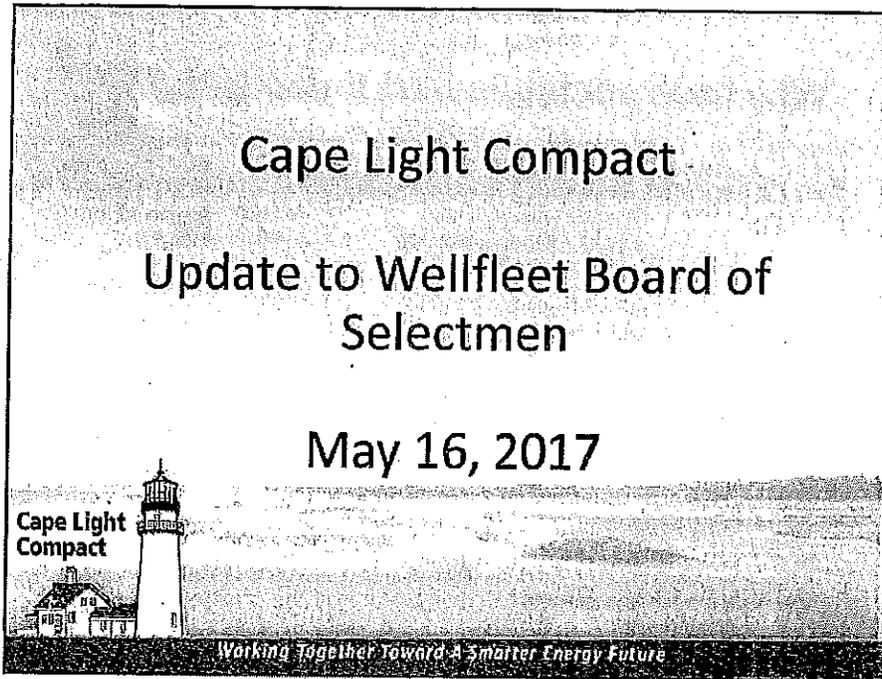


handout - L. Green  
Delegate  
5/12/2017  
5/17/17 to AofD



## Compact Background



- The Cape Light Compact (CLC) was formed in 1997 to advance the interests of electricity consumers in the wake of the Restructuring Act through its:
  - Power supply program
  - Energy efficiency programs
  - Consumer advocacy at the state level
- Cape Light Compact (CLC) operates under an Intergovernmental Agreement (IGA) between 21 towns and 2 counties of Cape Cod and Martha's Vineyard in accordance with MGL c. 40, s. 4A

## Why form a Joint Powers Entity (JPE)?

	Current Statute - Compact IGA	Proposed Statute - JPA
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Member Towns/Counties appoint a Representative to Governing Board</li> <li>• Goals of Compact identified within DPU approved Aggregation Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Members appoint a Director to Board of Directors</li> <li>• Same</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>• Treasurer functions are performed by Board member</li> </ul>	<ul style="list-style-type: none"> <li>• Treasurer functions cannot be performed by a member or staff – must be a separate entity</li> </ul>

• Compact's current Intergovernmental Agreement (IGA) expires in 2022  
 • Goal is for the Compact's member towns to transition from the existing IGA to a Joint Powers Entity through a Joint Powers Agreement (JPA)  
 • JPE is a separate legal entity

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## Why form a Joint Powers Entity (JPE)?

	Current Statute - Compact IGA	Proposed Statute - JPA
<b>Fiscal</b>	<ul style="list-style-type: none"> <li>• Although not required under IGA statute, Compact has performed annual financial audits through a 3<sup>rd</sup> party</li> <li>• Although not required, Compact has been providing members with annual reports since 2013</li> </ul>	<ul style="list-style-type: none"> <li>• Required to report to the Dept. of Revenue</li> <li>• Required to perform annual audits and provide annual reports to members</li> </ul>
<b>Liability</b>	<ul style="list-style-type: none"> <li>• Requires Governing Board to select a fiscal administrator</li> </ul>	<ul style="list-style-type: none"> <li>• Can perform fiscal and administrative services or contract for the services</li> <li>• Protects member towns/counties from liability, including employee/pension &amp; OPEB liabilities</li> </ul>

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