

**Minutes
Town of Belmont
Belmont Municipal Light Board
Virtual Meeting on Zoom
Monday, April 12, 2021
5:30pm**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: May 18, 2021
TIME: 10:02 AM

I. CALL TO ORDER

A meeting of the Municipal Light Board (MLB) was called to order at 5:30pm by Chair Adam Dash.

Present: Chair Adam Dash and Board Members Roy Epstein and Mark Paolillo.

Also present were General Manager Craig Spinale, Assistant General Manager Sam Osancevic, Energy Resources Manager Becca Keane, and Communications Coordinator Aidan Leary, Light Board Advisory Committee (LBAC) Chair Travis Franck and Member Dave Beavers, and Town of Belmont Human Resources Director Shawna Healey.

II. VOTE ON LIGHT BOARD VICE CHAIR

Mr. Dash welcomed Mr. Paolillo back to the Board and suggested that, according to the Operating Rules, the Board vote to have Mr. Paolillo become Vice Chair. Mr. Paolillo would serve in this capacity through September 2021, when he would be elevated to Chair.

Mr. Epstein moved that Mark Paolillo serve as Vice Chair of the MLB until DATE. Mr. Dash seconded the motion and the motion passed unanimously (Roy Epstein aye, Mark Paolillo aye, Adam Dash aye).

IV. EXECUTIVE SESSION

a) To discuss competitively sensitive or other proprietary information (namely a hydro power contract extension)

Mr. Epstein moved to enter Executive Session for discussion of a hydro contract at 5:33 p.m. Mr. Paolillo seconded the motion, and it was passed unanimously (Roy Epstein aye, Mark Paolillo aye, Adam Dash aye).

Mr. Epstein moved to leave Executive Session at 5:44 p.m. Mr. Paolillo seconded the motion, and it was passed unanimously (Roy Mr. Epstein aye, Mark Mr. Paolillo aye, Adam Mr. Dash aye).

IV. DISCUSSION AND POSSIBLE VOTE ON HYDRO POWER CONTRACT EXTENSION

Mr. Spinale gave a summary of the contract extension opportunity with the Worumbo hydroelectric facility, explaining that they have offered a 4-and-a-half-year contract extension for similar cost and output as the existing contract. Level I and Level II renewable energy credits (RECs) are included with the extension and the contract would make up approximately 3% of Belmont Light's energy portfolio. Mr. Epstein asked Mr. Spinale to confirm that Level II RECs count toward Belmont Light's portfolio, which Mr. Spinale did confirm. Ms. Keane clarified that the contract would qualify as non-emitting under Belmont Light's policy and since there was a purchased power agreement attached, it would count toward the State's policy as well.

Mr. Paolillo moved to endorse Belmont Light in signing an extension of the contract with Worumbo hydroelectric facility as outlined in the Executive Session. Mr. Epstein seconded and the motion passed unanimously (Roy Epstein aye, Mark Paolillo aye, Adam Dash aye).

V. DISCUSSION AND POSSIBLE VOTE ON GOVERNANCE ARTICLE FOR THE ANNUAL TOWN MEETING

Mr. Dash said that the Select Board would be voting favorable or unfavorable action on Town Meeting Article 2, to see if the Town will vote to establish an independent, 5-member elected Light Board, and asked if the MLB would like to vote favorable or unfavorable action on the matter as well.

Mr. Paolillo outlined how his thinking on the matter has evolved and has come to the decision that the current arrangement is probably not the most efficient system. He hopes that members of LBAC will seek these positions and is in favor of the Article. He asked if there could be some type of reporting arrangement that could be incorporated so that the Select Board could be kept informed.

Mr. Epstein said that while current and past members of LBAC are suitable candidates for a new board, there may also be other good candidates and he hopes they will come forward.

Mr. Dash shared the language of Warrant Article 2:

To see if the town will vote to establish a separate 5-member Municipal Light Board for such terms as set for in M.G.L. c. 164 § 55; said Municipal Light Board members shall be elected by the voters at the next annual town election, and further pursuant to M.G.L. c. 41 § 23 to rescind any prior vote authorizing the Select Board to perform the duties of the Municipal Light Board and to repeal section 40-200 K of the General Bylaws titled Select Board, *“The Select Board shall act as the Town’s Municipal Light Board”, or in any way act thereon*”.

This article will create a five member independently elected light board.

Mr. Dash explained that he’s worried about adding an inefficiency to Town government by creating this new board and spoke about his reasons for this concern. He pointed out that there are many advisory boards to help the Select Board make decisions and is not convinced that this change is ideal.

Mr. Paolillo said he shared Mr. Dash’s concerns but there do seem to be redundancies for Belmont Light.

Mr. Epstein moved favorable action on Article 2 for the Annual Town Meeting. Mr. Paolillo seconded the motion and it passed 2-1 with Mr. Epstein and Mr. Paolillo voting in favor, and Mr. Dash voting against.

VI. 5:50 P.M. UPDATE ON TIME OF USE DISCUSSIONS

Mr. Spinale updated the MLB on the Time of Use (TOU) discussions with LBAC, reviewing the process and research Belmont Light has done, including consideration of Belmont Light’s six goals. He explained that there were 2 big takeaways: educate your customers and keep it simple. Belmont Light’s six goals for TOU are:

1. Align customer saving with savings for Belmont Light
2. Support strategic electrification
3. Protect Low Income customers
4. Support energy efficiency & solar
5. Ensure BL revenue sufficiency and stability
6. Provide for easy implementation

Belmont Light and its vendor, United Financial Solutions (UFS), worked with LBAC by looking at data from other municipalities to come up with the rate to be discussed tonight.

Mr. Spinale showed three scenarios that were considered, including a 9-Hour Peak Year-Round, a 6-Hour Summer Peak Only, and a 6-Hour Summer & 4-Hour Winter Peak. The team felt that the final option was a good mix of the previous two in that it captures all transmission costs and capacity costs and is a good mix to achieve the six goals.

The breakdown of the 6-Hour Summer, 4-Hour Winter Peak scenario hours:

- Winter (October-May) 4pm-8pm
- Summer (June -September) 1pm-7pm

The question remaining was whether to include or exclude weekends and holidays in the scenario. The Belmont Light team believed including the weekends and holidays is the best choice to encourage habit change in customers, but not penalize those who cannot or will not shift their usage.

Ms. Keane reviewed the details of including or excluding weekends. By including the weekends, the on-peak customer rate in the summer would be about \$0.46/kWh, while excluding the weekends, the customer rate for summer on-peak is about \$0.59/kWh. Ms. Keane said by including the weekends and holidays, the peak cost would be spread over a wider array of hours.

Mr. Spinale pointed out that Belmont Light's research had shown that an on-peak/off-peak rate ratio of about 3.0 is the right position to encourage customers to change their habits yet still be accepted by most customers. Including weekends and holidays would create a ratio of 3.44 while excluding them would create a ratio of 4.31.

Mr. Dash clarified that there would still be an opt-in pilot program.

Mr. Paolillo asked if there were higher energy savings under one of the scenarios. Ms. Keane said there was debate about the "sweet spot" of the ratio on peak prices.

Mr. Epstein asked if the customer charge had changed, and Ms. Keane said it had not. She explained that there was one option with a \$15.00 customer charge but LBAC preferred to stay at \$10.60. Mr. Paolillo said that, because the customer charge is a distribution cost, he would prefer to have more control over the transmission charges through the customer rate than the customer charge. There was some discussion about the impact of changing the customer charge.

Mr. Epstein pointed out there were no scenarios where everyone would pay the same or less. Mr. Spinale said that yes there are situations where customers would pay more, but others would pay less. He said the design of the pilot is important so they can really see how all classes of customers will be affected.

LBAC Chair Travis Franck highlighted that it is important to know that there are currently people who are paying more than they should for the power and service from Belmont Light. He said that what TOU does is charge customers the correct amount for the services they are using, so there is more equity.

Ms. Keane explained the proposed Solar Buyback rate, which would carry the same concept of the rate design over to the Buyback rate. Excess kWh would be credited at generation and transmission rates. As a result of this the rates would be:

- On Peak Winter: \$0.22199
- Off Peak Winter: \$0.06042
- On Peak Summer: \$0.37971
- Off Peak Summer: \$0.05539

Mr. Epstein asked what the average summer buyback rate would be. Ms. Keane said it was about \$0.17, but it will depend on when people are sending back electricity. There are more off-peak hours in the summer, but the on-peak aligns well with when generation is happening. Mr. Epstein said that it appeared that there would be a substantial increase above the current \$0.11 buyback price. Dave Beavers, LBAC member, advised that it is about a \$0.13/kWh for the year or about 15% increase over the current rate. But most kW buyback occurs in the off-peak which offsets the higher rates. This is a big incentive for energy storage and load-shifting in the summer. Ms. Keane advised the group that, at the system level, this buyback rate would cost Belmont Light about \$17,000.

Ms. Keane then broke down the impact of including weekends and holidays on the six TOU goals for Belmont Light. With respect to the first goal of aligning customer savings with utility savings, a 20% shift in usage under the TOU rate would result in the average customer saving about 2% on their monthly bill. All goals had been assessed under the TOU scenarios.

Mr. Paolillo said he felt this was the goal with Belmont Light being revenue neutral, but customers being able to save money. He asked if there was a timeline for implementation of the TOU program.

Mr. Spinale said Belmont Light will start public outreach with surveys, public forums, etc. and will put together a formal recommendation in the coming months on how to move forward.

VII. GM UPDATE

a) Operational Update

Mr. Spinale told the group that they had identified a good candidate for a procurement position at Belmont Light, but that two other employees had resigned that month. One was a 16-year lineman and the other was the Customer Care and ERP Manager, who had been working closely with Belmont Light's ERP vendor. Ms. Keane would step into the customer service supervisory role and Belmont Light would need to figure out how to pick up the other work. This resignation would impact the TOU rollout, delaying it to the Fall.

b) Certificate of Excellence in Reliability 2020

Mr. Osmanecic announced that Belmont Light had been awarded the Certificate of Excellence in Reliability for the year 2020 by the American Public Power Association (APPA), based on its reliability Key Performance Indicators (KPIs). This certificate was based on performance across three indices, which were as follows:

- SAIFI - average number of power outages per customer: Belmont Light customers experienced 0.55 outages compared to a nationwide average of 0.86 outages.
- CAIDI – the duration of an average power outage utility-wide: Belmont Light averaged 86.89 minutes compared to the average of 143.52 minutes nationwide
- SAIDI – the average power outage duration per customer: Belmont Light customers had power outages averaging 47.38 minutes compared to the average of 139.16 minutes.

VIII. APPROVAL OF MEETING MINUTES DATED:

a) January 28, 2021

Mr. Epstein had circulated changes just before the meeting. He was concerned that many public participants were not identified. He asked that names be inserted.

Mr. Paolillo was not on the Board for either the January 28 or March 15 meetings, so he said he would abstain from voting on the minutes.

Mr. Epstein moved to accept the minutes of the January 28, 2021 minutes subject to corrections circulated by Roy Mr. Epstein and with the understanding that as many participants as possible of the public Forum would be identified. Mr. Dash seconded the motion and it passed with a vote of 2-0, Roy Epstein aye, Adam Dash aye, with Mr. Paolillo abstaining.

b) March 15, 2021

Mr. Epstein moved to accept the minutes of March 15, 2021. Mr. Dash seconded the motion and it passed 2-0, Roy Epstein aye, Adam Dash aye, with Mr. Paolillo abstaining.

XI. 6:20 P.M. EXECUTIVE SESSION

a) To discuss strategy with respect to collective bargaining (IBEW, Local 104)

Mr. Epstein moved to enter Executive Session to discuss strategy with respect to collective bargaining (IBEW, Local 104). Mr. Dash seconded and the motion passed unanimously.

The Board adjourned in Executive Session.