



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2023-09-28

Time: 6:30 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:**

Board of Commissioners: Philip B. Pacino, Chair; David Talbot, Vice Chair; Robert Coulter, Commissioner; Marlana Bitá, Commissioner, Pamela Daskalakis, Commissioner.

Commissioner Talbot attended the meeting remotely.

Refer to "opening remarks" in the meeting minutes for members entrance and exit times.

Members - Not Present:

Others Present:

Citizens' Advisory Board: George Hooper (Wilmington)

RMLD Staff: Gregory Phipps, General Manager; Erica Morse, Executive Assistant; Benjamin Bloomenthal, Director of Finance & Accounting; Erin MacDonough, Operational Assistant.

RMLD Liasons: Karen Herrick (Select Board)

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

Topics of Discussion:

Documents and exhibits used at this meeting can be found on the RMLD website in the BoC meeting packet and linked here: [Board of Commissioners Meeting Agenda and Packet | Reading Municipal Light Dept \(rml.com\)](#)

Call Meeting to Order

Acting Chair Talbot called the RMLD Board of Commissioner's (BoC) meeting to order at 6:30 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

Acting Chair Talbot read the RMLD BoC Code of Conduct and asked all remote attendees to identify themselves. Acting Chair Talbot attended the meeting remotely.

Due to the absence of Chair Pacino, Vice Chair Talbot was Acting Chair during this meeting until Agenda Item 7: Procurement Requests for Board Approval. Commissioner Talbot will excuse himself from the meeting after consideration of all Agenda item 7 matters.

Commissioner Bitra was to be appointed Acting Chair from the inception of discussion of Agenda Item 7: Procurement Requests for Board Approval until the BoC entered into Executive Session.

Chair Pacino arrived prior to the Executive Session meeting was called and was Chair from the time Executive Session was called to order (8:40 PM) until adjournment.

Presentation of Meter Lamp to retired Commissioner John Stempeck

Mr. Phipps commemorated Mr. Stempeck's service as a Commissioner from 2012 through spring of 2023. Mr. Phipps added that RMLD and the BoC expressed gratitude for his many contributions.

As a retirement tradition, RMLD presents 1920s style meter lamps to retiring Commissioners and staff; Mr. Stempeck will receive his lamp next week.

Mr. Phipps, on behalf of RMLD, the BoC, and the Citizens' Advisory Board (CAB), thanked Mr. Stempeck for his service to Reading and RMLD customers.

Acting Chair Talbot expressed thanks and well wishes to Mr. Stempeck.

Public Comment

There was no comment from the public, the CAB, or BoC liaisons during the public comment portion of the meeting.

Karen Herrick, Reading Select Board Liaison arrived at 7:15 PM.

Approval of Board of Commissioner's Meeting Minutes

Materials: Draft Meeting Minutes (BoC Packet, attachment 1)

The minutes were approved as presented.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Coulter, that the RMLD Board of Commissioners approve the February 6, 2023; February 15, 2023; March 15, 2023; April 19, 2023; May 29, 2023; June 7, 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 absent) *Roll Call Vote: Acting Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitra, Aye; Commissioner Daskalakis, Aye. Chair Pacino was absent from the meeting.*

2022 Annual Report Confirmation

Materials: Draft CY2022 Annual Report (BoC Packet, attachment 2)

Mr. Phipps presented the CY2022 Annual Report to the BoC for approval.

Mr. Phipps explained that the bulk of the report consists of the audited financials, previously accepted by the BoC in June. The intention is to vote on the remaining report sections.

Introductory section

The introductory portions include a summary section with key statistics and highlights.

Mr. Phipps noted the emphasis on power supply, RMLD's art contest, and certificates.

RMLD's energy portfolio

Acting Chair Talbot requested to review the characterization of RMLD's non-carbon and carbon energy portfolio (pages 18-19) and suggested adding a vertical scale to the chart on page 18.

Certificate handling & non-carbon compliance

Mr. Phipps noted that the lower left-hand charts provide a snapshot for 2022 and the stacked bar charts extend out through 2032. This information links to how RMLD handles certificates. Certificates include RECs (Renewable Energy Certificates) and EFECs (Emission Free Energy Certificates).

Mr. Phipps explained the importance of retiring certificates for compliance with State regulations, highlighting the State's compliance requirement for MLPs (Municipal Light Plants) to be 50% non-carbon by 2050.

Mr. Phipps emphasized that the majority of RMLD's renewable energy has associated certificates with it. RMLD's commitment was to retire 26% of energy sales in certificates for 2022.

The majority of certificates retired were from nuclear and hydro energy sources. Acting Chair Talbot clarified that in 2022, 26% of RMLD's portfolio was non-carbon with ~20% nuclear and ~5% hydro.

Acting Chair Talbot clarified that from 2023 through 2026, nuclear is the only source in RMLD's portfolio that can be considered non-carbon compliant. No solar or wind in the portfolio from 2022-2026 is considered non-carbon eligible from a compliance perspective.

Discussion ensued on the compliance eligibility of various energy sources. Mr. Phipps emphasized that the only way to categorize something as non-carbon in the portfolio is if the certificates have been retired, emphasis on retired.

Renewable Choice program

Commissioner Daskalakis inquired about the renewable choice program's impact on RMLD's portfolio. Mr. Phipps responded by explaining the program's low adoption rate and its incremental nature over the portfolio. The program offers additional certificate retirements above the standard retirement percentage.

Discussion ensued on the program's structure, options, and customer participation. Mr. Phipps highlighted the ease of enrolling in the program and its potential cost impact on customer bills, but given low adoption rate by customers, the impact is small.

Sample renewable choice program scenario

Acting Chair Talbot discussed a scenario where a customer whose current bill is \$100 could enroll in the program at 100% and say that 100% of their energy is non-carbon and their bill would increase to ~ \$120 a month.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Bitá, that the RMLD Board of Commissioners approve the Annual Report for CY2022, as presented, on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 absent) *Roll Call Vote: Acting Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye. Chair Pacino was absent from the meeting.*

Policy Review

Materials: Policy 18 Strategic Plan and Policy 31 Vehicle Use Review Packets (attachment 3)

Policy 18: Strategic Plan Revision 5

Live editing of Policy 18 was conducted during the meeting.

Mr. Phipps presented the streamlined Policy 18: Strategic Plan, emphasizing simplification and focusing on key aspects.

Policy revisions

The proposed policy revision removed verbiage that detailed tools and frameworks for strategic planning, and instead highlights the intention to create a plan every 5 years.

Mission and vision statement

Discussion ensued on integrating mission and vision statements into the strategic plan, noting the nature of strategic plans and the relevance of mission statements.

Commissioner Coulter expressed concerns about conflating the strategic plan with mission statements, stating that strategic plan is not the same as a mission statement.

Mr. Phipps clarified that the strategic plan should include a mission statement, vision statement, and set goals for achieving them.

Commissioner Bitra suggested clarifying the definition of mission statement, vision statement, and strategy.

The following edits were proposed and accepted by the BoC.

Under Section 1: Purpose and Scope, Paragraph 2, Sentence 1: Add "(who we are)" after mission statement "(where we are going)" after vision statement, and "(how to get there and milestones)" after strategies.

Strategic plan progress updates

Commissioner Daskalakis suggested including a provision for regular updates on the strategic plan's progress. It was decided that RMLD would provide an annual progress update.

The following edit was proposed and accepted by the BoC.

Section 2: Policy Details, Sentence 1: Add "and annually provide a progress update against the strategic plan" after the five-year comprehensive update requirement.

The BoC accepted the proposed policy as amended including two additional live edits.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Bitra, that the RMLD Board of Commissioners approve Policy 18: Strategic Plan (Revision 5), as presented and amended, on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 absent) Roll Call Vote: Acting Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitra, Aye; Commissioner Daskalakis, Aye. Chair Pacino was absent from the meeting.

Policy 31: Vehicle Use Policy Revision 2

Live editing of Policy 31 Vehicle Use was conducted during the meeting.

Mr. Phipps introduced the proposed revisions to Policy 31. Mr. Phipps emphasized key policy elements: responsibilities with company vehicles, focus on safety, and adherence to legal requirements.

Policy revisions

The policy was streamlined from 8 pages to 1.5 pages, and detailed aspects were shifted to an internal procedure.

Inspection and reporting procedures

Commissioner Daskalakis inquired about pre-trip inspections and reporting vehicle issues. Mr. Phipps responded that the internal procedure further details what occurs during and after the pre-inspection process.

Distracted driving – MGL

The BoC discussed distracted driving and the suggestion to emphasize cell phone usage. It was decided to incorporate Massachusetts General Laws (MGL) in the policy.

The following edits were proposed and accepted by the BoC.

Section 2: Policy Elements: Number 8: Add "as per Massachusetts General Law" after distracted driving is prohibited.

Alcohol and drug testing

Commissioner Coulter inquired about the drug and alcohol testing policy for vehicle users and noted that there should be something in the policy referencing this.

Mr. Phipps clarified that RMLD has a drug/alcohol testing policy subject to all employees.

The following edits were proposed and accepted by the BoC.

Section 2: Policy Elements: Number 1: Add the verbiage "An employee may be subject to drug and alcohol testing as required by applicable laws, regulations, and RMLD policies and relevant collective bargaining agreements."

CDL (Commercial Driver's License)

In response to Commissioner Bitá's question, Mr. Phipps clarified CDL requirements for certain vehicles.

Mr. Hooper asked if random drug testing was required for CDL drivers. Mr. Phipps responded that random drug testing is required for all staff.

Language refinements

Acting Chair Talbot proposed language adjustments for consistency and legal compliance.

The following edits were proposed and accepted by the BoC.

Section 2: Policy Elements: Numbers 1, 2, and 3 "Municipal Work purposes" was changed to was removed from "work purposes." and "Municipal vehicles" was changed to RMLD vehicles.

Commissioner Daskalakis made a **motion**, seconded by Commissioner Bitá, that the RMLD Board of Commissioners approve Policy 31: Vehicle Use (Revision 2), as presented and amended, on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 absent) Roll Call Vote: Acting Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye. Chair Pacino was absent from the meeting.

At this point during the meeting, Commissioner Bitá became Acting Chair.

Procurement Requests

Materials: Procurement Requests for Board Approval (BoC packet Attachment 4)

IFP 2023-37 – Pad Mounted Transformers

Mr. Phipps introduced the bid for pad mount transformers, essential for ongoing field installations and replacements.

Mr. Phipps provided details of the bid and the rationale for the recommendation. The bid, sent to 11 vendors, received 3 responses, with Westco submitting 2 versions.

Mr. Phipps noted that this is the second bid in 2023, following a previous award in March, with a remaining budget of ~\$643K.

Commissioner Daskalakis inquired about the price validity of the bid, noting concerns about potential changes.

Mr. Phipps clarified that the prices are fixed, with no price change provisions, and the delivery times have been extended to 40 weeks.

Acting Chair Bitá questioned the 209-week delivery time for one of the Westco bids.

Mr. Phipps confirmed the long delivery times and discussed the need for frequent ordering due to high demand and supply constraints.

Commissioner Coulter emphasized the industry-wide challenges in transformer supply, noting the impact on customer-driven jobs and the limited buying power of smaller entities.

Commissioner Coulter expressed surprise at the fixed price offer given current market conditions.

Commissioner Daskalakis made a **motion**, seconded by Vice Chair Talbot, that IFP 2023-37 for Pad Mounted Transformers be awarded to: WESCO Distribution Inc., for \$659,580, 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 absent) *Roll Call Vote: Acting Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye. Chair Pacino was absent from the meeting.*

IFB 2023-48 Removal, Transportation, Disposal and Remediation of Hazardous Materials

Mr. Phipps presented a 3-year contract proposal for the removal, transportation, and disposal of hazardous materials, including emergency response services. The contract covers a range of scenarios, including PCB contamination, oil spills, and transformer failures.

The proposed vendor is Green Site Services, selected for being the most responsive and responsible bidder, with no exceptions taken.

Mr. Phipps emphasized that Cushing, Jammallo & Wheeler, RMLD's Licensed Site Professional, has positive experience with Green Site Services and their capabilities.

Commissioner Coulter inquired about the size of Green Site Services compared to other vendors like Clean Harbors.

Mr. Phipps confirmed RMLD has not worked with Green Site Services directly but Cushing, Jammallo & Wheeler has. They are established and are well respected.

Commissioner Daskalakis questioned why 15 companies chose not to bid. Mr. Phipps attributed it to their busy schedules.

Chair Bitá sought clarification on the job examples provided in the bid letter.

Mr. Phipps clarified that the examples were illustrative, as each job varies, and emphasized the need for licensed professionals to handle materials in compliance with state requirements.

Commissioner Daskalakis made a **motion**, seconded by Vice Chair Talbot, that IFB 2023-48 for Removal, Transportation, Disposal, and Remediation of Hazardous Materials including Emergency Response Services be awarded to: Green Site Services Group, Inc. for an estimated amount of \$50,000 per year, pursuant to M.G.L. c. 30 § 39M, as the lowest responsible and eligible bidder on the recommendation of the General Manager. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 absent) *Roll Call Vote: Acting Chair Talbot, Aye; Commissioner Coulter, Aye; Commissioner Bitá, Aye; Commissioner Daskalakis, Aye. Chair Pacino was absent from the meeting.*

Commissioner Talbot excused himself and departed the meeting at 7:25 PM.

RMLD Strategic Plan

Materials: RMLD Strategy Overview (attachment 5)

RMLD Mission and Vision – Updated (slide 3)

Mr. Phipps introduced the updated mission and vision statements for RMLD, emphasizing simplicity and clarity.

Mission statement

Mr. Phipps emphasized the incorporation of RMLD "Team" and the focus on serving customers with reliable, low-cost, and increasingly non-carbon energy. Increasingly was added to the mission because RMLD's portfolio is not 100% non-carbon.

Vision statement

Mr. Phipps highlighted RMLD's support for electrification and the transition to non-carbon energy with customer engagement.

Commissioner Coulter suggested adding "responsible" to the mission or vision statement to emphasize the importance of a careful transition to non-carbon energy.

Mr. Phipps agreed to add verbiage to the vision statement, enhancing its focus on a cautious and pragmatic approach.

Executive Summary (slide 4)

Mr. Phipps noted that slide 4 is meant to be a summary of the highlights.

Context – External to RMLD (slide 5)

Mr. Phipps discussed the external factors influencing RMLD's strategic planning, as outlined on slide 5.

Legislative compliance

Mr. Phipps noted that the transition to electrification and decarbonization is driven by legislation and is a key factor in RMLD's strategy. The transition involves increasing electric vehicle adoption and electrification of building heating and cooling.

The 2021 Climate Bill (now Law) mandates increased use of non-carbon energy sources, particularly in transportation (e.g., Electric Vehicles) and aims to phase out light-duty vehicles with internal combustion engines by 2035.

Mr. Phipps emphasized RMLD's focus on complying with current legislation. The organization operates under the assumption that current laws will likely remain in place or may become stricter.

Energy generation and network stability

Mr. Phipps discussed energy generation and network stability, emphasizing the fragility inherent in the transition to non-carbon sources. Mr. Phipps clarified that ISO New England maintains the reliability of the network.

Mr. Phipps highlighted the potential impacts on the natural gas network due to the closure of large generation plants like the Mystic Generation Plant.

Mr. Phipps discussed the challenges with Offshore Wind Projects. Significant external challenges include delays and cost increases in offshore wind projects, as well as the need for new transmission systems to handle increased capacity beyond 7,000 MWs.

Context –Internal to RMLD (slide 6)

Mr. Phipps discussed the internal context, highlighting RMLD's power supply portfolio and infrastructure.

Portfolio management & hedging

Mr. Phipps emphasized that the current power supply portfolio is in good condition but requires management due to the shift towards more intermittent resources. Currently, RMLD's hedging is nearly 95%, influenced by a milder year driving lower than anticipated kilowatt-hour sales.

Transmission system – reliability

RMLD uniquely ties to both Eversource and National Grid transmission systems, which is important from a reliability perspective. Substation 6 will create another tie point with National Grid, and the Maple Meadows project will establish a fourth tie point with Eversource.

Battery storage

RMLD currently has a 5 MW 2-hour battery system and plans to expand this to 30 megawatts of nearly 3-hour capacity by early 2025. This expansion aims to enhance both reliability and peak management.

Annual Load (MWHs) nearly doubles by 2050 (slide 7)

Mr. Phipps presented RMLD's annual load forecast from 2023 to 2050, projecting nearly a doubling of load.

Projected growth

MWh sales are expected to increase from ~ 700K to ~1.3m MWHs by 2050.

Key drivers of load increase

Electric Vehicles (EVs) are a major contributor to load growth. Residential EV adoption is distinguished from fleet vehicles (industrial and commercial).

Air Source Heat Pumps (ASHPs) contribute to the increase, but to a lesser extent than EVs.

Adoption rates

The forecast assumes a slightly less than 100% adoption rate of EVs by 2050, with current EVs in the service territory around 1K out of 55K total vehicles.

Notable growth years

Significant increases in EV-related load are anticipated starting in 2026, becoming more substantial by 2038 - 2050.

Legislation impact

The forecast is designed around current legislation, with acknowledgment that adoption rates could vary based on potential legislative changes.

Monthly Load Shape Changes by 2050 (slide 8)

Mr. Phipps discussed the monthly load shape for the years 2023, 2038, and 2050, emphasizing the impact of increased electrification.

Monthly load shape changes

Mr. Phipps explained the charts show the addition of load due to ASHPs and EVs.

Summer load increase

Between 2023 and 2050, the summer load is projected to be about 60% higher.

Winter load doubling

The winter load in January 2050 is nearly twice that of January 2023, attributed mainly to ASHPs and EV charging.

EV Charging Efficiency

RMLD assumes that EVs are about 15% less efficient in winter, requiring additional power supply.

Acting Chair Bitz inquired about the ASHP load in July from 2038 - 2050. Mr. Phipps clarified that the blue segment represents the incremental load from ASHPs, which are assumed to replace existing window and central air conditioners. ASHPs are considered more efficient, leading to a net-neutral impact on the load.

Commissioner Daskalakis asked if the modeling includes assumptions about average temperature changes over time. Mr. Phipps responded that the current model does not assume any temperature increase and emphasized that weather significantly influences load.

Mr. Phipps noted RMLD's ongoing efforts to refine their load forecasting with detailed analytics.

Commissioner Daskalakis suggested considering average temperature changes in future load modeling.

Dramatic daily load shape change possible (slide 9)

Mr. Phipps discussed the average daily load curves for RMLD, illustrating energy consumption patterns from midnight to midnight.

Load curve characteristics

Mr. Phipps explained that the curve appears flat, but this is due to the factor of 2x from the bottom to the top.

EV charging impact

Mr. Phipps noted that the model for 2043 assumes 80% EV adoption in the territory. The orange line on the chart represents the load with EV charging primarily overnight.

Rate structure design

Mr. Phipps explained that 80% EV charging overnight would cause 3x load by early 2040's. Such an overnight peak is not ideal. The bottom left-hand chart shows a scenario that aims for a flatter load curve through different rate blocks (overnight, morning, peak afternoon), a much better result.

EV rate structure

Mr. Phipps noted that RMLD is working on introducing a dedicated EV rate. The assumption is that residential customer habits won't change significantly. The only difference will be EV charging, which is a new and learnable behavior.

Rate design flexibility

Mr. Phipps explained that recent analysis is leading RMLD to rethink rate design, especially for EVs, to encourage desired charging behaviors and maintain grid stability.

Demand (MWs) 75% higher by 2050 (slide 10)

Mr. Phipps differentiated between load (MWh sold) and demand (network peak), clarifying that slide 10 references demand.

Current network peak

Mr. Phipps stated that RMLD's network peak typically occurs in July (around 170 MWs) with a network capacity designed for 220 MWs.

2050 forecast

Mr. Phipps mentioned that by 2050, demand is expected to approach 300 MWs, exceeding current network capacity.

Substation impact

Mr. Phipps noted that the addition of the new substation will raise capacity to ~ 270 MWs, but further enhancements will be necessary to meet future demands.

Network stress forecast

Mr. Phipps emphasized that anticipated EV adoption will significantly increase network stress by the early to mid-2030s.

Infrastructure planning

RMLD is analyzing future load to plan network upgrades, with consideration of the lifespan of transformers, substations, and wiring.

Safety buffer and charging patterns

Mr. Phipps highlighted the need for a safety buffer above 300 MWs.

Mr. Phipps discussed assumptions around simultaneous EV charging, which significantly influences demand projections.

Investment Timing – Key Initiatives (slide 12)

Mr. Phipps outlined RMLD's investment timeline and key initiatives, which will be detailed in the upcoming budget review in October and November.

Mr. Phipps highlighted RMLD's responsible and balanced approach to investments, incorporating grants and Investment Tax Credits to ease the financial burden on ratepayers.

Acquiring land

Mr. Phipps emphasized the importance of acquiring land immediately for future projects.

Energy storage expansion

RMLD plans to implement 30 MWs of short-term battery storage and continue exploring long-term storage solutions.

In territory generation

Mr. Phipps highlighted RMLD's focus on building generation within its territory to mitigate capacity and transmission costs, which form a significant part of the cost structure.

Metering project

RMLD plans to enhance monitoring capabilities through updated metering systems.

Software and security updates

Mr. Phipps emphasized RMLD's priority of keeping internal platforms up-to-date and ensuring robust security.

Transforming ash street campus

RMLD is considering options for the Operations building and overall site, with potential actions planned for 2025-2027.

Finance & Accounting Update

Materials: Financial Update (attachment 6)

Mr. Bloomenthal presented a financial update to the BoC.

Finance and Accounting Milestones (slide 1)

Mr. Bloomenthal provided an overview of the RMLD financial status and milestones.

CY2024 budget

The CY2024 budget is in the final stages of preparation, and the RMLD staff is collaborating to finalize details. A formalized CY2024 budget presentation and related discussion is scheduled for the October BoC and CAB meetings.

Staffing updates

Mr. Bloomenthal provided a staffing update, highlighting the recent promotions detailed on slide 1.

A new Staff Accountant was hired, bringing Great Plains experience. The employee previously in the Staff Accountant role is transitioning to a more hands on career path within RMLD.

Above the line payment

Mr. Bloomenthal reported on the above the line payments to the four service towns, detailed on slide 1.

Below the line payment

Mr. Bloomenthal reported on the payment schedule and amount for the below the line payment to the Town of Reading, detailed on slide 1.

Preliminary Cash Balances – As of 6/30/2023 (slide 2)

Mr. Bloomenthal reported on RMLD's preliminary cash balances.

Mr. Bloomenthal highlighted RMLD's strong financial position, with ~\$55m in cash as of June 30, 2023. This includes restricted cash, restricted investments, and unrestricted cash.

Mr. Bloomenthal emphasized RMLD's fiscal consciousness and awareness of industry changes. Strong cash reserves, both restricted and unrestricted, are crucial for upcoming capital projects.

Preliminary Operating Budget vs. Actuals through 6/30/2023 (slide 3)

Mr. Bloomenthal reported on RMLD's preliminary operating budget vs. actual spending.

Mr. Bloomenthal clarified that on Slide 3's graph, the blue line should be on top, and orange line on the bottom.

RMLD's actual spending is currently below budgeted numbers. The June financials were finalized with ~\$10m in operating costs.

The organization has maintained good control over employee head count, which allows RMLD to ensure these expenses remain under budget. Expense management continues to be effective, with forecasted expenses expected to be below budget for the year.

Cash Expenditures through 7/31/2023 (slide 4)

Mr. Bloomenthal reported on capital expenditures, highlighting that transformers are a critical component. Transformers represent ~ \$7 million of the 2023 capital budget.

Mr. Bloomenthal noted that as of July 21, 2023, RMLD has spent \$5.1m out of the \$22.85m total capital budget for 2023. Capital spending is increasing but projected to be around \$12m by the fiscal year-end, due to delays in transformer delivery.

DOE Awards as of 9/1 (slide 5)

Mr. Bloomenthal reported on the DOE awards as of September 1, 2023.

RMLD is actively pursuing federal funding in various forms: grants, IRA tax credits, and rebates. These funding sources are crucial for advancing RMLD's upcoming capital program.

Rebates

Under President Biden's infrastructure law, RMLD was authorized to receive up to \$25K in rebates for transformers as of September 1.

Grants

Mr. Bloomenthal noted that he is collaborating with the Congressional delegation for grant application follow-ups, ensuring RMLD's prominence in fund allocation.

IRA tax credits

RMLD is exploring direct IRS payment tax credits, akin to rebates but under a different program.

Town of Reading green communities update

Ms. Herrick provided an update to the BoC on the Green Communities Program, noting that State Representative Haggerty sent a letter to the DOE about the guidelines for Reading's participation in the Green Communities program. Reading is actively pursuing this initiative.

Fuel reserve and rate stabilization fund

Ms. Herrick raised concerns about RMLD's policy regarding the fuel reserve fund and referenced a past pipeline explosion that caused gas rate spikes. Ms. Herrick questioned the status and policy usage of the fund.

Mr. Phipps clarified the distinction between the rate stabilization fund and the fuel reserve fund. The fuel reserve charge adjusts monthly, accounting for energy cost fluctuations. The rate stabilization fund acts as a 'rainy day fund' and has been discussed at past BoC meetings.

Mr. Phipps noted that there has been discussion with the BoC around changing the structure of the Rate Stabilization Fund to constitute 10% of the forecasted annual power supply cost.

Mr. Phipps addressed the volatility in energy markets and the purpose of the Rate Stabilization Fund as insurance for circumstances. Mr. Phipps cited the example of a major piece of equipment on the wholesale market failing, causing increased energy costs to fill gap.

In response to Ms. Herricks' inquiry, Mr. Phipps reported on the recent use of the Rate Stabilization Fund. In late 2021, \$1.6m was applied to the fuel charge as a credit, effectively giving funds back to the customers by reducing the fuel cost.

Customer billing analysis

Mr. Phipps noted a low increase in customer bills over the past year, attributable to various factors, including energy consumption. Commissioner Coulter commented on the impact of mild temperatures allowing for lower rates and energy costs being a pass-through expense.

Grants and rebate inquiry

Commissioner Coulter asked if \$25K was the total rebate amount or the amount per transformer. Mr. Phipps confirmed that the total rebate amount is \$25K. The rebates are primarily for pole mount transformers.

Mr. Phipps noted that RMLD has submitted over \$48m in grant applications in 2023, and the team is actively pursuing both large and small funding opportunities.

Payroll department checks and balances inquiry

Commissioner Bita inquired about checks and balances in the payroll department, with only one staff member overseeing payroll. Mr. Bloomenthal assured the BoC that there are robust checks and balances in place.

NEPPA 2023 Annual Conference Report

Materials: Summary Notes: NEPPA 2023 Annual Conference (BoC Packet, attachment 7)

Materials: 2023 NEPPA Conference Presentations (referenced not presented)

Mr. Phipps provided a summary of the 2023 NEPPA Annual Conference presentations to the BoC.

Gordon van Welie – Keynote (slide 3)

Mr. Phipps summarized the highlights of keynote speaker Gordon van Welie's presentation.

Legislative impact & increase in non-carbon energy sources

Mr. van Welie's presentation stated that legislation is driving changes in the energy world, leading to a shift in the energy mix from primarily natural gas. It was emphasized that non-carbon energy sources are growing in the energy mix.

Solar PV funding and challenges

Mr. van Welie's presentation discussed Solar PV, which is well-funded, but facing cancellations, price increases, and delays.

Offshore wind project issues

Mr. van Welie's presentation highlighted offshore wind projects, which are facing transmission challenges and higher costs than initially planned.

Transmission system needs

Mr. Phipps explained that as the energy mix becomes more non-carbon and distributed, more transmission is needed to get energy to the load centers. Mr. van Welie's presentation emphasized the significant requirement for additional transmission systems to distribute non-carbon energy.

Natural gas as a critical resource

Mr. van Welie's presentation emphasized that despite a phase-out, natural gas will remain important for periods of low renewable energy generation, such as during cold periods with no wind.

Energy adequacy and reliability

Mr. van Welie's presentation highlighted that reliability is a critical issue, significantly for the period between 2027 and 2032. Mr. Phipps emphasized that RMLD's response to this issue is focusing on reliability, energy storage, and within-territory generation.

Distribution network and winter peaking

Mr. Phipps reported that Mr. van Welie's presentation was consistent with RMLD data on winter peaking and load changes.

EVs and ASHPs as key load drivers

Mr. van Welie's presentation discussed the dynamic nature of load, reinforcing RMLD's focus on EVs and ASHPs, particularly in relation to EV charging.

Key implications for RMLD

Mr. Phipps highlighted the need to adapt to the changing energy landscape driven by legislation and market trends as well as the importance of storage, generation, and network adaptation in response to these changes.

Mr. Phipps emphasized the consistency between RMLD's strategy, and the trends outlined in Mr. Van Welie's presentation.

Mike Zenker – NE Regional Energy Outlook (slide 4)

Mr. Phipps summarized the highlights of speaker Mike Zenker's presentation.

Natural gas market and LNG (liquefied natural gas)

Mr. Zenker's presentation emphasized the recent developments in the natural gas market, particularly the impact of LNG exports and the influence of the European market.

Impact of war and pipeline issues

The redirection of LNG tankers to Europe due to higher prices and geopolitical factors has influenced energy prices.

Winter weather impact

Mr. Zenker's presentation explained that mild winters in both Europe and the US have eased energy demands, contributing to lower energy prices.

Volatility of energy pricing

Mr. Zenker's presentation highlighted the increase in volatility in energy pricing since 2010, driven by exports of natural gas.

Future of natural gas demand

Mr. Zenker's presentation predicts an increase in natural gas demand in New England until 2032, followed by a decline, leading to potential excess and reduced prices in the mid-2030s.

Legislative influence

Mr. Zenker's presentation noted that the legislative agenda is driving the shift towards non-carbon, renewable sources.

Key implications for RMLD

Mr. Phipps confirmed that RMLD has transitioned to higher hedging strategies (up to 95%) in response to market volatility and reduced volume requirements due to milder winters.

Mr. Phipps emphasized RMLD's focus on long-term contracts for stability amidst market fluctuations.

Mr. Phipps reiterated the legislative agenda's impact on RMLD's strategic planning and operations.

In response to an inquiry made by Commissioner Coulter, Mr. Phipps acknowledged that Zenker's insights are based on models and projections, not guaranteed outcomes. However, the insights align with the broader legislative direction affecting RMLD's strategies.

Mike O'Connor – Millstone Nuclear (slide 5)

Mr. Phipps discussed speaker Mike O'Connor's presentation in relation to RMLD's power supply strategy and portfolio.

Mr. O'Connor's presentation discussed Millstone Power Station; a nuclear power facility operated by Dominion Energy.

RMLD's nuclear portfolio

Mr. Phipps emphasized that RMLD's nuclear portfolio is approximately a third of the total portfolio, with potential to go up to 40%.

Mr. Phipps explained that RMLD has contracts with two nuclear facilities in New England: Millstone, in Connecticut, and Seabrook, in New Hampshire.

RMLD's Contracts with Millstone and Seabrook were established in the 1980s and are perpetual until the end of the facilities' life.

Mr. Phipps noted that Millstone is considered reliable and important for base load energy but is not highly responsive to customers. RMLD is engaging in ongoing efforts to secure additional purchases from Millstone to balance risk.

Small Modular Reactors (SMRs)

Acting Chair Bitá inquired about the development of SMRs in New England. Mr. Phipps explained that while there is interest in SMRs, current pilot projects are in Idaho and Utah, and widespread adoption is at least 15 years away.

Mr. Phipps noted that the economic viability and location for SMRs are still under discussion, with potential political challenges.

Commissioner Coulter mentioned SMR plans in the Ontario area.

Mr. Phipps mentioned there is significant private investment in SMR technology, but its future dominance in the energy mix remains uncertain.

Key implications for RMLD

Mr. Phipps stated that RMLD continues to rely on nuclear power as a key part of its energy portfolio, and the ongoing strategy to balance the portfolio.

General Managers Report

Mr. Phipps provided a General Manager's Report to the BoC.

Station 6 development

Mr. Phipps reported that ISO New England completed the system impact study for Station 6, indicating no adverse impact on the transmission system. Final approval is expected by the end of November.

Flexible work schedules

Mr. Phipps noted that RMLD is implementing flexible 4-day, 10-hour work schedules for line crews from mid-October through Christmas. Overtime will be offered on Fridays, aligning with subcontractor obligations.

Storm preparedness

Mr. Phipps emphasized RMLD's priority of ensuring storm preparedness.

Employee survey

Mr. Phipps stated that RMLD is planning another employee survey, for the end of October. RMLD is considering conducting an anonymous survey but will need to review the anonymous communication policy before implementation.

In response to Acting Chair Bitá's inquiry, Mr. Phipps confirmed that the previous survey was limited, but not anonymous. Mr. Phipps confirmed that only he saw the responses.

Mr. Phipps noted that the previous survey had a high participation rate, but the team is trying the new approach to see if participation increases further.

Communication enhancements

Mr. Phipps mentioned increased engagement in quarterly webinars and newsletters.

Mr. Phipps introduced RMLD's new podcast, with two sessions already recorded and live. The podcast is available on YouTube and linked in the latest RMLD newsletter. RMLD will continue the promotion and recording of the podcast series as a new communication channel for better customer engagement.

Scheduling

The next BoC meeting will be a joint meeting with the CAB on October 25, 2023.

Executive Session

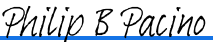
Commissioner Daskalakis made a motion, seconded Commissioner Coulter, that the RMLD Board of Commissioners go into Executive Session pursuant to Massachusetts G.L. c.164 section 47D, exemption from public records and open meeting requirements in certain instances, to consider the purchase, exchange, lease or value of real property relative to Maple Meadow and Route 125 in Wilmington, if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body, to approve executive session meeting minutes, and return to regular session, for the sole purpose of adjournment. Note: Roll call vote required. Motion Carried: 3:0:2 (3 in favor, 0 against, 2 absent) Roll Call Vote: Commissioner Coulter, Aye; Acting Chair Bitá, Aye; Commissioner Daskalakis, Aye. Chair Pacino and Vice Chair Talbot were absent from the meeting.

Adjournment

The BoC meeting adjourned at 9:24 PM.

Commissioner Coulter made a **motion**, second by Commissioner Daskalakis, that the Board of Commissioners adjourn regular session. **Motion Carried: 4:0:1** (4 in favor, 0 against, 1 absent) *Roll Call Vote: Chair Pacino, Aye; Commissioner Coulter, Aye; Acting Chair Bitá, Aye; Commissioner Daskalakis, Aye. Vice Chair Talbot was absent from the meeting.*

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


Philip B Pacino (Feb 2, 2024 09:25 EST)

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

As approved on January 31, 2024