

## **Report of Cape Light Compact**

To the Honorable Board of Selectmen and the Citizens of the Town of Bourne:

Cape Light Compact JPE is an intergovernmental organization consisting of the 21 towns on Cape Cod and Martha's Vineyard and Duke's County. The Compact's mission is to serve our 205,000 customers through the delivery of proven energy efficiency programs, effective consumer advocacy, and renewable competitive electricity supply.

Effective July 1, 2017, the Cape Light Compact reorganized and reconstituted itself as a joint powers entity pursuant to Massachusetts General Law Chapter 40 Section 4A1/2, becoming the first joint powers entity in Massachusetts. Reorganizing as a joint powers entity protects member towns from potential liabilities and mandates greater financial accountability through expanded reporting requirements to the Massachusetts Department of Revenue and member Towns, and designation of Treasury functions to an independent entity.

### **POWER SUPPLY**

During fiscal year 2019 (FY19), the Compact's power supplier for all residential, commercial, and industrial customers was NextEra Energy Services of Massachusetts (NextEra). The Compact is pleased that our residential price in FY19 was lower on average than the utility's basic service residential price, while also being 100% renewable.

The Compact has been a green aggregation since January 2017, meaning 100% of Compact's power supply customers' annual electricity usage is met with renewable energy certificates (RECs). Each REC represents the generation of 1 megawatt hour (1,000 kilowatt hours) of electricity produced by a renewable resource, such as wind or solar. By retiring RECs to match the Compact's customers' usage, Compact customers are financially supporting renewable energy resources, including resources located on Cape Cod and southeastern Massachusetts. In addition, NextEra pledged to deposit all premiums paid for voluntary RECs, plus their supplier and retail fees (expected to total over \$3 million per year), into a trust fund to be used solely for the development of new renewable energy resources. Now, by purchasing electricity through the Compact, all Compact power supply customers are supporting renewable energy and acting locally to combat climate change.

In March, the Compact launched two new power supply options, CLC Local Green 50 and CLC Local Green 100. The CLC Local Green program gives customers the ability to support local renewable energy development by opting to pay a small premium on their monthly electric bill. The Compact uses this premium to purchase and retire Massachusetts Class 1 RECs to match either 50% or 100% of customers' annual electricity usage, in addition to the RECs retired as part of the Compact's standard power supply product. These RECs are sourced from renewable energy projects in New England, including several solar installations on Cape Cod. By participating in CLC Local Green, customers are driving the market to bring new renewable energy resources online at home in New England.

At a regional level, New England continues to face electricity pricing spikes during the winter months. Over the last fifteen years, New England has greatly increased its reliance on natural gas for electricity production, and now over fifty (50) percent of New

England's electricity is generated with natural gas. However, natural gas pipeline capacity has not substantially increased during that same period. As a result, during winter cold snaps, demand for natural gas to generate electricity competes with natural gas demand for heating purposes. Allocation of natural gas for heating has priority over natural gas for generating electricity. This creates a supply shortage of natural gas for electricity production, and therefore increases prices for electric generators, which is passed on to all New England power supply customers. Until such time as this issue is resolved, either through additional natural gas or electric transmission infrastructure, demand reduction, or other targeted programs, the possibility of future high winter pricing remains, and as such, consumers should still expect seasonal pricing fluctuations for the foreseeable future. The Compact will continue to seek ways to help customers reduce their electricity costs through innovative energy efficiency programs to mitigate the impacts of higher winter electricity pricing.

As of June 30, 2019, the Compact had approximately 8,441 electric accounts in the Town of Bourne on its power supply.

### **CONSUMER ADVOCACY**

Since 1997, Cape Light Compact has advocated for the ratepayers of Cape Cod and Martha's Vineyard at the local and state level.

In FY19, the Compact continued its focus on grid modernization, joining with other parties to submit a letter to the Department of Public Utilities (DPU) urging the opening of an investigation on the grid-facing grid modernization investments, including advanced metering infrastructure. This follows the DPU's last set of grid modernization orders in May 2018, which approved some of the utilities' requests but deferred decisions on customer-facing technologies (such as advanced metering infrastructure) to future proceedings. The Compact and other parties are now asking the DPU to begin where their last orders left off and start investigating how customer-facing grid modernization technologies will be deployed.

The Compact also participated in regulatory proceedings at the DPU related to the retail electric market, pushing for policies that promote a competitive power supply market while ensuring common-sense protections for consumers.

### **ENERGY EFFICIENCY**

In Fiscal Year 2019, approximately \$2,402,724.44, of energy efficiency rebates and incentives, was awarded to over 2,500 Participants of the Compact's Energy Efficiency Programs, yielding about 5,013,308.07 kWh in annual electricity savings. Notable activity includes:

- \$359,894.79 spent on municipal energy efficiency projects, saving 353,102 kWh annually. *Municipal entities served include Bourne Public Schools, Police Department, and Otis Air National Guard base.*
- 278 Low-Income participants
- 310 Participants in comprehensive Home Energy Assessments
- 163 non-government Commercial & Industrial participants, implementing a wide variety of projects, resulting in \$527,098.54 of awarded incentives and approximately 1,312,931 kWh of annual electricity savings.

Cape Light Compact's Energy Efficiency Programs are funded by Cape and Vineyard consumers through the Energy Conservation and Distribution lines, itemized under the Delivery Services section of their electric bill.

Cape Light Compact encourages Bourne residents and businesses to sign up for a free energy assessment. These assessments will identify opportunities for improving energy efficiency and apply any available rebates and incentives. For more information, please call 1-800-797-6699.

Cape Light Compact's energy education program reaches many Cape and Vineyard schools and supports teachers in their efforts to bring the world of energy science, conservation and efficiency to their students. For the 15th year, CLC education program conducted energy science classes for the Cape and Islands ASLP program in July held at the MA Maritime Academy for 200 middle school students.

Teacher workshops, educational kits, teacher materials are available free of charge as part of the Compact's commitment to helping to shape an energy literate and energy efficient society.

#### **Bourne Energy Efficiency Funds (Collected and Paid Back)**

Customer Type	Funds Available*	Funds Paid Back to Participating Customers	Percent of Funds Used by Customers	Town wide Annual Efficiency Savings (kWh)
Low Income	\$284,181.37	\$297,353.39	104.64%	273,519
Residential	\$1,235,345.55	\$1,214,869.82	98.34%	3,073,756
Commercial/Industrial & Government	\$527,679.24	\$890,501.23	168.76%	1,666,033
<b>Total</b>	<b>\$2,047,206.16</b>	<b>\$2,402,724.44</b>	<b>117.37%</b>	<b>5,013,308</b>

\*Funds are collected through consumer's electric utility bills.

**Note:** Due to a reporting error by the Compact's vendor, there is no kWh savings, expenditure, participant, and budget information for residential lighting from January 1, 2019 to June 30, 2019. Therefore, the residential and total amount calculations are likely underestimated. This information will be included in next year's report.

Respectfully submitted,  
Robert Schofield  
Bourne's Representative