Cape Light Compact
Governing Board and Executive Committee Meeting

DATE: Friday, March 3, 2017

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

TIME: 9:00 a.m. – 12:30 p.m.

AGENDA

9:00 - 9:10 Public Comment
9:10 - 9:20 Approval of Minutes
9:20 - 9:45 2016-2018 Energy Efficiency Plan, Request for a Mid Term Modification: Behavior Initiative and Demand Response Offering. Proposed Vote on Cape Light Compact's Demand Response Offering
9:45 - 10:30 Update on Joint Powers Entity and Joint Powers Agreement
10:30 - 10:40 Chairman's Report
10:40 - 10:50 Treasurer's Report, Potential Vote to Ratify Treasurer's Approval of Contracts
10:50 - 11:20 Administrator's Report
1. Supplemental Budget Request – Operating Fund: Office Space, Potential Renovation of Office Space, Creation of New Staff Position, and Purchase of Financial Software

11:20 -11:40 Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)
11:40 - 12:30 Open Session Vote on entry into Executive Session pursuant to M.G.L. c. 30A §§21(a)(3) to discuss matters below, not to return to open session:
1. Regulatory litigation strategy. DPU 17-05, 2017 Eversource Rate Case. Potential vote on budget and strategy
2. Regulatory litigation strategy. DPU 16-127, 2013-2015 Energy Efficiency Term Report
3. Regulatory litigation strategy. DPU 16-169, National Grid and Compact dispute regarding National Grid Agreement for Natural Gas Heated Homes

Cape Light Compact
Governing Board and Executive Committee
Open Session Meeting Minutes
Wednesday, February 8, 2017

The Cape Light Compact Governing Board and Executive Committee met on Wednesday, February 8, 2017, 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. Ronald Zweig, Secretary, Falmouth
4. Valerie Bell, Harwich
5. Thomas Donegan, Provincetown
6. Richard Elkin, Wellfleet
7. David Anthony, Barnstable
8. Leo Cakounes, Barnstable County – at 2:20 PM
9. Christiane Mason, Wellfleet Alternate
10. Joseph Buteau, Truro
11. Colin Odell, Brewster
12. Joshua Peters, Sandwich
13. Brad Crowell, Dennis
14. Paul Pimentel, Edgartown – By Phone
15. Rob Hannemann, Duke's County – By Phone
16. Martin Culik, Orleans – By Phone

ABSENT WERE:
17. Michael Hebert, Aquinnah
18. Tisbury - Vacant
19. Tim Carroll, Chilmark – by phone
20. Andrew Gottlieb, Mashpee
21. Rob Hannemann, Duke's County
22. Sue Hruby, West Tisbury
23. Richard Toole, Member at Large, Oak Bluffs

Members/Alternates physically present: 13
Members present by phone: 3

LEGAL COUNSEL
Jeff Bernstein, Esq., BCK Law, PC

STAFF PRESENT
Maggie Downey, Administrator
Austin Brandt, Power Supply Planner
Margaret Song, Commercial and Industrial Program Manager
Briana Kane, Planning and Evaluation Manager
Phil Moffitt, Residential Program Manager
Lindsay Henderson, Analyst
Jacob Wright, Special Projects Coordinator

Chr. Flynn opened the meeting of the Executive Committee at 2:07 PM, due to lack of a physical quorum of the Compact Governing Board.

PUBLIC COMMENT
There were no members of the public present.

DISCUSSION ON THE ESTABLISHMENT OF A JOINT POWERS ENTITY AND PROPOSED JOINT POWERS AGREEMENT, COMPACT COUNSEL

Jeff Bernstein, Compact counsel, reviewed the Joint Powers Agreement (JPA) with the Board. He noted that over the past month, Town Counsels in many of the towns reviewed and made edits to the draft JPA. The JPA was finalized after input from Town Counsels, and is now in execution form. Provincetown, Sandwich, Brewster, Dennis and Truro will be taking up consideration of forming a Joint Powers Entity and executing the JPA soon.

Paul Pimentel joined by phone at 2:09.

Richard Elkin inquired as to what the procedure would be in terms of getting towns on board. w. Maggie stated she intends to reach out to each board memberand their Town Manager to work with the towns to determine when they wish to put this on their agenda. The important thing is to get two towns on board so the Entity can be formed.

Jeff Bernstein stated that while the JPA is very similar to the existing Intergovermental Agreement, there are new provisions that will be derived from the Joint Powers statute. The Treasurer may not be an employee of the Entity or a member of the board. The Business Officer can be an employee. He noted that under the JPA Barnstable County and Dukes County would not be authorized to vote on municipal aggregator responsibilities (i.e. energy efficiency plan and power supply), though they can have a representative who can engage in discussions. The County Directors would not count towards a quorum.

Leo Cakounes arrived at 2:20 pm.

Joyce recognized Tim Carroll, Martin Culik and Rob Hannemann participating via remote due to geographic distance. The Board convened the Governing Board, now that a quorum had been reached.

Jeff Bernstein explained the voting procedures of the Executive Committee under the JPA, including the 2/3 vote that is required. He went on to explain the attendance policy, and then said that if there isn't a member in good standing, they do not count for quorum purposes.

Richard Elkin asked if the Open Meeting Law applies to the JPE, and Jeff Bernstein indicated it does, and explained the difference between a quorum under the JPA and a physical quorum under the Open Meeting Law. Maggie Downey then asked in the situation where 21 towns join, but one town doesn't appoint a member, does the quorum number change. Jeff agreed that it would, based on active members on the board.

Leo Cakounes stated that he thinks the language in the JPA regarding the removal policy may be too stringent and could create issues. Jeff Bernstein replied, stating that the language does give an opportunity for the delinquent member to provide an adequate excuse to exempt his or her absence.

Tom Donegan stated that pre-emptively letting people know they will no longer serve as a member may be best and Leo agreed. Richard Elkin stated that the appointment of alternates would be best. Leo Cakounes stated that the removal of deadbeat members should be done in a more expeditious fashion, with a notification letter going out and handling it before it takes 18 months to rectify. Tom Donegan asked if this is something that can be revised after the entity is formed, and Jeff Bernstein indicated that it was possible. Tom then went on to state that it was a good idea to move forward and review this down the road.

Jeff Bernstein briefly covered the clarifying language around conflict of interest law, as well as funds from the JPE going into separate accounts with its own tax ID number. Notice of proposed amendments will be sent to JPE members at least 30 days before a vote. He explained how certain amendments would require a town vote, whereas others would only be the board of directors, depending on the nature of the amendment. Jeff Bernstein went over the JPE's indemnification, liability, and requirement for insurance coverage. He went on to state the transfer of operations, with an operational transfer date no later than January 31, 2018. He explained the process by which asset transfers would be completed.

Valerie asked if the employees of Cape Light Compact would continue to be under Barnstable County retirement. Maggie Downey stated that the employees would be employees of the JPE, not Barnstable County. Maggie stated she'd like some assistance from board members in terms of reviewing RFPs for office space.

Maggie Downey stated that there's a search for property ongoing, and travel time will be a consideration for board members. She stated that she's in the process of drafting a lease RFP. Maggie asked for direction from the board if she should get a sense of the board after she has a list, or should she wait for the JPE to be formed.

Maggie Downey stated that there is no lease for the existing office space, and that the deadline is June 30th to vacate the current office spaceor to negotiate an extension. Maggie asked for a sense of the board in regards to issuing an RFP between now and the March meeting. The board resoundingly agreed.

Ronald Zweig asked if it would be possible to place both budgets on the same schedule. Maggie stated that this was the goal, placing both budgets on a calendar year. Jeff Bernstein said that voting on the budgets, in terms of what body would do that, would depend on what the current progress of the JPE was when the vote was needed. Maggie suggested that Phase I's priority would be establishing the JPE as legal entity/public employer, contracting for Treasurer services, and securing a new office space to work.

Tom Donegan stated that we don't want to penalize towns that are a little slower to join the JPE, and that they should all still have a voice in what is going on. Richard Elkin stated that some of the housekeeping items may have to be pushed back. Colin Odell stated that he's going to try to get the Brewster vote done in the meeting on Monday.

Brad Crowell asked to confirm that the main advantage of this is that it further insulates the town from liability, and also incentivizes towns to get on board early to have a say in the formation.

Maggie Downey stated that as she currently understands it, the Town's will be invoicing the Compact for legal costs incurred for establishing the JPE.

CHAIRMAN'S REPORT

Joyce Flynn designated Brad Crowell to be Leo Cakounes' mentor. She designated Tom Donegan to be Colin Odell's mentor. Richard Elkin was tapped to mentor Christianne Mason.

EXECUTIVE SESSION

Colin Odell expressed his concern that the entrance into executive session over a budget, which is public information, was inappropriate. Jeff Bernstein explained that litigation strategy is reflected in budget decisions which, if made public, could have a detrimental impact on the Compact's position. He said that the Attorney General's office had issued rulings and guidance on executive sessions which supported the use of the litigation purpose here.

Thomas Donegan moved we enter into Executive Session, pursuant to MGL Chapter 30A §21(a) 3 to discuss strategy with respect to pending regulatory litigation relative to National Grid and the Cape Light Compact and the National Grid Agreement for Natural Gas Heated Homes (DPU 16-169), pending regulatory litigation relative to Cape Light Compact's 2013-2015 Energy Efficiency Term Report (DPU 16-127), and pending regulatory litigation strategy regarding the 2017 Eversource rate case.

Joyce Flynn as Compact Chair declared that than open session may have a detrimental effect on the Cape Light Compact's litigating position. The board would not return to Open Session at the conclusion of Executive Session.

Peter Cocolis seconded the motion, voted by roll call as follows:

1. Leo Cakounes – Barnstable County	yes	11. Joshua Peters – Sandwich	yes
2. David Anthony – Barnstable	yes	12. Joseph Buteau – Truro	yes
3. Robert Schofield - Bourne	yes	13. Richard Elkin – Wellfleet	yes
4. Colin Odell – Brewster	abs	14. Joyce Flynn – Yarmouth	yes
5. Brad Crowell – Dennis	yes		
6. Paul Pimentel – Edgartown	yes		
7. Ronald Zweig – Falmouth	yes		
8. Valerie Bell – Harwich	yes		
9. Martin Culk – Orleans	yes		
10. Thomas Donegan – Provincetown	yes		

Motion carried in the affirmative (13-0-1)

Respectfully submitted,
Jacob Wright

LIST OF DOCUMENTS & EXHIBITS

- Meeting Notice/Agenda
- January 11, 2017, Meeting Minutes - Draft
- 8074 CLC Operating Fund Budget dated 2/6/17
- 2016 CLC Energy Efficiency Fund Projected and Actual Budgets through January 2017
- Joint Powers Agreement of the Cape Light Compact JPE
- Cape Light Compact Joint Powers Entity Presentation
- Response Letter to Department of Public Utilities per D.P.U. 16-191
- 2017 Cape Light Compact Calendar of Events
- NSTAR Notice of Filing per D.P.U 17-05, dated January 30, 2017

Agenda Action Request
Cape Light Compact
Meeting Date: 3/3/17

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

Cape Light Compact Demand Response Demonstration Offering Mid-Term Modification for C&I Thermal Storage

REQUESTED BY: *Austin Brandt*

Proposed Motion(s)

1) *I move the Board vote to support the submission of a Mid-Term Modification request, and a revised Energy Efficiency Surcharge filing to the Massachusetts Department of Public Utilities.*

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.

The Compact's Demand Response Demonstration Offering for a Mid-Term Modification for Commercial & Industrial Thermal Storage is described in the attached report. If approved by the DPU, the C&I thermal storage offering will result in a total budget increase of $605,066 over the term of the Compact's 2016-2018 Energy Efficiency Plan.

Record of Board Action

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

Cape Light Compact Demand Response Demonstration Offering
Mid-Term Modification for C&I Thermal Storage

As part of its approved 2016-2018 Energy Efficiency Plan, the Cape Light Compact ("Compact") included a Demand Response ("DR") Demonstration Offering ("Offering") that focused on installing connected devices in participating homes and businesses, and using these connected devices to curtail usage during demand response events called by the Compact. The Compact leveraged its experience with its Residential Behavior/Feedback core initiative to inform development of its DR Offering. Both efforts were primarily focused on residential customers.

Since early 2016, the Compact has actively participated in discussions with other Program Administrators ("PAs") through the Demand Reduction Working Group and the Energy Efficiency Advisory Council ("EEAC") Peak Demand Reduction Subcommittee on peak demand reduction topics, including the PAs' demand response demonstration projects. As part of these discussions, the PAs have coordinated their approved and proposed demonstration offerings to maximize learning potential by testing different technologies across different customer classes and locations. In keeping with this coordinated approach, the Compact proposes to expand its current DR Offering to include a thermal storage component for commercial and industrial ("C&I") customers.

The Compact's expanded DR Offering builds on its current demand response activities in an effort to test technologies and delivery approaches that seek to reduce peak electricity demand. More importantly, its proposal is consistent with the work undertaken by the PAs through the Demand Reduction Working Group, and the EEAC through the Demand Reduction Subcommittee. The Compact is proposing this expansion in order to better inform the design of future demand response programs by deploying a broader range of technologies across a wider range of customer types.

Offering Enhancements

The Compact proposes to install Ice Bear thermal energy storage units ("Ice Bears") on 5 to 10 commercial customers in grid-constrained areas with high seasonal population fluctuations. The Ice Bear is a load-shifting technology that works in concert with installed air conditioning ("a/c") units to reduce load from a/c compressors during peak hours of the day. The Ice Bear makes ice during off-peak hours, and uses this thermal mass during the day in place of the a/c compressor to cool the air, thereby reducing the load caused by the compressor during peak hours. The primary system benefit of this technology is reduced electric demand during peak hours, which brings attendant locational transmission and distribution ("T&D") benefits of increased reliability and potential deferment of distribution system upgrades.

For the customer, the technology benefits can include demand charge reduction and increased a/c compressor life. Both customer-facing and grid-facing benefits will be dependent on customer-specific characteristics including location, rate class, usage pattern, drivers of on-site-demand, etc. The Compact will work with the vendor to deploy projects at customer locations that are likely to maximize these benefits.

The Compact chose to test this technology because:

- Dispatch has no impact on customer comfort, meaning no customer fatigue
- Dispatch and resulting load reduction is reliable
    - Remotely dispatchable
    - Does not rely on any customer action to dispatch
    - Dispatch cannot be overridden by customer
- It is relatively simple – the core components are the same as an a/c unit, so it can be maintained by local a/c technicians
- There are no safety concerns, unlike many other storage technology types
- Storage capability does not degrade over time
- System performance is continuously monitored in real-time
- It has been successfully deployed elsewhere in the United States
- Can operate every day of the cooling season, over multiple hours
    - High probability of overlap with ISO-NE peak load day and hour, which reduces ICAP tags and can lower power supply costs

Research Opportunities

The Compact intends to answer the following research questions with its proposed Offering:

- Which value streams are available to different customers, and which are the most important to them?
    - For future programs, could the customer value be sufficient to motivate them to pay some of the costs to purchase/install the technology?
    - Could the customer pair the technology with a power supply contract to lower costs for the customer/increase customer value?
    - Within the commercial rate class, which customer/business types can get the most value from the technology?
- What are the grid-facing benefits?
    - Is it reliable enough to potentially defer T&D upgrades?
    - Can it be brought to scale in order to potentially defer T&D upgrades?
    - Can the locational T&D benefits be quantified?
- How much of the peak period will it be able to cover given the Compact territory's climate?
    - Will it be enough to cover the Cape Cod and Martha's Vineyard and/or system peak? Could it cover a longer period?

The Compact recognizes that Eversource also proposed ice storage as part of its DR demonstration offering. The Compact and Eversource have coordinated their approach in proposing these offerings in order to maximize coverage of research opportunities for the projects. The Compact's Ice Bear proposal differs from Eversource's in several key ways:

- The Compact is specifically targeting deployment in distribution-constrained areas in order to assess the potential locational value of this technology (potential to alleviate those constraints)

- The Compact has a unique climate and customer base within MA, which results in different peak hours of the day during the cooling season. These Compact-specific characteristics are likely to result in operational differences for the technology (how long of a period it will be able to offset), and locational-specific values for the peak hours that are offset by the technology (energy and/or capacity)
- The Compact has the ability to leverage its power supply programs to potentially bring additional value to participants in the future

The Compact and Eversource are committed to continuing to collaborate and coordinate closely through the Demand Reduction Working Group to ensure effective coverage of research topics and questions related to the Ice Bear projects, including targeting different types of customers/businesses within small-medium C&I customer classes.

Proposed Budget

As part of its 2017 Energy Efficiency Surcharge ("EES") filing, the Compact sought to reallocate the remaining three-year Residential Behavior/Feedback core initiative budget to partially fund this thermal storage project aimed at reducing summer peak load. Reducing summer peak load was also the goal of the Compact's Residential Behavior/Feedback core initiative. Because the DR Offering and the Residential Behavior/Feedback core initiative share similar goals of saving energy by adjusting customer behavior, the Compact viewed it appropriate to reallocate funds between these budgets.

Nevertheless, the Department excluded from the Compact's 2017 EES the proposed reallocation of its Residential Behavior/Feedback core initiative budget to its DR Offering budget for 2017 and 2018. The Department noted that an EES filing is not the appropriate place to propose significant budget changes and viewed the Compact's proposal as a modification to the Compact's approved Three-Year Plan that requires EEAC review. See D.P.U. 16-177, Order at 5.

The Compact is suspending enrollment in the Residential Behavior/Feedback core initiative due to high costs and evaluations that found less-than-anticipated savings. The Compact intends to maintain functionality for existing Residential Behavior/Feedback core initiative participants for the remainder of the 2016-2018 Three-Year Plan term.

In accordance with the Department's directive, the Compact is currently seeking the support of the EEAC to fund its DR Offering by shifting $508,103 of its approved Residential Behavior/Feedback core initiative budget to support the increases in its DR Offerings of $205,602 for its Residential DR Offering and of $907,567 for its C&I DR Offering. The total increase over the three-year plan budget would be $605,066.

The additional Residential DR Offering budget will allow the Compact to expand and improve its existing approved Residential DR Offering in such ways as incorporating mini-splits as controllable devices, enabling text message alerts, and moving to a more popular thermostat model, among other improvements. The additional C&I DR Offering budget will fund the Ice Bear project as described above.

Table 1 summarizes the Residential Behavior/Feedback core initiative and the DR Offering budgets proposed in the Compact's Mid-Term Modification ("MTM") compared to the budgets approved in the Compact's 2016-2018 Three-Year Plan.[1]

Table 1: Plan and MTM Budgets

Budget	2016-2018 Plan				Proposed in MTM			
	2016	2017	2018	2016-2018	2016	2017	2018	2016-2018
Res. Behavior Feedback Initiative	323,850	326,115	329,832	979,797	170,611	153,448	147,635	471,695
Demand Response Offering (total)	185,897	267,797	349,697	803,391	186,560	890,000	840,000	1,916,560
C&I	18,590	26,780	34,970	80,340	17,907	485,000	485,000	987,907
Residential	167,307	241,017	314,727	723,051	168,654	405,000	355,000	928,654
Grand Total	509,747	593,912	679,529	1,783,189	357,172	1,043,448	987,635	2,388,255

Table 2 shows the difference between the approved 2016-2018 Three-Year Plan budgets and the proposed MTM budgets (calculated by subtracting the 2016-2018 Three-Year Plan budget from the MTM budget).

Table 2: Difference between Plan and MTM Budgets

Budget	Difference			
	2016	2017	2018	2016-2018
Res. Behavior Feedback Initiative	(153,239)	(172,667)	(182,198)	(508,103)
Demand Response Offering (total)	663	622,203	490,303	1,113,169
C&I	(683)	458,220	450,030	907,567
Residential	1,346	163,983	40,273	205,602
Grand Total	(152,576)	449,536	308,106	605,066

As shown in Table 2, the net difference between the budgets approved in the 2016-2018 Three-Year Plan and the budgets proposed in the MTM for the combined Residential Behavior/Feedback core initiative and DR Offering budgets is $605,066.

Conclusion

The Compact recognizes the important roles that demand response and energy storage will play in balancing supply and demand on an electric grid with an increasing amount of interconnected renewable energy sources. The Compact seeks approval of its Mid-Term Modification in order to expand its DR Offering to improve its Residential DR Offering, include storage as an additional technology type being tested in Massachusetts, and to broaden the customer base it is reaching through its DR efforts. This project will provide data and answers to key questions that will better enable the Compact to assess the demand reduction potential of different technologies and cost-effectiveness, set appropriate demand reduction targets, and determine the potential for scalability in future energy efficiency plans.

[1] For a summary of the bill impacts resulting from the proposed MTM, please see accompanying 3/1/17 presentation to the EEAC Executive Committee.

Proposed MTM Demand Response Demonstration Offering & Behavior Initiative

March 3, 2017

Cape Light Compact Governing Board

Cape Light Compact

Working Together Toward A Smarter Energy Future

Planned Offering Overview

- CLC included a DR Demonstration Offering in 2016-2018 Plan
  - Offered participants a WiFi thermostat and energy monitoring equipment, monitored/controlled via app and/or web
    - Participants must have central a/c controlled by wall-mounted thermostat
  - Participants' thermostat set points were adjusted during DR events called by CLC
    - 4-hour events (most called 2-6 pm)
    - Events called based on weather and ISO load predictions
    - Participants notified of events via app & email day before
  - DR Demonstration Offering design informed by CLC's Residential Behavior/Feedback core initiative
  - Residentially-focused

MTM Overview

- In coordination with other PAs, CLC proposes to expand its DR Demonstration Offering to include thermal storage for small and medium C&I customers
  - Also expand and improve current Res. DR Offering
- Shift funds from Behavior Initiative in to DR Demo Offering
- Testing additional technology will broaden scope of Demonstration Offering learning for CLC/PAs to better inform future demand response offerings
- Deploying in-the-field demonstration projects provides valuable insights in to technology performance and value in specific locations

Project Description

- Ice Bear technology targets summer peak loads from air conditioning by creating ice during off-peak hours and using thermal mass instead of a/c compressor to cool air during peak hours
  - Behind-the-meter DR solution
  - Load shifting, rather than overall demand reduction
- Plan to deploy at 5 – 10 sites before summer 2018
- Locations being selected to demonstrate potential to deliver customer- and grid-facing benefits, in areas with high seasonal population fluctuation

Why Ice Bears?

- Dispatch has no impact on customer comfort = no customer fatigue
- Dispatch and resulting load reduction is reliable
  - Remotely dispatchable
  - Does not rely on any customer action to dispatch
  - Dispatch is cannot be overridden by customer
- It is relatively simple – the core components are the same as an a/c unit = can be maintained by local a/c technicians
- There are no safety concerns, unlike many other storage technology types
- Storage capability does not degrade over time
- System performance is continuously monitored in real-time
- It has been successfully deployed elsewhere in the United States
- Can operate every day of the cooling season, over multiple hours
  - High probability of overlap with ISO-NE peak load day and hour, which reduces ICAP tags and can lower power supply costs

Research Questions

- Which value streams are available to different customers, and which are the most important to them?
  - In the future, could the customer value be sufficient to motivate them to pay some of the costs to purchase/install the technology?
  - Within the commercial rate class, which customer/business types can get the most value from the technology?
  - Could customer pair it with a power supply contract to increase customer value?
- How long of a peak period will it be able to cover given Compact territory's climate?
  - Will it be enough to cover the Cape & Vineyard and/or system peak? Could it cover a longer period?
- What are the grid-facing benefits?
  - Is it reliable enough to potentially defer T&D upgrades?
  - Can it be brought to scale in order to potentially defer T&D upgrades?
  - How can the locational T&D benefits be quantified?

Why have demonstration projects?

- There are inherent locational differences both within MA and between MA and other areas
  - Rate structures, costs (project, avoided, market), load profiles, customer composition, climate
  - Data from demonstration projects accounts for these differences
- Demonstrations provide hands-on experience and in-the-field data which is used to:
  - Provide data with which to help evaluate cost-effectiveness
  - Inform the development of potential future programs at a larger scale, incl. technology selection, program design, implementation, and goals
  - Recruit participants for future programs

Res. Behavior/Feedback Initiative

- In order to deploy Ice Bears before summer 2017, CLC proposed shifting funds from Res. Behavior/Feedback initiative to the DR Demo. Offering in its 2017 Energy Efficiency Surcharge filing (DPU 16-177)
  - CLC viewed as appropriate because both programs shared goals of curbing peak demand/load shifting
- DPU did not allow shift of funds from Feedback initiative to DR Offering, required EEAC review and a separate DPU filing
- Compact decreasing spending on Feedback initiative by suspending enrollment
  - Maintaining functionality for current participants
  - Costs were high, maintaining equipment connectivity increasingly an issue, evaluation showed minimal savings

Budget

Budget	2016-2018 Plan				Proposed in MTM			
	2016	2017	2018	2016-2018	2016	2017	2018	2016-2018
Res. Behavior Feedback Initiative	323,850	326,115	329,832	979,797	170,611	153,448	147,635	471,695
Demand Response Offering (total)	185,897	267,797	349,697	803,391	186,560	890,000	840,000	1,916,560
DR C&I	18,590	26,780	34,970	80,340	17,907	485,000	485,000	987,907
DR Residential	167,307	241,017	314,727	723,051	168,654	405,000	355,000	928,654
Grand Total	509,747	593,912	679,529	1,783,189	357,172	1,043,448	987,635	2,388,255

Budget	Difference			
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DR Residential	1,346	163,983	40,273	205,602
Grand Total	(152,576)	449,536	308,106	**605,066**

EES Rates

EES Rates (c/kWh)					
Sector	**2017 Planned**	**2017 In Effect**	**2017 Proposed**	**2018 Planned**	**2018 Updated**
Residential	1.706	2.051	2.058	1.677	1.964
Low Income	0.162	0.099	0.1	0.18	0.189
C&I	1.383	1.573	1.653	1.521	1.788

Bill Impacts

- Residential
  - Overall, proposed 2017 & 2018 res. budget decrease from what was approved in 2017 EES (2017) and planned (2018) due to decrease in Res. Behavior/Feedback
  - 2017 res. rate will increase slightly from what is currently effective due to decrease in sales and RGGI revenue
- C&I
  - Rates higher than planned due to DR budget increases, decrease in RGGI revenue
- Low Income
  - Three-year LI budget is at 10.06%
  - Slight rate increases in 2017/2018 due to decrease in RGGI revenue

Bill Impacts (cont.)

- Year-to-year bill impact analysis:
  - 2017 currently-effective vs. 2017 proposed
  - 2017 proposed vs 2018 updated
  - **None are greater than 1%**
    - Most residential are negative for 2017 proposed v. 2018 updated
- Replace EES rates included in approved Plan
  - 2017 planned vs. 2017 proposed
  - 2018 planned vs 2018 updated
  - **None are greater than 2%**

Next Steps

- Present to Energy Efficiency Advisory Council (EEAC)
- If EEAC approves, file request with DPU
  - DPU approval not likely before summer 2017
  - While awaiting DPU approval, begin preliminary customer selection analysis

Agenda Action Request
Cape Light Compact
Meeting Date: 3/3/17

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 January 11, 2017 through February 28, 2017.

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

VENDOR NAME	AMOUNT OF CONTRACT	AMOUNT OF AMENDMENT	TERM	PURPOSE	COMPETITIVELY PROCURED YES/NO	P. COCOLIS APPROVED/DENIED
Kelliher Samets Volk	$ 210,000.00		1/1/17-12/31/17	Statwide Marketing Services	Yes	1/11/2017
Stephan Wollenburg	$ 12,973.89		1/1/17 - 6/30/17	EE & PS Consulting	No	1/11/2017
Galligan Energy Consulting, Inc.	n/a	n/a	1/15/16-12/31/18	ancillary services	yes	1/11/2017
Peregrine Energy Group	n/a	n/a	1/15/16-12/31/18	ancillary services	yes	1/11/2017
RISE Engineering	$ 1,429,453.00		2/1/16 - 12/31/17	municipal retrofit	yes	1/11/2017
TRC Energy Group	n/a	n/a	1/15/16-12-31/18	ancillary services	yes	1/11/2017
Demand Management Institute	n/a	n/a	1/15/16-12/31/18	ancillary services	yes	1/11/2017
CMC Energy Services	$ 15,000.00		1/1/17-6/30/17	QA/QC for C&I Upstream Lighting & HVAC	yes	3/1/2017
Ecova, Inc	n/a		1/1/17-12/31/17	Upstream Lighting Program Management	Yes	3/1/2017
Cadmus	$ 96,000.00		1/1/17-12/31/17	Marketing for Res Lighting & Products Programs	Yes	3/1/2017
ICF	$ 761,128.24		1/1/17-12/31/18	Res New Construction Pgm Mgmt	Yes	3/1/2017
The Weidt Group	$ 200,500.00	n/a		Installation Services Agreement	Yes	2/13/2017
NRM	$ 72,500.00	n/a	01/01/17-12/31/18	Installation Services Agreement	Yes	2/18/2017
RISE Engineering SBS	$ 2,306,257.54	n/a	01/01/17-12/31/18	Installation Services Agreement	Yes	2/18/2017
RISE Engineering Med	$ 1,861,900.00	n/a	01/01/17-12/31/18	Installation Services Agreement	Yes	2/18/2017
DirectApps	$ 205,000.00	n/a	1/1/17-6/30/17	EECP Support	Yes	2/28/2017

FOR 2017 12

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
120 CAPE LIGHT COMPACT							
8074 CAPE LIGHT COMPACT OPERTG FUND							
8074 CAPE LIGHT COMPACT OPERTG FUND							
8074 5100 CLC OPERTG FD-SALARIES	0.00	194,500.00	129,190.46	0.00	0.00	65,309.54	66.4%
8074 5199 CLC OPERTG FD-SALARY RESERVE	0.00	6,000.00	0.00	0.00	0.00	6,000.00	.0%
8074 5213 CLC OPERTG FD-TELEPHONES	0.00	3,000.00	200.96	0.00	199.04	2,600.00	13.3%
8074 5220 CLC OPERTG FD-UTILITIES	0.00	5,200.00	1,225.69	0.00	0.00	3,974.31	23.6%
8074 5233 CLC OPERTG FD-AUDIT/ACCTG SVCS	0.00	40,000.00	10,180.00	0.00	0.00	29,820.00	25.5%
8074 5235 CLC OPERTG FD-LEGAL SERVICES	0.00	232,019.00	157,339.19	0.00	0.00	74,679.81	67.8%
8074 5238 CLC OPERTG FD-IT COUNTY SUPPRT	0.00	8,750.00	3,172.47	0.00	0.00	5,577.53	36.3%
8074 5239 CLC OPERTG FD-CONTRACTUAL	0.00	65,000.00	40,260.80	0.00	10,142.19	14,597.01	77.5%
8074 5244 CLC OPERATG FD-PROFESS DEVELOP	0.00	5,000.00	1,100.00	0.00	0.00	3,900.00	22.0%
8074 5270 CLC OPERATG FD-CUSTO/MAIN-CNTY	0.00	9,789.00	4,802.48	0.00	0.00	4,986.52	49.1%
8074 5281 CLC OPERTG FD-OUTSTATE TRAVEL	0.00	6,000.00	920.58	0.00	0.00	5,079.42	15.3%
8074 5282 CLC OPERTG FD-IN STATE TRAVEL	0.00	16,000.00	5,516.13	0.00	0.00	10,483.87	34.5%
8074 5291 CLC OPERTG FD-ADVERTISING	0.00	45,100.00	39,426.95	0.00	2,854.20	2,818.85	93.7%
8074 5293 CLC OPER-OUTRCH/MARKETG CONTRC	0.00	36,000.00	24,932.50	0.00	6,062.00	5,005.50	86.1%
8074 5294 CLC OPERTG FD-FREIGHT/SHIPPG	0.00	250.00	44.68	0.00	0.00	205.32	17.9%
8074 5295 CLC OPERTG FD-PRINTG/COPYG	0.00	12,000.00	6,731.80	0.00	1,555.02	3,713.18	69.1%
8074 5320 CLC OPERTG FD-FOOD SUPPLIES	0.00	1,500.00	1,207.61	0.00	0.00	292.39	80.5%

FOR 2017 12

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
8074 5361	CLC OPERTG FD-POSTAGE						
	0.00	12,852.00	4,865.53	0.00	838.90	7,147.57	44.4%
8074 5399	CLC OPERTG FD-SUPPLIES						
	0.00	2,000.00	208.88	0.00	7.35	1,783.77	10.8%
8074 5421	CLC OPERTG FD-SPONSORSHIPS						
	0.00	30,000.00	22,705.00	0.00	2,085.50	5,209.50	82.6%
8074 5429	CLC OPERTG FD-SUBSCRIPTIONS						
	0.00	18,000.00	7,604.25	0.00	0.00	10,395.75	42.2%
8074 5433	CLC OPERTG FD-PUBLIC OFFIC INS						
	0.00	10,000.00	7,602.38	0.00	0.00	2,397.62	76.0%
8074 5462	CLC OPERTG FD-BUILDING RENTAL						
	0.00	21,174.23	10,587.12	0.00	0.00	10,587.11	50.0%
8074 5463	CLC OPERTG FD-EQUIP RENTAL						
	0.00	10,000.00	0.00	0.00	0.00	10,000.00	.0%
8074 5499	CLC OPERTG FD-BANK FEES						
	0.00	500.00	224.95	0.00	0.00	275.05	45.0%
8074 5799	CLC OPERATING FD-UNPAID BILLS						
	0.00	1,000.00	500.00	0.00	0.00	500.00	50.0%
8074 5981	CLC OPERTG FD-RETIREMENT						
	0.00	55,000.00	40,941.86	0.00	0.00	14,058.14	74.4%
8074 5983	CLC OPERTG FD-GRP INSUR						
	0.00	36,913.00	15,899.22	0.00	0.00	21,013.78	43.1%
8074 5984	CLC OPERTG FD-MEDICARE						
	0.00	2,000.00	1,799.21	0.00	0.00	200.79	90.0%
8074 5989	CLC OPERTG FD-MISC FRINGES						
	0.00	1,800.00	0.00	0.00	0.00	1,800.00	.0%
8074 5990	CLC OPERTG FD-FINANCE SUPPORT						
	0.00	5,000.00	2,500.00	0.00	0.00	2,500.00	50.0%
TOTAL EXPENSES							
	0.00	892,347.23	541,690.70	0.00	23,744.20	326,912.33	
GRAND TOTAL							
	0.00	892,347.23	541,690.70	0.00	23,744.20	326,912.33	63.4%

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

Agenda Action Request
Cape Light Compact
Meeting Date: 3/3/17

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

FY17 Cape Light Compact Operating Budget – Supplemental Budget Request

REQUESTED BY: *Maggie Downey*

Proposed Motion(s)

1) *I move the Board vote to appropriate an additional $58,775.00 for the Cape Light Compact's FY17 Operating Budget. The revised total FY17 operating budget is $946,272.23.*

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.

The proposed FY17 supplemental budget request is attached, and is to cover costs associated with the Compact transitioning to a joint powers entity, and seeking new office space.

Record of Board Action

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

Cape Light Compact Power Supply Reserve Fund Balance as of 5/31/16 — $ 710,132.76

Projected Cape Light Compact Power Supply Reserve Fund Balance as of 6/30/17 — $ 990,132.76 ($70K of Operational Adder)

FUND 8074

Cape Light Compact Fiscal Year 2017 (July 1, 2016 - June 30, 2017) - Operating Budget

Item	OBJ	Approved FY17	Supplemental Request	Revised Proposed FY 17	
Salaries	5100	$ 194,500.00	$ 24,000.00	$ 218,500.00	Austin 100%, Maggie 70%, Jake 25%, Lindsay 10%
Salary Reserve	5199	$ 6,000.00		$ 6,000.00	
Telephones	5213	$ 3,000.00		$ 3,000.00	
Utilities County	5220	$ 5,200.00		$ 5,200.00	25% of County Services
Auditor	5233	$ 40,000.00		$ 40,000.00	
Legal	5235	$ 232,019.00		$ 232,019.00	
IT County Support	5238	$ 8,750.00		$ 8,750.00	25% of County Services
Contractual	5239	$ 65,000.00		$ 65,000.00	
Professional Development	5244	$ 5,000.00		$ 5,000.00	
Custodial/Maintenance County	5270	$ 9,789.00		$ 9,789.00	25% of County Services
Travel Out-of-state	5281	$ 6,000.00		$ 6,000.00	
Travel In-state	5282	$ 16,000.00		$ 16,000.00	
Advertising - power supply	5291	$ 45,100.00		$ 45,100.00	
Outreach/Marketing Contractor	5293	$ 36,000.00		$ 36,000.00	
Shipping	5294	$ 250.00		$ 250.00	
Printing	5295	$ 12,000.00		$ 12,000.00	
Food	5320	$ 1,500.00		$ 1,500.00	
Postage	5361	$ 12,852.00		$ 12,852.00	
Supplies	5399	$ 2,000.00		$ 2,000.00	
Sponsorships (formerly Association Dues)	5421	$ 30,000.00		$ 30,000.00	
Subscriptions	5429	$ 18,000.00		$ 18,000.00	
Public Officials Insurance	5433	$ 10,000.00		$ 10,000.00	
Rent (County and Private)	5462	$ 21,174.23	$ 22,500.00	$ 43 674.23	25% of County Services
Equipment Rental	5463	$ 10,000.00		$ 10,000.00	
Bank Fees	5499	$ 500.00		$ 500.00	
Unpaid Bills	5799	$ 1 000.00		$ 1 000.00	
Building Renovations	58016		$ 5,000.00	$ 5,000.00	
Retirement	5981	$ 55,000.00		$ 55,000.00	
Health Insurance	5983	$ 36,913.00	$ 7,000.00	$ 39,063.00	
Medicare	5984	$ 2,000.00	$ 150.00	$ 2,150.00	
Misc Fringes	5989	$ 1,800.00	$ 125.00	$ 1,925.00	
Finance County Support	5990	$ 5,000.00		$ 5,000.00	25% of County Services
Subtotal CLC Operating Budget		**$ 892,347.23**	**$ 58,775.00**	**$ 946,272.23**	

date 3/2/17

Adopted
3-1-17

BARNSTABLE COUNTY
In the Year Two Thousand and Seventeen

PROPOSED ORDINANCE 17- 04

WHEREAS, the Barnstable County Home Rule Charter requires that all contracts be presented to the Assembly of Delegates for approval by the Assembly before they are signed by the Board of Regional Commissioners. [See: Charter, §§ 2-8 (b), and §§ 3-3 (g)]; and

WHEREAS, the Barnstable County Home Rule Charter requires that all decisions to "establish, alter or abolish **any** department, office or agency ..." be undertaken only by ordinance approved by the Assembly of Delegates. [See: Charter §§ 2-8 (d) (i)]; and

Whereas, the Assembly of Delegates has not by ordinance or otherwise participated in, nor have they approved the terms of the contract for "Termination and Transition" of the Cape Light Compact (Compact); and

WHEREAS, beginning in 1997, Barnstable County provided all start up funds, including continuing financial support and assistance and other direct funding, as well as personnel, equipment, office space, technology in the form of telecommunications and computer equipment, and other goods and services, tangible and intangible, from the outset of the Compact to the present; and

WHEREAS, according to the "termination agreement" put forward by withdrawing members, the withdrawing members seek to claim all assets generated by the intergovernmental entity which funds do not belong to individual withdrawing towns but rather belong to the rate payers, the taxpayers of Barnstable County and Barnstable County; and

WHEREAS, the Barnstable County Commissioners have entered into an agreement for the withdrawal of members (i.e. cities and towns of Barnstable County) of the intergovernmental entity known as Cape Light Compact without any accounting or identification of assets; and

WHEREAS, the proposed conveyance of all of the assets held by Barnstable County as the fiscal agent for the intergovernmental entity known as Cape Light Compact is an unlawful and *ultra vires* conveyance which is not authorized by M.G.L. c. 40 Section 4A or any other authority; and

WHEREAS, Barnstable County has at all material times been the fiscal agent for the entity known as Cape Light Compact and has at all material times been responsible for the books and records of said entity and for the proper safeguarding of its assets; and

WHEREAS, the Barnstable County Commissioners and the County Administrator appear to have negotiated an agreement, without any public hearing, notice to ratepayers, accounting or other financial disclosure, that conveys all assets used by the Compact to it, without any reimbursement for personnel, benefits (such as health insurance and retirement), lease of county space, technological equipment and supplies, even including automobiles, provided to the Compact by Barnstable County; and

WHEREAS, the contract for "termination" is ***ultra vires***, that is, beyond the authority of the Barnstable County Commissioners and the County Administrator, and should be held to be ***void ab initio***, unenforceable from the beginning, negotiated as it was without approval of or participation by the Assembly and as it conveys away assets purchased with Barnstable County, taxpayer and ratepayer funds and never reimbursed; and

WHEREAS, the County of Barnstable as fiscal agent at all material times has a fiduciary duty under the intergovernmental agreement; and

NOW THEREFORE, Barnstable County hereby ordains, effective immediately,

1. The Cape Light Compact, and the Barnstable County employees involved in its operation and all other employees of other entities working pursuant to the existing inter municipal agreement or otherwise having access to the offices, equipment, and furnishings used for the work of the Compact are directed and prohibited from removing any property of any kind from the premises at Barnstable County complex;

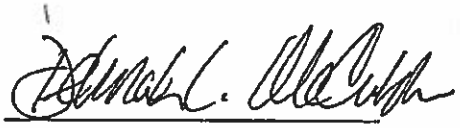
2 An audit will be commenced under the control of auditors chosen by the Assembly with consultation with the Barnstable County Commissioners to determine, ***inter alia***, the amount of the county investment from the inception of Cape Light to the present and the amount of money owed the county; as part of that review, the Compact and its employees and participating (now departing) members shall agree to reopen the "termination agreement" to ensure that the county is fairly and adequately compensated for its investment, to the present,

3. The auditors examining the books and records of the Compact shall be charged with identifying (a) how much money and property, including intellectual property was used by the Compact without payment, (b) which member(s) benefitted, and (c) how much is owed to the Barnstable County;

4. Barnstable County shall appropriate such funds as may be necessary to hire counsel to oversee the investigation of the finances of Cape Light Compact from its inception to the present, to ensure the safety of rate payer and county funds during the course of the dissolution of the entity known as Cape Light Compact, and to ensure the proper arrangements for reimbursement of funds owed to the County and/or to the ratepayers.

Dated March 1, 2017

Submitted by:

Truro Delegate Deborah L. McCutcheon, 

Wellfleet Delegate, Lilli-Ann Green 

Provincetown Delegate, Brian O'Malley, MD _____

Orleans Delegate, Christopher W. Kanaga _____

Chatham Delegate, Ronald Bergstrom _____

Eastham Delegate, Edward F. Atwood _____

Sandwich Delegate, James Killion _____

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 15-122 March 1, 2017

Petition of NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy, for Approval by the Department of Public Utilities of their Grid Modernization Plan.

INTERLOCUTORY ORDER ON ATTORNEY GENERAL'S MOTION OPPOSING EVERSOURCE'S PROPOSED REVISED GRID MODERNIZATION PLAN

APPEARANCES: Melissa Liazos, Esq.
National Grid
40 Sylvan Road
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FOR: MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC COMPANY, D/B/A NATIONAL GRID
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Limited Participant, D.P.U. 15-121, D.P.U. 15-122

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Petitioner, D.P.U. 15-121

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FOR: NSTAR ELECTRIC COMPANY AND WESTERN MASSACHUSETTS ELECTRIC COMPANY, EACH D/B/A EVERSOURCE ENERGY
Petitioner, D.P.U, 15-122
Limited Participant, D.P.U. 15-120, D.P.U. 15-121

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FOR: THE LOW-INCOME WEATHERIZATION AND FUEL ASSISTANCE PROGRAM NETWORK
Intervenor, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

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Limited Participant, D.P.U. 15-120

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-and-
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Limited Participant, D.P.U. 15-120, D.P.U. 15-121,
D.P.U. 15-122

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FOR: NORTHEAST CLEAN ENERGY COUNCIL, INC.
Limited Participant, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

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Quincy, Massachusetts 02169
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Limited Participant, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

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One Financial Center
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FOR: APPLIED MATERIALS, INC.
Limited Participant, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

-and-

CHARGEPOINT, INC.
Limited Participant, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

-and-

UTILIDATA INC.
Limited Participant, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

Bernice I. Corman, Esq.
Rubin and Rudman LLP
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Washington, DC 20001

FOR: ENERGY FREEDOM COALITION OF AMERICA, LLC
Limited Participant, D.P.U. 15-120, D.P.U. 15-121, D.P.U. 15-122

I. INTRODUCTION

On August 19, 2015, NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy, ("Eversource") (collectively, "Companies") filed with the Department of Public Utilities ("Department") a petition for approval of its grid modernization plan. The Department docketed Eversource's petition as D.P.U. 15-122.

On February 3, 2017, Eversource filed a revised grid modernization plan in D.P.U. 15-122. Eversource states that the revised grid modernization plan is intended to narrow the scope of its proposal in this docket in coordination with the grid modernization initiatives included in Eversource's base distribution rate filing in NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy, D.P.U. 17-05. D.P.U. 15-122, Eversource Filing Letter at 1-2 (February 3, 2017).

On February 10, 2017, the Attorney General of the Commonwealth of Massachusetts filed a motion opposing Eversource's filing of a revised grid modernization plan in D.P.U. 15-122 ("Motion").[1] On February 17, 2017, Eversource filed a response to the Attorney General's Motion ("Eversource Reply"). On February 15, 2017, the Cape Light Compact ("Compact") filed comments on the Attorney General's motion ("Compact Comments").[2, 3]

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[1] The Attorney General is a full party intervenor pursuant to G.L. c. 12, § 11E(a) (Tr. at 7).

[2] The Compact is a full party intervenor (Tr. at 7-9)

[3] On March 1, 2017, beyond the response time specified in 220 C.M.R. § 1.04(5)(c), Acadia Center and Conservation Law Foundation filed a letter supporting the Motion.

II. POSITIONS OF THE PARTIES

A. Attorney General

The Attorney General opposes the filing by Eversource of a revised grid modernization plan in D.P.U. 15-122 on the following grounds: (1) that Eversource did not seek leave of the Department before revising its grid modernization plan; (2) that Eversource's action results in wasted efforts and resources of intervenors in D.P.U. 15-122; and (3) that Eversource's proposal to include certain grid modernization investments in D.P.U. 17-05 as part of its performance based ratemaking ("PBR") mechanism unfairly burdens the Department and parties in D.P.U. 17-05 (Motion at 4-5).[4] The Attorney General also requests that, pending resolution of her Motion, the Department extend the deadline for filing intervenor testimony in the instant docket (Motion at 5).[5]

With respect to Eversource's failure to seek Department leave to file its revised grid modernization plan, the Attorney General cites to the Procedural Schedule and Ground Rules issued on May 26, 2016, as well as 220 C.M.R. § 1.04(5) which requires that all motions must be in writing (Attorney General Motion at 4). In addition, the Attorney General argues that 220 C.M.R. § 1.04(3) requires parties to seek leave to file amendments to pleadings, to be

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[4] On February 8, 2017, the Attorney General filed a motion in D.P.U. 17-05 which, amongst other things, requested that the Department decline to consider Eversource's proposed grid modernization investments in that docket and, instead, to consider them in D.P.U. 15-122. D.P.U. 17-05, Attorney General Motion at 11-14 (February 8, 2017).

[5] On February 23, 2017, in order to allow sufficient time for the Department to consider the Motion, the Hearing Officers amended the procedural schedule to extend the deadline for intervenor testimony in all three grid modernization dockets. D.P.U. 15-120/15-121/15-122, Hearing Officer Memorandum (February 23, 2017).

allowed or denied at the Department's discretion (Motion at 4). On this basis, the Attorney General argues that Eversource may not, as a matter of right, file amendments to its grid modernization plan without requesting and receiving leave from the Department (Motion at 4). Accordingly, the Attorney General claims the Eversource's February 3, 2017, revised grid modernization plan filing is procedurally improper (Motion at 4).

Next, the Attorney General argues that she and other parties have devoted substantial effort and resources in discovery by expert consultants that were retained to assist in this proceeding and evaluate Eversource's forecast of grid modernization investments (Motion at 4). The Attorney General contends that if certain grid modernization investments are to be evaluated in D.P.U. 17-05, as Eversource proposes, those parties will have to intervene in D.P.U. 17-05 and be required to participate in two cases instead of one (Motion at 4). The Attorney General argues that such an outcome would be inefficient and expensive (Motion at 4). The Attorney General further argues that if issues are explored anew in D.P.U. 17-05 by potentially different parties, much of the efforts and resources devoted to address Eversource's proposals in D.P.U. 15-122 would be wasted (Motion at 4-5).

Finally, the Attorney General argues that Eversource's decision to propose certain grid modernization capital investments in D.P.U. 17-05 as a part of its proposed PBR unfairly burdens the Department and parties in D.P.U. 17-05 (Motion at 5). The Attorney General identifies various issues under consideration in D.P.U. 17-05 and argues that that the Department cannot, and should not, evaluate all issues raised in that filing within the ten-month statutory suspension period (Motion at 5). The Attorney General contends that an orderly and

efficient resolution of issues in D.P.U. 17-05 would be aided if the Department retains the evaluation of all of Eversource's grid modernization investments in D.P.U. 15-122 (Motion at 5).

B. Eversource

Eversource maintains that its proposed grid modernization initiatives are comprised of two components: (1) a "base" grid modernization commitment, as proposed as part of its PBR in D.P.U. 17-05, which includes many of the initiatives originally proposed in D.P.U 15-122; and (2) an "incremental" grid modernization commitment, as proposed in its revised grid modernization plan in D.P.U. 15-122 (Eversource Reply at 1-2).[6] Eversource argues that, contrary to the Attorney General's assertion, nothing in the Department's Order in D.P.U. 12-76-B requires consideration of its grid modernization proposals on a consolidated basis in D.P.U. 15-122 and, further, that the Department contemplated it would address grid modernization issues in future base rate proceedings (Eversource Reply at 8, citing D.P.U. 12-76-B at 49, 52, n.56).

For several reasons, Eversource argues that it was necessary and appropriate to file a revised grid modernization plan in the instant docket and, therefore, that the Attorney General's motion should be denied (Eversource Reply at 2). Eversource argues that, given the interrelationship between its base grid modernization commitment and its proposed PBR, it is not appropriate to consider these proposals outside of the ratemaking context in D.P.U. 17-05

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[6] Eversource contends that the presentation of the incremental component in its revised grid modernization plan is identical to the presentation of these elements in its original grid modernization plan (Eversource Reply at 2).

(Eversource Reply at 4, 7). Further, Eversource argues that consideration of its base grid modernization commitment on the schedule for its base rate proceeding in D.P.U. 17-05 is appropriate so that it can implement these proposals as soon as possible in order to meet the requirements of the Global Warming Solutions Act (Eversource Reply at 5-6, 8-9).

Finally, Eversource disputes the Attorney General's contention that administrative efficiency requires the review of all of Eversource's grid modernization proposals together in D.P.U. 15-122 (Eversource Reply at 4-5, 8, 12). Eversource argues that all resources that have been devoted to consideration of its base grid modernization commitment in the instant docket will not be wasted because they will facilitate an efficient review of the issues in D.P.U. 17-05 (Eversource Reply at 13). Eversource contends the remaining incremental grid modernization component is severable from the base component and can be evaluated on a stand-alone basis, simplifying the Department's review in the instant proceeding (Eversource Reply at 2, 6, 13-14).

C. Cape Light Compact

The Compact supports the Attorney General's opposition to Eversource's "piecemeal adjudication" of grid modernization issues (Compact Comments at 1). First, the Compact asserts that in a previous grid modernization Order, the Department required Eversource to file a comprehensive grid modernization plan in a single adjudicatory proceeding (Compact Comments at 1, citing D.P.U. 12-76-B). Second, the Compact argues that bifurcation of grid modernization issues would result in issues being raised in the base rate proceeding that are more appropriately addressed in the grid modernization proceeding (Compact Comments

at 1-2). Third, the Compact argues that it has spent significant resources on grid modernization, including preparing testimony, and Eversource's revised filing has created confusion as how to proceed with discovery and intervenor testimony (Compact Comments at 2).

III. ANALYSIS AND FINDINGS

The Department, as an administrative agency, has broad discretion over procedural aspects of matters before it. Zachs v. Department of Public Utilities, 406 Mass. 217, 227 (1989); New Boston Garden Corp. v. Assessors of Boston, 24 Mass. App. Ct. 122, 125 (1987). As an initial matter, the Attorney General correctly notes that Eversource should have sought Department leave pursuant to 220 C.M.R. § 1.04(3) to file a revised grid modernization plan in D.P.U. 15-122. Nonetheless, we will treat Eversource's revised grid modernization filing as a request to amend its pleadings and consider the appropriateness of this request in conjunction with our consideration of the substance of the Attorney General's Motion below.

On February 24, 2017, the Department issued an Interlocutory Order in D.P.U. 17-05, denying the Attorney General's motion to bifurcate and/or phase that proceeding and finding that adjudication in a single proceeding of all issues presented in Eversource's base rate filing is consistent with the Department's proper exercise of its discretion to manage its docket. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05, Interlocutory Order at 11 (February 24, 2017). In particular, the Department found that Eversource's PBR proposal and the base grid modernization investments are related to such an extent that adjudication in a single proceeding is reasonable and administratively efficient.

D.P.U. 17-05, Interlocutory Order at 11 (February 24, 2017). The Department acknowledged the concerns raised by the Attorney General regarding the ongoing investigation in D.P.U. 15-122, but found the investigation of Eversource's grid modernization proposals in its base rate proceeding would not adversely impact the resolution of the grid modernization dockets. D.P.U. 17-05, Interlocutory Order at 11 (February 24, 2017).

Consistent with the Department's findings in D.P.U. 17-05, at 11, the Department finds that removal of Eversource's proposed base grid modernization investments from the instant proceeding will not adversely impact the resolution of the grid modernization dockets. Accordingly, the Department denies the Attorney General's Motion. Further, pursuant to 220 C.M.R. § 1.04(3), the Department will permit Eversource to file a revised grid modernization plan in D.P.U. 15-122.[7] All relevant discovery responses provided by the parties in D.P.U. 15-122 will be made part of the docket in D.P.U. 17-05, either through incorporation by reference pursuant to 220 C.M.R. § 1.10(3) or other means that the Hearing Officer deems appropriate.

IV. ORDER

Accordingly, after opportunity for comment, and due consideration, it is

ORDERED: that NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy are granted leave pursuant to 220 C.M.R. § 1.04(3) to file a revised grid modernization plan; and it is

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[7] Going forward, the Department expects that Eversource will fully comply with the Department's procedural regulations at 220 C.M.R. § 1.00, et seq.

FURTHER ORDERED: that the motion of the Attorney General of the Commonwealth of Massachusetts opposing the filing of a revised grid modernization plan is DENIED.

By Order of the Department,

/s/
Angela M. O'Connor, Chairman

/s/
Jolette A. Westbrook, Commissioner