

**Cape Light Compact JPE
Executive Committee and Governing Board Meeting**

DATE: November 8, 2017
LOCATION: 261 Whites Path, Unit#4
South Yarmouth, MA 02664
TIME: 2:00 p.m. – 4:30 p.m.

AGENDA

- 2:00 **Public Comment**
- 2:10 **Approval of October 11, 2017 Minutes**
- 2:20 **Chairman's Report**
 1. **Board Meetings: Frequency, attendance, OML requirements**
 2. **Board Meeting Protocol Update**
- 2:35 **Presentation and Discussion on 2016 Draft Financial Statements, Christian Rogers, Clifton Larson Allen**
- 3:15 **Overview of 2018 Energy Efficiency Surcharge**
- 3:40 **Administrator's Report**
 1. **Review and Discuss Proposed Calendar Year 2018 Operating Budget**
 2. **Nominations Open for Executive Committee in December**
 3. **Proposed Amendments to the Joint Powers Agreement**
 4. **2019-2021 Energy Efficiency Planning Process Update**
 5. **Update on Outer Cape Energize: Solar and More**
- 4:15 **Board Member Update (Reserved for Updates on Member Activities the Chair Did Not Reasonably Anticipate Would be Discussed – No Voting)**

**Cape Light Compact JPE
Governing Board and Executive Committee
Open Session Meeting Minutes
Wednesday, October 11, 2017**

The Cape Light Compact JPE Board of Directors and Executive Committee met on Wednesday, October 11, 2017 in the Martha's Vineyard Conference Room at the Cape Light Compact JPE Offices at 261 Whites Path, Yarmouth MA 02664 at 2:00PM.

PRESENT WERE:

1. Joyce Flynn, Chair, Yarmouth
2. David Anthony, Secretary, Barnstable
3. Robert Schofield, Executive Committee, Bourne
4. Peter Cocolis, Executive Committee, Chatham
5. Richard Toole, Executive Committee, Oak Bluffs – by phone
6. Thomas Donegan, Executive Committee, Provincetown
7. Richard Elkin, Wellfleet
8. Sue Hruby, West Tisbury
9. Martin Culik, Orleans
10. ChristiAne Mason, Wellfleet Alternate
11. Jay Grande, Tisbury
12. Fred Fenlon, Eastham
13. Tim Carroll, Chilmark - by phone
14. Wayne Taylor, Mashpee – By phone
15. Colin Odell, Brewster

ABSENT WERE:

16. Michael Hebert, Aquinnah
17. Vacant - Sandwich
18. Jarrod Cabral, Truro
19. Robert Hannemann, Duke's County
20. Brad Crowell, Dennis
21. Paul Pimentel, Edgartown
22. Ronald Zweig, Vice-Chair, Falmouth
23. Valerie Bell, Harwich

Members/Alternates

physically present: 11

Members present by phone: 3

LEGAL COUNSEL

Audrey Eidelman, Esq., BCK Law, P.C.

STAFF PRESENT

Briana Kane, Planning and Evaluation Manager

Joanne Nelson, Comptroller

Austin Brandt, Senior Power Supply Planner

Lindsay Henderson, Analyst and Marketing

Jacob Wright, Special Projects Coordinator

Joyce Flynn called the meeting to order at 2:06 as a meeting of the Executive Committee. Joyce Flynn recognized Richard Toole of Oak Bluffs, Wayne Taylor of Mashpee, and Timothy Carroll of Chilmark, who were all remotely participating due to geographic distance.

Jay Grande arrived at 2:09 pm, achieving a quorum.

PUBLIC PRESENT

There were no members of the public present.

PUBLIC COMMENT

There were no members of the public present.

OVERVIEW OF NEW VIDEO CONFERENCING CAPABILITIES, AUSTIN BRANDT

Austin Brandt provided a brief tutorial of the new call-in systems for utilization by the Board.

Richard Elkin explained that he felt that a letter should be sent to the Attorney General's office requesting that the Open Meeting Law requirements regarding physical attendance be relaxed due to the option of video participation. Joyce Flynn felt that the Board should wait until the January meeting to get a better idea of how effective the video conferencing ability functions for the Board.

APPROVAL OF MINUTES

Due to the volume of minutes to be approved, the Secretary, David Anthony, reviewed the minutes in chronological order.

The Board considered the January 11, 2017 CLC IGA Meeting Minutes. *Martin Culik moved the board to accept the amended minutes, seconded by Richard Elkin and voted by roll call as follows:*

- | | |
|-----------------------------------|-----|
| 1. David Anthony – Barnstable | yes |
| 2. Robert Schofield - Bourne | yes |
| 3. Colin Odell – Brewster | yes |
| 4. Peter Cocolis – Chatham | yes |
| 5. Tim Carroll – Chilmark | abs |
| 6. Fred Fenlon – Eastham | yes |
| 7. Wayne Taylor – Mashpee | yes |
| 8. Richard Toole – Oak Bluffs | yes |
| 9. Martin Culik – Orleans | yes |
| 10. Thomas Donegan – Provincetown | yes |
| 11. Jay Grande – Tisbury | abs |
| 12. Richard Elkin – Wellfleet | yes |
| 13. Sue Hruby – West Tisbury | yes |
| 14. Joyce Flynn – Yarmouth | yes |

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

The Board considered the August 2, 2017 CLC IGA Meeting Minutes. *Martin Culik moved the board to accept the amended minutes, seconded by Peter Cocolis and voted by roll call as follows:*

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

1. David Anthony – Barnstable yes
2. Robert Schofield - Bourne yes
3. Colin Odell – Brewster yes
4. Peter Cocolis – Chatham yes
5. Tim Carroll – Chilmark abs
6. Fred Fenlon – Eastham yes
7. Wayne Taylor – Mashpee yes
8. Richard Toole – Oak Bluffs yes
9. Martin Culk – Orleans yes
10. Thomas Donegan – Provincetown yes
11. Jay Grande – Tisbury abs
12. Richard Elkin – Wellfleet yes
13. Sue Hruby – West Tisbury yes
14. Joyce Flynn – Yarmouth yes

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

The Board considered the August 2, 2017 CLC JPE Meeting Minutes. *Martin Culik moved the board to accept the amended minutes, seconded by Robert Schofield and voted by roll call as follows:*

1. David Anthony – Barnstable yes
2. Robert Schofield - Bourne yes
3. Colin Odell – Brewster yes
4. Peter Cocolis – Chatham yes
5. Tim Carroll – Chilmark abs
6. Fred Fenlon – Eastham yes
7. Wayne Taylor – Mashpee yes
8. Richard Toole – Oak Bluffs yes
9. Martin Culk – Orleans yes
10. Thomas Donegan – Provincetown yes
11. Jay Grande – Tisbury abs
12. Richard Elkin – Wellfleet yes
13. Sue Hruby – West Tisbury yes
14. Joyce Flynn – Yarmouth yes

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

The Board considered the September 13, 2017 CLC JPE Meeting Minutes. *Robert Schofield moved the board to accept the amended minutes, seconded by Peter Cocolis and voted by roll call as follows:*

1. David Anthony – Barnstable yes
2. Robert Schofield - Bourne yes
3. Colin Odell – Brewster yes
4. Peter Cocolis – Chatham yes
5. Tim Carroll – Chilmark yes
6. Fred Fenlon – Eastham yes

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

- | | |
|-----------------------------------|-----|
| 7. Wayne Taylor – Mashpee | yes |
| 8. Richard Toole – Oak Bluffs | yes |
| 9. Martin Culik – Orleans | yes |
| 10. Thomas Donegan – Provincetown | yes |
| 11. Jay Grande – Tisbury | abs |
| 12. Richard Elkin – Wellfleet | yes |
| 13. Sue Hruby – West Tisbury | yes |
| 14. Joyce Flynn – Yarmouth | yes |

Motion carried in the affirmative (13-0-1)

CHAIRMAN'S REPORT

1. NEW MAILER FOR CUSTOMERS ON DISCOUNT ELECTRIC RATE

Briana Kane provided a copy of the mailer that is being mailed to low income residents on the Cape and Vineyard by Housing Assistance Corporation (HAC). Richard Elkin asked if this was a generic mailer that was going out or if it was specific to our programs. Briana Kane replied that it was Compact specific, and explained that the mailer is specifically targeted at lower income residents, and Housing Assistance Corporation won't be submitting it to customers who aren't on the electric discount rate, or on fuel assistance. Joyce Flynn suggested that Board Members could nudge individuals in their respective town governments who handle low income residents with this mailer. Briana Kane followed on by saying that Senior Centers could be a good place to approach with the idea of approaching staff to help them disseminate the information to the lower income seniors in the area.

OVERVIEW OF OPERATING AND ENERGY EFFICIENCY BUDGETS, PETER COCOLIS

Peter Cocolis started by going over both the Operating and Energy Efficiency Budgets. Peter Cocolis reminded the board that the Operating budget is a six month transitional budget. Peter Cocolis gave a brief explanation to the board of the responsibilities of the Treasurer vs. the Comptroller. Joanne Nelson explained that she, as the Comptroller, has 'Read Only' access to the bank accounts, and that only the Treasurer has actual access to the funds. Peter Cocolis explained that the Comptroller is exploring new financial software that better meets the reporting needs of the Compact, and the Comptroller is working with a consultant to determine a software solution. Thomas Donegan inquired if the reserved funds; including funds allocated to the OPEB liability, were successfully transferred from the County. Joanne Nelson replied that this is in process, and there are multiple steps required to establish an OPEB trust fund.

DISCUSSION AND POTENTIAL VOTE ON PROVIDING NOTICE TO MEMBERS REGARDING SPECIFIC PROPOSED AMENDMENTS TO JPA CONCERNING EFFECTIVE DATE OF JPA, OPERATIONAL TRANSFER DATE, MINOR CLARIFYING EDITS TO JPA AND CORRECTION OF SCRIVENERS ERRORS, AUDREY EIDELMAN

Audrey Eidelman of BCK went over the changes the Board had gone over for the JPA, which all fall under the threshold of substantive changes and will not require the Joint Powers Agreement to go back to the member towns to vote on. David Anthony asked a clarifying question that the statement in the motion is twofold, in that

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it acknowledges that the package will be sent to the member towns thirty days in advance as per the rule. Jay Grande from Tisbury inquired if this would be a weighted vote, and Audrey Eidelman indicated it would not.

Thomas Donegan moved that the Governing Board vote, consistent with Article XV of the Joint Powers Agreement, notify the Cape Light Compact JPE members of the proposed amendments to the Joint Powers Agreement as set forth in the redlined JPA distributed to the Governing Board at this meeting; and that the CLEJPE Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Colin Odell and voted by roll call as follows:

- | | |
|-----------------------------------|-----|
| 1. David Anthony – Barnstable | yes |
| 2. Robert Schofield - Bourne | yes |
| 3. Colin Odell – Brewster | yes |
| 4. Peter Cocolis – Chatham | yes |
| 5. Tim Carroll – Chilmark | yes |
| 6. Fred Fenlon – Eastham | yes |
| 7. Wayne Taylor – Mashpee | yes |
| 8. Richard Toole – Oak Bluffs | yes |
| 9. Martin Culik – Orleans | yes |
| 10. Thomas Donegan – Provincetown | yes |
| 11. Jay Grande – Tisbury | yes |
| 12. Richard Elkin – Wellfleet | yes |
| 13. Sue Hruby – West Tisbury | yes |
| 14. Joyce Flynn – Yarmouth | yes |

Motion carried in the affirmative (14-0-0)

OVERVIEW OF RECENT UPDATES TO MASSACHUSETTS OPEN MEETING LAW, DISCUSSION AND POTENTIAL VOTE ON PROPOSED REVISIONS TO COMPACT'S REMOTE PARTICIPATION POLICY, AUDREY EIDELMAN

Audrey Eidelman provided a presentation giving an update on changes to the Open Meeting Law, utilizing a power point presentation (included in back of Board Packet). One of the substantive changes involves remote participation, in that the categories for participation remotely have been removed in lieu of allowance of remote participation if physical attendance would be unreasonably difficult. As a result, the new Cape Light Compact JPE Remote Participation Policy has been revised to comply with this. David Anthony, Martin Culik and others have requested that the Board take up a discussion on attendance issues and remote participation in reference to the Open Meeting Law on the November Agenda.

- | | |
|-------------------------------|-----|
| 1. David Anthony – Barnstable | yes |
| 2. Robert Schofield - Bourne | yes |
| 3. Colin Odell – Brewster | yes |
| 4. Peter Cocolis – Chatham | yes |
| 5. Tim Carroll – Chilmark | yes |
| 6. Fred Fenlon – Eastham | yes |
| 7. Wayne Taylor – Mashpee | yes |
| 8. Richard Toole – Oak Bluffs | yes |

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- | | |
|-----------------------------------|-----|
| 9. Martin Culik – Orleans | yes |
| 10. Thomas Donegan – Provincetown | yes |
| 11. Jay Grande – Tisbury | yes |
| 12. Richard Elkin – Wellfleet | yes |
| 13. Sue Hruby – West Tisbury | yes |
| 14. Joyce Flynn – Yarmouth | yes |

Motion carried in the affirmative (14-0-0)

BOARD MEMBER UPDATES

David Anthony asked about the recent CVEC Request for Proposal that was just submitted. Austin Brandt explained that there is an interest from some towns for unfulfilled need on municipal rooftop space for solar panels. Now that the landfill projects were completed in 2015, these projects are beginning to form and the request for proposals were submitted.

Richard Elkin explained that the towns of Eastham, Wellfleet, Truro and Provincetown are working together on a solarize project.

ADJOURNMENT

Peter Cocolis motioned to adjourn, seconded by Colin Odell and voted by roll call as follows:

Respectfully submitted,

Jacob Wright

LIST OF DOCUMENTS AND EXHIBITS:

- Meeting Notice / Agenda
- January 11, 2017 Meeting Minutes
- August 2, 2017 IGA Meeting Minutes
- August 2, 2017 JPE Meeting Minutes
- September 13, 2017 Meeting Minutes
- Housing Assistance Corporation Mailer
- Operating Fund Budget July 1 – September 30, 2017
- Energy Efficiency Budget through August 2017
- BCK Law Memorandum Re: Amendments to the JPA
- First Amended and Restated JPA of the CLC JPE
- Cape Light Compact Remote Participation Policy
- Open Meeting Law Guide, dated 10/6/17
- Massachusetts Open Meeting Law, G.L. c. 30A, § § 18-25, date
- Office of Attorney General (OAG) Regulations, 940 CMR 29.00
- BCK Law's Open Meeting Law Update PowerPoint Presentation

Cape Light Compact JPE
Operating Fund 001 (7/1/17-12/31/17)
Budget Report
July 1, 2017 to October 31, 2017

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Remaining Amount</u>	<u>Remaining %</u>
REVENUE	733,847.00	733,847.00	0.00	0.00%
OPERATING FUND FY18-TRANSFERS IN	0.00	78.43	(78.43)	0.00%
OPERATING FUND FY18-INTEREST INCOME				
TOTAL REVENUES	733,847.00	733,925.43	(78.43)	0.00%
EXPENSES				
OPERATING FUND FY18-ADVERTISING (POWER SUPPLY)	39,000.00	3,385.50	35,614.50	91.32%
OPERATING FUND FY18-AUDIT FEES	20,000.00	6,500.00	13,500.00	67.50%
OPERATING FUND FY18-BANK FEES	500.00	0.00	500.00	100.00%
OPERATING FUND FY18-BUILDING RENOVATIONS	5,000.00	0.00	5,000.00	100.00%
OPERATING FUND FY18-CLOSE-OUT EXP WITH COUNTY	5,000.00	0.00	5,000.00	100.00%
OPERATING FUND FY18-COMPUTER EQUIPMENT	5,000.00	2,516.50	2,483.50	49.67%
OPERATING FUND FY18-CONTRACTUAL	33,983.00	8,836.17	25,126.83	73.98%
OPERATING FUND FY18-CUSTODIAL SERVICES	4,375.00	769.07	3,605.93	82.42%
OPERATING FUND FY18-FINANCIAL SOFTWARE SYSTEM	2,500.00	0.00	2,500.00	100.00%
OPERATING FUND FY18-FOOD SUPPLIES	1,500.00	411.52	1,088.48	72.57%
OPERATING FUND FY18-GROUP INSURANCE	20,000.00	7,620.46	12,379.54	61.90%
OPERATING FUND FY18-IN STATE TRAVEL	8,000.00	745.18	7,254.82	90.69%
OPERATING FUND FY18-INSURANCE	16,550.00	16,550.00	0.00	0.00%
OPERATING FUND FY18-INTERNET	4,000.00	852.50	3,147.50	78.69%
OPERATING FUND FY18-IT SERVICES	10,450.00	3,247.75	7,202.25	68.92%
OPERATING FUND FY18-LEGAL SERVICES	299,625.00	279,976.74	19,648.26	6.56%
OPERATING FUND FY18-MEDICARE	2,000.00	699.24	1,300.76	65.04%
OPERATING FUND FY18-MISC EQUIPMENT	845.00	845.00	0.00	0.00%
OPERATING FUND FY18-MISC FRINGES	1,800.00	0.00	1,800.00	100.00%
OPERATING FUND FY18-MISC RENTALS	1,500.00	0.00	1,500.00	100.00%
OPERATING FUND FY18-OUT OF STATE TRAVEL	3,000.00	1,967.96	1,032.04	34.40%
OPERATING FUND FY18-OUTREACH/MARKETING SERV	10,000.00	819.58	9,180.42	91.80%
OPERATING FUND FY18-PAYROLL SERVICES	1,692.00	1,009.69	682.31	40.33%
OPERATING FUND FY18-POSTAGE	7,000.00	1,462.69	5,537.31	79.10%
OPERATING FUND FY18-PRINTING	7,500.00	3,488.83	4,011.17	53.48%
OPERATING FUND FY18-PROFESSIONAL DEVELOPMENT	2,500.00	75.00	2,425.00	97.00%
OPERATING FUND FY18-RENT	11,250.00	7,500.00	3,750.00	33.33%
OPERATING FUND FY18-RETIREMENT	45,000.00	0.00	45,000.00	100.00%
OPERATING FUND FY18-SALARIES	108,422.00	48,223.23	60,198.77	55.52%
OPERATING FUND FY18-SALARY RESERVE	6,000.00	0.00	6,000.00	100.00%
OPERATING FUND FY18-SHIPPING/FREIGHT	500.00	83.12	416.88	83.38%
OPERATING FUND FY18-SOFTWARE LICENSES	2,500.00	0.00	2,500.00	100.00%
OPERATING FUND FY18-SPONSORSHIPS	28,145.00	16,039.00	12,106.00	43.01%
OPERATING FUND FY18-SUBSCRIPTIONS	6,855.00	6,854.25	0.75	0.01%
OPERATING FUND FY18-SUPPLIES	1,000.00	224.14	775.86	77.59%
OPERATING FUND FY18-TELEPHONES	2,000.00	1,285.69	714.31	35.72%
OPERATING FUND FY18-TREASURY SERVICES	7,875.00	4,713.75	3,161.25	40.14%
OPERATING FUND FY18-UNPAID BILLS	1,000.00	0.00	1,000.00	100.00%
TOTAL EXPENSES	733,847.00	426,702.56	307,144.44	41.85%
CHANGE IN NET POSITION	0.00	307,222.87	307,222.87	

Cape Light Compact JPE Power Supply Reserve Fund Estimated Balance as of 9/30/17		Cape Light Compact Operational Revenue for Calendar Year 2018		Cape Light Compact January 1, 2018 - December 31, 2018 Operating Budget					
Item	Approved FY17	Approved July 1 - December 31, 2017	Proposed CY 2018						
Salaries	\$ 194,500.00	\$ 108,422.00	\$ 141,790.00						
Salary Reserve	\$ 6,000.00	\$ 6,000.00	\$ 5,000.00						
Telephones	\$ 3,000.00	\$ 2,000.00	\$ 6,540.00						
Utilities County	\$ 5,200.00	\$ -	\$ -						
Auditor	\$ 40,000.00	\$ 20,000.00	\$ 11,250.00						
Legal	\$ 433,819.00	\$ 299,625.00	\$ 263,660.00						
IT/County Support	\$ 8,750.00	\$ -	\$ 5,000.00						
IT/Internet Service	\$ -	\$ -	\$ -						
Contractual	\$ 156,800.00	\$ 40,000.00	\$ 55,000.00						
Treasury Services	\$ -	\$ 4,375.00	\$ 1,500.00						
Payroll Services	\$ 5,000.00	\$ 500.00	\$ 1,500.00						
Professional Development	\$ 9,789.00	\$ 2,500.00	\$ 5,000.00						
Custodial/Maintenance County	\$ -	\$ -	\$ -						
Custodial	\$ 6,000.00	\$ 4,375.00	\$ 4,438.00						
Travel Out-of-state	\$ 16,000.00	\$ 3,000.00	\$ 6,000.00						
Travel In-state	\$ 45,100.00	\$ 8,000.00	\$ 16,000.00						
Advertising - power supply	\$ 36,000.00	\$ 39,000.00	\$ 80,500.00						
Outreach/Marketing Contractor	\$ 250.00	\$ 10,000.00	\$ 15,000.00						
Shipping	\$ 12,000.00	\$ 500.00	\$ 500.00						
Printing	\$ 1,500.00	\$ 7,500.00	\$ 12,500.00						
Food	\$ 12,852.00	\$ 1,500.00	\$ 1,500.00						
Postage	\$ 2,000.00	\$ 7,000.00	\$ 26,000.00						
Supplies	\$ 30,000.00	\$ 1,000.00	\$ 2,500.00						
Sponsorships (formerly Association Dues)	\$ 18,000.00	\$ 30,000.00	\$ 31,000.00						
Subscriptions	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00						
Public Officials Insurance	\$ 21,174.23	\$ 15,000.00	\$ 10,600.00						
Rent (County and Private)	\$ -	\$ -	\$ -						
Rent	\$ -	\$ 11,250.00	\$ 22,500.00						
Software License	\$ -	\$ 2,500.00	\$ 3,750.00						
Computer Equipment	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00						
Equipment Rental	\$ 500.00	\$ 5,000.00	\$ 5,000.00						
Bank Fees	\$ 1,000.00	\$ 500.00	\$ 500.00						
Financial Software	\$ -	\$ 2,500.00	\$ 6,250.00						
Unpaid Bills	\$ -	\$ 1,000.00	\$ 2,000.00						
Building Renovations/Furniture	\$ 55,000.00	\$ 5,000.00	\$ 4,500.00						
Retirement	\$ 36,913.00	\$ 45,000.00	\$ 35,447.00						
Health Insurance	\$ 2,000.00	\$ 20,000.00	\$ 19,790.00						
Medicare	\$ 1,800.00	\$ 2,000.00	\$ 2,060.00						
Misc Fringes (UI)	\$ -	\$ 1,800.00	\$ 7,090.00						
OPEB Liability	\$ -	\$ -	\$ -						
Pension Liability	\$ 5,000.00	\$ -	\$ -						
Finance County Support	\$ -	\$ 5,000.00	\$ -						
Close-Out Expenses with County	\$ -	\$ -	\$ -						
Subtotal CLC Operating Budget	\$ 1,185,947.23	\$ 733,847.00	\$ 827,865.00						

\$ 483,755.00 (Subject to Reconciliation with County)
 \$ 840,000.00 (\$70K of Operational Adder)

Austin 75%, Maggie 25%, Jake 20%, Lindsay 10%, Joanne 10%

25% of Office and Cell

25% of cost

25% of Total Estimated Costs

25% of Total Estimated Costs

25% of Total Estimated Costs

25% of Total Estimated Cost

25% of Premium

25% of Total

25% of Total Estimate

25% of Total Estimated Cost

Cape Light Compact
 Mil-Adder Revenues
 Accounts 8046 4201 & 004 100 4215

Entity	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Totals
Con-Ed	55,807.44	53,335.71	55,231.01	44,079.07	46,015.21	54,968.24	70,312.52	104,756.57	90,637.96	90,652.99	47,572.84	54,826.24	768,195.80
Gexa	<u>10,522.67</u>	<u>11,546.57</u>	<u>12,341.61</u>	<u>9,523.94</u>	<u>9,974.83</u>	<u>11,353.75</u>	<u>14,491.60</u>	<u>17,316.20</u>	<u>17,114.28</u>	<u>10,242.17</u>	<u>9,999.67</u>	<u>11,026.83</u>	<u>145,454.12</u>
Totals	66,330.11	64,882.28	67,572.62	53,603.01	55,990.04	66,321.99	84,804.12	122,072.77	107,752.24	100,895.16	57,572.51	65,853.07	913,649.92
Entity	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Totals
Con-Ed	61,620.31	5,768.46	136.76	10.99	13.26	17.81							67,567.59
Gexa	<u>11,346.80</u>	<u>57,632.86</u>	<u>69,495.91</u>	<u>55,946.75</u>	<u>6/16 57,411.89</u>	<u>7/3 71,623.70</u>	<u>8/3 83,253.13</u>	<u>8/24 108,078.38</u>	<u>9/27 91,509.21</u>				<u>606,298.63</u>
Totals	72,967.11	63,401.32	69,632.67	55,957.74	57,425.15	71,641.51	83,253.13	108,078.38	91,509.21	0.00	0.00	0.00	673,866.22
Difference	6,637.00	(1,480.96)	2,060.05	2,354.73	1,435.11	5,319.52	(1,550.99)						



Cape Light Compact

2016 Audit Exit Conference

Date: November 8, 2017

Presented by: Chris Rogers, CPA, Principal

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Agenda

- Engagement summary/Open items
- Financial highlights
- Questions



Engagement Summary/Open Items

- Audit began July 2017 (originally scheduled in May)
- Received cash reconciliation from Barnstable County in October
- Pension and OPEB chargebacks not received as of November 7, 2017
- Formal drafts to be issued when information received



Engagement Summary/Open Items

- Legal letter response to be received
- Management representation letter to be received once pension and OPEB information and legal letter received
- Finals to be issued when all items above received and/or audited



Financial Highlights

Statement of Net Position				
	<u>2016</u>	<u>2015</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Assets				
Cash	\$15.1M	\$4.1M	\$11.0M	268%
Receivables	\$2.8M	\$3.6M	(\$0.8M)	(22%)
Capital assets	\$0.6M	\$0.5M	\$0.1M	20%
Liabilities				
Payables	\$4.2M	\$5.1M	(\$0.9M)	(18%)
Accrued contracted payroll and compensated abs.	\$0.1M	\$0.2M	(\$0.1M)	(50%)
Accrued long-term liabilities	\$3.1M	\$3.1M	\$0.0M	0%
Net Position	<u>\$11.1M</u>	<u>(\$0.1M)</u>	<u>\$11.0M</u>	<u>N/A</u>



Financial Highlights

- Components of Net Position by Program
 - Energy Efficiency – \$9.8M
 - Power Supply Reserve - \$0.8M
 - OPEB Reserve Fund - \$120k
 - Operating Fund - \$201k
 - Green Program - \$248k



Financial Highlights

Statement of Revenues, Expenses and Changes in Net Position

	<u>2016</u>	<u>2015</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Operating Revenues				
Energy Efficiency	\$36.0M	\$33.7M	\$2.3M	6%
Mil-adder	\$0.9M	\$0.7M	\$0.2M	28%
Intergovernmental	\$1.3M	\$2.0M	(\$0.7M)	(35%)
Green Program and Other	\$0.1M	\$0.1M	\$0.0M	0%
Operating Expenses				
Contracted Labor	\$1.8M	\$4.4M	(\$2.6M)	(59%)
Energy Efficiency	\$24.5M	\$35.3M	(\$10.8M)	(31%)
Legal	\$0.7M	\$0.6M	\$0.1M	17%
Other	\$0.9M	\$1.0M	(\$0.1M)	(10%)



Financial Highlights

Statement of Revenues, Expenses and Changes in Net Position (Continued)

	<u>2016</u>	<u>2015</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Nonoperating Revenues (Expenses)				
Forward Cap Market	\$1.1M	\$1.1M	\$0.0M	0%
REC's and Inv Income	(\$0.1M)	\$0.2M	(\$0.3M)	(300%)
Change in Net Position	\$11.1M	(\$3.6M)	\$14.7M	408%



Financial Highlights

- Note 7 – Related Party Transactions
 - Administrative Services agreement with County at a cost of \$33,000
 - Rent and custodial services paid to the County at a cost of \$76,000
 - The Compact has secured a \$100k line of credit for CVEC
 - ◇ No amounts have been drawn
 - The Compact purchases (at CVEC’s cost) REC’s purchased by CVEC for the Compact’s Green Program
 - ◇ Purchases totaled \$41,000



Financial Highlights

- Note 9 – Commitments

- REC Purchases

- ◇ Committed under an agreement to purchase RECs at fixed prices through June 2017
 - Estimated commitment totals \$2.9M

- REC Sales

- ◇ Committed to sell REC's it has acquired (or had committed to acquire) at fixed prices through June 2017
 - Expected inflows total \$2.9M



Financial Highlights

- Note 9 – Commitments
 - Compact participates in ISO-NE Forward Capacity Market
 - ◇ Committed to deliver specified units of EE at a fixed price per unit
 - Penalties are assessed if Compact fails to deliver its capacity supply obligation



Questions



2018 Energy Efficiency Surcharge (EES)

Cape Light Compact Governing Board Meeting

November 8, 2017

Maggie Downey

Briana Kane

**Cape Light
Compact**



Working together toward a smarter energy future

2016-2018 Energy Efficiency Budget

Cape Light
Compact



- Compact Board approves and submits to the Department of Public Utilities a three-year energy efficiency budget with the following potential funding sources:
 - SBC: The System Benefits Charge is a charge of \$0.25 per kWh on customers' bills.
 - FCM: Revenue from the Forward Capacity Market auction run by ISO.
 - RGGI: Revenue from the Regional Greenhouse Gas Initiative auctions.
 - EES: The Energy Efficiency Surcharge collects from customers the remainder of the Compact's budget.
- Initially, revenues and expenditures were reconciled after the three-year budget in a DPU filing. DPU now requires annual reconciliation filings:
 - “annual EES rate adjustment and reconciliation is both administratively efficient and will promote the goal of rate continuity by limiting the possibility of significant EES under- or over-recoveries that would not be reconciled until the end of a term under the current guidelines.”

2016 – 2018 Energy Efficiency Budget

Cape Light
Compact



2016 Plan: \$39,031,510 2016 Actual: \$27,440,717
2017 Plan: \$42,504,001 2017 Projected: \$39,559,541
2018 Plan: \$46,588,954 2018 Projected: \$49,648,992
Approved: \$128,124,465 Projected: \$116,649,250

Further Compact Board and DPU approval required
when:

- 20% ± change in three-year program budget
- 20% decrease in three-year program benefits
- 2% bill increase for customer in a sector
- Addition/Deletion of new programs

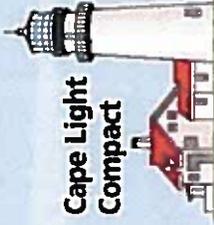
The Compact's Annual November 1st Reconciliation Filing



- Energy Efficiency Surcharge (EES) is the primary source of funding for Compact's energy efficiency programs.
 - Approved by DPU as part of the Compact's Three-Year Energy efficiency Plan
- The rate proposed each year is a comparison of what was initially approved in the three-year budget and reflects:
 - most recent projections of budgets
 - revenues from non-EES funding sources
 - Sales for the current year
 - a reconciliation of any under- or over-recovery of costs from the previous year

Compact's Funding Sources

Cape Light Compact



Revenue (\$)			
Funding	2016-2018 Plan	2018 EES	
2016			
SBC	\$ 5,031,877	\$ 4,941,535	
FCM	\$ 910,855	\$ 1,096,154	
RGGI	\$ 4,418,008	\$ 1,510,363	
EES	\$ 31,594,164	\$ 31,011,781	
Total	\$ 41,954,904	\$ 38,559,833	
2017			
SBC	\$ 5,009,774	\$ 4,958,976	
FCM	\$ 2,029,070	\$ 2,040,107	
RGGI	\$ 5,114,894	\$ 711,022	
EES	\$ 30,371,951	\$ 35,198,496	
Total	\$ 42,525,688	\$ 42,908,601	
2018			
SBC	\$ 4,962,679	\$ 4,885,156	
FCM	\$ 5,460,774	\$ 5,468,658	
RGGI	\$ 5,206,072	\$ 817,189	
EES	\$ 30,982,760	\$ 23,503,679	
Total	\$ 46,612,284	\$ 34,674,682	

Components EES calculation

Cape Light
Compact



$$\begin{array}{r} 2017 \text{ Carryover} \qquad \qquad \qquad -\$14,964,570 \\ + 2018 \text{ Expenditures} \qquad \qquad \qquad + \$49,648,992 \\ + \underline{2018 \text{ Interest}} \qquad \qquad \qquad + \underline{-\$9,740} \\ = 2018 \text{ Revenue} \qquad \qquad \qquad = \$34,674,682 \end{array}$$

- Carryover is the ending balance from the previous year
 - 2017 experienced an over collection / under spending for all sectors
- Interest projections are calculated on each sector's monthly ending balance, and summed for the year

What is the Compact's 2018 budget?

Cape Light Compact



Expenditures (\$)			
Sector	2016-2018 Plan	2018 EES	
2016			
Residential	\$ 21,809,601	\$ 16,629,808	
Low-Income	\$ 4,040,498	\$ 2,849,163	
C&I	\$ 13,181,411	\$ 7,961,746	
Total	\$ 39,031,510	\$ 27,440,717	
2017			
Residential	\$ 22,799,364	\$ 24,525,010	
Low-Income	\$ 4,460,916	\$ 3,782,145	
C&I	\$ 15,243,721	\$ 11,252,386	
Total	\$ 42,504,001	\$ 39,559,541	
2018			
Residential	\$ 24,001,873	\$ 26,403,632	
Low-Income	\$ 4,965,362	\$ 5,249,529	
C&I	\$ 17,621,719	\$ 17,995,831	
Total	\$ 46,588,954	\$ 49,648,992	

What are the proposed 2018 EES rates and monthly customer bill impacts?

Cape Light Compact



EES Rates (¢/kWh)					
Sector	2018 Proposed	2017 in Effect	2018 in Plan	Proposed v 2017	Proposed v Plan
Residential	1.859	2.051	1.677	-9.4%	10.9%
Low-Income	0.148	0.099	0.180	49.5%	-17.8%
C&I	0.530	1.573	1.521	-66.3%	-65.2%

2017 In Effect vs. 2018 Proposed		
Sector	Bill Impact \$	Bill Impact %
Residential	-\$1.12	-0.9%
Low-Income	\$0.18	0.2%
C&I	-\$5.62 - -\$7,054.16	-4.0% - -7.1%

Table 2. Proposed Meeting Dates

Group	Suggested Date	Stakeholder Group	Constituents
A	11/30/2017 (afternoon)	Cape Cod Environmental Organizations	<ul style="list-style-type: none"> • Association to Preserve Cape Cod, Inc. • Buzzards Bay Coalition • Cape Cod Climate Change Collaborative • Mass Audubon • Self-Reliance • Sierra Club
	12/1/2017 (morning)	Cape Cod Municipal/Public Entities	<ul style="list-style-type: none"> • Cape Cod Commission • DPW Directors Association • Energy Committees • Town Managers Association
B	12/6/2017 (morning)	Vineyard Organizations	<ul style="list-style-type: none"> • Island Housing Trust • MV Chamber • MV Commission • Town and County-wide energy committees • Vineyard Conservation Society • Vineyard Power • Vineyard Sustainable Energy Committee
C	12/12/2017 (morning)	Cape Code Community Organizations	<ul style="list-style-type: none"> • Cape Cod Young Professionals • CC Tech Council • Community Development Partnership • Economic Development Council • Habitat for Humanity • Harwich Ecumenical Council
	12/12/2017 (late afternoon)	Educational Organizations	<ul style="list-style-type: none"> • Representative group of teachers and Teacher Advisory Board
	12/13/2017 (4:30 - 6:30)	Cape Light Compact Board of Directors	<ul style="list-style-type: none"> • Compact board members
D	1/10/2018 (Night)	Cape Light Compact Large C&I Customers	<ul style="list-style-type: none"> • Representative group of large commercial customers
	1/11/2018 (early morning)	Cape Light Compact Vendor Community	<ul style="list-style-type: none"> • Heating and Cooling contractors • Housing Assistance Corp. • HPCs and IICs • Open Cape • RISE

Group	Suggested Date	Stakeholder Group	Constituents
	1/11/2018 (Night)	Cape Light Compact Residential Customers (group 1)	<ul style="list-style-type: none"> • Representative group of residential customers, including retiree community
E	1/16/2018 (Night)	Cape Light Compact Small/Medium C&I Customers	<ul style="list-style-type: none"> • Representative group of small and medium commercial customers
	1/17/2018 (Night)	Cape Light Compact Residential Customers (group 2)	<ul style="list-style-type: none"> • Representative group of moderate- to lower-income residential customers