

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

DATE: Wednesday, October 14, 2021
TIME: 2:00 – 4:30 p.m.

Note: The meeting will be held through remote participation pursuant to Chapter 20 of the Acts of 2021, §20. Members of the Public can join in by audio and follow along with Meeting Materials, see the information below. All public comments should be submitted to Maggie Downey, Compact Administrator, at mdowney@capelightcompact.org by 2:00 PM on Tuesday, September 28, 2021 and should follow the public comment protocol below. Public comments received after the September 28th deadline will be distributed prior to the Compact's next Board meeting.

Telephone dial-in: +1 (646) 558-8656

Meeting ID: 879-3792-4192

[Further instructions are attached to this agenda.](#)

AGENDA

1. Public Comment – Written Only
2. Approval of September 29, 2021 Compact Board Open Session Minutes
3. Chairman's Report, Martin Culik
4. Review and Potential Vote Discuss Cape Light Compact's Draft 2022-2024 Energy Efficiency Plan: Proposed Greenhouse Gas (GHG) Reduction Goals, Budget, Electrification Goals and Proposed Enhancements to Statewide Incentives, Presentation by Compact Staff
5. Administrator's Report, Maggie Downey
 - A. Discuss and Potential Vote on Authorizing Compact Administrator to Execute a Lease for Compact Office Space
 - B. Discuss November Board Meeting Agenda
6. Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)
 - A. Energize the Outer Cape, Richard Elkin
 - B. **Open Session Vote on Entry into Executive Session** pursuant to M.G.L. c. 30A §21(a)(3) and (10) to (1) review and approve executive session minutes which contain discussions regarding pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to a proposed Low-Income Community Solar project (when the release of the discussion would have a detrimental effect on the Compact's negotiating position); (2) to discuss pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to the Compact's Power Supply Offering, not to return to open session thereafter.

Participation in the Executive Session is limited to CLC Board Members, CLC Staff and Invited Guests

**Chairman's Public Comment Protocols
for the October 14, 2021 Compact Governing Board Meeting**

The Chair, pursuant to his authority under G.L. c. 30A, § 20, and consistent with Chapter 20 of the Acts of 2021, § 20, announces the following protocols to assist the public in effective participation in the October 14, 2021 Compact Board meeting, where all Board Members, staff and members of the Public shall be participating remotely:

1. All public comments shall be submitted in writing to the Compact Administrator, Maggie Downey, at mdowney@capelightcompact.org by 2:00 PM on Wednesday, October 13, 2021. Written comments must include a person's name and, if appropriate, the name of the organization the person is representing. Public comments received after the October 13th deadline will be distributed prior to the Compact's next Board meeting.
2. Public comment must be respectful, courteous, and presented in a dignified manner. All remarks must also be free of personal attacks.
3. All public comments consistent with these protocols shall be included in the Compact's Board meeting packet.
4. Board members and staff shall not respond to public comment during the Compact's Board meeting.
5. Copies of the Board meeting packet shall be made available to members of the public on Thursday, October 14, 2021 at the Cape Light Compact JPE's web site at www.capelightcompact.org Documents exempt from disclosure pursuant to the Public Records Law or protected by the attorney-client privilege shall not be included.

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, September 29, 2021**

Pursuant to Massachusetts Governor Charles D. Baker's Order Suspending Certain Provisions of the Open Meeting Law on March 12, 2020, the Cape Light Compact JPE Board of Directors met on Wednesday, September 29, 2021 at 2 p.m. The meeting was held through a Zoom videoconference for members of the Board with audio call-in available for members of the public.

Participating Remotely Were:

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Robert Schofield, Executive Committee, Bourne
3. Francis Erdman, Bourne Alternate
4. Colin Odell, Executive Committee, Brewster
5. Peter Cocolis, Chatham
6. Timothy Carroll, Executive Committee, Chilmark
7. Erik Peckar, Dukes County
8. Fred Fenlon, Eastham
9. Alan Strahler, Edgartown
10. Matthew Patrick, Falmouth
11. Wayne Taylor, Mashpee
12. Richard Toole, Executive Committee, Oak Bluffs
13. Martin Culik, Chair/Executive Committee, Orleans
14. Nathaniel Mayo, Provincetown
15. Leanne Drake, Sandwich
16. Jay Grande, Tisbury Alternate
17. Bob Higgins-Steele, Truro Alternate
18. Richard Elkin, Executive Committee, Wellfleet
19. Sue Hruby, West Tisbury
20. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth
21. Mike Duffy, Yarmouth Alternate

Absent Were:

1. Forest Filler, Aquinnah
2. Brad Crowell, Dennis
3. Valerie Bell, Harwich
4. Wayne Taylor, Mashpee
5. Kirk Metell, Tisbury
6. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

Jeffrey Bernstein, Esq., BCK Law, P.C.

Staff Participating Remotely:

Briana Kane, Residential Program Manager
Maggie Downey, Administrator

Margaret Song, Commercial & Industrial Program Manager
Melissa Allard, Senior Administrative Coordinator
Phil Moffitt, Planning & Evaluation Manager

Public Participants:

None.

Martin Culik called the meeting to order at 2:03 PM.

PUBLIC COMMENT:

There were no members of the public present, and no public comments were submitted to the Board in writing under the public comment guidelines.

CHAIR REPORT:

1. Introduce Matthew Patrick, new Town of Falmouth Board Member

Martin Culik introduced the new Falmouth Board Member, Matt Patrick, and asked him to introduce himself.

Matt Patrick stated that he is a former Massachusetts state legislator. He worked on the Green Communities Act and is responsible for the virtual net metering section that allows independent power producers to build a photovoltaic system to provide people with power. He also helped get the energy efficiency standards legislation passed. He stated that as the Executive Director of Cape and Islands Self Reliance he wrote the 1994 Barnstable County Energy Management Plan with his staff.

2. In Person Board Meetings

Martin Culik stated that he talked to Maggie Downey about resuming in person meetings in December 2021 or January 2022. He stated that they will keep the Board posted.

3. Senate Bill 2132

Martin Culik stated that the Compact sent a letter to Senator Barrett regarding Senate Bill 21-32. He stated it is an act to institute a new governance structure for Mass Save which is essentially to create a board of directors for Mass Save. This would impact the Compact Governing Board because there would be duplication of efforts by adding this new layer of governance of the Mass Save energy efficiency programs. Martin stated that the letter is asking Senator Barrett and other members of the Joint Committee on Telecommunications and Energy to carefully consider this proposed legislation and noted that the Compact does have its own Board of Directors. He stated that he will keep the Board updated on this.

ADMINISTRATOR'S REPORT:

1. Discuss and Potential Vote to appoint Mariel Marchand to represent Cape Light Compact on Cape & Vineyard Electric Cooperative (CVEC) Board

Maggie Downey stated that she is looking for approval from the Board to appoint Mariel Marchand to represent the Compact on the CVEC Board.

Tim Carroll moved the Board vote to approve Mariel Marchand as the Cape Light Compact's representative to CVEC.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Bob Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Jay	Grande	Tisbury	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

2. Discuss and Potential Vote on Vacation Buy-Back Proposal for Compact Staff

Maggie Downey stated she is asking the Board to waive the policy and allow staff to participate in the buy-back program of their accrued vacation time. She stated there are approximately seven staff members interested with about a \$43,400 impact.

David Anthony moved under the unique circumstances existing of this date the CLC/JPE Board of Directors vote to waive section 8.3(l) of the CLC/JPE Policies and Procedures Manual and allow all Compact employees to buy-back up to 10 days of their existing accrued vacation days, on, or before October 31, 2021.

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Bob Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes

Tim	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Jay	Grande	Tisbury	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

3. Review, Discuss and Potential Vote Regarding Eversource’s Phase II Electric Vehicle Infrastructure Program and Electric Vehicle Demand Charge Alternative Proposal, DPU 21-90, Using the Compact’s Consumer Advocacy Worksheet

Maggie Downey stated that she is using the Compact’s Consumer Advocacy Worksheet to affirm the Compact’s participation in the latest Department of Public Utilities (DPU) docket DPU 21-90. She stated it is Eversource’s phase two of its electric vehicle infrastructure plan. She stated there are two main issues of interest: (1) the Compact wants to make sure that Eversource’s efforts are coordinated with the municipalities; and (2) that Eversource’s electric vehicle infrastructure plan is consistent and coordinates with the Compact’s energy efficiency programs.

Joyce Flynn moved the CLC/JPE Board of Directors vote to adopt a process to allocate consumer advocacy costs between the Compact 's energy efficiency and operating budgets for DPU 21-90 as follows:

- 1. After identifying a regulatory matter, rulemaking proceeding, legislative action or other activity relating to or affecting the Compact 's administration of its energy efficiency plan or its provision of power supply (taken together, "Consumer Advocacy Matter"), the Compact Administrator will provide the Board with pertinent information regarding the Consumer Advocacy Matter and present a completed consumer advocacy worksheet (as attached) for the Board's consideration and review.*
- 2. The Board will thereafter vote to authorize and direct the Compact Administrator to take all actions deemed necessary or appropriate to implement the Compact 's participation in the Consumer Advocacy Matter (subject to any limitations imposed by the Board), and to execute and deliver all documents as may be necessary or appropriate to enable and effectuate such participation.*

Seconded by Bob Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes

Tim	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Jay	Grande	Tisbury	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

4. Update on “Energize the Cape & Vineyard” Proposal

Maggie Downey stated that the “Energize the Cape & Vineyard” effort will not be asking the Board for a \$50,000 commitment in the 2022 calendar year. She stated that the effort has been tabled for now. An agreement could not be reached on how to operate the large organization and structures. She stated that this will impact some of the towns because they applied for funds through Department of Energy Resources (DOER) REPA Grant. She stated that there was a conversation with DOER regarding whether the funds could be used by the Towns for another purpose and DOER did not support this request and the funds will have to be excluded as part of the final REPA grant contract award.

Alan Strahler asked if this effort is just on hold and will be resumed when an agreement is made and the Compact’s role is determined. Maggie Downey stated that she does not know if it will come back as a singular entity. She thinks it may come back in smaller segments by groups of towns.

Sue Hruby joined the meeting at 2:24 PM.

REVIEW AND DISCUSS CAPE LIGHT COMPACT’S DRAFT 2022-2024 ENERGY EFFICIENCY PLAN: PROPOSED GREENHOUSE GAS (GHG) REDUCTION GOALS, BUDGET, ELECTRIFICATION GOALS AND PROPOSED ENHANCEMENTS TO STATEWIDE INCENTIVES

Maggie Downey presented the Cape Light Compact JPE 2022-2024 Energy Efficiency Plan PowerPoint.

Maggie Downey stated that after the April draft plan was filed, the legislature passed the Climate Act Creating a Next-Generation Roadmap for Massachusetts climate policy. The new act requires the Compact to set Greenhouse Gas (GHG) emission reduction goals. She stated that it has fundamentally changed the role of the Compact and the role of the Massachusetts Energy Efficiency Plan (EEP). She stated that the Compact is no longer charged with just reducing kilowatt hours. It now has a specific goal to reduce GHG using the energy efficiency programs to address climate change in the Commonwealth. She stated that the Clean Energy Climate Plan determined what was set for the GHG goals. It requires electrification of 1 million homes by 2050 and electrification of 300 to 400 million square feet of commercial building space by 2050. She stated that these

goals were set through Mass Save under the EEPs with no additional funding resources. Therefore, the Compact is forced to use its energy efficiency surcharge to achieve these goals.

Maggie Downey stated that the Compact also must incorporate the Energy Efficiency Action Council priorities into our plans which are GHG emissions reductions, electrification, equity, and workforce development. She stated that there are also Compact Board priorities to consider which are to achieve GHG reductions goals, continue commercial enhanced incentives, the Cape and Vineyard Electrification Offering (CVEO), and enhanced incentives for income eligible/moderate income new construction projects.

Maggie Downey reviewed the Climate Plan GHG reduction goals. The Compact's allocation of the statewide reduction goals for 2030 is 24,406 metric tons for the next three-year plan. She stated that the numbers presented in the Compact's September 15th Draft EEP exceed the allocated GHG reduction goal. The draft EEP reflects a reduction of 34,186 metric tons of GHG, which means the Compact would be exceeding its GHG reduction allocation by 140%. She stated that the other goal for the Climate Plan is electrification. The Compact's draft EEP includes moving 4,483 residents from oil and propane to electric heat.

Maggie Downey reviewed the EEAC and key priorities that were touched on at the July Board Meeting. For equity the Compact is targeting moderate income and increasing participation for customers with limited English proficiency. For strategic electrification it is to focus on delivered fuels (oil and propane) and GHG reductions and cold climate heat pump goals for residential and commercial sectors. For workforce development the Program Administrators (PAs) have developed Clean Energy Pathways which focus on high schoolers and over 18 years old individuals to train and pair with an internship. This would help encourage them to join the energy efficiency network.

Briana Kane reviewed the Compact Board priorities. Currently for the commercial and industrial program there are 100% incentives for municipalities, small non-profits, small businesses. The Department of Public Utilities (DPU) directed the Compact to conduct an evaluation to define specific enhancements. She stated that the Compact is still waiting on the results of this evaluation.

Briana Kane reviewed the proposed Residential Program enhancements for multi-family new construction projects, which was developed based on the feedback from stakeholders such as Board Members, towns, and independent contractors. These stakeholders are looking for enhanced incentives for income eligible/moderate income new construction projects. She stated that because the Compact is offering more incentives for these projects that there need to be certain criteria in place. Briana reviewed the proposed criteria for this new program: (1) The projects need to be deed restricted; (2) have no installation of fossil fuel or electric baseboard heating systems (3) they must agree to work with Compact evaluation vendors' (4) they must have a cap on the incentive for the engineering study; and (5) the contractor must be certified for multi-family new construction projects. She reviewed the criteria of CVEO to convert oil, propane, electric resistance heat to cold climate heat pumps, install PV systems to support electrification of heating system and reduce GHG emissions, and install battery storage for demand response.

Briana Kane reviewed the investment in Board priority areas for each year of the next three-year plan and then the total. She stated that the total over three years for these enhancements is \$58.65 million dollars in the current draft plan. She reviewed the proposed budget slide and presented the total budget for each year.

Margaret Song continued by reviewing the PowerPoint starting at the scenario analysis slide. She stated that the staff is looking for direction from the Board because there are multiple stakeholder interests and priorities at play. She stated that staff likes all these enhancements and statewide goals but as mentioned before, the

Compact is exceeding what is required for GHG reduction goals and achieving all of the priorities just discussed will increase customers' electric bills. She included slides that show GHG reductions and bill impacts for the residential, income eligible, and commercial and industrial programs based on certain scenarios. Those scenarios are the Compact's September 15th draft plan as presented; eliminate the Behavior Initiative (Opower) and Residential New Construction Enhanced Incentives, eliminate the Opower and reduce heat pumps to a 20% goal, eliminate Opower and reduce heat pumps to 40%, and eliminate Opower and reduce heat pumps to 60%.

Margaret Song stated that while the plan as presented achieves all goals, the bill impacts are significant for residential customers. She stated that the staff does not recommend any changes in the commercial programs as there are no new enhancements. As for residential, staff is recommending the scenario where behavior program is removed, and residential heat pumps are reduced by 20%.

Colin Odell stated that with respect to the bill impacts he does not find the average monthly usage accurate. He stated he has looked at his own usage over the past year and his lowest monthly usage is around 750 kWh. Margaret Song stated that the number is the average usage from all the customers, which includes seasonal customers. Therefore, it may accurately portray consumption of an average year-round home. Margaret noted that this methodology is what is required by the DPU for calculating customer bill impacts.

Alan Strahler stated while looking at the bill impacts for residential for the scenario where the behavior program is removed and residential heat pumps are reduced by 20%, there is not a huge difference in total monthly cost (monthly bill impact) over the three years. He then asked about an option where the Compact removes Opower and does not reduce the heat pumps and whether the Board could see the total cost monthly for that as well. Briana Kane stated that when staff was looking at bill impacts, she recommended removing Opower because it has not been cost effective and the program has a high cost. She stated that there would be about a sixty cents reduction on the average monthly bill from the September 15th plan if Opower is removed.

Matt Patrick looked for clarification whether we were talking about the energy efficiency surcharge line on the electric bill and asked whether all electric customers pay this charge regardless of who their competitive suppliers is. Maggie Downey stated that was correct. Matt Patrick asked if that money goes to the Compact's programs. Maggie Downey stated that was correct as well.

Erik Peckar stated going back to Colin Odell's question on the average monthly usage if the Compact has looked at the potential growth of that amount based upon energy efficiency programs like installing heat pumps and strategic electrification. He asked if the Compact expects that number to go up and how that may impact the total costs. Margaret Song stated that there is likely an increase in load growth. She stated that the question lies with how aggressive the remainder of the energy efficiency measures are to help mitigate that anticipated load growth. She noted that the Compact is watching it.

Sue Hruby indicated that the Compact needs to be prepared for complaints from customers on an increase in their electric bill and know how to respond. She stated good communication plan to prepare customers for these impacts is needed.

Maggie Downey asked if the sense of the Board was to go along with the staff recommendation on the scenario where behavior program is removed, and residential heat pumps are reduced by 20%. Richard Elkin stated that he would like to see the option with just the behavior program removed. Maggie Downey asked for a sense of the Board on going ahead with that option as well. David Anthony stated that he thinks just reducing the Opower offer will still result in significant bill increases and that the Board should continue to review all of the scenarios presented. He stated that the Compact is trying to balance bill impacts to the programs that are being

offered and that there needs to be a bit more than just window dressing on removing a program that people did not think was effective to begin with. He recommends going with the staff recommendation. Martin Culik stated that there seems to be a consensus to remove Opower and suggests coming back for further discussion and a vote at the October Board meeting.

Colin Odell stated that he would like to see the comparisons made to how much of an increase the energy efficiency surcharge will be compared to the current surcharge. He also asked to add the percentage change as well. Maggie Downey stated that it can be done. Bob Higgins-Steele stated that if the Compact is going to be facing blowback, then he would rather have blowback on the September 15th scenario. Martin Culik asked if he would consider it without Opower. Bob Higgins-Steele stated yes.

Martin Culik suggests that at the next meeting we include a scenario with just removing Opower for the Board to review and discuss. Martin Culik asked if there was a sense of the Board to meet with the Cape & Islands legislative delegation and conduct public education. Sense of the Board was yes.

Nate Mayo left the Board meeting at 4:00 PM

APPROVAL OF MINUTES:

The Board considered the July 21, 2021 Open Session Meeting Minutes.

Joyce Flynn moved the Board to accept the minutes as amended and to release them as amended, seconded by Colin Odell.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Erik	Peckar	Dukes County	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Abstained
Leanne	Drake	Sandwich	Yes
Jay	Grande	Tisbury	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (18-0-1)

Open Session Vote on entry into Executive Session pursuant to M.G.L. c. 30A §§21(a)(3) and (10) to discuss matters below, to return to open session:

Martin Culik at 4:05 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) and (10) to (1) review and approve executive session minutes which contain discussions regarding pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to a proposed Low-Income Community Solar project (when the release of the discussion would have a detrimental effect on the Compact's negotiating position); (2) to discuss pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to the Compact's Power Supply Offering, not to return to open session thereafter. Seconded by Joyce Flynn.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Wayne	Taylor	Mashpee	Yes
Richard	Toole	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Jay	Grande	Tisbury	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (17-0-0)

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- July 21, 2021 Draft Meeting Minutes
- Action Agenda Request: Compact Board Representative to the Cape & Vineyard Electric Cooperative (CVEC)
- Action Agenda Request: Waive Section 8.3(1) of CLCJPE Policies and Procedures Manual (Vacation Buy-Back)
- Action Agenda Request: Consumer Advocacy Worksheet: MA Department of Public Utilities (DPU) 21-90, Eversource Phase II Electric Vehicle Infrastructure Plan
- Consumer Advocacy Allocation Worksheet
- Climate Collaborative & the Energize Initiative Email

- Cape Light Compact JPE 2022-2024 Energy Efficiency Plan PowerPoint

Draft Minutes subject to correction, addition and Committee/Board Approval

Cape Light Compact JPE 2022-2024 Energy Efficiency Plan

October 14, 2021

**Cape Light
Compact**



Working Together Toward A Smarter Energy Future

MA Climate Policies EEAC and CLC Board Priorities



- An Act creating a next-generation roadmap for Massachusetts climate policy (Climate Act)
 - Requires Energy & Environment (EEA) to set Greenhouse Gas (GHG) emissions reduction goals for Program Administrators/CLC
- Clean Energy Climate Plan (Climate Plan)
 - Requires electrification of 1 million homes by 2050
 - Requires electrification of 300 to 400 million square feet of commercial building space
- EEAC Priorities
 - GHG Emissions Reductions
 - Electrification
 - Equity
 - Workforce Development
- CLC Board Priorities
 - Achieve GHG Emissions Reductions Goals
 - Continue C&I Enhanced Incentives
 - CVEO
 - Enhanced incentives for Income Eligible/Moderate Income New Construction

Climate Plan: GHG Reduction Goals



Cumulative Annual Emissions Reduction (Metric tons of CO2e)	State Goals for 2030	CLC's Allocation	CLC's Plan (Sep 15th)	% of Goal Allocation
Residential and Income Eligible	351,000	17,652	30,948	175%
Commercial and Industrial	153,000	6,754	3,238	48%
Electric Total	504,000	24,406	34,186	140%

Climate Plan: Electrification Goals



- Requires electrification of 1 million homes and 300 to 400 million square feet of commercial building space
- Electrification through installation of heat pumps

Electrification Goals	State Goal	CLC's GHG Allocation (%)	CLC's Electrification Goal	CLC's Plan (Sep 15th)
State Goal for 2050				
Resi and IE (homes)	1,000,000	5.0%	50,291	4,483
C&I (sq ft)	400,000,000	4.4%	17,657,516	710,000
EEAC Goal for 2022-2024 Plan				
Resi and IE (homes)	120,000	5.0%	6,035	4,483

Energy Efficiency Advisory Council (EEAC) Key Priorities

Equity

- Targeting Moderate Income (61%-80% of State Median Income)
- Increasing Participation for Customers with Limited English Proficiency

Strategic Electrification

- Focus on Delivered Fuels and Greenhouse Gas Reductions
- Cold Climate Heat Pump Goals for residential and commercial sectors

Workforce Development

- Clean Energy Pathways - Administered by Community Based Organization (CBO)
- Paid internship program – Pairs participants with local vendors
- One program in Compact service territory: Focus on HVAC or Insulation



CLC Board Priorities: C&I Enhancements



Up to 100% incentives for municipal customers, small non-profits, small businesses and micro businesses

Consistent with DPU directives, an evaluation is underway to define specific enhancements. Results forthcoming.

Proposed: Residential Enhancement



Enhanced incentives for Income Eligible (IE)/Moderate Income (MI) New Construction Projects

1. Needs to be deed restricted project for 25+ years.
2. Heating system shall not be fossil fuel or electric baseboard.
 1. If 51% of the site is IE, the incentive is 100% of the cost,
 2. If 51% of the site is MI, the incentive is 80% of the cost.
 3. If the site is a mix of IE, MI, affordable and market rate, the incentive will be calculated as currently done
3. Envelope: CLC will pay 100% for all weatherization measures above code.
4. The project will need to agree to work with CLC evaluation
5. Engineering study: \$2,000 price per unit, up to \$60K, based on obtaining three quotes
6. O&M costs for 1-3 year period
7. Contractor must be "certified" for multi-family
8. CLC incentive offering is valid for three-years
9. Ensure that incentive and other grant funds do not exceed 100% of the project costs.
This can be done through a Sources and Uses review or similar project funding document.

CLC Board Priorities: Cape & Vineyard Electrification (CVEO)



- Objectives
 - **250** total non-gas heated participants, tiered services by income: IE (up to 60%), MI (61-80%)
 - **Enhanced incentives for all three measures for customers below 81% of State Median Income**
 - Convert oil, propane, electric resistance heat to cold climate heat pumps
 - Install PV systems to support electrification of heating system and reduce GHG emissions
 - Install battery storage for demand response
- Addresses the upfront cost barriers

Heating System Incentives for Market Rate Customers: Final Direction from Board Needed



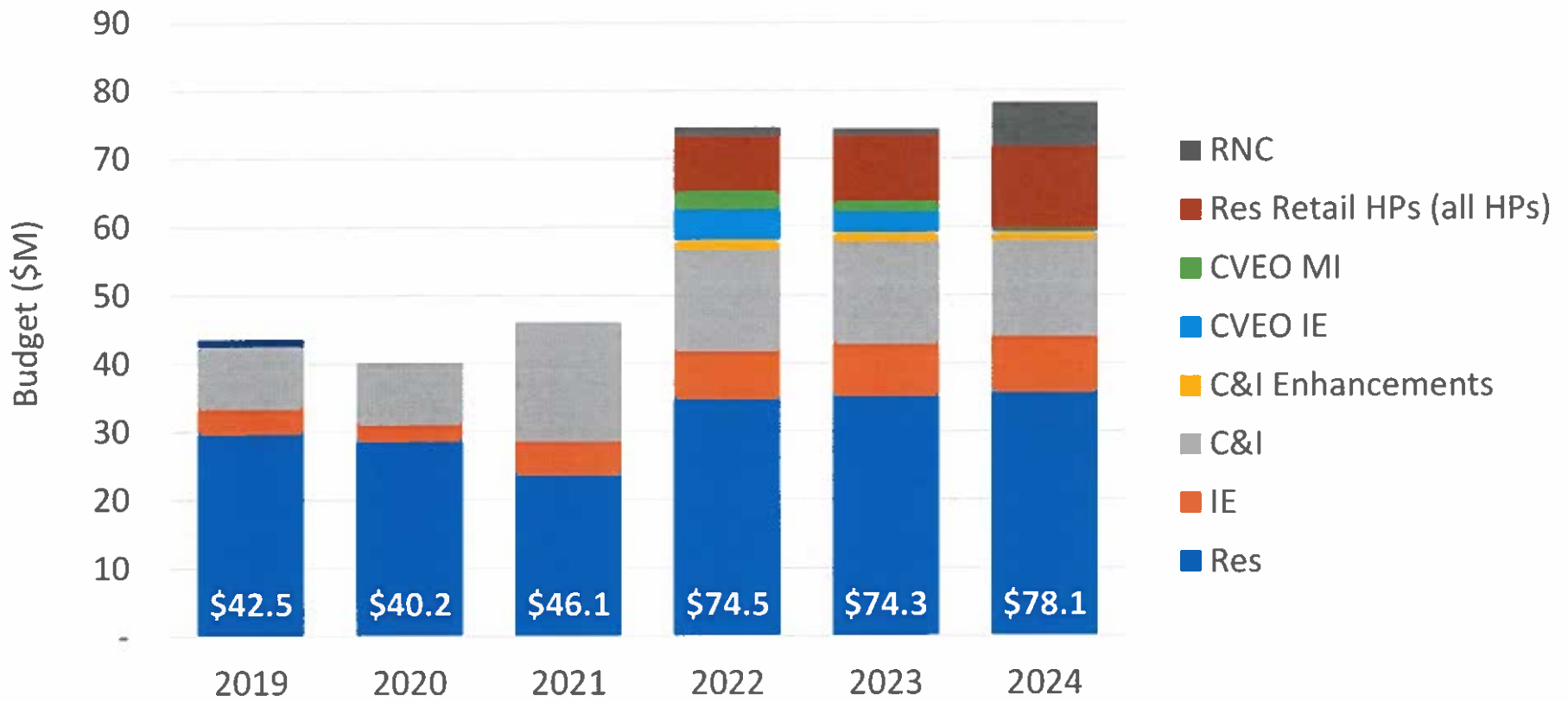
- Propane
 - Incentives will only be available for *non-condensing to condensing equipment*
- Oil
 - Incentives for Oil furnaces will still be available

Investment in Board Priority Areas



CLC Board Priority (\$M)	2022	2023	2024	2022-2024
C&I Enhancements	1.48	1.40	1.22	4.10
CVEO IE	4.41	2.93	0.36	7.70
CVEO MI	2.72	1.62	0.24	4.58
Res Retail HPs (all HPs)	8.01	9.58	11.88	29.47
RNC	1.32	1.05	6.41	8.78
Total	17.94	16.58	20.11	54.63

Proposed Budget

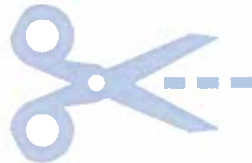


Scenario Analysis

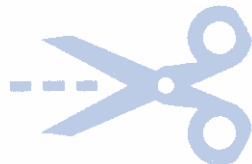
Cape Light
Compact



September 15 – Plan with all enhancements and state goals



Remove behavior program (Opower)



Remove behavior program +

- Reduce residential heat pumps by 20%, 40%, and then 60%

Scenarios: GHG Reductions



Cumulative Annual Emissions Reduction	CLC's Plan (Proposed)		No Behavior (OPower)		No Behavior (OPower). Res Retail HPs reduced by 20%.		No Behavior (OPower). Res Retail HPs reduced by 40%.		No Behavior (OPower). Res Retail HPs reduced by 60%.	
	Metric Tons	% Goal	Metric Tons	% Goal	Metric Tons	% Goal	Metric Tons	% Goal	Metric Tons	% Goal
Resi and IE	30,948	175%	30,948	175%	28,050	159%	25,132	142%	22,134	125%
C&I	3,238	48%	3,238	48%	3,238	48%	3,238	48%	3,238	48%
Total	34,186	140%	34,186	140%	31,289	128%	28,370	116%	25,373	104%

Bill Impacts – Residential



Years	EERF	Energy Conservation	Avg. Monthly Usage (kWh)	Total Cost (per month)	% Change from 2021
2021 In effect					
2021	\$0.02579 +	\$0.00250 x	530 =	\$14.99	
2022-2024 Plan - Proposed Plan					
2022	\$0.04570 +	x	=	\$25.55	70%
2023	\$0.04625 +	x	=	\$25.84	72%
2024	\$0.05263 +	x	=	\$29.22	95%
2022-2024 Plan - No Behavior (OPower)					
2022	\$0.04330 +	x	=	\$24.27	62%
2023	\$0.04489 +	x	=	\$25.12	68%
2024	\$0.05140 +	x	=	\$28.57	91%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 20%.					
2022	\$0.04173 +	x	=	\$23.44	56%
2023	\$0.04302 +	x	=	\$24.13	61%
2024	\$0.04909 +	x	=	\$27.34	82%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 40%.					
2022	\$0.04021 +	x	=	\$22.64	51%
2023	\$0.04113 +	x	=	\$23.12	54%
2024	\$0.04675 +	x	=	\$26.10	74%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 60%.					
2022	\$0.03849 +	x	=	\$21.72	45%
2023	\$0.03915 +	x	=	\$22.07	47%
2024	\$0.04431 +	x	=	\$24.81	65%

Bill Impacts – Income Eligible



Years	EERF	Energy Conservation	Avg. Monthly Usage (kWh)	Total Cost (per month)	% Change from 2021
2021 In effect					
2021	\$0.00148 +	\$0.00250 x	582 =	\$2.32	
2022-2024 Plan - Proposed Plan					
2022	\$0.00406 +	x	=	\$3.82	65%
2023	\$0.00431 +	x	=	\$3.96	71%
2024	\$0.00348 +	x	=	\$3.48	50%
2022-2024 Plan - No Behavior (OPower)					
2022	\$0.00403 +	x	=	\$3.80	64%
2023	\$0.00432 +	x	=	\$3.97	71%
2024	\$0.00349 +	x	=	\$3.49	51%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 20%.					
2022	\$0.00404 +	x	=	\$3.81	64%
2023	\$0.00432 +	x	=	\$3.97	71%
2024	\$0.00350 +	x	=	\$3.49	51%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 40%.					
2022	\$0.00404 +	x	=	\$3.81	64%
2023	\$0.00433 +	x	=	\$3.98	72%
2024	\$0.00351 +	x	=	\$3.50	51%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 60%.					
2022	\$0.00405 +	x	=	\$3.81	65%
2023	\$0.00434 +	x	=	\$3.98	72%
2024	\$0.00352 +	x	=	\$3.50	51%

Bill Impacts – C&I



Years	EERF	Energy Conservation	Avg. Monthly Usage (kWh)	Total Cost (per month)	% Change from 2021	Avg. Monthly Usage (kWh)	Total Cost (per month)	% Change from 2021
2021 In effect								
2021	\$0.01085 +	\$0.00250 x	400 =	\$5.34		10,800 =	\$144.18	
2022-2024 Plan - Proposed Plan								
2022	\$0.01694 +	x	=	\$7.78	46%	=	\$209.95	46%
2023	\$0.02507 +	x	=	\$11.03	107%	=	\$297.76	107%
2024	\$0.02309 +	x	=	\$10.24	92%	=	\$276.37	92%
2022-2024 Plan - No Behavior (OPower)								
2022	\$0.01575 +	x	=	\$7.30	37%	=	\$197.10	37%
2023	\$0.02504 +	x	=	\$11.02	106%	=	\$297.43	106%
2024	\$0.02316 +	x	=	\$10.26	92%	=	\$277.13	92%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 20%.								
2022	\$0.01579 +	x	=	\$7.32	37%	=	\$197.53	37%
2023	\$0.02509 +	x	=	\$11.04	107%	=	\$297.97	107%
2024	\$0.02322 +	x	=	\$10.29	93%	=	\$277.78	93%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 40%.								
2022	\$0.01582 +	x	=	\$7.33	37%	=	\$197.86	37%
2023	\$0.02514 +	x	=	\$11.06	107%	=	\$298.51	107%
2024	\$0.02327 +	x	=	\$10.31	93%	=	\$278.32	93%
2022-2024 Plan - No Behavior (OPower). Res Retail HPs reduced by 60%.								
2022	\$0.01589 +	x	=	\$7.36	38%	=	\$198.61	38%
2023	\$0.02520 +	x	=	\$11.08	107%	=	\$299.16	107%
2024	\$0.02332 +	x	=	\$10.33	93%	=	\$278.86	93%

Staff Recommendation



While the Plan as presented achieves all goals, the bill impacts are untenable for residential customers.

Staff does not recommend any changes in the commercial programs as there are no new enhancements.

Recommend scenario where behavior program is removed, and residential heat pumps are reduced by 20%

Appendix

**Cape Light
Compact**



Working Together Toward A Smarter Energy Future

EEAC Priority: Equity



- 100% insulation incentives to our renter and moderate-income customers
- Up to \$7,000 to address pre-weatherization barriers (i.e., knob and tube, vermiculite)
- Enhanced incentives for heating systems when paired with weatherization (if needed)
 - 80% of installed costs for Heat Pumps when displacing oil, propane or electric resistance heating systems
 - 70% of installed costs for replacing non-condensing to condensing natural gas and propane heating systems
- Main Streets and other targeted small business enhancements for Cape & Vineyard Environmental Justice Communities

EEAC Priority: Strategic Electrification for Residential Customers



- Introduction of a heat pump contractor network.
- Continued workforce development and training to increase contractor comfort in recommending and installing heat pumps.
- Targeted outreach to customers whose homes have already been weatherized.
- Introduction of New Construction Path-to-Zero.
- Increased installation of heat pumps to delivered fuel customers in income-eligible programs.

EEAC Priority Strategic Electrification for C&I Customers



- Introduction of a small commercial heat pump offering that mirrors the established Residential Sector's offering.
- Continued workforce development and training to increase contractor comfort in recommending and installing heat pumps.
- Increased engagement with manufacturers, distributors, and installers to better characterize the scenarios in which heat pumps are being installed and to streamline the application process.
- Evaluation results may impact the ability to offer substantial commercial weatherization services to a broader audience.
- Increased technical assistance and financial support for customers constructing new buildings minimizing overall energy consumption.

EEAC Priority: Workforce Development



- Clean Energy Pathways Internship Program
 - Targets 18–24-year-olds from backgrounds underrepresented in the energy efficiency workforce: multilingual, people of color, women.
 - Provides paid training and placement with an existing energy efficiency business
 - Offers a new path for full employment in the energy efficiency workforce
- Expand Collaboration and Funding to MA Clean Energy Center (CEC): \$12M
- Review and revise procurement practices to increase the number of certified Minority, Women and Veteran owned businesses contracting and subcontracting in energy efficiency program

2022-2024 Shared Cost Allocation Method and Fixed Factors

Shared Cost	Allocation Methodology – Governing Board Decision	Fixed Allocation Factors	
		Efficiency	Operating
Salary	Percentage based on 2021 staff's actual time spent on energy efficiency or municipal aggregation	95%	5%
Software licenses	Same allocation as used for salary	95%	5%
Payroll services	Same allocation as used for salary	95%	5%
Internet	Same allocation as used for salary	95%	5%
Rent	Same allocation as used for salary	95%	5%
Custodial	Same allocation as used for salary	95%	5%
Other utilities	Same allocation as used for salary	95%	5%
Auditor	Same allocation as used for salary	95%	5%
Treasury services	Same allocation as used for salary	95%	5%
Financial software	Same allocation as used for salary	95%	5%
Insurance	Same allocation as used for salary	95%	5%
Legal, Consumer Advocacy	Case-specific, based on Governing Board Consumer Advocacy Worksheet	TBD	TBD
Legal, Other	Case-specific and may utilize fixed percentage salary allocation factors	TBD	TBD

Excerpt From the Cape Light Compact Board Meeting Minutes April 10, 2019

1. Discussion and Potential Vote on Allocation of Shared Costs Policies, Margaret Song

Margaret Song stated that the changes that were suggested at last month's meeting were made. Joyce Flynn asked if it were best to pass the vote now and affirm at the May Board Meeting when there is a full board. Jeff Bernstein stated that it wouldn't be a bad idea. Martin Culik made a motion to table the vote until next month's meeting. Jeff Bernstein stated that there should at least be some discussion today to see if the changes that he and Maggie Downey made reflected what the Board wanted in order to save time during next month's meeting. He also stated that it would speed things up if Board Members are comfortable with the Executive Committee voting today.

Ron Zweig stated that there is no mention of legal services. Jeff Bernstein stated that legal advocacy and related expenses will be the subject of a separate policy to be discussed at a future meeting.

David Anthony moved the Cape Light Compact JPE ("Compact") Board of Directors voted to allocate shared costs between the Compact's energy efficiency and operating budgets as follows:

Staff salaries, including employee benefits, pension and Other Post Employment Benefit (OPEB) liabilities, shall be allocated based on the ratio between a) their time spent working on energy efficiency matters, including consumer advocacy matters related to energy efficiency as determined by the Board, and b) time spent on all other matters (operating budget). Staff allocating their time shall track time on their bi-weekly timesheets. Payroll Services, custodial, utilities, office space, software licenses, and internet fees shall be allocated based on staff's salary allocations.

Auditor, treasury services, and financial software costs shall be allocated based on the percentage of total of the energy efficiency, including consumer advocacy matters related to energy efficiency, and operating budgets that each respective budget represents. For example, based on the current budgets, the 2019 energy efficiency budget represents about 98% of the total budget and the 2019 operating budget represents about 2%.

All insurance related expenses associated with staff are allocated based on the salary allocation above. Board member insurance related expenses are allocated 50% to energy efficiency budget and 50% to operating budget. This will result in an allocation shown on the attached where costs are allocated 68% to energy efficiency budget and 32% to operating budget.

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 ay be necessary or appropriate to implement this vote.

**Agenda Action Request
Cape Light Compact
Meeting Date: 10/14/21**



- Aquinnah*
- Barnstable*
- Bourne*
- Brewster*
- Chatham*
- Chilmark*
- Dennis*
- Dukes County*
- Eastham*
- Edgartown*
- Falmouth*
- Harwich*
- Mashpee*
- Oak Bluffs*
- Orleans*
- Provincetown*
- Sandwich*
- Tisbury*
- Truro*
- Wellfleet*
- West Tisbury*
- Yarmouth*

2022-2024 Energy Efficiency Plan Budget, Enhanced Incentives, Greenhouse Gas Reduction and Savings Goals

REQUESTED BY: *Maggie Downey*

I move the CLCJPE Board of Directors vote to approve the proposed budgets and savings goals presented by staff for the Compact's 2022-2024 Energy Efficiency Plan (which incorporates required statewide greenhouse gas emissions reductions and certain Compact-specific enhanced incentives) and authorize submission of the proposed Plan 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.

Proposed Motion(s)

See presentation for additional information.

**Additional Information
Record of Board Action**

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

**Agenda Action Request
Cape Light Compact
Meeting Date: 10/14/2021**



- Aquinnah
- Barnstable
- Bourne
- Brewster
- Chatham
- Chilmark
- Dennis
- Dukes County
- Eastham
- Edgartown
- Falmouth
- Harwich
- Mashpee
- Oak Bluffs
- Orleans
- Provincetown
- Sandwich
- Tisbury
- Truro
- Wellfleet
- West Tisbury
- Yarmouth

Authorize JPE Administrator to Execute a Lease for Office Space for the Cape Light Compact

REQUESTED BY: *Maggie Downey*

Proposed Motion(s)

I move the CLC/JPE Board of Directors vote to authorize the Compact administrator to execute a lease for office space.

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

Consistent with MGL Chapter 30B, Section 16, an RFP for office space was issued on August 31, 2021. Responses to the RFP were due on October 8, 2021. Three responsive bids were received. Compact Administrator and Board Members David Anthony and Colin Odell reviewed the bids and were unanimous in their recommendation to execute a lease for office space with Pathways Office Park LLC at 261 Whites Path, Unit 4, in South Yarmouth. The monthly rent would be \$8,625 per month, fixed for 72 months. This represents a 15% increase above the existing monthly rent.

Record of Board Action

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

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ATTORNEYS AT LAW

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BOSTON, MASSACHUSETTS 02110

(617) 951-1400

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(617) 951-1354

October 12, 2021

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: D.P.U. 21-30 – Eversource Response to Cape Light Compact JPE Comments

Dear Secretary Marini:

On April 1, 2021, NSTAR Electric Company d/b/a Eversource Energy (“Eversource” or the “Company”) submitted its 2020 Grid Modernization Plan (“GMP”) Annual Report with the Department of Public Utilities (the “Department”). The Company’s filing was docketed as D.P.U. 21-30. On May 17, 2021, Eversource submitted a letter providing notice of the cancellation of the planned Martha’s Vineyard Battery Energy Storage System (“BESS”).¹ On August 31, 2021, the Cape Light Compact JPE (“Compact” or “CLC”) filed a letter with the Department requesting that the Department open an investigation into whether cancellation of the BESS Project is consistent with the statutory and policy objectives to provide a reliable, resilient and clean electricity supply for Martha’s Vineyard (CLC Letter at 3). For the reasons stated herein, CLC’s conclusions are faulty, and no investigation is warranted.

The difficult decision to cancel the Martha’s Vineyard BESS was made following the completion of the third-phase of the feasibility analysis for the project based on in-depth engineering analysis, updated load forecasts and ongoing site evaluations. Careful review of these analyses culminated in a determination that: (1) the cost of the BESS project would be substantially greater than anticipated due to a number of factors outside the Company’s control; and (2) even if built, the BESS project would not adequately address forecasted system needs (D.P.U. 21-30, Cancellation Notice at 7-14).

Over the past few years, Martha’s Vineyard has experienced substantial load growth, which is forecasted to continue into the future, along with a shift to electrification on the Island. Future electricity needs indicate the need for the construction of a 5th submarine cable to the Island to meet future load expectations, eliminating the usefulness of the Martha’s Vineyard

¹ The Martha’s Vineyard BESS project was initially approved by the Department in the Company’s 2017 distribution rate case. D.P.U. 17-05, at 461-463, 470-471.

BESS.² Construction of the additional cable will improve the voltage profile for all customers on the Island and have the potential to increase the amount of solar that can be integrated on the system in that location. The addition of the 5th cable would permit the existing 23kV distribution system on Martha's Vineyard, which is currently supplied by the four existing cables, to be reconfigured so that the loading and total customer counts on all five cables are optimized to improve both capacity and customer reliability. The addition of the 5th submarine cable would also permit an incremental increase in DER hosting capacity on Martha's Vineyard, which would be limited to the areas of the Island directly fed off the new cable or on 23kV circuits that are relieved by it.

CLC's letter focuses on the potential for construction of a fifth submarine cable to Martha's Vineyard Island and references the fact that one of the existing submarine cables supplying electricity to Martha's Vineyard experienced a fault on July 16, 2021. The cable fault occurred due to a failure in one of the original factory-made splices located under water. There was a brief interruption to less than 10,000 customers with most restored in less than five minutes and a smaller number in less than nine minutes. Customer load was not at risk. However, out of an abundance of caution, supplemental generation was installed on the Island to re-establish capacity for the summer season. The Company was successful in locating and repairing the cable in the next 30 days without any safety issues. As a result, CLC's implication that somehow providing power to customers using a submarine cable is inherently unreliable is inaccurate and misplaced.

In fact, the cable-fault experience only reinforces the Company's decision for the fifth cable solution. Had the fifth cable been in place, it would have significantly reduced the need for additional diesel-powered back-up generators as compared to the BESS. Additionally, as stated in the Cancellation Notice, the fifth cable solution would make the system serving Martha's Vineyard more robust in general, which is anticipated to improve the power quality and voltage profile for all customers, and potentially increase the amount of solar that can be integrated into the Island's power system. For example, instead of "replacing one or more aging generators" (CLC Letter at 2), the fifth cable addition would allow for retirement of all five diesel generators on Martha's Vineyard, providing a solution that better aligns with the Commonwealth's clean energy and environmental goals. Additionally, a fifth cable will enable the Company to reconfigure the existing 23 kV distribution system on Martha's Vineyard to improve both capacity and reliability by facilitating load balancing and reduction in customer count for each of the main distribution lines currently supplying the Island.

More importantly, even if the BESS project had been operational at the time of the July 2021 submarine cable failure, the Company would still have needed to transport and utilize emergency generation in response to the failure to serve customers on Martha's Vineyard during the restoration of service via the cable. The Company transported a total of 15 generators to

² The 5th cable project would involve reconfiguration of the Falmouth substation to provide additional mitigation of risk to supply to MV by constructing a new 23kV feeder position at Falmouth Substation. Risk of supply to Martha's Vineyard would be further mitigated by installing the 5th cable in a new duct and manhole system between Falmouth Substation and the shore at Elm Road, so that all the cables supplying Martha's Vineyard would not be in the same duct route, minimizing mutual heating effects and reducing the risk of mutual impacts (e.g., a cable fault affecting other circuits in the duct bank).

Martha's Vineyard following the cable failure as a conservative measure. Not all of these generating units were put into use and the total run time was only about 200 hours, which is relatively limited considering the circumstances. Additionally, calculations indicate that the existing five diesel generators did not run any longer than would have occurred without the cable fault.

As detailed in the Company's Cancellation Notice, the decision to cancel the Martha's Vineyard BESS project was based on sound engineering analyses and forecasted load projections. The projected increase in demand during the updated forecast is driving the need for construction of a fifth submarine cable to supply the Island. Installation of the fifth cable would allow for the retirement of the diesel generators without a capacity deficit and provide power quality, voltage regulation and distributed energy resources integration benefits to the Island. By comparison, the projected cost for the BESS had increased by \$23.4 million, making it untenable for the Company to proceed.

Accordingly, the Company made the justified decision to cancel the Martha's Vineyard BESS Project for the benefit of all customers on the Island. No investigation will change the outcome of this analysis. Through the third-stage feasibility analysis, the Company has properly taken action to protect the interests of customers that will be asked to pay for this investment.

Thank you for your attention to this matter. Please contact me with any questions you may have.

Sincerely,



Danielle C. Winter, Esq.

cc: Tina Chin, Esq., Hearing Officer
Sarah Spruce, Esq., Hearing Officer
Scott Seigal, Esq., Hearing Officer
D.P.U. 21-30 Service List