



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-07-19

Time: 5:45 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) and Mr. Dennis Kelley, Hooper (Wilmington)

Members - Not Present:

The Lynnfield Position Vacant

Others Present:

Mr. Philip B. Pacino, Board of Commissioners

Ms. Coleen O'Brien, Ms. Wendy Markiewicz, Mr. John McDonagh, Ms. Erica Morse, Mr. Gregory Phipps, Ms. Kathleen Rybak

Minutes Respectfully Submitted By: Mr. 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 WILL BE 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 5:48 PM and noted the meeting was being audio recorded.

2. Executive Session – J. Small, Chair

At 5:50 PM Mr. Hooper made a motion seconded by Mr. Soni that the Citizens' Advisory Board go into Executive Session pursuant to Massachusetts G.L. c.164 section 47D, exemption from public records and open meeting requirements in certain instances, to discuss competitively sensitive issues regarding options for power supply and return to regular session. Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present. Mr. Soni, aye; Mr. Kelley, aye; Mr. Hooper and Chair Small, aye.

3. Reconvene Regular Session – J. Small, Chair

At 6:20 PM the Citizens' Advisory Board reconvened the Regular Session.

4. Approval of Minutes – J. Small, Chair
Materials: Draft Minutes from October 22, 2020, and November 19, 2020

Mr. Hooper made a motion seconded by Mr. Kelley, that the Citizens' Advisory Board approve the minutes of the October 22, 2020, and November 19, 2020, meetings as written. Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present Mr. Hooper, aye; Mr. Soni, aye; Mr. Kelley, aye; and Chair Small aye.

5. General Manager's Report– C. O'Brien, General Manager

- Annual Report Confirmation
Materials: Draft Annual Report 2020

Ms. O'Brien reported that RMLD's calendar year 20 annual report, is ready for release. It contains three previously approved elements consisting of the high school art contest for the cover, the 2020 highlights the General Manager letter (representative of her evaluation to the Board), and the audited financial statements. The annual report will be uploaded to RMLD's website and distributed to the towns tomorrow.

Ms. O'Brien stated that a recap of the CY20 highlights and 2021 year to date progress will be made at the Reading Subsequent Town meeting in November. Currently, the only other scheduled meeting is North Reading on the August 16. Ms. O'Brien will reach out to Mr. Hooper for a presentation in the fall and schedule Town of Lynnfield as well.

- Board Agenda Quarterly Guideline Review

Ms. O'Brien reported that the proposed Board Agenda Quarterly Guideline review template was created to incorporate Policy 30, power supply and all departmental reporting requirements.

Ms. Morse presented the composition, format, and structure for the guideline schedule review. The guideline contains all the reports listed on the agenda (based on their report timing), including documents included but not discussed. This fosters a check and balance for reports that are completed, need completion and what has been carried over. The CAB agreed to the format.

- MasseVIP Grant Update

Ms. O'Brien reported on the MasseVIP Grant, the CAB had been updated on the status for the state level two EV charging stations for the towns of Reading and Wilmington. The new contract is due back within 30 days. The RMLD has teamed up with Voltrek.

The EV charging locations are as follows: Wilmington Library and Town Hall; Reading at Haven and Main Street, Reading Train Depot, and the Reading Library. (Library awaiting final confirmation for the feasibility of direct drilling).

For the EV installation, on the RMLD side, Chuck Underhill is the Project Coordinator. John McDonough is the Lead Engineering and Construction Supervisor. The second project team meeting is scheduled for tomorrow. Assigned to the team are George Hooper, Public Building Superintendent, Wilmington and Ryan Percival, Town Engineer, Reading. Once Mr. Underhill finalizes the schedule RMLD will send out a general press release.

- Green Communities

Ms. O'Brien reported that she sent an update to the CAB on a proposed amendment to the existing law with a testimony to change that would allow the Town of Reading

and any MLP community that is part of a multiple town service territory to join Green Communities individually.

Based on the testimony language she proposed, it would allow RMLD's service towns to move at their own pace. Adopting all the criteria that comes with Green Communities may be easier for some communities than others. Further, that all four of RMLD's service areas could be allowed to join based off one IOU meter (Wilmington).

Mr. Soni noted that the Town of Reading clearly wants to go ahead with the Green Communities, he needs clarification on the impact, would the rates go up for all the towns.

Ms. O'Brien responded, no rate increase, the concept of what she sent in, is that the one IOU meter could work for the whole entire RMLD service territory, that each town could adopt, and move at their own pace to be a Green Community. The intent of the proposed change was to get the state to understand that RMLD is a unique situation serving multiple towns and the existing law would require all four towns to pay into the Renewable Trust.

- **Community Update**

Ms. O'Brien reported that as part of the customer survey the RMLD is taking more opportunities at community functions to reach out to speak to its programs and rebates.

Recent Events

RMLD attended the Wilmington Farmers Market on June 27.

RMLD held a Virtual Electrification Webinar Presentation on June 7, in partnership with the Wilmington, Reading, and North Reading libraries. The recording is available on RMLD's website and shared with the four community tv stations.

Upcoming Community Events

Reading Library Vehicle Day - August 10

Reading Fall Street Faire - September 12

North Reading Town Day - October 3

Upcoming RMLD Events

Public Power Week Open House - October 7, 3-6 pm, Rain Date - October 14

Electric Car Show - August 15, 10am-1pm, at Wilmington Farmers Market

Heat Pump Workshop II - Virtual, Fall Date TBD

6. IRD Report - G. Phipps, Director of Integrated Resources
Materials: Integrated Resources Report - CAB/BOC Discussion (July 19, 2021)

- **Power Supply Updates**

Materials: *Power Supply Update - (Presentation Slides)*

Load Snapshot - Transition to Growth Slide 3

Mr. Phipps reported on the three rate class characteristics, residential, industrial and commercial. The residential rate class is the largest (40%); geographically most diverse; dynamic both seasonally and hourly.

Residential load peaks in January, and August. The commercial and industrial segments are less seasonally dynamic than the residential. (Spider Chart, Slide 3).

RMLD is transitioning from a decade of load decline into a period of load growth. Although the past decade saw an annual load decline of 1%, this trend began to change in 2020 with an 0.8% annual growth. This is due to slowing efficiency gains, the beginning of electrification, and general business growth. Load growth reduces upward pressure on the overall kilowatt hour rates which benefits all customers. As the load begins to grow over the next five to ten years, the RMLD will transition from a mode of network and maintenance to a mode of equipment build out.

Power Supply Update – Slide 4

Mr. Phipps reported that the RMLD needs to purchase power regularly to fill in expiring contracts, fill open positions and to accommodate load growth.

In 2021, RMLD executed three TFAs (Transaction Facility Agreements). Through the TFA program, RMLD purchased just a bit under 20% of total power, each across four-year spans. Mr. Phipps further explained that TFA is a mechanism that allows RMLD to purchase power in chunks on a formula basis, to fill near term needs at opportunities prices.

Mr. Phipps stated that the supply contract for the Dahowa hydro project (New York state) is finalized. The other two hydro contracts (Connecticut and New York) are in process. RMLD environmental and social due diligence report has been completed on Dahowa and will be undertaken prior to the signature of the other two hydro projects. Dahowa is planned to start delivering power in approximately two months.

RMLD is actively searching for utility scale solar supply sources and in-territory opportunities. At the upcoming August meeting, there will be discussions relative to RMLD updating its residential solar incentives. RMLD is also exploring a contract for offshore wind as well as increased battery storage. RMLD does have an existing sizeable battery project that it currently uses. However, as renewables grow, there will be a need to add storage, not for generation but for time shifting.

1Q21 – Certificates Quarterly Report Slide 5

Mr. Phipps provided an update - the 2021 Q1 quarterly report on certificates per Policy 30, Revision 1.

RMLD opened with a zero certificate balance in January 1, 2021. In Q1, RMLD acquired 60,000 certificates representing 43% of power purchased. In accordance with the current policy, all RMLD's certificates purchased are known as associated certificates, purchased with the power. The certificates from the first quarter minted last week, this is a four-to-seven-month process. RMLD will retire 23% of RMLD's power sales for CY21 to conform to Policy 30 Revision 1 requirements. This year RMLD will retire quarterly, with the strategy to retire the least valuable certificates first, specifically EFECs representing approximately 19% of retail sales levels, then retire the next lowest valuable certificates which is a combination of Vermont Tier 1 and Maine Class 2s.

The RMLD will then sell 80% of certificates that are earmarked to be sold in the quarter, the remaining 20% will be banked in RMLD's NEPOOL GIS account for later transactions. This quarter will likely net over \$400,000 in certificate sales.

Rates – cost of service, incentives, choice(s) Slide 6

Mr. Phipps covered rates, cost of service, incentives, and choices. Rates are designed to cover the cost of providing service and power supply (energy, transmission, capacity, certificates will increase and operating costs).

Mr. Phipps added that RMLD's goal is that the costs are allocated fairly across the different rate classes in compliance with laws and regulations. In addition, RMLD wants to provide funds for efficiency and electrification incentives, to comply with the Climate Law mandates. At the same time, also trying to ensure that the RMLD

provides choices to the customer.

There are many factors analyzed including load growth and the Climate Bill compliance.

- *Cost of Service, Rates Choices (s) – Renewable /Non Carbon*

Cost of service – new context of peak shift Slide 7

Mr. Phipps stated that the hour the peak occurs needs to be considered when fairly allocating cost across rate class, as it relates to capacity and transmission (which represents 40% of RMLD's power supply cost). Mr. Phipps noted the impact of solar power is variable depending on weather; on a sunny day, solar reduces the net load in the middle of the afternoon which typically pushes the peak to a later hour.

Rates – preliminary residential illustration Slide 8

Mr. Phipps provided an illustration of rate drivers. RMLD's last increase took place in July 2018. Mr. Phipps pointed out that funds for some of the planned capital expenses and projects are already in the existing rates. In addition, the rate stabilization fund may continue to absorb a portion of the rate cost. When considering four key cost of service factors, the estimated increase is approximately \$6.03 to the average residential monthly bill (820 kWh / \$121), representing approximately a 5% increase.

MLP Renewable Choices Slide 9

Mr. Phipps stated that as Part of Policy 30, Revision RMLD has committed to create some renewable choice options.

Mr. Phipps reported on the comparison of other MLP certificate retirement programs in comparison to RMLD's suggested programs. The additional costs are like what other MLPs are doing.

Renewable Choice and Non-Carbon Choices – Slide 10

Mr. Phipps presented the proposed Renewable Choice and Non-Carbon Choice programs the goal is to offer 100% options for customers. in addition to the 23% that all customers contribute now for retiring certifications in accordance with Policy 30.

Renewable choice focuses on Mass Class 1 certificates currently trading around \$40/megawatt hour. Non – Carbon choice focuses on "other certificates" inclusive of Class II and Tier 1; the average cost of others in the portfolio is \$11/megawatt hour. To manage the program and maintain stability, the department is proposing a one-year commitment for both programs.

Mr. Soni inquired, right now in this year you are going to retire 23% of the RECs? If customers choose to opt in for more, then RMLD's quota goes up to 23% plus whatever else comes up?

Mr. Phipps replied that whatever funds RMLD collects under these proposed programs, would be used to retire more than 23%.

Chair Small stated that he likes having the two choices there are some people that will be willing to pay, \$25 monthly. Whereas there are others that might want to contribute a lower amount.

Ms. O'Brien pointed out that RMLD has recommended above what the Climate Law requires. Going forward on an annual basis, RMLD is retiring more RECs than required by the Climate Law. This higher level is what was voted on relative to Policy 30, earlier this year (annualized increase in certificate retirements to prevent rate shock).

Ms. O'Brien stated that in August, the RMLD will request a meeting to present the rates. In addition, the Rate Stabilization Fund policy stipulates it be funded at \$6.5 million plus or minus \$500,000. That fund was growing just based on interest RMLD has an obligation to get that back down to the policy level.

Mr. Soni asked for clarification on the Rate Stabilization Fund. Ms. O'Brien explained that the policy stipulates the funding level to be capped at \$6.5 million plus or minus \$500,000. It has grown to approximately \$7.5 million using those funds to offset a rate increase this year.

Chair Small asked if there was any further discussion, there was none.

7. Appointment of CAB Secretary – J. Small, Chair
Chair Small stated that the current CAB Secretary, is George Hooper. His first two-year term is coming to an end this month. The CAB policy allows for another two-year extension or if someone is interested role the next two years if they are interested.

Mr. Hooper volunteered to remain as CAB Secretary, the members agreed.

Mr. Kelley made a motion seconded by Mr. Soni to nominate George Hooper for another two years as CAB Secretary.

Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present. Mr. Soni, aye; Mr. Hooper, aye; Mr. Kelley, aye; and Chair Small, aye.

8. Scheduling – J. Small, Chair
 - Next CAB Meeting
Ms. O'Brien stated that staff is recommending a combined meeting, of the CAB and RMLD Board on August 12, with the focus on rates. The CAB has the 30-day review period, but I could be presented together or it could be separate meetings on the same evening. CAB members agreed to a joint meeting on August 12. August 9 could be an optional meeting date.
 - BOC Meeting Coverage
Mr. Hooper is covering this evening.
9. Adjournment – J. Small, Chair
Mr. Hooper made a motion seconded by Mr. Soni. that the Citizens' Advisory Board adjourn regular session. Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present. Mr. Hooper, aye; Mr. Soni, aye; Mr. Kelley, aye; and Chair Small aye.

The CAB meeting adjourned at 7:11 PM.

As approved on December 20, 2021.