



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2020-11-19

Time: 6:30 PM

Building:

Location:

Address:

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. David Hennessy and Mr. Philip Pacino, Board of Commissioners
Staff: Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. John McDonagh, Mr. Gregory Phipps, Ms. Kathleen Rybak, Mr. Charles Underhill

Public: Mr. James Satterthwaite, 8 Hunt Street, Reading

Minutes Respectfully Submitted By: George Hooper, Secretary *George Hooper*

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 of the Citizens' Advisory Board to order at 6:31 PM and noted the meeting was being audio recorded.

2. General Manager's Update – C. O'Brien, General Manager

Community Updates - Ms. O'Brien reported that a press release regarding the upcoming customer satisfaction survey will be issued. This is one of the last (action) items from the Organization Study that was completed in 2014. GreatBlue Research has been hired to conduct the survey between November 30th and December 11th with a goal of completing 400 residential and 100 commercial surveys (on-line and via phone). The survey will seek input in the areas of service reliability, rates, customer service, energy efficiency programs, power supply, and other topics. Ms. O'Brien also provided an update on the Fourth Grade Art Contest, and the RMLD 2021 historical calendar distribution.

Budget Process - Ms. O'Brien reported that the 2021 Budget (as presented to the CAB) is scheduled for presentation to the Board of Commissioners (at this evening's BOC meeting).

Renewable Power Supply (Materials: FirstLight Press Release) - Ms. O'Brien reported that RMLD will be doing a press release regarding a new hydro renewable project referenced in the FirstLight press release included with the meeting materials. This is a significant historical purchased by many municipal light plants that worked together to get another renewable plant built. If anyone from the CAB is interested in making a quote for the RMLD press release, please let us know.

3. Integrated Resources Report – C. Underhill, Director of Integrated Resources
Materials: Presentation Slides – Revised (presented out of order)

Mr. Underhill reviewed the 2020 RMLD Total System Loads (Slide 2) noting RMLD is tracking very well into the final quarter of the year. Loads have been at or slightly above forecast. Year-to-date is about 4% below what was projected and the bulk of that is in the first four months of the year.

Mr. Underhill then reviewed the Purchase Power Expense (Slide 3), Energy Costs (Slide 4), and Capacity Costs (Slide 5). The load tracks against our Power Supply cost. A cumulative differential is run so that we know how far ahead or behind we are running for the year. We are ~\$4.5 million to the good right now on a \$65m Power Supply portfolio (~7% better than budget). Mr. Underhill noted the purchase power and fuel adjustment charges, and the capacity and transmission costs are recalculated every month so that we can hit our end of year target; these have been reflected in retail rates as we go. Energy Costs account for ~\$800,000 of the \$4.5 million. Energy (costs) has been tracking well, although in September the price was much lower than anticipated. Capacity Costs are billed and amount to ~45% of the savings to date. There is an August blip (from budget) which may be due to a Watson payment reflected there for fuel adjustment that we should correct for.

Mr. Underhill then reviewed the Actual Kwh Purchases by Resources (Slide 6) which shows the monthly energy requirements (by available resources) against the budgeted load (the black line). Mr. Underhill noted in April Seabrook took its eight-week shutdown and we acquired sources to fill that, and then Seabrook comes back online and continues through the year.

Mr. Underhill reviewed RMLD Power Supply: Outlook Through 2040 (Slide 7) which shows the contracts that we have committed to, including (in light blue) our share of Cabot Turner Hydro production over the next 10 years. RMLD does not have a first refusal yet, but we will be going to FirstLight and asking them to give RMLD the opportunity to extend our share of that contract for another ten years as we get to the end of the contract piece that we have. Mr. Underhill noted Cabot Turner makes a significant contribution into the portfolio and comes with RECs.

Mr. Underhill then reviewed First Light Hydro – Cabot and Turner Falls (Slide 8) which shows in a little more detail our resource portfolio. The Cabot Turner Falls project (light blue-grey line) is in Massachusetts. It was begun in the early 1900's, believed to be part of an industrial manufacturing activity. With the ponding capability behind it, it can produce 67 megawatts. Mr. Underhill noted a correction on the slide – RMLD will be buying 32,000 MWh annually. This (project) was put together by Energy New England and includes 21 of the municipal light plants in Massachusetts. Our deliveries will begin next year and will then ramp up a little bit according to what our identified need was going forward. RMLD has a fixed schedule each year from that.

Mr. Underhill reviewed the RMLD Demand-Side Programs (Slides 9-10) noting RMLD has grown its portfolio rather significantly this year. Under "Efficiency" the appliance rebate program has been restructured, and a very successful yard equipment rebate program has been added. The Electrification programs began about a year and half ago. RMLD expanded the EV charger rebate program to include an EV fleet program; we are running chargers on some of our commercial customers'

sites. RMLD has a heat pump program and has engaged a specialist in heat pump technology to review applicants' systems to make sure that they are designed for optimal performance and that the customer understands exactly what to expect when that system is turned on. Mr. Underhill noted this is a unique component to the program. Mr. Underhill reported that as part of the heat pump programs and some of the other Electrification activities, RMLD offers incentives for electric panel upgrades - both ampacity and putting in smart panels. This suggestion came to us from the Climate Action Committee in Reading. We have been growing our program activity and it seems that that has been successful.

Mr. Underhill reported that for the distribution system, RMLD has several programs. We are participating in a joint effort between RMLD and the Massachusetts Department of Energy Resources (DOER) for solar rebates. We have spent our initial allocation and are looking to extend the program through the end of the year, and then DEOR is looking to extend the program through next year (May/June). We are also working to come up with the post-DEOR programs so that we can carry through some of the program impacts. One of the requirements for the DEOR program is that renewable energy certificates associated with solar behind the customer's meter need to be turned over to RMLD and must be retired by RMLD. So, we are going to carry the RECs capture and retire component into our program post-DOER. For the Solar Choice Program, we sent out an RFP and have received some interest from a couple of entities that would like to help manage activity. We are looking at Solar Choice 3, and that involves going back to the communities - finding out if there are suitable ground or rooftop locations under control of the municipalities themselves - looking for other large potential sites (landfills, etc.) that might work. We are also looking at adjunct issues; batteries to convert the not-matchable renewable energy into something a little more controllable - see if we can get some additional benefit - either extending the energy production into more useful periods internally or capturing some capacity and transmission offset saving.

Mr. Underhill noted that with the passage of the House bill, it looks like we are going to be required to comply with Roadmap 2050. That will have some RECs capture and retire components, and we are going to be evaluating what we need to do to comply with that. We are also working on a green pricing tariff. We have had a number of our large commercial and industrial customers come to us indicating that their customers (of their products) are requiring them to demonstrate commitment to carbon mitigation, green resourcing in the production of their materials, and so we have been working to develop a green pricing tariff. It will initially target the largest customers because those will be the easiest ones for us to work the mechanics out with, and then we will open that up so that customers who want to be more aggressive than what we are doing will have an opportunity to step up and do that.

Mr. Underhill then reviewed RCS Filing (Slide 11) noting this past year we came under a commitment to file our efficiency plans with DOER. We filed a status report in June. We had an October 1st filing that was due and that has been postponed. DOER is reformatting the report so that it has a degree of consistency to it that they can do comparative analysis from MLP to MLP. When that is available, we will work with Energy New England to pull that together. DOER is also developing a quarterly measuring program tracking report.

Mr. Underhill reviewed Roadmap 2050 (Slide 12) noting House Bill 4933 sits in conference committee. There is an off-setting Senate Bill that does not quite match, so the conference committee's job is to go through and take the two bills, pull out what they can all agree to, and present something out of the conference committee that the Governor would be willing to sign. When that comes out, we should have direction on how Roadmap 2050 is going to proceed. That is the commitment to a carbon-free environment for energy production in Massachusetts. We will not know until it comes out what we are going to have to do. We did not know what to expect for the latter part of the year; it is unlikely that we will have to make any RECs

retirement in 2020. We are positioned to be able to do that - we have more than enough resources - we have a balanced portfolio that will allow us to retire whatever RECs we are mandated to retire. We believe that we are in pretty good shape for a least 10 years, in terms of the resource pool that we have, to meet that obligation. We are in the process of reviewing Policy 30. Once we get direction, we will pass that along. We will have impact assessments and will come up with some compliance strategies.

Mr. Hooper asked about the service panel upgrades - is that triggered because of the heat pumps being put into homes and to handle the ampacity of that. Mr. Underhill responded that that is a part of it. EVs also contribute to that, but it covers a broader range than just getting the smaller panels upgraded. We also have smart panel upgrades and all are eligible for incentives. The incentives are posted on the website.

Mr. Soni asked about (Slide 6) the ISO-NE Spot Market that was below the line. Mr. Underhill responded that above the line (yellow) represents what we purchased net from ISO. If the load is below the line, it means we were net sellers to ISO. Mr. Soni noted in March the demand was higher than budget, but you also sold into the market - that does not seem intuitive. Mr. Underhill confirmed that we did, also, sell into the pool for March.

Mr. Soni asked about the FirstLight agreement noting they have multiple facilities. You are showing this agreement coming from the Cabot facility, which is a 62-megawatt facility. Does it matter whether that comes from any of their facilities? Mr. Phipps responded, this particular contract (signed at the end of last month) is for just the Cabot Turner hydro facilities. RMLD already has in place several contracts with FirstLight for some of their other generation assets. Mr. Soni noted Cabot is 62 megawatts and Northfield is almost 1,200 megawatts - is there potential to get more from them? Mr. Underhill responded - no, not under this contract. When we have a unit specific contract, we are buying output from that unit as it happens. Most of our hydro's are run-to-the-river and we are buying a percentage of whatever is produced, i.e., if it produces 50,000 kilowatt hours that month and we get 20%, we get 10,000. There is another type of contract called a bilateral where the company agrees to sell us a fixed amount and it is not generator specific - they are obligated to sell us that amount each month.

Mr. Soni asked about NYPA - it is not a single unit. Mr. Underhill responded that NYPA is not our contract - it is a contract that belongs to the Commonwealth, who uses MWEC to administer the contract. RMLD gets a share of what comes in from NYPA based on what we have reported as our residential load. That is a function of what NYPA sends. They send three different types of power; a base load power, a peaking power, and interruptible, which is a balancing unit of power. We have no control over what comes. Mr. Soni noted NYPA goes to residential only; does the Cabot go to everyone? Mr. Underhill responded that the Cabot does go to everyone.

Mr. Soni then asked about the heat pumps; are those primarily for air source heat pumps or are they also for forced hot water systems. Mr. Underhill responded that we do offer incentives for heat pumps for hot water, but primarily the heat pump program is for air source heat pumps. Mr. Underhill provided an overview of the various types of equipment and the incentives that RMLD offers. Mr. Soni asked if commercial customers were using heat pump systems. Mr. Underhill responded that most of them are residential; the commercial application would come in under the commercial rebate program.

Chair Small asked if there were any other questions. Mr. Hooper asked how things were going with COVID for RMLD. Ms. O'Brien responded that RMLD is still following our emergency operating procedure (EOP 20-03 HR). We still have the operations crews in physical separation (Teams A and B). We remobilized, so everybody is on-

site. Our business continuity remains intact. The building remains closed to the general public.

Mr. Soni asked how the FirstLight contract compares (cost-wise) with the rest of the system. Mr. Underhill replied that it is extremely competitive - it fits well into our portfolio. RMLD has been striving to keep our average energy costs across our portfolio at around \$43 to \$45 a megawatt hour, and all of the contracts are coming in within that range. Ms. O'Brien asked if Mr. Soni was asking whether there is a significant premium with renewables. RMLD has worked hard to purchase lower risk and pricing that will still fit into the RMLD portfolio competitively. Mr. Soni noted it was just a general question to see how RMLD is sourcing renewables.

4. Financial Update: 2020 YTD through September – W. Markiewicz Director of Business, Finance & Technology

Materials: Financial Review Ending September 30, 2020, Presentation Slides

Ms. Markiewicz reviewed the Business, Finance Highlights (slide 2), which outline the status of various initiatives. All of the town payments will be scheduled to be mailed on December 29th. Ms. Markiewicz noted that we are currently ~\$1.5m under budget due to the unique circumstances of the year. Ms. Markiewicz reviewed the reasons we are under Budget (Budget to Actual Discrepancies – Slide 4), noting there have been slight changes since last month's budget presentation. Ms. Markiewicz noted the increase spending for sick buyback payouts (FERC 926) is a good thing for the RMLD liability situation.

Ms. Markiewicz then reviewed Accounts Receivable Aging by Months (30 Days Current and 90 Days Current) January – September (Slides 5-6). Sales are flat, but we are seeing a cumulative 6% difference (in receivables for 30 days) from 2018, 2019, and 2020. It typically trends down in September, so it is nice to see that the trend is the same as we head into moratorium season. Ms. Markiewicz noted we do not want (receivables) to come under 80%, so we are using our resources and working hard to get the money in the door in the 30-day period. Ms. Markiewicz noted customers are losing their prompt payment discount; we are not bringing the money in as quickly, but we are not giving it out either (they are losing that discount). Looking at the 90-day current, Ms. Markiewicz noted it evens itself out; still about a 6% difference, but we are at 94% which is not a bad place to be.

Hearing no questions, Chair Small moved to the next Agenda item.

5. CAB Policies Review – J. Small, Chair
Materials: CAB Policy No. 1 and CAB Policy No. 2

Chair Small noted that every few years the CAB policies need to be reviewed and voted on to approve as is, or we can have discussion if we need to make any changes. Chair Small asked if there were any comments or suggestion for Policy #1 (RMLD Citizens' Advisory Board); there were none. Chair Small asked if there were any comments or suggestions to Policy 2 (Release of Executive Session Minutes); there were none.

Mr. Hooper made a motion to accept as read, seconded by Mr. Soni. Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent).

6. Scheduling: CAB Meetings and Coverage for Commissioners Meetings – J. Small, Chair

The group discussed scheduling for an EV Workshop (tentatively scheduled for January). Once the December Board of Commissioners meeting is confirmed (either

December 16th or 17th) the CAB meeting will be scheduled. Mr. Soni agreed to cover the December Commissioners meeting.

7. Mr. Hooper made a motion to adjourn, seconded by Chair Small. Motion carried 3:0:2 (3 in favor, 0 oppose, 2 absent)

The CAB meeting adjourned at 7:31 PM.

As approved on July 19, 2021.