

**MINUTES
Of the
LIGHT BOARD ADVISORY COMMITTEE
REMOTE MEETING
WEDNESDAY, February 3, 2021
7:30 A.M.**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: August 13, 2021
TIME: 11:12 AM

I. CALL TO ORDER

Chair Steve Klionsky called the meeting of the Light Board Advisory Committee (LBAC) to order at 7:30am.

Present were members Travis Franck, Michael Macrae, Jonathan Abe, David Beavers, Bob Forrester, and Ralph Jones.

Also present were Municipal Light Board (MLB) Liaison Adam Dash, Belmont Light General Manager Craig Spinale, Energy Resources Manager Becca Keane, and Assistant General Manager Sam Osmanecic, and Communications Coordinator Aidan Leary.

II. DISCUSSION ON SECOND GOVERNANCE PUBLIC FORUM

The Committee members discussed the second public forum on Belmont Light governance which was held on January 28. There was support from a clear majority of attendees for an elected 5-member Light Board. The group discussed the implications and their own takeaways.

III. ELECTION OF OFFICERS

Mr. Klionsky recalled the conversation from the previous meeting that he would be stepping down as Chair.

Mr. Franck nominated himself as Chair.

It was moved to elect Mr. Travis Franck as the Chair of the LBAC, and the motion was seconded and passed unanimously.

Mr. Macrae nominated himself as Vice Chair.

Mr. Macrae moved that he be elected Vice Chair of the LBAC, the motion was seconded by Mr. Jones and passed unanimously.

Mr. Franck then took the Chair for the remainder of the meeting.

IV. DISCUSSION ON TIME OF USE RATE DESIGN

Mr. Spinale provided slides with more detail from the previous meeting and reviewed the options (6-hour summer peak and 4-hour winter peak). Two questions emerged from that presentation:

- What would happen if we did not go to the \$15 fixed customer charge from the current \$10.60 charge, and
- Excluding weekends & holidays?

Mr. Spinale pointed out that if they did not exclude the weekends and holidays at the \$10.60 rate, the Summer Peak is fairly high – probably higher than intended by LBAC. At \$15.00 with excluded weekends and holidays the rate is still high. Belmont Light believes including weekends and holidays is important to have in the pilot

program. They believe a 3:1 ratio for changing people's habits is the sweet spot. The summer ratio at both fixed charged columns – *with the weekends included* – is just a bit above that goal.

Mr. Spinale said they were still working on the solar buyback rate, so it was not adjusted in this presentation.

Mr. Macrae suggested that the benefits offered to solar customers also be offered to residential behind-the-meter battery systems as a tool to make TOU attractive to customers. Mr. Spinale explained that the 4-hour and 6-hour proposal was a "win" for all groups using electric items (EVs, solar, heat pumps) without habit change. Belmont Light does have to make sure the buyback doesn't harm the Light Department. He asked if LBAC was supportive of the proposal as presented.

Mr. Macrae said that since the rates shown don't hurt the Light Department, the solar buyback and storage buyback won't either, and if that happens they should discuss it. He then asked if the numbers match up with the previous Impact Analysis they've seen. Mr. Spinale pointed out that he didn't think changing the buyback would hurt the Light Department, but he wanted UFS to confirm the data.

Mr. Franck asked if Mr. Spinale was considering batteries with behind-the-meter storage with the buyback rate. Mr. Spinale agreed that this could be a win for the customers and Belmont Light but they are still looking at it. Ms. Keane said the current tariff is not limited to just solar. It includes wind but could be updated to include batteries. She asked if everyone is comfortable moving forward with just looking at crediting the generation charge for solar buyback. There was a discussion that the buyback rate would be the retail rate minus the distribution portion.

Mr. Franck restated Mr. Macrae's question about whether or not the proposal is the same as the last meeting. Mr. Macrae isn't sure the proposal reflects the research they did on tariff designs. He said he would like to see the impact across customer classes. Mr. Keane said the data had been provided for the \$15 rate but that doing them all was a big job. She suggested doing one other but didn't believe that the results will be drastically different from the information provided last month. Mr. Macrae said he's willing to support Belmont Light in the proposal if they feel these numbers are similar enough to the previous proposal.

Mr. Franck agreed with Mr. Macrae's concern because he worries that the weekends could impact usage cases. Ms. Keane acknowledged that this was a good point and that they had not run the numbers, but they would do that.

Mr. Spinale asked if the \$0.58 and \$0.57 rate was acceptable to the committee as a starting point, even though some data is missing. He asked if they really want to dive deeper into the excluded and holiday rates. He said they can do that but there is a cost associated with having USF do that.

Mr. Forrester felt that the \$0.57/\$0.58 rate was pretty extreme. A non-EV customer won't want to participate in a program that will cost them so much more. He asked if there were any data analyses on what happens if only people who benefit opt in, and no one else does – what would happen to the Light Department? Mr. Spinale responded that they didn't have data to answer that question. He felt it could ultimately harm the Light Department, which is why a pilot is necessary, although the data they do have suggests this won't be an issue. He shares some of Mr. Forrester's concern but feels that if they're within 3% they should be okay. If the committee feels \$0.57/\$0.58 is too high for the pilot, then it doesn't make sense to try to get the outcomes. He expressed concern that customers would feel it was punitive if they didn't have equipment (EV, batteries, solar, etc.) to take advantage of the lower cost. Mr. Spinale said he does agree that they do want to incentivize customers to move in that direction. He reminded the committee that almost 50% of the rate payers are renters who do not have a lot of control over electrical improvements like solar or batteries, etc.

Mr. Spinale said that a lot of questions about the pilot still need to be answered (number of participants, duration, etc.) before a recommendation can be made to the MLB. But the Light Department believes a 6-hour peak/4-hour peak for summer/winter is the best scenario.

Mr. Klionsky asked about off-peak transmission for both winter and summer being zero. Ms. Keane explained that it's because transmission is fully on-peak consumption, so there are no transmission costs.

The Committee discussed transmission issues.

Mr. Franck felt there were some unresolved issues with the buyback, and asked Ms. Keane to re-state her question. She asked if the Committee is comfortable with the buyback being structured so they will compensate at the generation charge only (as opposed to including some distribution and/or transmission costs). Currently it is generation plus two cents. The buyback is \$0.11 which is flat across all hours. Mr. Forrester asked if the mix of energy sources change, will that affect the time of the peaks (for example because solar is abundant and cheap in the afternoon) on the supply side. Ms. Keane responded that Belmont Light diversified the portfolio to avoid this problem.

The Committee discussed several scenarios of the buyback and what the implications might be.

Mr. Franck expressed concern that the proposal includes only generation and that it should include transmission as well. Mr. Macrae agreed, and felt it was almost punitive compared to customers of other providers. Mr. Klionsky agreed. Ms. Keane pointed out that transmission only comes into play in the summer.

Mr. Spinale explained that they are just getting into the buyback with UFS right now and hopes to have more information at the next meeting. He felt they are 3-4 months out before being able to even manage these rates for the customers and is working with vendors to determine a program.

Mr. Franck asked if the Committee agreed that \$0.58 is too much. Mr. Jones feels it is too high and will encourage self-selection for the pilot. Mr. Forrester favors not changing the buyback rate, because the customers who will benefit from the TOU rate are probably the same people who would benefit from the change in the buyback.

Mr. Macrae pointed out that customers who can take advantage of the TOU rates are also probably the people who have been subsidizing everyone else (especially for distribution and transmission charges). He feels that for those who can shift things like heat-pumps to off peak it would not really be *winning*, rather that they would stop "losing" or over-paying. The Committee discussed various scenarios of who would "win" and "lose".

Mr. Spinale pointed out that the pilot is supposed to give information about what will or won't incentivize people, what rate people will tolerate, etc.

Mr. Franck asked if anyone wanted to continue to consider excluding the weekends. Mr. Macrae said that other sites do exclude weekends, so doing it might be a useful data point. Mr. Spinale is concerned that it will lose the simplicity of the program. Discussion ensued.

Mr. Spinale suggested holding a Public Forum to get input about the options.

Mr. Abe suggested that there be 2 options presented at a Public Forum. Mr. Franck supported the idea of a Public Forum. Mr. Dash supported the idea and proposed doing it jointly with the MLB. Ms. Keane suggested a survey as well so there are 2 data points. Mr. Dash favors a Forum because attendees get to see a presentation and also have their voices heard. He feels this gives people a sense that the process is fair and transparent. Mr. Leary explained that a survey could go out through their email list, plus the research firm Belmont Light uses for their biannual survey. Mr. Macrae asked to have survey results back before the Public Forum to get a broader swath of residents. Mr. Dash felt a survey would also drive people to the Public Forum. There was general agreement with this process and discussion about how to proceed.

Discussion returned to the fixed customer charge. Mr. Franck asked the Committee members whether they supported a customer charge of \$15 (from the UFS model) or the current \$10.60. Mr. Klionsky and Mr. Abe favored \$10.60. Mr. Macrae said unless the \$15 charge can create reductions in volumetric charges, he is in

support of the \$10.60 charge. Ms. Keane said that it only affects the distribution energy line. So Mr. Macrae said he supports leaving the customer charge as-is.

Mr. Spinale reviewed the recommendations to the Cost of Service study, which called for an increase in the customer charge to \$20. The \$15 figure was a middle point between the current customer charge and the recommended charge.

Mr. Beavers supported \$10.60 since it was easier for customers to understand. Mr. Franck also supported the \$10.60.

Mr. Franck asked that transmission and generation costs be added to the new buyback rate, and that Ms. Keane will be run through a model to see what the impacts are. She explained that UFS will do a small study on this.

Mr. Forrester feels weekends should be included and that the customer charge and buyback formula should not be changed.

V. PILOT DISCUSSION

Mr. Spinale updated the Committee on the voluntary payments pilot. There is not change with any dollar values of the pilot. Belmont Light has historically paid the town \$650,000 which is the plan this year. The only change will be the timing:

- \$500,000 to be paid in June for current budget year, and
- the other \$150,000 will be paid in December.

Mr. Klionsky asked if there had been any discussion of future payments. Mr. Spinale said they plan to reduce the payments for 2022 by \$300,000 and by \$200,000 the following year (assuming Belmont Light finances are able to fund these).

VI. CHENERY SOLAR PROJECT

Mr. Spinale gave LBAC an outline of the project. The vendor from the original "Belmont Goes Solar" program made a payment to the town in place of providing solar panels. The town chose a location for an installation (Chenery Middle School), and then the project went on hold. Belmont Light stepped in to complete the project. During the RFP process, it was discovered that the lower roof needed repair, and the town made the repairs. The Facilities Department has been saying the roof has been leaking, so the solar vendor is requesting an indemnification letter for leaks not related to the solar installation (even though the installation does not require drilling into the roof). Another company (Diamond Construction, who does structural assessments) will do a roof inspection and give the details confirming the roof is okay, and this will be given to the solar vendor. Belmont Light has been reaching out to Facilities to arrange this but because of personnel change, has not received any response and so has not been able to go forward on the job. Belmont Light is waiting for the School and Facilities Departments to give them the go-ahead. There is concern at the School Department that the roof is too low which would allow vandalism or damage from the ground. He feels the schools would like it done on the upper roof but that has its own problems which will delay the project for about 2 years.

Mr. Dash explained that the outcome of the override will determine what direction the Facilities Department will go, so the solar project can't be decided until after the election in May.

Mr. Franck mentioned that the location choice was approved by the School Committee and questioned why they're now delaying.

Committee members asked several questions for clarification, which Mr. Spinale and Mr. Osmanovic answered. Mr. Osmanovic explained that when he took over management of the project, he was told that the only reason that Belmont Light was involved was because Superintendent Phelan & the Facilities Department had concerns about the time commitment to manage it, even though they were fully on board. He was told this

was the only issue. Mr. Osmanovic then started working with Facilities on the project. He heard that there were concerns right from the start about protecting the panels from vandalism. He added that about \$29,000 of earmarked funds (more than 1/3 of the total project cost) have been spent on the project, so making changes might be difficult because of these already spent earmarked funds. He said if they do not continue under the current RFP it will probably end up being a completely different project, or not happen at all. Mr. Franck asked for information on how those monies were spent and Mr. Osmanovic explained that about \$8,000 was for a deposit to the vendor, \$5,000 for engineering, and \$16,000 for the panels themselves, not counting everyone's time working on the project.

Mr. Dash said he thought the School Department is in favor of the project but are just concerned about the chosen roof. He asked Mr. Spinale to put it on the MLB agenda for the next meeting.

There was a discussion about the roof selection, condition, and related issues.

It was agreed to try to bring this issue to the MLB the following Monday, but Mr. Franck suggested that discussion not include talking about whether it should go on the upper roof or the lower roof, just focus on if the School Department will allow it on the lower roof.

VII. FUTURE MEETINGS

March 10, 2021

April 7, 2021

May 12, 2021

June 16, 2021

VIII. ADJOURNMENT

Mr. Klionsky moved to adjourn, which was seconded and approved unanimously. The meeting was adjourned at 8:51am.

Respectfully submitted by,

Susan Peghiny