

**Minutes of the
Town of Belmont
Belmont Municipal Light Board
Remote Meeting
Monday, August 16, 2021
6:00pm**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: October 26, 2021
TIME: 2:25 PM

I. CALL TO ORDER.

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

Present at the start of the meeting were:

MLB: Chair Dash and Member Roy Epstein. Vice Chair Mark Paolillo joined the meeting at a later point.

Belmont Light: General Manager Craig Spinale, Energy Resources Manager Becca Keane, and Communications Coordinator Aidan Leary

II. APPROVAL OF MINUTES DATED JULY 19, 2021

Mr. Epstein moved to accept the minutes of July 19, 2021. Mr. Dash seconded and the motion passed unanimously (2-0).

III. DISCUSSION ON TIME OF USE

A. Recap of Public Forum #1

Mr. Dash felt the forum went well and the attendance was good. Mr. Spinale agreed and felt the goal of introducing the public to Time of Use (TOU) Rates was met.

B. Planning for Public Forum #2

Mr. Spinale said Belmont Light's enterprise resource vendor, NISC, is on course to start working with Belmont Light's system in September. Thursday, September 23, 2021, at 7:00pm was discussed as a potential date for the second TOU public forum. This forum would focus on the impact on specific types of customers (those with EV's, without any special equipment, heat pump, etc.). He described the calculator that was available on Belmont Light's website for customers to look deeply at the impacts of TOU on their specific usage. Other variables will be added to the calculators (percentage based, equipment change, etc.).

Mr. Paolillo joined the meeting at this point.

Mr. Epstein asked if solar customers are included in the calculator. Ms. Keane pointed out that this version of the calculator only includes consumption but a calculator with solar buyback would be available before the next forum.

Mr. Leary walked the Board through a demonstration of the calculator (that is currently available on the Belmont Light website).

Mr. Paolillo asked if he could use this to monitor his usage as time passes. Mr. Leary said the current version does not do this, but that functionality is being looked at.

IV. 2nd QUARTER FINANCIAL REVIEW

Mr. Spinale reviewed the Executive Summary of the 2nd Quarter Financial Memo for the group. Belmont Light was about \$400,000 over budget for revenue because of a cold February and hot June. Other operating revenues were up slightly mainly due to reinstating certain fees and also due to scrap metal revenue.

Non-operating revenue was up about \$250,000, mostly from the School Street project.

Mr. Dash asked about the street light variance. Mr. Spinale said that was caused by an increase in LED street lighting. Mr. Dash also asked about Municipal Revenue. Mr. Spinale said that Belmont Light was unsure whether schools would be in person. They had assumed school would be delayed, but that did not happen.

Expenses for first 6 months were just under \$11.5 million, about \$326,000 higher than budget because of higher power costs in February and June. Hedged Power support was slightly lower than the previous year, so Belmont Light purchased more power on the open market.

Mr. Dash asked about the increase in labor costs vs budget. Mr. Spinale said part of that is pandemic influence. Much labor during that time was charged to the General/Admin side. Now, everyone is back to the Expense Budget.

Distribution expenses were up about \$140,000. Customer account expenses went down about \$75,000, and General/Admin went down about \$50,000.

The Power Cost Adjustment (PCA) was at \$0.1106/kWh. If the budget was maintained, Belmont Light would over-collect by about \$128,000 but Mr. Spinale felt it was too soon to make decisions about cutting or increasing the rate. Belmont Light would watch this through the 3rd quarter and decide how to proceed.

Mr. Epstein asked for the reason for the over-collections. Mr. Spinale said it was because of that cold February and hot June – more power was sold during those times. Mr. Epstein said that since this was weather-based, it made a good case to put the over-collection into Rate Stabilization Fund. Mr. Spinale agreed.

Mr. Spinale felt Belmont Light was on target to fall within \$2-3 million range for operating income. At the end of June, Belmont Light transferred a \$500,000 PILOT to the Town and expect to transfer the remaining \$150,000 in December.

V. POWER SUPPLY DISCUSSION

A. Hedged Power Update

Mr. Spinale reviewed the hedging position of Belmont Light. According to the Power Supply Policy, Belmont Light was to hedge at 80%. The current hedge was at about 75%. This affected costs because energy must be purchased on the open market if not already settled. Belmont Light would find opportunities to get up to the 80% mark.

Mr. Dash asked about the Spot Market Power variance in the Financial Report. Ms. Keane said it was the impact of February and June, which caused them to buy more from the open market. Belmont Light wanted to increase the hedge because the spot market price is up.

Mr. Spinale asked if Energy New England (ENE) can get Belmont Light an opportunity, could Belmont Light bump the Hedge up to 80%. Mr. Dash said that was consistent with the Power Supply Policy.

B. Renewable Energy Credits (RECs)

Ms. Keane said Belmont Light exceeded the 66% renewable goal for its 2020 energy portfolio and showed a slide demonstrating where the renewable energy credits (RECs) came from.

Ms. Keane presented the cost of the RECs, as well as pricing over time. Although the Class I expense is large, Belmont Light had budgeted for this. Ms. Keane said she was surprised at the price increase of Class II, so she would keep their eye on that.

Mr. Epstein asked for a breakdown of costs for Class I and Class II RECs. Ms. Keane said \$570,000 was Class I, and the rest was Class II.

Mr. Epstein asked how Class I versus Class II compare in terms of quality. Ms. Keane responded that Class I comes from energy generation in Massachusetts. Class II are from generation in Maine and can only be claimed as RECs if they come with a PPA. This issue – supporting existing renewables versus supporting new projects - is being debated at LBAC. The group briefly discussed the issue.

Mr. Epstein asked if Belmont Light had become involved in a wind project in Maine. Ms. Keane confirmed this and said Class I RECs came with the contract because of when it was built. Mr. Dash explained that the State is trying to encourage investment in new renewable projects. There was a discussion of the Class I/Class II issue.

Ms. Keane said Belmont Light's Class I target does match the State Renewable Portfolio Standard (RPS) Class I target. She explained that prices were going up because so many companies were looking to buy RECs. Mr. Spinale said Belmont Light was on target for the 83% goal for tht year.

VI. LBAC LIAISON REPORT

Mr. Dash said he was not at the latest LBAC meeting, but he learned that much of it was on the Class I/Class II RECs issue. Mr. Spinale said they had also talked about TOU.

VII. PUBLIC COMMENT

There was no public comment.

VIII. FUTURE MEETINGS

- A. September 20, 2021
- B. September 23, 2021 - second TOU Forum.
- C. October 18, 2021
- D. November 15, 2021
- E. December 20, 2021

IX. ADJOURNMENT

Mr. Paolillo moved the adjourn the meeting of the Municipal Light Board. Mr. Epstein seconded, and the motion passed unanimously. The meeting was adjourned at 6:50pm.

Respectfully submitted by,

Susan Peghiny
Recording Secretary