

# Lighting The Way Forward

2017 Annual Report

Aquinnah • Barnstable • Bourne • Brewster • Chatham • Chilmark  
Dennis • Dukes County • Eastham • Edgartown • Falmouth • Harwich  
Mashpee • Oak Bluffs • Orleans • Provincetown • Sandwich • Tisbury  
Truro • Wellfleet • West Tisbury • Yarmouth



Cape Light Compact (the “Compact”) and energy efficiency in Massachusetts had a busy and exciting 2017. The Compact member towns reorganized in April of 2017 as a joint powers entity pursuant to changes made by the Massachusetts Municipal Modernization Act and relocated our offices from Barnstable Village to South Yarmouth. These organizational changes were seamless and did not impact the delivery of services to our customers on Cape Cod and Martha’s Vineyard. As we entered the second year of our 2016 – 2018 Energy Efficiency Plan, we hit our stride and reinvested \$3.4M to Cape Cod and Martha’s Vineyard. This means putting money back into the pockets of business owners and residents, reducing reliance on fossil fuels, and cutting harmful greenhouse gas emissions.

This was an active year for consumer advocacy; Eversource filed its first fully litigated rate case since the 1980s. This rate case proposed changes that would shift costs from Western Massachusetts customers to Eastern Massachusetts customers and would have negative impacts on seasonal residents and businesses. While the DPU ultimately approved many aspects of Eversource’s rate case, they did not allow the level of fixed customer charges that Eversource had proposed and which the Compact argued strongly against. This resulted in approximately \$54 million of annual savings for ratepayers in Commonwealth Electric Company legacy service territory, which includes all of Cape Cod and Martha’s Vineyard. As we look to the future, we will continue to be a ratepayer advocate for Cape and Vineyard customers at the state level. Our power supply program also saw some major achievements.

Through our power supply agreement with NextEra Energy Services, Cape Cod and Martha’s Vineyard electricity customers now have access to stable, competitively priced electricity that is matched 100% with renewable energy certificates. As a result of the Compact’s contract negotiations, NextEra Energy has committed to fund roughly \$3M per year to develop new renewable projects in North

America, and in New England wherever possible. This is a great step forward as we look to reduce reliance on fossil fuels and invest in renewable technology and infrastructure that will help curb climate change.

While this past year saw many milestones, our work is never truly done. In 2018 we will begin drafting our next Three-Year Energy Efficiency plan which will embrace the best practices and cutting-edge technologies that will allow residents and business owners to save energy and money. We look forward to continuing to partner with all our customers to ensure a smarter energy future for Cape Cod and Martha’s Vineyard agreement with NextEra Energy Services, Cape Cod and Martha’s Vineyard electric ratepayers now have access to stable, competitively-priced electricity while supporting and promoting renewable energy development, including right here on Cape Cod and in New England. In accordance with the agreement, NextEra Energy Services will direct up to \$3M annually into the EarthEra™ Renewable Energy Trust. One hundred percent of all proceeds from the EarthEra™ Trust will be used to develop new renewable projects in North America – and NextEra will use best efforts to direct those funds to new projects within New England.

Working together with the residents and businesses of the 21 towns and two counties of Cape Cod and Martha’s Vineyard, the Compact is proud of the work we do to deliver proven energy efficiency programs, effective consumer advocacy and renewable competitively priced electricity supply. The following pages highlight the many ways in which we’re working to fulfill our mission and deliver on the trust you’ve placed in us. We’re so grateful to do what we do every day on behalf of our 200,000 customers and our communities.



Joyce Flynn  
Chair, Cape Light Compact Governing Board

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[www.capelightcompact.org](http://www.capelightcompact.org)



## 2017 Board Members

Aquinnah	Michael Hebert
Barnstable	David Anthony
Bourne	Robert Schofield (Vice Chairman)
Bourne	Thomas Guerino (Alternate)
Brewster	Colin Odell
Brewster	Michael Embury (Alternate)
Chatham	Peter Cocolis (Treasurer)
Chatham	Jillian Goldsmith (Alternate)
Chilmark	Timothy Carroll
Chilmark	Robert Hannemann (Alternate)
Dennis	Brad Crowell
Dukes County	Robert Hannemann
Eastham	Fred Fenlon
Edgartown	Paul Pimentel
Falmouth	Julian Suso
Harwich	Valerie Bell
Mashpee	Wayne Taylor
Oak Bluffs	Richard Toole (Secretary)
Orleans	Martin Culik
Orleans	Chris Galazzi (Alternate)
Provincetown	Thomas Donegan
Provincetown	Eric Larson (Alternate)
Sandwich	George "Bud" Dunham
Tisbury	Jay Grande
Truro	Jarrold Cabral (Alternate)
Wellfleet	Richard Elkin
West Tisbury	Sue Hruby
West Tisbury	Jen Rand (Alternate)
Yarmouth	Joyce Flynn (Chairman)
Yarmouth	Daniel Knapik (Alternate)



## Achievements in Energy Efficiency

### Year Two of the Three Year Plan

The results of the second year of the 2016 – 2018 Three-Year Plan, indicate that the Compact is on track to reach its three-year goals by the end of 2018. Including results from 2017, the Compact achieved 57 percent of its three-year annual energy savings goal, 48 percent of its three-year total benefit goal, and spent 48 percent of its planned three-year budget. Based on these results in combination with the 2016 actuals and the 2018 planned values, over the three-year term, the Compact expects to achieve:

- Robustly cost-effective programs with a benefit-cost ratio of 2.5
- Net benefits of \$198 million
- Annual energy savings of 159 gigawatt hours (“GWh”)
- Lifetime energy savings of 1,484 GWh
- Total benefits of \$332 million, and
- Program costs of \$109 million.



### Home Energy Services

The Home Energy Services core initiative conducted 83,873 Home Energy Assessments throughout the Commonwealth.

### ENERGY STAR Award

Mass Save Program Administrators received the ENERGY STAR® Partner of the Year Award for excellence in energy efficiency program delivery for the Residential Lighting & Products core initiative. This is the fourth consecutive year the Program Administrators have been honored with the Environmental Protection Agency's most prestigious award that recognizes the success and innovation of the Program Administrators' efforts to increase the adoption of energy efficient products in Massachusetts.

### Statewide Highlights from 2017

#### ACEEE

For the seventh consecutive year, Massachusetts received the number one spot from the American Council for an Energy-Efficient Economy (ACEEE) in their annual state energy efficiency scorecard.

## 3 Year Plan Goals



Save **1,691,761 mWh's** of electricity over the lifetime of the measures ...



... enough to power **106,438 homes** for a year



... saving emissions of **1,166,555 metric tons** of carbon dioxide, which is equivalent to taking **245,591 cars** off the road

### Cape Light Compact



\$99,107,824

Total lifetime benefits realized by residential, commercial and industrial customers due to energy efficiency measures



\$27,253,441

Total cost reinvested by Cape Light Compact for energy efficiency measures



505,889,936

Lifetime kWh savings from energy efficiency measures

### 2017



170,295

Number of residential and low-income customers who participated in energy efficiency programs or received efficiency products



1,806

Number of commercial and industrial (C&I) customers who participated



65,610,000

Total number of kWh saved by customers. (41,861,000 by residential customers, and 23,794,000 kWh by C&I customers.)

The number of kWh saved by customers is equivalent to:



9,740

Number of equivalent cars removed from the road for one year



5,188,380

Gallons of gasoline not consumed for energy



43,647

Acres of U.S. forest carbon sequestration in one year

### Smart A/C Savings

In summer 2017, Cape Light Compact continued its Smart A/C Savings demand response program, which aims to reduce strain on the electric grid during the hottest days of the year. Cape Cod and Martha's Vineyard residents could sign up for the free program, which enabled them to control their air conditioning use directly via an app on their smart phone or tablet.

To participate, users with central A/C systems needed an eligible Wi-Fi thermostat (Centralite Pearl, Honeywell Lyric Round 2nd Generation or Honeywell T-5 or T-6). The Compact offered rebates for those who did not currently own one of the approved smart thermostats. Residents with mini-split heat pumps who wished to participate received a free Sensibo Sky device (\$99 value).

From June through September between the hours of 10 am – 9 pm, when air conditioning electric load was at its peak, Cape Light Compact could call a Demand Response Event, in which it would automatically increase air conditioning temperatures by 2 to 4 degrees. Participants received a notification via email and an in-app message prior to each event and could override the automatic set point adjustments at any time to meet their cooling needs. Participants were rewarded with a \$25 Visa gift card if they participated in at least 75 percent of Demand Response Events called by Cape Light Compact.





## Achievements in Energy Efficiency

### Low Income Solar Revolving Grant

In June of 2017 Cape Light Compact started the Low Income Solar Revolving Grant Program. The Program funded 100% of the equipment and installation cost of solar photovoltaic ("PV") systems on affordable housing properties to reduce electric bills for low-income homeowners and renters and provided the added benefit for the environment by increasing the amount of renewable electricity on the electric grid. The program was made available to qualified individual homeowners, organizations that own income-qualified rental housing, and organizations that construct housing to be sold to income-qualified home buyers (such as Habitat for Humanity).

Once the PV system is installed, the homeowner will own the PV system and the electricity that it produces, thereby providing a zero-cost source of electricity for the homeowner or tenant to reduce or eliminate their electric bill. The recipient homeowner will assign the Renewable Energy Certificates (RECs) that the PV system will produce over its lifetime to the Compact. The Compact will sell these RECs and reinvest the sale proceeds into the Revolving Grant Fund in order to continue funding future PV systems on low-income properties.

The initial round of awards under the Low Income Solar Revolving Grant Program were funded by a \$250,000 grant from the Massachusetts Clean Energy Center and a \$125,000 match from the Cape Light Compact. The Compact's grant match is funded by former Cape Light Compact Green power supply customers, who chose to opt-in to a renewable power supply product and pay a small premium to support local renewable energy resources.



### Cape Light Compact Launches Local Green Power Option

This year Cape Light Compact was able to lead the way in fighting climate change by becoming a 100% green aggregation. This shift will allow consumers to support clean, renewable energy simply by paying their monthly electric bill.

Starting at the beginning of the year, the Compact's power supplier, NextEra Energy Services Massachusetts, was able to match 100% of Cape and Vineyard customers' annual energy usage with renewable energy certificates (RECs), all while being competitively priced compared to Eversource's basic service supply rate.

#### What is a REC?

A Renewable Energy Certificate, or REC, is a certificate representing the environmental attributes of electricity. RECs are tracked, traded, and "retired" separately from the electricity. One REC is minted each time a qualified renewable energy facility generates 1 megawatt hour (MWh) of electricity.



Prior to making this shift, Cape Light Compact staff held three public forums in the fall of 2016 in West Tisbury, Mashpee, and Harwich, and presented at a forum sponsored by the Brewster Community Network. Attendees emphasized their support for renewable energy and the Compact's shift to a green aggregation but wanted to make sure the price was still affordable and competitive.

The Compact Governing Board discussed the issue at several meetings, and in November of 2016 voted to become a green aggregation by (1) directing NextEra Energy Services to purchase one percent more MA Class 1 RECs than the RPS- required amount, (2) requiring NextEra Energy Services to meet 100% of Compact customers' usage with EarthEra RECs, (3) requiring NextEra Energy services to deposit the funds from the sale of the EarthEra RECs into the EarthEra Energy Trust, and (4) requiring that NextEra Energy Services make good faith efforts to direct the proceeds deposited in to the EarthEra Renewable Energy Trust from Compact customers to developing renewable energy projects in New England, if possible.

### Understanding Renewable Energy Portfolio Standard (RPS)

The Massachusetts Renewable Energy Portfolio Standard (RPS) requires retail electricity suppliers (both regulated distribution utilities and competitive suppliers) obtain a percentage of the electricity they serve to their customers from qualifying renewable energy facilities. The RPS began with a compliance obligation of one percent in 2003 and increased by one-half percent annually until it reached four percent in 2009. Now, the RPS obligation increases by 2% annually, there is an RPS Class II for existing renewable energy facilities, an Alternative Portfolio Standard (APS) for other types of technologies, and Clean Energy Standard (CES). Each standard has different annual compliance requirements as well as different eligibility criteria for qualifying facilities.

Suppliers meet their annual RPS, APS, and CES obligations by acquiring a sufficient quantity of qualified Renewable Energy Certificates, Alternative Energy Certificates, and Clean Energy Certificates that are created, traded, and tracked at the New England Power Pool (NEPOOL) Generation Information System (GIS).

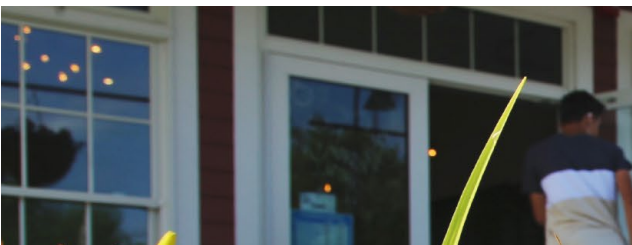
The 2017 requirements included 12% Class I RECs, 6.09% Class II RECs, and 4.25% Alternative Energy Credits.



## 2017 Power Supply Rates

All rates are cents per kWh and periods are based on that month's meter read date.

### Commercial



Dec. 2016 - Jun. 2017	<b>9.700</b>
Jun. 2017 - Dec. 2017	<b>10.930</b>



### Residential



Dec. 2016 - Jan. 2017	<b>9.613</b>
Jan. 2017 - Jun. 2017	<b>9.930</b>
Jun. 2017 - Dec. 2017	<b>10.550</b>



### Industrial



Dec. 2016 - Mar. 2017	<b>9.800</b>
Mar. 2017 - Jun. 2017	<b>7.625</b>
Jun. 2017 - Sept. 2017	<b>8.330</b>
Sept. 2017 - Dec. 2017	<b>8.949</b>



### Rate Changes

In January 2017, Eversource filed their first fully litigated rate case since the 1980s, asking the Department of Public Utilities (DPU) to approve major rate design changes and an overall increase in rates. Cape Light Compact, at the Compact Governing Board's direction, intervened in the rate case and was an active participant, pushing back against many of the changes and increases that Eversource was asking the DPU to approve. Many other parties also intervened to oppose Eversource's requests, including the Attorney General. The Compact's major focuses included:

- Opposing the proposed increase to the flat monthly customer charge
- Opposing the proposed 10.5% return on equity, which is higher than other recently approved rate cases
- Opposing the Monthly Minimum Reliability Contribution (MMRC), a demand-based charge that would be imposed on customers with net-metered generation (e.g., rooftop solar) beginning in 2019
- Opposing the consolidation of commercial and industrial (C&I) rate classes and accompanying rate design changes, which would lead to drastically increased bills for some C&I customers on Cape Cod and Martha's Vineyard
- Opposing the proposed separate treatment (non-consolidation) of legacy Commonwealth Electric transition charges, which would have left Cape and Vineyard ratepayers paying higher transition charges than the rest of the state
- Opposing the proposed rate consolidation would shift approximately \$30 million on to Eastern Massachusetts residential ratepayers

While the DPU ultimately did not issue an Order that was favorable relative to the Compact's (and other parties') positions on many of the above issues, there were several positive outcomes as a result of the Compact's and other parties' participation in the rate case proceeding:

- The DPU approved customer charge amounts that were lower than the amounts requested by Eversource, resulting in approximately \$54 million

of annual savings for ratepayers in Commonwealth Electric Company (COM) legacy service territory (which includes all of Cape Cod and Martha's Vineyard).

- The DPU disallowed the consolidation of C&I rate classes, resulting in approximately \$102 million in annual savings to COM ratepayers (when comparing the final DPU approved rates against the initial Eversource filing). The DPU Order referred to the Compact's testimony that showed "individual bill increases of up to \$25,000 per year" for some customers and further stated, "The Department directs the Companies to focus on customer bill impacts and ensure that any proposed rate design is transparent" when they submit a filing in the future.
- The DPU disallowed separate treatment of transition charges for COM ratepayers, saving COM ratepayers approximately \$8 million in 2018.

It is important to note that, while the DPU did not specifically cite the Compact's arguments in the section of their Order that disallowed the separate treatment of COM transition charges, the Compact was the only party that raised this issue specifically during the rate case proceedings.

The Attorney General and other parties have appealed parts of the DPU's Order to the Massachusetts Supreme Judicial Court (SJC), including the 10.5% approved return on equity and the approval of the MMRC. These appeals are pending before the SJC, being monitored by the Compact, and the results of the SJC's decision(s) may impact rates in the future.





## What Consumers Need To Know

Buying electricity can be challenging for the average customer to understand.

The Compact continues its efforts to educate customers about the key things to remember when considering a switch between electricity suppliers (the “Supply” or “Generation” portion of electric bill).

When electricity prices spike during the winter (due to natural gas pipeline constraints in the colder months when it is used for both heating homes and electricity production), customers often look for ways to reduce electricity costs. During this period, competitive electric suppliers market more aggressively through direct mail, phone solicitations and door-to-door. Unfortunately, some competitive suppliers take advantage of customers, misleading them about the true cost of the supply contract, the contract length, or the services they’re providing. To protect yourself from this kind of activity, here are three things you should do:

### ALWAYS



ask for written information on what is being offered to you, so that you may review it without any pressure.

### NEVER



11001100110

provide your Eversource electric account number before you have decided to sign a contract, as the supplier has the ability to switch your account to their supply if they have your account number.

### NEVER



commit to a price or contract over the phone. Verbal offers are hard to enforce if the need arises later on, and may not provide you with all the terms & conditions of the contract you are about to enter into.

For more information, please visit [WWW.CAPELIGHTCOMPACT.ORG/POWER-SUPPLY](http://WWW.CAPELIGHTCOMPACT.ORG/POWER-SUPPLY)



### Gallo Ice Arena

#### Cost Breakdown

Total Project Cost	<b>\$353,196</b>
Mass Save Sponsor Incentives	<b>\$102,073</b>
Estimated Annual Energy Savings	<b>7,832 therms 209,267 kWh</b>
Estimated Annual Cost Savings	<b>\$34,694</b>



In 2017, the Gallo Ice Arena underwent an energy makeover. The rink is owned by the Bourne Recreation Authority (BRA) who were interested in replacing old equipment with new, efficient equipment as well as improving the skating experience for all who use the rink. They engaged Rethinking Power Management (RPM), an energy and sustainability consulting company, to help design and oversee the projects. BRA also worked closely with Sia Karplus, Science Wares Inc. on project development and Cape Light Compact to take full advantage of its energy efficiency incentive programs.

Beginning with upgrades to the boilers and lighting, the final project provided a variety of benefits and changed the arena dramatically. In addition to energy savings, it improved the ice surface, expanded skating opportunities, improved rink aesthetics, and enhanced use by the community. The installed measures are expected to save about 25% on energy costs annually.

The rink has a new look, thanks to LED lights, a new energy efficient ceiling, and some newly replaced wall panels. The rink is now easier to operate. Internet-enabled gateways positioned throughout the facility allow management to control the new heating and lighting systems from a local computer. A cell phone app allows control of these systems anywhere on-site or remotely. Management can now adjust light levels throughout the arena. The new system even takes advantage of natural light in the bleacher areas to reduce energy costs during daylight hours. The new lighting can be made bright enough for TV filming, allowing use by regional high school and college hockey tournaments that want to televise their games. It can be turned low enough so community skates are comfortable and fun. The tighter building envelope translates to a harder ice surface and opens more opportunities for additional figure skating clubs and events. It also means lighter refrigeration load and lower costs.



### 2017 Numbers

**473 Dehumidifiers**

**151 Freezers**

**884 Refrigerators**

**1,508** non-efficient appliances  
removed from the grid and recycled



### Recycling

Not only does Cape Light Compact help customers purchase energy efficient products but it also helps them dispose of inefficient products in an environmentally friendly way. Over the years, the Compact has partnered with Appliance Recycling Centers of America to process and recycle the raw material from inefficient freezers, refrigerators, and dehumidifiers. The Compact offered a \$50 rebate to recycling fridges and freezers and \$30 to recycling dehumidifiers. During 2017, the Compact collected and recycled 473 dehumidifiers, 151 freezers, and 884 refrigerators.

## Educating the Next Generation of Energy Consumers

The Compact is committed to energy education outreach within its community and continues to be a regionally and nationally recognized leader in the design and implementation of its energy education programs. As a municipal aggregator with a unique service territory, the Compact supports the community's efforts to develop a deeper and broader knowledge of energy efficiency technology and practices, moving towards an energy-literate society.

2017 saw the continuation of the Compact's energy efficiency education program Be Energy Efficient Smart ("BEES"), which includes both a classroom lesson and take-home student kit and survey. Within this initiative, the Compact trained teachers and engaged the following schools:

### Energy Carnivals

The Compact participated in energy education-based presentations and all-school Energy Carnivals, through which students learn the basic lessons of energy efficiency, energy forms, and energy sources in a first-hand, fun, and engaging way. Over 2,000 students and teachers were reached through these efforts in 2017.

- Eastham Elementary
- Eddy Elementary
- Orleans Elementary
- Monomoy Middle and High School
- Mattacheese Middle School
- Sandwich STEM Academy
- Mashpee Middle School
- Barnstable Middle School

Within BEES, a total of 1,432 students received kits to install energy saving measures in their homes. Of those students, 28 percent completed and returned their surveys, resulting in net annual savings of 27.6 MWh with a six-year measure life.

### NEED Workshops

The Compact reached teachers in its service territory through the National Energy Education Development ("NEED") Teacher Workshops, in partnership with the statewide Energy Education Working Group and in-service training for school systems.

The Compact's greatest successes continue with the "kids as teachers" model, where students are trained, conduct studies, and present information on energy efficiency, renewable energy, and related topics to younger students and community members.

### Science Festivals

The Compact participated in Cape Cod and Martha's Vineyard science education festivals, demonstrating the science of energy, building energy efficiency, and renewable energy resources.

With the addition of BEES, this effort has now successfully reached into the home. Schools have fully adopted energy education into their yearly schedule of classroom activities, as evidenced by their repeated requests for energy education programs from the Compact. As a result, the Compact and the schools it works with continue to reach teachers, students, and families every year. The Compact continues to use updated and innovative energy education materials from local and national energy education-based resources. Using a model for science-based facts and local science, technology, engineering and math ("STEM") initiatives, the Compact designs and uses curriculum materials that align with Massachusetts' standards for science and technology, allowing teachers to introduce lesson plans discussing energy efficiency, innovation, and conservation.



## Looking Forward

### Restructuring to JPE and Office Move

In April of 2017, the Compact member towns reorganized as a joint powers entity under the Massachusetts Municipal Modernization Act. The act inserts a new section in the General Laws that allows a municipality to enter into an agreement with another governmental unit in the interest of sharing common powers and duties within a region. The Compact's joint powers agreement gives Cape Light Compact, under the direction of the 21 towns of Cape Cod and Martha's Vineyard and Duke's County, the ability to hire employees, execute contracts, and receive and expend funds.

As part of the restructuring, Cape Light Compact moved our offices from the Barnstable County complex in Barnstable village to 261 Whites Path in South Yarmouth. The new office includes a much larger and more functional space and a large conference room which is open to community organizations to use.

As we move into 2018, we are looking forward to settling into our new space and adjusting to life as a joint powers entity.

### 2019-2021 EE Plan

In the fall, Cape Light Compact staff began planning for the next three-year energy efficiency plan. In order to best serve the Cape and the Vineyard, Cape Light Compact hosted a series of stakeholder sessions throughout the fall and winter. The purpose of these sessions was to raise awareness of the many ways in which the Compact strives to save energy and reduce costs to customers. Information from these sessions will be incorporated into the new three-year plan which will be drafted over the next year and will cover plan years 2019-2021.

### Eversource Rate Case Appeals

As mentioned in the Consumer Advocacy section, the Attorney General and other parties have appealed parts of the DPU's Order to the Massachusetts Supreme Judicial Court (SJC), including the 10% approved return on equity and the approval of the MMRC. These appeals are pending before the SJC, being monitored by the Compact, and the results of the SJC's decision(s) may impact rates in the future.

Cape Light Compact will be keeping an eye on these appeals and will continue to advocate for the interests of Cape and Vineyard residents and business when necessary.



## Financial Statements

### Combining Statement of Net Position By Program Year Ending December 31, 2017

#### ASSETS

##### Current Assets:

	Energy Efficiency	Power Supply Reserve	OPEB/ Pension Reserve Fund	Operating	Green Program	Eliminations	Total
Cash and Cash Equivalents	\$5,617,534	\$ -	\$920,000	\$ -	\$ -	\$6,537,534	\$6,537,534
Cash Held by Barnstable County	15,352,156	801,370	120,000	146,632	172,073	16,592,231	16,592,231
Due from Other Funds	313,740	-	-	-	-	(313,740)	-
Receivables, Net of Allowance for Uncollectable Amounts:							
Energy Efficiency	278,466	-	-	-	-	-	278,466
Energy Efficiency Reconciliation Factor	1,687,703	-	-	-	-	-	1,687,703
Mil-Adder	-	68,811	-	-	-	-	68,811
Intergovernmental (RGGI)	104,751	-	-	-	-	-	104,751
Other	305,294	8,302	-	51,480	-	-	365,076
Prepaid Expenses	-	50,913	-	-	-	-	50,913
Other Assets	-	100,207	-	-	-	-	100,207
Total Current Assets	23,659,624	1,029,603	1,040,000	198,112	172,073	(313,740)	25,785,672

##### Noncurrent Assets:

Capital Assets Not Being Depreciated	588,438						588,438
Total Assets	24,248,062	1,029,603	1,040,000	198,112	172,073	(313,740)	26,374,110

##### Deffered Outflows:

Related to Pensions	652,811			130,552			783,363
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#### LIABILITIES

##### Current Liabilities:

Accounts Payable and Accrued Expenses	4,139,119	-	-	105,395	-	-	4,244,514
Accrued Payroll	28,019	-	-	3,306	-	-	31,325
Compensated Absences, Current	9,212	-	-	1,194	-	-	10,406
Due to Other Funds	-	254,726	-	59,014	-	(313,740)	-
Total Current Liabilities	4,176,350	254,726	-	168,909	-	(313,740)	4,286,245

##### Noncurrent Liabilities:

Compensated Absences, Net of Current	82,910	-	-	10,747	-	-	93,657
Net OPEB Obligation	727,144	-	-	128,031	-	-	855,175
Net Pension Liability	2,842,288	-	-	624,959	-	-	3,467,247
Total Noncurrent Liabilities	3,652,342	-	-	932,646	-	-	4,416,079
Liabilities	6,828,692	254,726	-	932,646	-	(313,740)	8,702,324

##### Deffered Intflows:

Related to Pensions	36,418			8,008			44,426
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##### Net Position

Net Investment in Capital Assets	5,88,438	-	-	-	-	-	588,438
Unrestricted	16,477,325	774,877	1,040,000	(611,990)	172,073	-	17,822,285

#### Total Net Position

Total Current Assets	\$17,035,763	\$774,877	\$1,040,000	\$(611,990)	\$172,073	\$ -	\$18,410,723
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Combining Statement of Revenues, Expenses and Change in Net  
Position by Program Year Ending in December 2017

	Energy Efficiency	Power Supply Reserve	OPEB/ Pension Reserve Fund	Operating	Green Program	Eliminations	Total
<b>OPERATING REVENUES</b>							
Energy Efficiency	\$4,824,129	\$ -	\$920,000	\$ -	\$ -	\$ -	\$4,824,129
Energy Efficiency Reconciliation Factor	33,952,991	-	-	-	-	-	33,952,991
Mil-Adder	-	869,766	-	-	-	-	-
Green Program	-	-	-	-	6,096	-	-
Intergovernmental (RGGI)	673,762	-	-	-	-	-	673,762
Intergovernmental (Solar)	-	-	-	51,480	-	-	51,480
Other	-	-	-	78,461	-	-	78,461
Total Operating Revenues	39,450,882	869,766	-	129,941	6,096	-	40,456,685
<b>OPERATING EXPENSES</b>							
Salaries and Benefits	941,958	-	-	51,821	-	-	993,779
Contracted Labor	684,773	-	-	107,679	-	-	792,452
Commercial and Industrial Programs	5,987,033	-	-	-	-	-	5,987,033
Other Programs	418,119	-	-	-	-	-	418,119
Legal and Related Consulting Services	704,630	-	-	972,372	-	-	1,677,002
Other Professional Services	56,697	-	-	114,495	-	-	171,192
Marketing	85,194	-	-	11,511	-	-	96,705
Other Operating	404,468	-	-	349,500	42,738	-	796,706
Depreciation	123,248	-	-	-	-	-	123,248
Total Operating Expenses	33,432,225	-	-	1,607,378	42,738	-	35,082,341
Operating Income (Loss)	6,018,657	869,766	-	(1,477,437)	(36,642)	-	5,374,344
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Forward Capacity Market	2,708,274	-	-	-	-	-	2,708,274
Renewable Energy Certificates	-	(99,382)	-	-	(39,072)	-	(138,454)
Investment Income	82,880	14,744	-	162	-	-	97,786
Total Nonoperating Revenues (Expenses), Net	2,791,154	84,638	-	162	(39,072)	-	4,416,079
Income (Loss) Before Transfers	6,828,692	254,726	-	(1,477,275)	(74,714)	-	8,041,950
<b>TRANSFERS</b>							
Transfers In	-	271,652	920,000	1,087,447	-	(2,279,099)	-
Transfers Out	(920,000)	(1,087,447)	-	(271,652)	-	2,279,099	-
Total Transfers	(920,000)	(815,795)	920,000	815,795	-	-	-
<b>CHANGE IN NET POSITION</b>	7,889,811	(30,667)	920,000	(661,480)	75,714	-	8,041,950
Net Position - Beginning of Year	9,145,952	805,544	120,000	49,490	247,787	-	20,368,773
<b>NET POSITION (DEFICIT) - EOY</b>	\$17,035,763	\$774,877	\$1,040,000	\$(611,990)	\$172,073	\$ -	\$18,410,723



## Frequently Asked Questions

### What is the Cape Light Compact?

The Compact is an award-winning energy services organization formed in 1997. It is operated by an intergovernmental organization authorized by votes of town meeting, boards of selectmen, town council and county commissioners. The Compact consists of 21 towns and Dukes County and serves 200,000 customers on the Cape and Martha's Vineyard. As the first municipal aggregation program of its kind, the Compact has served as a model for hundreds of similar organizations across the country.

### What are the Cape Light Compact's goals?

The goals set out in the Intergovernmental Agreement approved by town meetings, local boards, and county commissioners in 1997 and 1998, include development of energy efficiency, consumer advocacy, renewable energy, and competitive power supply. These same goals are outlined in the Compact Aggregation Plan approved by the Massachusetts Department of Public Utilities in 2000.

### What services does the Cape Light Compact provide?

The Compact operates an energy efficiency program, provides effective consumer advocacy, supports renewable energy efforts, and contracts for competitive power supply for the region. Monthly bills for services are issued by Eversource which



owns the region's distribution system and conducts metering and billing. Charges for the Compact's power supplier are identified and included on those bills.

### How does a consumer receive services from the Compact?

All new electric consumers are automatically enrolled in the Cape Light Compact power supply program. Consumers are also free to "opt-out" of this automatic enrollment and contract for their own power supply. Those who wish to return to the Compact's supply may do so but depending on market conditions, may be placed on a different rate form that being charged to other Compact customers. All electric consumers are eligible for energy efficiency services regardless of whether they receive the Compact power supply.

### What does the Compact do to advocate for consumers?

The Compact participates at the state level in matters critical to our region's consumers. Decisions made by legislators or state regulators can have far-reaching impacts on what consumers pay for electricity. With the support of technical and legal consultants the Compact has successfully won the return of more than \$25 million to the region's consumers, and avoided millions more in costs. Building on this effort, the Compact has succeeded in preventing more than \$10 million in charges from being added to residential consumer delivery charges on monthly bills.

### Testimonials

"I am so much more comfortable in my home and CLC selected the right contractors for the job. The guys were awesome."

-June from Harwich

"It was easy to participate; I was able to have the assessment and sign the contract to have work done all in the same day. Also, everyone was on time and very efficient."

-Kathleen from Brewster

"Cape Light Compact is great and we have recommended you to everyone. Nauset Insulation did the insulation work that was recommended through the energy assessment and we couldn't be happier!"

-Tom & Lynne from Brewster

### **How is the Compact governed?**

The Compact's Governing Board is made up of one representative appointed by each of the member municipalities and one county. The Compact Governing Board, and through them the towns and counties, are responsible for establishment of policies and oversight of Compact budgets. The Compact programs are also subject to oversight by various regulatory bodies such as the Massachusetts Department of Public Utilities and the Department of Energy Resources. All Governing Board meetings are open to the public.

### **How is the Compact funded?**

The Compact's Energy Efficiency program is funded primarily through a state-mandated energy efficiency charge paid by all electric customers, as well as by additional state-approved distribution charges. The power supply and consumer advocacy programs are funded by an operational charge of up to one-tenth of one cent per kilowatt hour (\$0.001) for Compact power supply customers. This adder is part of the power supply price paid on customer monthly bills. The use of the adder was included in the Compact's original Aggregation Plan approved in August 2000.

### **Who oversees the Cape Light Compact's budget?**

The staff and Governing Board have direct oversight of the budget. The Massachusetts

"We have an old Victorian home and had a lot of work done on the house. Participation in the program is a no brainer, and we couldn't have been happier with the whole process."

-Chuck from Harwich

"When we initially started the energy audit through the Cape Light Compact we did not fully understand the extent of the savings, in both energy use and money, as well as how easy the process would be. With the incentives offered and significant upgrade to our lighting system the savings we are going to have over the next year will almost cover our entire cost of the project. This was a great opportunity to go more "green" at Liberty Commons and to improve the quality of our lighting for our patients and staff as well. Over the years, some areas never seemed as bright as we would have liked, and now that the work is almost complete the difference is staggering. The savings, ease of the process, great work by RISE Engineering, and improvement in our facilities lighting made this move an all-around big win for Liberty Commons."

-Bill Bogdanovich,  
President and CEO of  
Broad Reach Healthcare

Department of Public Utilities also reviews energy efficiency budgets. Although it is not required, the Compact also files each of its power supply contracts with the Department of Public Utilities.

### **How are public records made available?**

The Compact has focused on making all public documents available. Documents regarding meetings, budgets, policy and other matters are posted on the Compact website. Updates are regularly provided to the towns and the media. Copies of documents may also be requested through a formal state-approved document request process. The Compact complies with state law regarding fees associated with the compilation and preparation of requested information.

### **How do I get a copy of the Cape Light Compact's Power Supply Contract so I can see the terms of service?**

The contracts are posted online at [www.capelightcompact.org/power-supply](http://www.capelightcompact.org/power-supply). Scroll down the page and click on the residential or commercial contract you wish to view.

### **Where can I find the most current power supply prices?**

The Compact's most recent power supply prices can be found on the Compact web site at [www.capelightcompact.org/power-supply](http://www.capelightcompact.org/power-supply).

## Cape Light Compact Staff



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Compact Administrator



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Power Supply Planner



**Margaret Song**

Commercial & Industrial  
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