

**Cape Light Compact JPE
Governing Board
Meeting Minutes
Wednesday, November 13, 2024**

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

Participating In-Person Were:

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

Participating Remotely Were:

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

Absent Were:

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

Legal Counsel Participating Remotely:

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

Staff Participation In-Person:

Maggie Downey, Chief Administrative Officer

Staff Participating Remotely:

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

Public Participants:

None.

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

Public Comment:

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

APPROVAL OF MINUTES:

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

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

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

Joyce	Flynn	Yarmouth	Yes
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Motion carried in the affirmative (15-0-0)

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

CHAIRMAN’S REPORT, MARTIN CULIK:

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

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

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

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

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

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

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

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

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

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

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

DISCUSS PROPOSED 2025 OPERATING BUDGET, MAGGIE DOWNEY:

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

Maggie Downey stated that there are a couple of costs that are built into the proposed budget that she wants to review and get some direction from the Board. The first is the salary reserve. She stated that the line item is significantly higher and that is because when the staff compensation and salary plan was approved by the Board, the Board had asked her to research and come back with different benefit compensation options for staff. She stated that she looked at many different models and recommends that the Board offer staff a matching program of their 457b or Roth programs for retirement, capping it at \$5,200 per employee per year. The total cost of that is 104,000 if every single employee participated at the maximum amount. She stated that it would be \$200 per pay period as a maximum. So, if the employee only contributed \$50, then the Compact would only contribute \$50, and if they contributed \$500, then they would still only get \$200. She stated that she built it into the operating and energy efficiency budget as a placeholder and is looking for direction from the Board on whether to keep or pull it from the budgets.

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

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

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

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

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

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

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

Brad Crowell asked if this will be first come first serve. Maggie Downey answered yes, but residential customers whose primary residence is on the Cape or Vineyard and commercial customers will be served in year two. Brad Crowell asked if there was any thought on limiting the size. Maggie Downey stated that we will be looking at the customers' usage and what size solar system they would need to match that. Valerie Bell asked if the Compact will be providing guidance or a list of solar providers. Maggie Downey answered no, customers will be directed to the Massachusetts Clean Energy Center (Mass CEC) for a solar list, the Compact is not responsible for the customer's selection.

Tim Carroll asked what the name of the program is. Dan Schell answered that the name is the Cape & Vineyard Solar Loan. He stated that we have a list of around 20 customers that came in through the Energy Saver Home Loan program but were over income or looking for solar only and therefore did not qualify for that

program. He stated that he does not believe we will have an issue finding customers for this program. Martin Culik asked what the process is of getting additional money. Maggie Downey stated that we have to wait a year because that is a requirement of the USDA RUS program. Tom McNellis asked if customers with natural gas are able to get the loan. Maggie Downey answered yes, there is nothing that states they can't.

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

The Compact Administrator is authorized and directed to take all actions necessary or appropriate to implement this vote, and to execute and deliver all documents as may be necessary or appropriate to implement this vote. Seconded by Brad Crowell.

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

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

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

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

Stephen McCloskey stated that the Department of Public Utilities (DPU) approved CVEO in January 2023. He stated that from January 2023 through June 2023, the Compact worked on finalizing customer, lead vendor, and program contractor terms and conditions, and onboarding program contractors. He stated that the Compact also marketed the CVEO Program to Cape Cod and Martha's Vineyard housing agencies, distributed mailer to targeted residents, and created a CVEO webpage and online interest form.

Stephen McCloskey stated that the Compact started out with 184 interested participants. He stated that there were residents from all 21 towns across Cape Cod and Martha's Vineyard. He stated that out of that, 90 enrolled in CVEO and 64 were approved. He stated that 55 customers fully signed on for CVEO after receiving their

proposals. He stated that out of the 55 customers, 39 were income eligible and 16 were moderate income. There were also 34 that lived on Cape Cod and 21 that lived on Martha's Vineyard. He stated that the Compact has completed 38 CVEO projects and the last projects should be completed by quarter one of 2025.

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

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

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

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

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

Brad Crowell stated that thinking about the future, two things the Compact may want to look at are one, at a state level, think about the reparability of the mini splits because as more and more people install them, there needs to be an efficient and cost-effective way to fix them. He stated secondly, at a local level, making sure that customers have support if they end up in a situation with no heat and can't afford to fix it. Maggie Downey stated that some of these conversations are already happening. She stated for example, providing incentives for someone looking to upgrade to a more efficient heat pump. Briana Kane stated that the Compact provides maintenance for certain systems that are being installed to make sure that they are being maintained. She stated that we are always looking for ways to help income-eligible customers.

Martin Culik asked if the Compact has received any feedback from the CVEO customers. Stephen McCloskey stated that surveys have been going out to these customers. He stated that there has been high satisfaction with the program and with the RISE Engineering and Compact staff. Miranda Skinner stated that a second round of

surveys next month includes the participants who joined the program towards the end of the enrollment period and that will give the Compact a more comprehensive picture. She stated that overall, the program had a really good outcome.

ADMINISTRATOR’S REPORT:

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

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

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

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

3. Notice of Filing and Public Hearings

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

Joyce Flynn rejoined the meeting at 3:54 PM.

Tim Carroll left the meeting at 3:58 PM.

ADJOURNMENT:

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

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

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

Respectfully submitted,

Melissa Allard

LIST OF DOCUMENTS AND EXHIBITS:

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