

**CITIZENS' ADVISORY BOARD (CAB)
MEETING MINUTES
REGULAR SESSION**

TIME: 7:00 P.M.
DATE: Wednesday, May 18, 2011
PLACE: Reading Municipal Light Department (RMLD) 230 Ash Street, Reading, MA Spurr/AV Room
PRESENT: CAB: A. Carakatsane, Chairman (Lynnfield), G. Hooper (Wilmington), T. Ollila (Wilmington), T. Capobianco (Reading)
RMLD Board: R. Hahn
RMLD Staff: V. Cameron, J. Parenteau, Bill Seldon, J. Carpenter, P. O'Leary
Absent: J. Norton (North Reading)

1. Call Meeting to Order – A. Carakatsane, Chairman

Chairman Carakatsane called the meeting to order at 7:04 P.M.

2. Power Supply Strategy

Mr. Cameron stated that there are two things in Power Supply 1) a Long Term Contract to discuss in Executive Session; and 2) the Annual RFP to discuss in Open Session.

3. Executive Session

Mr. Hooper made the following motion seconded by Mr. Capobianco:

MOVE that the CAB go into Executive Session based on Chapter 164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss power supply strategy, approve minutes, and return to regular session.

Motion carried: 4:0:0. Mr. Capobianco-Aye; Mr. Ollila-Aye; Mr. Carakatsane-Aye; Mr. Hooper-Aye.
(Mr. Norton was absent)

Note: Regular Session re-convened at 7:25 P.M.

4. Annual RFP – V. Cameron, J. Parenteau

Ms. Parenteau explained to new CAB members the Energy Services Division's (ESD's) development of RMLD's Strategic Power Supply Plan in 2007 by using a laddering and layering approach and also having a portion of RMLD's power supply in the spot market (buying from the ISO-Independent Systems Operators), which benefits the RMLD during low gas price periods. She noted it was RMLD's fifth year using this process. She stated that there is diversity within power suppliers as well as type of contracts. ESD looks for two types of pricing: Fixed and Heat Rate Index.

Ms. Parenteau referred to an attached graph (RMLD Proposed Power Contract Timeline 2012-2015) and explained. She noted that the electricity market has changed considerable over the past ten years.

Mr. Capobianco asked what percentage of the portfolio is on the spot market. Ms. Parenteau replied on average 20% with summer and winter running 10-15% and March, April, September, and October about 25%.

Discussion ensued.

Mr. Hooper made the following motion seconded by Mr. Ollila:

MOVE that the Reading Municipal Light Department Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners to authorize the General Manager to execute one or more Power Supply Agreements in accordance with the RMLD's Strategic Power Supply Plan for power supply purchases for a period not to exceed 2012 through 2015 and in amounts not to exceed 22.050 MW in 2012, 16.750 MW in 2013, 17.600 MW in 2014, and 15.925 MW in 2015 as presented by the General Manager and Staff.

Mr. Carakatsane asked Mr. Hahn if the RMLD Power and Rate Committee had discussed it yet. Mr. Hahn replied yes, and the Committee will be recommending it to the full board who will act on it on May 25, 2011.

Motion carried unanimously with those present: 4:0:0.

5. Street Light Rates – V. Cameron

Mr. Cameron explained that when the Cost of Service Study was done last year, some rates were over collected, and as a result those rates remained the same. Mr. Cameron was asked to specifically look at the streetlight rate. He gathered data and asked what would it cost to replace all the streetlights on the system now? He then asked what would it look like if he took the maintenance cost and apportioned that cost over all the street light rates? After analyzing the data, he came out with a replacement cost rate for the streetlights, which was substantially lower than the rate that the streetlight customers are paying now. Mr. Cameron's recommendation is to change the rate from the existing rate to the proposed rate (a closer cost of service figure). This will decrease the revenues that the RMLD will get from the streetlights, approximately \$330,000, and lower the streetlight expenses in all four towns and the private streetlights.

Mr. Hahn noted that the Power and Rate Committee accepted the proposed rate by a vote of 2:1.

Discussion ensued.

Mr. Capobianco asked if there were any LED streetlights. Mr. Cameron stated no, and believed the LED's are still being tested for streetlights.

Mr. Hooper made the following motion seconded by Mr. Ollila:

MOVE that the Reading Municipal Light Department Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners the adoption of the streetlight rate as proposed by the General Manager and staff.

Motion carried unanimously with those present: 4:0:0. (Mr. Norton was absent.)

6. Commercial C Rate (Change in the Contract Demand on-Peak and Off Peak rates) – V. Cameron

Mr. Cameron stated that when the RMLD changed the Industrial and Residential Time-of-Use (TOU) rates, the optional contract demand rate, which is included in the Commercial C Rate was overlooked. The rate was changed to match what the industrial on peak and off peak rates are and the hours were changed. If accepted by the RMLD Board, the rate would be filed on June 1, 2013.

Mr. Hahn noted that the Power and Rate Committee will recommend the rate to the RMLD Board by a vote of 2:1.

Mr. Hooper made the following motion seconded by Mr. Ollila:

MOVE that the Reading Municipal Light Department Citizens' Advisory Board (CAB) recommend to the RMLD Board of Commissioners the adoption of the Commercial C rate changes as presented by the General Manager and staff.

Motion carried unanimously 4:0:0. (Mr. Norton was absent.)

7. Net Metering (Technical and Rate guidelines for customer owned generation) – V. Cameron

Mr. Hahn noted that members of the Power and Rate Committee felt the language in some of the sections needs to be clarified, and asked the General Manager to have it reviewed once again and take it up again. The Committee did not vote on it. Mr. Cameron will bring it back after legal review.

Discussion ensued.

NOTE: No action was taken. Item will be taken up at a future meeting after clarification.

8. Green Choice Program – Next Phase – V. Cameron. W. Seldon

Mr. Seldon explained that the Green Choice Program, which began in 2005, is still in effect. It allows a customer the ability to buy into renewable energy certificates (RECs). The Department goes out at the end of the year after the money is collected and retires a block of certificates. Since the program began, roughly 250 customers participate. It collects about \$15,000 annually. It allows the customers to do something green; however, now that the RMLD has purchased into the Concord Steam project and the Swift River projects, the RMLD has renewable projects that are in its portfolio that all the ratepayers pay for, and the amount of RECs that RMLD is going to be able to retire through those projects more than satisfies the need for the Green Choice Program. The ESD is trying to come up with a renewable project, probably local, for people that are still interested in keeping a local renewable energy project going that RMLD can offer them. He added that ESD hopes to have in the near future a menu of projects to present to the Board and the CAB to satisfy that type of need.

Ms. Parenteau stated that ESD would like to get a sense of the Board and the CAB if the program should be phased out and what the Boards think customers would be interested in (possibly something tangible in the service territory). It would be something contributing to the green renewable direction that the Board and CAB wants the Department to go in. ESD would do its own brainstorming and come up with options.

Discussion ensued.

Mr. Capobianco asked what it meant to retire RECs.

Mr. Seldon responded that in any renewable project one of the ancillaries of that project, which makes it more cost competitive, are RECs. Most of the IOU's in New England and definitely Massachusetts are required to have a certain percentage within their portfolio. As a municipal, RMLD is not required to have them. He added that some people purchase and then sell them on the market as a commodity. The RMLD retires its recs from the Green Choice Program.

Discussion ensued.

9. Other Items for Discussion

NEPPA Key Issues at Legislative Rally – A. Carakatsane

Mr. Carakatsane highlighted events of this year's rally, where groups met with various Congressman and staff to discuss public power issues.

NEPPA Conference

Ms. O'Leary reminded members to make room reservations sooner rather than later. Mr. Carakatsane, Mr. Hooper, and Mr. Ollila will attend.

10. Schedule Next Meeting


To be determined.

11. Adjournment

A motion was made at 8:27 P.M. by Mr. Hooper and seconded by Mr. Ollila to adjourn the meeting.

Motion carried unanimously with those present: 4:0:0.

Respectfully submitted,



George Hooper

/pmo

Minutes approved on: 5/15/2013