

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, September 14, 2022**

Pursuant to Massachusetts Governor Charles D. Baker's Order Suspending Certain Provisions of the Open Meeting Law on March 12, 2020, the Cape Light Compact JPE Board of Directors met on Wednesday, September 14, 2022, at 2:00 p.m. The meeting was held through a Zoom videoconference for members of the Board with audio call-in available for members of the public.

Participating Remotely Were:

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Robert Schofield, Executive Committee, Bourne
3. Colin Odell, Executive Committee, Brewster
4. Peter Cocolis, Chatham
5. Timothy Carroll, Chilmark
6. Meghan Gombos, Dukes County
7. Alan Strahler, Edgartown
8. Valerie Bell, Harwich
9. Wayne Taylor, Mashpee
10. Martin Culik, Chair/Executive Committee, Orleans
11. Leanne Drake, Sandwich
12. Richard Elkin, Executive Committee, Wellfleet
13. Erik Peckar, Executive Committee, West Tisbury
14. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

Absent Were:

1. Forrest Filler, Aquinnah
2. Brad Crowell, Dennis
3. Matthew Patrick, Falmouth
4. Dion Alley, Oak Bluffs
5. Nathaniel Mayo, Provincetown
6. Kirk Metell, Tisbury
7. Jarrod Cabral, Truro

Legal Counsel Participating Remotely:

Audrey Eidelman Kiernan, Esq., KO Law, P.C.
Rebecca Zachas, Esq., KO Law, P.C

Staff Participating Remotely:

Izzi Caplan, Communication Coordinator
Maggie Downey, Administrator
Mariel Marchand, Power Supply Planner
Melissa Allard, Senior Administrative Coordinator
Phil Moffitt, Chief Financial Officer

Public Participants:

None.

Martin Culik called the meeting to order at 2:01 PM.

PUBLIC COMMENT:

No public comments were submitted to the Board in writing under the public comment guidelines.

PRESENTATION ON ENERGY MARKETS, NEXTERA ENERGY, MIKE ZENKER:

Mike Zenker reviewed New England Energy Market Outlook for Cape Light Compact PowerPoint.

Mike Zenker stated that forward power prices are closely correlated with forward natural gas prices in most United States power markets. Rising natural gas prices is the main driver pushing New England power prices higher.

Mike Zenker stated that the number of United States coal mines has decreased by 62% since 2008 from reduced investment in the coal industry and less demand for coal in the United States electric power sector. He stated that large scale retirements of coal-fired power plants and lack of availability of coal have reduced the ability of coal plants to increase output in response to higher power prices.

Mike Zenker stated that the invasion of Ukraine by Russia has caused European natural gas prices to increase. Russia is a substantial supplier of natural gas in Europe. He stated that because of the invasion Europe has pledged to move completely away from Russian natural gas. On September 5th, Russia shut off the Nordstream 1 pipeline indefinitely.

Mike Zenker stated United States (US) Liquefied Natural Gas (LNG) exports ramped higher through 2021 and 2022 as new LNG export facilities opened and demand was strong after it collapsed in 2020 due to COVID. He stated that the United States, and specifically New England, market is pricing in the risk that if we have a very cold winter that prices will have to rise up to European equivalents to keep US LNG from being exported. He stated that it is unlikely, it would have to be a really cold winter. He stated that several LNG export projects are competing to secure sufficient customer commitments to move forward. With United States LNG exports running at capacity and no new United States LNG available until 2025, Europe will need to bid for existing cargoes. He stated that we expect United States LNG export capacity to roughly double by 2032.

Mike Zenker stated that natural gas supply is growing again after the collapse due to COVID. However, it is not growing as fast as it has in the past because some of the regions that have supply growth capability don't have new pipeline capacity. Northeast supply growth will be hampered by the lack of new pipeline capacity.

Mike Zenker stated that natural gas inventories are expected to remain below the 5-year average heading into winter. He stated that that this does cause natural gas prices to be a little more volatile than they otherwise would be. Algonquin forward winter basis has increased as the region will have to compete with high overseas prices for LNG needed to balance New England on peak winter demand days.

Erik Peckar asked if Mike Zenker has any insight on the offshore wind procurement happening in Massachusetts and how it may impact electricity rates going forward. Mike Zenker stated that New England is going to see a lot of renewable energy come to market. He stated it will lessen the demand for natural gas in the power space. He stated that because it is not clear when these renewable projects are going to come on, the electric market has not priced those in at this time.

1. Speaking Points for Boards of Selectmen/Town Council, Mariel Marchand

Mariel Marchand stated that the Board had asked Compact staff to put together a set of talking points should Board Members want to provide public comment at Select Board meetings on the expected rate increase this coming winter. She stated that those have been put together and are in the Board Packet. She stated that Maggie Downey and herself are available to join Board Members in meetings to provide comments if that would be helpful. Martin Culik encouraged Board Members to take the opportunity to update their Select Boards.

MA DEPARTMENT OF PUBLIC UTILITIES CHAIRMAN MATTHEW NELSON:

Chairman Matt Nelson introduced himself. He stated that he is the current Chair of the Massachusetts Department of Public Utilities (DPU) and has been so for the last 4 years. He stated that prior to being the DPU Chair he worked in the energy efficiency field. He stated he wanted to come here today because the Compact Board is active on a number of different energy issues and the DPU, as a regulatory forum over energy efficiency and to some degree, municipal aggregation, interacts with the Compact routinely. He stated that he has noticed Board Members come to the DPU to make public comments and statements. He felt like extending the same courtesy to make himself available to the Board to talk about the current state of affairs and about how the DPU and the Compact are working together.

1. MA Program Administrators Winter Pricing Mitigation Strategy

Chair Nelson stated that he was going to talk about winter pricing but believes that the previous presentation went over that well. He stated that the rates for electricity, natural gas, oil and propane are going to be high, some of the highest we've seen in a long time. He stated that the DPU is working with utilities and other industry officials to get targeted and expanded marketing out there to make sure that people prepare themselves and their homes. The Compact plays a unique role as a municipal aggregation that has an energy efficiency program. He stated it is a critical piece to the puzzle given the fact that we cannot control LNG prices, that the best option is for people to reduce the demand on their homes and businesses. He stated that the Compact has done an excellent job at adapting marketing to state how to both save energy and alleviate the system burden.

2. MA Climate Bill and Pilot Similar to CVEO

Chair Nelson stated that the DPU and the Compact have been at odds over some frameworks of the Cape and Vineyard Electrification Offering (CVEO). He stated that we have recently been working together along with the legislature to create a framework that will distinguish how solar would work under the existing framework for energy efficiency. He stated that the core issue is that the DPU must consider how these programs impact customers' bills. He stated that where we have primarily been at odds is that the DPU wants to make sure customers who are putting solar on their homes pay an incentive for that one time, they do not want customers paying too much and the DPU feels it has an obligation to know where the money is coming from. He stated that the new legal framework we are working on has the ability to merge how the Compact has been offering the renewable model with their existing energy efficiency model. He stated that we will see how the actual filing goes. Renewable generation is designed to make power and meet the demand of the electric grid and those are usually large-scale generators. He stated the Compact however, is focused on local sourcing. He stated that the energy efficiency program is looking to test to see if it can reduce the onsite load and therefore require less energy. He stated that this new legal framework would help customers to take advantage of that goal.

Richard Elkin asked if there are any initiatives to promote time of use rates, particularly to support electric vehicles. Chair Nelson answered yes, we do. There is an open docket related to the matter. He stated that recent

legislation along with the grid modernization and the current docket are leading us to look at the future of time varying rates.

Colin Odell stated that Chair Nelson spoke of CVEO almost entirely to energy efficiency. He stated that a bigger impact is decarbonization. He asked Chair Nelson how you reconcile the current emphasis on making sure it works for energy efficiency with the fact that no matter what you do if you go to decarbonization you are going to increase people's electric bills. The onsite solar is a necessary component to offset that increase in electric usage. He stated that it appears that decarbonization is not recognized as a goal. Chair Nelson stated energy efficiency itself decreases carbon emissions. It is one of the more powerful tools deployed in New England. He stated that if we are moving toward electric heat pumps and electric vehicles, the demand for electricity is going up and as we heard in the previous presentation, natural gas is driving electricity prices. He stated that the DPU's mission is to achieve decarbonization but at the least cost. He stated we want to make sure those getting the value are the customers. Colin Odell stated that there is still the fact that in order to test it you have to do it and so far, the DPU has not shown the willingness to let the Compact do it. Chair Nelson stated that now working with the Compact and the new legislation, there is a path to moving forward.

PRESENTATION ON THE MA CLIMATE BILL AND INFLATION REDUCTION ACT, AUDREY EIDELMAN KIERNAN, KO LAW:

Martin Culik stated that there is a presentation on the Massachusetts Climate and Inflation Reduction Act that was sent out this morning. He stated that he would like to table it to next month's Board Meeting. Audrey Eidelman Kiernan stated that the extra month may be useful. It is very new legislation both at the federal and state level. She stated that a lot of guidance is pending and so there may be more detail in October.

PRESENTATION ON CAPE LIGHT COMPACT'S 2019-2021 ENERGY EFFICIENCY TERM REPORT, PHIL MOFFITT:

Phil Moffitt reviewed the Cape Light Compact Energy Efficiency 2019-2021 Term Report PowerPoint. He stated that the Compact filed its term report last month. The DPU is reviewing, and we are preparing ourselves for information requests.

Phil Moffitt stated that overall, the Compact did well, given some of the challenges that CLC and other Program Administrators (PAs) faced due to COVID. He stated that in terms of annual and lifetime savings the Compact did well. We achieved 92% of our annual goal and 100% of the lifetime goal. He stated that the Compact did well in term of benefits. The Compact nearly met its goal in the residential sector. However, COVID negatively impacted the low income and commercial sector. He stated that were supply and demand issues when it came to things like appliance, reluctance from customers to do remote audits, and labor shortage. He stated that in terms of the benefit cost ratio (BCR), the Compact did \$1.70 return on each \$1.00 invested. The BCRs were not as high as planned.

Phil Moffitt stated that the Compact's cost of saved energy (COSE) is about 35% higher than statewide average costs. In residential, the Compact has a higher COSE due to measure mix. The Compact installed more high-cost measures compared to other PAs. In commercial, the Compact has more small and micro businesses compared to the other PAs which are more costly to serve and which results in a higher COSE.

Phil Moffitt stated as of 2021, there were about 10,000 customers on the low-income discount rate in the Compact's service territory and from 2004 through 2021, the Compact served about 7,000 or about 70 percent of eligible customers. He stated that of the remaining roughly 3,000 customers/non-participants, about half heat their home with natural gas and the Compact cannot comprehensively serve these customers. They are served

by National Grid. That leaves about 1,500 customers that the Compact has not served yet. He stated that Compact is strategizing on how to best reach those customers.

Phil Moffitt stated that the Compact asked DNV to do some extra analysis on residential participation. He stated that they found that the Compact's territory has an average vacancy rate of 44%. Vacancy rate being defined as household that is occupied for 2 months or less. He stated that the average vacancy rate for other electric program administrators is around 7%. He stated that they also found that participation rates and vacancy rates correlate. The Compact is continuing to explore barriers to participation.

DISCUSS SUPPORT OF EVERSOURCE BATTERY AND SOLAR PROJECT ON WILLOW STREET IN YARMOUTH, THE SUBJECT OF D.P.U. 22-64, MARIEL MARCHAND:

Mariel Marchand reviewed Update on Eversource Yarmouth Solar + BESS Proposal (DPU 22-64) PowerPoint.

Mariel Marchand stated that Eversource submitted a filing on June 1st with the DPU requesting approval of a proposed 2.1 MW dc solar canopy and a 0.6MW/2.4 MWh ac battery system at its Emergency Operations Center/Area Work Center on Willow Street in Yarmouth. The proposal is being submitted in accordance with a provision of 2021 climate legislation that allows municipalities at high risk from the effects of climate change to approve one or more solar projects owned and operated by an EDC. She stated that this system will provide peak demand reduction and resiliency. It is expected to allow the site to operate without fossil fuel generators for 12 hours in the event of a power outage.

Mariel Marchand stated Eversource anticipates that the system would generate between \$367,000 to \$397,000 per year in revenue from CPECs, RECs, Forward Capacity Market, and wholesale energy markets. In the filing, Eversource stated that it plans to distribute the revenues to residents in EJ communities in Yarmouth and that the Company will conduct community engagement and outreach to determine what that will look like. She stated that one option Eversource proposed is to apply the revenue as credits on customer's bills in EJ neighborhoods in Yarmouth. Eversource has confirmed to CLC that customers will be able to receive these bill credits regardless of who they receive their power supply from.

Mariel Marchand stated that letters of support in the DPU docket are due on September 21st. The Town of Yarmouth has submitted a letter of support with the filing and Eversource has discussed the project with the Yarmouth Energy Committee.

Richard Elkin asked where the funds are coming from. Mariel Marchand stated that it will come from all rate payers, and that there would be bill impacts. She stated that the residential (R1) bill impacts in Eastern Massachusetts will be about 6 cents per month. Richard Elkin asked why the savings are not being returned to the people paying for it. Audrey Eidelman Kiernan stated that part of this stems from the 2021 Climate Bill. What Eversource is proposing is consistent with what the legislature put in that bill which was projects in environmental justice communities.

Peter Cocolis asked if we decide to do a letter of support, would it make sense to reinforce that this project help low-income customers. Joyce Flynn stated that she would love to see a letter of support. She stated that it takes not just a low-income community and one that is risk of factors that affect electricity, but it also takes one with utility anchorage to put it on and that is where Eversource is.

Colin Odell asked if a resident in an EJ community is necessarily the same as low-income. Maggie Downey stated that they have not finalized anything yet. She stated that she believes that Eversource is considering serving both low-income customers and EJ communities. Colin Odell asked if in the letter we should make a

comment that it should only go to low-income customers. Martin Culik asked for clarification on whether just for Yarmouth or Cape wide. Colin Odell stated that however they decide on the distribution area, that it should only go to low-income customers in that area. Martin Culik stated that it would be nice if they could include Barnstable since Eversource is close to the town line. Audrey Eidelman Kiernan stated that the legislation is on focused a municipality basis therefore she does not think that would comply with what the legal structure is for them to do these projects.

David Anthony asked if the Compact is writing a letter of support to Eversource or a letter of support for projects like this that serve a certain community. He stated that he would rather see a letter stating that projects like this are a part of the Compact’s mission. Maggie Downey stated that this is a DPU docket, so the Compact will be responding to the DPU’s request for public comment in the docket. She stated that we can craft a letter stating that the Compact supports the pursuit of renewable energy projects and also raise how we would like to see benefits attributed to low-income customers.

Maggie Downey asked for a sense of the Board on whether they would like the Compact to send a letter of support. Sense of board is yes, they would.

APPROVAL OF MINUTES:

The Board considered the July 13, 2022, Open Session Meeting Minutes and July 13, 2022 Executive Session Minutes.

Richard Elkin moved the Board to accept the minutes as amended and to release them as amended, seconded by Robert Schofield.

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Abstained
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Meghan	Gombos	Dukes County	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

CHAIRMAN’S REPORT:

1. Introduce Compact Residential Energy Efficiency Analyst, Stephen McCloskey

Stephen McCloskey stated that he started at the Compact about a month ago now. He stated that previously he was working at the Whale and Dolphin Conservation in Plymouth as the education coordinator. He stated he is excited to be learning new things and that it is great to be here.

2. Confirm Attendance for October Board Meeting - will be a hybrid meeting

Martin Culik stated that we will be in person for the October Board Meeting. Maggie Downey stated that four members of the executive committee need to be present. She stated as we get closer, we will determine which four plan to be present. Other than that, it is still a hybrid meeting.

3. Introduce Proposed Program for Connecting Consumers and Energy: Master Energy Program

Martin Culik stated that he sent Maggie Downey a one pager that he put together called the Master Energy Program to share it with the Board. He stated that the focus of this proposal is the creation of a Master Energy Program staffed by volunteers to serve as a local clearinghouse for renewable energy questions from consumers and was based off of the Master Gardening Program. He stated that he believes that within the next few years there is going to be a huge public demand for information and resources regarding energy efficiency. He stated that he presented to the Orleans and Outer Cape Energy Committee, and they are both interested. He is also planning to present to the collective energy committees on Cape Cod and Martha's Vineyard meeting coming up. He stated that he wanted to share with the Board to see if they have any interest in this kind of program.

Valerie Bell stated that she agrees that there is a big gap in what people understand. She did a shout out to Richard Elkin for the series of videos that were helpful in educating people. She stated that that is something that we could do is create videos and get them on local TV stations to get the word out.

Richard Elkin stated that he supports it. He stated having energy committees is a good first step. He asked about how the training would go. Martin Culik stated that it would be formal training and hoping for about 20-25 people. He stated that he does not want to train people to be technical experts, he wants to train people on how to help others find information that they need, identify resources, find vendors, etc.

Erik Peckar stated that he wholeheartedly supports this concept. It is a critical piece of a lot of outreach education. Peter Cocolis stated that he thinks it is a great thing to do. Joyce Flynn stated that we should include references to all librarians on Cape Cod and Martha's Vineyard.

Meghan Gombos left meeting at 4:02 PM.

ADMINISTRATOR'S REPORT:

1. Community Education Grant Update

Maggie Downey stated that applications for the community education grant were due on August 31st. She stated that three entities submitted an application. Because this is a statewide effort it will be reviewed as a collective. She stated that the entities are Pleasant Bay Boating, Vineyard Power, and the Faith Community Environmental Network.

2. Potential Vote on Vacation Buy-Back for CLC Staff

Maggie Downey stated that there are approximately four staff members that are interested in the vacation buy-back and the budget impact is less than \$25,000. David Anthony stated that this is something reviewed on a year-to-year basis so that it does not create any expectation that this will happen every year.

David Anthony moved under the unique circumstances of this date the CLCJPE Board of Directors vote to waive section 8.3(1) of the CLCJPE Policies and Procedures Manual and allow all Compact employees to buy-back up to 20 days of their existing accrued vacation days, on, or before October 31, 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. Seconded by Robert Schofield

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

3. Potential Vote on Appropriation of Funds from Power Supply Reserve Fund to Energy Efficiency Fund

Maggie Downey stated that to cleanup the fund balances the Compact needs to move \$124,509.00 from the Power Supply Reserve Fund to the Energy Efficiency Fund. She stated that this is a requirement due to the DPU Order on Shared Costs. Daniel Sullivan stated that each year the Compact works with Synapse to make sure it is in compliance with the DPU Order. He stated that each year we look at Synapse’s findings and make an adjustment. He stated in 2019 an adjustment was not made and because of that this vote needed to be brought to the Board.

Robert Schofield moved to approve the Comptroller's transfer to the Energy Efficiency Fund of \$124,509.00 from the Power Supply Fund for a required shared cost adjustment.

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

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes

Peter	Cocolis	Chatham	Yes
Timothy	Carroll	Chilmark	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

4. Update on Discussions with Commonwealth Wind

Maggie Downey stated that she has participated in discussion with Commonwealth Wind to execute a non-binding Memorandum of Understanding (MOU) to which the Compact and Commonwealth Wind would explore the feasibility of the Compact’s purchase of a small amount of extra uncommitted energy and Renewable Energy Certificates (RECs) from the Commonwealth Wind project. She stated that the project is currently getting ready to be submitted to the state for review. She stated that if this does move forward any purchase agreements will be brought back to the Board.

David Anthony stated that he is okay with the MOU but he is nervous that they are using the Compact’s name to help bolster their position. Maggie Downey stated that this came about because the Towns were asking how this project would benefit its residents and that is why they approached us. She stated that he raises a good point. Richard Elkin stated that he supports offshore wind and anything we can do to help it along. Audrey Eidelman Kiernan noted that the MOU will include a provision that allows the Compact to review and approve any public statements by Commonwealth Wind about the Compact's involvement

5. Main Streets

Maggie Downey stated that in the Board Packet is the schedule for the fall Main Streets events. They will be in Oak Bluffs, West Tisbury, Provincetown, Bourne, and Harwich.

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 NOT RETURN TO OPEN SESSION:

Martin Culik at 4:17 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §21(a)(3) to: (1) consider strategy and potential vote regarding pending litigation related to the Eversource Rate Case, D.P.U. 22-22; and (2) consider strategy and potential vote on pending or imminent regulatory litigation, including Massachusetts Department of Public Utilities D.P.U. 20-40, Cape & Vineyard Electrification Offering (CVEO) and CVEO as proposed in the 2022-2024 Energy Efficiency Plan, D.P.U. 21-126, not to return to open session thereafter. Seconded by Robert Schofield.

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

Timothy	Carroll	Chilmark	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Wayne	Taylor	Mashpee	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- July 13, 2022, Draft Open Session Meeting Minutes
- New England Energy Market Outlook for Cape Light Compact PowerPoint
- Cape Light Compact Energy Efficiency 2019 – 2021 Term Report PowerPoint
- Update on Eversource Yarmouth Solar + BESS Proposal (DPU 22-64) PowerPoint