

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
OPEN MEETING**

**Hybrid Meeting via Zoom & BMLD Conference Room
July 17, 2024**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: August 21, 2024
TIME: 11:33 AM

CALL TO ORDER. Chair Michael Macrae called the Municipal Light Board meeting to order at 7:30am.

- **Present for the Municipal Light Board (MLB, Board)** were Chair Macrae, Vice Chair Andrew Machado, and Members David Beavers, Travis Franck, and Steve Klionsky. No member was absent.
- **Present for Belmont Municipal Light Department (BMLD)** were General Manager Craig Spinale, Assistant General Manager Sam Osmanecic, Finance Manager Maria Makar-Limanov, Energy Specialist Kevin Bleau, and Executive Assistant Erin Lenzing.
- **Other Town Staff or Officials present:** Patrice Garvin, Town Administrator
- **Documents/exhibits used:** Past minutes as outlined below, NEPOOL Memo on GIS Hourly Certificates Rule Changes, draft Power Supply Policy dated 1/30/23, hedging presentation slides, voltage conversion map, and voltage conversion update.

APPROVAL OF MINUTES

- Regular and Executive Sessions for June 17, 2024

Mr. Macrae moved to approve the minutes from the June 17th 2024 Municipal Light Board meeting, Regular and Executive Sessions. Mr. Beavers seconded, and the motion passed 5-0 by roll call vote. Mr. Franck, Mr. Machado, Mr. Beavers, Mr. Klionsky, and Mr. Macrae all voted aye.

PUBLIC COMMENT - There was no public comment.

NEPOOL'S VOTE ON CHANGES TO THEIR GENERATION INFORMATION SYSTEM (GIS)

Mr. Spinale outlined a recent vote at New England Power Pool (NEPOOL) to modify their GIS to allow for tracking certificates on an hourly basis. He focused on how the vote came about and why BMLD's representative at NEPOOL, Dave Cavanaugh of Energy New England (ENE), had abstained. He also reviewed the steps he had taken to get more notice from ENE on such matters in the future. Mr. Macrae expressed some irritation that the Board was not made aware of the vote earlier and outlined his reasons why he was strongly in favor of the proposed GIS change. After some discussion by the Board, the consensus was they were in favor of the proposal and that Mr. Spinale could inform ENE accordingly for future NEPOOL votes.

POWER SUPPLY DISCUSSION (RECS & HEDGE)

Mr. Spinale explained that the Power Supply Policy the Board had previously reviewed still had two pieces that needed to be decided on: Renewable Energy Certificates (RECs) and hedging. As RECs were discussed at the Board meeting in May, the focus was now on hedging, meaning what percent of the power supply should be purchased in advance (vs on the open or day-ahead market). Current policy states that the target is 80%. Mr. Bleau then presented three slides on the topic. Items covered were:

- **Why BMLD hedges:** He explained that hedging mitigates risk of spiking energy costs, allows for long-term planning, keeps prices stable for residents, and avoids the need for a large emergency fund. However, it is more expensive in the long run.
- **Hedging targets:** Mr. Bleau compared BMLD's 80% hedging target to those of other municipal light departments in the area. The lowest hedging target was 70% (Hudson Light & Power, but only in certain months). The highest was 95% (Reading, in response to the war in Ukraine). Many have seasonal targets—a higher percentage in winter and lower in other seasons.

- **Analysis of past years:** The last slide was a graph of what would have happened to power costs from 2016-2024 if BMLD had hedged at different percentages. The difference between being 90% hedged and 0% was about \$2.7M (total for all years) while the same difference between 90% and 75% was \$460K. Mr. Bleau stated that looking at the blocks of grid power, the average cost over the last 8 years was about \$50 per megawatt (MW) for hedged power vs just over \$43 per MW on the day-ahead market.

There was a discussion about taking a seasonal approach to hedging percentages due to higher costs in winter. Mr. Bleau confirmed that BMLD already does this to an extent but aims for an average of 80%. Mr. Spinale spoke about how having a target with some flexibility had been useful in the past. He therefore advocated for 80%, if not a little higher. Mr. Klionsky and Mr. Franck also spoke in favor of leaving it at 80%. There was also a brief discussion about why hedging at or above 100% was not recommended.

There was a conversation about the possibility of having hedging targets for peak/off-peak hours in addition to by season, but the general feeling was that would require more analysis. Therefore, the consensus was to leave the hedging target as is for now. Mr. Spinale stated he would update the policy document accordingly and then would bring forward the RECs piece at a future meeting.

STATION ONE STATUS REPORT

Mr. Osmancevic reported on the building on Concord Ave known as Station One. The site still houses BMLD substation equipment but is otherwise unoccupied. An architect, historical building expert, and local developer had reviewed the building to see if there was an opportunity to use it for another purpose, but due to the presence of asbestos, lead paint, and mildew damage, it would be extremely expensive to repurpose. BMLD therefore proposes doing cosmetic work to the front (painting, updating the fence, landscaping, etc.) as a short-term measure while working to decommission the substation.

In response to a question from Mr. Macrae about roles and costs, Ms. Garvin stated that her understanding from Town Counsel was that the care, custody, and control of the building falls to the Light Board. She shared that her office has received complaints about the building's appearance and that she would support any measures to make it look better. There was a short conversation about other possible options, the roles of BMLD and the Town, the estimated costs for cosmetic work (roughly \$30-\$40K), and the estimated timeline for BMLD to be out of the substation. The Board agreed that keeping the envelope safe and the appearance maintained is a reasonable action for BMLD to take.

Ms. Garvin left the meeting at 9:00am.

CONVERSION WORK UPDATE

Mr. Spinale gave an update on the ongoing project to convert the town's grid to a higher-voltage system. He explained that BMLD was focusing on main line work in 2024, upgrading the overhead lines and doing conversion work in key areas that feed into smaller streets.

Areas that had already been worked on were the Hill Estates, Country Club Lane and adjacent area, and some of Sommerset Street. The next focus would be to complete work in the Sommerset area and then work on Marsh, Baker, Thomas, and Waverley streets. Year to date, just under 1MW of load had been converted, for a cost of about \$1.5M—both figures are in line with the previous year. He expected these figures to double by the end of the year. Since the project's start about 25% of the system has been converted.

There was some discussion about the approach of doing main line work first vs less complex work and prioritizing getting out of Station One. Mr. Osmancevic pointed out that because of inflation there could be a financial benefit to doing the more challenging, more expensive work upfront. In response to a question from Mr. Franck, Mr. Spinale confirmed that doing the main lines first as preparatory work would allow the pace of conversion to pick up later. Mr. Macrae suggested that it might be better to measure success by percentage out of Station One rather than percent converted.

Mr. Macrae switched to remote at approximately 9:14am.

GENERAL MANAGER'S REPORT

Mr. Spinale updated the Board on the following:

- **Blair Pond:** There had been an event at the Blair Pond substation in the early morning of Friday June 30th when a squirrel jumped from a noise-dampening partition wall onto a cable connection point. Although it did not cause an outage, it did trip offline one of the two transformers at the substation, which transferred the load to the other transformer. Once this happens, BMLD must be very methodical in bringing the impacted transformer back into service. BMLD is looking into adding more animal protection to the wall for future, but it is a very tight spot.
- **Annual audit:** The audit has been delayed again due to some issues with documents from the Town.
- **NEPPA:** He announced that the Northeast Public Power Association (NEPPA) is having their annual conference in New Hampshire from August 25-28.
- **Ice rink:** Mr. Franck recapped a recent meeting on the ice rink where he had raised ice storage, solar, and battery storage. For ice storage he suggested Mr. Machado connect directly with one of the rink committee members. Lack of adequate space onsite was the biggest issue for battery storage, so the general thought was to look at other municipal spaces along Concord Ave. There was discussion about Town-owned solar (which would be behind the meter) vs BMLD-owned solar.

Mr. Macrae left meeting at 9:36am.

SEIU CONTRACT SIGNING

No action was needed as HR is still in the process of adding the changes from the approved Memorandum of Agreement (MOA) into the document.

FUTURE MEETINGS

November and December were briefly discussed but not scheduled. The next meetings are scheduled for:

- August 21, 2024 | 7:30 a.m.
- September 18, 2024 | 7:30 a.m.
- October 16, 2024 | 7:30 a.m.

ADJOURNMENT

Mr. Beavers moved to adjourn the meeting of the Municipal Light Board. Mr. Klionsky seconded, and the motion passed 4-0 by roll call vote. Mr. Klionsky, Mr. Beavers, Mr. Franck, and Mr. Machado all voted aye. The meeting was adjourned at 9:40am.

Respectfully submitted by,

Erin Lenzing
Executive Assistant