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MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
OPEN MEETING
Hybrid Meeting via Zoom & BMLD Conference Room
July 9, 2026

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

- **Present for the Municipal Light Board (MLB, Board)** were Chair Beavers, Vice Chair Jessica Harrison, and Members Steve Klionsky, Jeffrey Lucas. and Andrew Machado.
- **Present for Belmont Municipal Light Department (BMLD)** were General Manager Craig Spinale, Finance Manager Maria Makar-Limanov, Energy Resource Manager Kevin Bleau, Customer Care & Billing Manager Gina Smith, and Executive Assistant Erin Lenzing.
- **Documents/exhibits used**: Draft minutes as outlined below; COSS methodology presentation slides and memo; voltage conversion slide; and PCA memo.

APPROVAL OF MINUTES

- Regular Session for May 16, 2026
- Regular Session for June 11, 2026

Mr. Beavers moved to approve the minutes of the May 16th, 2026 Regular Session of the Municipal Light Board. Ms. Harrison seconded, and the motion passed 3-0 by show of hands vote. Ms. Harrison, Mr. Beavers, and Mr. Machado all voted aye. Mr. Klionsky and Mr. Lucas abstained.

Mr. Beavers moved to approve the minutes of the June 11th, 2026 Regular Session of the Municipal Light Board. Ms. Harrison seconded, and the motion passed 4-0 by show of hands vote. Ms. Harrison, Mr. Klionsky, Mr. Beavers, and Mr. Machado all voted aye. Mr. Lucas abstained.

PUBLIC COMMENT – There was none.

COST OF SERVICE METHODOLOGY REVIEW & DISCUSSION

Mr. Spinale introduced the cost-of-service (COS) methodology review, explaining that Belmont Light had been evaluating its internal cost structure and using AI tools to support review of cost allocation methods. He stated that the purpose of the discussion was to evaluate the methodology that would guide future COS studies and inform future rate design discussions. Ms. Makar-Limanov presented three potential approaches: Version 1, an embedded cost methodology consistent with the prior Daymark study; Version 2, a multi-hour coincidental peak methodology; and Version 3, a cost-causation methodology that provides a more detailed allocation of costs based on customer class drivers, including separate consideration of contracted energy obligations and market purchases.

Ms. Makar-Limanov explained that the methodologies differ primarily in how capacity, transmission, distribution, and energy costs are allocated. She stated that preliminary analysis showed differences among customer classes, but that additional validation was needed before final conclusions could be drawn. The Board discussed peak allocation methods, including the distinction between Belmont Light system peaks, transmission provider peaks, and ISO New England capacity peaks. Board members discussed potential customer impacts, including changes to residential cost recovery, rate volatility, time-of-use considerations, and the treatment of solar customers.

Ms. Makar-Limanov reviewed additional allocation findings, including adjustments to remove water and sewer billing-related costs from the electric COS analysis. She explained that these costs are associated with services provided to the water department and should not be assigned to electric customers. Mr. Spinale provided additional background on the allocation of labor, system, and billing support costs related to those services.

The Board discussed the purpose of the study and noted that establishing an accurate cost allocation methodology would support future policy decisions regarding rates, subsidies, and advanced rate design. Mr. Beavers stated that, if adopted, the methodology could become Belmont Light's policy framework for future COS studies and provide greater transparency into future consultant work.

The Board expressed interest in continuing the analysis and further evaluating whether Version 3 should become Belmont Light's adopted cost allocation methodology for future COS studies. Board members requested more finalized cost recovery ratio calculations using Version 3, including additional 2026 data, review of the energy allocation methodology, and analysis of solar customer impacts. Ms. Makar-Limanov agreed to provide updated cost recovery ratios, separate solar customer results, and additional review of potential rate design scenarios, including time-of-use considerations. Mr. Spinale requested that Board members provide additional questions for staff to review before the next discussion.

VOLTAGE CONVERSION PROJECT UPDATE

Mr. Spinale gave an update on the continued progress converting portions of the BMLD system from 4 kV to 13.8 kV service. Approximately 3 MVA of load was converted from July 2025 to July 2026, bringing total converted load to ~7 MVA, or about 50% of the system based on the 2021 peak load baseline. He identified completed work areas and reported annual project spending of ~$2.5 million, including materials, labor, and vendor support. He also explained that ~2 MVA of load has been added back through growth in electrification, including heat pumps, electric vehicles, chargers, and new construction.

Mr. Spinale then discussed the impact of the conversion work on system capacity and reliability, noting that about 25% of Station 1 load has been transferred to the Blair Pond substation, which has substantially greater capacity than the remaining 4 kV substations. He reported that the recent peak load was approximately 35.6 MW, below the prior year's peak, and stated that the system is in a stronger position as a result of the conversion work. He also discussed future project funding, noting that the dedicated $12 million conversion fund is nearing exhaustion, with approximately $600K remaining, and that Belmont Light will need to evaluate within six months to one year whether to continue the current pace or adjust the project approach. In response to a question from Mr. Lucas, he noted that the increased depreciation funding (from 3% to 5%) and other available resources provide additional flexibility in the short term.

The Board discussed the project timeline, funding strategy, and future pace of work. Mr. Spinale explained that the original timeline for completing the Station 1 conversion has evolved as system requirements, reliability considerations, and other utility work have affected the schedule. He stated that the work must be sequenced to maintain backup capabilities and system reliability while also addressing customer upgrades, storms, and new load growth. Board members discussed infrastructure impacts, including pole replacements, overhead and underground work, and reliability benefits from replacing aging equipment. Mr. Spinale stated that the primary consideration going forward is balancing the pace of conversion work with funding needs and rate impacts while continuing to improve system capacity and reliability.

GENERAL MANAGER'S REPORT

Mr. Spinale updated the Board on the following:

- **Power Cost Adjustment (PCA):** Mr. Spinale reported that Belmont Light's PCA balance had shifted from a projected $1.4 million overcollection to an estimated $400K undercollection due to higher power costs and summer conditions. Ms. Makar-Limanov presented a proposed PCA adjustment of $0.0071/kWh effective August 1, with monthly monitoring and potential future adjustments based on actual revenues and expenses. The Board discussed customer communication, including the distinction between a PCA charge and a base rate increase, and Mr. Spinale noted that higher wholesale energy costs, including natural gas market conditions and New England market pressures, were contributing factors.

- **Recent Heatwave:** He reported that Belmont Light experienced minimal operational impacts during the recent heat wave, with a peak load of approximately 35.6 MW on July 2. A squirrel-related substation event and a blown fuse were the primary issues, but the system performed well, supported by recent infrastructure upgrades and voltage conversion work.
- **NEPPA Conference:** The Northeast Public Power Association (NEPPA) annual conference is scheduled for August 16–19 on Cape Cod. He asked interested Board members to notify staff for registration assistance.
- **Energy Affordability Legislation:** He provided an update on pending state energy affordability legislation, noting that House and Senate versions were under review by a conference committee. He expressed concerns regarding proposed reporting requirements for large customer loads and the potential treatment of municipal light departments similarly to investor-owned utilities.
- **APPA Smart Energy Provider Award:** BMLD received the American Public Power Association (APPA) Smart Energy Provider designation for another cycle. He noted that the team increased its score from 87% to 97%, recognizing staff efforts related to energy efficiency programs, energy reduction, and greenhouse gas reduction initiatives.

EXECUTIVE SESSION to discuss trade secrets or confidential information as an energy supplier

Mr. Beavers moved to enter into Executive Session to discuss trade secrets, confidential, or other proprietary information provided in the course of this body's activities as an energy supplier and then adjourn in Executive Session. Mr. Klionsky seconded, and the motion passed 5-0 by show of hands vote. Ms. Harrison, Mr. Klionsky, Mr. Beavers, Mr. Machado, and Mr. Lucas all voted aye.

The Municipal Light Board went into Executive Session at 9:16am and adjourned from Executive Session.

Respectfully submitted by,

Erin Lenzing, Executive Assistant