

**MINUTES  
TOWN OF BELMONT  
MUNICIPAL LIGHT BOARD  
Remote Meeting via Zoom  
January 17, 2023**

**RECEIVED  
TOWN CLERK  
BELMONT, MA**

DATE: February 15, 2023  
TIME: 2:35 PM

**CALL TO ORDER.** Chair Stephen Klionsky called a meeting of the Municipal Light Board to order at 7:31am.

Present for MLB was Chair 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 Osmancevic, Energy Specialist Ben Thivierge, Finance Manager Maria Makar-Limanov, and Communications Coordinator Aidan Leary.

### **APPROVAL OF MINUTES**

December 14, 2022 Regular Session modifications: Mr. Machado noted that the date is incorrect, showing 1022 instead of 2022. Mr. Klionsky said that he sent an email, not a letter, to the Town Administrator regarding the right of way issue with the Concord Ave Substation.

***Motion:** Mr. Machado moved to approve the minutes of the **December 14, 2022 Regular Session** Municipal Light Board meeting as amended. Mr. Klionsky seconded, and the motion passed unanimously by rollcall vote.*

December 14, 2022 Executive Session modifications: Mr. Klionsky said he has a question so these can not be discussed or voted on during Regular session.

**PUBLIC COMMENT** – there was no public comment.

### **GENERAL MANAGER'S REPORT**

Switchover to New Rates: Mr. Spinale said the new rates went into effect January 1, 2023. He said there was one hiccup with the PCA charge so bills were slightly higher than they should have been, but that this was corrected for subsequent bills.

Mr. Beavers asked why some customers have already been charged the new rate even though the new rate started January 1 and bills wouldn't normally go out until around February 7. Mr. Spinale explained that their system uses a cycle, not a specific date.

### **DISCUSSION ON GENERAL MANAGER'S CONTRACT**

Mr. Klionsky explained that the General Manager's Contract provides that the General Manager will inform the Light Board if he wishes to continue in the role beyond the contract's expiration. He said Mr. Spinale has done so, and now the Light Board must decide whether to enter into contract negotiations with Mr. Spinale on a new contract. There was general agreement from all Board members to seek a new contract, which Mr. Klionsky confirmed would be for three years. Mr. Klionsky said he would work with Mr. Spinale on the new contract. Mr. Machado offered to help this process. There was discussion on human resources guidance and other resources available.

### **FINANCIALS**

2023 Budget Review: Ms. Makar-Limanov explained the process used to create the budget.

Ms. Makar-Limanov explained that the Income & Expenses Statement align with the quarterly financial reports and reviewed the changes from previous statements.

Mr. Machado asked where the 1.28% increase came from in regard to system-wide load projections. Ms. Makar-Limanov explained that it's a combination of projections and projected solar credits.

Mr. Spinale explained their work with ENE regarding load projections, which Ms. Makar-Limanov expanded on as related to the projections. There were some questions and discussion of this.

Mr. Spinale explained that there were about 100 customers who had incorrectly been on the Low Income Rate and have been moved to Rate A. There was a discussion of Low-Income customers.

Ms. Makar-Limanov said Financial Ratios and KPIs are also part of the Income Statement which are part of the Strategic Plan.

Mr. Franck said he believes that the 2.55% DPU Rate of Return seems low given the recent rate increase and thought it should be closer to 4%. Ms. Makar-Limanov said that was what was in the model and explained why there was a difference.

There was a discussion of KPIs. Ms. Makar-Limanov said the Rate Stabilization Fund is almost at 3 months of power supply costs, which is still below the target. Mr. Klionsky pointed out that the Depreciation Fund isn't quite at its target of 15%. Ms. Makar-Limanov discussed the options.

Ms. Makar-Limanov also presented and explained the Income & Expense Statement.

Revenue Statement: Ms. Makar-Limanov then presented and reviewed the Revenue Statement and background data. She explained the model she uses for calculating expected revenues. She added that she also looks at non-operating revenues.

Mr. Beavers asked if the PCA overcollection means that some of the projections were too high when the rates were set. Ms. Makar-Limanov explained how this occurred and added that this overcollection would be added to the Rate Stabilization Fund. There was a discussion of this overcollection and its impact on the rate of return. Mr. Macrae suggested this overcollection be reviewed regularly. Ms. Makar-Limanov explained that she typically does a true-up in April or May to review this. There was a discussion of the handling of over and under collections.

Mr. Macrae pointed to the line item for demand response credit, saying it was a small amount. He said he had been on a Massachusetts Municipal Wholesale Electric Company (MMWEC) webinar where they described how the Demand Response Credit program is administered, which surprised him. He would like this to be discussed at a later date and have someone from MMWEC attend to be part of this discussion.

Purchase Power Expenses: Ms. Makar-Limanov reviewed the Purchase Power Expenses and background data and explained the projections and comparisons.

Operating & Maintenance Expenses: Ms. Makar-Limanov reviewed the Operating & Maintenance Expenses and pointed out that there is a difference between the 2022 and 2023 budget employee headcount. Mr. Spinale explained the personnel situation.

Mr. Machado commented on the difference between the Hedged and Unhedged Costs, which he believes speaks to the procurement policy, which he thinks should be revisited to improve it.

DSM Related Expenses: Ms. Makar-Limanov provided information on DSM Related Expenses.

Historical Plant: Ms. Makar-Limanov said they are looking into expected capital projects for the year, which is how she builds the projections for this area. She reviewed the schedules related to this topic.

Cash & Reserves: Ms. Makar-Limanov discussed how this impacts the Rate Stabilization Fund.

Mr. Spinale said this is probably the first time Belmont Light has provided details on the effort to project the budget, and asked the Board to send suggestions about what they would or would not like to see to him. There were some requests made in response to this suggestion.

## **POWER SUPPLY DISCUSSION**

Power Supply Policy: Mr. Klionsky reviewed the history of Belmont Light's Power Supply Policy.

Mr. Spinale suggested that Mr. Beavers and Mr. Macrae lead the Board's conversation through the Strawman proposal that Mr. Beavers had put together and Mr. Macrae had commented on. He added that there were other legal obligations, such as the Greenhouse Gas Emissions Standard (GGES) to review.

Mr. Beavers reviewed the process and said there are no current proposals for policy changes. Rather they would like to create a simple process to ensure that everything is addressed and there are not duplications. He outlined the proposed process.

Mr. Beavers reviewed the current Power Supply Policy and shared some suggested topics and questions to address including Goals and Portfolio Supply. There was a discussion of the suggested process, the policy in general, and what issues should be questioned and addressed.

Mr. Spinale shared his thoughts about the Clean Energy Standard and hedging and how they impact Belmont Light. There was a discussion of these issues and questions.

Mr. Beavers suggested that Board members send comments about the policy to Belmont Light staff, who would compile them and share with the Board at the next meeting.

Mr. Beavers asked where the 80% hedge number came from. Mr. Spinale said he doesn't know for sure where the number came from, but Belmont Light's Power Supply policy says no one contract should be more than 20% of their hedge. Having multiple contracts involved (with a minimum of 5) probably determines 80% which also leaves space for another contract. Mr. Klionsky said he thought it was an ENE recommendation.

Mr. Beavers asked if it would be helpful to model above 80%, although this might create too much power that would need to be sold back to the market. Mr. Spinale said there was nothing sold back with the current setup.

There was a discussion of what would happen with different hedging approaches and how it would impact the Power Supply Policy.

Belmont Light will markup the existing policy with suggestions and distribute it to the Board for further discussion. There was a discussion of how to proceed.

Mr. Klionsky asked if portfolio supply hedging of capacity should be included. Mr. Spinale said he wonders the same thing, and explained that it hasn't made sense in the past. There was a discussion about hedging capacity.

Mr. Franck said the policy does not refer to the Town's Climate Action Roadmap, and suggested it be inserted in the Goals section.

Mr. Macrae suggested adding information about the grid situation in which Belmont is located so Market Based Emission Rate and Location Base Profile reports reflect the reality of Belmont Light's portfolio in regard to New England's carbon intensity. He said this would be more accurate reporting. There was a discussion of this recommendation.

Under Portfolio Supply, Mr. Spinale asked if the 20% target maximum for any one contract is acceptable to the Board. There was a discussion of this target.

Mr. Macrae asked if ENE could expand the paragraph about the GGES requirements so this document would spell out everything that Belmont Light is bound by. Mr. Spinale suggested adding a new column to the table but pointed out that there are only 3 targets to meet under the GGES. He discussed his concerns about doing this and suggested they decide what's best for Belmont and use that wording. There was a discussion of including GGES in the document.

Mr. Klionsky asked what the Class I renewable energy certificate (RECs) coverage is now. Mr. Beavers said it's 26%. There was a discussion of the approach for RECs.

Mr. Macrae reiterated that there needs to be nuance to how Belmont Light reports on its power supply, with transparency into what goes into the claim of 100% non-emitting power. Mr. Franck said he believes there is general agreement amongst the Board on that point.

Mr. Spinale asked that any markups or comments Board members would like to include be sent to Belmont Light staff and outlined a possible plan of action.

December 24 Capacity Deficiency Event: Not taken up.

## **FUTURE MEETINGS**

February 15, 2023:  
March 15, 2023

## ADJOURNMENT

*Mr. Machado moved to adjourn the meeting of the Municipal Light Board. Mr. Beavers seconded, and the motion passed unanimously by rollcall vote. The meeting was adjourned at 9:39am.*

Respectfully submitted by,

Susan Peghiny  
Recording Secretary