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*Contact: Aidan Leary
(617) 993-2809*

Belmont Light Completes Transfer of Transmission Line to Eversource

Belmont - On December 15, 2016, Belmont Light officially received approval from the Belmont Municipal Light Board to transfer ownership of a newly constructed 115kV Transmission Line to Eversource, effectively bringing to a close the development phase of Belmont's Blair Pond Substation and Transmission Line project.

The construction of the new transmission line was a significant component, along with the construction of the new Blair Pond Substation, in developing an effective energy distribution solution for Belmont residents and businesses for the next forty years. Recognizing a rapidly growing capacity deficit, the cost and maintenance requirements of an aging infrastructure system, and frequent power quality issues stemming from Belmont's current interconnection at the Alewife power grid, Belmont Town Meeting in 2012 approved \$53.7 million in new bonding capacity to finance a solution to these immediate concerns. With the support of Town Meeting, Belmont Light worked with industry experts, the Massachusetts Department of Public Utilities, the Independent Service Operators of New England, Belmont Town Officials and Eversource, the owner of Belmont's electric supply interconnection at Alewife, to develop the most efficient and cost effective solution for Belmont's ratepayers.

The result of this analysis and collaboration is a new 60-megawatt substation at Blair Pond in Belmont to be fed by the New England Electric Grid through a new 115kV transmission line installed underground along the commuter rail tracks in Cambridge between Alewife and the new Blair Pond Substation. The new electric delivery system for Belmont will increase capacity from 30 megawatts, allow for the replacement of 40 – 60-year old electricity infrastructure that had grown unreliable and costly to maintain, and permanently rectify power surge issues affecting Belmont users due to less efficient connectivity at Alewife.

In developing the most efficient and cost effective solution for Belmont ratepayers, Belmont Light negotiated a Joint Development Agreement (JDA) with Eversource that outlines the ownership and responsibilities of each party for the construction and implementation of this new electric delivery system. This agreement calls for Belmont to construct the new transmission line as part of the overall construction project, and upon completion for Eversource to reimburse Belmont \$45 million for the cost of constructing the transmission line and for Eversource to take permanent ownership and maintenance responsibilities for the transmission line moving forward. With the transfer of ownership under the JDA, Belmont's construction costs for the overall project, after reimbursement from Eversource for the transmission line this week, dropped by \$28 million. As a result, Belmont's total cost for the Blair Pond Substation and Transmission Line project, anticipated to be \$53.7 million, actually closed out at \$26.1



million, a \$27.6 million savings for Belmont ratepayers. A corresponding rate increase associated with the cost of this project that was originally anticipated to be approximately 14% for Belmont Light customers is instead 6%, an increase that has already been factored into rates. “At the end of the day, in working with Eversource, we are able to deliver a critical project for Belmont electric users that addresses our serious capacity concerns, skyrocketing maintenance costs and power quality issues, in the most modernized and efficient manner,” said Belmont Light General Manager Jim Palmer. “Just as important, due to our agreement with Eversource, we are able to do so substantially under the original cost estimates approved by Town Meeting and save the Belmont ratepayers \$27.6 million while providing the best possible solution for our future needs.”

With the new 115kV transmission line energized and its ownership transferred, all major phases of the Blair Pond Substation and Transmission Line project have been completed. Upon completion of the final distribution phase of the project within Belmont, the new Substation will begin to provide the next generation of electricity distribution for all Belmont electric users beginning next spring.