

Cape Light Compact Governing Board
Wednesday, May 21, 2014
Open Session Meeting Minutes

The Governing Board of the Cape Light Compact met on Wednesday, May 21, 2014 in Rooms 11 & 12, Superior Court House, 3195 Main Street, Barnstable, MA 02630.

PRESENT WERE:

1. Dr. Joyce Flynn, Chairwoman, Yarmouth
2. Robert Schofield, Vice-Chair, Bourne
3. Peter Cocolis, Treasurer, Chatham
4. Barry Worth, Secretary, Harwich
5. Peter Cabana, Member at Large, Dukes County
6. David Anthony, Barnstable
7. Deane Keuch, Brewster
8. Timothy Carroll, Chilmark – remote participation by phone
9. Brad Crowell, Dennis until 3:02 p.m.
10. Fred Fenlon, Eastham
11. Thomas Mayo, Mashpee
12. Ronald Zweig, Falmouth
13. Richard Toole, Oak Bluffs
14. Everett Horn, Sandwich
15. Richard Elkin, Wellfleet
16. Thomas Donegan, Provincetown
17. Peter Fontecchio, Truro
18. Susan Hruby, W. Tisbury

ABSENT WERE:

Michael Hebert, Aquinnah
William Doherty, Barnstable County
Edgartown - Vacant
Orleans, Vacant
William Straw, Tisbury

LEGAL COUNSEL:

Audrey Eidelman, Esq., BCK Law, PC

STAFF PRESENT:

Margaret Downey, Compact Administrator
Margaret Song, Residential Program Manager
Briana Kane, Sr. Residential Program Coordinator
Matthew Dudley, Residential Program Coordinator
Lindsay Henderson, Marketing & Data Analyst
Meredith Miller, C&I Program Manager
Nicole Price, C&I Program Planner
Stephan Wollenburg, Sr. Power Supply Planner
Philip Moffitt, EM&V Manager
Karen Loura, Administrative Assistant

OTHERS PRESENT:

Alec Stevens, Demand Management Institute (DMI)
Rob Bialobrzski, Demand Management Institute (DMI)
Liz Argo, Special Projects Coordinator, CVEC
E. Mark Zielinski, County Treasurer, CVEC Treasurer

MEDIA & PUBLIC PRESENT:

Ed Maroney, Barnstable Patriot Newspaper Reporter
Patrick Cassidy, Cape Cod Times Newspaper Reporter
Dr. Kathy Sherman, Brewster Resident
Peter Kenney, Yarmouth Resident
Robert Palmeri, Yarmouth Resident
James Rogers, Sandwich Resident present and audio recording the meeting

Eric Bibler, Weston CT Resident present and audio recording the meeting

Chr. Flynn called the meeting to order at 2:00 p.m.

PUBLIC COMMENT

P. Kenney, Yarmouth made public comments about Cape Light Compact not publishing its proposed FY 15 Operating Budget.

CONSIDERATION OF MEETING MINUTES

The Board then considered the March 12, 2014 Open Session Meeting Minutes. *R. Schofield moved the Board vote to accept the minutes as presented, seconded by B. Worth and voted unanimously in favor with F. Fenlon, P. Fontecchio and S. Hruby abstaining (15-0-3).*

PRESENTATION/DISCUSSION ON GREEN COMMUNITIES AUDIT APPROACH

N. Price Voudren introduced Alec Stevens and Rob Bialobrzkeski, of Demand Management Institute (DMI) who perform ASHRAE Level II Audits on behalf of Cape Light Compact. She also provided a Power-point presentation entitled Energy Assessments for Municipalities. (Attachment A) She said Board approval and vote will be sought at the next meeting. R. Elkin asked about requirements of ASHRAE II for Wellfleet. S. Hruby gave her experience with Green Communities in W. Tisbury. She said she is satisfied but received incorrect direction to obtain quotes which was a step not needed. The State and Towns are learning and so is Cape Light Compact. She believes Cape Light Compact is proceeding in the right direction. R. Elkin asked about the time lapse between the state green communities application and audit. P. Cabana responded about 2 years because they did not get all of the information needed during the first year. He said significant detail about consumption and a determination as to the extent (in percentage) that can be saved is required by the state. He provided a summary of the history of the Tisbury Green Communities Application. Towns do not have the funding to get the management piece done. The State has issued a \$50,000 Grant to Tisbury to fund a full-time Energy Manager. This demonstrates that the State recognizes the need and that Towns do not have funds available. It has generally taken 2-3 months' turn-around time for an audit. Account numbers, a priority list of buildings, etc. are needed. S. Hruby recommended Town's seeking State contributions be sure to request an amount sufficient enough to cover costs. Also talk with Seth Pickering, DOER, Green Communities Division Southeast Regional Coordinator. Discussion ensued about the costs. R. Zweig asked if there are other entities in Mass. or within the Country to incorporate. N. Price reported that NSTAR and National Grid's Programs were reviewed.

TREASURERS' REPORT

P. Cocolis distributed copies of EE Budget and the 5/21/14 Year to date Operations Budget Report and provided a review of highlights. He reported an 84% completion of the Operations Budget in period 10 of the FY 14 term. He spoke about projected funding shortages in salaries & retirement/insurance due to an overlap in filling Sr. Power Supply Planner Position. There is a supplemental budget request to provide for this. #2 is retirement and insurance. The line item formerly described as Association Dues which has been used to pay sponsorships has been re-named "Sponsorships" which was part of the Auditor's recommendation to clarify the chart of accounts. The LED Streetlight appropriation will be moved forward FY15 operating budget. Energy Efficiency dollars cannot be used for Streetlight repairs and/or maintenance. \$150,000 is being appropriated to pay for repairs if needed. LED Streetlight Retrofit Program is about half complete at this time. .

DISCUSSION/POTENTIAL VOTE ON FY14 SUPPLEMENTAL BUDGET

The Board then considered the request for a supplemental budget appropriation to cover the cost of overlap salaries during the Senior Power Supply Planner position transition. M. Downey explained request. B. Schofield read motion. *B. Crowell moved the Board vote to approve a supplemental budget for*

the Compact's FY14 operating budget in the amount of \$35,000 for salaries and \$15,000 for fringes. The total amount of the supplemental budget request is \$50,000, seconded by P. Cocolis and voted unanimously in favor by roll call vote (18-0-0).

DISCUSSION AND POTENTIAL VOTE ON FY15 OPERATING BUDGET

The Board then reviewed the proposed FY 15 Operating Budget. Peter Cocolis provided an overview and noted that the Board typically discussed the budget at one meeting and votes on it at the next meeting. The Board will be meeting in June so this process can continue.

S. Wollenburg provided a Power-point presentation explaining Renewable Energy Certificates (REC's). (Attachment B) At the time Cape Light Compact purchased REC's, it was in effort to sign longer term contracts as a means to provide a hedge and because generator discounts are frequently available if the buyer is willing to sign longer term contracts. M. Downey explained the reason for buying REC's and the Board's then strategy. Cape Light Compact's contracts for RECs, except for the CVEC contract, end at the end of March, 2015. CVEC Renewable Energy Contracts continue through 2025. It is an open discussion whether Cape Light Compact wants to take on RPS obligations which ramp up over time. The Board may consider having that greater insight to load could provide a means to reduce volatility and reduce rates. J. Flynn asked about the movement within the CLC Green Program. S. Wollenburg reported participation is relatively stable but there is a slow and stable decline. He said staff is working on a few ideas of ways to increase participation. He said enrolling in CLC Green is one way people can make sure consumption is being met with renewable energy. He said there is preliminary thought about doing something like the solarize schools initiative. He said REC's tend to sell at or well below the Alternate Compliance Payment (ACP).

At 3:02 p.m. B. Crowell left the meeting.

M. Zielinski reported CVEC is moving into the implementation phase of Phase I PV project installation. He said CVEC will begin to see systems come online as part of the project they have been working on for so long. The systems represent substantial benefits for the towns in Net Metering Credits. NSTAR will use cash out method of accounting. He said CVEC members are proud of the benefit going to the towns. He said the Town of Eastham Ribbon Cutting Ceremony is scheduled for May 28th. Several members expressed appreciation to CVEC and asked about the possibility of developing additional renewable energy projects. The Board previously agreed to fund CVEC through 2015 and can decide to continue to provide funding beyond if desired. P. Cabana said CVEC work on renewable energy is a great thing and more should be done in the future. P Cocolis asked about CVEC Legal Fees. M. Zielinski responded they were higher than expected largely due to contract amendments/expense.

P. Cocolis asked about viability and the request for a \$100,000 loan. The request is to provide cash in the short-term as systems come on line and until the cash flow begins and NM credits are issued. This request is to provide a cushion for CVEC upon which to draw if needed to be repaid @ 1.1% interest over 6 months.

This is a one-time request being made to manage start-up. CVEC expects everything will be running smooth and correctly calculated.

M. Zielinski reported CVEC has contracted with Peregrine for \$50,000.00 for 14 months w/a 3-year renewable option for accounting support services. Peregrine will set up a QuickBooks® database for AR/AP.

S. Hruby urged the Board to look for similar opportunities as with CVEC. She said this will significantly help stabilize energy costs for towns. She said it is huge for the Town of W. Tisbury and for small towns where there is not a lot of money.

M. Downey urged the Board to consider providing educational signs and noted she will be seeking estimates to have signs made and installed which provide information on energy saved in each community and indicating the arrays are made possible by Cape Light Compact grant to CVEC. These would be permanent fixtures helping to identify and demonstrate another value brought to communities by Cape Light Compact. There was discussion about placement and visibility of signs. R. Zweig said there are internet real time displays and suggested the Board may want to consider that as well. L. Argo said a link will be provided and publicized

to track production. She praised Cape Light Compact because through the NM Credit opportunity has taken full advantage of State incentives.

T. Mayo asked if Barnstable County is considering funding OPEB responsibility completely. M. Zielinski said he does not see County fully funding the ARC.

R. Zweig asked about the interest charge of 1.1%. L. Argo indicated this was set by financial bookkeeper and was suggested by bank. It is taken from a quote for a 3- month period. *R. Toole moved the question.* D. Anthony questioned impact of a delay of voting on the Budget. M. Downey said there is no impact to delay voting on the CLC Operating Budget. *R. Toole moved the Board vote to approve a grant to CVEC in the amount of \$403,455 for its operating budget, seconded by B. Worth.* Discussion followed. *The Board then voted unanimously in favor by roll call (17-0-0)*

R. Toole then moved the Board vote to approve a loan to CVEC in the amount of \$100,000 for cash flow protection during the potential delay in NSTAR payment of net metering credits. The interest rate shall be 1.1% on a 6-month period, and the loan shall be prepayable, seconded by R. Schofield. Discussion followed. *The Board then voted unanimously in favor by roll call (17-0-0).*

3:55 p.m. P. Kenney, E. Bibler, J. Rogers, K. Sherman left the meeting.

There was lengthy discussion about Other Post-employment Benefits (OPEB) requirements and the Compact's OPEB Reserve Budget. S. Hruby said it is irresponsible to not fund OPEB. M. Downey reported the \$300,731 FY15 appropriation is initial funding reserve from the Compact's audited financial statements and will need to be refined through the Actuarial Study. The proposed amount covers all existing and retired Compact staff (i.e. energy efficiency and power supply). T. Mayo said OPEB is calculated based on all employees retiring. A subsequent vote by the Board will be required to move the money into an irrevocable trust. T. Mayo said very few other public entities are actually funding. This item has been designed in good faith to show ability.

There was discussion relative to the average legal budget amount compared to similar other organizations/entities. *T. Mayo moved to delay voting on the Cape Light Compact Operating Budget to the next meeting, seconded by D. Anthony.* There was discussion concerning the impact of delaying voting to the June 11, 2014 meeting. It was determined no negative impact would occur to delay voting. *The Board then unanimously voted unanimously in favor to defer voting on the budget to the next meeting.*

4:15 p.m. - 4:20 p.m. Recess

ENERGY EFFICIENCY PROGRAM

- **Discussion and Potential Vote on Quashnet Schools Cap**

N. Price Voudren reviewed the request to waive the 150K incentive cap for the Mashpee Quashnet School Comprehensive Retrofit Program and provided project facts summary. There was discussion about the budget. R. Zweig supporting the waiver asked to know what other projects may be upcoming which might require large expenditures. M. Downey agreed to provide a list of prospective projects which may warrant incentive cap waivers as they are identified. Provincetown may have a project which qualifies at the High School and Resco projects potentially for Falmouth Schools. The cap was set with initial Energy Efficiency Plan and was considered very high at the time. It was intended so that the Board would hold discussion relative to Municipal projects. S. Hruby asked if an affirmative vote would bump other projects. N. Price responded there is plenty of room in the budget to accommodate other projects. *P. Cabana moved the Board vote to approve the waiver of the \$150,000 incentive cap for the Mashpee Quashnet School Comprehensive Retrofit Project, thereby allowing a total project incentive of \$305,795, seconded by P. Cocolis and voted unanimously in favor by roll call vote (17-0-0)*

- **Presentation on Behavior/Energy Monitoring Initiative**

B. Kane provided Power-point Presentation to update the Board on the Behavior Initiative. (Attachment C) She reported a \$10,000 budget. The Board consensus was to distribute prizes among all the participants vs. cash prizes to top 3.

- Discussion and Potential Vote on Municipal Incentive Cap
Item tabled to next meeting.

CHAIRMAN'S REPORT

J. Flynn expressed appreciation to those who provided input at the May 14, 2014 DPU 14-69 Revised Aggregation Plan Hearing held at the Mashpee Public Library. It was noted that the attendees of the hearing were overwhelmingly in support of the Compact and Compact programs

ADMINISTRATOR'S REPORT

M. Downey reported:

- The next Board Meeting is scheduled to take place on June 11, 2014
- DPU 14-69 Aggregation Plan Revisions - comments period closed on 5/16/14. A conference call is scheduled with the DPU next week. Response to Information Requests is due tomorrow (5/22/14). It was discussed that the Compact will file a motion to strike comments that are not accurate.

CVEC UPDATE

- E. Mark Zielinski provided a Cape & Vineyard Electric Cooperative Update. Eastham PV PH I System has been deployed and generating electricity. Additional Phase I PV systems are scheduled to come on-line rapidly.

At 5:00 p.m., *P. Cocolis* moved the Board vote to adjourn, seconded by *T. Carroll* and voted unanimously in favor.

Respectfully submitted,

Karen E. Loura
Administrative Assistant

Reviewed by Barry Worth, Secretary on: May 30 2014

List of Materials used:

- Board Meeting Agenda
- Draft meeting minutes from March 12, 2014
- FY14 Supplemental Budget Request
- FY15 Proposed Cape Light Compact Operating Budget
- ASHRAE II Audit Presentation
- Renewable Energy Certificates Presentation
- Behavior Initiative Presentation
- CVEC Proposed Grant request to support their FY15 operations.

Attachment A

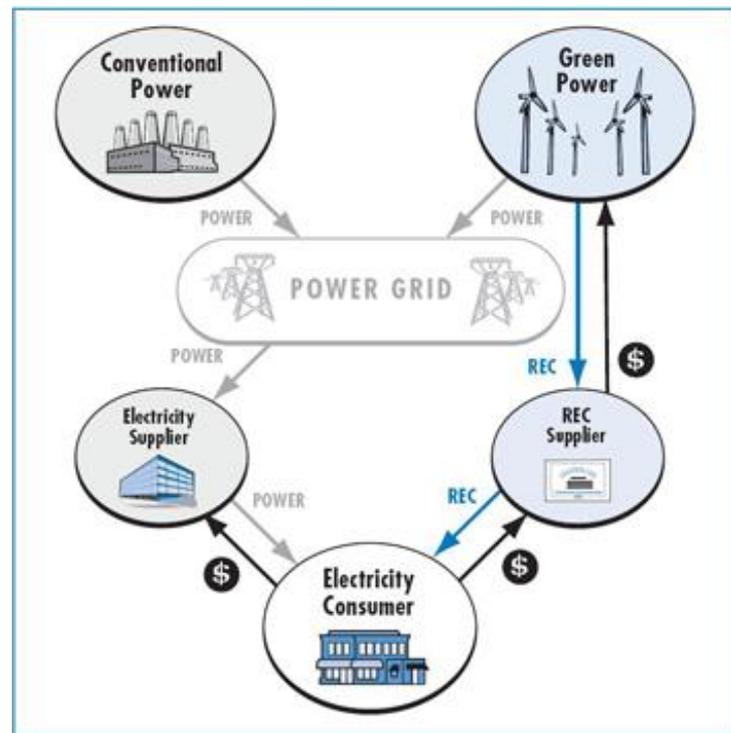
Cape Light Compact REC Background

Compact Board Meeting
May 21, 2014



What is a REC?

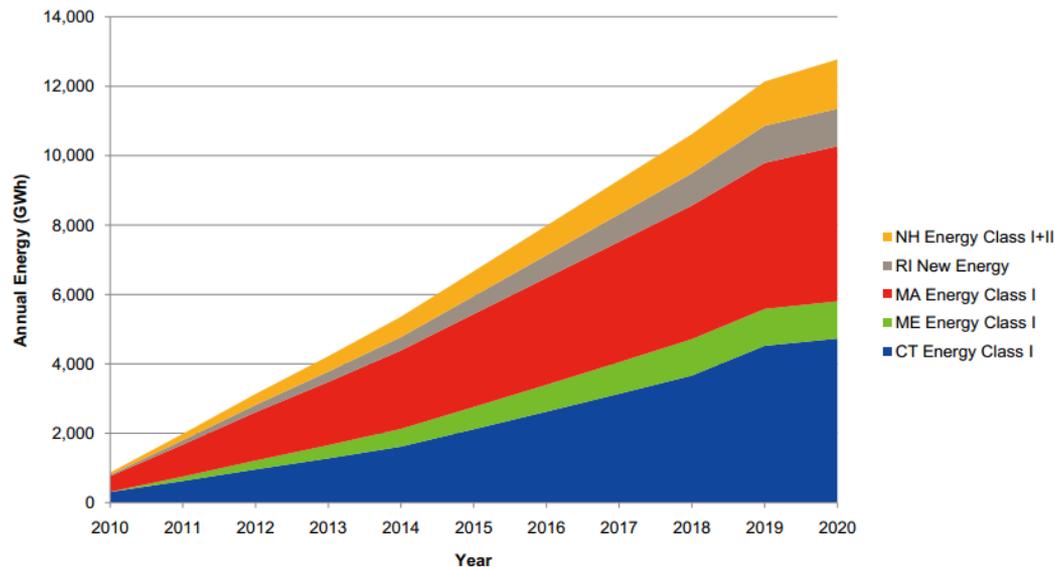
- A renewable energy certificate (REC)
- Represents all of the environmental attributes of renewable generation
- Used for RPS compliance (or retired voluntarily)
- Tracked in NEPOOL GIS



Why did CLC buy RECs?

- For use in CLC Green
- To hedge RPS compliance costs of aggregation

ISO Projection of Cumulative NE New RPS by State

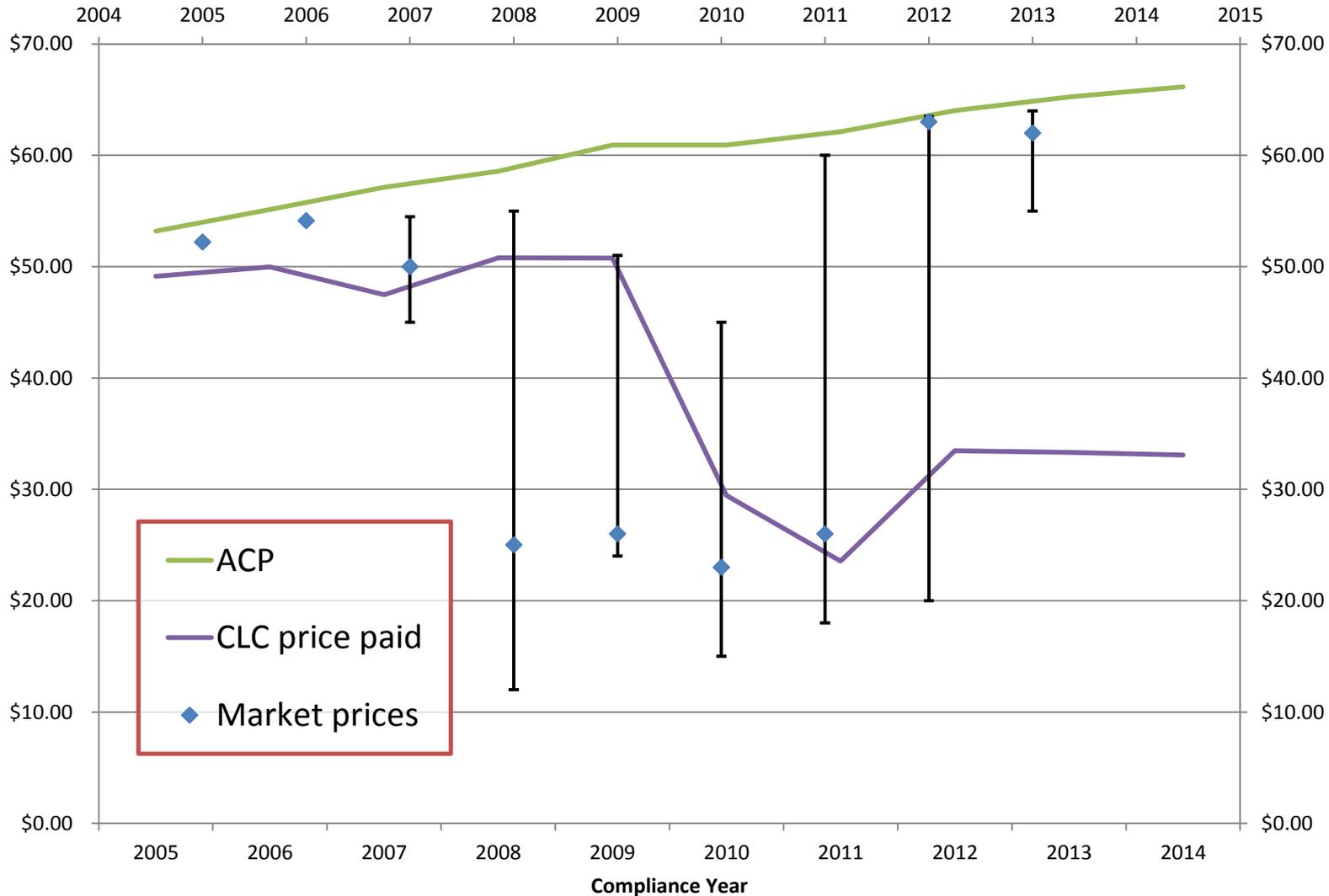


History

- Originally, Compact was responsible for purchasing RECs for RPS obligation
- When spot market prices fell, Board decided that they wanted supplier to be responsible for RPS RECs
- Compact was already under contract for RECs beyond what was required for CLC Green
- Excess RECs sold



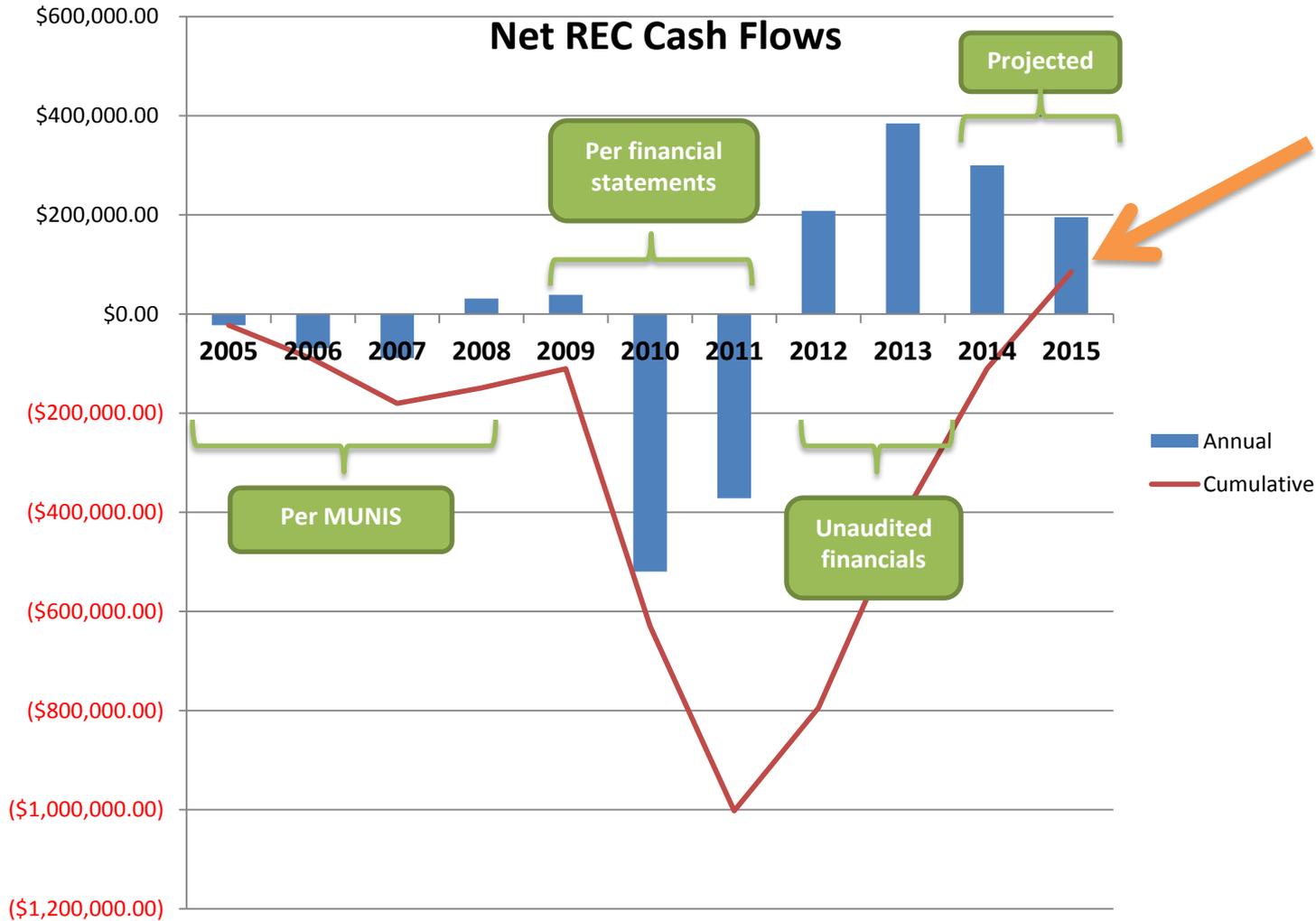
A look at pricing



Notes – all numbers are estimates – REC markets are not very liquid. Ranges based on reported prices (brokers reports or web). “Blue diamond” represents best guess at average paid in market. 2005-2006 – ACP minus transaction costs. ‘07 – average of reported prices. ‘08-’10 – NH RPS report. Other – price reported closest to close of trading period.



Financials of RECs



Projected cumulative net REC cash flows: \$85,000

Notes

- Numbers exclude RECs purchased and used for *CLC Green*
- 2010 \$ number on graph is \$52,500 lower than in financials, as a revenue that was not attributable to REC sales was reclassified to the correct fund.
- 2014 and 2015 are projected.

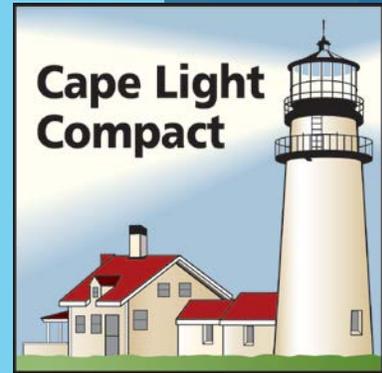


Looking forward

- All but the Compact's contract with 750 kW of CVEC PV expire by March 31, 2015
- A small number of additional RECs will be needed for CLC Green – Chief Procurement Officer will negotiate for these
- CLC Board may consider whether it would want to resume purchasing RECs for RPS compliance



ATTACHMENT B



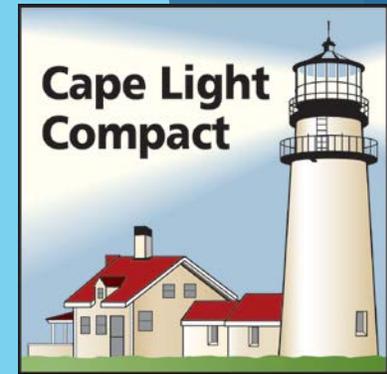
Energy Assessments for Municipalities

A New Approach



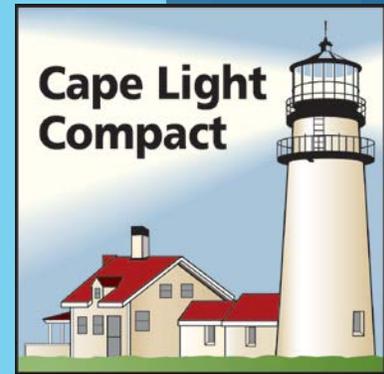
What are we currently doing?

- ▶ ASHRAE Level I and II audits for municipal buildings
- ▶ Prescribed approach with specific detailed requirements per ASHRAE Standard, as “required” by DOER for grant opportunities
- ▶ Identifies potential opportunities in buildings, but also provides extensive analysis of building operation & utility usage



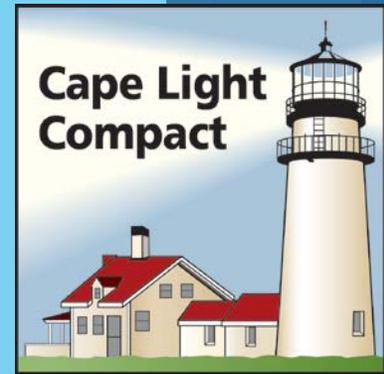
Who are we doing it for?

- ▶ Green Communities (West Tisbury, Tisbury, Mashpee, Provincetown, Truro), Green Community hopefuls
 - ▶ Applying for competitive grants or designation
- ▶ Municipal Buildings in CLC Territory
- ▶ Audience - facility managers, town administrators, selectmen, energy committees, volunteers with a wide variety of backgrounds and levels/types of expertise, program staff & DOER



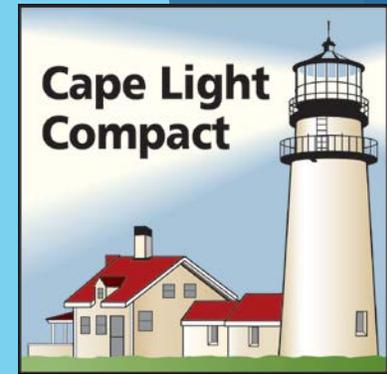
What are the shortcomings of the current approach?

- ▶ Turnaround time is longer than desired due to detailed requirements of ASHRAE protocol and data gathering/engineering time
 - ▶ Additional time is needed after report delivery for costing, cost effectiveness screening, and other follow up
- ▶ Consulting cost & staff time is higher than desired for same reasons
- ▶ Report format provides extraneous information which can be overwhelming or confusing
- ▶ Next steps for program implementation of recommendations are not always clear



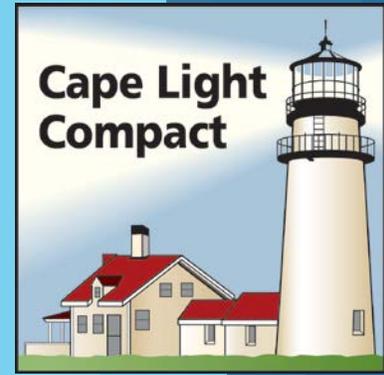
What are we proposing to change?

- ▶ New report format - pick the best and most useful aspects of the ASHRAE audit format and leave out the steps that add extraneous information or make the report difficult to complete in a timely manner
- ▶ Include roadmap for implementation of measures
- ▶ Include better pricing information
- ▶ Table required by DOER in their respective applications
- ▶ Cost effectiveness screening results for CLC program applicability

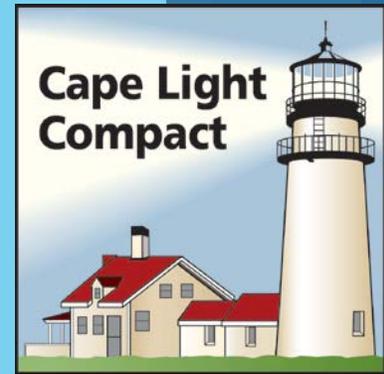


How will this benefit the customer and CLC?

- ▶ Faster turnaround time
- ▶ Lower engineering costs
- ▶ More useful, actionable report
- ▶ Prepopulated table for DOER grant application
- ▶ Easier for towns to implement results - next steps and implementation clearly laid out.
- ▶ Sets realistic expectations for CLC program applicability of identified measures



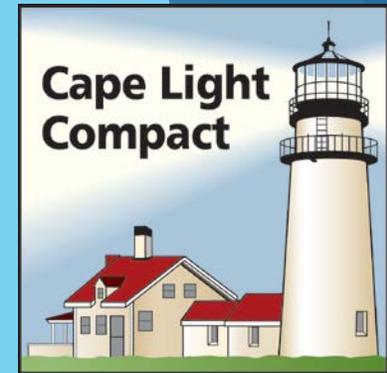
Next Steps



- ▶ Discussion: Staff is proposing that we use this format when any municipal assessment is requested for consistency, regardless of Green Community status
- ▶ Share proposed reconfiguration with DOER
 - ▶ Since ASHRAE Level 2 is not required, we do not anticipate an issue with this equivalent
- ▶ Board Vote to adopt proposed changes in June 2014



Sample Table



Energy Conservation Measures Summary												
Measure			Energy Data				Financial Data					
Building	ECM No.	Energy Conservation Measure	Projected Annual Electricity Savings (kWh)	Projected Annual Natural Gas Savings (therms)	Projected Annual Oil Savings (gallons)	Projected Annual Propane Savings (gallons)	Projected Annual Cost Savings (\$)	Total Installed Cost (\$)	Green Community Grant (\$)	Utility Incentives (\$)	Other Grants (\$)	Net Town Cost (\$)
Quashnet School	1	Condensing Boilers	-	2,499	-	-	\$ 3,091	\$ 94,236				
Quashnet School	2	Condensing DHW Heaters	-	384	-	-	\$ 475	\$ 17,214				
Quashnet School	3	High Eff. HVAC for Offices	9,984	1,595	-	-	\$ 3,743	\$ 89,994				
Quashnet School	4	New Energy Recovery Units	17,172	5,159	-	-	\$ 9,426	\$ 86,444				
Quashnet School	5	DCV in Gym	-	1,303	-	-	\$ 1,612	\$ 7,327				
Quashnet School	6	New Unit Vents w/ EC Motors	43,958	-753	-	-	\$ 6,862	\$ 266,800				
Quashnet School	7	Two-way HW Valves w/ VFD Pumps	15,705	-	-	-	\$ 2,784	\$ 43,610				
Quashnet School	8	New DDC System	41,611	1,638	-	-	\$ 9,404	\$ 250,000				
Quashnet School	9	Lighting Fixture Upgrade	15,552	-	-	-	\$ 2,757	\$ 44,640				
BUILDINGS SUBTOTAL			143,982	11,825	-	-	\$ 40,156	\$ 900,265	\$ -	\$ -	\$ -	\$ -
TOTAL MMBtu SAVINGS			491	1,183	0	0						





BEHAVIOR INITIATIVE UPDATE

C.A.P.E. Presence Pro Energy
Energy monitoring for your home and
business

IMAGINE IF YOU COULD...

- Monitor your electric usage in 15 minute increments
- Add in “controllable” plugs
- Include a security aspect
- Compare results with others in the community with fun prizes

... AND DO IT on a smart phone or tablet or computer





WHO

- Target participation from residential and commercial customers
- Partnership with town energy committees and/or other town departments or regional groups

WHEN

Target date mid-Summer to early Fall

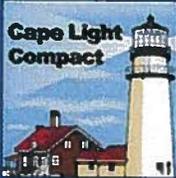
WHAT

- Beta testing by partnership groups
- Competition between towns/groups to enroll interested customers
 - Target customer: Needs Wi-Fi, live on Cape Cod or Martha's Vineyard, and have access to the electric meter
- **Cash prizes for top three? Or performance-based?**



Cape Light Compact

localhost/presence_web/html/survey/cape/



We want to help you save!

Answer the questions below to see if your household or business qualifies for the C.A.P.E. Presence Pro Energy Program. [More info.](#)

What's your zip code?

Do you have electricity in this zip code at least 6 months per year?

Yes

No

Can you access your electrical meter?

Yes

No

Do you have a wifi router?

Yes

No

Next >



Cape Light Compact
localhost/presence_web/html/survey/cape/step-2.html

Congratulations, you're eligible.

First Name	Address
<input type="text"/>	<input type="text"/>
Last Name	Barnstable, MA 02630
<input type="text"/>	Phone Number
Email Address	<input type="text"/>
<input type="text"/>	Ex: 555-212-3456
Choose a Password	Electric Account Number
<input type="text"/>	<input type="text"/>
	Ex: 001-1234-5678

Business or Residence?

Business
 Residence

Who referred you?

Briana Kane

Select all the devices you have.

iPhone
 iPad
 iPod Touch
 Android Phone
 Android Tablet
 Computer

Are you willing to install a meter reader?

Yes
 No





Blue Line Meter
Connected

Comparisons



Energy Usage
See how you compare to others



Efficiency Challenge
Save money and the planet

Messages



Ways to save!
From Briana



C.A.P.E. messages
Get the latest info

Presence Points



Points Balance
520 Total Points - Novice



Presence



Rules



Videos



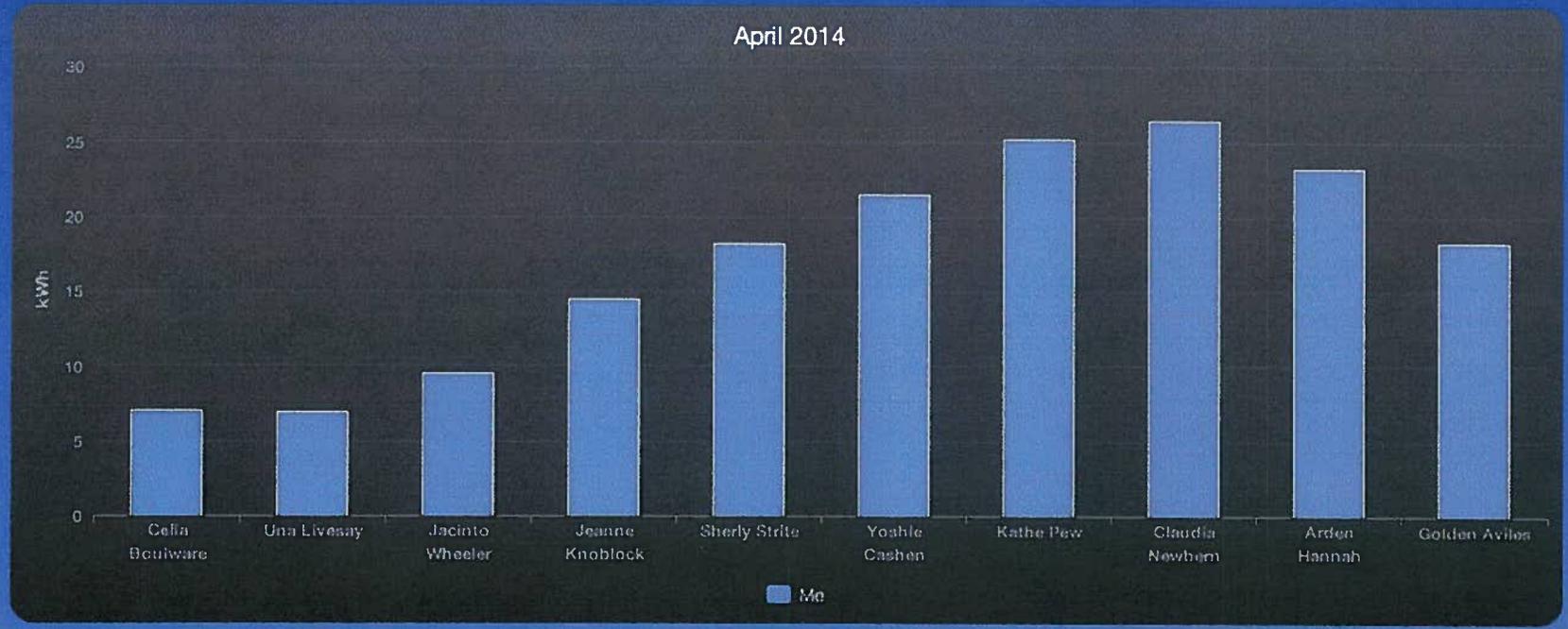
Store



Settings

Energy Usage

March Me vs My Group May



\$58.40
Average Monthly Spending

434 kWh
Average Monthly Usage

59%
Better than 59% of cape homes

[Update Profile](#)
For accurate comparisons

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