

**READING MUNICIPAL LIGHT DEPARTMENT
BOARD OF COMMISSIONERS MEETING
230 Ash Street
Reading, MA 01867
January 25, 2018**

Start Time of Regular Session: 7:30 p.m.

End Time of Regular Session: 9:54 p.m.

Commissioners:

Philip B. Pacino, Chair-Absent

Dave Hennessy, Vice Chair-Secretary Pro Tem

Tom O'Rourke, Commissioner

Dave Talbot, Commissioner

John Stempeck, Commissioner-Absent

Staff:

Coleen O'Brien, General Manager

Hamid Jaffari, Director of Engineering and Operations

Jane Parenteau, Director of Integrated Resources

Wendy Markiewicz, Director of Business/Finance

Joyce Mulvaney, Communications Manager

Tracy Schultz, Executive Assistant

Citizens Advisory Board:

George Hooper, Chair

Public:

John Rogers, 39 Tower Hill Road, Reading

Call Meeting to Order

Vice Chair Hennessy called the meeting to order and announced that the meeting is being videotaped at the RMLD office at 230 Ash Street, for distribution to the community television stations in Reading, North Reading, Lynnfield, and Wilmington.

Opening Remarks

Vice Chair Hennessy read the RMLD Board of Commissioners' Code of Conduct and invited Reading resident John Rogers to make his public comments.

Public Comment

Mr. Rogers explained that he had e-mailed a letter about RMLD's solar policy to the Board of Commissioners. Mr. Rogers stated that he has a solar system installed on his home and that he would like to make three main points: RMLD's solar policy needs to be updated; fixing it is in RMLD's best interest; fixing it is easy. Mr. Rogers handed out a packet containing excerpts from other municipalities' solar policies and explained that Ipswich does a monthly reconciliation that rolls over and then true up the use and the generation once a year. Mr. Rogers stated that RMLD's meters instantaneously true up and the capacity value his system provides isn't factored in. Mr. Rogers asked the Commission to consider Ipswich's policy or have a monthly true up.

Mr. Talbot asked what changing the solar policy would add up to for Mr. Rogers. What's the difference when the meter reconciles in real time? Mr. Rogers stated that his solar panels generate energy when he's not using power (during the day) and he is getting paid 5 cents a kWh.

Ms. Parenteau stated that when the rate was set up it anticipated the current meters. One channel measures everything a customer purchases from RMLD, one measures how much a customer generates. The rate needs to be modified, but there are pluses and minuses on both sides. RMLD's rate is in the middle right now. RMLD strives to be cost of service.

Mr. Rogers stated that the value of solar assessment is better for utility than homeowner. Most utilities reconcile on an annual basis. Reading does minute to minute. There are 96 residential customers on solar. The next step is for people to install batteries and completely migrate off the grid.

Vice Chair Hennessy thanked Mr. Rogers for his presentation.

Approval of Board Minutes (Attachment 1)

Mr. Talbot made a motion, seconded by Mr. O'Rourke that the Board approve the meeting minutes of September 14, 2017 and November 9, 2017.

Motion Carried.

3:0:0

RMLD Board Member Attendance at Citizens' Advisory Board Meeting Report – Mr. O'Rourke

Vice Chair Hennessy thanked Chair Hooper for attending the meeting. Chair Hooper thanked Mr. Rogers for his passionate presentation and stated that Mr. Rogers can also reach out to the CAB.

Mr. O'Rourke stated that the CAB meeting included discussions about a more automated and more responsive outage management system, the storm liaison, and the second Solar Choice program. There was an update on the organizational study. Mr. O'Rourke asked if it would have been appropriate forward Mr. Rogers' letter to the CAB. Ms. O'Brien explained that it was addressed to herself and the Board. Ms. O'Brien stated that she can talk to the Chairman as correspondence is received.

General Manager's Report – Ms. O'Brien

Regarding Mr. Rogers' presentation, Ms. O'Brien stated that RMLD must look through each component of the solar rate. Ms. O'Brien stated that she wrote the one in Danvers and knows what other municipalities have.

Ms. O'Brien said that she was asked to go back to the APPA Legislative Rally in Washington D.C. this year. It's important to advocate for municipalities retaining local control and making it clear that municipalities are not the same as investor-owned utilities. Additionally, RMLD was awarded the \$1 million-dollar grant for the five-megawatt battery storage unit. Ms. O'Brien has been asked to attend and requested to go to the trading floor and attend NextEra Energy Marketing Public Power's Summit. It is a training and a conference. It will be career development training.

Mr. O'Rourke made a motion, seconded by Mr. Talbot, that the Board approve Ms. O'Brien's travel to, and attendance at, the NextEra Energy Marketing Public Power Summit, in Manalapan, Florida, from February 4 to February 7, 2018.

Motion Carried.

3:0:0

Mr. O'Rourke made a motion, seconded by Mr. Talbot, that the Board approve Ms. O'Brien's travel to, and attendance at, the APPA Legislative Rally in Washington DC, from February 25 to March 1, 2018.

Motion Carried.

3:0:0

Ms. O'Brien stated that she will report back to the Board following her attendance at both events.

RMLD Response to January 4, 2018 Storm

Ms. O'Brien stated that two commercial customers lost power during the storm. The taps burnt out and the outages were isolated. RMLD was properly prepared for the storm. However, not much happened.

Integrated Resources Division

Community Engagement-Ms. Mulvaney

Ms. Mulvaney announced that RMLD held the award ceremonies for the Elementary School Art Contest winners. Mr. O'Rourke commented on the maturity of the elementary school students. Ms. Mulvaney stated that the art contest for the high school students will kick off with informational sessions in April.

Ms. Mulvaney stated that the previous evening a Save Energy and Money informational session was held for residential customers. Over forty customers attended.

Ms. Mulvaney announced that the RMLD website is going to be updated to improve navigation and streamline content.

Power Supply Report-November 2017-Ms. Parenteau (Attachment 3)

Ms. Parenteau reported on the renewable components of November 2017 purchase power. In 2013 hydro represented about 5.75 percent of RMLD's overall portfolio. In 2017, hydro accounted for 13 percent. RMLD has negotiated several contracts with developers of hydro. The percentage of the portfolio fluctuates because hydro is weather dependent and seasonal. RMLD had no wind in its portfolio prior to 2014. RMLD has since signed two contracts. Wind comprised 3 percent of the portfolio in 2015 and 4.5 percent in 2017. There was no solar in RMLD's portfolio in 2013. In 2015, a 2-megawatt solar installation was put in Wilmington. There have been two other projects since then, making solar 0.47 percent of the portfolio.

Vice Chair Hennessy asked which area of renewables does Ms. Parenteau foresee the most growth in? Ms. Parenteau answered that wind has the largest potential for growth. Hydro projects are limited, as is solar capacity. All renewables in the portfolio in November 2017 totaled 18 percent.

Mr. O'Rourke asked if the new battery storage unit will count as a renewable source of power. Ms. Parenteau answered that it will, and that it is slated for installation in December of this year.

Mr. Talbot asked does selling RECs impact what we can say we're using in terms of renewables. Ms. Parenteau replied that's why she has been careful not to call any of these power sources 'green.' Renewable is the type of generation. Ms. Parenteau stated that she doesn't want to mislead public; she is talking about renewable projects.

Mr. Talbot stated that the ability to call yourself green transfers with the Renewable Energy Certificates (RECs). Mr. Talbot asked what the true percentage is without the RECs. From eighteen percent to what? Ms. Parenteau clarified that she was not referring to renewable energy certificates, just the types of projects.

Chair Pacino called in to express his regret that he was unable to attend the meeting, due to both travel and an illness. Chair Pacino then disconnected the call.

The discussion continued regarding whether 'renewables' can be referred to as 'renewables' when the RECs have been sold. Mr. Rogers gave a history of RECs.

Proposed Rate for Solar Choice Program (Attachment 3)

Ms. Parenteau explained that RMLD is looking to refile its Solar Choice rate. The updated rate has been presented to the CAB. Solar Choice I is fully subscribed with 500 customers and has been online since June 2017. After the first seven months, the savings are greater. The customer cost dropped from \$5 to \$1. Modifications have been made to the rate so that the first six months is \$5 and then each project gets trued up on the actual performance. Solar Choice II is online, 560 customers have signed up, which is 85 percent of the 660 available slots. Customers can sign up for one share in multiple projects. RMLD is adding Solar Choice Business for small and medium commercial customers. It bundles five solar choice shares, and will be \$25 a month for the first six months, at which point it will be trued up. Solar Choice Business Plus will be available for large commercial customers, with an individual customer's share not to exceed 25 percent of the total project, subject to availability. These are all good changes.

Mr. Talbot made a motion, seconded by Mr. O'Rourke, that the Board of Commissioners adopt the Solar Choice Rate, MDPU No. 278, dated to be effective February 1, 2018, on the recommendation of the General Manager.

Motion Carried.

3:0:0

Financial Report- November 2017-Ms. Markiewicz- (Attachment 4)

Ms. Markiewicz reported on the first five months of FY 18 ending November 30. The statement of net assets shows RMLD is doing well. Receivables are 95 percent current, which is up 3 percent from last year, and it is currently moratorium. Ms. Parenteau stated that Ms. Hanifan has been diligently working with customers. RMLD's sources of capital are currently \$6.7 million, of that, RMLD has spent \$2.2 million, leaving capital funds of almost \$4.5 million. If you look at last year, the depreciation fund has decreased. That is due to the capital projects. YTD as compared to the budget profit and loss statement shows purchase power transmission capacity is under collected by about

Financial Report- November 2017-Ms. Markiewicz- (Attachment 4)

\$224,000, which Ms. Parenteau compensates for monthly. If you look at the actual as compared to the budget for the first five months of the year we should have 58.3 percent of the budget remaining. 62.4 percent remains of the budget. It could be due to the timing of projects and payments. Ms. Markiewicz then reviewed the \$94-million-dollar budget, stressing how many of RMLD's costs are fixed.

Engineering and Operations Report-November 2017-Mr. Jaffari (Attachment 5)

Mr. Jaffari reported on November 2017 and explained that lots of projects start in the spring and go into the summer. That's when most of the spending occurs. That will bring the plant value up. RMLD is making great progress on capital projects. Non-project capital improvements totaled \$134,948 in November, bringing YTD to \$546,813. Total Capital Spending in November was \$584,377, bringing YTD to \$2,236,964. The remaining balance is \$5,448,557. Expenditures will start to increase in April. RMLD is making great progress on routine maintenance such as pole inspections. The feeder inspection program was being improved, so there were no inspections done between October and December. Porcelain cutout replacements are ninety-one percent completed.

Mr. Jaffari stated that at a meeting earlier in the week, a North Reading Selectman remarked that they were very pleased with the tree trimming program. Mr. Jaffari continued, explaining that RMLD went from a five-foot span to an eight-foot span. It has improved reliability.

Vice Chair Hennessy asked how do you know that there haven't been as many tree incidents? Mr. Jaffari answered that they are being tracked. GIS also tracks the tree growth. The trimming has been around main feeders and laterals. It is a 5-year cycling program. Most utilities trim a ten-foot span.

Now that the GIS system is completed, the underground subdivisions are being prioritized. There are approximately 150 communities that need equipment upgrades. It will increase reliability.

Mr. Jaffari then moved on double poles and the NJUNS report. Lynnfield has 5 pending transfers. Reading has 21 pending transfers and 57 pull poles for a total 78. North Reading has a total of 33, made up of 13 transfers 20 pull poles. Wilmington has 31 pending transfers and 4 pull poles, for a total of 35. RMLD tries to move ten a week.

Mr. Jaffari then stated that RMLD is doing great reliability-wise. RMLD is below regional and national averages. Mr. Jaffari then presented a bar chart of outage causes, rather than the customary pie chart.

CAB Chair Hooper asked if the tree wardens of each town are contacted before tree trimming occurs. Mr. Jaffari replied that a map is posted before anything is trimmed. Prior to the trimming, the RMLD tree liaison contacts the wardens to let them know where RMLD will be.

RMLD Procurement Requests Requiring Board Approval - Mr. Jaffari (Attachment 6)

IFP 2018-26 - 35kV Underground Cable

Mr. Jaffari explained that these are the underground cables between Station 4 and Station 5. RMLD sent notice to 22 potential bidders and received five responses. Wesco. In 2011 the cable cost \$11.87 a foot. Now it costs \$10.05 a foot.

Mr. O'Rourke made a motion, seconded by Mr. Talbot, that proposal 2018-26 for 35kV Underground Cable be awarded to: **WESCO Distribution** for **\$60,300.00**, pursuant to M.G.L. Chapter 164 § 56D on the recommendation of the General Manager.

Motion Carried.

3:0:0.

General Discussion

The future dates of the CAB and Board meetings were discussed. There is a Sub-Committee meeting on the Payment to the Town of Reading on February 13, 2018.

Executive Session

At 9:25 p.m. Mr. O'Rourke made a motion, seconded by Mr. Talbot, that the Board go into Executive Session to discuss trade secrets or confidential, competitively-sensitive or other proprietary information in the course of activities conducted by a governmental body as an energy supplier under a license granted by the Department of Public Utilities, and to consider the purchase of real property and return to Regular Session for the sole purpose of adjournment.

Vice Chair Hennessy called for a poll of the vote: Mr. O'Rourke: Aye; Mr. Talbot: Aye; Vice Chair Hennessy: Aye.

Motion Carried 3:0:0.

Adjournment

Mr. O'Rourke made a motion, seconded by Mr. Talbot, to adjourn the Regular Session.

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



David Hennessy, Vice Chair, Secretary Pro Tem
RMLD Board of Commissioners

