



**READING MUNICIPAL
LIGHT DEPARTMENT**

BOARD OF COMMISSIONERS MEETING

REGULAR SESSION

Thursday, April 22, 2021

Approval of Board Minutes

ATTACHMENT 1



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2021-01-20

Time: 7:30 PM

Building:

Location:

Address:

Session:

Purpose:

Version:

Attendees: **Members - Present:**

Mr. John Stempeck, Chair; Mr. David Hennessy, Vice Chair; Mr. Robert Coulter, Mr. Philip Pacino, Mr. David Talbot

Members - Not Present:

Others Present:

Staff: Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Wendy Mariewicz, Mr. John McDonagh, Mr. Greg Phipps, Ms. Kathleen Rybak, Mr. Charles Underhill
CAB Members: Mr. Jason Small, Chair (North Reading); Mr. Vivek Soni (Reading)

Invited Presenters: Commissioner Patrick Woodcock, Massachusetts Department of Energy; Mr. Robert Grace, President & Managing Director of Sustainability Advantage

Others: Ms. Vanessa Alvarado, Reading Select Board; Ms. Marlena Bitá, Reading; Ms. Johannes Buchanan, DOER; Mr. David Camardese, NextEra; Mr. Michael Carpenter, Reading; Mr. Robert Connor, Reading; Ms. Melva Deshmukh, NextEra; Mr. Omay Elphick, Gravity Renewables (Greenfield Center, NY); Ms. Laura Haight, Partnership for Policy Integrity; Ms. Karen Herrick, Reading Select Board; Ms. Gail Page, Green Sanctuary; Attorney Christopher Pollart, KP Law; Mr. Eric Noreen, Massachusetts Department of Energy; Mr. Vincent Ragucci, Energy New England; Mr. John Rogers, Reading; Mr. Jim Satterthwaite, Reading; Ms. Mariam Wasser, WBUR; Mr. Mark Zarrow, Reading; Mr. David Zeek, Reading

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

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

Chair Stempeck called the Board of Commissioners meeting to order at 7:30 PM.
Chair Small called the Citizens' Advisory Board meeting to order at 7:30 PM.

2. Opening Remarks

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

3. Introductions

Chair Stempeck welcomed everyone to the joint meeting of the RMLD Board Commissioners and the RMLD Citizens' Advisory Board. The Chair extended a special welcome and thank you to Commissioner Patrick Woodcock from the Massachusetts Department of Energy Resources, and to Mr. Robert Grace, President of Sustainable Energy Advantage; both of whom will be speaking later in the presentation.

4. Public Comment

Mr. Hennessy stated that as a Commissioner, he has been encouraging RMLD to expand its renewable energy portfolio. A year ago, when RMLD started to pursue the biomass facility and Palmer, I was still, you know, under the impression that biomass was similar to wind, solar, hydro, things like that, until I read an MIT study over the summer that says that most biomass is wood burning and it could take a generation for the forest to renew as well as there might be some air quality environmental concerns. So, I know there's a lot of people here tonight that know much more of the science than me, so I really want to learn tonight. And lastly, I just wanted to say if somebody who's building a similar facility or if planning to build one in Reading, I would want those regulators to ask the tough questions to make sure it was good for Reading and I think we should do the same for the people in Palmer.

Laura Haight from Partnership for Policy Integrity spoke about the air quality in Springfield, the new Climate Bill and how her organization is concerned about DOER's calculations and scientific studies. Further, Ms. Haight discussed a variety of legislative letters and the new TUE committee.

5. Approval of Board Minutes (Attachment 1)

Mr. Pacino made a motion that the Board approve the meeting minutes of June 18, 2020, July 16, 2020, July 23, 2020, August 20, 2020, September 16, 2020, and October 22, 2020, on the recommendation of the General Manager, seconded by Mr. Hennessy. Roll Call Vote: Mr. Coulter: aye; Chair Stempeck: aye; Mr. Hennessy: aye; Mr. Talbot: aye; Mr. Pacino, aye.

Motion carried: 5:0:0.

6. General Manager's Report

Ms. O'Brien provided a community update:

- Customer Satisfaction Survey conducted by Great Blue; presentation scheduled for the February meeting.
- Heat Pump 101 Customer Webinar. Tentatively scheduled for last week in February.
- The High School Art Contest will launch in the next two weeks; winning art will be used for the cover of the RMLD Annual Report.
- EV Workshop will need to be scheduled after February to continue the importance and complexities of the discussion on power supply.
- Extension of the DOER, MLP Solar rebate; initial funding was \$500,000. An additional \$250,000 match in funding has been made available with an extension to June 30, 2021.

7. Sustainability Energy Policy Reformation Third Training Session: Mr. Phipps (Attachment 2)

Guests: Commissioner Patrick Woodcock, Massachusetts Department of Energy Resources. Mr. Robert Grace, President & Managing Director of Sustainable Energy Advantage

Mr. Phipps – RMLD IRD

This is training session number three with the intention is to focus primarily on context and background for the Commissioners and the CAB members as they consider what we might do relative to any Policy 30. He then started with a quick highlight updates from the previous two training sessions.

So, SB 2029, the Bill that was mentioned, was actually vetoed by the Governor on January 14th and was then resubmitted as Bill S9. For consistency with prior discussions we will refer to it as Roadmap 2050. There are a lot of moving parts here. We are going to talk mainly about external context. Buildings, transportation and energy and MLPs, which historically have not had formal compliance requirements, will be include in Roadmap 2050. The common goal is to get everybody to net zero, net carbon. Realistically, along different paths. We will rely on Commissioner

Woodcock and Mr. Grace to help us understand some of these contexts and some of the background.

Regulations can be tailored to accommodate the IOUs, the LLCs and the MLPs with the recognition that those different energy primary energy players run different business models. They are of different sizes, different scopes and have different missions. Mr. Grace is going to provide some history on RPS/CES. But more importantly, what it was intended for, what's it trying to do and how the IOUs and the LLCs buy energy and certificates to comply with those regulations for RPS/CES. Commissioner Woodcock will help us understand how Roadmap 2050, or now SB 2995 or S9, is intended to drive both the MLPs and the IOUs and LLCs and why there are different paths to a non-carbon compliance by 2050. So, that's the objective of this session.

I'll take just a couple of minutes to highlight items from our previous 2 sessions and then we're going to try and do a moderated question-answer with our two guest speakers. We greatly appreciate that they are here to share some of their knowledge and understanding.

RMLD is an MLP. It serves four towns in Massachusetts: Reading, Lynnfield (Center), North Reading and Wilmington. We have a very broad base of customers. The mission that's on our website is just to keep in the context - reliable, competitively priced clean energy.

The current authorized version of Policy 30 (2012) was Sustainable Energy. The focus was on renewable as we talked previously. Renewable energy goals and included some discussion about RECs. As a result, over the past seven years, with the guidance and guardrails, the RMLD team has built and continues to build our power portfolio under this Policy.

As we talked about at the very end of the last session, the RMLD is actually ahead of our Policy 30 goals that were set back in 2012. The goals that we set to achieve by 2025, we've already achieved. We talked a little bit about the facilities that we are buying from and that our contracts were buying the REC certificates along with the power.

The other thing that we finished off in our last session was a comparison of the cost impact. If we took the current portfolio and adapted it to be compliant with the Roadmap 2050 ballpark figures in terms of being compliant with the RPS/CES. That's a quick summary of where we were.

I'm going to drive the questions for the next roughly 35 minutes to kind of keep things guided on Policy 30. And then at the very end - the last 10 minutes or so - I will recommended to the Chair to allow questions from each of the Commissioners, CAB, and our guest speakers. And again, we are very thankful that our guest speakers can join us.

So we am going to start with Commissioner Woodcock. I'm going to kind of guide you along the thought process on the three main topics. Commissioner Woodcock is in the executive branch and will be talking about regulation which is his area. But he will also talk some on the legislation.

You had a chance over the past several years and then most recently the past year to get a sense of the MLPs and their sustainable energy policies that are in place, not mandated or legislated, but are in place. There are 41 MLPs in the state of various sizes, RMLD happens to be one of the largest. Any observations in terms of how you've seen the MLPs looking at renewable and how they've set some policies in one of the past couple of years in the context of renewable energy resources.

Commissioner Woodcock – Massachusetts Department of Energy Resources

Sure. Well, thank you, I appreciate the opportunity to have this dialogue. Specifically, you know, what has been really transformed in this discussion is what technological change has done for pricing of renewables and other initiatives to lower emissions. And it's a conversation that I think has really altered how MLPs think about obligations and also thinking about a commitment to a net zero commonwealth goal in 2050.

It was alluded to at the beginning but there's been a great partnership between the Department of Energy Resources and the MLPs that was reflected in our partnership on the solar MLP program. Really, you know, it's attracting. I think participants that are doing it, you know, to contribute to our overall objective to lower their energy bills and collectively to create a more diverse energy supply. Pricing that we're seeing is much more competitive. We just saw Congress passed an increase in

the tax incentive. So, I've never been more encouraged to kind of wear technological changes to try to advance some of these goals.

I have noticed that there's more uniformity with the MLPs. I think on the overarching goal to kind of get to 2050. I think the details and how MLPs will arrive at it is going to be unique to each community. And, you know, I think the area that I see MLPs and this gets into a little bit of how there's some distinction with the IOUs, you know, you have guys have an incredible amount of flexibility and implementation now being able to pivot quickly where IOUs are governed effectively by the Department of Public Utilities and the Legislature for procuring electricity.

I know there's a lot of discussions on looking at offshore winds and looking at a scale that and in a flexible way that a lot of customers are unable to do. So, there's really has been a significant change just since I've been working with the Baker-Polito Administration since 2017. And I really look forward to partnering on some of the other areas beyond the electricity portfolio but really electrification. You said the heat pump 101; tremendous opportunity for the Commonwealth. And furthermore, looking at the electrification of transportation in this next decade, so I'll pause there and...

Mr. Phipps – RMLD IRD

That kind of sets up the second related question which is just -- as you think about both the regulatory and the legislative processes, and I think I'm kind of bringing it back for the Commission and for the CAB, which we called Roadmap 2050. Our understanding as we mentioned earlier that the intention was to bring the, as you said, the Commonwealth, so buildings, transportation and energy to a common goal by 2050.

Is it reasonable to say that legislation and the regulations are putting in place to bring all these sectors to the same net zero non-carbon goal in 2050? And then a secondary question was, talk a little bit about as you started to the fact that the past might be different. But the first question is, is there a common goal that you guys are trying to instill all of the sectors? And in the case of energy for us, MLPs, IOUs, LLCs to a common non-carbon goals, what the intention of the legislation is.

Commissioner Woodcock – Massachusetts Department of Energy Resources

Sure. So, for baseline context under the Global Warming Solutions Act the Legislature established a goal of 80% reduction of Greenhouse Gas Emissions under 1990 baseline by 2050. Last year, during the Commonwealth, State of the Commonwealth, the Governor established that we would increase that ambition to a net zero standard by 2050 and is articulated by the Secretary of Energy and Environmental Affairs that requires at least 85% reduction economy wide by 2050. And additional land use sequestration, soil based mechanisms can be used to also meet that net zero as requirement.

That is in the legislation you reference, does include a net zero that would be codified in statute. Going to what was issued on December 30th and what's going on, so I appreciate you guys bearing with both on the legislative side and the regulatory side. But energy and environmental affairs issued a clean energy and climate plan that is currently in draft form and accepting public comment that was also along with that was issued a Roadmap 2050 that informs our climate, energy and climate plan. So the 2050 Roadmap was an effort to see if you used all of the technology that exists today in the forecast from the Energy Information Administration, how would you arrive at net zero in 2050 at the lowest cost? And I would encourage all of you, it's not that difficult to get the breath of what the scenarios really looked at. But a few themes really came across from that analysis. One is that electrification will likely be a significant, play a significant role in 2050 plan.

Furthermore, with the increased electricity demand, we'll need additional clean energy, a lot of it. And if you look to what resources can contribute to that offshore wind is a very compelling resource for our region. But it informed what I referred to as the Clean Energy and Climate plan. And that plan again in draft form really targets of what are the policies that we should put in place today to start achieving our 2030 goals and put us in position to achieve our 2050 goals.

So, I would say the most prominent features of our Clean Energy and Climate Plan, and I'll refer to it as CECP just for brevity is really to focus on our building sector in the next ten years. That's where we would see most of our emission reductions with the installation of air source heat pumps and maintaining our ambitious energy efficiency goals. I'll note one area that has a specific implication for MLPs is that it does raise the prospect of the Department of Environmental

Protection under existing authority, assessing a review of what is called the Clean Energy Standard.

And the Clean Energy Standard for existing resources in the next year and assessing ambition for currently that covers investor-owned utilities. But it also references that it would assess whether MLPs should be subject to that regulation. So that is the current status and that is under current law as you noted the bill that has arrived at the Governor's desk and has been refiled also has provisions relating to how MLPs should account. And that's the key component that I'd say for MLPs as you think of your electricity supply.

Mr. Phipps – RMLD IRD

That's great. Thank you. What I'm going to probably come back to do a little bit of contrast compare with ML in terms of how the regulations and legislation accommodates, more specifically in the energy sector, the different scale of providers MLPs of various guises and then the IOUs, LSEs to get to that goal. But this is probably a good transition to Mr. Grace - get a little bit of background and context because he's going to talk a little bit about the RPS and CES, the existing legislation that currently does not apply to MLPs but does apply to the IOUs and the LLCs.

Mr. Grace – Sustainable Energy Advantage

Thank you. So, just to give a little bit of history of, you know, we talk a lot about the RPS and CES and it's perhaps helpful to understand the context for where MLPs like wedding and should go to understand how the investor-owned utility realm works, and how we got there. So, this first slide is just a quick summary of brief history on how this evolved and why. It all started in 1998 with the Electric Restructuring Act which introduced retail choice on supply.

So, the investor-owned utilities world that vertically integrated world evolved into load serving entities, the entities that actually provide supply to customers and the electric distribution companies. A big part of that was mandating the adoption of the renewable portfolio standard and RPS. It was one of the first in the nation and the key feature was that it required all retail sellers of electricity who are often referred to as load serving entities to provide an annually increasing minimum percentage of their retail load with new renewable generation assets that came online, were expanded their production after restructuring.

Those were put into regulation in 2002 and after establishment of a certificate tracking system of the generation information system as a means of tracking certificates for all generation but specifically for compliance with the RPS. That started in 2003. Initially it was basically DRPS, now we reverted that as class one, because over time a number of other things were added to it. Over the years there were additional layers, new classes, eligibility tweaks and increases to targets.

And in 2008, the Green Communities Act started layering in, support for pre-restructuring renewables, what now is referred to as class two in two different categories, waste energy and non-waste energy, support for targeted renewable generation types to jumpstart specific markets. Creating means for funding additional types of resources to meet a variety of related policy goals. The primary one there, of interest is the alternative energy portfolio standard.

Along the lines, there have been changes to eligibility and rules to try to align the details with evolving objectives and changes to RPS class targets, mostly acceleration, extension time and acceleration of the rate of increase for the new renewables of class one. And some potential changes to price caps of some of the various tiers, something perhaps Commissioner Woodcock might look back and speak to at some point if it becomes relevant. His agency has recently proposed to reduce some of the class one alternative compliance payments of price caps.

That's brought us to today where we basically have a complex suite of nine different classes or sub classes of requirements that apply to the low serving entities within investor owned utilities territory and complementing those, meaning RPS mandates are a series of procurement policies as Commissioner Woodcock had referenced, the offshore wind as an example, also without what's referred to as section 83D that was used for procuring large hydro and the tariffs that are used for procuring solo under the smart policies.

So, what do those nine standards look like? What are they and what do they mean? So, I'm not going to read through everything here and talking details. But the blue rose, basically the two tiers of RPS class two, waste energy and non-waste energy, as well as the CESE which is run by the

Department of Environmental Protection, they're all basically focused on maintaining the existing renewables and other non-carbon resources. So, they generally have flat targets over time, because they're looking to lock in and protect discreet existing portfolio.

Alternative energy portfolio standards, that's really focused on supporting other technology goals. So, that is creating a funding source for combining power, flywheel storage, fuel cells and renewable thermal. The green rows are focused on increasing renewable. So, we have the class one RPS, probably what you hear about the most and what we started with. We have the solar car balance or rest rack which were interim policies in effect to really stimulate distributed solar generation.

We've got into that to the point of being a relatively mature industry and over the next several years, the S-REC balance will be phasing out and that supply will become class one, so. And then, you have the clean energy standard which is complex in many ways and that it wraps around the class one. In a fact class one is a carve out from energy standards, so it incorporates if it goes beyond and it creates demand for either more class one supply or some other alternatives like the large hydro under the section 83D contract and some other low carbon supply.

And lastly, you have what's highlighted in purple, the clean peak standard which is a little bit different from all the others. It doesn't apply to energy per se, but it still has a demand that's defined as a percentage of a load serving entities load. And the purpose of that is to stimulate resources and technologies that can supply electricity were reduced demand at times of peak. So, that's really driven to create the means to integrate a large volume of intermittent renewables and replace the fossil fleet and be able to keep the lights on.

So, you can see here that the targets increase dramatically over time for some of these and for others that they are fairly constant. If you look at the sum of targets, the first of the grid, the two red rows, red rows near the bottom. You can see a little bit more than 30% of load now when you had everything other than the clean peak standard up. And eventually based on what's currently on the books that would get to be 120% of load by 2050. Some of those may be adjusted because at the end of the day, I'm not sure that requiring more certificates than the amount of load is where the rules will ultimately settle.

I've also highlighted here with a number of asterisks that there are a number of these tiers that are being considered or proposed for changes. The CES and CESE as Commissioner Woodcock just mentioned, the CPN has suggested potential changes to those.

And so, in red text, I've identified some of the estimates of the impacts of some of those changes. And you can see that those potentially could increase the targets even further, not entirely clear that they're all going to happen at the same time. The administration's CPN and the legislation that just passed generally gave the same goals but in some different ways. So, unclear whether you have those, the additive or one of the other substitutes. I think there's more activity you have to happen to figure out how that's all going to shake out.

But I've added the clean peak energy standard below it. And, again, these are not the same certificates, so it may not be an appropriate or realistic to add them to the totals, but you can see if you add those, that the targets add up to quite a bit more than 100% of load by the time you hit 2040 or 2050. This gives you a picture of what the current regulations and laws would imply for each of these. So, you can see at the bottom, the blue and green and brown which represent the class two RPSs, and clean energy standard and the APS stay relatively constant. The growth generally comes from the class one which is yellow and the CES which encompasses the class one and goes beyond it. That's the gray on top of it. And then the empty boxes on the very top represent the clean peak standard. And you can see here by roughly 2040, the totals of portfolio standards other than the clean peak would be expected to reach roughly 100% of load.

So, I think of all of these as portfolio obligations, whatever they are and with respect to how they apply in the load serving entity – to load serving entities in the electricity distribution company territories. There are a few different aspects here, so the obligations apply to suppliers. They started in 2003 and these apply to most our entities that are the competitive suppliers as well as the EDCs in their role as providers of last resort. So, that's basically - basic service. Those customers that haven't chosen a competitive supply source are still served by the EDCs effectively as pass

through. They don't have a commercial interest as much as an obligation and they don't maintain portfolios to do so.

Most of the commercial/industrial load today has already left the utilities and use competitive supply from observing entities. Historically, most of the residential and small commercial industrial customers have not, competitive supply they have been on basic service until recently. There's been a big boom in community choice aggregation started throughout – it was something like 140 of the different municipalities in the region and very recently, Western Boston, the biggest of them have launched community choice aggregation, many of which incorporate a standard offering that includes renewables in excess of the minimum standard. In any event this is an opt-out aggregation which is going to lead to the majority of supply being the competitive supply and utilities ultimately having a very, very small role in terms of meeting the obligations.

So, the implications of the load serving entities generally have no long-term customers. Retail supply tends to be one-to-three-year contracts and get turned and get swapped back and forth between other competing suppliers. So, generally load serving entities don't maintain portfolios in the same way MLPs do. There's no legacy supply and they're limited long term portfolios. Compliance is generally met through purchases of renewable energy credits or certificates from eligible renewables.

New supply still needs to be stimulated. RPS alone has generally proven to be inadequate by itself to stimulate that type of investment in capital-intensive long-term resources. And so, over time Massachusetts has implemented a range of long-term procurement policies that have helped get projects financed that effectively fed supply into the RPS markets. This is basically leverage.

The utility balance sheets to help enable financing and the utilities by long term contracts for large scale renewables, wind, offshore wind and large hydro through 83D as well as in the new solar Massachusetts tariff program, distributed solar projects and they commit contractually to these resources for 20 years or so. And they resell the energy in Rex into the market to make them available to the competitive suppliers.

The alternative compliance payment or ACP is a terminal here and I've talked about it in this context a lot. It's basically an alternative means for load serving entities to comply. They can either submit a certificate or retire certificate at the end of every year or make a payment at an ACP rate. It basically acts as an incentive to comply. Historically, it's been set at above what the cost of acquiring renewable certificates should cost and it serves as a price cap. And then perhaps Commissioner Woodcock will talk about later the DOERS recently proposed to reduce that level, has been roughly \$70 in net one hour has been proposed to reduce that in class one to \$40. It's at different levels for different tiers as well.

Contrast that with the municipal light plants which as you are well aware, are integrated utilities. I don't have competitive supply. Generally started focusing on transition of portfolios later than in the investor-owned utilities territory because you are – integrated utilities, you have a long-term legacy portfolios. You have resources that are owned, you have resources that our commitment – committed under long term contracts. Because of the stability of your customer base and the finance ability of your commitments being backed by the assets of the wires and the credit and faith of the towns, you have the ability to commit to long term supply that can enable financing and that's really important in the clean energy space. So, to conform to portfolio obligations with different eligibilities than what you have as resources already in your portfolios, you would need to shuffle certificates, you would need to potentially sell some that aren't applicable to the obligation or the policy that applies to you and buy some others. An important last point here is that MLPs are ultimately accountable to the folks here, the Board, the ratepayers in the town boards which suggests a few things that there isn't necessarily a need for a punitive level of penalty for a shortfall in meeting the laws and adopted policies. Having an ACP at a higher level is more meaningful in the competitive realm than a realm where there's more self-policing and full responsibility where the governance is potentially sufficient incentive to stimulate best efforts for compliance.]

Mr. Phipps – RMLD IRD

You did a good job in terms of providing some background of RPS and CES, the complicated nature of it. These slides set the stage in terms of the inherent business differences between IOUs and LLCs and MLPs. And so, I want to just transition back over to Commissioner Woodcock and just have him talk a little bit about some of the key structural pieces that you mentioned earlier that

both groups, the IOU, LLCs as well as the MLPs are all going to be held to a common standard by 2050. S9 or what we were calling earlier, Roadmap 2050 and S2995, how the combination of regulation and legislation works bringing the MLPs into a level of compliance and B, accommodate the fact that there are different businesses.

Commissioner Woodcock – Massachusetts Department of Energy Resources

Maybe I'll give an example right now of how the regulatory context works for the investor on utilities. So, to give you an example. When we DOER along with the utilities, conduct a competitive request for proposals for offshore wind. And in that review, we received competitive bids back and we assess as a bundle product, the attributes, so the environmental attributes associated with the generation so that is all of the nine different attributes that Bob mentioned, and also the energy.

And if you could assess the same way that you would look at potential long-term contract, we are looking at what is the forecast of energy, what is the price of this contract but we're also looking at what is the value of these contracts and what is the forward costs of meeting this obligation. As you can see, the obligation increases for our investor-owned utilities. So, we will – these ratepayers will have to obtain them. So, we and as a result, unlike the investor-owned utilities, right now the MLPs will be looking forward under existing law really just kind of the energy and your own commitments, right? So, you mentioned that you have a policy that's been guiding you but that has been individual to MLPs thus far. It really is an accounting basis that our Department of Environmental Protection establishes for accounting for greenhouse gas emissions. And I'll pause there because I'm about to go into some detail of how we account for things but really the current methodology is looking at the environmental attributes that we have as a total commonwealth that we retire in the state. We count that as zero emission bid even if those generating facilities are outside the state. So, if we have a contract with a solar farm in New Hampshire or a wind farm in Maine and those attributes are coming back to Massachusetts, we can account that for that within our portfolio. So, the real central issue is that we don't want to allow double counting and that's embedded in our entire GIS system. So, you know, the idea long term that like, that I think MLPs and the commonwealth are going to have to work on is how do you align our current DP inventory with what the MLPs are doing. Ultimately, in 2050 that we can establish that the MLPs have contributed proportionately to meeting the net zero targets.

Mr. Phipps – RMLD IRD

Good, good. Thank you, Commissioner. There's a lot more detail that we can go into. We just want to make sure we can take just a couple minutes at the end to talk a little bit about the biomass. But before we do that, Mr. Chairman, do you want to just take a moment right now to allow the Commission and the CAB to ask one question to our guests due to time constraints?

Chair Stempeck – Chair Board of Commissioners

Yes, and then maybe we could deal with the biomass issue although it may be intertwined as well. If you wouldn't mind, Commissioner Woodcock, we've got members from the Citizens Advisory Board as well as five members from the Board of Commissioners. They may have questions and if you would be open to accepting them.

Mr. Phipps – RMLD IRD

And, Chairman, just as we get started. There's a large group, so short answers and basic questions if we could to the extent possible.

Mr. Talbot – Board of Commissioners

I do appreciate the need for brevity. So, these are complicated matters and so, you know, we've had a good hour-long presentation so maybe it'll take just a little bit longer than a minute or two. I'm very appreciative of the efforts that have been made on both the business side and the regulatory side to try to help the MLPs, you know, have some good standards. The concern arises when rules and regulations, and I have a question coming after this, are relaxed in order to do that. It's going to come up with the biomass. But the biomass regulations in the RPS have been significantly weakened. And I'm just going to quote from the Attorney General who says that those regulations contain numerous provisions that may increase, not decrease greenhouse gas and other harmful pollutant emissions. That the analyses purporting to support those regulations appear to overlook important considerations, make unsupported assumptions, reach dubious conclusions and show that the regulations may indeed have troubling emissions impacts.

And it's the relaxing of those rules that enables a facility like Palmer to develop a business case because they can sell the power to us and then we get credit for non-carbon emitting under this climate bill and somebody else can buy the REC, and so this cash involved too. So, that is sort of a follow up double counting. My question is, how did it get to the point where anybody on Beacon Hill thought that MLPs actually wanted these things to happen with respect to biomass. I've heard that said quite a bit by a lot of people who are knowing what's going on up there.

The last sentence I would just say before you answer that is the MLP boards in Massachusetts do not want inefficient woody biomass plants that are enabled by gutting the rules any more than do the people of East Springfield. And I think the proof of that is that only a handful signed contracts of this – or in our case, we're taking a second look at it. I think we need to take biomass out of the Refined Climate Bill so that we're not kidding ourselves or our kids that this is non-carbon emitting and Governor Baker has said he wants data driven policy. The existing rules on renewable energy with respect to biomass are based on facts and science.

So, my question is – that's the preamble, and I'm sorry but we've had an hour and this is a two-minute question. The question is, how did it get to be that Commissioners and lawmakers on Beacon Hill thought that MLPs wanted this to happen.

Commissioner Woodcock – Massachusetts Department of Energy Resources

I'll try to respond. Thanks for the question. So, in current law, biomass is an eligible class one resource. And what is difficult when you're developing regulations to govern, how to meet eligibility, it's what the Massachusetts DOER conducted in 2012 was an assessment of how to manage lifecycle emissions. And ultimately, what they concluded is that biomass has life cycle emissions from the stack but it can be reduced with sustainable forestry. And as a result, what is very important is that you promote sustainable forestry when you are having any biomass policies.

And that's pretty logical that the emissions would go up if you clear cut a forest and do not have the photosynthesis process for the regrowth of that forest. So, as a result the management study suggested that we really promote the type of biomass that, one, the entire forest has to be independently verified, that it is being sustainably managed and, two, that we promote the type of biomass that is a waste stream, right? This is promoting the use of sawdust, wood chips that would otherwise go to landfill.

So, I understand there's, you know, we've received a lot of comments on the regulations. We certainly tried to do our best to manage promotion of biomass that is not promoting unsustainable, that cannot be done but we did our best, we did put out a response to the comments, we got to get a lot of thoughtful comments. And ultimately, we put forward the regulations and we have filed them at the Telecommunications and Utilities Committee and are awaiting the feedback from that committee.

Mr. Coulter – Board of Commissioners

I thank you gentlemen for speaking tonight. My question is, you spoke about the EDCs and MLPs. How do you see MLPs surviving in the future in this environment? Right now you talked about accounting. How are you going to be able to make a profit? I could just see an MLP being pushed into nothing more than a smaller EDC. The way that the structure is set up right now. So, I don't know if that's part of the thought process, is pulling in the MLPs into this world because I think a convergence is happening in overtime of an MLP becoming nothing more than a distribution company with this setup and I don't see how you're going to be able to sustain yourself independently.

Commissioner Woodcock – Massachusetts Department of Energy Resources

Well, I do think that there is a recognition that MLPs representing 14% of the load with, you know, going to 100% that we do need to increase our ambition whether you're an IOU or an MLP over time. I think what we're trying to do as an administration is recognize that, one, you are continued to have basically a vertically integrated utility that it really wouldn't make sense to require you to enter into long term contracts in the same manner that we require the investor-owned utilities. What we're attempting to do with the discussion about the CES and CESE is, could there be at least consistency for retirement of attribute markets that allows more flexibility? You know, CES includes and CESE includes nuclear, hydro, a breath of different resources. And ultimately, I mean I think the costs are coming down for these resources. So, I do hope that this is not something that is punitive over time but, you know, meets the ambition that we require but allows the flexibility for

the MLPs to meet it. So, but to answer your question, all of these are, you know, we have a draft CECP, we have legislation that's pending. So, these are discussions that are occurring really right now about how MLP should fit into a net zero context.

Mr. Soni – Citizens' Advisory Board, Reading

Mr. Grace you talked about several pathways to build up to net zero or even possibly beyond net zero, right? So, if you look at that, in that projection how much of that is based on biomass? I mean, if you really look at biomass, you're saying that the biomass has to come from waste and wood chips, right? And so there is not a finite resource. So, how much of this plan that you show actually talks about biomass? Do you have any idea? For Massachusetts?

Mr. Grace – Sustainable Energy Advantage

So, the important point here is that each of these tiers has a target, a percentage of load and a set of potentially eligible resources. Biomass is one of 10 or 11 different types of resources that could be used for meeting class one. In Massachusetts, very little biomass has been used or historically has been part of the total. Class two, technically non-waste energy allows biomass. I don't believe there's any class two that's currently certified. It's currently met almost entirely by legacy, small hydro resources. Biomass would be eligible for the CESE if it had less than 50% of the emissions of a natural gas combined cycle plant which without sequestration or without having a very low carbon fuel cycle using entirely waste, probably couldn't meet that.

The portfolio standards are standards that give you a lot of flexibility and how to meet. So, none of them require biomass. Biomass is one of the tools that's available to meet it. Similarly, the greenhouse gas emission standard or what's in the road map, 2050. Legislation that was vetoed and recently resubmitted allows for biomass to be one of many sources after 2026 that would be eligible. As Commissioner Woodcock identified, it's a standard-based approach. Biomass, the purpose of that standard-based approach is to understand that the greenhouse gas impacts of biomass can occur over a wide range if you cut down a forest and sustainably it's clearly not a good thing from a greenhouse gas perspective.

Mr. Soni – Citizens' Advisory Board, Reading

Thank you. My point was that it's a very small number of that whole scenario, right? So people are looking at renewables, they're primarily looking at new carbon-free, new sources, right? And demand response, right? And demand response as ways of really cutting back on load and carbon-free emissions. So, does the real solutions are going to come from non-biomass-based options?

Mr. Grace – Sustainable Energy Advantage

Yes. The vast majority.

Mr. Hennessy – Board of Commissioners

In wood burning biomass, I've heard that mentioned that wood chips sawdust, tree trimmings would be the source. If that plant in Palmer is built and five years down the road it runs out of raw material in Massachusetts would that facility be able to probe the Massachusetts regulations to burn other things like trees that deforest such as deforested lumber.

Commissioner Woodcock – Massachusetts Department of Energy Resources

Sorry, I didn't quite catch the part of that there. So, you're saying there could be a potential for a change of what could be combusted in the facility?

Mr. Hennessy – Board of Commissioners

Yes is it written that it can only be wood chips and things that have been used for other products such as tree trimmings. Could there someday be the ability to deforest, use that as the raw material at Palmer?

Commissioner Woodcock – Massachusetts Department of Energy Resources

So, you know, under our current regulations it requires, there would have to be 50% less than a combined cycle natural gas facility. And so, it would take a regulatory change and furthermore there is some statutory restrictions of what the department can do for the specific language, is using advanced technology to and promote I believe greenhouse gas reductions. So, there would have to be kind of determination that the regulation should be updated to reflect change. So, you know,

there is some discretion to the Department of Energy Resources that's really what's reflected in what we proposed. But there are some statutory restrictions.

Chair Small – Chair Citizens' Advisory Board, North Reading

And I think I add to that without any change if such a plant was using tree trimmings for example ineligible initially and then switch to using a clear-cut forest wood, for example, it would lose its eligibility and therefore lose that as a revenue stream. Without that as a revenue stream, we've done a lot of analysis of these it would be far more expensive than most of the other alternatives that would really be difficult to operate profitable.

Mr. Talbot – Board of Commissioners

One brief follow-up on that is how, do you know what's on a truck coming from New York State, New Hampshire, Vermont or Connecticut. I think your resource study that we have posted on our website says that the supply shed might have to be as much as 160 miles or 169 miles from the plant. How do you know what's in those trucks?

Commissioner Woodcock – Massachusetts Department of Energy Resources

So, yes, but there is a required that they certify and that as independently verified that the forests are being managed sustainably. We do put pretty significant restrictions on requiring that they meet these standards and they would be revoked if they are not applying to the standards of our regulations.

At that point the Chair thanked the guests for their input and the guests departed the meeting.

8. Financial Report (Attachment 3) – Ms. Markiewicz

Ms. Markiewicz stated that the financial highlights in December included some large payments that went out; the pension obligation transfer to the Mass Municipal Depository Trust on 12/16 in the amount of \$2.1 million; the Town of Reading payment, which is the return on investment agreed upon amount, half of that payment was made on 12/29 of \$1.2 million; the 2% net plant payments based on the kilowatt hour usage by town on 12/29, payments were made to the Town of Wilmington for \$440,000, Town of Reading for \$465,000, Town of North Reading for \$146,000 and the Town of Lynnfield for approximately \$52,000.

As we have been going through the COVID situation, we have been talking to you about Accounts Receivable aging and why it's so important. The fact is that we can see how we are doing on sales based on kilowatt usage. But the real measure is how fast we are bringing the cash in the door. We have worked tirelessly with our customers to create payment plans, and help to get them set up on a budget billing plan. Anyone who has a hardship immediately calls us and we work with them. Through this presentation you can see that we have really improved since October working with our customers and bringing payments in. Within that 30-day turnaround we can see that they also get to take advantage of their prompt payment discounts. Looking at a 90-day outlook, we can see the big picture levels out all the timing of payment plans and budget building. We have come a long way from October when we were seeing quite the dip and now we are back up at 96%.

Mr. Hennessy indicated to Ms. Markiewicz, how surprised to see it bounced back almost to what you've had the last few years, and what do you attribute it to being able, because I know there were a lot of people and our four towns are probably, yes struggling a little bit financially because of the pandemic and job loss and things like that. And I'm just wondering why do you think it's been able to bounce back?

Ms. Markiewicz indicated that it's the communication that we put out there from our customer service team and our credit and collections team along with the building team as well. We've communicated to the customers that if you have a hardship they need to contact the RMLD. Just call us up, we're going to work with you and we're going to try to make it, you know we're going to handle it together. So, that's really what we've been doing. We've taken a lot more time and effort in this area to work with each of the customers that need the help.

So, as you know we've closed the year 12/31 and it takes quite a lot to you know finalize the books. So hopefully by March we'll have a really good draft financial to present to you.

Before moving onto Item 9, Mr. Soni asked the Chair of the Board of Commissioners if there would be more discussion on the biomass. Chair Stempeck said not in open session. Mr. Soni indicated that the CAB would like to have a brief comment to communicate. Mr. Soni further said that it just came to my attention that the Town Select Board of Reading has sent a letter to the TUE committee, the state and also to the Governor asking them not to loosen their regulations for biomass plants.

9. Integrated Resources Report (Attachment 4) - Mr. Underhill

Mr. Underhill reported that as part of the regular report we have tracked how our loads have done through the year. Now that we finished the year and we've gotten some of the other things moving forward we are going to go in and take a look at what comprises the load, residential, non-residential classes and see how we fared through the year; what was COVID related and what was weather related. But as you can see the 2020 actual loads fared a little bit better than 2019 actuals and about 3% below what was projected for 2020 in the forecast itself.

Mr. Underhill stated that the RMLD has been tracking how our actual costs have performed against our budget. We are tracking at a little over \$3.5 million, low budget for this year. There are a number of factors to that; capacity costs were down because loads were down, energy costs stayed dramatically low. So again, we've done better than anticipated for this year with the load staying up and cost staying down.

Mr. Underhill posted transactions under the TFA which is driven by time and price triggers. If the price in the forward market is below a four-year historic average, the RMLD will buy peak/off peak energy and fill those blocks. December 30th was the date that we actually closed on the transaction for this year. We brought just under 7% of our retail load at below the four-year historic average for energy. In 2022, the RMLD signed up for just under 2% of our load and you have the corresponding budget impacts for those two years purchases there. And some of this information appears every month in one of the other slides but I wanted to pull it out and to show you how the continuing compare with our day transaction activity.

10. Engineering and Operations Report (Attachment 5) - Mr. Jaffari

Mr. Jaffari went over his presentation. As far as reliability, I'm glad to announce that this year was another successful year with good numbers and we have submitted for an award to APPA for the Northeast region.

Mr. Jaffari went over the causes of the outages, lots of storms, tree falls and animal contacts; despite these the reliability statistics are still good and staff is managing well.

Mr. Jaffari discussed the updates on the Service Requirements Handbook that is published on the website; updates were posted today. A Service Requirements Committee was formed and completed in CY2020. This process started by doing a study on 46 municipal utilities and IOUs researching the best business practices, models, incentives, electrification concerns, energy efficiencies, and the solar/BESS installations.

Many of the SRH sections have been updated and were made more user friendly with updated figures, drawings, and tables. Sections such as primary metering, URDs, etc. RMLD has raised the level of the transformation that it would provide for the customers up to and including 750 KVA for Non-URD customers. However, they still need to pay for primary cables and installation labor. So, this strategic change will provide incentive for the customers, especially commercial/industry, to move into our service territory. The requirements for URD customers have not been changed.

For primary metering, RMLD has multiple requirements for customers to be considered including: (1) customers must have only one account and not multiple accounts and (2) customer must have over 1500 KVA of single or cumulative load or cumulative. However, in order to be qualified, requires RMLD's analysis and discretion by the Primary Metering Committee. The SRH committee will look at other parameters like (1) the difficult to access electrical facilities; (2) the long primary distributions; and (3) unique electrical set up, constructions, and configurations. Each customer's request will be reviewed and decided on a case by case.

The IRD retail incentives are reviewed on a regular basis and updated on the website. In this section of SRH, RMLD has made lots of improvements in programs and incentives, which include promoting energy efficiency appliances like Star Energy appliances and electrification and offering incentives for the heat pumps, EV chargers, panel upgrades, and outside electric appliances. There is a section in SRH that shows basically what those are and how the customers could benefit from those programs.

Ms. O'Brien thanked the Service Requirements Committee for their time and effort on the handbook. The Service Requirements Handbook has been on the website for many years. It's very comprehensive. It's very typical for large utilities to have these. Having a dedicated committee to continuously look at its content and ensure proper updates commensurate with industry changes and best utility practices is important. Many of the updates are geared more towards developers and commercial. Ms. Mulvaney is going to send out a press release on it as well.

11. **RMLD Procurement Requests Requiring Board Approval (Attachment 6) - Mr. Jaffari**

IFB 2020-30 Station 4 Air Conditioning Project

Mr. Jaffari explained that this is the cooling system for station for the control house. The switchgear inside the control house is running hot during summertime, which reduces the thermal capacity/ampacity or current carrying capability of the feeders going out of substation. So, in order to prolong the life of the equipment as well as improving the ratings of the cables and the gateway going out of the station, a cooling unit is required to improve the overall operating conditions.

The RMLD sent a bid to 26 bidders and only two responded: Kneeland Construction Corporation and Ambient Temperature. Ambient Temperature was the lowest responsible responsive bidder. Kneeland Construction did not meet the requirement to be specialized in HVAC.

Mr. Pacino made a motion that bid 2020-30 for Station 4 Air Conditioning Project be awarded to: Ambient Temperature Corporation for \$104,600.00, pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager, seconded by Mr. Hennessy. Roll Call Vote: Chair Stempeck, aye; Mr. Hennessy: aye; Mr. Talbot: aye; Mr. Pacino, aye; Mr. Coulter, aye. **Motion carried: 5:0:0.**

12. **Discussion of whether to adopt the open meeting exemption under G.L. c. 164, § 47D in connection with the Board's review of power supply matters.**

The Board of Commissioners discussed the language for motions used in order to go into motion to discuss power supply contracts.

Mr. Pacino made the motion pursuant to G.L. c.164 section 47D, the Board hereby moves that the disclosure of confidential power supply information, including confidential provisions of Power Purchase Agreements ("PPAs"), will adversely affect its ability to conduct business in relation to other entities making, selling, or distributing electric power and energy pursuant to G.L. c.164. The Board's review and discussion of PPAs and related information subject to contractual confidentiality obligations shall be exempt from the open meeting requirements of G.L.c.30A, sections 20 and 21, seconded by Mr. Hennessy. Roll Call Vote: Mr. Hennessy, aye, Mr. Pacino, aye; Mr. Stempeck, aye; Mr. Talbot, aye, Mr. Coulter, aye. **Motion carried: 5:0:0.**

13. **General Discussion – Chair Stempeck**

The next Board meeting was scheduled for February 18th. Mr. Coulter will cover the February CAB meeting (date to be determined).

14. **Executive Session – ACTION ITEM**

Mr. Pacino made the motion that the Board go into Executive Session to consider the purchase of real property for the construction of a new substation in Wilmington and to discuss confidential, competitively sensitive or proprietary information in relation to a potential transaction with an energy power supplier in connection with the purchase and sale of electric power and energy and return to

Regular Session for the sole purpose of adjournment., Seconded by Mr. Hennessy. Roll Call Vote: Chair Stempeck, aye; Mr. Hennessy: aye; Mr. Talbot: aye; Mr. Pacino, aye; Mr. Coulter, aye.

Motion carried: 5:0:0.

15. **Adjournment**

The Board of Commissioners returned to regular session for the sole purpose of adjourning and promptly adjourned at 10:23 PM.

BOARD MATERIAL AVAILABLE BUT NOT DISCUSSED

Accounts Payable/Payroll Questions

A true copy of the RMLD Board of Commissioners Minutes
As approved by a majority of the Commission

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

DRAFT

Review of Policies

ATTACHMENT 2

**RMLD Policy No. 3
SAFETY REVIEW**

Revision No. 2

Commission Vote Date

General Manager/Date

Next Review Date

I. PURPOSE

The purpose of this policy is to establish a Safety Review Team that is responsible for developing, implementing and monitoring a safety program (as further described below), implementing and monitoring best utility safety practices and reviewing and resolving safety-related matters to promote an environment that is safe for RMLD employees, the general public and RMLD assets at all Reading Municipal Light Department (“RMLD”) asset locations, including the RMLD electrical system. Nothing in this policy precludes RMLD from developing and implementing safety rules and regulations and enforcing such rules and regulations without following the safety review process set forth in this policy.

II. SAFETY REVIEW TEAM

A. Safety Review Team

The General Manager will establish and maintain a Safety Review Team. Safety Review Team activities are internal staff activities and are not subject to open meeting laws.

B. Safety Program

The Safety Review Team shall develop, implement and monitor a program of safety to promote and to help ensure the safety and well-being of each RMLD employee, its assets and the public, through quality training and best utility safety practices.

C. Composition

The Safety Review Team will consist of a minimum of one representative from each RMLD division. The Safety Review Team may consist of both management and non-management employees. Additional staff and outside consultants may participate at the General Manager’s discretion. The Human Resources Manager shall be responsible for all administrative duties associated with the Safety Review Team and may serve on the Team at the General Manager’s discretion.

D. Designation of Participants

Unless otherwise specified in an employee's job description, the General Manager will designate employees to serve on the Safety Review Team. RMLD employees are encouraged to express their interest in participating to their immediate supervisors. Department managers and supervisors may make recommendations.

E. Responsibilities of the Safety Review Team

1. Implementing and monitoring safety protocols based on industry standards, such as the American Public Power Association Safety Manual, OSHA, and National Electrical Safety Code standards, and any other safety rules, regulations, or requirements adopted by RMLD;
2. Reviewing all safety reports;
3. Receiving and reviewing employee safety concerns and suggestions;
4. Visiting and inspecting all RMLD facilities for safety issues no less than annually;
5. Making recommendations to the General Manager or his/her designee regarding the resolution of safety-related complaints, the adoption of safety measures suggested by employees, and recommending repairs, replacements, improvements, and/or modifications to RMLD's facilities, procedures, or practices to improve employee and public safety;
6. Ensuring that safety-related actions and measures recommended by the Safety Review Team and adopted by RMLD have been implemented, including but not limited to the inspection and follow up of facility repairs and replacements;
7. Reviewing the circumstances and reports on employee accidents and accidents involving RMLD vehicles; and
8. Reviewing incident trends at RMLD and within the utility industry.

III. PROCEDURES

A. Frequency of Meetings

The Safety Review Team will meet a minimum of once per quarter, and in response to any safety-related suggestions made by union members or such other times as requested by the General Manager. Each member will receive a written agenda prior to the meeting.

B. Meeting Procedures

The members of the Safety Review Team may establish procedures governing the conduct of the meetings.

C. When Held

Meetings will be held during normal working hours and will be considered a regularly scheduled job assignment.

D. Records

The Human Resources Manager or the General Manager's designee shall be responsible for preparing and maintaining written notes of meetings. The meeting notes and any accompanying materials will be distributed to all Safety Review Team members and the General Manager prior to the next scheduled meeting. The meeting notes will also be posted within a reasonable period of time for all employees.

E. Majority

RMLD endeavors to conduct Safety Team Meetings with a minimum of a majority of the members present. When it is impracticable to conduct such meeting with a majority to meet any required deadlines, the meeting may be held with less than a majority or the General Manager or his/her designee may appoint another employee from the same department to serve on the Safety Review Team on a temporary basis in the member's absence. A quorum of the Safety Review Team members that are present at a meeting will be required to take action.

F. Recommendations and Approvals

Recommendations will be submitted to the General Manager upon a simple majority vote of the members present. All recommendations are subject to the review and approval of the General Manager or his/her designee. The General Manager may request any reports or information as he/she deems necessary from time to time to resolve any safety-related matters.

RMLD Policy No. 6

DRUG AND ALCOHOL FREE WORKPLACE

Revision No. 2

Commission Vote Date

General Manager/Date

Next Review Date

I. PURPOSE:

The purpose of this policy is to provide a safe and healthful work environment for RMLD's employees, contractors, its customers and other members of the public by promoting a drug and alcohol-free workplace. The Anti-Drug Abuse Act of 1988 (the Drug Free Workplace Act) requires entities and persons to implement certain measures designed to reduce drug use in employment as a condition to receiving federal fund and grants. This policy is intended to comply with the requirements of the Drug Free Workplace Act regardless of whether RMLD is a recipient of federal funds.

II. RESPONSIBILITIES:

- A. General Manager. The General Manager is responsible for overall compliance with this policy and the hiring of outside consultants or investigative services to facilitate compliance and enforcement of this policy.
- B. Management Personnel. All RMLD managers and supervisors are responsible for monitoring RMLD employees under their direction or supervision for prohibited drug and alcohol use and for reporting any suspected violations to the General Manager and the Human Resources Manager, regardless of whether such employee is under their supervision, direction or control.
- C. Human Resources Manager. The Human Resources Manager shall be responsible for ensuring that all RMLD employees receive notice of this policy, job applicants receive notice of their duty to comply with this policy and to report convictions as required by this policy or the Drug Free Workplace Act, and for the overall administration of this policy, including coordinating any necessary referrals to the Employee Assistance Program ("EAP"), assisting with investigations, and enforcement and disciplinary actions, as appropriate.
- D. Procurement Officer. All employees in charge of the procurement of construction services shall ensure that the bid documents include a provision requiring compliance with the Drug-Free Workplace Act and any other applicable restrictions or requirements imposed by RMLD's policy.

III. DEFINITIONS:

- A. For purposes of this policy, "workplace" refers to RMLD buildings and premises, RMLD vehicles, work sites, including customer sites and any other designated locations involving RMLD business or activities (e.g., governmental buildings, seminar and conference locations attended by RMLD officials and/or employees as part of their duties).
- B. The term "controlled substances" includes, but is not limited to heroin, barbiturates, amphetamines, phencyclidine, cannabis, methadone, LSD, PCP, marijuana, narcotics, opiates, cocaine, crack, alcohol or any other controlled substances as defined by the M.G.L. c. 94C or Federal Controlled Substance Laws. For purposes of this policy, controlled substances include medical marijuana.
- C. "The term "employee" includes all full-time, part-time, cooperative education, summer and limited duty employees of RMLD, both union and nonunion, and all consultants, contractors, RMLD officials, whether paid or unpaid.

IV. PROHIBITED CONDUCT:

- A. Alcohol. No employee, at any time, shall use, possess, be under the influence of, sell, manufacture, distribute, store, or dispense alcohol at an RMLD workplace or as part of any RMLD-related function or RMLD-related activity.
- B. Controlled Substances. No employee may unlawfully manufacture, distribute, dispense, possess, be under the influence of, or use controlled substances at the workplace or in connection with any RMLD-related function or RMLD-related activity.
- C. Prescription Required. No employee may bring prescription drugs to the workplace unless they have been prescribed by a licensed physician specifically for the employee.
- D. Use of Certain Prescription Drugs. No employee may use prescription drugs while on duty that may impair the employee's work abilities while on duty without first obtaining a statement from the employee's prescribing physician that the use of such prescription drugs at the prescribed times will not impair the employee's work abilities.
- E. Use of Certain Non-Prescription Drugs. Employees are cautioned that certain non-prescription drugs (over-the-counter medication) may impair their work abilities while on duty. No employee may use non-prescription drugs while on duty that may impair the employee's work abilities while on duty without first obtaining a statement from the employee's prescribing physician that the use of such non-prescription drugs in accordance with their instructions or other medical direction will not impair the employee's work abilities.
- F. Medical Marijuana. Although effective January 1, 2013, Massachusetts state law permits the use of medical marijuana, RMLD considers medical marijuana a controlled substance for purposes of this policy. Further, to the extent permitted by law, RMLD will not make any accommodations to employees in possession of a medical marijuana registration card.
- G. Consequences for Violations. Any employee of RMLD who violates this policy shall be subject to discipline, including termination of employment. RMLD shall have the right to terminate services from any contractor, consultant or vendor providing services to RMLD for violations of this policy. Contractors may be subject to debarment. Nothing contained in this policy precludes RMLD from reporting any such violations to the proper authorities.

V. PROCEDURES:

- A. If any employee suspects another RMLD employee of violating this Policy #6, *Drug Free Workplace*, then he or she should contact the Human Resources Manager or his/her Supervisor either verbally or in writing. All such communications will be held in the strictest confidence.

V. PROCEDURES:

- A. The Human Resources Manager, with the assistance of the Supervisor, will promptly investigate the matter to determine if a violation has occurred. After obtaining the approval of the General Manager, the Human Resources Manager may retain outside professional assistance in order to conduct the investigation (*i.e.*, private investigator, attorney, police or other qualified professional). RMLD will be responsible for incurring all expenses related to retention of investigation services. The employee, however, is responsible for any expenses incurred in obtaining legal representation or other personal assistance for him/herself, as he or she deems appropriate. The RMLD will not require an accused employee to submit to drug testing as part of the investigation.
- B. The General Manager or the Human Resources Manager will notify the accused employee that an accusation has been made.
- C. Any employee accused of violating this Policy who retaliates against another RMLD employee for reporting alleged violations of this Policy will be subject to disciplinary action up to and including termination of employment.

An employee who is determined to have falsely and in bad faith accused another employee of violating this Policy will be subject to disciplinary action up to and including termination of employment.

- D. Convictions. An employee convicted of a violation of a criminal drug statute involving the workplace shall notify the Human Resources Manager and his/her immediate supervisor within five (5) calendar days of the conviction. Upon notice of such conviction, the employee shall be: (1) subject either to discipline, including termination, or (2) required to participate in a drug rehabilitation program, as appropriate considering the nature of the violation, the employee's position, and other relevant factors as determined by the General Manager. If the employee fails to provide the required notice, the employee shall be subject to disciplinary action, as determined by the RMLD General Manager.

VI. ASSISTANCE AND REHABILITATION SERVICES:

RMLD intends to provide its employees with a safe and productive working environment. Drug activity while on the RMLD's workplace threatens the entire community and will not be tolerated. RMLD offers its employees an Employee Assistance program (EAP) through MIIA Employee Assistance 1-800-451-1834. Any employee needing assistance with any type of substance abuse problems is encouraged to contact the EAP for assistance at no charge for the first three visits and then, if recommended, continue treatment under their existing medical insurance benefits. RMLD employees who are uninsured still qualify to receive at least three (3) visits under the EAP program and would receive advice on available services in order to begin or continue their rehabilitation or counseling.

VII. EDUCATION FOR SUPERVISORS:

RMLD's Human Resources Manager is responsible for ensuring that supervisor training is provided, on a periodic basis, in fundamental techniques to recognize behaviors that may suggest an employee who may be in possession of, manufacturing, dispensing, using, distributing controlled substances. The Human Resources Manager shall also be responsible

for follow-up training on a periodic basis. The Human Resources Manager will ensure that a qualified resource is available (*i.e.*, the EAP) to RMLD managers and supervisors for consultation, guidance and information with specific questions throughout the year on an "as needed" basis.

VIII. SICK LEAVE PLAN:

A union-member employee may use accumulated sick days under the provisions of the respective Article "Sick Leave and Emergency Leave" found in the CT, LMS and Professional unit contracts and Policy No. 26 for the purpose of enrolling in a formal drug/alcohol rehabilitation program. A non-union employee may also use accumulated sick days for the purpose of enrolling in a formal drug/alcohol rehabilitation program. The union-member and non-union employee may also concurrently use the provisions of RMLD Policy #20 entitled the "FMLA Leave Act", if the individual has enrolled in a formal drug/alcohol rehabilitation program. The employee must provide written evidence of participation in a "bona fide" program (as approved of by the Employee Assistance Program or other qualified, professional drug/alcohol rehabilitation service) on a periodic basis to the Human Resources Manager. At the discretion of the General Manager, the employee may request two weeks unpaid emergency leave to participate in a rehabilitation program approved by the EAP or other qualified drug/alcohol rehabilitation agency.

IX. CONFIDENTIALITY:

All written records and verbal reports will be handled through the Human Resources Manager who will retain any information pertinent to the case in a secured file and control access to any related information. In the absence of the Human Resources Manager, the General Manager will assume responsibility for confidentiality and document control. Verbal reports and discussion of these matters will be conducted in private with only involved parties in attendance. Nothing provided herein prohibits RMLD from disclosing such records or information as may be required by law, regulation, court or administrative order, or in connection with RMLD's legitimate business interests, such as in disciplinary proceedings, investigatory process, and/or to local, state, or federal authorities, to the extent not prohibited by law.

If you have any questions about Policy No. 6 or if you need assistance in contacting the EAP program, then please contact your supervisor or the Human Resources Manager.

**RMLD Policy No. 13
FACILITY USE**

Revision No. **54**

Commission Vote Date

General Manager/Date

Next Review Date

I. PURPOSE AND ELIGIBILITY

This policy shall be effective on January 1, 2017. This policy governs access to facilities and property placed in the custody and control of the Reading Municipal Light Department (“RMLD”). The RMLD’s facilities and outdoor property are generally secure areas that are subject to security standards established by the North American Electric Reliability Corporation (“NERC”). As a result, RMLD facilities and outdoor property are not available for use by the general public, including non-profit and civic organizations under any circumstances. However, town departments, boards and committees within RMLD’s service territory may use certain RMLD facilities and outdoor property as set forth in this policy provided that such town department, board, or committee shows proof that use of RMLD’s facilities or outdoor property, as applicable, is covered under its liability insurance.

II. ACCESS

A. Town Departments, Boards and Committees

Based on availability and subject to approval by the General Manager and compliance with this paragraph, town departments, boards and committees within RMLD’s service territory may use: (1) certain designated RMLD facilities and (2) certain designated outdoor property for business-related training purposes. Access to facilities is limited to the RMLD Cafeteria and Audio-Visual (AV) room for business-related training sessions. Access to Town departments, boards and committees within RMLD’s service territory may use RMLD’s outdoor property that is limited to areas located outside of fenced and secured areas, provided that such access and may use RMLD’s outdoor property that is located within fenced and secured areas if such use is consistent with NERC security mandates as determined by the General Manager. In all instances, the town department, board, or committee must show proof that use of RMLD’s facilities or outdoor property, as applicable, is covered under its liability insurance. Absent such a showing, the town department, board, or committee will not be eligible to use RMLD’s facilities or outdoor property.

B. Scheduling

Any town department, board or committee within RMLD's service territory that wishes to use RMLD facilities or outdoor property shall first contact the General Manager to request permission to use RMLD facilities or outdoor property. If the General Manager authorizes the requested use then such town department, board or committee should contact the RMLD Facilities Department to schedule such authorized use at a time when RMLD's facilities or outdoor property that are generally available for use under this policy and are not otherwise needed by RMLD.

C. Cancellations

RMLD reserves the right to cancel the use of a facility or outdoor property when such facility or outdoor property is needed for RMLD-related business or RMLD determines, in its sole discretion, such cancellation is deemed to be in the best interest of the RMLD. RMLD will attempt to contact the primary contact in advance, if time permits.

III. REQUIREMENTS AND RESTRICTIONS.

A. Drugs and Alcoholic Beverages Prohibited

Illegal drugs, medical marijuana, and alcoholic beverages of any kind are strictly prohibited on all RMLD property.

B. Smoking

Smoking is prohibited throughout all RMLD facilities and within a minimum of 10 feet from all RMLD buildings, decks, ramps and exits or as otherwise may be restricted by RMLD's prevailing smoking policies.

C. Additional Restrictions

RMLD may impose additional restrictions, at any time, as it deems necessary for the protection of its property, its employees, or the public or as otherwise in the public interest.

D. Accident Reports

In the event of an accident during the use of RMLD's facilities or outdoor property, the user shall immediately contact the RMLD Control Center (781) 942- 6437 to report the incident, who in turn will notify the appropriate RMLD employee to file a formal accident-report.

**RMLD Policy No. 13
FACILITY USE**

Revision No. 5

Commission Vote Date

General Manager/Date

Next Review Date

I. PURPOSE AND ELIGIBILITY

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Power Supply Update

ATTACHMENT 3

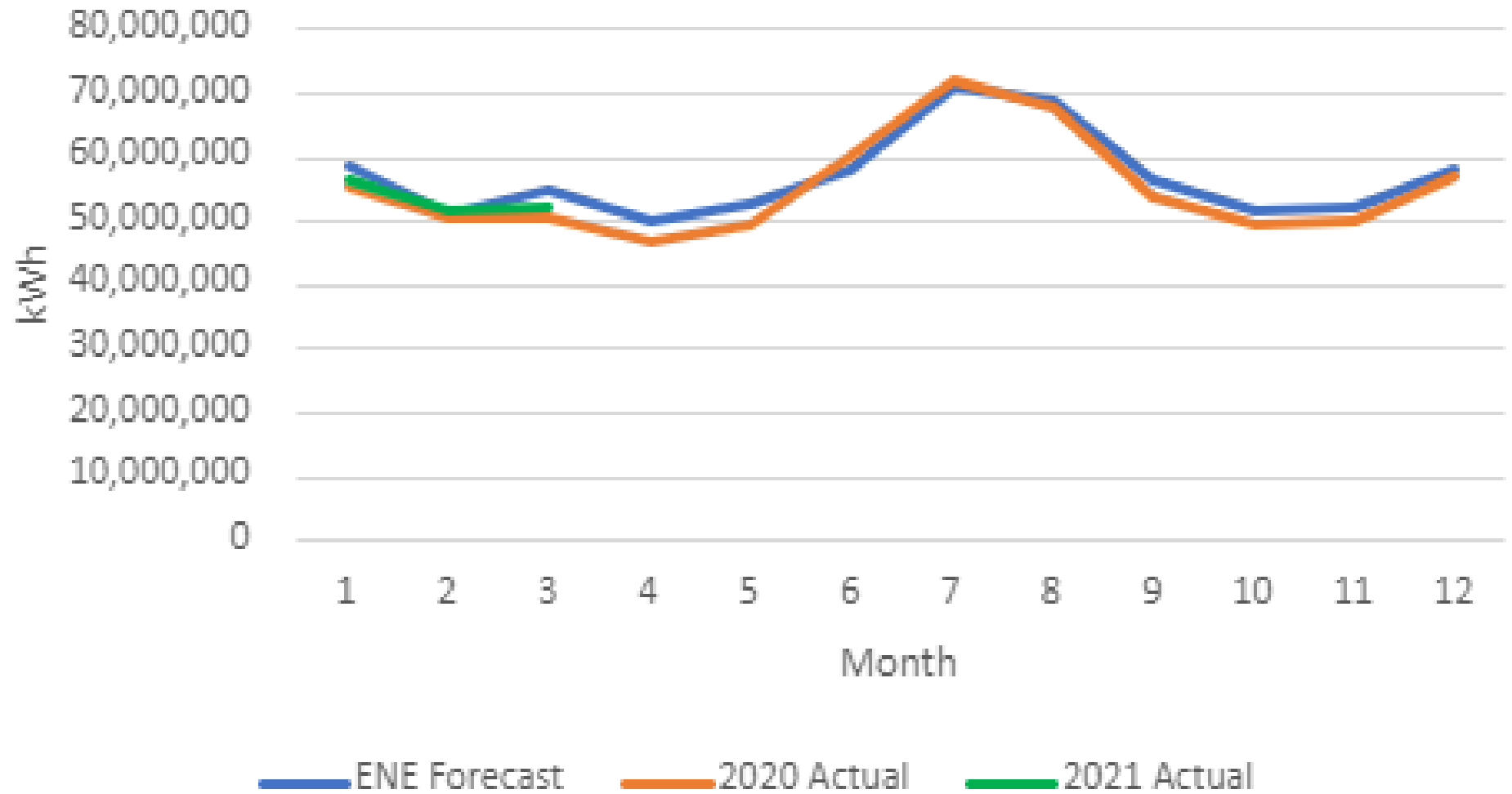
POWER SUPPLY REPORT

Board of Commissioners Meeting
April 22, 2021

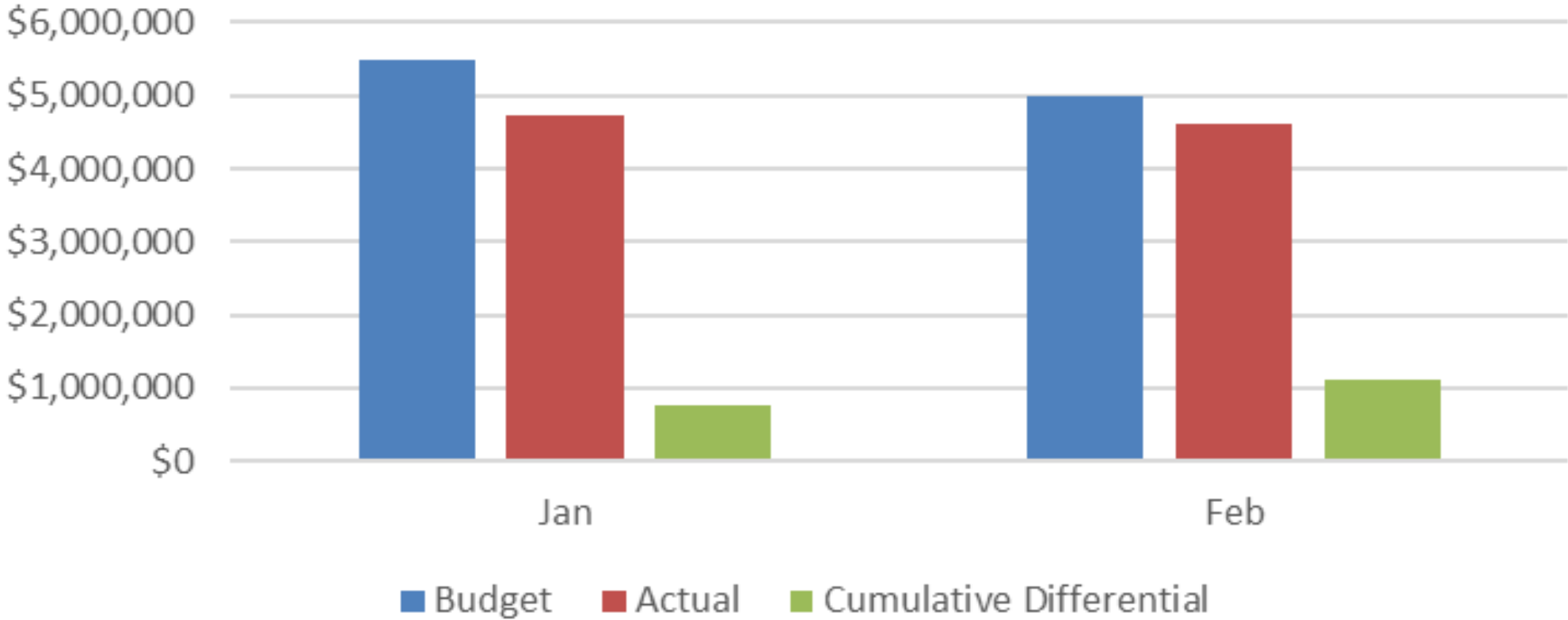
***Charles Underhill,
Director of Special
Projects***

***Reporting for
February 2021.***

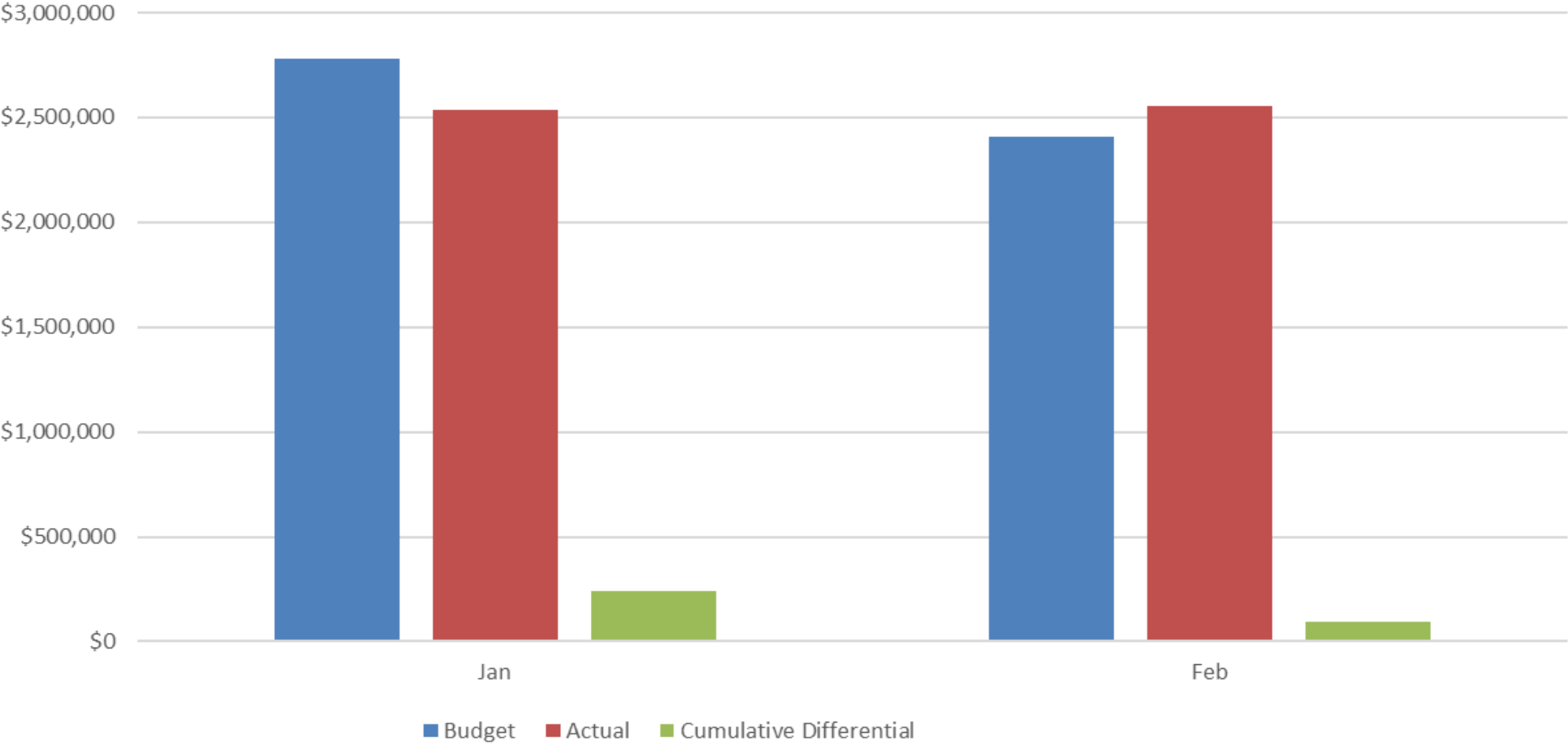
2021 RMLD Total System Loads



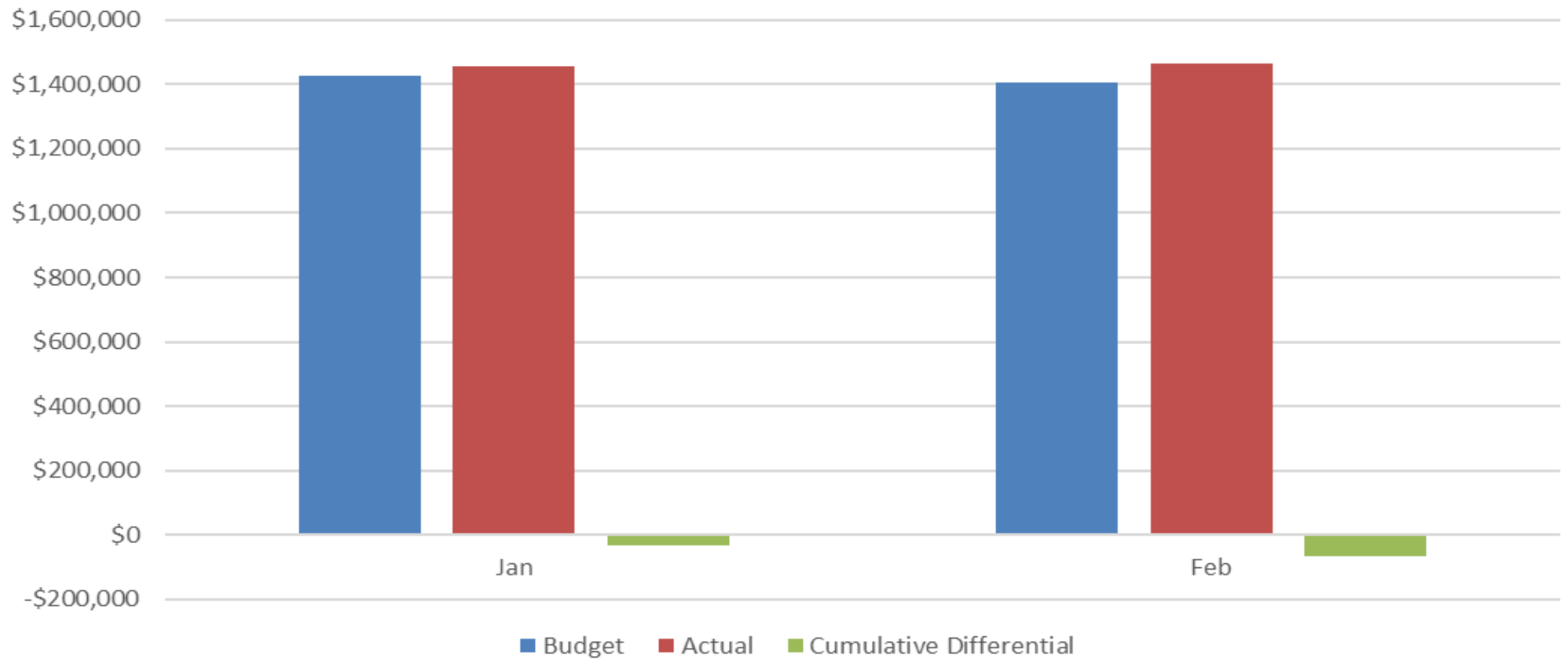
Purchase Power Expense January - February 2020



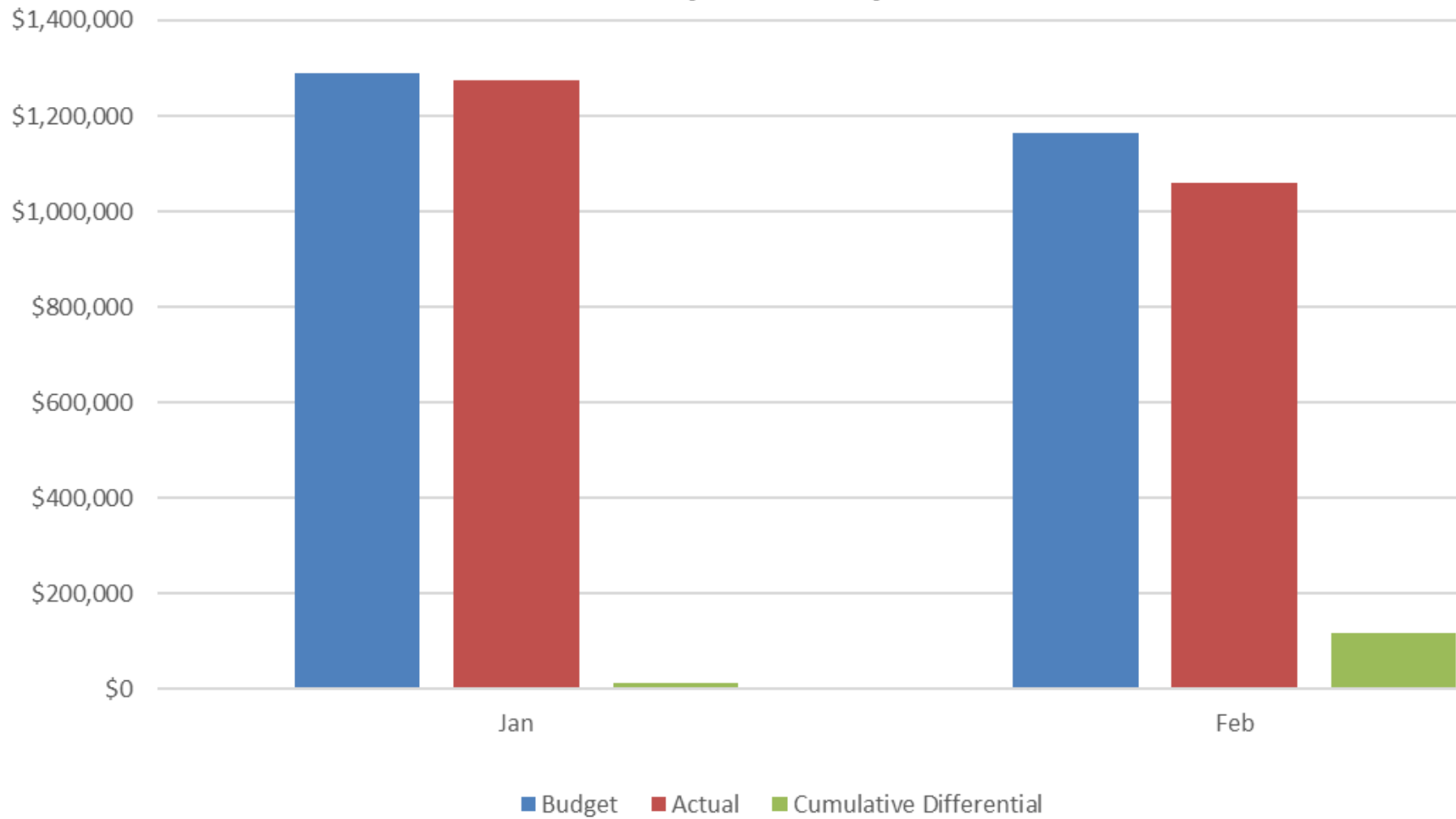
Energy Costs Budget vs. Actual January - February 2021



Capacity Costs Budget vs Actual January - February 2021



Transmission Costs Budget vs Actual January - February 2021



Power Portfolio Addition/Policy 30

ATTACHMENT 4



Power Portfolio Addition Policy 30

Board of Commissioners Meeting

22 April 2021

Outline

Power Portfolio Addition – NY Hydro

Climate Bill / Policy 30 Update

Renewable Choice - update



New York Hydro Power Supply Opportunity

Dahowa facility built in 1925 on ~100 ft natural waterfall near confluence of Hudson and Battenkill rivers (rural recreation area)

New powerhouse in 1991 (under a 40 year FERC license)

Gravity acquired plant in 2019, completing multiyear upgrade this year

Non-carbon and no known environmental issues (publicly filed docs)

Volume - 36,000 MWh/yr (~5.5% RMLD total load)
with CT Class 1 associated certificates (starting 2024)

Term - 25 year, starting summer 2021

Pricing – similar to CT hydro approved last meeting (average of hydro portfolio and ~80% higher than RMLD total portfolio average)

Retail - observations



Climate Bill driving noteworthy load **increase** at RMLD, rebates already impacting load

- **Electrification** driving load increase (example 10% anticipated increase to residential by 2030)

Rebate incentives **accelerating** in 2021 → promoting electrification/non-carbon activity

- HVAC (air-sourced heat pumps) rebate applications increasing from **10 to 30 per month**
- Solar incentives from DOER ending; RMLD will see cost increase to sustain incentive levels

Cost of service study – **upward pressure** on rates (more details next month) – examples:

- a) Base operating cost increasing ~3% annually
- b) Energy Conservation and Electrification program costs (rate increase from \$0.001 to \$0.003 / kwh)
- c) Increased certificate retirements per Policy 30 Rev 1
- d) Review solar net-metering and off-peak EV rates

Renewable Choice - update



History - Green Choice, Solar Choice

Goal for Renewable Choice – offer 100% non-carbon option for rate payers (customer choice); incremental to existing annualized non-carbon compliance (Policy 30 Rev1)

Name – considering “*Non-Carbon Choice*”

Status – Green Tariff discussion with two large industrials; part of Cost of Service Study; DPU filing considerations; implementation / administration of this rate, ...

Guardrail – Certificates retired or sold from RMLD account to support compliance requirements; Climate Bill and Policy 30 Rev 1 compliance applies to all ratepayers

Mechanism options:

- a) Retire more - use additional rate to directly offset fewer certificate sales
- b) Buy more – use additional rate to buy unassociated certificates; issue credentials

Certificate update



Working to have EFEC's and NYPRA posted into RMLD account with NEPOOL GIS (compliance)

Going forward, we will **retire** certificates up to annualized Policy 30 line, sell the balance

Quarterly BOC/CAB reporting early in transaction windows (Jul, Oct, Jan, and Apr meetings)

Q4 2020 certificates (15,400) – **selling** under Rev 0 of Policy 30; \$460,000 of NE Class I, Class II

Thank You

Maximizing Revenue from "Renewable Choice"

What the Data Say about What Kinds of
"Optional" Pricing Work

Marlena Bitá, RMLD Board of Commissioners, April 22, 2021

RMLD
Residential and
Commercial
Ratepayers Want
Aggressive
Action

(RMLD Customer
Survey 2020)

67.0% of *residential* RMLD
respondents would like RMLD to be
aggressive with respect to setting goals
to reduce GGEs

61.8% of *commercial* RMLD
respondents would like RMLD to be
aggressive with respect to setting goals
to reduce GGEs

By an Almost
Two-to-One
Margin,
Customers Say
They Are Willing
to Pay More

(RMLD Customer
Survey)

58.3% are willing to pay between 5% and 25% more for renewable energy

31.4% were not willing to pay more for renewable energy

10.3% did not answer the question or did not know

THE BIG QUESTIONS

What is the appropriate rate policy when 58% of ratepayers are willing to pay more?

How can RMLD capture this potential revenue stream?

How can RMLD accelerate the transition to cleaner energy?

Insights from
National
Renewable
Energy
Lab (NREL)
DoE Study

(O'Shaughnessy, Heeter, and
Sauer 2018)

When utilities use "opt-in" rates, only 5%-20% of customers do so.

But when utilities use "opt-out" rates, 85% or more of customers tend to stay in.

Even with "opt-out" customers still have choice! They can say "no" to the premium.

Municipal
Light Plant
(WMLP)
Experience
according to
GM Donald
Newell

WMLP tried "Opt-In," but only 10% participated, consistent with national data.

Town Meeting intervened and WMLP changed to "Opt-Out" effective July 1, 2021

80% to 85% are expected to remain enrolled first year

4% surcharge should achieve goal to generate \$500k/yr for battery storage and solar arrays

Takeaways:
RMLD
Commission
Should
Consider "Opt-
Out" Path

Ratepayers have spoken, and national data shows what works.

We can still protect those unwilling or unable to pay more.

Explore/adopt an "opt out" rate structure to accelerate clean transition through data-driven policy.

Engineering & Operations Report

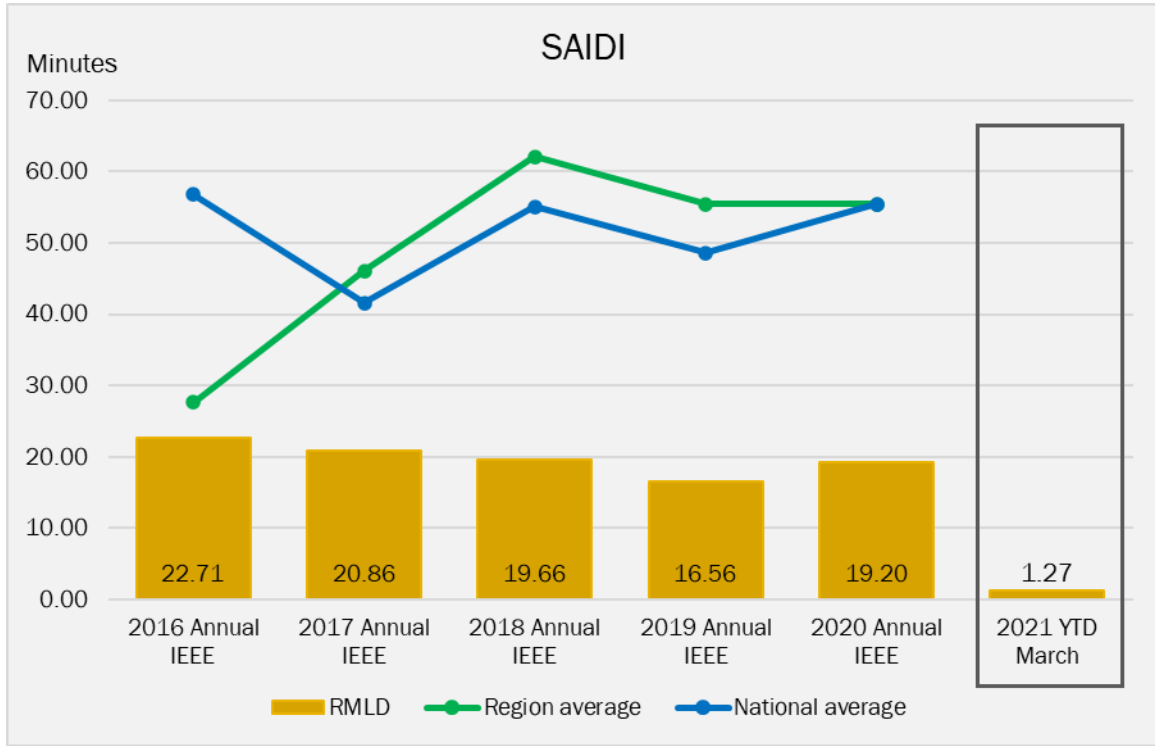
ATTACHMENT 5

ENGINEERING & OPERATIONS REPORT

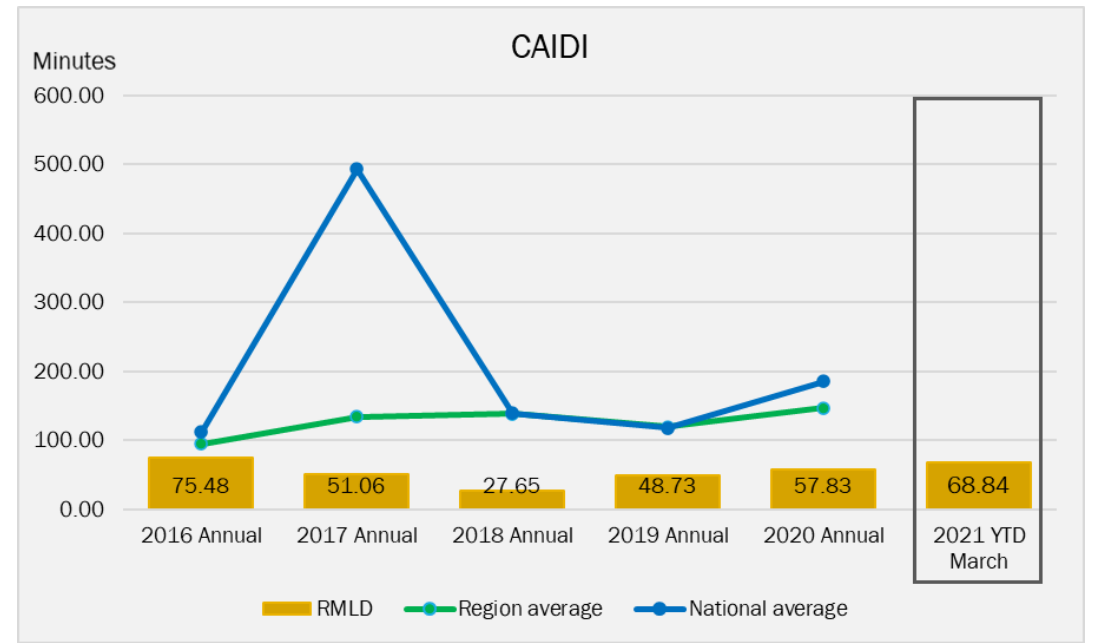
RMLD Board of Commissioners
RMLD Citizens' Advisory Board

April 22, 2021

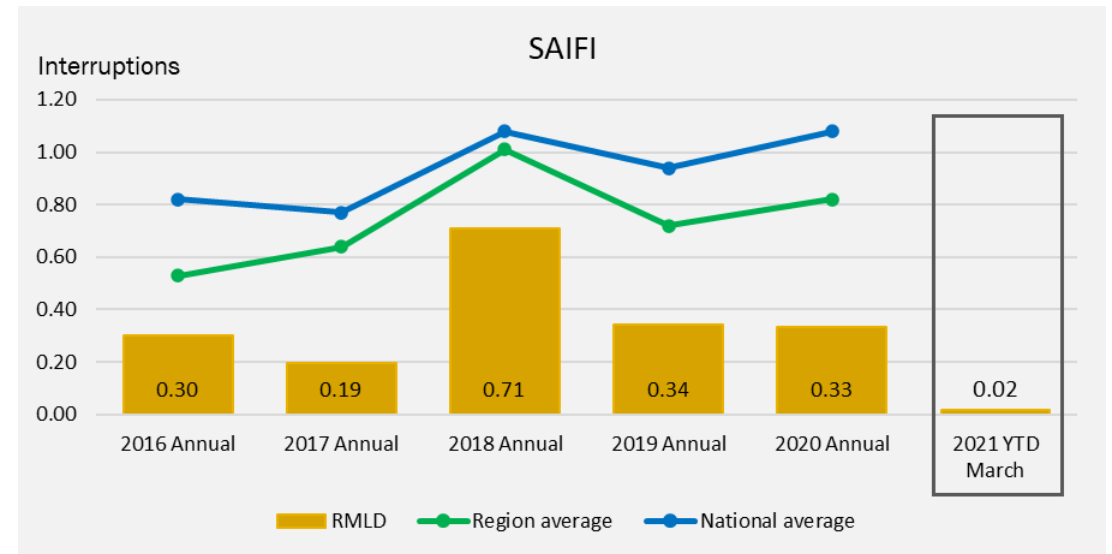
RMLD Reliability Indices



$$SAIDI \text{ (Minutes)} = \frac{\text{Total Duration of Customer Interruptions}}{\text{Total Number of Customers Served}}$$



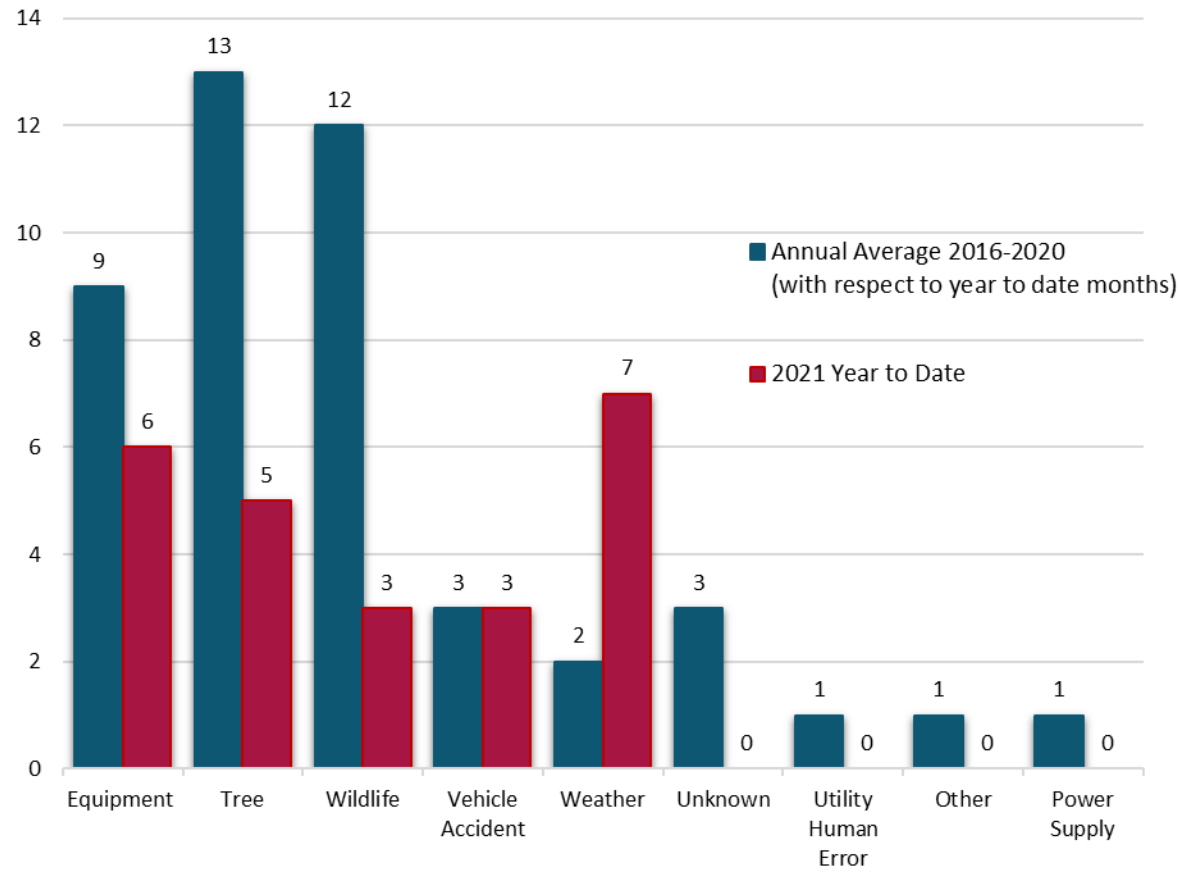
$$CAIDI \text{ (Minutes)} = \frac{\text{Total Duration of Customer Interruptions}}{\text{Total Number of Customer Interruptions}}$$



$$SAIFI = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

Note: APPA eReliability Tracker using IEEE beta threshold method for outages.

Causes of Outages as of March 2021



RMLD Awards in 2020

RMLD received two prestigious awards from the American Public Power Association (APPA) in 2020:

➤ **Reliability**

- Analyzing outage data/history
- Comparing RMLD's reliability indices with regional and national averages
- RMLD's reliability is one of the best in New England.

➤ **Reliable Public Power Provider (RP₃)**

- Evaluating RMLD's policies, operational procedures, business model, planning, and organizational management against best business practices nationwide





American Public Power Association



PLATINUM LEVEL

READING MUNICIPAL LIGHT DEPARTMENT

MAY 2021 – MAY 2024



WHAT IS RP₃ (RELIABLE, PUBLIC POWER PROVIDER)

APPA's RP₃ designation recognizes public power utilities for providing reliable and safe electric service. The designation is based on industry-recognized leading practices in four key disciplines:

- ✓ Reliability
- ✓ Safety
- ✓ Workforce Development
- ✓ System Improvement

The American Public Power Association has offered the RP₃ designation for 16 years. APPA is the voice of not-for-profit, community-owned utilities that power 49 million people in 2,000 towns and cities nationwide. APPA advocates and advises on electricity policy, technology, trends, training and operations.



More Than 270 of the Nation's More than 2,000 Public Power Utilities Hold an RP₃ Designation

An 18-member panel of national public power experts review and score applications and assign one of the following designations based on the utility's overall score on the RP₃ application:

- Diamond: 98-100% - 47 recipients in 2021
- Platinum: 90-97% - 45 recipients in 2021
- Gold: 80-89% - 16 recipients in 2021

RMLD SCORED 90.50% ON THE 2021 APPLICATION

RP₃ APPLICATION



Utility Demographics

- ❖ Employee Demographics

Reliability

- ❖ Reliability Indices Collection
- ❖ Reliability Indices Use
- ❖ Mutual Aid
- ❖ Utility Disaster Plan
- ❖ Physical Security
- ❖ Subsection: Cyber Security

Safety

- ❖ Safety Manual
- ❖ Safe Work Practices
- ❖ Benchmarking

Workforce Development

- ❖ Succession Planning and Recruitment
- ❖ Employee Development
- ❖ Education, Participation and Services

System Improvement

- ❖ Research and Development
- ❖ System Maintenance and Betterment
- ❖ Financial Health

TIMELINE

May – September

- Complete Online Application

October - December

- RP₃ Panel Review Period

January

- Utilities Receive Scores

April/May

- Designation status is officially active and lasts for three years.

Next Three Years

- Utilities promote recognition in communities and to all stakeholders.

Year Two (of designation)

- Utilities reapply for designation (one year prior to expiry)

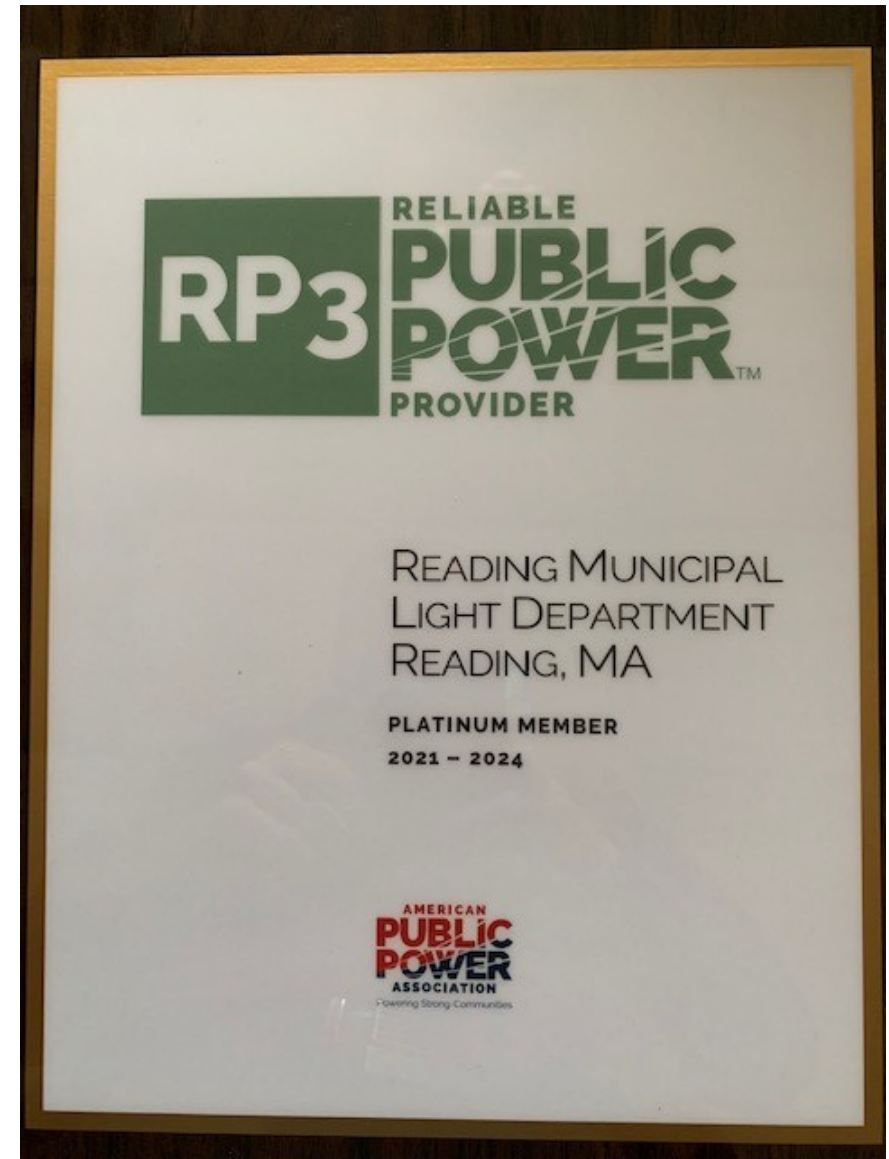
-
- RMLD's current RP₃ designation is valid for three years: 2021 – 2024; RMLD will be eligible to reapply for another three-year designation in 2023 for 2024.
 - RMLD's designation plaque (pictured at the right) will be displayed proudly in the lobby at 230 Ash Street.
 - RMLD last applied for and received an RP3 designation in 2006 at the Platinum Level.

Learn more about RP₃:

<https://www.publicpower.org/about/members/reliability-recognition-tracking>

RMLD Press Release:

https://www.rml.com/sites/g/files/vyhlf1126/f/uploads/rmld_press_release_rp3_designation_03.23.21.pdf



2021 AWARDS CEREMONY

March 23rd at the 2021 Virtual Engineering & Operations Conference

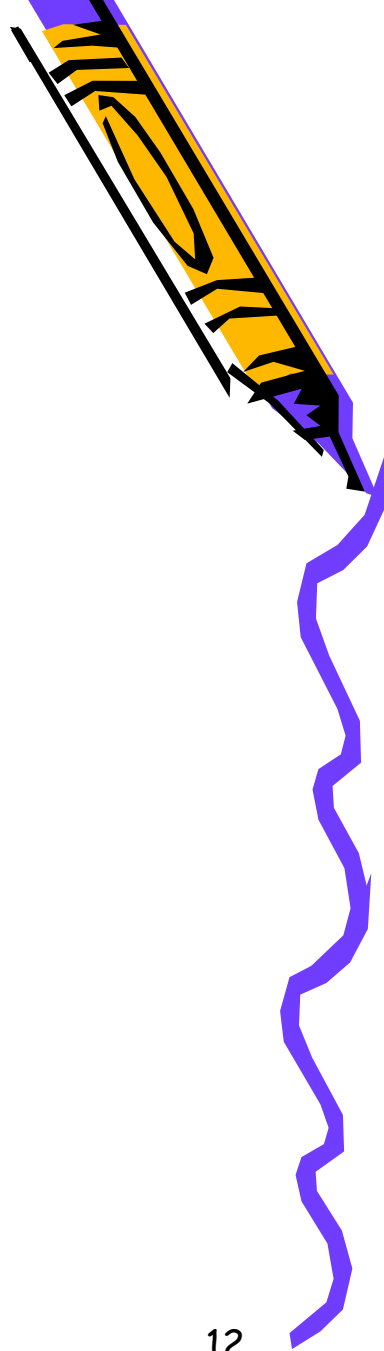
[2021 Reliable Public Power Provider \(RP3\) Designees - YouTube](#)



Thank You



Question?



Business & Finance Update through February 28, 2021

ATTACHMENT 6

THE READING MUNICIPAL LIGHT DEPARTMENT

FINANCIAL REVIEW

APRIL 22, 2021



FINANCIAL AUDIT COMPLETE



SALES TAX PRE-PAYMENT REQUIREMENT
CHANGE



DEPARTMENT OF PUBLIC UTILITIES RETURN



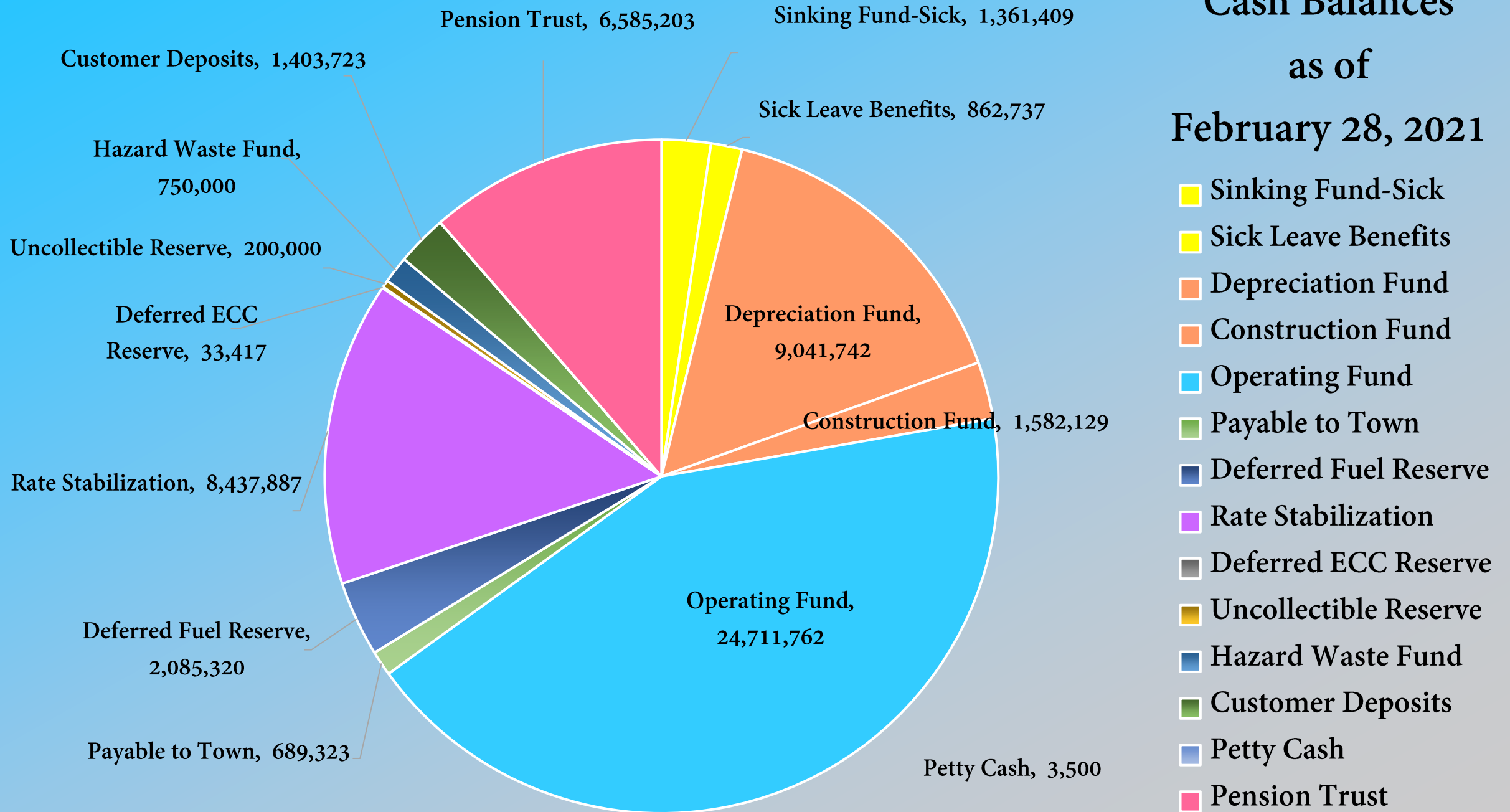
TOWN OF READING PAYMENT SET FOR
6/30/2021 \$1,240,253



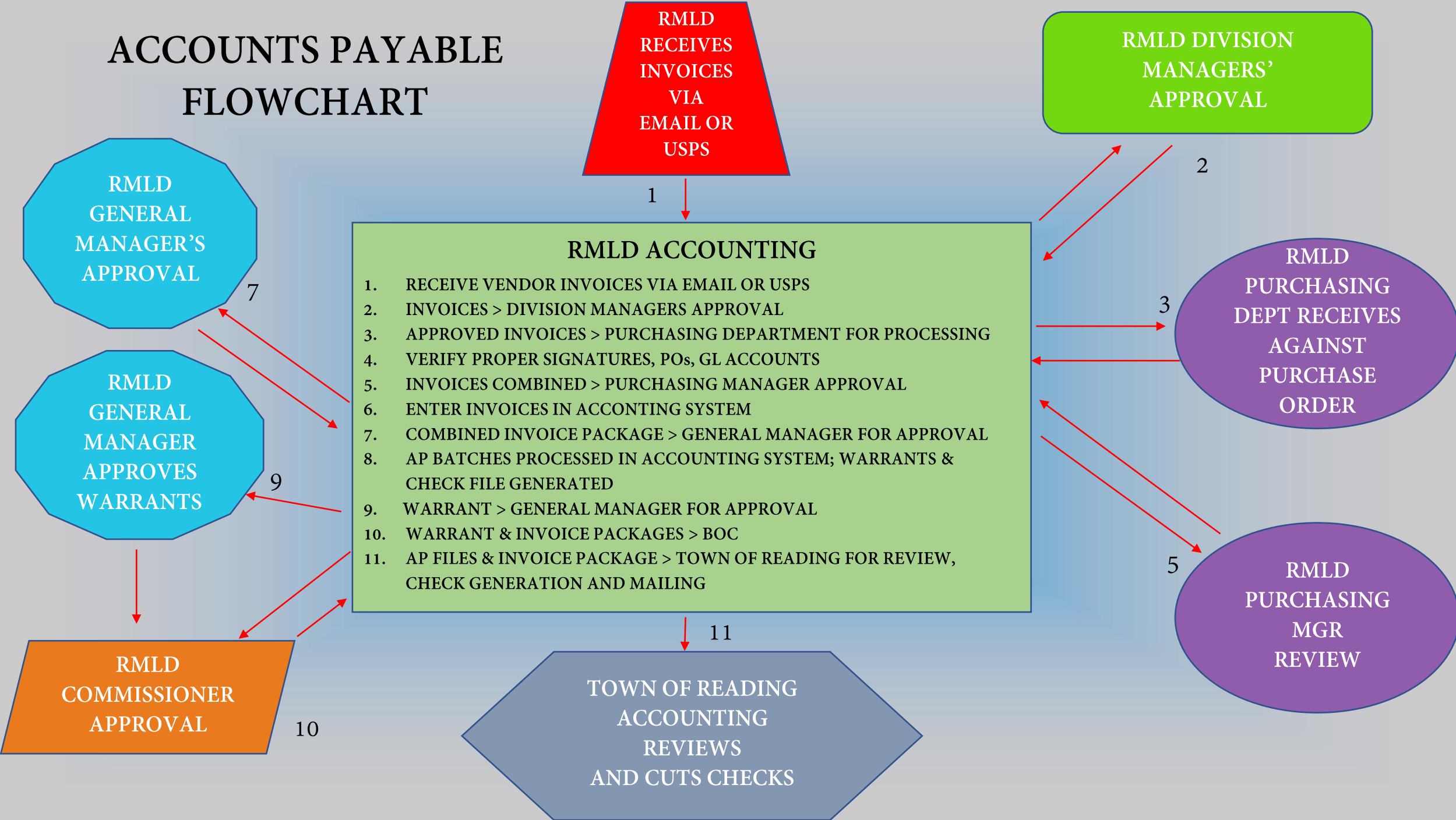
2% NET PLANT PAYMENTS SET FOR 6/30/2021
estimated \$827K

HIGHLIGHTS

Cash Balances as of February 28, 2021



ACCOUNTS PAYABLE FLOWCHART



Town of Reading, Massachusetts
Municipal Light Department
Statement of Net Assets
2/28/2021

	2021	2020
ASSETS		
Current:		
Unrestricted Cash	\$ 24,715,262	\$ 21,567,377
Restricted Cash	31,671,483	30,813,702
Restricted Investments	1,361,409	1,351,986
Receivables, Net	9,266,912	8,292,944
Prepaid Expenses	1,986,040	2,071,043
Inventory	2,075,171	1,775,275
Total Current Assets	71,076,276	65,872,327
Noncurrent:		
Investment in Associated Companies	822,087	802,358
Capital Assets, Net	82,479,593	80,444,238
Total Noncurrent Assets	83,301,680	81,246,596
Deferred Outflows - Pension Plan	8,102,116	8,102,116
TOTAL ASSETS	162,480,071	155,221,039

DRAFT

LIABILITIES		
Current		
Accounts Payable	11,503,188	8,282,025
Accrued Liabilities	631,338	558,648
Customer Deposits	1,403,723	1,332,787
Advances from Associated Companies	200,000	200,000
Customer Advances for Construction	1,644,041	2,064,700
Total Current Liabilities	15,382,290	12,438,160
Non-current		
Accrued Employee Compensated Absences	2,221,737	2,471,374
Net OPEB Obligation	7,094,569	7,094,569
Net Pension Liability	14,610,001	14,610,001
Total Non-current Liabilities	23,926,307	24,175,944
Deferred Inflows - Pension Plan	1,964,276	1,964,276
TOTAL LIABILITIES	41,272,874	38,578,380

NET POSITION		
Invested in Capital Assets, Net of Related Debt	82,479,593	80,444,238
Restricted for Depreciation Fund	10,623,872	8,262,408
Restricted for Pension Trust	6,585,203	6,365,431
Unrestricted	21,518,757	21,570,582
TOTAL NET POSITION	121,207,425	116,642,659
Total Liabilities and Net Assets	\$ 162,480,071	\$ 155,221,039

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
2/28/2021

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year
Operating Revenues				
Base Revenue	\$ 2,309,851	\$ 2,176,214	\$ 4,725,197	\$ 4,499,003
Fuel Revenue	2,140,735	1,935,886	4,250,173	4,119,636
Purchased Power Capacity & Transmission	2,750,849	2,653,762	5,647,457	5,408,212
Forfeited Discounts	82,289	47,856	143,619	111,767
Energy Conservation Revenue	53,260	51,124	109,518	105,629
NYPA Credit	(87,915)	(89,283)	(197,120)	(179,551)
Total Operating Revenues	7,249,070	6,775,559	14,678,843	14,064,697

Expenses

Power Expenses:

DRAFT

555 Purchased Power Fuel	2,557,197	2,373,603	5,094,735	5,022,250
555 Purchased Power Capacity	1,499,554	1,673,760	2,960,845	3,376,594
565 Purchased Power Transmission	1,061,174	930,622	2,336,997	1,944,391
Total Purchased Power	5,117,925	4,977,984	10,392,577	10,343,235

Operations and Maintenance Expenses:

580 Supervision and Engineering	90,493	72,905	166,731	146,747
581 Station/Control Room Operators	34,109	44,358	72,668	91,999
582 Station Technicians	63,747	21,756	104,546	48,887
583 Line General Labor	66,783	57,051	116,480	94,780
586 Meter General	14,637	11,152	21,446	28,546
588 Materials Management	37,272	37,595	69,263	73,496
593 Maintenance of Lines - Overhead	32,310	15,952	45,337	24,159
593 Maintenance of Lines - Tree Trimming	9,934	12,200	18,299	29,818
594 Maintenance of Lines - Underground	9,351	(1,297)	9,329	17,063
595 Maintenance of Line - Transformers	22,013	1,688	22,013	7,743
598 Line General Leave Time Labor	15,745	25,768	49,866	47,685
Total Operations and Maintenance Expenses	396,396	299,128	695,978	610,924

General & Administration Expenses:

902 Meter Reading	717	-	1,192	152
903 Customer Collections	80,707	133,200	160,782	227,674
904 Uncollectible Accounts	8,750	8,750	17,500	17,500
916 Energy Audit	61,578	40,464	136,183	84,158
916 Energy Conservation	64,534	93,890	79,855	140,976
920 Administrative and General Salaries	140,240	170,554	273,350	349,234
921 Office Supplies and Expense	1,945	1,136	2,189	1,714
923 Outside Services - Legal	1,530	4,829	1,530	4,829
923 Outside Services - Contract	19,500	11,332	25,075	11,657
923 Outside Services - Education	1,778	29	1,853	4,958
924 Property Insurance	17,935	18,879	81,904	75,138
925 Injuries and Damages	1,100	4,522	1,100	9,134
926 Employee Pensions and Benefits	298,997	373,054	897,691	916,867
930 Miscellaneous General Expense	52,403	7,774	85,077	32,054
931 Rent Expense	30,412	13,446	43,858	40,337
933 Vehicle Expenses	25,627	8,480	39,774	16,440
933 Vehicle Expenses - Capital	(26,106)	(23,106)	(55,672)	(50,274)
935 Maintenance of General Plant	44,220	15,267	71,072	48,367
935 Maintenance of Building & Garage	88,273	50,673	131,707	98,725
Total General & Administration Expenses	914,140	933,171	1,996,021	2,029,640

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
2/28/2021

Other Operating Expenses:

403 Depreciation	406,980	391,601	813,959	783,201
408 Voluntary Payments to Towns	137,953	133,917	275,906	267,835
Total Other Expenses	<u>544,933</u>	<u>525,518</u>	<u>1,089,865</u>	<u>1,051,036</u>
Operating Income	275,676	39,758	504,402	29,861

Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction				
419 Interest Income	4,358	40,822	11,054	87,462
419 Other	263,269	163,053	367,991	256,318
426 Return on Investment to Reading	(206,709)	(206,709)	(413,418)	(413,418)
431 Interest Expense	(3,755)	(2,107)	(7,549)	(26,512)
Total Non Operating Revenues (Expenses)	<u>57,164</u>	<u>(4,941)</u>	<u>(41,922)</u>	<u>(96,149)</u>
Change in Net Assets	332,840	34,817	462,480	(66,287)

Net Assets at Beginning of Year	120,744,945	116,708,946	120,744,945	116,708,946
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Ending Net Assets	<u>\$ 121,077,786</u>	<u>\$ 116,743,763</u>	<u>\$ 121,207,425</u>	<u>\$ 116,642,659</u>
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Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
2/28/2021

	Actual 2/28/2021	Budget 2/28/2021	OVER/(UNDER) BUDGET	OVER/(UNDER) BUDGET
Operating Revenues				
Base Revenue	\$ 4,725,197	\$ 4,715,498	\$ 9,699	0.2%
Fuel Revenue	4,250,173	4,649,076	(398,903)	(8.6%)
Purchased Power Capacity & Transmission	5,647,457	5,910,925	(263,468)	(4.5%)
Forfeited Discounts	143,619	154,834	(11,215)	(7.2%)
Energy Conservation Revenue	109,518	108,999	519	0.5%
NYPA Credit	(197,120)	(190,596)	(6,524)	3.4%
Total Operating Revenues	14,678,843	15,348,736	(669,892)	(4.4%)

Expenses

DRAFT

Power Expenses:

555 Purchased Power Fuel	5,094,735	4,458,480	636,255	14.3%
555 Purchased Power Capacity	2,960,845	2,947,895	12,950	0.4%
565 Purchased Power Transmission	2,336,997	2,963,030	(626,033)	(21.1%)
Total Purchased Power	10,392,577	10,369,405	23,173	0.2%

Operations and Maintenance Expenses:

580 Supervision and Engineering	166,731	190,532	(23,801)	(12.5%)
581 Station/Control Room Operators	72,668	82,989	(10,321)	(12.4%)
582 Station Technicians	104,546	74,669	29,877	40.0%
583 Line General Labor	116,480	176,460	(59,980)	(34.0%)
585 Street Lighting	-	167	(167)	(100.0%)
586 Meter General	21,446	30,689	(9,242)	(30.1%)
588 Materials Management	69,263	75,994	(6,731)	(8.9%)
593 Maintenance of Lines - Overhead	45,337	92,967	(47,630)	(51.2%)
593 Maintenance of Lines - Tree Trimming	18,299	153,141	(134,843)	(88.1%)
594 Maintenance of Lines - Underground	9,329	13,483	(4,154)	(30.8%)
595 Maintenance of Line - Transformers	22,013	37,888	(15,875)	(41.9%)
598 Line General Leave Time Labor	49,866	74,646	(24,780)	(33.2%)
Total Operations and Maintenance Expenses	695,978	1,003,625	(307,648)	(30.7%)

General & Administration Expenses:

902 Meter Reading	1,192	1,314	(122)	(9.3%)
903 Customer Collections	160,782	161,565	(783)	(0.5%)
904 Uncollectible Accounts	17,500	17,500	-	0.0%
916 Energy Audit	136,183	100,237	35,946	35.9%
916 Energy Conservation	79,855	202,339	(122,484)	(60.5%)
920 Administrative and General Salaries	273,350	375,170	(101,820)	(27.1%)
921 Office Supplies and Expense	2,189	3,333	(1,144)	(34.3%)
923 Outside Services - Legal	1,530	82,833	(81,303)	(98.2%)
923 Outside Services - Contract	25,075	84,733	(59,658)	(70.4%)
923 Outside Services - Education	1,853	42,970	(41,117)	(95.7%)
924 Property Insurance	81,904	81,617	287	0.4%
925 Injuries and Damages	1,100	9,509	(8,409)	(88.4%)
926 Employee Pensions and Benefits	897,691	611,001	286,690	46.9%
930 Miscellaneous General Expense	85,077	84,382	696	0.8%
931 Rent Expense	43,858	35,333	8,525	24.1%
933 Vehicle Expenses	39,774	64,767	(24,993)	(38.6%)
933 Vehicle Expenses - Capital	(55,672)	(59,091)	3,419	(5.8%)
935 Maintenance of General Plant	71,072	77,296	(6,223)	(8.1%)
935 Maintenance of Building & Garage	131,707	155,579	(23,872)	(15.3%)
Total General & Administration Expenses	1,996,021	2,132,387	(136,366)	(6.4%)

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
2/28/2021

Other Operating Expenses:

403 Depreciation	813,959	819,391	(5,431)	(0.7%)
408 Voluntary Payments to Towns	275,906	275,743	162	0.1%
Total Other Expenses	1,089,865	1,095,134	(5,269)	(0.5%)
Operating Income	504,402	748,184	(243,782)	(32.6%)

Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction	-	50,000	(50,000)	(100.0%)
419 Interest Income	11,054	83,333	(72,279)	(86.7%)
419 Other Income	367,991	92,500	275,491	297.8%
421 Intergovernmental Grants	-	55,000	(55,000)	(100.0%)
426 Voluntary Pilot Payments to Reading	(413,418)	(413,418)	-	0.0%
426 Loss on Disposal	-	(16,667)	16,667	(100.0%)
431 Interest Expense	(7,549)	(7,500)	(49)	0.7%
Total Non Operating Revenues (Expenses)	(41,922)	(156,751)	114,829	(73.3%)

Net Income	\$ 462,480	\$ 591,433	\$ (128,953)	(21.8%)
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RMLD Procurement Requests

ATTACHMENT



April 14, 2021

Town of Reading Municipal Light Board

Subject: IFP 2021-13 Voltage and Current Transformers

Pursuant to M.G.L. c. 164 § 56D, on March 3, 2021, an invitation for proposals was placed as a legal notice in the Middlesex East Section of the Daily Times Chronicle and posted on the RMLD website requesting sealed proposals for Voltage and Current Transformers.

An invitation for proposals was sent to fourteen (14) companies.

Sealed proposals were received from four (4) companies: Graybar Electric Company, Inc., Spectrum Industries, Inc., Stuart C. Irby Company, and WESCO Distribution, Inc.

The sealed proposals were opened and read aloud via a video Zoom meeting* at 12:30 p.m., March 17, 2021, in the Town of Reading Municipal Light Department’s T&D Conference Room, 230 Ash Street, Reading, Massachusetts. After conclusion of the bid opening, the bid results were posted on the RMLD website and sent to all vendors who submitted a bid.

**Due to the COVID-19 restrictions, the RMLD building is closed to the public.*

The proposals were reviewed, analyzed, and evaluated by staff and recommended to the General Manager.

Move that IFP 2021-13 for Voltage and Current Transformers be awarded to: **Graybar Electric Company, Inc., for \$124,970.00, and WESCO Distribution, Inc., for \$28,224.00¹**, pursuant to M.G.L. c. 164 § 56D, on the recommendation of the General Manager.

¹See attached analysis.

The 2021 Capital Budget amount for these items is \$166,000.


Nick D'Alleva (Apr 14, 2021 14:12 EDT)

Nick D'Alleva

John McDonagh (Apr 14, 2021 14:16 EDT)

John McDonagh

Hamid Jaffari (Apr 14, 2021 14:31 EDT)

Hamid Jaffari

coleen obrien (Apr 15, 2021 10:21 EDT)

Coleen O'Brien

**Analysis - Voltage and Current Transformers
IFP 2021-13**

<u>Proposer</u>	<u>Manufacturer</u>	<u>Delivery Date</u>	<u>Unit Cost</u>	<u>Qty</u>	<u>Total Cost</u>	<u>Total Cost Awarded</u>	<u>Meet Specification Requirement</u>
Graybar Electric Company, Inc.							
Item 1 GE Model JVW-110 Superbute, 120:1 ratio,	GE	14-16 weeks	\$936.00	42	\$39,312.00	\$39,312.00	yes
Item 2 GE Model JVW-110 Superbute, 70:1 ratio	GE	14-16 weeks	\$936.00	36	\$33,696.00		
Item 3 GE Model JVW-3 Superbute, 20:1 ratio	GE	12-13 weeks	\$594.00	10	\$5,940.00	\$5,940.00	yes
Item 4 GE Model JCK-5 Superbute, 15:5 ratio	GE	8-9 weeks	\$691.00	40	\$27,640.00	\$27,640.00	yes
Item 5 GE Model JCK-5 Superbute, 25:5 ratio	GE	8-9 weeks	\$691.00	30	\$20,730.00	\$20,730.00	yes
Item 6 GE Model JCK-5 Superbute, 50:5 ratio	GE	8-9 weeks	\$691.00	20	\$13,820.00	\$13,820.00	yes
Item 7 GE Model JCK-5 Superbute, 150:5 ratio	GE	8-9 weeks	\$691.00	14	\$9,674.00	\$9,674.00	yes
Item 8 GE Model JCK-3 Superbute, 10:5 ratio	GE	8-9 weeks	\$561.00	2	\$1,122.00	\$1,122.00	yes
Item 9 GE Model JCK-3 Superbute, 40:5 ratio	GE	8-9 weeks	\$561.00	12	\$6,732.00	\$6,732.00	yes
					<u>\$158,666.00</u>	<u>\$124,970.00</u>	

WESCO Distribution, Inc.							
Item 1 GE Model JVW-110 Superbute, 120:1 ratio,	RITZ	5-6 weeks	\$958.00	42	\$40,236.00		
Item 2 GE Model JVW-110 Superbute, 70:1 ratio	RITZ	5-6 weeks	\$784.00	36	\$28,224.00	\$28,224.00	yes
Item 3 GE Model JVW-3 Superbute, 20:1 ratio	RITZ	5-6 weeks	\$653.00	10	\$6,530.00		
Item 4 GE Model JCK-5 Superbute, 15:5 ratio	RITZ	4-6 weeks	\$732.00	40	\$29,280.00		
Item 5 GE Model JCK-5 Superbute, 25:5 ratio	RITZ	4-6 weeks	\$732.00	30	\$21,960.00		
Item 6 GE Model JCK-5 Superbute, 50:5 ratio	RITZ	4-6 weeks	\$732.00	20	\$14,640.00		
Item 7 GE Model JCK-5 Superbute, 150:5 ratio	RITZ	4-6 weeks	\$732.00	14	\$10,248.00		
Item 8 GE Model JCK-3 Superbute, 10:5 ratio	RITZ	4-6 weeks	\$732.00	2	\$1,464.00		
Item 9 GE Model JCK-3 Superbute, 40:5 ratio	RITZ	4-6 weeks	\$732.00	12	\$8,784.00		
					<u>\$161,366.00</u>	<u>\$28,224.00</u>	

**Analysis - Voltage and Current Transformers
IFP 2021-13**

<u>Proposer</u>	<u>Manufacturer</u>	<u>Delivery Date</u>	<u>Unit Cost</u>	<u>Qty</u>	<u>Total Cost</u>	<u>Total Cost Awarded</u>	<u>Meet Specification Requirement</u>
Spectrum Industries, Inc.							
Item 1 GE Model JVW-110 Superbute, 120:1 ratio,	GE	15 weeks	\$1,016.00	42	\$42,672.00		
Item 2 GE Model JVW-110 Superbute, 70:1 ratio	GE	15 weeks	\$1,016.00	36	\$36,576.00		
Item 3 GE Model JVW-3 Superbute, 20:1 ratio	GE	13 weeks	\$644.47	10	\$6,444.70		
Item 4 GE Model JCK-5 Superbute, 15:5 ratio	GE	9 weeks	\$750.10	40	\$30,004.00		
Item 5 GE Model JCK-5 Superbute, 25:5 ratio	GE	9 weeks	\$750.10	30	\$22,503.00		
Item 6 GE Model JCK-5 Superbute, 50:5 ratio	GE	9 weeks	\$750.10	20	\$15,002.00		
Item 7 GE Model JCK-5 Superbute, 150:5 ratio	GE	9 weeks	\$750.10	14	\$10,501.40		
Item 8 GE Model JCK-3 Superbute, 10:5 ratio	GE	9 weeks	\$608.22	2	\$1,216.44		
Item 9 GE Model JCK-3 Superbute, 40:5 ratio	GE	9 weeks	\$608.22	12	\$7,298.64		
					<u>\$172,218.18</u>	<u>\$0.00</u>	
Stuart C. Irby Company							
Item 1 GE Model JVW-110 Superbute, 120:1 ratio,	ABB	10 weeks	\$935.00	42	\$39,270.00		
Item 2 GE Model JVW-110 Superbute, 70:1 ratio	ABB	10 weeks	\$954.00	36	\$34,344.00		
Item 3 GE Model JVW-3 Superbute, 20:1 ratio	ABB	10 weeks	\$900.00	10	\$9,000.00		
Item 4 GE Model JCK-5 Superbute, 15:5 ratio	ABB	10 weeks	\$793.00	40	\$31,720.00		
Item 5 GE Model JCK-5 Superbute, 25:5 ratio	ABB	10 weeks	\$801.00	30	\$24,030.00		
Item 6 GE Model JCK-5 Superbute, 50:5 ratio	ABB	10 weeks	\$810.00	20	\$16,200.00		
Item 7 GE Model JCK-5 Superbute, 150:5 ratio	ABB	10 weeks	\$818.00	14	\$11,452.00		
Item 8 GE Model JCK-3 Superbute, 10:5 ratio	ABB	10 weeks	\$910.00	2	\$1,820.00		
Item 9 GE Model JCK-3 Superbute, 40:5 ratio	ABB	10 weeks	\$910.00	12	\$10,920.00		
					<u>\$178,756.00</u>	<u>\$0.00</u>	
Total cost for all of the lowest unit price items						\$153,194.00	