



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2019-03-21

Time: 6:30 PM

Building: Reading Municipal Light Building

Location:  
General Managers Conference Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

#### Attendees: **Members - Present:**

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

#### **Members - Not Present:**

Mr. Neil Cohen (Reading)

#### **Others Present:**

Mr. Dave Hennessy (Board of Commissioners)  
Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Kathleen Rybak, Mr. Chuck Underhill

**Minutes Respectfully Submitted By:** Mr. Vivek Soni, Secretary

#### **Topics of Discussion:**

##### 1. Call Meeting to Order – D. Kelley, Chair

Chair Kelley called the meeting of the Citizens' Advisory Board to order at 6:30 PM and noted that the meeting was being audio recorded.

##### 2. Approval of Minutes – D. Kelley, Chair

*Materials: Draft Minutes from January 23, 2019, Meeting*

Mr. Hooper made a **motion** that the Citizens' Advisory Board approve the Minutes of the January 23, 2019, meeting as written, seconded by Mr. Small. Hearing no further discussion, **motion carried 4:0:1** (4 in favor, 0 opposed, 1 absent).

##### 3. Commissioners Meeting: Update from February Meeting – J. Small, Vice Chair

Mr. Small reported a lot of what was discussed at the BOC meeting had been discussed at the CAB meeting immediately prior to the Commissioners meeting. Mr. Small noted that Ms. O'Brien gave an update on the Organizational Study, and Mr. Jaffari reported on the reliability numbers.

##### 4. General Manager's Update – C. O'Brien, General Manager

Lynnfield Town Meeting: Ms. O'Brien reported that she (and Mr. Underhill) met with the Lynnfield Town Administrator and then made the presentation at the Board of Selectmen's meeting. The Town Administrator asked about "green communities" conservation programs, which he has worked with in other communities. Ms. O'Brien noted that Mr.

Underhill will investigate any complimentary partnership that we may be able to do with "green communities." Solar initiatives were also discussed, and Mr. Underhill will lend support to the Town as appropriate. Ms. O'Brien reported that the Board of Selectmen presentation went well. Mr. Soni noted the Town Administrator and the Selectmen are very happy with RMLD, and that Ms. O'Brien did a great job on the presentation. The group discussed some of the challenges smaller towns have with program development and technical support given limited resources within the towns. Ms. O'Brien noted that RMLD can offer support through commercial audits and rebate programs but must be careful to remain within our scope when providing services and support.

*Legislative Rally in Washington, DC:* Ms. O'Brien reported that she and Mr. Underhill attended the 2019 Public Power Legislative Rally in Washington, DC, as part of the NEPPA delegation. Delegates visited their legislators and/or staff and made appeals on three specific issues important to public utilities including:

- **Pricing Volatility in the ISO Capacity Auction:** Ms. O'Brien reported that delegates asked the legislators to push for a "blue ribbon committee" (including municipal managers, legislative representatives of environment, ISO, etc.) to address the constant fluctuation/instability of the capacity auctions at ISO.
- **Tax Exempt Bonds:** Opposition to changes in finance rules that would prohibit municipals from being able to refinance bonds or lose the tax exemption. Municipals pay for projects using bonds, so this change is not supported by public power.
- **5G Small Cell Deployment on Utility Poles:** The FCC is considering designating wireless as a utility, which would require municipals to allow these attachments on their poles. This would present many problems including safety issues.

Ms. O'Brien noted that these legislative rallies are a great opportunity to remind the legislature of public power and the differences between them and investor owned utilities.

*Storm Issues & Outages Update:* Mr. Jaffari reviewed the outage incidents. There were five outages in January; the largest on Elm Street in North Reading as the result of a motor vehicle accident (approximately 1,270 customers out for 40 minutes). In February there were 13 small outages, the majority of which were the result of the wind storm on February 25<sup>th</sup>. March to date, there have been two outages. Chair Kelley complimented staff for getting through the storms with minimal disruption. The group discussed the OMS/IVR systems, which are in the final stages of production. Once launched, IVR will allow the public to access outage information from cell phones and personal devices.

5. **Purchase Power Agreement – C. Underhill, Director of Integrated Resources**  
*Materials: Term Sheet for Purchase of Power from First Light Power Resources*

Mr. Underhill presented terms of an agreement with First Light, which represents an opportunity to purchase another 3% of load in a renewable hydro-electric project (partially dispatchable). The net price is approximately \$51 a megawatt hour; the current average market price is between \$45 and \$50. This would bring RMLD's renewable portfolio up to 25% non-carbon. RMLD will get the associated RECS (Maine recs worth approximately \$1.25 each), however, the current plan is to sell them. RMLD would report them on the greenhouse gas emissions report as non-carbon, avoiding the issue of what constitutes renewable. Mr. Underhill reported that First Light also has a pumped hydro station, and RMLD is looking into the potential to develop a non-carbon peaker (at a later date).

Mr. Hooper made a **motion** that the Citizens' Advisory Board recommend to the RMLD Board of Commissioners to authorize the General Manager to finalize negotiations and execute a contract with First Light Power Resources for the output of the Shepaug and Stevenson Hydroelectric facilities, seconded by Mr. Soni. Hearing no further discussion, **motion carried 4:0:1** (four in favor, 0 opposed, 1 absent).

6. Integrated Resources Division Report – C. Underhill, Director of Integrated Resources  
*Materials: IRD Update Presentation Slides*

Mr. Underhill reviewed the data on the forward capacity pricing in the ISO auction (slide 2 of the IRD Presentation Slides) as part of the discussion about the Legislative Rally. The graph illustrates how prices have gone up and down (over the last 12 years). These price fluctuations make it extremely difficult for system planners to make decisions about acquiring resources or even running programs. Mr. Underhill went on to review slide 3, which shows the around the clock energy price – the forward price curve. These prices are very high in the winter because we are competing with gas for heating, and it drops in the summer (despite the load being high) because there is no heating demand for gas. The graph illustrates how volatile the market is and what we must consider when doing our planning work to stabilize our portfolio. Mr. Underhill stated that part of the discussion at the legislative rally was around the difficulty for a capital-intensive business (looking at a long-term strategy) to be able to make investment decisions when the market is as volatile as it is.

Mr. Underhill also reported that Millstone 3 was threatening to close because the prices that they were getting in the market were insufficient to cover their costs. They negotiated with a number of local utilities to put in place a price support agreement. With that in place, Millstone has agreed to keep the plant open for the time being. That unit supplies the equivalent energy output to 50% of the load in Connecticut, so that would have been a significant loss. The power out of that unit comes at 7/10<sup>th</sup> of a cent per kilowatt hour as opposed to 4.5 cents per kilowatt hour for the around-the-clock energy pricing.

7. Future CAB Agendas/New Business – D. Kelley, Chair

Mr. Hennessy noted that the April BOC meeting (currently scheduled for April 18<sup>th</sup>) will be rescheduled. Once the BOC meeting date is confirmed, the CAB will confirm a date for April. The May meeting is scheduled for May 16<sup>th</sup> to coincide with the BOC meeting.

Ms. O'Brien reminded the CAB that the RMLD fiscal year will now be on the calendar year and the budget, including any rate analysis, will be completed by the end of September for presentation. Ms. O'Brien noted that the towns were made aware of this change so that they can plan appropriately for their budgeting purposes; any change in rates would segue into their processes.

Ms. O'Brien reported that RMLD is looking at doing an EV study including the possibility of developing programs to utilize electric buses for peak shaving programs. Mr. Underhill will take charge in all of the components including any available grants and funding and working with the towns to assess their level of interest in participation. RMLD will be looking to build an EV support infrastructure. Mr. Underhill noted the initial investment in these charging stations will not be profitable for the first couple of years. Ms. O'Brien stated that the capital investment for dual charging stations is approximately \$30k per station (including all software); not to include construction/installation costs.

8. Adjournment – D. Kelley, Chair

Mr. Hooper made a motion to adjourn the Citizens' Advisory Board meeting, seconded by Mr. Small. Motion carried 4:0:1 (4 in favor, 0 opposed, 1 absent).

The CAB meeting adjourned at 7:23 PM.

As approved on June 19, 2019