

Cape Light Compact Governing Board
Wednesday, April 17, 2013
Open Session Meeting Minutes

The Governing Board of the Cape Light Compact met on Wednesday, April 17, 2013 in Rooms 11 & 12, Superior Court House, 3195 Main Street, Barnstable, MA 02630.

Present were:

Joyce Flynn, Chairwoman, Yarmouth
Peter Cocolis, Treasurer, Chatham
Peter Cabana, Member at Large, Dukes County
Barry Worth, Secretary, Harwich
David Anthony, Barnstable until 4:00 pm
William Doherty, Barnstable County
Deane Keuch, Brewster
Ron Zweig, Falmouth
Richard Toole, Oak Bluffs
Bill Straw, Tisbury
Peter Fontecchio, Truro
Kathy Hubby, Wellfleet

Absent Were:

Michael Hebert, Aquinnah
Robert Schofield, Vice-Chair, Bourne
Timothy Carroll, Chilmark
Brad Crowell, Dennis
Fred Fenlon, Eastham
Edgartown - Vacant
Tom Mayo, Mashpee
Ken Rowell, Orleans
Sharon Lynn, Provincetown
Everett Horn, Sandwich
Tim Twombly, W. Tisbury

Legal Counsel: Jeff Bernstein, Esq., BCK Law, LLC

CVEC: John Checklick, President

Staff Present:

Maggie Downey, Compact Administrator
Margaret Song, Residential Program Manager
Briana Kane, Sr. Residential Program Coordinator
Matt Dudley, Residential Program Coordinator @ 2:23 pm
Meredith Miller, C&I Program Manager
Nicole Price, C&I Program Planner
Vicki Marchant, C&I Program Analyst
Nick Dowmon, C&I Intern
Karen Loura, Administrative Assistant

CALL TO ORDER

At 2:00 pm, Chairwoman Flynn called the meeting to order.

PUBLIC COMMENT

There were no members of the public present.

CONSIDERATION OF MEETING MINUTES

B. Worth then presented the March 13, 2013 Meeting Minutes for consideration. *P. Fontecchio moved the Board vote to accept the minutes as presented, seconded by D. Keuch and voted unanimously in favor.*

TREASURER'S REPORT

P. Cocolis reported on an email he received from the Truro Board of Selectmen inquiring about a "secret" transfer of funds from CLC to CVEC. M. Downey stated this stems from an Email sent by Eric Bibler of Weston CT containing the subject line "Ten Things You Need to Know about a Possible Secret Transfer of \$200,000 from CLC to CVEC" which was sent to all Boards of Selectmen and others on April 17, 2013. She stated a response was drafted with advice of Counsel which was signed by Chr. Flynn addressing the

misinformation contained in the email. M. Downey then read the response out loud. She also explained to the members that CVEC does not use the Munis Program for record keeping. Therefore, CVEC "Munis" records do not exist. CVEC is regularly audited.

P. Cocolis then reviewed the new format to the Treasurer's Report which provides more detail. He explained that the DPU approves the 3-year Energy Efficiency Plan and each year there is a budget. CLC is the only Program Administrator that publicly discloses its budget monthly.

M. Downey stated CLC will expend very close to the total energy efficiency budget by year's end adding the majority of spending occurs during the last quarter of the calendar year. P. Cocolis said a significant fluctuation either way can be corrected during the Mid-term Modification (MTM) opportunity. Atty. Bernstein said the increase requested for legal expense in next year's budget is largely due to expenses associated with allegations coming from Save Our Seashore and a resident of Weston CT costing up to \$8,000/month in Open Meeting Law Complaints and Records Requests; also there were 2 power supply matters, a multi-load and DPU proceedings this year. He itemized costs for the Board in a separate document which is privileged information and purposely not included in the packets. . She informed the Board that a group to group transfer can be done if needed. R. Toole asked if there is any way to stop this activity and seek restitution. This essentially is robbing the taxpayers. M. Downey said according to our Attorney, the Secretary of State and the Attorney General have indicated CLC must reply to each OML Complaint and Records Request. Board meeting packets are now being posted to the CLC website. Although BCK is trying to minimize costs, CLC will not respond without review of Counsel.

There was discussion concerning the 1st amendment and the fine line in terms of defamation.

R. Zweig noted in each and every case, the Attorney General's Decision has been that the complaint was wrong. He thought it would be good to get this fact into the media as well as what the cost has been to ratepayers. There was discussion concerning developing a boiler plate response which staff could issue as a way to save on legal fees. The Attorney General has advised CLC can respond to unmerited or inaccurate requests that the complaint or request is frivolous.

FY14 OPERATING BUDGET DISCUSSION AND POTENTIAL VOTE

Chr. Flynn then introduced John Checklick, President, CVEC, who distributed copies of the proposed budget request for FY 14 and reviewed changes. He said Phase I of the Municipal PV Projects will be started this year. American Capital Energy (ACE) who is under contract to construct and operate the systems, are closing on their funding and construction is expected to start in June. Phase II PV Projects under contract with Broadway Electric will provide a revenue stream to CVEC. He envisions CLC would provide funding assistance until the agency gets on its own two feet financially. He said the Board voted to financially support CVEC through FY15. There was discussion concerning the timing of projects and amounts needed to fund CVEC operating budget. J. Checklick discussed CVEC's plan to hire an Administrator and a technical person to replace R. Collins. There was discussion as to the physical location of CVEC staff. . CVEC and Barnstable County have a separate Administrative Services Agreement. P. Cabana informed the Board that CVEC is in the final stages of adopting a long range strategic plan which highlights areas to establish increased revenue sources. J. Checklick said the plan is for beyond Phase II PV and once finalized will be provided to the members. B. Doherty moved to vote on the CVEC Budget. Discussion followed. It was noted that CLC previously voted not to request CVEC repay unspent funds. D. Anthony said it is always nice to see that past funding was spent as intended. He is very interested to see how the money was spent. B. Doherty agreed to the need for accountability. D. Anthony also asked if the variances between current and proposed budget could be explained as he would like to improve his confidence level when spending \$402K. There was discussion about the

amount requested for CVEC legal expenses and it is due to OML complaints and records requests, contract negotiations for Phase II PV and many meetings. There was discussion concerning when and how to vote on the CLC budget with or without additional information on the CVEC budget. There was some agreement it is best to wait for additional information from CVEC and take a vote on the entire CLC budget. There was also agreement that the Board could vote on the budget as long as information from CVEC comes in by the next meeting and if necessary amend the budget. R. Toole moved the Board vote to approve and pass the budget for FY 14 as presented, seconded by P. Cabana. Discussion concerning the opportunity to re-visit the matter at the June meeting, approve portions and table portions or not take any action and review in June. There was discussion concerning quorum requirements and possibility of meeting quorum requirements in June. There was discussion about possibly holding a meeting in May. B. Doherty suggested tabling the vote to the next meeting. R. Toole withdrew his motion, P. Cabana withdrew his second. By agreement the matter was tabled to the next meeting.

4:00-4:06 Recess

ENERGY EFFICIENCY UPDATE

Residential Incentives and overview

- M. Song, Residential Program Manager distributed a sheet entitled Home Energy Services: New Enhancements (Attachment A) and provided an overview of the Boiler Retirement Program and the incentive being offered for knob & tube combustion safety inspections.
- She reported audit wait time is currently 2 weeks or less from intake.

Commercial & Industrial Programs Update

- 1/2 of LED lights have been installed at the Sagamore Bridge. The ocean side has been completed and installation is being coordinated with the painting crew. The Army Corps of engineers owns the bridge lights.
- The Building Operators Certification Course will begin next week. There are 30 people enrolled in the class. Cape Light Compact is funding 100% of the cost and is hosting the course. N. Price reported that the course will provide a great return in energy savings on the investment.
- Northeastern University - Bernard M. Gordon Graduate Engineering Leadership Program N. Price distributed an outline entitled: Informational Presentation on Nicole Price's Masters Challenge Project (Attachment B) which included links for more information. She said the goal is to determine if providing these units to businesses is cost effective. The plug load controller has an estimated BCR of 1.4-1.5 and a joule rating of 600. She will report back on her findings as the project develops.
- N. Price said a facilitator education and training program is also in preliminary design.

CHAIRMAN'S REPORT

Chr. Flynn waived report.

MA DPU 12-126 – UPDATE ON COMMENTS FILED

Atty. J. Bernstein then provided a power-point presentation (Attachment C) entitled: D.P.U. 12-126: Department Proceeding into Resetting of Local Distribution Companies' Reconciliation Factors dated April 17, 2013. He said the purpose is to shift costs away from large users and shift it to residential customers. Within the Compact's service territory this will result in lower rates for large C&I customers, most of which are federal government accounts. It increases electric rates for residential and small commercial customers and decreases rates for C&I electric customers, in NSTAR territory the majority of these electric customers are off Cape. It is a \$25M revenue draw which has been labeled a jobs bill. However, the impact is not equal in every service

area. Atty. Bernstein said the DPU is likely to hold full-scale hearings and a meeting in executive session will be needed.

B. Straw, R. Toole and P. Cabana, the Martha's Vineyard members had to leave to catch the ferry back home.

At 4:52 p.m. the Board adjourned.

Respectfully submitted,

Karen E. Loura
Administrative Assistant

Reviewed by B. Worth, Secretary on: May 24, 2013.

Home Energy Services: New Enhancements

Retire that old boiler! *for a limited time*



Source: <http://housethatimeforgot.files.wordpress.com/2012/12/old-boiler.jpg?w=768>

Overview

Cape Light Compact will be offering enhanced incentives towards retiring oil and propane gas boilers that are operable and over 30 years old to replace it with a more efficient model of the same fuel type.

The incentives are:

Propane Forced Hot Water Boiler (new system must meet or exceed AFUE of at least 90%) - \$3,500

Propane Steam Boiler (new system must meet or exceed AFUE of 82%) - \$1,900

Oil Steam Boiler (new system must meet or exceed AFUE of 82%) - \$1,900

Oil Forced Hot Water Boiler (new system must meet or exceed AFUE of 82%) - \$1,750

Customer eligibility:

One rebate per boiler for each Barnstable and Dukes County resident. Customers are not eligible for Cape Light Compact's High Efficiency Heating System Rebate Program for the same boiler. Fuel switching/conversion is not eligible for this offer. Customer must agree to post-installation inspection.

Steps to Participate:

- (1) Call and schedule a home energy assessment from **May 1 to August 31, 2013**. Call 1-800-797-6699.
- (2) The Energy Specialist will be determine eligibility.
- (3) Your contractor completes the installation of new, qualifying equipment.
- (4) The customer and contractors sign the form and send it in with a copy of the invoice/receipt postmarked by October 1, 2013.



COMBUSTION SAFETY AND KNOB AND TUBE INSPECTIONS

Overview

Cape Light Compact is offering an incentive of up to \$250 towards an electrician's confirmation that knob and tube is not active in home and up to \$300 towards resolving combustion safety issues to meet Building Performance Institute's (BPI's) protocols. These incentives are only eligible if these issues are identified at the time of the audit and resolved with a sign-off form. The incentive will be applied to the contract for weatherization.

Eligibility

Customers will only receive this incentive if it is accompanied with insulation work through the program. An inspection is required to confirm resolution of a combustion safety issue by the program vendor.

Steps to Participate

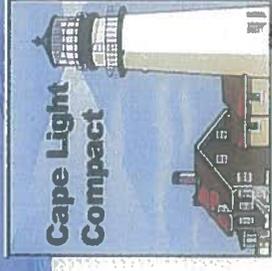
- (1) Call and schedule a home energy assessment at 1-800-797-6699.
- (2) The Energy Specialist will identify any issues related to this incentive.
- (3) Contact a local, qualified contractor. We recommend that you ask them about their familiarity with knob and tube wiring inspections or BPI protocols for combustion safety.
- (4) Have your contractor repair/inspect the issue identified on the form given to you at the time of the audit, and have that contractor sign-off on the resolution.
- (5) Sign and submit the applicable sign-off form within 60 days of the offer date. Additionally, sign the insulation contract to ensure that the rebates are applied to your insulation contracts.

NOW OFFERED FOR ALL OF 2013!

Informational Presentation on

Nicole Price's Masters Challenge Project

Cape Light Compact Commercial & Industrial Program Update



Recap

- Nicole is enrolled in Bernard M. Gordon Graduate Engineering Leadership Program at Northeastern
- Master's Challenge Project must convey technical challenge, leadership skills & value to Cape Light Compact
- Small C&I Insights Report by Ed Schmidt – focus groups to increase Small C&I engagement

Master's Challenge Project

- Actively recruiting ~40 Small C&I Customers for demonstration from existing lead list
- Metering plug loads before and after installation of Isole Wattstopper plug load controller
- Determining Proof of Concept to decide if we should move forward with full-scale program

Informational Presentation on Nicole Price's Masters Challenge Project

Cape Light Compact Commercial & Industrial Program Update



Links for more info:

- Gordon Engineering Leadership Program website:
<http://www.northeastern.edu/gordonleadership/>
- Isole Wattstopper:
<http://www.wattstopper.com/products/occupancy-vacancy-sensors/plug-load-controls/idp-3050.aspx#.UW2pJ7WNqn9>
- Ed Schmidt's Presentation:
http://www.capelightcompact.org/library/2010/08/06.13.12-MCR-presentation-to-CLC-Board_Final-Small-CI-Focus-Groups.pdf



**D.P.U. 12-126: Department Proceeding into
Resetting of Local Distribution Companies’
Reconciliation Factors**

Jeffrey M. Bernstein, Esq.

BCK Law, P.C.

April 17, 2013

Section 51 of An Act Relative to Competitively Priced Electricity
in the Commonwealth, St. 2012, c. 209

- Enacted August 2012
- Required the Department of Public Utilities to commence a proceeding:

to reset reconciliation factors to recover such costs from each rate class under cost-based criteria. In the absence of clear cost causation, volumetric charges shall be employed in a uniform manner in direct proportion to the contribution of base distribution revenues from each class.

- Department opened investigation on December 20, 2012.
- Department to approve redesigned factors by January 1, 2014.

Electric Distribution Companies' Proposal ("EDC Proposal")

- Submitted to Department on February 22, 2013.
- Reset most reconciliation factors, including transition costs and long-term renewable contract costs
- Results in annual \$25 million dollar cost shift for residential customers in Commonwealth Electric service territory:
 - Transition and long-term renewable contract costs make up more than \$20 million dollars, or about 83%.
- Average bill increase of 12% for low-income and non-low-income customers of Commonwealth Electric.

Compact's Comments

The Compact asked the Department to reject the EDC Proposal and to commence an evidentiary proceeding to fully investigate the EDC Proposal.

The EDC Proposal:

- is inconsistent with the plain language of Section 51 .
- is inconsistent with Department's long-standing precedent on transition costs and long-term renewable contract costs.
- would result in a significant and improper cost shift to residential customers.

Focus on transition costs and long-term renewable contract costs, which represent about \$20 million of the cost shift in the Commonwealth Electric territory.

Other Comments

- Additional requests for evidentiary hearing (Attorney General, other parties)
- Section 51 designed to shift costs to residential and small business to make C&I more competitive (Representative Keenan)
- Transmission cost redesign (Joint comments of AIM, PowerOptions, the Energy Consortium and Western Massachusetts Industrial Group)
- Basic Service/distribution service cross subsidization (RESA)
- Gradual implementation to avoid “bill shock” (several parties)

Next Steps

The Department will issue an order that may:

- set the matter for adjudicatory hearing
- order a Technical Session to try to work through some of the issues
- approve in whole or part the EDC Proposal