



## Town of Reading Meeting Minutes

2016-09-22 LAG

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2020-12-16

Time: 6:30 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version:

Attendees: **Members - Present:**

Mr. Jason Small, Chair (North Reading); Mr. Vivek Soni, Vice Chair (Reading); Mr. George Hooper, Secretary (Wilmington)

**Members - Not Present:**

Mr. Dennis Kelley (Wilmington); Mr. Joseph Markey (Lynnfield)

**Others Present:**

Mr. Philip Pacino, Board of Commissioners

Staff: Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. John McDonagh, Mr. Tom Ollila; Mr. Gregory Phipps, Ms. Kathleen Rybak, Mr. Charles Underhill

Public: Mr. James Satterthwaite, Reading

**Minutes Respectfully Submitted By:** Mr. Jason Small, Chair

*Jason Small*  
Jason Small (Nov 18, 2021 12:14 EST)

### Topics of Discussion:

PER GOVERNOR BAKER'S MARCH 10, 2020, ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 30A, §20 THIS MEETING WAS HELD REMOTELY VIA ZOOM

1. Call Meeting to Order – J. Small, Chair  
Chair Small called the meeting to Citizens' Advisory Board to order at 6:30 PM and noted the meeting was being audio recorded.
2. General Manager's Update – C. O'Brien, General Manager  
Ms. O'Brien provided a briefing on preparations for the approaching storm. The liaison storm phone is being activated; if any CAB member needs support during the storm, please call. Business continuity will be in place, and RMLD expects all essential employees to be in.

**Community Updates:** Ms. O'Brien reported that the customer satisfaction survey is ongoing. Findings are due at the end of January, with presentations of the results to both the CAB and BOC to follow. The 2021 calendar distribution is going very well. The EV workshop will be moved to February to allow for continued (CAB/Board) training on the power supply policy. Ms. O'Brien noted that Policy 30 (regarding power supply procurement strategy, risk mitigation, costs, etc.) is under review. Many of the MLP's are also evaluating how they purchase power as environmental stewardship and pending legislation is being addressed. Because of the complexity of the subject of how the RMLD buys power in our Integrated Resources group, we've arranged three phases of training for the BOC and CAB. The CAB will get two of the trainings at this evening's meeting, and then a third in January.



3. Policy 30 - Power Supply Update – C. O'Brien, General Manager and  
C. Underhill, Director of Integrated Resources  
Materials: Session 1: Policy 30 Discussion Presentation Slides; and Session 2: Policy 30  
Discussion Presentation Slides

Session 1 (BOC/CAB): Policy 30 Discussion. Mr. Phipps began with review of the Session One presentation slides, which had previously been presented to the Board of Commissioners. Staff was asked to compare the existing RMLD power supply portfolio to the IOU Renewable Portfolio Standard (RPS)/Clean Energy Standard (CES), and Roadmap 2050. The RPS/CES applies to the IOU's and not to the MLPs. Roadmap 2050 Standard is currently in discussion at the State level and if passed it would apply to the MLPs. The current RMLD portfolio was created under the existing Policy 30 and focused primarily on renewable energy, rather than non-carbon energy.

Mr Phipps summarized several key definitions in Slide2.

Mr. Phipps then reviewed Slide 3 – RMLD Power Supply: Outlook Through 2050. Mr. Phipps note the key takeaways from the slide are that the current RMLD Policy 30 focus was to buy renewables, but not necessarily certificates. As a result, about half of the current portfolio is renewable from an energy perspective.

Slide 4 – RMLD – Current Comparisons, illustrates how the current portfolio compares to the IOU RPS/CES (in the bottom table). Mr. Phipps noted, for the IOU RPS/CES there are different classes and certificate types. Typically, the IOUs buy inexpensive energy and then buy certificates on the open market (not associated with energy purchases) to be compliant the RPS/CES. Mr. Phipps continued, noting the comparison (in the upper left-hand corner) shows how the RMLD portfolio would fit in; RMLD has a broad set of certificates, but only the Massachusetts Class 1 certificates would meet the RPS standard, hence, the current portfolio would not be RPS compliant. The numbers on the top right-hand corner include EFECs (non-carbon) shows a closer compliance level. Bottom-line, Mr. Phipps noted compliance to the IOU RPS/CES standard is about certificate compliance and the RMLD portfolio does not match up well against that because that's not what was targeted.

Mr. Phipps continued with review of Slide 5 – *RMLD – Roadmap 2050*; think about Roadmap 2050 as non-carbon focused (instead of renewable focused) and the IOU RPS/CES standard as being certificate focused. Roadmap 2050 outlines non-carbon goals by decade, with the specific goals being worked out in the State approval process. The current RMLD portfolio (in 2020) can meet Roadmap 2050. Looking at 2030, 2040, and 2050, RMLD has flexibility (with open position), which is good news in terms of meeting Roadmap 2050 now and in the future.

Session 2 (BOC/CAB): Policy 30 Discussion. Mr. Phipps then began review of Session 2 Presentations slides with *Slide 2 -Context – Roadmap 2050 and RPS/CES* and reiterated that in the case of the Roadmap 2050 it is non-carbon - it consists of securing certificates (being neither RECs. EFECs, etc.), but there are also provisions for reduction of greenhouse gases for some of the carbon-emitting pieces. In all cases, the RECs would be retired.

Mr. Phipps then reviewed *Roadmap 2050 Compliance Cost Impact* (Slide 3) noting that for 2021 through 2024, pricing data is published, but not beyond 2024. For 2021 to 2024, the required non-carbon compliance certificates go up from 159,515 in 2021 to 222,400 in 2024. Based on existing contracts to cover those with EFECs (for example), the total RMLD cost works out to be in the range of \$300k to \$400k - not a big magnitude relative to total RMLD budget (0.3 – 0.4%).

Moving to Slide 4 – *RPS/CES Compliance Cost Impact*, Mr. Phipps reported that staff did the same basic analysis comparing the RMLD existing portfolio to RPS/CES



compliance. For this analysis, staff used Massachusetts Class 1 RECs as being the compliance proxy, using published prices (from the most recent spectrometer RECs report) for the unit price. If RMLD needed to comply with the RPS/CES standard, RMLD would need to spend an additional \$6.3m (on average) for the next four years; that would be about a 7% increase just to cover the RECs.

Mr. Phipps then reviewed *RMLD Position* (Slide 5), which shows RMLD portfolio from 2020-2030. The Massachusetts Class 1 RECs (in blue at the bottom) are RECs under contract and are generated as power is generated (one REC per megawatt hour). The green are other New England Class 1 or Class 2 RECs that are also currently under contract - much of those are tied to hydro (as an example). RMLD also have EFECs (pink) tied to a nuclear contracts. The rest are also non-emitting, non-carbon assets, but they don't necessarily have RECs in hand. Mr. Phipps noted that if you were to compare the current RMLD portfolio to Roadmap 2050 (the yellow line) RMLD is compliant through 2029. RMLD is not yet locked into contracts in the "white" space on the top right of the chart, so there is flexibility.

Mr. Phipps then reviewed (Slide 6) *CMLP REC Procurement Development*, which illustrates Concord Municipal Light's power supply to make a simple comparison. Mr. Phipps noted, for the purpose of this discussion, the focus will be on 2020 to 2030 (on the chart). It has a very similar shape (to RMLD) except in 2020 and 2021 where they needed to purchase certificates to cover their carbon assets (blue hashtag area). Concord's goal was not necessarily to meet the IOU RPS/CES, but to meet internal goals (renewable and RECs). They collected additional dollars from their rate base and used it to buy and then retire certificates - very similar to what the IOU's are being forced to do with their strategy. To give you an idea of the order of magnitude, in 2021 that blue shaded bar represents about \$3.2m and for their rate base that is about two cents per kWh incremental. They ended up doing that to basically allow them to be renewable to the extent that their policy has redirected them to be.

Mr. Phipps concluded, if you compare the RMLD portfolio to the IOU RPS/CES the RMLD does not comply very well. To catch up, it would be a rather significant (~7%) increase on a typical customer budget. However, relative to Roadmap 2050 RMLD already matches well, and the incremental cost is minimal. Mr. Phipps asked if there were any questions.

Mr. Soni asked what \$1.91 / MWH (on Slide 3 – Roadmap 2050 Compliance Cost Impact) represented. Mr. Phipps responded that is the current value of an EFEC. EFECs represent a low-cost way to be non-carbon compliant (buy then retire). Mr. Phipps noted two points: In terms of the magnitude of what would be required by Roadmap 2050, RMLD already has contracted RECs that would cover that. The second point, right now, the value of those RECs is fairly low since the unit price is low.

Mr. Soni noted he had read the report (shared with the CAB) that was filed with DOER. The report names a hypothetical plant at I-90 and I-91, which has the largest supply radius in the report. The last bullet of the summary was that the increased supply radius can have unpredictable impacts on supply reliability and cost implications for biomass facilities and this is the most significant finding. It means that the increased supply logistics could make it more expensive and less reliable; RMLD is showing it as a fixed amount going forward. Ms. O'Brien responded that the report had just come out and staff will need an opportunity to look at it prior to discussion. Ms. O'Brien asked Mr. Soni if he would provide an email with specific questions so that staff could understand the questions and do some analysis in preparation for discussion on the impact on firm energy. Mr. Soni agreed to share his questions with Ms. O'Brien.

Chair Small asked if there were any additional questions on Policy 30. There were not.



4. 2020/2021 Review

*Materials: Business, Finance & Technology CY2020 In Review Presentation Slides; Engineering & Operations Presentation Slides; RMLD IRD Accomplishments and Goals Presentation Slides*

- Business, Finance and Technology Review – W. Markiewicz, Director of Business, Finance and Technology

Ms. Markiewicz began her review of CY2020 by stating how very proud and pleased she was with the progress made especially in such a challenging year. Ms. Markiewicz began with a review of *Business* (slide 2) noting the Business division lead the initiative for paperless processes for Accounts Payable and Payroll to accommodate remote work. The Business division committed to quarterly meetings with the Town of Reading Finance Department and Accounting Department to ensure an open line of communication; they have been very successful thus far. Staff also took the approach of integrated processes and procedures across the entire organization so that each division could work collaboratively. The Payroll department, in particular, developed a cohesive relationship with Human Resources specifically to ensure COVID benefits, FFCRA, and other benefits for our employees. Ms. Markiewicz continued with review of Finance (slide 3) and Technology (Slide 4), noting it was a very difficult year due to the ransomware intrusion; the main focus was securing the RMLD IT infrastructure. Ms. Markiewicz then reviewed the CY2021 Goals (Slide 5). Mr. Soni asked that an update on the IT breach be scheduled. Ms. O'Brien responded that staff is still working on some of the issues, but that a presentation on the report received could be scheduled (for Executive Session).

- Engineering & Operations – H. Jaffari, Director of Engineering & Operations

Mr. Jaffari then presented the Engineering & Operations (E&O) accomplishments for 2020. System Reliability is highlighted on Slide 2. RMLD is below the regional and national averages on the three reliability indices, and it is expected RMLD will receive another "Certificate of Excellence in Reliability" from APPA for 2020.

*Maintenance Programs* are highlighted on Slide 3; the goals for all these programs have been met and great progress has been made across all categories. Mr. Jaffari noted Long-term Reliability Projects (slide 4) were designed and developed as a result of the 2015 Reliability Study and they are the major contributing factors to the RMLD's overall system reliability; significant progress has been made in achieving our 2020 goals. Mr. Jaffari then reviewed Slides 5 through 9, which detail the progress on each of these Long-term Reliability Projects.

Mr. Jaffari moved to Slide 10 - *Projects and Studies Done in 2020* noting E&O met the goals for 2020 except for the Meter Replacement Project. A study was conducted on that and the results just came back, which are being reviewed for implementation in 2021. Slide 11 – *2021 Electric Reliability Goals* outlines the major projects that were approved as part of the 2021 Capital Budget. Mr. Jaffari noted that moving into 2021, he is expecting another successful year.

Mr. Jaffari then reviewed Slide 12 – *Facilities*, which outlines the 2020 accomplishments and 2021 goals for the Facilities group. Mr. Jaffari noted that concluded his report, and that he would be happy to answer any questions. There were none.

- Integrated Resources – C. Underhill, Director of Integrated Resources

Mr. Underhill began his review of the IRD 2020 Accomplishments (Slide 2) noting RMLD added about 25% of our portfolio in terms of non-carbon supply contracts in 2020. Both the generator and the battery were run for capacity and transmission



savings and had a peak demand limiting program; the net effects of those were to reduce our power supply budget by about \$692k. Mr. Underhill then reviewed the progress on Retail programs. Mr. Underhill noted RMLD added a new feature to the heat pump program; a contractor was engaged to review all the heat pump applications to make sure they were appropriately sized and to work with customers to make sure that they understand how the new system is going to work. Mr. Underhill then reviewed some of the "General" accomplishments including a review of the COVID response. Mr. Underhill noted that Joyce Mulvaney (Communications Manager) has received an award from MEAM for outstanding performance.

Mr. Underhill then reviewed the 2021 Goals (Slide 3) including Roadmap 2050 implementation, Wholesale (power supply), and Retail programs.

Chair Small thanked Mr. Underhill and asked if there were any question. There were none.

5. Scheduling: CAB Meetings & Coverage for Commissioners Meetings – J. Small, Chair  
The next CAB meeting was scheduled for January 21, 2021.
6. Adjournment – J. Small, Chair  
Mr. Hooper made a motion to adjourn, seconded by Mr. Soni. Motion Carried 3:0:2 (3 in favor, 0 opposed, 2 absent)

The CAB meeting adjourned at 7:30 PM.

As approved on November 17, 2021.