



Cape Light Compact

Annual Report 2015



Working Together Toward A Smarter Energy Future

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

Letter from the Chair

Together We Can Shape Our Future

Welcome to our 2015 annual report. This year the Cape Light Compact celebrated the eighteenth anniversary of its 1997 founding as the first municipal aggregation in the United States. Following the May 1, 2015 Department of Public Utilities (DPU) order approving revisions to the Aggregation Plan, the Compact spent 2015 preparing for the future.

Energy Efficiency

The Compact's energy efficiency program is structured in three-year master plans, and on December 31, 2015 we completed our 2013-2015 three-year plan.

The energy and dollar results for 2013-2015 were the highest ever in customer participation and in energy dollars saved. (See "Energy Efficiency Achievements" page.) Those achievements are due to the actions of consumers we serve, so the honor of setting a new record belongs to them. The customer engagement of Cape Cod and Martha's Vineyard residents has kept regional energy demand from increasing, even as homes and businesses enjoy enhanced light and comfort.

Energy efficiency staff at the Compact worked throughout 2015 to prepare the new efficiency plan for 2016-2018. Engaging stakeholders was key: the public was invited to discuss new and existing services in four regional meetings and 27 local public forums over the course of the year. These sessions produced the most ambitious targets and efficiency incentives yet for the new three-year plan that launches on January 1, 2016.

Consumer Advocacy and Planning for a New Energy Future

In 2016, we look forward to conversations with our communities, the utilities, and governmental agencies about more efficient delivery of electricity—and better opportunities for consumers to reduce consumption and supply their own power.

The electric industry in Massachusetts is about to begin the largest transformation in the past century. In 2014, the DPU ordered each Massachusetts electric distribution company (EDC) to develop and implement a ten-year grid modernization plan. Eversource (EDC for the Cape and the Vineyard) and other EDCs filed their plans with the DPU on August 19, 2015. The Compact has initiated a major effort to make sure benefits and access to new technologies are not delayed for our communities. (See "Consumer Advocacy" page)

Modernization of the grid will affect almost every phase of planning and operations in the power industry and will shape how we generate, deliver, and use electricity far into the future. The Compact staff and governing board will be hosting multiple forums in 2016 on the challenges and potential of modernizing the electric grid. We hope you'll join us.

The Compact Governing Board and staff feel privileged to do this work on behalf of the people of Cape Cod and Martha's Vineyard.

Joyce Flynn

Chair, Cape Light Compact Governing Board

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Recipient of the ENERGY STAR® Partner of the Year 2015 The Lighting & Products Sponsors of Mass Save® Award

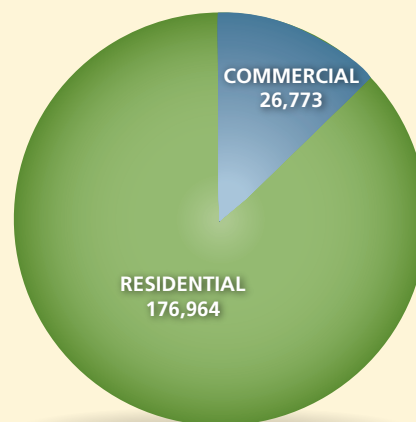
Recipient of the ENERGY STAR Partner of the Year 2015 Sustained Excellence Award

Recipient of the following 2015 National Energy Education Development Program State and National Youth Awards:

- Eastham Elementary School:
Elementary Level State School of the Year
- Harwich Cares, Harwich Middle School:
Junior Level State School of the Year and National Junior Level Finalist
- Martha's Vineyard Regional High School:
Senior Level State School of the Year

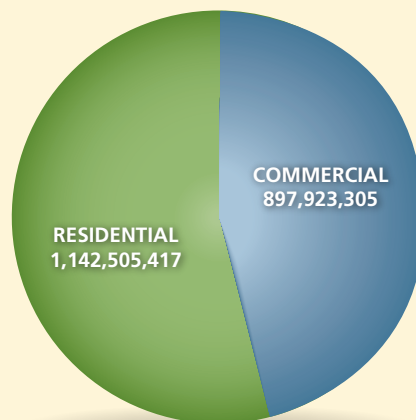
2015 Facts at a Glance

Number of Electric Customers
in the 21 Member Towns



Total: 203,737

Amount of Kilowatt Hours (kWh) used in 2015
in the 21 Member Towns



Total: 2,040,428,722

The Cape Light Compact is an award-winning energy services organization operated by the 21 towns and two counties on Cape Cod and Martha's Vineyard.

The Compact's mission is to serve its 200,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, competitive electricity supply and green power options.

INNOVATION

Solar for Everyone



*How many hands
does it take to install
a solar system?*

See answer below.



On a cool, gray April day, solar panels shone on the south faces of two new roofs, and a crowd gathered to celebrate the first Habitat for Humanity “Green” solar homes on Cape Cod! Unknown to most people, the solar PV systems also represented a new way to share the benefits of energy from the sun.

Last year, the Compact sat down with Habitat for Humanity of Cape Cod to figure out the best way to install solar panels on new affordable housing. The two new energy-efficient homes being built in Barnstable already had support from the town, Cape Cod Five Cents Savings Bank, the Barnstable Clergy Association, the Cape Light Compact, and the labor of dedicated local volunteers. The challenge was finding a way to finance the upfront cost of solar PV systems on a limited construction budget and gain 20+ years of savings on electric bills. This presented an excellent opportunity for

developing a creative way to make the added cost of solar work for everyone, and encourage the development of more local renewable energy.

In order to help finance the systems, the Compact pre-purchased Solar Renewable Energy Certificates (known as “SRECs”) that would be generated by the rooftop production over the next ten years. This offset the upfront cost of the systems, and helped the homeowners gain greater financial benefit by owning the systems, rather than having solar loans or leases. For the Compact, this meant a new way to cost-effectively acquire SRECs needed for its power supply mix from local renewable sources – a win for both renewable energy and Habitat homeowners.

Answer to question: It doesn’t matter as long as the job gets done.

ENERGY EFFICIENCY ACHIEVEMENTS

Saving Energy, Money & the Environment

This year ended with record-breaking numbers in both customer participation and energy savings. Customer participation brought us to a 3-year historic high in annual energy savings –132,000,000 kilowatt hours (kWh) for the period 2013-2015. That's a lot of energy efficient lights, new heating systems, air conditioning improvements, more efficient appliances, building insulation and a host of other measures. Overall, consumer actions undertaken during our 2013-2015 three-year plan will result in lifetime energy savings of 1,407,000 megawatt hours (MWh) of electricity, enough to power 146,000 homes for one year.

To support these customer investments in energy efficiency, the Compact re-invested \$101 million in ratepayer funds from 2013 to 2015 to generate total benefits of \$398 million. Every facet of the budget, and the resulting benefits, are examined by state regulators for consistency with the original approved plan, and for achieving cost/benefit thresholds. Not only is there a return of more than three dollars for every dollar spent, local jobs are generated, money is kept in the Cape Cod and Martha's Vineyard economy, and emissions that contribute to climate change are reduced. The lifetime kilowatt hour savings from 2013-2015 will offset carbon emissions equivalent to taking 204,319 cars off the road for one year. In addition to supporting the actions and investments of individual consumers on the Cape and Vineyard, we completed our multi-year project to upgrade more than 15,000 streetlights in the region to LEDs. This results in savings to our towns of more than \$800,000 each year.

As part of our day-to-day operations in 2015, we also prepared a new three-year energy efficiency plan for 2016-2018. To gather public comments on the plan, we held four regional public meetings across Cape Cod and Martha's Vineyard and 27 community forums. This outreach provided an opportunity for consumers and town officials to tell us what they thought of existing services, incentive levels and plans for new programs. Included in the plan are enhanced benefits for the elderly and others living on fixed incomes, as well as for qualified non-profit organizations, those who own or rent year-round housing, 100 percent incentives for government projects, in addition to the continuation of our core program features. We look forward to the new plan guiding us for the next three years to even more savings.

By the Numbers

Below is a summary of facts on participation in the Compact's energy efficiency programs by residential and business customers in 2015.

Residential Customers 2013 – 2015

- ❖ Number of residential customers who participated: 19,369 (including low-income customers) in the "Whole House" programs. A larger group purchased or received 344,147 residential efficiency products, primarily lighting, but also appliances and heating and cooling equipment.
- ❖ Total estimated 2013–2015 kWh saved: 59,900,000 kWh
- ❖ Total estimated lifetime kWh savings: 626,178,000 kWh
- ❖ Total estimate lifetime \$ savings: \$81,998,234 (energy and capacity only)
- ❖ Total environmental savings: 2013–2015 greenhouse gas emissions savings equivalent to taking 8,696 passenger vehicles or passenger cars off the road, eliminating CO₂ emissions from 4,647,702 gallons of gasoline

Commercial & Industrial Customers 2013 – 2015

- ❖ Number of commercial customers who participated: 6,243
- ❖ Total estimated 2013–2015 kWh saved: 71,794,000 kWh
- ❖ Total estimated lifetime kWh savings: 781,175,000 kWh
- ❖ Total estimated lifetime \$ savings: \$110,223,327 (energy and capacity only)
- ❖ Total environmental savings: 2013–2015 greenhouse gas emissions savings equivalent to taking 10,423 passenger vehicle or passenger cars off the road, or eliminating CO₂ emissions from 5,570,569 gallons of gasoline.

CUSTOMER HIGHLIGHTS

MONOMOY REGIONAL HIGH SCHOOL

In 2015, we provided energy efficiency incentives to the largest Commercial and Industrial building project in the Compact's history. Designed to be a "high performance green school," Monomoy High School's efficient lighting and other measures save 505,000 kilowatt hours of energy annually, and reduce energy costs by 32 percent. The school's 700 students in grades 8-12 get to see energy savings in action as a TV monitor displays on-going daily energy and water consumption. They also enjoy classrooms that maximize natural daylight and require no air-conditioning. The 168,075 square foot building was constructed with local, recycled and rapid renewable materials and has recycling bins in every room. To assist with these high performance and sustainable measures, the Cape Light Compact awarded incentives of \$563,336.



ELLIE FUND FUNDRAISER

Last year, 69 CLC customers purchased 124 Ellie Fund packs through the Mass Save Ellie Fund LED fundraiser.

In 2015, the Mass Save electric Sponsors partnered with the Ellie Fund for the fourth year to raise funds and awareness to support the valuable services the Ellie Fund provides to breast cancer patients and their families. The fundraiser was structured around the sale of specialty pink-based LED bulbs. Mass Save hosted an online sale that offered a four-pack of these ENERGY STAR certified pink-based LED bulbs for \$10. For every pack sold, \$5 was donated to the Ellie Fund. The campaign generated a \$10,135 donation to the Ellie Fund.



ROBIES HEATING AND COOLING

The Compact recognizes that the vendors and businesses that service the region are vital to our customers. In September 2015, the Compact gave an award to Robies Heating and Cooling of Hyannis for their outstanding service and commitment to energy efficiency. Robies installed the highest number of energy efficient air conditioning and heat pump systems following the Quality Installation Verification testing procedures compared to all contractors servicing Cape Cod and Martha's Vineyard. This was the third consecutive year that Robies took top honors. For more info on how to become a participating contractor, please visit masssave.com/HVAC.



DEHUMIDIFIER TURN-IN

Turning in your old dehumidifier can be a very successful way to save energy and money, while keeping damp basements dry. The Compact held three dehumidifier turn-in events in 2015, in Falmouth, Hyannis, and West Tisbury and collected 216 units that will account for a total savings of 43,200 kilowatt hours.



ENERGY EDUCATION

In 2015, the Compact continued its solid commitment to energy education outreach through the region's schools, and continued to be a regionally and nationally recognized leader in the design and implementation of energy education programs. As a unique energy efficiency administrator and municipal aggregator, the Compact strives to support the community in efforts to encourage the development of deeper and broader knowledge of energy efficiency technology and practices, moving toward an energy-literate society.

Our greatest successes continue with the "kids as teachers" model, through which students are trained and conduct studies to present information on energy efficiency, renewable energy, and related topics to younger students and community members. As evidenced by requested programs from year-to-year, schools have moved toward adopting energy education into their yearly schedule of classroom activities, and thus continue to reach more individuals.

The Compact continues to use updated and innovative materials from local and national energy education-based resources such as the NEED Project, a 501 (c) 3 non-profit organization. Using a model for science-based facts and local science, technology, engineering and math ("STEM") initiatives, the Compact designs

and uses curriculum materials to align with the Massachusetts state standards for science and technology, allowing teachers to introduce lesson plans discussing energy efficiency, innovation and conservation.



For the 12th consecutive year, the Compact was proud to have its participating schools recognized by the National Energy Education Development Project and the Massachusetts State Department of Energy Resources for their outstanding work in energy education outreach to their communities:

- ❖ **Eastham Elementary School: Elementary Level State School of the Year and National Elementary Level Finalist.** Hosted and led energy carnivals for students at the 4th and 5th grade level in other communities.
- ❖ **Harwich Cares, Harwich Middle School: Junior Level State School of the Year and National Junior Level Finalist.** Students met weekly to discuss how to raise awareness and teach valuable lessons about energy, including ways to reduce energy consumption. Students also took charge of a recycling program and presented day-long energy carnivals for the students in local middle and elementary schools.
- ❖ **Martha's Vineyard Regional High School: Senior Level State School of the Year.** Students from the MVironment Club commuted over to the Island's elementary schools to help teach third graders about energy science engineering. These students took time out of their busy schedules to plan each activity each week.

Highlights of 2015 Energy Education Program

- ❖ Through energy education-based presentations, field trips, and nine all-school energy carnivals, students learned the basic lessons of energy efficiency, energy forms and energy sources in a first hand, fun and engaging way. This outreach engaged more than 6,000 students and teachers.
- ❖ Conducted NEED Teacher Workshops in partnership with the statewide Energy Education Working Group and in-service training for school systems reaching teachers in the Compact's service territory. Three regional workshops were conducted on Cape Cod and Martha's Vineyard.
- ❖ Students and their teacher attended the 2015 NEED Youth Awards Program in Washington, D.C.
- ❖ Launched the Compact's new energy efficiency education initiative "Be Energy Efficient Smart" (BEES) which includes both a classroom lesson and take-home student kit and survey.

POWER SUPPLY

Stability, Security, Choice and Green Power Options

The power supply market can be volatile, and anyone watching their electric bills can see this volatility in the form of seasonal price differences. The Compact works to ensure that its power supply customers benefit from competitive prices that mitigate market volatility effects, and terms and conditions that offer consumer protection.

In 2015 there was good news and bad news in terms of market pricing. The bad news was high winter electricity prices driven by consumption of natural gas supplies for heating, which drove up prices for gas-fueled electric generating plants. This happened in the late fall of 2014, and electric rates remained high across the region through the spring of 2015.

The Compact's power supply prices had been lower than Eversource prices for the first 11 months of 2014. Due to the high wintertime natural gas prices, the Compact's residential Basic Service price rose to 15.371 cents per kilowatt hour and the Eversource price to 15.046 cents. At the same time, prices in other parts of the state rose to more than 16 cents.

The good news was that summer electric rates dropped dramatically from those high levels, as pressure on natural gas supplies decreased after the heating season. The Compact's price dropped to 10.16 cents per kilowatt hour, with the comparable Eversource price at 10.05. At the end of 2015, the Compact took advantage of low market prices to negotiate a 12-month residential contract that ensured low prices for the winter months of 2016, to protect customers from the winter price volatility seen during the winter of 2015.

Looking ahead, the volatility of natural gas prices and resulting electric rates is not expected to dissipate, due to a continued constraint on regional natural gas pipeline capacity. In 2015, our region was dependent on natural gas to fuel about half of our electric generation, and natural gas-fired generating plants represent more than 60 percent of all new generating plants currently proposed for New England. Energy efficiency, demand response, and alternative sources of energy have been shown to be less costly than building more natural gas pipelines, but even more aggressive efforts in these areas are needed to offset the need for additional gas capacity.

ISO New England, which oversees the reliability and operation of New England's regional electric grid, notes that 30 percent of all new proposed regional generation is wind-powered, and that solar power continues to increase as well. In the next decade, the ISO anticipates that up to 20 percent of power resources in

New England could be connected to customers, rather than the centralized transmission grid. This means that the Grid Modernization process currently underway in Massachusetts is important to everyone (see information in "Consumer Advocacy" page). In the meantime, the Compact will continue offering stable and secure electric supply at competitive rates.

GREEN POWER

GREEN POWER OPTION

For consumers looking beyond Basic Service to "Green" power supply, *Cape Light Compact GreenSM* provides an option to support local renewable energy development and reduce the environmental impacts of electricity generation. Twenty schools and other municipal buildings on the Cape and Vineyard have solar systems supported in part by the purchase of *Cape Light Compact GreenSM*. Additionally, another eighty or more small solar and wind systems have been engaged in supplying the program. This means that customers can feel good about their electricity and help build a new future as well.

When a customer chooses *Cape Light Compact GreenSM*, the Compact matches 50% or 100% of the electricity they use each month with energy from solar, wind, hydro and landfill gas generating sources. The small premium cost above the Basic Service price is 100% tax-deductible from federal income taxes.

Basic Service and CLC Green Prices in 2015

| Cents/kilowatt hour | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec |
|--------------------------|---------|---------|---------|---------|
| Residential Basic | 15.371 | 15.371 | 10.160 | 10.160 |
| Commercial Basic | 14.300 | 14.300 | 10.568 | 10.568 |
| Industrial Basic | 20.070 | 7.500 | 8.705 | 10.070 |
| CLC Green 50% | | | | |
| Residential | 16.271 | 16.271 | 11.060 | 11.060 |
| Commercial | 15.200 | 15.200 | 11.468 | 11.468 |
| Industrial | 20.970 | 8.400 | 9.605 | 10.305 |
| CLC Green 100% | | | | |
| Residential | 16.971 | 16.971 | 11.760 | 11.760 |
| Commercial | 15.900 | 15.900 | 12.168 | 12.168 |
| Industrial | 21.670 | 9.100 | 10.305 | 11.670 |

CONSUMER ADVOCACY

State Regulators & Consumers Facing Important Decisions On SmartGrid

During 2015, the focus of consumer advocacy was on the \$496 million “Grid Modernization” Plan that Eversource submitted to the Massachusetts Department of Public Utilities (DPU). This will be the largest change to our electric utility infrastructure in the past century. Bert Jackson, president of the Cape Cod Technology Collaborative, said the impact is generational. “This is going to impact what’s happening in our community, not just for the next five or ten years, but for our children and grandchildren.” Cape Light Compact Administrator Maggie Downey, added, “We will all be paying for Grid Modernization and it is important to have the community actively engaged in identifying what we want to see, and how much we want to pay for this.”

The Eversource plan is the first step into a new electric future known as the “Smart Grid.” The transformation combines electric and information technologies that can allow two-way energy flows and enhanced energy efficiency, energy storage, increased local generation, and greater stability and reliability. The Compact is seeking to make sure that the Eversource plan is centered on benefits to consumers. We also want to make sure that our region does not suffer delays and disadvantages in technological development.

The Smart Grid Creates Important Options For Home Energy Use



Credit: Acadia Center

The Compact intervened in the DPU docket (DPU 15-122) with the following goals.

❖ Ensure Cost Efficiency

Under the plan, spending is pre-authorized and will appear on our bills for a long period of time. This means making sure the amounts being charged are fair, that costs are properly allocated. Much of the Eversource focus is on the Boston area and on large customers. As a region made up largely of small commercial and residential consumers, will we subsidize Boston area improvements?

❖ Ensure Reliability at Problem Locations and at Desired Levels

This turns in part to identifying critical areas that need upgrades. Inappropriate costs for standard maintenance (such as enhanced tree-trimming) should not be part of this plan.

❖ Ensure Continued Opportunities for Distributed Generation & Storage Development

Technological capacity needed to accommodate more distributed generation such as solar needs to be evaluated, as well as the cost of proposed enhancements. There are a number of features of the Plan that need to be thoroughly examined. A primary concern is that opportunities and benefits for our region could be significantly delayed or diminished.

❖ Ensure Consumer Access to Smart Grid Technology at the Level Desired

The Cape Light Compact believes the Eversource Plan relative to “smart meters” is not in compliance with the Department of Public Utilities Grid Modernization directive. Eversource has proposed that the installation of smart meters be upon customer request and that anyone wishing to have a smart meter and time-of-use pricing must leave the Cape Light Compact or other independent supplier and join the Eversource power supply, in addition to bearing data transmission costs for the meter. The Smart Grid platform to be created by Eversource but paid for by consumers should not be for the purpose of securing a monopoly position. This issue needs to be fully examined.

The Compact will be working with the Cape Cod Technology Council and others to create greater public awareness about what is at stake for our region, and our electric bills. It will be important for regulators to hear from Cape and Vineyard stakeholders if the plan does not include the types of technologies that will enable the region to enjoy the benefits of grid modernization.

Cape Light Compact
Combining Statement of Net Position by Program
for the year ended December 31, 2015

| | Energy Efficiency Fund | Power Supply Reserve | Operating | Green Program | TOTAL |
|--|------------------------------|----------------------------|------------------|-------------------|---------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and Cash Equivalents | \$ 2,437,807 | \$ 775,012 | \$ 649,422 | \$ 217,131 | \$ 4,079,372 |
| Receivables, Net of Allowance for Uncollectible Amounts: | | | | | |
| Energy Efficiency | 485,137 | | | | 485,137 |
| Energy Efficiency Reconciliation Factor | 2,502,989 | | | | 2,502,989 |
| Mil-Adder | | 67,022 | | | 67,022 |
| Green Program | | | | 9,472 | 9,472 |
| Intergovernmental (RGGI) | 439,542 | | | | 439,542 |
| Other | 59,982 | | | | 59,982 |
| Prepaid Expenses | | 23,130 | | | 23,130 |
| Intangible Assets | | 4,320 | | | 4,320 |
| Total Current Assets | 5,925,457 | 869,484 | 649,422 | 226,603 | 7,670,966 |
| Noncurrent Assets: | | | | | |
| Capital Assets Not Being Depreciated | 524,372 | | | | 524,372 |
| Total Assets | 6,449,829 | 869,484 | 649,422 | 226,603 | 8,195,338 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable and Accrued Expenses | 5,069,669 | | 9,467 | | 5,079,136 |
| Accrued Contracted Labor Payable | 15,136 | | 2,590 | | 17,726 |
| Accrued Contracted Labor – Compensated Absences | 10,839 | | 2,973 | | 13,812 |
| Total Current Liabilities | 5,095,644 | | 15,030 | | 5,110,674 |
| Noncurrent Liabilities | | | | | |
| Accrued Contracted Labor – Compensated Absences | 97,552 | | 26,758 | | 124,310 |
| Accrued Long-Term Liabilities | 2,545,689 | | 562,946 | | 3,108,635 |
| Total Noncurrent liabilities | 2,643,241 | | 589,704 | | 3,232,945 |
| Total Liabilities | 7,738,885 | | 604,734 | | 8,343,619 |
| NET POSITION (DEFICIT) | | | | | |
| Net Investment in Capital Assets | 524,372 | | | | 524,372 |
| Unrestricted (Deficit) | (1,813,428) | 869,484 | 44,688 | 226,603 | (672,653) |
| TOTAL NET POSITION (DEFICIT) | \$ (1,289,056) | \$ 869,484 | \$ 44,688 | \$ 226,603 | \$ (148,281) |

Information from the Cape Light Compact
Independent Auditors' Report on Financial
Statement and Additional Information for the Year
Ended December 31, 2015.

Cape Light Compact
Combining Statement of Revenues, Expenses and Change in Net Position by Program
for the year ended December 31, 2015

| | Energy Efficiency Fund | Power Supply Reserve | Operating | Green Program | TOTAL |
|--|------------------------------|----------------------------|--------------------|-------------------|---------------------|
| OPERATING REVENUES | | | | | |
| Energy Efficiency | \$ 5,085,556 | | | | \$ 5,085,556 |
| Energy Efficiency Reconciliation Factor | 28,580,327 | | | | 28,580,327 |
| Mil-Adder | | \$ 666,022 | | | 666,022 |
| Green Program | | | | \$ 76,819 | 76,819 |
| Intergovernmental (RCCI) | 1,963,191 | | | | 1,963,191 |
| Total Operating Revenues | 35,629,074 | 666,022 | | 76,819 | 36,371,915 |
| OPERATING EXPENSES | | | | | |
| Contracted Labor | 3,594,746 | | \$ 802,608 | | 4,397,354 |
| Energy Efficiency Programs | | | | | |
| Residential Programs | 20,936,612 | | | | 20,936,612 |
| Low Income Programs | 3,235,576 | | | | 3,235,576 |
| Commercial and Industrial Programs | 10,671,846 | | | | 10,671,846 |
| Other Programs | 454,032 | | | | 454,032 |
| Legal | 391,976 | | 178,495 | | 570,471 |
| Other Professional Services | 23,665 | 5,250 | 119,458 | | 148,373 |
| Marketing | 218,674 | | 73,144 | | 291,818 |
| Other Operating | 364,096 | 19,553 | 152,297 | | 535,946 |
| Total Operating Expenses | 39,891,223 | 24,803 | 1,326,002 | | 41,242,028 |
| Operating Income (Loss) | (4,262,149) | 641,219 | (1,326,002) | 76,819 | (4,870,113) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Forward Capacity Market | 1,090,417 | | | | 1,090,417 |
| Renewable Energy Certificates | | 209,593 | | (62,066) | 147,527 |
| Investment Income | 5,782 | 3,038 | | | 8,820 |
| Total Nonoperating Revenues (Expenses), Net | 1,096,199 | 212,631 | | (62,066) | 1,246,764 |
| Income (Loss) Before Transfers | (3,165,950) | 853,850 | (1,326,002) | 14,753 | (3,623,349) |
| TRANSFERS | | | | | |
| Transfers In | | 71,222 | 940,606 | | 1,011,828 |
| Transfers Out | | (940,606) | (71,222) | | (1,011,828) |
| Total Transfers | | (869,384) | 869,384 | | |
| CHANGE IN NET POSITION | (3,165,950) | (15,534) | (456,618) | 14,753 | (3,623,349) |
| Net Position – Beginning of Year | 1,876,894 | 885,018 | 501,306 | 211,850 | 3,475,068 |
| NET POSITION (DEFICIT) AT END OF YEAR | \$ (1,289,056) | \$ 869,484 | \$ 44,688 | \$ 226,603 | \$ (148,281) |

*Approximately 86% (or \$35,298,066) of the Compact's operating expenses relate directly to energy efficiency programs. Approximately 91% of the Compact's three-year (2013-2015) energy efficiency budget, modified from \$83,586,651 to \$103,382,379 in 2015, had been spent through December 31, 2015. The energy efficiency budget is funded via energy efficiency and energy efficiency reconciliation factor charges over the three-year period. As a result, annual differences can exist for recognized revenues and expenses. The primary increase in operating expenses represents the recognition of the allocated portion of the estimated liability for pension benefits from Barnstable County, which amounted to \$2,415,259.

2015 Board Members



Front L-R

Tom Mayo, Ray Castillo, Barry Worth, Ron Zweig, Joyce Flynn, Deane Keuch, Fred Fenlon, Sue Hruby, Joe Buteau

Back L-R

Robert Schofield, Paul Pimentel, David Anthony, Richard Toole, Josh Peters, Tom Donegan, Peter Cocolis

2015 Board Members

| | | | |
|-------------------|----------------------------------|--------------|-----------------------------|
| Aquinnah | Michael Hebert | Mashpee | Tom Mayo |
| Barnstable | David Anthony | Oak Bluffs | Richard Toole |
| Barnstable County | Sheila Lyons | Orleans | Chris Galazzi |
| Bourne | Robert Schofield (Vice Chairman) | | Ray Castillo (Alternate) |
| Brewster | Deane Keuch | Provincetown | Thomas Donegan |
| Chatham | Peter Cocolis (Treasurer) | Sandwich | Joshua Peters |
| Chilmark | Timothy Carroll | | Bud Dunham (Alternate) |
| Dennis | Brad Crowell | Tisbury | Vacant |
| Dukes County | Vacant | Truro | Joseph Buteau |
| Eastham | Fred Fenlon | Wellfleet | Richard Elkin |
| Edgartown | Paul Pimentel | | Marcus Springer (Alternate) |
| Falmouth | Ronald Zweig | West Tisbury | Sue Hruby |
| Harwich | Barry Worth (Secretary) | | Jen Rand (Alternate) |
| | Valerie Bell (Alternate) | Yarmouth | Joyce Flynn (Chair) |

Cape Light Compact Staff



Maggie Downey
Compact Administrator



Margaret Song
Residential Program
Manager



Gail Azulay
EM&V Analyst



Austin Brandt
Power Supply Planner



Briana Kane
Senior Residential
Program Coordinator



Lindsay Henderson
Communications &
Data Analyst



Meredith Miller
Commercial & Industrial
Program Manager



Matthew Dudley
Residential Program
Coordinator



Karen Loura
Administrative
Assistant



Vicki Marchant, CEM
Commercial & Industrial
Program Analyst



Debbie Fitton
Energy Education
Coordinator



Kim Deisher
Customer Service
Coordinator



Dave Botelho
Data Analyst



Phil Moffitt
EM&V Manager



Greg Abbe
Analyst

Not shown:
Kathy Stoffle, Customer Service Coordinator



Frequently Asked Questions



What is the Cape Light Compact?

The Compact is an award-winning energy services program 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 Barnstable and Dukes Counties 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.

Why was the Cape Light Compact formed?

Soaring electric rates in the late 1980s and early 1990s drove an interest in developing more energy efficiency for the region. Restructuring of the electric industry in Massachusetts in 1997 created an opportunity to pursue that energy efficiency, use the market leverage of the region's customers for competitive power supply, and undertake important consumer advocacy measures.

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 Cape Light 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 than being charged to other Compact customers. All electric consumers are eligible for energy efficiency services regardless of whether they receive the Compact power supply.

How is the Cape Light Compact governed?

The Compact's Governing Board is made up of one representative appointed by each of the member municipalities and the two counties. 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 Cape Light 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 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 sign up for a free energy efficiency assessment or learn more about energy savings opportunities available to me?

Detailed information on the Compact's Energy Efficiency Programs and savings for consumers can be found on the Compact website, or through a call to the Energy Efficiency phone line 1-800-797-6699.

How does the Compact contract for electricity supply?

The Compact uses a competitive bidding process to select a power supplier or suppliers. With the support of technical and legal consultants, the staff and board members work to ensure that the Compact secures contracts that are in the best interest of Compact customers. In addition to "Basic Service" supplied by a mix of New England generating plants, the Compact also secures "Green" power supply from renewable energy sources on Cape Cod and Martha's Vineyard and in Massachusetts and the New England region.

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. Scroll down the page and click on the residential or commercial contract you wish to view.

What choices do I have for energy supplier?

Every electric customer on the Cape and Vineyard has the option to "opt out" of Compact energy supply and choose their own supplier. However, it is important to review the terms of individual power supply offers carefully. Always ask for written literature and never sign up over the phone. In written documents make sure of the length of the contract, short-term promotional rates, entrance or exit fees, and other terms that may affect the overall price. Consumers may also want to ask for documentation on where the power is generated and by what types of sources.

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.

What support does the Compact provide for renewable energy?

Consistent with its original goals, the Cape Light Compact has supported development of solar on school rooftops in the region, and through the purchase of locally generated Solar Renewable Energy Credits, and most significantly through support of the Cape and Vineyard Electric Cooperative (CVEC), an organization of nearly all towns in the region. The Compact has invested \$3.4 million in CVEC over a seven year period. This support has resulted in 28 megawatts of solar facilities being installed. This is the largest amount of solar developed by a group of small towns anywhere in the United States. The Compact's investment will yield a return of more than \$64 million to the towns, and through them to all residents, over a period of 20 years.

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.



What people are saying...

April 2015 Joanie from Harwich:

"The energy specialists were great, efficient and they were in and out. The whole experience was great."

Bob from Harwich:

"I was very pleased with the energy assessment and the work that was done. What a great deal!"

May 2015 Cheryl from Centerville:

"I had insulation and lights installed from the program and I have been very pleased. The crew was on time, clean, courteous and cleaned up after they were finished. Cape Light Compact does a great service for the community and I tell everyone about it."

Jeanne from Yarmouth:

"The guys were professional, clean and did a great job. I couldn't be happier!"

Dick from Dennis Village:

"I appreciate everything the Compact has done for me. The crew was professional when they installed my lighting and insulation. This is a great program."

August 2015 John from Falmouth (Multifamily project):

"...we laid out a Plan to help us move forward. And move forward we did. Without getting into the detail, I would like to relate that the plan was a success, the Unit owners are quite content and the Energy savings we realized were quite significant — Thanks to the Cape Light Compact and RISE Engineering."

