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Minutes of the Commission Meeting Held on February 1, 2007 In the Stone Building 33 New York Avenue, Oak Bluffs, MA

IN ATTENDANCE

Commissioners: (P = Present; A = Appointed; E = Elected)

P James Athearn (E – Edgartown)	- Ned Orleans (A – Tisbury)
P John Breckenridge (A – Oak Bluffs)	- Jim Powell (A – West Tisbury)
P Christina Brown (E - Edgartown)	P Doug Sederholm (E – Chilmark)
P Peter Cabana (A – Tisbury)	P Susan Shea (A – Aquinnah)
- Martin Crane (A – Governor Appointee)	P Linda Sibley (E – West Tisbury)
- Mimi Davisson (E – Oak Bluffs)	- Paul Strauss (County Comm. Rep.)
- Mark Morris (A – Edgartown)	P Richard Toole (E – Oak Bluffs)
P Chris Murphy (A – Chilmark)	P Andrew Woodruff (E – West Tisbury)
P Katherine Newman (A – Aquinnah)	

Staff: Mark London (Executive Director), Bill Veno (Senior Planner), Paul Foley (DRI Coordinator)

The meeting was called to order at 7:43 p.m.

1. CAPE LIGHT COMPACT PRESENTATION

Mark London reported that Maggie Downey and Joe Soares met with Commission staff and discussed how the Commission and Cape Light Compact might work together. He introduced Joe.

Joe Soares outlined Cape Light Compact's purpose and activities, as well as electric restructuring and pricing in Massachusetts.

- 15 Cape Cod towns and 6 Martha's Vineyard Towns and Dukes and Barnstable Counties are members of Cape Light Compact, with a representative from each town invited to attend monthly meetings.
- Cape Light Compact was formed in 1997 when electric companies were restructuring.
- Cape Light Compact serves three purposes.
 - As a municipal aggregator for 450 megawatts representing 200,000 consumers, CLC can purchase competitive energy supply.
 - Because they have a competitive power supply, CLC can administer the energy efficiency programs. CLC lobbied to administer the energy efficiency programs; the \$5 million in energy efficiency money paid by NStar customers is now administered by CLC.
 - CLC advocates for consumers and is constantly going after NStar to keep them honest.
- CLC has returned \$18.7 million in energy efficiency funds, about \$.95 for every dollar.
- CLC has saved consumers \$5 million through competitive power supply contracts.

- CLC reduced transition costs and saved consumers \$25 million from the sale of the Canal Electric Plant.
- Different pricing came out of deregulation and the industry was broken down into the transmission system and distribution system, and the reading of the meter and billing which are both still regulated.
- The percentage of electricity fueled by natural gas increased significantly in 2006.
- Supply by type of fuel depends on demand during the day.
- The price of electricity is the price of the fuel being burned, primarily natural gas and oil.
- A disruption of the supply infrastructure like Hurricane Rita greatly affects fuel costs.
- NStar's only business since deregulation is distribution, in other words the poles and wires.
- CLC began exploring the wholesale side of supplying power and cutting out some of the costs customers see at the meters. They are proposing to form an Electric Cooperative which will allow them to go out for bid on competitive supply. A cooperative can promote renewable energy, move up to the wholesale level, purchase long-term contracts, limit exposure of member communities, and do things that towns can't necessarily do.
- The Cooperative was proposed in 2006. It is in the process of being formed and will be tax-exempt. They may ask for a limited pledge of taxing authority. It will go forward with renewable projects one by one.
- The Cooperative has started to execute a memo of understanding; they will file the articles of incorporation and then proceed with the private letter ruling from the IRS. Next they'll make presentations to Boards of Selectmen and they are planning to get the Cooperative on warrants in 2008 and see how many towns will approve being part of it.
- The national rural energy authority may help them get started with some projects.
- The Cape Cod Commission has a process by which any project that's a DRI has to send plans to Cape Light; Cape Light then makes recommendations, which the developers and Commission work with.

Joe Soares answered Commissions' questions.

- When asked why from 2000 to 2006 the percentage of energy that New England derives from renewable energy went down he speculated that a woodburning plant may have discontinued business, causing the decrease in renewable energy supply.
- Pump storage is a process by which water from a reservoir is run down a mountain through turbines inside the mountain and then pumped back to the reservoir at the top of the mountain.
- Responding to Chris Murphy's statement that the Commission deals with only a small percent of projects and his question about whether CLC will be talking to towns about its programs, he explained that energy efficiency money goes to customers for energy audits. Energy efficiency money can be used in a variety of ways, but they can only do what the customers are asking you to do. If the towns want to use zoning to meet certain energy efficiency or renewables, he believes that they can do that with higher standards than the energy aspect of the building code.
- They put in an energy management system in Harwich High School. The new lights in the gym are saving about \$40,000 a month in electricity costs.
- They have solarized one school on the Vineyard paid for by Cape Light Compact. They have teamed up with the Massachusetts Energy Cooperative, with the goal of getting 3% of occupied households to sign up for energy audit.
- Solar panels on schools are a great educational tool.

- The solar panels are valued at about \$25,000. The www.fatspaniel.com website shows all the public solar panel buildings.

Kathy Newman asked whether CLC has a list of things builders and owners can do to build green buildings to start green rather than end up remediating an existing building. **Joe Soares** said that they have some information. **Mark London** said that there is a lot of information readily available such as at the annual energy fair or by asking for an energy audit.

Mark London said the Commission is starting work on energy and transportation policies. Cape Light's work could help set up the framework for the Commission's DRI energy policy. One approach would be to require referral to the CLC; another approach would be to use objective measures. This policy could be a model for the kind of thing towns could do.

Joe Soares handed out copies of the executive summary of the cooperative study.

Linda Sibley said her house and business went through an energy audit when Cape Light first started the audits. Her audit didn't involve an analysis of insulation and she asked whether she could ask for another audit. **Joe Soares** said a building could be re-audited. Anyone interested in scheduling and audit can call 1(800) 797-6699.

There was a discussion of green programs.

- **John Breckenridge** asked whether Cape Light has a 50% and 100% green program.
- **Joe Soares** explained that NStar doesn't have a green program. He doesn't know if Dominion does.
- **John Breckenridge** brought it up because of the hospital, which was proposing 30% renewables. He asked whether the Commission is limiting businesses choice if they ask for 50% green.
- **Joe Soares** said other companies don't offer it. Cape Light killed NStar's offer of a green program because they're not supposed to be in the supply business, it had no sources to purchase energy certificates, and was seen as more like window dressing. Cape Light is advocating for a program like Maine's to have an independent service purchase basic service, instead of NStar, which allocates its costs to their distribution end.

Linda Sibley said 7 or 8 years ago a cable company representative, who was also an electric manager, said the Cape and Islands have the highest cost of distribution. **Joe Soares** responded that:

- The Cape and Islands have the 7th highest distribution cost in the country.
- In Hull consumers pay less because they own the system, which was created in 1900. For a town to take the poles and wires away from NStar to create a locally owned system would be a long and nasty fight. The utility doesn't have to sell its poles and wires and they can't be taken by eminent domain.
- Lexington is currently fighting NStar to own the poles and wires. The Vineyard would be a logical place to own its utility given that it is an Island with issues related to the underwater cables.
- Nantucket has National Grid, the old New England Electric. They do business as Nantucket Electric but are still part of the national grid.
- Cape Light Cooperative wouldn't purchase poles and wires but they would consider purchasing generators. The Cooperative could then sell energy to Cape Light Compact.

Doug Sederholm thanked Joe Soares for his presentation.

2. HART HARDWARE: DRI NO. 549

The deliberation and decision was postponed because there was not a quorum of Commissioners eligible to vote.

3. DRI ENERGY POLICY SUBCOMMITTEE

Peter Cabana, Richard Toole, Linda Sibley, Kathy Newman, and Susan Shea agreed to be on the Energy Subcommittee. Peter Cabana will convene the energy group after Mark London checks the list of Commissioners who expressed interest. The meeting date will be put on the extended schedule.

4. OTHER

Commissioners present: J. Athearn, J. Breckenridge, C. Brown, P. Cabana, C. Murphy, K. Newman, D. Sederholm, S. Shea, L. Sibley, R. Toole, A. Woodruff

4.1 Schedule of Meetings

Doug Sederholm suggested, based on the survey to Commissioners, meetings should start at 7:00 p.m. and end a half hour earlier as well.

Mark London suggested that the February 8th meeting be the "regular" meeting since the February 15th meeting may not be needed. Hart Plumbing will be scheduled according to when a quorum is available. Also, he noted that the Commission would not meet on February 22 (the last week of the month) or March 1st (school vacation). There will probably be a meeting on March 8th.

Linda Sibley moved, and it was duly seconded, to change the Regular Meeting to February 8th, at 7:00. A voice vote was taken. In favor: 11. Opposed: 0.

Abstentions: 0. The motion passed.

4.2 Site Visit

The site visit for the Oyster Bar is scheduled for Wednesday, February 7th at 9:00 a.m.

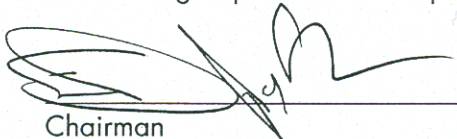
5. DUKES COUNTY SAVINGS BANK: DRI NO. 578 - REQUEST FOR EXTENSION

Commissioners present: J. Breckenridge, C. Brown, P. Cabana, C. Murphy, K. Newman, D. Sederholm, S. Shea, L. Sibley, R. Toole, A. Woodruff

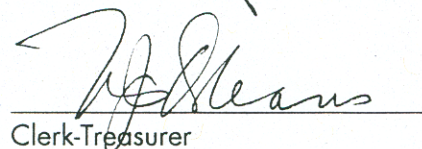
Jim Athearn recused himself from the vote.

Linda Sibley moved, and it was duly seconded, to approve an extension for two years. A voice vote was taken. In favor: 10. Opposed: 0. Abstentions: 0. The motion passed.

The meeting adjourned at 8:54 p.m.


Chairman

3-8-07
Date


Clerk-Treasurer

3-8-07
Date