



## Town of Reading Meeting Minutes

2016-09-22 LAG

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2022-09-15

Time: 6:00 PM

Building: Reading Municipal Light Building

Location:  
General Managers Conference Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version: Final

### Attendees: **Members - Present:**

Mr. Jason Small, Chair (North Reading); Mr. George Hooper (Wilmington);  
Mr. Dennis Kelley (Wilmington); Mr. Ken Welter (Lynnfield).

Remote Participants: Mr. Vivek Soni, Vice Chair (Reading).

### **Members - Not Present:**

### **Others Present:**

Staff: Mr. Gregory Phipps, Interim General Manager; Mr. Hamid Jaffari,  
Director of Engineering & Operations; Ms. Kathleen Rybak, Operational  
Assistant.

RMLD Board of Commissioners Representative: Mr. David Talbot, RMLD  
Board of Commissioners.

**Minutes Respectfully Submitted By:** Vivek Soni, Chair *Vivek Soni* Jul 24, 2023  
Vivek Soni (Jul 24, 2023 11:48 EDT)

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### **Topics of Discussion:**

#### **Call Meeting to Order**

Chair Small called the meeting of the Citizens' Advisory Board (CAB) to order at 6:00 PM and noted the meeting was being audio recorded. Chair Small asked members participating remotely to state their names. Mr. Soni affirmed his participation remotely.

#### **Approval of Minutes**

The January 20<sup>th</sup> and February 24<sup>th</sup>, 2022, CAB minutes were approved as presented.

Mr. Hooper made a **motion**, seconded by Mr. Kelley, to approve the minutes of the January 20, 2022, and February 24, 2022, meetings as written. **Motion carried:** 4:0:0:1 (4 in favor, 0 opposed, 1 abstained, 0 absent). *Roll Call: Chair Small, Aye; Vice Chair Soni, Aye; Mr. Hooper, Aye; Mr. Kelley, Aye; Mr. Welter, Abstained.*

#### **Interim General Manager's Report**

Gregory Phipps, Interim General Manager, provided an update to the CAB.

*Materials: Interim General Manager Update, presentation slides dated September 15, 2022; Communications Update (separate attachment).*

Talent Acquisition and Development (slide 3): Mr. Phipps provided an update on staffing changes and noted that between July 1 and September, RMLD will have completed six

internal staffing changes, and 13 new hires. Individuals are being promoted and moved within the organization to areas where they have expressed interest and are better suited.

Mr. Phipps highlighted the changes and recruitment efforts as outline on slide 3.

Mr. Welter asked about the new Director of Finance and Accounting. Mr. Phipps provided a review of the candidate's background, which includes municipal experience, but not Municipal Light Plant (MLP) experience; he has a strong finance background, which is important going forward as RMLD pursues more investments in assets particularly (in territory) generation assets.

The IRA (Inflation Reduction Act) will allow for MLPs in the clean energy space, to participate (as not-for profit entities) in new grant programs and tax credits. The production tax credits also have some benefits so that when RMLD produces energy there will be some additional advantages versus investment tax credits which typically are lower but are all up front.

Team Management/leadership (slide 4): Mr. Phipps provided a brief update on the external salary survey, the employee survey, and the flex time program.

Mr. Kelley asked if the flex time program applied to only office staff. Mr. Jaffari responded that as of now it is just office, but RMLD is working on a plan for operations to participate in the program.

Mr. Hooper noted that the flex time would have to be negotiated. Mr. Phipps reiterated that this is why the RMLD is doing a pilot program right now, with no long-term commitments. The intention is to pilot across the entire organization.

Summer Internship Program (slide 5): RMLD's Summer Intern Program was revived this year, involving three students from Merrimack College (Electrical Engineering), Endicott College (Data Science), and Colby College (Environmental Sciences).

The main goal of the program was to introduce the interns to RMLD and spread the good news of the exciting aspects of the energy sector. The interns had a positive experience and contributed to various projects, such as air source heat pump load analysis.

Mr. Kelley asked if the interns would return for the winter. Mr. Phipps responded that one of the interns may return during his winter break depending on their availability. RMLD plans to participate in college fair days in the fall and spring. RMLD would welcome any of these interns back, seeing the program as a success and a good early-career energy source for the organization.

RMLD Payment Aging (slide 6): Historically, the electricity industry was regional, but it has now become international, with global events impacting local operations. There are concerns about people's ability to pay their energy bills, particularly in Europe.

Despite global market volatility, RMLD has maintained a 98% payment rate within 90 days. For those struggling to pay, RMLD offers assistance programs, and there are additional local resources such as the Good Neighbor Energy Program and local church and charity services. RMLD encourages timely payments through a 15% prompt payment discount.

Joint Economic Development (slide 7): Mr. Phipps discussed the town of Reading's interest in developing a triangular site bordered by the railroad tracks and Ash Street. The historic Station 1 building on the site will not be demolished but repurposed. RMLD is considering encouraging a new use for this site, which might involve constructing a multi-story building for operations while supporting the town's other development plans. This objection with the Town of Reading is long-term and RMLD will proactively support and participate.

Upcoming Events (Communications Update): After a two-year break due to COVID-19,

Public Power Week will be hosted in-person. RMLD will also host a neighborhood-focused meeting about the redevelopment site, organized by the town of Reading. RMLD has participated in several other local events, including the Reading town fair and a car show in August as part of the Wilmington Farmers Market. A Heat Pump Q&A webinar has led to an increase in heat pump inquiries.

Communications Efforts: The new Communications Manager has improved RMLD's social media presence, which is key for enhancing communication with the public.

Staffing Moves: In response to Mr. Soni's question about internal staffing moves, Mr. Phipps explained that one individual was a lateral move, and the rest were promotions. The main theme is to encourage the teams by awarding promotions where appropriate or where there is an interest in working in a slightly different department. The intention is for RMLD to become a vibrant dynamic place where people can grow.

### **Integrated Resources Report**

Mr. Phipps presented the integrated resources report to the CAB.

*Materials: Integrated Resources Report, presentation slides dated September 15, 2022*

Power Supply Costs (slide 3): 70% of RMLD's cost structure is attributed to power supply. Current international upward price pressures are affecting the local market due to the interconnectedness of the energy industry.

Hedged Positions (slide 3): RMLD maintains a good, hedged position for 2023 (85%) and 2024 (83%), with efforts ongoing since December to move the position closer to 90%.

Contract Opportunities (slide 3): While current opportunities for additional contracts are limited, efforts are ongoing to secure new ones. There is a proposed contract from Dominion's facility in Connecticut, but due to it being just above the forward price curve, RMLD will not proceed.

Nuclear Position (slide 3): RMLD maintains a balanced nuclear energy supply, roughly 2/3 from Seabrook and 1/3 from Millstone, to manage price and supply risks.

Transaction Facility Agreements (TFAs) (slide 3): TFA, introduced five years ago, have been less effective in the current market condition. The existing TFA contract expires at the end of the year, and no decision to extend it has been made yet.

In response to Mr. Welter's request for further explanation, Mr. Phipps said that TFAs allow RMLD to fill different pockets of blocks of energy based on either open position or favorable pricing. Currently, the mechanism doesn't work well for RMLD, but the team is working with them to try and figure out a mechanism that would be advantageous for RMLD customers.

Hydro Quebec (slide 3): RMLD has made good progress. While RMLD operates independently, it also has a strong partnership with Energy New England (ENE). In this case, RMLD is allowing ENE to take the initiative.

RMLD has rights to the transmission line from Canada but currently lacks a generation contract to supply that line. The intention is to commence feeding the line with Canadian power from January 2024. Final decisions will be made based on the prices and the hydroelectric power's certificate status.

Load Following Program with NextEra (slide 3): Analysis has been conducted over the past eight weeks regarding a load following program with NextEra.

Power Supply Opportunities (slide 3): RMLD has been actively exploring alternatives for power supply, though these need to be economically viable before being presented for

approval. Several interesting prospects are expected to be discussed in the future.

Hydro Quebec Pricing (slide 3): In response to Mr. Welter's inquiry, Mr. Phipps explained that there's an ongoing discussion about Hydro Quebec's pricing scheme, which could involve an exchange rate due to the international nature of the contract. Pricing is likely to be based on the forward price curve, potentially with certificates or long-term contracts at discounted rates.

Price Curve (slide 4): The current price curve for energy is significantly elevated and is expected to fluctuate in the near future.

Load Purchases and Contracts (slide 4): Total load purchases are just under 700,000 megawatt hours, with contracts approved or pending approval accounting for 100,000 megawatt hours.

Connecticut Hydro Project (slide 5): Falls Village, a smaller hydro project (9 MW) based on the Housatonic River, generating about 38,000 megawatt-hours, is under consideration. It's a 15-year contract, with RMLD taking 100% of the output and all certificates. The contract is typically priced for hydro. The project's productivity can vary based on water levels, especially during dry periods.

Mr. Welter asked about the output of the project, clarifying that 38,000 megawatt-hours is about 40% of continuous generation at 9 MWs.

Mr. Welter asked about the potential variables affecting the project. Mr. Phipps responded that the only variable is that when it gets very dry, the water levels can get low and associated generation decrease.

Renewable Energy Portfolio (slide 5): The hydro project fits well with solar, as the former can run 24/7 and the latter performs best in the afternoon. A mix of hydro and solar provides a balance in the portfolio.

Enterprise Data Position (slide 5): On a related topic, a new director-level role on the RMLD management team is to be created to handle the organization's increasing data needs, particularly regarding meter and load data, network data, pricing, and asset development.

Connecticut Class One Certificates (slide 5): The contract includes Mass Class 1 Certificates. RMLD's current policy is to retire the least expensive certificates and sell the most expensive ones. Due to increasing prices and volume, certificate sales will increase to around \$3.5 million in 2023. The goal is to retire 50% of certificates by 2030, 75% by 2040, and achieve net-zero by 2050.

Mr. Welter asked if there are any minimum performance requirements on the contract. Mr. Phipps responded no; it's run of the river.

Mr. Welter asked if the contract is replacing any expiring hydro contracts. Mr. Phipps confirmed that the new hydro project will help fill in an expiring Eagle Creek contract.

Mr. Hooper made the **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board recommend that the Board of Commissioners vote to accept the Interim General Manager's recommendation to execute a contract with FirstLight Power for energy, including associated certificates, from an existing hydro facility in Connecticut, contingent on appropriate environmental justice due diligence. **Motion carried:** 5:0:0:0 (5 in favor, 0 opposed, 0 abstained, 0 absent). *Roll Call: Chair Small, Aye; Vice Chair Soni, Aye; Mr. Hooper, Aye; Mr. Kelley, Aye; Mr. Welter, Aye.*

Preliminary Power Supply Budget (slide 6): The significant changes occurred in the 2021-2022 actuals, already reflected in customer bills. While there is still upward pressure for

2023, it's expected to be less severe. More accurate numbers will be provided next month for capital and operating budget approval. Mr. Phipps said the strategic work done over the past years is producing positive results.

NEPPA Conference Key Themes: Although a detailed discussion on the NEPPA conference was deferred to later in the meeting, Mr. Phipps pointed out the useful slides summarizing key takeaways. Major themes included storage-related matters, decentralization, digitalization, and decarbonization. The presentations are available on the NEPPA site for those interested.

## **Engineering and Operations Report**

Mr. Jaffari provided an engineering and operations report to the CAB.

*Materials: Reliability Report, presentation slides dated September 2022*

Components of Good Reliability System (slide 2): Mr. Jaffari outlined the four components for a reliable system, which include a sound maintenance program, effective outage management strategy, proper system planning, and a robust system automation plan. He indicated that the organization already has these components and is proactively staying ahead of the game.

RMLD System Reliability (slide 2): RMLD's system reliability is strong and fares well when compared to other utilities in the Northeast.

RMLD's Maintenance Programs (slide 3): Mr. Jaffari provided an overview of RMLD's various maintenance programs, noting that they are monitored and progressing well. These programs, which are either monthly, quarterly, or annually maintained, ensure that the system stays proactive and ready.

RMLD Reliability Indices as of August 31, 2022 (slide 4): Mr. Jaffari presented the reliability indices, which revealed the system's health. The indices were well below both the national and regional averages, despite some outages.

Outage Statistics as of August 31, 2022 (slide 5): Mr. Jaffari noted an increase in the average customer interruption duration index this year, which currently stands at 112 minutes. A root cause analysis is being conducted to identify contributing factors.

RMLD Outage Causes as of August 31, 2022 (slide 6): Equipment failures, trees, and wildlife were the leading causes of outages, with trees being a common denominator in most failures. Tree growth during droughts led to equipment damage and facilitated wildlife contact with energized parts.

Transformer Replacement Program (slide 7): Due to supply chain disruptions, the replacement program for aged transformers was slowed down, contributing to equipment failure. This year, approximately 40 transformers were replaced, a sharp decline from the average of 100 per year.

Wildlife Protection Strategies (slide 7): Mr. Jaffari mentioned the installation of protective guards to prevent wildlife from making contact with energized parts. RMLD still uses standard wildlife protectors in line with national industry standards. However, increased wildlife adaptability is prompting a search for additional protective measures.

Tree Trimming Facts (slide 7): Due to a reclassification of tree trimmers as laborers, resulting in higher prevailing wages, RMLD's tree trimming budget for 2022 was almost halved compared to previous years.

New Outage Reduction Strategy (slide 7): To address the resulting budget constraint and reduce outages, a new strategy was proposed: the tree trimming budget will be doubled for

2023. The aim is to expand from one tree trimming crew servicing all four towns to four crews, one for each town.

The crews have been tasked with prioritizing the identification of diseased or split trees that pose a threat to power lines due to drought. Actions to expedite tree trimming and remove hazardous limbs or trees will be implemented once these trees are identified.

Supply Chain and Inventory: The inventory for maintenance and capital projects is being increased with more transformers and cables. Additional protective guards are being sought to prevent animal contact with energized parts. As part of the new strategy, fiberglass cross arms will replace wooden ones to prevent failures during storms.

Customer average outages, caused by tree damage on transformers and animal contact, will be addressed. The cost implication of these changes will be covered in the operational budget and capital improvements budget discussions.

Discussion on Integrated Vegetation Management Plan (IVMP) (slide 8): An Integrated Vegetation Management Plan (IVMP) is in place. This requires approval from the tree warden and town for vegetation management and tree trimming. The benefits of IVMP include keeping trees healthy, increasing reliability, reducing outages, providing ecological benefits, and reducing customer calls.

Mr. Hooper asked if RMLD is in contact with the Towns' tree wardens. Mr. Jafari confirmed RMLD communicates with the tree wardens in each community. A plan is presented to the warden before work commences and the locations for tree trimming are posted on the website monthly. A meeting with the town of Reading is scheduled for next week to address any issues and obtain approval for the IVMP.

Tree Trimming Methods (slide 7): Mr. Jaffari discussed the implementation of a mechanical method to cut trees, replacing any chemical spraying, apart from specific cases such as poison ivy where permits are obtained from the conservation commission to use EPA-approved agents.

Managing the assets and having a good IVMP program in place is going to reduce costs, allowing RMLD to keep the rates low and the reliability high.

## **2022 NEPPA Annual Conference**

Mr. Phipps reported on the 2022 NEPPA Annual Conference.

NEPPA Conference Summary: Mr. Phipps mentioned that the "Rush" speech was particularly comprehensive and advised members to read it for a deeper understanding.

Mr. Soni added that the Hyland talk was also cited as insightful, especially in terms of exercising caution when owning EV charging assets in the community.

At this point, Mr. Phipps left the meeting.

Mr. Soni's Experience at the NEPPA Conference: Mr. Soni shared positive feedback on the conference, particularly appreciating Kelly Detwiler's talk and Kelly's support for MLPs.

Mr. Soni mentioned that Kelly Detwiler suggested that heating loads may surpass EVs in future energy needs, given their predictability and likely greater magnitude.

Mr. Soni discussed EV charging units and noted a challenge mentioned in the Hyland presentation. A key takeaway was that "utilities need to be careful about owning EV charging for the community. Offer to work with others, do not own in the near term unless the business model makes sense."

Mr. Soni shared his perspective on home charging being the primary mode for most EV users currently, given the slow charging speed. Mr. Soni questioned the profitability of community charging systems.

Mr. Soni also shared his insights on long-duration storage. He suggested considering the proper duration for our context, mentioning Form Energy's push for 100 hours may not be universally appropriate. He proposed becoming comfortable with 8-10 hours before transitioning to longer durations.

Chair Small agreed with Mr. Soni's thoughts on long-duration batteries, mentioning that they are still in the testing phase and a few years away from market readiness.

Mr. Soni and Chair Small discussed a presentation on fusion generation, which is still in the prototype phase.

Modular Nuclear: Chair Small clarified that discussions on modular nuclear took place during a previous year's conference, in response to KW's inquiry.

EV Charging: Mr. Welter found the EV charging talk by Mike Hyland noteworthy. He pointed out that in the community, usage isn't as high unless the charging stations are strategically located. Mr. Welter highlighted Mike's observations on high-rate chargers, where batteries can't fully utilize the charging rate and tend to level off after a certain point.

Mr. Soni reiterated the mismatch between charging rates and current battery technology. He expects people will continue to do most of their charging at home or at work.

Mr. Talbot supported Mr. Soni's view, citing personal experience with higher costs at public charging stations, resulting in limited use unless urgently needed.

Overall Feedback on the Conference: Both Chair Small and Mr. Soni agreed that the NEPPA conference was very informative and provided valuable insights into future energy trends.

### **General Manager (GM) Search Committee Report**

Chair Small provided a report to the CAB.

Candidate Resumes Review: Chair Small reported that the GM Search Committee has reviewed approximately 20 resumes for the new position. A handful of potential candidates have been identified from this group.

Screening Interviews: The Committee has begun conducting screening interviews for the potential candidates in the executive session. These interviews are set to continue into the following week.

Recommendations to the Board of Commissioners (BOC): If the subcommittee identifies 2-3 strong candidates from the screening interviews, they will make a recommendation to the BOC. In the event that the Committee does not find enough solid candidates, they may recommend a different approach to the search process.

Open Interviews: Once the final recommendations have been passed along to the BOC, the final interviews will be held in Regular Session.

Search Committee Recommendations: Chair Small anticipates that the search committee will be ready to make a recommendation to the BOC in October.

### **CAB Officer Appointments**

Mr. Hooper nominated Mr. Soni as RMLD CAB Chair. Mr. Welter seconded the nomination. Mr. Soni said he was happy to accept and expressed his thanks.

**Nomination carried:** 4:0:0:1 (4 in favor, 0 opposed, 1 abstained, 0 absent). *Roll Call:* Chair Small, Aye; Vice Chair Soni, Abstained; Mr. Hooper, Aye; Mr. Kelley, Aye; Mr. Welter, Aye.

Mr. Hooper nominated Mr. Welter as RMLD CAB Vice Chair. Mr. Kelley seconded the nomination. Mr. Welter accepted the nomination.

**Nomination carried:** 5:0:0:0 (5 in favor, 0 opposed, 0 abstained, 0 absent). *Roll Call:* Chair Small, Aye; Vice Chair Soni, Aye; Mr. Hooper, Aye; Mr. Kelley, Aye; Mr. Welter, Aye.

### **Scheduling**

The next CAB meeting, CY 2023 Budget Review, will take place on October 13 at 6:00 pm in Lynnfield.

### **Adjournment**

Mr. Hooper made a motion to adjourn, seconded by Mr. Kelley. **Motion carried:** 5:0:0:0 (5 in favor, 0 opposed, 0 abstained, 0 absent). *Roll Call:* Chair Small, Aye; Vice Chair Soni, Aye; Mr. Hooper, Aye; Mr. Kelley, Aye; Mr. Welter, Aye.

As approved July 20, 2023.