



Town of Reading Meeting Posting with Agenda

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-12-20

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@rmlid.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 February 24, 2021, April 22, 2021, July 19, 2021, August 12, 2021, and September 23, 2021, meetings as written.

3. General Manager's Update – C. O'Brien, General Manager
4. Integrated Resources Report – G. Phipps, Director of Integrated Resources

Decarbonization Strategy of RMLD Power Supply

- 2021 YTD Power Supply
- Power Supply Strategy
- Nuclear Addition

Suggested Motion: Move that the Citizens' Advisory Board recommend that the Board of Commissioners vote to accept the General Manager's recommendation to add additional supply contracts from Seabrook and/or Millstone nuclear facilities such that total nuclear does not exceed 40% of RMLD's annual power supply portfolio.

- Battery Storage

This Agenda has been prepared in advance and represents a listing of topics that the chair reasonably anticipates will be discussed at the meeting. However the agenda does not necessarily include all matters which may be taken up at this meeting.



Town of Reading Meeting Posting with Agenda

5. Scheduling – J. Small, Chair
 - January CAB Meeting
 - Coverage for January Commissioners Meeting
6. 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: 2021-02-24

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:

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

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

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

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

Minutes Respectfully Submitted By: Mr. George Hooper, Secretary

Topics of Discussion:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Executive Session – J. Small, Chair

At 7:19 PM Mr. Hooper made a **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board go into Executive Session pursuant to Massachusetts G.L. c.164, Section 47D exemption from public records and open meeting requirements in certain instances, to discuss competitively sensitive issues regarding power supply and land purchase and return to regular session for the sole purpose of adjournment.

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

6. Adjournment – J. Small, Chair

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

The CAB meeting adjourned at 7:21 PM.



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-04-22

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)

Members - Not Present:

Mr. Dennis Kelley, (Wilmington) and Mr. Joseph Markey (Lynnfield)

Others Present:

Mr. Philip B. Pacino, Board of Commissioners

Staff: Ms. Coleen O'Brien, Mr. Hamid Jaffari, Ms. Wendy Markiewicz, Mr. Gregory Phipps, Ms. Kathleen Rybak, Mr. Tom Ollila, Mr. Charles Underhill, Ms. Janet Walsh

Public: Mr. Robert Connor, Reading; Ms. Gail Page, Green Sanctuary, Reading; Mr. John Rogers, North Reading

Minutes Respectfully Submitted By: Mr. George Hooper, Secretary

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. Approval of Minutes – J. Small, Chair

Mr. Hooper made a **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board approve the minutes of the May 21, 2020, June 18, 2020, and August 8, 2020, meetings as written. **Motion carried** 3:0:2 (3 in favor, 0 opposed, 2 absent) by a roll call vote of those present: Mr. Soni, aye; Mr. Hooper, aye; Chair Small, aye. Mr. Kelley and Mr. Markey were not present.

Mr. Hooper made a **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board approve the Executive Session minutes of the February 24, 2021, meeting as written. **Motion carried** 3:0:2 (3 in favor, 0 opposed, 2 absent) by a roll call vote of those present: Mr. Soni, aye; Mr. Hooper, aye; Chair Small, aye. Mr. Kelley and Mr. Markey were not present.

3. Report from the Board of Commissioners – P. Pacino, Commissioner

Mr. Pacino said that he had nothing to report at this time.

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

- Community Update

Ms. O'Brien reported on the following community events:

EV Workshop: Virtual EV workshop will be held April 27 at 7:00 PM with 124 registrations. Some of the community television stations will be broadcasting this live.

Virtual Electrification Presentation: The virtual electrification presentation is scheduled for June 7 at 2:30 PM. This event is in partnership with the Wilmington Public Library to coincide with the earth year theme.

Battery Walkthrough: There will be a walkthrough with some of our state delegates at RMLD's five-megawatt battery facility. RMLD received a one-million-dollar ACES grant and is seeking additional potential battery grants in the future.

RMLD 2020 Annual Report: RMLD's 2020 Annual Report is in process. RMLD will be featuring artwork from the High School Art Contest in the Annual Report. This year's theme was "Resiliency." The Audit Committee will meet in May (tentatively), and then the Annual Report (including the final audit results) will be published in June.

EV Grants: The RMLD has applied for State grants for level two and level three electric vehicle chargers. The towns of Wilmington and Reading have been submitted. A status update will be provided once more information is known.

Rebate Programs: On an annual basis, RMLD looks at all rebates and programs. This year, RMLD is performing a Class Cost of Service Study. RMLD is in the process of reassessing its energy rebate conservation measures that mutually benefit RMLD and its customers. As a result of the analysis performed in the Class Cost of Service Study, some rebates may be modified or added.

Outdoor Bike Event: There will be a bike recycling day held in RMLD's parking lot on May 1 (with drop off on April 30) sponsored by the Reading Climate Action Committee. A secure command incident approval and a COVID plan were obtained. There will be face masks and social distancing. All COVID plans were authorized by the Board of Health. RMLD EOP will also be enforced on campus property.

Electrical Safety: On May 11, the Reading YMCA is sponsoring a Healthy Kids Day. RMLD will present electrical safety and education.

5. Power Supply Update – C. Underhill, Director of Special Projects
Materials: *Power Supply Update Presentation Slides*

Mr. Underhill reported that RMLD finished the quarter 2.4% below the Energy New England budget numbers; however, the results are 2.3% above last year. This represents an increase in load, but costs are not as projected in the power supply budget. The results are weather driven for the first quarter of this year.

Purchase power expense is ahead of where it expected to be. RMLD's loads are ahead of last year; expenses are down from what was budgeted. Energy costs were much lower than anticipated.

Capacity costs came in a little bit higher than expected, however, this is not a concern.

RMLD received a Transmission credit in February from National Grid for sub transmission expense (formula rate); their values fluctuate. This is not a consistent amount which RMLD can expect.

In January, RMLD's loads were slightly under budget, whereas in February they were slightly above the budget amounts. This year market purchases are above the budget estimates

6. Power Portfolio Addition/Policy 30 – G. Phipps, Director of Integrated Resources
Materials: *Power Portfolio Addition/Policy 30 (Presentation Slides)*

Mr. Phipps reported that he will be presenting a power supply contract, an update on the Climate Bill and Policy 30, discussion on the retail side as well as renewable choice.

In managing the reliability, predictability, and risk management of RMLD's rates, RMLD's portfolio consists of a significant portion of long-term contracts. Wind and solar projects are also being explored to round out RMLD's portfolio.

The Climate Bill has been passed, resulting in increased interest for non-carbon resources, such as hydro.

New York Hydro Power Supply Opportunity - Slide 3

RMLD is looking at another hydro opportunity with Gravity Renewables. This is an existing facility, originally built in 1925. This dam is built on a 100-foot natural waterfall. It is important to note that there was no existing fish migration, therefore, no need for an additional fish ladder. It is in a rural recreation area. It is a well-known fishing area between the Hudson and Batten Kill rivers. Gravity acquired this facility in 2019, requiring FERC relicensing. All publicly filed documents indicate a very clean facility from an environmental perspective. This contract would be for a 25-year term representing approximately 5.5% of RMLD's current load. It has Connecticut Class One Certificates starting in 2024. The pricing is just below the average for RMLD's average hydro contract costs.

Chair Small asked if there were any questions.

Mr. Soni asked about the general sense around seasonal variation on hydro power. Mr. Phipps responded that it is strongest in the spring and early summer, then tails off into September. It works well for July for peaks. However, with this contract RMLD might have the ability to do some scheduling to allow RMLD to adjust not only seasonality, but daily output, given the dam has the capacity to do off peak versus on peak. September is the slowest period whereas the strongest point is June.

Mr. Soni made a **motion**, seconded by Mr. Hooper, that the Citizens' Advisory Board recommend that the Board of Commissioners vote to accept the General Manager's recommendation to execute a contract with Gravity Renewables for energy, including associated certificates, from a hydro facility in Connecticut. **Motion carried 3:0:2** (3 in favor, 0 opposed, 2 absent) by roll call vote of those present: Mr. Hooper, aye; Mr. Soni, aye; Chair Small, aye. Mr. Kelley and Mr. Markey were not present.

Retail – observations - Slide 4

Mr. Phipps stated, as discussed, the Climate Bill is driving electrification. What that means for the RMLD is a load increase requiring departments cohesively working to ensure power is delivered in a reliable and safe manner to its customers.

RMLD is updating its forecasting models relative to electrification, driven by the recent legislation and rebate program. RMLD is predicting that there may be an increase of approximately 1% per year on the residential side. By 2030, the result being, residential could be 10% higher than where RMLD is now. The model is being updated

for all rate classes, long-term contracts, and distribution networks. Bottom line, load is increasing.

Mr. Phipps noted that RMLD has a broad range of rebate incentives, many introduced in 2020. There has been increased interest in rebate programs. RMLD had its heat pump seminar on March 2, beforehand 10 monthly applications processed, increasing to 30. RMLD's response to this increase is to ensure the system can handle the additional electric load and staffing via processing streamlining.

Renewable Choice – update - Slide 5

The Cost-of-Service Study (COSS) output will be presented in the next months. Different elements that will be considered for the study include what is driving RMLD costs up, and how rates should be adjusted. Mr. Phipps mentioned that the solar incentives from the DOER program are ending. For a variety of reasons, as well as non-carbon compliance, RMLD wants to figure out how to continue the solar incentive programs. Mr. Phipps also pointed out that there is approximately a 3% annual increase in RMLD's operating costs. The growth of incentives and rebate incentives has resulted in RMLD's program costs increasing. As part of the COSS, there may be an increase to the current ECC rate from a tenth of a cent per kilowatt hour to three tenths of a percent per kilowatt hour. RMLD Policy 30, Revision 1, additionally driven by the Climate Bill, is going to increase RMLD's associated costs due to the increasing number of certificates to be retired.

Ms. O'Brien added that when a comparison is done on RMLD's ECC charge compared to other MLP's, RMLD is a little lower. However, RMLD's expenditures have been higher than other MLPs and requires an adjustment increase to cover customer programs.

Certificate Update - Slide 6

Mr. Phipps pointed out that certificates are being monitored more rigorously internally. Certificates will be retired up to the annualized Policy 30 line with the balance sold. In addition, the transaction timelines for certificates were discussed. There will be quarterly reporting. In 2020, 15,400 certificates will be sold yielding, \$460,000, closing out the prior Policy 30 guidelines.

Mr. Soni added that he wants to ensure that there is a good understanding of the policy and its implementation.

Chair Small opened the meeting to public comment.

Mr. Rogers noted that it was Earth Day, and it is great to see that Ms. O'Brien has opened with the discussion on electrification and Mr. Phipps addressing the importance of getting to zero carbon electricity. Mr. Rogers asked about the annualized Policy 30 line; has it been spelled out, what are the goals for 2021 and retiring the certificates? To the extent that RMLD is selling RECs, it will be really important how RMLD talks about that power after the fact. Mr. Rogers noted he was looking at the 2018 pie chart for power supply for RMLD wind wedge. Mr. Rogers stated he is pretty sure no wind is in RMLD's portfolio because RMLD had sold all the associated RECs. If RMLD didn't sell those RECs, that's okay, but just a reminder that when RECs are sold, it can't be addressed as renewable zero-carbon or anything; it just becomes system power after that. Mr. Rogers questioned the annualized line for 2021.

Mr. Phipps explained that RMLD has certificates of approximately 40% in its power portfolio. The annualized line starts at 20% in 2020 then reaches 50% by 2030. On a regular basis, he will keep in that slide as well as the snapshot that Mr. Underhill presents. In 2021, the annualized line should be at 23%. It is RMLD's intention to retire 23% of its certificates for the year 2023. Realistically, up until 2030 RMLD will increment each year at 3%. From a compliance perspective from the Climate Bill, RMLD is not required to do anything above 20% until 2030. RMLD's intent is to minimize any rate shocks.

Mr. Rogers pointed out that anything above that line, RMLD sells RECs for, then stop talking as renewables. Mr. Phipps added that for renewable choice will impact on how RMLD structures that.

Ms. Paige said that she would like to give her full support to everything Mr. Rogers spoke to. In addition, she wanted to thank Mr. Phipps that in July there will be transparency as to what is happening. Ms. Paige added that in terms of rate shock it is good that Mr. Phipps is trying to prevent this for customers. The customer satisfaction survey demonstrated that 67% of residential customers and 62% of commercial customers wanted RMLD to be aggressive in reducing greenhouse gases. And in fact, 58.3% of residential customers are willing to pay a rate increase from five to 25%. For the commercial customers, it was 60.9% were willing to pay a rate increase of five to 20%. RMLD can't claim renewables unless they have retired the certificates.

Ms. Paige added that she did not get the opportunity to speak at the meeting where the clean energy policy was passed. It was disturbing to see in the policy a sentence that states that the customers wanted little or no increase in rates because that just isn't true, is unsure how it got in there, if there is a plan to correct that. It is not an accurate representation of the data received from RMLD's customers; is there a plan to fix that.

Mr. Phipps noted that Ms. Paige brought up a great point. RMLD Policy 30, Revision 1, has renewable choice. RMLD is developing a renewable choice program. The compliance metric set going forward will be non-carbon. RMLD has had such programs as green and solar choice, the renewable choice may become non-carbon choice. The goal is to offer 100% non-carbon options for customers. Dependent on how RMLD structures the non-carbon program, RMLD's existing portfolio has a percentage of non-carbon, but want to provide customers the option of 100%. To add non carbon to the portfolio, it will be achieved on an annualized incremental basis.

RMLD has been working with this with its larger industrial customers, calling it a green tariff. Mr. Phipps noted that there are two scenarios relative to the certificates: one "retire more," second "buy more."

One commitment RMLD made is to develop a renewable choice. There is the element in terms of buying/using those funds to buy additional certificates then issue credentials back to those larger corporate customers. The Climate Bill is the catalyst to wrap this up for both the RMLD and the customer.

RMLD's 2021 portfolio, has 40% non-carbon certificates associated with it. RMLD will retire the first 23% and sell the balance. RMLD would use the funds from the non-carbon choice and retire a larger portion of certificates. RMLD will provide customers the choice for 100% non-carbon, it is called renewable choice in Policy 30, Revision 1.

Ms. O'Brien added that the language in Policy 30 (addressing Ms. Paige) was not written into Policy 30 to say that customers do not want to spend any money, the policy was written to conform to RMLD's existing mission statement to keep rates low. The policy dictates that she and her staff meet all the state requirements and mitigate the costs. RMLD works to find unit contracts that do not adversely impact the rate, working to offset the rate. The language put in Policy 30 is RMLD's governing compass on the mission as to how RMLD is run. If the mission changes, then the policy can be updated. Ms. O'Brien stated that it is not that RMLD was not reading the customer survey correctly. Ms. O'Brien thanked Ms. Paige for her input and apologized for any confusion. It will get harder to find unit contracts at lower prices due to the Climate Bill; demand has gone up for such projects.

Mr. Phipps added that there is more coming, and the input was great in terms of what is desired for RMLD consideration.

Mr. Connor asked, since the loss of the permit for the Palmer plant, does RMLD plan to formally withdraw from the contract, and will the power sourced from Palmer be officially removed from the RMLD monthly forecast?

Mr. Phipps responded that the Palmer facility under the original contract was not scheduled to be online until spring 2022. At some point, if RMLD ends up exiting the contract, the contract will be removed from the RMLD portfolio. RMLD is looking how to replace that power. RMLD has put in place mechanisms to allow it to exit/transfer that contract without minimal negative impact to RMLD's rate base, it is dependent on what happens with Palmer.

Mr. Connor clarified; it is not clear that RMLD can get out of the contract with Palmer since it is a moving target.

Mr. Phipps responded that RMLD has made provisions to allow the RMLD to exit and are positioned to do that. Part of that exiting is dependent upon what happens to the Palmer facility in terms of them moving forward with permits, construction, and commissioning. There are a lot of moving pieces, RMLD has worked diligently over the past several months to create an exit path which is in place.

Mr. Connor stated that he agreed with Ms. Paige and Mr. Rogers, particularly with retiring the RECs. He has a couple of degrees in economics and saw in Mr. Phipps presentation that RMLD customers value the very inexpensive electricity RMLD provides. One of the laws of economics is that something is valued more when it costs more, so it's completely contrary to the laws of economics and people will waste something unless they start paying for it and given the climate crisis. He does not see RMLD doing any leadership in this climate crisis. All it is about reducing the rates, reducing the rates. Well, that's not the answer or keeping the rates extremely low. The RMLD has to do the opposite to reduce our energy load.

7. Engineering & Operations Report – H. Jaffari, Director of Engineering & Operations
Materials: *Engineering & Operations Report (Presentation Slides)*

Mr. Jaffari reviewed the Reliability Indices (Slides 2 and 3) for the month of March. There were incidents such as equipment, trees, wildlife, and vehicle accidents, but the major factor was the weather. RMLD is doing very well on the regional and national level relative to outages for the five-year cycle.

Mr. Jaffari then reported that RMLD has received two prestigious awards from the American Public Power Association (APPA): the 2020 Reliability Award (for the fourth consecutive year) and the RP₃ (Reliable Public Power Provider) Award.

For the RP₃ Award, utilities across the nation (voluntarily) submit their application for recognition. Extensive analysis is performed on the application (data), benchmarking it against national and regional information. The RMLD has received the platinum level award (RP₃) for 2021 to 2024. Mr. Jaffari noted there are three award levels: diamond, platinum, and gold. APPA evaluated the RMLD in the following disciplines: reliability, safety, workforce development, and system improvements. RMLD had to submit supporting documentation that underwent peer review to determine the qualification. There are approximately 2,000 Public Power Utilities with more than 270 municipal utilities nationwide that have the RP₃ designation. RMLD previously received the Platinum award in 2006. The RP₃ application process took from May to December 2020. Extensive documentation was required such as utility demographics, reliability data, cyber and physical security, disaster plans, safety data, work and training manuals and practices, benchmarking, workforce development (succession, planning, recruitment), policies and operational procedures. Relative to system improvements,

the RMLD performed a 20-year system planning study in 2016 that RMLD follows, reviews, and revises as needed. This was one of the requirements to demonstrate that the utility has proactive planning.

Mr. Jaffari noted that the RMLD has received a plaque for the RP₃ designation that will be displayed in RMLD's lobby along with the Reliability Certificates. The RP₃ awards presentation can be found on the APPA website.

Mr. Jaffari thanked both the CAB and the RMLD Board of Commissioners, management, as well as staff for the cooperation and collaboration that led to RMLD receiving these highest standard achievement awards.

Chair Small congratulated Mr. Jaffari, his team, and everyone at RMLD for all the hard work that went into the designation achieved by the RMLD. Chair Small added that he works at another electric municipality - this is a big deal; a lot of work goes into this process, and he appreciates the efforts.

Mr. Hooper added his congratulations and appreciation for all the efforts. Mr. Soni extended his congratulations to Ms. O'Brien and Mr. Jaffari; they have done a great job. In addition, he congratulated Chair Small as Danvers received the APPA Platinum award as well.

Mr. Soni asked if the reliability award is looked at from a national or regional basis? Mr. Jaffari responded that they look at both national and regional with analysis performed based on both national and regional levels.

Ms. O'Brien added, relative to the reliability report, that Mr. Jaffari reports monthly on statistical data for outages. SAIDI and CAIDI are performed nationally for averaging (based on national and regional averages). RMLD has a different standard because it includes momentary outages, which many utilities do not add in their statistics.

8. Business & Finance Update through February 28, 2021 – W. Markiewicz, Director of Business and Finance
Materials: *Business & Finance Update through February 28, 2021 (Presentation Slides)*

Ms. Markiewicz reported that the in-house financial audit was completed. The draft financials are being prepared by the auditors. The auditors are hoping to have the draft financial for an Audit Committee meeting in May, then subsequently presented to the CAB and the Board of Commissioners.

The sales tax prepayment requirement has changed, typically, you pay sales tax 20 days after the end of the month, starting this month as of April 26, because the 25th is a Sunday, RMLD has to prepay sales tax. You must pay five days in advance of the end of the month; RMLD is all set with the requirement change. As a result, in the accounts payable, there will be two sales tax payments back-to-back.

The Department of Public Utilities return is one of the top priorities for the Accounting division as well other divisions. The Town of Reading payment is set for 06/30/21 half of the payment at \$1.24 million. This holds true for the 2% net plant payments for the towns. Currently, it is in draft form, but estimated at \$827,000 total.

Ms. Markiewicz noted periodically, she likes to present a snapshot of RMLD's cash. RMLD has \$57.7 million in cash ensuring that everything allocated and spent properly. RMLD has more Restricted Cash than Unrestricted in its Operating Fund at \$24.7 million. RMLD is striving for three times the operating expenses. In 2020, RMLD was far under budget due to COVID, but came in a little bit higher than budgeted for kilowatt hour sales. It looks like the cash is higher, but due to timing that all washes out.

Ms. Markiewicz then addressed the Accounts Payable process in order to cut a check. For Accounting, it is a process that is managed daily and weekly from invoice to check. Invoices (most of are now electronic) via email and some by mail. The Accounting Department then disperses the invoices electronically to division managers or managers in charge of projects for approval of goods and services and signature.

The invoice then comes back to the Accounting department, who in turn matches it up with a purchase order, which has its own set of standards, regulations, and approvals. Accounting matches the invoice up with the purchase order to verify that it has the proper signatures, ensure that the proper general ledger account has been assigned. All those invoices are combined then sent off to the Purchasing Manager for approval. Purchasing Manager performs checks of the requisitions and the purchase orders in the system assuring that everything is correct, then sends it back to Accounting. There is a lot of stops and go in the process (part of verification) but strive for a continual flow in the process.

When the invoices come back from the Purchasing Manager, the invoices are entered into the system, for a file to be sent to Town Hall. In the meantime, the packages are combined and sent to the General Manager for final approval. After the General Manager approval (this can involve troubleshooting), the Account Payable batches are put together then the warrant is created in the system for the checks to be cut by the Town Hall. Then the warrant goes directly to the General Manager for approval. In the meantime, the Board of Commissioners member assigned to Account Payable receives the invoice packages. After the General Manager approves the warrant the Commission member assigned to this review the information provide for approval.

At that point, in the process, RMLD sends the files and invoice packaging (RMLD has no cash control) to the Town of Reading for their scrutiny and review as well. There can be phone calls from the Town of Reading due to their scrutiny of each invoice. There can be clarification on invoices involving mutual troubleshooting. The Town of Reading prepares the checks 10 days after the Friday ending is when the check date is cut then mailed to our vendors. It is quite a process. There is a multiple level of approvals throughout this process, troubleshooting, with stops and goes, with daily deadlines to move to the next step. It is important to be aware of how that system works.

Relative to the February financials sales are flat. RMLD is a little bit under budget, but nothing important to report.

Chair Small asked if there any questions, there were none.

9. Scheduling – J. Small, Chair

- Next CAB meeting – date pending BOC schedule.
- BOC Meeting Coverage for May Meeting - pending confirmed date for BOC meeting.

Chair Small opened the meeting to public comment, noting that Ms. Page would like to speak.

Ms. Paige stated that she had a question for Mr. Jaffari, but first congratulated him, Ms. O'Brien, and the staff for keeping the RMLD so reliable. Last month, Mr. Jaffari spoke (Solar/Battery System Impact Study presentation) to not being able to do reverse electricity flow. Does that mean that RMLD will not be able to offer net metering for people who install rooftop solar?

Mr. Jaffari thanked Ms. Paige for the question and provided the following explanation. RMLD does not have true net metering. Customers (large) will not be able to send their power back to RMLD's system when the system has reached its maximum capacity. RMLD is taking steps to ensure it can take the power generated by customers. RMLD is

not discouraging customers from generating, but (large customers) need to program their solar system inverters to block the reverse flow of the power back to RMLD's system when RMLD's system capacity has reached its limits.

Ms. Paige asked if that would be true for customers who already have solar - do they need to change their system somehow? Mr. Jaffari stated that RMLD encourages customers to purchase the smart inverters.

Ms. O'Brien stated that what Mr. Jaffari is referring to is the smart inverters (in the future) when everyone wants to try to put solar on their building rooftop and the RMLD cannot take the power back without adversely impacting RMLD's system.

Ms. O'Brien explained that RMLD performed the System Impact Study looking at large commercial solar. For example, if the feeder limit is a couple of megawatts, then there is a calculated limit on allowable solar generation from customers back to the electric feeder. This does not include community solar that RMLD already has; that is not what RMLD is speaking to or the residential customers that already have solar.

Ms. Paige clarified, it will not affect customers who are already on it, but it will affect residential customers as well as more electrification is happening? Ms. O'Brien responded that it would be highly unlikely that a residential area would overload a residential feeder. RMLD is speaking to a large solar array on a large roof such as Ballardvale in Wilmington and they want to sell the power back on the same feeder. In addition, RMLD does not have net metering like an IOU because part of the IOUs bill charges for solar in the form of allowing net metering. RMLD gives a rebate and has to collect for the distribution piece of the feedback. The credit is for feedback, but the RMLD still has to pay for the distribution poles and wires. The RMLD has no solar charge like IOUs.

10. Adjournment – J. Small, Chair

Mr. Hooper made a **motion**, seconded by Mr. Soni, that the Citizens' Advisory Board adjourn regular session. Motion carried 3:0:2 (3 in favor, 0 opposed, 2 absent) by a roll call vote of those present. George Hooper, aye; Vivek Soni, aye; Chair Small, aye. Mr. Kelley and Mr. Markey were not present.

The CAB meeting adjourned at 7:18 PM.



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-07-19

Time: 5:45 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) and Mr. Dennis Kelley, Hooper (Wilmington)

Members - Not Present:

The Lynnfield Position Vacant

Others Present:

Mr. Philip B. Pacino, Board of Commissioners

Ms. Coleen O'Brien, Ms. Wendy Markiewicz, Mr. John McDonagh, Ms. Erica Morse, Mr. Gregory Phipps, Ms. Kathleen Rybak

Minutes Respectfully Submitted By: Mr. George Hooper. Secretary

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 WILL BE 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 5:48 PM and noted the meeting was being audio recorded.

2. Executive Session – J. Small, Chair

At 5:50 PM Mr. Hooper made a motion seconded by Mr. Soni that the Citizens' Advisory Board go into Executive Session pursuant to Massachusetts G.L. c.164 section 47D, exemption from public records and open meeting requirements in certain instances, to discuss competitively sensitive issues regarding options for power supply and return to regular session. Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present. Mr. Soni, aye; Mr. Kelley, aye; Mr. Hooper and Chair Small, aye.

3. Reconvene Regular Session – J. Small, Chair

At 6:20 PM the Citizens' Advisory Board reconvened the Regular Session.

4. Approval of Minutes – J. Small, Chair
Materials: Draft Minutes from October 22, 2020, and November 19, 2020

Mr. Hooper made a motion seconded by Mr. Kelley, that the Citizens' Advisory Board approve the minutes of the October 22, 2020, and November 19, 2020, meetings as written. Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present Mr. Hooper, aye; Mr. Soni, aye; Mr. Kelley, aye; and Chair Small aye.

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

- Annual Report Confirmation
Materials: Draft Annual Report 2020

Ms. O'Brien reported that RMLD's calendar year 20 annual report, is ready for release. It contains three previously approved elements consisting of the high school art contest for the cover, the 2020 highlights the General Manager letter (representative of her evaluation to the Board), and the audited financial statements. The annual report will be uploaded to RMLD's website and distributed to the towns tomorrow.

Ms. O'Brien stated that a recap of the CY20 highlights and 2021 year to date progress will be made at the Reading Subsequent Town meeting in November. Currently, the only other scheduled meeting is North Reading on the August 16. Ms. O'Brien will reach out to Mr. Hooper for a presentation in the fall and schedule Town of Lynnfield as well.

- Board Agenda Quarterly Guideline Review

Ms. O'Brien reported that the proposed Board Agenda Quarterly Guideline review template was created to incorporate Policy 30, power supply and all departmental reporting requirements.

Ms. Morse presented the composition, format, and structure for the guideline schedule review. The guideline contains all the reports listed on the agenda (based on their report timing), including documents included but not discussed. This fosters a check and balance for reports that are completed, need completion and what has been carried over. The CAB agreed to the format.

- MasseVIP Grant Update

Ms. O'Brien reported on the MasseVIP Grant, the CAB had been updated on the status for the state level two EV charging stations for the towns of Reading and Wilmington. The new contract is due back within 30 days. The RMLD has teamed up with Voltrek.

The EV charging locations are as follows: Wilmington Library and Town Hall; Reading at Haven and Main Street, Reading Train Depot, and the Reading Library. (Library awaiting final confirmation for the feasibility of direct drilling).

For the EV installation, on the RMLD side, Chuck Underhill is the Project Coordinator. John McDonough is the Lead Engineering and Construction Supervisor. The second project team meeting is scheduled for tomorrow. Assigned to the team are George Hooper, Public Building Superintendent, Wilmington and Ryan Percival, Town Engineer, Reading. Once Mr. Underhill finalizes the schedule RMLD will send out a general press release.

- Green Communities

Ms. O'Brien reported that she sent an update to the CAB on a proposed amendment to the existing law with a testimony to change that would allow the Town of Reading

and any MLP community that is part of a multiple town service territory to join Green Communities individually.

Based on the testimony language she proposed, it would allow RMLD's service towns to move at their own pace. Adopting all the criteria that comes with Green Communities may be easier for some communities than others. Further, that all four of RMLD's service areas could be allowed to join based off one IOU meter (Wilmington).

Mr. Soni noted that the Town of Reading clearly wants to go ahead with the Green Communities, he needs clarification on the impact, would the rates go up for all the towns.

Ms. O'Brien responded, no rate increase, the concept of what she sent in, is that the one IOU meter could work for the whole entire RMLD service territory, that each town could adopt, and move at their own pace to be a Green Community. The intent of the proposed change was to get the state to understand that RMLD is a unique situation serving multiple towns and the existing law would require all four towns to pay into the Renewable Trust.

- **Community Update**

Ms. O'Brien reported that as part of the customer survey the RMLD is taking more opportunities at community functions to reach out to speak to its programs and rebates.

Recent Events

RMLD attended the Wilmington Farmers Market on June 27.

RMLD held a Virtual Electrification Webinar Presentation on June 7, in partnership with the Wilmington, Reading, and North Reading libraries. The recording is available on RMLD's website and shared with the four community tv stations.

Upcoming Community Events

Reading Library Vehicle Day - August 10

Reading Fall Street Faire - September 12

North Reading Town Day - October 3

Upcoming RMLD Events

Public Power Week Open House - October 7, 3-6 pm, Rain Date - October 14

Electric Car Show - August 15, 10am-1pm, at Wilmington Farmers Market

Heat Pump Workshop II - Virtual, Fall Date TBD

6. IRD Report - G. Phipps, Director of Integrated Resources
Materials: Integrated Resources Report - CAB/BOC Discussion (July 19, 2021)

- *Power Supply Updates*

Materials: *Power Supply Update - (Presentation Slides)*

Load Snapshot - Transition to Growth Slide 3

Mr. Phipps reported on the three rate class characteristics, residential, industrial and commercial. The residential rate class is the largest (40%); geographically most diverse; dynamic both seasonally and hourly.

Residential load peaks in January, and August. The commercial and industrial segments are less seasonally dynamic than the residential. (Spider Chart, Slide 3).

RMLD is transitioning from a decade of load decline into a period of load growth. Although the past decade saw an annual load decline of 1%, this trend began to change in 2020 with an 0.8% annual growth. This is due to slowing efficiency gains, the beginning of electrification, and general business growth. Load growth reduces upward pressure on the overall kilowatt hour rates which benefits all customers. As the load begins to grow over the next five to ten years, the RMLD will transition from a mode of network and maintenance to a mode of equipment build out.

Power Supply Update – Slide 4

Mr. Phipps reported that the RMLD needs to purchase power regularly to fill in expiring contracts, fill open positions and to accommodate load growth.

In 2021, RMLD executed three TFAs (Transaction Facility Agreements). Through the TFA program, RMLD purchased just a bit under 20% of total power, each across four-year spans. Mr. Phipps further explained that TFA is a mechanism that allows RMLD to purchase power in chunks on a formula basis, to fill near term needs at opportunities prices.

Mr. Phipps stated that the supply contract for the Dahowa hydro project (New York state) is finalized. The other two hydro contracts (Connecticut and New York) are in process. RMLD environmental and social due diligence report has been completed on Dahowa and will be undertaken prior to the signature of the other two hydro projects. Dahowa is planned to start delivering power in approximately two months.

RMLD is actively searching for utility scale solar supply sources and in-territory opportunities. At the upcoming August meeting, there will be discussions relative to RMLD updating its residential solar incentives. RMLD is also exploring a contract for offshore wind as well as increased battery storage. RMLD does have an existing sizeable battery project that it currently uses. However, as renewables grow, there will be a need to add storage, not for generation but for time shifting.

1Q21 – Certificates Quarterly Report Slide 5

Mr. Phipps provided an update - the 2021 Q1 quarterly report on certificates per Policy 30, Revision 1.

RMLD opened with a zero certificate balance in January 1, 2021. In Q1, RMLD acquired 60,000 certificates representing 43% of power purchased. In accordance with the current policy, all RMLD's certificates purchased are known as associated certificates, purchased with the power. The certificates from the first quarter minted last week, this is a four-to-seven-month process. RMLD will retire 23% of RMLD's power sales for CY21 to conform to Policy 30 Revision 1 requirements. This year RMLD will retire quarterly, with the strategy to retire the least valuable certificates first, specifically EFECs representing approximately 19% of retail sales levels, then retire the next lowest valuable certificates which is a combination of Vermont Tier 1 and Maine Class 2s.

The RMLD will then sell 80% of certificates that are earmarked to be sold in the quarter, the remaining 20% will be banked in RMLD's NEPOOL GIS account for later transactions. This quarter will likely net over \$400,000 in certificate sales.

Rates – cost of service, incentives, choice(s) Slide 6

Mr. Phipps covered rates, cost of service, incentives, and choices. Rates are designed to cover the cost of providing service and power supply (energy, transmission, capacity, certificates will increase and operating costs).

Mr. Phipps added that RMLD's goal is that the costs are allocated fairly across the different rate classes in compliance with laws and regulations. In addition, RMLD wants to provide funds for efficiency and electrification incentives, to comply with the Climate Law mandates. At the same time, also trying to ensure that the RMLD

provides choices to the customer.

There are many factors analyzed including load growth and the Climate Bill compliance.

- *Cost of Service, Rates Choices (s) – Renewable /Non Carbon*
Cost of service – new context of peak shift Slide 7

Mr. Phipps stated that the hour the peak occurs needs to be considered when fairly allocating cost across rate class, as it relates to capacity and transmission (which represents 40% of RMLD's power supply cost). Mr. Phipps noted the impact of solar power is variable depending on weather; on a sunny day, solar reduces the net load in the middle of the afternoon which typically pushes the peak to a later hour.

Rates – preliminary residential illustration Slide 8

Mr. Phipps provided an illustration of rate drivers. RMLD's last increase took place in July 2018. Mr. Phipps pointed out that funds for some of the planned capital expenses and projects are already in the existing rates. In addition, the rate stabilization fund may continue to absorb a portion of the rate cost. When considering four key cost of service factors, the estimated increase is approximately \$6.03 to the average residential monthly bill (820 kWh / \$121), representing approximately a 5% increase.

MLP Renewable Choices Slide 9

Mr. Phipps stated that as Part of Policy 30, Revision RMLD has committed to create some renewable choice options.

Mr. Phipps reported on the comparison of other MLP certificate retirement programs in comparison to RMLD's suggested programs. The additional costs are like what other MLPs are doing.

Renewable Choice and Non-Carbon Choices – Slide 10

Mr. Phipps presented the proposed Renewable Choice and Non-Carbon Choice programs the goal is to offer 100% options for customers. In addition to the 23% that all customers contribute now for retiring certifications in accordance with Policy 30.

Renewable choice focuses on Mass Class 1 certificates currently trading around \$40/megawatt hour. Non – Carbon choice focuses on "other certificates" inclusive of Class II and Tier 1; the average cost of others in the portfolio is \$11/megawatt hour. To manage the program and maintain stability, the department is proposing a one-year commitment for both programs.

Mr. Soni inquired, right now in this year you are going to retire 23% of the RECs? If customers choose to opt in for more, then RMLD's quota goes up to 23% plus whatever else comes up?

Mr. Phipps replied that whatever funds RMLD collects under these proposed programs, would be used to retire more than 23%.

Chair Small stated that he likes having the two choices there are some people that will be willing to pay, \$25 monthly. Whereas there are others that might want to contribute a lower amount.

Ms. O'Brien pointed out that RMLD has recommended above what the Climate Law requires. Going forward on an annual basis, RMLD is retiring more RECs than required by the Climate Law. This higher level is what was voted on relative to Policy 30, earlier this year (annualized increase in certificate retirements to prevent rate shock).

Ms. O'Brien stated that in August, the RMLD will request a meeting to present the rates. In addition, the Rate Stabilization Fund policy stipulates it be funded at \$6.5 million plus or minus \$500,000. That fund was growing just based on interest RMLD has an obligation to get that back down to the policy level.

Mr. Soni asked for clarification on the Rate Stabilization Fund. Ms. O'Brien explained that the policy stipulates the funding level to be capped at \$6.5 million plus or minus \$500,000. It has grown to approximately \$7.5 million using those funds to offset a rate increase this year.

Chair Small asked if there was any further discussion, there was none.

7. Appointment of CAB Secretary – J. Small, Chair
Chair Small stated that the current CAB Secretary, is George Hooper. His first two-year term is coming to an end this month. The CAB policy allows for another two-year extension or if someone is interested role the next two years if they are interested.

Mr. Hooper volunteered to remain as CAB Secretary, the members agreed.

Mr. Kelley made a motion seconded by Mr. Soni to nominate George Hooper for another two years as CAB Secretary.

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

8. Scheduling – J. Small, Chair
 - Next CAB Meeting
Ms. O'Brien stated that staff is recommending a combined meeting, of the CAB and RMLD Board on August 12, with the focus on rates. The CAB has the 30-day review period, but I could be presented together or it could be separate meetings on the same evening. CAB members agreed to a joint meeting on August 12. August 9 could be an optional meeting date.
 - BOC Meeting Coverage
Mr. Hooper is covering this evening.
9. Adjournment – J. Small, Chair
Mr. Hooper made a motion seconded by Mr. Soni. that the Citizens' Advisory Board adjourn regular session. Motion carried 4:0:0 (4 in favor, 0 opposed, 0 absent) by a roll vote of those present. Mr. Hooper, aye; Mr. Soni, aye; Mr. Kelley, aye; and Chair Small aye.

The CAB meeting adjourned at 7:11 PM.



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-08-12

Time: 6:30 PM

Building:

Location:

Address:

Session: Joint Meeting

Purpose:

Version:

Attendees: **Members - Present:**

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

Members - Not Present:

Mr. George Hooper, Secretary (Wilmington); Lynnfield Position Vacant

Others Present:

Refer to Board of Commissioners Minutes for August 12, 2021

Minutes Respectfully Submitted By: Mr. Jason Small, Chair

Topics of Discussion:

JOINT MEETING WITH RMLD BOARD OF COMMISSIONERS

**Refer to the RMLD Board of Commissioners
Meeting Minutes
for August 12, 2021**

As approve on: _____



Town of Reading Meeting Minutes

Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2021-09-23

Time: 6:30 PM

Building:

Location:

Address:

Session: Joint Meeting

Purpose:

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); Lynnfield Position Vacant

Others Present:

Refer to Board of Commissioners Minutes for September 23, 2021

Minutes Respectfully Submitted By: Mr. George Hooper, Secretary

Topics of Discussion:

JOINT MEETING WITH RMLD BOARD OF COMMISSIONERS

**Refer to the RMLD Board of Commissioners
Meeting Minutes
for September 23, 2021**

As approve on: _____

Attachment 2

Agenda Item 4: Integrated Resources Report



Decarbonization Strategy of RMLD Power Supply

BoC and CAB Report
from Integrated Resources

20 December 2021

Outline



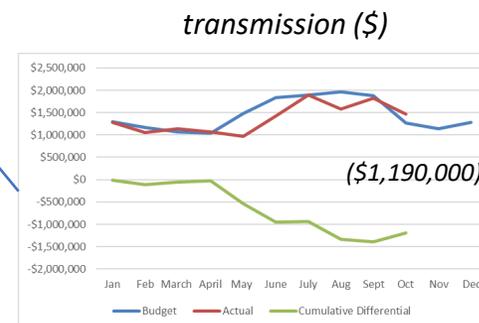
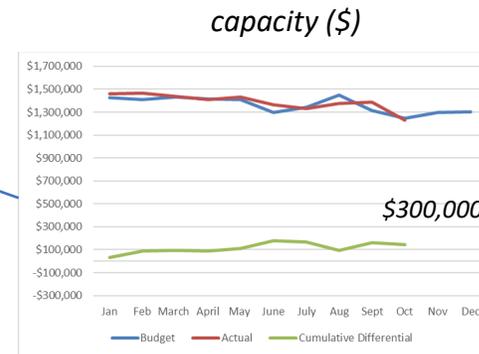
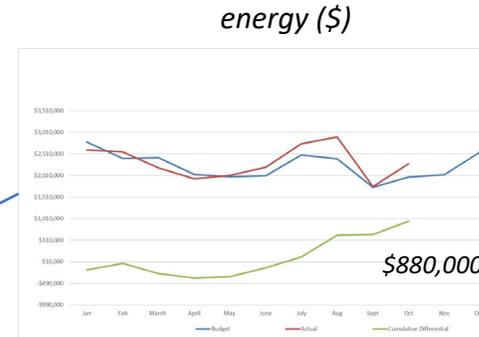
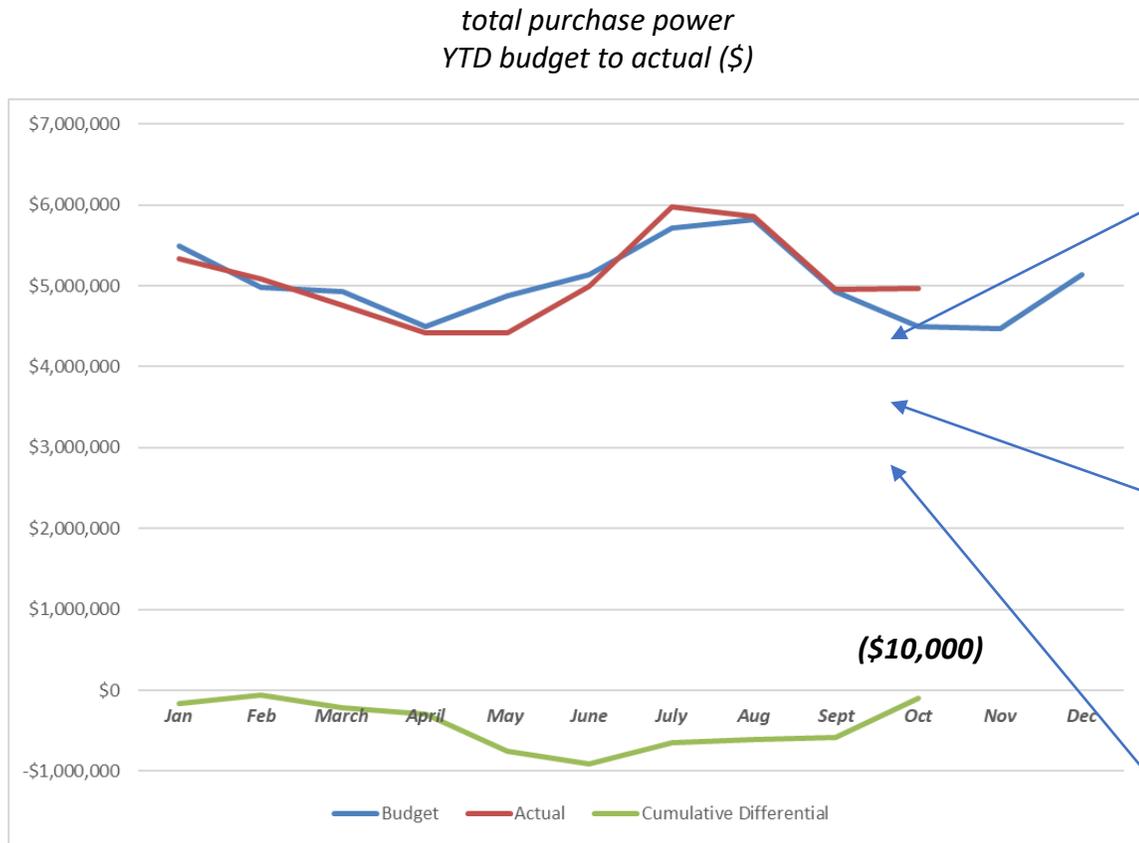
2021 YTD Power Supply

Power Supply Strategy

Nuclear Addition

Battery Storage

2021 YTD Power Supply Costs



Unit costs moderated by contract rate but weather driven usage and peaks drive actuals. Yielding:

- Usage slightly higher
- Capacity flat
- Transmission low

Fuel and PPCT adjusted monthly to reflect net costs

2021 total actuals likely to be close to budget

Decarbonization Context and Implications



2021 Climate Law will **increase** load ~60%, by 2050

2021 Climate Law will **phase out** most nat gas gens (~50% of regional gens today)

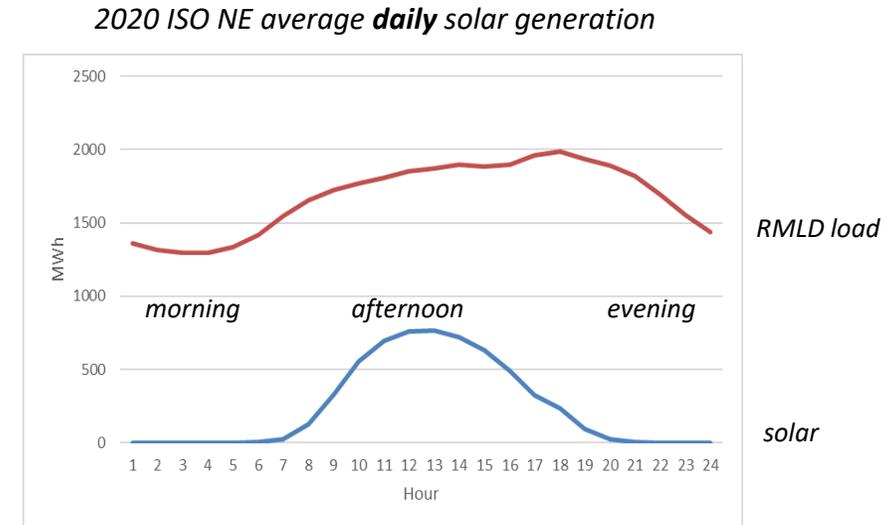
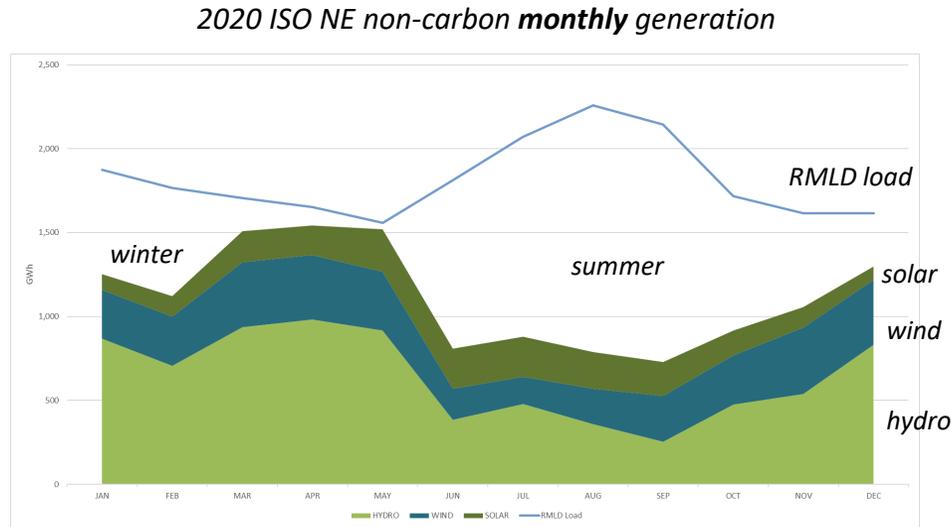
Regional hydro offer minimal **additional** growth in capacity (no new hydro facilities)

Lack of transmission will **limit availability** of Hydro Quebec as large source in ISO-NE

Significant solar and wind gen assets need to be built but will face **delays and limits**

Prudent to contract a larger portion of the forecasted purchases **now**

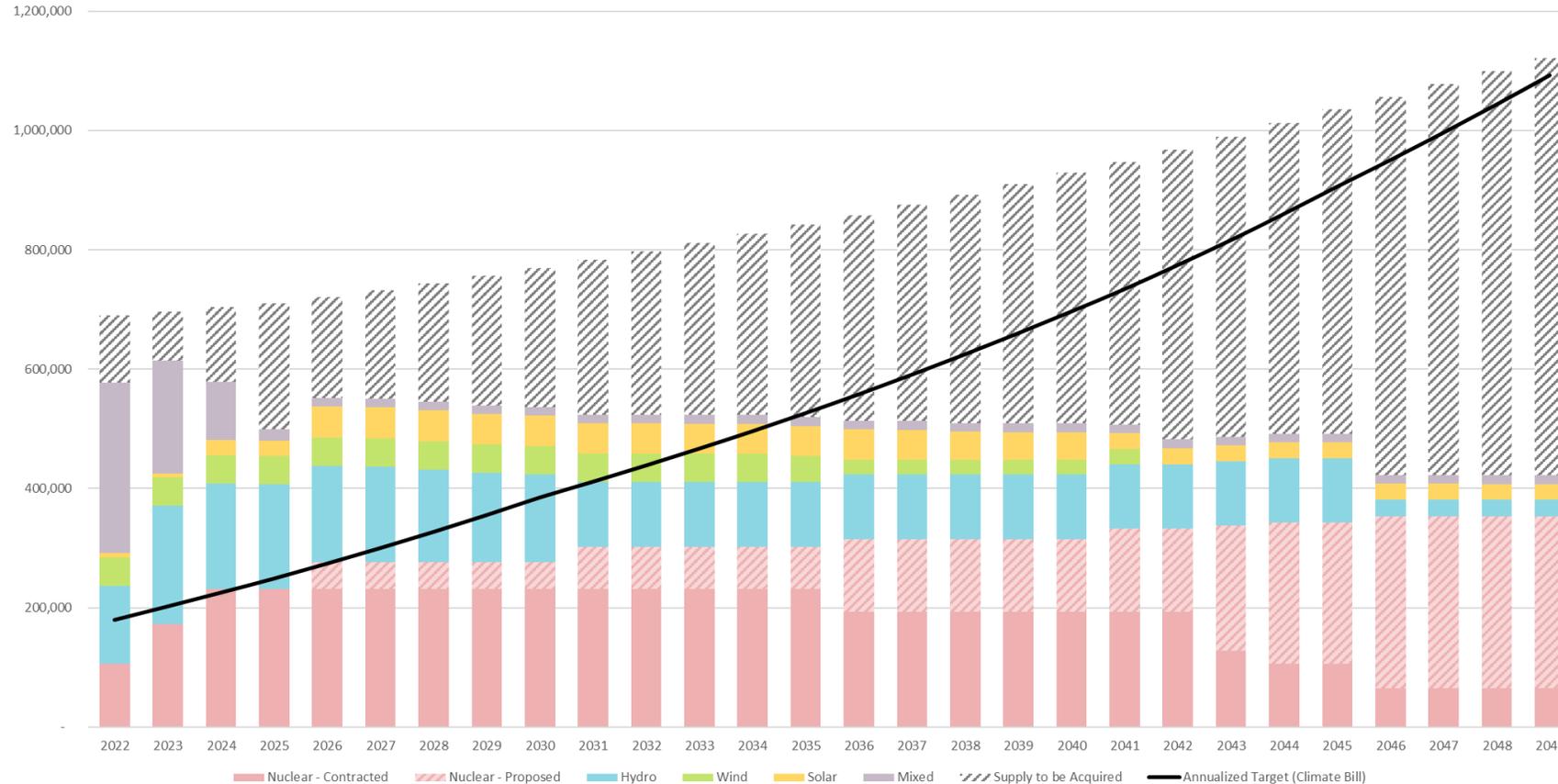
Characterization of Non-Carbon Gen Assets



- Solar **intermittent** both seasonally and hourly; high in summer and high mid-day
- Hydro **seasonal**; high spring and low in last summer
- Wind **seasonal**; high winter but low in summer; hourly not predictable (weather driven)

*Solar, wind, and hydro are **intermittent** non-carbon gen resources*

RMLD Decarbonization Transition



- 1.6% cagr load growth
- Certificate retirements increase to nearly 100% by 2050

Extend existing and add hydro

Add new solar and wind

Add w/in territory generation assets

Mix stable and intermittent supply sources to manage risk

*Nuclear offers stable non-carbon **base**; wind / solar to fill most of remaining open position*



Power Supply – Nuclear



Increase nuclear sourced energy and certificates between 2025 and 2049 (~36% of total purchases)

Incremental Volume - ~60,000 MWh / yr (~9% RMLD total 2025 energy purchases)

Term - 25 year; starting 2026 with steps in 2030, 2036, and 2043 to fill expiring contracts

Certificates – EFECs (non-carbon)

Pricing – 10% above 2022 average; other non-carbons are ~ 80% above 2022 costs averages

Battery Storage

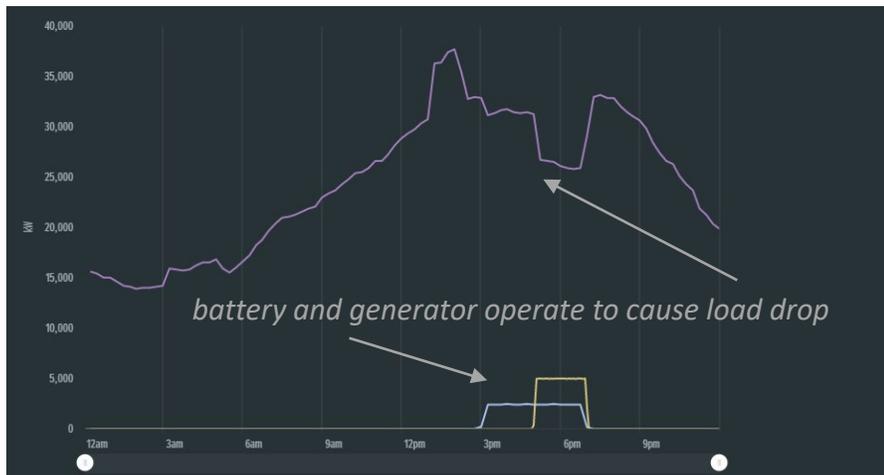


Storage systems **time shift** energy (afternoon solar to evening use)

Time shifting enables benefits:

- a) **Economic** (coincident ISO NE / RMLD peak management)
- b) **Reliability** (network hot spots)
- c) **Resiliency** (limited backup)

Storage systems are not generators



Initial internal review suggests adding ~30 MW (90 MWH) of battery storage to RMLD network (5MW and 10 MW installations)

- Station 3 (w/ existing BESS) - 2022
- Industrial Way – 2023
- RMLD solar array – 2023/2024
- New substation – 2024/2025

Anticipate leasing storage systems near-term; owning thereafter

Peak management is primary economic driver (net capacity and transmission savings); hence 3-hour systems preferred

Ongoing discussions with vendors (equipment, EPC, s/w, dispatch)

Thank You