

**MINUTES
TOWN OF BELMONT
BELMONT MUNICIPAL LIGHT ADVISORY BOARD
CONFERENCE ROOM, BEECH STREET CENTER
266 BEECH STREET, BELMONT
Wednesday, November 5, 2014
7:15 PM**

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TOWN CLERK
BELMONT, MA

2015 FEB 18 AM 9:11

I. CALL TO ORDER

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

Present:

MLAB- Chair Brown, Vice Chair Forrester, Members DiOrio, Jones, Klionsky, McClain, McVay, and Rojas

Belmont Light- General Manager Palmer, Clerk Williams

II. APPROVAL OF MINUTES DATED 04/23/14

Brown made a motion to approve the revised April 23, 2014 minutes. McClain seconded the motion, which was approved with a vote of two in favor (2-0).

III. GENERAL MANAGER'S REPORT

a. Update on substation and transmission project

Palmer noted that a recent NSTAR-MA DPU hearing on the siting of the transmission line went well. The hearing officer requested additional information from the project team and Palmer expects a favorable decision in early 2015. Additionally, a bid was issued for the building of the substation, which generated a lot of interest from potential bidders and should make for a good selection process. Palmer also explained that safety training for MBTA railway access is finally underway, but there have been delays in training due to a transition to a new management company. The demolition is in progress, the substation is in the procurement phase, and the transmission line is in the final stages of engineering. Also, the ISO-NE I.3.9 reliability study conducted by service providers contracted by NSTAR has been completed. An ISO-NE decision is expected in January 2015.

IV. SOLAR DISTRIBUTED GENERATION PRICING & POLICY

Chair Brown stated that discussions with Sustainable Belmont on the solar distributed generation issue are still underway. BMLAB needs to determine what pricing structure is best to help ensure that Belmont Light's fixed costs are being recovered and that solar is being accurately valued. He also noted that it is important to look at current market prices and that paying for solar resources in real time may result in higher revenues than net metering for solar customers. This pricing policy would also send the correct signals to solar providers to ensure that future solar installations will attempt to provide resources at the time of day that these resources are most

valuable to Belmont Light. Brown suggested that solar customers pay a monthly per-KW rate, based on actual installed KW, in order to cover the cross-subsidy that non-solar customers are currently providing.

Brown suggested that every utility uses fixed rates with production limits to help prevent revenue erosion. Kliensky explained that a fixed cost for customers makes more sense than using the existing Phase 2 so that the cross-subsidy is not too great for non-PV owners. He noted that it is BMLAB's job to get the policy right. Rojas inquired about the average cross-subsidy amount. Brown noted on average, it is \$679 a year, but Phase 2 would cut those costs in half. Brown urged that the policy needs to send a green price signal.

McClain noted that the pricing policy was laid out clearly in 2011, but now that Belmont Light is attempting to implement the next phase of the tariff customers are claiming that they were not given enough notice. Customers do not like that their rates are changing. McVay agreed, noting that it needs to be a clear, understandable tariff that the public can read. McClain also noted that the other 11,000 Belmont Light non-solar customers may not want to spend their money on 17 residents who chose to make a private investment in rooftop solar.

DiOrio noted that the Sustainable Belmont Energy Subcommittee financial model used capital costs that were out of date and much higher than current installation costs. She also noted that the model's calculation method and results are flawed. The model double counts the cost of equity investment, adding about \$8,000 in cost to an investment of about \$25,000. She estimated that in 10 or 15 years, solar cost per installed kilowatt could be cheaper than wind. Solar's performance is improving and costs are declining. Rojas thanked Brown for explaining the solar issue, so that he can explain it better to the public. He also stated that the Municipal Light Board will discuss the topic further.

Jones noted that action is needed, as the town wants to discuss carbon emissions. He suggested framing the policy around the concept of carbon reduction. Brown agreed, noting that Phase 2 uses green pricing. McClain suggested setting money aside to fund activities that lead to the maximum carbon reduction – this may mean purchasing RECs in coal intensive states such as Ohio. DiOrio agreed, noting they needed to brainstorm ideas on how to reduce carbon.

V. EXECUTIVE SESSION

The Board moved into Executive Session at 9:20 PM:

- a. To protect trade secrets, confidential, competitively sensitive or other proprietary 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. To conduct contract negotiations with non-union personnel.

Respectfully submitted by Gretchen McClain, MLAB Secretary