



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2023-07-20

Time: 7:30 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

Attendees: **Members - Present:**

Philip Pacino, Chair; David Talbot, Vice Chair; Robert Coulter, Commissioner; Marlena Bitz, Commissioner; Pamela Daskalakis, Commissioner.

Commissioner Coulter attended the meeting remotely.

Members - Not Present:

Others Present:

RMLD Liasons: Karen Herrick (Select Board)

RMLD Staff: Gregory Phipps, General Manager; Erica Morse, Executive Assistant; Benjamin Bloomenthal, Director of Finance and Accounting; Bill Bullock, Director of Integrated Resources; Sarah Harrington, Director of Human Resources; Erin MacDonough, Operational Assistant

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

Topics of Discussion:

Call Meeting to Order

Chair Pacino called the RMLD Board of Commissioner's (BoC) meeting to order at 7:34 PM and announced that the meeting would be held in person, remotely on Zoom, and will be streamed live on RCTV and YouTube.

Opening Remarks and Introductions

Chair Pacino read the RMLD BoC Code of Conduct and asked all remote attendees to identify themselves. Chair Pacino served as Secretary at the meeting.

Commissioner Coulter attended the meeting remotely. All votes were taken as roll call.

Public Comment

There was no comment from the public at this meeting.

Liaisons to RMLD Board

Karen Herrick, Reading Select Board provided a public comment.

- Expressed gratitude for RMLD's support towards the Killam School Building Committee, highlighting its significance in Reading's rebuilding program.
- Stated that the Conservation Commission is developing a pavilion at Mattera Cabin on North 28 in Reading, aiming to transform it into a Learning Center.

- Notes there is an interest in collaborating on a public outreach project, particularly in demonstrating the use of solar panels on the pavilion. The pavilion will support the community garden, which contributes significantly to the local food pantry.

Commissioner Vacancy - Interim Appointment Update

- Chair Pacino recognized Pamela Daskalakis as the 63rd commissioner in the history of the Commission.
- Stated that Commissioner Daskalakis's seat was established during the Charter Adoption of 1987, marking a change in Board membership from three to five members.

Approval of Board of Commissioners Meeting Minutes

Materials: Approval of Meeting Minutes (attachment 1)

- The January 5, 2023, January 13, 2023, and January 18, 2023, meeting minutes were approved as presented.

Vice Chair Talbot made a **motion**, seconded by Commissioner Bitá, that the RMLD Board of Commissioners approve the January 5, 2023, January 13, 2023, and January 18, 2023, open session meeting minutes, as presented, on the recommendation of the General Manager and the Board Secretary. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 abstained) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Abstained.*

Reading Town Charter Review Committee Appointment

Materials: Charter Review Letter Dates June 22, 2023 (attachment 2)

Chair Pacino reported on the appointment to the Reading Town Charter Review Committee.

- Mentioned the town charter requires a review every 10 years and a committee is being formed for this purpose.
- Stated that the committee is expected to convene for the first time in September.
- Chair Pacino expressed his desire to serve on the committee, citing his experience in the last charter review and his roles as former Chair of both the Town of Reading Finance Committee and the Bylaw Committee.
- A question was raised about the number of Commissioners required for the committee.
- Responded by confirming that only one was needed.
- Commissioner Bitá showed interest in helping but not being an official member.
- A query was raised regarding the key issues for review.
- Chair Pacino responded that he was unaware of any specific changes currently.
- Commissioner Coulter brought up the topic of potentially altering Robert's Rules in the charter, suggesting a shift to a different process that could expedite Town Meetings.
- Ms. Herrick stated that the Select Board had discussed this issue recently.
- Ms. Herrick noted changes since the last review, particularly regarding pronouns and the transition from 'selectmen' to 'selectboard'.
- Ms. Herrick referenced a memo in the Select Board packet detailing options for the review process.

Vice Chair Talbot made a **motion**, seconded by Commissioner Daskalakis, that the RMLD Board of Commissioners appoint Philip B Pacino to serve in an ex-officio capacity on the Town of Reading Charter Review Committee. **Motion Carried: 5:0:0** (5 in favor, 0 against, 0 abstained) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

Integrated Resources Report

Materials: Integrated Resources Report (attachment 2)

Mr. Bullock provided an Integrated Resources Report to the Board.

Battery Storage

Materials: Battery Storage Presentation

Generation/Capacity, Transmission, Distribution (slide 2)

- Presented the battery storage project, including the recent request for information (RFI) process to select a battery provider, which occurred two months prior.
- Noted the RFI focused on providing the best overall value to RMLD and its ratepayers.
- Emphasized the economic justification for battery storage, focusing on reducing transmission and capacity charges.

Battery Energy Storage Systems (slide 3)

- Described the Lithium-ion technology system that was evaluated.
- Noted each system has a capacity of five MWhs and a storage period of three hours.
- Discussed plans to interconnect two systems at an existing substation and two more at other locations within the system.
- Outlined the 15-year shared savings contract, emphasizing its low-risk, pay-for-performance nature.
- Highlighted the anticipated annual savings of ~ \$600K per battery (after one year) totaling about \$2.4 million for all four batteries per year.

Citizen's Energy (slide 4)

- Stated that RMLD selected Citizen's Energy due to their offering of shared savings with the lowest risk profile.
- Noted there were ten respondents to the request for proposals, indicating high interest.
- Provided background of Citizen's Energy, highlighting its focus on the energy needs of low-income citizens and its experience with similar projects.
- Explained that the battery storage unit is containerized and resembles a trailer truck. It will be placed on a concrete pad near the substation, not on the street.
- Noted that the unit is designed as a quiet, weatherproof module.
- Stated that the RFI for the battery project was issued in May as an RFI, not an RFP, due to the nature of the service agreement rather than an equipment purchase.
- Questions were raised about the selection of Citizen's Energy, their experience, and the absence of penalties for non-discharge during peak times.
- Responded by explaining the load reducers' role, performance of batteries, and insurance responsibilities.
- Emphasized that the operational and technical risks are relatively low.
- Mentioned that the battery is expected to be installed by the end of 2024
- Discussed the absence of significant penalties for non-performance and the strategic plan to ensure operational readiness for reliability by January 2025, other than the shared savings structure is incentive for Citizens to perform since they have invested the

capital.

- Noted RMLD's engagement with the North Reading fire department and local permitting processes for installation.
- Discussed the shared savings model, performance terms, and capacity market operations.
- Mentioned the cost considerations if the battery systems were purchased and installed by RMLD.
- Emphasized the strategic decision to not own storage assets but to focus on generation assets and other projects.
- Discussed the relationship between the battery storage project and the Mystic Station issue, which was brought up at the Citizens' Advisory Board meeting.
- Noted that the primary purpose of the battery storage system is peak shaving, similar to the existing system, Mintueman, at Station 3.
- Highlighted the potential need for mandatory load reduction called by ISO New England, particularly due to the decommissioning of the Mystic generation system and changes at the Everett Marine Terminal.
- Explained how the battery storage system can be used for load reduction in emergency situations, thus avoiding the need to turn off circuits or customers to fulfill mandated ISO NE load reduction during extreme conditions.
- Emphasized the battery system's role in maintaining reliability, especially during extended periods of cold temperatures.
- Clarified that the risk of needing mandatory load reduction is lower in the summer due to excess natural gas supply. In winter, natural gas constraints are more likely due to heating demands.
- Noted the long-term possibility of New England becoming surplus in natural gas supply by early 1930's.
- Emphasized peak management as the primary economic benefit of the battery storage system.
- Explained the economic rationale behind the peak shaving strategy.
- Mentioned the 13 key hours that are significant for the system: one hour for capacity annually and one hour each month for transmission.
- Discussed the increasing costs of transmission and the distributed nature of renewable energy sources necessitating more transmission lines.
- Provided an overview of how the system encourages load reduction and the financial benefits of being proactive in reducing peak load.
- Noted that transmission costs constitute a significant portion of the budget, highlighting the importance of the battery storage project.
- Discussed rate structures and incentives for customers to reduce load, contributing to overall system efficiency.
- Chair Pacino noted that the Citizens' Advisory Board voted to approve this contract.

Vice Chair Talbot made a **motion**, seconded by Commissioner Bitz, that the RMLD Board of Commissioners, on the recommendation of the Citizen's Advisory Board, vote to accept the General Manager's recommendation to contract Citizen's Energy under an Energy Services Agreement for battery storage services connected to RMLD distribution network, as part of RMLD's peak load reduction program. **Motion Carried: 5:0:0** (5 in

favor, 0 against, 0 abstained) *Roll Call Vote: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitz, Aye; Commissioner Daskalakis, Aye.*

Rates

Materials: Industrial Coincident Peak + Economic Development Rates Presentation

- Discussed two rate proposals: industrial coincidence peak rate and economic development rate.
- Economic Development Rate (slides 2 and 3)
- Highlighted that the economic development rate aims to promote business growth, job creation, tax base expansion, and overall community vibrancy.
 - Noted that the rate offers an introductory discount to companies looking to locate or expand in the service territory, focusing on larger loads for greater impact.
 - Reiterated that the rate is intended for new customers or existing businesses that are expanding.
 - Stated that an 80% discount is proposed on the distribution demand charge for the first year for qualifying businesses. The discount will be clearly highlighted on bills.
 - Discussed the details of the rate, which is set to begin on August 1st, 2023.
 - Explained that growth is defined in terms of load increase.
 - Noted that load growth is anticipated in industrial areas in Wilmington and North Reading.
 - Discussed whether similar incentives are offered by other IOUs (Investor-Owned Utilities) or MLPs (Municipal Light Plants).
 - Questions were raised about the impact on existing businesses and how the rate would affect competition.
 - Responded by clarifying that the discount is a one-year introductory offer and is expected to benefit all ratepayers in the long run by distributing fixed costs over more kilowatt hours.
 - Discussed the mechanism of implementation as a rate rather than a financial incentive.
 - Explained that a separate incentive is not required, the participating customers are only placed on a temporary rate that expires in 12 months when the participating load moves to the standard rate
 - Provided a comparison with the implementation of a similar program in Braintree.
 - Questions were raised about the eligibility criteria and potential uptake among businesses.
 - Responded the rate is applicable to any business increasing load by 300KW or more.
 - As an example, at Braintree, mentioned the expansion of two key customers, and highlighted a bakery that significantly increased its size and implemented natural gas generators for peak shaving. This was part of a two-year Economic Development rate program.
 - Concerns were raised regarding the financial impact of a 16% savings program, questioning if it leads to monetary loss.
 - Addressed concerns by clarifying that it involves incremental load, and the distribution demand charge was targeted to avoid losses.
 - Concerns were expressed that the new discount for increased load might counteract existing programs encouraging load reduction and efficiency.

- Addressed concerns by discussing the balance in achieving meaningful discounts without encouraging wasteful energy use.
- Explained the opt-in process for customers, emphasizing the role of a communication plan and collaboration with economic development personnel.
- A question was raised about the eligibility for new businesses replacing old ones.
- Responded by confirming that the new business would be eligible.
- A question was raised about the duration of the program.
- Responded by explaining the flexibility in halting the program and the need to grow load.
- Chair Pacino noted a specific example where there would be a revenue reduction of around \$4K.
- Clarified the impact on the prompt payment discount.
- Emphasized balancing various factors without overextending benefits. The aim is to provide a meaningful discount, ideally between 10-20%.
- Highlighted that this initiative is part of a broader strategy to attract more customers, aligning with the efforts of Massachusetts economic development and local towns encouraging economic growth.

Industrial Coincident Peak Rate (slide 4).

- Discussed the industrial coincident peak rate, aimed at reducing peak demand.
- Explained that the rate provides monthly credits to customers who reduce their peak usage, aiming to correct the time lag between customer actions and rewards.
- Noted that the rate focuses on larger customers with significant impact on coincident peak contributions. It incentivizes them through real-time actionable intelligence and demand bill reduction.
- Explained that the proposed structure involves a PPCT charge and a system cost reduction based on demand reduction.
- Discussed two examples: a \$12 charge leading to a 22% reduction and an \$18 charge resulting in about a 6% reduction.
- Provided an analysis of the top 15 customers. Potential annual savings were estimated at \$1m, with \$800K for customers and \$200K for RMLD.
- Concerns were raised about the program's execution, communication challenges, and the potential gains for participating customers.
- Clarified that the rate is a non-punitive, incentive-based approach, focusing on customers capable of significant behavioral change.
- Commissioner Bitá and Ms. Herrick mentioned not receiving notifications for the residential "Shred the Peak" program.
- Mr. Phipps acknowledged the issue and committed to investigating communication channels, such as email and text alerts.
- A question was raised about advance notice for businesses regarding peak events.
- Responded by assuring that RMLD aims to provide as much notice as possible, with confirmations on the morning of the event.

Vice Chair Talbot made a **motion**, seconded by Commissioner Bita that the Board of Commissioners, on the recommendation of the Citizens' Advisory Board, vote to accept the General Manager's recommendation to create the following MDPU rates effective for billings on or after August 1, 2023.

- 307 Economic Development Rate
- 308 Industrial Coincident Peak Rate

Motion Carried: 5:0:0 (5 in favor; 0 against; 0 abstained) *Roll Call: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bita, Aye; Commissioner Daskalakis, Aye.*

Approval of CY23 Capital Budget Increases

Materials: CY23 Capital Budget Increases (attachment 4)

Mr. Phipps presented the CY23 Capital Budget Increases to the Board.

Chair Pacino reported that the Citizens' Advisory Board (CAB) voted 3:0 on both items.

Substation Transformers (slide 2)

Taken out of order.

- Emphasized that the need for a new substation in Wilmington has been recognized for over a decade, with earnest efforts for at least eight years.
- Clarified that the substation will replace Substation 5 located at 165 Wildwood, which is near the end of its useful life.
- Highlighted that the 2023 budget included \$2.6 million for power supply transformers, but recent market changes have significantly increased prices.
- Stated that the original estimate for transformers was \$2.6m, RMLD has received bids for transformers at \$5.8m and \$7.1m.
- Explained that a budget increase is needed to accommodate the higher costs since RMLD can not place an order unless the expense is included in the capital budget.
- Requested to increase the project budget by \$5 million over three years, primarily for transformers.
- Confirmed that the increase will not impact 2023 rates but may affect 2024 and 2025 budgets and rates.
- Detailed the transformer bid, noting that the selected bid offers a fixed price and meets the delivery timeline.
- Mentioned that transformers are custom-made and have long lead times.
- An inquiry was raised relative to the 2023 budget amount.
- Responded by clarifying that the 2023 capital budget is \$24 million, including the original transformer costs.
- Explained that the transformer market is currently strained, with factories allocating production slots rather than accepting performance requirements.
- Added that competitive bidding is limited due to high demand and limited supply.
- Commissioner Coulter suggested amending the increase from \$5m to \$6m for a buffer.
- Discussed Commissioner Coulter's suggested amendment, noting that the amended motion would have to be subject to the recommendation of the Citizen Advisory Board (CAB).

- Decided to keep the increase at \$5m due to the long lead time for transformers.

Vice Chair Talbot made a **motion**, seconded by Commissioner Daskalakis, that the RMLD Board of Commissioners, on the recommendation of the Citizens' Advisory Board, approve an additional five (5) million dollar increase for power distribution transformers for the new Wilmington Substation Project, originally approved as project 105 page 63-64 of the CY23 Capital Budget on the recommendation of the General Manager. **Motion Carried: 5:0:0** (5 in favor; 0 against; 0 abstained) *Roll Call: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bita, Aye; Commissioner Daskalakis, Aye.*

Two (2) Material Handler Trucks with Electric Drive PTO System (slide 1)

- Detailed the material handler trucks within the 2023 capital budget.
- Noted the original approval included one material handler and one Digger Derrick truck.
- Explained that the material handler has a built-in winch at the bucket and overall functionality is mostly interchangeable with a high ranger.
- Noted that the proposed shift is from high ranger to material handler for better utility and to replace the next high Ranger with a material handler due to its added functionality.
- Explained that the Digger Derrick is used for drilling holes and setting poles.
- Noted that the plan is to defer the purchase of Digger Derrick to 2024 and buy two line trucks instead.
- Emphasized that extended build cycles for trucks, now at 18 months, necessitate early ordering.
- Mentioned the introduction of electric power takeoff (EPTO) for the boom, replacing hydraulic systems.
- Explained that this is part of a broader electrification strategy, aiming for quieter operation and lower emissions. The first phase involves only the boom electrification.
- An inquiry was raised about the impact of EPTO availability on the truck purchase.
- Responded by clarifying the additional cost of EPTO and its effect on budget and delivery time.

Commissioner Bita made a **motion**, seconded by Commissioner Daskalakis, that the RMLD Board of Commissioners, on the recommendation of the Citizens' Advisory Board, approve an additional 250,000 dollar increase to purchase (2) materials handler trucks with electric drive PTO systems, instead of (1) material handler truck and (1) digger derrick, within the Rolling Stock Replacement Program, originally approved as project 118, pages 27- 28, of the CY23 Capital Budget upon the recommendation of the General Manager. **Motion Carried: 5:0:0** (5 in favor; 0 against; 0 abstained) *Roll Call: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bita, Aye; Commissioner Daskalakis, Aye.*

Procurement Requests for Board Approval

Materials: Procurement Requests for Board Approval (attachment 5)

IFP 2023-14 for Two (2) 115-13.8 kV Power Transformers

Taken out of order.

- Explained two valid bids received for power transformers. First bid: \$7.1m from Virginia Transformer Corporation, fixed price. Second bid: \$5.8m, over a 42-month period, and not a firm price beyond 12 months.

- Emphasized the importance of timely completion, noting that the current timeline is already 10 years beyond initial plans.
- Highlighted the need for price stability noting that the first bid offers a fixed price, while the second bid is only firm for the first 12 months.
- Recommended choosing the bid from Virginia Transformer Corporation for its fixed price and adherence to the desired timeline.
- A query was raised about the longevity and inventory management of spare parts included in the quote.
- Responded by clarifying that typical lifespan of spare parts is 10 years.
- Noted the maintenance cycle for current transformers is more frequent due to their age (over 40 years).

Commissioner Bitá made a **motion**, seconded by Vice Chair Talbot, that IFP 2023-14 for Two (2) 115-13.8 kV Power Transformers be awarded to: Virginia Transformer Corp. for \$7,115,338, pursuant to M.G.L. c. 164 § 56D, on the recommendation of the General Manager. **Motion Carried: 5:0:0** (5 in favor; 0 against; 0 abstained) *Roll Call: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

IFP 2023-34 Two (2) Material Handler Trucks with Electric Drive PTO System

- A question was raised relative to how many bids were received.
- Responded by confirming that bids were sent out to four companies, and one responded.

Commissioner Bitá made a **motion**, seconded by Commissioner Talbot, that proposal IFP 2023-34 for Two (2) Material Handler Trucks with Electric Drive PTO System be awarded to: James A. Kiley Company for \$992,158 pursuant to M.G.L. c. 164, § 56D, on the recommendation of the General Manager. **Motion Carried: 5:0:0** (5 in favor; 0 against; 0 abstained) *Roll Call: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

IFP 2023-35 - 750 MCM 15kV Power Cable

- Highlighted that four bids were received, and two bids were rejected.
- Noted that the purchase is a regular budget item, with two-thirds allocated to specific projects and one-third for stock.
- Chair Pacino announced his abstention from voting due to a conflict of interest, as Arthur J. Hurley is a client of a client.
- Inquiries were raised about the number of bids and reasons for selecting this vendor.
- Responded by explaining that the chosen bid was from a large local supplier, known for reasonable pricing and availability.
- Emphasized that the chosen bid was the lowest among the three qualified bids at \$255K, and slightly higher than a non-qualified bid of \$242K.
- Explained that bids were disqualified due to technical issues and unacceptable conditions, such as price escalations.
- Noted that three qualified bids were from OKANITE, while two disqualified bids were from CME.

Commissioner Bitá made a **motion**, seconded by Commissioner Talbot, that IFP 2023-35 for 750 MCM 15kV Power Cable be awarded to: Arthur J. Hurley Company, Inc. for \$255,717 pursuant to M.G.L. c. 164 § 56D, on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 abstained) *Roll Call Vote: Chair Pacino, Abstained;*

Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitz, Aye; Commissioner Daskalakis, Aye.

General Manager's Report

Personnel and Morale

- Emphasized the importance of HR and personnel-related matters, noting that morale within the organization is high and there's a lot of energy.

Upcoming Strategy Session

- Mentioned that a strategy session is planned for either September or October.
- Highlighted that the focus will be on the company's charter, which prioritizes reliability, low costs, and non-carbon operations.

Focus on Reliability and Technology

- Stressed the emphasis on reliability, especially in the context of in territory generation and storage.
- Noted the development of a bi-directional DC fast charger as part of the Highland bus project for electric buses, contributing to peak management and increased load.

Data Analytics

- Mentioned significant work in forecasting (load and power supply) on an hourly basis, moving away from monthly and annual forecasts.
- Explained that data analytics will be integrated across various departments, including line and technical crews.
- Noted the development of dashboards for internal use and information sharing.

Financial Management

- Emphasized the need for careful management of cash, given that the primary source of revenue is from ratepayers.

Grant Applications

- Reported that over \$40 million in grant applications are pending, with updates expected in the coming months.

Key Projects

- Highlighted the Highland bus project which aims to encourage local bus companies to adopt electric buses, contributing to increased load and storage capabilities.
- Highlighted the Maple Meadows project in Wilmington, focused on land acquisition for within-territory generation of 5-10 megawatts of solar power.
- Emphasized that the goal of within-territory generation is for lower energy costs, increased reliability, and non-carbon operations.
- Mentioned small-scale solar projects on municipal buildings in various towns, with RMLD owning the generation assets.

Charging Stations Expansion

- Reported on the addition of a new Level 2 charger and a bi-directional DC fast charger, with more installations planned in other towns.

- An inquiry was raised about the addition of charging stations.
- Responded by confirming the installation of two public charging stations and detailed plans for further expansion in multiple towns.
- Emphasized the importance of self-sufficiency and control in generation, tying back to the core strategy of reliability, low cost, and non-carbon operations.

Scheduling

The next BoC Meeting will be held on Wednesday Sept 27, 2023.

Adjournment

Commissioner Bitá made a **motion**, seconded by Vice Chair Talbot, that the Board of Commissioners adjourn regular session. **Motion Carried: 5:0:0** (5 in favor; 0 against; 0 abstained) *Roll Call: Chair Pacino, Aye; Vice Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye.*

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


Philip B Pacino (Dec 19, 2023 08:57 EST)

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

As approved on December 13, 2023