



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-02-24

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:

RMLD Board of Commissioners: Mr. Robert Coulter, Mr. Philip B. Pacino, Mr. David Talbot

Staff: Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Joyce Mulvaney, Mr. Thomas Ollila, Mr. Gregory Phipps, Ms. Margaret Quigley, Ms. Kathleen Rybak, Mr. Charles Underhill

Guests/Presenters: Ms. Catherine Veschi, Great Blue; Mr. Christopher Pollart, KP Law; Mr. David Camardese, NextEra; Ms. Melva Deshmukh, NextEra

Public: Mr. Michael Carpenter, Reading; Mr. Robert Connor, Reading; Mr. John Rogers, North Reading; Mr. James Satterthwaite, Reading

Minutes Respectfully Submitted By: Mr. George Hooper, Secretary *George Hooper*

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 Regular Session Meeting to Order – J. Small, Chair

Chair Small called the meeting of the Citizens' Advisory Board to order at 6:03 PM and noted the meeting was being audio recorded.

2. Customer Survey: Residential & Commercial – C. Veschi, Project Manager,
GreatBlue Research

Materials: *Customer Satisfaction Survey – (Presentation Slides)*

Chair Small introduced Ms. Catherine Veschi from GreatBlue Research. Ms. Veschi reported that GreatBlue Research performed RMLD's 2020 Customer Satisfaction Survey. They are a marketing research company that works with utilities, specifically utilities in Massachusetts. Ms. Veschi stated that the goal of the project was to conduct research, for both residential and commercial customers, to identify any strengths and weaknesses, thus, driving customer satisfaction even further. Telephone and digital survey methodologies were utilized. Ms. Veschi discussed the material found in her presentation.

Mr. Kelley commented the presentation findings were informative. Mr. Hooper added that there was a lot of information, but not surprised by the outcome.

Ms. Veschi stated that the outcomes resulted in very positive ratings across the board. If anything, she suggests RMLD bringing more awareness and education on the programs offered by RMLD.

Discussion followed on the question in the survey related to customers' willingness to pay more to support RMLD green initiatives as demonstrated on slides 25 and 26.

The Customer Satisfaction Survey results will be posted on the RMLD's website, and a press release will be put out providing this update.

Chair Small asked if there were any other questions; there were none. Chair Small thanked Ms. Veschi for an excellent presentation.

3. Policy 30 Discussion – G. Phipps, Assistant Director of Integrated Resources
Materials: *RMLD Policy 30 Update BOC/CAB Discussion - (Presentation Slides)*

Mr. Phipps provided context for following Policy 30 Discussion. Materials: *RMLD Policy 30 Update, (Slide 3, Context Update)*

- The process of buying power aligns with RMLD's mission (excellent customer service, competitively priced, system reliability).
- Current Policy 30 Revision, Revision 0 addressed renewable energy goals of sustainability, and renewability, not RECs. An update being proposed is called Revision 1.

Mr. Phipps reported on the RMLD Power Supply 2030, which reflects a ten-year snapshot (2020-2030). Materials: *RMLD Policy 30 Update, (Slide 4, RMLD Power Supply 2030)*

- RMLD certificate portfolio is comprised of associated certificates, that is certificates are purchased with the power rather than purchased on the open market (papering over).
- The gold line that goes across the snapshot is what the Roadmap 2050 target would look like, if RMLD incrementally increases certificate retirement each year to reach the 2030 legislation mandate of 50%, so that RMLD does not incur any rate shocks on ratepayers.
- RMLD has historically and continues to purchase associated RECs. RMLD is going to do its best to buy either refurbished or new renewable generation assets where there is an associated certificate.
- The RMLD also manages risk by purchasing energy from a variety of asset types such as solar, wind, hydro, and nuclear.

Mr. Phipps reported on new legislation. Materials: *RMLD Policy 30 Update, (Slide 5, Legislation RMLD Must Comply)*

- RMLD must comply with the new legislation. The first time in history that compliance is required on MLP power purchases. Although not in place today, RMLD is working under the assumption that it will need to comply with this new legislation.
- The legislation sets minimum percentage of non-carbon emitting energy sales in 2030, 2040, and 2050. Non-carbon is a different metric compared to the renewable metric of the past. The Policy 30 update recommendations reflects this new metric of non-carbon.
- MLP's have the option to purchase or generate the non-carbon energy that they sell to their ratepayers.
- Retiring non-carbon certificates is the compliance metric.
- Legislation mandates annual compliance reporting to the MA DOER. RMLD intends to be fully compliant, but if the RMLD is not compliant then there is a financial penalty.

Mr. Phipps then addressed the Incremental Compliance Cost Materials: *RMLD Policy 30 Update, (Slides 6 and 7, Incremental Compliance Cost and Impact)*

- The incremental cost of non-carbon compliance would be \$300,000 to \$400,000 each year.
- The projected rate increases prior to non-carbon compliance would be 2.5%, 3.5%, 1.5% and 1.5% respectively.
- If RMLD attempts RPS/CES compliance, it would cost ratepayers an additional \$6.3 million a year, excluding any other rate impacts. If you look at RMLD's total operating budget, that reflects approximately a 6.8% each year for RPS/CES compliance, above the anticipated annual base rate increases.

Mr. Phipps presented the Policy 30 Rev 1 elements. Materials: *RMLD Policy 30 Update, (Slide 8, Policy 30 Rev 1 – Elements)*

- The RMLD shall comply with all applicable law pertaining to renewable and Green House Gas reduction power procurement requirements.
- RMLD shall develop the Renewable Choice Program, as an option available to all ratepayers. The customer survey results showed that there are certain ratepayers on both the commercial and residential side that want to pay a premium for a higher level of individual account certificate retirements.
- RMLD must balance customer priorities and franchise obligations with compliance to all applicable laws and regulations.
- The RMLD may retire or sell certificates to meet compliance obligations.
- From time to time, the RMLD and RMLD Board will review this policy.

Mr. Rogers stated that there is a line in the Policy that says the General Manager may sell or retain RECs. He is unsure what the intent is. It seems like there should be a clause in there that says "in excess of anything needed" to meet this policy, because he presented to the Board two months ago about the RECs. He wanted to make sure that the CAB is completely clear on this. If you do not have the renewable energy credits, you no longer have the renewable energy. You cannot claim the renewable energy, that is clear and in regulations, the Attorney General of Massachusetts, that is the federal government speaking, if you don't have the renewable energy credits, you don't have the renewable energy. He does not know how to say it any more clearly than that he provided the same presentation to the Board and would come back to do it for the CAB if that is helpful. Maybe that clause should say "in excess of anything that is needed." Now, of course, there aren't annual targets in that policy. He does not know what that means for the intervening years. He appreciated what Mr. Phipps said about wanting to keep this stepping up. But if you sold off the RECs in all those intervening years, you're going to get that rate shock that Mr. Phipps and Ms. O'Brien are trying so hard to avoid. If the intent is to sell only excess RECs above that line that Mr. Phipps has sketched out, that seems fine, but the policy doesn't read that way. Right now, it seems like you can sell. Obviously, if the roadmap becomes law, that won't be an option, RMLD wants to get the policy right, regardless of what Beacon Hill does, whenever they do it.

Ms. O'Brien noted that the line that Mr. Phipps showed in order not to create rate shock is the intended policy. The motion can be made with an agreement that RMLD retire certificates to meet the Roadmap 2050 targets and have the option to sell above the annualized line. Messrs. Underhill and Phipps agreed.

Chair Small polled to see if there was any other public comment, there were no respondents. Chair Small stated that he would entertain a motion.

Mr. Hooper made a **motion**, seconded by Mr. Kelley, that the Citizens' Advisory Board recommend that the Board of Commissioners vote to approve Policy 30 under the recommendation of the General Manager.

Chair Small asked if the CAB would like to add language to the motion to follow the Roadmap 2050 line when RMLD sells off excess (RECs). Mr. Hooper stated that he would stay with the motion as read. Ms. O'Brien noted (in response to Chair Small's suggested language change) that the existing language incorporates that.

Chair Small asked for a roll call vote. **Motion carried** 3:1:1 (3 in favor, 1 opposed, 1 absent) by roll call vote of those present: Mr. Hooper, aye; Mr. Kelley, aye; Mr. Soni, nay; Chair Small aye. Mr. Markey was not present.

Mr. Hooper made a **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board recommend to the Board of Commissioners to vote to approve the exclusion of future biomass as an acceptable renewable or greenhouse gas reduction resource for the generation under Policy 30. **Motion carried** 4:0:1 (4 in favor, 0 opposed, 1 absent) by roll call vote of those present: Mr. Hooper, aye; Mr. Kelley, aye; Mr. Soni, aye; Chair Small aye. Mr. Markey was not present.

4. Scheduling: CAB Meetings & Coverage for Commissioners Meetings – J. Small, Chair

The March CAB meeting was tentatively scheduled for March 18, 2021, pending confirmation of the Board of Commissioners meeting date. CAB coverage will be determined once the meeting date is confirmed.

Ms. O'Brien confirmed (relative to Policy 30) that RMLD will add "incremental annual increases" (certificate requirements).

Mr. Soni noted that he would like to add language relative to regular review of the Policy (i.e., within three years). Chair Small noted that this is a Board of Commissioners policy, but that the CAB could make a recommendation. Chair Small asked if there was any objection to making that recommendation to the Board of Commissioners. Mr. Hooper noted that there were Commissioners present at the (CAB) meeting who had heard the discussion relative to the recommendation. There was no objection from the CAB members present.

5. Executive Session – J. Small, Chair

At 7:19 PM Mr. Hooper made a **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board 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 discuss competitively sensitive issues regarding power supply and land purchase and return to regular session for the sole purpose of adjournment.

Motion carried 4:0:1 (4 in favor, 0 opposed, 1 absent) by a roll vote of those present. George Hooper, aye; Dennis Kelley, aye; Vivek Soni, aye; Chair Small aye.

6. Adjournment – J. Small, Chair

Mr. Hooper made a motion seconded by Mr. Soni. Motion carried 4:0:1 (4 in favor, 0 opposed, 1 absent) by a roll vote of those present. George Hooper, aye; Vivek Soni, aye; Chair Small aye; and Dennis Kelley, aye.

The CAB meeting adjourned at 7:21 PM.

As approved on December 20, 2021.