



## Town of Reading Meeting Minutes

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-03-18

Time: 6:00 PM

Building:

Location:

Address:

Session:

Purpose: General Business

Version:

Attendees: **Members - Present:**

Mr. Jason Small, Chair (North Reading); Mr. Vivek Soni, Vice Chair (Reading); Mr. George Hooper, Secretary (Wilmington); Dennis Kelley (Wilmington)

**Members - Not Present:**

Mr. Joseph Markey (Lynnfield)

**Others Present:**

Mr. John Stempeck, Board of Commissioners

Staff: Ms. Coleen O'Brien, Mr. Brian Hatch, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. Gregory Phipps, Ms. Margaret Quigley, Ms. Kathleen Rybak, Mr. Charles Underhill

Mr. James Satterthwaite, Reading

**Minutes Respectfully Submitted By:** Mr. Dennis Kelley, Secretary Pro Tem

*Dennis Kelley*  
Dennis Kelley (Nov 18, 2021 08:23 EST)

### Topics of Discussion:

PER GOVERNOR BAKER'S MARCH 10, 2020, ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 30A, §20 THIS MEETING WAS HELD REMOTELY VIA ZOOM

#### 1. Call Meeting to Order – J. Small, Chair

Chair Small called the meeting of the Citizens' Advisory Board to order at 6:02 PM and noted the meeting was being audio recorded.

#### 2. General Manager's Report – C. O'Brien, General Manager

##### *Community Update:*

- Heat Pump Webinar: This took place on March 2nd and was well attended; 125 live participants and 250 views of the webinar recording. It will be aired on community television stations.
- Annual Report: The High School Art Contest ended on March 21st with 21 submissions. This will be the fifth year that RMLD has used high school students' artwork for the Annual Report. This year's report theme is "Resiliency". RMLD anticipates publishing the Annual Report by June.
- Electrical Vehicle Workshop: This will be held on April 27th at 7:00 PM. Once this is formalized information will be sent out.

#### *Electric Vehicle Grant Update*

RMLD has applied for Massachusetts state grants for EV charging stations at multiple locations for level two and three stations in Reading and Wilmington. Authorization has been made by the Select Boards as well as the Library Trustees. The grant permits up to \$50,000 per location. These funds would be for the head, construction, and electric feed.

#### *2020 Financial Update/Town Meeting Presentation*

A presentation was not done at the April Reading Town Meeting because RMLD's financial audit was not complete. A presentation will be made to each of the respective town Select Boards.

3. Power Supply and GGES Update – C. Underhill, Director of Integrated Resources and G. Phipps, Assistant Director of Integrated Resources

#### *Power Supply Update – C. Underhill, Director of Integrated Resources*

Materials: *Power Supply Report BOC/CAB Presentation Slides*

Mr. Underhill reported on RMLD's Power Supply, which included actuals for 2019 and 2020; RMLD used these results to prepare its 2021 load forecast for power supply. RMLD finished 2020 just over a half percent above 2019 results and about 3% below the ENE forecast. The load difference occurs in the first four or five months of 2020.

RMLD did not experience the 8% reduction in load projected by others for ISO New England's area due to the effects of COVID 19. However, in terms of load, that translated to the same results for retail sales. Total purchase power expense was about \$750,000 to \$800,000 lower than anticipated for the first two months. A significant part is due to January being much warmer than anticipated.

Capacity costs came in slightly higher. RMLD will analyze what drove that result; whether it was ISO New England resettlements or other fixed cost impacts in some of the projects that RMLD has contracted with. Transmission came in closely to what RMLD expected on the open access transmission grid and the sub-transmission services that RMLD receives from National Grid and Ever Source. January results came in very good shape; a good start for the 2021 year.

#### *GGES Update – G. Phipps, Assistant Director of Integrated Resources*

Materials: *Greenhouse Gas Emissions Standard (GGES) Policy 30 Update Presentation Slides*

Mr. Phipps provided an update in context of the approved Policy 30, Revision 1.

Legislative Update (*Slide 3*): Mr. Phipps discussed the information on the legislation update. This afternoon (March 18) the House approved the Climate Bill that the Senate approved on March 15. The next step is for the Bill to go back to the Governor likely effective by the end of April.

Certificate Management (*Slide 4*): Mr. Phipps discussed certificate management at RMLD. Under the old Policy 30, most of the RECs were sold. Under the new Policy 30, certificates will be retired up to the annualized line. Certificates of lesser value are retired first; the balance are sold to avoid expiration and rate shock. Certificates will be reported quarterly going forward.

Certificates – NEPOOL GIS (*Slide 5*): Certificates are created at the time energy is generated. RMLD cannot transact them until they are minted, approximately six months later, at which time they can be retired or sold. There is a two-month transaction window each quarter (retire, sell, or forfeit).

Mr. Soni asked for clarification relative to the accumulation of the certificates for the whole year. Mr. Phipps explained that there is annual reporting; RMLD prepares calendar year filings. There is the ability to bank certificates, however, by June 15 of the following year RMLD must transact. Remaining prior year certificates are forfeited after June 15th.

Mr. Soni asked for clarification; what is the transaction? Mr. Phipps responded that RMLD's transactions would be to sell or retire. Retire up to RMLD's internal compliance level then sell the rest. The other scenario would be forfeit; RMLD does not want this to happen and has processes in place to avoid forfeiting.

Power Supply Opportunity NE Hydro Generator (*Slide 6*): Mr. Phipps stated that RMLD is always filling open positions in its power portfolio. This hydro project is in southern New England, has seasonal output, and will generate approximately 25,000 megawatt hours annually, representing about 3.8% of RMLD's portfolio. The hydro project contract term is 25 years, has associated RECs, and is renewable and non-carbon.

It is a Connecticut-based hydro facility. It was originally started in 1870, and the first dam was functioning as a mechanical generator. In the early 19th century, it was converted to electric. It went through a fairly extensive relicensing with FERC in the early 1980's. Gravity Renewables (who has expertise in this space) is in the process of taking over the project, refurbishing it, and then relicensing. RMLD anticipates that the certificates will be Connecticut Class 1 Certificates. RMLD is purchasing those certificates to year 15 and has an option on those certificates during years 15 through 25 years.

Based on RMLD's hydro portfolio, the pricing of this project is a little lower than RMLD's hydro average. Hydro costs are approximately 80% higher than RMLD's overall portfolio average cost. RMLD hopes to start taking energy from this project in the summer of 2021.

Mr. Soni asked if this project is pumped hydro? Mr. Phipps responded that this is a river-based hydro and not pumped hydro. Mr. Phipps added that Gravity informed him that they will probably need to put a fish ladder in; currently there is no fish ladder. Mr. Soni clarified that the project will need a fish ladder; it will be fish friendly? Mr. Phipps replied, yes, Gravity Renewables is environmentally focused, and their expertise is hydro projects.

Mr. Hooper asked if there is any information in terms of reliability on the project; what are the water levels and consistency? Mr. Phipps responded that hydro projects tend to be seasonal and historical output is recorded. RMLD only pays for what is produced and delivered. The project location is the southern part of Connecticut. There are two dams ahead of the project and it has a relatively level flow from a seasonal perspective.

4. Engineering & Operations Report: Solar/Battery System Impact Study – H. Jaffari,  
Director of Engineering & Operations  
Materials: *Engineering & Operations Report Presentation Slides*

Mr. Jaffari reported that RMLD's reliability (*Slides 2 and 3*) is great - well below the regional and national averages. In February the average was down due to weather-related incidents; there were four storms. RMLD does not have the APPA 2020 data, it has not yet been published. RMLD sends its reliability indices as well as outage data to APPA. They perform an analysis then provide RMLD the results. The past few years RMLD has been doing great. RMLD anticipates receiving another Reliability Award for 2020.

Mr. Jaffari then reported on the Solar/Battery System Impact Study (*Slide 4*), which was performed in 2020 to find out the limitations on the system and the feeders to make sure that RMLD is not exceeding those limitations. Mr. Jaffari stated that the solar GIS map (*Slide 5*) tracks who is requesting interconnection and monitors the heat index map

for the available capacity. To date there are approximately 90 installations and increasing. Mr. Jaffari then reviewed the goals and deliverables of the study (*Slide 6*). The study addressed the operating limits to make sure that the system reliability and safety integrity is not compromised. In addition, as a result of the study, it calculates the maximum capacity that RMLD can offer to its customers for interconnection at every node, including enhanced tracking and control over the capacity limit. The deliverables include performing engineering analysis to provide a report with a data file that contains an updated heat index map (*Slide 8*) based on GIS data provided and identifying the limiting factors such as wires and protective devices that need upgrade to open more capacity.

RMLD engineers prepared and provided the system modeling for the consulting firm (PSE) to minimize the cost of the study. The information was integrated into the study. Specific information such as system impedance, voltage, wire sizes, and identification of protective devices were provided to a highly sophisticated software system to conduct the study.

As a result of the study, a heat index map (*Slide 8*) was created for every feeder or circuit systemwide. These maps are updated every six months and require a few hours of PSE consultant time for their updating. Solar Capacity Results (*Slide 9*) represents a detailed analysis performed by RMLD for the addition of solar capacity within the system parameters.

The system limitations or capacity limitations (*Slide 10*) are the shared responsibility between RMLD and its customers. Customers should contact the RMLD with the design and installation, which includes a smart inverter. The smart inverter can control the power flow, reverse the power flow, and regulate the voltage. The goal is not to compromise reliability and system protection. It is strongly suggested that customers contact the RMLD prior to purchasing or installing a solar system to determine what the limitations are beforehand. The customer can store excess through battery storage as well. In addition, customers can participate in RMLD's peak shaving program.

Mr. Jaffari reviewed RMLD's Business Process (*Slide 11*) that begins with the customer request to add solar/battery to RMLD's distribution system. Customers should contact RMLD to see if there are any system capacity limitations before they make any economic investments. RMLD does explore the possibility of opening up capacity, but in some cases, it is not a viable option.

Mr. Jaffari noted that the RMLD Electric Service Requirements Handbook was updated in 2021. It can be found on RMLD's website and outlines customers' responsibilities and requirements. The requirements and restrictions that apply to distributed generation installations are found in Section 13.1 on page 44, "Customer-Owned Generation Requirements."

Mr. Hooper asked if the solar guidelines apply to residential customers as well as business. Mr. Jaffari responded it is for residential, commercial, and industrial customers - anyone who is considering installing solar.

Mr. Soni stated that it was an excellent report, noting anything over 150kW needs a special evaluation; what is the timeline to get feedback? Mr. Jaffari responded the turnaround time is approximately two weeks.

5. Financial Report: December Financials (Unaudited Draft) – W. Markiewicz,  
Director of Business and Finance  
Materials: *Financial Review (Unaudited Draft) Presentation Slides*

Ms. Markiewicz reported on the timeline for the audit schedule; the audit will most likely be presented to the Audit Committee in May. The draft audit findings are presented to the Audit Committee, the Audit Committee makes a recommendation to the Board of

Commissioners, and then the Board of Commissioners accepts the audit. After the Board of Commissioners accepts the audit, the final financial statements can be released to the public.

Ms. Markiewicz began her presentation of the unaudited draft of the financials for calendar year 2020. Regarding the accounts receivable, due to COVID, the focus is RMLD's ongoing relationship with its customers; by affording them some leeway and extending any type of services to provide further assistance. The receivables dipped in June and October due to COVID. Currently, RMLD is back to 96.5%, 90 days current.

Ms. Markiewicz then reported on the depreciation reserve compared to capital spending. RMLD has been consistently spending more money on capital improvements for the safety and reliability of its capital infrastructure. In CY 20, about \$7.3 million represents capital spending, whereas operations and maintenance expenses are under budget by approximately \$1.1 million mainly because of COVID.

Ms. Markiewicz highlighted the budget to actual balances, pointing out RMLD uses FERC numbers for its accounting. Operations and maintenance were under budget based on the following: vacancies in multiple areas due to talent pool, retirees, and resignations resulting in decreased spending. In addition, due to COVID, the tree trimming program (halted or decreased), education and training programs were either cancelled or diminished causing less spending.

Unforeseen events caused an increase in spending such as the sick buyback payouts. RMLD now offers employees the opportunity to buy out their sick time that follows strict guidelines set in place. Quite a few employees took advantage of this option. This year, the liability has decreased, which is positive for RMLD. The RMLD also had to spend funds on necessary roof repairs. Funds were also spent on the security monitoring measures for IT infrastructure due to the ransomware intrusion.

Ms. O'Brien added that the DPU requires the RMLD, as a minimum, to invest the depreciation amount into the system. A Convergence Study was performed in May 2018 (found on RMLD's website). For a system of RMLD's size, the target should be about \$8 million annually. RMLD uses the depreciation fund and a transfer from the operating fund for capital projects.

Chair Small asked if there were any questions, there were no respondents.

#### 6. Scheduling – J. Small, Chair

The next CAB meeting was scheduled for April 22, 2021. Mr. Hooper will cover the April BOC meeting.

#### 7. Adjournment – J. Small, Chair

Mr. Hooper made a motion seconded by Mr. Soni that the Citizens' Advisory Board adjourn regular session. Motion carried 4:0:1 (4 in favor, 0 opposed, 1 absent) by a roll call vote of those present. Mr. Soni, aye; Mr. Hooper, aye; Mr. Kelley, aye; and Chair Small, aye.

The CAB meeting adjourned at 7:10 PM.

As approved on November 17, 2021.