



**READING MUNICIPAL
LIGHT DEPARTMENT**

BOARD OF COMMISSIONERS MEETING

REGULAR SESSION

Thursday, February 24, 2022

APPROVAL OF BOARD MINUTES

ATTACHMENT 1



Town of Reading Meeting Minutes

2016-09-22 LAG

Board - Committee - Commission - Council:

RMLD Board of Commissioners

Date: 2021-12-20

Time: 7:00 PM

Building:

Location:

Address:

Session: Open Session

Purpose:

Version: Draft

Attendees: **Members - Present:**

Mr. Robert Coulter, Chair; Mr. Philip Pacino, Vice Chair; Mr. John Stempeck, Commissioner; Mr. David Talbot, Commissioner; Ms. Marlena Bitá, Commissioner.

Members - Not Present:

Others Present:

RMLD Staff: Ms. Coleen O'Brien, General Manager; Mr. Greg Phipps, Director of Integrated Resources; Ms. Wendy Markiewicz, Director of Business Finance; Mr. Hamid Jaffari, Director of Engineering and Operations; Mr. Brian Hatch, Director of IT; Ms. Janet Walsh, Director of Human Resources; Ms. Erica Morse, Executive Assistant.

RMLD Board Liaisons: Karen Herrick, Select Board, Reading
RMLD Finance Committee Liaisons: Jackie McCarthy, Reading

Citizens' Advisory Board: Mr. Jason Small, CAB, North Reading.

Minutes Respectfully Submitted By: Philip Pacino, Secretary Pro Tem

Topics of Discussion:

1. Call Meeting to Order

Chair Coulter called the Board of Commissioner's meeting to order at 7:00 PM and announced that the meeting would be held on Zoom and live on RCTV and YouTube

Opening Remarks

Chair Coulter read RMLD's code of conduct. Vice Chair Pacino served as the Secretary for the meeting.

Introductions

Chair Coulter welcomed everyone to the meeting of the RMLD Board of Commissioners and asked all attendees to identify themselves.

2. Public Comment

Citizens' Advisory Board

Mr. Small stated that there was no update from the CAB meeting.

Liaisons to RMLD Board

There was no comment from the RMLD Board Liaisons during this meeting.

Public Comment

There was no comment from the public during this meeting.

3. Approval of Board Minutes

Materials: Attachment 1, Board Packet (PDF)

Meeting minutes were approved by the Board as presented.

Vice Chair Pacino, made a **motion**, seconded by Mr. Stempeck, that the Board of Commissioners approve the meeting minutes of the September 23, 2021, meeting on the recommendation of the General Manager.

Motion Passed: 5:0:0 (5 in favor) Roll Call: Mr. Stempeck, Aye; Ms. Bitar, Aye; Vice Chair Pacino, Aye; Mr. Talbot, Aye; and Chair Coulter, Aye.

4. Report on Citizens' Advisory Board Meeting

Vice Chair Pacino reported on the CAB meeting in the place of Mr. Talbot. Vice Chair Pacino stated that the meeting agenda items and materials presented to the CAB are the same as the Board agenda. There was discussion regarding removing the 40% cap on the nuclear motion; it was ultimately decided to keep the 40% in place.

5. General Manager's Report

Ms. O'Brien provided a General Manager's report inclusive of the following:

RMLD's 2022 Historical Calendar

RMLD's historical calendars are available; the RMLD will mail a copy of the calendar to the Board or CAB upon request.

Electric Vehicle Charging Strategies Webinar

The Electric Vehicle Charging webinar will take place on February 1, 2022, at 7pm. The purpose is to provide education on electric vehicles and RMLD rebates to promote electrification in RMLD's service area. A press release will go out after the New Year.

Renewable Choice Program Launch

Mr. Phipps will be speaking to the renewable choice program launch.

High School Art Contest Kickoff

The High School Art Contest Kick off will occur after the first of the year.

Elementary Art Contest Awards (February - TBD as to in person or virtual)

The Elementary Art Contest Awards have historically taken place in February. The RMLD is still determining if this event will be held in person or virtually. Once the renovations to the Audio-Visual Room have been completed (including technology upgrades) the space will be utilized for both in person and virtual events.

Vineyard Wind

An update was shared with the CAB and Board this morning relative to the Vineyard Wind announcement for the 25 megawatts awarded to ENE (who is the administrator for this project and negotiated on behalf of their member municipal light plants). The intent is for this project be a part of RMLD's power supply portfolio once negotiations are finalized (anticipated April 2022).

The success, albeit small (25 MW split) (current amount based on estimated excess), is to have the opportunity as an MLP to purchase more offshore wind off the coast of Massachusetts as well as the east coast once those opportunities present themselves.

Legislative Update and Green Communities

Ms. O'Brien provided an update on the two omnibus bills relative to Green Communities. Ms. O'Brien met with Senator Barrett, who indicated that he recognized the issue and is in favor of the legislation pertaining to the Green Communities, potentially permitting each of the four towns RMLD serves to join individually. Also the provision that all participants who joins are required to provide funding to the Trust.

The RMLD is aware that the Town of Reading would like to go forward with their Green Communities application. Ms. O'Brien has been communicating with Ms. Herrick, Chair, Reading Board of Selectmen on the legislative meeting and any updates. This proposed legislation should be finalized by the summer.

Currently, Jenn Crawford and Vin Ragucci are redrafting the language that will be submitted to Senator Barrett stating that the towns in RMLD's service territory can join individually but pay into the trust. If a town wants to join Green Communities, then the municipal light plant, in accordance with the existing legislation, will be the billing agency, and will be billing all towns in the service area. With the proposed revised language, if one town wants to join than only that town will be billed.

Ms. O'Brien explained that hypothetically, if the Town of Reading solely joins the Green Communities, the RMLD Board would currently have to vote to bill the Renewable Trust Charge for all customers in all towns.

Chair Coulter asked to clarify that the RMLD could bill by town. Ms. O'Brien responded yes, RMLD has the capabilities, and the billings will reflect that the Green Communities charge is not a charge from the RMLD.

EV Charger Construction

The EV charger construction bid will be sent out to bid shortly by the RMLD. This bid is for the construction of three charging stations in Reading and two in Wilmington, resulting from the MASSEVIP grant. Currently, Wilmington's construction is alternative bid pricing as the town has not signed the EV license Agreement.

InnovateMass Massachusetts Clean Energy Center's (CEC) Grant

There is an InnovateMass (CEC) grant for approximately \$250K. RMLD is working with the Wilmington Housing Authority to determine feasibility for grant funding to install a stash packetized thermal storage heat pump system, for its twenty units.

Ms. O'Brien noted that the Taunton Housing Authority was awarded the grant.

American Rescue Plan Act (ARPA) Bill

The ARPA Bill focuses on health and economy stimulus resulting from COVID 19 and provides support for electrification. The RMLD will provide further updates on this once it is determined what the Department may be qualified to receive from ARPA.

6. Release of Executive Session Meeting Minutes 2017-2020

Vice Chair Pacino stated that the review to release the Executive Session meeting minutes of 2017-2020 has been performed. No Executive Session meeting minutes will be released at this time based on this review.

7. Update on Employee Survey

Materials: Attachment 2, Board Packet (PDF)

Ms. O'Brien and Ms. Walsh provided an update regarding the RMLD Culture Assessment (to be conducted in 2022) in reference to the preliminary draft Scope of Work provided by Cultural Solutions Group as outlined in Attachment 2. Ms. O'Brien stated that this company specializes in non-for profits and MLPs.

Ms. Walsh stated that currently, culture solutions group is participating in the RMLD procurement process. Next steps are to finalize scope, create the contract, and set up a schedule. Cultural Solutions Group will make a kickoff presentation to the Board at an upcoming meeting so the Board can learn more about the process, as well as a presentation on recommendations at the conclusion.

Discussion ensued regarding a separate meeting with Cultural Solutions, and it was decided that a separate meeting would be scheduled.

Vice Chair Pacino asked why some of the language in the scope was redacted. Ms. O'Brien responded that the redacted lines are pricing and were redacted for competitive bidding purposes. Vice Chair Pacino asked a follow up question on pricing. Ms. O'Brien responded that as soon as the contract is signed the RMLD will share pricing with the Board, however, the cost is under \$50K.

8. Integrated Resources Report

Materials: Attachment 3, Board Packet (PDF Presentation)

2021 YTD Power Supply Costs (slide 3)

Mr. Phipps reported on RMLD power supply costs year to date (2021), summarized on slide 3. The graph titled; "total purchase power" (left) represents the total year to date 2021 power supply costs and shows the RMLD budget (annual budget/12; purple line), actual costs through October (red line), the ENE forecast (an input into the planning process, the blue line), and the cumulative difference relative to the RMLD budget (green line). Mr. Phipps noted that the three main components sum to equal the total purchase power; charts titled "energy", "capacity" and "transmission". Fuel and PPCT charges pass through to individual monthly bills with consideration to timing changes in terms of billing as well as, actual usage.

Unit costs are well known; most of the variability is driven by usage (energy), capacity peaks (capacity), and transmission peaks (transmission). Year to date energy came in over budget, as it is driven by usage, and has the largest amount of variability. In contrast, transmission and capacity came in under budget due to lower peaks and the number of resettlements in CY21. Mr. Phipps noted that being on the lower end as opposed to over budget is a positive outcome.

Between CY20 and CY21, energy usage came in higher than anticipated. In 2020, the total annual MWh came in at 650,000; in 2021, the total annual MWh is likely to total 659,000.

Mr. Phipps stated that the RMLD is anticipating that the 2021 actuals will be below budget for power supply.

Power Supply

Decarbonization Context and Implications (slide 4)

Mr. Phipps reported on decarbonization as outlined on slide 3.

Mr. Phipps discussed the 2021 Climate Law, which is a driver of electrification and will result in increased load and supply demand. Relative to 2022, load will increase 60-70% by 2050 (conservative estimate). The resulting load increase is between 1.3-1.8% per year and is driven by the adoption of EVs for transportation, heat pumps to heat and cool building.

Currently, natural gas generation on a seasonal average amounts to roughly 50% of the total generation. The 2021 Climate Law will phase out natural gas generation in the next few decades, resulting in a supply reduction from natural gas.

Mr. Phipps reported on sources to replace natural gas: wind, solar, hydro, and nuclear.

The RMLD is actively pursuing hydro projects, however, the growth will not be significant as there are no new major hydro projects being built in our region. The RMLD works to secure extensions on existing hydro projects and quickly capture projects that are not being renewed by others.

Mr. Phipps discussed Hydro Quebec, which yields a large capacity but presents the challenge of limited availability due to lack of transmission.

Most of RMLD's source growth will come from solar and wind, with limitations. Offshore wind construction delays are expected. A large magnitude of offshore wind is predicted to come into place from CY27 – CY29; but may be restricted by tower construction and transmission facilities getting power back into the New England space.

These factors reinforce the prudent need to contract a larger portion of the forecasted purchases now.

Characterization of Non- Carbon Gen Assets (slide 5)

Mr. Phipps reported on the characterization of Non – Carbon Gen assets as outlined on slide 5, focusing particularly on seasonal, intermittent sources (solar, hydro and wind). The chart titled "2020 ISO NE non-carbon monthly generation" overlays the RMLD load shape over the actual output shape of hydro, wind, and solar. The chart underscores the significance of seasonality.

The chart titled "2020 ISO NE average daily solar generation" overlays the RMLD average daily load shape (blue line) and the 2020 average daily output solar PV in the ISO NE area (orange line). The RMLD needs to fill the entire power supply portfolio 24 hours a day. The RMLD wants to secure solar, hydro, and wind but needs to consider that from a performance perspective, these sources do not always generate electricity.

RMLD Decarbonization Transition (slide 6)

Mr. Phipps reported on the RMLD decarbonization assets as outlined on slide 6. Mr. Phipps highlighted the data demonstrated on the chart. There is a significant increase in load growth (65% or 1.6% cagr) from CY22-CY49. The dark line on the chart represents the annualized target of retired certificates per Policy 30, complying to the Climate Law. This will continue to drive the need to fill power supply resources with wind, hydro, and solar. Mr. Phipps discussed the strategy to increase non-carbon sources in the power supply portfolio. Adding sources within the territory decreases capacity and transmission costs.

The RMLD's strategy is to build the portfolio so that 30% - 40% consists of a stable base (e.g., nuclear) that generates power 24/7. This works to mitigate risk by providing coverage during nighttime, cloudy weather, dry spells, etc. Currently there are only three nuclear reactors in place, and it is unlikely that any new nuclear reactors will be built in the region. These factors create a race to secure limited assets.

Mr. Stempeck asked a question regarding Quebec Hydro. The question is there a chance for Quebec Hydro to bypass Maine to reach other states. Mr. Phipps responded yes, but there is no immediate solution. The RMLD's strategy is to focus on assets that can be locked in now.

Chair Coulter commented that there is a new wave of lawsuits against Cape Wind.

Discussion ensued regarding transmission lines coming down from Quebec Hydro.

Chair Coulter noted that there is discussion around the inability to meet the climate goals with the sources currently in play. Discussion followed regarding the Climate Bill and non-carbon sources.

Power Supply – Nuclear (slide 7)

Mr. Phipps reported on the new nuclear power supply opportunity for Board approval. During the Citizens' Advisory Board meeting, a question was asked regarding the 40% limit in the motion. The RMLD gets power from two reactors: one of the two Millstone reactors and the Seabrook reactor. The RMLD is working to balance power between the two facilities to avoid being overly dependent on either one.

Currently, the RMLD is working to secure a Dominion nuclear project (direct or via a ENE consortium) and has secured an LOI with Seabrook through NextEra. Thus, the current motion is tied to those proposals specifically; both projects are encompassed in one motion.

Mr. Phipps reported on the structure for both proposals, and the pricing in relation to the Seabrook proposal.

Mr. Talbot noted that he is in full agreement with the strategy and asked a question regarding the percent of nuclear in the power portfolio. Mr. Phipps responded that it would peak around 36% depending upon the year. Mr. Phipps clarified that this is from two nuclear reactors, one from Millstone and one from Seabrook. However, the Millstone plant has two reactors. RMLD's goal is to have power from all three regional reactors.

Mr. Talbot asked another question regarding what would happen if one of the nuclear plants shut down. Mr. Phipps responded that the RMLD is working to split power between the three reactors, where there would be a small risk for each individual reactor. There is a trade off in the balance of managing availability, risk, the need for 24/7 power, and to avoid dependence on a single facility.

Mr. Talbot asked a follow up question regarding rates during a nuclear plant shut down. Mr. Phipps cited the case of the Seabrook contract where some of the risk remains with Seabrook as it is a guaranteed supply with limits in terms of pricing range.

Vice Chair Pacino made a **motion**, seconded by Mr. Talbot, that the Board of Commissioners vote, on the recommendation of the Citizen's' Advisory Board, to accept the General Manager's recommendation to add additional power supply contracts from Seabrook and/or Millstone nuclear facilities such that the total nuclear supply portfolio does not exceed 40% of the RMLD's annual power supply portfolio. Roll Call Vote: Vice Chair Pacino, Aye; Mr. Talbot, Aye; Mr. Stempeck, Aye; Ms. Bitz, Aye; Chair Coulter, Aye.

Motion Passed 5:0:0 (5 in favor, 0 absent, 0 against)

Battery Storage (slide 8)

Mr. Phipps reported on battery storage systems, as outlined on slide 8. Battery storage systems are not generators but shift time. Mr. Phipps cited the examples of shifting afternoon solar to evening use or shifting overnight wind to daytime. Mr. Phipps noted that the image in the upper right corner of slide 8 is RMLD's existing BESS Minuteman storage system, located at station 3. The chart on the lower left of slide 8 represents actual data of RMLD installation; the yellow curve shows the battery is discharged to reduce peak loads. Mr. Phipps reported on the benefits of battery storage; and stated that the system is a good match to solar and wind.

The RMLD is currently looking to add additional battery systems to the RMLD network; 25-30 MW (90 MWH total) in 5-10 MW blocks. Mr. Phipps identified the four areas of potential battery storage system installations and the associated timelines. To mitigate risk associated with technological advancements and pricing changes, the RMLD plans to lease the system near-term with the intent to own thereafter.

Chair Coulter asked if any of the battery storage systems go through ISO NE network. Mr. Phipps responded no; the systems are internal to the RMLD distribution network.

9. Quarterly Financial Update Through September 30, 2021
Materials: Attachment 4, Board Packet (PDF Presentation)

Ms. Markiewicz provided the RMLD Financial Review through September 30, 2021.

Business, Finance Highlights (slide 1)

Ms. Markiewicz reported on the business and financial highlights as outlined on slide 1.

Significant highlights included the following: the filing of the 2020 DPU Return; the distribution and presentation of the CY2022 Budget to the Board and CAB; the scheduling of the Pension Obligation transfer to MMDT (actuarial obligation); the issuing and breakout of the four town payments; and the issuing of the Town of Reading payment at the current calculation, whereas next year's payment will reflect a new calculation at approximately 3.875 mils per kWh.

Ms. Markiewicz stated that the CAB accepted the budget and made a recommendation to the Board. The Board was presented the budget on November 21 (the budget was approved).

Cash Balances (slide 2)

Ms. Markiewicz presented the RMLD cash balances as outlined on slide 2. Currently, RMLD has a total cash balance of \$53,936,377 (restricted and unrestricted). There is approximately \$24m in the operating fund; this is slightly over 2.5 months of operating expenses and is within the RMLD's target of 2.5-3 months of cash.

Accounts Receivable Aging by Month (slide 3)

Ms. Markiewicz addressed the accounts receivable aging as outlined on slide 3. Ms. Markiewicz noted the impact of COVID19 on RMLD's accounts receivable and stated that the heaviest impact was in June 2020. Although there is improvement, receivables remain below the five-year curve (2017-2021). Due to the efforts of Credits and Collection as well as the Customer Service group, the RMLD has made significant strides with its customers. In 2021, the receivables have shown a positive improvement at 30 days. The RMLD is working with customers on payment plans and ensuring healthy cash flow.

Sick Leave Buy back (slide 4)

Ms. Markiewicz reported on the Sick Leave Buy-Back as outlined on slide 4. In June 2017, RMLD had a liability balance of approximately \$3.1m. Currently, the RMLD's sick leave buy-back liability balance is \$2m. This decrease is largely due to the 30-day limitation on sick leave buy-back opportunities resulting from annual negotiation and contract review.

Depreciation Reserve as Compared to Capital Spending (slide 5)

Ms. Markiewicz reported on the depreciation reserve in relation to capital spending as outlined in slide 5. Ms. Markiewicz stated that the depreciation reserve must be held in reserve for capital spending. RMLD has made a commitment to continue to invest in infrastructure up to \$8m annually, based on the recommendation for a utility of its size. This investment in infrastructure is required to maintain the safety and reliability of the system. Ms. Markiewicz noted that meeting these targets impacts the rate of return.

Operating and Maintenance Expenses (slide 6)

Ms. Markiewicz reported on the operating and maintenance expenses through September as outlined in slide 6. Due to challenges and constraints presented by COVID 19, the RMLD is currently under budget. Ms. Markiewicz cited the example of COVID19 impacting the on and off construction cycle. RMLD has come in under budget monthly

and will come in significantly under budget for the year, despite working towards getting back on target.

10. Procurement Requests Requiring Board Approval

Materials: Attachment 5, Board Packet (PDF)

RFP 2021-02 Air-Source Heat Pump Rebate Program Support Services

Mr. Phipps reported that there were two proposals received and both were strong technologically. However, Adobe supports RMLD's heat pump source initiative. RMLD relative to other municipal light plants has a higher participation per capita and meter basis. Mr. Phipps added that Adobe, educates both RMLD customers and contractors on the process.

Vice Chair Pacino made a **motion** seconded by Mr. Talbot, that bid RFP 2021-02 for Air-Source Heat Pump Rebate Program Support services be awarded to Abode Energy Management LLC as the responsive and responsible proposer offering the most advantageous proposal, on the recommendation of the General Manager. This is a three-year contract.

Motion Passed: 5:0:0 (5 in favor) Roll Call: Mr. Talbot, Aye; Mr. Stempeck, Aye; Vice Chair Pacino, Aye; Ms. Bitá, Aye; and Chair Coulter, Aye.

IFB 2021-06 On-Call Electrical Maintenance and Repair Services

There was no discussion on this bid.

Vice Chair Pacino made a **motion**, seconded by Ms. Bitá, that bid 2021-06 for On-Call Electrical Maintenance and Repair Services be awarded to Dagle Electrical Construction Corp. for \$87,778.00, pursuant to M.G.L., c. 30 § 39M, as the lowest responsible and eligible bidder, on the recommendation of the General Manager. This is a three-year contract.

Motion Passed: 5:0:0 (5 in favor) Roll Call: Vice Chair Pacino, Aye; Ms. Bitá, Aye; Mr. Talbot, Aye; Mr. Stempeck, Aye; and Chair Coulter, Aye.

IFP 2021-33 500 MCM CU 15kV EPR Underground Primary Cable

There was no discussion on this bid.

Vice Chair Pacino disclosed to the Chair that he will abstain on voting on this bid whereas Arthur J. Hurley is a client of his client.

Vice Chair Pacino made a **motion** seconded by Ms. Bitá, that IFP 2021-33 for 500 MCM CU 15kV EPR Underground Primary Cable be awarded to: Arthur J. Hurley Company, Inc., for \$78,507.00, pursuant to M.G.L. Chapter 164 § 56D on the recommendation of the General Manager.

Motion Passed: 4:0:1 (4 in favor, 1 abstention) Roll Call: Vice Chair Pacino, Abstain; Ms. Bitá, Aye; Mr. Talbot, Aye; Mr. Stempeck, Aye; and Chair Coulter, Aye.

11. Determination of Uniqueness for Property

Materials: Attachment 6, Board Packet (PDF)

Mr. Jaffari explained that this is being brought to the Board to waive the advertising requirement. The "uniqueness" applies to purchase of the land for the proposed new substation in Wilmington. The substation must be built near the 115KV lines and at the load center found in that region. Over the past five years, the RMLD has attempted to purchase land in Wilmington. The owners of the property at 251 Ballardvale Street are willing to sell a piece of land that meets RMLD's requirements to build a substation. This motion is to solely waive the advertisement requirements.

Mr. Jaffari reported that RMLD must submit a purchase and sale to the owners by January 31. Advertising for land at this point is not necessary where this land meets all for RMLD's requirements.

Chair Coulter asked is it necessary to vote on this. Mr. Jaffari responded that it was and cited a past example.

Vice Chair Pacino made a **motion**, seconded by Mr. Stempeck, that the RMLD Board of Commissioners approve the Determination of Uniqueness of property and waive the publication requirements of M.G.L. Chapter 30B § 16, with respect to the acquisition of land located at 251 Ballardvale Street, Wilmington, MA 01887.

Mr. Jaffari added that the determination of uniqueness needs to be signed by all Board members.

Motion Passed: 5:0:0 (5 in favor) Roll Call: Vice Chair Pacino, Aye; Mr. Stempeck, Aye; Ms. Bitá, Aye; Mr. Talbot, Aye; and Chair Coulter, Aye.

12. Scheduling

Subsequent RMLD Board Meetings: January Doodle Poll

Chair Coulter said that Ms. Morse will sent out a doodle poll for the next meeting.

The next RMLD Board meeting will be held on January 19. Chair Small noted that he will get back to the Department on if this works for the CAB as well.

CAB Meeting Coverage: (January) Mr. Pacino
AP: Mr. Stempeck; Payroll: Mr. Coulter
Proposed Warrant Schedule for 2021

Mr. Talbot stated that at the last meeting he had asked about buying renewable choice certificates. Mr. Phipps responded that the only mechanism that RMLD offers is a regular gift certificate, not a renewable gift certificate.

Ms. O'Brien said that there is a problem with that. By law there is nothing that says we cannot have gift cards, but there are many parameters around gift cards, when they expire and tracking logistics. There was no way to dovetail it into the billing system for the renewable choice, there is not sufficient staff to track that.

13. Executive Session

At 8:15 pm Vice Chair Pacino made a motion seconded by Mr. Stempeck that the Board of Commissioners 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 union negotiations and to consider the purchase, exchange, lease, or value of real property and return to regular session, for the sole purpose of adjournment.

Motion Passed: 5:0:0 (5 in favor) Roll Call: Vice Chair Pacino, Aye; Ms. Bitá, Aye; Mr. Stempeck, Aye; Mr. Talbot, Aye; and Chair Coulter, Aye.

14. Adjournment

At 8:54PM Vice Chair Pacino made a **motion**, seconded by Ms. Bitá, that the Board of Commissioners adjourn regular session.

Motion Passed: 5:0:0 (5 in favor) Roll Call: Vice Chair Pacino, Aye; Mr. Stempeck, Aye; Ms. Bitá, Aye; Mr. Talbot, Aye; and Chair Coulter, Aye

BOARD MATERIALS AVAILABLE BUT NOT DISCUSSED

- Accounts Payable / Payroll Questions through pay date 12/13/2021

- Financial Update through September and October 2021
- Surplus and Scrap Material Report November 2021
- Legal Expenses and Outside Services through October 202

DRAFT

POLICY REVIEW

ATTACHMENT 2

**(REFER TO SEPARATE ATTACHMENT FOR MARKED AND
CLEAN POLICY DRAFTS)**

INTEGRATED RESOURCES REPORT

ATTACHMENT 3



Integrated Resources Report

Solar, Certs, Batteries, & Commercial Solar

*Presented to the
Board of Commissioners and
Citizens Advisory Board*

24 February 2022

Outline

Solar Addition to Power Supply *(motion)*

Hydro Addition to Power Supply *(motion)*

3Q 2021 Non-Carbon Certificates

Battery Storage (Station 3)

Battery Storage (Solar Choice 2)

Commercial Solar Incentive



Solar PV – Milan Road



New array in Northern New Hampshire (109 MW AC), to be built by Borrego Energy

Single axis tilt for longer generation hours

Volume - ~35,000 MWh/yr for RMLD (~5% RMLD total annual purchases (2022 purchase reference))

Term - 25 year, planned commissioning Q4 2025

Certificates - Class I certificates (renewable and non-carbon)

Pricing - 45% higher than RMLD portfolio average

Hydro First Light Extension



Existing First Light contract for Shepaug and Stevenson output expires in 2024 (energy and certificates)

Shepaug (42.6 MW) in Southbury CT and Stevenson (28.9 MW) in Monroe CT

“Ponding” capability that allows for shifting hourly output (valuable)

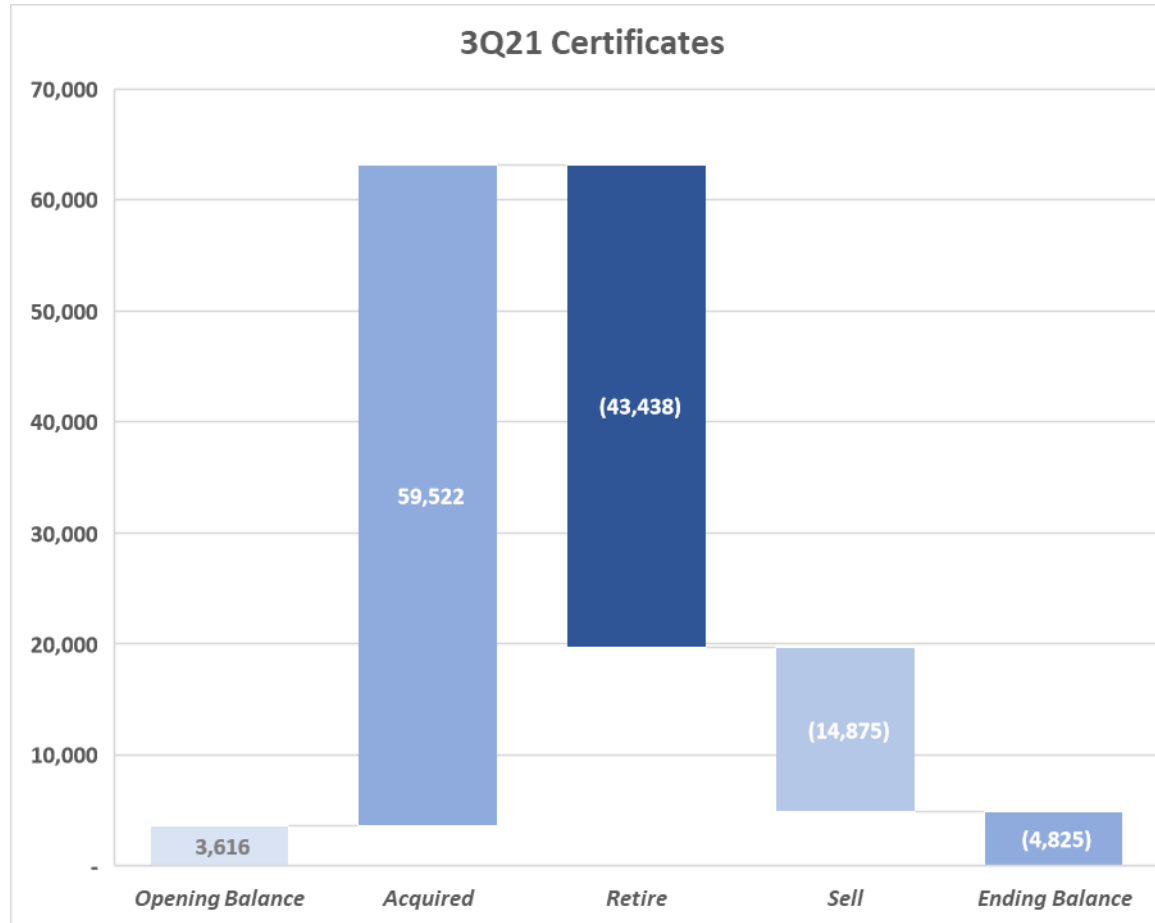
Volume - ~25,000 MWh/yr for RMLD (~4% RMLD total annual purchases (2022 purchase reference))

Term - 6 year extension with first right of refusal for additional extensions

Certificates – Maine Class II certificates (renewable and non-carbon)

Pricing - 50% higher than RMLD portfolio average (but lower than average hydro cost in RMLD portfolio)

3Q 2021 Certificates – quarterly report



59,000 certificates acquired in 3Q21

- volume stability because certificates are contracted with non-carbon generation
- minted Jan 15, 2022, transacted by Mar 15, 2022

Retiring 23% of quarterly retail sales

- all EFECs plus several Maine Class 2's
- Seabrook refueling in Oct, hence less EFEC's

Selling 70% of certificates above 23%

- lower % sold now to leave higher bank to ensure year-end compliance (sell later if not retired)
- ~\$370,000 from 3Q21 certificate sales

Banking higher % in NEPOOL GIS account

- flexibility to ensure year end compliance

Battery Storage – Station 3



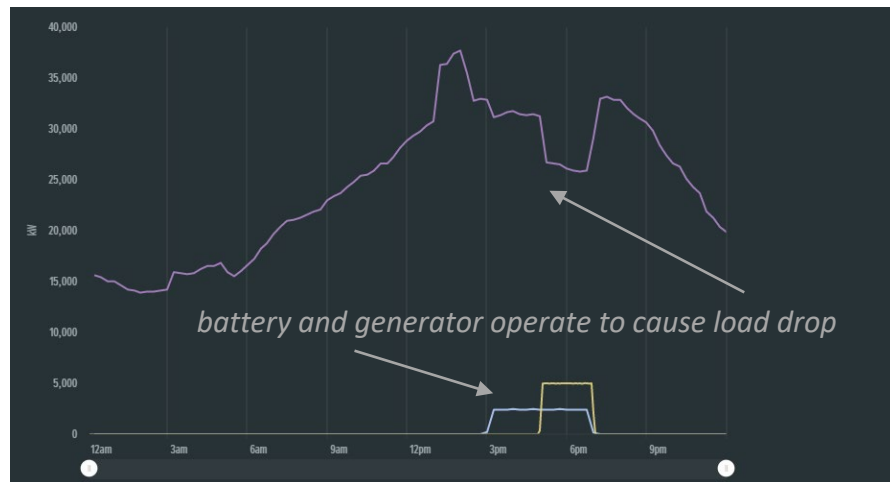
Storage systems can **reduce peak** loads (discharge during peak hours)

Transmission and capacity comprise 40% of total RMLD costs

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

Storage systems are not generators

Reconstitution (5 MW per circuit) no longer a constraint



Existing 5 MW / 10 MWH system at Station 3 (profitable for RMLD)

Site can accommodate a second 5 MW / 10 MWH system

No residences w/in 1,000 ft

Energy Storage Agreement for **storage services** (not asset ownership)

Financials forecasted to yield a net of ~\$150,000 annually for 15 years

Final package to be presented at next CAB/BoC meeting for approval

Battery Storage Solar Choice 2 add to existing Fordham PV



Existing 2.16 MW DC solar array, Fordham Road, Wilmington; array owned and operated by Kearsarge Energy

Site can accommodate a new 5 MW / 10 MWH storage system

Industrial site but safety provisions to be confirmed

ESA for **storage services** with shared savings provision; instead of asset ownership (risk management)

Proposal forecasts a net to RMLD of ~\$300,000 annually across 20 years (capacity and transmission savings)

Final package to be presented at next CAB/BoC meeting for approval

Solar incentive for commercial & industrial

Goal - increase within RMLD territory non-carbon energy generation (supports compliance, reduces transmission and capacity costs)

More solar at commercial & industrial is another lever to pull

Recent C&I additions minimal, only 2 small C&I added in 2021

Action - Increase system rebate limit from \$50,000 to \$120,000

\$1,200 / kW incentive could enable RMLD ratepayers 8-10 year payback on a typical 25-year system

Storage encouraged via net PPA rate accepted and/or shared savings



Action Plan:

- a) Increase RMLD incentive from \$600 / kW to \$1,200 / kW DC (of nameplate rating)
- b) Limit 50% of total project cost up to \$120,000 / system
- c) Limit total CY 2022 RMLD C&I solar incentives to \$960,000 (within budget, with 2021 carryover & addition)
- d) Make effective immediately

Thank You
from the IRD Team

MATERIALS AVAILABLE BUT NOT DISCUSSED

From: [Erica Morse](#)
To: [Erica Morse](#)
Subject: AP and Payroll Questions for the 22-2-24 Board of Commissioners Book
Date: Friday, February 18, 2022 9:11:29 AM

AP

From January 7, 2022, through February 11, 2022, there were no Commissioner questions.

Payroll:

From January 10, 2022, through February 14, 2022 there were no Commissioner questions.

Erica Morse
Executive Assistant
Reading Municipal Light Department
781-942-6489

From: [Maureen Sullivan](#)
To: [Erica Morse](#)
Cc: [Paula O'Leary](#)
Subject: Surplus Update - January 2022
Date: Monday, January 31, 2022 10:48:40 AM

Good morning Erica,

I am sending this email to inform you that there were NO Surplus Items of Substantial Value that were disposed of in January 2022.

Thank you,
Maureen

Maureen Sullivan
Assistant Materials Manager
Reading Municipal Light Department (RMLD)
230 Ash Street
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