

# Cape Light Compact JPE Governing Board Meeting

**DATE:** Wednesday, May 10, 2023  
**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](mailto:mdowney@capelightcompact.org) by 2:00 PM on Tuesday, May 9, 2023, and should follow the public comment protocol below. Written public comments received after the May 9<sup>th</sup> deadline will be distributed prior to the Compact’s next Board meeting.

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

**Meeting ID: 885-3354-7023**

**Passcode: 609035**

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

## AGENDA

1. Public Comment
2. Approval of March 15 and April 5, 2023, Open Session and Compact Board March 15, 2023, Executive Session Minutes
3. Chairman’s Report, Martin Culik
  - A. Chatham Board Member, Peter Cocolis Retirement
4. Continued Discussion and Potential Vote on Early Inclusion of Clean Peak Standard into Power Supply, Melva Deshmukh, NextEra Energy Services and Mariel Marchand
5. Presentation on Results of Phase One Cape Light Compact 2025-2027 Planning Session, Stephan Wollenburg, Sustainable Energy Advantage
6. Presentation and Discussion on March 2, 2023 Letter from the MA Department of Public Utilities Regarding the Compact’s Aggregation Plan, Audrey Eidelman Kiernan, Esq.
7. Administrator’s Report, Maggie Downey
  - A. JPE Quorum Requirements
  - B. Cape Light Compact 2022 Municipal Aggregation Report to the MA Department of Public Utilities
8. Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)

**Chairman's Public Comment Protocols  
for the May 10, 2023, Compact Governing Board Meeting**

The Chair, pursuant to his authority under G.L. c. 30A, § 20, and consistent with Chapter 20 of the Acts of 2021, § 20, announces the following protocols to assist the public in effective participation in the May 10, 2023 Compact Board meeting, 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](mailto:mdowney@capelightcompact.org) by 2:00 PM on Tuesday, May 9, 2023. Written comments must include a person's name and, if appropriate, the name of the organization the person is representing. Public comments received after the May 9<sup>th</sup> deadline will be distributed prior to the Compact's next Board meeting.
4. Public comment, both verbal and written, must be respectful, courteous, and presented in a dignified manner. All remarks must also be free of personal attacks.
5. All public comments 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 shall be made available to members of the public on Wednesday, May 10, 2023, at the Cape Light Compact JPE's web site at [www.capelightcompact.org](http://www.capelightcompact.org) Documents exempt from disclosure pursuant to the Public Records Law or protected by the attorney-client privilege shall not be included.

**Draft Executive Session Minutes**  
**Pursuant to G.L. c. 30A, §§ 21(a)(3)**  
**Exempt from Public Records Disclosure**  
**Pursuant to G.L. c. 4, s. 7, cl. 26(d)**

Draft Minutes subject to correction, addition and Committee/Board Approval

**Cape Light Compact JPE**  
**Governing Board**  
**Executive Session Meeting Minutes**  
**Wednesday, March 15, 2023**

Pursuant to Massachusetts Governor Charles D. Baker's Order Suspending Certain Provisions of the Open Meeting Law on March 12, 2020, the Cape Light Compact JPE Board of Directors met on Wednesday, March 15, 2023, at 2:00 p.m. The meeting was held through a Zoom videoconference for members of the Board with audio call-in available for members of the public.

**Participating In-Person Were:**

1. Robert Schofield, Executive Committee, Bourne
2. Colin Odell, Executive Committee, Brewster
3. Brad Crowell, Dennis
4. Tom McNellis, Eastham
5. Gary Senecal, Eastham Alternate
6. Valerie Bell, Harwich
7. Martin Culik, Chair/Executive Committee, Orleans
8. David Jacobson, Orleans Alternate

**Participating Remotely Were:**

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Peter Cocolis, Chatham
4. Timothy Carroll, Chilmark
5. Alan Strahler, Edgartown
6. Nathaniel Mayo, Provincetown
7. Leanne Drake, Sandwich
8. Bob Higgins-Steele, Truro
9. Richard Elkin, Executive Committee, Wellfleet
10. Erik Peckar, Executive Committee, West Tisbury
11. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

**Absent Were:**

1. Forrest Filler, Aquinnah
2. Meghan Gombos, Dukes County
3. Matthew Patrick, Falmouth
4. Wayne Taylor, Mashpee
5. Peter Meleney, Oak Bluffs
6. Russ Hartenstine, Tisbury
7. Jarrod Cabral, Truro

**Draft Executive Session Minutes**  
**Pursuant to G.L. c. 30A, §§ 21(a)(3)**  
**Exempt from Public Records Disclosure**  
**Pursuant to G.L. c. 4, s. 7, cl. 26(d)**

Draft Minutes subject to correction, addition and Committee/Board Approval

**Legal Counsel Participating Remotely:**

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

**Staff Participation In-Person:**

Maggie Downey, Administrator

**Staff Participating Remotely:**

Dan Schell, Senior Analyst - Retail and Demand Response

Dave Botelho, Data Analyst

Mariel Marchand, Power Supply Planner

Melissa Allard, Senior Administrative Coordinator

Phil Moffitt, Chief Financial Officer

Martin Culik noted that before he made the required Executive Session declaration, he asked those members who are participating remotely to confirm that no other person is present or able to hear the executive session discussion at their remote location. He did this by asking everyone as a group to say yes, affirming that no one could hear the discussion. After receiving affirmation from the Board members participating remotely, Martin made the required declaration to enter into executive session.

**OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION PURSUANT TO M.G.L. c. 30A §§21(A)(3) TO DISCUSS MATTERS BELOW, TO NOT RETURN TO OPEN SESSION:**

*Martin Culik at 2:11 PM moved to enter into Executive Session pursuant to M.G.L. c. 30A §§21(a)(3) to review and approve February 8, 2023 Executive Session minutes regarding pending litigation, the appeal of Massachusetts Department of Public Utilities D.P.U. 20-40, Cape & Vineyard Electrification Offering (CVEO) and the appeal of CVEO as proposed in the 2022-2024 Energy Efficiency Plan, D.P.U. 21-126, SJ-2021-0443 and SJ-2022-0088, respectively, to return to open session thereafter. Seconded by Joyce Flynn.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes

**Draft Executive Session Minutes**  
**Pursuant to G.L. c. 30A, §§ 21(a)(3)**  
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**Pursuant to G.L. c. 4, s. 7, cl. 26(d)**

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Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

**APPROVAL OF MINUTES:**

The Board considered the February 8, 2023 Executive Session Meeting Minutes.

*Robert Schofield moved the Board to accept the minutes and to release them as amended, seconded by Colin Odell.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

**RETURN TO OPEN SESSION:**

*At 2:14 PM, Martin Culik asked for a motion to end the executive session, moved by Robert Schofield, seconded by Joyce Flynn.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes

**Draft Executive Session Minutes**  
**Pursuant to G.L. c. 30A, §§ 21(a)(3)**  
**Exempt from Public Records Disclosure**  
**Pursuant to G.L. c. 4, s. 7, cl. 26(d)**

Draft Minutes subject to correction, addition and Committee/Board Approval

Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	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
- February 8, 2023, Draft Executive Session Meeting Minutes

**Cape Light Compact JPE  
Governing Board  
Meeting Minutes  
Wednesday, March 15, 2023**

Pursuant to Massachusetts Governor Charles D. Baker's Order Suspending Certain Provisions of the Open Meeting Law on March 12, 2020, the Cape Light Compact JPE Board of Directors met on Wednesday, March 15, 2023, at 2:00 p.m. The meeting was held through a Zoom videoconference for members of the Board with audio call-in available for members of the public.

**Participating In-Person Were:**

1. Robert Schofield, Executive Committee, Bourne
2. Colin Odell, Executive Committee, Brewster
3. Brad Crowell, Dennis
4. Tom McNellis, Eastham
5. Gary Senecal, Eastham Alternate
6. Valerie Bell, Harwich
7. Martin Culik, Chair/Executive Committee, Orleans
8. David Jacobson, Orleans Alternate

**Participating Remotely Were:**

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Peter Doyle, Barnstable Alternate
3. Peter Cocolis, Chatham
4. Timothy Carroll, Chilmark
5. Alan Strahler, Edgartown
6. Nathaniel Mayo, Provincetown
7. Leanne Drake, Sandwich
8. Bob Higgins-Steele, Truro
9. Richard Elkin, Executive Committee, Wellfleet
10. Erik Peckar, Executive Committee, West Tisbury
11. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

**Absent Were:**

1. Forrest Filler, Aquinnah
2. Meghan Gombos, Dukes County
3. Matthew Patrick, Falmouth
4. Wayne Taylor, Mashpee
5. Peter Meleney, Oak Bluffs
6. Russ Hartenstine, Tisbury
7. Jarrod Cabral, Truro

**Legal Counsel Participating Remotely:**

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

**Staff Participation In-Person:**

Maggie Downey, Administrator

**Staff Participating Remotely:**

Dan Schell, Senior Analyst - Retail and Demand Response  
Dave Botelho, Data Analyst  
Mariel Marchand, Power Supply Planner  
Melissa Allard, Senior Administrative Coordinator  
Phil Moffitt, Chief Financial Officer

**Public Participants:**

Christopher Powicki

Martin Culik called the meeting to order at 2:08 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 February 8, 2023, Open Session and Executive Session Meeting Minutes.

*Robert Schofield moved the Board to accept the minutes and to release them as amended, seconded by Joyce Fynn.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Abstained
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Abstained
Joyce	Flynn	Yarmouth	Yes

*Motion carried in the affirmative (12-0-2)*

**Tim Carroll joined the meeting at 2:10pm.**

**OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION PURSUANT TO M.G.L. C. 30A §21(A)(3) TO DISCUSS MATTERS BELOW, TO RETURN TO OPEN SESSION:**

**Draft Minutes subject to correction, additions and Committee/Board Approval**

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Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

**RETURN TO OPEN SESSION:**

*At 2:14 PM, Martin Culik asked for a motion to end executive session, moved by Robert Schofield, seconded by Joyce Flynn.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
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Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes
Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	Yes
Erik	Peckar	West Tisbury	Yes
Joyce	Flynn	Yarmouth	Yes

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

**Nate Mayo joined the meeting at 2:40pm.**

**DISCUSSION AND POTENTIAL VOTE ON EARLY INCLUSION OF CLEAN PEAK STANDARD INTO POWER SUPPLY, MARIEL MARCHAND:**

Marcel Marchand reviewed the Power Supply Update: Clean Peak Standard PowerPoint.

Marcel Marchand stated that the Clean Peak Standard (CPS) is designed to provide incentives to clean energy technologies that can supply electricity or reduce demand during seasonal peak demand periods. She stated that retail electric suppliers are required to meet a baseline minimum percentage of sales with qualified clean peak resources. Seasonal peak demand periods are established by the Massachusetts Department of Energy Resources (DOER) and for 2023 the CPS is 6% of a supplier's electric load.

Marcel Marchand stated that the final CPS regulation was filed in the summer of 2020. It included language that electricity sold "under contracts executed or extended on or after January 1, 2020 shall include a minimum percentage of electrical energy sales with Clean Peak Certificates." She stated that the Compact executed its Competitive Electric Supply Agreement (CESA) with NextEra before January 1, 2020. The original term of the contract runs through December 31, 2023. However, in December of 2021, the Compact extended its CESA with NextEra through December 21, 2026. She stated because the extension was executed after January 1, 2020, the Compact will be required to comply with the CPS beginning in 2024.

Marcel Marchand stated that per guidance from the Massachusetts Department of Public Utilities (DPU), retail electricity suppliers are considered 100% renewable if the voluntary renewable energy certificates (RECs) provided are above and beyond the mandatory renewable percentage. The DPU has stated the mandatory minimum renewable percentage for 2023 is 59%, thus CLC is retiring voluntary RECs for the remaining 41%. CPS is not included as part of the 59% mandatory minimum, per the DPU's calculation of that 59%. She stated that the Compact would be required to match the CPS percentage with voluntary renewables regardless of whether the Compact were required to comply with CPS, in order to claim 100% renewable status.

Marcel Marchand stated that the Compact has already set its rate for the first half of 2023 and because of the permissible exemption CPS was not built into that rate. She stated that the Compact would need to recover the cost of full year in final six months of 2023 and complying with CPS in 2023 would add approximately 0.45 cents/kWh to the Compact's summer rate.

Valerie Bell asked what the average increase on a bill would be. Marcel Marchand stated that it would be about three dollars. Valerie Bell asked what is considered CPS? Marcel Marchand stated that there are not a whole lot of clean peak certificates available. She stated that it is likely that the Compact would be paying the alternative compliance payment for part of it. She stated that renewable resources that are operating during those peak hours that DOER has set, can qualify to generate clean peak certificates, as well as demand response resources and battery storage. Dan Schell stated there are different seasonal payments and the RECs are paid out at different times based on ISO New England seasonal peaks. He stated that the more days that you dispatch within the timeframes you receive different dollar amounts. He stated that batteries are what people are hoping to see expand in the market, but he believes that various renewable are eligible to do it as well depending on their ability to participate in the market.

Erik Peckar asked what the impact is if the Compact elected to opt into the CPS before 2024. Mariel Marchand stated that the market for clean peak certificates right now is very limited. She stated that facilities are trying to get registered and to start generating clean peak certificates, but she does not know where that will be next year.

Colin Odell asked what the percentage requirement for CPS is. Mariel Marchand stated it is 6% for 2023 and increases 1.5% each year. Colin Odell asked how many hours a year are peak hours. Dan Schell stated that it varies by season. He stated that he believes they break it down into the four seasons and each season has a different rate that is paid out, with summer having the highest rate. Colin Odell stated his concern is that usually the hours that affect rates heavily are in the top 200-300 load hours a year and that doesn't come anywhere near 6% total consumption. He stated that he is wondering whether they mean 6% total energy or energy in the peak periods. Mariel Marchand stated that it is 6 % of the Compact's annual electric load. Colin Odell stated that 6% of the annual may be a very high percentage of the peak hour consumption.

Brad Crowell stated that he would like to understand this better and he is not sure we have the time for that today. He stated that the bottom line is what the economic impact is, and staff did a good job with that. Maggie Downey stated that we can have a technical session and have Mariel Marchand and staff from NextEra go into more detail. She stated that we can vote on it at the May Board Meeting. She stated that the Compact sets its new rates at the end of May. Valerie Bell stated that she agrees and that since we are setting rates soon and with a lot of customers feeling the effect of price increases that complying early in 2023 would be rushed. She stated that since the Compact's supplier will have to comply with the CPS in 2024 that she is interested in having a technical session to understand it better.

The sense of the Board is to have a technical session before moving forward on whether the Compact should require its supplier to comply early with the CPS for the summer of 2023.

#### **CHAIRMAN'S REPORT:**

##### **1. Cape and Islands State Legislative Delegation Meeting**

Martin Culik stated that Maggie Downey and a few Board Members will be meeting with Cape and Islands State Legislative Delegation on Friday, March 17<sup>th</sup>. He stated that they asked for an opportunity to meet with the Compact about several items including the letter in the packet that we sent to them. He stated that we also are looking at several pieces of legislation for municipal aggregators. One specifically affirms the authority for municipal aggregators with respect to the energy efficiency plan. He hopes it will be a very productive meeting.

##### **2. Preparation for April 5 Strategic Planning Meeting and Discussion on Evolution of Compact Programs**

Martin Culik stated that the Wednesday April 5<sup>th</sup> Strategic Planning Meeting and Discussion is all set to go. He stated that there will be a facilitator, Stephan Wollenburg, who used to work for the Compact. He stated it would be great to have everyone in person. He stated that it will be from 10am to 4pm. Maggie Downey reminded Board members that their travel expenses are reimbursable.

Maggie Downey reviewed the Cape Light Compact Key Events: 1994 – 2023 PowerPoint. She stated that these were pulled together to help prepare for the meeting, especially for the many new faces on the Board who may not know about the Compact's history.

Maggie Downey stated that in 1994 what started the conversation about municipal aggregation and the Compact was the Barnstable County Energy Management Plan. She stated that it was the first document that looked strategically at energy issues across all 15 towns on Cape Cod. The two main recommendations that came out of the document were local control of ratepayer funded energy efficiency plans and establishing a county-wide energy management committee. In 1997 the Massachusetts Electric Utility Restructuring Act passed. This authorized cities and towns to become municipal aggregators on an opt-out basis and to locally administer electric ratepayer funded energy efficiency programs. The Barnstable County Commissioners then spearheaded the formation of the Compact. In 1998 spring and fall town meetings and town council voted on becoming municipal aggregator. The towns executed an Intermunicipal Agreement to govern operations of the Compact.

Maggie Downey stated that from 1998 into 1999 there was collaboration with Massachusetts Department of Energy Resources DOER on the development of an Aggregation Plan and an Energy Efficiency Plan. In 1999 the Compact participated as a consumer advocate in the Massachusetts Department of Telecommunications and Energy (DTE, now the DPU) review of Commonwealth Electric sale of the Canal Electric Plant. In 2000 DTE approved the Compact's Aggregation Plan and in December the Compact begins serving default service customers as a pilot on an opt-out basis. In 2001 the DTE approved the Compact's first energy efficiency plan, and it was implemented. In 2005 it was the end of standard offer service and the Compact's default service pilot program, and the Compact began offering an opt-in green power option.

Maggie Downey stated that in 2007 the Compact established and funded initial operations of the Cape & Vineyard Electric Cooperative (CVEC). In 2008 the Compact as a consumer advocate participated in a stakeholder process for proposing certain provisions for green communities legislation. Also, the Green Communities Act passed and required the statewide administration of energy efficiency by gas and electric distribution companies and municipal aggregators with certified energy efficiency plans. In 2009 the Compact first assisted member municipalities to procure retail electric supply for their municipal load. She stated that this is provided outside of our power supply program. In 2010 there was the first statewide three-year energy efficiency plan filed with the DPU, and the Compact proposed and received approval to administer enhancements to the plan.

Maggie Downey stated that from 2010 to 2011 the Compact participated as a consumer advocate in DPU review of the NSTAR merger. In 2011 the Compact participated as a consumer advocate with CVEC and other stakeholders in the DPU establishment of a net metering queue, the "System of Assurance," to support the process for interconnection of distributed generation. The Compact also participated as a consumer advocate to establish a fair cost reconciliation mechanism for electric distribution company renewable long-term contracts. In 2012 the Compact participated as a consumer advocate with CVEC and other stakeholders in the DPU review of electric distribution company standards for interconnection of distributed generation. In 2013 the DPU requested that the Compact update its Aggregation Plan and in 2015 the DPU approved the Compact's updated plan.

Maggie Downey stated that in 2016 the Compact held multiple public input forums on voluntary renewable energy content for its power supply program. In 2017 the Compact participated as a consumer advocate in the Eversource rate case. The Compact also reorganized as a Joint Powers Entity. She stated that the advisory ruling by the DPU required the Compact to update its Aggregation Plan for a second time to reflect reorganizing as a JPE. She stated that the Attorney General also requested limited changes to the Aggregation Plan in this proceeding and therefore there was a Third Amendment to the plan. She stated lastly, the Board voted to become a green aggregator under its power supply agreement.

Maggie Downey stated that in 2018 the Green Communities Act was updated to include language authorizing strategic electrification as part of energy efficiency and was intended to allow energy efficiency funds to be used for programs that support customers switching to renewables. 2018 was also when the Compact first proposed Cape and Vineyard Electrification Offering (CVEO) as an enhancement to the 2019-2021 Energy Efficiency Plan. She stated that it was not approved, and the Compact revised the program design with significant stakeholder input. In 2020 to 2021 the Compact proposed a revised CVEO program design for DPU approval. She stated that both proposals were denied. In 2021 the Compact participated as a consumer advocate in DPU Grid Modernization proceedings.

Maggie Downey stated that in 2022 the Compact participated as a consumer advocate in the 2022 Eversource rate case. Also, the Massachusetts Climate Act passed. She stated that Section 87A expressly authorized CVEO as demonstration offering and Section 24 permitted pairing of electrification with renewables and storage starting with the 2025-2027 statewide energy efficiency plan. The Compact also updated its Aggregation Plan as required by the DPU to reflect new customer enrollment practices for its power supply program which was the fourth amendment. In 2023 CVEO pursuant to Section 87A is approved by the DPU. On February 2, 2023 the DPU approved the Compact's Fourth Amended Aggregation Plan.

Tom McNellis asked if CVEC was still a part of the mix. Maggie Downey stated that CVEC is a separate legal entity with its own revenues and expenditures, and the Compact no longer provides funding to CVEC. Martin Culik stated that there is a representative from each town that serves on the CVEC Board. He stated that Mariel Marchand is the representative from the Compact that sits on the CVEC Board.

Valerie Bell asked when will new electric accounts go to basic service instead of the Compact service first. Audrey Kiernan stated that it starts with the Compact's next competitive supply agreement. She stated that will be around the end of 2026.

#### **ADMINISTRATOR'S REPORT:**

##### **1. Update on US Department of Agriculture Rural Utilities Solar Loan Application**

Maggie Downey stated that the US Department of Agriculture circled back regarding the solar loan. She stated they asked the Compact to update all of the financial documents included in the initial application. She stated that the Compact applied for the loan in 2020. It was for a 4.9-million-dollar zero interest loan to offer a solar loan program for residences on the Cape and Vineyard. She stated that the Compact will resubmit in late April.

##### **2. March 2, 2023 Letter from MA Department of Public Utilities: Compact Aggregation Plan**

Maggie Downey stated that the Compact received a letter from the DPU asking us to update our Aggregation Plan by April 21<sup>st</sup>. She stated that because of the timing of the April 5 strategic planning session, and because some of the things that we are being asked to change will have significant impacts, she is asking for support on responding to the letter asking for more time for the Board to review and to respond back on or before June 30<sup>th</sup>.

Brad Crowell asked if the new slate of DPU commissioners can have an impact on future flexibility. Maggie Downey answered yes, it could change things significantly.

Maggie Downey stated that it also came up that there was a customer complaint about the Compact's Aggregation Plan. Audrey Kiernan stated that it was conveyed to her that it was more of an inquiry that there was an aspect of the current Aggregation Plan that is fully described on the website, but the plan didn't contain

all of the details on the website. Maggie Downey stated that the heart of the issue is whether the Aggregation Plan must spell out in detail everything the Compact does. She does not believe that was the intent of the Aggregation Plan. She stated that she would also like to know whether the Board supports the Compact asking the DPU for a records request to review the customer complaint. Brad Crowell stated that he would be interested as someone who is responsible for these folks and what they have to say. Peter Cocolis asked Audrey Kiernan if this would impact the relationship with DPU. Audrey Kiernan stated that the request would go to the records officer, not the person who sent the letter request to update the Aggregation Plan. She stated that she would then give a curtesy call to the Hearing Officer who sent the letter to explain the intent of the Board in seeking that information. She stated that she believes that they would understand the Compact's desire to know what inquiries have been made about the Compact. Colin Odell asked how current the inquiry was. Audrey Kiernan stated that it was more recent. She stated that that the scope of the timeframe of the public records request that she and Maggie Downey talked about was January 2022 to present.

Sense of the Board is that they support the letter being sent to the DPU letting them know that the Compact will respond on these matters on or before June 30<sup>th</sup>. Sense of the Board is they support the Compact on asking for a records request from the DPU regarding the customer complaint about the Compact.

### 3. Withdrawal of CVEO Appeal

Maggie Downey stated that the withdrawal of CVEO appeal is final. All the documents are included in the packet. She stated that it is publicly out there.

### 4. February 28, 2023 Letter to MA Department of Energy Resources

Maggie Downey stated that she included a letter in the packet from all the Program Administrators (PAs) to DOER on our position on implementation of the Inflation Reduction Act (IRA) energy efficiency related rebates so that the Board was aware of this statewide effort.

### 5. February 16, 2023 Letter from US Senators Warren and Markey to the MA DPU

Maggie Downey stated that she also included a letter from the US Senators Warren and Markey to the DPU expressing their concern with DPU's delay in approving municipal aggregation plan dockets.

**Erik Peckar left the meeting at 3:50pm.**

### ADJOURNMENT:

*Motion to adjourn made at 4:02 PM moved by Colin Odell, seconded by Robert Schofield.*

David	Anthony	Barnstable	Yes
Robert	Schofield	Bourne	Yes
Colin	Odell	Brewster	Yes
Peter	Cocolis	Chatham	Yes
Tim	Carroll	Chilmark	Yes
Brad	Crowell	Dennis	Yes
Tom	McNellis	Eastham	Yes
Alan	Strahler	Edgartown	Yes

Valerie	Bell	Harwich	Yes
Martin	Culik	Orleans	Yes
Nate	Mayo	Provincetown	Yes
Leanne	Drake	Sandwich	Yes
Bob	Higgins-Steele	Truro	Yes
Richard	Elkin	Wellfleet	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
- February 8, 2023, Draft Open Session Meeting Minutes
- Power Supply Update: Clean Peak Standard PowerPoint
- Cape Light Compact Key Events: 1994 – 2023 PowerPoint

**Cape Light Compact JPE  
Governing Board  
Meeting Minutes  
Wednesday, April 5, 2023**

The Cape Light Compact JPE Board of Directors met on Wednesday, April 5, 2023, at 10:00 a.m. The meeting was held in person at the Compact's offices, Martha's Vineyard Conference Room at 261 Whites Path, Unit 4, South Yarmouth.

**Participating In-Person Were:**

1. David Anthony, Secretary/Executive Committee, Barnstable
2. Robert Schofield, Executive Committee, Bourne
3. Colin Odell, Executive Committee, Brewster
4. Peter Cocolis, Chatham
5. Brad Crowell, Dennis
6. Tom McNellis, Eastham
7. Gary Senecal, Eastham Alternate
8. Alan Strahler, Edgartown
9. Matthew Patrick, Falmouth
10. Valerie Bell, Harwich
11. Peter Meleney, Oak Bluffs
12. Martin Culik, Chair/Executive Committee, Orleans
13. David Jacobson, Orleans Alternate
14. Nathaniel Mayo, Provincetown
15. Richard Elkin, Executive Committee, Wellfleet
16. Russ Hartenstine, Tisbury
17. Bob Higgins-Steele, Truro Alternate
18. Erik Peckar, Executive Committee, West Tisbury
19. Joyce Flynn, Vice Chair/Executive Committee, Yarmouth

**Absent Were:**

1. Forrest Filler, Aquinnah
2. Timothy Carroll, Chilmark
3. Meghan Gombos, Dukes County
4. Wayne Taylor, Mashpee
5. Jarrod Cabral, Truro
6. Leanne Drake, Sandwich

**Meeting Facilitators Participating In-Person:**

Stephan Wollenburg, Sustainable Energy Advantage  
Mary McMahan, Sustainable Energy Advantage

**Legal Counsel Participating In-Person:**

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

**Staff Participating In-Person:**

Maggie Downey, Administrator  
Margaret Song, Energy Efficiency Strategy and Policy Manager  
Briana Kane, Residential and Commercial & Industrial Program Manager  
Phil Moffitt, Chief Financial Officer

**Public Participants:**

None

Martin Culik called the meeting to order at 10:13 AM.

**PUBLIC COMMENT:**

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

Maggie Downey reviewed the meeting logistics regarding facilities, food and other amenities available to Board Members.

**DISCUSSION OF STRATEGIC ORGANIZATIONAL STRENGTHS & OPPORTUNITIES:**

Martin Culik introduced Stephan Wollenburg of Sustainable Energy Advantage as facilitator for the Board Meeting.

Martin Culik stated he had been reading materials regarding strategizing for non-profit boards, which were focused on obtaining results, clarifying a board's mission, creating and recreating the reason for the organizational existence, all of which are deserving of the Board's consideration. He stated that the Compact has a number of entities and organizations (at the local and state level) that it is accountable to, as well as a number of climate partners on the Cape & Vineyard, all of whom must factor into the Board's strategic considerations. He stated that part of the consideration is also how to support the Compact's consumers.

Martin Culik opened the floor to discussion from Board Members regarding their community needs and concerns that should be part of the Compact's strategic considerations.

Joyce Flynn stated that she wants the Compact to be a center for reliable energy information and to ensure that the Compact's member communities are aware that the Compact is their advocate.

Valerie Bell stated that customers need to be informed about the Compact - customers still need to know the basics of the organization. She stated she is concerned about putting more responsibility on the limited staff the Compact has and she is not sure if hiring someone is the solution. She asked if there is a way that the Compact could take advantage of volunteers interested in receiving training to help educate consumers. She referenced as an example the Heat Smart Alliance, which is a heat pump coaching program certification.

Martin Culik shared with Board Members a news article from Energy Sage regarding heat pump coaches.

Colin Odell stated that as an energy provider being the source of information is nothing new. He stated the average person has no idea of what is going on and customer education needs to be a prime focus. He stated that the Commonwealth appears to be receptive to consumer education but it needs to be consistent consumer education. He also stated that Cape and Vineyard towns need to hear consistent and uniform information.

Richard Elkin stated that private transportation and home heating are a focus. He stated that in his town, volunteer driven educational efforts are needed. He stated he focuses with the town on a 3-point program: (1) electrification paired with renewables (e.g., solar photovoltaics (PV)); (2) electric cars; and (3) conservation. He stated that volunteers within towns are necessary to educate the general public.

Matt Patrick stated that he liked the idea of volunteers. He suggested considering AmeriCorps volunteers and thought they would be an excellent resource. He also reminded the Board not to forget about solar canopies, as there is a lot of wasted parking lot space and solar canopies should be pushed in each member municipality. He recounted a recent cross-country trip and learning about Texas wind turbines as a model for considering deliberative polling and how public consensus is derived. He recalled electric restructuring in Massachusetts and the effort it took to form municipal aggregation and the fight for legislation, which is now a model nationwide.

David Jacobson stated that he is a new member and asked that his views and suggestions be taken with a grain of salt. He suggested thinking about changing the refrigerants system as an opportunity for reduction in greenhouse gas (GHG) emissions. He observed what is happening in Orleans and trying to complete energy efficiency projects in the town - +where there is limited expertise and time to devote to these matters, which is slowing progress. He noted that Orleans has a Green Communities grant that it is having trouble spending, even with the Compact providing assistance. He stated that in considering electrification goals we should think about problems with the electric distribution company capacity and interconnection constraints and whether the Compact should jump into the fray on those issues (and then noted maybe the Compact has done so).

Bob Higgins-Steele stated that the education theme resonates. He stated that with a focus on electrification, the focus may be at the expense of energy efficiency. He stated that 2030 is a big milestone in GHG emissions reductions according to the state and outlined the Clean Energy and Climate Plan (CECP) scenarios on electrification – he said it is important to not lose sight of energy efficiency and building envelope upgrades. He also stated he is happy to volunteer to educate towns.

Gary Senecal stated that he wants the Compact to establish its relevance at the municipal level. The Compact should be known as the center for reliable energy information. He said we need to be better at keeping towns informed of who we are and what we do.

Tom McNellis stated that he is hoping to learn more about what the Compact is and what its scope is. Are we a power supplier, are we a competitor to municipal power suppliers - what is

our role and what option do we offer customers? He stated he is not sure if consumers know the Compact is a trusted resource. In reading through the energy efficiency plan, he stated there is not a lot of customization for the Cape - we're in a unique spot so what is our role in that document as a non-utility Program Administrator? Tom McNellis stated that municipal and community relationships are key in the energy efficiency plan and who has a better shot at doing that than the Compact. He also questioned whether the Compact works with regional technical schools on workforce training, as the Compact could be training there and be a partner. On the issue of advocacy, he wondered about the scope of energy efficiency and whether the Compact can be advocates for solar, for batteries and for EVs.

Robert Schofield stated that he is thinking back on what has worked over his 20 years of experience with the Compact. He recalled Solarize our Schools, science fairs and education as very important. He stated he is a strong advocate for heat pumps. He also stated that building envelope is where you start, noting that it is hard to sell, but given electric costs, it's where we need to focus.

Peter Cocolis stated that the Compact has done a lot of good on power supply, energy efficiency and advocacy. He stated that in Chatham, the Energy Committee is now the Energy and Climate Action Committee. He stated that the Compact needs to pursue power supply, energy efficiency and climate action and then define its objectives. He said the Compact needs to partner with energy committees to get information out.

Brad Crowell stated that we are increasingly moving into the world of climate change and decarbonization, but the problem is that by charter we are an energy efficiency organization. Decarbonization is expensive. He said the more expensive this becomes the more there will be some that question what we are doing and they could exploit this cost issue. He also stated he views his role on the Board as a public servant and he wants to be sure he's doing the public's bidding. He stated it feels good to know the public has vetted and approved the current role of the Compact and he is concerned about opening up the charter. He also stated his concern about reliance on public utilities, noting there is broad agreement that the less a role they play in our lives, the better.

Matthew Patrick stated that in relation to the comment about public utilities, the difference with the Compact is that we are a non-profit. We shouldn't forget that when we explain that to consumers about what power supply options we offer, as the Compact does not profit and it is often at or below the basic service rate.

Maggie Downey stated the best and worst thing over the years was for the Board to advocate that towns establish energy committees. She stated in some towns there are no connections between the Compact and the energy committee, while in other towns the Board member and the energy committee member is the same. She said the Board needs to decide what it wants to address going forward. She recommended that the Board propose enhancements to the energy efficiency plan and then try to fight the battle over any DPU denials with support from the Legislature.

Colin Odell asked if the Cape & Islands Legislative Delegation suggested this approach because it's a new Administration and a new DPU Commission. Maggie Downey replied yes.

Audrey Eidelman Kiernan stated that it would be good for the Board to educate and obtain support from the member municipalities as well as consumers within the municipalities, in order to show local support for any proposed enhancements to the energy efficiency plan. She also recommended that the Compact consider whether there are outside funding sources to support the enhancements, which would help to offset the ratepayer impact of the enhancements.

**2025-2027 ENERGY EFFICIENCY PLAN: PRIORITIES & POTENTIAL ENHANCEMENTS**

At 11:35 a.m. Martin Culik announced that Alan Strahler, Peter Meleney, Russ Hartenstine and Erik Peckar, Board Members from the Vineyard, had joined the meeting.

Stephan Wollenburg presented the Cape Light Compact Board Priorities Discussion PowerPoint. He provided the context for energy efficiency considerations, identifying the legislative highlights from 2008 through present that have established the framework for the current three-year implementation of energy efficiency by the Program Administrators in Massachusetts. He stated that with the 2021 Climate Act, legal requirements were established for the Program Administrators to meet goals for CO2 reduction set by the Secretary of Energy and Environmental Affairs (EEA). He also stated that the 2022 Climate Act specified that energy efficiency plans could include programs that combine energy efficiency and electrification with renewables and storage, and Program Administrators were explicitly required to consider low and moderate income (LMI) customers and renters and strategies to promote more equitable participation as part of their program design. He also stated that the 2022 Climate Act restricted incentives for fossil-fired equipment.

Nathaniel Mayo and David Anthony also joined the meeting.

Richard Elkin stated that the Compact needs to present a GHG reduction and energy efficiency plan.

Stephan Wollenburg reviewed what counts as energy efficiency and may be included in a three-year plan.

Colin Odell stated for the Board that he had reviewed the Compact's Joint Powers Agreement (JPA) in connection with the comments earlier in the meeting and he confirmed that the JPA is broad enough to incorporate flexibility of Board desire to address decarbonization and climate change. He stated the Compact's charter is not where the Compact's constraints lie.

Stephan Wollenburg reviewed the DPU cost-effectiveness standards, the total resource cost test and the more recent requirement to include the social cost of carbon in cost-effectiveness. He also addressed what may be considered non-energy benefits for purposes of cost-effectiveness. Mr. Wollenburg also discussed electric vehicles (EVs) and EV charging and what falls within the current scope of energy efficiency and that plays out in a cost-effectiveness test.

David Jacobson stated the importance of considering the social cost of carbon in the energy efficiency world.

Stephan Wollenburg reviewed how DPU's cost-effectiveness standards apply to energy efficiency plans at the Sector, Program, Core Initiative and Measure level. He also reviewed the various stakeholders that are involved in the development and approval of energy efficiency plans (e.g., DPU, EEA, the Department of Energy Resources (DOER) and the Energy Efficiency Advisory Council (EEAC)).

Valerie Bell asked how GHG emissions reduction is measured. Stephan Wollenburg discussed DPU rules and EEA rules and what can be claimed in the plan and what is used to count towards the EEA Secretary's goal. Margaret Song explained the carbon reductions that are claimable in the three-year energy efficiency plan are a different measurement than overall GHG emissions levels.

Richard Elkin stated that the Cape does not measure GHG emissions and that there are some attempts to use satellite measurements to determine the amount of CO2 being generated but these are not very far along.

Erick Peckar stated that the Vineyard has done calculations on GHG emissions as part of the Vineyard's climate action plan.

Stephan Wollenburg reviewed the Compact's history of offering enhancements to the statewide energy efficiency plan and the DPU's recent considerations and concerns regarding the Compact's enhancements.

Maggie Downey stated that the Compact's enhancements are in a separate appendix to the three-year energy efficiency plan that identifies the enhancements proposed for each Program Administrator.

Stephan Wollenburg identified the new DPU Commissioners and their background and noted that the new Commissioners may provide new opportunities for energy efficiency and the Compact. He also reviewed the 2025-2027 energy efficiency plan development and review timeline, noting the March 31, 2024 requirement to submit a draft of the plan to the EEAC, which means the Board will need to have fully considered and voted on all enhancements to the plan in advance of this date.

Stephan Wollenburg presented examples of past Compact enhancements on renter offerings, moderate income offerings, the Cape & Vineyard Electrification Offering (CVEO) and greater engagement with municipalities. He noted that the Compact's enhancements have often later been adopted statewide by the other Program Administrators. He also presented the goals, priorities, relevant statutory changes and challenges that may be considered when developing enhancements to the energy efficiency plan as well as Compact-specific considerations (e.g., satisfying the Compact's low income spending target, how to approach programming for second homes and seasonal residents and the sufficiency of substation and feeder capacity for planned electrification). Finally, he presented key questions for consideration of energy efficiency enhancements (e.g., does it fit within the energy efficiency framework, is it cost effective, does the Compact have staff to implement it, does it help the Compact meet its current or future

energy efficiency goals, will the DPU approve it, does it serve the needs of the Compact's members and could outside funding be leveraged to support it).

### **2025-2027 THREE YEAR PLAN DISCUSSION**

Stephan Wollenburg facilitated comment from each Board member on what innovations the Board would like to see included in the Compact's 2025-2027 energy efficiency plan proposal, and what studies and resources would be needed to make such proposals successful.

Erick Peckar stated that EV charging, especially ferry charging and electrification of ferries should be a consideration, as well as electrification of boats and boat charging (induction dock charging). He also stated that equity programming should be a consideration with a focus on the local tribes and how to work with them. He stated that his employer, Vineyard Power, is a Community First Partner (CFP) in the current energy efficiency plan and stated a desire to increase CFPs across the region.

Bob Higgins-Steele stated that there should be a residential parallel to commercial property assessed clean energy (PACE) programs. He stated that PACE is a program that classifies clean energy upgrades as a public benefit, to be received with no money down and paid for through financing on property tax bills. He stated that Truro is concerned about how to make progress affordable to LMI customers. He also stated that there needs to be a focus on the building envelope.

Robert Schofield stated that building envelope is our next step carrying further what we've accomplished on the Cape. He also noted that we should explore EV charging stations for visitors.

Peter Cocolis stated that we need to explicitly indicate to the world that we are a part of climate change and we are addressing that directly. He stated a focus on LMI customers is critical to the Cape. He also stated that Eversource is slow to address electric grid modernization.

Brad Crowell stated that we need to look at how this is all going to be done and that the Compact needs to find allies in the business community and focus on workforce development.

Alan Strahler stated that it is important to track our improvements on the Island related to GHG emissions reduction. He stated the Martha's Vineyard Commission's work on this to date is not good and that we need more attention to see where we are, what we've achieved and where we are going.

David Anthony stated that he had just attended a meeting where Barnstable is being considered as a location for a climate change innovation center. He stated that LMI initiatives are very important and that in order to be effective we need to start knocking on doors to reach these customers.

Martin Culik stated that he wants the Compact to be the clearinghouse for the Cape & Islands.

Nathaniel Mayo echoed the need for tribal engagement. He also stated a need to track the business environment, understand where contractors are and what education they need, that we

need the innovation touchpoint with contractors. He stated that renters are problematic and we need to focus on serving them.

Joyce Flynn stated a need for outreach and training. She suggested collaborating with local schools that all run adult education courses to help them design courses related to energy efficiency and decarbonization, to get grant funding and give them content for the courses.

Valerie Bell stated that Cape & Islands Self Reliance is doing workforce development with the wind industry in New Bedford and doing work with tribes. She is interested in brainstorming some way to break down the barriers for serving hard-to-reach customers. She asked if the Compact is using state guidelines for LMI because on Cape we are different and unique and moderate income customers are more like low-income because the cost of living is so high.

Colin Odell stated that at a high level the driving force is going to be GHG emission goals and our job is going to be how to creatively meet those within the existing constraints. He also stated that the other thing is through the years, within sectors, the difference in energy efficiency programs is not what you do but rather what you do to get people to do the stuff that matters. He stated we have reached a point on the Cape, especially on LMI – how do we get to these customers and get them to take action.

Richard Elkin referenced the Compact's work with the towns to purchase streetlights and make them energy efficient and that we should consider another public offering – EV charging at beaches. He stated the annual maintenance costs of the chargers is too high and asked how do we get around that? He stated that on a large scale, we should electrify our beaches so that tourists can charge while at the beach. He also stated that the Compact should put more emphasis on CVEO – make it clear it is a LMI offering.

Matthew Patrick referenced experience with Home Energy Rating System (HERS) raters as a way to get to the people buying homes. He stated that we should encourage financing at a lower rate for efficient homes. He wondered how we can help building inspectors handle all of the new building requirements with codes and standards.

David Jacobson stated that he has a preemptive worry about heat pumps. He stated his concern about high electric costs. He stated that there is a need for a heat pump electric rate (some rate benefit combined with using them more in off peak hours). He also stated that the Compact territory has a unique seasonal home profile and wondered about convincing seasonal homeowners to install more PV on their homes.

Maggie Downey stated that the Compact may want to focus on Environmental Justice Communities by census block for electrification programming, similar to CVEO. She also stated that maybe the Compact focus less on programs that do not reduce GHG emissions, like workforce development, which could free up additional funding. She also stated the Compact may want to consider offering different incentives to seasonal homeowners and higher incentives to year-round residents. Maggie Downey stated that she supports expansion of CVEO programming, but it will take time to reach these customers and may need to be done in small groups at a time.

Stephan Wollenburg directed Board members to identify particular enhancements they are interested in based on the categories of: non-energy GHG, equity, electrification, renewables, marketing/implementation, businesses/large customers and other.

Stephan Wollenburg then reviewed the most common recommendations/proposals to determine the sense of the Board.

**Issue: Income Verification and Income Thresholds**

David Jacobson stated that he thought the Compact made qualifications easier, so wondered what the scope of this issue is. Maggie Downey stated that if a customer is on a low-income utility rate, the customer is considered an income-eligible customer and is served through energy efficiency; however, getting customers on that rate is challenging – the utilities do not internally do the verification, they send customers to CAP agencies and CAP agencies are not doing the verification/screening year round. She stated that the Compact has a simple process in-house for income verification. She also stated that on the income threshold issue – the question is what is and what should be the income level thresholds for moderate income customers as the Cape and Vineyard demographics are different than the rest of the Commonwealth.

Richard Elkin asked if the Compact could put forward a scheme for income thresholds based on average rents/costs of housing, which is significantly higher on the Cape and Vineyard.

Stephan Wollenburg asked for confirmation of a sense of the Board – that the Board is interested in increasing the moderate income threshold or reconsidering how to define moderate income customer base. The majority answer was yes.

**Issue: Fuel-Blind Service to Customers**

Maggie Downey explained the history of the Compact’s service to all electric customers, regardless of the fuel used to heat their home, and that this differs from the statewide protocol that provides that the gas Program Administrator takes the lead in serving customers in gas heated homes. She stated that consistent with DPU’s requirement in the last three-year plan order, the Compact has stopped serving mutual customers of the Compact and National Grid. The Board considered the magnitude of customers impacted by this change. Audrey Eidelman Kiernan and Maggie Downey noted that service to low-income customers was not part of this consideration as a separate protocol was in place for those customers.

Stephan Wollenburg asked for a sense of the Board - advocating to be able to serve market rate customers on a fuel blind basis. The majority answer is yes.

**Issue: Incorporating Solar into Energy Efficiency Programs**

Stephan Wollenburg noted that currently the Compact has the CVEO offering. He asked if the Board was interested in supporting solar without pairing it with other technologies. Maggie Downey stated that she supports pairing solar with electrification of a home/business as defined in the Climate Bill.. Richard Elkin stated that maybe the focus here could be on education rather than incentives if it is solar only.

Stephan Wollenburg asked if the Board was interested in supporting solar beyond LMI customers (e.g., tie heat pump incentives to whether a customer has solar). Colin Odell stated it is worth studying for market rate customers. He stated the pitch necessary to move market rate customers is that solar installation is necessary to help offset the extra cost of moving to a heat pump.

Stephan Wollenburg asked for a sense of the Board about electrification for LMI customers paired with solar, without batteries, given the costs of storage. The majority answer was yes.

#### **Issue: Electrification of Transportation**

Stephan Wollenburg asked if the Board is interested in focusing on this through energy efficiency or through the operating budget funds outside of the energy efficiency plan. Brad Crowell stated that we need to do whatever we can to ensure that cars are charged at the correct time. There are rate implications, grid modernization implications, infrastructure. Colin Odell stated that the industry term is beneficial electrification for dealing with transportation. David Jacobson stated that costs are a concern. Tom McNellis stated that maybe there are options to do more outside of energy efficiency with federal grants and asked to consider how it plays out in the operating budget context. Erick Peckar stated that being ahead of the curve on this is beneficial thinking strategically about how to approach this. Matt Patrick stated that electric vehicles are going to be part of managing electric loads and peak shaving and it will be a source of savings for municipalities. He stated that Boston is considering this specifically.

Stephan Wollenburg stated that he is hearing from the Board that electrification of transportation is a priority and that the Compact wants to be proactive and to be a leader, though it may mean not doing this through energy efficiency or to do some things through energy efficiency and other things through operating budget. The majority sense of the Board was in agreement.

#### **Issue: Marketing/Implementation**

Valerie Bell stated that she wants to focus on increased training at the local level and not rely entirely on local energy committees.

Nathanial Mayo stated that the Compact could pilot a training exercise.

Erick Peckar stated that Vineyard Power is undertaking an energy coaching exercise as a Community First Partner (CFP) through the Compact's energy efficiency program. Consider CFP - how could you push to get savings associated with it in the next plan?

Matt Patrick discussed the role of auditors and getting them to follow up with customers to increase participation and that in his personal experience we need to push them to get the conversions.

Bob Higgins-Steele stated that on municipal/committee level, we tell customers: (1) call the Compact; (2) make a plan for every appliance that uses fossil fuels, so that customers are not trying to make a decision with a basement full of hot water. He stated the goal is to have a

phased plan in place so that customers are not doing the transition away from fossil fuels all at once.

Stephan Wollenburg stated that he is hearing an interest in trying to do more to enable local communities/committees to push marketing for the Compact and Compact staff are also looking for Board members to do more to help.

Maggie Downey stated that she would follow up on the monthly reporting from the Compact to Board members on the energy efficiency programs.

Russ Hartenstine stated that the Compact needs to have lots of marketing materials available to Climate Committees so the Compact's information is available at all times.

### **GENERAL ENERGY EFFICIENCY DISCUSSION**

Stephan Wollenburg stated that seasonal homes present challenges around achieving projected savings for heat pumps and costs. He asked how to address this challenge – should there be differentiation for seasonal homes? The sense of the board was yes, either in incentives or in the threshold for incentives. There was discussion of whether incentives need to be financial – for instance, could you receive a Compact certified “gold star” or through a home energy rating system give people a reward as being a “five star rated” energy efficient home, which could increase resale value.

The sense of the Board was also that the Compact should not be incentivizing whole home air conditioning as part of electrification for second home owners.

Brad Crowell noted that he has a 200 year old house and most of the measures recommended after the home energy assessment could not be done. He stated with some creativity he thinks they could have been done. He asked how we close the loop to address those barriers faced by older homes.

Discussion focused on the length of time for audits and whether that was a concern. Briana Kane noted that there is a 4-6 week lead time for the Compact. She noted that there is plenty of weatherization left to do – the challenge remains how to get the non-participant to participate.

Stephan Wollenburg offered up the opportunity for Board members to address any other issues that should be included in the list of enhancements or considerations for the Compact's 2025-2027 Three-Year Plan.

Matthew Patrick stated that the Compact should follow up on energy audits and make sure they're done and conversions are happening. Focus on closure rate.

Audrey Eidelman Kiernan recommended that Stephan Wollenburg's report summarizing the strategy session capture the various buckets of program design consideration (e.g., changes to statewide design, Compact specific changes to program design under existing authority and

Compact specific changes to program design that push the envelope given existing authority, etc.).

Maggie Downey stated that a lot is happening statewide. There is a focus from some in the Commonwealth on moving energy efficiency away from utilities and the Compact is caught up in that as an unintended consequence. Maggie Downey stated she will keep the Board apprised of these developments.

Peter Meleney asked what more can be done to coordinate what the Compact is doing with climate and energy committees at the town level.

Brad Crowell stated that it may be appropriate for us to widen our lens and look at system wide issues and not just individual issues – battery storage, demand response. He also stated that the Compact needs to keep costs in consideration.

Tom McNellis asked if there are metrics to share with select boards and towns on a frequent basis.

Gary Senecal stated that it is important to focus on municipal waste and its contribution to GHG, on considering collaborations between town committees and coalitions across committees – he wants Cape committees to get together and collaborate.

Russ Hartenstine stated that the Board could use more training and that he wants to hear from Compact staff and understand what they are doing and how the current plan is working/not working.

Martin Culik stated that he wants consumers to know what the Compact is and what we do. He stated we need to figure out a way so that people are aware and appreciative and understand the resources we have to offer. He recommended more publicity for the Compact.

Martin Culik then ended the meeting at 3:56 p.m.

**LIST OF DOCUMENTS AND EXHIBITS:**

- Meeting Notice/Agenda
- Energy Sage March 29, 2023 News Article, *“Heat-Pump Coaches” Help Neighbors Ditch Fossil Heat in Massachusetts*
- Cape Light Compact Board Priorities Discussion PowerPoint
- Cape Light Compact Energy Efficiency Program Informational Brochures

# **CLC Board Meeting**

## **Clean Peak Standard Overview**

**5/10/2023**



# Agenda

- **What is the Clean Peak Standard?**
- **What technologies qualify for Clean Peak Energy Certificates?**
- **How are Clean Peak Energy Certificates (“CPECs”) awarded?**
- **What are the Clean Peak Standard compliance requirements for retail suppliers?**
- **What is an Alternative Compliance Payment?**



# What is the Clean Peak Standard?

## Clean Peak Standard Overview

- In August 2018, An Act to Advance Clean Energy was signed into law
  - The legislation tasked the DOER with developing a program that would require retail suppliers to meet a minimum percentage of their sales with qualified clean peak resources
  - Straw proposal and public hearings were announced in 2019, and the final regulation was filed in July 2020
- The purpose of the Clean Peak Standard is to encourage cleaner energy supply (and/or a reduction in energy consumption) during seasonal peak hours
- Resources that contribute to the Clean Peak receive Clean Peak Energy Certificates (“CPECs”)
- Retail Electricity Suppliers must retire CPECs (or pay an alternative compliance payment) to meet the Clean Peak Minimum Standard requirements

**Cape Light Compact is exempt from the Clean Peak Standard until 2024**



**The Clean Peak Standard (“CPS”) seeks to compensate market technology that reduces peak demand or supplies such peak demand with clean energy**

## **Clean Peak Standard: Eligible Resources**

- **CPS Resource Qualified Technologies**
  - Any **RPS Class I Resource** that began operation after January 1, 2019
  - Qualified **Energy Storage Systems** co-located with a RPS Class I Resource or that demonstrate their ability to store and discharge renewable energy
  - **Demand Response Resources** that can demonstrate a measurable, verifiable reduction in energy consumption
- **Additional Requirements**
  - Must be located within Massachusetts (MA resources contracted to supply out-of-state load do not qualify)
  - Must generate, discharge, or reduce consumption of energy during seasonal peak hours
  - Energy Storage Systems must charge during hours that coincide with wind or solar generation



**A CPS Resource will receive a CPEC for clean energy generated, or load reduced, during a Seasonal Peak Period, increased or decreased by certain applicable “Multipliers”**

## **Clean Peak Energy Certificate (“CPEC”) Generation**

- **Seasonal Multiplier**
  - Increases the number of CPECs a Resource receives in Summer and Winter (x4 Multiplier)
- **Actual Monthly System Peak Multiplier**
  - Increases the number of CPECs a Resource receives during the monthly system peak (x25 Multiplier)
- **Existing Resource, Contracted Resource, and SMART ES Resource Multipliers**
  - If applicable, decreases the number of CPECs a Resource receives
  - Existing Resources and SMART ES Resources see their CPECs reduced (x0.1 and x0.3 Multipliers, respectively)
  - Contracted Resources are heavily reduced (x0.01 Multiplier)

**CPECs are awarded to CPS Resources in addition to any Renewable Portfolio Standard certificates the Resource may receive**



# Retail load must purchase CPECs equal to a certain percentage of the load

## Retail Load CPS Compliance Obligations

- **Retail Electricity Suppliers must purchase CPECs equal to a percentage of their total annual electricity sales**
  - Began at 1.5% in 2020 and increases 1.5% per year
- **Currently, the 2023 CPS mandate requires suppliers to purchase CPECs to cover 6% of total annual load**
- **Additional Compliance Guidelines**
  - Suppliers with contracts executed prior to December 31, 2019 are exempt from the CPS
    - Cape Light Compact is exempt from CPS until 2024
  - Clean Peak Energy Certificates cannot be counted towards a supplier's renewable energy claims, according to guidance supplied by the MA Department of Public Utilities



# Retail Suppliers may satisfy the CPS by either purchasing CPECs or making and Alternative Compliance Payment

## CPS Compliance Options

- **Suppliers may purchase CPECs and retire them to comply with the CPS, but supply is very limited**
  - In 2022, an estimated 1.9 MM CPECs would need to be retired by suppliers in order to satisfy the CPS
  - However, qualified resources generated only 0.2 MM CPECs in 2022
- **If CPECs are unavailable to purchase, suppliers can make an Alternative Compliance Payment (“ACP”) instead**
  - The ACP is a \$ per certificate payment that a supplier can make, for each CPEC that the supplier did not buy and retire
  - The payment fulfills the supplier’s CPS obligation
- **The Clean Peak ACP for 2023 is \$45 per CPEC; CLC is exempt from paying the Clean Peak ACP in 2023**
  - Because CLC is exempt from Clean Peak in 2023, these costs have not been included in 2023 rates to date
  - If CLC wishes to voluntarily purchase CPECs and/or pay the ACP in 2023, CLC customers would need to pay double the cost of Clean Peak for the remainder of 2023, compared to other suppliers, to cover the costs for the full year





# Appendix

# Clean Peak Standard (225 CMR 21.00)

## Clean Peak Standard 21.07

- 1) “CPS Minimum Standard. The total annual sales of each Retail Electricity Product sold to Massachusetts End-use Customers by a Retail Electricity Supplier, under contracts executed or extended on or after January 1, 2020, shall include a minimum percentage of electrical energy sales with Clean Peak Certificates.
  - a) The CPS Minimum Standard shall increase by 1.5% each year, subject to the conditions described in 225 CMR 21.07(1)(b).”



# Clean Peak Standard (225 CMR 21.00) Continued

## CPS Minimum Standard and ACP Rate

Compliance Year	Minimum Percentage	Alternative Compliance Payment Rate (\$ per CPEC)
2020	1.5%	\$45.00
2021	3.0%	\$45.00
2022	4.5%	\$45.00
2023	6.0%	\$45.00
2024	7.5%	\$45.00
2025	9.0%	\$43.46
2026	10.5%	\$41.92
2027	12.0%	\$40.38
2028	13.5%	\$38.84
2029	15.0%	\$37.30





# Cape Light Compact Board Priorities Facilitated Discussion, Key Takeaways Report

Sustainable Energy Advantage, LLC

May 10, 2023

# Agenda

- Themes from Discussion of Strategic Organizational Strengths & Opportunities
- 2025-2027 Greenhouse Gas Reduction and Energy Efficiency Plan
  - Timeline & Context
  - Key themes from Board Facilitated Discussion
    - Strategic Priorities
    - Tactical Ideas
    - Items discussed but agreed not a good fit for EE framework
- Recap

# Strategic Organizational Strengths & Opportunities

Themes from 4/5/23 Discussion



# Strategic Organizational Strengths & Opportunities – Themes

Recap of topics that came up in the 4/5/23 discussion:

- Desire to increase awareness of the Compact, its accomplishments, and the services it provides
- Energy education – Compact as a source of reliable energy information
  - Consumers (need trusted source of information)
  - Municipal partners (political support, limited municipal resources for energy projects)
- Volunteers (Americorps, energy committees)
- Collaboration, with:
  - Other energy organizations
  - Energy committees – varying levels of engagement
- Power supply
  - Compact viewed as a competitor
  - Contracting for Offshore Wind (OSW)
  - Grid capacity
- Role of the Compact in delivering GHG reductions
  - Home heating – heat pumps
  - Transportation & charging
  - PV (carports)

*All of these captured in the meeting minutes, but will not be part of today's presentation*



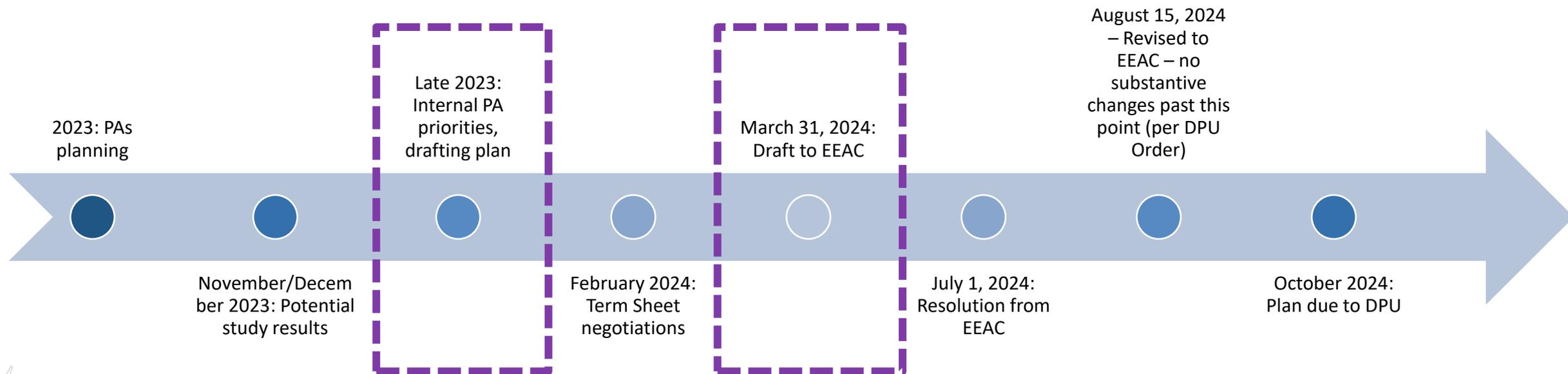
# 2025-2027 Greenhouse Gas Reduction and Energy Efficiency Plan

Priorities & Potential Enhancements



# 2025-2027 Plan Timeline

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



# Incorporating Board Discussion Into Planning Process

Proposal for Compact Staff to respond to Board discussion:

- **Strategic Priorities**
  - Expectation is that these priorities would need to be explicitly addressed in the 2025-2027 plan filing, and approved by the DPU
  - Compact staff will respond to Board feedback by developing specific proposals for inclusion in 2025-2027 plan filing
  - Board would review and approve as a part of their overall approval of the 2025-2027 filing
- **Tactical Ideas**
  - Some ideas may need to be included in the plan, others may be implementable without plan language
  - Compact staff will consider Board recommendations, and respond back to the Board with their recommendations as to whether to include in the 2025-2027 plan filing
- **Ideas discussed but determined to not fit well within energy efficiency framework**
  - To be revisited during discussions of priorities for Compact operating budget

# Themes from Discussion of Strategic Organizational Strengths & Opportunities



# Key themes from Board Facilitated Discussion

## Strategic Priorities

*Board Expects to See Reflected in 2025-2027 Filing*

- Revisiting income verification and threshold
- Fuel blind service
- Expanding CVEO, incentives for solar paired with electrification

## Tactical Ideas

*Board Requests CLC Staff Consider*

- Energy coaches, marketing
- Engaging building inspectors
- Improving weatherization conversion rates
- Potential differentiation in offers for seasonal homes

Items discussed but agreed not a good fit for EE framework

- Solar-only incentives – Solar-related incentives, solar canopies, carports
- Alternative vehicle electrification – EV chargers, electric buses/boats/public transit

# Strategic Priorities

Board indicated that it expects these priorities to be reflected in the 2025-2027 Plan



- Background
  - Currently, the Compact and other PAs offer income-based incentives, for income eligible/low-income customers and moderate-income customers
  - Threshold for low income (at or below 60% of state median income) based on statute
  - Current moderate-income range is 60-80% of state median income – this is not tied to statute
  - Acknowledgement that income verification process can be a burden as well, though the Compact has already made many improvements here
  - Board discussion highlighted that the economic realities of residents of the Cape and Vineyard are different from other parts of the state
- **April 5 Sense of Board: expand access to moderate income programs, both by revisiting the current moderate-income threshold and by exploring further improvements to the verification process**

- Background
  - Historically, the Compact has provided all applicable efficiency services to electric customers, regardless of their heating fuel
    - Other Program Administrators assign lead on serving a customer based on their heating fuel (e.g., gas customers served by gas PA, other heating fuels served by electric PA)
  - Consistent with DPU's requirement in the last three-year plan Order, the Compact has stopped serving mutual customers of the Compact and National Grid
  - Result is that customers may in the Compact's territory may not be able to access Compact-specific incentives if they heat with gas
- **April 5 Sense of Board: majority interest in advocating to be able to resume serving market rate (non-low-income) customers on a fuel blind basis**

- Background
  - Cape and Vineyard Electrification Offering offers income-qualified customers solar, storage, and heat pumps
    - It was rejected by the DPU several times, and finally approved after a legislative remedy that effectively expressly permitted CVEO
  - The current offering is limited to 100 customers
  - 2022 Climate Act language (referenced above) enables “programs that combine efficiency and electrification with renewable generation and storage”
- **April 5 Sense of Board: interest in expanding upon CVEO, to include...**
  - Additional customers served through original model
  - Potential expansion to non-income qualified customers
  - Sensitive to cost implications – any expansion should consider ways to minimize costs, including excluding storage from the offering

# Tactical Ideas

Board requested CLC Staff consider



### Energy coaches

- General acknowledgement that energy efficiency/electrification can be complicated
- Interest in engaging energy coaches, volunteers to both promote programs/incentives and help customer navigate programs/incentives
- Complexity of programs/technical nature of building energy makes use of volunteers challenging
- Board expressed interest in Compact better enabling energy committees, other volunteers to promote Compact programs (including connecting customers with appropriate resources, such as Compact staff and vendors)
- Could include connecting Compact Board members with monthly reports, materials, etc.

### Engaging building inspectors

- Building inspectors both enforce codes and regularly interact with contractors and building owners on critical energy-related decisions
- Statewide programs do provide training to code enforcement officers on new energy codes
- Still, interest in broader engagement

### Improving weatherization conversion rates

- Board emphasized weatherization is still foundational for Compact's energy efficiency work
- Some structural (e.g., knob and tube wiring, atypical home construction, etc.) and some process-based (e.g., wait times) barriers to weatherization
- Compact has above average weatherization conversion rates and has made significant efforts to address weatherization barriers
- Still, Board interested in further improvements, incl. for timber frame, and other non-traditional construction types

### Serving seasonal homes

- Acknowledgement that there are multiple ways to define – homes rented out, homes not rented, but only occupied seasonally
- Serving these homes with some measures can hurt cost-effectiveness, as they may not be heating their homes in the winter
- Did not reach consensus on *what* the differentiation should be, but Board sense that different incentives and strategies (incl. non-financial) for seasonal homes should be considered

# Discussed but to be omitted from 3YP

Not good fit for EE  
framework

- I. Solar-only incentives, e.g., for solar carports
  
- II. Alternative vehicle electrification – EVSE and incentives for, electric buses/boats/other transportation

# Recap

## Strategic Priorities

*Board Expects to See Reflected in 2025-2027 Filing*

- Revisiting income verification and threshold
- Fuel blind service
- Expanding CVEO, incentives for solar paired with electrification

## Tactical Ideas

*Board Requests CLC Staff Consider*

- Energy coaches, marketing
- Engaging building inspectors
- Improving weatherization conversion rates
- Potential differentiation in offers for seasonal homes



# *Anything that's been left out?*

Discussion





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CECILE M. FRASER  
ACTING CHAIR

ROBERT E. HAYDEN  
COMMISSIONER

March 2, 2023

VIA ELECTRONIC MAIL ONLY

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KO Law, P.C.  
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Arlington, MA 02476  
[akiernan@kolawpc.com](mailto:akiernan@kolawpc.com)

RE: Request of the Cape Light Compact JPE for an Advisory Ruling,  
D.P.U. 17-95

Dear counsel:

Below is a chart of requested changes to the Cape Light Compact JPE's ("Compact") municipal aggregation plan<sup>1</sup> ("Plan") as we discussed during our phone call today. These changes will provide clarification of the Plan, further consumer education, and bring the Plan in line with recent Department of Public Utilities ("Department") precedent related to municipal aggregation plans. The Compact is directed to file with the Department a further revised Plan incorporating the changes below on or before April 21, 2023.

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<sup>1</sup> The municipal aggregation plan referenced is the third revised plan filed in Cape Light Compact JPE, D.P.U. 14-69 on December 30, 2022 found here: <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/16833588>.

No.	Plan Page	Plan Section	Change
1	12	2.3.1., 1 <sup>st</sup> para.	Text should contain disclaimer that savings cannot be guaranteed.
2	14	2.3.2	Add description of standard opt-out product.
3	14- 15	2.3.2	Clarify what it means that the CLC Green products offer 100% and 50% RECs. This is clear on the website, but not in the plan documents—the naming is confusing/misleading. The goal is having customers informed about what they are buying. The Compact can maintain flexibility, but should include more details.
4	17- 18	4.0	State that the municipality will notify the service list for the municipality’s municipal aggregation docket and the Director of the Department’s Consumer Division 90 days prior to a planned termination of the municipal aggregation program and include copies of all media releases, website postings, and all other communications the municipality intends to provide to customers regarding termination of the program and return to basic service.
5	18	5.0	State that the municipality shall not enter into any electric services agreement with a competitive supplier unless it is fully consistent with its Department-approved Plan and Department directives.
6	18	5.0	Include a statement that the municipal aggregation program will satisfy all notice requirements established by the Department for price and product changes, including any timing and mailing requirements.
7	20	6.2	Describe how customers may request exemptions from the collection of any tax.
8	20- 21	7.0	State that all customers will have access to the municipal aggregation program and that all eligible customers (with reference to how “eligible customers” is defined by <u>Municipal Aggregation Programs</u> , D.P.U. 16-10, at 19 (2017)) will be automatically enrolled in the program unless they choose to opt out. If the municipality intends to place any conditions on when a customer may join the program or place any other restrictions on participation, they shall describe them in this section.
9	20- 21	7.0	State that all customers will have the right to opt out of the program at any time.
10	21	7.0, last para.	Confirm that once the current competitive supply contract term ends, the Compact will implement <u>Town of Lexington</u> , D.P.U. 16-152 treatment of new customers, as described. This is regardless of any extensions of the current competitive supply contract.

No.	Plan Page	Plan Section	Change
11	21	8.0	Explain any distinctions between customers receiving different products; customer classes receiving different terms and conditions, <u>e.g.</u> , large commercial and industrial customers; and treatment of new customers. Include charts outlining the enrollment process for customers similar to the ones below.
12	22	12.2	State that customers will be notified of any charges, including reconciling charges, that may be assessed upon opting out.
13	22-23	12.2	Update terms such that supplier does not have discretion in pricing for customers opting out who later seek to opt back in (effective next competitive supply contract term if conflicts with current agreement provisions). If customers are enrolled at a market-based rate, describe the process for how the customers will be transferred to the contract rate at the time of execution of a subsequent electric services agreement.
14	23	12.2	Update citation to reflect NSTAR Electric Terms and Conditions tariff M.D.P.U. No. 4 at 3A (Feb. 1, 2018) available here: <a href="https://www.eversource.com/content/docs/default-source/rates-tariffs/4-tariff-ma.pdf?sfvrsn=676e6a4a_1">https://www.eversource.com/content/docs/default-source/rates-tariffs/4-tariff-ma.pdf?sfvrsn=676e6a4a_1</a>
15	N/A	N/A	<p>Include provisions describing access for customers with limited English proficiency or disabilities. Describe any other accommodations and customizations based on the municipality's demographics. For example:</p> <p>-Describe whether opt-out documents will be translated into any languages and state where translations will be made available. State if the webpage has on-demand translation. State that the language access document will be included with opt-out documents. State whether the customer service phone number will have translation services available.</p> <p>-State that, to the extent possible, public education events will be held in accessible spaces or, in the alternative, will be available online. State that outreach efforts will be communicated in print and audio formats to provide access to both the hearing and visually impaired.</p>

Examples of charts to be included in Section 8.0

<b>Enrollment Scenario</b>	<b>Enrollment Procedures</b>
Eligible Customers at Program launch	<p><i>All Customers</i>                      An opt-out letter will be mailed to all Eligible Customers at Program launch. After the completion of the 30-day opt-out period, inclusive of mailing, the competitive supplier will enroll all Eligible Customers who did not opt out.</p>
New Eligible Customers identified after Program launch	<p><i>Residential and Small C&amp;I</i>                      An opt-out letter will be mailed to all identified New Eligible Customers after Program launch. After the completion of the 30-day opt-out period, inclusive of mailing, the competitive supplier will enroll all Eligible Customers who did not opt out.</p> <p><i>Medium, Large &amp; Very Large C&amp;I</i>                      Same as above except opt-out letter will include the current market-based prices.</p>
Customers who opted out and later want to enroll	<p><i>All Customers</i>                      Customers may enroll by contacting Program customer support or the competitive supplier.</p>
Customers on third party supply at Program launch who want to enroll in the Program after their supply contract ends	<p><i>All Customers</i>                      Customers may enroll in the Program by contacting Program customer support or the competitive supplier.</p>
All customers enrolled in the Program at the start of a supply term under a new ESA, including any customers currently on market-based prices.	<p><i>All Customers</i>                      At least 30 days prior to the effective date of a price change under a new ESA, Program participants will be informed through postings on the Program and municipality websites, media releases, social media, a physical posting in municipal buildings and a direct mail notice containing the new price, term, fees, renewable energy content, and applicable basic service rate, in accordance with Section XX above.                      Customers enrolled in an optional opt-in</p>

	<p>product that will change voluntary renewable content will be informed that they must affirmatively re-enroll in the new optional produce (or affirmatively enroll in the standard product or other optional product) or they will be returned to basic service. Customers enrolled in the standard opt-out product shall be notified that they will be re-enrolled in the new standard product unless they opt out.</p>
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<b>Enrollment Scenario</b>	<b>Enrollment Pricing</b>
Eligible Customers at Program launch	<p><i>All Customers</i> Program pricing for all product offers.</p>
New Eligible Customers identified after Program launch	<p><i>Residential and Small C&amp;I</i> Program pricing for all product offers.</p> <p><i>Medium, Large &amp; Very Large C&amp;I</i> Market-based price based on then-current wholesale prices and competitive supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current ESA.</p>
Customers who opted out and later want to enroll	<p><i>All Customers</i> Market-based price based on then-current wholesale prices and competitive supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current ESA.</p>
Customers on third party supply at Program launch who want to enroll in the Program after their supply contract ends	<p><i>Residential and Small C&amp;I</i> Program pricing for all product offers.</p> <p><i>Medium, Large &amp; Very Large C&amp;I</i> Market-based price based on then-current wholesale prices and competitive supplier costs at the time the customer wants to enroll. The competitive supplier will</p>

	provide a market-based price that is fixed for the remainder of the current ESA.
All customers enrolled in the Program at the start of a supply term under a new ESA, including any customers currently on market-based prices.	<i>All Customers</i> Program pricing for all product offers.

Please contact me should you have any questions or concerns regarding the foregoing.

Sincerely,

/s/

Sarah A. Smegal  
Hearing Officer

5-5-23 Draft

# CAPE LIGHT COMPACT AGGREGATION PLAN

As revised by  
DPU 14-69, Order dated  
May 1, 2015; DPU 17-  
95, Advisory Ruling  
dated December 29,  
2017; ~~and~~ DPU 14-69-B  
Order dated December 2,  
2022; and DPU 17-95,  
March 2, 2023 Letter  
Request

~~December-June 30, 2022~~2023

## FOREWORD

**Commented [AEK1]:** Compact Consideration: do you wish to incorporate a new foreword?

On August 27, 2013, the Cape Light Compact (“Compact”) was asked by the Department of Public Utilities (“DPU”) to review its Aggregation Plan to determine whether the Compact should file a revised plan to reflect current structure and operations, consider removing obsolete references and to comply with any applicable laws, regulations and DPU precedent as well as the forthcoming decision in DPU 12-124 (Lowell Aggregation Plan). (The Lowell decision was subsequently issued on November 27, 2013.)

The Compact’s Aggregation Plan was prepared in 1999 and approved by the DPU in 2001. It was drafted to reflect the requirements of state law at the time it was submitted for approval to the DPU. The Compact’s structure and purposes also are set forth in detail in its governing instrument, a joint powers agreement entered into pursuant to G.L. c. 40A, §4A ½ (the “Joint Powers Statute”). The Compact was initially organized under an inter-governmental agreement adopted by the Compact members in 1998 and that document guided the Compact after its initial implementation of universal generation service on an opt-out basis. The Compact reorganized as a joint powers entity, the Cape Light Compact JPE, effective July 1, 2017.

The original joint powers agreement was dated as of April 12, 2017, and was executed by duly authorized officers of all twenty-one of its municipal members (along with Dukes County, collectively the “Members”) pursuant to votes, resolutions or other authorizations of their boards of selectmen in accordance with the Joint Powers Statute. The joint powers agreement is reviewed by the Compact Board on a regular basis, and was most recently amended and restated on December 13, 2017 (the “Joint Powers Agreement”) by vote of the Compact Board and was executed in accordance with its amendment procedures. The Compact complies with all relevant statutory provisions as they may be amended from time to time by the Massachusetts Legislature.

It was not the Compact’s objective to continually update the Aggregation Plan as it was viewed as an initial requirement for becoming a municipal aggregator. Going forward and in accordance with DPU 12-124, the Compact will update its Aggregation Plan should it seek to materially deviate from the approved plan or if changes in the law, regulations, the competitive supply market or other circumstances result in the approved plan no longer accurately describing the primary operations of the Compact’s aggregation. The Compact and its Members also may make other updates to the Joint Powers Agreement in accordance with the terms of such agreement.

The current Aggregation Plan incorporates a broad overview of current operations and practices, but also preserves certain sections of the Aggregation Plan that are important for historical context. We hope that the Cape and Vineyard community appreciate the compilation of past and present Compact activities, and encourage all interested persons to read the Joint Powers Agreement for a more up-to-date reflection of the Compact's organizational structure and practices as it undertakes not only aggregated power supply and the provision of energy efficiency services but also other activities as a regional intergovernmental entity.

After the Updated Plan was filed with the DPU on April 3, 2014 and discovery concluded, the DPU held a technical session and suggested further revisions to improve the clarity and completeness of the Updated Plan. None of these additional revisions make substantive changes to the Compact's operations. The Compact filed these further revisions on August 20, 2014. In addition, after receipt of an Advisory Ruling from the DPU in December 2017 regarding the Compact's internal reorganization to a joint powers entity, the Compact updated the organizational structure and related references in the Aggregation Plan as recommended by the Advisory Ruling.

Sincerely,  
Joyce Flynn  
Chair  
January 2018 (revised January 2018)

## Purpose of the Aggregation Plan

The Cape Light Compact JPE (the “Compact”) developed this Aggregation Plan in compliance with Massachusetts law regarding public aggregation of electric consumers. It contains required information on the structure, operations, services, funding, and policies of the Compact. The Aggregation Plan has been developed in consultation with the then Massachusetts Division of Energy Resources, now the Department of Energy Resources (hereafter “DOER”).

The Compact was originally formed in 1997 following two years of study and town meetings and town council votes. Its purpose, among other things, is to represent consumer interests in the competitive markets for electricity. It seeks to aggregate all consumers to negotiate the best terms and conditions for electricity supply and pricing and to advance consumer protection for the residents and businesses of Cape Cod and the Vineyard. It brings together the buying power of up to 202,000 customers (as of March, 2014). Participation is voluntary for the towns and for each individual consumer. Any individual has the opportunity to decline power supply service provided through the Compact and choose any electric supplier they wish.

The Compact provides:

- 1) an option to join together for purchase of power supply at the best terms and conditions and the most competitive market rates available;
- 2) the recovery of funds collected from Cape and Vineyard consumers by the Local Distribution Company on behalf of the Compact each year for energy efficiency and application of those funds in approved energy efficiency and conservation programs; and
- 3) an opportunity for professional representation at the state level and in negotiations with the Local Distribution Company with respect to changes in the electric industry.

The Compact distributed this plan in 2013 for public review prior to submitting it to the Department of Public Utilities (hereafter “DPU”).

Member towns:

(Barnstable County):

Barnstable	Harwich
Bourne	Mashpee
Brewster	Orleans
Chatham	Provincetown
Dennis	Sandwich
Eastham	Truro
Falmouth	Wellfleet
	Yarmouth

(Dukes County):

Aquinnah
Chilmark
Edgartown
Oak Bluffs
Tisbury
West Tisbury

# CONTENTS

- 1.0 The Process of Aggregation
- 2.0 The Organizational Structure and Operations of the Compact Program
- 3.0 Program Funding
- 4.0 Activation and Termination of the Power Supply Program
- 5.0 Methods for Entering and Terminating Agreements with Other Entities
- 6.0 Ratesetting and Other Costs to Participants
- 7.0 Universal Access
- 8.0 Equitable Treatment of All Classes of Customers
- 9.0 Reporting
- 10.0 Reliability
- 11.0 Rights and Responsibilities of Power Supply Program Participants
- 12.0 The Consequences of Aggregation
- 13.0 Meet Any Requirements Established By Law or the Department Concerning Aggregated Service
- 14.0 Updating the Compact's Aggregation Plan

# REQUIREMENTS FOR MUNICIPAL AGGREGATION

General Law c. 164, §134 (part of the Massachusetts Electric Industry Restructuring Act) contains several requirements for municipal aggregators. One requirement is to develop an Aggregation Plan in consultation with the DOER. The Aggregation Plan is subject to review by citizens in the participating towns and approval by the DPU. The Compact's Aggregation Plan went through this process in 1999 and received DPU approval in D.T.E. 00-47 (2001). Under the law [G.L. c. 164, §134], there are fourteen requirements to be described in the Aggregation Plan.

## **1.0 THE PROCESS OF AGGREGATION**

The process of municipal aggregation for the Compact involved a multi-step public process that the Compact originally undertook from 1998 to 2001:

- 1.1 Vote of town meeting
- 1.2 Vote of selectmen, town council, or county commissioners
- 1.3 Town/county representative participates on Compact Governing Board
- 1.4 Planning process/development of policy including Aggregation Plan, RFPs, contracts
- 1.5 Development and release of Request for Proposals
- 1.6 Review of Aggregation Plan by citizens
- 1.7 Power supply contract to selectmen/town council for acceptance vote, conditioned on DPU approval and final signing
- 1.8 Power supply contract and Aggregation Plan submitted to DPU for approval
- 1.9 Final signing by each participating town
- 1.10 Notification of consumers of automatic enrollment
- 1.11 Administrative transfer of customers to Compact supplier(s)
- 1.12 180-day opt-out period begins on first day of service
- 1.13 File contract and report with state (DPU, DOER, Inspector General) within 15 days of signing contract

In addition to this process, as a public entity the Compact must comply with open meeting laws, ethical rules, and certain public bidding and information requirements.

The 2014 revisions to the Compact's Aggregation Plan included the following steps:

- 1.1 August 27, 2013, the DPU sent the Compact a letter asking the Compact to consider revising its Aggregation Plan.
- 1.2 September 11, 2013, Compact Governing Board discussed DPU letter at its Board Meeting and agreed that revisions to Aggregation Plan were warranted and developed a process for revising the Aggregation Plan.
- 1.3 November 20, 2013, Compact Governing Board continued deliberations and began discussion of proposed revisions to Aggregation Plan.

- 1.4 December 5, 2013, as required by G.L. c. 164, §134(a) and the DPU August letter, the Compact Administrator consulted with DOER regarding the Compact’s proposed process and revisions to the Aggregation Plan. DOER provided suggested revisions to the Aggregation Plan, which were incorporated into the Updated Aggregation Plan.
- 1.5 December 11, 2013, Compact Governing Board reviewed and discussed a redlined version of the proposed Updated Aggregation Plan. The Board also approved a seven week public comment period and three informational meetings on the Updated Aggregation Plan.
- 1.6 December 17, 2013, the Compact’s public comment period on the Updated Aggregation Plan opened.
- 1.7 December 17, 2013, the Compact Administrator electronically sent the Updated Aggregation Plan to all twenty-three Compact Members, along with a memorandum summarizing the proposed revisions. In addition, the Compact staff met with most of the Compact member towns and counties to provide information and answer questions regarding the proposed revisions.
- 1.8 January 9, 2014, the Compact Board continued its discussions of the proposed revisions.
- 1.9 January 15, 16 and 30, 2014, informational sessions on the Updated Aggregation Plan were held in Mashpee, Orleans, and Oak Bluffs, respectively.
- 1.10 January 23, 2014, the Compact Administrator met with a representative from the Attorney General’s Office to discuss the Updated Aggregation Plan. The Attorney General requested the Compact consider an addition to the Aggregation Plan. After consideration by the Compact Board, the Compact included the suggested addition.
- 1.11 February 7, 2014, the Compact’s public comment period closed. The Compact received 65 letters in support of the proposed revisions and 14 letters opposing the proposed revisions. The Compact Board was provided all of the letters.
- 1.12 February 26, 2014, the DPU directed the Compact to file its Updated Aggregation Plan no later than April 4, 2014.
- 1.13 March 12, 2014, the Compact Governing Board discussed and reviewed additional proposed revisions from its Members, the DOER, Attorney General, and the public. The Compact Board voted and approved the filing of its Updated Aggregation Plan with the DPU.
- 1.14 March 25, 2014, the Compact completed its consultation with DOER.
- 1.15 April 3, 2014, the Compact filed its Updated Aggregation Plan with the DPU.
- 1.16 August 20, 2014, at the direction of Department Staff, the Compact filed revisions to its Updated Aggregation Plan.

## **2.0 THE ORGANIZATIONAL STRUCTURE AND OPERATIONS OF THE COMPACT PROGRAM**

The Compact is organized in accordance with G.L. c. 40A, §4A1/2 (the “Joint Powers Statute”). Its governing instrument is a joint powers agreement as required by the Joint Powers Statute. The original joint powers agreement was dated as of April 12, 2017, and was executed by duly authorized officers of all twenty-one of its municipal members (along with Dukes County)

pursuant to votes, resolutions or other authorizations of their boards of selectmen in accordance with the Joint Powers Statute.<sup>1</sup>

The joint powers agreement is reviewed by the Compact Board on a regular basis, and was amended and restated on December 13, 2017 (the “Joint Powers Agreement”) by vote of the Compact Board and was executed in accordance with its amendment procedures. Membership provides voting rights (limited for counties as they are not municipal aggregators) and inclusion for planning, analysis, and participation in Compact programs. The organization relies on the existing structure of local and county government and from time to time, agreements between government agencies.

The Compact Governing Board is made up of one representative appointed by each of the members, as well as an alternate representative that each member may appoint. The term of each Compact Governing Board member varies depending upon the member town/county. Presently, there are some members serving a fixed term and some serving at the pleasure of the municipality. The Compact Governing Board is responsible for establishment of the policies and development of the Compact, except with respect to those powers reserved to the member municipalities of the Compact by law or the Joint Powers Agreement.

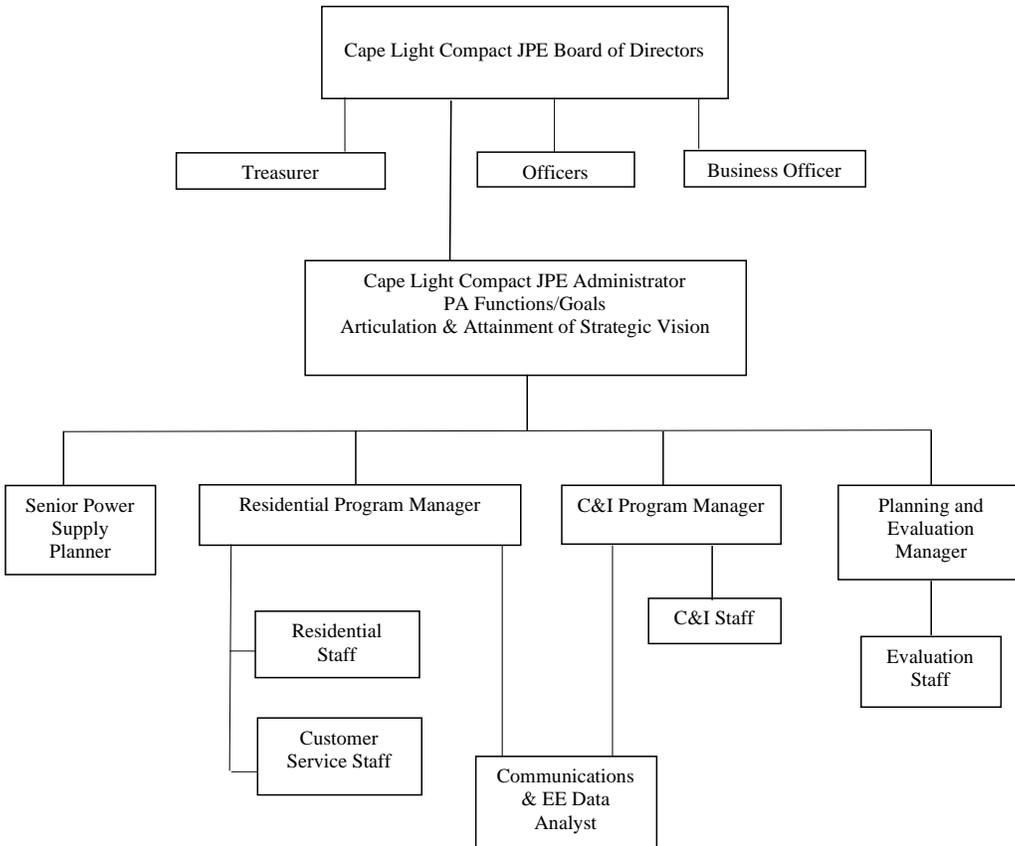
At its first meeting following the end of each calendar year, the Compact Governing Board elects a chairman, vice chairman, secretary, and such other officers as the Governing Board may determine. The term of office is one year and until respective successors are elected and qualified. In accordance with the Joint Powers Agreement and the Joint Powers Statute, each year the Governing Board also appoints: (1) a treasurer who may be a treasurer of one of the Compact’s municipal members (however, no Compact Director or other employee of the Compact is eligible to serve concurrently as treasurer); and (2) a business officer who may be a city auditor, town accountant or officer with similar duties, of one of the Compact’s municipal members.

The Compact Governing Board and its officers are responsive and responsible to consumers and the Boards of Selectmen and Town Manager/Town Council. The operational role of the Compact in relation to consumers and Boards of Selectmen and Town Council is outlined and described in the following pages.

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<sup>1</sup> Barnstable County was a member of the Compact as originally constituted and is eligible for membership in the Cape Light Compact JPE.

# CAPE LIGHT COMPACT JPE Organizational Structure



## 2.1 Description of Operational Units

There are five operational units to the Compact as described below.

### Unit One: Consumers

Consumers hold the ultimate authority over the Compact and its functions. They can make determinations on local authority, policy, and programs at town meetings. They can elect candidates for Boards of Selectmen or Town Council who may take positions regarding the Compact. They can express their views to their local Compact representative. They can participate in local and regional meetings and hearings regarding issues related to the Compact and they can attend Compact meetings to express their views.

In addition, every consumer in a participating town is eligible to participate in the Compact's programs. Every consumer also has the ability to decline supply service through the Compact and choose any other power supply option available. Consumers who are dissatisfied with services provided under contracts negotiated by the Compact may also communicate directly with the Compact Governing Board in an effort to alter or otherwise improve services. Consumers may also bring issues before their Boards of Selectmen, Town Council, or town meeting.

### Unit Two: Board of Selectmen and/or Town Manager

Based upon their existing authority, or authority provided by voters at town meetings, the Board of Selectmen and Town Manager may act through their appointed Board members on program and policy issues and contract recommendations. In addition, they may provide instructions to their representative on the Compact Governing Board regarding specific policy or program decisions to be made by the Compact. They may also raise issues directed to them by consumers for the Compact to address.

### Unit Three: Compact Governing Board

The Compact Governing Board carries out the collective decisions and instructions of the towns and consumers. Every member town that signed the original Joint Powers Agreement has a representative on the Compact Board. Policy and program decisions are made on a one-town-one-vote basis. However, issues with financial implications for the towns are made on the basis of a weighted vote. A weighted voting process also allows separate determinations by Barnstable County and Dukes County towns. The Compact's subcommittees focus on particular issues and bring policy decisions back to the Governing Board. The Governing Board determines recommendations to be made to the Boards of Selectmen and Town Council and to county members. (The list of current representatives is available on the Compact's website at [www.capelightcompact.org](http://www.capelightcompact.org).)

#### Unit Four: Procurement; Service Providers

The Compact procures all basic goods and services, i.e. office supplies and equipment, consistent with Massachusetts General Laws. The Compact's Chief Procurement Officer ("CPO"), appointed by the Governing Board, also procures all other services for both the Compact's energy efficiency and power supply activities, except for certain energy efficiency contracts that are procured on a statewide basis. In accordance with the Joint Powers Agreement, the Governing Board may appoint or engage one or more service providers to serve as the Compact's administrative, fiscal or operational agent. A municipal member of the Compact may also contract with the Compact to be a service provider.

#### Unit Five: Service Suppliers

Power suppliers contract with the Compact through its CPO. The Power Supply Program is negotiated, recommended, and monitored for compliance by the Compact through its CPO and/or the CPO's designee. The CPO reports the results of power supply bids and associated negotiations to the Governing Board.

Contracts with consultants, vendors of energy efficiency or demand side management services, or other services negotiated and recommended by the Compact, are executed by the Compact and may, from time to time, be executed and/or administered by a service provider engaged by the Compact.

## 2.2 Program Operations

The Compact's operations are guided by the provisions and goals, policies and purposes contained in the Joint Powers Agreement, and the instructions and decisions of the Compact Governing Board, Boards of Selectmen, Town Council, and consumers.

The Compact's goals, policies and purposes are set forth in the Joint Powers Agreement, as may be amended from time to time, as follows:

#### Power Supply Goals, Policies and Purposes:

- 1) To provide the basis for aggregation of all consumers on a non-discriminatory basis;
- 2) To negotiate the best terms and conditions for electricity supply and transparent pricing;
- 3) To explore all available options for negotiating the best terms and conditions for electricity supply and the development of renewable energy resources, including, without limitation, the formation of and/or membership in a co-operative organization to purchase or produce energy or renewable energy certificates ("RECs") or both on a long-term basis;
- 4) To provide equal sharing of economic savings based on current electric rates and/or cost-of-service rate-making approved by the DPU;
- 5) To provide and enhance consumer protection and options for service under contract provisions and to allow those consumers who choose not to participate to opt-out;
- 6) To improve quality and reliability of service;
- 7) To encourage environmental protection through contract provisions;

- 8) To utilize and encourage renewable energy development to the extent practicable through contract provisions, demonstration projects and state mandated system benefit charges for renewable energy;
- 9) To advance specific community goals that may be selected from time to time, such as placing utility wires underground;
- 10) To provide full public accountability to consumers; and
- 11) To utilize municipal and other powers and authorities that constitute basic consumer protection to achieve these goals.

Energy Efficiency Goals, Policies and Purposes:

- 1) To administer an energy efficiency plan that advances consumer awareness and the adoption of a wide variety of energy efficiency measures and that also utilizes and encourages demand side management, all through contract provisions, demonstration projects and the use of state mandated system benefit charges for energy efficiency and other related charges and funds;
- 2) To provide full public accountability to consumers; and
- 3) To utilize municipal and other powers and authorities that constitute basic consumer protection to achieve these goals.

### **2.3 Programs of the Compact**

The Compact offers two programs to achieve its goals: 1) the Power Supply Program and 2) the Statewide Three-Year Energy Efficiency Program. In addition, the Compact provides professional representation on behalf of consumers in state proceedings and in negotiations with the Local Distribution Company to protect consumer interests in today's energy marketplace.

#### **2.3.1 Power Supply Program (“Power Supply Program”)**

The Power Supply Program is designed to gain other favorable economic and non-economic terms in service contracts. The Compact does not buy and resell power, but represents consumer interests to set the terms for service. Through a competitive bid and negotiation process, the Compact, through its CPO, develops a contract with a power supplier for firm, all-requirements service. The contract runs for a fixed term (i.e. four years). In order to begin the Power Supply Program, the Compact's price had to be lower than the distribution company's standard offer service. The Compact met this threshold with its initial power supply price. There is no longer a statutory price benchmark for municipal aggregators. In addition, there is no guarantee of savings from participating in the Power Supply Program in comparison to the Basic Service offered by the Local Distribution Company. The Compact's power supply price complies with the requirements under G.L. c. 164, §134.

The process of supply contract approval contains checks and balances. After the Compact's form of all-requirements competitive electric supply contract was developed by the CPO, it was submitted to the DPU for its approval. The Compact's form of all-requirements competitive electric supply contract was approved by the DPU in D.T.E. 04-32 (2004). All electric supply contracts approved by the Compact's CPO since 2004 have been in substantially the same form as the contract approved by the DPU.

At the direction of the Governing Board, the Compact's Power Supply Program also includes the following components:

1. The CPO explores all available options for negotiating the best terms and conditions for electricity supply and the development of renewable energy resources, including, among other things, the formation of and/or membership in a co-operative organization to purchase or produce energy or RECs or both on a long-term basis;
2. The CPO communicates the Compact's power supply prices by: 1) discussing at the Governing Board meeting in public session; 2) posting the prices for all customer sectors to the Compact's website; and 3) paid advertisements in all daily and weekly newspapers on Cape Cod and Martha's Vineyard;
3. Ongoing coordination with the Local Distribution Company concerning billing and other operational needs;
4. Ongoing customer communication and education about the Compact's Power Supply Program; and
5. Ongoing consumer advocacy and representation at the state level through participation in DPU proceedings, the legislative development process, the stakeholder community and before other regulatory and governmental bodies.

And lastly, individual consumers may opt-out of the program at any time, and select Basic Service through the Local Distribution Company or electric service from any other competitive supplier available, in accordance with the terms and conditions of service offered by the Local Distribution Company or such other competitive supplier. (See Section 12.3 for more detailed information on the opt-out process.) No member town is required to participate in municipal power supply contracts, and no individual consumer is required to receive service under the Compact power supply contract. Consumers may also return to the Compact's Power Supply Program.

#### 2.3.1.1 Staffing and Manpower for the Power Supply Program

The operations necessary to plan, deliver, and manage the Compact's Power Supply Program include: 1) technical analysis; 2) competitive procurement of services; 3) regulatory approvals; 4) accounting and fiscal management; 5) contract maintenance; 6) communications; 7) program coordination; and 8) administrative support for the Compact Governing Board. The Compact's power supply staff are funded through the Compact's operational adder, collected through its power supply contract (discussed below at Section 3.0). Experienced consultants and legal counsel work under contract for the Compact.

The Power Supply Program has been developed by the Compact Governing Board with the support of technical consultants and legal counsel. Now that a contract for power supply has been secured, technical consultants and legal counsel are used on an as-needed basis to assist the Governing Board in carrying out the goals of the Compact set forth in the Joint Powers Agreement.

Negotiations with the Local Distribution Company and representation at the state level are undertaken as needed at the direction of the Compact Governing Board through technical and legal advisors.

2.3.1.2

[INTENTIONALLY OMITTED]

### 2.3.2 Renewable Energy Options

The Compact's standard offering for the Power Supply Program meets all of the state mandated renewable energy certificate ("REC") requirements. The Compact, at the direction of the Governing Board, may also include RECs above the state requirements. In doing so, the Compact, through its supplier, matches Compact customers' annual electricity usage above the mandated state requirements with additional, "voluntary" RECs. The percentage above the state requirements and the REC type (e.g., Massachusetts Class 1, North American Wind, etc.) may vary. The Compact ensures there is a public discussion in setting the amount of voluntary renewable energy to include in the standard offering. The Compact Governing Board obtains input from the Compact staff, the public and energy industry experts before making a final determination. Compact staff may also undertake information gathering sessions within the Compact's member municipalities to obtain input regarding customers' desired renewable energy content. The Governing Board considers factors such as bill impacts, policy goals, and additionality when deciding the voluntary REC content included in the standard offering. The Governing Board considers and determines the voluntary renewable energy content for each ESA entered into by the Compact. A full description of the renewable energy content of the Compact's standard offering is available on the Compact's website at <https://www.capelightcompact.org/power-supply/>.

The Compact also offers an opt-in green power program option to customers called Cape Light Compact Local Green<sup>SM</sup>.<sup>2</sup> Cape Light Compact Green<sup>SM</sup> is a REC-based product. This is a power supply option for customers that specifically want to support local, New England-based renewable energy resources, including resources located on Cape Cod, by matching 50% or 100% of their annual electricity usage with Massachusetts Class 1 RECs. Customers that enroll in Cape Light Compact Local Green<sup>SM</sup> receive all-requirements power supply through the same contract-ESA that governs the provision of energy to all customers in the Compact's aggregation in addition to Massachusetts RPS Class 1 RECs matching their annual electricity usage with their chosen percentage (50% or 100%) proportional to their consumption. The Compact is responsible for purchasing RECs for Cape Light Compact Local Green<sup>SM</sup>. The price for Cape Light Compact Local Green<sup>SM</sup> is set by the Compact. The following is a summary of how Cape Light Compact Local Green<sup>SM</sup> RECs are purchased and how customers participate in Cape Light Compact Local Green<sup>SM</sup>:

- a) In procuring RECs for Cape Light Compact Local Green<sup>SM</sup>, the Compact focuses on

<sup>2</sup> The Compact may choose to suspend or terminate this program from time to time in the event that it elects to offer the same or a similar product as part of its standard offering under the Power Supply Program a higher percentage of renewable energy than required under the Massachusetts Renewable Portfolio Standard.

~~long-term contracts with local projects, ensuring stable premiums and promoting local renewable energy projects by purchasing RECs generated by New England-based projects. These contracts are generally unit contingent. The Compact's approach has been to sign contracts projected to generate more RECs than will be necessary for Cape Light Compact Local Green<sup>SM</sup> with the knowledge that the Compact can sell RECs not needed for the program to other entities.~~ While a preference is given to local projects located on Cape Cod or Martha's Vineyard, the Compact negotiates prices that are in line with markets and will consider an off-Cape and Vineyard project if necessary to obtain market prices. This work is informed by the Compact's experience in the REC markets and may be supplemented by a subscription to a REC price forecasting service or expert outside consultants to help ensure a fair price.

- b) Customers may opt into Cape Light Compact Local Green<sup>SM</sup> by calling a toll-free number operated by the Compact's current supplier. The number is exclusively for Compact customers, and is used for all power supply enrollment and billing questions. The premium for the green product generally appears on the customer's bill at the end of the next full billing cycle after the customer enrolls – comparable to a customer signing up for any competitive supply product.
- c) Customers may leave the optional green program at any time without any penalties by calling the same toll-free number used for enrollment. The premium for the green product is generally removed from the customer's bill at the end of the next full billing cycle after the customer calls to leave the green program – comparable to a customer dropping any competitive supply product.
- d) Pricing for the Compact's optional green power programs is set as fixed premiums above the Compact's price for all-requirements power supply in effect at the time. The premiums for the two Cape Light Compact Local Green<sup>SM</sup> products (100% and 50%) are set to recover the cost of REC purchases, marketing, administrative and other program related expenses.
- e) Pricing and other information for Cape Light Compact Local Green<sup>SM</sup> is available on the Compact's website at [www.capelightcompact.org/clcgreen](http://www.capelightcompact.org/clcgreen). Pricing is provided for the cost of both the all-requirements power supply and the additional RECs, as opposed to just the premium itself, to minimize confusion. The Compact advertises changes in pricing for its power supply aggregation in all of the Cape Cod and Martha's Vineyard daily and weekly papers – pricing for the optional green products are included in these notices. The Compact has begun running quarterly notices in the same publications highlighting the content of both the aggregation's regular mix and the voluntary green power products. This information is also available on the Compact's website.

### 2.3.3 Statewide Three-Year Energy Efficiency Investment Program (“Energy Efficiency Program”)

The Energy Efficiency Program is aimed at total bill reduction. Wise use of energy also promotes important environmental and social benefits. Energy efficiency or demand side management includes practices, technology and education to advance methods for reducing energy use and monthly bills for residential, commercial, industrial, and municipal consumers. The purpose of the Compact's Energy Efficiency Program is to return maximum benefits to consumers who are providing the majority of the energy efficiency funds and to provide building

blocks for market transformation. [Market transformation is an ongoing process in which program subsidies for various measures are periodically recalibrated as particular measures successfully transform the market and efficient products and technologies continue to evolve and new or enhanced measures merit program subsidies. Market transformation is a dynamic process.]

In order to administer the Energy Efficiency Program, a municipal aggregator must first receive DPU approval of its municipal aggregation plan and offer universal service as a power supply option to all classes of customers pursuant to the approved aggregation plan. The Energy Efficiency Program is the result of an iterative process that includes review by the Compact’s Governing Board, Cape and Vineyard consumers, as well as other stakeholders and approval by the DPU to ensure compliance with current law and consistency with state energy goals. The Compact’s Energy Efficiency Plan is submitted to the Compact Board for approval prior to submission for DPU approval.

Pursuant to the Green Communities Act, St. 2008, c. 169, (the “Act”), as well as G.L. c. 164, §134, the Compact’s Energy Efficiency Program follows a process outlined in law for aggregated municipalities to access funds contributed by consumers for purposes of funding energy efficiency programs. The Compact also makes every effort to secure grants or other monies available for energy efficiency program administration. The budget for the Energy Efficiency Program is specified in the Compact’s Three-Year Plan, as approved by the DPU. The Compact’s energy efficiency staff is fully funded through the Energy Efficiency Program.

The Energy Efficiency Program is managed by the Compact’s team of experienced energy efficiency staff and management consultants who assist in the oversight of service delivery. Service delivery for the Energy Efficiency Program is carried out by vendors. Vendors and other consultants are procured through a competitive contracting process, in accordance with public procurement law, as well as the statewide procurement process utilized by the Program Administrators of Energy Efficiency Programs to carry out the goals of the Act.

The current Compact Energy Efficiency Plan is available on the Compact’s website, [www.capelightcompact.org](http://www.capelightcompact.org).

#### **2.3.4 Professional Representation**

As the electric industry continues to evolve and change, it is essential for Cape and Vineyard consumers to have technical and legal support to represent their interests in selected state proceedings and in negotiations with the Local Distribution Company. These efforts also attempt to improve reliability, which may result in fewer power outages and faster restoration of service.

### **3.0 PROGRAM FUNDING**

Initial development of the Compact was funded as part of the Barnstable County budget through appropriations by the County. As of July 2012, Barnstable County ceased to appropriate funds for the Compact.

Aside from any funds that may be appropriated through a public process, the Compact may collect a kilowatt hour charge, equivalent of up to a mil per kilowatt hour, from consumers participating in the Compact's Power Supply Program. The power supply price on all consumer bills reflects all charges for the administrative and operational costs of the Power Supply Program. The operational adder ("Operational Adder") is collected by the Compact's competitive electric supplier on behalf of the Compact. The Compact's supplier may collect up to 1 mil (\$.001), or such lower amount as the Compact may determine, for every kWh sold to consumers for the duration of service under the competitive electric supply agreement. The Compact's supplier remits these funds to the Compact within thirty (30) days of the end of the month.

The Compact began using an adder for its operations expenses in September, 2002. The Compact determined the adder amount, up to 1 mil, as part of the development of the terms and conditions of its competitive electric supply agreement. The primary use of the Operational Adder funds is to support the Compact's annual power supply operational budget and other costs associated with implementing its programs. The Compact has also utilized some of the Operational Adder funds to support renewable energy development by the Cape and Vineyard Electric Cooperative, Inc., a sister organization comprised of Barnstable and Dukes Counties and all but two of the Compact's member towns.

Prior to the beginning of each fiscal year, staff works with the Compact's Board Treasurer to prepare a proposed operating budget. When preparing a new Compact annual budget, the process begins with discussions by and between the Compact Board and Compact staff at regularly scheduled Board meetings that involve, among other things, a review of the prior year budget and projections for the coming year. The level of the Operational Adder is determined during this process and is based upon the projected expenses of the Compact. At the Compact Board meeting, staff addresses questions from the Compact Board on the proposed budget. Sometimes additional information is requested on specific expenditures, which is provided by staff. The Compact Board may decide to approve the budget after one meeting or the Board may elect to continue deliberating to its next regularly scheduled meeting. Approving the operating budget is by a weighted vote based on Compact Member population. The budget is posted to the Compact's website. Throughout the fiscal year, the Compact presents, at each Compact Board meeting, a Treasury Report which provides an overview of the year-to-date revenues and expenses relating to the Compact's power supply and other Compact activities, e.g. energy efficiency.

In 2013, the Compact Governing Board approved a policy that requires use of any portion of the Operational Adder/power supply reserve fund shall follow the Compact's budget appropriation process.

The unreserved portion of the Operational Adder/power supply reserve fund, after appropriation of the annual power supply operating budget, shall not exceed:

1. The subsequent year's REC commitment;
2. The average of the previous three years' power supply operating budget;
3. The historical cost of procuring a new supplier should the existing contract terminate; and

4. Adequate funds for REC contractual obligations such as escrow accounts and other sureties.

At the end of each fiscal year, any appropriations from the Operational Adder/power supply reserve fund, as well as examination of the power supply fund itself, will be subject to review by a certified independent financial auditor.

#### **4.0 TERMINATION OF THE POWER SUPPLY PROGRAM**

The Power Supply Program may be terminated, as set forth below:

Upon the termination or expiration of the power supply contract without any extension, renewal or subsequent supply contract being negotiated.

At the decision of the Compact Governing Board to dissolve the Power Supply Program.

The Compact's Power Supply Program would be terminated should the Compact, based upon an available lower basic service price, decide to switch its customers from its Power Supply Program to basic service.

In addition, if a Compact Member municipality withdraws from the Compact, that Member municipality's municipal aggregation program is terminated.

Any termination of the Power Supply Program, in its entirety or in part, must be conducted in compliance with the DPU's conditions for termination established in D.T.E. 00-47 and subsequent pertinent orders.

The Local Distribution Company will receive notice of termination as follows: 1) ninety (90) day notice prior to a planned termination of the Compact's Aggregation Plan; 2) ninety (90) day notice prior to the end of the anticipated term of its Program's electric service agreement ("ESA"); and 3) a four-business day notice of the successful negotiation of a new ESA that extends the date at which aggregation participants would otherwise return to basic service. Additionally, each individual customer receiving power supply service under the Compact's Power Supply Program will receive notification of termination of the program ninety (90) days prior to such termination.

The Compact will also notify the service list in the DPU docket that contains the Compact's most current municipal aggregation plan approval and the Director of the DPU's Consumer Division ninety (90) days prior to a planned termination of the Power Supply Program. The Compact will include copies of all media releases, website postings and all other communications the Compact intends to provide to customers regarding termination of the Power Supply Program.

In the event of termination of the Power Supply Program, in whole or in part, consumers would return to the Local Distribution Company's basic service or choose another competitive supplier.

## **5.0 METHODS FOR ENTERING AND TERMINATING AGREEMENTS WITH OTHER ENTITIES**

The Compact's process for entering, modifying, enforcing, and terminating agreements shall comply with the requirements of town charters, and state and federal laws. Where required, the procedures outlined in G.L. c. 30B shall be followed. Other agreements, such as the Joint Powers Agreement, shall be entered, modified, or terminated in compliance with the law and according to the express provisions of the relevant agreement.

Summary of Process to Solicit Bids for an ESA:

1. Compact, under the direction of the CPO, prepares and reviews the Request for Proposals ("RFP") and ESA to ensure they are complete and accurate.
2. Compact distributes the RFP to competitive suppliers that are qualified to carry out the obligations of the ESA. Factors considered in making this determination include a supplier's size and financial security, experience serving customers in Massachusetts, and reputation.
3. Suppliers interested in responding to the RFP execute a Confidentiality Agreement with the Compact.
4. Upon receipt of an executed Confidentiality Agreement, Compact provides electric account information with suppliers including current enrollment and hourly load data.
5. Suppliers submit questions to the Compact on the RFP, with responses going to all of the suppliers.
6. Suppliers and Compact enter into a contract negotiation process, resulting in contracts acceptable to both the Compact and prospective bidders.
  - a. Compact staff, select Compact Board members, counsel and consultants are responsible for these negotiations.
  - b. All Compact Board members are invited to participate in the negotiation, meetings and bid review for the RFP process.
7. Suppliers submit bids, as firm prices or pricing strategies, to Compact. If pricing a strategy is proposed, Compact meets with suppliers upon receipt of price bids.
  - a. Compact staff, select Compact Board members, counsel and consultants are responsible for these negotiations.
  - b. All Compact Board members are invited to participate in the negotiation, meetings and bid review for the RFP process.
8. CPO selects and executes ESA on Compact's behalf.
9. Compact notifies customers of new ESA and prices.
  - a. Posts prices on the Compact's website.
  - b. Publishes public notice in all of the Cape and Vineyard daily and weekly printed newspapers.
  - c. Issues a press release and posts on social media.

## **6.0 RATESETTING AND OTHER COSTS TO PARTICIPANTS**

The Compact will offer the option of its Power Supply Program at rates and terms to be negotiated with competitive power suppliers. The generation charge/supplier charge for each

customer class, or any customer grouping by load factor or other appropriate pricing category, will reflect the Compact's best efforts to secure the best terms and conditions and the most competitive market rates available at the time of contracting with competitive power suppliers. Due to fluctuations in competitive electric market prices and basic service rates, Compact generation/supplier charges may not always be lower, and are not required to be lower, than the Local Distribution Company's basic service rate. The Compact's potential pursuit of a higher percentage of renewable energy than required under the Massachusetts Renewable Portfolio Standard ("RPS") may also result in rates higher than basic service. All supplier charges to the customer will be fully and prominently disclosed under the notification process.

The Local Distribution Company shall continue to provide metering, billing, and maintenance of the distribution system as a regulated monopoly function until such time as the DPU determines it is in the interest of consumers for these services to be provided differently. Charges for metering, billing and other distribution services shall be regulated by the DPU, unless otherwise provided for in law, or DPU rules and regulations.

## **6.1 Rates and Ratesetting**

Under DPU orders, the Local Distribution Company assigns the customer classification and corresponding character of service and associated regulated rates. These rates include a monthly customer charge, a distribution charge, a transmission charge, and an access charge that currently make up the largest portion of a customer bill. Although the Compact shall participate in regulatory proceedings and represent the interests of consumers regarding these regulated rates, it does not plan to assign or alter existing customer classifications. In the event that the Compact does seek to change rate classifications, it will secure any necessary approvals.

The focus of the Compact, as noted above, will be acquisition of competitive prices and terms for power supply. This price, or prices, will be set through the competitive bid and negotiation process, and will be noted on the consumer bill as the "generation charge." The price in the contract is subject to any requirements set forth in G.L. c. 164, §134, as well as approval by the Compact's CPO.

On its website ([www.capelightcompact.org](http://www.capelightcompact.org)), the Compact maintains its current power supply rates for each rate class and the period for which the current rates apply. The Compact also provides an active link to the Local Distribution Company's Basic Service Rate, DPU website, and to the Executive Office of Energy and Environmental Affairs website for a list of licensed competitive electric suppliers. The Compact cannot ensure or verify the accuracy of the information provided by other service providers.

## **6.2 Customer Billing**

Customer billings under the Power Supply Program will be made by the supplier under contract and shall be incorporated into the standard monthly utility billing. The bill shall include a clear delineation of all regulated and non-regulated charges. Under law, consumers are entitled to a choice of one or two bills. They may receive a "complete bill" that incorporates the power supply charge and the Local Distribution Company's charges on a single sheet; or a "pass-

through bill” which is a separate bill issued by the power supplier in addition to the bill from the Local Distribution Company. For purposes of clarity and simplicity, the Compact recommends that consumers elect to receive a “complete bill” with all charges on a single sheet. However, consumers may make their own choice on this issue, except in the event that the Compact’s supplier under contract is a participant in the Local Distribution Company’s purchase of receivables program, in which case the terms of the purchase of receivables program require the customer to receive a complete bill.

Consumers may request exemptions from the collection of any tax associated with participation in the Power Supply Program by calling the toll-free number operated by the Compact’s supplier for Compact customers to obtain a copy of and review the documentation necessary for the Compact’s supplier to process the exemption.

Commented [AEK2]: Mariel is checking with NextEra to confirm the process.

## 7.0 UNIVERSAL ACCESS

“Universal access” is a term derived from the traditional regulated utility environment in which all customers desiring service receive that service. For the purposes of the Compact’s municipal aggregation program this will mean that all existing customers within the borders of participating municipalities, and all new customers in the participating municipalities, shall be eligible for service from the contracted supplier under the terms and conditions of the supply contract. Item one of the Compact’s goals contained in the Joint Powers Agreement is: “To provide the basis for aggregation of all consumers on a non-discriminatory basis.”

Service under the Compact’s Power Supply Program shall include all customer classes in adherence with universal service principles and requirements, and the traditional non-discriminatory practices of local government. Contracts with all suppliers shall contain provisions to maintain these principles and equitable treatment of all customer classes.

Existing customers in the participating towns shall be transferred to the Power Supply Program unless they have already contracted with a competitive supplier, or affirmatively opt-out of the program. Customers will have the right to opt-out of the Power Supply Program at any time.

Low-income consumers shall remain subject to all existing provisions of state law regarding their rights to return to Basic Service through the Local Distribution Company and/or participate in the Power Supply Program as well.

DPU has defined the eligibility criteria for customers seeking access to municipal aggregation programs and has determined that eligible customers include: (1) Basic Service customers; (2) Basic Service customers who have indicated that they do not want their contact information shared with competitive suppliers for marketing purposes; and (3) customers receiving Basic Service plus an optional green power product that allows concurrent enrollment in either Basic Service or competitive supply. DPU has excluded the following customers from automatic enrollment in municipal aggregation programs: (1) Basic Service customers who have asked their electric distribution company to not enroll them in competitive supply; (2) Basic Service customers enrolled in a green power product program that prohibits switching to a competitive supplier; and (3) customers receiving competitive supply service. New eligible customers in the

service territory will be initially placed on Basic Service. They will then receive an opt-out notice and will be enrolled in the Power Supply Program unless they choose to opt out within the initial opt-out period. Such customers will have the right to opt-out of the Power Supply Program at any time.

## 8.0 EQUITABLE TREATMENT OF ALL CLASSES OF CUSTOMERS

All customers will be treated equitably. All customer classes are subject to the same terms and conditions. They will be guaranteed the right to raise and resolve disputes with the supplier; be provided all required notices and information; and always retain the right to opt-out of the Compact's program.

From time to time, the Compact's member municipalities (acting individually or collectively) may choose to offer discounted pricing to all low-income customer classes within the municipality in connection with a program or project authorized by the municipality (e.g., as part of state or other similar programs intended to assist low-income customers lower their economic energy burden). A description of any such program or projects will be available on the Compact's website at <https://www.capelightcompact.org/power-supply/>.

The following charts outline the enrollment and pricing process for customers.

### Enrollment Scenario

Eligible customers at Power Supply Program launch

### Enrollment Procedures

All Customers

An opt-out letter will be mailed to all eligible customers at Power Supply Program launch. After the completion of the 30-day opt-out period, inclusive of mailing, the Compact's supplier will enroll all eligible customers who did not opt out.

New eligible customers identified after Power Supply Program launch

All Customers

An opt-out letter will be mailed to all identified new eligible customers. After the completion of the 30-day opt-out period, inclusive of mailing, the Compact's supplier will enroll all eligible customers who did not opt out.

Customers who opted out and later want to enroll

All Customers

Customers may enroll by contacting the Power Supply Program toll-free customer support number, the Compact, or the Compact's supplier.

Customers on third party supply at Power Supply Program launch who want to enroll in the Power Supply Program after their supply contract ends

All Customers

Customers may enroll by contacting the Power Supply Program toll-free customer support number, the Compact, or the Compact's supplier.

All customers enrolled in the Power Supply Program at the start of a supply term under a new ESA, including any customers currently on market-based prices.

**Enrollment Scenario**

Eligible customers at Power Supply Program launch

New eligible customers identified after Power Supply Program launch

Customers who opted out and later want to enroll

Customers on third party supply at Power Supply Program launch who want to enroll in the Power Supply Program after their supply contract ends

All customers enrolled in the Power Supply Program at the start of a supply term under a new ESA, including any customers currently on market-based prices.

**All Customers**

Prior to the effective date of a price change under a new ESA, Power Supply Program participants will be informed through postings on the Compact's website, media releases, social media, and newspaper advertisements of the new price, the renewable energy content, and applicable basic service rate. Customers enrolled in the standard opt-out product shall be notified that they will be re-enrolled in the new standard product unless they opt out. Customers enrolled in an optional opt-in product that will change voluntary renewable content will be informed that they must affirmatively re-enroll in the new optional product (or affirmatively enroll in the standard product or other optional product) or they will be returned to basic service.

**Enrollment Pricing**

**All Customers**

Power Supply Program pricing for all product offers.

**All Customers**

Power Supply Program pricing for all product offers.

**All Customers**

Market-based price based on then-current wholesale prices and supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current ESA or the current pricing term under the ESA.

**All Customers**

Market-based price based on then-current wholesale prices and supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current ESA or the current pricing term under the ESA.

**All Customers**

Power Supply Program pricing for all product offers.

## **9.0 REPORTING**

The Compact, in accordance with DPU directives, will submit an annual report to the DPU. The report will be filed in a manner prescribed by the DPU. The initial report will be filed on December 1, 2014 and will include: 1) a list of the Compact's competitive suppliers over the past year; 2) the term of each power supply contract; 3) the aggregation's monthly enrollment statistics by customer class; 4) a brief description of any renewable energy supply options and other renewable energy features that exceed minimum requirements; and 5) a discussion and documentation regarding the implementation of the municipal aggregation's alternative information disclosure strategy, to the extent applicable.

## **10.0 RELIABILITY**

"Reliability" in power supply and in transmission and distribution is essential to consumers. The Compact's policy, as set forth in the goals of the Joint Powers Agreement is: "To improve quality of service and reliability." This will be accomplished and reinforced at several levels: 1) through provisions of the power supply contract that will include language on reliability of supply, liability and damages provisions; 2) through traditional proceedings related to the Local Distribution Company's regulated transmission and distribution services; and 3) through direct discussions with the Local Distribution Company concerning specific or general problems related to quality and reliability of transmission and distribution service.

## **11.0 RIGHTS AND RESPONSIBILITIES OF POWER SUPPLY PROGRAM PARTICIPANTS**

### **11.1 Rights**

All Compact Power Supply Program participants shall enjoy the protections of law afforded to consumers as they currently exist or as they may be amended from time to time. Compact customers with questions regarding enrollment, billing, and other similar issues are directed to the toll-free number operated by the Compact's supplier for Compact customers. Customers with more detailed questions or questions directed to the Compact itself are forwarded by the Compact's supplier to the Compact's Senior Power Supply Planner for a response. Customers may also contact the DPU's Consumer Division with unresolved issues.

All program participants shall also enjoy the individual right to decline participation in the Power Supply Program as noted in the description of the "opt-out" in Section 12.2 below.

### **11.2 Responsibilities**

All Power Supply Program participants shall meet all standards and responsibilities required by the DPU, including payment of billings and access to essential metering and other equipment to carry out utility operations.

## **12.0 THE CONSEQUENCES OF AGGREGATION**

Municipal aggregation functions under the restrictions of state law and carries a range of results and consequences:

### 12.1 Consumer Option to Participate in Competitive Market

Many individual consumers lack knowledge and leverage to negotiate terms for power supply. A municipal aggregator provides them with an option for professional representation and the leverage of a large group so that they may more effectively participate in the competitive process and achieve benefits.

### 12.2 Consumer Ability to Opt-Out and Choose Another Supplier

Because the law guarantees the right to opt-out, including the right to choose Basic Service at no charge for 180 days, all customers have the right to select a supplier other than the one chosen by the Compact. A customer may opt-out, or opt back in, by calling a toll free number operated by the Compact's current supplier. The Compact does not charge a fee for opting out of the Compact's Power Supply Program. Customers will be notified by the Local Distribution Company of any other charges, including reconciling charges, that may be assessed upon opting out.

Customers that have opted out of the Compact's Power Supply Program may opt back in, but the Compact's current ~~ESA contract~~ with its supplier does allow the supplier, at its discretion, to charge returning customers a price that is different from the price in effect for customers under the Compact's contract with the supplier at that time. The price charged to returning customers must be a market-based rate. This provision protects both the supplier and the Compact's other customers from individuals that might switch to variable-priced products when market prices are low and back to fixed-price products during high-priced months. ~~-~~

The rights of customers seeking to opt back in to the Compact's Power Supply Program during the term of an ESA is a part of the Compact's negotiation for new ESAs, and at times, may differ somewhat from the rights described above. However, upon the start of the next ESA term, or the next pricing period under the ESA, any such customer having opted back in to the Power Supply Program will be included in the list of all existing customers that receive the ESA rate for all existing customers.

In addition, the Local Distribution Company's electric distribution service tariff approved by the DPU currently contains the following provisions that imposes conditions upon when a customer in the Compact's service territory may switch from basic service to a competitive supplier. The Compact provides a link to this tariff provision on its website at <https://www.capelightcompact.org/power-supply/> and undertakes an annual review to ensure the Compact is linking to the most current tariff.

~~The Company shall reasonably accommodate a change from Standard Offer Service, Default Service or Generation Service to a new Competitive Supplier in accordance with the Terms and Conditions for Competitive Suppliers, and shall~~

**Commented [AEK3]:** CLC: DPU's letter says the current provision is M.D.P.U. No. 4 at 3A (Feb. 1, 2018) [Microsoft Word - MDPU 4 EMA Supplier T&C\\_clean.docx \(eversource.com\)](#)

~~accommodate a change to Standard Offer Service or Default Service from Generation Service; provided, however, that when a Customer changes from a Competitive Supplier to Default Service, unless the Customer or the Customer's applicable Competitive Supplier can demonstrate to the Company's reasonable satisfaction that the Customer has been placed on Default Service upon the expiration of a contract with such Competitive Supplier, the Customer is not permitted to return to the same Competitive Supplier for a period of six (6) months from the effective date of the change. Customers are permitted to switch from Default Service to a different Competitive Supplier who has not supplied the Customer with Generation Service in the same six (6) month period.~~

~~NSTAR Electric Company Terms and Conditions for Distribution Service, M.D.T.E. No. 300A (February 1, 2006) at 5F.~~

### **12.3 Indemnification of Consumers and Risk Associated with Competitive Market**

In a competitive market it is possible that the failure of a power supplier to deliver service may result in the need for consumers to acquire alternative power supply, or for consumers to receive power at Basic Service prices. The Compact will seek to minimize this risk by recommending only reputable suppliers who demonstrate reliable service. The Compact also intends to include conditions in its contract with a supplier that will indemnify consumers against risks or problems with power supply service.

### **12.4 Other Consumer Protections**

The Compact will negotiate a range of provisions in its contracts to enhance consumer protection. The Compact also intends to work with the Local Distribution Company and the DPU to assure improvement in the reliability of transmission and distribution services.

### **13.0 MEET ANY REQUIREMENTS ESTABLISHED BY LAW OR THE DEPARTMENT CONCERNING AGGREGATED SERVICE**

~~The Compact fully intends to comply with the requirements of law and the rules of the DPU.~~

### **14.0 UPDATING THE COMPACT'S AGGREGATION PLAN**

In accordance with DPU 12-124, the Compact will update its Aggregation Plan should the Compact seek to materially deviate from its approved plan or if changes in the law, regulations, the competitive supply market, or other circumstances result in the approved plan no longer accurately describing the primary operations of the Compact's aggregation. Prior to filing a revised plan with the DPU, the Compact will consult with DOER, submit the revised plan for review by its citizens, and obtain all necessary approvals. Beyond these circumstances, however, the Compact will not seek to update its Aggregation Plan for the continued operation of the Compact's programs. The Compact and the Compact Members also may make periodic updates to the Joint Powers Agreement.

**Commented [AEK4]:** Note: DPU is considering whether this statement is sufficient or may need tweaking to address the following requests in DPU's letter:

Request #5: "State that the municipality shall not enter into any electric services agreement with a competitive supplier unless it is fully consistent with its Department-approved Plan and Department directives."

Request #6: "Include a statement that the municipal aggregation program will satisfy all notice requirements established by the Department for price and product changes, including any timing and mailing requirements."

## **15.0 ADDITIONAL ACCESS INFORMATION**

The Compact offers certain accommodations and customizations for customers with limited English proficiency or disabilities that are looking for information about the Power Supply Program. The Compact includes a language access document with each opt-out notice mailed to customers in the service territory. The document informs customers in multiple languages of the importance of the notice and directs them to the Compact website and the toll-free information number maintained by the Compact's supplier for additional information. The Compact's web page describing the Power Supply Program is available in Spanish and Portuguese in addition to English. These specific translations are tailored to the demographics of the Compact's service territory. From time to time the Compact may translate additional Power Supply Program information on other Compact web pages in Spanish and Portuguese. The Compact is committed to ensuring equitable access to the Power Supply Program and may expand the scope of its translation services to include providing a translated opt-out notice on its website, translation services through the call center, and others.

The Compact's public education and customer outreach efforts are communicated in print and audio formats to provide access to both the hearing and visually impaired. Additionally, to the extent feasible, the Compact holds public education events in accessible spaces, or, in the alternative, provides the information on its website.

**2022 OPERATING BUDGET EXPENSE REPORT 12/31/22**

ORG	OBJECT	ACCOUNT DESCRIPTION	ORIGINAL APPROPRIATION	REVISED BUDGET	YTD EXPENDED	AVAILABLE BUDGET	% USED
01001	5110	OP-SALARIES	\$ 113,000.00	\$ 113,000.00	\$ 108,311.35	\$ 4,688.65	95.90
01001	5119	OP-SALARY RESERVE	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00	0.00
01001	5171	OP-RETIREMENT	\$ 45,500.00	\$ 45,500.00	\$ 23,524.56	\$ 21,975.44	51.70
01001	5173	OP-GROUP INSURANCE	\$ 25,000.00	\$ 25,000.00	\$ 17,251.13	\$ 7,748.87	69.00
01001	5174	OP-MEDICARE/OTHER TAXES	\$ 2,000.00	\$ 2,000.00	\$ 1,512.12	\$ 487.88	75.60
01001	5175	STATE UNEMPLOYMENT INSURANCE	\$ 621.00	\$ 621.00	\$ 177.30	\$ 443.70	28.60
01001	5179	OP-MISC FRINGES	\$ 567.00	\$ 567.00	\$ 36.81	\$ 530.19	6.50
01001	5180	OP-RETIREMENT LIABILITY	\$ 41,487.00	\$ 41,487.00	\$ 9,826.80	\$ 31,660.20	23.70
01001	5181	OP-OPEB LIABILITY	\$ 28,133.00	\$ 28,133.00	\$ 24,191.10	\$ 3,941.90	86.00
01001	5210	OP-UTILITIES	\$ 500.00	\$ 500.00	\$ 93.36	\$ 406.64	18.70
01001	5270	OP-MISC RENTALS	\$ 1,200.00	\$ 1,200.00	\$ 237.75	\$ 962.25	19.80
01001	5272	OP-RENT	\$ 25,875.00	\$ 18,366.00	\$ 6,210.00	\$ 12,156.00	33.80
01001	5290	OP-CUSTODIAL SERVICES	\$ 3,900.00	\$ 3,900.00	\$ 1,153.91	\$ 2,746.09	29.60
01001	5301	OP-ADVERTISING	\$ 40,000.00	\$ 60,261.00	\$ 60,261.34	\$ (0.34)	100.00
01001	5302	OP-PUBLIC MARKETING SUPPORT	\$ 57,343.00	\$ 42,343.00	\$ 29,240.79	\$ 13,102.21	69.10
01001	5309	OP-IT SERVICES	\$ 1,200.00	\$ 1,200.00	\$ 634.20	\$ 565.80	52.90
01001	5313	OP-STAFF PROFESSIONAL DEVELOP	\$ 5,000.00	\$ 5,223.00	\$ 5,222.99	\$ 0.01	100.00
01001	5314	OP-PAYROLL SERVICES	\$ 640.00	\$ 640.00	\$ 121.24	\$ 518.76	18.90
01001	5315	OP-LEGAL SERVICES	\$ 245,100.00	\$ 488,331.00	\$ 396,288.69	\$ 92,042.31	81.20
01001	5316	OP-AUDIT FEES	\$ 5,000.00	\$ 5,000.00	\$ 4,200.00	\$ 800.00	84.00
01001	5318	OP-TREASURY SERVICES	\$ 2,620.00	\$ 14,620.00	\$ 8,789.79	\$ 5,830.21	60.10
01001	5319	OP-CONTRACTUAL	\$ 25,000.00	\$ 13,000.00	\$ 8,161.89	\$ 4,838.11	62.80
01001	5320	OP-OUTREACH/MARKETING CONTRACT	\$ 75,000.00	\$ 75,000.00	\$ 62,511.64	\$ 12,488.36	83.30
01001	5341	OP-POSTAGE	\$ 10,000.00	\$ 10,000.00	\$ 9,683.77	\$ 316.23	96.80
01001	5343	OP-TELEPHONES	\$ 1,200.00	\$ 1,361.00	\$ 1,360.80	\$ 0.20	100.00
01001	5344	OP-INTERNET	\$ 4,000.00	\$ 4,000.00	\$ 1,141.11	\$ 2,858.89	28.50
01001	5345	OP-PRINTING	\$ 5,000.00	\$ 14,486.00	\$ 14,485.52	\$ 0.48	100.00
01001	5400	OP-SUPPLIES	\$ 1,500.00	\$ 1,500.00	\$ 299.46	\$ 1,200.54	20.00
01001	5490	OP-FOOD SUPPLIES	\$ 1,500.00	\$ 4,730.00	\$ 4,729.60	\$ 0.40	100.00
01001	5710	OP-TRAVEL IN STATE	\$ 10,000.00	\$ 10,000.00	\$ 2,820.40	\$ 7,179.60	28.20
01001	5720	OP-TRAVEL OUT STATE	\$ 5,000.00	\$ 5,089.00	\$ 5,088.01	\$ 0.99	100.00
01001	5730	OP-SPONSORSHIPS	\$ 51,000.00	\$ 51,000.00	\$ 44,815.00	\$ 6,185.00	87.90
01001	5731	OP-SUBSCRIPTIONS	\$ 25,000.00	\$ 25,000.00	\$ 20,805.00	\$ 4,195.00	83.20
01001	5732	OP-SOFTWARE LICENSES	\$ 1,916.00	\$ 1,916.00	\$ 1,300.97	\$ 615.03	67.90
01001	5741	OP-INSURANCE	\$ 16,000.00	\$ 4,990.00	\$ 3,568.62	\$ 1,421.38	71.50
01001	5786	OP-BANK FEES	\$ -	\$ 10.00	\$ 5.00	\$ 5.00	50.00
01001	5789	OP-UNPAID BILLS	\$ 500.00	\$ 500.00	\$ -	\$ 500.00	0.00
01001	5850	OP-MISC EQUIPMENT	\$ 500.00	\$ 559.00	\$ 558.90	\$ 0.10	100.00
01001	5854	OP-FINANCIAL SOFTWARE SYSTEM	\$ 5,000.00	\$ 5,000.00	\$ 2,722.93	\$ 2,277.07	54.50
01001	5855	OP-COMPUTER EQUIPMENT	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 1,500.00	0.00
01001	5900	CONTINGENCY	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ -	100.00
		<b>Totals</b>	<b>\$ 954,302.00</b>	<b>\$ 1,197,533.00</b>	<b>\$ 946,343.85</b>	<b>\$ 251,189.15</b>	<b>79.00</b>