

Cape Light Compact JPE Governing Board Meeting

DATE: Wednesday, December 4, 2024
LOCATION: Cape Light Compact Offices – Martha's Vineyard Conference Room
261 Whites Path, Unit 4, South Yarmouth
TIME: 2:00 – 4:30 p.m.

Note: The meeting will be held as a hybrid meeting (in-person and through remote participation) pursuant to St. 2023, c. 2, which, among other things, extends the temporary provisions pertaining to remote meetings of public bodies under the Open Meeting Law to March 31, 2025. Members of the Public can join in by audio and follow along with Meeting Materials, see the information below. Written public comments should be submitted to Maggie Downey, Compact Administrator, at mdowney@capelightcompact.org by 2:00 PM on Tuesday, December 3, 2024, and should follow the public comment protocol below. Written public comments received after the December 3rd deadline will be distributed prior to the Compact's next Board meeting

Telephone dial-in: +1 (646) 558-8656

Meeting ID: 870-9150-9578

Passcode: 203495

[Further instructions are attached to this agenda.](#)

AGENDA

1. Public Comment
2. Approval of November 13, 2024, Compact Board Meeting Minutes
3. Chairman's Report, Martin Culik
4. Discuss and Potential Vote on Proposed 2025 Operating Budget, Maggie Downey
5. Discuss and Potential Vote on a 2% cost of living adjustment (COLA) for Compact employees for Calendar Year 2025
6. Discuss and Potential Vote to Establish and Employer Matching Contribution to Employee 457B/Roth Retirement Savings Accounts
7. Update On Cape Light Compact's January Electric Supply Rates, Mariel Marchand
8. Administrator's Report, Maggie Downey
 - a. Open Nominations for 2025 Cape Light Compact Executive Committee
 - b. MA Executive Office of Energy and Environmental Affairs Proposed Building Decarbonization Clearinghouse – Public Listening Sessions: Tuesday, December 3, 2024, 10:00am - 12:00pm and Wednesday, December 4, 2024, 6:00 - 8:00 pm
 - c. Update on 2025-2027 Energy Efficiency and Decarbonization Plan (DPU 24-146): Public Hearings: Tuesday, December 3, Wednesday, December 4 and Thursday, December 5 (https://eeaonline.eea.state.ma.us/DPU/Fileroom/Hearings/ByDate)

Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)

**Cape Light Compact Public Comment Protocols
for Governing Board Meeting
(June 2023)**

The Cape Light Compact Governing Board has adopted the following protocols to assist the public in effective participation in its Governing Board meetings, where some Board Members, staff and members of the public may be participating remotely:

1. Members of the public are welcome to address the Compact Board during the public comment section of the meeting or in writing.
2. Members of the public addressing the Compact Board at the meeting must state their name, and if appropriate the name of the organization the person is representing. Oral comments must be limited to three minutes.
3. Members of the public may also submit written comments. Written comments shall be submitted in writing to the Compact Administrator, Maggie Downey, at mdowney@capelightcompact.org by 2 p.m. on the Tuesday before a scheduled Compact Governing Board meeting (or such other time as may be established by the Compact Administrator). 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 deadline will be distributed prior to the Compact's next Board meeting.
4. Members of the public addressing the Compact Board may not use fighting words, slander, unreasonably loud or repetitive speech, or speech so disruptive of the Compact Board meeting that the deliberative process is substantially interrupted or impaired. Speakers may not disrupt others. Speech must be peaceable and orderly.
5. All written public comments submitted in advance consistent with these protocols shall be included in the Compact's Board meeting packet.
6. 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.
7. Copies of the Board meeting packet will generally be made available to members of the public in advance of the meeting at the Cape Light Compact JPE's web site at 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 JPE
Governing Board
Meeting Minutes
Wednesday, November 13, 2024**

The Cape Light Compact JPE Board of Directors met on Wednesday, November 13, 2024, at 2:00 p.m. The meeting was held as a hybrid meeting (in-person and through remote participation) through a Zoom videoconference for members of the Board with audio call-in available for members of the public, pursuant to St. 2023, c. 2, which, among other things, extends the temporary provisions pertaining to remote meetings of public bodies under the Open Meeting Law to March 31, 2025.

Participating In-Person Were:

1. Sean Hogan, Barnstable Alternate
2. Robert Schofield, Executive Committee, Bourne
3. Brian Miner, Chatham
4. Brad Crowell, Dennis
5. Tom McNellis, Eastham
6. Gary Senecal, Eastham Alternate
7. Valerie Bell, Harwich
8. Martin Culik, Chair/Executive Committee, Orleans
9. David Jacobson, Orleans Alternate
10. Nathaniel Mayo, Provincetown

Participating Remotely Were:

1. Bill Doherty, Bourne Alternate
2. Colin Odell, Executive Committee, Brewster
3. Timothy Carroll, Chilmark
4. Tristan Israel, Dukes County
5. Alan Strahler, Edgartown
6. Matthew Patrick, Falmouth
7. Leanne Drake, Sandwich
8. Bob Higgins-Steele, Truro Alternate
9. Nicola Blake, Executive Committee, West Tisbury
10. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

Absent Were:

1. Forrest Filler, Aquinnah
2. David Anthony, Secretary/Executive Committee, Barnstable
3. Meghan Gombos, Dukes County
4. Wayne Taylor, Mashpee
5. Peter Meleney, Oak Bluffs
6. Russ Hartenstine, Tisbury
7. Jarrod Cabral, Truro
8. Suzanne Ryan-Ishkanian, Wellfleet

Legal Counsel Participating Remotely:

Audrey Eidelman-Kiernan, Esq., KO Law, P.C.

Staff Participation In-Person:

Maggie Downey, Chief Administrative Officer

Staff Participating Remotely:

Anneliese Conklin, Data Services Coordinator
Dan Schell, Senior Analyst - Retail and Demand Response
David Botelho, Senior IT Services & Data Management Analyst
David Maclellan, Senior Analyst
Jason Bertrand, Marketing & Communications Coordinator
Kate Coleman, Outreach Specialist
Kim Grant, Town Energy Coordinator
Laura Selmer, Energy Efficiency Analyst
Lindsay Henderson, Senior Analyst – Small Business
Margaret Song, Energy Efficiency Strategy and Policy Manager
Miranda Skinner, Strategy and Regulatory Analyst
Melissa Allard, Senior Administrative Coordinator
Phil Moffitt, Chief Financial Officer
Stephen McCloskey, Energy Efficiency Analyst
Tatsiana Nickinello, Energy Efficiency Analyst

Public Participants:

None.

Joyce Flynn called the meeting to order at 2:03 PM.

Public Comment:

No written comments were received in advance of the meeting and no members of the public were present for public comment.

APPROVAL OF MINUTES:

The Board considered the October 9, 2024 Open Session Meeting Minutes.

Robert Schofield moved the Board to accept the minutes and to release them, seconded by Valerie Bell.

Sean	Hogan	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brian	Miner	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes

Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Nicola	Blake	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (15-0-0)

Alan Strahler and Tristan Israel joined the meeting at 2:12PM.

CHAIRMAN'S REPORT, MARTIN CULIK:

Martin Culik stated that the December Board Meeting will be moved a week earlier to December 4, 2024. He stated that Board Members should also submit expense forms for their travel to the Board Meetings by the end of December. Maggie Downey stated that she will email out the form.

PRESENTATION ON 2023 CAPE LIGHT COMPACT AUDITED FINANCIAL STATEMENTS, JENNIFER COOK, CLIFTON, LARSEN, ALLEN, LLP:

Jennifer Cook reviewed the Cape Light Compact Audit Exit Meeting PowerPoint. She stated that the audit scope is to report on the Compact's financial statements so that they are free from material misstatement, as well as audit under government auditing standards and that to issue a GAO report which is an evaluation of internal controls. She stated lastly, there is a required governance communication letter which is in the Board Packet.

Jennifer Cook stated that there are three new accounting standards that her firm was required to comply with for the 2023 audit. She stated that these standards improve the risk assessment process, our understanding around estimates, and switches focus to the IT environment and understanding.

Jennifer Cook stated that an unmodified opinion was issued, which is a clean opinion on the financial statements. She stated that for the GAO report that no material weaknesses were identified or significant deficiencies in internal controls. She stated for the governance communications all of the Compact's significant accounting policies are disclosed in Note 2 of the financial statements. She stated that there was one new significant Government Accounting Standards Board (GASB) standard, which is GASB 96 around subscription-based IT arrangements. She stated that there were no significant or unusual transactions identified during the audit and no difficulties or disagreements with management. She stated that her firm did not identify anything particularly sensitive or require significant adjustments from an estimate standpoint and there were no past adjustments as a result of that.

Jennifer Cook reviewed the financial highlights. She stated that there are some big swings that you can see from a current asset standpoint, which are due to changes in accounts receivable and cash balances related to the energy efficiency program. She stated that the increase for current liabilities is a direct relation to the increase in program expenses and the increase for non-current liabilities was mostly related to the net pension liability going up, as well as the subscription-based IT liability. She stated that the operating revenues increase was due to a decrease in energy efficiency funding, but it was offset by the return of the Regional Greenhouse Gas Initiatives (RGGI) income to the Compact (and other Program Administrators). She stated that for the non-operating revenue, the change relates to the Compact's forward capacity market revenue going down, which is offset by a significant increase in your investment income.

Jennifer Cook reviewed the revenue composition from 2020 to 2023. She stated that it remains steady from 2020 through 2022. She stated for 2023, as mentioned previously, there was a decrease in energy efficiency revenue that was supplemented with the RGGI income, as well as the Compact's investment income.

David Jacobson asked why the energy efficiency revenue changed so much. Maggie Downey stated that the Compact annually true up revenue based on expenditures, it is fully reconciling consistent with MA general laws. She stated that the report shows that the Compact did not spend what we had anticipated in the years prior.

Jennifer Cook stated there was one thing she wanted to highlight that wasn't put on a slide, is the establishment of the OPEB trust. She stated that next year there will be two sets of financial statements, one for the Compact and one for the fiduciary activities relating to this OPEB trust. She stated that there should then be a significant decrease in the Compact's OPEB liability as it will now be able to apply those assets against the liability.

Jennifer Cook reviewed GASB standards. She stated that GASB 101 relates to the compensated absences. She stated that her firm will work with management on the potential impact of this. This enhances the evaluation of what gets recorded as a liability and the disclosures related to those. She stated for GASB 102, which is for certain risk disclosures, that this won't be until the 2025 audit, but it will help with identifying where the Compact is at risk and if there should be additional disclosures. She stated that GASB 103 relates to financial reporting. She stated that this will help create more consistency in financial reporting. This won't be until the 2026 audit. She stated lastly there is the future GASB for classification of non-financial assets and this is to help ensure consistent presentation between governments and not effective until the 2026 audit.

Tom McNellis asked what types of things are being looked at on the IT side of things. Jennifer Cook stated user access and risk assessment procedures were some things. David Botelho stated that the Compact currently has an IT risk assessment that's being conducted, and we do this periodically every few years and in addition, we're scheduled to have an internal and external vulnerability scan to be done on all of our networking computers. He stated that the risk assessment is more to look at governance and procedures and to see how we are dealing with IT overall. He stated that the internal external vulnerability scan is more physical, to make sure that all of our systems are in. In good order and not eligible for breaching. He stated that with that information, plus the feedback received from CLA on the audit, it is going to go into the Compact's 2025 strategic plan. From there the Compact will just update things as needed.

DISCUSS PROPOSED 2025 OPERATING BUDGET, MAGGIE DOWNEY:

Maggie Downey reviewed the proposed 2025 operating budget. She stated that it is lower than it was last year. She stated that the biggest expense in the operating budget besides salaries, is legal, specifically for our consumer advocacy and general power supply. She stated that regarding legal expenses there is a summary sheet that lists the Compact's current consumer advocacy and other regulatory activities. She stated that if a major regulatory proceeding was to come up that the Compact did not plan for, it would be brought back to the Board for a supplemental budget request.

Maggie Downey stated that there are a couple of costs that are built into the proposed budget that she wants to review and get some direction from the Board. The first is the salary reserve. She stated that the line item is significantly higher and that is because when the staff compensation and salary plan was approved by the Board, the Board asked her to research and come back with different benefit compensation options for staff. She stated that she looked at many different models and recommends that the Board offer staff a matching program of their 457b or Roth programs for retirement, capping it at \$5,200 per employee per year. The total cost of that is \$104,000 if every single employee participated at the maximum amount. She stated that it would be \$200 per

pay period as a maximum. So, if the employee only contributed \$50, then the Compact would only contribute \$50, and if they contributed \$500, then they would still only get \$200. She stated that she built it into the operating and energy efficiency budget as a placeholder and is looking for direction from the Board on whether to keep or pull it from the budgets.

Valerie Bell asked if the staff agrees that this is a good idea. Maggie Downey answered yes. She stated that she solicited input from staff, and some sent her ideas from previous jobs they had, and she looked into them all. She stated that this one is the most economical and doesn't impact long term liabilities. Valerie Bell stated that she thinks it is a good idea. She stated that it is something the Compact can do financially where it is not impacting the budget too much. She stated that it will also help with retaining employees. The sense of the Board is that they support the idea.

Maggie Downey stated that the Compact's shared costs are being reset as a result of a study for the calendar year 2025. It was 94% energy efficiency and 6% operating budget and in 2025 it will change to 93% and 7%. She stated that this is based on staff time sheets from April 2019 to October 2024. She stated that that will impact some of the line items going forward.

Maggie Downey stated that the contractual line is to help with outside consultants because the town's municipal Competitive Electric Supply Agreement (MCESA) expires in July 2026 and an RFP would likely be issued in the fall of 2025. She stated that staff would like to analyze whether the municipalities have had better pricing under the MCESA compared to the Compact's commercial rate.

Maggie Downey stated that there will also be a Cost-of-Living Adjustment (COLA) vote next month. She is still researching to see what towns are doing. She stated that it will likely be somewhere between 2-2.5%.

DISCUSSION AND POTENTIAL VOTE TO ESTABLISH A FUND FOR THE CARRYING COSTS OF THE CAPE LIGHT COMPACT SOLAR LOAN PROGRAM, MAGGIE DOWNEY AND PHIL MOFFITT:

Maggie Downey stated that the Compact is getting ready to request its first loan withdrawal from the Rural Utilities Service, which will be \$2.2 million because we can only use 50% of the loan in the first year for the solar loan program. She stated that it was announced at the Net Zero Conference last month and on the Compact's website it states that the program is going live on December 2nd. Staff are working on the application and website to get ready. She stated that the contracts are in place with the bank to administer the loans and with Self Reliance as the technical reviewer of all the solar proposals. She stated that the interest rate was confirmed at 2.75%.

Maggie Downey stated that she is asking the Board to appropriate \$200,000 from the nonprofit solar loan fund, which has a balance of \$211,000, into this account for cash flow purposes because we will have to start paying back the loan before customers start making payments. She stated that the nonprofit solar loan fund has been used for green renewable energy projects. She stated that all costs will be fully paid back over ten years of the RUS loan.

Brad Crowell asked if this will be first come first serve. Maggie Downey answered yes, but residential customers whose primary residence is on the Cape or Vineyard and commercial customers will be served in year two. Brad Crowell asked if there was any thought on limiting the size. Maggie Downey stated that we will be looking at the customers' usage and what size solar system they would need to match that. Valerie Bell asked if the Compact will be providing guidance or a list of solar providers. Maggie Downey answered no, customers

will be directed to the Massachusetts Clean Energy Center (Mass CEC) for a solar list, the Compact is not responsible for the customer's selection.

Tim Carroll asked what the name of the program is. Dan Schell answered that the name is the Cape & Vineyard Solar Loan. He stated that we have a list of around 20 customers that came in through the Energy Saver Home Loan program but were over income or looking for solar only and therefore did not qualify for that program. He stated that he does not believe we will have an issue finding customers for this program. Martin Culik asked what the process is of getting additional money. Maggie Downey stated that we have to wait a year because that is a requirement of the USDA RUS program. Tom McNellis asked if customers with natural gas are able to get the loan. Maggie Downey answered yes, there is nothing that states they can't.

Robert Schofield moved the CLCJPE Board of Directors Appropriate \$200,000 from the Non-Profit Solar Fund to the USDA Rural Energy Services Solar Loan Program.

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 Brad Crowell.

Sean	Hogan	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brian	Miner	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Nicola	Blake	West Tisbury	Yes

Motion carried in the affirmative (15-0-0)

PRESENTATION ON THE CAPE & VINEYARD ELECTRIFICATION OFFERING (CVEO), STEPHEN MCCLOSKEY

Stephen McCloskey reviewed the Program Overview: Cape and Vineyard Electrification Offering (CVEO) PowerPoint. He stated that CVEO is a strategic electrification and energy optimization turnkey offering that combines home weatherization with the following technologies: heat pumps, solar, battery storage, heat pump water heaters, and electric stoves. He stated that the goal of the program is to fully decarbonize 100 properties on Cape Cod and Martha's Vineyard for low and moderate-income residents who heat with oil, propane, and electric resistance, or had a heat pump previously installed during the 2022-2024 Three Year Plan.

Stephen McCloskey stated that the Department of Public Utilities (DPU) approved CVEO in January 2023. He stated that from January 2023 through June 2023, the Compact worked on finalizing customer, lead vendor, and

program contractor terms and conditions, and onboarding program contractors. He stated that the Compact also marketed the CVEO Program to Cape Cod and Martha's Vineyard housing agencies, distributed mailer to targeted residents, and created a CVEO webpage and online interest form.

Stephen McCloskey stated that the Compact started out with 184 interested participants. He stated that there were residents from all 21 towns across Cape Cod and Martha's Vineyard. He stated that out of that, 90 enrolled in CVEO and 64 were approved. He stated that 55 customers fully signed on for CVEO after receiving their proposals. He stated that out of the 55 customers, 39 were income eligible and 16 were moderate income. There were also 34 that lived on Cape Cod and 21 that lived on Martha's Vineyard. He stated that the Compact has completed 38 CVEO projects and the last projects should be completed by quarter one of 2025.

Stephen McCloskey reviewed the average cost of each program measure. The highest costs are for the heat pumps, solar, and battery storage. He stated that for the heat pumps, the average cost was \$33,527. He stated that the average cost for solar was \$28,800.91 and for the battery storage the average cost was \$33,156. He stated that different properties presented different challenges, or additional or less work. He stated that some had pre-weatherization barriers, such as vermiculite or mold and some needed additional weatherization work. He stated that some properties required an electric panel upgrade to support the added electricity capacity.

Stephen McCloskey reviewed the projected spending versus the allocated budget. He stated that for income-eligible customers the budget is \$3.1 million, and the Compact is projected to spend around \$3.028 million. He stated moderate-income customers the budget is \$2.9 million, and the Compact is projected to spend around \$1.758 million.

Stephen McCloskey stated that he wanted to share some insights from the program. He stated that CVEO participants that were required to finance a portion of the CVEO program measures were less likely to move forward due to cost considerations. 13 residents dropped from program after receiving their initial site assessment and learning what their copay for solar would be. He stated that to participate in CVEO, a participant is required to remove or fully displace their current fossil fuel or electric baseboard heating system. 7 residents at various points in the customer funnel expressed that they did not want to remove their current HVAC systems. He stated that some of these residents expressed that this was due to recently installing high-efficiency propane heating systems and/or on-demand hot water heating systems recently.

Stephen McCloskey stated that not all properties that entered the program were ready for work to be done. 34 participants in CVEO had at least one of the following barriers that needed to be cleared for participation: pre-weatherization barrier, pre-electrification barrier, and/or solar barrier. He stated that the process is very time intensive. He stated that the lead vendor, RISE Engineering, conveyed that the average participant over the course of three to six months had contractors onsite for 19 to 28 days. The timeline is dependent on contractor availability.

Tom McNellis asked if the CVEO program was going to continue. Maggie Downey answered no. She stated that the DPU only approved for 2022-2024 three-year plan. She stated that in the next three-year plan the Compact is proposing very generous incentives for low-income and moderate-income customers, and they will have the Energy Saver Home Loan program as well.

Brad Crowell stated that thinking about the future, two things the Compact may want to look at are one, at a state level, think about the repairability of the mini splits because as more and more people install them, there needs to be an efficient and cost-effective way to fix them. He stated secondly, at a local level, making sure that customers have support if they end up in a situation with no heat and can't afford to fix it. Maggie Downey

stated that some of these conversations are already happening. She stated for example, providing incentives for someone looking to upgrade to a more efficient heat pump. Briana Kane stated that the Compact provides maintenance for certain systems that are being installed to make sure that they are being maintained. She stated that we are always looking for ways to help income-eligible customers.

Martin Culik asked if the Compact has received any feedback from the CVEO customers. Stephen McCloskey stated that surveys have been going out to these customers. He stated that there has been high satisfaction with the program and with the RISE Engineering and Compact staff. Miranda Skinner stated that a second round of surveys next month includes the participants who joined the program towards the end of the enrollment period and that will give the Compact a more comprehensive picture. She stated that overall, the program had a really good outcome.

ADMINISTRATOR'S REPORT:

1. Executive Summary and Public Hearing Notice for 2025-2027 Energy Efficiency and Decarbonization Plan

Maggie Downey stated that the Executive Summary for the 2025-2027 Energy Efficiency Plan has been included in the Board Packet. She encouraged the Board to read it. It gives a great overview of what is being proposed.

2. CLC Annual Report to the MA Department of Public Utilities

Maggie Downey stated that the Compact is required every year to file an annual report on the power supply program with the DPU which is included in the Board Packet for the Board to review.

3. Notice of Filing and Public Hearings

Maggie Downey stated that the notice for upcoming public hearings is also included in the Board Packet. She stated that the Compact is required to post the notice in multiple languages in the Cape Cod Times. She stated that staff will be attending hearings in person, and if any Board Members are available and are interested, they are welcome to attend.

Joyce Flynn rejoined the meeting at 3:54 PM.

Tim Carroll left the meeting at 3:58 PM.

ADJOURNMENT:

Motion to adjourn made at 4:00 PM moved by Robert Schofield, seconded by Valerie Bell.

Sean	Hogan	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Brian	Miner	Chatham	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes

Alan	Strahler	Edgartown	Yes
Matt	Patrick	Falmouth	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Nicola	Blake	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

Motion carried in the affirmative (15-0-0)

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice/Agenda
- October 23, 2024, Draft Open Session Meeting Minutes
- Proposed 2025 Operating Budget
- Cape Light Compact Audit Exit Meeting PowerPoint
- Program Overview: Cape and Vineyard Electrification Offering PowerPoint
- Executive Summary for the 2025-2027 Energy Efficiency Plan
- Cape Light Compact Power Supply Annual Report to DPU
- Notice of Filing and Public Hearings

**Agenda Action Request
Cape Light Compact JPE
Meeting Date: 12/4/2024**



Calendar Year 2025 Operating Budget (January 1 – December 31, 2025)

REQUESTED BY: *Maggie Downey*

Proposed Motion(s)

I move the CLCJPE Board of Directors vote to appropriate the Cape Light Compact Joint Powers Entity Operating Budget in the amount of \$946,235.00.

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.

Additional Information

The calendar year 2025 Operating Budget is attached and was presented to the Board for review and discussion at the November 13th Board meeting. The proposed 2025 budget reflects the shared cost formula that was mandated by the DPU under the Compact's Energy 2022-2024 Energy Efficiency Plan (DPU-21-126) docket.

Record of Board Action

Motion by:	Second by:	# Aye	# Nay	# Abstain	Disposition

Aquinnah

Barnstable

Bourne

Brewster

Chatham

Chilmark

Dennis

*Dukes
County*

Eastham

Edgartown

Falmouth

Harwich

Mashpee

Oak Bluffs

Orleans

Provincetown

Sandwich

Tisbury

Truro

Wellfleet

West Tisbury

Yarmouth

<u>Item</u>	<u>CY2024 Compact Operating Budget as amended</u>	<u>Proposed CY2025 Compact Operating Budget</u>
Legal	\$ 485,000.00	\$ 361,000.00
Outreach/Marketing Contractor	\$ 35,000.00	\$ 35,000.00
Salaries	\$ 136,500.00	\$ 150,150.00
Salary Reserve	\$ 5,000.00	\$ 15,400.00
Advertising	\$ 43,500.00	\$ 45,000.00
Marketing Support	\$ 25,000.00	\$ 25,000.00
Pension Liability	\$ -	\$ -
Retirement	\$ 27,000.00	\$ 26,000.00
Sponsorships	\$ 61,000.00	\$ 65,000.00
Contractual	\$ 45,000.00	\$ 45,000.00
Rent	\$ 6,210.00	\$ 6,210.00
OPEB Liability	\$ 16,990.00	\$ 8,300.00
Health Insurance	\$ 18,500.00	\$ 22,000.00
Insurance	\$ 5,000.00	\$ 6,000.00
Printing	\$ 12,500.00	\$ 13,000.00
Postage	\$ 7,500.00	\$ 8,000.00
Subscriptions	\$ 25,000.00	\$ 35,000.00
Financial Software	\$ 3,900.00	\$ 3,900.00
Professional Development	\$ 5,000.00	\$ 5,000.00
Travel In-state	\$ 5,000.00	\$ 9,500.00
Audit Fees	\$ 7,500.00	\$ 15,000.00
Internet Service	\$ 2,500.00	\$ 2,000.00
Building Renovations	\$ 1,500.00	\$ 1,500.00
Unpaid Bills	\$ 500.00	\$ 500.00
Treasury Services	\$ 12,000.00	\$ 8,500.00
Supplies	\$ 1,600.00	\$ 1,000.00
Telephones	\$ 1,200.00	\$ 1,800.00
IT Services	\$ 2,000.00	\$ 3,500.00
Payroll Services	\$ 250.00	\$ 275.00
Software License	\$ 2,100.00	\$ 4,000.00
Misc. Rental	\$ 600.00	\$ 850.00
Travel Out-of-state	\$ 8,000.00	\$ 10,000.00
Custodial	\$ 2,000.00	\$ 2,450.00
Medicare/Other Taxes	\$ 2,000.00	\$ 2,100.00
Food	\$ 6,500.00	\$ 6,500.00
MA UI	\$ 621.00	\$ 300.00
Misc Equipment	\$ 1,000.00	\$ 1,200.00
Misc Fringes	\$ 250.00	\$ 150.00
Utilities	\$ 250.00	\$ 150.00
CLC Operating Budget	\$ 1,020,971.00	\$ 946,235.00

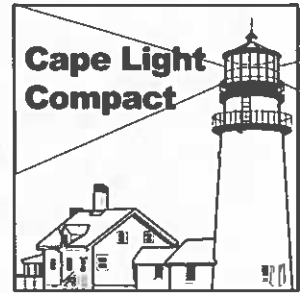
date 12/4/2024

2024 Operating Budget Expense Report Through 11/27/2024

ORG	OBJECT	ACCOUNT DESCRIPTION	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	AVAILABLE BUDGET	% USED
01001	5110	OP-SALARIES	\$ 136,500.00	\$ 136,500.00	\$ 120,192.82	\$ 16,307.18	88.10
01001	5119	OP-SALARY RESERVE	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00	0.00
01001	5171	OP-RETIREMENT	\$ 27,000.00	\$ 27,000.00	\$ 14,108.38	\$ 12,891.62	52.30
01001	5173	OP-GROUP INSURANCE	\$ 18,500.00	\$ 18,500.00	\$ 17,181.39	\$ 1,318.61	92.90
01001	5174	OP-MEDICARE/OTHER TAXES	\$ 2,000.00	\$ 2,000.00	\$ 1,669.69	\$ 330.31	83.50
01001	5175	STATE UNEMPLOYMENT INSURANCE	\$ 621.00	\$ 621.00	\$ 177.82	\$ 443.18	28.60
01001	5179	OP-MISC FRINGES	\$ 250.00	\$ 250.00	\$ 30.00	\$ 220.00	12.00
01001	5181	OP-OPEB LIABILITY	\$ 16,990.00	\$ 16,990.00	\$ -	\$ 16,990.00	0.00
01001	5210	OP-UTILITIES	\$ 250.00	\$ 250.00	\$ 101.94	\$ 148.06	40.80
01001	5270	OP-MISC RENTALS	\$ 600.00	\$ 600.00	\$ 482.41	\$ 117.59	80.40
01001	5272	OP-RENT	\$ 6,210.00	\$ 6,210.00	\$ 5,692.50	\$ 517.50	91.70
01001	5290	OP-CUSTODIAL SERVICES	\$ 2,000.00	\$ 2,000.00	\$ 1,729.45	\$ 270.55	86.50
01001	5301	OP-ADVERTISING	\$ 55,000.00	\$ 43,500.00	\$ 33,219.08	\$ 10,280.92	76.40
01001	5302	OP-PUBLIC MARKETING SUPPORT	\$ 25,000.00	\$ 25,000.00	\$ 13,752.93	\$ 11,247.07	55.00
01001	5309	OP-IT SERVICES	\$ 2,000.00	\$ 2,000.00	\$ 2,173.64	\$ (173.64)	108.70
01001	5313	OP-STAFF PROFESSIONAL DEVELOP	\$ 5,000.00	\$ 5,000.00	\$ 801.14	\$ 4,198.86	16.00
01001	5314	OP-PAYROLL SERVICES	\$ 250.00	\$ 250.00	\$ 127.02	\$ 122.98	50.80
01001	5315	OP-LEGAL SERVICES	\$ 310,000.00	\$ 485,000.00	\$ 350,956.43	\$ 134,043.57	72.40
01001	5316	OP-AUDIT FEES	\$ 7,500.00	\$ 7,500.00	\$ 2,187.37	\$ 5,312.63	29.20
01001	5318	OP-TREASURY SERVICES	\$ 12,000.00	\$ 12,000.00	\$ 3,645.51	\$ 8,354.49	30.40
01001	5319	OP-CONTRACTUAL	\$ 45,000.00	\$ 45,000.00	\$ 14,884.98	\$ 30,115.02	33.10
01001	5320	OP-OUTREACH/MARKETING CONTRACT	\$ 35,000.00	\$ 35,000.00	\$ 10,614.04	\$ 24,385.96	30.30
01001	5341	OP-POSTAGE	\$ 7,500.00	\$ 7,500.00	\$ 7,264.21	\$ 235.79	96.90
01001	5343	OP-TELEPHONES	\$ 1,200.00	\$ 1,200.00	\$ 1,287.26	\$ (87.26)	107.30
01001	5344	OP-INTERNET	\$ 2,500.00	\$ 2,500.00	\$ 924.45	\$ 1,575.55	37.00
01001	5345	OP-PRINTING	\$ 12,500.00	\$ 12,500.00	\$ 11,967.69	\$ 532.31	95.70
01001	5400	OP-SUPPLIES	\$ 1,600.00	\$ 1,600.00	\$ 457.47	\$ 1,142.53	28.60
01001	5430	BUILDING RENOVATIONS	\$ -	\$ 1,500.00	\$ 1,371.33	\$ 128.67	91.40
01001	5490	OP-FOOD SUPPLIES	\$ 6,500.00	\$ 6,500.00	\$ 3,907.22	\$ 2,592.78	60.10
01001	5710	OP-TRAVEL IN STATE	\$ 5,000.00	\$ 5,000.00	\$ 4,254.32	\$ 745.68	85.10
01001	5720	OP-TRAVEL OUT STATE	\$ 8,000.00	\$ 8,000.00	\$ 6,461.62	\$ 1,538.38	80.80
01001	5730	OP-SPONSORSHIPS	\$ 51,000.00	\$ 61,000.00	\$ 58,669.04	\$ 2,330.96	96.20
01001	5731	OP-SUBSCRIPTIONS	\$ 25,000.00	\$ 25,000.00	\$ 21,449.00	\$ 3,551.00	85.80
01001	5732	OP-SOFTWARE LICENSES	\$ 2,100.00	\$ 2,100.00	\$ 2,247.59	\$ (147.59)	107.00
01001	5741	OP-INSURANCE	\$ 5,000.00	\$ 5,000.00	\$ 3,615.66	\$ 1,384.34	72.30
01001	5789	OP-UNPAID BILLS	\$ 500.00	\$ 500.00	\$ -	\$ 500.00	0.00
01001	5850	OP-MISC EQUIPMENT	\$ 1,000.00	\$ 1,000.00	\$ 735.88	\$ 264.12	73.60
01001	5854	OP-FINANCIAL SOFTWARE SYSTEM	\$ 3,900.00	\$ 3,900.00	\$ 3,002.03	\$ 897.97	77.00
		Grand Total	\$ 845,971.00	\$ 1,020,971.00	\$ 721,343.31	\$ 299,627.69	70.70

January-October 2024 Mil Adder Revenue: \$860,844.48

**Agenda Action Request
Cape Light Compact JPE
Meeting Date: 12/4/2024**



Aquinnah

Barnstable

Bourne

Brewster

Chatham

Chilmark

Dennis

Dukes

County

Eastham

Edgartown

Falmouth

Harwich

Mashpee

Oak Bluffs

Orleans

Provincetown

Sandwich

Tisbury

Truro

Wellfleet

West Tisbury

Yarmouth

2.0% 2025 Employee Cost of Living Adjustment (COLA)

REQUESTED BY: *Maggie Downey*

Proposed Motion(s)

I move the CLCJPE Board of Directors vote to approve a 2025 employee cost of living adjustment (COLA) in the amount of 2.0%. The effective date is January 1, 2025.

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.

Additional Information

Cape Light Compact's approved 2025 energy efficiency budget and proposed 2025 operating budget includes a 2.0% COLA for Compact employees.

Record of Board Action

Motion by:	Second by:	# Aye	# Nay	# Abstain	Disposition

**Agenda Action Request
Cape Light Compact JPE
Meeting Date: 12/4/2024**



Aquinnah

Barnstable

Bourne

Brewster

Chatham

Chilmark

Dennis

*Dukes
County*

Eastham

Edgartown

Falmouth

Harwich

Mashpee

Oak Bluffs

Orleans

Provincetown

Sandwich

Tisbury

Truro

Wellfleet

West Tisbury

Yarmouth

Approve Employer Match for Employee 457B or Roth Retirement Accounts

REQUESTED BY: *Maggie Downey*

Proposed Motion(s)

I move the CLCJPE Board of Directors vote to match, up to \$5,200, a Cape Light Compact employees' annual contribution to their 457B or ROTH retirement account. The effective date is January 1, 2025.

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.

Additional Information

The employer match will occur per payroll and the employer contribution will not exceed \$200.00 per payroll. The maximum employer contribution shall not exceed \$5,200 over 26 payrolls.

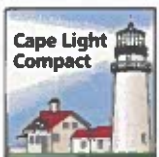
Record of Board Action

Motion by:	Second by:	# Aye	# Nay	# Abstain	Disposition

Power Supply Rates: January '25 – July '25

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
	<i>Jan '25 – July '25 cents/kWh</i>	<i>Jan '25 – July '25 cents/kWh</i>	<i>Jan '25 – April '25 cents/kWh</i>
CLC Standard	12.024	13.102	13.077
Local Green 50%	13.324	14.402	14.377
Local Green 100%	15.624	16.702	16.677
Eversource	13.347	13.184	16.953

The Compact's residential rate for the January through July term is over 1 cent/kWh below Basic Service



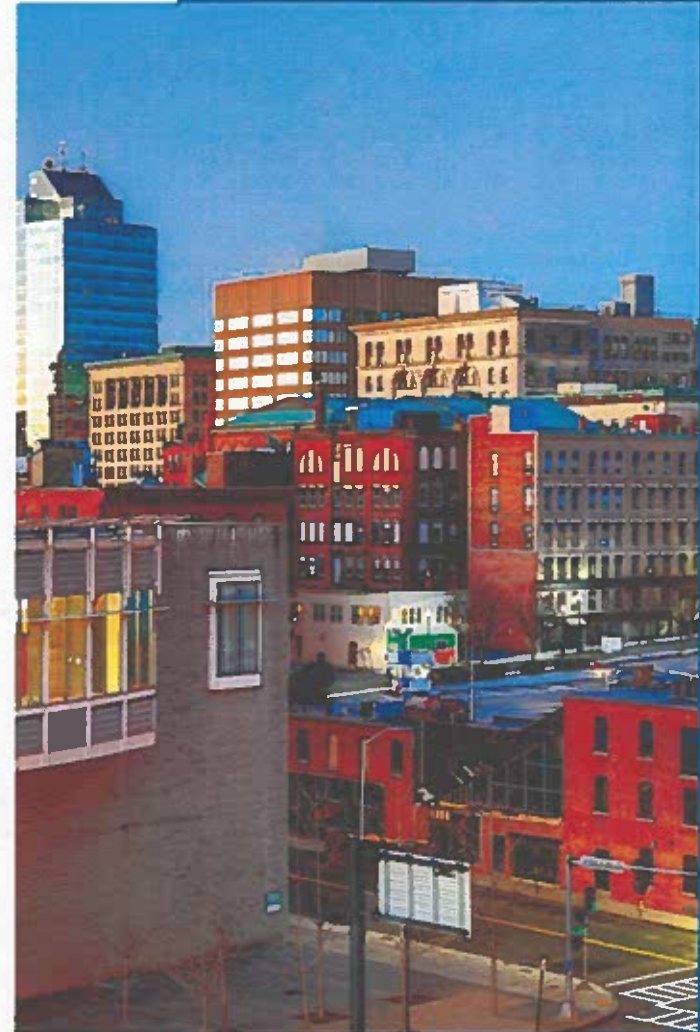


Massachusetts GHG Clearinghouse Stakeholder Outreach



Welcome and Introductions

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Today's Purpose

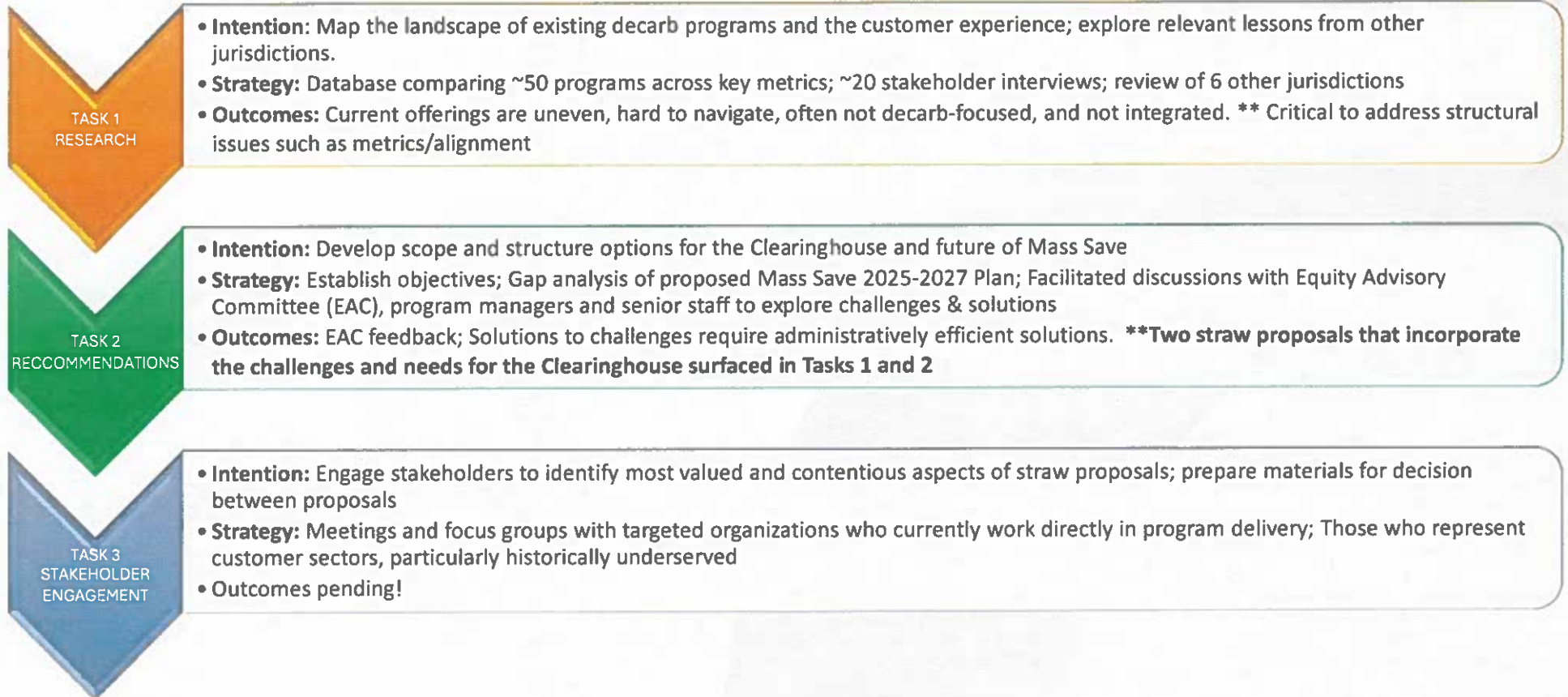
- **Provide Background:** the objectives, process, and status of the Building Decarbonization Clearinghouse assessment
- **Share Straw Proposals:**
 - Overview of two alternative administrative models
 - Common elements of change that would apply identically or similarly to either
- **Solicit feedback:** Help EEA weigh options or modify proposals
 - Which elements would provide the most important benefits? Which elements might be challenging or need change?
 - Is one administrative model better than the other?

Background

Why a Building Decarbonization Clearinghouse?

- The Massachusetts Commission on Clean Heat recommended in its final 2022 report to reconstitute a reformed Mass Save under a new Building Decarbonization Clearinghouse. The two primary goals for doing so were to advance long-term equitable decarbonization and elevate customer-centric design to create a “one-stop shop” that would be “understandable and accessible” to consumers.
- Massachusetts Executive Office of Energy and Environmental Affairs (EEA) hired a consulting team led by VEIC and supported by the Solomon Group to conduct research and develop options for a possible Clearinghouse, including in relationship to Mass Save.

Project Stages



Task 1 Findings



Fragmented/overlapping program landscape confuses customers



Need for better alignment between Mass Save metrics & state goals



Potential use of tools such as deep data for targeted outreach, customer tracking, etc



Certain populations (mod income, MF buildings) remain underserved



Need for additional equity strategies



Need for greater customer support, including integrated decarbonization



No other jurisdiction provides comprehensive equitable decarbonization program portfolios at scale; MA can still benefit from their experience around goal/funding alignment, data needs, and customer services.

Input for straw proposals

Task 2 Findings



2025-2027 Mass Save plan addresses many challenges identified in Task 1 but remains within legislative and budgetary constraints.



Solutions intersect



The Clearinghouse will not solve all building decarbonization needs. It will exist within an ecosystem of building policies, including regulatory options and rate design, to achieve equitable building decarbonization.

Objectives for Clearinghouse

These objectives would be the **key outcomes** the Clearinghouse would work to achieve and be accountable to.

- **Reduction of energy burden in households in environmental justice households**
- **Equitable access to and adoption of decarbonization technology**
- **Achievement of long-term GHG reduction quantities**
- **Reduction of energy costs for non-residential customers**
- **Minimizing demand for electricity to reduce need for new infrastructure**

The Clearinghouse cannot fully achieve these objectives on its own; additional policies, regulations, and investments will be needed to support these objectives as well.

Key Design Criteria Used for Straw Proposals

The draft 2025-2027 Mass Save Plan prioritizes decarbonization, equity, and customer experience, all of which have been at the center of the Clearinghouse design process. The Clearinghouse seeks to build on this progress, pursuing the key criteria below:

Key Criteria

- Unified, customer-centric experience with all aspects of decarbonization
- Adequate and flexible incentive funding for equitable decarbonization
- High customer trust and flexibility to innovate quickly
- Statewide minimum standard of service to all customers
- Direct accountability to metrics and structure that align with decarbonization and equity policies/targets
- Customer-oriented, relevant, and effective equity customer engagement

Both straw proposals seek to achieve these outcomes. There are significant areas of overlap
veic and significant areas of difference.

Straw Proposals at a Glance

(Options 1 and 2 assumed for 2027 or later implementation)	Option 1: Statewide Authority	Option 2: Enhanced Mass Save	Mass Save 2025-2027 as planned
Administrator(s)	New quasi-state entity governed by Board accountable by statute to the clearinghouse objectives	Electric IOUs & Cape Light with the potential addition of a fifth PA providing service to MLPs	Electric IOUs & Cape Light; Gas IOUs for limited programs
Statewide coverage to include MLPs	All ratepayers contribute and are served by statewide authority	All ratepayers contribute and are served by a PA	MLPs can opt-in to Mass Save and/or use other funds
Objectives and accountability	New equitable decarb objectives; 10-year planning process added to existing 3-year planning process	New equitable decarb objectives; performance incentives; 10-year planning process added to existing 3-year planning process	GHG planning goal; cost-effective energy savings; performance incentives
Coverage of decarbonization services/technology	Comprehensive decarb. services addressing all technologies (requiring additional funding)		Ratepayer funded energy efficiency & fuel-switch; new decarb. building assessments
Customer experience	Unified, customer-centric "one-stop shop" that helps customers access full range of state and federal supports		Primarily supporting Mass Save incentives; new HP Turnkey, TA, statewide customer service center
Community engagement	Funded regional equitable decarbonization "hubs"	Increase community partnerships	Increased funding for EJ-focused community partnerships (~56 towns)

Note: Ultimate recommendations can evolve based on feedback on particular elements of each option.

Key Criteria

Unified, customer-centric experience with all aspects of decarbonization

This criteria is primarily applied **in the same way** // **in different ways** between the two proposals.

Option 1: Statewide Authority	Option 2: Enhanced Mass Save
The Clearinghouse would be responsible for one-stop shopping customer experience that consolidates the customer-facing aspects of most decarbonization offerings in the Commonwealth, including beyond current Mass Save (building assessments, technical assistance, decarbonization planning tools over time, support with eligibility & enrollment, etc). Some program administration might remain with agencies, but customer-facing aspects would be consolidated.	
The Clearinghouse would be responsible for execution of consolidated statewide customer marketing, education and outreach for all aspects of efficiency and decarbonization in the Commonwealth	
Statewide data platform that includes comprehensive customer and building information (owned by the state under either model) to enable such things as: customer support to scope projects, targeted outreach to support equity goals or for utility system needs, or customer support related to adjacent policies such as Building Energy Performance Standard. Uses utility and other data sources.	

Key Criteria

Adequate and flexible incentive funding for equitable decarbonization

This criteria is primarily applied **in the same way** // **in different ways** between the two proposals.

Option 1: Statewide Authority	Option 2: Enhanced Mass Save
Equitable decarbonization under either Clearinghouse model will require additional resources compared to Mass Save, especially to build capacity for long-term changes	
Both models leverage electric and gas ratepayer funding from all customers (including MLP customers that do not currently contribute to Mass Save programs)	
The single statewide administrator could make it easier to pool funds and allocate them where needed to achieve the clearinghouse objectives; however, there could still be limitations on spending in relation to ratepayer contributions	The enhanced Mass Save model could allow some pooling of funds; however, this model would likely retain more territory-by-territory budgeting

Key Criteria

High customer trust and ability to innovate

This criteria is primarily applied **in the same way** // **in different ways** between the two proposals.

Option 1: Statewide Authority	Option 2: Enhanced Mass Save
Under both models the Administrator(s) would be responsible for a 10-year equitable decarbonization plan as well as the existing 3-year plans.	
Robust stakeholder input on an ongoing basis is important under either model. This is not a significant change; however, the board/council would be updated to reflect the broader equitable decarbonization mandate	

Key Criteria

Statewide minimum standard of service to all customers

This criteria is primarily applied **in the same way** // **in different ways** between the two proposals.

Option 1: Statewide Authority	Option 2: Enhanced Mass Save
Single statewide administrator serves all customers as a matter of definition.	<p>The enhanced Mass Save model has some alternatives for serving all customers, including:</p> <ul style="list-style-type: none">•The existing electric PAs (e.g. Eversource and National Grid) serve MLP customers through a specific agreement or division•A new PA is selected by the MLPs collectively to serve MLP customers and provide services consistent with the other PAs

Key Criteria

Direct accountability to metrics and structure that align with decarbonization and equity policies/targets

This criteria is primarily applied **in the same way** // **in different ways** between the two proposals.

Option 1: Statewide Authority	Option 2: Enhanced Mass Save
Under both administrative models, statutory policy would be adopted to establish accountability to the Clearinghouse objectives and allow funding to be used in alignment with objectives, something that is limited through Mass Save's current cost-effectiveness framework. The objectives (right) are the same for either.	
The single statewide administrator would be accountable to statutory objectives via an independent Board of Directors. The administrator/Board would answer to executive and legislative authorities	This model would be subject to DPU oversight and use performance incentives similar to Mass Save, but with metrics aligned with the modified objectives

Clearinghouse Objectives

- Reduction of energy burden in households in environmental justice households
- Equitable access to and adoption of decarbonization technology
- Achievement of long-term GHG reduction quantities
- Reduction of energy costs for non-residential customers
- Minimizing demand for electricity to reduce need for new infrastructure

Key Criteria

Customer-oriented, relevant, and effective equity customer engagement

This criteria is primarily applied **in the same way** // **in different ways** between the two proposals.

Option 1: Statewide Authority	Option 2: Enhanced Mass Save
<p>Regional Equitable Decarbonization Hubs:</p> <ul style="list-style-type: none">• 4-6 regional hubs would provide place-based outreach, access to customer data tools, and specialized equity resources.• Accountable to clearinghouse equity objectives and supported by all statewide customer tools• Empowered to serve their communities in a proactive way, including through compensated partnerships with CBOs.	<p>Community First Partnerships (CFP) Expansion:</p> <ul style="list-style-type: none">• Mass Save currently funds CFPs to add local outreach and customer engagement capacity. The CFPs are part of existing entities such as municipalities and leverage existing relationships. Currently Mass Save funds ~30 CFPs in ~50 high priority EJ municipalities.• Under the enhanced Mass Save model, the number of CFP Energy Advocate staff across the state could expand

The Enhanced Customer Journey

After successful implementation of these changes a customer would be more likely to...

- Receive technical assistance and financial resources due to their decarbonization potential and equity status
- Identify a single recognizable brand for all of their decarbonization and efficiency needs
- Receive wrap-around decarbonization services that include incentives and programs through a single point of contact
- Receive targeted, data-informed, regionally nuanced outreach to encourage them to take advantage of the resources on offer

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Key Questions for Stakeholders

- Which elements of either/both proposal(s) do you think would provide significant value or benefits for the efficient achievement of the Clearinghouse objectives?
- What suggestions do you have to improve any of those elements to increase the value or benefit they could offer? What conditions or caveats would you add that would improve prospects for success?
- What aspects of either proposal seems challenging and why? Are there aspects you cannot live with? How would you modify or address this challenge?
- Thinking about objectives such as ensuring equitable access to/adoption of decarb technology and reducing energy burden for EJ households, what aspects of the two straw proposals would be most important to maximize chances for success? Which elements need modification or are problematic? What elements are missing?
- Considering each of the key design criteria (slide 8), do you think one model would be significantly better than the other?

Additional Questions for Stakeholders

- What other suggestions do you have for streamlining customers' experience? What services would you recommend further integrating (eg, qualification, eligibility, customer data collection, identifying contractors)?
- If Massachusetts were to streamline what customers see when they look for energy programs by consolidating certain elements of the program landscape, what consolidations would yield the most benefit ...from a customer experience perspective? ...from an administrative efficiency perspective?
- What benefits should a statewide data platform that contained customer and building information provide? What would be the biggest challenges for managing a statewide data platform?
- Would one model be significantly better than the other in terms of:
 - long-term achievement of equitable decarbonization policy objectives?
 - cost-efficient administration and delivery of programs?
 - time and difficulty to implement (start-up/transition/make changes)?

Ongoing Stakeholder Engagement

Through the end of the year EEA and the VEIC/Solomon team will conduct:

- Meetings and focus groups with:
 - Mass Save PAs and other program implementers
 - MLPs
 - Municipalities and regional planning agencies
 - Business groups
 - Energy efficiency professionals
- Environmental justice and equity service organizations
- Two public listening sessions in early December

VEIC/Solomon will synthesize the findings and use them to advise EEA on a preferred path forward, including possible changes to what is proposed.

We will send a follow-up email with slides and prompts for questions if you want to send additional feedback through November 15.



ATTORNEYS AT LAW

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***Exempt From Public Records Disclosure Pursuant To
G.L. c. 4, §7, cl. 26(d) (development of agency policy)***

MEMORANDUM

TO: Margaret T. Downey, Cape Light Compact JPE Administrator and Mariel Marchand,
Cape Light Compact JPE Power Supply Planner
CC: Kevin F. Galligan, President, Galligan Energy Consulting Inc.
FROM: KO Law, P.C./RFZ
DATE: September 9, 2024
RE: D.P.U. 24-10; Summary of ESMP Order

I. EXECUTIVE SUMMARY

This memorandum summarizes the ESMP Order issued by the Department of Public Utilities (“DPU” or the “Department”) in D.P.U. 24-10/11/12. A summary is below, with Exhibit A also showing the bulleted list of relief requested in the Compact’s reply brief with comments as to how the Order addressed each point.

Pursuant to G.L. c. 164, §§92B and 92C, the Department found that the climate statute only required the narrow scope used by the electric distribution companies (“EDCs”) in the electric sector modernization plans (“ESMPs”), including for bill impacts and net benefits. However, the DPU directed a more comprehensive biannual reporting requirement that may – depending on the outcome of subsequent phases related to biannual reporting and metrics – address a number of the Compact’s concerns in this proceeding. The reporting is in part to satisfy a request by the Compact (and other parties) to provide a single location for stakeholders to monitor ESMP implementation. The biannual reports will include updates on DPU proceedings and working groups, as well as items not directly tied to the ESMP, including – specific to Compact interests – updates on integrated energy planning (“IEP”), transmission upgrades related to ESMP investments, resiliency planning and whether Eversource has tested secondary use parameters on company-owned energy storage systems. Beyond that, the subsequent phase on this reporting will provide an opportunity for the Compact to push for additional items, including TVR and metrics timelines and double pole monitoring.

Based on the climate statute, the Department also limited the role of the Grid Modernization Advisory Council (“GMAC”), finding that the EDCs are not required to incorporate GMAC recommendations (but must explain their responses more thoroughly). It remains to be seen whether this may affect participation on the GMAC. The DPU declined to have the Community Engagement Stakeholder Advisory Group (“CESAG”) operate within the GMAC structure and limited GMAC oversight of the EDCs’ forecasts. Generally, the DPU indicated several times that its authority is limited by the statute and that, while it has regulatory oversight over the EDCs, it “may not interfere with reasonable company judgments made in good faith and within the limits of reasonable discretion. Further, it is inappropriate for the Department to substitute its own judgment for the judgment of the management of a utility.”

Other points related to Compact-specific concerns:

- The DPU did not take any specific action on time-varying rates (“TVR”), but “shares the intervenors’ eagerness” to resolve issues related to advanced metering infrastructure (“AMI”), including TVR. The DPU is reviewing the AMI Stakeholder Final Report on TVR and data access and confirmed it will address those topics in that proceeding.
- ESMP metrics and cost recovery will be addressed in subsequent phases. Stakeholders may raise additional metrics proposals (i.e., double poles) and whether to carry forward any current grid modernization metrics.
- The Order set forth ESMP term periods and filing dates for the next ESMP. The DPU agreed to provide the GMAC and stakeholders more time to review the ESMPs.
- The DPU found that the EDCs’ proposals on community benefits agreements (“CBAs”) require further stakeholder discussion, in keeping with the Compact’s concerns.
- Future ESMP-related forecasts must account for demand response, energy efficiency, and TVR.

Next steps include: (1) subsequent phases of this proceeding on biannual reporting, metrics, and short-term cost recovery; (2) a separate, new proceeding on long-term cost recovery; and (3) working groups on the long-term system planning framework and community benefits agreements.

II. SUMMARY OF ORDER

A. Scope of ESMP Review.

The Department first considered the scope of its review of the ESMPs, recognizing those parties (DOER, Acadia Center Brief, Conservation Law Foundation, the Compact, Green Energy Consumers Alliance) that advocated for a comprehensive approach and for the ESMP to be treated as a centralized distribution planning document. However, the DPU found that the climate statute required a narrower reading and limited its ESMP review to discrete investments proposed by the EDCs pursuant to the ESMP statute. Accordingly, the EDCs can exclude non-ESMP investments from their ESMP analyses (e.g., net benefits and bill impact analyses), but must still summarize in the ESMP “all proposed and related investments, alternatives to these investments and alternative approaches to financing these investments that have been reviewed, are under consideration or have been approved by the department previously.” Nonetheless, the Department did add that “proposed ESMP investments must be informed by the Companies’ existing, planned and proposed investments.”

The DPU acknowledged intervenors' frustration at having to monitor and attempt to influence multiple Department proceedings that touch upon distribution system planning. To that end, for transparency and greater understanding of distribution system planning, the Department required more comprehensive biannual reporting (e.g., non-ESMP investments) as described below.

For net benefits, bill impacts and transmission, the Compact sought to have them included in the ESMP in a comprehensive manner, but the DPU accepted the EDCs' analysis:

Net Benefits. The DPU found that the ESMPs demonstrated net benefits (quantitative and qualitative), and that the EDCs were reasonable in their use of values and methods and the portfolio-level analysis of investments, as well as the omission of non-ESMP investments and alternatives. The Department directed the EDCs to retain a similar framework for future net benefits analyses which was helpful in comparing EDCs' plans, but to include additional details and considerations, including analysis of economic benefits by investment category, results of sensitivity analyses, and a narrative with qualitative and quantitative data on equity benefits within their plans.

Bill Impacts. The EDCs correctly calculated their estimated bill impacts, which were within the range of reasonableness in light of the anticipated benefits that the proposed ESMPs may provide. The DPU rejected the argument from various intervenors that the bill impacts should include a comprehensive look at ESMP-related costs (not just proposed investments in this ESMP). While recognizing the merit of a comprehensive evaluation, the DPU found that neither the climate statute nor the strategic plan approach to the ESMP required the bill impacts to include a comprehensive estimate.

Transmission. The DPU found that the EDCs "sufficiently identified the transmission system upgrades associated with their ESMP investments." Noting its limited authority over transmission systems, the DPU did not require subsequent ESMP filings to include greater detail on proposed transmission investments. However, the DPU did go a step further – seemingly in response to the Compact's transmission-related arguments – and required "for transparency" the EDCs to "provide status updates on transmission upgrades necessitated by ESMP investments in their biannual reports." In doing so, the Department stated that "[r]equiring such status updates in the biannual reports will allow stakeholders to obtain all ESMP-related information in a single location."

B. Role of GMAC.

The Department noted the considerable care taken by the GMAC in its review and the reliance of the DPU and intervenors on the GMAC during the proceeding. However, the DPU found that nothing in the statute mandates the EDCs to incorporate the GMAC's recommendations into their ESMP proposals, and that the EDCs complied with the requirement to show that they considered each GMAC recommendation. The DPU did require the EDCs to take more care in the next ESMP to specify its explanations for whether and why it modified or rejected any recommendations.

Further, the DPU held that Section 92C does not contemplate a role for the GMAC to oversee stakeholder groups created by the EDCs to facilitate the development of internal company policies and practices related to their ESMPs. Based on that, the Department declined to require that the CESAG operate within the existing GMAC structure and the establishment of a joint forecasting working group (placing forecasting within utility business decisions that are matters for company management to determine).

However, based on the statute's funding for GMAC consultants and inclusion of the EDCs as non-voting members, the GMAC and the EDCs may engage in ongoing collaboration between ESMP filings, including on forecasting methodologies to develop the GMAC's knowledge, and (2) least cost investments in the electric distribution systems, as well as the process of identifying alternatives to investments or financing of investments so as to minimize or mitigate impacts on ratepayers.

C. Implementing the ESMPs.

1. ESMP term

The first ESMP term was set for the period July 1, 2025, through June 30, 2030, and the second ESMP term for the period July 1, 2030, through June 30, 2035. The EDCs had proposed commencing January 1, 2025, but the DPU found that the later start date will provide time to investigate the cost recovery mechanism for ESMP investments, review associated tariffs, and begin investment deployments.

2. Next ESMP filing timelines

As requested by DOER and supported by the Compact, the DPU extended the timeframe for ESMP review by the GMAC for the next ESMP:

- (1) the EDCs' draft plans to the GMAC are due February 12, 2029 (approximately 210 days before the EDCs file their proposed ESMPs);
- (2) the GMAC recommendations on the draft ESMPs are due to the EDCs by June 18, 2029 (approximately 85 days prior to submission of the proposed ESMPs);
- (3) the EDCs' second proposed ESMPs are due to the DPU on or before September 11, 2029; and
- (4) the DPU must issue a final Order by April 11, 2030 (seven months after the submission of the proposed ESMPs).

Other points on the next ESMP:

- It will continue to be a strategic planning document.
- It will be based on a previous forecast. The EDCs are expected to account for their most current forecasts in proposing investments in their next ESMP filing with the DPU, and to fully account for changes in investment priorities between the draft ESMP and the ESMP filed with the DPU.
- It must include tables of planned and proposed investments in tabular form in the next ESMP.
- The EDCs are encouraged to otherwise work collaboratively with the GMAC and stakeholders.

3. Biannual reporting before the next ESMP

The Department confirmed the EDCs must submit biannual reports as required by the climate statute. A subsequent phase of this proceeding will investigate the content and determine the form of the biannual reports. Throughout this ESMP Order, the DPU directed the EDCs to include certain content in the reports, including Compact requests regarding updates on integrated energy planning

(“IEP”), transmission upgrades related to ESMP investments, resiliency planning, and whether Eversource has tested secondary use parameters on company-owned energy storage systems. The full list of that content provided in the Order is in Exhibit B attached hereto.

As requested by the Compact, the Department indicated that the biannual report will provide a “single location” for stakeholders to monitor ESMP implementation. The Department required the biannual reports to include reporting on “high-level data ... relating to **non-ESMP investments**, including summary lists of, for example, relevant Department proceedings, docketed and non-docketed filings, **related stakeholder or working groups, and key metrics.**” [bold added.] Importantly, the subsequent phase will address clear timelines of ongoing and future activities related to grid planning and investments for the next ESMP term, as well as standardization of the ESMPs. Accordingly, the subsequent phase on the biannual reports will be an important one for the Compact to ensure meaningful inclusion of topics of concern – for example, timelines for TVR, metrics and rate design implementation, monitoring working group progress, standardization, and double poles.

Other points:

- The DPU rejected the EDCs’ recommendation to begin ESMP biannual reporting in 2026. The first biannual report will be filed on September 30, 2025, three months into the first ESMP term, and the second biannual report will be due on March 31, 2026. These will not replace grid modernization reports.
- The DPU rejected DOER’s request for public listening sessions on ESMP implementation but encouraged the EDCs to conduct such sessions for interested stakeholders and to report on such activities in their biannual reports.
- The DPU rejected as unnecessary the AGO’s request for a dedicated data sharing platform for ongoing access to data on the Companies’ distribution systems. The DPU believes the biannual reporting will allow intervenors to monitor ESMP implementation.

D. Deferred Issues.

Despite the following issues being deferred by the DPU in the ESMP, the Compact sought to ensure that they will be timely and meaningfully addressed.

1. Time-varying rates

The Order did not contain specifics with regard to TVR but had some supportive/positive language. Regarding TVR and rate design, the DPU noted that the language of the climate statute on changes in rate design, load management, and other methods of reducing demand “is a clear acknowledgement of the potential for AMI-enabled rate designs as a tool to achieve the Commonwealth’s policy goals.” The statute is also a “clear endorsement of the Department’s recent decisions to require the full deployment of advanced metering functionality, to approve the Companies’ AMI deployment timelines, and to establish the AMI Stakeholder Working Group.” The DPU stated that:

We share the intervenors’ eagerness to resolve the many complex issues surrounding the deployment of AMI as well as the design and implementation of AMI-enabled rate designs, such as TVR. The Department is currently reviewing the AMI Stakeholder Working Group’s final report, which was received earlier

this month, and intends to review the Interagency Rates Working Group's final report recommendations as soon as they are available. **We intend to resolve the AMI-related issues that remain in contention and to investigate changes to rate design enabled by the full deployment of AMI as soon as practicable.** As part of those processes, the Department may consider how the data generated by AMI deployment should be incorporated into future ESMPs. [bold added.]

The Compact's discovery on TVR early on may have resulted in other parties also following up on TVR issues, despite TVR being a deferred issue here. We believe it was useful to highlight in this proceeding some of the issues raised in the AMI Stakeholder proceeding to ensure that they are more broadly known both at the DPU and by other parties – especially with the EDCs controlling the narrative of the AMI Stakeholder final report.

2. Metrics

Metrics will be considered in a separate phase and will include the EDCs' proposed metrics, as well as modifications or additions to those. As requested by the Compact, the DPU will also consider whether any current grid modernization metrics (and EV metrics) should be carried forward and applied to proposed ESMP investments.

Further, the DPU did not address the Compact's request for double pole metrics, but stated that: "Consistent with the decision to defer consideration of performance metrics until a later date, the Department **will not determine at this time whether or not CLC's proposed metrics are appropriate**, but the **Department affirms that it will consider stakeholder proposals, including CLC's, in this later process.** The Department will provide further guidance on the performance metrics phase of these proceedings at a later date." [bold added.]

3. Cost recovery

The climate statute allows DPU discretion for a cost recovery framework. The Department directed a second phase of this proceeding to address short-term cost recovery (discussed more below), including the parameters of an ESMP reconciling mechanism. There will also be a separate, lengthier proceeding to investigate a long-term cost recovery framework and "how innovative approaches to cost recovery through base distribution rates can further the purpose of Section 92B, optimally balance the Commonwealth's priorities, and promote efficiency."

The DPU found that ESMP recovery through a reconciling mechanism was necessary because recovery only through base distribution rates would not provide the amount of revenues needed in a timely way to meet the climate goals. The CIPs and EV program extension will continue to be recovered through those separate recovery mechanisms for transparency (rather than being included in an ESMP mechanism). The DPU rejected use of the grid modernization reconciling factor for ESMP costs; the grid mod factor will phase out by December 31, 2025.

The cost recovery second phase may include: (1) definitions of costs eligible for recovery; (2) cost containment provisions such as budget or revenue caps; (3) documentation required to support cost recovery; (4) the Companies' processes for evaluating alternatives and addressing changed circumstances during the five-year ESMP terms; (5) consideration of possible mechanisms to encourage innovative approaches designed to minimize costs for ratepayers; and (6) planned

obsolescence of the ESMP mechanism.

E. Integrated Energy Planning.

The DPU found the EDCs' IEP proposals – including collaboration with LDCs and stakeholders to define the scope and timelines of the Joint Working Group – reasonable and necessary. The DPU chose to leave development of the Joint Working Group to that collaboration and refused to adopt parameters for it. As requested by the Compact, the EDCs must report on the progress on the IEP processes in its biannual ESMP reports, including, but not limited to, updates on the Joint Working Group, data exchange, feasibility assessments, and targeted electrification projects. The DPU did not respond to the Compact's request to direct Eversource to include the Compact on the working group. The Department also did not address the Compact's request to require Eversource to work: (i) collaboratively with other Program Administrators in its service territory where energy efficiency may advance the cause of the 2050 climate goals; and (ii) cooperatively with any PAs in its service territory to ensure that those PAs are able to develop energy efficiency offerings for their customers related to the ESMPs.

F. Forecasts.

The DPU approved the EDCs' forecasts and rejected intervenor arguments that they require further standardization: "we are convinced that attempts to establish a forecasting method with uniform assumptions and inputs would not recognize the diversity across the state and could reduce the reliability of the forecasts." The DPU added some filing requirements for future ESMPs, given the data that will be available after AMI deployment. In addition to performing sensitivity analyses for their 2050 demand assessment, the Department directs each EDC to separately model for all three demand forecasting windows: (1) **demand response** and other demand management programs not managed under the ISO-NE wholesale markets; and (2) the impact of **energy efficiency**, including implementation of building efficiency codes. The EDCs must also show how they considered and accounted for **TVRs** in their near- and long-term forecasts and for the impact of building weatherization on the heat pump demand forecast.

G. Investments/Alternatives to Investments and Financing.

Investments. With the exception of Eversource's proposed Affordable Solar Access Program ("ASAP") program, no intervenor explicitly opposed the Companies' proposed investments. The DPU accepted the EDCs' lack of standardization for the ESMP investments within categories (e.g., resiliency and IEP investments), finding that these reflect differences in the investment needs of the EDCs. However, the DPU did require the EDCs to better coordinate to ensure that substantially similar investments are consistently grouped in future ESMP filings.

- Eversource's Solar (ASAP) Program: the Department found it appropriate for Eversource to submit preliminary information in its ESMP on a program it is exploring, agreed that a stakeholder process would be useful for ASAP development, and stated it would consider any separate filing in its normal practices. The DPU did not respond to the Compact's request to require Eversource to (1) coordinate any program with the DOER and Mass Housing and (2) not allow customers to qualify for ASAP and the MassCEC's Solar for All program or the Energy Saver Home Loan programs. Eversource did separately file its ASAP in the pending D.P.U. 24-104.

- **Resiliency Investments:** The DPU agreed with the Compact and DOER that the EDCs' resiliency investments require standardization. The DPU also directed the following modifications for each EDC to: (1) use historical performance information that includes major event data, such as all-in CMI and/or all-in SAIDI data, to identify and prioritize locations to deploy targeted resiliency investments; (2) assess the cost effectiveness of targeted resiliency investments as part of their resiliency investment planning process; (3) to consider whether targeted resiliency addresses the resiliency needs of critical facilities (e.g., hospitals), including municipal input; and (4) verify that assets identified as requiring targeted resiliency improvements in fact face a heightened outage risk going forward.

The EDCs must provide updates on resiliency planning in the biannual ESMP reports. The DPU expects greater coordination among the Companies on common parameters for targeted resiliency investment planning as well as the development of shared best practices to further enhance efforts towards achieving climate goals.

- **EV:** The DPU approved the extension of the EDCs' EV programs. The DPU disagreed with GECA and found the descriptions of EV managed charging program plans sufficient. The Department encouraged Eversource to submit EV managed charging program proposals for DPU review in the near term. Any concerns of those programs will be addressed in that proceeding.

Alternatives To Investments. The DPU found that the EDCs complied with the statutory requirements applicable to alternatives to investments. Given that these are strategic plans, there is not need for more comprehensive alternatives analysis (which would be required for cost recovery).

The DPU further found that the Compact's request to direct Eversource to test secondary use parameters within reliability constraints on its company-owned ESS would not be appropriate in a strategic plan review. However, the DPU required the EDCs to include in their biannual reporting whether they have conducted such testing on company-owned ESS and any corresponding results. This information should certainly help frame any similar requests for the next ESMP.

Alternatives to Financings. The EDCs must aggressively seek other avenues of funding and to keep costs down for ratepayers. The biannual reports must include summaries of federal grant, loan, and tax funding the Companies have sought during the preceding reporting period, their planned funding sources during the following reporting period, and a description of efforts to coordinate with partner entities.

H. Provisional Program Extension/Long-Term System Planning Framework ("LTSP").

The ESMPs failed to propose a LTSP framework. Given the short timeframe to prepare the ESMPs, the DPU accepted the EDCs' recommendation to develop LTSP proposals following the ESMP process, but they must proceed without delay. The EDCs were directed to convene a stakeholder working group by October 1, 2024, and to facilitate a stakeholder process that will last six months (a final report is due April 4, 2025). Topics for that process must include: (1) factors that drive development of DG by enabling hosting capacity in specific locations that benefit the Commonwealth

as a whole and further the state's clean energy objectives; (2) the role of flexible interconnection in deferring or negating the need for certain system upgrades and/or improving the operations of the current distribution system; (3) cost-allocation methodology; and (4) the process for changing or updating the LTSPP over time.

Extension of the Provisional Program (additional CIPs) is reasonable given the time it will take to get a LTSPP in place. The EDCs may file for approval of additional CIPs until that time. The DPU added additional parameters for any future CIP filings for administrative ease.

I. Stakeholder Engagement and Equity.

The EDCs' equity framework is consistent with the Commonwealth's public policy goals and Department policies, although the DPU expects the equity framework to improve over time (i.e., for the next ESMP). The EDCs must coordinate with the CESAG to develop clear and cohesive equity policies and practices, including policies and practices related to language access, EJ, and the equitable siting of electric distribution system infrastructure.

The DPU found that the CBAs require a broader stakeholder discussion, including on: (1) how the EDCs will determine whether it is appropriate to enter into a CBA with a host community; (2) whether the Companies propose to implement a cap on CBA costs per CBA; (3) the types of community benefits and the associated costs that are appropriate for inclusion in CBAs; and (4) whether and how the Companies would seek to recover all costs associated with CBAs from ratepayers. The Department also noted that legislation is pending that, if enacted, would direct EEA to establish guidelines for CBAs and require consideration of CBAs in the context of EFSB proceedings. The Department found it premature to consider cost recovery for CBAs – which will be done in a subsequent phase of this proceeding or in a new proceeding. The Department intends to coordinate with the EFSB to clarify each agency's role regarding CBA oversight.

III. CONCLUSION

As noted above, we thought it may be useful to see the bulleted list of relief requested in the Compact's reply brief with comments as to how the Order addressed each point – that appears in Exhibit A. Exhibit B contains the DPU's full list of items for the biannual report as it currently stands, although additional items will be considered in the subsequent phase.

Please let us know any questions or next steps related to the ESMP Order.

EXHIBIT A

COMPACT'S REQUESTED RELIEF IN ITS BRIEFS

In the Compact's initial and reply briefs, we compiled this bulleted list of requested relief. The bullet points in blue explain how the ESMP Order addressed each one.

- Approve the Company's IEP proposal subject to requiring: (1) DPU supervision over and broad stakeholder representation (including energy efficiency) in the IEP working group; (2) Eversource to submit an ESMP annual report starting in 2025 that includes progress on IEP electrification efforts, including in areas where the gas and electric providers are different, and the IEP working group; (3) Eversource to include the Compact in the IEP working group; and (4) a full report on IEP and the IEP working group in the next ESMP. The Department should also direct how IEP costs should be allocated between electric and gas providers.
 - The DPU took a hands off approach on the IEP working group and will not supervise it.
 - The DPU did not respond to CLC's request that the Compact be on the working group.
 - The first biannual report is required in July 2025 (rather than Eversource's request of 2026) and will include IEP.
 - The EDCs are required to report IEP updates in the biannual reports. The Compact may want to monitor the biannual reporting subsequent phase.
 - The EDCs are required to provide a full report on IEP and the IEP working group in the next ESMP
 - IEP cost allocation was not addressed.
- Require Eversource to test alternative use parameters of BESS and provide an update on those efforts in an ESMP annual report to inform the GMAC process.
 - The DPU did not require Eversource to test the alternative use parameters, but did require biannual reporting on whether Eversource does test those parameters and, if it does, what the outcomes are.
- Require Eversource to work: (i) collaboratively with other Program Administrators in its service territory where energy efficiency may advance the cause of the 2050 climate goals; and (ii) cooperatively with any PAs in its service territory to ensure that those PAs are able to develop energy efficiency offerings for their customers related to the ESMPs.
 - The DPU Order did not address this topic (and did not address EE in any substantive way).
- Direct Eversource to file its Affordable Solar Access Program ("ASAP") for consideration in a separate DPU proceeding subject to the requirements that: (1) Eversource will coordinate the program with DOER and Mass Housing; and (2) customers may not qualify for ASAP and Solar For All or the Energy Saver Home Loan programs.
 - The Order directed Eversource to file the ASAP in a separate proceeding but did not include the (1) and (2) directives. The ASAP proceeding is pending in DPU 24-104.

Related to mitigating adversities from ESMP investment construction, the Department should:

- Direct that the Community Engagement Stakeholder Advisory Group ("CESAG") should be co-chaired by the GMAC and the Company.
 - The Order rejected this request because the statute did not grant the GMAC authority over advisory groups.
- Confirm that Eversource may enter into Community Benefits Agreements ("CBAs") only within the context of an Energy Facilities Siting Board and/or DPU proceeding.
 - The Order directed CBAs to be considered in a separate process and so did not consider these particular requests which may be raised in that subsequent process.

- Require Eversource to be transparent in CBAs that the related CBA costs are ratepayer-funded.
 - To be addressed in subsequent CBA process.
- Direct Eversource to report on double poles related to ESMP-related pole work in an ESMP annual report or in ESMP metrics. In the alternative, the Department should reopen D.T.E./D.P.U. 03-87 to review double pole accounting in light of the ESMP and incorporate a separate ESMP-double pole category into that reporting.
 - Metrics will be considered in a subsequent phase and the Order made clear that the Compact is free to raise double poles there.

Regarding the next ESMP, the Department should:

- Direct Eversource to develop its next ESMP as a centralized, whole-of-business strategic planning document.
 - Rejected because the climate statute does not call for a comprehensive approach.
- Require Eversource to include transmission planning to a greater extent in its next ESMP.
 - The Order required reporting on transmission updates in the next ESMP.
- Revisit D.P.U. 12-76-C precedent on bill impact analyses to require the next ESMP to include a comprehensive understanding of ESMP investments.
 - Rejected - the climate statute did not call for a comprehensive approach.
- Require Eversource to work with the other EDCs, stakeholders and the Department to standardize the next ESMPs across EDCs to the extent possible.
 - To some extent yes, and then standardization is to be further considered in the GMAC process and biannual reporting phase.
- Direct Eversource to comply with an extended GMAC-led process and schedule both before and after the Company submits the draft ESMP to the GMAC.
 - Approved.
- Require Eversource to develop a comprehensive timeline for the next ESMP, including for TVR.
 - Significantly, to be discussed in the biannual reporting phase.
- Direct Eversource to regularly report – whether annually or biannually – on the ESMP and include DOER’s proposal on public webinars to keep the Department and stakeholders informed of its progress in the intervening years between ESMP filings.
 - Biannual reports were confirmed.
 - Webinars were rejected as outside the scope of what the statute required.
 - The Order required the biannual reports to serve this purpose of allowing stakeholders to monitor the ESMP implementation. But the upcoming biannual reporting phase will really determine what that will mean/look like and how useful the reporting will be.
- Ensure timely subsequent process for certain deferred issues – i.e., TVR, performance metrics, alternative rate design, and dispatch energy storage technologies – that were not in the scope of this proceeding, including commencing a metrics compliance phase. Specific to TVR, the Department should direct next steps in coordination with the AMI Stakeholder Group and require a detailed timeline and plan for offering TVR that differentiates between offering static third-party TVR and dynamic TVR.
 - To be considered in biannual report phase so participation there may be important.
 - As noted above, the Order did not specifically address TVR, but contained supportive language and noted that it is reviewing the AMI Stakeholder Final Report.

- Require a fully staggered briefing schedule in the next ESMP Department proceeding with the Company required to respond to intervenors' initial briefs in its initial brief to allow meaningful back and forth between the Company and the intervenors (see *supra* at 2, n. 2).
 - [The Order did not address.](#)

EXHIBIT B
BIANNUAL REPORT CONTENT REQUIRED BY DEPARTMENT ORDER

- Section IV.C.3. (Framework for Review): Changes and reprioritization of proposed ESMP investments.
- Section VI.C.3. (Forecasts and Demand Assessments): A comparison of the forecasted demand (according to the updated ARR) and actual demand, separated by component (baseload and DERs) for each completed year in the ESMP term; and identification of variances between five- and ten-year demand forecast components in the approved ESMP and the updated ARR ten-year demand forecast components.
- Section VII.B.3. (Integrated Energy Planning): Progress on IEP processes, including but not limited to updates on the Joint Working Group, data exchange, feasibility assessments, and targeted electrification projects. **[As requested by the Compact.]**
- Section VII.C.4.b.iii. (Planned and Proposed Investments – Grid Services Study): Updates relating to the Grid Services Study and compensation framework being developed.
- Section VII.C.4.c.i. (Planned and Proposed Investments – Reliability, Resiliency, and Climate-Driven Impacts):
 - o Updates on finalizing CVA frameworks
 - o Updates on targeted resiliency investment identification and prioritization method
 - o Identify and explain adjustments to proposed portfolio of targeted resiliency investments
 - o Descriptions of company's planned targeted resiliency investments along with associated costs, regardless of core or ESMP classification
- Section VII.D.4. (Alternatives to Proposed Investments): Whether the company has conducted testing on company-owned ESS and any corresponding results, involving secondary use parameters. **[As requested by the Compact.]**
- Section VII.E.4. (Transmission Investments): Updates on transmission upgrades necessitated by ESMP investments. **[As requested by the Compact.]**
- Section VII.G.3. (Alternatives to Financing Proposed Investments): Summaries of federal grant, loan, and tax funding the company has sought during the preceding reporting period and its planned funding sources during the following reporting period; descriptions of company efforts to coordinate with partner entities and impediments to such efforts; and identification of barriers encountered in obtaining funds and recommendations for how the Department can support company receipt of grants, loans, and tax incentives.
- Section VII.H.4.c. (Stakeholder Engagement and Equity): Updates on how the company is addressing distributional and structural equity in the implementation of its ESMP, training its staff on equity matters, and allocating staff resources, and a description of how any lessons learned could shape the next iteration of their equity framework.