



Town of Reading Meeting Minutes

2018-09-22 14:05

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2023-02-15

Time: 7:30 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:**

Marlena Bitá, Chair; Philip B. Pacino, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner.

Members - Not Present:

John Stempeck, Commissioner

Others Present:

RMLD Staff: Gregory Phipps, General Manager; Erica Morse, Executive Assistant; Sarah Harrington, Director of Human Resources; Bill Bullock, Director of Integrated Resources; Julie Blackley, Communications Manager; Hamid Jaffari, Director of Engineering and Operations.

RMLD Liaisons: Karen Herrick, Select Board Liaison

Minutes Respectfully Submitted By: Philip B. Pacino, Secretary Pro Tem

Topics of Discussion:

Call Meeting to Order

Chair Bitá called the RMLD Board of Commissioner's (BoC) meeting to order at 7:30 PM and announced that the meeting would be held in person, remotely on Zoom, and streamed live on RCTV and YouTube.

Opening Remarks and Introductions

Chair Bitá read the RMLD BoC Code of Conduct and asked all remote attendees to identify themselves.

Vice Chair Pacino served as Secretary at the meeting.

Karen Herrick, Select Board Liaison, attended remotely.

Public Comment

Public Comment

There was no comment from the public at this meeting.

Citizens' Advisory Board (CAB)

Mr. Soni said that the next CAB meeting will take place on February 23, 2023.

Liaisons to the RMLD Board

Karen Herrick congratulated RMLD on the new AV equipment, and noted the presentations are difficult to see. RMLD took the action item to ensure the BoC packets are formatted

appropriately.

Approval of Meeting Minutes

Materials: September 15, 2022, Draft Meeting Minutes (attachment 1).

The September 15, 2022, regular session minutes were approved as presented.

Ms. Morse highlighted two changes in the meeting minutes format; the acronyms being at the front of the minutes and the presentations being linked within the PDF.

Vice Chair Pacino made a **motion**, seconded by Commissioner Talbot, that the RMLD Board of Commissioners approve the minutes of the September 15, 2022, meeting on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, against; 0 abstained, 1 absent) *Roll Call Vote: Chair Bitz, Aye; Vice Chair Pacino, Aye; Mr. Talbot, Aye; Mr. Coulter, Aye. Commissioner Stempeck was absent from the meeting.*

RMLD Procurement Requests for Board Approval

Materials: IFB 2023-02 Board Letter (attachment 2).

Hamid Jaffari presented procurement requests for approval to the BoC.

IFB 2023-02 Hourly Rates for Professional Manpower, Vehicles, Trade Tools, and Equipment for Underground Electrical Distribution Construction and Maintenance

For bid purposes only, rates were based on an estimated 350 hours of straight time and 50 hours of overtime per year.

RMLD is required to award the bid to the lowest responsible and responsive bidder under chapter 30/39M. Power Line Contractors, Inc. (PLM) was the lowest bidder by \$5,275.

Mr. Jaffari provided historical data, stating that RMLD paid an average of \$575,877 annually for the past three years with the previous contract.

Vice Chair Pacino requested that the budget amount be included in future bids. Commissioner Coulter inquired about the previous contractor's term of three years and asked if there was any interest in extending the contract to a five-year term. Commissioner Coulter expressed concern about a short three-year contract and the challenges in developing continuity with a foreman and crew. Mr. Jaffari mentioned that the limit is likely three years, but RMLD will check and provide an update.

Vice Chair Pacino made a **motion**, seconded by Commissioner Talbot, that bid 2023-02 for: Hourly Rates for Professional Manpower, Vehicles, Trade Tools, and Equipment for Underground Electrical Distribution Construction and Maintenance be awarded to: Power Line Contractors, Inc., pursuant to M.G.L. c. 30 § 39M as the lowest responsible and eligible bidder for an estimated three-year total of \$373,050 on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, against; 0 abstained, 1 absent) *Roll Call Vote: Chair Bitz, Aye; Vice Chair Pacino, Aye; Mr. Talbot, Aye; Mr. Coulter, Aye. Commissioner Stempeck was absent from the meeting.*

Policy 11: Code of Conduct

Materials: Policy 11: Service with Excellence Draft (attachment 3).

Greg Phipps presented a new policy, initially called "Code of Conduct", which was revised to be more concise and impactful.

The focus is on safety, teamwork, personal responsibility, serving, and contributing. The goal is to set expectations without being prescriptive and avoiding consequences.

Mr. Phipps requested feedback on tone and content from the BoC; not wordsmithing.

Commissioner Coulter suggested the policy is more like a mission statement and questioned its enforceability. Mr. Phipps agreed and will consider renaming or reclassifying the policy.

Chair Bitá noted the policy is more like a code of conduct pledge, intended to set expectations and remind employees of their responsibilities.

Mr. Phipps mentioned the plan to streamline the organization's policies, with "Serving with Excellence" being another step.

It was decided that Policy 11 would be discussed further at the next meeting. The original motion, made by Vice Chair Pacino and seconded by Chair Bitá, would be withdrawn and not voted on at this meeting.

Approval of the Director of ENE

Greg Phipps provided background on the BoC approving the Director of Energy New England (ENE).

Mr. Phipps explained that RMLD, as an equity holder, has a seat on the ENE Board of Directors, with the general manager holding that seat. There are three external directors who serve a 3-year term.

One of the founding members of the ENE Board retired in December, and a recommendation was made for RMLD to support the appointment of Paul Hibbard as one of the three external directors of the ENE Board.

Mr. Phipps shared Paul Hibbard's background, noting that he is the Principle of the Analysis Group, former Chairman of the Massachusetts Department of Public Utilities, and has expertise in modeling economics, public policy, and energy. Hibbard holds a Master's in Energy and Resources from UC Berkeley and a BS in Physics from UMass Amherst.

Mr. Phipps mentioned that Hibbard is highly experienced in power and energy, making him a valuable addition to the ENE board.

Chair Bitá asked how the other municipalities are voting. Mr. Phipps responded that Concord, Wellesley, Taunton, Hingham, and Braintree are expected to support Hibbard's appointment.

Mr. Phipps confirmed that Hibbard would be replacing Thomas Whitney on the ENE board.

Mr. Phipps cited additional examples of Hibbard's experience, such as the work he has done for RMLD and his involvement in ENE strategy planning and projects for the past several years.

The suggested motion was amended to state that the RMLD BoC should direct the General Manager to vote to elect Paul Hibbard.

Vice Chair Pacino made a **motion**, seconded by Chair Bitá, that the RMLD Board of Commissioners direct the General Manager to vote to elect Paul Hibbard as Director of the Energy New England Board, to service in that capacity for a term as defined in Section 3.2 of the Energy New England Operating Agreement. **Motion Carried: 4:0:1** (4 in favor, against; 0 abstained, 1 absent) *Roll Call Vote: Chair Bitá, Aye; Vice Chair Pacino, Aye; Mr. Talbot, Aye; Mr. Coulter, Aye. Commissioner Stempeck was absent from the meeting.*

Integrated Resources Report

Materials: Power Supply, Rates, Storage Presentation (attachment 4).

Greg Phipps presented the IRD Report to the BoC.

Mr. Phipps introduced Bill Bullock, the new Director of IRD. Mr. Phipps highlighted Mr. Bullock's experience in the energy sector (over 25 years) and cited relevant work for the BoC. Mr. Phipps expressed excitement to have Mr. Bullock on the team and noted that Mr. Bullock will lead the discussion on the IRD report scheduled for next month's meeting.

Power Supply Hedging (slide 2)

Mr. Phipps provided an update on RMLD's power supply hedging position, stating that the current power supply portfolio is in good shape, but it requires continuous management.

Mr. Phipps referenced the chart on slide 2, highlighting that in the middle of 2022, open market opportunities were expensive, but prices have now returned to more normal levels.

Mr. Phipps emphasized that global events have influenced the current external market.

RMLD is considering increasing the hedge position closer to 90% in March, depending on the analysis. The forward price curve is down, and it is believed that the market is closer to the bottom than any peak.

Natural gas prices (\$3), which impact electricity prices, are currently down from last summer (\$9). Mr. Soni asked if the low natural gas prices were the main drive. Mr. Phipps confirmed that they were.

Commissioner Coulter mentioned that National Grid had considered revising rates but decided against it for the time being.

Ms. Herrick inquired about the potential for ratepayers to see a rollback in recent increases.

Mr. Phipps explained that on the power supply part of the bill, any downward pressure is passed directly to ratepayers. Due to the decreasing wholesale part of RMLD's portfolio, the previously approved rate increase may be lower than anticipated.

Mr. Phipps added that the final numbers for the March bills will be analyzed next week but are expected to be lower than initially forecasted in January.

Palmer Generation Plant (slide 3)

Mr. Phipps provided an update on the Palmer generation plant, which was initially scheduled to be commissioned by the end of March 2022, but had been extended to March 31, 2023. Multiple MLPs were part of the contract, but no known construction has been done on the property to date.

RMLD plans to issue a formal termination letter for the contract within the prescribed window to ensure all legal requirements are met.

Mr. Phipps confirmed that RMLD has made other provisions for power in lieu of any Palmer plant electric output.

Commissioner Coulter inquired about any final costs associated with Palmer. Mr. Phipps clarified that there would be no additional fees for RMLD related to the termination.

Coincident Industrial Peak Rate – Concept (slide 4)

Mr. Phipps discussed the ongoing efforts to increase time-of-use meters and the development of an EV rate and coincident industrial peak rate.

Mr. Phipps explained that RMLD's capacity and transmission costs are driven by monthly peaks (transmission) and annual peaks (capacity).

RMLD works to reduce load during peak hours through the "Shred the Peak" program, 5 MW battery system, and a 2.5 megawatts (MWs) generator system. However, the program has seen limited participation, especially from industrial customers.

To encourage industrial customers to reduce their load during peak hours, RMLD is proposing to change the industrial demand charge to be tied to RMLD's monthly peak or annual capacity peak, rather than their individual peak. This would align the customers' interests with RMLD's cost structure and create an incentive for them to take action. The new program should be revenue-neutral, but with the potential for customers to save on their bill if they reduce their demand during peak times.

The BoC discussed the details of the proposed program and how it would affect industrial customers.

Commissioner Coulter asked about the incentive for industrial customers to participate, and Mr. Phipps explained that reducing their peak load could result in significant savings on their monthly bill.

Commissioner Talbot asked about the potential peak savings, and Mr. Phipps provided a rough estimate of 1MW load reduction, which could save RMLD and its customers over \$150,000.

Chair Bitz asked if the program would be expanded to other customer groups if it is successful. Mr. Phipps confirmed that if successful, it could be applied to residential customers by 2024 or 2025.

The group considered ways to introduce and promote the new program to industrial customers. Mr. Soni suggested using customers' past summer month profiles to demonstrate the potential savings.

Mr. Phipps confirmed that RMLD would use historical data from the past three summers to show the potential benefits of the program.

New EV1 Time of Use rate – EV focused (slide 5)

As an update to prior discussions, Mr. Phipps discussed the implementation of a new electric vehicle (EV) rate for residential customers to encourage them to charge their vehicles overnight, when the demand for electricity is lower.

The goal is to promote the adoption of electric vehicles and shape customer behavior to help reduce the demand during peak hours.

Commissioner Talbot expressed concerns about creating an entirely new rate, as it might lead to a loss of revenue and cherry-picking based on individual situations.

Mr. Phipps proposed merging the new EV rate structure into the existing A2 time-of-use rate for residential customers, creating a single residential time-of-use rate.

Mr. Phipps emphasized the importance of aligning customer behavior with the cost of electricity, as well as promoting energy efficiency and reducing incremental load.

It was acknowledged that as the number of electric vehicles grows, there will always be customers who don't care about when they charge their vehicles. However, by implementing the residential time-of-use rate, RMLD hopes to encourage customers to be more aware of their energy consumption and adapt their behavior accordingly.

Battery Storage (slide 6)

Mr. Phipps discussed the progress of the existing 5 MW battery storage system at Station 3, which is now operating at full capacity.

Mr. Phipps highlighted the RFP submissions for additional battery storage systems within RMLD territory, outlined on slide 6. Analysis and recommendations are underway.

An additional Maple Meadow system is being evaluated as a grid connection in addition to a distribution connection.

Discussions are ongoing with two companies regarding long-duration storage systems, with potential pilot locations being considered for the end of 2024.

Mr. Phipps acknowledged the need to develop new programs for industrial customers, as the largest efficiency improvement opportunity (lighting) has already been implemented. Going forward, the focus is on changing customer behavior to reduce peak load.

Mr. Phipps mentioned the commercial custom energy efficiency program that provides incentives for customers to choose more efficient systems.

Commissioner Talbot suggested considering aggressive demand side management and financial incentives for industrial customers to reshape their energy use, potentially reducing the need for additional battery storage systems.

Mr. Jaffari noted that demand side management is under customer control, not RMLD control.

Commissioner Coulter emphasized the need to focus on RMLD's side of the equation and make it easy for businesses to join efficiency programs without dictating how they run their operations.

Mr. Phipps took the action item of investigating and developing new efficiency programs for industrial customers, focusing on behavioral change and incentives.

Commissioner Talbot asked how much installed solar capacity is in RMLD's territory? Mr. Phipps responded that 9 MW of solar generation are currently installed within RMLD territory.

Alternative ideas on changing customer behavior through incentives with solar was discussed.

Mr. Phipps emphasized that the Department is ultimately looking for ways for customers to reduce their usage through behavior at home.

Human Resources Report

Materials: Human Resources Update Presentation (attachment 4).

Sarah Harrington, Director of Human Resources, provided an HR report to the BoC.

Ms. Harrington noted that HR's primary focus is on recruitment, with the goal of increasing the number of employees from 76 to 100 by the end of 2023. There is also a focus around leadership and supervisor development and streamlining processes using a Human Resource Information System (HRIS).

HCM – Workforce by Generation (slide 3)

Ms. Harrington presented the workforce generation demographics and emphasized the importance of understanding the needs and motivations of different generations in the workforce.

Ms. Harrington discussed the need to transfer the tribal knowledge of the baby boomer generation to younger employees as they phase out of the workforce.

Departures (slide 4)

Ms. Harrington highlighted RMLD's turnover rates, which nearly doubled from 10 in 2021 to 19 in 2022, noting the impact of retiring employees.

Tenure (slide 5)

37% of employees have been with RMLD for less than five years, and 30 employees have been with RMLD for less than 12 months. Ms. Harrington emphasized the importance of retention and revealed that the primary driver of employee turnover is a poor relationship with their manager, rather than financial reasons.

Ms. Harrington discussed the need to invest in training and development programs to help employees grow within the organization.

Recruiting (slide 6) and Recruiting Avenues (slide 7)

Ms. Harrington outlined the company's plans to hire 25 new employees in 2023, which includes the use of various platforms such as ZipRecruiter, LinkedIn, Chamber of Commerce, and job fairs at local colleges. Ms. Harrington emphasized the success of internal referrals in attracting new employees.

Leadership and Supervisor Development (slide 8)

RMLD's intention is to provide soft skills training and compliance training to managers and frontline supervisors.

The Department partners with MIIA to access free training courses and collaborates with the town to provide additional training resources.

Streamline Processes (slide 9)

RMLD will be implementing an HRIS system to streamline processes and provide access to critical data at a glance. The HRIS system will help manage the business more effectively and allow RMLD to identify trends and areas in need of improvement.

Commissioner Coulter asked about where the increase in employees would be distributed. Ms. Harrington explained that it would be spread across various departments, including analyst positions, engineering, operational assistants, control room operators, and substation technicians.

Mr. Soni asked about the number of hires in Engineering and Operations, Mr. Jaffari stated that E&O plans to hire 6-7 people.

Communications Report

Materials: Communications Update Presentation (attachment 5).

Julie Blackley, Communications Manager, provided a report to the BoC.

Customer satisfaction survey

RMLD has met the residential goal of number of respondents and are close to meeting the commercial goals for number of survey respondents. The final Customer Survey report will be provided to RMLD on March 10th, and the Department will present the Customer Survey findings to the BoC at the March or April meeting.

Website refresh

RMLD's aim is to make the website more user-friendly, especially for mobile devices, and adding more relevant content.

Social media

RMLD is experiencing steady organic growth, with Facebook being a significant source of web referrals.

Home energy audit webinar

The event was successful, with a spike in audit registrations following the webinar.

Bill increase announcement

RMLD proactively updated the website and sent communications to local media, ensuring that key messages were included in the coverage.

Other highlights

Ms. Blackley highlighted that the space heater safety tips were shared on Reading Patch. Additionally, RMLD is planning the elementary school art contest and the high school art contest.

The BoC discussed the tradition of the elementary school art contest and the potential negative impact of ranking the students' artwork. RMLD agreed to consider changing the format next year to be more inclusive and encouraging, potentially by showcasing all the submissions in a gallery instead of ranking them.

General Manager's Report

Materials: General Manager Update Presentation (attachment 6).

Greg Phipps provided a GM report to the BoC.

Preliminary Ash Street Development Milestones (slide 2)

Mr. Phipps discussed the development of the Ash Street site milestones. The goal is to move into a new building in the second quarter of 2029 and transform the current campus by the first quarter of 2030.

RMLD and the Town of Reading have collaboratively set milestones and are working together to achieve these goals.

RMLD is actively pursuing grants to fund projects, including smart grid modernization, grid resiliency, and security grants. Four grant applications have already been submitted, and RMLD has received favorable responses so far. RMLD is also exploring grants for solar projects, such as Maple Meadows and industrial solar projects.

Vice Chair Pacino inquired about the buildings behind the current site and whether they would be included in the campus concepts.

Mr. Phipps confirmed that the entire campus would be considered in the development plans, with RMLD working closely with the town of Reading to make it happen. RMLD is supportive.

Scheduling

Chair Bitá stated that the next meeting will be held on March 15, 2023,

Adjournment

Vice Chair Pacino made a **motion**, seconded by Chair Bita, that the RMLD Board of Commissioners adjourn Regular Session. **Motion Carried: 4:0:1** (4 in favor, against; 0 abstained, 1 absent) *Roll Call Vote: Chair Bita, Aye; Vice Chair Pacino, Aye; Mr. Talbot, Aye; Mr. Coulter, Aye. Commissioner Stempeck was absent from the meeting.*

Regular Session adjourned at 9:24 PM.

A true copy of the RMLD Board of Commissioners minutes
As approved by a majority the Commission.

Philip B Pacino
Philip B Pacino (Oct 2, 2023 11:15 EDT)

Philip B. Pacino, Secretary Pro Tem
RMLD Board of Commissioners

As approved on September 28, 2023