



## Town of Reading Meeting Posting with Agenda

### Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2023-02-23

Time: 6:00 PM

Building: Reading Municipal Light Building

Location: Winfred Spurr Audio Visual Room

Address: 230 Ash Street

Agenda:

Purpose: General Business

Meeting Called By: Vivek Soni, 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:

On July 16, 2022, Governor Baker signed into law An Act Relative to Extending Certain State of Emergency Accommodations, which, among other things, extends the expiration of the provisions pertaining to the Open Meeting Law to March 31, 2023.

THIS MEETING WILL BE HELD IN PERSON AND REMOTELY VIA ZOOM.

For remote participation via Zoom please email krybak@rmlld.com. If possible, request the Zoom link in advance of the meeting. Include your full name and address. Comments and questions will be monitored during the meeting.

1. Call Meeting to Order – V. Soni, Chair
2. Approval of Minutes – V. Soni, Chair  
*Suggested Motion:* Move that the Citizens' Advisory Board approve the minutes of the June 23, 2022, meeting as written.
3. General Manager's Report – G. Phipps, General Manager
4. Communications Update – J. Blackley, Communications Manager
5. Human Resources Report – S. Harrington, Director of Human Resources
6. Integrated Resources Division Report – G. Phipps, General Manager
7. Scheduling – V. Soni, Chair
8. Adjournment – V. Soni, Chair  
*Suggested Motion:* Move that the Citizens' Advisory Board adjourn.

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.

Attachment 1

Agenda Item 2: Approval of Minutes



# Town of Reading Meeting Minutes

## Board - Committee - Commission - Council:

RMLD Citizens Advisory Board

Date: 2022-06-23

Time: 6:00 PM

Building: Reading Municipal Light Building

Location:  
General Managers Conference Room

Address: 230 Ash Street

Session: Open Session

Purpose: General Business

Version:

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

Mr. Jason Small, Chair (North Reading); Mr. Dennis Kelley (Wilmington)  
Remote Participants: Mr. Vivek Soni, Vice Chair (Reading); Mr. Ken Welter (Lynnfield)

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

Mr. George Hooper, Wilmington

### **Others Present:**

Staff: Mr. Gregory Phipps, Mr. Hamid Jaffari, Ms. Wendy Markiewicz,  
Ms. Kathleen Rybak

Others: Mr. Robert Coulter, RMLD Board of Commissioners

Remote Participants: Mr. Christopher Haley, Reading Select Board CAB  
Liaison

**Minutes Respectfully Submitted By:** Jason Small, Chair

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### **Topics of Discussion:**

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

Chair Small called the meeting of the Citizens' Advisory Board to order at 6:00 PM and noted the meeting was being audio recorded. Chair Small asked all members present (in person and remotely) to state their names.

2. Interim General Manager's Report – G. Phipps, Interim General Manager

*Talent Acquisition and Talent Management:* Mr. Phipps reported that he will be providing regular personnel updates to the CAB. As seen on the RMLD website, RMLD currently has eleven open positions. Mr. Phipps provided an overview of the recruiting efforts noting personal networking as a critical tool for recruitment. Mr. Phipps noted the new Communications Manager, Julie Blackley, has started and reviewed some of the communication initiatives Ms. Blackley will be focusing on. RMLD has hired three summer interns who will be focusing on field-based and database projects. Mr. Phipps noted that RMLD will also be initiating an external salary survey that will help the organization in terms of making sure salaries and recruiting efforts match with the outside world.

3. Update on Town Payments – W. Markiewicz, Director of Business & Finance  
*Materials: Town Payments presentation slides (dated June 23, 2022)*

Ms. Markiewicz provided an update on the payment in lieu of taxes (PILOT) for all four towns, and the return on investment (ROI) to the Town of Reading. Slide 2 illustrates the breakdown for the PILOT payment, which is based on 2% of net plant (\$86M) and is distributed among the four towns based on 2021 kilowatt hour sales. The June 30 PILOT payments have already been made. The second payment will go out at the end of December.

Ms. Markiewicz then reviewed the Town of Reading ROI calculation and payment schedule (Slides 3 and 4). With the vote of the Board of Commissioners on May 21, 2020, the Town of Reading calculation is now based off of 3.875 mils of kilowatt hour sales of the average of the prior three years (audited) kilowatt hour sales, beginning with the payment on June 30, 2022. The chart on Slide 4 shows the calculation; CY2019, 2020, and 2021 are audited numbers, which leads to the three-year average kilowatt hour sales, and results in a \$2,527,442 (annual) payment split between two payments (July and December).

4. Integrated Resources Report – G. Phipps, Director of Integrated Resources  
*Materials: Integrated Resources Report presentation slides (dated June 23, 2022)*

Mr. Phipps began his presentation with review of Slide 2: Power Supply Context, which illustrates the impact rising costs are having on power supply. The chart on the left (of the slide) is a snapshot of the ISO NE on the afternoon of June 17, which shows 64% of wholesale energy being generated by natural gas; on average, over the course of the year, it is typically around 50%. Natural gas has a significant impact in terms of what the wholesale prices are. The lower left-hand corner references historic and predicted natural gas pricing; that (increase) is driven primarily by the Ukraine/Russia war. Mr. Phipps noted the RMLD (2022) budget for power supply was just under \$61M, however, over the next several months (June through the end of the year), staff estimate RMLD wholesale power supply costs could reach \$66M (~9% higher than budgeted), driven by the external wholesale power structure. Typically, RMLD has been ~80-85% hedged (on some sort of fixed contract). Last year RMLD was almost 90% hedged, and the current portfolio is about 88% hedged. The balance is in the open market, which for RMLD is about \$85/megawatt hour (wholesale). Typically, this time of the year, it would be closer to \$60 (or given the temperature outside below \$50). Mr. Phipps noted RMLD is in a good position because of the (contracting) structure but is still looking at a 9% increase.

Mr. Phipps moved on to review Slide 3: Customer Cost, which illustrates the impact of these increases on customer billing. The average residential bill was about \$118 in 2021, but there is a lot of variability month to month (driven primarily by weather). The (billed) amount shown reflects all costs that are included on a typical residential bill (usage, power supply and operating costs). Mr. Phipps noted two take aways from the data. First, there is a lot of variability month to month driven by usage, but the shapes (year to year) are the same. Second, 2022 (cost) is higher than 2021. On average when you take into account our base cost (with the rate change in January of 2021), plus the best estimate in terms of power supply costs (the area under the curve between those two lines) it is roughly a 12% increase. Mr. Phipps noted, RMLD had communicated that the base cost increase would be less than 5% (on the total bill), driven primarily by operating costs. Staff forecasted (between 2021 and 2022) that power supply costs would not go up significantly (just under 6/10<sup>th</sup> of a percent). The graph on the right side, shows the projected increase by component. Mr. Phipps

reported that the charts will be posted on the RMLD website so that customers are aware of this potential increase.

Mr. Welter asked at what intervals RMLD reviews rates. Mr. Phipps responded that there are two components. First, power supply, which is a pass-through and is adjusted every month; it is primarily driven by usage and then by the open market. The open market (for RMLD) is roughly 12% (of the portfolio) for 2022. There are two major variables to power supply - PPCT and fuel. PPCT is basically capacity (20% of cost) and transmission (20% of cost), which is not volatile but steadily increasing. Fuel (or the energy piece) is roughly 30% of the total cost structure. The other component (of the rates) is the "operating costs" or base cost. Traditionally, RMLD looks at the base costs every three years, but will probably start looking at it either annually or every two years. This is driven by the state mandate for electrification and the implications of supply chain issues, which are dramatically increasing equipment costs. Supply chain issues is a smaller piece of the cost structure, but it has some influence.

Mr. Soni asked what the IOUs and other MLPs are seeing. Mr. Phipps responded that the IOUs are probably in the range of a 35% increase (because of their power supply contracting structure and much higher overhead), but other MLPs are similar to RMLD depending on their power supply portfolios. RMLD tends to be in the middle for residential and on the commercial/industrial at the very low end. Ms. Markiewicz noted RMLD dampened the first quarter increase (and last year's increase) with use of rate stabilization funds.

Mr. Coulter asked relative to the projected increase, if the upward pressure was based on summer costs or was it based on fall costs (increased in fuel supply costs). Mr. Phipps responded that the forecast is based on the open market forward price curve; it is driven by fuel and is pretty predictable unless something happens. Fuel is currently driven by what's happening in Europe, primarily to LNG prices. The group discussed the messaging to customers in order to help them to understand what is within RMLD control and what is not. Mr. Phipps noted the message should include that bills vary month to month due to seasonal usage. The second part of the equation is that on average only 10-15% of our portfolio is exposed to the open market (\$109-\$240 per MWh), and RMLD is looking at different opportunities to try and fill that open market piece at lower costs (\$60-\$70 MWh). Mr. Phipps noted staff may end up going to 100-105% hedged, because the market is so volatile. In summary, from a customer perspective, the bulk of the cost structure is power supply (a pass-through), and it is very predictable because of the long-term contracts RMLD has in place. While a net increase of ~12% is not trivial, it is in the context of the outside market of 100 plus percent energy changes.

Mr. Phipps then reviewed Slide 4: Renewable Choice – June 2022 Update. Mr. Phipps reminded the CAB that the program was put in place earlier in the year (February for residential and April for commercial) as a means to allow customers who want to be more "non-carbon" to be able to buy or to contribute additional dollars that RMLD will then use to retire additional class one certificates from the portfolio. Mr. Phipps reviewed the participation numbers and the promotional activities that have taken place to date. With the new Communications Manager, RMLD will be accelerating communication around this program.

#### 5. Supply Chain Update – H. Jaffari, Director of Engineering & Operations

Mr. Jaffari provided an update on the impact of supply chain disruptions focusing on three categories that are impacting the utility industry: transformers, wires/cables, and poles.

Delivery time for transformers has increased from 18-22 weeks up to 60-102 weeks; prices have increased from between 104-528%. RMLD is taking the following steps to address transformer supply issues. First, maintaining inventory as long as possible, and only replacing those transformers that absolutely need to be replaced. The second strategy relates to transformer size; 25 kVA transformers are in high demand and the price increase was 528%. Therefore, RMLD will push the minimum standard up to 37.5 kVA; the price increase on these transformers was ~275%. This increase in size will also benefit RMLD's electrification program. The third strategy is to order early. As soon as the Board approves spending staff will prepare the bid. Mr. Jaffari reported that nothing is firm (pricing or delivery); transformer companies report that moving forward they can't give a fixed price; the day of the shipment they are going to provide the cost. If RMLD does not accept the cost, the transformers will go to the next utility that wants them. Mr. Welter asked how pricing is tied to the bid. Mr. Jaffari responded that we will get a (current) base price and then there will be an escalating (and deescalating) factor. The group discussed the volatility of the pricing (steel, gas, delivery, labor) and the impact on bidding and delivered pricing.

Mr. Jaffari noted staff have been exploring options to refurbish transformers but have found that the refurbishment prices are almost close to the new transformer costs. Delivery time for new transformers is a little bit longer, but there is some kind of warranty associated with those.

Mr. Jaffari then reviewed the current issues with wires and cable. Cable has gone from fourteen weeks delivery to up to 9-12 months. Price increases range from 15-32%. Poles (the third category) went from 5-7 days (delivery) to 6-8 weeks and the price has gone up 57%, with added fuel charge on the day of shipment. RMLD has sufficient stock for poles through the rest of the year; inventory has been increased by 25-30%.

Mr. Jaffari noted that RMLD is looking for any opportunity available to obtain inventory items before conditions worsen. Staff is watching and cautiously using inventory items. Maintenance programs have slowed a bit, but staff is being proactive rather than reactive and doing the maintenance work that needs to be done rather than what we would like to get done.

Mr. Soni noted that he had requested a discussion around the escalation in some capital costs and how management is handling the impact it is having on the Capital Budget (specifically, cash flow). Mr. Phipps noted staff is just getting started with planning for the 2023 Capital Budget. RMLD spent significantly more (than budgeted) on the land for the substation and for transformers; these items get depreciated over time. From a rate perspective, the impact is fairly small; from a cash perspective, it is significant. Currently, RMLD is in good shape from a cash perspective. To accommodate that within the existing budget, staff has looked at moving projects around so it will not affect incremental cash near-term.

Mr. Coulter asked (relative to transformer purchases) why RMLD went with 35.7 instead of 50 KVA. Mr. Jaffari provide an overview of the analysis that is done when determining appropriate transformer size for both overhead and underground. Staff is cautiously watching the trend of electrification and EVs, and adjusting the sizing and loading of transformers appropriately

6. Northeast Public Power Association (NEPPA) Annual Conference – J. Small, Chair  
*Materials: Conference Information and Agenda*

Chair Small noted he was interested in attending the NEPPA Annual meeting in August and asked if any other members were interested. Mr. Soni expressed interest.

Mr. Kelley made a **motion** that the Citizens' Advisory Board approve travel to and attendance at the 2022 NEPPA Annual Conference to take place August 14-17 at the Snowflake Mountain Resort in Stowe, Vermont, for three members of the Citizens' Advisory Board. The motion was seconded by Mr. Welter. **Motion carried** 4:0:1 (4 in favor, 0 opposed, 1 absent) by a roll call vote of those present (both in person and remotely): Mr. Soni, aye; Mr. Welter, aye; Mr. Kelley, aye; Chair Small, aye.

7. Scheduling – J. Small, Chair:

The next meeting of the CAB was scheduled for July 21 at 6:00 PM.

Chair Small asked Mr. Haley if he had any comments. Mr. Haley apologized for being late to the meeting and asked if there was any information regard EV chargers presented. Mr. Phipps responded that there was not.

8. Adjournment – J. Small, Chair

Mr. Kelley made a motion to adjourn. The motion was seconded by Mr. Soni. **Motion carried** 4:0:1 (4 in favor, 0 opposed, 1 absent) by a roll call vote of those present (both in person and remotely): Mr. Soni, aye; Mr. Welter, aye; Mr. Kelley, aye; Chair Small, aye.

The CAB meeting adjourned at 7:05 PM.

As approved on \_\_\_\_\_

Attachment 2

Agenda Item 3: General Manager's Report





# General Manager Update

*Presented to the  
Citizens' Advisory Board*

23 February 2023

# Preliminary Ash Street Development Milestones

Hold outside public event	3Q 2023
Share Ash Street Campus concepts	1Q 2024
Confirm Ash Campus partners	2Q 2024
Finalize Ash Campus design	1Q 2025
Transfer property ownership	2Q 2025
Reconfigure Ash and Main intersection	3Q 2025
Complete permitting	1Q 2026
Start 218 - 232 construction	2Q 2027
Move RMLD into 218 tower	2Q 2029
Open new 230 – 232 complex	1Q 2030



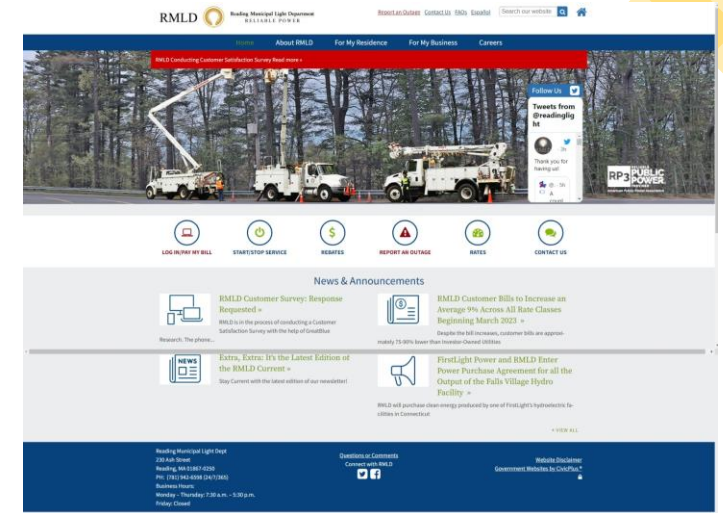
Thank You

Attachment 3

Agenda Item 4: Communications Update

# Communications Update

- RMLD Customer Satisfaction Survey
  - Great Blue Research is collecting responses through February 20.
  - Final report to be provided to RMLD on March 10
- Website Refresh
  - RMLD simplified its homepage by removing a row of buttons for a cleaner look that is more mobile-friendly
- Social Media
  - RMLD continues to see steady, organic growth
  - RMLD Facebook posts reach an audience of up to 2.9k
  - Facebook is top source for web referrals to RMLD website
- Home Energy Audit Webinar
  - January webinar had 242 registrants, 85 live attendees
  - ENE saw a spike in audit registrations
- RMLD Bill Increase
  - Posted letter from Greg to the website immediately after bill increase was approved, sent press release to local media linking to letter, other resources
  - Coverage of bill increase included RMLD's key messages which included RMLD waiting until March to reduce burden, increase in operating budget to support electrification, comparison to IOUs
- Other Highlights
  - RMLD space heater safety tips were posted by patch in advance of the recent record cold
  - RMLD elementary school art contest: judging complete; notifying winners and arranging awards ceremony



New year, new career! RMLD is growing and with growth comes employment opportunities! Check out our open...

Published by Buffer • January 5, 2023 • Public

Post Impressions	Post reach	Post Engagement
2,353	2,298	160

POSTED ON JANUARY 19, 2023 BY EDITOR

### RMLD Customer Bills to Increase

Average Increase 9% Across All Rate Classes Beginning March 2023 Driven by Power Supply Costs and Infrastructure Upgrades to Support Decarbonization

[RMLD electric bills dramatically below local investor-owned utilities](#)

Crime & Safety

## RMLD Offers Space Heater Safety Tips And Smoke, CO Alarm Reminders

According to the Consumer Product Safety Commission, space heaters are the leading cause of home fires, with an estimated 21,800 each year.

By Dan Shalin, Patch Staff

Posted Fri, Feb 3, 2023 at 5:52 pm ET

## WILMINGTON APPLE

#1 Online News Source For Wilmington, MA

BUSINESS COMMUNITY EDUCATION EVENTS GOVERNMENT LETTERS OBITS PUBLIC SAFETY SPORTS PHOTOS VIDEO

SEARCH THE SITE

JANUARY 19, 2023 BY ROBERT HAYES

### RMLD Customer Bills To Increase By An Average Of 9% Beginning March 2023

SEARCH

OPINION

Letters to the editor

## RMLD GM speaks on reason for rate increase

By Dan Shalin, Patch Staff

WEDNESDAY, JANUARY 25, 2023

### Nine percent increase for RMLD customers

READING — The RMLD's operating budget has increased by 9 percent starting March 1, 2023. As a result, the rate increase is 9 percent. The rate increase is supported by an increase in operating budget of 9 percent, which is driven by an increase in power supply costs, wind generation, and other factors. The rate increase is also supported by an increase in operating budget of 9 percent, which is driven by an increase in power supply costs, wind generation, and other factors. The rate increase is also supported by an increase in operating budget of 9 percent, which is driven by an increase in power supply costs, wind generation, and other factors.

Attachment 4

Agenda Item 5: Human Resources Report

RMLD



Reading Municipal Light Department

RELIABLE POWER

# HUMAN RESOURCES UPDATE

PROVIDED BY  
SARAH HARRINGTON, PHR- SHRM-CP

Presented to the  
Citizens' Advisory Board  
February 23, 2023



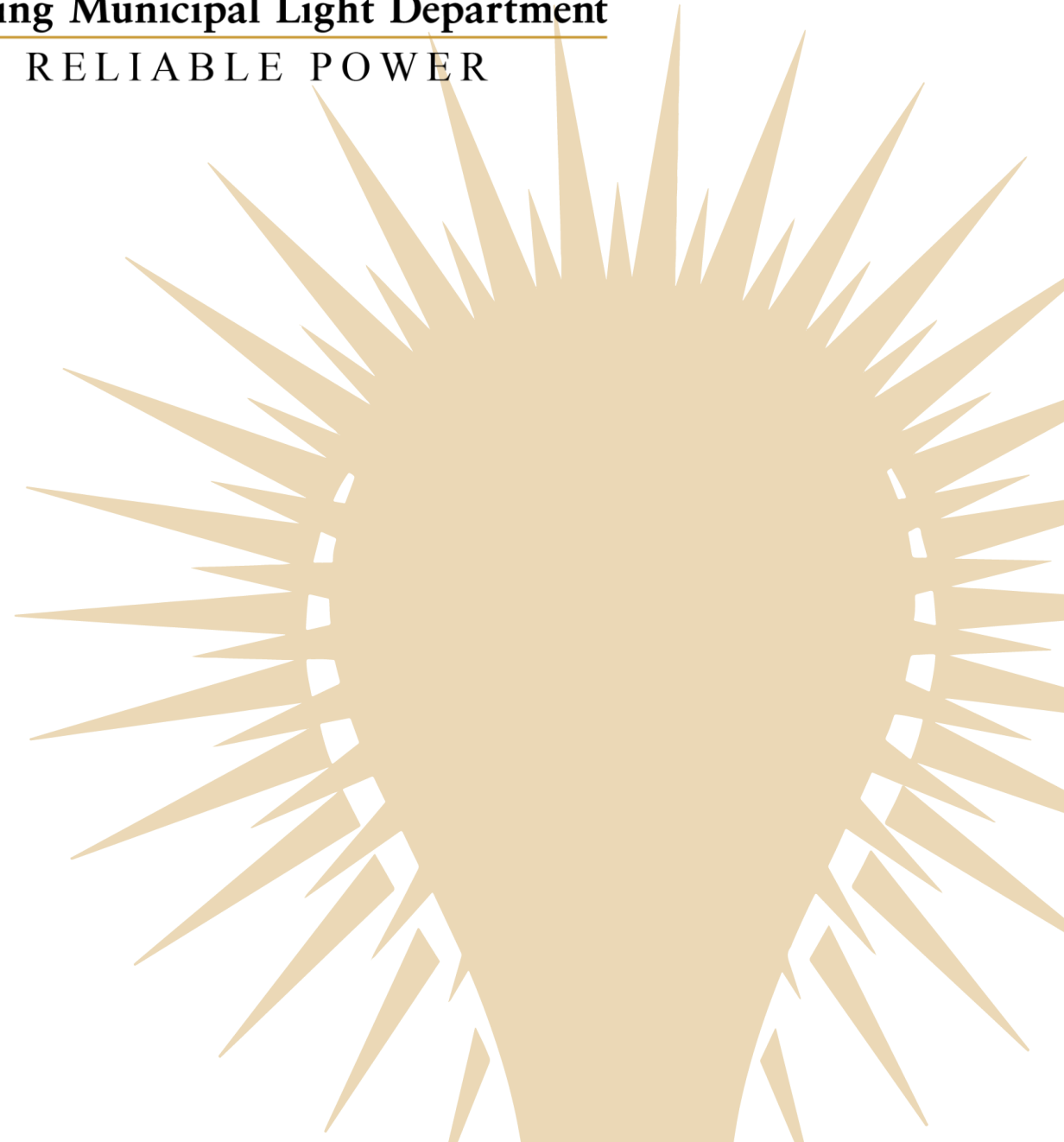
RMLD



Reading Municipal Light Department  
RELIABLE POWER

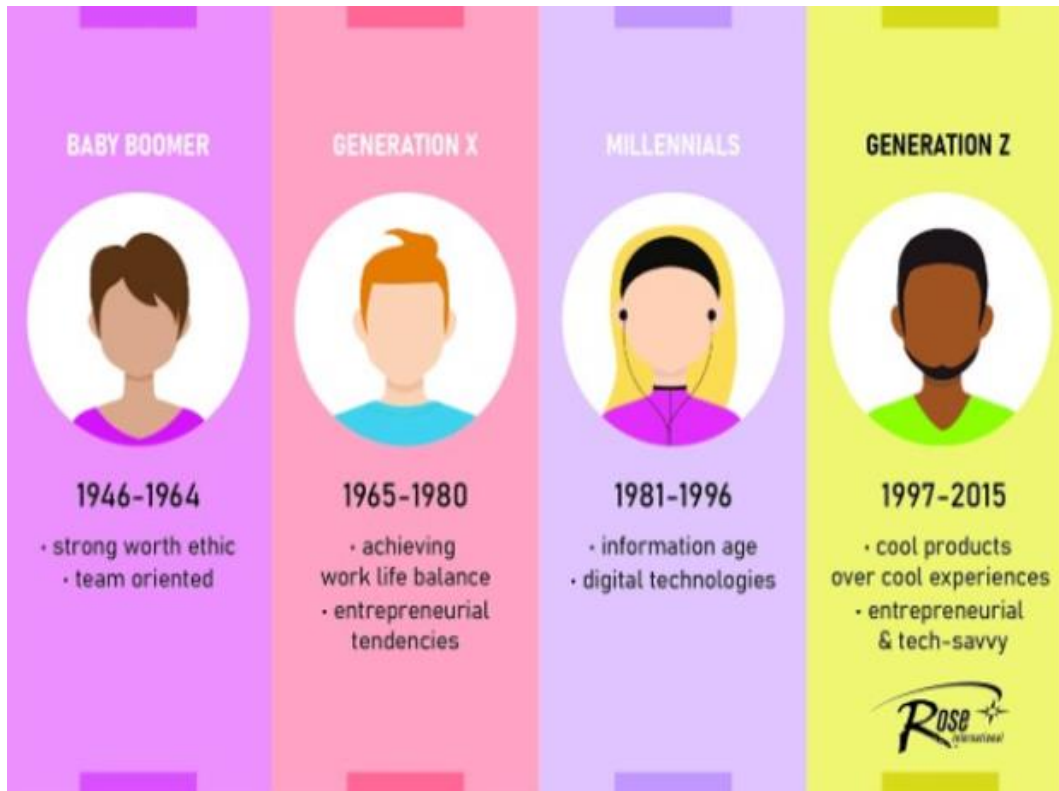
# AGENDA

- **Human Capital Metrics**
- **Recruiting**
- **Leadership and Supervisor Development**
- **Streamlining Processes**

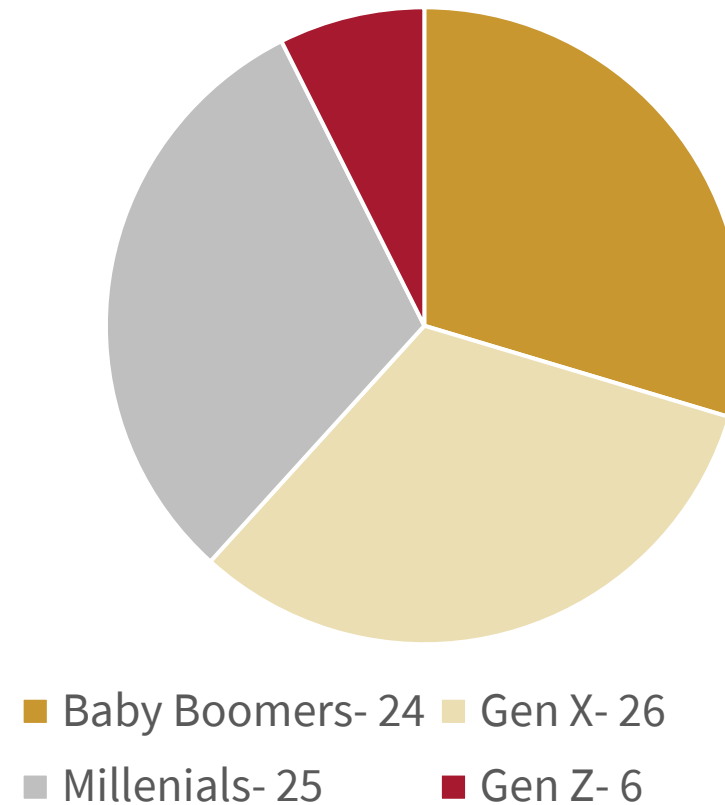




# HCM- WORKFORCE BY GENERATION



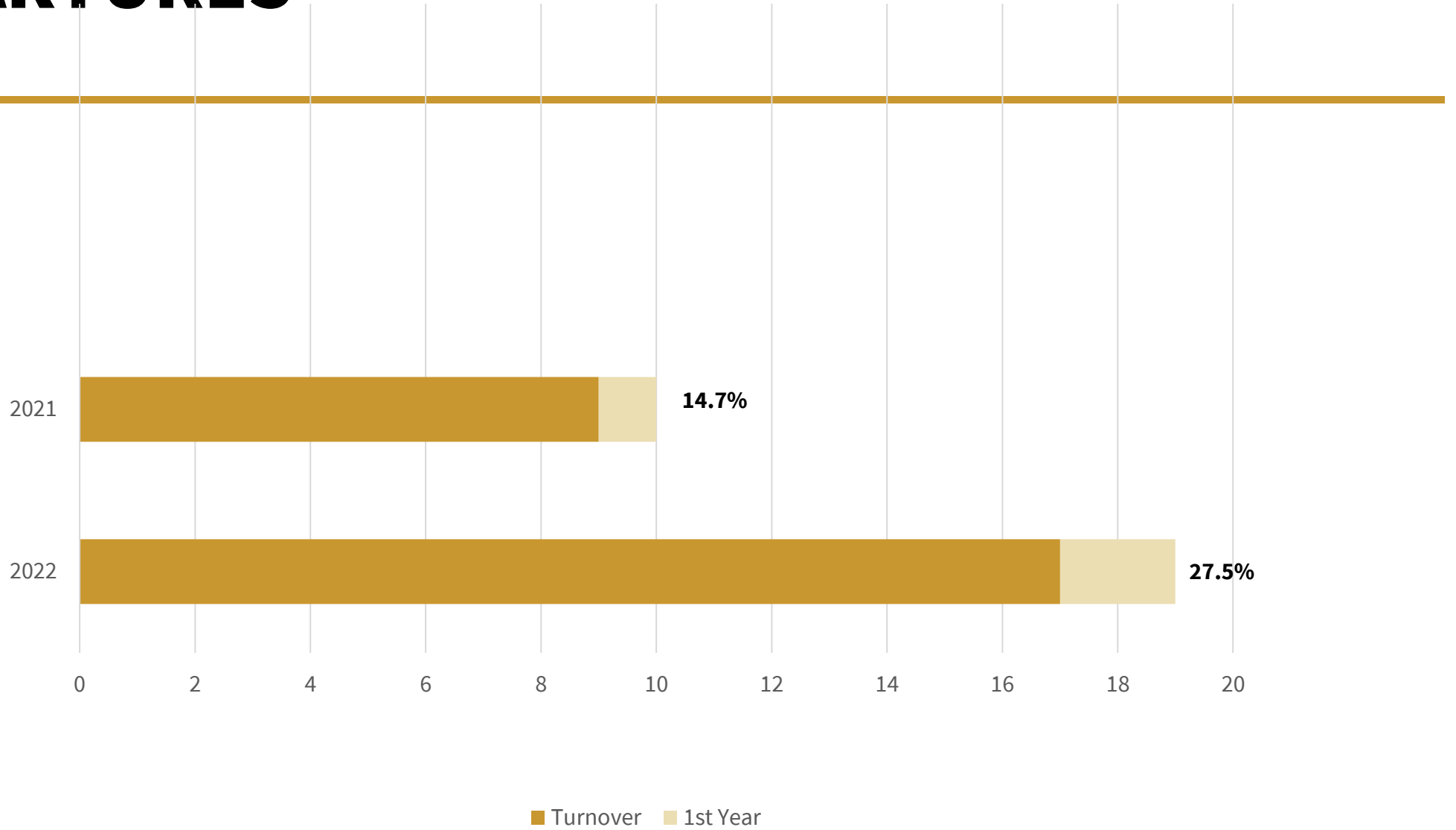
Workforce



# DEPARTURES

## Employees Eligible for Retirement (60 yo)

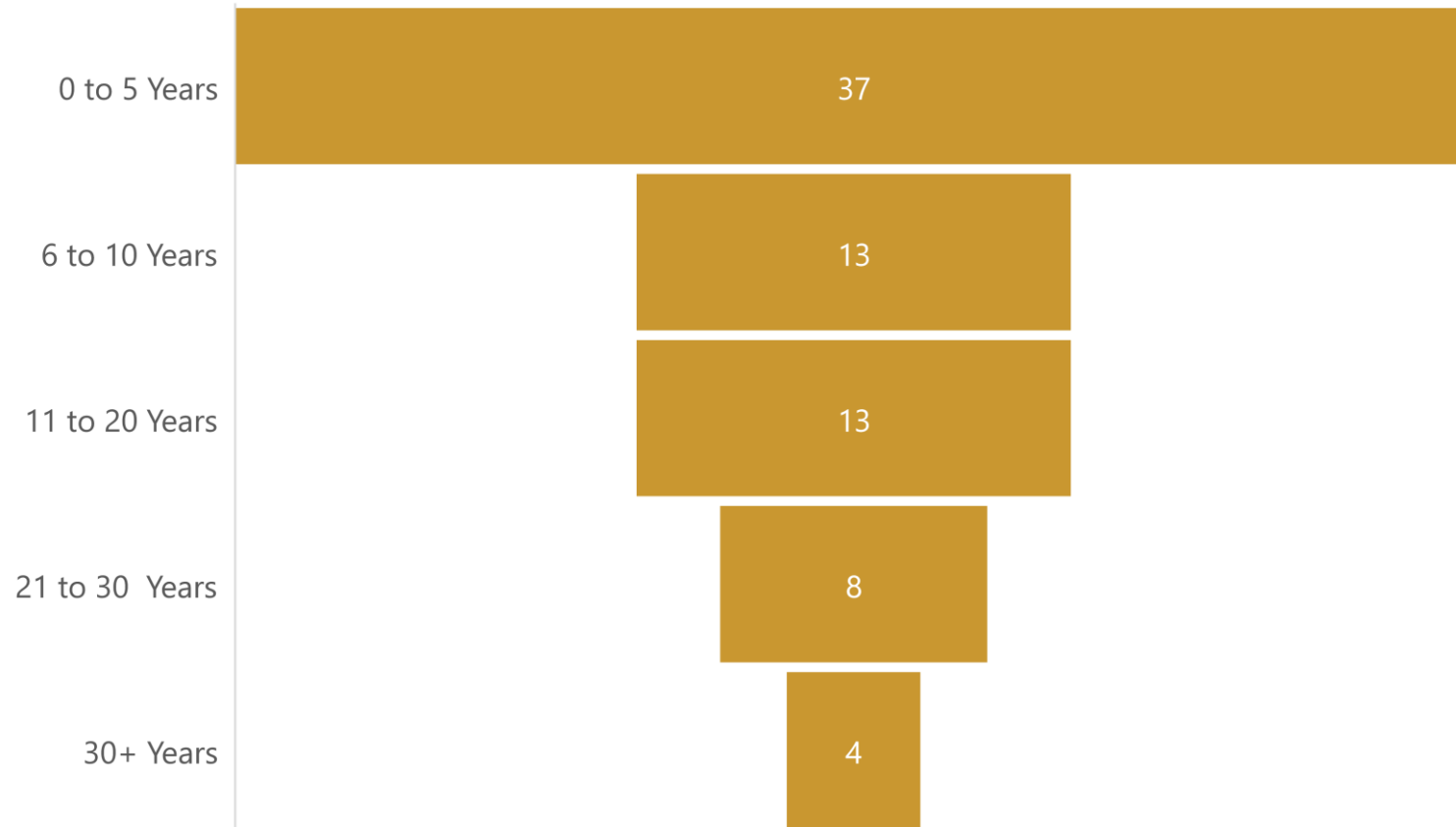
2023- 20  
2024- 23  
2025- 24



# TENURE

Almost half of our employee population has been here less than 5 years, with 30 employees in their first year!

Employees by Years of Service



# RECRUITING

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- Managing Open Positions
  - In 2022, RMLD hired 26 employees, not including internal promotions and transfers.
  - Currently have 10 open positions.
  - We will also be looking to hire summer interns.

# RECRUITING AVENUES

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- RMLD Website
- ZipRecruiter
- LinkedIn and other Social Media
  - Creating “recruiting cards” that everyone can post and share.
- Chamber of Commerce
- Career Fairs
  - WPI
  - Merrimack College
  - UMass- Lowell
- Internal Referrals
- Recruiters

# LEADERSHIP AND SUPERVISOR DEVELOPMENT

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- Weekly trainings with Leadership
- Creating a training curriculum for new and existing supervisors.
  - MIIA
  - Third Party
  - Develop Internally

# STREAMLINE PROCESSES

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- HRIS
  - Live date TBD
  - Automate many manual processes
  - Reporting
  - Dashboards

# THANK YOU!





Attachment 5

Agenda Item 6: Integrated Resources Division Report



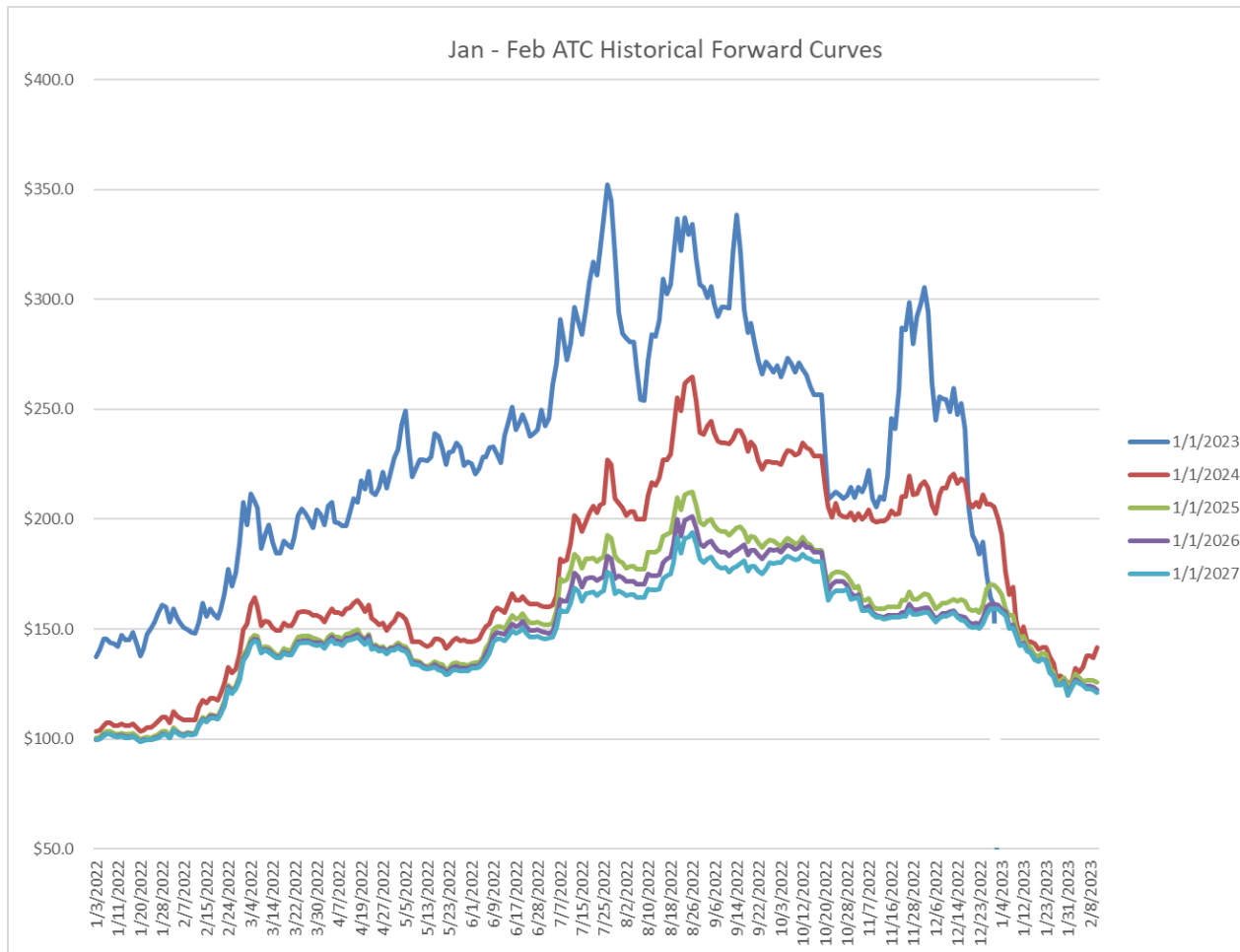
Integrated Resources Report

# Power Supply, Rates, Storage

*Presented to the  
Citizens' Advisory Board*

23 February 2023

# Hedging – evaluating near-term increase to 90%



## Hedged snapshot (% under contract)

- 2023 – 85%
- 2024 – 85%
- 2025 – 82%
- 2026 – 80%
- 2027 – 80%

## Forward price curve down vs mid-2022

- Mild winter – inventories higher than expected
- US nat gas low w/ minimum upward pressure
- Oil prices remain relatively high
- Lower price volatility, near-term
- Nearer bottom of market than peak

## Actively exploring increasing hedge to ~90%

- TFA in place (it is a likely mechanism to utilize)

# Palmer



Extended commercial operational deadline ends 31 March 2023

Commercial operation highly **unlikely** by 31 March 2023

MLP's to notify Palmer of contract termination within 15 days after commercial operation deadline

RMLD will issue termination letter per contract

# Coincident Industrial Peak Rate - concept

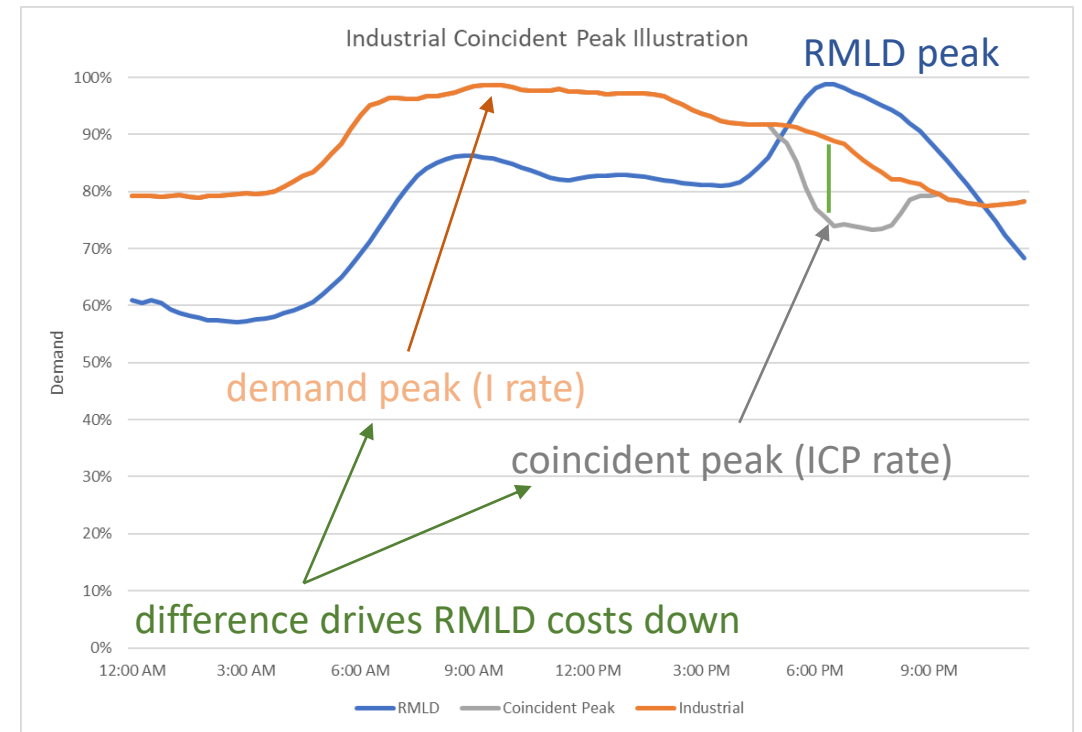
## Monthly and annual peaks determine RMLD transmission and capacity costs

- Monthly peaks drive RMLD transmission costs (18% of RMLD 2023 revenues, growing 6% annually)
- Annual capacity peak derived RMLD capacity costs (14% of RMLD 2023 revenues, flat rate next few years)

## Align larger customer peaks (demand) with RMLD transmission and capacity peaks

- Customer action directly affects RMLD costs
- Transmission impact realized within 3 months (rather than following year)
- Requires forecast and alert tool for customers (in place but currently active)
- Focused on top 15 – 30 customers (more analysis to refine threshold)

*Formal rate proposal in April*

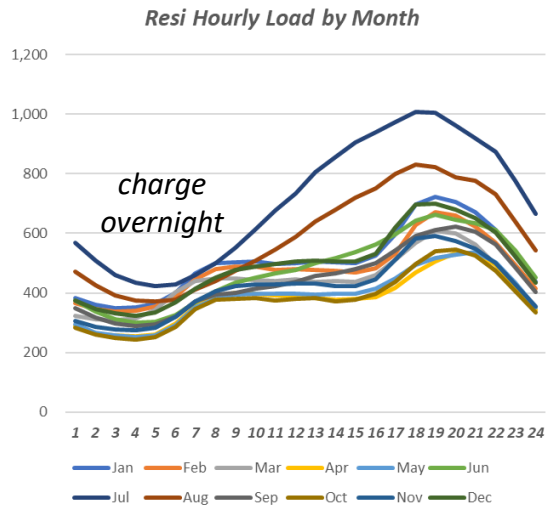


# Revised A2 ToU rate - EV compatible



EV's add ~360 kWh monthly load to typical residential customer (810 kWh base)

Typical charge – add ~30% of capacity, ~3 hours



- Behavior - **Fill overnight** network capacity – underutilized, fixed costs
- Behavior – customers to pay actual costs during **afternoon peak** hours
- Adoption - encourage higher EV adoption w/in RMLD territory
  - Offer more “fuel” savings incentive

Initially residential only (then public chargers)

Rate Mechanism - offer two 10 hour periods and one 4 hour period

- ~\$0.10 / kWh between 8:00 pm to 6:00 am - **highly discounted overnight**
  - ~\$0.15 / kWh 6:00 am to 4:00 pm - moderate discount before afternoon peak
  - ~\$0.45 / kWh 4:00 pm to 8:00 pm - **expensive** during afternoon peak hours
- Net ~\$0.13 / kWh over month where 80% overnight charging (28% less than A rate)

Provide customers hourly or daily feedback on use

Effective summer 2023

# Battery Storage



5 MW station 3 system augmentation near complete

10 MW system at Fordham likely to commission 1Q24

Reviewing RFP submissions for battery storage systems

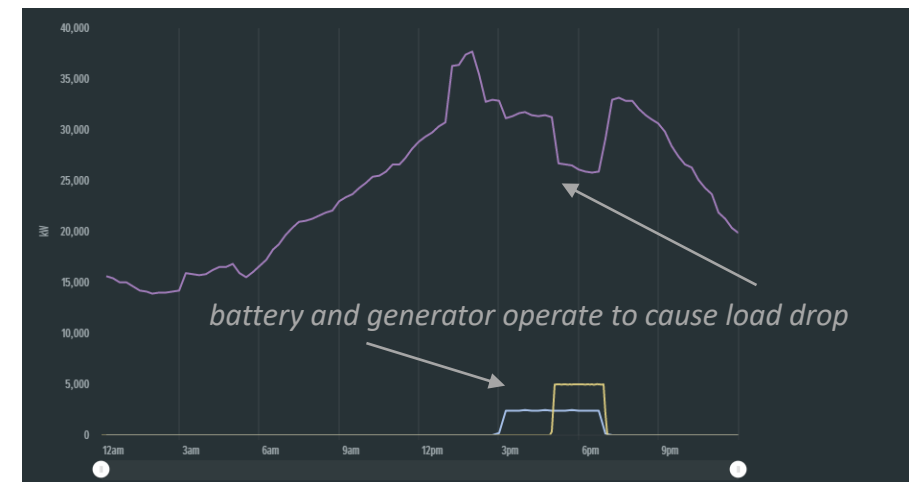
- Station 3 (w/ existing BESS) 5MW 2024
- Industrial Way 10 MW 2025
- Substation 6 (new) 10 MW 2025
- Maple Meadow (distribution) 20 MW 2025
- Maple Meadow (grid) 40-60 MW 2025

Peak management is primary economic driver for above systems

Accelerating discussions with long duration systems – time shift



*actual peak management example*





Thank You  
from the IRD Team

