

RMLD Accelerates Decarbonization Efforts with Updated Policy 30 and Certificate Retirements

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Power Portfolio to be 55% Non-Carbon, Surpassing 2030 Mandated Targets in 2024

Reading, MA – February 23, 2024 – The Reading Municipal Light Department (RMLD) is pleased to announce the acceleration of its decarbonization efforts through the recent update to Policy 30 and accelerated retirement of non-carbon certificates. Approved by both the Board of Commissioners (BOC) and Citizens' Advisory Board (CAB), the updated Policy 30, effective immediately, reinforces RMLD's commitment to decarbonization while maintaining its characteristic low rates and high reliability. RMLD's mission is to provide its customers with reliable, low-cost, and increasingly non-carbon energy.

RMLD's Policy 30, initiated in 2021 in response to Massachusetts' landmark climate legislation, aligns with the state's goal for municipal light plants (MLPs). RMLD is one of 41 in the Commonwealth to deliver 50% non-emitting electricity by 2030 and attain "net zero" emissions by 2050.

RMLD's policy reviews annual non-carbon goals, strategically designed to minimize cost impacts on ratepayers. While the Commonwealth's legislation sets decade-long intervals, RMLD's approach prioritizes annual, incremental changes to ensure a smooth and economical transition, avoiding potential rate shocks associated with non-carbon-generated electricity expenses.

As part of this update, RMLD accelerated the retirement of non-carbon certificates that represent renewable, emission-free, and clean energy. RMLD is now targeting an annual certificate retirement rate of up to 55% of annual retail kWh sales in 2024.

RMLD has built a diversified power supply portfolio, which includes a range of certificates, including Renewable Energy Certificates (RECs), Emission Free Energy Certificates (EFECs), and Clean Energy Standard Certificates (ECECs). These certificates are seamlessly integrated with purchased power, ensuring a comprehensive approach to sustainability rather than merely obtaining certificates as compliance tools.

Retirement of qualified certificates at the regional NEPOOL GIS shows compliance with the 2021 Massachusetts Climate Legislation. Under this legislation, MLPs must demonstrate compliance with 50% clean energy by 2030, 75% by 2040, and net zero by 2050 by retiring non-carbon certificates. RMLD will demonstrate this compliance through the retirement of RECs, EFECs, and CEC-Es certificates.

RMLD will exceed the 2030 threshold in 2024 - six years ahead of the state mandate. This accelerated retirement plan is designed to ensure a smooth and continuous transition toward a cleaner energy future in alignment with the state's ambitious carbon reduction goals.

The acceleration of certificate retirement will result in a modest increase of 69 cents on the average monthly residential bill of \$150.

“RMLD’s accelerated retirement of certificates underscores our dedication to responsible decarbonization,” said RMLD General Manager Greg Phipps. “By strategically managing the retirement rate, we aim to minimize the impact on our customers while supporting the Commonwealth’s non-carbon goals, summarized in RMLD's mission of providing reliable, low-cost, and non-carbon electricity.”

To read the updated Policy 30, please visit <https://www.rml.com/board-commissioners/pages/rml-policies>.