

**Cape Light Compact  
Governing Board and Executive Committee  
Open Session Meeting Minutes  
Monday, June 13, 2016**

The Cape Light Compact Governing Board and Executive Committee met on Monday, June 13, 2016 in the Innovation Room, Open Cape Building, Barnstable County Complex, 3195 Main Street, Barnstable MA 02630 at 2:00 p.m.

**PRESENT WERE:**

1. Joyce Flynn, Chair, Yarmouth
2. Robert Schofield, Vice-Chair, Bourne
3. Peter Cocolis, Treasurer, Chatham
4. Ronald Zweig, Secretary, Falmouth
5. Richard Toole, Member at Large, Oak Bluffs – by phone
6. David Anthony, Barnstable
7. Brad Crowell, Dennis
8. Fred Fenlon, Eastham
9. Paul Pimentel, Edgartown – arrived at 2:04
10. Valerie Bell, Harwich
11. Andrew Gottlieb, Mashpee – by phone
12. Joshua Peters, Sandwich
13. Richard Elkin, Wellfleet – by phone

**ABSENT WERE:**

14. Michael Hebert, Aquinnah
15. Sheila Lyons, Barnstable County
16. Deane Keuch, Brewster
17. Tim Carroll, Chilmark
18. John Alley, Dukes County
19. Chris Galazzi, Orleans
20. Thomas Donegan, Provincetown
21. Tisbury - vacant
22. Joseph Buteau, Truro
23. Sue Hruby, W. Tisbury

Members physically present: 10  
Members participating by phone: 3

**STAFF PRESENT:**

Maggie Downey, Administrator  
Austin Brandt, Power Supply Planner  
Meredith Miller, Evaluation Manager  
Phil Moffitt, Residential Manager  
Margaret Song, C&I Program Manager  
Lindsay Henderson, Analyst

Representative Randy Hunt, 5th Barnstable District  
Matt Liber, Aide to Representative Hunt

**PUBLIC PRESENT:**

Jim Killion, Assembly of Delegates  
James Rogers  
Liz Argo, CVEC  
Scott Ridley, Ridley & Associates - Compact Consultant  
Leo Cakounes, Barnstable County Commissioner

Chr. Flynn opened the meeting at 2:00 pm and declared this meeting as an Executive Committee Meeting only, as only nine members of the Board were physically present and a quorum of 12 was needed to convene as the Governing Board; four members of the Executive Committee (one member participated remotely) out of five

Executive Committee Members and a total of eight members were present. Chr. Flynn introduced the Board, Compact staff and public to Representative Hunt.

P. Pimentel arrived 2:03 pm.

### **MEETING WITH REPRESENTATIVE HUNT**

Chr. Flynn reviewed the agenda and then turned the meeting over to M. Downey to discuss the information that can be found on the Compact's website. Rep. Hunt asked for clarification about who on the Board was able to speak given that there was no quorum. M. Downey and Chr. Flynn reviewed the protocols according to the Open Meeting Law.

- M. Downey stated that the Compact's website is made up of 3 main focuses: Energy Efficiency, Power Supply and Consumer Advocacy. She reviewed the various sections and what information is available, including under the Power Supply section which includes power supply contracts, pricing, options for consumers, and important information for consumers. She mentioned that the current residential and commercial contracts in this section have pricing strategies and are therefore redacted, so as not to jeopardize our bidding capability. M. Downey stated that the old contracts listed are no longer redacted and that the Attorney General's Office has reviewed all of the Compact contracts without redactions. She said that many municipal aggregators bid based on a set price at a specific time in the market, but over the years the Compact has moved to a pricing strategy. M. Downey reviewed the Compact's Department of Public Utilities ("DPU") approved Energy Efficiency Plan which includes enhanced incentives for various rate classes of customers. The municipal 100% incentive is applicable to all federal and state electric accounts, not just the town electric accounts, and was approved by the DPU. The Compact's enhanced incentives also extend to certain non-profits. In the previous few years, the Compact targeted smaller businesses through the "Main Streets" initiative, which was able to offer better pricing and incentives on cost effective measures due to the targeted nature of the effort. She stated that the Compact is required to report annually to the DPU on the aggregation, and the DPU also has oversight on the energy efficiency budget and savings.
- Chr. Flynn asked Rep. Hunt about his proposal to require that aggregation board members be elected rather than appointed.
  - Rep. Hunt asked first if the Towns were paying into the energy efficiency fund, which Compact staff confirmed that they were. He then inquired about the mil adder in the power supply program. M. Downey clarified that the mil adder is on the supply portion of the electric bill and that only customers who have not opted out of Cape Light Compact's supply, pay that adder. Rep. Hunt asked if municipalities were on the Compact's supply and M. Downey stated that they were not, as they are on a separate contract. R. Schofield clarified that the municipalities requested to have separate contracts because of their need to budget and have pricing stability, so they needed longer term fixed pricing than what the aggregation provided.
  - Rep. Hunt referenced his home energy assessment and that he had \$3,300 worth of work completed and that he only paid around \$800. He said that the towns have "no skin in the game" because they get a 100% incentive for energy efficiency work. Rep. Hunt mentioned that the PV that was referenced in the Cape Cod Times article was probably CVEC that did that project, which M. Downey confirmed. M. Downey said that the energy efficiency charges are based on the class of customer. M. Song stated that the charge based on rate code and that it depended on the size of the customer based on usage. She said that these funds are collected from ratepayers by Eversource and distributed to the Compact. Rep. Hunt stated that if his neighbor doesn't participate in the program, then they are paying more because their usage would be higher. He asked what the budget for energy efficiency was for 2016, and Chr. Flynn stated that it was just under \$40 million, and that our operating fund, which covers the Compact's operating costs, is just under \$1 million for fiscal year 2017. P. Cocolis stated that the energy efficiency budget is

highly regulated and that it is built from the bottom up to provide the most benefit to ratepayers on Cape Cod and Martha's Vineyard. The monies are collected by Eversource and put into the Compact's fund that is administered by our fiscal agent Barnstable County.

- Rep. Hunt mentioned that the Compact was going to get the best rates when the aggregation was sold to the towns. He asked how much better off have people been with Cape Light Compact, and M. Downey stated that the Compact has been lower than Eversource (formerly known as NSTAR) more than 60% of the time. She did state that there were two pricing periods where our price was much higher due to a hurricane and the financial crisis. M. Downey stated that she wanted to have a further discussion with Rep. Hunt, as the local distribution company has several advantages over competitive suppliers – call center and internal billing/accounting systems in existence on their regulated functions. Rep. Hunt stated that the Compact's power supply aggregation has cost ratepayers more than Eversource, and he referenced figures of \$30 or \$40 million that were mentioned in an article a few years ago. Rep. Hunt stated that the municipalities did not have to put any skin in the game for energy efficiency and are receiving enormous benefits. He also mentioned that if the Compact's board members were elected this issue of enhanced incentives may not change, however if the people can elect the board, then things would change. Rep. Hunt believes that it is a conflict of interest that the towns who receive enormous benefits are appointing their members. M. Song mentioned again that the Board voted to have 100% incentives for other customer classes - non-profits, low income and year round residential tenants receive 100% incentives, and commercial tenants receive up to 95% incentives.
- Chr. Flynn stated that the Compact's mission for power supply is not just to get the best rates, but to get the best terms & conditions (no fees, no contracts, etc.).
- M. Downey asked about his proposal for electing board members and stated that this board is under Ch. 40 and was allowed to operate by an Inter-Governmental Agreement (IGA). She asked what would happen in the event where a town did not have someone running for the position, as it is a lot of work to run a campaign and can get expensive. Rep. Hunt stated that this requirement would not apply to single town aggregators, but only to multi-town aggregators. His main concern is that he believes that there is a conflict of interest.

*Richard Toole dropped off call at 3:05 pm.*

- M. Downey asked for clarification that if there was no 100% incentive for municipalities, then the conflict wouldn't be there? Rep. Hunt said that it would create a conflict for the boards of selectmen to appoint someone with their same interest. He also said that municipalities are not paying a high amount for energy efficiency, which M. Downey clarified again that they are paying based on usage. M. Downey stated that the Compact could do some analysis as to how much money the municipalities pay into the energy efficiency fund and the benefits that they receive. M. Song stated that the town energy efficiency budgets are created based upon the population of the town provided by the most recent census.
- Rep. Hunt stated that he would be filing this legislation in January, so there was time to further discuss the issue of elected board members. M. Downey stated that initially when the Compact was created, there were several selectmen on the Compact board. Chr. Flynn stated that there was a concern that selectmen may not be able to run for the board election as they may not be able to hold two elected positions, and that town charters may also pose an issue. Rep. Hunt stated that there is no restriction in Sandwich as the Health Agent is also on the School Committee. Chr. Flynn stated that there is also a flexibility issue as the Compact runs on tight timelines for filings, and that it could take time in filling the elected positions, which would create issues for the Board.

- Chr. Flynn asked for Richard Toole’s perspective from the Vineyard (not realizing he had dropped off the call). *R. Toole called back in at 3:15 pm.*
- R. Toole stated that elections will open it up to people who have lots of money and won’t be looking out for the ratepayers but only their own interests. He stated that the purpose of the Compact is to reduce energy and protect the climate. He also mentioned that he spends his own money to travel over for the Compact meetings sometimes multiple times a month and that it is too bad that there is so much distrust of the Compact. He concluded by stating that he thought this was a bad idea.
- Chr. Flynn stated a concern about partisanship, especially given recent campaigns. Rep. Hunt said that this would be a non-partisan campaign. P. Cocolis stated that he was concerned about Rep. Hunt’s statement in the article about “control over the board.” If someone doesn’t want to support the Compact then they can opt out of the power supply program, and then they would be paying the Compact for administrative functions.
- Rep. Hunt asked if the IGA has been revised, what the status was and if it has been ratified by the towns. M. Downey stated that when the initial agreement was prepared with all town counsels, the IGA gave the authority for future updates to be approved by the Compact Board. R. Zweig stated that the recent amendments to the IGA were brought to the selectmen for their review before the Board’s approval. M. Downey stated that Harwich did not want the Compact board member to vote on the IGA before they did, so he abstained.
- Rep. Hunt stated that an elected Compact board is big issue. If the board is elected, he will not ask for additional oversight of the Compact.
- Rep. Hunt stated for that any board that may go into executive session, he is proposing that the minutes be posted on the anniversary of the meeting or before, and if an extension needs to be granted then the Board may request a 90-day extension of the Attorney General’s office and continue every 90 days if needed. M. Downey asked him if that would apply to released and redacted, or would the entire document need to be unredacted. Rep. Hunt stated that he hadn’t thought of that. M. Downey stated that in the packet that he received from 7/1/10 through 6/8/16, the Board held 20 executive session meetings using purpose 10, and all have been released with only 4 still having redactions. M. Downey asked respectively if this regulation would apply to the legislature and Rep. Hunt stated that no it wouldn’t.
- M. Downey stated that the last several years the Compact has improved its operations and transparency by providing more information on our website such as: financials, power supply contracts, minutes, board packets, etc. If information has not been available it was because it slipped through the cracks, and not because the Compact was trying to be sneaky.
- Rep. Hunt asked about the Renewable Energy Certificate contracts. M. Downey stated that they contain competitively sensitive information and the law allows for information to be redacted.
- Rep. Hunt stated that it would be a positive for the Compact to have an elected board as it would raise the board’s profile allowing them to push back on things.
- Chr. Flynn stated that Rep. Hunt could follow up with A. Brandt regarding any power supply questions that he may have. Rep. Hunt stated that if there are reasons for documents to be kept sealed that that is fine. The executive session minutes regulation is not geared towards the Compact specifically, but boards in general.
- Chr. Flynn asked if Rep. Hunt thought the current board was acting illegally and Rep. Hunt said no. She pointed out that Rep. Hunt had claimed in the Cape Cod times article that the Compact had used energy efficiency funds to buy solar equipment for towns, which would be illegal. She asked if Rep. Hunt would issue a correction to the Cape Cod Times regarding his statement. Rep. Hunt stated that he would have his aide issue that correction.

*Meeting adjourned at 3:37 pm*

Respectfully submitted,  
Lindsay Henderson

**LIST OF DOCUMENTS & EXHIBITS**

- Meeting Notice/Agenda
- April 13, 2016 Meeting Minutes – draft
- Summary of Contracts – April 13, 2016 – May 11, 2016
- FY16 Operating Budget Report dated 5/11/16
- 2016 EE Budget Report
- 2<sup>nd</sup> Draft FY17 Budget
- BCK Memo – Legal Services Budget for FY2017
- Amendment #1025 to H.4200