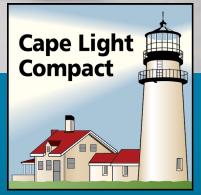


2020 Annual Report

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



This year was unlike any other,

as our communities faced many challenges during the COVID-19 pandemic. Despite these challenges, Cape Light Compact (the Compact) has remained committed to providing Cape Cod and Martha's Vineyard with quality energy efficiency programs while ensuring the health and safety of our community, employees, and vendors. In March, the Compact staff transitioned to working remotely and offered virtual and contactless options for various services including Home Energy Assessments and appliance recycling pickups. All Compact staff and vendors received appropriate health and safety training and were required to wear appropriate personal protective equipment.

Despite COVID-19, the success of the Compact's programs continue to be noticed nationwide. This year alone, the Compact received the 2020 ENERGY STAR Partner of the Year Award for Residential Products. **Over the course of the year, residential customers participated in our energy efficiency programs 24,774 times, saving them over 33 million kWh. We also helped 1,111 businesses lower their energy usage and saved them nearly 26 million kWh on their annual electric bills.** In addition to these developments in our energy efficiency offerings, we also continue to advance our renewable power supply program through CLC Local Green, which allows customers the option to have an additional 50% or 100% of their annual electricity usage matched with MA Class 1 Renewable Energy Certificates. This means that customers can opt-in to invest in our local renewable infrastructure through their electric bill, for a small premium. Our standard supply product remains 100% renewable, all while keeping our rates competitive with the utility's basic service rate.





This year, the Compact's ConnectedSolutions demand response programs offered customers incentives to reduce electricity usage during periods of high demand in the winter and summer months. The incentive varies depending on seasonal participation and technology type. In addition to this, the Compact has ramped up fuel switching incentives for customers wishing to replace existing inefficient heating and hot water systems.

The Compact continues to plan for the Cape and Vineyard Electrification Offering (CVEO), which will provide an opportunity for 250 incomeeligible households to combine cold-climate heat pumps, solar photovoltaic systems, and battery storage. The new plan strives to ensure that Cape and Vineyard residents and businesses are lowering their energy usage, reducing their carbon footprint, and keeping more money in their pockets.

The 2020 results provided a good foundation for the Compact's activities as planned for in 2021. As we continue to execute this Three-Year Plan, we will also begin planning for the 2022-2024 plan, to ensure goals are consistently defined and met for our energy efficiency programs. In the following pages, we outline some additional highlights from 2020 and provide a broad overview of the 2021 plan for Cape Light Compact. We look forward to continuing to work with all our customers through our energy efficiency and power supply programs, and we count ourselves lucky to be the Cape and Vineyard's trusted, local energy resource.

> **Ron Zweig** Chair, Cape Light Compact Governing Board

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Cape Light Compact JPE 261 Whites Path, Unit 4 South Yarmouth, MA 02664

Energy Efficiency 800.797.6699

Power Supply 800.381.9192

www.capelightcompact.org

2020 BOARD MEMBERS

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

Forrest Filler David Anthony Peter Doyle Alternate **Robert Schofield** Griffin Girard Alternate Colin Odell Mark Forest Alternate Peter Cocolis Jillian Goldsmith Alternate Timothy Carroll Robert Hannemann Brad Crowell Frik Peckar Fred Fenlon Alan Strahler Ron Zweig Julian Suso Alternate Valerie Bell Wayne Taylor Richard Toole Martin Culik Chris Galazzi Alternate Nate Mayo Leanne Drake Kirk Metell Jay Grande Alternate Jarrod Cabral Bob Higgins-Steele **Richard Elkin** David Mead-Fox Alternate Sue Hruby Jen Rand Alternate Joyce Flynn Daniel Knapik Alternate









2020 BY THE NUMBERS



24,774

Number of residential customers who participated in our energy efficiency programs, providing annual savings of 33,014 MWh



1,111

Number of commercial and industrial (C&I) customers who participated in our energy efficiency programs, providing annual savings of 25,548 MWh



58,563

Total number of annual MWh saved by residential, Income Eligible, and C&I

The impact of 2020 energy efficiency programs is equal to:



9,026

Number of equivalent cars removed from the road for one year



4,670,024

Gallons of gasoline not consumed for energy

50 Acr

50,848

Acres of U.S. forest carbon sequestration in one year

Lifetime benefits from 2020 Energy Efficiency Programs



\$1,324,438,719

Total lifetime savings realized by residential, commercial, and industrial customers due to energy efficiency measures



\$39,332,172 Total cost reinvested by Cape Light Compact for energy efficiency measures



359,433 MWh Lifetime MWh savings from energy efficiency measures

ACHIEVEMENTS IN ENERGY EFFICIENCY

Green Communities Update

Since 2017, the Cape Light Compact has assisted Cape Cod and Martha's Vineyard towns in securing resources made available through the Massachusetts Green Communities Designation and Grant Program. This program, operated by the Massachusetts Department of Energy Resources (DOER), connects qualifying municipalities with educational, financial, and technical support to pursue energy efficiency and clean energy projects. Cape Light Compact has received grant funding from DOER to offer technical assistance to municipalities on the Cape and Islands seeking Green Community designation.

In 2020, the Towns of Aquinnah, Brewster, Chatham, Chilmark, Dennis, and Nantucket were designated as Green Communities and received grant awards. The Department of Energy Resources awarded the following amounts:

Aquinnah	\$126,530	Chilmark	\$126,430
Brewster	\$150,270	Dennis	\$160,170
Chatham	\$134,620	Nantucket	\$139,340

To earn the Green Communities designation, a municipality must meet five criteria; together these criteria demonstrate a commitment to advancing renewable energy development, reducing energy use, expanding the use of fuel-efficient vehicles, and minimizing the life-cycle cost of new homes and buildings. Once a municipality earns the designation, it receives access to funding and technical guidance designed to accelerate the implementation of energy efficiency and clean energy projects. There are currently fifteen Cape and Islands towns that are Green Communities: Aquinnah, Brewster, Chatham, Chilmark, Dennis, Harwich, Mashpee, Nantucket, Orleans, Provincetown, Tisbury, Truro, Wellfleet, West Tisbury, and Yarmouth.

The Compact recognizes the importance of this program in advancing energy efficiency and clean energy projects, in turn helping towns create more economically and environmentally sustainable communities. In the coming years, the Compact looks forward to continuing this work with local towns and DOER.

Benefits of Being a Green Community



Cut municipal energy costs and strengthen local economies



Access grants for clean, affordable, and resilient energy projects; enjoy economic development benefits



Reduce greenhouse gas emissions



Promote energy-efficient building construction that drives the market for better built and lower cost homes



Foster renewable energy and clean energy technologies



Become a clean energy leader and a better place to live, work, and play

Cape and Vineyard Electrification Offering

As part of the current Three-Year Energy Efficiency plan, Cape Light Compact continues to develop a strategic electrification program known as the Cape and Vineyard Electrification Offering (CVEO) that would allow 250 income-eligible customers to pair solar photovoltaic (solar PV) systems and battery storage with cold climate heat pumps. The program was designed to reduce the region's reliance on oil and propane while also increasing renewable energy generation. In 2020, in accordance with the Department of Public Utilities' (DPU) Order regarding CVEO, the Compact conducted further stakeholder engagement and revised its CVEO proposal which currently awaits approval.







RESPONDING TO COVID

Increased Incentives

The Compact recognizes the significant impacts that the COVID-19 pandemic has had and will continue to have on Cape Cod and Martha's Vineyard residents and businesses. We know that energy efficiency solutions can play a role in reducing financial strains. As a result, we temporarily increased several of our small business incentives. For example, small businesses that signed up for a no-cost energy assessment, were eligible for up to 100% off qualifying upgrades, including select lighting, refrigeration and more. In addition, the Compact temporarily increased the value of instant discounts on commercial lighting and kitchen equipment. Residential customers were also eligible for 100% weatherization incentives and our fridge recycling rebate temporarily increased from \$75 to \$125.

Health and Safety Guidelines

To ensure the safety of Compact staff, vendors, and customers, health and safety guidelines have been implemented. Compact offices in 2020 were open to the public by advance appointment only on Tuesdays and Thursdays from 9:00 am to 3:00 pm. On-premises services were paused for a few months this year and resumed in June for specified contractors who have completed safety training to commence on-site work that can be delivered from the exterior and unoccupied spaces in the home. Contractors are required to wear all personal protective equipment (PPE) for the specific job to be performed and use it as directed at all times while on the work site.









CUSTOMER AND COMMUNITY HIGHLIGHTS

Cape Air Case Study

Cape Air has provided year-round service to destinations including Hyannis, Nantucket, New Bedford, Martha's Vineyard, Providence RI, South Florida, the Caribbean, and Micronesia since 1989. Serving 500,000 passengers annually, Cape Air is one of the largest regional airlines in the U.S and operates a fleet of 76 Cessna 402s, 16 Tecnam P2012 Travellers and 4 Britten-Norman Islanders.

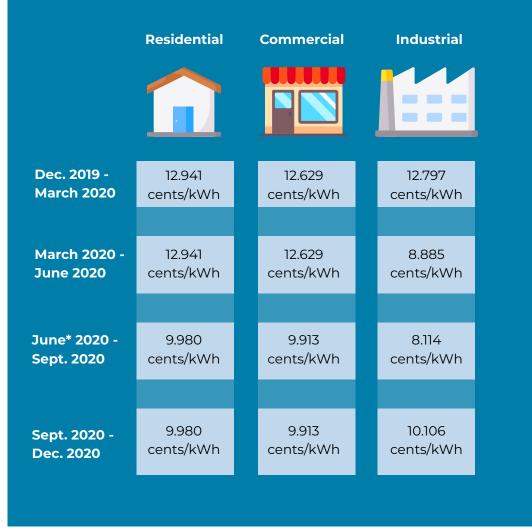
Cape Air's sustainability programs, in conjunction with Provincetown Airport Manager, Butch Lisenby, contacted Cape Light Compact to do an energy assessment to determine if the efficiency of the lighting at the airport could be improved by retrofitting existing lighting with Light Emitting Diode (LED) lamps and fixtures. The assessment report concluded that 37,750 kWh could be saved annually, a 30% reduction in electric consumption. The project is expected to save the airport 29.6 metric tons of greenhouse gases and \$7,000 in electric costs annually.





POWER SUPPLY

2020 Power Supply Rates



* Residential rates changed on July meter reads in 2020







INFORMATION ON COMPETITIVE SUPPLIERS





Shopping for an electricity supply contract can be challenging for the average customer to understand. The Compact continues its efforts to educate customers about the key things to remember when considering a switch between electricity suppliers (the "Supply" or "Generation" portion of an electric bill).

When electricity prices spike during the winter (due to natural gas pipeline constraints in the colder months when it is used for both heating homes and electricity production), customers often look for ways to reduce electricity costs. During this period, competitive electric suppliers market more aggressively through direct mail, phone solicitations and door-to-door.

Unfortunately, some competitive suppliers take advantage of customers, misleading them about the true cost of the supply contract, the contract length, or the services they are providing. To protect yourself from this kind of activity, here are three things you should do:



ask for written information on what is being offered to you, so that you may review it without any pressure.



commit to a price or contract over the phone. Verbal offers are hard to enforce if the need arises later on and may not provide you with all of the important terms and conditions of the contract you are about to enter into.



provide your Eversource electric account number before you have decided to sign a contract, as the supplier can switch your account to their supply if they have your account number. In the past year, the Compact has been able to make significant strides in meeting the goals of the Three-Year plan. In 2021 we hope to build on the success through refining our existing programs and through new offerings.

Next year, we hope to launch our commercial and residential demand response programs which offer customers incentives for either reducing energy use through thermostat setbacks or through battery storage systems offsetting grid load during peak demand events. This program will help reduce our reliance on nonrenewable energy sources and help reduce the cost of grid infrastructure. In 2021, the Compact will be rolling out incentives for ground source heat pumps and air to water heat pumps, which will help customers reduce energy usage through efficient heat pump technology. Additionally, fuel optimization rebates will be offered for customers planning to offset their delivered fuel usage. Customers will be eligible to receive \$2,000 per ton when converting from oil or propane heating systems to geothermal heat pumps and \$1,250 per ton for air to water heat pumps.

The Main Streets efforts continue to grow on Cape Cod and Martha's Vineyard! In 2021, twenty-one towns will be visited by the Compact and its vendor(s) to conduct brief energy assessments and install instant savings measures such as screw-in LED lamps, programmable thermostats, faucet aerators, and more. There will also be enhanced incentives available for additional measures that are recommended during these assessments. The Compact will be offering 100% incentives for LED screw-in lamps, faucet aerators, spray valves, smart strips, showerheads, and programmable thermostats and up to 100% (through December 2021) for additional recommendations which may include lighting, refrigeration, and custom measures that best meet the needs of the small business.



Building on Success for the Future

FINANCIAL STATEMENTS

Combining Statement of Net Position By Program Year Ending December 31, 2020

ASSETS	Energy Efficiency	Power Supply Reserve	OPEB/ Pension Reserve Fund	Operating	Green / Solar Program	Total
Current Assets:						
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:	1-0.10-					(=0.105
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
Total Current Assets	16,287,968	1,525,711	4,195,867	67,367	444,167	22,521,080
Noncurrent Assets						
Capital Assets Not Being Depreciated	154,186					154,186
Total Assets	16,442,154	1,525,711	4,195,867	67,367	444,167	22,675,266
DEFERRED OUTFLOWS						
Related to Pensions	990,421	-	-	30,632	-	1,021,053
Related to OPEB	628,857	-	-	42,130	-	670,987
Total Deferred Outlows	1,619,278	-	-	72,762	-	1,692,040
LIABILITIES						
Current Liabilities:						
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
Total Current Liabilities	6,860,321			67,026		6,927,347
	0,000,321	-	-	07,020	-	0,927,347
Noncurrent Liabilities:	61 550			4,621		66 171
Compensated Absences, Net of Current Total OPEB Liability	61,550 2,588,745	-	-	173,432		66,171 2,762,177
Net Pension Liability	3,480,217			107,638		3,587,855
Total Noncurrent Liabilities	6,130,512	-		285,691	-	6,416,203
Total Liabilities	12,990,833	-	-	352,717	-	13,343,550
DEFERRED INFLOWS						
Related to Pensions	459,012	-	-	14,197	-	473,209
Related to OPEB	143,078	-	-	9,586	-	152,664
Total Deferred Inflows	602,090			23,783		625,873
NET POSITION						
Net 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
TOTAL NET POSITION	\$4,468,509	\$1,525,711	\$4,195,867	\$(236,371)	\$444,167	\$10,397,883

Combining Statement of Revenues, Expenses and Change in Net Position by Program Year Ending December 31, 2020

OPERATING REVENUES	Energy Efficiency	Power Supply Reserve	OPEB/ Pension Reserve Fund	Operating	Green / Solar Program	Eliminations	Total
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
Total Operating Revenues	38,077,835	998,952	-	-	12,153	-	39,088,940
OPERATING EXPENSES							
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
Total Operating Expenses	40,212,451	-	-	870,135	8,666	-	41,091,252
Operating Income (Loss)	(2,134,616)	998,952	-	(870,135)	3,487	-	(2,002,312)
NONOPERATING REVENUES (Expenses)							
Forward Capacity Market	5,798,630	-	-	-	-	-	5,798,630
Renewable Energy Certificates	-	(135)	-	-	(51)	-	(186)
Investment Income	67,336	14,078	7,565	21,426	-	-	110,405
Total Nonoperating Revenues (Expenses), Net	5,865,966	13,943	7,565	21,426	(51)	-	5,908,849
Income (Loss) Before Transfers	3,731,350	1,012,895	7,565	(848,709)	3,436	-	3,906,537
TRANSFERS							
Transfers In	-	-	456,927	449,043	-	(905,970)	-
Transfers Out	(428,237)	(449,043)	-	(28,690)	-	905,970	-
Total Transfers	(428,237)	(449,043)	456,927	420,353	-	-	-
CHANGE IN NET POSITION	3,303,113	563,852	464,492	(428,356)	3,436	-	3,906,537
Net Position - Beginning of Year (as Restated)	1,165,396	961,859	3,731,375	191,985	440,731	-	6,491,346
NET POSITION (DEFICIT) - END OF YEAR	\$4,468,509	\$1,525,711	\$4,195,867	\$(236,371)	\$444,167	\$ -	\$10,397,883

Who is the Cape Light Compact?

The Compact is an award-winning energy services organization formed in 1997, as authorized by votes of each town's town meeting or town council. It is operated under a joint powers agreement as authorized by each town's select board or town council, and the Dukes County Commissioners. The Compact consists of 21 towns and Dukes County and serves 205,000 customers on Cape Cod and Martha's Vineyard. As the first municipal aggregation program of its kind, the Compact has served as a model for hundreds of similar organizations across the country.

What services does the Cape Light Compact provide?

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

How does a customer receive services from the Compact?

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

What does the Compact do to advocate for consumers?

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













How is the Compact governed?

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

How is the Compact funded?

The Compact's Energy Efficiency program is funded primarily through a state-mandated energy efficiency charge paid by all electric customers, as well as by additional state-approved distribution charges. The power supply and consumer advocacy programs are funded by an operational charge of up to one-tenth of one cent per kilowatt hour (\$0.001) for Compact power supply customers. This adder is part of the power supply price paid on customer monthly bills. The use of the adder was included in the Compact's original Aggregation Plan approved in August 2000 and was upheld in DPU 14-69.

Who oversees the Cape Light Compact's budget?

The Compact's operating and energy efficiency budgets are reviewed and approved by the Compact's Governing Board. The Massachusetts Department of Public Utilities also reviews and approves energy efficiency budgets. Although it is not required, the Compact also files each of its power supply contracts with the Department of Public Utilities and Attorney General's Office.

How are public records made available?

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

How do I get a copy of the Cape Light Compact's Power Supply Contract so I can see the terms of service?

The contracts are posted online at www.capelightcompact.org/power-supply. Scroll down the page and click on the residential or commercial contract you wish to view.

Where can I find the most current power supply prices?

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

CAPE LIGHT COMPACT STAFF



Maggie Downey

Compact Administrator



Margaret Song Commercial & Industrial Program Manager



Briana Kane Residential Program Manager



Gail Azulay Senior Analyst



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