

BELMONT LIGHT
POWER SUPPLY POLICY
August 2025

I. GOAL

The goal of this Power Supply Policy (or “Policy”) is to develop a managed power supply portfolio that provides Belmont customers with reliable electric service at the lowest possible cost consistent with 1. the Town’s Climate Action Plan (CAP) (reinforced by Town Meeting’s 2019 approval of the Climate Action Roadmap) that obligates all sectors, in the aggregate, including the electricity sector, to reduce its CO₂ emissions by 80 percent by 2050; recognizing, however, that reductions in CO₂ emissions through non-power supply portfolio measures (for example, through enhanced energy efficiency measures and/or rate design) can contribute to the said goal and 2. the Commonwealth’s applicable regulatory requirements. Newer technologies, such as energy storage, will also be investigated as means to achieve the foregoing goals while reducing Belmont Light’s transmission and capacity charges for the benefit of its ratepayers.

II. PORTFOLIO SUPPLY

Belmont Light, in collaboration with its outside power supply consultants, will strive to enter into portfolio purchases to minimize price and supply risks through layered and staggered purchases with credit worthy power suppliers. Power supply should be flexible enough to meet an evolving energy marketplace.

For its energy requirements, a target of no more than 20 percent of Belmont Light’s total energy needs should be supplied via any single contract. The total energy portfolio hedge may vary depending on market conditions and seasonal considerations but should have a target of approximately 80 percent. This approach would result in a minimum of four active contracts and leave about 20 percent of Belmont’s energy needs subject to the spot market to act as a cushion to load variability.

For Belmont Light’s capacity requirements, based on the operation of the Forward Capacity Market (“FCM”) by the Independent System Operator – New England, Belmont Light will hedge to a maximum of approximately 50 percent of its capacity needs in any year when doing so will provide significantly more cost certainty than would otherwise be expected from the Forward Capacity Auction (“FCA”) process. This capacity hedge can be met with individual contracts, as available, with no one contract exceeding approximately 25 percent of Belmont Light’s requirements.

Belmont Light will pursue resource and counterparty diversification by establishing Master Agreements with multiple suppliers that conform to the standards set forth by the Edison Electric Institute. Such purchases may include, but not be limited to: energy strips; heat rate swaps; load following for energy and ancillary services; spot

market purchases; unit entitlements; forward fuel hedges for unit entitlements and heat rate/fuel index contracts; and verifiable load management and/or energy conservation services.

Regarding particular power sources and renewable energy certificates (RECs), Belmont Light should seek out competitively priced renewable and non-carbon emitting energy sources in New England and surrounding regions to add to its supply portfolio consistent with the layered and staggered approach indicated above.

Belmont Light shall meet or exceed the greenhouse gas emissions standards (GGES) set forth in Massachusetts General Law, c. 25A, sec. 11F3/4, as set forth in the table below.

In furtherance of the Municipal Light Board's Policy goals, Belmont Light will voluntarily comply with or exceed the Class 1 requirements of the Massachusetts Renewable Portfolio Standard (RPS) (225CMR 14.00 et seq.). Compliance will be demonstrated by the retirement of MA Class 1 RECs obtained via bundled power purchase agreements or RECs purchased separately. These RECs shall also serve toward compliance with the GGES. Upon direction from the Board, Belmont Light may decide to avoid RECs from certain technologies, such as biomass fueled resources, that may nonetheless qualify for Class 1.

Year	Percent of total Massachusetts power supply portfolio to be MA Class 1 Renewable Portfolio Standard (RPS)	Percent of total electricity to be non- emitting per MGL Ch. 25A, Sec. 11F3/4 "Municipal Light Plant GGES"
2025	27	-
2026	30	-
2027	33	-
2028	36	-
2029	39	-
2030	40	50
2031	41	50
2032	42	50
2033	43	50
2034	44	50
2035	45	50
2036	46	50
2037	47	50
2038	48	50
2039	49	50
2040	50	75

2041	51	75
2042	52	75
2043	53	75
2044	54	75
2045	55	75
2046	56	75
2047	57	75
2048	58	75
2049	59	75
2050	60	100

It is the policy of Belmont Light to use \$0.01/kWH collected through its generation charge to cover the costs of compliance with GGES and its voluntary compliance with RPS, among other uses. This will be reported on annually. Another such use, to the extent monies are available and consistent with Sections I and IX of this Policy and G.L. c. 164, is to advance Belmont Light's electrification goals, including the Climate Action Plan of displacing fossil fuel technologies and decarbonization.

III. PUBLIC POLICY

Belmont Light will keep abreast of market developments, availability of power products and market conditions. Policy positions by Belmont Light pertaining to power supply shall be discussed in advance with the Municipal Light Board.

IV. PORTFOLIO PLANNING

Belmont Light's power supply portfolio will be designed to meet an annual energy budget, and, to the extent possible, a five-year energy budget. Long term supply plan goals beyond five years, along with a plan to achieve those, will be set periodically.

V. PARTICIPATION OF THE MUNICIPAL LIGHT BOARD

The General Manager of Belmont Light will, on an on-going basis, discuss the status of the power supply portfolios, including percentages from renewable or carbon free resources, with the Municipal Light Board. Individual contractual power supply opportunities will be discussed in advance with the Municipal Light Board. Terms of the opportunities and its benefits should be specified.

VI. TRANSACTION AUTHORIZATION POLICY

Subject to the discussions that will take place pursuant to Section V, above, the General Manager, or in his/her absence the Assistant Manager/Director of Operations, may enter into power supply contractual arrangements without an affirmative vote of the Municipal Light Board. However, it is the Policy of the Municipal Light Board that any contractual arrangement in excess of five years or 50,000 megawatt hours will require the approval of the Municipal Light Board.

If, due to exigent circumstances, it is not practicable to discuss an individual contractual supply opportunity with the Municipal Light Board in advance of the need to enter into a contractual arrangement, the General Manager of Belmont Light or his/her designee will make a diligent effort to contact the Chair of the Municipal Light Board to discuss said proposed arrangement.

VII. EVALUATION

All supply portfolio arrangements shall be evaluated for their efficacy and cost-effectiveness in meeting the goals set forth in Section 1.

VIII. TRANSPARENCY

It will be the policy of Belmont Light to make public all documents pertaining to power supply other than documents (or portions thereof) that are defined by contract as confidential or commercially proprietary. It is recognized, however, that there may be good cause and a legal basis to protect certain other sensitive documents in certain instances. Belmont Light will seek to avoid unnecessary contractual restrictions on the public release of documents. Belmont Light will endeavor to make as much information public as possible.

Belmont Light shall maintain a publicly available webpage that displays its aggregated power supply, as well as definitions of key terms that allow for better understanding for Belmont customers and the general public.

IX. EQUIVALENCE OF SUPPLY-SIDE AND DEMAND-SIDE MEASURES

Nothing in this Power Supply Policy should be construed as indicating that demand-side measures that reliably and cost-effectively reduce Belmont Light energy and/or capacity requirements are any less important to pursue for ratepayers than supply-side strategies.

X. PERIODIC REVIEW

Periodically, but no less frequently than once each year, this Power Supply Policy should be reviewed. How to meet future year clean generation attributes percentages, as well as whether to pursue a more aggressive percentage of clean generation attributes, shall be included in this assessment.

XI. RESPONSIBILITY

Belmont Light's General Manager, in consultation with the Municipal Light Board, shall be responsible for implementing all necessary procedures, guidelines and controls to ensure compliance with this Policy.

MLB Approval Date: 8/14/2025