

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

**Hybrid Meeting via Zoom & BMLD Conference Room  
September 18, 2024**

**RECEIVED  
TOWN CLERK  
BELMONT, MA**

DATE: October 22, 2024  
TIME: 9:06 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 Resource Manager Kevin Bleau, and Executive Assistant Erin Lenzing.
- **Documents/exhibits used:** Past minutes as outlined below, Open House 2024 Post (flyer), and presentation slides from Daymark on Comprehensive Current Rates Review.

**APPROVAL OF MINUTES**

- Regular Session for August 21, 2024

*Mr. Macrae moved to approve the Regular Session minutes from the August 21st 2024 Municipal Light Board meeting. Mr. Beavers seconded, and the motion passed 5-0 by roll call vote. Mr. Machado, Mr. Beavers, Mr. Klionsky, Mr. Franck, and Mr. Macrae all voted aye.*

**PUBLIC COMMENT**

There was no public comment, but Mr. Spinale announced that the public was invited to BMLD's 2nd Annual Public Power Week Open House on October 7th, 2024.

**PRESENTATION OF COST-OF-SERVICE STUDY BY DAYMARK ENERGY ADVISORS**

Stan Faryniarz and team from Daymark Energy Advisors presented their findings from the second phase of BMLD's cost-of-service study. This phase is an allocated cost of service study—how costs are spread across functions, classifications, and rate classes—and a review of existing BMLD rate design.

**Allocated Cost of Service Study (ACOSS)**

After a short recap of the first phase (a load study presented at the 6/3/24 MLB meeting) and their methodology, the Daymark team reviewed the results of the ACOSS. The main points were:

- For functions, nearly half of all costs are driven by generation.
- For classifications, nearly half of all costs are driven by energy needs.
- For rate classes, residential is under-contributing (relative to their indicated cost of service) while commercial and municipal are over-contributing. Low-income customers are close to their cost of service. Commercial heat and lighting are over-contributing, possibly due to legacy rates.

**Rates Review**

Daymark then shared other observations on BMLD's rates, notably that the revenue from each class was moderately out of alignment with its cost of service. They also noted that the Time of Use (TOU) pilot program is working well, and the current buyback rate is reasonable considering avoided energy costs.

There was some discussion about these findings with the main topics being why the low-income rate was close to their indicated cost (due to their load shape/contribution to the peaks), the possibility of shorter summer peak hours for the TOU rate, and what cost savings should be accounted for in the buyback rate (possibly distribution but more likely deferred investments), and BMLD's rates vs other municipal utilities. Mr. Franck

asked about Daymark's recommendation to widen the gap between commercial and residential rates. Mr. Faryniarz explained it was based on each group's contribution to the peaks.

## Recommendations

Daymark then reviewed their recommendations for future rate design:

- To consider moving various rate classes towards their indicated cost of service as that should result in the lowest system costs, better consumption decisions by consumers, and lower bills. This could be done by adjusting the customer service charge to take pressure off the energy rate.
- To consider a more expansive TOU program with more customers and/or a more aggressive TOU with a shorter peak window.
- To address any revenue requirement shortfalls beginning in 2026.

Daymark supported this last point by giving an estimation for future revenue needs, which they project will have a shortfall of less than 1% in 2025-2026, the primary drivers of which will be expense increases in purchased power, transmission, Greenhouse Gas Emissions Standard (GGES) policy, and depreciation. Transmission alone was anticipated to be 31% of the overall increase.

There was some discussion of the numbers Daymark presented, with questions from the Board about why the "all other" expense category that was expected to decrease (normalization of prices, impact of Mystic substation going out of service) and why the projected shortfall was relatively flat from 2025 to 2026 (due to a predicted flat load).

There was also a brief conversation about the strategic value of a battery energy storage system (BESS) and small batteries vs a large-scale utility one.

Lastly, Daymark asked for the Board's input on what they should examine next. Mr. Beavers asked for proposals on moving towards indicated cost of service. He also asked about a TOU rate for commercial/municipal customers. Mr. Klionsky also expressed interest in a commercial TOU rate. Mr. Machado requested that Daymark model different scenarios for the customer charge; Mr. Macrae and Mr. Franck agreed.

**FUTURE MEETINGS** – A Doodle poll will be sent out to schedule an Executive Session, to be held in the following 1-2 weeks, and to confirm the November date. Otherwise, the next meetings are scheduled for:

- October 16, 2024 | 7:30 a.m.
- November 20, 2024 | 7:30 a.m. - tentative
- December 18, 2024 | 7:30 a.m.

Mr. Macrae left the meeting at 9:32am.

## ADJOURNMENT

*Mr. Machado moved to adjourn the meeting of the Municipal Light Board. Mr. Beavers 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 9:35am.*

Respectfully submitted by,

Erin Lenzing  
Executive Assistant