

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

**DATE:** Wednesday, December 8, 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](mailto:mdowney@capelightcompact.org) by 2:00 PM on Tuesday, December 7, 2021 and should follow the public comment protocol below. Public comments received after the December 7<sup>th</sup> deadline will be distributed prior to the Compact's next Board meeting.

**Telephone dial-in: +1 (646) 558-8656**  
**Meeting ID: 833-5948-3441**

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

**AGENDA**

1. Presentation on 2020 Cape Light Compact Audited Financial Statements, Jennifer Cook, Clifton, Larsen, Allen, LLP
2. Approval of November 10, 2021 Compact Board Open Session Minutes
3. Public Comment – Written Only
4. Chairman's Report
  - A. 2021 Energy Efficiency Main Street's – Report for Each Board Member
5. Discuss and Potential Vote Ratifying Board Support of for the Compact Proposed Enhancements to the 2022-2024 Energy Efficiency Plan
6. Discuss and Potential Vote on 2022 Operating Budget
7. Discuss and Potential Vote on a 3% COLA for Calendar Year 2022
8. Administrator's Report
  - A. Open Nominations for 2022 Cape Light Compact Executive Committee
  - B. Power Supply Pricing Update for December 2021 – June 2022
9. Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)
10. **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 and potential vote on pending or imminent regulatory litigation and trade secrets and confidential, competitively-sensitive or other proprietary power supply information related to Massachusetts Department of Public Utilities 20-40, Cape & Vineyard Electrification Offering (CVEO) and the 2022-2024 Energy Efficiency Plan, DPU 21-126 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 December 8, 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 December 8, 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](mailto:mdowney@capelightcompact.org) by 2:00 PM on Tuesday, December 7, 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 December 7<sup>th</sup> 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 Wednesday, December 8, 2021 at the Cape Light Compact JPE's web site at [www.capelightcompact.org](http://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, November 10, 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, November 10, 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. Peter Doyle, Barnstable Alternate
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. Brad Crowell, Dennis
8. Fred Fenlon, Eastham
9. Alan Strahler, Edgartown
10. Matthew Patrick, Falmouth
11. Dion Alley, Executive Committee, Oak Bluffs
12. Martin Culik, Chair/Executive Committee, Orleans
13. Nathaniel Mayo, Provincetown
14. Bob Higgins-Steele, Truro Alternate
15. Richard Elkin, Executive Committee, Wellfleet
16. Sue Hruby, West Tisbury
17. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth
18. Mike Duffy, Yarmouth Alternate

**Absent Were:**

1. Forest Filler, Aquinnah
2. David Anthony, Secretary/Executive Committee, Barnstable
3. Erik Peckar, Dukes County
4. Valerie Bell, Harwich
5. Wayne Taylor, Mashpee
6. Leanne Drake, Sandwich
7. Kirk Metell, Tisbury
8. Jarrod Cabral, Truro

**Legal Counsel Participating Remotely:**

Audrey Eidelman, Esq., BCK Law, P.C. (in part)  
Jeffrey Bernstein, Esq., BCK Law, P.C.

**Staff Participating Remotely:**

Lindsay Henderson, Commercial & Industrial Senior Analyst

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 2:00 PM.

**PRESENTATION ON ENERGY MARKETS, MIKE ZENKER, MANAGING DIRECTOR OF RESEARCH, NEXTERA ENERGY RESOURCES:**

Mike Zenker reviewed the New England Natural Gas and Power Outlook for Cape Light Compact PowerPoint.

Mike Zenker stated that higher natural gas prices are driving New England power prices sharply higher. The Algonquin terminal/pipeline cost of wholesale natural gas delivered to Boston has moved from about \$3.50 in early 2020 (or 21?) to \$7 in fall of 2021. He stated the Algonquin price is what drives wholesale power supply prices in the New England market. In New England electricity is produced mainly by natural gas fired generation plants; therefore, as natural gas prices go up so do wholesale electricity/power prices.

Mike Zenker reviewed the natural gas supply prices. He stated generally they are around the \$2 or \$3 level. In February they increased due to the winter storm that hit Oklahoma and Texas and supply was constricted (frozen plants and pipelines). Then, this past July natural gas prices started to increase again. Mike Zenker stated that this is the first winter where the natural gas prices will be above \$5 since the early 2000's which was before the Shale Era (natural gas produced from shale), with the exception of 2014 when we had a very cold winter.

Mike Zenker stated that natural gas production has stalled this year due to the pandemic. He stated it is not that there is a shortage, but increased production of natural gas from oil production has stopped. Natural gas from oil wells is expected to contribute the largest share of natural gas supply this decade but drilling for oil is lagging behind the oil price recovery. Mike Zenker stated that natural gas demand from the generation sector has been significantly higher when compared to historical pricing relationships.

Mike Zenker stated that strong Asian and European gas prices are attracting high levels of imports of Liquefied Natural Gas (LNG) from the United States. The United States is now the second largest exporter of LNG in the world. About 13% of worldwide demand is supplied by exported LNG. In order to reverse the export of LNG from the U.S. the price of LNG would have to get closer to European prices.

Mike Zenker stated natural gas futures prices have moved higher reflecting tighter markets in 2021 and 2022. He stated that New England is a market that does not have a lot of surplus pipeline capacity. While there is a sufficient pipeline capacity for most of the year, there are on average eleven very cold days in the winter where prices in New England are very high relatively to the rest of the country. New England has historically relied on LNG from Everett to help keep the prices from increasing further on those cold winter days. Mike Zenker stated that going forward winter New England gas prices and power prices will be sharply higher as the market believes it will be hard to attract more LNG to the region.

**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 2:37 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 and potential vote on pending or imminent regulatory litigation related to Massachusetts Department of Public Utilities 20-40, Cape & Vineyard Electrification Offering (CVEO) and the 2022-2024 Energy Efficiency Plan, DPU 21-126 to return to open session thereafter. Seconded by Robert Schofield.*

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

*Motion carried in the affirmative (16-0-0)*

**Return to Open Session**

*At 3:34 PM, Martin Culik asked for a motion to end executive session, moved by Robert Schofield, seconded by Joyce Flynn.*

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes

Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

*Motion carried in the affirmative (16-0-0)*

**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.

**APPROVAL OF MINUTES:**

The Board considered the October 14, 2021 Open Session Meeting Minutes.

*Robert Schofield moved the Board to accept the minutes as amended and to release them as amended, seconded by Peter Cocolis.*

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

*Motion carried in the affirmative (16-0-0)*

**CHAIRMAN'S REPORT:**

**1. Richard Toole, Oak Bluffs, Recognition of Service**

Martin Culik stated that Richard Toole is retiring from the Cape Light Compact Board of Directors. He thanked him for his service, wisdom, and guidance.

Richard Toole stated that the work the Compact does is very important and meaningful. He stated that it has been a learning experience for all of us, especially as we work through the recent changes in state law. He stated that we live in a vulnerable place and as sea levels rise and storms intensify, the work the Compact does is becoming more important.

## **2. Introduction of Dion Alley, New Oak Bluffs Representative**

Richard Toole introduced Dion Alley, the new Oak Bluffs representative. He stated that Dion Alley grew up in Oak Bluffs. Dion Alley left to go to college and work, then retired and returned to Oak Bluffs. He stated that he thinks it is great to have someone who has lived on and understands the island.

Dion Alley stated that last night at the Oak Bluffs town meeting, the goal to be 100% renewable by the year 2040 passed 231 to 2. He stated that was due to Richard Toole's leadership.

### **PRESENTATION ON UPDATED COMPACT 2022-2024 ENERGY EFFICIENCY PLAN BUDGET, PHIL MOFFITT**

Phil Moffitt reviewed the PowerPoint presentation on the 2022-2024 Energy Efficiency Plan (Plan) Updated to Reflect October 14, 2021 Compact Board Votes, DPU Order on 20-40 and technical corrections.

Phil Moffitt reviewed the proposed budget. He stated that it includes Board direction to reduce heat pumps by 20% and remove oil and propane heating system incentives for Residential Market Rate customers. He stated through the Compact's final review process, \$8 million was added back into the Commercial & Industrial (C&I) budget for heat pumps and electrification projects. Overall, the three-year budget decreased by about \$7.5 million.

Phil Moffitt stated that in terms of greenhouse gas emissions reductions, the Compact is still robustly meeting those goals even with those changes. The statewide goal for the electric Program Administrators (PAs) has decreased by about 30,000 metric tons which was moved to the gas PAs. The Compact's allocation is still about 5% of the total GHG reduction goal

Phil Moffitt stated that the Plan was filed with the Department of Public Utilities (DPU) on November 1<sup>st</sup>. Now the Compact is in the discovery phase until November 29<sup>th</sup>. Public hearings are scheduled for December 1<sup>st</sup> and 2<sup>nd</sup> and Evidentiary Hearings from December 9<sup>th</sup> to 15<sup>th</sup>. Per statute, the DPU has 90 days from date of filing to issue an order.

Phil Moffitt reviewed the residential bill impacts. The Energy Efficiency charge on the current bill represents 11.1% of the total bill and on the 2022 bill it represents 15.9%. He stated that reducing the heat pump installations by 20% and removing residential market rate fossil fuel heating system incentives results in an average monthly bill impact savings of \$0.52 in 2022, \$0.70 in 2023 and \$1.04 in 2024. There was no change in the bill impact for income eligible customers because of reducing heat pumps by 20% and removing residential market rate fossil fuel heating system incentives. He stated that by increasing the C&I budget by \$8 million that the monthly bill will increase by \$0.27 to \$7.24 for 2022, \$0.76 to \$20.63 for 2023, and \$2.03 to \$54.86 for 2024.

Colin Odell stated that when you look at the allocation of costs between residential and C&I sectors, it is obvious that we are meeting the carbon reduction goal using money from our market rate residential customers. He stated that within the next three years the Compact will need to ensure that the C&I programs are allocated

their share of the carbon reduction costs. Margaret Song stated right now the Compact's Energy Efficiency Reconciliation Factor (EERF) only assigns the costs of C&I efforts to C&I customers. She asked if Colin was saying that residential customers are being charged for C&I efficiency measures. Colin Odell answered no. He stated that the reason the Compact is exceeding the carbon reduction goal is because it has built a much more robust and expensive residential program than what would be needed to get to 100% if commercial was providing and paying for a program that would achieve only its 30% share. He stated therefore, the residential is paying for the majority of reaching these more aggressive goals and the Compact needs to figure out how to not have that happen the next time. Margaret Song stated she agrees. Residential is over indexing across the Commonwealth and commercial is under indexing. She stated that some of that has to do with the cost and the infrastructure of electrification. She stated that one of the things the Compact has committed to is a C&I working group to increase C&I savings and participation by investing in research development, technical assistance, and looking at the viable options.

#### **DISCUSS 2022 PROPOSED BUDGET, MAGGIE DOWNEY**

Maggie Downey reviewed the proposed operating budget. She stated that we are still waiting for a report on where the Compact is with unencumbered fund balances. She stated that there are no new line items except for the "Marketing CLC Local Green" line because that was our takeaway from previous Board Meetings, to stay with the power supply as it is now, but to push the local green program. She stated she is looking for feedback to put together a budget that is more reflective that will be brought back at the December Board Meeting for a vote.

Maggie Downey stated that the overall budget has gone down. She stated what is not in there is the contingency fund because it will be fully funded by the end of the year. She stated that she knows the Board likes to see the budget items in descending order by amount and will do that for the December Meeting. She stated that for salary it reflects Mariel Marchand's time and a portion of other staff's as well. She stated it has a COLA of 3%, which will be a separate vote next month.

Peter Cocolis asked what the marketing CLC local green entails. Maggie Downey stated that it includes social media ads, direct mailing, and audio ads. She stated she can add more information on the worksheet in next month's packet.

**Brad Crowell left the meeting at 4:17PM.**

#### **SUMMARY OF CAPE LIGHT COMPACT'S SMALL BUSINESS 2021 MAIN STREETS INITIATIVE, LINDSAY HENDERSON**

Lindsay Henderson reviewed the 2021 Main Streets – Recap PowerPoint.

Lindsay Henderson stated that the Compact worked with RISE Engineering and Natural Resource Management (NRM), going door-to-door to small businesses in a specified area to install energy efficiency measures on-site and several customers received additional measures after the event was completed. She stated that the Compact worked with Chambers of Commerce and merchant associations as well as Town staff to promote efforts and partnered with Towns on materials.

Lindsay Henderson stated that the Compact offered up to an 100% incentive for small businesses since April 2020 that was extended through the end of this year. She stated that in advance of the Main Street's event the



Compact sent out direct mail and posted flyers. Local Chambers of Commerce and business associations also helped with outreach to the businesses.

Lindsay Henderson stated that the events went very well. She reviewed the spring and fall results. The total results from RISE Engineering are 395 customers signed contracts and had measures installed with 1,621,419 kWh saved, and \$1,690,877.47 in incentives. For NRM, the total results were 70 customer that signed contracts and had measures installed, with 902,756 kWh saved, and \$615,688.91 in incentives. These are changing as RISE Engineering continues to follow up with customers.

Tim Carroll asked if we should reach out to those who participated and thank them and/or with those who did not and figure out why. Lindsay Henderson answered yes. She stated that RISE Engineering will be following up with those customers that did not move forward.

Matt Patrick stated that he saw that Falmouth had 351 customers targeted for potential participation but only 59 participated and asked if she knew why so few actually participated. He also asked if she analyzed how much on average was saved by these businesses so those numbers could be used in marketing.

Lindsay Henderson stated that RISE Engineering had issues getting in contact with customers to set up appointments. She stated that she can ask for specific feedback about Falmouth. She stated that for savings the kWh and MMBtu is shown and asked if he was looking for something different. Matt Patrick answered he was looking for the dollar savings. He stated that for the next event the Compact can send potential customers marketing materials showing the average cost saved by their neighboring businesses who participated the following year.

Colin Odell left the meeting at 4:23PM.

**ADMINISTRATOR’S REPORT:**

- 1. Massachusetts Department of Public Utilities Virtual Public Hearings on 2022-2024 Energy Efficiency Plan, December 1<sup>st</sup> and 2, 2021 (notice to be forwarded when posted)**

Maggie Downey stated that there will be a virtual public hearing on December 1<sup>st</sup> and 2<sup>nd</sup>. **Bill Impacts**

Maggie Downey stated that she has started working on informing Cape and Vineyard residents and businesses on the upcoming bill impacts. She has presented on this issue at the Net Zero Conference, Energy and Climate Committees and Cape Cod Climate Change Collaborative. She stated that she and Matt Patrick are working with Senator Moran to get a meeting with the Cape and Vineyard Delegation to discuss this issue. She stated that she is open to suggestions on next steps, but suggested we wait until the Plan is approved and the Compact knows exactly what the bill impacts will be for customers.

**ADJOURNMENT:**

*Motion to adjourn made at 4:34 PM moved by Robert Schofield, seconded by Matt Patrick.*

Peter	Doyle	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes

Fred	Fenlon	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Dion	Alley	Oak Bluffs	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Sue	Hruby	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

*Motion carried in the affirmative (14-0-0)*

Respectfully submitted,

Melissa Allard

**LIST OF DOCUMENTS AND EXHIBITS:**

- Meeting Notice/Agenda
- October 14, 2021 Draft Meeting Minutes
- New England Natural Gas and Power Outlook for Cape Light Compact PowerPoint
- 2022-2024 Energy Efficiency Plan Updated to Reflect October 14, 2021, Compact Board Votes, DPU Order on 20-40 and QC PowerPoint
- 2021 Main Streets – Recap PowerPoint



# Cape Light Compact JPE 2020 Audit Exit Meeting

December 8, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

# Agenda



Terms of Engagement



Financial Highlights



Required Communications



Internal Control Communications



Questions



# Terms of Engagement



Express an opinion on whether the financial statements are presented in accordance with GAAP



Express an in relation to opinion on the supplementary information (combining statements and expense reconciliation to DPU)



Provide a report on internal control over financial reporting and compliance with laws, regulations, contracts and grants



# Financial Highlights – Statement of Net Position

	12/31/2020	12/31/2019	Change (\$)	Change (%)
<b>Assets and Deferred Outflows of Resources</b>				
Current Assets	\$ 22,521,080	\$ 19,017,699	\$ 3,503,381	18%
Noncurrent Assets	154,186	308,372	(154,186)	-50%
Deferred Outflows of Resources	1,692,040	1,389,326	302,714	22%
Total Assets and Deferred Outflows	24,367,306	20,715,397	3,651,909	18%
<b>Liabilities and Deferred Inflows of Resources</b>				
Current Liabilities	6,927,347	7,840,742	(913,395)	-12%
Noncurrent Liabilities	6,416,203	5,879,587	536,616	9%
Deferred Inflows of Resources	625,873	503,722	122,151	24%
Total Liabilities and Deferred Outflows	13,969,423	14,224,051	(254,628)	-2%
<b>Net Position</b>				
Investment in Capital Assets	154,186	308,372	(154,186)	-50%
Unrestricted	10,243,697	6,182,974	4,060,723	66%
Total net position	\$ 10,397,883	\$ 6,491,346	\$ 3,906,537	60%

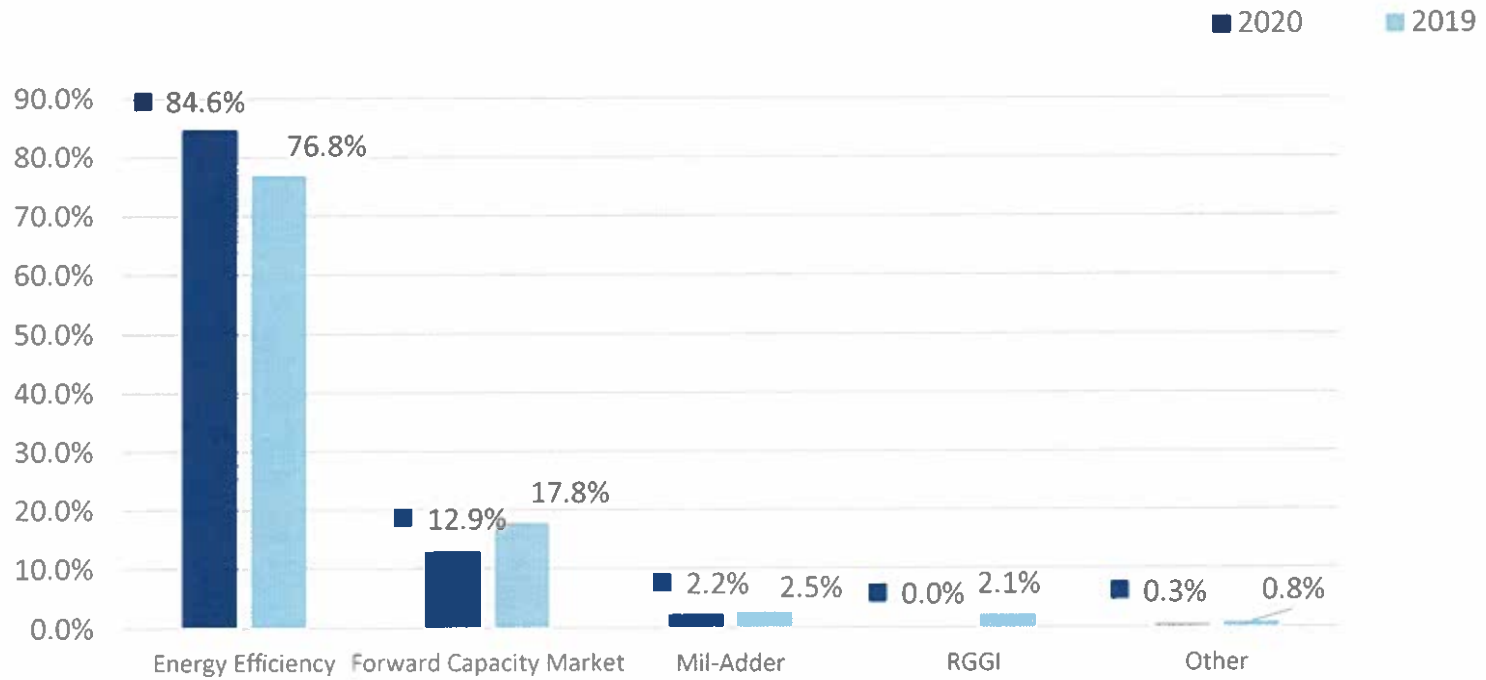


# Financial Highlights – Statement of Revenues, Expenses and Changes in Net Position

	12/31/2020	12/31/2019	Change	Change (%)
Operating Revenues	\$ 39,088,940	\$ 29,803,956	\$ 9,284,984	31%
Operating Expenses	41,091,252	44,177,839	(3,086,587)	-7%
Operating Income	(2,002,312)	(14,373,883)	12,371,571	-86%
Nonoperating Revenues (Expenses), Net	5,908,849	6,717,382	(808,533)	-12%
Change in net position	3,906,537	(7,656,501)	11,563,038	-151%
Net position, beginning of year	6,491,346	14,147,847	(7,656,501)	-54%
Net position, end of year	\$ 10,397,883	\$ 6,491,346	\$ 3,906,537	60%



# Financial Highlights – Revenue Funding Sources





# Required Communications



## Significant accounting policies

Management is responsible for accounting policies which are outlined in Note 2 to the financial statements

No significant or unusual transactions identified



## Significant accounting estimates

\* Net OPEB Liability

\* Net Pension Liability

Reviewed for indicators of management bias

Reviewed for reasonability of estimates



# Required Communications (Continued)



## Significant Disclosures

Disclosures are neutral, consistent and clear



## Difficulties encountered

No difficulties or disagreements with management



## Passed and Corrected Adjustments

None noted.



# Required Communications (Continued)



## Management representations

Management will provide certain representations in a management representation letter



## Management consultations with other accountants

No consultations with other accountants



## Significant issues discussed with management

No issues discussed



# Internal Control Communications

## GAO Report

No material weaknesses or significant deficiencies identified

## Management Letter

Information Security

Reconciliation of Cash

Reconciliation of Warrants Payable



# Questions?



[CLAconnect.com](https://www.claconnect.com)



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

**CAPE LIGHT COMPACT JPE**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2020**

DRAFT FOR DISCUSSION PURPOSES ONLY

**CAPE LIGHT COMPACT JPE  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cape Light Compact JPE  
South Yarmouth, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Cape Light Compact JPE (Cape Light Compact) as of and for the year ended December 31, 2020, and the related notes to the financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Cape Light Compact as of December 31, 2020, and the change in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (located on pages 4 through 8) and certain pension and other postemployment benefits information (located on pages 25 and 26) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements. The combining statements and reconciliation of audited energy efficiency GAAP expenses to Department of Public Utilities report (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors  
Cape Light Compact JPE

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE , on our consideration of the Cape Light Compact's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cape Light Compact's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cape Light Compact's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
REPORT DATE

**CAPE LIGHT COMPACT JPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

As management of the Cape Light Compact JPE (Compact), we offer readers of these financial statements this narrative overview and analysis of the Compact's financial activities for the calendar year ended December 31, 2020.

The management's discussion and analysis (MD&A) is presented in the following sections:

1. Background
2. Overview of the Financial Statements
3. Financial Statement Analysis

Please refer to the audited *Financial Statements* when reading the MD&A.

*Cape Light Compact Joint Powers Entity:*

The Compact's mission is to serve our over 200,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, and renewable competitive electricity supply. The Compact is a Joint Powers Entity (JPE) pursuant to Massachusetts General Law Chapter 40, Section 4A ½, consisting of the 21 towns on Cape Cod and Martha's Vineyard, and Dukes County.

*The Compact as Energy Efficiency Program Administrator and the 2019-2021 Energy Efficiency Plan:*

The Compact's 2019-2021 Energy Efficiency Plan, its fourth three-year plan, was approved by the DPU on January 29, 2019 in compliance with the Massachusetts state energy efficiency goals and policies, including the Green Communities Act ("GCA"), (Chapter 169, Section 11 of the Acts of 2008). As a result of the COVID pandemic, the Compact temporarily shut down the delivery of almost all of its energy efficiency programs effective March 2020 and resumed the delivery of its services in late June of 2020. In response to COVID, the Compact implemented the following program changes:

- Offered customers a choice between Virtual Home Assessments or On-Site Home Assessments;
- Through September 30, 2020, offered a 100% incentive for recommended insulation for residences;
- Offered an enhanced refrigerator and freezer recycling incentive of \$125 through October 31, 2020;
- Offered up-to 100% incentive to small businesses through October 31, 2021 on LED lamps and fixtures, HVAC and lighting controls, water saving equipment, and pipe insulation.

Despite the extraordinary challenges faced in 2020 due to the pandemic, participation in the Compact's energy efficiency programs was higher than expected, and the Compact is on track to reach its three-year goals by the end of 2021. Including actual results from 2019 and 2020, the Compact achieved 73% of its three-year lifetime energy savings goal, achieved 47% of its three-year total benefit goal, and spent 61% of its planned three-year budget. Based on these results, in combination with the 2021 planned values, over the three-year term, the Compact expects to achieve:

**CAPE LIGHT COMPACT JPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

- robustly cost-effective programs with a benefit-cost ratio ("BCR") of 2.16,
- net benefits of \$184 million,
- annual energy savings of 110 gigawatt hours ("GWh"),
- lifetime energy savings of 942 GWh,
- total benefits of \$344 million, and
- program costs of \$129 million.

The Compact is committed to energy education outreach within its community and continues to be a regionally and nationally recognized leader in the design and implementation of its energy education programs. As a municipal aggregator with a unique service territory, the Compact supports the community's efforts to develop a deeper and broader knowledge of energy efficiency technology and practices, moving towards an energy-literate society.

*The Compact's Power Supply Program:*

During fiscal year 2021 (FY21), the Compact's power supplier for all residential, commercial, and industrial customers was NextEra Energy Services of Massachusetts (NextEra). The Compact is pleased that our residential price in FY21 remained price-competitive with the utility's basic service residential price while also being 100% renewable.

The Compact has been a green aggregation since January 2017, meaning 100% of Compact's power supply customers' annual electricity usage is met with renewable energy certificates (RECs). Because NextEra retires RECs to match the Compact's customers' usage, Compact customers are financially supporting renewable energy resources, including resources located on Cape Cod. In addition, NextEra deposits all premiums paid for voluntary RECs, plus their supplier and retail fees (expected to total over \$3 million per year), into a trust fund to be used solely for the development of new renewable energy resources. In 2020, construction began on the Farmington, Maine solar facility. The Compact has a long-term power purchase agreement (PPA) for both energy and RECs from this solar facility, which is scheduled to begin delivering energy to Compact customers in the last quarter of 2021. By purchasing electricity through the Compact, all Compact power supply customers are supporting renewable energy to combat climate change.

In March 2019, the Compact launched two new power supply options, CLC Local Green 50 and CLC Local Green 100. The CLC Local Green program gives customers an option to support local renewable energy development by paying a small premium on their monthly electric bill. The Compact uses this premium to purchase and retire Massachusetts Class 1 RECs to match either 50% or 100% of customers' annual electricity usage, in addition to the RECs retired as part of the Compact's standard power supply product. These RECs are sourced from renewable energy projects in New England, including several solar installations on Cape Cod. By participating in CLC Local Green, customers are driving the market to bring new renewable energy resources to New England.

**CAPE LIGHT COMPACT JPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**The Compact as Consumer Advocate:**

Since 1997, Cape Light Compact has advocated for the ratepayers of Cape Cod and Martha's Vineyard at the local and state level.

In FY21, the Compact's primary consumer advocacy focus was on redesigning its Cape & Vineyard Electrification Offering (CVEO). The Compact expanded its coordination with Massachusetts stakeholders to redesign CVEO. The redesigned CVEO focuses on the following:

- Consistency with the 2018 amendments to the Green Communities Act and will advance the goals and objectives of these amendments while providing cost-effective energy savings and reducing greenhouse gas emissions.
- Serving low-and-moderate income members of the Cape and Vineyard community, a population that faces economic barriers to installing the three technologies proposed under CVEO.
- Address the economic barriers such as the high up-front costs and inability to qualify for a loan.
- Through the installation of cold climate air source heat pumps ("ccASHP" or "heat pump") CVEO advances the Commonwealth's goal of beneficial strategic electrification and the greening of the building sector.

The Compact filed its redesigned CVEO proposal in May 2020 and awaits an order from the Department of Public Utilities (DPU).

**Overview**

This discussion and analysis (required supplementary information) is intended to serve as an introduction to the financial statements, which consists of the following two components:

1. Financial statements
2. Notes to the financial statements

This report also contains additional pension and other postemployment benefits required supplementary information and additional information that supplements the financial statements.

**Financial Statements**

The Compact's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). The financial statements are presented on the accrual basis of accounting and include the following three basic financial statements: (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses and Change in Net Position, and (3) the Statement of Cash Flows.

The financial statements can be found on pages 9 – 11 of this report.

**Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 12 – 24 of this report.

**CAPE LIGHT COMPACT JPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**Required Supplementary Information**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information are certain pension and other postemployment benefits information, which can be found on pages 25 – 26.

**Supplementary Information**

In addition to the financial statements and accompanying notes, this report also presents supplementary information. Presented in this information are combining statements of net position and revenues, expenses and change in net position, as well as a reconciliation of audited energy efficiency GAAP expenses to the amounts reported to the DPU. The additional information can be found on pages 27 – 29.

**Financial Statement Analysis**

The following tables present current and prior year data on the financial statements.

**Net Position**

The Compact's assets and deferred outflows exceeded liabilities and deferred inflows by \$10,397,883 at the close of the calendar year and are summarized as follows:

	2020	2019	Change (\$)	Change (%)
<b>Assets</b>				
Current Assets	\$ 22,521,080	\$ 19,017,699	\$ 3,503,381	18.4%
Noncurrent Assets	154,186	308,372	(154,186)	-50.0%
Total Assets	<u>22,675,266</u>	<u>19,326,071</u>	<u>3,349,195</u>	<u>17.3%</u>
<b>Deferred Outflows of Resources</b>	<u>1,692,040</u>	<u>1,389,326</u>	<u>302,714</u>	<u>21.8%</u>
<b>Liabilities</b>				
Current Liabilities	6,927,347	7,840,742	(913,395)	-11.6%
Noncurrent Liabilities	6,416,203	5,879,587	536,616	9.1%
Total Liabilities	<u>13,343,550</u>	<u>13,720,329</u>	<u>(376,779)</u>	<u>-2.7%</u>
<b>Deferred Inflows of Resources</b>	<u>625,873</u>	<u>503,722</u>	<u>122,151</u>	<u>24.2%</u>
<b>Net Position</b>				
Investment in Capital Assets	154,186	308,372	(154,186)	-50.0%
Unrestricted	10,243,697	6,182,974	4,060,723	65.7%
Total Net Position	<u>\$ 10,397,883</u>	<u>\$ 6,491,346</u>	<u>\$ 3,906,537</u>	<u>60.2%</u>

The Compact's assets consist primarily of cash and cash equivalents, accounts receivable and capital assets. The increase in the Compact's current assets primarily reflects the decrease in the current year expenses related to the energy efficiency program.

Liabilities primarily consist of accounts payable, the net pension liability and total OPEB liability. The decrease in current liabilities is primarily due to decreases in energy efficiency program.

**CAPE LIGHT COMPACT JPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2020**

**Changes in Net Position**

The Compact's net position increased by \$3,906,537 for the year ended December 31, 2020 and is summarized as follows:

	2020	2019	Change (\$)	Change (%)
Operating Revenues	\$ 39,088,940	\$ 29,803,956	\$ 9,284,984	31.2%
Operating Expenses	41,091,252	44,177,839	(3,086,587)	-7.0%
Operating Income (Loss)	(2,002,312)	(14,373,883)	12,371,571	-86.1%
Nonoperating Revenues (Expenses), Net	5,908,849	6,717,382	(808,533)	-12.0%
Change in Net Position	3,906,537	(7,656,501)	11,563,038	-151.0%
Net Position - Beginning of Year	6,491,346	14,147,847	(7,656,501)	54.1%
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<b>\$ 10,397,883</b>	<b>\$ 6,491,346</b>	<b>\$ 3,906,537</b>	<b>60.2%</b>

Operating revenues primarily consist of mandatory energy efficiency charges (\$4,906,531) and energy efficiency reconciliation factor charges (\$33,171,304). The increase in operating revenues primarily reflects the increase of energy efficiency funds earned during 2020.

Approximately 89% (or \$36,409,380) of the Compact's operating expenses relate directly to energy efficiency programs. This compares to approximately 90% in 2019.

**Requests for Information**

This financial report is designed to provide a general overview of the Compact's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report should be addressed to the Compact Administrator, 261 Whites Path, Unit 4, South Yarmouth, Massachusetts, 02664.

**CAPE LIGHT COMPACT JPE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 17,816,685
Receivables, Net of Allowance for Uncollectible Amounts:	
Energy Efficiency	470,165
Energy Efficiency Reconciliation Factor	3,258,036
Mil-Adder	80,405
Green Program	806
Forward Capacity Market	480,419
Other	49,617
Prepaid Expenses	364,947
Total Current Assets	22,521,080

Noncurrent Assets:

Capital Assets, Net of Accumulated Depreciation	154,186
Total Assets	22,675,266

**DEFERRED OUTFLOWS**

Related to Pensions	1,021,053
Related to OPEB	670,987
Total Deferred Outflows	1,692,040

**LIABILITIES**

Current Liabilities:

Accounts Payable and Accrued Expenses	6,859,217
Accrued Payroll	60,778
Compensated Absences, Current	7,352
Total Current Liabilities	6,927,347

Noncurrent Liabilities:

Compensated Absences, Net of Current	66,171
Total OPEB Liability	2,762,177
Net Pension Liability	3,587,855
Total Noncurrent Liabilities	6,416,203

Total Liabilities	13,343,550
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**DEFERRED INFLOWS**

Related to Pensions	473,209
Related to OPEB	152,664
Total Deferred Inflows	625,873

**NET POSITION**

Investment in Capital Assets	154,186
Unrestricted	10,243,697
Total Net Position	\$ 10,397,883

See accompanying Notes to Financial Statements.



**CAPE LIGHT COMPACT JPE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2020**

**OPERATING REVENUES**

Energy Efficiency	\$ 4,906,531
Energy Efficiency Reconciliation Factor	33,171,304
Mit-Adder	986,452
Green Program	7,192
Intergovernmental (SMART)	4,961
Other	12,500
<b>Total Operating Revenues</b>	<b><u>39,088,940</u></b>

**OPERATING EXPENSES**

Salaries and Benefits (Excluding Pension and OPEB)	2,218,791
Pension and OPEB	350,279
Energy Efficiency Programs:	
Residential Programs	26,301,184
Low Income Programs	2,103,303
Commercial and Industrial Programs	7,452,987
Other Programs	551,906
Legal and Related Consulting Services	772,049
Other Professional Services	77,811
Marketing	420,823
Other Operating	687,933
Depreciation	154,186
<b>Total Operating Expenses</b>	<b><u>41,091,252</u></b>

Operating Loss (2,002,312)

**NONOPERATING REVENUES**

Forward Capacity Market	5,798,630
Renewable Energy Certificates, Net	(186)
Investment Income	110,405
<b>Total Nonoperating Revenues</b>	<b><u>5,908,849</u></b>

**CHANGE IN NET POSITION**

3,906,537

Net Position - Beginning of Year

6,491,346

**NET POSITION - END OF YEAR**

**\$ 10,397,883**

**CAPE LIGHT COMPACT JPE  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from Customers and Users	\$ 38,382,484
Payments to Vendors and Customers	(39,831,515)
Payments for Salaries and Benefits	(2,211,977)
Net Cash Used by Operating Activities	(3,661,008)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Proceeds from Sales of Renewable Energy Certificates	75,977
Purchase of Renewable Energy Certificates	(42,097)
Proceeds from Forward Capacity Market	5,786,545
Net Cash Provided by Noncapital Financing Activities	5,820,425

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment Income	110,405
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**NET CHANGE IN CASH AND CASH EQUIVALENTS**

2,269,822

Cash and Cash Equivalents - Beginning of Year

15,546,863

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 17,816,685

**RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES**

Operating Loss	\$ (2,002,312)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	154,186
Effect of Changes in Assets, Liabilities, Deferred Outflows and Inflows not Requiring Current Cash Flows:	
Total OPEB Liability	372,734
Deferred Outflows Related to OPEB	(139,180)
Deferred Inflows Related to OPEB	(27,074)
Net Pension Liability	158,108
Deferred Outflows Related to OPEB	(163,534)
Deferred Inflows Related to Pension	149,225
Accounts Receivable	(706,456)
Prepaid Expenses	(68,681)
Accounts Payable and Accrued Expenses	(1,394,838)
Accrued Payroll	6,415
Compensated Absences	399
Total Adjustments	(1,658,696)
Net Cash Used by Operating Activities	\$ (3,661,008)

See accompanying Notes to Financial Statements.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 REPORTING ENTITY**

The Cape Light Compact (Compact) is a joint powers entity (JPE) pursuant to G.L. c. 40, §4A ½. The Compact was created for the purpose of providing competitive electric supply, green power options, energy efficiency programs and consumer advocacy for the residents and businesses of Cape Cod and Martha's Vineyard.

The Compact's current membership consists of 21 towns and Dukes County and is governed by a 22 member board of directors appointed by each of the member towns and county.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The Compact accounts for its operations as an enterprise fund. The significant accounting policies are described herein.

**A. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Compact's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred, regardless of the timing of related cash flows.

The Compact distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**B. Deposits and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

**C. Accounts Receivable**

Accounts receivable are recorded at the time of the underlying event. The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis. At December 31, 2020, all amounts are considered 100% collectible.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Capital Assets**

Capital assets are recorded at historical cost. All individual purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Depreciable capital assets are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Asset Type</u>	<u>Estimated Useful Life (in Years)</u>
Vehicles	5
Software*	6

\* Term of contract

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

**E. Compensated Absences**

Employees are granted vacation and sick leave. Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

**F. Revenue Recognition**

Energy efficiency revenues are derived from the Massachusetts Department of Public Utilities (DPU) mandatory charge of 2.5 mills (\$0.0025) per kilowatt hour to fund energy efficiency programs. These charges are initially collected by the electric distribution company and subsequently provided to the Compact. The Compact recognizes the energy efficiency charge as operating revenue on the accrual basis of accounting.

In addition to the mandatory charge, the Compact, and all Massachusetts energy efficiency program administrators, have an "Energy Efficiency Reconciliation Factor Charge" (EERF). The EERF is a fully reconciling funding mechanism designed to recover costs associated with energy efficiency programs by reconciling energy efficiency revenue amounts collected in electric rates with the total expense amounts incurred for energy efficiency programs, as approved by the DPU. These charges are initially collected by the electric distribution company and subsequently provided to the Compact. The Compact recognizes the EERF charge as operating revenue on the accrual basis of accounting.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Revenue Recognition (Continued)**

Operational-adder revenues are derived from a 1 mil (\$0.001) per kilowatt hour surcharge used to fund the Compact's nonenergy efficiency operational expenses as provided in the Compact's form of competitive electric supply agreement (CESA) approved by the Massachusetts Department of Telecommunications and Energy, now the Department of Public Utilities. These funds are collected by the Compact's contracted electric supply company on behalf of the Compact as part of the Compact's electric rates and are subsequently remitted to the Compact. The Compact's Governing Board appropriates these funds through the annual budget process; in addition, funds are disbursed by the Compact's administrator based on contractual and regulatory obligations. Operational-adder charges are recognized as operating revenue on the accrual basis of accounting.

Green Program revenues are derived from a \$.013 and \$.027 per kilowatt hour premiums to support efforts to encourage new renewable energy project development in New England. These funds are collected by the Compact's contracted electric supply company on behalf of the Compact as part of the Compact's electric rates and are subsequently remitted to the Compact. Green Program charges are recognized as operating revenue on the accrual basis of accounting.

Various other grants are applied for and received annually. For nonexpense driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expense driven grants, revenue is recognized when the qualifying expenses are incurred, and all other grant requirements are met.

**G. Forward Capacity Market**

The Compact participates in ISO New England's forward capacity market. The Compact recognizes proceeds from the forward capacity market as nonoperating revenue on the accrual basis. These funds are used for energy efficiency projects.

**H. Deferred Outflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time.

Deferred outflows of resources related to pensions and OPEB are reported by the Compact.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows of resources related to pensions and OPEB are reported by the Compact.

**J. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Barnstable County Retirement Association (BCRA) and additions to/deductions from BCRA's fiduciary net position have been determined on the same basis as they are reported by BCRA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**K. Postemployment Benefits**

In addition to providing pension benefits, the Compact provides health and life insurance coverage for current and future retirees and their spouses as more fully described in Note 7.

**L. Net Position**

Net Position is reported in three categories: investment in capital assets, restricted and unrestricted. Restricted net position represents restrictions by parties outside of the Compact. The Compact did not report any restrictions of net position at December 31, 2020.

During 2019, the Board voted to establish an operating contingency reserve fund in the amount of \$250,000 to be funded over three years. The funding will begin in 2021 and will be reported within unrestricted net position.

**M. Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 DEPOSITS AND INVESTMENTS**

Deposits are governed by the Massachusetts General Laws and the Compact's by laws.

**Deposits – Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Compact's deposits may not be recovered. The Compact does not have a policy for custodial credit risk of deposits. As of December 31, 2020, \$2,243,278 of the Compact's bank balance of \$19,273,163 was uninsured and exposed to custodial credit risk.

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Software	\$ 812,281	\$ -	\$ -	\$ 812,281
Vehicle	23,319	-	-	23,319
Total Capital Assets Being Depreciated	835,600	-	-	835,600
Accumulated Depreciation:				
Software	(503,909)	(154,186)	-	(658,095)
Vehicles	(23,319)	-	-	(23,319)
Total Accumulated Depreciation	(527,228)	(154,186)	-	(681,414)
Total Capital Assets Being Depreciated, Net	308,372	(154,186)	-	154,186
Total Capital Assets	\$ 308,372	\$ (154,186)	\$ -	\$ 154,186

**NOTE 5 LONG-TERM OBLIGATIONS**

The following represents a summary of changes that occurred in long-term obligations during the year ended December 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Compensated Absences	\$ 67,108	\$ 6,415	\$ -	\$ 73,523	\$ 7,352

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 PENSION PLAN**

**Plan Description**

Effective January 1, 2018, the Compact became a member of the Barnstable County Contributory Retirement Association (BCRA), a cost-sharing multiemployer defined benefit pension plan covering eligible employees of the 59 member units.

The BCRA is administered by five board members (Board) on behalf of all current employees and retirees. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.barnstablcounty.org/retirement/association/>.

The Compact has established a reserve fund for the advance accumulation of funding for pension benefits. However, this is not considered a qualifying trust for reporting purposes under GASB No. 67 and 68 and therefore is not reported as a reduction of the liability. The reserve balance at December 31, 2020 amounted to \$2,944,501 and is reported in the Compact's net position at December 31, 2020.

**Benefits Provided**

The BCRA provides retirement, disability, survivor, and death benefits to plan members and beneficiaries. Massachusetts contributory retirement system benefits are, with certain minor exceptions, uniform from system to system. The systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after 10 years of creditable service.

**Contributions**

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the BCRA a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. Contributions to the BCRA totaled \$325,793 for the year ended December 31, 2020.



**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 PENSION PLAN (CONTINUED)**

**Net Pension Liability**

At December 31, 2020, the Compact reported a liability of \$3,587,855 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Compact's proportion of the net pension liability was based on a projection of the Compact's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2019, the measurement date, the Compact's proportion was 0.478%. At December 31, 2018, the Compact's proportion was 0.434%.

**Pension Expense**

For the year ended December 31, 2020, the Compact recognized pension expense of \$468,023. At December 31, 2020, the Compact reported deferred inflows of resources related to pensions of \$473,209 and deferred outflows of resources related to pensions of \$1,021,053.

The balances of deferred outflows and inflows at December 31, 2020 consist of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 214,415
Changes in Assumptions	417,113	-
Differences Between Expected and Actual Experience	-	30,242
Changes in Proportion	278,147	228,552
Contributions Made Subsequent to the Measurement Date	325,793	-
	<u>\$ 1,021,053</u>	<u>\$ 473,209</u>

Deferred outflows of resources totaling \$325,793 related to contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in 2021. The remaining net deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 58,451
2022	33,890
2023	84,327
2024	(41,277)
2025	86,660
Total	<u>\$ 222,051</u>

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 PENSION PLAN (CONTINUED)**

**Actuarial Method and Assumptions**

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date of December 31, 2020:

Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Investment Rate of Return	7.15%, net of pension plan investment expense, including inflation
Projected Salary Increases	3.25%
Cost of Living Adjustments	3.0% of the first \$18,000
Mortality Rates:	Pre-Retirement: The RP-2014 Blue Collar Mortality Table projected generationally with a Scale MP-2017  Healthy Retiree: The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with a Scale MP-2017  Disabled Retiree: The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with a Scale MP-2017

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 PENSION PLAN (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21.0 %	6.15 %
International Developed Markets Equity	13.0	6.78
International Emerging Markets Equity	5.0	8.65
Core Fixed Income	15.0	1.11
High-Yield Fixed Income	8.0	3.51
Real Estate	10.0	4.33
Commodities	4.0	4.13
Hedge Fund, GTAA, Risk Parity	11.0	3.19
Private Equity	13.0	9.99
	<u>100.0 %</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	\$ 4,718,212	\$ 3,587,855	\$ 2,638,225

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Compact's defined benefit OPEB plan provides health, dental, and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single employer defined benefit Other Post Employment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Compact and the employees. The Plan does not have an established trust and does not accumulate assets to offset the liability. The Plan does not issue a publicly available financial report.

The Compact has established a reserve fund for the advance accumulation of funding for postemployment benefits. However, this is not considered a qualifying trust for reporting purposes under GASB No. 74 and 75 and therefore is not reported as a reduction of the liability. The reserve balance at December 31, 2020 amounted to \$1,251,365 and is reported in the Compact's net position at December 31, 2020.

**Benefits Provided**

The Cape Light Compact provides health, dental, and life insurance coverage for its retirees and their survivors. The Compact contributes 75% of the cost of current-year health, dental, and life insurance premiums for eligible retired plan members and their dependents. Plan members receiving benefits contribute the remaining 25% percent of their premium costs. The required contribution is based on a pay-as-you-go financing requirement. For 2020, the Compact contributed approximately \$48,930 to the plan. The costs of administering the Plan are paid by the Compact.

**Employees Covered by Benefit Terms**

The number of covered participants in the Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Active Employees	14
Retirees and Survivors	7
Total	<u>21</u>

**Total OPEB Liability**

The Compact's total OPEB liability of \$2,762,177 was measured as of December 31, 2020, which was rolled forward from an actuarial valuation as of June 30, 2018.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Assumptions**

The total OPEB liability as of December 31, 2020 was measured by an actuarial valuation as of June 30, 2018 actuarial valuation (rolled forward to the measurement date) and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.12% (20-Year Municipal Bond Index Rate)
Health Care Trend Rates	Medicare: 7.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year. Non-Medicare: 0% for one year, then 7.0% decreased by 0.25% each year to an ultimate level of 4.5% per year.
Mortality Rates:	Pre-Retirement: The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017  Postretirement: Healthy: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017; Disabled: RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017

**Changes in Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at December 31, 2019	\$ 2,389,443
Changes for the Year:	
Service Cost	118,817
Interest	68,061
Changes in Assumptions	234,786
Benefit Payments	(48,930)
Net Changes	<u>372,734</u>
Balance at December 31, 2020	<u>\$ 2,762,177</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability, calculated using the discount rate of 2.12%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current rate:

	<u>1% Decrease (1.12%)</u>	<u>Current Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB Liability	\$ 3,319,067	\$ 2,762,177	\$ 2,323,805

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using the healthcare cost trend rates, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 2,196,563	\$ 2,762,177	\$ 3,539,424

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the Compact recognized OPEB expense of \$255,410.

At December 31, 2020, the Compact reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 670,987	\$ 45,108
Differences Between Expected and Actual Experience	-	107,556
Total	\$ 670,987	\$ 152,664

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2021	\$ 68,529
2022	68,529
2023	68,529
2024	68,529
2025	68,535
Thereafter	175,672
Total	\$ 518,323

**NOTE 8 RELATED PARTY TRANSACTIONS**

**Cape and Vineyard Electric Cooperative (CVEC)**

The Compact is a Member of CVEC, whose purpose is to develop and/or own renewable electric generation facilities and procure and/or sell long-term electric supply or other energy-related goods or services at competitive prices to its Members and consumers within its Member communities.

**CAPE LIGHT COMPACT JPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)**

*Renewable Energy Certificates*

RECs purchased by CVEC are sold to the Compact for an amount equal to CVEC's cost for the Compact's Green Power Supply Program. Purchases for the year ended December 31, 2020 totaled \$42,097.

**NOTE 9 OPERATING LEASES**

The Compact is committed under operating lease agreements for office space and vehicles used by the Compact. Future minimum payments under these operating leases are as follows:

<u>Calendar Year</u>	<u>Vehicles</u>	<u>Office Space</u>
2021	\$ 3,140	\$ 90,000

Lease expenses for the agreements for the year ended December 31, 2020 totaled \$93,140 and are reported as other operating expenses.

**NOTE 10 COMMITMENTS**

The Compact participates in ISO New England's forward capacity market and has made commitments to deliver specified units of energy efficiency at a fixed price per unit. If the Compact fails to deliver its capacity supply obligation it is subject to penalties determined by the rules of the forward capacity market. The Compact has obtained a \$1,400,000 letter of credit to meet the financial assurance requirements of ISO New England, which is secured by a \$1,400,000 line of credit.

The Compact's line of credit is unused as of December 31, 2020.

On November 20, 2018, the Compact entered into a Power Purchase Agreement (PPA) with Farmington Solar, LLC to purchase 5 megawatts of energy and REC's generated by a photovoltaic solar electric energy generating facility (Facility) to be constructed and owned by Farmington Solar, LLC.

The term of the PPA is 20 years following and including the commercial operation date (as defined in the PPA), which is anticipated to be sometime during 2021. All energy delivered to the Compact under the PPA will be at a fixed contract price. To support the Compact's obligations under the PPA, the Compact must provide a letter of credit (ranging from \$5,000,000 in the first year of operation to \$219,000 in the last year of operation) in accordance with the terms of the PPA.

Subsequent Event:

On June 21, 2021, the Compact obtained a \$5,000,000 letter of credit to meet the financial assurance requirements of Farmington Solar, LLC, which is secured by cash balance.

**CAPE LIGHT COMPACT JPE  
REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN SCHEDULES  
YEAR ENDED DECEMBER 31 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF THE COMPACT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (1)(2)**

	2020	2019	2018	2017
Compact's Proportion of the Net Pension Liability	0.478%	0.434%	0.471%	0.493%
Compact's Proportionate Share of the Net Pension Liability	\$ 3,587,855	\$ 3,429,747	\$ 3,202,074	\$ 3,467,247
Compact's Employee Payroll	\$ 1,468,732	\$ 1,217,527	\$ 1,423,681	\$ 1,340,875
Compact's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	40.94%	35.50%	44.46%	38.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.34%	57.63%	61.86%	57.28%

- (1) Data is being accumulated annually to present 10 years of the reported information  
(2) Measurement date is December 31 of the prior year

**SCHEDULE OF COMPACT CONTRIBUTIONS (1)**

	2020	2019	2018	2017	2016
Actuarially Required Contribution	\$ 325,793	\$ 315,737	\$ 337,761	\$ 277,827	\$ 293,912
Contributions in Relation to the Actuarially Required Contribution	(325,793)	(315,737)	(337,761)	(277,827)	(293,912)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Compact's Employee Payroll	\$ 1,468,732	\$ 1,217,527	\$ 1,423,681	\$ 1,340,875	\$ 1,340,875
Contributions as a Percentage of Employee Payroll	22.18%	25.93%	23.72%	20.72%	21.92%

- (1) Data is being accumulated annually to present 10 years of the reported information



**CAPE LIGHT COMPACT JPE  
REQUIRED SUPPLEMENTARY INFORMATION  
POSTEMPLOYMENT BENEFIT SCHEDULES  
YEAR ENDED DECEMBER 31 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

**SCHEDULE OF CHANGES IN THE COMPACT'S TOTAL OPEB LIABILITY (1) (2)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 118,817	\$ 80,400	\$ 103,165
Interest	68,061	76,203	64,339
Differences Between Expected and Actual Experience	-	-	(176,002)
Changes in Assumptions	234,786	479,684	145,966
Benefit Payments	<u>(48,930)</u>	<u>(49,611)</u>	<u>(29,366)</u>
Change in Total OPEB Liability	372,734	586,676	108,102
Total OPEB Liability - Beginning	<u>2,389,443</u>	<u>1,802,767</u>	<u>1,708,578</u>
Total OPEB Liability - Ending	<u>\$ 2,762,177</u>	<u>\$ 2,389,443</u>	<u>\$ 1,816,680</u>

- (1) Data is being accumulated annually to present 10 years of the reported information.
- (2) Measurement date is December 31, with the exception of 2018 which was a measurement date of June 30, 2018. It was not practical to restate the 2018 amounts as the rollforward was performed for 6 months to bring to the new measurement date.

**CAPE LIGHT COMPACT JPE**  
**COMBINING STATEMENT OF NET POSITION BY PROGRAM**  
**DECEMBER 31, 2020**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

<b>ASSETS</b>	Energy Efficiency	Power Supply Reserve	OPEB/Pension Reserve Fund	Operating	Green/Solar Programs	Total
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 12,029,731	\$ 1,445,306	\$ 4,195,867	\$ 67,367	\$ 78,414	\$ 17,816,685
Receivables, Net of Allowance for Uncollectible Amounts:						
Energy Efficiency	470,165	-	-	-	-	470,165
Energy Efficiency Reconciliation Factor	3,258,036	-	-	-	-	3,258,036
Mil-Adder	-	80,405	-	-	-	80,405
Green Program	-	-	-	-	806	806
Forward Capacity Market	480,419	-	-	-	-	480,419
Other	49,617	-	-	-	-	49,617
Prepaid Expenses	-	-	-	-	364,947	364,947
<b>Total Current Assets</b>	<b>16,287,968</b>	<b>1,525,711</b>	<b>4,195,867</b>	<b>67,367</b>	<b>444,167</b>	<b>22,521,080</b>
<b>Noncurrent Assets:</b>						
Capital Assets Not Being Depreciated	154,186	-	-	-	-	154,186
<b>Total Assets</b>	<b>16,442,154</b>	<b>1,525,711</b>	<b>4,195,867</b>	<b>67,367</b>	<b>444,167</b>	<b>22,675,266</b>
<b>DEFERRED OUTFLOWS</b>						
Related to Pensions	990,421	-	-	30,632	-	1,021,053
Related to OPEB	628,857	-	-	42,130	-	670,987
<b>Total Deferred Outflows</b>	<b>1,619,278</b>	<b>-</b>	<b>-</b>	<b>72,762</b>	<b>-</b>	<b>1,692,040</b>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable and Accrued Expenses	6,803,772	-	-	55,445	-	6,859,217
Accrued Payroll	49,710	-	-	11,068	-	60,778
Compensated Absences, Current	6,839	-	-	513	-	7,352
<b>Total Current Liabilities</b>	<b>6,860,321</b>	<b>-</b>	<b>-</b>	<b>67,026</b>	<b>-</b>	<b>6,927,347</b>
<b>Noncurrent Liabilities:</b>						
Compensated Absences, Net of Current	81,550	-	-	4,621	-	66,171
Total OPEB Liability	2,588,745	-	-	173,432	-	2,762,177
Net Pension Liability	3,480,217	-	-	107,638	-	3,587,855
<b>Total Noncurrent Liabilities</b>	<b>6,130,512</b>	<b>-</b>	<b>-</b>	<b>285,691</b>	<b>-</b>	<b>6,416,203</b>
<b>Total Liabilities</b>	<b>12,990,833</b>	<b>-</b>	<b>-</b>	<b>352,717</b>	<b>-</b>	<b>13,343,550</b>
<b>DEFERRED INFLOWS</b>						
Related to Pensions	459,012	-	-	14,197	-	473,209
Related to OPEB	143,078	-	-	9,586	-	152,664
<b>Total Deferred Inflows</b>	<b>602,090</b>	<b>-</b>	<b>-</b>	<b>23,783</b>	<b>-</b>	<b>625,873</b>
<b>NET POSITION</b>						
Investment in Capital Assets	154,186	-	-	-	-	154,186
Unrestricted	4,314,323	1,525,711	4,195,867	(236,371)	444,167	10,243,697
<b>Total Net Position</b>	<b>\$ 4,468,509</b>	<b>\$ 1,525,711</b>	<b>\$ 4,195,867</b>	<b>\$ (236,371)</b>	<b>\$ 444,167</b>	<b>\$ 10,397,883</b>

**CAPE LIGHT COMPACT JPE  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGE IN NET POSITION BY PROGRAM  
YEAR DECEMBER 31, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Energy Efficiency	Power Supply Reserve	OPEB/Pension Reserve Fund	Operating	Green/Solar Programs	Eliminations	Total
<b>OPERATING REVENUES</b>							
Energy Efficiency	\$ 4,906,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,906,531
Energy Efficiency Reconciliation Factor	33,171,304	-	-	-	-	-	33,171,304
Mil-Adder	-	986,452	-	-	-	-	986,452
Green Program	-	-	-	-	7,192	-	7,192
Intergovernmental (SMART)	-	-	-	-	4,961	-	4,961
Other	-	12,500	-	-	-	-	12,500
<b>Total Operating Revenues</b>	<b>38,077,835</b>	<b>998,952</b>	<b>-</b>	<b>-</b>	<b>12,153</b>	<b>-</b>	<b>39,088,940</b>
<b>OPERATING EXPENSES</b>							
Salaries and Benefits (Excluding Pension and OPEB)	2,079,177	-	-	139,614	-	-	2,218,791
Pension and OPEB	232,213	-	-	118,066	-	-	350,279
Energy Efficiency Programs:							
Residential Programs	26,301,184	-	-	-	-	-	26,301,184
Low Income Programs	2,103,303	-	-	-	-	-	2,103,303
Commercial and Industrial Programs	7,452,987	-	-	-	-	-	7,452,987
Other Programs	551,906	-	-	-	-	-	551,906
Legal and Related Consulting Services	544,046	-	-	228,003	-	-	772,049
Other Professional Services	65,499	-	-	12,312	-	-	77,811
Marketing	343,939	-	-	76,884	-	-	420,823
Other Operating	384,011	-	-	295,256	8,666	-	687,933
Depreciation	154,186	-	-	-	-	-	154,186
<b>Total Operating Expenses</b>	<b>40,212,451</b>	<b>-</b>	<b>-</b>	<b>870,135</b>	<b>8,666</b>	<b>-</b>	<b>41,091,252</b>
<b>Operating Income (Loss)</b>	<b>(2,134,616)</b>	<b>998,952</b>	<b>-</b>	<b>(870,135)</b>	<b>3,487</b>	<b>-</b>	<b>(2,002,312)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Forward Capacity Market	5,798,630	-	-	-	-	-	5,798,630
Renewable Energy Certificates, Net	-	(135)	-	-	(51)	-	(186)
Investment Income	67,336	14,078	7,565	21,426	-	-	110,405
<b>Total Nonoperating Revenues (Expenses), Net</b>	<b>5,865,966</b>	<b>13,943</b>	<b>7,565</b>	<b>21,426</b>	<b>(51)</b>	<b>-</b>	<b>5,908,849</b>
<b>Income (Loss) Before Transfers</b>	<b>3,731,350</b>	<b>1,012,895</b>	<b>7,565</b>	<b>(848,709)</b>	<b>3,436</b>	<b>-</b>	<b>3,906,537</b>
<b>TRANSFERS</b>							
Transfers In	-	-	456,927	449,043	-	(905,970)	-
Transfers Out	(428,237)	(449,043)	-	(28,690)	-	905,970	-
<b>Total Transfers</b>	<b>(428,237)</b>	<b>(449,043)</b>	<b>456,927</b>	<b>420,353</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>3,303,113</b>	<b>563,852</b>	<b>464,492</b>	<b>(428,356)</b>	<b>3,436</b>	<b>-</b>	<b>3,906,537</b>
Net Position - Beginning of Year (as Restated)	1,165,396	961,859	3,731,375	191,985	440,731	-	6,491,346
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<b>\$ 4,468,509</b>	<b>\$ 1,525,711</b>	<b>\$ 4,195,867</b>	<b>\$ (236,371)</b>	<b>\$ 444,167</b>	<b>\$ -</b>	<b>\$ 10,397,883</b>

**CAPE LIGHT COMPACT JPE  
RECONCILIATION OF AUDITED ENERGY EFFICIENCY GAAP  
EXPENSES TO DEPARTMENT OF PUBLIC UTILITIES (DPU) REPORT  
YEAR ENDED DECEMBER 31, 2020  
(SEE INDEPENDENT AUDITORS' REPORT)**

Energy Efficiency Operating Fund Expenses Reported on 2020 Combining Statement Revenues, Expenses and Change in Net Position by Program (Page 28)	\$ 40,212,451
<u>Reconciling Items:</u>	
To Record Net Change in Accrued Expenses	6,711
To Record Net Change in Accrued Payroll	(6,676)
To Record Net Pension Liability, Net of Deferred Outflows and Inflows	(98,460)
To Record Total OPEB Liability, Net of Deferred Outflows and Inflows	(133,753)
To Record Net Change in Accrued Compensated Absences	(5,712)
Transfers Made to the OPEB and Pension Reserve Fund	428,237
Depreciation of Capitalized Expenses	<u>(154,186)</u>
Total Reconciling Items	<u>36,161</u>
2020 Energy Efficiency Expenses Reported on the 2020 Annual Report	<u>\$ 40,248,612 (A)</u>
(A) This amount is reported on the modified accrual basis of accounting and reviewed annually by the DPU	



Management  
Cape Light Compact JPE  
South Yarmouth, Massachusetts

In planning and performing our audit of the financial statements of Cape Light Compact JPE as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses that are opportunities to strengthen your controls and improve the efficiency of your operations. Our comments and recommendations regarding these matters are summarized below. This letter does not affect our report on the financial statements dated REPORT DATE , nor our internal control communication dated REPORT DATE .

#### Information Security

- The Compact has not established an Information Technology (IT) Strategic Plan. This presents the risk that adequate measures have not been taken to plan for future growth and changes. Strategic planning as it relates to the long-term planning for the IT environment should address interests and goals of the Compact and plans for how to achieve them.
  - Recommendation: We recommend the Compact develop, implement and maintain an IT Strategic Plan detailing the direction IT is headed over the next three to five years. This plan should at least address the plans to address issues noted in vulnerability and penetration testing.
- The Compact's Active Directory password policy does not meet best practice recommendations. This presents a risk of unauthorized users gaining access to the Compacts systems and data.
  - Recommendation: We recommend that the Compact consider the following leading practices related to Network- Active Directory password settings:
    1. Minimum Password Length: 8-14 Characters
    2. Account Lockout Threshold: three to five Invalid Attempts before Lockout

### Cash Reconciliations

We identified the following issues related to cash reconciliations:

- Mil-Adder receivables from 2019 were not recorded in revenue and left as a reconciling item in cash account. The financial statements have been properly adjusted to reflect this activity.
- Cash Reconciliations are not reviewed once prepared.

We recommend that cash reconciliations be prepared by the comptroller and reviewed by Treasurer monthly and include documentation of the review. In addition, ensure all reconciling items are properly investigated and appropriate.

### Warrants Payable

We identified the following issues related to warrants payable reconciliations:

- Warrants Payable reconciliation includes an unreconciled variance, including amounts unresolved from prior years.

We recommend management investigate and resolve all reconciled and unreconciled variances to ensure warrants payable is properly reported. In addition, going forward a monthly reconciliation should be prepared and reviewed.

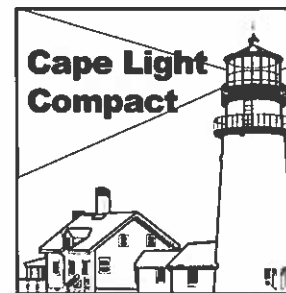
We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
REPORT DATE

**Agenda Action Request  
Cape Light Compact  
Meeting Date: 12/8/2021**



- 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

**Vote to Ratify Board Support for the Compact's Proposed 2022-2024 Energy Efficiency Plan Enhancements**

**REQUESTED BY:** *Maggie Downey*

***Proposed Motion(s)***

*I move the CLCJPE Board of Directors vote to ratify support for the Compact's following proposed 2022-2024 Energy Efficiency Plan Enhancements:*

- 1. Cape & Vineyard Electrification Offering*
- 2. Up to 100% incentives for municipal customers, small non-profits, small-businesses and micro-businesses*
- 3. Enhanced Incentives for Income Eligible/Moderate Income Multi Family New Construction projects.*

*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***

Please refer to the attached descriptions presented to the Board at their September 29 and October 14 Board meetings

***Record of Board Action***

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

# 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

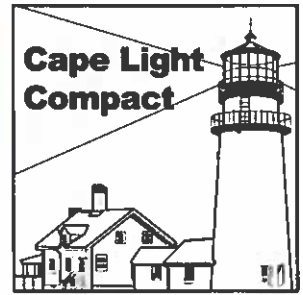
1. Needs to be deed restricted project for 25+ years.
2. Heating system shall not be fossil fuel or electric baseboard.
  1. If 51% of the site is IE, the incentive is 100% of the cost,
  2. If 51% of the site is MI, the incentive is 80% of the cost.
  3. If the site is a mix of IE, MI, affordable and 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

**Agenda Action Request  
Cape Light Compact JPE  
Meeting Date: 12/8/2021**



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- Truro
- Wellfleet
- West Tisbury
- Yarmouth

**Calendar Year 2022 Operating Budget (January 1 – December 31, 2022)**

**REQUESTED BY:** *Maggie Downey*

***Proposed Motion(s)***

*I move the CLCJPE Board of Directors vote to appropriate the Cape Light Compact Joint Powers Entity Operating Budget in the amount of \$954,302.*

*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***

The calendar year 2022 Operating Budget is attached and was presented to the Board for review and discussion at the November Board meeting. The proposed 2022 budget reflects shared cost changes that were mandated by the DPU and the Compact's Energy Efficiency Surcharge (DPU-21-119) docket. This resulted in a \$48,715 increase to the Operating budget. \$65,000 was also added to the Contingency fund (the 2021 allocation of \$185,000 and the proposed \$65,000 in 2022 will fully fund the Contingency fund at \$250,000).

***Record of Board Action***

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

<u>Item</u>	<u>Approved CY2021 Compact Budget</u>	<u>Proposed CY2022 Compact Budget 11.10.21</u>	<u>Proposed CY2022 Compact Budget 12.8.21</u>	<u>Change Due to DPU Directive on Shared Costs</u>
Legal	\$ 196,900.00	\$ 245,100.00	\$ 245,100.00	
Outreach/Marketing Contractor	\$ 103,000.00	\$ 75,000.00	\$ 75,000.00	
Salaries	\$ 102,000.00	\$ 108,000.00	\$ 113,000.00	\$ 5,000.00
Operating Contingency Fund	\$ 185,000.00	\$ -	\$ 65,000.00	
Advertising	\$ 75,000.00	\$ 40,000.00	\$ 40,000.00	
Marketing CLC Local Green	\$ -	\$ 96,000.00	\$ 57,343.00	
Pension Liability	\$ 42,700.00	\$ 38,779.00	\$ 41,487.00	\$ 2,708.00
Retirement	\$ 28,560.00	\$ 30,000.00	\$ 45,500.00	\$ 5,500.00
Sponsorships	\$ 28,167.00	\$ 51,000.00	\$ 51,000.00	
Contractual	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	
Rent	\$ 22,500.00	\$ 10,350.00	\$ 25,875.00	\$ 15,525.00
OPEB Liability	\$ 15,000.00	\$ 16,870.00	\$ 28,133.00	\$ 11,263.00
Health Insurance	\$ 14,844.00	\$ 22,925.00	\$ 25,000.00	\$ 2,075.00
Insurance	\$ 14,250.00	\$ 16,000.00	\$ 16,000.00	
Printing	\$ 12,500.00	\$ 5,000.00	\$ 5,000.00	
Postage	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
Subscriptions	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	
Financial Software	\$ 5,000.00	\$ 2,000.00	\$ 5,000.00	\$ 3,000.00
Professional Development	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Salary Reserve	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Travel In-state	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	
Auditor	\$ 4,100.00	\$ 4,500.00	\$ 5,000.00	\$ 500.00
Internet Service	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	
Computer Equipment	\$ 3,000.00	\$ 1,500.00	\$ 1,500.00	
Unpaid Bills	\$ 2,000.00	\$ 500.00	\$ 500.00	
Treasury Services	\$ 1,620.00	\$ 1,620.00	\$ 2,620.00	\$ 1,000.00
Supplies	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
Telephones	\$ 1,260.00	\$ 600.00	\$ 1,200.00	\$ 600.00
IT Services	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	
Payroll Services	\$ 1,200.00	\$ 500.00	\$ 640.00	\$ 140.00
Software License	\$ 1,140.00	\$ 1,200.00	\$ 1,916.00	\$ 716.00
Misc. Rental	\$ 1,000.00	\$ 1,200.00	\$ 1,200.00	
Travel Out-of-state	\$ 1,000.00	\$ 5,000.00	\$ 5,000.00	
Custodial	\$ 3,900.00	\$ 3,900.00	\$ 3,900.00	
Medicare/Other Taxes	\$ 775.00	\$ 1,500.00	\$ 2,000.00	\$ 500.00
Food	\$ 500.00	\$ 1,500.00	\$ 1,500.00	
MA UI	\$ 500.00	\$ 500.00	\$ 621.00	\$ 121.00
Misc Equipment	\$ 500.00	\$ 500.00	\$ 500.00	
Misc Fringes	\$ 500.00	\$ 500.00	\$ 567.00	\$ 67.00
Utilities	\$ 500.00	\$ 500.00	\$ 500.00	
<b>CLC Operating Budget</b>	<b>\$ 935,616.00</b>	<b>\$ 869,244.00</b>	<b>\$ 954,302.00</b>	<b>\$ 48,715.00</b>

date 12/3/2021

## 2021 Operating Budget Expense Report 12/7/2021

ORG	OBJECT	ACCOUNT DESCRIPTION	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	AVAILABLE BUDGET	% USED
01001	5110	OP-SALARIES	\$ 102,000.00	\$ 102,000.00	\$ 81,934.92	\$ 20,065.08	80.30
01001	5119	OP-SALARY RESERVE	\$ 5,000.00	\$ 4,500.00	\$ -	\$ 4,500.00	0.00
01001	5171	OP-RETIREMENT	\$ 28,560.00	\$ 28,560.00	\$ -	\$ 28,560.00	0.00
01001	5173	OP-GROUP INSURANCE	\$ 14,250.00	\$ 14,250.00	\$ 2,506.08	\$ 11,743.92	17.60
01001	5174	OP-MEDICARE/OTHER TAXES	\$ 775.00	\$ 1,275.00	\$ 1,113.03	\$ 161.97	87.30
01001	5175	STATE UNEMPLOYMENT INSURANCE	\$ 500.00	\$ 500.00	\$ 151.75	\$ 348.25	30.40
01001	5179	OP-MISC FRINGES	\$ 500.00	\$ 500.00	\$ -	\$ 500.00	0.00
01001	5180	OP-RETIREMENT LIABILITY	\$ 42,700.00	\$ 42,700.00	\$ -	\$ 42,700.00	0.00
01001	5181	OP-OPEB LIABILITY	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00	0.00
01001	5210	OP-UTILITIES	\$ 500.00	\$ 500.00	\$ 45.60	\$ 454.40	9.10
01001	5270	OP-MISC RENTALS	\$ 1,000.00	\$ 1,000.00	\$ 94.43	\$ 905.57	9.40
01001	5272	OP-RENT	\$ 22,500.00	\$ 22,500.00	\$ 20,625.00	\$ 1,875.00	91.70
01001	5290	OP-CUSTODIAL SERVICES	\$ 3,900.00	\$ 3,900.00	\$ 3,868.54	\$ 31.46	99.20
01001	5301	OP-ADVERTISING	\$ 75,000.00	\$ 75,000.00	\$ 64,021.22	\$ 10,978.78	85.40
01001	5302	OP-PUBLIC MARKETING SUPPORT	\$ -	\$ (10,000.00)	\$ 730.72	\$ (10,730.72)	-7.30
01001	5309	OP-IT SERVICES	\$ 1,200.00	\$ 2,200.00	\$ 100.80	\$ 2,099.20	4.60
01001	5313	OP-STAFF PROFESSIONAL DEVELOP	\$ 5,000.00	\$ 50,000.00	\$ 1,076.00	\$ 48,924.00	2.20
01001	5314	OP-PAYROLL SERVICES	\$ 1,200.00	\$ 1,200.00	\$ 82.52	\$ 1,117.48	6.90
01001	5315	OP-LEGAL SERVICES	\$ 196,900.00	\$ 196,900.00	\$ 214,332.43	\$ (17,432.43)	108.90
01001	5316	OP-AUDIT FEES	\$ 4,100.00	\$ 4,100.00	\$ 898.12	\$ 3,201.88	21.90
01001	5318	OP-TREASURY SERVICES	\$ 1,620.00	\$ 1,620.00	\$ 1,678.57	\$ (58.57)	103.60
01001	5319	OP-CONTRACTUAL	\$ 25,000.00	\$ 15,000.00	\$ 9,703.75	\$ 5,296.25	64.70
01001	5320	OP-OUTREACH/MARKETING CONTRACT	\$ 103,000.00	\$ 47,000.00	\$ 15,297.66	\$ 31,702.34	32.50
01001	5341	OP-POSTAGE	\$ 10,000.00	\$ 10,000.00	\$ 7,021.10	\$ 2,978.90	70.20
01001	5343	OP-TELEPHONES	\$ 1,260.00	\$ 1,260.00	\$ 454.23	\$ 805.77	36.10
01001	5344	OP-INTERNET	\$ 4,000.00	\$ 4,000.00	\$ 527.43	\$ 3,472.57	13.20
01001	5345	OP-PRINTING	\$ 12,500.00	\$ 12,500.00	\$ 11,300.49	\$ 1,199.51	90.40
01001	5400	OP-SUPPLIES	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00	0.00
01001	5490	OP-FOOD SUPPLIES	\$ 500.00	\$ 500.00	\$ 100.00	\$ 400.00	20.00
01001	5710	OP-TRAVEL IN STATE	\$ 5,000.00	\$ 5,000.00	\$ 102.49	\$ 4,897.51	2.00
01001	5720	OP-TRAVEL OUT STATE	\$ 1,000.00	\$ 1,000.00	\$ 799.80	\$ 200.20	80.00
01001	5730	OP-SPONSORSHIPS	\$ 28,167.00	\$ 38,167.00	\$ 34,786.00	\$ 3,381.00	91.10
01001	5731	OP-SUBSCRIPTIONS	\$ 10,000.00	\$ 30,000.00	\$ 19,120.00	\$ 10,880.00	63.70
01001	5732	OP-SOFTWARE LICENSES	\$ 1,140.00	\$ 1,140.00	\$ 1,132.82	\$ 7.18	99.40
01001	5741	OP-INSURANCE	\$ 14,844.00	\$ 14,844.00	\$ 14,147.00	\$ 697.00	95.30
01001	5789	OP-UNPAID BILLS	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00	0.00
01001	5850	OP-MISC EQUIPMENT	\$ 500.00	\$ 500.00	\$ 218.00	\$ 282.00	43.60
01001	5854	OP-FINANCIAL SOFTWARE SYSTEM	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00	0.00
01001	5855	OP-COMPUTER EQUIPMENT	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00	0.00
01001	5900	CONTINGENCY	\$ 185,000.00	\$ 185,000.00	\$ -	\$ 185,000.00	0.00

Expense Total \$ 935,616.00 \$ 935,616.00 \$ 507,970.50 \$ 427,645.50 54.30

**Mil Adder Revenue thru 10/31/2021 \$ 887,470.06**

**Agenda Action Request  
Cape Light Compact JPE  
Meeting Date: 12/8/2021**



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

**3.0% 2022 Employee Cost of Living Adjustment (COLA)**

**REQUESTED BY:** *Maggie Downey*

***Proposed Motion(s)***

*I move the CLCJPE Board of Directors the Board vote to approve a 2022 employee cost of living adjustment (COLA) in the amount of 3.0%. The effective date is January 1, 2022.*

*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***

***Cape Light Compact's filed 2022 energy efficiency budget and proposed 2022 operating budget includes a 3.0% COLA for Compact employees.***

***The 2021 operating and energy efficiency budget COLA was 2.0%. Based on data collected by the Massachusetts Municipal Association Human Resources (MMAHR), the state average for both FY22 and FY23 is 2.5%.***

***Record of Board Action***

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

# Power Supply Rates: Dec '21 – June '22

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
	<i>Dec '21 - Jun '22</i>	<i>Dec '21 - Jun '22</i>	<i>Dec '21 - Mar '22</i>
<b>CLC Standard</b>	14.699	14.499	18.000
<b>Local Green 50%</b>	15.999	15.799	19.300
<b>Local Green 100%</b>	18.299	18.099	21.600
<b>Eversource</b>	15.735	14.732	25.320

