

**Minutes of the
Town of Belmont
Belmont Municipal Light Board
Meeting
Monday, October 25, 2021
5:30pm**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: November 18, 2021
TIME: 9:53 AM

I. CALL TO ORDER.

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

Present for the MLB were Chair Paolillo, Vice Chair Roy Epstein, and Member Adam Dash.

Present for the Light Board Advisory Committee (LBAC) were Chair Travis Franck and Members David Beavers, Robert Forrester, and Steve Klionsky.

Present for Belmont Light were General Manager Craig Spinale, Finance & Procurement Manager Maria Makar-Limanov, Energy Resources Manager Becca Keane, and Communications Coordinator Aidan Leary.

II. APPROVAL OF MINUTES

September 20, 2021

Motion: *Mr. Epstein moved to approve the minutes of the September 20, 2021 Municipal Light Board meeting. Mr. Dash seconded and the motion passed with Mr. Paolillo abstaining.*

September 23, 2021 Time of Use Public Forum #2

Motion: *Mr. Dash moved to approve the minutes of the September 23, 2021 Time of Use Public Forum #2. Mr. Epstein seconded, and the motion passed unanimously.*

III. DISCUSSION AND POTENTIAL VOTE ON TIME OF USE (TOU) PILOT PROGRAM

Mr. Spinale presented the Time of Use (TOU) recommendation from Belmont Light and LBAC. Summer peak will be 1:00-7:00 pm from June through September, and 4:00-8:00 pm from October through May. The rate includes weekends and holidays. He outlined the various charges that make up the rates (transmission costs, distribution, etc.).

The goal was to find the rate's "sweet spot" that would encourage customers to shift their usage to off-peak hours without raising the cost too much for those who cannot shift.

Mr. Spinale explained that the avoided costs that they buy power at should be the same amount that they buy from solar customers. This will vary based on the season and off- and on-peak.

Mr. Paolillo asked about the rationale for the 3:1 ratio between on-peak rates and off-peak rates. Mr. Spinale said their research showed that going higher than a factor of three makes it a deterrent to those who cannot shift their loads. Less than a factor of three is not a strong enough price point to encourage customers to change their habits.

Mr. Spinale outlined the timeline of the effort to reach this point, as well as the upcoming schedule. He also outlined the six goals they used to determine a TOU rate. He outlined some of the potential savings of various customer types (solar, EV, regular, etc.), and explained that TOU is designed to be revenue neutral for Belmont Light.

Mr. Spinale discussed the customers participating in the pilot, and said that there may be a small loss to Belmont Light from the pilot.

Some of the other rates that had been explored were outlined, and Mr. Spinale explained why they were not used as well as some of the issues that impacted the rate that was selected.

Mr. Spinale detailed the pilot program and explained that applications are still being accepted. Belmont Light expected to reach their goal of 150 participants, but even with the customers they had currently, the pilot should be successful and give the information they need. He pointed out how many participants have no special distributed energy resource (DER) devices, which Belmont Light was very happy to see.

Mr. Paolillo asked what kind of data points Belmont Light is hoping to gather from the pilot. Mr. Spinale said they want to see if use shifting happens and if costs are lowered. They also want to look at the seasonality of the rates and who benefits or is hurt for each season. Belmont Light plans to be in close contact with the participants during the pilot.

Mr. Epstein asked that there be due diligence to ensure that the rates are revenue neutral, and that the solar power is behaving as expected so the rate could be revised if necessary.

Mr. Dash asked that the Municipal Light Board be updated on the status throughout the pilot.

Mr. Franck asked about possible conflicts of interest for LBAC and MLB members participating in the pilot. Mr. Spinale said the State Ethics Office hadn't been willing to speak in generalities regarding all MLB or LBAC members, but the yearly ethics training happens to have an example that is close to this question (i.e., a change of water rates that benefits the entire town is not a conflict). There was a discussion of this issue, with Mr. Spinale recommending that anyone who is unsure of their situation should reach out to the State Ethics group. Mr. Paolillo suggested that Town Counsel be consulted, especially for the Light Board.

Mr. Epstein asked how Belmont Light would handle having too many customers from any one customer group. Mr. Spinale said they chose the targets based on how many of each customer type there were in town, so they tried to determine what would be a good representation of each group in the pilot. They would be working to bring in more participants that will help reach the target for each group.

Mr. Paolillo thanked the Belmont Light staff and LBAC for their work on this process.

***Motion:** Mr. Dash moved to implement the Time of Use one year pilot program as outlined in the October 20, 2021 memo from Belmont Light to the Belmont Municipal Light Board. Mr. Paolillo seconded the motion, and the motion passed unanimously (3-0).*

IV. Q3 2021 FINANCIALS REVIEW

Ms. Makar-Limanov reviewed the Q3 financials, explaining that there were no surprises. Revenues were slightly higher than budgeted. Sales of electricity were higher by about 1%. Other operating revenues were 82% higher than budget, which was mostly because of increased collection activities. Expenses were a little higher in purchase power costs (about 3%), which is related to the electricity sales revenues. All other costs are in line with the budget.

The true-up of the power cost adjustment (PCA) shows that Belmont Light is currently over collecting by about \$100,000. They are working to determine what the final number will be so they can plan to reserve it for the Rate Stabilization Fund.

Overall, Belmont Light should be within the targeted ratios, and all other parameters are within targeted numbers. Ms. Makar-Limanov went into some details of the report for the Board and there were discussions of several issues.

Ms. Makar-Limanov explained that the number of accounts in arrears had gone down, and they were using different procedures to help with this issue.

Mr. Paolillo asked that the documents Ms. Makar-Limanov provided be posted on the Belmont Light website. Mr. Epstein expressed concern that these are unaudited. Mr. Dash said he believes the quarterly financials should be posted and could be marked as unaudited. After a discussion it was eventually decided to post the documents.

V. POWER SUPPLY DISCUSSION

- a) Hedge Discussion: Mr. Spinale outlined the current hedge position of 80% for 2022, 67% for 2023, and 55% for 2024 and explained the hedge strategy.
- b) General Discussion: Mr. Spinale outlined the Commonwealth Wind opportunity that would benefit municipal light plants from offshore wind (through ENE) if it is adopted.

VI. LBAC LIAISON REPORT

Mr. Franck explained that most of their discussions have been around TOU, and they support the proposal. He said the Chenery Solar project is making progress, and the project should start in mid-November. He added that LBAC is looking forward to considering other issues such as storage.

Mr. Epstein asked for an update on the EV charging fee. Mr. Spinale said they are in the process of developing other charging locations, and he will reach out to the Parking Committee to implement the charging fee.

VII. PUBLIC COMMENT

Phil Thayer asked if there is a category in TOU for storage, and how those customers will be handled. Mr. Spinale said those customers are currently in the general mix. Ms. Keane said there are only 5 existing battery customers, and they are hoping to include all of them but a specific target for their participation number wasn't established because the group is so small.

VIII. SCHEDULED MEETINGS

- November 15, 2021
- December 20, 2021
- January 24, 2022
- February 28, 2022
- March 28, 2022

IX. ADJOURNMENT

Motion: *Mr. Dash moved the adjourn the meeting of the Municipal Light Board. Mr. Epstein seconded, and the motion passed unanimously. The meeting was adjourned at 6:51pm.*

Respectfully submitted by,

Susan Peghiny
Recording Secretary