

2020 FEB 13 AM 9:03

**FINAL**

**Light Board Advisory Committee Meeting Minutes**

Minutes of Meeting held on December 4, 2019  
Belmont Light Conference Room  
7:30am

Attending LBAC members: Chair Steve Klionsky, David Beavers, Bob Forrester, Ralph Jones, Michael Macrae

Belmont Light (BL) attending: General Manager Christopher Roy, Ben Thivierge

Select Board member Roy Epstein was present

Mark Beauchamp (President, Utility Financial Services) joined the meeting via teleconference

**I. CALL TO ORDER**

- Convened at 7:38 am

**II. REVIEW OF TIME OF USE RATE PRINCIPLES**

- Roy presented a diagram he had prepared to help explain how he viewed rate design - in particular time of use rates – as fitting into a broader framework, including Belmont Light’s guiding principles and ultimate goal of strategic electrification.
- There was discussion about the goals/objectives of implementing time-of-use rates. Klionsky stressed the need to clearly identify the objectives and be able to communicate these to customers; also, to identify who would be the winners/losers from rate design changes.
- Beauchamp explained his perspective on time of use rates: As the largest cost drivers for utilities result from peak demand, time of use rates send a price signal to customers to move usage away from the peak. The effect would be to create long term changes in electricity consumption off-peak, as well as overall reduction in demand – consumers have incentive to purchase technology to alter their consumption behavior.

**III. DISCUSSION ON UPDATED DRAFT TIME OF USE RATE SCENARIOS**

- Beauchamp went through a set of slides on preliminary analysis of potential time of use scenarios and their impacts. The presentation covered the following: definition of peak period (10am-10pm); breakdown of power supply costs by on and off-peak; summary of proposed on and off-peak generation and transmission rates; four time of use rate scenarios based on implementing the proposed time of use generation and transmission rates, as well as 1) increasing the fixed distribution customer charge vs keeping the current one and 2) adding a per kW demand charge; finally, effects of the different scenarios on a random sample of 50 customers.
- Comments raised by the Committee, to be addressed in the next iteration of the analysis:
  - Consider shortening the defined peak period to more accurately reflect actual peak demand. Should be based on some sort of objective measure.
  - Look into shifting some costs to the summer, i.e. current assumptions don’t account for any seasonal variation.

- Projections assume a 2% increase in revenue relative to current rate structure – should normalize this so that revenue stays the same.
- Investigate the assumption of weekends as off-peak time. For Belmont, which is primarily residential, it may make more sense that these are included as on-peak instead.
- Try to incorporate price elasticity into projected impact analysis.

[Beauchamp left the meeting.]

- Klionsky requested feedback from the Committee. He viewed implementation of time of use rates as politically difficult; many variables involved in time of use rate design, difficult to assess if truly matches Belmont Light’s cost structure; how do low income/renters adjust their long term behavior to shift usage to off-peak?
  - Jones shared concern about the political implications and thought it was important to get input from the Energy Committee.
  - Epstein thought the analysis was still in early stages – very complex issue, therefore the benefits would need to be clearly demonstrated. May be other intermediate steps to take to approximate time of use, e.g. via battery storage project.
  - Beavers thought the current rate structure is not optimal for Belmont Light’s long-term goals. Therefore, as matter of process, should look into the optimal rate structure and see what the impact is – may be minimal.
  - Macrae raised the question of whether the model/analysis still works if adoption of time of use is rates is not 100%, e.g. in an opt-in type approach. In general, supportive of measures towards electrification and better aligning with cost structure.

#### **IV. EXECUTIVE SESSION**

To discuss confidential and competitively-sensitive information provided in the course of activities conducted by a governmental body as an energy supplier.

*Motion: To enter executive session as described above. (Roll-call vote: Steve Klionsky, Ralph Jones, Bob Forrester, David Beavers, Michael Macrae).*

*Motion: To leave executive session. (Roll-call vote: Steve Klionsky, Ralph Jones, Bob Forrester, David Beavers, Michael Macrae).*

#### **V. APPROVAL OF MINUTES**

[None.]

#### **VI. FUTURE MEETINGS**

- January 8, 2020
- February 12, 2020

#### **VII. ADJOURNMENT**

- Adjourned at 9:23am.