

# Cape Light Compact JPE Executive Committee & Governing Board Meeting

**DATE:** Wednesday, April 5, 2023  
**LOCATION:** Cape Light Compact Offices – Martha’s Vineyard Conference Room  
261 Whites Path, Unit 4, South Yarmouth  
**TIME:** 10:00 am – 4:00 p.m.

Written public comments should be submitted to Maggie Downey, Compact Administrator, at [mdowney@capelightcompact.org](mailto:mdowney@capelightcompact.org) by 2:00 PM on Tuesday, April 4, 2023, and should follow the public comment protocol attached to this agenda. Written public comments received after the April 4<sup>th</sup> deadline will be distributed prior to the Compact’s next Board meeting.

Members of the public may attend the meeting in person.

## AGENDA

1. Acknowledgment of Written Public Comment Received; No Public Comment at Meeting
2. **Cape Light Compact 2025-2027 Planning Session, Facilitated by Sustainable Energy Advantage**  
(See attached meeting agenda)

10:00 – 11:00am Discussion of Strategic Organizational Strengths & Opportunities  
11:00am – 12:30pm 2025-2027 Energy Efficiency Plan: Priorities & Potential Enhancements

- Presentation (30 minutes)
  - *Background & Context*
  - *Past CLC Innovation – Energy Efficiency*
  - *Future CLC Innovation – Energy Efficiency*
  - *2025 – 2027 Three-Year Plan*
- Discussion (1 hour + lunch following)

12:30 – 12:40pm Break to Gather Lunch  
12:40 – 1:30pm Lunchtime with Continued Discussion  
1:30 – 1:45pm Post-lunch break  
1:45 – 3:45pm Operating Budget Priorities

- Presentation (30 minutes)
  - *Municipal Aggregation Obligations*
  - *Budget*
  - *Past CLC efforts*
  - *Potential Future Uses of Operating Budget*
- Discussion (1 hour 30 minutes)

3:45pm – 4:00 pm Wrap up and next steps

**Chairman's Public Comment Protocols**  
**for the April 5, 2023, 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 April 5, 2023 Compact Board meeting, where all Board Members, staff and members of the Public shall be participating in-person:

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, April 4, 2023. 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 April 4<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 cannot respond to public comments for topics not on the current agenda during the Board meeting. The Cape Light Compact Board may respond to comments either by putting them on the agenda of a subsequent meeting or by requesting the administrator or staff to respond to the comment.
5. Copies of the Board meeting packet shall be made available to members of the public on Wednesday, April 5, 2023, 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 Board Priorities Discussion

Facilitated by Sustainable Energy Advantage, LLC

April 5, 2023

# Agenda

10:00 am – 11:00 am **Introduction & Discussion of Strategic Organizational Strengths & Opportunities**

11:00 am – 12:30 pm **2025-2027 Energy Efficiency Plan: Priorities & Potential Enhancements**

- Presentation (30 minutes)
- *Background & Context*
- *Past CLC Innovation – Energy Efficiency*
- *Future CLC Innovation – Energy Efficiency*
- *2025 – 2027 Three-Year Plan*
- Discussion (1 hour + lunch following)

12:30 pm – 12:40 pm **Break to Gather Lunch**

12:40 pm – 1:30 pm **Lunchtime with Continued Discussion**

1:30 pm – 1:45 pm **Post-Lunch Break**

1:45 pm – 3:45 pm **Operating Budget Priorities**

- Presentation (30 minutes)
- *Municipal Aggregation Obligations*
- *Budget*
- *Past CLC efforts*
- *Potential Future Uses of Operating Budget*
- Discussion (1 hour 30 minutes)

3:45 pm – 4:00 pm **Wrap Up and Next Steps**



# Strategic Organizational Strengths & Opportunities

## *Discussion*

# Energy Efficiency - Context



# Energy Efficiency Legislative Highlights

## Green Communities Act of 2008

- Established framework for state's current approach to energy efficiency
- Mandates three-year efficiency plans
  - Must be approved by DPU
  - Programs implemented by Program Administrators – currently, investor-owned utilities and the Compact
- Created Energy Efficiency Advisory Council

## 2018 Act to Advance Clean Energy (H. 4857)

- Added language stating that “programs that result in customers switching to renewable energy sources or other clean energy technology” considered for inclusion in EE plans
- Specified storage, electrification could be included in plans
- Adjusted cost effectiveness requirements

## 2021 Climate Act (S. 9)

- Established legal requirement to reduce GHG emissions by 50 percent below the 1990 baseline by 2030, net zero by 2050
- Requires the EEA Secretary to establish a CO2 reduction goal for each three-year plan cycle
- Added programs/ technologies to be considered for inclusion in plans

## 2022 Climate Act (H. 5060)

- Specified that plans could include programs that combine EE and electrification with renewables and storage and expressly authorizes CVEO
- Explicitly required consideration of LMI customers and renters and strategies to promote more equitable participation
- Restricted incentives for fossil-fired equipment

To date, despite additions to M.G.L. c. 25, § 21 that reference renewable energy, DPU's interpretations have been narrow, rejecting several attempts to include renewables in filed EE plans before recent approval of CVEO

# What Counts as Energy Efficiency?

- Statute generally refers to “energy efficiency and demand reduction resources”
- Additionally, statute specifies elements that can be considered for inclusion in a three-year plan (see to right, not a complete list)
- See [M.G.L. c. 25, § 21, \(b\)\(2\)](#)
- However, assignment of GHG goals to EE plans an *acknowledgement that emissions reductions central to the EE plans*
- 2022 Climate Bill requires DPU to determine that PAs have considered climate, environmental, and equity benefits in their plans

Energy efficiency

Storage

Strategic electrification (resulting in “cost effective reductions in GHG”)

Demand response

R&D related to EE\*

Market transformation, incl. code development\*

Energy assessments/usage monitoring

EE public education programs

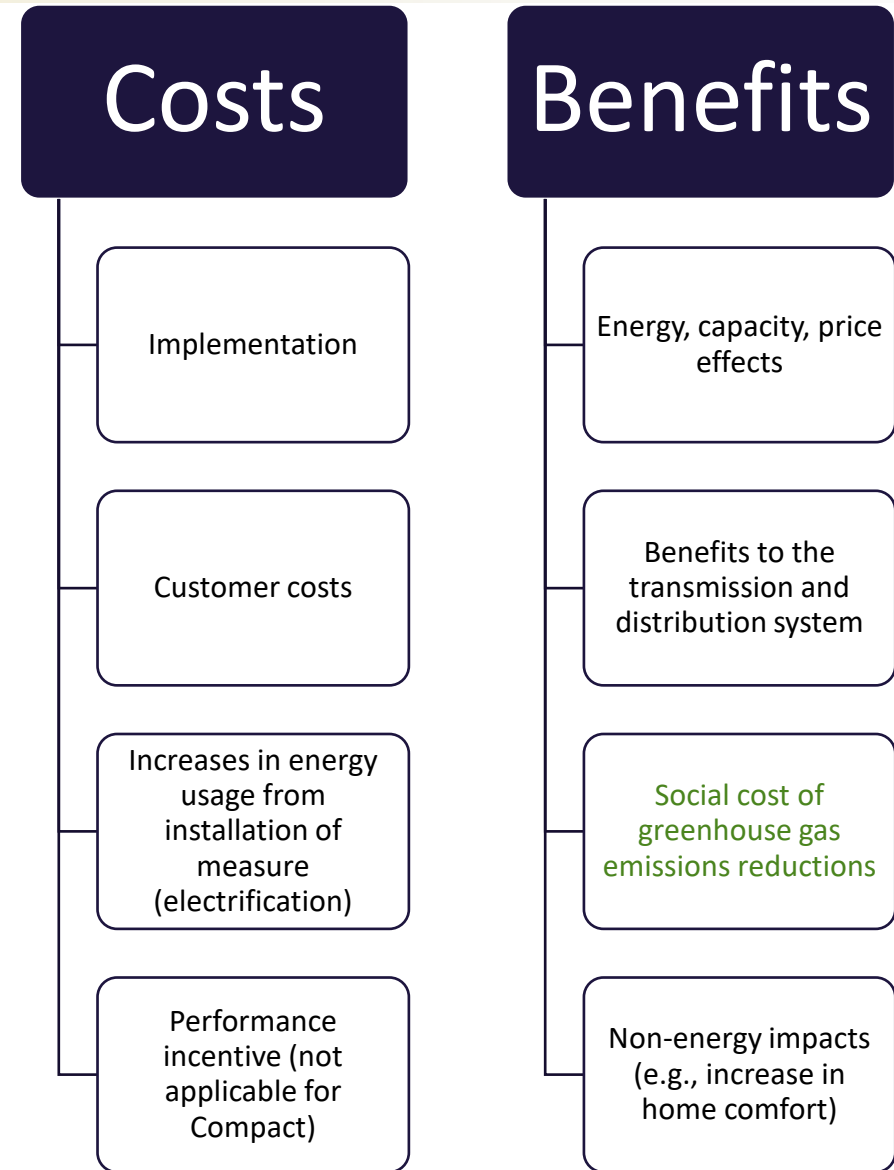
Programs that result in customers switching to renewable energy (incl. combined w/ electrification and storage)

*\*Together, these two categories must be less than 1% of the total EE budget, and generally receive greater scrutiny from the DPU than other spending categories*



# Cost Effectiveness

- Enabling statute requires that PAs pursue “all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply”
- “Cost effectiveness” based on total resource cost test, which is designed to consider direct benefits and costs to the utility system and program participants, as well as the social cost of carbon
- Cost effective if present value of benefits > costs
- Some spending (e.g., marketing) has only costs, no benefits – benefits from other measures have to help offset these costs



*Above are illustrative, not full list of costs and benefits*

# Application of Cost Effectiveness

Sector (e.g., residential)

Program (e.g., residential existing buildings)

Core Initiative (e.g., residential retail)

Measure (e.g., dehumidifier purchase)

- Must be cost-effective at the Sector level
- Programs and Core Initiatives “should be projected to be cost-effective over the term” – if not, PA must explain why it is still prudent and how it will become cost effective in the future
- PAs must also calculate cost effectiveness at the measure level
- **Each measure doesn't have to be cost effective, but they should be when they add up to Programs and Initiatives and must be at the Sector level**

See updated [EE Guidelines from DPU](#)



# Stakeholders in Development and Approval of EE Plans

## Department of Public Utilities

- Primary responsibility for interpreting and applying relevant statute
- Reviews, approves (or modifies) three year plan and other EE filings (such as mid-term modification requests)
- *Two new Commissioners (including Chair) recently appointed*

## MA Executive Office of Energy and Environmental Affairs (EEA)

- Sets GHG reduction targets for three-year plans

## Department of Energy Resources (DOER)

- Chairs the Energy Efficiency Advisory Council (EEAC)
- Primarily responsible for overseeing EEAC Consultants
- Primary point of contact in negotiating term sheet (sets out key metrics, budgets incorporated into full plan)

## Energy Efficiency Advisory Council (EEAC)

- Composed of 15 voting members representing various interests (e.g. customer classes, NGOs, businesses, etc.) and 9 non-voting members (including the Program Administrators)
- Advises PAs on development of EE plans and their implementation
- Negotiates term sheets, reviews spring draft of EE plan, and votes to support (or not support) plans filed with the DPU



# Enhancements to the Statewide Plan

- PAs are encouraged to offer programs that are largely consistent statewide
- This is generally the case, but the Compact has a history of innovation that sometimes leads to its offerings differing from those of the other PAs
- DPU has increased its scrutiny of any enhancements to the statewide plan
  - DPU directed the Compact to study any enhanced incentive levels to justify their continuation
  - If the Compact proposes new enhanced incentive proposal in the future, DPU directed the Compact to provide testimony and exhibits “explaining and supporting why each proposed enhancement is necessary and consistent with the requirements of the Green Communities Act” and “describing [EEAC] and stakeholder review of each proposal.”
  - As noted above, *two new Commissioners could yield different perspectives*
- **Securing DPU approval of future enhancements may require evaluations (which take time), and will require specific justification**

# New DPU Commissioners

- DPU Commissioners

- Healey administration announced picks for DPU Commissioners on March 15:

- **Chair Jamie Van Nostrand (newly appointed)** - former law professor at West Virginia University College of Law and Executive Director of Pace Energy and Climate Center; has authored articles that indicate strong belief in value of distributed energy resources, skepticism of utility control of distributed system platform (a NY REV concept), and emphasis on equity through regulatory processes
    - **Commissioner Staci Rubin (newly appointed)** - former Vice President of Environmental Justice at the Conservation Law Foundation and Senior Counsel at DPU
    - **Commissioner Cecile Fraser (appointed in 2017 by Governor Baker)** - formerly served as Counsel within the DPU and in private practice

- Healey Administration set four broad goals for the new commissioners:

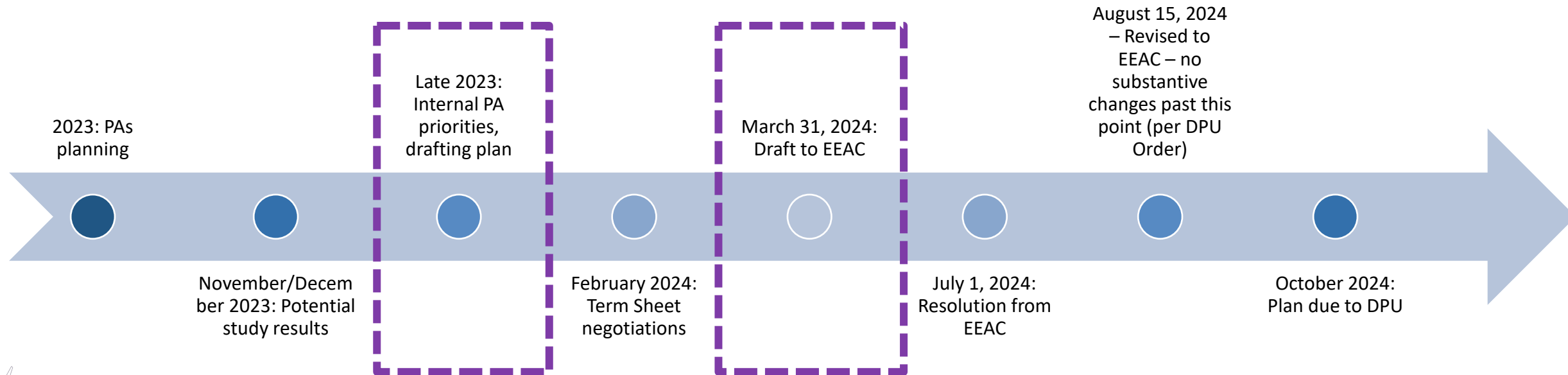
- Help the state *achieve its climate goals* by facilitating the *growth of the renewable energy industry, modernizing the electrical grid* and promoting *energy resiliency*.
  - Be more *transparent* and make sure communities can engage in public processes in meaningful ways.
  - Integrate *equity and environmental justice* concepts into department decisions, and make sure low-income ratepayers and other vulnerable environmental justice communities have a voice.
  - Make sure the DPU is *fully staffed* with employees who are independent of outside influence and who are experts in areas like rate affordability, consumer protection, emissions reductions and transportation safety.

- **New Commissioners may provide new opportunities for the Compact**



# 2025-2027 Plan Timeline

- Initial draft due to EEAC March 31, 2024; likely not possible to introduce new enhancements after this draft
- Given this schedule and the need to support (and potentially study) proposed new enhancements, priorities to be considered for inclusion in the Compact's 2025-2027 Plan from the Compact Board must be finalized promptly (end of CY 2023 at the latest)



# Discussion of Potential Enhancements



# Examples of Past Cape Light Compact Enhancements

## *Energy Efficiency*

- Examples of previous plan enhancements:
  - Renter offerings – enhanced incentives and process designed specifically to benefit renters, who historically participate at lower levels (*adopted statewide*)
  - Moderate income offerings – enhanced incentives and new income qualification process (*adopted statewide*)
  - Cape and Vineyard Electric Offering (CVEO) – LMI offering focused on combining solar, storage, and electrification
  - Generally – greater engagement with individual municipalities
- While previous enhancements have been developed specifically with Compact's customers in mind, Compact's enhancements have often later been adopted by other Program Administrators



# Themes

## Goals/Priorities/Relevant Changes

- GHG reductions – embodied carbon?
- Electrification – full decarbonization?
- Equity – language, income, renters, illegal housing – more income-based offers?
- Future of EE programs – move to EE “clearinghouse”?
- Grid modernization – EE opportunities?

## Challenges

- Cost – should additional spending flow through EE charges in electric bills?
- Access to workforce to implement programs/install measures
- Heat pumps – scalability, cost-effectiveness when offsetting gas, realizing projected savings
- Cost of materials – bulk procurement of weatherization materials?
- Program complexity – simplify offerings? More handholding?

## Compact-specific considerations

- LMI spending target – by statute, Compact required to spend 10% of EE funds on income-eligible customers – has been a challenge
- Approach to second homes/seasonal residents
- Sufficient substation, feeder capacity for planned electrification (and solar) – heat pump implications?

# Key Questions for EE Enhancements?

Could it be considered to fit within energy efficiency framework?

Is it cost effective?

Does the Compact have staff to implement it?

Does it help the Compact meet its current or future EE goals?

Will the DPU approve it?

Does it serve the needs of the Compact's members?

Could outside sources of funding be leveraged to support it?



What innovations would the Board like to see included in 2025-2027 Plan proposal?

What studies and resources (staff, consultant expertise) would be needed to make proposals successful?



# Operating Budget Priorities



# Municipal Aggregation Obligations

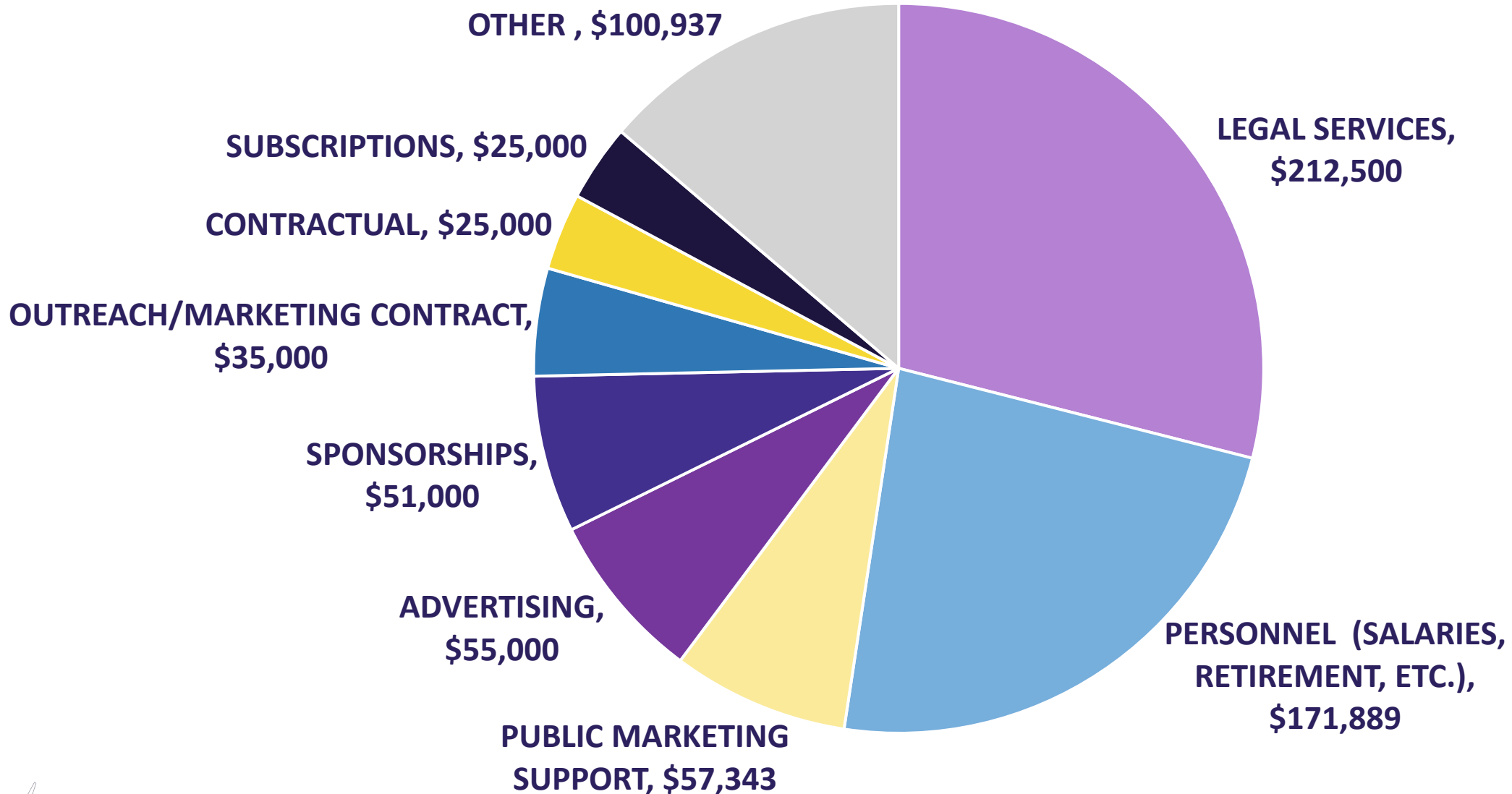
Per the DPU, a municipal aggregator will  
***procure competitive  
electric supply***  
on behalf of participating customers, and...

...may join with other municipalities to procure competitive supply

...will provide customers an opportunity to opt-out of participating in a municipal aggregation program (customers otherwise will be automatically enrolled)

...the electric utility company will continue to provide transmission and distribution service to participating customers

# Cape Light Compact Operating Budget – 2023



# Past Cape Light Compact Efforts

- Advocacy

- **2008** – Compact as a consumer advocate participates in stakeholder processes for proposing certain provisions for green communities legislation
- **2010-2011** – Compact participates as a consumer advocate in DPU review of NSTAR merger
- **2011** – Compact participates as a consumer advocate with CVEC and other stakeholders in the DPU establishment of a net metering queue, the “System of Assurance,” to support the process for interconnection of distributed generation
- **2011** – Compact participates as a consumer advocate to establish a fair cost reconciliation mechanism for electric distribution company renewable long-term contracts
- **2012** – Compact participates as a consumer advocate with CVEC and other stakeholders in the DPU review of electric distribution company standards for interconnection of distributed generation
- **2017** – Compact participates as a consumer advocate in the Eversource rate case
- **2021** – Compact participates as a consumer advocate in DPU Grid Modernization proceedings
- **2022** – Compact participates as a consumer advocate in Eversource rate case

- Power Supply

- **2005** – Compact begins offering an opt-in green power option
- **2009** – Compact first assists member municipalities to procure retail electric supply for their municipal load (a service the Compact provides outside of the Compact’s municipal aggregation power supply program)
- **2016** – Compact holds multiple public input forums on voluntary renewable energy content for its power supply program
- **2017** – Board votes to become a green aggregator under its power supply agreement



# Potential Future Uses of Operating Budget

Topics stemming from the Inflation Reduction Act:

## EE Home Improvements tax credits

30% for property placed in service after 2022 and through 2032 with annual limit of \$1,200

## New Energy Efficient Home credit

Extended for home developers and producers of manufactured energy efficient homes

## Formula grants to state energy offices

Home Energy Performance-Based, Whole-House Rebates  
High-Efficiency Electric Home Rebate Program

## Fed. funding for Low Income and Disadvantaged Communities

EE of affordable housing, Zero-emission technology

Compact may be eligible for the PTC and ITC (pending IRS guidance) under a “Direct Pay” election

In sum – lots of opportunity, but specifics are unknown



# An Act Driving Clean Energy and Offshore Wind (H. 5060, 2022)

*Single state statute included numerous sections of potential interest to the Compact (that could merit advocacy by the Compact)*

**Section 53,**  
EDC Electric Sector  
Modernization Plans

**Section 72,**  
Storage Tariffs

**Section 84,**  
DOER Regulations for  
Fossil Fuel Free pilot  
program

**Section 87A,**  
LMI Whole Building  
Efficiency, Electrification,  
GHG Reduction Offerings

**Section 90,**  
Time of Use Rate for EV  
Charging Station

# Upcoming DPU Dockets of Potential Interest

<h2>Grid Modernization</h2>	<ul style="list-style-type: none"> <li>21-80 - Eversource grid mod metrics</li> <li>22-40 - 2018-2021 grid mod report</li> <li>AMI Working Group – 3<sup>rd</sup> party data access to smart meter data, customer education, billing</li> <li>23-XX – Eversource electric sector modernization plan</li> </ul>	<p>Impacts on EE plans, electrification, and renewables? Rate and reliability impacts?</p>
<h2>Tariff design</h2>	<ul style="list-style-type: none"> <li>23-XX – Eversource Time-of-Use rate for electric vehicle charging</li> <li>23-XX – Review of proposed storage-specific tariffs (one for DPU approval, one for FERC approval)</li> </ul>	<p>Impacts on EV and storage adoption? Incentivizes efficient use of the grid?</p>
<h2>Solar-related</h2>	<ul style="list-style-type: none"> <li>20-145 – SMART tariff revisions (awaiting Phase 2 Order)</li> <li>22-55 – Cape Cod capital investment project (interconnection) proposal</li> <li>22-64 – Eversource-owned solar in Yarmouth</li> </ul>	<p>Impact on RE development? Allocation of costs to developers vs. ratepayers? Ratepayer impacts?</p>
<h2>Municipal Aggregation</h2>	<ul style="list-style-type: none"> <li>23-XX – DPU investigation into Municipal Aggregation (model plan, guidelines, etc.)</li> <li>Compact’s annual municipal aggregation report filing</li> </ul>	<p>Impacts on power supply program, flexibility to make future changes, reporting requirements?</p>
<h2>Other</h2>	<ul style="list-style-type: none"> <li>23-50 – DPU investigation into Basic Service (alternative procurement processes, pricing structure, etc.)</li> <li>Future Eversource rate case</li> </ul>	<p>Impact on power supply program? Ratepayer impacts?</p>

**Note: illustrative, not a complete list**

# Staffing Considerations

**REGULATORY & STRATEGY ANALYST**  
**CAPE LIGHT COMPACT ENERGY EFFICIENCY PROGRAMS**  
CLC 2-1  
\$77,209 - \$104,233  
Flexible Hybrid Work Schedule

**Definition**

Professional, technical and administrative work coordinating the Cape Light Compact's (Compact) regulatory and compliance requirements for the Compact's Energy Efficiency Program; all other related work, as required.

**Supervision**

Works under the general direction of the Strategy and Policy Manager. Functions independently referring special problems to supervisor only where clarification or interpretation of policy or procedures is required.

Performs highly responsible functions of a complex nature; exercises considerable independent judgment in overseeing the in-house and joint outsourced evaluation, monitoring and verification (EM&V) studies of the Cape Light Compact. Duties involve the performance of specialized procedures requiring the exercise of technical expertise in applying standard professional techniques.

**Job Environment**

Work is generally performed under typical office conditions; some work is performed out at customer facilities and outdoors under varying weather conditions. There can be some fluctuations in the work volume, due to state mandated regulatory deadlines.

Operates a computer; operates general office equipment; operates an automobile.

Makes frequent contact with Massachusetts utilities and consultants. Represents the Compact in relevant energy efficiency working groups and management committees. Contacts are in-person, by telephone, or through written correspondence and generally relate to statewide evaluation studies or Compact specific program data and/or results. Has periodic contact with the Cape Light Compact Governing Board and industry representatives. Has occasional contact with the media and the general public including making presentations to increase awareness of energy efficiency program offerings.

Has access to departmental-related confidential information, such as lawsuits and bid documents.

Errors in judgment could result in delay or loss of service, financial and legal repercussions.

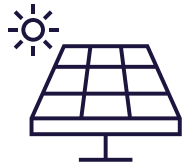
- Existing energy efficiency staff already at (or over) capacity and Compact has committed them to working on energy efficiency → new work will require new hires and/or hiring external contractors/consultants
- With full benefits, full-time position (even fairly junior) can cost more than \$100,000
- Compact, despite offering competitive salary and benefits, has struggled to fill positions → filling positions with staff that can work in person a challenge

## Current Compact Listing



# Summary of the Compact's Constraints/Obligations

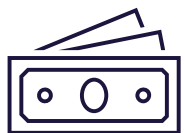
## The Compact *must*



Offer power supply



Deliver on energy efficiency commitments



Stay within budget considerations



Respect staffing limitations

While discussing potential new activities, consider:

- How will they interact/compete with required actions?
- What budget they will require?
- What staffing resources or expertise they will require?



How would the Board like to spend the discretionary portion of operating budget?

What resources (staff, other expertise) would be required to successfully pursue these priorities?



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