

Reading Municipal Light Department (RMLD) Board of Commissioners
Power & Rate Committee Regular Session Agenda
Wednesday, April 18, 2012
7:00 p.m.
General Manager's Conference Room

1. Renewable Energy Policy (Attachment)
2. Swift River - Collins and Pioneer projects
3. Summit Hydro
4. Mason Bay Wind
5. Solar Energy Hub - 16 Upton Drive
6. Executive Session
7. **Suggested Motion:**
Move that the Board go into Executive Session based on Chapter 164 Section 47D exemption from public records and open meeting requirements to discuss confidential, competitively-sensitive or other proprietary information and return to Regular Session.
8. Motion to Adjourn

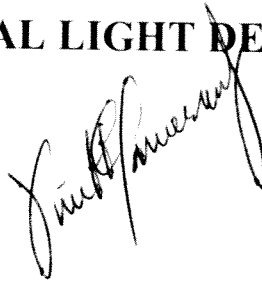
READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board of Commissioners

Date: April 13, 2012

From: Vinnie Cameron

Subject: Draft Sustainable Energy Policy



Attached is a draft Sustainable Energy Policy that RMLD Staff and I have developed. It is similar to the policy that was presented to the Power & Rate Committee last fall, however, Sections D through I have been changed to reflect how the RMLD should handle the sale/retirement of the RECs.

The main changes in this policy are related to the amount of RECs to be sold or retired and what the RMLD should do with the funds received from the sale of the RECs.

Included in the draft policy is a floor of RECs to be retired that is equal to those required to be retired under the Green Choice program. Instead of buying RECs in the market the RMLD can retire RECs received through its sustainable energy projects.

Also recommended in this draft is that the Power & Rate Committee review the amount of RECs to be sold/retired annually during the budget review period and make a recommendation to the RMLD Board.

The policy also suggests that any amount of funds received from the sale of the RECs be used to develop sustainable energy projects in the following fiscal year.

Revision No. I

RMLD Policy No,

Effective Date

Review Date

Sustainable Energy Policy

General Manager

Per Board Vote
Chairman/Date

I. PURPOSE

- A. To develop a practical approach to addressing the need for sustainable energy alternatives that are energy efficient while simultaneously balancing power supply costs.
- B. To establish general guidelines that promote practical, cost efficient sustainable energy alternatives and within the RMLD's power supply portfolio.

II. RESPONSIBILITIES

- A. RMLD Commission
 - 1. Responsible for approving this policy.
 - 2. Representation for the Board of Commissioners is governed by RMLD Policy #19 as revised.
- B. RMLD Power & Rate Committee
 - 1. Review all RMLD recommended sustainable energy alternatives and ensure that they meet the policy guidelines.
- C. General Manager
 - 1. Responsible for implementing this policy.
- D. Energy Services Division
 - 1. Responsible for assisting the General Manager in implementing this policy and associated activities.
 - 2. Responsible for presenting the General Manager with projects that staff has determined meet the criteria of this policy.
 - 3. Responsible for evaluating and overseeing the projects necessary to achieve the goals of this policy.

III. POLICY ELEMENTS

- A. The RMLD is striving to develop a practical approach to addressing the need for sustainable energy alternatives while simultaneously balancing power supply costs. Sustainable energy sources can include, but are not limited to hydro, solar, wind, geothermal and biomass-energy.
- B. The RMLD will review the power supply portfolio from time to time with the intention of meeting specific sustainability target percentages. Specifically RMLD will strive to reach 15 percent sustainability by 2015, 20 percent sustainability by 2020 and 25 percent sustainability by 2025. These target dates will be reviewed by the Power and Rate Committee every three years.
- C. If Massachusetts law requires the RMLD to Participate in Massachusetts Renewable Portfolio Standard (RPS) the RMLD will review and make required adjustments to the RMLD's power supply portfolio.
- D. The RMLD will analyze sustainable power supply projects with a competitive average power supply cost.
- E. The RMLD will present the sustainable energy projects to the Power & Rate Committee with and without the RECs in the pricing to determine the effect of each sustainable energy project on the power supply costs.
- F. On an annual basis the Power & Rate Committee will meet to determine the amount of RECs that will be retired and the amount that will be sold on the available RECs. The amount of RECs to be retired will not be less than amount required under the Green Choice program for the prior fiscal year.
- G. In fiscal year following the sale of any RECs, the RMLD will include an amount equal to the amount of funds received from the sale of the RECs and use those funds to develop sustainable energy projects either within or outside the RMLD's service territory.
- H. The RMLD will strive to diversify sustainable energy projects by type, size, and location and will also include environmental impacts in the evaluation process.
- I. On an annual basis the Power & Rate Committee will meet to determine the amount of RECs that will be retired and the amount that will be sold of the available RECs and make a recommendation to the RMLD Board. The amount of RECs to be retired will not be less than the amount required under the Green Choice program for the prior fiscal year.