

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
Public Forum – Electricity Rate Design
Remote Meeting
October 26, 2022
7:00 P.M.**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: January 12, 2023
TIME: 2:46 PM

CALL TO ORDER. Chair Klionsky called a meeting of the Municipal Light Board to order at 7:00pm.

Present for MLB was Chair Steven Klionsky, Vice-Chair David Beavers, and Members Travis Franck, Andrew Machado, and Michael Macrae.

Present for Belmont Light was General Manager Craig Spinale, Assistant General Manager Sam Osmanovic, Energy Specialist Ben Thivierge, Energy Resources Manager Becca Keane, Finance & Procurement Manager Maria Makar-Limanov, and Communications Coordinator Aidan Leary.

Others Present: Roy Epstein, Select Board Liaison; Mayhew Seavey, Principal Engineer, PLM Inc.

PUBLIC FORUM ON THE RATE DESIGN PROPOSAL

Mr. Klionsky welcomed participants to the forum.

Mr. Spinale introduced the forum and explained how Belmont Light has been impacted by rising energy prices, especially natural gas. He presented the Projected Cash Reserves without changes in the rates, the Net Cash After Payment Obligations, and Energy Costs by Year. He then reviewed what actions have already been taken to address the shortcomings, explaining that there is still a need to adjust rates.

Mr. Spinale explained the different pieces that make up the overall cost of electricity for an average residential customer in Belmont as well as the current costs of the components and the proposed costs.

Mr. Spinale said that under the proposed rates, the average Belmont Light customer would see a 13.2% increase (just under \$15/month) starting January 1, 2023.

Mr. Spinale then presented the Projected Cash Reserves and Net Cash after Payment Obligations with the proposed changes and explained that they will revisit the rates in late 2024 to address the negative Net Cash projection in that year.

Mr. Spinale then outlined the adjustments to other customer rates.

{Mr. Spinale demonstrated the effects on the average customer with the proposed Residential Rate increases for Belmont Light versus announced residential rate increases from the Investor-Owned Utilities (IOUs) Eversource, National Grid, and Unitil. Belmont Light at 13.2%, Eversource at 34% in New Hampshire, National Grid at 64%, and Unitil at 75%}. He also outlined the changes that are happening to other Public Power systems with increases from 15-28% to show that these increases are happening across the industry. He explained how the Belmont Light Power Supply Policy and hedging strategy has helped keep increases down.

Mr. Spinale explained that the next steps are that the MLB will meet on November 15, 2022 to discuss the final proposal, and if the proposal is approved at that meeting the new tariffs will be filed with the DPU by December 1, 2022 with the new rates going to effect on January 1, 2023.

QUESTIONS/PUBLIC COMMENT

Jeanne Mooney asked for more information on how cash reserves are maintained, i.e. if something other than increased rates is used and also how does inflation impact the cash reserves. Mr. Spinale said the reserves are made up of components including the Depreciation Fund, Rate Stabilization Fund, and Operating/Free Cash and explained the purpose of each.

Ilya Yunus said he cannot see how the changes will affect him. He said the Customer Charge and the rate increase seems to benefit large usage customers, rather than small usage customers. He also asked about

removing the Inclining Block Rate and the changes to Solar Credits. Mr. Seavey explained that the exhibit Mr. Yunus referenced from a previous presentation is not relevant and explained why. There was a discussion of this issue and what the various charges mean to different level of users, particularly the Customer Charge and the Inclining Block Rate. Mr. Klionsky explained that the Solar Buyback will go up because of Transmission & Generation increases. This was also discussed, and Mr. Franck said there had been discussion of changing the Solar Tariff, but the current proposal is not addressing this issue. Mr. Klionsky said the Municipal Light Board will be looking at this in the future.

Paul Griffith asked several questions about the Time of Use pilot. Mr. Spinale explained that energy savings for the summer months has not been completely received, but Belmont Light believes it has been successful. A full picture for the year will probably not be known until early 2023 although this topic will be on upcoming Municipal Light Board agendas. Mr. Griffith asked if the TOU rate could be introduced during the two year period that the proposed rate structure would be in effect. Mr. Franck said yes that they hope to do that.

Allison Lenk asked if there is any way to delay the increase until after the November election and Town Meeting because of potential Debt Exclusions on the ballot as well as regular tax increases. Mr. Klionsky explained the Rate Study proposed either the current proposal which is expected to cover costs for the next two years or an almost double increase that might cover costs for a longer period of time. He said the Municipal Light Board decided it was more prudent to go with the lower increase and see what happens in the next two years. Mr. Franck explained that the Town budget and Belmont Light's budget are separate although they both impact household finances but there does not seem to be a way to delay the increase and still ensure Belmont Light's financial health. Mr. Spinale explained that the rate increase has been delayed as long as they could and pointed out that 9.8% of the increase is due to the cost of energy which is just passed through, not Belmont Light costs. He said Belmont Light's increase is 3.4% and explained how they try to control costs.

Jeanne Mooney asked what potential sources of energy might be available to better regulate/mitigate future rates. Mr. Spinale said they continuously look at Direct Contracts for renewables and discussed wind opportunities plus the impact on costs due to the conflict in Ukraine.

Mr. Macrae explained Belmont Light's hedge activities and how they help to manage future prices and increase price stability.

Mr. Yunus asked if there was any thought about how to lower the costs independent of the amount of energy a customer uses and provided some examples. Mr. Spinale said the current and past Rate Studies showed that the Belmont Light fixed costs is in the \$20/customer range, yet the proposal is to increase the Customer Charge from \$10.60 to only \$12.60. He added that they continually look at ways to lower these fixed costs. Ms. Keane pointed out that the Customer Cost of \$10.60 has been in place for about 10 years.

Mr. Beavers outlined some of the policies that the Municipal Light Board will be looking at in the near future.

FUTURE MEETINGS

- November 15, 2022 at 7:30am.

ADJOURNMENT

Mr. Beavers moved to adjourn the meeting of the Municipal Light Board. Mr. Macrae seconded and the motion passed unanimously by rollcall vote. The meeting was adjourned at 8:15pm.

Respectfully submitted by,

Susan Peghiny
Recording Secretary