



Town of Reading Meeting Posting with Agenda

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-11-17

Time: 6:00 PM

Building:

Location:

Address:

Agenda:

Purpose: General Business

Meeting Called By: Jason Small, Chair

Notices and agendas are to be posted 48 hours in advance of the meetings excluding Saturdays, Sundays and Legal Holidays. Please keep in mind the Town Clerk's hours of operation and make necessary arrangements to be sure your posting is made in an adequate amount of time. A listing of topics that the chair reasonably anticipates will be discussed at the meeting must be on the agenda.

All Meeting Postings must be submitted in typed format; handwritten notices will not be accepted.

Topics of Discussion:

PER GOVERNOR BAKER'S MARCH 10, 2020, ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW, G.L. c. 30A, §20 AND THE JUNE 16, 2021, ACT EXTENDING CERTAIN COVID-19 MEASURES, THIS MEETING WILL BE HELD REMOTELY VIA ZOOM.

For public participation, please email: krybak@rml.com. Include your full name, address and telephone number.

1. Call Meeting to Order – J. Small, Chair
2. Approval of Minutes – J. Small, Chair

Suggested Motion: Move that the Citizens' Advisory Board approve the minutes of the December 16, 2020, and March 18, 2021, meetings as written.

Suggested Motion: Move that the Citizens' Advisory Board approve the Executive Session minutes of the July 19, 2021, meeting as written.

Note: The CAB should not discuss Executive Session minutes in Regular Session. If anyone is not prepared to vote to approve minutes, please request the vote be tabled until the next Executive Session.

3. General Manager's Update – C. O'Brien, General Manager
4. Financial Update – W. Markiewicz, Director of Business and Finance



Town of Reading Meeting Posting with Agenda

5. IRD Report – G. Phipps, Director of Integrated Resources
 - Climate Feedback and Update
 - Power Supply Agreement
 - Suggested Motion:* Move that the Citizens' Advisory Board recommend that the Board of Commissioners vote to accept the General Manager's recommendation to modify a power supply contract with NextEra for energy, including associated certificates, to increase the size of the previously approved solar array from up to 5 MW to up to 12 MW for a solar PV system at the Seabrook nuclear facility site, contingent on appropriate environmental justice due diligence.
6. Scheduling – J. Small, Chair
 - December CAB Meeting
 - Coverage for December Commissioners Meeting
7. Adjournment – J. Small, Chair
 - Suggested Motion:* Move that the Citizens' Advisory Board adjourn.

ATTACHMENT 1

Agenda Item 2: Approval of Minutes



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2020-12-16

Time: 6:30 PM

Building:

Location:

Address:

Session: Open Session

Purpose: General Business

Version:

Attendees: **Members - Present:**

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

Members - Not Present:

Mr. Dennis Kelley (Wilmington); Mr. Joseph Markey (Lynnfield)

Others Present:

Mr. Philip Pacino, Board of Commissioners
Staff: Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. John McDonagh, Mr. Tom Ollila; Mr. Gregory Phipps, Ms. Kathleen Rybak, Mr. Charles Underhill
Public: Mr. James Satterthwaite, Reading

Minutes Respectfully Submitted By: Mr. Jason Small, Chair

Topics of Discussion:

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

1. Call Meeting to Order – J. Small, Chair
Chair Small called the meeting to Citizens' Advisory Board to order at 6:30 PM and noted the meeting was being audio recorded.
2. General Manager's Update – C. O'Brien, General Manager
Ms. O'Brien provided a briefing on preparations for the approaching storm. The liaison storm phone is being activated; if any CAB member needs support during the storm, please call. Business continuity will be in place, and RMLD expects all essential employees to be in.

Community Updates: Ms. O'Brien reported that the customer satisfaction survey is ongoing. Findings are due at the end of January, with presentations of the results to both the CAB and BOC to follow. The 2021 calendar distribution is going very well. The EV workshop will be moved to February to allow for continued (CAB/Board) training on the power supply policy. Ms. O'Brien noted that Policy 30 (regarding power supply procurement strategy, risk mitigation, costs, etc.) is under review. Many of the MLP's are also evaluating how they purchase power as environmental stewardship and pending legislation is being addressed. Because of the complexity of the subject of how the RMLD buys power in our Integrated Resources group, we've arranged three phases of training for the BOC and CAB. The CAB will get two of the trainings at this evening's meeting, and then a third in January.

3. Policy 30 - Power Supply Update – C. O’Brien, General Manager and
C. Underhill, Director of Integrated Resources
Materials: Session 1: Policy 30 Discussion Presentation Slides; and Session 2: Policy 30
Discussion Presentation Slides

Session 1 (BOC/CAB): Policy 30 Discussion. Mr. Phipps began with review of the Session One presentation slides, which had previously been presented to the Board of Commissioners. Staff was asked to compare the existing RMLD power supply portfolio to the IOU Renewable Portfolio Standard (RPS)/Clean Energy Standard (CES), and Roadmap 2050. The RPS/CES applies to the IOU’s and not to the MLPs. Roadmap 2050 Standard is currently in discussion at the State level and if passed it would apply to the MLPs. The current RMLD portfolio was created under the existing Policy 30 and focused primarily on renewable energy, rather than non-carbon energy.

Mr Phipps summarized several key definitions in Slide2.

Mr. Phipps then reviewed Slide 3 – RMLD Power Supply: Outlook Through 2050. Mr. Phipps note the key takeaways from the slide are that the current RMLD Policy 30 focus was to buy renewables, but not necessarily certificates. As a result, about half of the current portfolio is renewable from an energy perspective.

Slide 4 – RMLD – Current Comparisons, illustrates how the current portfolio compares to the IOU RPS/CES (in the bottom table). Mr. Phipps noted, for the IOU RPS/CES there are different classes and certificate types. Typically, the IOUs buy inexpensive energy and then buy certificates on the open market (not associated with energy purchases) to be compliant the RPS/CES. Mr. Phipps continued, noting the comparison (in the upper left-hand corner) shows how the RMLD portfolio would fit in; RMLD has a broad set of certificates, but only the Massachusetts Class 1 certificates would meet the RPS standard, hence, the current portfolio would not be RPS compliant. The numbers on the top right-hand corner include EFECs (non-carbon) shows a closer compliance level. Bottom-line, Mr. Phipps noted compliance to the IOU RPS/CES standard is about certificate compliance and the RMLD portfolio does not match up well against that because that's not what was targeted.

Mr. Phipps continued with review of Slide 5 – *RMLD – Roadmap 2050*; think about Roadmap 2050 as non-carbon focused (instead of renewable focused) and the IOU RPS/CES standard as being certificate focused. Roadmap 2050 outlines non-carbon goals by decade, with the specific goals being worked out in the State approval process. The current RMLD portfolio (in 2020) can meet Roadmap 2050. Looking at 2030, 2040, and 2050, RMLD has flexibility (with open position), which is good news in terms of meeting Roadmap 2050 now and in the future.

Session 2 (BOC/CAB): Policy 30 Discussion. Mr. Phipps then began review of Session 2 Presentations slides with *Slide 2 -Context – Roadmap 2050 and RPS/CES* and reiterated that in the case of the Roadmap 2050 it is non-carbon - it consists of securing certificates (being neither RECs, EFECs, etc.), but there are also provisions for reduction of greenhouse gases for some of the carbon-emitting pieces. In all cases, the RECs would be retired.

Mr. Phipps then reviewed *Roadmap 2050 Compliance Cost Impact* (Slide 3) noting that for 2021 through 2024, pricing data is published, but not beyond 2024. For 2021 to 2024, the required non-carbon compliance certificates go up from 159,515 in 2021 to 222,400 in 2024. Based on existing contracts to cover those with EFFCs (for example), the total RMLD cost works out to be in the range of \$300k to \$400k - not a big magnitude relative to total RMLD budget (0.3 – 0.4%).

Moving to Slide 4 – *RPS/CES Compliance Cost Impact*, Mr. Phipps reported that staff did the same basic analysis comparing the RMLD existing portfolio to RPS/CES

compliance. For this analysis, staff used Massachusetts Class 1 RECs as being the compliance proxy, using published prices (from the most recent spectrometer RECs report) for the unit price. If RMLD needed to comply with the RPS/CES standard, RMLD would need to spend an additional \$6.3m (on average) for the next four years; that would be about a 7% increase just to cover the RECs.

Mr. Phipps then reviewed *RMLD Position* (Slide 5), which shows RMLD portfolio from 2020-2030. The Massachusetts Class 1 RECs (in blue at the bottom) are RECs under contract and are generated as power is generated (one REC per megawatt hour). The green are other New England Class 1 or Class 2 RECs that are also currently under contract - much of those are tied to hydro (as an example). RMLD also have EFECs (pink) tied to a nuclear contracts. The rest are also non-emitting, non-carbon assets, but they don't necessarily have RECs in hand. Mr. Phipps noted that if you were to compare the current RMLD portfolio to Roadmap 2050 (the yellow line) RMLD is compliant through 2029. RMLD is not yet locked into contracts in the "white" space on the top right of the chart, so there is flexibility.

Mr. Phipps then reviewed (Slide 6) *CMLP REC Procurement Development*, which illustrates Concord Municipal Light's power supply to make a simple comparison. Mr. Phipps noted, for the purpose of this discussion, the focus will be on 2020 to 2030 (on the chart). It has a very similar shape (to RMLD) except in 2020 and 2021 where they needed to purchase certificates to cover their carbon assets (blue hashtag area). Concord's goal was not necessarily to meet the IOU RPS/CES, but to meet internal goals (renewable and RECs). They collected additional dollars from their rate base and used it to buy and then retire certificates - very similar to what the IOU's are being forced to do with their strategy. To give you an idea of the order of magnitude, in 2021 that blue shaded bar represents about \$3.2m and for their rate base that is about two cents per kWh incremental. They ended up doing that to basically allow them to be renewable to the extent that their policy has redirected them to be.

Mr. Phipps concluded, if you compare the RMLD portfolio to the IOU RPS/CES the RMLD does not comply very well. To catch up, it would be a rather significant (~7%) increase on a typical customer budget. However, relative to Roadmap 2050 RMLD already matches well, and the incremental cost is minimal. Mr. Phipps asked if there were any questions.

Mr. Soni asked what \$1.91 / MWH (on Slide 3 – Roadmap 2050 Compliance Cost Impact) represented. Mr. Phipps responded that is the current value of an EFEC. EFECs represent a low-cost way to be non-carbon compliant (buy then retire). Mr. Phipps noted two points: In terms of the magnitude of what would be required by Roadmap 2050, RMLD already has contracted RECs that would cover that. The second point, right now, the value of those RECs is fairly low since the unit price is low.

Mr. Soni noted he had read the report (shared with the CAB) that was filed with DOER. The report names a hypothetical plant at I-90 and I-91, which has the largest supply radius in the report. The last bullet of the summary was that the increased supply radius can have unpredictable impacts on supply reliability and cost implications for biomass facilities and this is the most significant finding. It means that the increased supply logistics could make it more expensive and less reliable; RMLD is showing it as a fixed amount going forward. Ms. O'Brien responded that the report had just come out and staff will need an opportunity to look at it prior to discussion. Ms. O'Brien asked Mr. Soni if he would provide an email with specific questions so that staff could understand the questions and do some analysis in preparation for discussion on the impact on firm energy. Mr. Soni agreed to share his questions with Ms. O'Brien.

Chair Small asked if there were any additional questions on Policy 30. There were not.

4. 2020/2021 Review

Materials: Business, Finance & Technology CY2020 In Review Presentation Slides; Engineering & Operations Presentation Slides; RMLD IRD Accomplishments and Goals Presentation Slides

- Business, Finance and Technology Review – W. Markiewicz, Director of Business, Finance and Technology

Ms. Markiewicz began her review of CY2020 by stating how very proud and pleased she was with the progress made especially in such a challenging year. Ms. Markiewicz began with a review of *Business* (slide 2) noting the Business division lead the initiative for paperless processes for Accounts Payable and Payroll to accommodate remote work. The Business division committed to quarterly meetings with the Town of Reading Finance Department and Accounting Department to ensure an open line of communication; they have been very successful thus far. Staff also took the approach of integrated processes and procedures across the entire organization so that each division could work collaboratively. The Payroll department, in particular, developed a cohesive relationship with Human Resources specifically to ensure COVID benefits, FFCRA, and other benefits for our employees. Ms. Markiewicz continued with review of Finance (slide 3) and Technology (Slide 4), noting it was a very difficult year due to the ransomware intrusion; the main focus was securing the RMLD IT infrastructure. Ms. Markiewicz then reviewed the CY2021 Goals (Slide 5). Mr. Soni asked that an update on the IT breach be scheduled. Ms. O'Brien responded that staff is still working on some of the issues, but that a presentation on the report received could be scheduled (for Executive Session).

- Engineering & Operations – H. Jaffari, Director of Engineering & Operations

Mr. Jaffari then presented the Engineering & Operations (E&O) accomplishments for 2020. System Reliability is highlighted on Slide 2. RMLD is below the regional and national averages on the three reliability indices, and it is expected RMLD will receive another "Certificate of Excellence in Reliability" from APPA for 2020.

Maintenance Programs are highlighted on Slide 3; the goals for all these programs have been met and great progress has been made across all categories. Mr. Jaffari noted Long-term Reliability Projects (slide 4) were designed and developed as a result of the 2015 Reliability Study and they are the major contributing factors to the RMLD's overall system reliability; significant progress has been made in achieving our 2020 goals. Mr. Jaffari then reviewed Slides 5 through 9, which detail the progress on each of these Long-term Reliability Projects.

Mr. Jaffari moved to Slide 10 - *Projects and Studies Done in 2020* noting E&O met the goals for 2020 except for the Meter Replacement Project. A study was conducted on that and the results just came back, which are being reviewed for implementation in 2021. Slide 11 – *2021 Electric Reliability Goals* outlines the major projects that were approved as part of the 2021 Capital Budget. Mr. Jaffari noted that moving into 2021, he is expecting another successful year.

Mr. Jaffari then reviewed Slide 12 – *Facilities*, which outlines the 2020 accomplishments and 2021 goals for the Facilities group. Mr. Jaffari noted that concluded his report, and that he would be happy to answer any questions. There were none.

- Integrated Resources – C. Underhill, Director of Integrated Resources

Mr. Underhill began his review of the IRD 2020 Accomplishments (Slide2) noting RMLD added about 25% of our portfolio in terms of non-carbon supply contracts in 2020. Both the generator and the battery were run for capacity and transmission

savings and had a peak demand limiting program; the net effects of those were to reduce our power supply budget by about \$692k. Mr. Underhill then reviewed the progress on Retail programs. Mr. Underhill noted RMLD added a new feature to the heat pump program; a contractor was engaged to review all the heat pump applications to make sure they were appropriately sized and to work with customers to make sure that they understand how the new system is going to work. Mr. Underhill then reviewed some of the "General" accomplishments including a review of the COVID response. Mr. Underhill noted that Joyce Mulvaney (Communications Manager) has received an award from MEAM for outstanding performance.

Mr. Underhill then reviewed the 2021 Goals (Slide 3) including Roadmap 2050 implementation, Wholesale (power supply), and Retail programs.

Chair Small thanked Mr. Underhill and asked if there were any question. There were none.

5. Scheduling: CAB Meetings & Coverage for Commissioners Meetings – J. Small, Chair
The next CAB meeting was scheduled for January 21, 2021.
6. Adjournment – J. Small, Chair
Mr. Hooper made a motion to adjourn, seconded by Mr. Soni. Motion Carried 3:0:2 (3 in favor, 0 opposed, 2 absent)

The CAB meeting adjourned at 7:30 PM.

As approved on _____.



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-03-18

Time: 6:00 PM

Building:

Location:

Address:

Session:

Purpose: General Business

Version: Draft

Attendees: **Members - Present:**

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

Members - Not Present:

Mr. Joseph Markey (Lynnfield)

Others Present:

Mr. John Stempeck, Board of Commissioners

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

Mr. James Satterthwaite, Reading

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

Topics of Discussion:

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

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

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

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

Community Update:

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

Electric Vehicle Grant Update

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

2020 Financial Update/Town Meeting Presentation

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

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

Power Supply Update – C. Underhill, Director of Integrated Resources
Materials: *Power Supply Report BOC/CAB Presentation Slides*

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

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

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

GGES Update – G. Phipps, Assistant Director of Integrated Resources
Materials: *Greenhouse Gas Emissions Standard (GGES) Policy 30 Update Presentation Slides*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Scheduling – J. Small, Chair

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

7. Adjournment – J. Small, Chair

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

The CAB meeting adjourned at 7:10 PM.

As approved on: _____

ATTACHMENT 2

Agenda Item 4: Financial Update

The Reading Municipal Light Department

Financial Review

for the period ending
September 30, 2021



Business, Finance Highlights

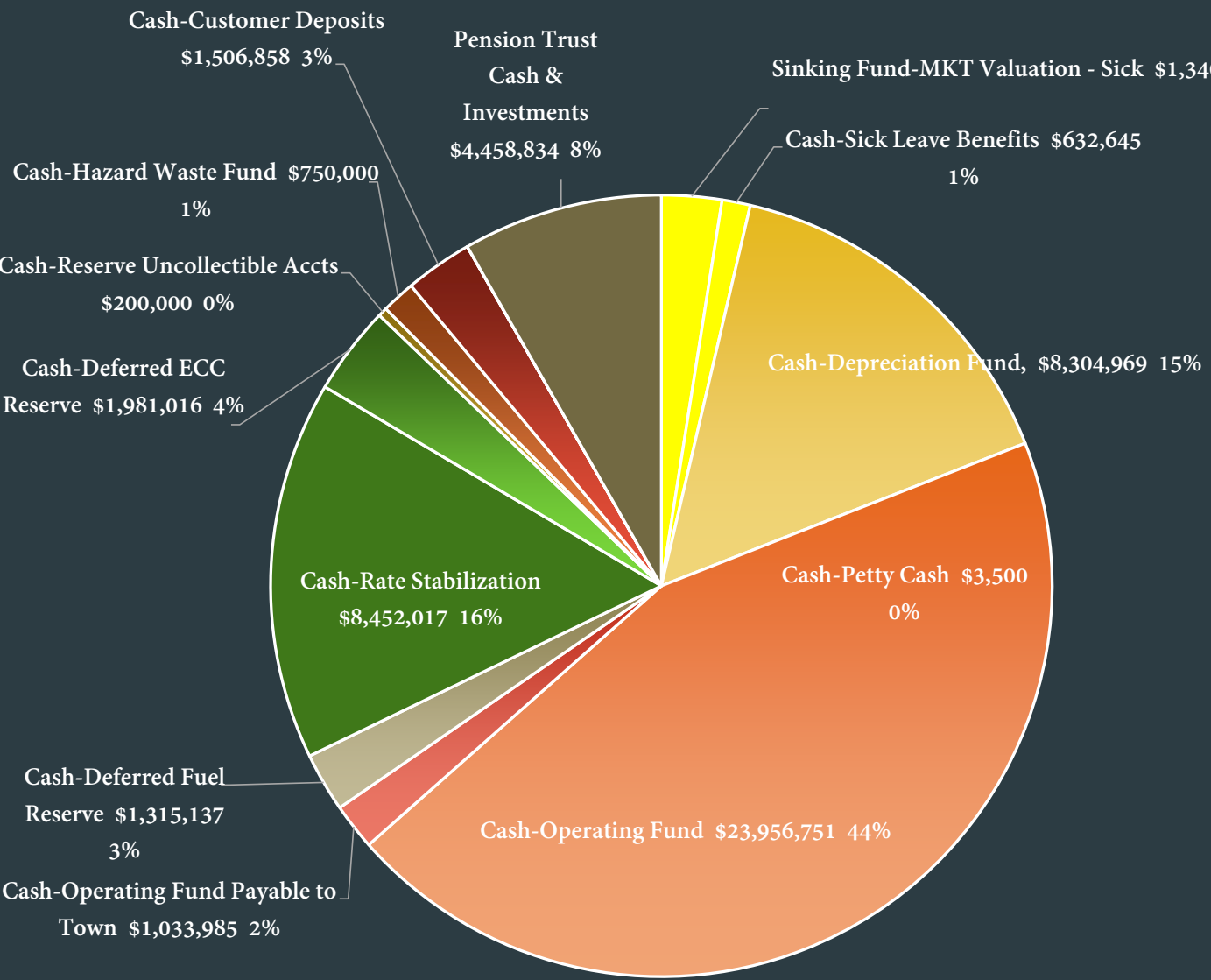
- ❖ Filed the 2020 DPU Return on July 23rd
- ❖ Distributed the CY2022 Budget on October 1st
- ❖ Presented the CY2022 Budget to the CAB on October 20th
 - CAB accepted and recommended to the BOC
- ❖ Presenting the CY2022 Budget to the BOC on November 17th
- ❖ Pension Obligation transfer to MMDT in December for \$2,352,753
- ❖ 2% Net Plant payments to 4 towns to be issued on December 28th totaling \$827,715
 - Town of Wilmington 54% - \$450,156
 - Town of Reading 21% - \$171,076
 - Town of North Reading 18% - \$151,316
 - Town of Lynnfield 7% - \$ 55,167
- ❖ Town of Reading Payment to be issued on December 28th for \$1,240,253

Cash Balances

As of

September 30, 2021

Total \$53,936,377



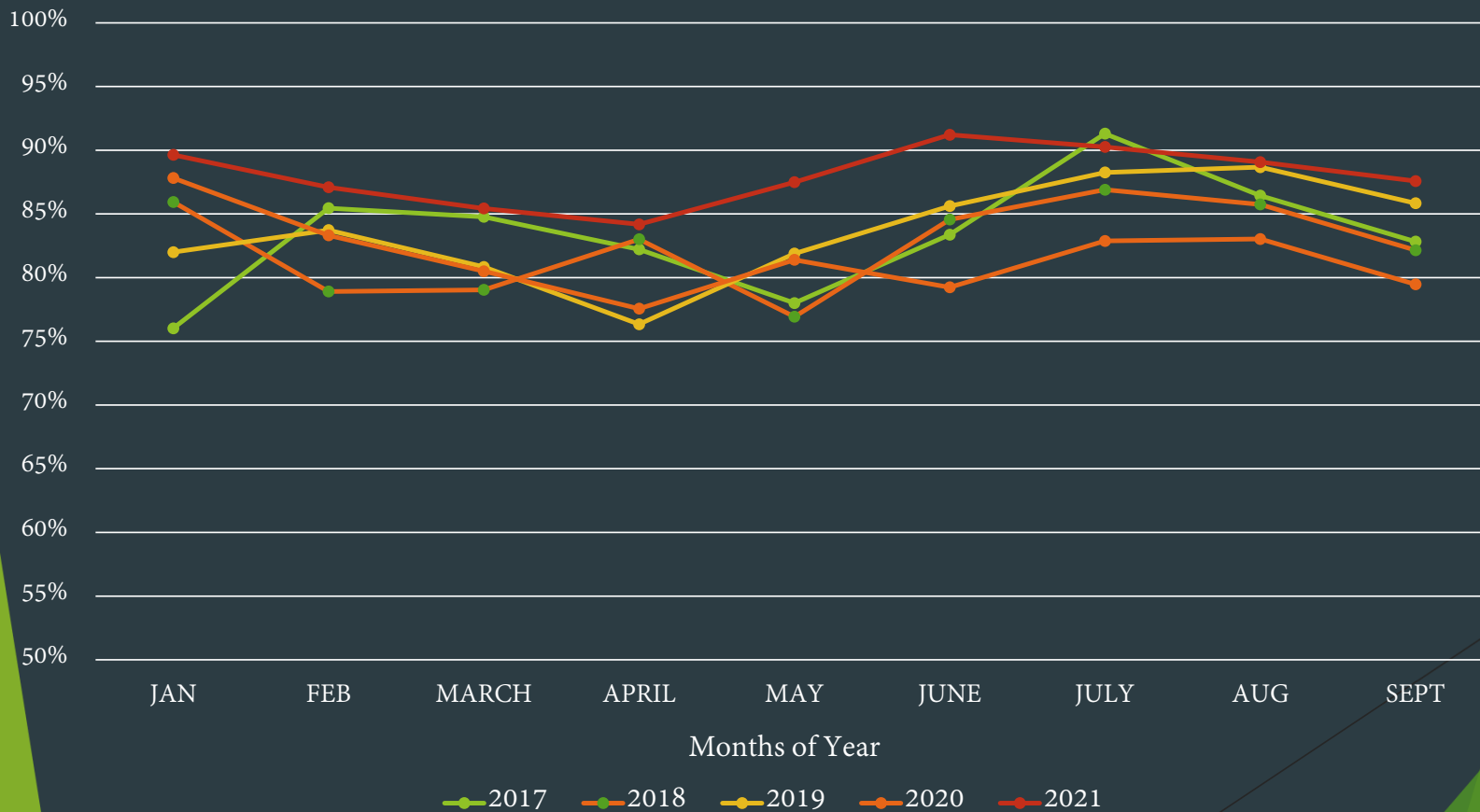
- Sinking Fund-MKT Valuation - Sick
- Cash-Sick Leave Benefits
- Cash-Depreciation Fund
- Cash-Operating Fund
- Cash-Operating Fund Payable to Town
- Cash-Deferred Fuel Reserve
- Cash-Rate Stabilization
- Cash-Deferred ECC Reserve
- Cash-Reserve Uncollectible Accts
- Cash-Hazard Waste Fund
- Cash-Customer Deposits
- Cash-Petty Cash
- Pension Trust Cash & Investments

Accounts Receivable Aging by Month

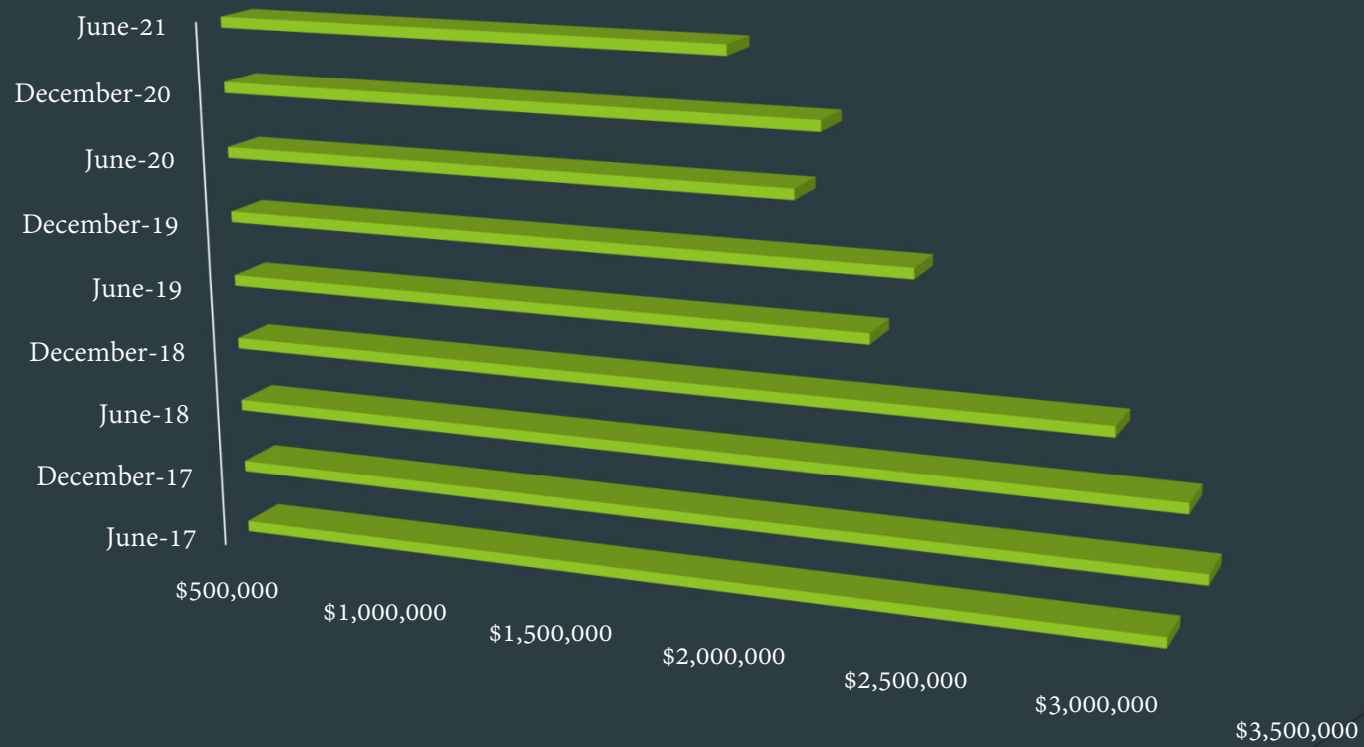
30 Days Current

January – September

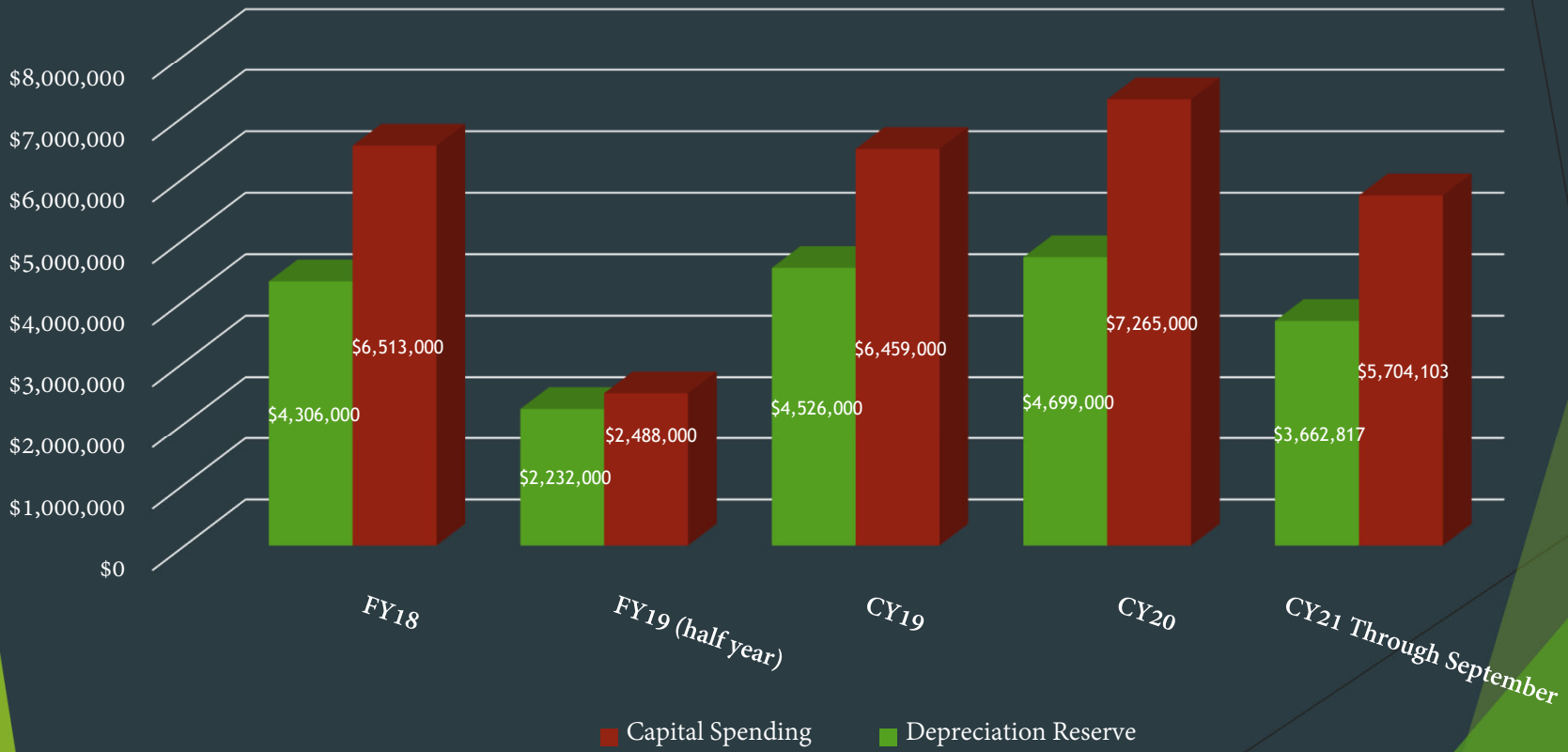
2017-2021



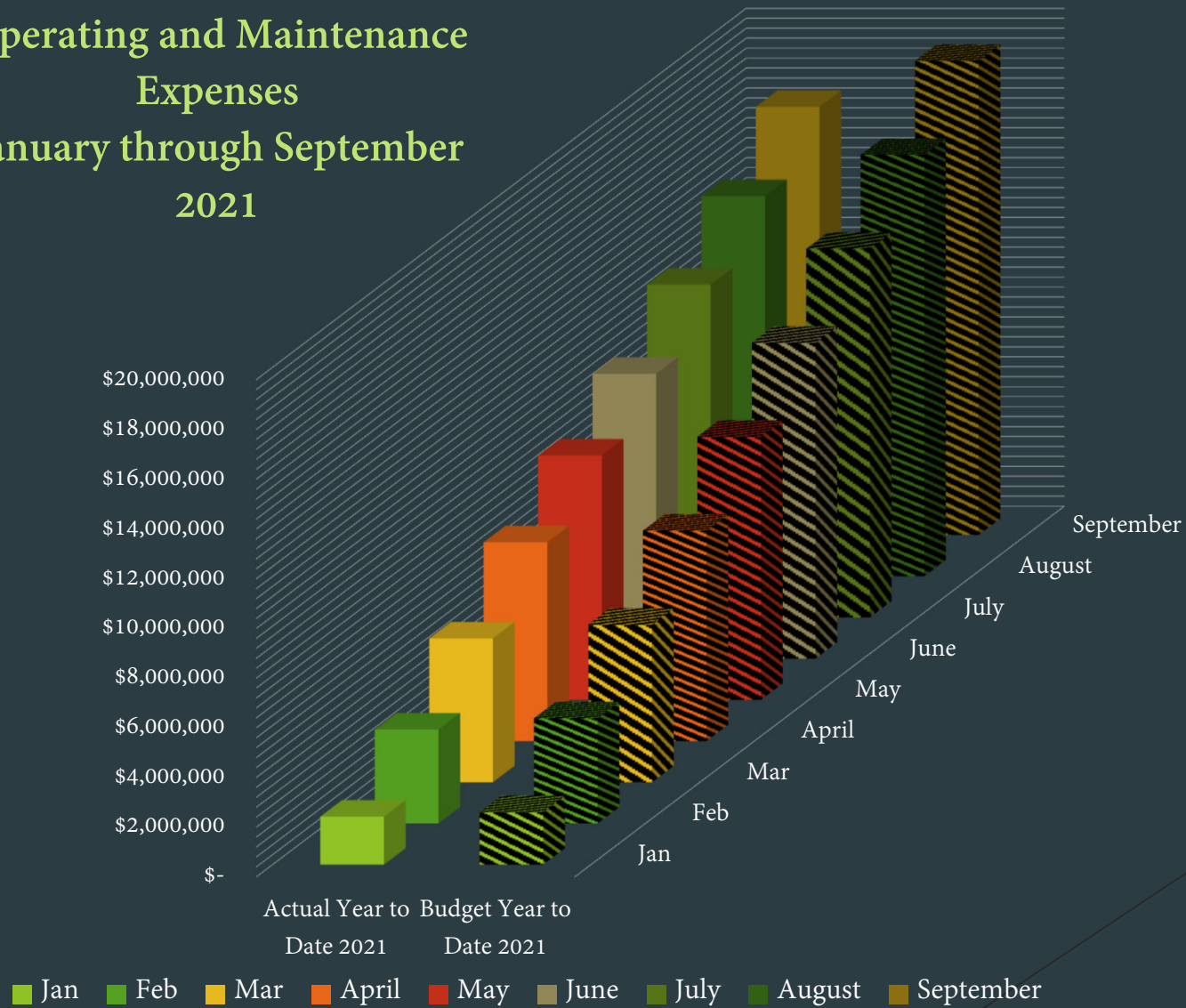
Sick Leave Buy-Back Liability Balances June 2017 through June 2021



Depreciation Reserve As Compared to Capital Spending FY18-CY21



Operating and Maintenance Expenses January through September 2021



Town of Reading, Massachusetts
Municipal Light Department
Statement of Net Assets
9/30/2021

	2021	2020
ASSETS		
Current:		
Unrestricted Cash	\$ 23,960,251	\$ 26,104,376
Restricted Cash	27,294,798	33,088,932
Restricted Investments	2,681,328	1,361,014
Receivables, Net	8,142,608	8,198,356
Prepaid Expenses	1,537,077	1,752,340
Inventory	1,823,739	2,118,433
Total Current Assets	65,439,801	72,623,451
Noncurrent:		
Investment in Associated Companies	874,498	810,371
Capital Assets, Net	84,812,998	82,367,785
Total Noncurrent Assets	85,687,497	83,178,156
Deferred Outflows - Pension Plan	5,360,409	8,102,116
TOTAL ASSETS	156,487,707	163,903,723
 LIABILITIES		
Current		
Accounts Payable	6,285,221	12,754,089
Accrued Liabilities	732,144	693,190
Customer Deposits	1,506,858	1,386,152
Advances from Associated Companies	200,000	200,000
Customer Advances for Construction	2,491,398	1,853,071
Total Current Liabilities	11,215,622	16,886,503
Non-current		
Accrued Employee Compensated Absences	1,968,355	2,471,374
Net OPEB Obligation	7,166,506	7,094,569
Net Pension Liability	12,054,935	14,610,001
Total Non-current Liabilities	21,189,796	24,175,944
Deferred Inflows - Pension Plan	2,652,103	1,964,276
TOTAL LIABILITIES	35,057,521	43,026,723
 NET POSITION		
Invested in Capital Assets, Net of Related Debt	84,812,998	82,367,785
Restricted for Depreciation Fund	8,304,969	10,872,249
Restricted for Pension Trust	4,458,834	6,365,431
Unrestricted	23,853,384	21,271,535
TOTAL NET POSITION	121,430,186	120,877,000
Total Liabilities and Net Assets	\$ 156,487,707	\$ 163,903,723

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
9/30/2021

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year	Percent Change
Operating Revenues					
Base Revenue	\$ 2,751,033	\$ 2,580,714	\$ 21,317,656	\$ 21,239,952	0.4%
Fuel Revenue	2,625,374	2,496,596	19,853,203	19,350,947	2.6%
Purchased Power Capacity & Transmission	2,779,125	3,150,841	24,738,196	25,154,188	(1.7%)
Forfeited Discounts	89,894	90,614	614,616	643,750	(4.5%)
Energy Conservation Revenue	64,832	61,815	499,394	495,393	0.8%
NYPA Credit	(88,123)	(68,159)	(821,686)	(845,325)	(2.8%)
Total Operating Revenues	8,222,135	8,312,420	66,201,379	66,038,904	0.2%
Expenses					
Power Expenses:					
555 Purchased Power Fuel	1,750,669	1,786,472	20,833,620	19,585,662	6.4%
555 Purchased Power Capacity	1,394,653	1,129,868	12,800,991	14,014,699	(8.7%)
565 Purchased Power Transmission	1,824,366	1,639,802	12,238,235	10,771,304	13.6%
Total Purchased Power	4,969,687	4,556,142	45,872,846	44,371,665	3.4%
Operations and Maintenance Expenses:					
580 Supervision and Engineering	105,546	89,088	782,053	764,453	2.3%
581 Station/Control Room Operators	48,801	45,637	367,158	366,669	0.1%
582 Station Technicians	33,898	32,599	424,528	302,072	40.5%
583 Line General Labor	53,047	40,399	438,746	412,807	6.3%
586 Meter General	15,888	10,506	128,708	101,811	26.4%
588 Materials Management	45,668	40,530	318,471	324,447	(1.8%)
593 Maintenance of Lines - Overhead	7,099	(17,331)	226,432	238,826	(5.2%)
593 Maintenance of Lines - Tree Trimming	20,488	23,970	413,924	345,149	19.9%
594 Maintenance of Lines - Underground	(851)	(2,950)	17,113	41,037	(58.3%)
595 Maintenance of Line - Transformers	33,833	25,029	132,702	117,426	13.0%
598 Line General Leave Time Labor	38,519	29,838	257,413	282,146	(8.8%)
Total Operations and Maintenance Expenses	401,938	317,315	3,507,247	3,296,844	6.4%
General & Administration Expenses:					
903 Customer Collections	90,228	108,435	801,390	935,229	(14.3%)
904 Uncollectible Accounts	8,750	8,750	78,750	78,750	0.0%
916 Energy Audit	62,759	39,263	549,829	448,343	22.6%
916 Energy Conservation	119,191	41,845	1,051,687	598,152	75.8%
920 Administrative and General Salaries	197,131	184,501	1,455,101	1,561,241	(6.8%)
921 Office Supplies and Expense	1,197	1,126	10,787	5,609	92.3%
923 Outside Services - Legal	51,663	74,873	318,237	289,169	10.1%
923 Outside Services - Contract	21,874	31,736	203,392	250,110	(18.7%)
923 Outside Services - Education	4,250	4,124	16,426	30,514	(46.2%)
924 Property Insurance	33,111	29,739	328,855	294,167	11.8%
925 Injuries and Damages	676	(27,675)	23,394	3,449	578.3%
926 Employee Pensions and Benefits	271,777	188,135	2,568,505	2,866,009	(10.4%)
930 Miscellaneous General Expense	8,353	12,270	255,915	157,887	62.1%
931 Rent Expense	32,717	13,961	169,581	163,337	3.8%
933 Vehicle Expenses	20,352	17,471	252,053	153,835	63.8%
933 Vehicle Expenses - Capital	(39,043)	(38,487)	(272,489)	(257,359)	5.9%
935 Maintenance of General Plant	23,873	21,984	364,576	413,314	(11.8%)
935 Maintenance of Building & Garage	74,135	85,041	616,776	882,178	(30.1%)
Total General & Administration Expenses	982,994	797,092	8,792,764	8,873,933	(0.9%)

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Assets
9/30/2021

	Month Current Year	Month Last Year	Year to Date Current Year	Year to Date Last Year	Percent Change
Other Operating Expenses:					
403 Depreciation	406,980	391,601	3,662,817	3,524,405	3.9%
408 Voluntary Payments to Towns	137,953	133,917	1,241,577	1,205,257	3.0%
Total Other Expenses	<u>544,933</u>	<u>525,518</u>	<u>4,904,394</u>	<u>4,729,662</u>	<u>3.7%</u>
Operating Income	1,322,584	2,116,353	3,124,129	4,766,800	(34.5%)
Non Operating Revenues (Expenses):					
419 Interest Income	2,330	11,369	116,338	226,682	(48.7%)
419 Other	54,081	173,330	749,255	1,077,170	(30.4%)
426 Return on Investment to Reading	(206,709)	(206,709)	(1,860,379)	(1,860,380)	(0.0%)
431 Interest Expense	(3,786)	(2,362)	(33,968)	(42,217)	(19.5%)
Total Non Operating Revenues (Expenses)	<u>(154,083)</u>	<u>(24,373)</u>	<u>(1,028,755)</u>	<u>(598,744)</u>	<u>71.8%</u>
Change in Net Assets	1,168,501	2,091,981	2,095,374	4,168,055	(49.7%)
Net Assets at Beginning of Year	119,334,812	116,708,946	119,334,812	116,708,946	2.2%
Ending Net Assets	<u>\$ 120,503,313</u>	<u>\$ 118,800,926</u>	<u>\$ 121,430,187</u>	<u>\$ 120,877,001</u>	<u>0.5%</u>

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
9/30/2021

	Actual Year to Date	BUDGET Through Sep 2021	Over/(Under) Budget \$	Over/(Under) Budget %
Operating Revenues				
Base Revenue	\$ 21,317,656	\$ 21,219,741	\$ 97,915	0.5%
Fuel Revenue	19,853,203	20,920,840	(1,067,637)	(5.1%)
Purchased Power Capacity & Transmission	24,738,196	26,599,161	(1,860,965)	(7.0%)
Forfeited Discounts	614,616	696,754	(82,138)	(11.8%)
Energy Conservation Revenue	499,394	490,496	8,898	1.8%
NYP&A Credit	(821,686)	(857,680)	35,994	(4.2%)
Total Operating Revenues	<u>66,201,379</u>	<u>69,069,311</u>	<u>(2,867,933)</u>	<u>(4.2%)</u>
Expenses				
Power Expenses:				
555 Purchased Power Fuel	20,833,620	20,063,160	770,460	3.8%
555 Purchased Power Capacity	12,800,991	13,265,526	(464,535)	(3.5%)
565 Purchased Power Transmission	12,238,235	13,333,635	(1,095,400)	(8.2%)
Total Purchased Power	<u>45,872,846</u>	<u>46,662,321</u>	<u>(789,475)</u>	<u>(1.7%)</u>
Operations and Maintenance Expenses:				
580 Supervision and Engineering	782,053	857,395	(75,342)	(8.8%)
581 Station/Control Room Operators	367,158	373,451	(6,294)	(1.7%)
582 Station Technicians	424,528	336,011	88,517	26.3%
583 Line General Labor	438,746	794,070	(355,324)	(44.7%)
586 Meter General	128,708	144,013	(15,304)	(10.6%)
588 Materials Management	318,471	341,973	(23,502)	(6.9%)
593 Maintenance of Lines - Overhead	226,432	419,101	(192,669)	(46.0%)
593 Maintenance of Lines - Tree Trimming	413,924	689,136	(275,212)	(39.9%)
594 Maintenance of Lines - Underground	17,113	60,672	(43,559)	(71.8%)
595 Maintenance of Line - Transformers	132,702	170,498	(37,796)	(22.2%)
598 Line General Leave Time Labor	257,413	335,909	(78,495)	(23.4%)
Total Operations and Maintenance Expenses	<u>3,507,247</u>	<u>4,522,228</u>	<u>(1,014,981)</u>	<u>(22.4%)</u>
General & Administration Expenses:				
903 Customer Collection	801,390	727,041	74,348	10.2%
904 Uncollectible Accounts	78,750	78,750	-	0.0%
916 Energy Audit	549,829	451,065	98,764	21.9%
916 Energy Conservation	1,051,687	910,527	141,160	15.5%
920 Administrative and General Salaries	1,455,101	1,688,266	(233,165)	(13.8%)
921 Office Supplies and Expense	10,787	15,000	(4,213)	(28.1%)
923 Outside Services - Legal	318,237	372,750	(54,513)	(14.6%)
923 Outside Services - Contract	203,392	381,300	(177,908)	(46.7%)
923 Outside Services - Education	16,426	193,366	(176,940)	(91.5%)
924 Property Insurance	328,855	367,275	(38,420)	(10.5%)
925 Injuries and Damages	23,394	42,790	(19,396)	(45.3%)
926 Employee Pensions and Benefits	2,568,505	2,749,504	(180,998)	(6.6%)
930 Miscellaneous General Expense	255,915	379,718	(123,803)	(32.6%)
931 Rent Expense	169,581	159,000	10,581	6.7%
933 Vehicle Expense	252,053	291,450	(39,397)	(13.5%)
933 Vehicle Expense - Capital Clearing	(272,489)	(265,908)	(6,581)	2.5%
935 Maintenance of General Plant	364,576	347,831	16,744	4.8%
935 Maintenance of Building & Garage	616,776	700,106	(83,330)	(11.9%)
Total General & Administration Expenses	<u>8,792,764</u>	<u>9,589,830</u>	<u>(797,067)</u>	<u>(8.3%)</u>

Town of Reading, Massachusetts
Municipal Light Department
Business Type Proprietary Fund
Statement of Budgeted Revenues, Expenses and Changes in Fund Net Assets
9/30/2021

Other Operating Expenses:

403 Depreciation	3,662,817	3,687,259	(24,442)	(0.7%)
408 Voluntary Payments to Towns	1,241,577	1,240,845	732	0.1%
Total Other Expenses	<u>4,904,394</u>	<u>4,928,104</u>	<u>(23,710)</u>	<u>(0.5%)</u>

Operating Income 3,124,129 3,366,828 (242,699) (7.2%)

Non Operating Revenues (Expenses):

415 Contribution in Aid of Construction	-	225,000	(225,000)	(100.0%)
419 Interest Income	116,338	375,000	(258,662)	(69.0%)
419 Other Income	749,255	663,750	85,505	12.9%
426 Return on Investment to Reading	(1,860,379)	(1,860,379)	-	0.0%
426 Loss on Disposal	-	(75,000)	75,000	(100.0%)
431 Interest Expense	(33,968)	(33,750)	(218)	0.6%
Total Non Operating Revenues (Expenses)	<u>(1,028,755)</u>	<u>(705,378)</u>	<u>(323,375)</u>	<u>45.8%</u>

Net Income \$ 2,095,374 \$ 2,661,450 \$ (566,074) (21.3%)

ATTACHMENT 3

Agenda Item 5: IRD Report



IRD Report Climate Feedback Power Supply

CAB Meeting

17 November 2021

Outline



Climate Feedback

Power Supply Agreement

External Report – MCAN 2021 Highlights

MUNICIPAL LIGHT PLANT SCORES						
MUNICIPALITIES BY RANK	ENERGY TRANSITION	ENERGY EFFICIENCY	TRANSPARENCY + ENGAGEMENT	POLICY CONTEXT	TOTAL SCORE	
	50 PTS	25 PTS	10 PTS	15 PTS	100 PTS	
1	CONCORD	43	24	21	10	98
2	BELMONT	41	26	21	9	97
3	HOLYOKE	31	24	17	7	79
4	MIDDLEBOROUGH	33	21	17	4	75
5	BRAINTREE	37	18	12	4	69
6	IPSWICH	16	17	21	11	65
6	TALNTON	29	15	17	4	65
8	WEST BOYLSTON	22	14	21	3	60
9	READING	15	21	13	5	54
9	WELLESLEY	31	9	9	5	54
11	SHREWSBURY	21	16	13	3	53
12	CHOOPEE	17	18	12	5	52
12	WAKEFIELD	19	18	13	2	52
14	MORWOOD	19	14	12	6	51
15	SOUTH HADLEY	18	13	16	1	48
16	WESTFIELD*	15	18	11	3	47
17	STERLING	21	13	8	2	44
18	GROVELAND	25	10	6	0	40
18	HUDSON*	22	13	2	3	40
19	TEMPLETON	21	10	4	5	40
21	ASHBURNHAM	17	11	6	5	39


First category (energy) weighted 50 points

Other three categories combined (efficiency, engagement, and policy), 50 points

MCAN assigned RMLD 54 out of 100 total points across all four categories

MCAN assigned RMLD strong numbers in efficiency, engagement, and policy (39 of 50)

External Report – MCAN 2021 Energy



Victories in Reading	<ul style="list-style-type: none">• RMLD makes considerable investments to support customers transition to clean energy (spent over \$200k on MLP Solar Rebate, has Net Metering Policy, etc.)• Has Installed Utility-Scale Battery Storage• Uses advanced metering infrastructure• Has an EV charging infrastructure rebate available
Areas for Growth	<ul style="list-style-type: none">• In 2019, RMLD did not retire Class I RECs• In 2019, RMLD had just under 20% non-emitting in their energy mix• Could provide a larger excess energy payment for net metering

MCAN energy metric:

- 2019 Class 1 REC retirement
- 2019 non-emitting
- In effect measuring RMLD decisions of 5 years ago, in a dramatically different context, **before the Climate Bill**

Climate Bill made **non-carbon the new metric**; the MCAN metric is the old metric

RMLD portfolio is being structured for **non-carbon**, in compliance with the new Climate Bill, the **new metric**

If MCAN's metric referenced the new metric of non-carbon, then RMLD could likely be assigned higher energy points instead of the 15 out of 50 points for 2019

In the context of the Climate Bill and the new metric of non-carbon, MCAN energy observations are not useful to RMLD in planning energy 4 years out and well beyond (RMLD's energy time horizon, the next 25 years)



Power Supply – Solar PV



ADDITION to previous approved power supply motion at same site

Expansion of new PV array at Seabrook, NH site to ~9 MW AC, to be built by NextEra

Total Volume - ~16,000 MWh/yr (~2% RMLD total energy purchases; 100% array output to RMLD)

Term - 30 year; planned commissioning Q4 2023

Certificates - Class I (renewable and non-carbon)

Pricing – slightly below average of solar only portfolio; ~50% higher than RMLD total portfolio average

Source: NextEra and RMLD analysis; energy position master graph 2021-11-08

Thank You