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**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
TOWN HALL
AUDITORIUM
Monday, July 30, 2018
6:00 P.M.**

I. CALL TO ORDER

Chair Dash called to order a regular meeting of the Municipal Light Board (MLB) at 6:05 P.M.

Present:

MLB – Chair Adam Dash, Vice Chair Mark Paolillo, Member Tom Caputo

Belmont Light – Director of Operations Craig Spinale, Staff Aidan Leary

Light Board Advisory Committee – Chair Steve Klionsky

II. LIGHT BOARD ADVISORY COMMITTEE MEMBER APPOINTMENTS

Dash turned to appointments for the Light Board Advisory Committee (LBAC). He said there was a vacancy, as Sarah Jackson (not present) had resigned and would be moving out of town. He thanked Jackson for her service and said she had been an excellent addition to the committee. Dash said, additionally, that the terms of LBAC Chair Klionsky and Member Ralph Jones (not present) were up. Both Klionsky and Jones had indicated that they wanted to be reappointed. There were three other applicants for the vacancy left by Jackson: David Beavers; Jonathan Abe; and Claus Becker. Dash asked for Klionsky's thoughts as LBAC Chair. Klionsky echoed Dash's thoughts regarding Jackson. He said that all three candidates are great, however, he has more experience with David Beavers, who has previously made presentations at LBAC meetings and had been helping the town on solar issues in his capacity with Cadmus Group.

Dash proposed reappointing Klionsky and Jones to begin, because he said they have given no reason not to reappoint them and they have done yeoman's work during their membership.

Paolillo moved to reappoint Steve Klionsky and Ralph Jones to the Light Board Advisory Committee for a term of three years. Caputo seconded the motion and the motion was approved with a vote of all in favor (3-0).

Paolillo pointed out that the vacancy created by Jackson's resignation would be to complete only the remaining one year of her term. The Board agreed. Dash said that he'd like to see a broad collection of individuals on LBAC. Caputo asked whether there were other LBAC members moving out of town or otherwise resigning in the coming months. Klionsky said that Vice Chair

Mark McVay may decide to resign because of job demands, although he had not discussed this with McVay recently.

The Board reviewed the three other candidates for the open seat. Paolillo and Caputo both stated that they supported Beavers for the position.

Paolillo moved to appoint David Beavers to the Light Board Advisory Committee for a term to expire on June 30, 2019. Caputo seconded the motion and the motion was approved with a vote of all in favor (3-0).

The Board and Klionsky discussed the procedure for Jackson's resignation and Beavers' appointment to LBAC, as well as a joint meeting with LBAC on Monday, August 27, 2018.

Paolillo moved to accept the resignation of Sarah Jackson from the Light Board Advisory Committee. Caputo seconded the motion and the motion was approved with a vote of all in favor (3-0).

III. POWER SUPPLY HEDGE STRATEGY FOR 2019 AND 2020

Spinale referred the Board to a chart demonstrating that for 2019 and beyond, the Belmont Light power supply is currently hedged to approximately 38%. He said the typical hedge number is about 80-85%. In consultation with its vendor, Energy New England (ENE), Belmont Light felt that the market was at a good place to make purchases to increase that hedged amount by 22% for 2019 (to 60% hedged) and 12% for 2020 (to 50% hedged). Spinale explained that hedging is price surety for power purchases and in the absence of hedging, Belmont Light buys power on the spot market, which can be expensive. Dash said that the recommendation from Roy had been to hedge to the above amount and not to exceed a price of \$48 per megawatt hour (MWh).

Klionsky stated that LBAC had met with ENE and that most municipal light plants (MLPs) like Belmont Light hedge to 80-85% of their needs. Paolillo noted that Belmont would still only be at 60% and 50% for 2019 and 2020, respectively, below the 85% threshold. Spinale replied that the expectation would be to come back to the Board in the Fall with additional purchases.

Caputo pointed to Section 2, Paragraph 1 of the Power Supply Policy (PSP) which states, "Belmont Light will hedge to a maximum of approximately 50 percent of its capacity needs in any year..." and asked whether this was a different situation than what is prescribed in the PSP. Spinale and Klionsky explained that capacity is different from the actual purchase of power supply. Klionsky said that the statement would be clarified in future versions of the PSP. Discussion ensued on the procedure for bringing power supply purchases in front of the Board.

Paolillo moved to authorize the Belmont Light General Manager to execute new power supply contracts for 2019 and 2020 up to a total hedge percentage of 60% and 50%, respectively, not to exceed a price of \$48 per MWh.

IV. REVIEW OF CAPACITY COST RECOVER FROM FOOTPRINT POWER

Dash explained that Belmont Light would be a participant in litigation to recover excess capacity payments to Footprint Power that a lot of other MLPs have joined in on. He said that he had previously spoken to Roy about this situation because it was necessary for Roy to make a decision to join the litigation between Board meetings. Dash thanked Roy for looping the Board in on the issue.

Paolillo asked how much money was in question for Belmont Light and whether there was a cap on legal fees. Spinale stated that Belmont Light was seeking approximately \$48,000 in damages and that attorney's fees are not expected to exceed \$10,000. He said the law firm, Duncan & Allen, had presented a proposal outlining the case. Paolillo and Dash agreed that Belmont Light and the other MLPs had a very strong case against the company.

V. DISCUSSION OF ISO MARKET COMMITTEE VOTING

Spinale stated that Roy had voted in favor of three items via email for a recent ISO Markets Committee meeting. The items were as follows:

- Dynamic delist bid rationing – Spinale explained that this is related to the Footprint Power issue above. A positive vote here locked in a price and disallowed market participants, like Footprint Power, from making changes to its commitment.
- Enhance the market for more energy storage resources
- More resources for the GIS tracking system used by ISO-NE to track the Clean Energy Standard

Dash again thanked Roy for keeping the Board informed of these developments.

VI. APPROVAL OF MINUTES DATED JUNE 18, 2018

Paolillo moved to approve the minutes of the Light Board meeting dated June 18, 2018. Caputo seconded the motion and the motion was approved with a vote of all in favor (3-0).

VII. FUTURE MEETINGS

The next meeting of the Light Board would be Monday, August 27, 2018 at 6:00 P.M. This meeting would be a joint meeting with LBAC to discuss and clarify its role and ensure no duplication of efforts is going on. A Light Board meeting will be held on Monday, September 17, 2018 at 6:00 P.M. There will also be a special meeting on Thursday, September 20, 2018 at 7:00 P.M. for a presentation on the Cost of Service Study. The remaining meetings were stated as follows: October 15, 2018 at 6:00 P.M.; November 19, 2018 at 6:00 P.M.; and December 17, 2018 at 6:00 P.M.

The group discussed the Cost of Service Study and the methods that would be taken for the subsequent rate study and discussion.

VIII. DISCUSSION PERTAINING TO ADJUSTING MAXIMUM CAPACITY RATING OF 250 KW IN BL POLICY ON EMISSION-FREE RENEWABLE ENERGY FACILITIES EFFECTIVE 12/1/15

Dash recused himself from the table, as the discussion would pertain to the new Belmont High School project.

Klionsky said when the Board developed its solar policy in December 2015, it was based on a recommendation from the Temporary Net Metering Working Group (TNMWG), which including Klionsky himself, Roy Epstein, and Jake Jacoby were voting members.

The TNMWG made a recommendation to the Light Board to limit the size of a solar facility that could be installed in Belmont of 250 kilowatts. There had recently been a request made by a group working on solar energy for the new High School to review the limit of 250 kilowatts. A small group was convened by Chris Roy to discuss the issue of increasing the capacity limit and Klionsky called an LBAC meeting on June 30, 2018 to discuss it further. Klionsky said that if the High School is approved with a solar installation, the capacity for solar will far exceed 250 kilowatts, closer to one megawatt or 1,000 kilowatts.

Klionsky said at the time of the TNMWG's recommendation, the group did not believe there would be a facility installed in Belmont that would exceed that number. Klionsky said there was no reason from LBAC's perspective or from Belmont Light's perspective why that limit could not be raised and LBAC voted at the June 30, 2018 meeting to raise the limit to the requested amount of 1,500 kilowatts, or 1.5 megawatts. Klionsky stated that this would change the definition of emission-free renewable energy facility in Section 1.01 in Belmont Light's policy.

The Board and Klionsky discussed that the schematics for the new Belmont High School building included the solar facility already. Caputo said that not approving the measure would jeopardize the considerations for zero net energy for the building.

Caputo moved to increase the maximum capacity of an emission-free renewable energy facility allowed under the Belmont Light Policy on Emission-Free Renewable Energy Facilities from 250 kilowatts to one point five megawatts. Paolillo seconded the motion and the motion was approved with a vote of two in favor (2-0), with one abstention.

IX. ADJOURNMENT

Board moved to adjourn at 6:50 P.M.