



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2020-12-16

Time: 07:30 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:**

Due to the pandemic and the March 12, 2020 Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, all participants attended remotely.

John Stempeck, Chair; David Hennessy, Vice Chair; David Talbot, Commissioner; Robert Coulter, Commissioner; Phillip B. Pacino, Commissioner.

Members - Not Present:

Others Present:

RMLD Staff: Coleen O'Brien, General Manager; Hamid Jaffari, Director of Engineering and Operations; John McDonagh, Assistant Director of Engineering and Operations; Charles Underhill, Director of Integrated Resources; Greg Phipps, Assistant Director of Integrated Resources; Wendy Markiewicz, Director of Business, Finance, and Utility Technology; Tracy Schultz, Executive Assistant.

Vivek Soni, Citizens' Advisory Board

Gail Page, Green Sanctuaries; Coordinator, GRACE
Lynn Champion, 8 Franklin Avenue, Wilmington
James Satterthwaite, 8 Hunt Street, Reading
John Rogers, 39 Tower Hill Road, North Reading
Laura Haight, Partnership for Policy Integrity
Mary Ellen O'Neil, Reading
Bob Connor, 7 Beacon Street, Reading

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

Topics of Discussion:

Call Meeting to Order

Chair Stempeck called the meeting to order and read RMLD's Code of Conduct. Chair Stempeck announced that the meeting is being recorded via Zoom for distribution to the community television stations in North Reading, Lynnfield, and Wilmington.

Chair Stempeck Mr. Pacino asked to serve as Board Secretary.

Chair Stempeck stated that Joyce Mulvaney and the town historical societies did an excellent job on the RMLD calendar.

Report on the December 16, 2020 CAB Meeting

Mr. Soni stated that the CAB had a briefing on Policy 30. Mr. Pacino, who attended the CAB as the Commission's representative, added that each division manager provided updates on what was achieved in 2020.

Public Comment

Ms. Haight of the Partnership for Public Policy ("PPI") explained that her organization sent a letter to all Massachusetts municipal light plants last year when they learned that Energy New England was promoting power purchase agreements with Palmer. Last year there were multiple hearings regarding changes to the Renewable Portfolio Standard ("RPS"), specifically regarding biomass. The last hearing was in July and the regulations still have not been issued. PPI believes that Palmer would qualify for the RPS under these regulations. Further it is also PPI's opinion that the regulations are not in compliance with the underlying statute or the Global Warming Solutions Act. There will be requests for the legislation to hold hearings on the regulations. The Implementation Advisory Committee to the Global Warming Solutions Act, which has been advising the governor on 2050 decarbonization roadmap, recommended unanimously that biomass be removed from eligibility from the APS, RPS, and other energy programs. It is not that the plant has gotten better, and now meets the RPS. Rather, the RPS has gotten weaker.

Ms. O'Neil, a former RMLD Commissioner and Chair, expressed her displeasure regarding events at the November 19 Board meeting. Ms. O'Neil stated that person submitting public comment should be subjected to reprimand or censure, the RMLD General Manager should not have signed a substantial power contract with no Board or CBA input and that the Palmer contract should be open to public discussion. Further it was her opinion that discussion of the merits of the contract do not qualify for executive session. Ms. O'Neil stated firmly that the minutes on the RMLD website need to be updated.

Mr. Talbot stated his opinion that the DOER report about biomass is not independent in that it advocates a certain position.

Vice Chair Hennessy asked for a status update regarding the independent analysis that the Board voted on. Ms. O'Brien stated that RMLD is trying to bring in a consultant for training in January.

Approval of Board Minutes

Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board approve the meeting minutes of March 19, 2020, on the recommendation of the General Manager.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.
Motion Carried: 5:0:0.

General Manager's Report

Ms. O'Brien stated, due to a pending weather event, that RMLD staff had a storm management meeting this afternoon and expect to have full coverage. Only essential personnel will be reporting to work tomorrow due to the governor asking for limited travel. However, employees will be working remotely.

The customer satisfaction survey is ongoing. The report will be finalized at the end of January and Great Blue will make a formal presentation to the CAB and Board.

EV Workshop Update

Ms. O'Brien explained that the electric vehicle workshop will be pushed to February in order to continue the important and complex discussion on power supply.

Account Payable (AP) Signature Process

Ms. O'Brien stated that at one point, three commissioners signed the weekly AP invoices. It was then changed to one. Ms. O'Brien explained that the intent of the process is to provide checks and balances.

General Manager's Vacation Time

Ms. O'Brien explained that for 2020 due to the COVID-19 pandemic she has been able to use all her vacation time per her contract and asked in accordance with her contract that she be allowed to carry over the unused time to 2021..

Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board of Commissioners allow the General Manager to carry forward any unused vacation time from 2020 into 2021 due to extenuating circumstances resulting from the COVID-19 pandemic.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.
Motion carried: 5:0:0.

Financial Report

2020/2021 Review and Goals

Ms. Markiewicz stated that there have been great strides this year and that she is proud of the accomplishments of her team. Business accomplishments included accounts payable and payroll going paperless, quarterly communication meetings with the Town of Reading, the integration of processes and procedures, and the development of a cohesive relationship between Human Resources and payroll. Finance accomplishments included a clean opinion on the Calendar year 2019 audit, which was conducted virtually, the timely filing of the CY 2019 Department of Public Utilities Annual Return, the presentation and approval of the CY 2021 Capital and Operating Budget, and the success of the Credit and Collections department in working with customers for continued payments. Technology accomplishments included securing IT infrastructure by implementing lessons learned after recovery from the ransomware intrusion, removing and upgrading outdated operating systems, strengthening user level security, and conducting a full inventory of IT assets. 2021 Business goals for her team include developing a cohesive relationship with all divisions, continuing to integrate processes and procedures, and continuing paperless efficiency and training efforts. Finance goals are to receive a clean opinion on the 2020 Audit, continuing Credit and Collections communications and billing succession. Technology goals are to secure new IT management, migrate billing software to the cloud, upgrade firewalls, and ensure software integration.

Legal Invoices Update

Ms. Markiewicz explained that legal expenses are essential in maintaining compliance with Federal and State laws, standard, and regulations to mitigate risk and liability. A \$100 million electric utility requires numerous areas of expertise, including policy review, purchase power, labor relations, engineering and operations, procurement and liability claims, and business and finance. Every year brings new challenges. Ms. Markiewicz presented average spending between July 1, 2016 and November 30, 2020. Purchased power is the biggest expense, then labor relations, procurement and liability claims, policy review, business fiancé, and engineering and operations. Ms. Markiewicz explained that RMLD utilizes six attorneys with specific areas of expertise.

Integrated Resources Report

2020/2021 Review and Goals

Mr. Underhill announced that Integrated Resources accomplishments included executing non-carbon supply contracts for 25 percent of RMLD's resource portfolio, successful peak management savings of \$691,542, implementation and enhancement of multiple retail programs, \$500,000 in rebate payments to RMLD customers for solar installations, submitting the Residential Conservation Services filing, improved tracking and reporting for rebate processing, and developing in-house and external responses to Covid-19. 2021 goals include establishing an implementation process for Roadmap 2050, continuing to enhance the wholesale and retail resource portfolios, and finalizing the RCS filing.

Mr. Talbot asked that a copy of the TFA be sent to the Commissioners.

Engineering and Operations Report

2020/2021 Review and Goals

Mr. Jaffari stated that engineering and operations accomplishments included receiving a certificate of excellence in reliability from the APPA, meeting maintenance program goals, continuing progress on long-term reliability projects such as the aged transformer replacement program and step-down area upgrades, and overhead and underground area upgrades. Grid modernization 2020 goals were met. Smart switches will continue to be installed in 2021. Eight pad-mount switchgear upgrades at industrial parks are scheduled for 2021. 2021 reliability goals include securing land for the new Wilmington substation. Facilities accomplishments included emergency generator replacement, parking lot upgrade, and roof repair. 2021 goals include substation, security, and fleet upgrades.

RMLD Procurement Requests Requiring Board Approval

IFB 2020-41 Line Truck Chassis and Trailer Preventative Maintenance, and Repair Service

Mr. Jaffari explained that the bid was sent to nine companies. There was one responsive and responsible bidder.

Mr. Pacino made a motion, seconded by Vice Chair Hennessey, that bid 2020-41 for Line Truck Chassis and Trailer Inspection, Preventative Maintenance, and Repair Service be awarded to: **Taylor & Lloyd, Inc. for \$169,795.92**, pursuant to M.G.L. c. 30B, as the lowest responsive and responsible bidder on the recommendation of the General Manager. This is a three-year contract.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessey: Aye; Mr. Talbot: Aye.
Motion carried: 5:0:0.

IFB 2020-42 Line Truck Lift Equipment Inspection, Preventative Maintenance, and Repair Service

Mr. Jaffari stated the bid was sent to nine companies. Two responses were received and one took exceptions.

Mr. Pacino made a motion, seconded by Vice Chair Hennessey, that bid 2020-42 for Line Truck Lift Equipment Inspection, Preventative Maintenance, and Repair Service be awarded to: **James A. Kiley Co. for \$112,602.00**, pursuant to M.G.L. c. 30B, as the lowest responsive and responsible bidder on the recommendation of the General Manager. This is a three-year contract.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessey: Aye; Mr. Talbot: Aye.
Motion carried: 5:0:0.

Policy 30 Clean Energy Cost Impacts

Mr. Phipps explained that the Board asked for a comparison of the cost impact to RMLD of both Roadmap 2050 and the investor-owned utilities Renewable Portfolio Standard (RPS) and Clean Energy Standard (CES). Roadmap 2050 is pending legislation and would apply to MLPs. Roadmap 2050 covers non-carbon emitting and requires RECs. If RMLD were to apply that standard now, RMLD would be compliant through 2029. The RPS and CES only applies to the IOUs and require certificates for compliance. The IOUs typically buy power independent of certificates and then separately buy RECs that are not associated with said energy. From a certificate perspective, RMLD is not currently compliant with the RPS and CES. Mr. Phipps then discussed cost implications. RMLD looked at the next four years. For Roadmap 2050, compliance value is about \$300,000 to \$400,000 a year. That would be a change of three tenths to four tenths of a percent to customer bills. RMLD is not currently compliant with either RPS or CES because RMLD has focused on investing in renewables rather than purchasing certificates. Compliance would add about \$6.3 million in annual costs, which would amount to about a seven percent increase to customer bills. Mr. Phipps explained that RMLD's non-carbon portfolio currently has no RECs. An example would be RMLD's investment in nuclear and hydro. Both are emissions free but do not issue RECs or RMLD did not purchase the RECs with that energy.

A comparison to Concord Municipal Light (CMLP) was presented. Concord has a similar structure but is gradually increasing its contracted power purchases that include RECs. Increasing market prices for Massachusetts Class I RECs reduced the quantity of non-associated RECs that CMLP was

able to purchase in 2019 and 2020. In 2021 a rate increase of two cents per kWh will double the amount of money available to purchase renewable energy. This will result in an increase in the number of non-associated RECs that can be acquired. In comparison, RMLD's portfolio has focused on renewables, whereas CMLP has concentrated on certificates. A significant amount of money would be needed to make RMLD compliant to the RPS and CES.

Mr. Coulter asked why RMLD would increase costs by purchasing REC. Mr. Phipps explained that RMLD is focused on renewables for that very reason. Mr. Talbot asked about the cost increase needed to meet the IOU requirements and what the corresponding number of renewables added to RMLD's portfolio would be. Mr. Phipps replied that RMLD would not necessarily change its portfolio. Rather, RMLD would need to buy certificates in order to state that it is in compliance.

Ms. O'Brien stated that the Chariot project is a combination of solar and nuclear. RMLD needs to let them know by December 18 if the contract should be extended for six more years. Mr. Coulter stated that it would be helpful to know the amount of the contract. Mr. Underhill stated that this contract represents about five percent of RMLD's portfolio for a six-year period. Mr. Pacino states the policy in place allows Ms. O'Brien to move forward without the Board's input and until the Board sets a limit on contracts that can be entered into without review, then Ms. O'Brien should continue operating as usual.

General Discussion

Meeting dates were discussed.

Executive Session

At 9:15 p.m., Mr. Pacino made a motion, seconded by Vice Chair Hennessy, that the Board go into Executive Session to consider the purchase of real property and return to Regular Session for the sole purpose of adjournment.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

Adjournment

At 9:49 p.m., Mr. Pacino made a motion, seconded by Vice Chair Hennessey that the Board revert back to regular session for the sole purpose of adjournment.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

At 9:29 p.m., Mr. Pacino made a motion, seconded by Mr. Coulter, that the Board adjourn.

Roll call vote: Mr. Coulter: Aye; Chair Stempeck: Aye; Vice Chair Hennessy: Aye; Mr. Talbot: Aye.

Motion Carried: 5:0:0.

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

Philip B Pacino
Philip B Pacino (Mar 19, 2021 14:20 EDT)

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