstein@bck.com<mailto:jbernstein@bck.com>>

Cc: Melissa Hoffer <Melissa.Hoffer@state.ma.us<mailto:Melissa.Hoffer@state.ma.us>>, "nathan.forster@state.ma.us" <nathan.forster@state.ma.us>>

<nathan.forster@state.ma.us<mailto:nathan.forster@state.ma.us>>

Subject: Massachusetts AGO/Cape Light Compact

Dear Jeff:

This email follows the July 28th meeting between Attorney General Healey and representatives of the Cape Light Compact (the "Compact"), as well as the discussions you have had in the interim with Melissa Hoffer, Chief of the Energy and Environment Bureau, and Assistant Attorney General Nathan Forster. At the July 28th meeting, the Compact explained that it sought a statement from the Attorney General's Office (AGO) that the Compact could share at a public board meeting to explain the AGO's perspective on past and current matters involving the AGO and the Compact. You, or the Executive Director or members of the Compact Board, should feel free to use this email at the Compact's September 16th board meeting to reflect our recent discussions.

First, as you know, the Department of Public Utilities ("DPU") approved the Compact's Petition for Approval of a Revised Municipal Aggregation Plan in D.P.U. 14-69 (May 1, 2015) and D.P.U. 14-69 A (May 18, 2015) (the "Proceeding"). The AGO has elected not to appeal or otherwise pursue claims with respect to the Proceeding, in which the prior AGO alleged that the Compact's assessment of an operational adder, which generated revenue to fund certain Cape & Vineyard Electric Cooperative, Inc., renewable energy projects and to cover the costs of the Compact's attorneys' fees, was unlawful.

Beyond that development, the AGO is committed to developing a more direct, constructive relationship with the Compact to address any issues that may arise in the future with respect to the Compact's power supply rates, including in connection with the Inspector General's ongoing review of the Compact's records. In that vein, I understand that you and our Office have had productive discussions concerning the Compact making available publicly the terms of the Compact's Energy Supply Agreements. These are positive steps that will allow the Compact's customers to have a better understanding of their rates. We look forward to continuing our dialogue with you on these and other issues that may arise.

This email is designed to reflect the AGO's discussions with the Compact in recent months. Please feel free to share this email with the Compact's board members or make it part of the board's record as the Compact sees fit. And please feel free to call me with any questions.

Sincerely,
Chris Barry-Smith
First Assistant Attorney General
617.963.2539

Community Empowerment (H.2895)

A new way for local communities in Massachusetts to transition to renewable energy, through a democratic process, and directly harness the benefits. www.communityempowerment.org

Joint Telecommunications, Utilities & Energy Hearing date: Tuesday, October 20, 2015, 1-5pm, Room B-1

Key Local Legislative Contacts: Rep. Timothy Madden (Timothy.Madden@mahouse.gov); Senator Dan Wolf (Daniel.Wolf@masenate.gov); Committee Co-Chair, Rep. Thomas Golden (Thomas.Golden@mahouse.gov); Committee Co-Chair Senator Benjamin Downing (Benjamin.Downing@masenate.gov)

Community Empowerment is a proposed state law which:

- Empowers cities, towns and community electric aggregators to use their residents' electricity buying power to support renewable energy projects of the community's choosing;
- Democratizes important decisions about where our energy comes from and what types of energy projects we support, for the sake of our common future;
- Stabilizes electricity prices for community residents, for ten years or more.

How it works

- A community chooses to make use of **Community Empowerment** through a democratic process such as a vote in by a town meeting, city or town council, community electric aggregator or other democratic forums.
- Renewable energy project proposals seeking a community's support are chosen by the community through a public process involving their selectman, town energy committee, town council, community electric aggregator and/or public hearings.
- Acting on behalf of all electricity customers within the community, the city, town or community electric aggregator enters into a **Community Empowerment** contract with a chosen project(s). This contract enables the project developer to receive the financing necessary to build the project.
- Once the project is operational, electricity customers within the community would have, included in their bill, either a credit or debit related to their participation in **Community Empowerment**:
 - If wholesale electricity prices are lower than the price agreed to in the Community Empowerment contract, then residents are charged just enough to make up the difference between the wholesale price and the Community Empowerment contract price
 - If wholesale electricity prices are higher than the price agreed to in the Community Empowerment contract, then the residents receive a credit (payment) for the difference between the wholesale price and the Community Empowerment contract price.

Benefits

- Local communities can choose –through a democratic process– what types of renewable energy projects they want to support with their electric bill!
- Residents stabilize their electric bill for a period of 10 years or more: When wholesale prices go above the price agreed to with a renewable energy project, residents receive a credit on their electricity bill!
- More renewable energy projects can receive the financial support they need to get built, hastening the transition to fossil-free energy and empowering local communities to fight climate change.

Community Empowerment (bill: H-2895):

An Act to promote long-term renewable contracts for municipal aggregators and municipalities



Community Empowerment developed from a grass-roots desire to support renewable energy projects.

To date, it has received input from:

- State and national environmental and renewable energy groups
- Renewable energy project developers
- Municipal aggregators
- Attorneys with expertise in energy law and policies, and project finance
- State officials and elected officials
- Residential consumer advocates

Community Empowerment: Rationale and Reasoning

- **We need more renewable energy projects to address climate change, energy security, and reliability**
 - Main barrier to more projects is financing
 - Projects need long-term contracts with credit-worthy buyers
 - Federal and State level policies alone probably not sufficient to deliver
- **Residents of MA are supportive of renewable energy, especially where there is a local benefit**

Given above, we should also look to local initiative and capabilities as a basis for new policies to finance renewable energy projects

Community Empowerment: *What is it?*

A state enabling policy that :

- Empowers local communities, through a democratic process, to set their own course for their energy future
 - Communities can enable financing (“support”) projects that meet criteria of local values and concerns
 - Communities support projects of the community’s choice
- Meaningful, direct support = Enabling financing
 - Residents provide credit-worthy buyer that projects need to secure financing and construct project
- Long-term energy cost stabilization opportunities
- Ability to purchase above RPS for community’s residents, businesses and municipal buildings

Community Empowerment: *What is it not?*

- Community Aggregation
- Community or Group Net-metering (e.g. “solar gardens”)
- Municipal governments purchasing renewable energy
- Municipal utilities or light departments
- Green Energy choice (e.g. “GreenStart”)

All of these policies have various advantages, and Community Empowerment has similarities to each.

But CE is something different...

Community Empowerment: How would it work under MA legislative proposal?

1. Community makes the decision to enter into Community Empowerment contracts on behalf of all end-users in community
 - Decision process is same as under current law for Community Aggregation, MGL Chapter 164. Section 134
 - If a community decides “yes”, individual end-users can continue to choose whichever electricity supplier they want
- BUT**
- End-users cannot opt-out of the Community Empowerment contract after 60 day opt-out window
 - Town and school users automatically included

CE: How would it work?

2. Specific project decisions are per vote of community's governing body: the process is transparent and democratic

- Anticipate that most towns will use Energy Committees, or existing Community Aggregator, and a transparent RFP process to select projects
- Communities can choose to cooperate with other communities in the state, so as to increase buying power
- Requirement for public hearings and independent analysis
- Community Empowerment technical assistance made available from DOER and oversight from DPU

CE: How would it work?

3. Contracts are on a “contract-for-difference” basis:

- Town and developer agree to a “*Strike Price*”: a fixed price per MWh
- Once operational the project sells its energy into the wholesale market “*Reference Price*”
- The difference between the wholesale price (“*Reference Price*”) actually received by the project and the “*Strike Price*” is charged -or credited- to residents on a per KWh basis
- This charge or credit appears as a line item on the distribution utility portion of the residents’ electric bills



69 DOYLE AVE HSMTR
PROVIDENCE RI 02906

FEB 2, 2015 TO MAR 3, 2015

ACCOUNT NUMBER
13217-37018

PLEASE PAY BY
Mar 29, 2015

AMOUNT DUE
\$ 161.23

Enrollment Information

To enroll with a supplier or change to another supplier, you will need the following information about your account:

Loadzone Rhodelsland

Acct No: 13217-37018 Cycle: 3, ERIC

Choosing an Energy Supplier You can choose who supplies your energy. No matter which energy supplier you choose, National Grid will continue to deliver energy to you safely, efficiently and reliably. We will also continue to provide your customer service, including emergency response and storm restoration. National Grid is dedicated to creating an open energy market that lets you choose from a variety of competitive energy suppliers, who may offer different pricing options. For information on authorized energy suppliers and how to choose, please visit us online at www.nationalgridus.com/energychoice

DETAIL OF CURRENT CHARGES

Delivery Services

Electricity Delivery

Service Period	No. of days	Current Reading	Previous Reading	=	Total Usage
Feb 2 - Mar 3	29	35843 <i>Actual</i>	35206 <i>Actual</i>		637 kWh

METER NUMBER 41675898 NEXT SCHEDULED READ DATE ON OR ABOUT Apr 2

RATE Small C&I Rate C-06

Customer Charge					10.00
LIHEAP Enhancement Charge					0.73
Distribution Energy Chg	0.03428	x	637 kWh		21.83
Energy Efficiency Prgms	0.00983	x	637 kWh		6.26
Renewable Egy Dist Chg	-0.00024	x	637 kWh		-0.15
Transmission Charge	0.02003	x	637 kWh		12.75
Transition Charge	0.00096	x	637 kWh		0.61

Total Delivery Services \$ 52.03



What about Renewable Energy Credits (REC)?

Proposed legislation allows communities to make this decision:

- Some communities might want to make use of price-stabilization benefit only, and not buy the REC or sell off the REC in the short-term market

OR

- Communities might want to “go green”, in which case the RECs are included in the contract and applied to the end-users of the community, in addition to the RECs provided by each supplier as required by the RPS

In either case, community can offer a credit-worthy contract that developers can use to finance projects, and residents and businesses get price stabilization benefit

Example: Nantucket

(using hypothetical numbers)

1. Town of Nantucket decides to make use of Community Empowerment and establishes, or authorizes, an energy committee to gather information and explore options:

- The average annual usage of Nantucket's 9,000 residents is 10 MWh each year, for a total of 90,000 MWh / year
- Nantucket municipal and school properties use another 10,000 MWh / year
- Therefore, Nantucket's total usage is 100,000 MWh / year

Community Empowerment: Example (continued)

2. Nantucket's Energy Committee puts out an RFP and receives proposals from a wind developer in Western Mass:

- The project generates 10,000 MWh per year, i.e. 10% of Nantucket's total usage
- Offer is for a 15 year contract (PPA) for differences on wholesale energy price in MA, using *model* Community Empowerment contract provided by the state
- The "Strike Price": \$80/MWh if RECs are included, OR
\$50/MWh for the contract for differences only
- The Energy Committee holds a public hearing to describe the project and proposal, answer questions, and gets input from the community

Community Empowerment: Example (continued)

3. The Energy Committee recommends to the Selectman that the Town accept the contract offer:

- Buying the RECs so that the residents can claim to be using more “renewable, wind energy”
- Town Meeting votes to enter into contract on behalf of town: this is same authorization process for a town to form a municipal aggregation under MGL Chapter 164, Section 134
- Residents and businesses are notified of vote and given a one-time 60 day window to opt out

Community Empowerment: Example (continued)

4. In the first year of the contract the project developer receives an average weighted wholesale price, “Reference Price” of \$67 per MWh

- Therefore, Nantucket’s residents owe to the wind project \$13 per MWh ($\$80 - \$67 = \13), which is 1.3 cents per KWh
- Because the wind project generates 10% of the town’s usage, each user pays 10% of this amount owed to the project, on a per KWh basis
- 10% of 1.3 cents is .13 cents, so each user is charged .13 cents per KWh on their distribution utility bill
- The RPS requirement in this year was 10%, so with the additional 10% from the wind project, Nantucket residents used 20% renewable energy

Community Empowerment: Example (continued)

5. In the second year of the contract, the average weighted wholesale price, “Reference Price”, is \$90 per MWh

- Therefore, Nantucket’s residents are owed from the wind project \$10 per MWh ($\$80 - \$90 = -\10), which is 1.0 cent per KWh
- Because the wind project generates 10% of the town’s usage, each user is entitled to 10% of this amount owed from the project, on a per KWh basis
- 10% of 1.0 cent is 0.1 cents, so each user is credited 0.1 cents per KWh on their bill
- The RPS requirement in this year is 11%, so with the additional 10% from the wind project, Nantucket’s residents use 21% renewable energy

Community Empowerment: Example (continued)

6. Benefits from Nantucket's contract

- Nantucket's residents, businesses and government have 10% of their electricity cost stabilized at 8 cents / KWh, for 15 years
 - The price could also have been stabilized at 5 cents/KWh, if the town decided they didn't care about using more renewable energy than the RPS
- A new wind project is able to be built in Mass. which wouldn't have been built otherwise, because the project is able to secure financing on the basis of its contract with Nantucket
- All of New England benefits from lower electric and gas costs, because there is that much less demand for gas, and because of the wholesale price suppression from the wind project being a "price taker" in the wholesale electric market

Community Empowerment: Advantages and Features

- Additional to, and compatible with, current clean energy policies
 - Builds on the Green Communities Act and existing municipal aggregation law
- Compatible with existing electricity markets
- No national legislation necessary
- State legislation is enabling only
- Can be deployed anywhere nationally, in any regulatory setting
- Biggest Challenge:
 - Requires many, strong local initiatives to get to significant scale

Community Empowerment: Opportunities

Community Empowerment can support many types of projects, bringing variety of local benefits

For example:

- Combined Heat-Power at town / school buildings or area neighborhoods
- PV on town or school property combined with storage for emergency operations
- Anaerobic digestion as part of local waste solution
- Ensure wind projects really do benefit host communities
- Projects that create local jobs

Community Empowerment: Next Steps

- Representative Tim Madden (Falmouth, MV, Nantucket, Elizabeth Islands) has introduced H2895.
 - An Act to promote long-term renewable contracts for municipal aggregators and municipalities
 - It is a “placeholder” bill while gain wider input and refine language
- Networking with other stakeholders and legislators
- Contacts via: info@vineyardpower.com
 - Richard J Andre
 - Erik N Peckar

Community Empowerment: Next Steps

- Joint Committee on Telecommunications, Utilities & Energy hearing date:
 - State House - Tuesday, October 20, 1-5pm, hearing room B-1
- Opportunities to Support Community Empowerment
 - Testify at hearing
 - Write Letter a letter of support ahead of hearing to
 - Local representatives
 - Committee Co-Chair Representative Thomas Golden (thomas.golden@mahouse.gov) - Room 438B, State House, 02133
 - Committee Co-Chair Senator Benjamin Downing (benjamin.downing@masenate.gov) - Room 413-F, State House, 02133
 - Word of Mouth – social media promotion

Community Empowerment: Next Steps

- Senate Joint Committee On Telecommunications, Utilities & Energy Members
 - Chair – Benjamin Downing
 - Vice Chair – Marc Pacheco
 - Members
 - Anne Gobi
 - Michael Rodrigues
 - Daniel Wolf
 - Ryan Fattman

Community Empowerment: Next Steps

- House Joint Committee On Telecommunications, Utilities & Energy Members
 - Chair – Thomas Golden
 - Vice Chair – Paul Brodeur
 - Members
 - Thomas Petrolati
 - Josh Cutler
 - John Velis
 - Daniel Donahue
 - Randy Hunt
 - Tackey Chan
 - Claire Cronin
 - Rady Mom
 - Leonard Mirra

CE: Compared to current structures for getting electricity

	Community own and operate wires?	Customer able to choose supply?	Ability to enable finance of RE projects?
Municipal Utility	Yes	No	Yes
Municipal Aggregation	No	Yes	No
Investor-owned regulated utility	No	Yes	Yes, but only through state law/process which ends 2016
Community Empowerment	No	Yes	Yes

CE: Compared to existing MA clean energy policies

	Customer level decisions?	Community level decisions?	Ability to enable finance of RE projects?
Renewable Portfolio Standard (RPS)	No	No	No
Section 83/83a (Long Term Contracting)	No	No	Yes
Net-metering	Yes	No, but large groups possible	Yes, but limited to PV and dependent on subsidy
Community Empowerment	No	Yes	Yes

BCK DRAFT DATED 8/27/15

~~SIXTH~~**FIFTH** AMENDED AND RESTATED
INTER-GOVERNMENTAL AGREEMENT
OF THE
CAPE LIGHT COMPACT
(~~October 14, 2015~~September 12, 2012)

This ~~Sixt~~**Fifth** Amended and Restated Inter-Governmental Agreement (“Agreement”) is dated as of ~~October~~September xx, 2015~~2~~ and is entered into by and between the County of Barnstable, County of Dukes County and the municipalities legally joining therein, pursuant to the authority of Massachusetts General Laws Chapter 40, §4A.

WHEREAS, the Massachusetts Restructuring Act of 1997 (the “Act”) was enacted during a period where Federal Law allowed for the restructuring of existing electric utilities into separate generation, transmission and distribution companies and, accordingly, the Act set forth a framework for the competitive supply of electric generation service to Massachusetts electric customers and allowed electric customers to choose their electric power supplier; and

WHEREAS, the Cape Light Compact (“Compact”) was entered into with the County of Barnstable, County of Dukes County and the municipalities legally joining therein, pursuant to the authority of Massachusetts General Laws Chapter 40, §4A, through an original Inter-Governmental Agreement effective as of October, 1997; and

WHEREAS, the County of Barnstable, County of Dukes County and the municipalities legally joining therein, amended the original Inter-Governmental Agreement in June, 1999, September, 2006, November, 2010, February, 2011, ~~and~~ April 11, 2012 and September 2012; and

WHEREAS, the Compact recognizes that local governments have a substantial stake in the restructuring of the Massachusetts electric industry and that local governments represent community interests and provide a “natural aggregator” function through which consumers may gain greater benefits and terms in contracts; and

WHEREAS, under the authority of G.L. c. 164, §134, G.L. c. 25A, §6 and pursuant to the original Inter-Governmental Agreement, adopted October, 1997, as amended, the Compact developed a municipal aggregation plan, setting forth the structure, operations, services, funding and policies of the Compact, approved in D.T.E. 00-47 (August 10, 2000) and approved as updated in D.P.U. 14-69 (May 1, 2015; May 18, 2015); and amended June, 1999 and again in September, 2006, the Compact developed a Municipal Aggregation Plan, setting forth the structure, operations, services, funding and policies of the Compact in order to negotiate the best rates for the supply and distribution of electricity and to advance consumer protection and

~~interests for the residents of Cape Cod and Martha's Vineyard;~~ and

WHEREAS, the Compact currently operates a municipal aggregation competitive supply program which provides electric power supply on an opt-out basis to customers across all customer classes located on Cape Cod and Martha's Vineyard and the Compact also provides comprehensive energy efficiency services to Cape Cod and Martha's Vineyard through the Cape Light Compact Energy Efficiency Plan; and

WHEREAS, the Green Communities Act, St. 2008, c. 169, provided expanded authority to municipalities and other governmental entities to pursue energy efficiency, renewable energy development and other related activities; ~~;~~ and

WHEREAS, the Compact continues to explore all available options for providing its customers with the best electrical supply and distribution rates and demand side management and renewable programs.

NOW THEREFORE, in consideration of the foregoing, and in order to reflect the current policies and purposes of the Compact, the County of Barnstable, the County of Dukes County and the municipalities legally joining therein hereby enter into this Agreement.

ARTICLE I: POLICY AND PURPOSE

The Compact's goals include, without limitation, the following:

- To provide the basis for aggregation of all consumers on a non-discriminatory basis;
- To negotiate the best terms and conditions for electricity supply and transparent pricing;
- To explore all available options for negotiating the best terms and conditions for electricity supply and the development of renewable energy resources, including, without limitation, the formation of and/or membership in a co-operative organization to purchase or produce energy or renewable energy certificates ("RECs") or both on a long-term, basis;
- To provide equal sharing of economic savings based on current electric rates and/or cost-of-service ratemaking approved by the Department of Public Utilities, or its successor;
- To provide and enhance consumer protection and options for service under contract provisions and to allow those consumers who choose not to participate to opt-out;

- To improve quality of service and reliability;
- To encourage environmental protection through contract provisions;
- To utilize and encourage renewable energy development to the extent practicable through contract provisions, demonstration projects and state mandated system benefit charges for renewable energy;
- To administer an energy efficiency plan that advances consumer awareness and the adoption of a wide variety of energy efficiency measures and that also utilizes and encourages demand side management, all through contract provisions, demonstration projects and the use of state mandated system benefit charges for energy efficiency and other related charges and funds;
- ~~□ To utilize and encourage demand side management and other forms of energy efficiency through contract provisions and state mandated system benefit charges for renewable energy and to use the funds from such charges to advance consumer awareness and adoption of a wide variety of energy efficiency measures through the implementation of an energy efficiency plan;~~
- To advance specific community goals that may be selected from time to time, such as placing utility wires underground;
- To provide full public accountability to consumers; and
- To utilize municipal and other powers and authorities that constitute basic consumer protection to achieve these goals.
-

ARTICLE II: POWERS OF THE COMPACT

The Compact shall have the following powers:

- a) to plan projects;
- b) to implement projects and/or conduct research;
- c) to negotiate contracts and other agreements, provided, however, that any contract for the purchase of electric power supplies, distribution, transmission or metering, billing and information services or related to any of the foregoing, shall not impose direct financial obligations on any member municipality or county (except for *de minimis* impacts by virtue of such member's participation in the Compact) until approved by such individual member municipality or county, as the case may be;
- d) to adopt an annual budget and to direct the expenditure of funds made available to the

Compact by grant or contribution from public and private sector entities, or on account of any contract negotiated or administered by the Compact;

- e) to acquire property by gift, purchase or lease;
- f) to construct equipment and facilities;
- g) to apply for and receive grants, contributions and other such financial assistance from public and private sector entities or to receive amounts derived as a portion of the savings on, or as a surcharge, dedicated mills/kilowatt hour fee or other such charge as part of any electric energy purchase or similar contract negotiated and/or administered by the Compact and, to the extent required as required herein, agreed to by each member municipality or county to be financially bound thereby;
- h) to apply for and receive funds derived from the state mandated system benefit charges and to use such funds in accordance with state law;
- i) to employ staff, consultants, attorneys, technical advisors and independent contractors;
- j) to adopt bylaws to govern its internal affairs;
- k) to reimburse persons who have advanced funds;
- l) to enforce agreements or otherwise prosecute claims on behalf of member municipalities and counties and coordinate their defense in any claim made against them relating to any agreement or other matter related to the Compact;
- m) to invest funds;
- n) to procure insurance;
- o) to obtain project-related financing through any mechanism such as the federal Clean Renewable Energy Bond program, and other financing options;
- p) to contract with an agent, including, without limitation, a regional government or a member, to manage or accomplish any of its functions or objectives;
- q) to enter into agreements with state, quasi-state, county and municipal agencies; cooperatives and private entities, all as is convenient or necessary to manage or accomplish any of the Compact's functions or objectives; and
- r) to perform generally all acts which are necessary or convenient to implement the powers which are expressly or by necessary implication conferred upon the Compact

and are not otherwise prohibited under any other provision of law.

ARTICLE III: GOVERNING BOARD

A. Powers of the Community Representatives.

The Compact shall have a board of community representatives (hereafter a “Representative” or the “Representatives,” as the case may be and collectively the “Governing Board”) who shall be responsible for the general management and supervision of the business and affairs of the Compact except with respect to those powers reserved to the member municipalities or counties of the Compact by law or this Agreement. The Governing Board may from time to time, to the extent permitted by law, delegate any of its powers to committees, subject to such limitations as the Governing Board may impose. The Governing Board may delegate to the Executive Committee the powers to act for the Governing Board between regular, annual or special meetings of the board. The Governing Board may designate persons or groups of persons as sponsors, benefactors, contributors, advisors or friends of the Compact or such other title as they may deem appropriate and as is consistent with applicable law.

B. Number, Qualifications and Term of Office.

The Governing Board shall consist of one Representative for each member municipality and one County Commissioner appointed by the Barnstable County Board of Commissioners and one Representative appointed by the Dukes County Board of Commissioners, and alternates therefor, in case any such Representative shall be unable to attend a meeting or otherwise participate in any matter regarding the Compact. In the absence of a Representative, his/her alternate shall be entitled to vote and otherwise exercise all of the powers of such Representative. The Representatives, and alternates, shall be selected by the Selectmen or Town Manager, as the case may be, for each member municipality. In the case of the County Representatives, such Representatives and his/her alternates shall be selected by the Board of Commissioners. Except as hereinafter provided, the Representatives (and alternates) shall hold office until the next selection of Representatives (and alternates) by each such member municipality or county and until his/her successor is selected.

C. Executive Committee.

There shall be an Executive Committee composed of no less than five (5) Representatives, at least one of whom shall be a Representative from Dukes County or a member town of Dukes County. The Executive Committee shall be selected by majority vote of all of the Representatives.

D. Manner of Acting and Quorum.

Provided there is a quorum present at the meeting, and except as specified elsewhere herein, the Governing Board shall act by vote of a majority of the Representatives present at the

time of the vote. Unless altered by the Governing Board in accordance with this Agreement, each member municipality and county shall be entitled to select one Representative whose vote shall be equal in weight to the Representative of any other member municipality and county, except as expressly set forth in the succeeding paragraphs. Representatives may participate in meetings remotely in accordance with the regulations of the Office of the Attorney General governing remote participation, 940 C.M.R. 29.10. A quorum shall be deemed present if the combined population of the towns whose Representatives are present at a meeting is at least equal to 50% of the combined population of all of the member municipalities of the Compact; and provided further, that at least one Representative from one of the Towns in Dukes County or Dukes County and at least two-thirds of the Representatives for Barnstable County and the member municipalities of Barnstable County are physically present or participating remotely in accordance with 940 C.M.R. 29.10. In accordance with 940 C.M.R. 29.10 and the Open Meeting Law, M.G.L. c. 30A, §§ 18-25, a simple majority of the members of the public body must be physically present. While a quorum is present, unless another provision is made by law, this Agreement or by the Compact's own rules, all business shall be determined by a majority vote of all participating members.

Notwithstanding the foregoing, any vote involving a matter concerning issues which would or could bear in a direct and material fashion on the financial interests of the member municipalities shall be taken by a weighted vote in which the vote of each Representative shall be weighted in the same proportion as the population of the municipality such Representative represents bears to the whole population of the member municipalities of the Compact, such population as determined, in the case of Barnstable County, by the most recent federal census, or decennial census, and, in the case of Dukes County, by the most recent data available from the Martha's Vineyard Commission. In case of a dispute as to whether a vote shall be taken on a weighted basis as set forth in this paragraph or on a one town, one vote basis as set forth in the preceding paragraph of this subsection, the determination shall be made by weighted vote as set forth herein.

In taking any vote required to be taken by weighted vote hereunder, the votes of Barnstable County and Dukes County shall be tabulated last, with each county's Representative having one equal vote, and the vote of said counties may break a tie; otherwise the counties' votes shall not be accorded any percentage weight but shall be recorded nonetheless.

E. Rules and Minutes.

The Governing Board shall determine its own rules and order of business, unless otherwise provided by the Compact or statute or this Agreement. The Governing Board shall also provide for the keeping of minutes of its proceedings. All regular and Executive Committee meeting announcements shall be sent to all members of the Governing Board.

F. Voting.

If requested by any Representative, a vote of the body shall be taken by a roll call and the vote of each Representative shall be recorded in the minutes, provided, however, if any vote is unanimous only that fact need be recorded.

G. Resignation and Removal.

1. Resignation.

Any Representative (or alternate) may resign at any time upon written notice to the remaining Governing Board. A Representative may resign from the Executive Committee and still keep his or her position as a Representative. The resignation of any Representative (or alternate) or resignation from the Executive Committee shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

2. Removal.

Any Representative (or alternate) may be removed at any time with or without cause by their appointing authority. The Governing Board may remove a Representative from the Executive Committee or the Governing Board only with good cause.

H. Vacancies.

1. Vacancies on the Governing Board.

Continuing Representatives may act despite a vacancy in the Governing Board and shall for this purpose be deemed to constitute the full board. A vacancy in the Governing Board of a Representative shall be promptly filled, but in no case more than sixty days thereafter, by the appointing authority of the member municipality or county which originally selected such Representative. Each Representative chosen to fill a vacancy on the Governing Board shall hold office until the next annual selection of the Representatives and until his/her successor shall be appointed and qualify. Insofar as there is no Representative then in office representing a member municipality or county, the alternate shall act in his/her stead.

2. Vacancies on the Executive Committee.

Vacancies on the Executive Committee shall be filled in the same manner as the position was originally filled.

3. No Right to Compensation.

Unless the Governing Board in its discretion provides for compensation, no Representative or alternate resigning, and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the Compact) no Representative

or alternate removed, shall have any right to any compensation as such Representative or alternate for any period following his/her resignation or removal, or any right to damages on account of such removal, whether his/her compensation be by the month or by the year or otherwise.

ARTICLE IV: MEETINGS OF THE GOVERNING BOARD

A. Place.

Meetings of the Governing Board, including meetings of the Executive Committee, shall be held at such place within Barnstable County or Dukes County as may be named in the notice of such meeting.

B. Annual and Regular Meetings.

The annual meeting of the Governing Board shall be held each year on the second Wednesday of September. In the event the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting. Regular meetings may be held at such times as the Governing Board may fix but no less frequently than quarterly.

C. Special Meetings.

Special meetings of the Governing Board may be called by the chairman or any other officer or Representative at other times throughout the year.

D. Notice.

In addition to the personal notice to Representatives set forth in Article III(E), public notice of any regular or annual meeting shall be made in compliance with the Open Meeting Law and other applicable law. Forty-eight hours' notice to Representatives by mail, telegraph, telephone or word of mouth shall be given for a special meeting unless shorter notice is adequate under the circumstances, provided, however, that public notice of such special meeting has been made in compliance with applicable law. A notice or waiver of notice need not specify the purpose of any special meeting. Personal notice of a meeting need not be given to any Representative if a written waiver of notice, executed by him or her before or after the meeting, is filed with the records of the meeting, or to any Representative who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her.

E. Vote of Interested Representatives.

A Representative who is a member, stockholder, trustee, director, officer or employee of any firm, corporation or association with which the Compact contemplates contracting or transacting business shall disclose his or her relationship or interest to the other Representatives

acting upon or in reference to such contract or transaction. No Representative so interested shall vote on such contract or transaction, but he or she may be counted for the purpose of determining a quorum. The affirmative vote of a majority of the disinterested Representatives as set forth in Article III(D) hereof shall be required before the Compact may enter into such contract or transaction.

In case the Compact enters into a contract or transacts business with any firm, corporation or association of which one or more of its Representatives is a member, stockholder, trustee, director, officer, or employee, such contract or transaction shall not be invalidated or in any way affected by the fact that such Representative or Representatives have or may have interests therein which are or might be adverse to the interests of the Compact. No Representative or Representatives having disclosed such adverse interest shall be liable to the Compact or to any creditor of the Compact or to any other person for any loss incurred by it under or by reason of any such contract or transaction, nor shall any such Representative or Representatives be accountable for any gains or profits to be realized thereon.

Nothing contained herein shall affect the compliance of any Representative or the Governing Board or the Compact with G.L. c. 268A, as set forth in Article VI, below.

ARTICLE V: OPEN MEETING LAW; EXECUTIVE SESSIONS

The meetings of the Governing Board are subject to the Massachusetts law governing open meetings of governmental bodies and governmental boards and commissions, including the Open Meeting Law. The Governing Board is therefore required to maintain accurate records of its meetings, setting forth the date, time, place, members present or absent and action taken at each meeting, including executive sessions.

In accordance with the Open Meeting Law, the Governing Board may hold an executive session after an open meeting has been convened and a recorded vote has been taken to hold an executive session. Executive sessions may be held only for the purposes specifically enumerated in the Open Meeting Law, including, but not limited to, to discuss energy-related trade secrets or confidential information.

Matters discussed in executive sessions of the Governing Board must be treated as confidential. A violation of confidentiality may lead to disciplinary action as established by the Governing Board, including removal of a Representative in accordance with Article III(G)(2).

ARTICLE VI: G.L. c. 268A

The Governing Board, as it consists of county and municipal representatives is subject to the provisions of the Massachusetts Conflict of Interest Law, G.L. c. 268A, and shall act at all times in conformity therewith. Public employees who work for two or more public entities may find that each agency has an interest in a particular matter. Compact employees or Representatives may be asked to work on matters for the Compact and the Compact's affiliated

organization, the Cape & Vineyard Electric Cooperative, Inc. (the “Cooperative”). In order to help employees and Representatives identify and properly address potential conflicts under the Conflict of Interest Law, employees and Representatives should consider the following: (i) the Cooperative’s founding purpose is to develop renewable energy projects and otherwise procure generation and generation-related products (i.e., RECs); (ii) the Compact is a municipal aggregator and serves the complementary purposes of arranging for retail power supply, consumer advocacy and energy efficiency; (iii) the Cooperative seeks to finance and develop such projects and to provide generation to its members and the Compact (to be blended with its retail power supply); and (iv) the Compact is a member of the Cooperative and the Compact intends, to the extent feasible, to purchase generation from the Cooperative and participate in projects developed by the Cooperative. Any employee or Representative may request free legal advice from the State Ethics Commission about how the Conflict of Interest Law applies to them in a particular situation. This process is explained at <http://www.mass.gov/ethics/commission-services/request-advice.html>.

ARTICLE VII: OFFICERS

A. Election.

At its first meeting of the calendar year, the Governing Board shall elect a chairman, vice chairman, treasurer, secretary and officer at large and such other officers as the Governing Board shall determine. The term of office for those so elected shall be one year and until their respective successors are elected and qualified. Notwithstanding the foregoing, all officers must be a Representative and, upon selection of a successor Representative by such officer’s appointing municipality or county, such officer shall immediately tender notice thereof to the Compact and the Governing Board shall select a replacement among the various Representatives for the remaining term of such officer.

B. Qualifications.

Two or more offices may be held by the same person, except the offices of chairman and secretary.

C. Vacancies.

Any vacancy occurring among the officers, however caused, may be filled by the Governing Board, from among the Representatives for the unexpired portion of the term.

D. Removal and Resignation of Officers.

1. Removal.

Any officer of the Compact may be removed from their respective offices with or without cause by resolution adopted by a majority of the Representatives then in office at any annual or

special meeting of the Governing Board or by a written consent by all of the Representatives then in office.

2. Resignation.

Any officer may resign at any time by giving his or her resignation in writing to the chairman, treasurer, secretary or any other officer or Representative of the Compact. An officer may resign as officer without resigning from other positions in the Compact, including positions on the Executive Committee or as Representative.

E. Sponsors, Benefactors, Contributors, Advisors, Friends of the Compact.

Persons or groups of persons designated by the Governing Board as sponsor, benefactor, contributor, advisor or friend of the Compact or such other title as the Governing Board deems appropriate shall, except as the Governing Board shall otherwise determine, serve in an honorary capacity. In such capacity they shall have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum and shall have no other rights or responsibilities.

F. Chairman.

The chairman shall be chief executive officer of the Compact, ~~in consultation with the Compact Administrator and, subject to the control of the Governing Board, shall in general supervise and control all of the business and affairs of the Compact.~~ The chairman shall preside at all meetings at which he or she is present. Unless otherwise directed by the Governing Board, all other officers shall be subject to the authority and supervision of the chairman. The chairman also shall have such other powers and duties as customarily belong to the office of chairman or as may be designated from time to time by the Governing Board.

Vice Chairman.

The vice chairman shall assist the chairman and preside at meetings at which the chairman is not present. The vice chairman also shall have such other powers and duties as customarily belong to the office of vice chairman or as may be designated from time to time by the Governing Board.

G. Treasurer.

The treasurer shall be the chief financial officer of the Compact and shall have such powers and duties as customarily belong to the office of treasurer or as may be designated from time to time by the chairman or the Governing Board. The roles and responsibilities of the treasurer may be delegated or expanded. Pursuant to the Administrative Services Agreement between the Compact and Barnstable County, as such agreement may be amended from time to time, the County is the designated agent and fulfills the administrative role for the Compact.

H. Secretary.

The secretary shall arrange for the recording, consistent with applicable law, of all proceedings of the Governing Board, Executive Committee and any other such committee in a book or books to be kept therefor, shall have custody of the seal of the Compact, and have such powers and duties as customarily belong to the office of clerk or secretary or as may be designated from time to time by the chairman or the Governing Board.

I. Other Officers.

The Governing Board shall have legal counsel for the Compact. The Compact's legal counsel may jointly represent the Compact's members or affiliates in accordance with a bylaw adopted by the Compact pursuant to Article II(j).

The Compact shall designate a Chief Procurement Officer, whose role, in accordance with G.L. c. 30B and other applicable provisions of law, shall be to select proposals for and facilitate the award of contracts on behalf of the Compact, with input from members of the Governing Board, Compact staff, counsel and others, as such Chief Procurement Officer sees fit. Notwithstanding the foregoing, the Governing Board may determine that the Compact, as long as consistent with applicable law, will select proposals and award contracts in another manner.

Other officers shall have such powers as may be designated from time to time by the Governing Board.

K. Compact Administrator.

In general, the Compact Administrator shall serve as the chief administrative and operating officer and supervise, direct and be responsible for the efficient administration of the business of the Compact. More specifically, the Compact Administrator shall: (i) implement goals and carry out the policies of the Governing Board; (ii) plan, direct, coordinate, and implement all administrative and operational functions of the Compact; (iii) plan, prioritize, schedule, assign, direct, supervise and evaluate the work of all Compact staff; (iv) develop job descriptions for Compact staff and recruit applicants for staff positions, consistent with budgets approved by the Governing Board; (v) supervise and select outside consultants, counsel, etc. as authorized by the Governing Board; (vi) consult with and advise the Governing Board as to the business, operational and strategic concerns of the Compact including fiscal affairs, legal and operational issues, and major program initiatives; (vii) regularly attend all regular and special meetings of the Governing Board and answer all questions addressed to him/her; (viii) ensure that complete and full records of the financial and administrative activity of the Compact are maintained (with the assistance of the Compact's fiscal agent and its auditor); (ix) prepare, maintain, update and complete required reports and filings to local, state and federal governmental authorities; (x) consistent with budgets approved by the Governing Board, manage the Compact's legal affairs, including negotiating and executing contracts and directing the Compact's participation in regulatory and judicial proceedings; (xi) be responsible for power supply procurement for the Compact's electric customers including issuing requests for proposals, and negotiating contracts concerning power supply and renewable energy certificate purchases; (xii) be responsible for general administration of the Compact's energy efficiency program in accordance with all applicable laws and the rules and regulations of the Department of Public Utilities, or any successor entity; (xiii) plan and direct strategic initiatives; and (xiv) perform such other duties as may be directed by the Governing Board from time to time, or as may necessary or advisable to

fulfill the Compact's objectives. The Compact Administrator also shall have such other powers and duties as customarily belong to a manager of a municipal light plant or a major regional inter-governmental association, or as may be designated from time to time by the Governing Board.

ARTICLE VIII: BUDGET; MAXIMUM FINANCIAL LIABILITY OF THE MEMBER MUNICIPALITIES AND COUNTIES

The Compact shall adopt an operating budget for each fiscal year and direct the expenditure of funds in accordance with applicable law. The operating budget and any amendments thereto shall be approved by a weighted vote of the Governing Board in accordance with Article III(D).

~~The Compact, when appropriate, shall adopt an annual budget and direct the expenditure of funds in accordance with applicable law.~~

This Agreement is not intended to impose any independent financial liabilities on the members. Each member shall remain responsible for its own debts and other financial liabilities, except as specifically provided herein.

ARTICLE IX: COOPERATION

The member municipalities, Dukes County and Barnstable County agree to act in good faith and use their best efforts to effectuate the intent and purpose of this Agreement. All parties to this Agreement shall cooperate to the fullest extent possible.

ARTICLE X: ELECTRICITY AND OTHER AGREEMENTS

Pursuant to this Agreement, member municipalities, Barnstable County, Dukes County, and private consumers may enter into contracts for the distribution, transmission and/or supply of electricity, for the purchase of energy and RECs, and for project financing in support thereof, provided, however, that any contract for the purchase of electric power supplies, distribution, transmission or metering, billing and information services or related to any of the foregoing, shall not impose direct financial obligations on any member municipality or county (except for *de minimis* impacts by virtue of such member's participation in the Compact) until approved by such individual member municipality or county, as the case may be, and further, that any contract shall indemnify and hold harmless the Compact and its members from any financial liability or provide commercially reasonable indemnification with respect to the provision of such products or services.

ARTICLE XI: OTHER APPLICABLE LAWS

Nothing in this Agreement or in any negotiated contract for the supply of electricity shall be construed to supersede, alter or otherwise impair any obligation imposed on any municipality

or county by otherwise applicable law.

ARTICLE XII: INDEMNIFICATION OF REPRESENTATIVES AND ALTERNATES

Each member of the Compact shall, to the extent legally permissible, indemnify the person(s) each such member chooses as set forth in Article III(A) to serve as a Representative for their service on the Governing Board and/or as a member of the Executive Committee and/or as an officer or who has served at any time as a Representative or officer or Executive Committee member of the Compact. All contracts negotiated or undertaken by the Compact shall also include, to the maximum extent feasible, indemnification of the Representatives and the participating members.

ARTICLE XIII: AMENDMENT

This Agreement may be altered, amended, or repealed, in whole or in part, by the affirmative vote of Representatives of municipalities whose population is at least equal to 50% of the combined population of all of the member municipalities of the Compact; provided that at least two-thirds of the Representatives from all of Barnstable County vote in the affirmative; and further provided that at least one Representative from all of Dukes County also votes in the affirmative.

ARTICLE XIV: TERM AND WITHDRAWAL

Each member shall take such action as required under G.L. c. 40, §4A to make this Agreement effective. This Agreement shall be effective as of the date that the last of the members signs below, and shall continue in effect for a term not to exceed twenty-five years. At the conclusion of the term, taking into account any changed circumstances, the members shall in good faith negotiate a replacement intergovernmental agreement.

Any governmental member may voluntarily withdraw from the Compact at the end of each quarter of the fiscal year (i.e. June 30th, September 30th, December 31st, March 31st), upon thirty days prior written notice. Withdrawal of such member shall not affect any obligations entered into prior to the date of withdrawal which are binding by their terms on such member, including, without limitation, contracts directly entered into by such member and financial contributions to the Compact made or agreed to be made by such member.

If the purposes of the Compact are attained, or for any other reason duly voted upon by the Governing Board, the Compact may dissolve. Upon dissolution, an accounting of the assets owned by the Compact shall be performed and sold. The proceeds of the sale shall be distributed equitably to the then remaining members of the Compact according to their percent contribution.

ARTICLE XV: CONSTRUCTION AND SEVERABILITY

This Agreement shall be liberally construed so as to effectuate the purposes thereof. The

provisions of this Agreement shall be severable and if any phrase, clause, sentence or provision of this Agreement is declared to be contrary to the constitution of any Massachusetts or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Agreement shall be held contrary to the constitution or General Laws of Massachusetts, the Compact shall remain in full force and effect as to all severable matters.

ARTICLE XVI: MISCELLANEOUS

A. Principal Office.

The principal office of the Compact shall be located at the Barnstable County Commissioners' Office, P.O. Box 427, Barnstable, MA 02630. The Governing Board may change the location of the principal office in accordance with Article III.

B. Compact Records.

The original, or attested copies, of this Agreement and records of all meetings of the Governing Board and members shall be kept in Massachusetts at the principal office of the Compact. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times for the inspection of any member or Representative for any proper purpose and as required by law. The records of the Compact shall be subject to the Massachusetts Public Records Act, G.L. c. 66, and shall be deemed public records, unless such records fall within the exemptions set forth in G.L. c. 4, §7, including exemptions for development of inter-agency policy and trade secrets or commercial or financial information.

C. Fiscal Year.

The fiscal year of the Compact shall begin on July 1st and end on June 30th, e.g. the same fiscal year as established by the General Laws for cities and towns in the Commonwealth.

D. Seal.

The seal of the Compact shall be a circular die with the name of the Compact around the periphery and the year and the date of establishment within.

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

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. 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.

F. Multiple Originals.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and all of such signature pages shall be read as though one and shall have the same force and effect as though all of the parties had executed a single signature page.

G. No Partnership or Joint Venture in Contracts with Third Parties; Limitation of Responsibility.

In carrying out its purposes as described herein, and in entry into any third party contract for the purchase of electric power supplies, distribution, transmission or metering, billing and information services or related to any of the foregoing, neither the Compact nor any of its members shall be a partner or joint venturer with any third party. The relationship between the Compact (and/or its members) on the one hand and the other party(ies) to such contract on the other hand shall be that of buyer and seller or agent for the buyer and seller, as the case may be. Nothing therein contained shall be deemed to constitute the Compact (and/or its members) as a partner, agent or legal representative of any third party or to create a joint venture, agency or any relationship between the Compact (and/or its members) and any third party other than that of buyer and seller or agent for the buyer and seller, as the case may be. The Compact and its members have no responsibility to supply, distribute, transmit, meter, bill or otherwise provide electricity to any consumer and none is implied hereby or thereby. Nothing in this Article XVI(G) shall be construed as prohibiting the Compact from entering into a partnership or joint venture relationship with any organization in which it has a membership interest or affiliation, including the Cooperative.

H. Appendix.

The bylaws of the Compact shall be set forth in an appendix to this Agreement. The Compact's administrator may update and replace such appendix each time such bylaws are duly amended by the Governing Board without the necessity of further Governing Board approval.

AUTHORIZED AND AGREED TO BY:

Town of Barnstable

Town of Bourne

Town of Brewster

Town of Chatham

Town of Dennis

Town of Eastham

Town of Falmouth

Town of Harwich

Town of Mashpee

Town of Orleans

Town of Provincetown

Town of Sandwich

Town of Truro

Town of Wellfleet

Town of Yarmouth

Barnstable County

Town of Aquinnah

Town of Chilmark

Town of Edgartown

Town of Oak Bluffs

Town of Tisbury

Town of West Tisbury

County of Dukes County

**BYLAWS
OF
CAPE LIGHT COMPACT
Adopted March 25, 2009**

**Bylaw 1. *Shared Legal Representation Involving Members or Other Public Entities;
Official Duties of Compact Counsel.***

The purpose of this bylaw is to allow the Compact from time to time to retain counsel who may also represent its Members or other public entities in matters in which the Compact has a direct or substantial interest without violating G.L. c. 268A, Section 11(a) and (c). Such dual or common representation allows the Compact to pool resources for a common purpose, develop mutual interests, and preserve scarce Compact funds. Pursuant to this bylaw, the official duties of Compact counsel include, but are not limited to, representing Members or other public entities in: (i) administrative and judicial proceedings in which the Compact is also a party; (ii) contract negotiations or project development matters in which the Compact or its Members have an interest, and (iii) other matters in which the Compact has a direct or substantial interest, provided that in each instance, such dual or common representation would not cause a violation of rules governing attorney conduct. Compact counsel shall discharge such duties only when requested in writing by the Compact's Governing Board. Prior to making such a request, the Compact's Governing Board shall determine whether the interests of the Compact would be advanced by such dual or common representation and shall evaluate if actual or potential conflicts of interest exist. If any conflicts are identified, they shall be described in the written request. Counsel shall then make its own determination whether such dual or common representation would not cause a violation of rules governing attorney conduct.

Dear *Cape Light Compact GreenSM* member,

Thank you for your participation in *Cape Light Compact GreenSM*. Since the program's inception in 2004, you and your peers in the program have purchased more than 100,000 megawatt-hours of renewable power. That's enough electricity to power the average home on the Cape and Vineyard for more than *15,000 years*, equivalent to the carbon sequestered by more than 37,000 acres of forest in a year! In 2006 and 2007, members of the *CLC Green* community were directly responsible for helping fund the installation of solar photovoltaic (PV) systems on 20 municipal buildings. At the time, when solar was still nascent, it was an enormous step. It was one example of how your participation helps drive the development of more local renewables and a cleaner energy system.

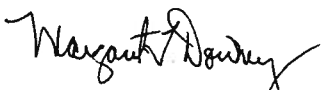
In September 2014, the Compact board approved a pilot program, using non-*CLC Green* funds, to purchase renewable energy certificates (RECs) from solar systems on affordable housing units. Specifically, the Compact paid for 10 years' worth of RECs up-front, helping to defray the capital cost of the system, which can be challenging for low and moderate-income households to finance. In the summer of 2015, the Compact executed two such contracts for systems on homes newly-constructed by Habitat for Humanity of Cape Cod. RECs produced by these systems will be sold to the Compact's power suppliers for use towards their state-mandated renewables compliance obligations.

I'm excited to write you today about an innovative use of the *CLC Green* funds that will not only bring more renewables onto the grid, but will also help make sure that the benefits of renewables are shared more equitably. Recently, the Compact board approved the use of a portion of *CLC Green* funds for a similar purpose to the pilot program – purchasing RECs to support the installation of solar on affordable housing units and non-profits. When these systems begin producing RECs, again, they will be sold for compliance obligations, instead of being retired to match the consumption of *CLC Green* participants. The funds from the sale, however, will be returned to the *CLC Green* program, enabling it to sign similar additional contracts, or to support renewables in another way. This makes this program sustainable, and, most importantly, it won't interfere with the commitment to match your consumption with local, renewable energy.

The attached updated Terms of Service reflects new language to enable this program, as well as some other administrative edits. We hope that you are as excited about supporting renewables for affordable housing and nonprofits as we are! Please note that while a small portion of *Cape Light Compact GreenSM* funds will be used for this exciting program, your energy usage will continue to be matched with local, renewable resources. If you decide that this is not something you're interested in being a part of, however, you can always de-enroll from *Cape Light Compact GreenSM* by calling 800-381-9192.

Again, thanks for helping bring clean, renewable energy to the Cape and Martha's Vineyard!

Sincerely,



Maggie Downey, Cape Light Compact Administrator



Terms of Service: **Cape Light Compact Green 100%SM**

~~7/1/10~~

9/16/2015

This Customer Agreement for *Cape Light Compact GreenSM* Service ("Agreement") is between the Cape Light Compact ("the Compact") and you, a residential customer who has selected *Cape Light Compact GreenSM* as a renewable energy program. The Compact is authorized by the Massachusetts Department of Public Utilities ("DPU") to administer the *Cape Light Compact GreenSM* program. These Terms of Service govern your participation in the Compact's *Cape Light Compact Green 100%SM*. Please keep a copy for your records. From the time you receive this, you have three business days to change your mind about choosing *Cape Light Compact Green 100%SM*. You may cancel this agreement by calling the Compact's customer service number (1-800-381-9192) or by writing to the billing address listed below.

Who should I contact for more information?

Cape Light Compact ("The Compact")
Barnstable Superior Court House
P.O. Box 427
3195 Main Street (Route 6A)
Barnstable, Massachusetts 02630
Phone: 800-381-9192
Web address: www.capelightcompact.org

How will I be billed?

Payments associated with *Cape Light Compact Green 100%SM* will be automatically included in your regular monthly electricity bill from [NSTAREversource](#). Bills for *Cape Light Compact Green 100%SM* do not in any way affect or replace your obligation to pay [NSTAREversource](#) for the services it provides. This means that your total electricity service cost will include your *Cape Light Compact Green 100%SM* payments, as well as your [NSTAREversource](#) retail delivery service. Payment of all charges, including those associated with *Cape Light Compact Green 100%SM*, are payable to [NSTAREversource](#). No interest will accrue on any arrears associated with *Cape Light Compact Green 100%SM*. The low-income guarantee will not apply to the provision of *Cape Light Compact Green 100%SM*.

Taxes: You must also pay all applicable federal, state and local taxes and charges.

How will my bill for *Cape Light Compact Green 100%SM* be calculated?

Cape Light Compact Green 100%SM is sold at priced as a price premium of 9.59016 cents per kilowatt-hour ("kWh") above the Compact's basic electric rate for the applicable rate class. The total price, comprised of the premium and the basic electric rate, will change as the Compact's basic electric rate changes. This total price will be applied to your electricity usage.

~~For example, the average New England household uses about 500 kWh/month. For example, the consider an account with a usage of 600 kWh/month. For a month in which the Compact's basic electric rate was 10 cents per kWh, the total cost of *Cape Light Compact Green 100%SM* would be 11.6 cents per kWh. The total cost of *Cape Light Compact Green 100%SM* for this household would be calculated as follows: 600 kWh x \$0.0959 = \$47.95116 = \$69.60~~ Your total charges for *Cape Light Compact Green 100%SM* will vary from month to month according to your electricity usage.

Will my electricity rates or resource mix change over time?

~~The pricing and resource mix for *Cape Light Compact Green 100%SM* will remain constant through January 31, 2011, though the Compact reserves the right to increase either the percentage of wind or solar included in the *Cape Light Compact Green 100%SM* resource mix at our sole discretion. After January 31, 2011, from time to time, the price and resource mix may change to reflect market conditions such as the availability of new resources. You will be notified of any price changes change in the premium associated with *Cape Light Compact Green 100%SM*, or if the percentage of "new" resources, as described below, decreases below twenty-five percent (25%), thirty (30) days prior to any such change. If you do not wish to pay the new price premium or accept the new resource mix for *Cape Light Compact Green 100%SM*, you may terminate your participation by notifying the Compact at 1-800-381-9192. After notifying the Compact that you wish to opt out of *Cape Light Compact Green 100%SM*, your participation will be terminated on your next meter read. (note - at least two days' notice is needed before the start of your billing cycle to put a cancellation into effect for that cycle; otherwise, the cancellation will not go into effect until the following billing cycle following it).~~

~~On a quarterly basis, the Compact will also provide you with updates its *Cape Light Compact GreenSM* Program Environmental Disclosure Statement, which documents the price, fuel source, resource mix, emissions, and labor information on the energy you have chosen. This document is available at the Compact's website at www.capelightcompact.org/powersupply. The resource mix reported for *Cape Light Compact GreenSM* will be for the most recent four quarters for which data is available.~~

The rates for your electricity services from the Compact may vary over time. For more information on these charges please contact the Compact's customer service department at 1-800-381-9192 or log on to www.capelightcompact.org for current information about your supplier services.

What fuel sources will be used to generate *Cape Light Compact Green 100%SM*?

The amount of "new" generating facilities in *Cape Light Compact Green 100%SM* ~~exceeds in addition to~~ the amount required under the Massachusetts Renewable Portfolio Standard (RPS), ~~which mandates that all sales of electricity sold in Massachusetts in 2010 include 5.0% "new" renewable generation.~~ At least 25% of *Cape Light Compact Green 100%SM* is from qualified "new" electricity generating facilities and the remainder is from wind, solar, low-impact small hydroelectric and/or landfill gas facilities. ~~The Compact reserves the right to substitute all or some landfill gas certificates with wind certificates from land-based wind projects that may come online in 2011.~~ All of these resources are located in New England. ~~Your~~The *Cape Light Compact Green 100%SM* Program Environmental Disclosure Statement will provide you with more details on the resource mix. "New" renewables are generation facilities operating on or after January 1, 1998.

How will I know that I am participating in the *Cape Light Compact Green 100%SM* program?

Whether you choose green power or not, a distinct set of environmental characteristics will be assigned to the electricity ~~you use and disclosed to you each quarter you use.~~ When you choose *Cape Light Compact Green 100%SM* you will be assigned the characteristics of the *Cape Light Compact Green 100%SM* resource mix (described above). ~~Each quarter, the Compact will send you a disclosure statement detailing the electricity sources and environmental characteristics associated with the electricity you used in the previous quarter. The Compact uses the Generation Information System, operated by the New England Power Pool, to purchase and retire renewable energy certificates from the sources indicated on the disclosure label on your behalf. If you have questions about your enrollment, please call 1-800-381-9192.~~

Are my payments tax deductible?

Yes! The premium portion of your payment to the Cape Light Compact, through *Cape Light Compact Green 100%SM*, is 100% tax deductible. Your payment not only supports existing renewable energy but also supports the development of new renewable energy generating sources.

The premium portion of your payments are recognized as a tax deductible contribution for federal income tax purposes. 100% of the premium you pay for Cape Light Compact Green 100%SM (100% of 1.600¢ per kWh) will be recognized as a tax deductible contribution. The Compact will mail you a statement every January documenting the amount you may claim as a tax deductible contribution. Please note that the amount you will be able to deduct will be based upon what you actually pay for *Cape Light Compact Green 100%SM*, rather than what you are billed for ~~*Cape Light Compact Green 100%SM* — 100%SM~~, rather than what you are billed for *Cape Light Compact Green 100%SM*. ~~While the premium you pay for *Cape Light Compact Green 50%SM* is used primarily for the purchase of renewable energy certificates, the Compact may, from time to time, use a portion of the premium collected from *Cape Light Compact Green 100%SM* participants for other activities that promote the development of local renewable energy sources. These activities may include marketing, promotions, financing, and REC purchases to promote local renewables. Such activities do not change any of the Compact's obligations to you under these Terms of Service.~~

What is the term of this Agreement? How does this Agreement terminate? If I decide to terminate this Agreement, is there a fee?

Participation in *Cape Light Compact Green 100%SM* will begin within one month of your enrollment. Participation in *Cape Light Compact Green 100%SM* will terminate upon the first occurrence of any of the following events: you choose to receive supplier services from a competitive supplier other than the Cape Light Compact; you terminate participation by notifying the Compact by telephone at 1-800-381-9192, or in writing at the address for the Compact listed above; you terminate participation by notifying ~~NSTAR~~Eversource; you move out of the service territory of the Compact; your distribution service is terminated by ~~NSTAR~~Eversource; the Department of Public Utilities ("DPU") or a court of competent jurisdiction terminates the *Cape Light Compact Green 100%SM* program; or if the Compact, in its sole ~~discretion~~Eversource discretion, terminates your participation in the *Cape Light Compact Green 100%SM* program for any reason.

You may decide to cancel *Cape Light Compact Green 100%SM* at any time. There is no termination fee for discontinuing participation as a *Cape Light Compact Green 100%SM* customer. If you cancel *Cape Light Compact Green 100%SM*, you will continue your current status as a Cape Light Compact Basic Service customer. If you decide to cancel *Cape Light Compact Green 100%SM* by contacting the Compact, the termination will become effective on your next meter read.

Are there any penalties for not making my *Cape Light Compact Green 100%SM* payments?

It is the policy of the Compact that if you do not pay your *Cape Light Compact Green 100%SM* payments for two consecutive billing periods, the Compact, in its sole discretion, may terminate your participation in the *Cape Light Compact Green 100%SM* program. No additional penalties will apply.

What other fees apply?

You are not required to make any other payments as a condition for choosing to participate in this program.

Are there any other contract details that I should be aware of?

Limits on Warranty and Damages: You understand and agree that there are no warranties, either express or implied, associated with this offer or the *Cape Light Compact Green 100%SM* program sold hereunder. The Compact will bear no liability to the customer or any third party for consequential, punitive, incidental, special, or other indirect damages.

Relationship with ~~NSTAR~~Eversource and ConEdison Solutions: The Compact and its residential supplier ConEdison Solutions are working together to bring you *Cape Light Compact Green 100%SM*. ~~NSTAR~~Eversource will manage transmission and distribution services. The Compact, as a municipal aggregator, is partnering with ConEdison Solutions to manage electricity generation service for residential customers. You will continue to receive your bill from ~~NSTAR~~Eversource, and you will only need to make one payment. However, charges for transmission, distribution, and generation will be listed separately on your monthly bill.

Entire Agreement: This Agreement, including, the Disclosure Statement attached as Exhibit A, constitutes the entire agreement between you and the Compact and supercedes all prior oral or written agreements or understandings relating to the provision of the *Cape Light Compact Green 100%SM* program to you by the Compact.

Indemnification: You agree that you will be responsible for all damages or expenses that are caused by your failure to comply with this Agreement, and that you will hold harmless the Compact and its representatives for any claims that result, either directly or indirectly, from your failure to fulfill your obligations under this Agreement. This means that you, and not the Compact, will be responsible for paying any claims or damages that are caused by any failure of yours to comply with this Agreement.

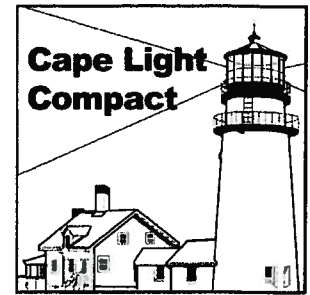
Notices: All communications required under this Agreement will be sent to you at the address on your [NSTAR Eversource](#) electric bill. All communications you send to the Compact must be sent to the address listed above.

Dispute Resolution: To the extent that the DPU chooses to exercise jurisdiction, the provisions of 220 CMR 25.02(4) apply to this Agreement. For more information on 220 CMR 25.02(4), go to <http://www.state.mass.gov/Eoca/docs/dte/cmr/220cmr2500.pdf> <http://www.mass.gov/eea/docs/dpu/cmr/220cmr2500.pdf>. If the DPU declines to become involved in any disputes involving this Agreement, including any billing disputes, you and the Compact agree to first use your best efforts to resolve any dispute through informal negotiations. The period for informal negotiations will not exceed fourteen days from the time the dispute arises, unless agreed to in writing. A dispute will be considered to have arisen when you send the Compact a written notice identifying the basis of the dispute. If the dispute cannot be resolved by informal negotiations, you agree to submit the dispute to mediation. You may choose a mediator from a list of neutral and qualified mediators provided to you by the Compact. If you cannot agree to a listed mediator, the American Arbitration Association, Boston, Massachusetts, will appoint a mediator. Once the mediator is appointed, the time of the mediation will not exceed sixty days, unless agreed to in writing. You and the Compact will each pay your own costs of the mediation. If mediation does not resolve the dispute, you or the Compact may file a lawsuit in any court having jurisdiction located in Suffolk County (Boston). You agree that any disputes under this Agreement will be governed by the laws of the Commonwealth of Massachusetts.

Agenda Action Request

Cape Light Compact

Meeting Date: 9/16/2015



AMENDMENTS TO CAPE LIGHT COMPACT GREENSM PROGRAM

REQUESTED BY: Stephan Wollenburg

Proposed Motion(s)

- 1) I move the Board vote to approve the use of a portion of the premium collected from customers in the *Cape Light Compact GreenSM program* (Account 8075) for pre-purchasing renewable energy certificates (RECs) from projects on low-income housing and non-profits on the Cape and Vineyard. These RECs will be used for the Compact's power supply RPS compliance, and revenue from these RECs will be returned to Account 8075.
- 2) I move the Board vote to approve the updated *Cape Light Compact GreenSM program* Terms of Service.

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.

Additional Information

On September 10, 2014, the Compact board approved the creation of a new item on the FY15 budget of \$60,000 to purchase RECs from solar PV systems on affordable housing units on the Cape and Vineyard, using non- *Cape Light Compact GreenSM program* funds. The Board agreed that this would serve as a pilot. The Compact entered into REC contracts for two systems on houses newly constructed by Habitat for Humanity. The contracts were structured to pay the system owner based on projected production over 10 years, the term of the contract in which the Compact would receive the RECs. The contract contained a number of protections for the Compact.

Given the successful execution of these contracts and the completion of these two systems, staff is requesting that the Board approve funds that are currently in Account 8075 for similar REC pre-purchases, especially because the Compact as received interest in signing additional contracts. These RECs will be sold to one of the Compact's power suppliers for RPS compliance, and revenue from this sale will be returned to account 8075. If the board approves the proposed motions, Compact staff will send a letter to all current *Green* participants, including an updated Terms of Service and explaining the change.

Record of Board Action

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

- 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

CLC Update/3-year Plan Presentations:

Chronological:			To be scheduled:
Town/County	Date	Time	
Wellfleet	9/22/2015	7:00 PM	Bourne
West Tisbury	9/23/2015	4:30 PM	Falmouth
Sandwich	9/24/2015	7:00 PM	Oak Bluffs
Mashpee	9/28/2015	6:30 PM	Tisbury
Chatham	9/29/2015	5:00 PM	
Eastham	10/5/2015	5:00 PM	
Brewster	10/5/2015	7:00 PM	
Yarmouth	10/6/2015	7:00 PM	
Barnstable Count	10/7/2015	1:00 AM	tentative
Dukes County	10/7/2015	5:00 PM	
Harwich	10/19/2015	6:30 PM	
Aquinnah	10/20/2015	5:30 PM	
Orleans	10/21/2015	7:00 PM	
Truro	10/27/2015	6:00 PM	
Edgartown	11/2/2015	4:00 PM	
Chilmark	11/3/2015	7:30 PM	
Provincetown	11/9/2015	6:00 PM	
Dennis	11/17/2015	6:15 PM	
Barnstable	11/19/2015	7:00 PM	



Cape & Vineyard Electric Cooperative, Inc.
Superior Courthouse. P.O. Box 427. Barnstable, MA 02630
508.375.6891. www.cvecinc.org

9.16.15

Board of Directors
Cape Light Compact
Superior Courthouse
3195 Main Street
Barnstable, MA 02630

RE: Round 1 Photovoltaic Projects and Administrative Operational Adder

Dear CLC Board,

First, CVEC would like to thank you for your contributions to the Cape & Vineyard Electric Cooperative, Inc. (CVEC). As you well know, without the Cape Light Compact (CLC) support none of the CVEC accomplishments over the past years would have been possible!

The collective action of CVEC and its members has resulted in the completion of an impressive amount of solar as well as significant savings for each member. This was made possible by changes to net metering regulations which CVEC played a central role in passing, thus allowing Towns with more area for solar development to share benefits with other Towns, School Districts and Counties with fewer or no appropriate sites. It's an accomplishment of which the CLC, CVEC and all members should be proud.

The primary purpose of this letter is to inform the CLC of CVEC's finances and plans for the coming year and beyond. To be clear, CVEC has a modest income stream from its Round 2 projects in addition to adequate reserves estimated at more than \$250,000 to carry it well into FY 2017. CVEC awaits the conclusion of legislative action that will expand net metering, the solar renewable energy credit (SREC) program, and other incentives, allowing CVEC to deploy additional projects to benefit its members and their communities.

I would note, too, that the additional benefits to both hosts and off-takers associated with sharing output from the Round 1 and Round 2 systems has only been made possible through our unique cooperative entity, which oversees a complex distribution structure. CVEC is proud to have constructed and now administer the multifaceted CVEC revenue sharing system.

However, the administrative complexity associated with verifying energy production, accounting

for accurate distribution of net metering incentives and PPA fees for host and off-taker participants, and attending to the myriad legal and other details associated with management of 32 PV systems has turned out to be much more costly than anticipated when CVEC first launched Round 1.

That said, with regard to our Round 1 Solar project participants, CVEC is meeting with the participants benefitting from the Round 1 projects to share some of the realities of managing the Round 1 portfolio on their behalf. CVEC is asking the 8 Round I hosts and the 9 Round 1 off-takers to consider the approval of a one-cent adder, commencing in FY17, to be added to the PPA (Power Purchase Agreements) for the Round I projects. (This one-cent adder is identical to the member adder included in the CVEC Round 2 projects). The one-cent adder will allow CVEC to continue to provide the full level of services it's currently delivering while exploring new energy opportunities for its members and maintaining its modest reserves.

At the conclusion of the first three years of the one-cent adder, CVEC has committed to meeting with all Round 1 hosts and off-takers to report on the need to continue, reduce, or eliminate the adder.

CVEC's Manager of Programs and Administration, Liz Argo, has met with the towns' energy committees, to review the CVEC FY16 budget, to present the savings and costs to the participants over the first year of operations, and to discuss the affect the one-cent adder will have on each participant's future savings. She has also presented and gained approval from two of the Round 1 participants.

The purpose of this letter is to inform the CLC Board of CVEC activities around the seeking of the one-cent administrative operational adder for the 8 Round 1 projects, those projects being the capped landfill PV projects located in Barnstable, Brewster, Chatham, Eastham, Harwich, Tisbury and the 2 installations known as Katama and Nunnepog located in Edgartown.

Thank you again for the Cape Light Compact's tremendous support.

Sincerely,

A handwritten signature in black ink that reads "John C. Checklick". The signature is written in a cursive, slightly slanted style.

John C Checklick
President
The Cape & Vineyard Electric Cooperative



Cape Light Compact

Annual Report
2014

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

Working Together Toward A Smarter Energy Future

Letter from the Chair

TOGETHER WE CAN SHAPE OUR FUTURE

This year's annual report offers a good look at how we are engaged with our communities and consumers. In addition to the Compact's day-to-day work, the staff, board members and our local energy committees dedicated significant time during 2014 to public events, business and social organizations, and our schools. The focus of many of the discussions was on the benefits of energy efficiency, which is the cornerstone of our regional energy program. (See the Energy Efficiency, Customer Highlights, and Energy Education sections as well as Consumer Advocacy.)

We also held discussions with consumers and local officials concerning revisions to our Municipal Aggregation Plan. As the first municipal aggregator in the country, the Compact has set an example nationally and regionally. In the last few years, several dozen municipalities across the state have applied to create programs similar to the Compact. As the Massachusetts Department of Public Utilities (DPU) weighed those applications, it requested that the Compact review and make any desired updates to the Compact's original (2000) aggregation plan. From late 2013 onward, the Compact board and staff focused on gathering community feedback and keeping the public abreast of the multi-step DPU proceeding. The Compact received full DPU approval of the updates in spring 2015.

2014 was newsworthy for the Compact's work in other respects as well. The changeout of more than 15,700 streetlights to high-efficiency Light Emitting Diode (LED) lights will save our communities more than \$870,000 annually. Several of our schools and students were recognized with state and national energy awards. The Falmouth Ice Arena undertook state-of-the-art improvements to become one of the most energy efficient ice-skating facilities in the nation and won a regional award. And our Basic Service electric prices were lower than NSTAR's for the first eleven months of the year.

All of this demonstrates how the Compact's 21 towns and two counties collaboratively leverage their combined strengths to offer competitive programs and to advocate for the unique energy needs of our coastal community.

We have much to be proud of, but the Compact won't be resting on its laurels. Changes coming to the electric industry will affect all of us. Issues such as grid modernization will require thoughtful policies and hard work. In 2015, we look forward to conversations with our communities, the utilities, and governmental agencies about more efficient delivery of electricity—and better opportunities for consumers to reduce consumption and supply their own power.

The Compact Governing Board and staff feel privileged to do this work on behalf of the people of Cape Cod and Martha's Vineyard.

Joyce Flynn

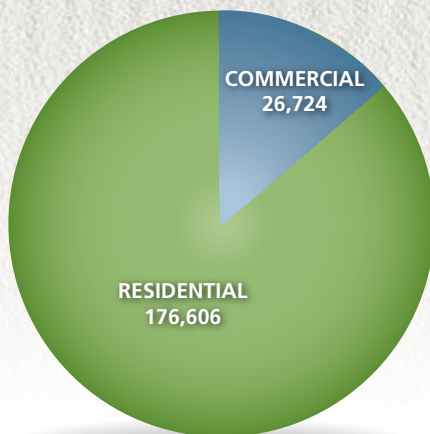
Chair, Cape Light Compact Governing Board

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- 8 Financials
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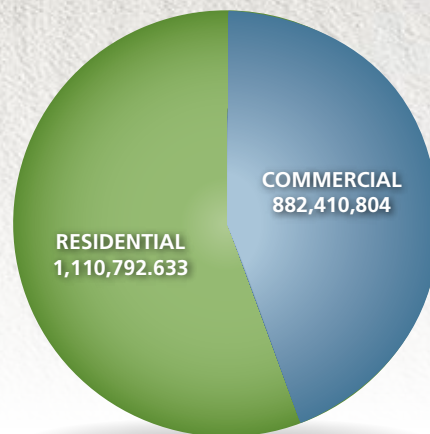
2014 Facts at a Glance

Number of Electric Customers
in the 21 Member Towns



Total: 203,330

Kilowatt-hours (kWh)
used in 2014
in the 21 Member Towns



Total: 1,993,203,437

The Cape Light Compact is an award-winning energy services organization operated by the 21 towns and two counties on Cape Cod and Martha's Vineyard.

The Compact's mission is to serve its 200,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, competitive electricity supply and green power options.

INNOVATION & ACHIEVEMENT

Bright Lights, Big Changes for 2014



LED streetlight installation in Brewster

Nights on Cape Cod and Martha's Vineyard might never be the same. From January to June, more than 15,700 Light Emitting Diode (LED) streetlights were installed to replace existing municipal streetlight fixtures in 19 towns and four Fire Districts across the Cape and Vineyard. The new lights provide high-quality lighting, use 70 percent less energy, and last significantly longer than the dominant predecessor technology, high-pressure sodium lamps. Initial reports were that the past winter's frequently dark and stormy nights became much brighter and safer at key intersections. And from a small plane, you now see a lot less light pollution beaming skyward, which means improved stargazing for all of us.

Both the scale and approach of the LED Streetlight project reflect the Compact's forward-looking goals of achieving energy savings while making improvements for the benefit of all of its customers. The LEDs are expected to save the towns more than \$870,000 annually on their electric and maintenance bills, a key incentive for anyone mindful of municipal budget challenges. Funds for the project were approved as part of the Compact's 2013-2015 Three Year Energy Efficiency Plan.

Edgartown before and after LED streetlight installation



All of the Compact's customers benefit from this project. It delivers savings for municipal budgets, better roadway lighting, less frequent streetlight outages and less need for maintenance, safer roads, and a reduction of pollution from generating plants. Until the next generation of lighting technology emerges, the LEDs will mark a major innovation and achievement region-wide.

Oak Bluffs LED streetlight installation



ENERGY EFFICIENCY

Saving Energy and Money

More efficient light bulbs, dehumidifiers, water heaters, heating and cooling systems, added insulation, programmable thermostats, occupancy sensors: these are a few of the essential building blocks for energy efficiency. Every year, as more people and businesses take advantage of such building blocks, the amount of energy efficiency benefits accruing on the Cape and Vineyard grows and deepens.

In 2014, the Compact passed the \$600 million dollar mark for lifetime economic benefits to be gained from efficiency measures installed since 2001. In 2014 alone, \$36,757,137 was reinvested for efficiency measures that are expected to save 494,299,000 kilowatt-hours and produce \$139,045,935 in lifetime economic benefits. One piece at a time, energy efficiency is helping to establish the foundation for a new future.

As part of its on-going work to help people save energy and money, Compact staff mounted a special “Chill Your Bill” campaign in the fall. The campaign was aimed at helping consumers who would be hard hit by the winter spike in electric prices. Information was broadcast and posted online and nineteen public meetings were held to promote awareness of opportunities for energy improvements in homes and businesses.

Board members and town energy committees took part in the campaign. This type of grassroots engagement is what the Compact takes pride in being able to offer to its consumers.

Posters distributed to town halls were part of the consumer education campaign.



By the Numbers

Below is a summary of facts on participation in the Compact's energy efficiency programs by residential and business consumers in 2014.

Residential

- ❖ Number of residential customers who participated: 5,992 (including low-income customers) in the “Whole House” programs. A larger group purchased or received 82,645 residential energy efficient products, such as: lighting, appliances and heating and cooling equipment.
- ❖ Total estimated annual kWh saved: 17,563,000 kWh
- ❖ Total estimated lifetime kWh savings: 171,575,000 kWh
- ❖ Total estimate lifetime \$ savings: \$22,451,289 (energy and capacity only)
- ❖ Total environmental savings: Annual greenhouse gas emissions savings equivalent to taking 2,550 passenger vehicles or passenger cars off the road, eliminating CO₂ emissions from 1,362,730 gallons of gasoline

Commercial & Industrial Consumers

- ❖ Number of commercial customers who participated: 2,101
- ❖ Total estimated annual kWh saved: 32,827,000
- ❖ Total estimated lifetime kWh savings: 322,724,000
- ❖ Total estimated lifetime \$ savings: \$43,696,848 (energy and capacity only)
- ❖ Total environmental savings: Annual greenhouse gas emissions savings equivalent to taking 4,765 passenger vehicle or passenger cars off the road, or eliminating CO₂ emissions from 2,547,079 gallons of gasoline.

CUSTOMER HIGHLIGHTS

Innovation and Training

Dennis-Yarmouth School District Facilities Manager Sandra Cashen took part in building management training funded by the Compact and subsequently found the source of costly problems plaguing existing equipment. Resolving these issues will save the District energy, money and time, and will increase comfort for both students and staff. Sandra Cashen's innovation and dedication to pursuing a broad array of energy efficiency projects has helped to earn all of her school buildings an ENERGY STAR® rating.

An Award Nominee

The Wampanoag Community and Government Center is a state-of-the-art 46,000 square foot hub of activity for the tribe. The Tribe received a rebate of \$72,795 for meeting all 13 of the Compact's criteria for designing an advanced energy efficiency building through the New Buildings Institute Advanced Building Program. In addition, the tribe was nominated for a regional award for its visionary work to make the Center a showcase for energy efficiency. Other notable new building projects in 2014 included the Cape Cod Church and the much-publicized Monomoy Regional High School.



Monomoy Regional High School

A Region-wide Effort

The Compact completed the installation of more than 15,700 LED lights through its Streetlight Retrofit Initiative. The initiative covered 19 towns and four fire districts (see page 2) in a region-wide effort to convert municipally-owned streetlights to the higher efficiency technology in collaboration with its member towns.

Testing New Approaches

The Compact began testing a program delivery model specifically geared toward grocery businesses. Three independent grocers agreed to work with the Compact and industry experts to identify comprehensive suites of efficiency measures unique to this sector

that would be both cost-effective and have a positive impact on the operation of their stores and their bottom line. An expanded effort is in development.

Community Campaigns

Activity continued for the Main Streets initiative in three additional Cape and Vineyard towns in 2014 – Oak Bluffs, Chatham and Falmouth. The results of all three towns showed that the focused roll out of efficiency services in concentrated small retail districts can yield high rates of customer participation and additional savings at very competitive delivery costs. Towns, businesses and the Compact worked together in a visibly focused campaign to augment ongoing program delivery offerings.



Main Street, Falmouth

Customers Big and Small:

By far the majority of commercial program participants in 2014 were small businesses — retail shops, convenience stores, real estate offices, churches, small restaurants, motels, and others — reflecting our regional demographics. But commercial customers of *all* sizes participated in the Compact's programs, including a number of the largest commercial accounts on Cape Cod. The Cape Cod Mall changed out all of its parking lot lighting to LEDs, joining a number of businesses in the move to the newer technology. One of our largest supermarket chains undertook custom HVAC projects, in addition to other efficiency efforts, at its multiple Cape Cod stores. Two of the major research institutions on Cape Cod, Woods Hole Oceanographic Institution (WHOI) and the Marine Biological Laboratory (MBL), undertook energy management system projects. Both Falmouth and Cape Cod Hospital made energy efficiency improvements in 2014, as did Tony Kent Arena, Otis Air Force Base, Cape Cod Community College and the Upper Cape Tech School in Bourne. Cape Light Compact is proud to be a part of each of these efforts.

ENERGY EDUCATION

An Energy Carnival is a bright and exciting event that draws in students and teachers alike with an array of exhibits. This year, the Compact's Energy Education program supported 15 Energy Carnivals that reached more than 4,000 students and 200 teachers. Through events, trainings, presentations, and classroom support, the Education program maintains a busy year-round schedule with teachers and students in each of the region's communities. The goal is to encourage the development of a deeper and broader understanding of energy science. This includes energy conservation and renewable and efficiency technologies and practices to move our region toward a more energy-literate society.

From 2002 to December 2014, the Energy Education program has reached teachers and students in every town of the Cape and Vineyard through K-12 public and private schools, the Community College, Vocational Technical Schools, informal education programs and home school networks. Public schools have utilized the Compact's education outreach program to meet their state-mandated goals outlined in the state frameworks science standards. Many education programs have also moved toward adopting energy education into their yearly scope of classroom activities.

For the high quality of its work, the Compact's Education program has been recognized with national and state awards each of the past eleven years.

More importantly, the work taken on by the students has consistently been notable. Cape and Vineyard schools and individuals garnered a steady stream of awards this year. The Massachusetts Department of Energy Resources



Harwich Middle School Energy Carnival

es awards honored ten Massachusetts schools, including five from Cape Cod and Martha's Vineyard. Advancing beyond the state level, students and teachers from Harwich Middle School and Sandwich High School traveled to Washington, DC to participate in the 2014 National Youth Awards for Energy Achievement, sponsored by NEED, the National Energy Education Development Project.

Highlights of 2014 Energy Education Program

- ❖ Participating schools and students received state and national awards:
- ❖ Eastham Elementary, State School of the Year/National Elementary Level Finalist
- ❖ Harwich Cares, Harwich Middle School, State Junior Level School of the Year and National Junior Level Finalist
- ❖ SPIT and SPARKS, Forestdale School, Sandwich, State Junior Level Finalist
- ❖ Martha's Vineyard High School, State Senior Level Rookie of the Year
- ❖ Nicholas Blackmon, Sandwich High School, for "Alternative Energy Automobiles," State Senior Level Special Mention
- ❖ In addition to these students, the Education program:
- ❖ Trained and supported more than 500 teachers and educators in the CLC program territory including NEED teacher training and an 8 week graduate-level course on energy education for the STEM (Science Technology Engineering and Math) initiatives.
- ❖ Trained and supported more than 200 student leaders for energy education outreach programs and supported 7 Energy Clubs and activities.
- ❖ Conducted 30 presentations and events including: The Cape and Vineyard Energy Engineering Challenge, Brewster Science on the Streets, Cape and Islands Boy Scouts STEM event, MA Youth Sustainability Summit, MV Solar Car Race, Falmouth Energy Camp and lessons at the annual ASLP program held at MA Maritime Academy. More than 2,000 students were reached.



Lots of student energy at the Forestdale School

POWER SUPPLY

Stability, Security, Choice and Green Power Options

The Compact is constantly working to ensure that its power supply customers benefit from fair prices, and advantages in contract terms and conditions. Much depends on timing and market forces, but the Compact was proud to offer stable, competitive prices in 2014. The Cape Light Compact's Basic Service prices were lower than NSTAR's for the first 11 months of the year. As the fall and winter approached, the market shifted and everyone's focus turned to the new electricity price increases occurring statewide.

For Cape Light Compact residential customers, the winter price went from 8.892 cents per kilowatt-hour to 15.371 cents, starting with December meter reads. Even at this rate the Compact was competitive with the region's utilities. The Compact's price compared to an increase from 9.379 cents to 15.046 cents for NSTAR and an increase to 16.2 cents for National Grid residential customers. The Compact's commercial customer price of 14.3 cents remained just below the NSTAR price of 14.501 cents, but that offered little consolation for small businesses struggling to get by during the winter off-season.

The underlying problem is that an increasing number of our electric generating plants are fueled by natural gas and Massachusetts is at the end of the pipeline. During the winter when there is a high demand for natural gas for heating as well as electric generation, constraints in pipeline capacity limit supply and prices climb rapidly. In summer, with less demand for heating, prices fall back to lower levels.

Pipeline owners and developers have proposed expansions, but concerns about local impacts along the pipeline route could stall expansions. In the meantime, efforts have been launched to see what immediate steps might reduce the level of winter price spikes. The Cape Light Compact participated in these discussions in 2014 as part of its consumer advocacy efforts. To help consumers control high bills, the Compact also launched its "Chill Your Bill" energy efficiency campaign.

Following some surprising results in the wholesale market this past winter, there is hope that the winter 2015/2016 prices may not be as high. In the midst of these challenges, the Compact will work to continue offering stable and secure Basic Service electric supply at competitive rates.

GREEN POWER OPTION

For consumers looking beyond Basic Service to "Green" power supply, *Cape Light Compact Green*SM provides an option to support local renewable energy development and reduce the environmental impacts of electricity generation. Twenty schools and other municipal buildings on the Cape and Vineyard have solar systems supported in part by the purchase of *Cape Light Compact Green*SM. Additionally, another eighty or more small solar and wind systems have been engaged in supplying the program. This means that customers can feel good about their electricity and help build a new future as well.

When a customer chooses *Cape Light Compact Green*SM, the Compact matches 50% or 100% of the electricity they use each month with energy from solar, wind, hydro and landfill gas generating sources. The small premium cost above the Basic Service price is 100% tax-deductible from federal income taxes.



© Mark Zelinski Photography

Solar Panels installed on the Eastham Elementary School and 19 other school and town buildings are supported in part by *Cape Light Compact Green*SM.

Basic Service and CLC Green Prices in 2014				
Cents/kilowatt hour	Jan-Jun	Jul-Aug	Sep-Nov	Dec
Residential Basic	9.090	9.090	8.892	15.371
Commercial Basic	9.090	9.090	8.892	14.300
Industrial Basic	11.270	7.950	7.752	20.070
CLC Green 50%				
Residential	9.990	9.990	9.792	16.271
Commercial	9.990	9.990	9.792	15.200
Industrial	12.170	8.850	8.652	20.970
CLC Green 100%				
Residential	10.690	10.690	10.492	16.971
Commercial	10.690	10.690	10.492	15.900
Industrial	12.870	9.550	9.352	21.670

CONSUMER ADVOCACY

Committed to Consumer Interests

Energy issues can be complex, and decisions made by legislators or state regulators can have far-reaching impacts for consumers, which is why the Compact considers this such an important component of its work. The impacts can range from direct effects on electricity costs to broader questions of ensuring consumer protection and creating energy-related opportunities for communities. The Compact monitors issues under consideration, and participates when there is clearly something at stake for the region. The Compact's work in this arena helped to secure the return of more than \$25 million from the sale of the Canal Electric Plant in 1999, and more than \$10 million in additional avoided costs and savings since that time.

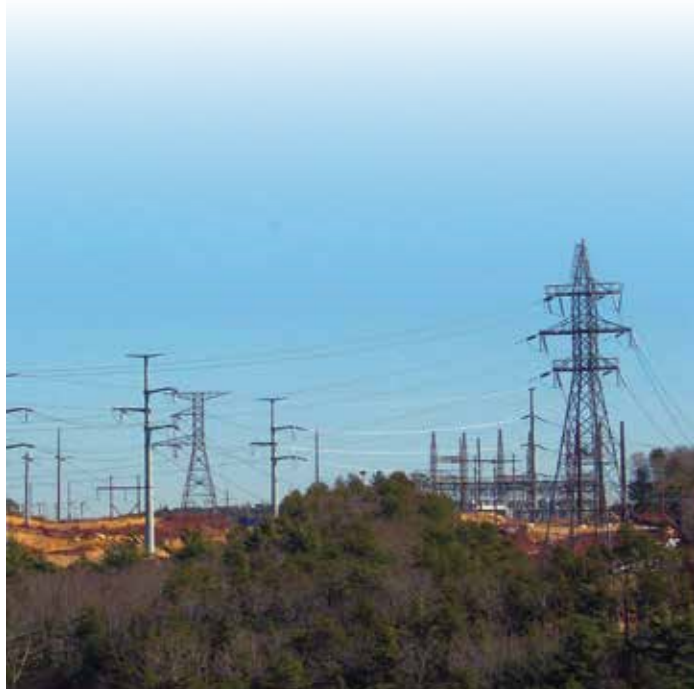
The largest focus of the Compact's work at the state level in 2014 was the filing of an updated Aggregation Plan. This is a state-required plan related to the Compact's organization, operations and funding. The original plan was approved by the Department of Public Utilities (DPU) in 2000. Changes that had occurred over more than a decade in energy markets, state rules and a local company that no longer existed (Commonwealth Electric) had to be addressed in the update and presented for public comment. The updated plan was approved by the DPU in 2015.

The Compact also participated in several other proceedings, such as one concerning service quality and the frequent power outages we experience in our region. The Compact promoted mechanisms that hold distribution companies, such as NSTAR accountable for service quality (mainly reliability), including strong incentives aimed at encouraging continual improvement.

Electricity consumers experienced a dramatic increase in independent marketers calling them, sending out advertisements and even going door-to-door. The Compact participated in a proceeding at the DPU that focused on issues related to Massachusetts' competitive retail market and the practices of independent marketers. While the Compact addressed a number of different issues in this proceeding, it pushed hardest for common-sense safeguards to protect consumers. Many of these focused on transparency, ensuring that customers are provided with straightforward, accurate information. The Compact also advocated stricter controls for power suppliers engaging in door-to-door marketing, following reports Compact

staff received from residents who felt they had received misleading information from such marketers.

A priority issue that will continue to unfold over the next few years and have far-reaching effects on consumers is what is known as "Modernization of the Grid," or "Grid Mod." This concept is focused on development of a new "smart grid" that will combine data communications with electricity supply, and is intended to produce an overall transformation in how electricity is generated, delivered, and consumed. At stake locally are reliability, greater control over costs, and the amount of independent power generation from homeowners and businesses (in systems such as rooftop photovoltaic panel installations) that will be accepted onto the distribution system. Consumers are viewed as a vital part of this transformation. The Department of Public Utilities is proposing an "opt-out" program for all consumers to have "smart meters" installed that will enable time-of-use pricing and other innovations. The Compact has been engaged in this issue since it was announced in 2012. In 2014 the DPU issued an order requiring all utilities, including Eversource, to file ten-year plans. The plans are due in August 2015, and will be reviewed carefully by the Compact for next steps for protecting the interests of Cape and Vineyard consumers.



Major changes in how electricity is delivered and metered will affect all consumers.

Cape Light Compact
Combining Statement of Net Position by Program
for the year ended December 31, 2014

	Energy Efficiency Fund	Power Supply Reserve	Operating	Green Program	TOTAL
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,675,510	\$ 743,467	\$ 675,429	\$ 191,817	\$ 9,286,223
Receivables, net of allowance for uncollectible amounts					
Energy efficiency	403,978				403,978
Energy efficiency reconciliation factor	2,517,772				2,517,772
Mil-adder		72,833			72,833
Green program				20,033	20,033
Intergovernmental (RGGI)	485,287				485,287
Other	97,103	4,701			101,804
Intangible assets		64,017			64,017
Total Assets	11,179,650	885,018	675,429	211,850	12,951,947
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	8,713,765		50,492		8,764,257
Accrued payroll	39,828		8,422		48,250
Compensated absences.	6,372		3,294		9,666
Total Current Liabilities	8,759,965		62,208		8,822,173
Noncurrent liabilities					
Compensated absences	57,345		29,646		86,991
Due to Barnstable County	485,446		82,269		567,715
Total noncurrent liabilities	542,791		111,915		654,706
Total Liabilities	9,302,756		174,123		9,476,879
NET POSITION					
Unrestricted	\$ 1,876,894	\$ 885,018	\$ 501,306	\$ 211,850	\$ 3,475,068

Information from the Cape Light Compact Independent Auditors' Report on Financial Statement and Additional Information for the Year Ended December 31, 2014.



Cape Light Compact
Combining Statement of Revenues, Expenses and Change in Net Position by Program
for the year ended December 31, 2014

	Energy Efficiency Fund	Power Supply Reserve	Operating	Green Program	TOTAL
OPERATING REVENUES					
Energy efficiency	\$ 4,977,316				\$ 4,977,316
Energy efficiency reconciliation factor	24,971,214				24,971,214
Mil-adder		\$ 956,198			956,198
Green program				\$ 93,931	93,931
Intergovernmental (RCCI)	1,913,809				1,913,809
Total Operating Revenues	31,862,339	956,198		93,931	32,912,468
OPERATING EXPENSES					
Salaries and benefits	1,487,096		\$ 317,942		1,805,038
Energy efficiency programs					
Residential programs	18,017,390				18,017,390
Low income programs	2,393,998				2,393,998
Commercial and industrial programs	13,992,737				13,992,737
Other programs	212,284				212,284
Grants to Cape & Vineyard Electric Cooperative			403,455		403,455
Legal	432,205		414,210		846,415
Other professional services			99,272		99,272
Marketing	115,416		38,444		153,860
Other operating	231,055	3,000	149,405		383,460
Total Operating Expenses	36,882,181	3,000	1,422,728		38,307,909
Operating Income (Loss)	(5,019,842) *	953,198	(1,422,728)	93,931	(5,395,441)
NONOPERATING REVENUES (EXPENSES)					
Forward capacity market	1,106,467				1,106,467
Renewable energy certificates		361,526		(119,343)	242,183
Investment income		8,553			8,553
Interest expense	9,057	1,989			11,046
Total Nonoperating Revenues (Expenses), Net	1,115,524	372,068		(119,343)	1,368,249
Income (Loss) Before Transfers	(3,904,318)	1,325,266	(1,422,728)	(25,412)	(4,027,192)
TRANSFERS					
Transfers in		16,756	1,684,872		1,701,628
Transfers out		(1,684,872)	(16,756)		(1,701,628)
Total Transfers		(1,668,116)	1,668,116		
CHANGE IN NET POSITION	(3,904,318)	(342,850)	245,388	(25,412)	(4,027,192)
NET POSITION AT BEGINNING OF YEAR	5,781,212	1,227,868	255,918	237,262	7,502,260
NET POSITION AT END OF YEAR	\$ 1,876,894	\$ 885,018	\$ 501,306	\$ 211,850	\$ 3,475,068

* Approximately 90% (or \$34,616,409) of the Compact's operating expenses relate directly to energy efficiency programs. Approximately 75% of the Compact's original three-year (2013-2015) energy efficiency budget of \$83,586,651 had been spent through December 31, 2014. The energy efficiency budget is funded via energy efficiency and energy efficiency reconciliation factor charges over the three-year period. As a result, annual differences can exist for recognized revenues and expenses.

During 2015, the DPU approved a mid-term modification increasing the Compact's 2013-2015 energy efficiency budget to \$103,382,379.

2014 Board Members



Front L to R:

Richard Toole, Tom Mayo, Peter Cocolis, Sue Hruby, Joyce Flynn, Ron Zweig, Fred Fenlon, Barry Worth, Peter Cabana, Deane Keuch, Peter Fontecchio

Back L to R:

Brad Crowell, David Anthony, Tom Donegan, Everett Horn, Robert Schofield, Richard Elkin

2014 Board Members

Aquinnah	Michael Hebert	Mashpee	Tom Mayo
Barnstable	David Anthony	Oak Bluffs	Richard Toole
Barnstable County	William Doherty	Orleans	Chris Galazzi
Bourne	Robert Schofield (Vice Chairman)	Provincetown	Ray Castillo (Alternate)
	Liz Caporelli (Alternate)	Sandwich	Thomas Donegan
Brewster	Deane Keuch	Tisbury	Everett Horn
Chatham	Peter Cocolis (Treasurer)	Truro	Bud Dunham (Alternate)
Chilmark	Timothy Carroll	Wellfleet	Vacant
Dennis	Brad Crowell	West Tisbury	Peter Fontecchio
Dukes County	Peter Cabana (Member at Large)	Yarmouth	Richard Elkin
Eastham	Fred Fenlon		Marcus Springer (Alternate)
Edgartown	Paul Pimentel		Sue Hruby
Falmouth	Ronald Zweig		Jen Rand (Alternate)
Harwich	Barry Worth (Secretary)		Joyce Flynn (Chairman)
	Valerie Bell (Alternate)		

Cape Light Compact Staff



Maggie Downey
Compact Administrator



Margaret Song
Residential Program
Manager



Gail Azulay
EM&V Analyst



Stephan Wollenburg
Senior Power Supply Planner



Briana Kane
Senior Residential
Program Coordinator



Lindsay Henderson
Communications &
Data Analyst



Meredith Miller
Commercial & Industrial
Program Manager



Matthew Dudley
Residential Program
Coordinator



Karen Loura
Administrative
Assistant



Vicki Marchant, CEM
Commercial & Industrial
Program Analyst



Debbie Fitton
Energy Education
Administrator



Kim Deisher
Customer Service
Coordinator



Nicole Price Voudren, CEM
Commercial & Industrial
Program Planner



Phil Moffitt
EM&V Manager

Not shown:
Kathy Stoffle,
Customer Service Coordinator

Frequently Asked Questions

What is the Cape Light Compact?

The Compact is an award-winning energy services program formed in 1997. It is operated by an intergovernmental organization authorized by votes of town meeting, boards of selectmen, town council and county commissioners. The Compact consists of 21 towns and Barnstable and Dukes Counties and serves 200,000 customers on the Cape and Martha's Vineyard. As the first municipal aggregation program of its kind, the Compact has served as a model for hundreds of similar organizations across the country.

Why was the Cape Light Compact formed?

Soaring electric rates in the late 1980s and early 1990s drove an interest in developing more energy efficiency for the region. Restructuring of the electric industry in Massachusetts in 1997 created an opportunity to pursue that energy efficiency, use the market leverage of the region's customers for competitive power supply, and undertake important consumer advocacy measures.

What are the Cape Light Compact's goals?

The goals set out in the Intergovernmental Agreement approved by town meetings, local boards, and county commissioners in 1997 and 1998, include development of energy efficiency, consumer advocacy, renewable energy, and competitive power supply. These same goals are outlined in the Compact Aggregation Plan approved by the Massachusetts Department of Public Utilities in 2000.

What is the Aggregation Plan?

The Aggregation Plan is a document required by state law for public aggregation of electric consumers. It includes information on the purposes of the organization and its structure, services, operations and funding. The Compact prepared its original Aggregation Plan in cooperation with the Massachusetts Department of Energy Resources. It was subject to local public review and comment and approved by the Department of Public Utilities in August 2000 in a state proceeding that included participation of the Massachusetts Attorney General and NSTAR.

In August 2013, the Department of Public Utilities sent a letter to the Compact asking that the Compact review its original Aggregation Plan and to update elements that no longer accurately described the program and market as they had evolved. The Compact proceeded to prepare an updated plan to file with the DPU.

What services does the Cape Light Compact provide?

The Compact operates an energy efficiency program, provides effective consumer advocacy, supports renewable energy efforts, and contracts for competitive power supply for the region. Monthly bills for services are issued by NSTAR Electric which owns the region's distribution system and conducts metering and billing. Charges for the Compact's power supplier are identified and included on those bills.

How does a consumer receive services from the Cape Light Compact?

All new electric consumers are automatically enrolled in the Cape Light Compact power supply program. Consumers are also free to "opt-out" of this automatic enrollment and contract for their own power supply. Those who wish to return to the Compact's supply may do so, but, depending on market conditions, may be placed on a different rate form that being charged to other Compact customers. All electric consumers are eligible for energy efficiency services regardless of whether they receive the Compact power supply.

How is the Cape Light Compact governed?

The Compact's Governing Board is made up of one representative appointed by each of the member municipalities and the two counties. The Compact Governing Board, and through them the towns and counties, are responsible for establishment of policies and oversight of Compact budgets. The Compact programs are also subject to oversight by various regulatory bodies such as the Massachusetts Department of Public Utilities and the Department of Energy Resources. All Governing Board meetings are open to the public.

How is the Cape Light Compact funded?

The Compact Energy Efficiency program is funded primarily through a state-mandated energy efficiency charge paid by all electric customers, as well as by additional state-approved distribution charges. The power supply and consumer advocacy programs are funded by an operational charge of up to one-tenth of one cent per kilowatt hour (\$0.001) for Compact power supply customers. This adder is part of the power supply price paid on customer monthly bills. The use of the adder was included in the Compact's original Aggregation Plan approved in August 2000.

Frequently Asked Questions

Who oversees the Cape Light Compact's budget?

The staff and Governing Board have direct oversight of the budget. The Massachusetts Department of Public Utilities also reviews energy efficiency budgets. Although it is not required, the Compact also files each of its power supply contracts with the Department of Public Utilities.

How are public records made available?

The Compact has focused on making all public documents available. Documents regarding meetings, budgets, policy and other matters are posted on the Compact website. Updates are regularly provided to the towns and the media. Copies of documents may also be requested through a formal state-approved document request process. The Compact complies with state law regarding fees associated with the compilation and preparation of requested information.

How do I sign up for a free energy efficiency assessment or learn more about energy savings opportunities available to me?

Detailed information on the Compact Energy Efficiency Programs and savings for consumers can be found on the Compact website, or through a call to the Energy Efficiency phone line 1-800-797-6699.

How does the Compact contract for electricity supply?

The Compact uses a competitive bidding process to select a power supplier or suppliers. With the support of technical and legal consultants, the staff and board members work to ensure that the Compact secures contracts that are in the best interest of Compact customers. In addition to "Basic Service" supplied by a mix of New England generating plants, the Compact also secures "Green" power supply from renewable energy sources on Cape Cod and Martha's Vineyard and in Massachusetts and the New England region.

Where can I find the most current power supply prices?

The Compact's most recent power supply prices can be found on the Compact web site at www.capelightcompact.org/power-supply.

What choices do I have for energy supplier?

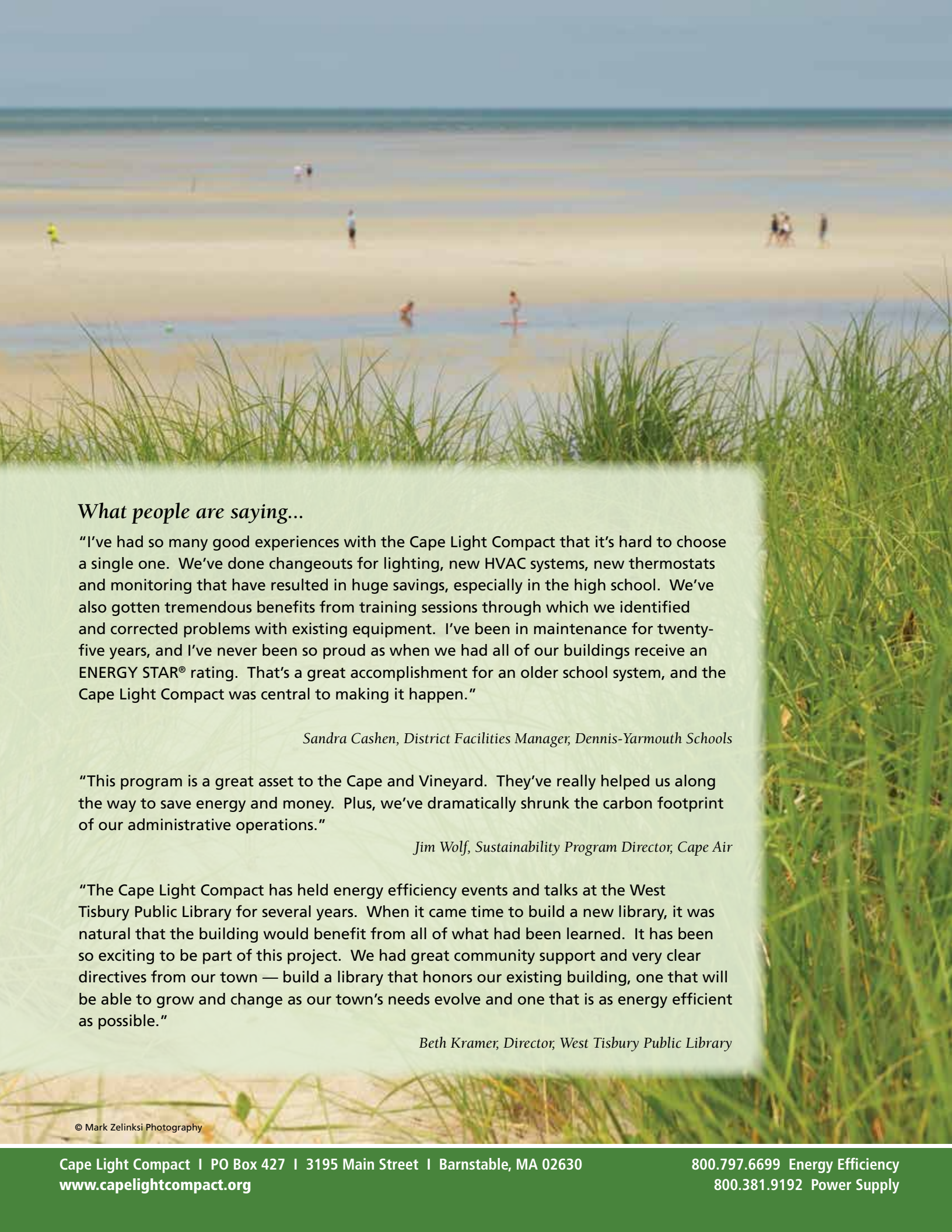
Every electric customer on the Cape and Vineyard has the option to "opt out" of Compact energy supply and choose their own supplier. However, it is important to review the terms of individual power supply offers carefully. Always ask for written literature and never sign up over the phone. In written documents make sure of the length of the contract, short-term promotional rates, entrance or exit fees, and other terms that may affect the overall price. Consumers may also want to ask for documentation on where the power is generated and by what types of sources.

What support does the Compact provide for renewable energy?

Consistent with its original goals, the Cape Light Compact has supported development of solar on school rooftops in the region, and through the purchase of locally generated Solar Renewable Energy Credits, and most significantly through support of the Cape and Vineyard Electric Cooperative (CVEC), an organization of nearly all towns in the region. The Compact has invested \$3.4 million in CVEC over a seven year period. This support has resulted in 28 megawatts of solar facilities being installed. This is the largest amount of solar developed by a group of small towns anywhere in the United States. The Compact's investment will yield a return of more than \$64 million to the towns, and through them to all residents, over a period of 20 years.

What does the Compact do to advocate for consumers?

The Compact participates at the state level in matters critical to our region's consumers. Decisions made by legislators or state regulators can have far-reaching impacts on what consumers pay for electricity. With the support of technical and legal consultants the Compact has successfully won the return of more than \$25 million to the region's consumers, and avoided millions more in costs. Building on this effort, the Compact has succeeded in preventing more than \$10 million in charges from being added to residential consumer delivery charges on monthly bills.



What people are saying...

"I've had so many good experiences with the Cape Light Compact that it's hard to choose a single one. We've done changeouts for lighting, new HVAC systems, new thermostats and monitoring that have resulted in huge savings, especially in the high school. We've also gotten tremendous benefits from training sessions through which we identified and corrected problems with existing equipment. I've been in maintenance for twenty-five years, and I've never been so proud as when we had all of our buildings receive an ENERGY STAR® rating. That's a great accomplishment for an older school system, and the Cape Light Compact was central to making it happen."

Sandra Cashen, District Facilities Manager, Dennis-Yarmouth Schools

"This program is a great asset to the Cape and Vineyard. They've really helped us along the way to save energy and money. Plus, we've dramatically shrunk the carbon footprint of our administrative operations."

Jim Wolf, Sustainability Program Director, Cape Air

"The Cape Light Compact has held energy efficiency events and talks at the West Tisbury Public Library for several years. When it came time to build a new library, it was natural that the building would benefit from all of what had been learned. It has been so exciting to be part of this project. We had great community support and very clear directives from our town — build a library that honors our existing building, one that will be able to grow and change as our town's needs evolve and one that is as energy efficient as possible."

Beth Kramer, Director, West Tisbury Public Library