

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT ADVISORY BOARD
CHENERY MIDDLE SCHOOL COMMUNITY ROOM
Thursday, June 19, 2014
7:15 P.M.**

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I. CALL TO ORDER

Chair Ashley Brown called a regular meeting of the Municipal Light Advisory Board (BMLAB) to order at 7:20 PM.

Present:

BMLAB- Chair Brown, Vice Chair Forrester, Members DiOrio, Jones, Klionsky, Rojas

Belmont Light- General Manager Palmer, Staff Keane and Mancinelli, Clerk Kochem

Absent:

BMLAB Members McClain and McVay

Interested Citizens (23)

I. APPROVAL OF MINUTES DATED 4/23/2014

Vice Chair Forrester made a motion to approve the April 23, 2014 minutes. Member Klionsky seconded the motion and it was unanimously approved.¹

II. SOLAR DISTRIBUTED GENERATION POLICY AND PRICING

Chair Brown opened the discussion on solar distributed generation by saying that this is an issue BMLAB has been dealing with since 2011. He then described two handouts that were available for attendees: a Belmont Light staff memo titled 'Solar PV Distributed Generation' dated 6/19/2014 and a document describing guidelines for an MLAB and MLB comment period during which the board would accept comments on net metering from the public. Comments about the proposed change to Belmont's net metering policy would be accepted by email until July 25th. Written comments about will be reviewed by BMLAB and the Belmont Municipal Light Board (BMLB) and BMLB will hold another meeting on this issue in September. Mr. Brown then noted

¹ Minutes from April 23, 2014 were later revised with a minor edit and reapproved by the board on November 5, 2014.

that deciding on a solar distributed generation policy for Belmont is a complicated issue not unique to Belmont. Electric utilities across the country are wrestling with how to set up net metering pricing structures that provide fairness to all consumers while leading to maximum carbon reduction at a minimum price and resulting in efficient, balanced outcomes.

Chair Brown introduced General Manager Palmer, who discussed the analysis that was prepared by Belmont Light staff at the directive of BMLAB. Energy Resources Manager Mancinelli then gave an overview of the analysis in the staff memo and reviewed two handouts that summarize titled, 'Ratepayer Impacts Summary Table: 5 kW Residential Solar PV Facility', and 'EFR DG Implementation Phase Summary Table'. The handouts described three different proposed phases for Belmont Light's solar distributed generation policy:

- Phase I – Net Metering – the current phase of operation – no change to the 2011 policy;
- Phase 2 – Buyback- reduces cross subsidy but does not totally eliminate it; this is a temporary phase and could be started by the 4th quarter of the year – production limits removed; and
- Phase 3 – Wholesale Net Metering – new policy.

After Ms. Mancinelli's summary, Chair Brown stated that Belmont residents can support renewable via Belmont Light's Green Choice Program, which customers can participate in for \$6 a month. According to Brown, supporting renewable energy in this way may be more effective than doing so with small-scale solar. He also asked that as members of the public think about the proposed changes to the solar policy, they consider the issue of cross-subsidies that come into play with the Phase 1 and Phase 2 options and that wind-generated power is currently much cheaper than power that comes from residential solar. What benefit would Belmont Light and Belmont customers get from paying twice the amount for solar than it does for wind? Mr. Rojas then said there will be several venues and opportunities during which residents could offer comments about the proposed change to Belmont Light's solar policy and pricing, including the September BMLB meeting. Mr. Klionsky added that while he understands the proposal to move off of the current net metering plan, he has concerns about the proposed Phase 3, "wholesale net metering" option. He does not have the same concerns about the buyback scenario proposed under Phase 2.

Chair Brown then opened the floor for public comments. Members of the public who were in attendance then provided many questions and comments on the proposed policy change. Topics addressed include:

- With the new wholesale net metering, what will the payback be for a new solar panel system?
- Questions as to whether Belmont Light Department has the legal ability to charge for equipment or generation that is in one's home (i.e. before or behind the meter). (According to Mr. Palmer, the interconnection agreement that all Belmont Light customers engage in allows for Belmont Light to charge in these instances.)
- One resident said that it is not acceptable to charge for services 'behind the walls'.
- Belmont Light should pay more for solar as this investment will pay off over time.

- How efficient is it to have solar panels on a variety of houses, compared to having one solar farm?
- Encouragement that Belmont Light further publicize its Green Choice Program.
- A statement that previously stated cost of 9 cents per kWh for wind power does not include the transmission cost.
- Recommendations that the public hearings and comment periods on this issue not take place during the summer.
- Request for consideration of a grandfather clause for those who have invested significant amounts in home solar systems.
- Prediction that costs based on the Phase III section of the 'EFR DG Implementation Phase Summary Table' will 'kill' residential solar in Belmont because it will no longer be cost effective for the home owner to install solar.
- Phase II and Phase III of the 'EFR DG Implementation Phase Summary Table' are too complicated and confusing so that the average user will not be able to make an informed decision on whether to implement solar or not.
- Distributed power is something that the residents of Belmont can do. Wind towers are noisy, and residents would not want one in Belmont.
- It is worth it for Belmont Light to continue to subsidize the cost of solar.
- Belmont should cross subsidize solar, just as it offers cross subsidies for situations for low-income customers, the town of Belmont, and energy efficient appliances.
- The cross subsidy is estimated to be at \$1 per year per Belmont household.
- With a leasing system, a resident can get solar panels and save money right from the beginning. Solar power is reliable over the course of a year.
- Suggestion that instead of varying monthly charges, which would be very complicated, Belmont Light could charge each solar customer a flat monthly fee.
- Uncertainty about the policy is what is keeping some solar companies from wanting to do work in Belmont.
- What is the target that the Light Board is holding Belmont Light to regarding emissions?
- Is the current Phase 3 benchmarked with other municipal light departments?
- A resident tried to bring solar to the Beth El Temple. She feels it is dangerous to frame things by using the term "cross subsidy" because the people who are not doing solar power are not helping our nation to avoid climate change issues.

Responses from board members on these topics include:

- Brown stated that if Belmont Light subsidizes solar in its primitive state, solar will not improve because there is no incentive to do so.
- Brown wants to prevent cross subsidies by other rate payers. He strongly believes that while the cross-subsidy might feel small today, the renewable energy market is growing so there need to be policies in place how to keep the cross subsidy manageable into the foreseeable future.
- Brown explained that solar is unpredictable – distribution system and the backup energy system always have to be in place and the distribution and backup systems have absolute, fixed costs.

- Klionsky stated that the bottom line is not infinite, there is only a certain amount of money to work with to achieve carbon limits
- Rojas explained that as a member of the Board of Selectmen, he hears from many customers and some of them are very upset about rate increases and would not want to pay cross subsidies. He stressed that finding a responsible, fair solution is the key.
- Jones would like to see, over the long-term, an increase in renewable energy. On the cross subsidy issue, he stated that the question is whether residential solar will survive in Belmont; should we consider a solar farm installation instead of residential?

At 9:20 pm, following audience comments and responses by board members, Chair Brown thanked residents for attending the meeting, asked them to email their comments by July 25th, and welcomed them to attend the additional board meetings on this topic.

III. GENERAL MANAGER'S REPORT

No report given.

IV. EXECUTIVE SESSION TO

At 9:33 PM, Ashley Brown moved that the committee go into Executive Session to:

- a. To protect trade secrets or confidential, competitively-sensitive or other propriety information provided in the course of proceedings when a municipal lighting plant board determines that such disclosure will adversely affect its ability to conduct business in relation to other entities making, selling, or distributing electric power and energy pursuant to section 47D of chapter 164.
- b. Conduct contract negotiations with nonunion personnel.

V. ADJOURNMENT

The Board re-entered open session at 10:03 PM to tentatively schedule upcoming MLAB meeting dates. The board then adjourned at 10:15 PM.