

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
OPEN MEETING
Hybrid Meeting via Zoom &
BMLD Conference Room
August 13, 2026**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: October 8, 2026
TIME: 3:02 PM

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, Assistant GM Sam Osmanovic, Finance Manager Maria Makar-Limanov, Energy Resource Manager Kevin Bleau, Energy Specialist Jordan Webster, and Customer Care & Billing Manager Gina Smith.
- **Documents/exhibits used:** Draft minutes as outlined below; COS results presentation slides and memo; battery presentation slides; and PCA memo.

APPROVAL OF MINUTES

- Regular & Executive Sessions for July 9, 2026

Mr. Beavers moved to approve the minutes of the July 9th, 2026 Regular and Executive Sessions of the Municipal Light Board. Mr. Lucas 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.

PUBLIC COMMENT – There was none.

COST-OF-SERVICE METHODOLOGY FOLLOW-UP

This was a follow-up to the presentation and discussion on cost-of-service (COS) methodology at the July 9th meeting. Ms. Makar-Limanov presented a follow-up review of three COS methodologies: Version 1, the historical embedded cost methodology; Version 2, a multi-hour coincidental peak methodology; and Version 3, a cost-causation methodology providing more detailed allocation of costs based on customer class drivers. She explained key differences among the approaches, including the exclusion of water and sewer billing-related costs from Versions 2 and 3, allocation of certain overhead costs between customer and distribution functions, and classification of most market energy purchases as energy costs rather than capacity costs. The Board discussed the historical treatment of market purchases and whether industry practices are moving toward more detailed cost-causation approaches.

Ms. Makar-Limanov presented updated cost-recovery ratios using 2025 actual and simulated 2026 data. The analysis showed overall system was slightly under-recovered in 2025 and ~7% under-recovered in 2026. She also reviewed separate results for solar and non-solar customers and explained that differences in load profiles affect the costs allocated to each group. The Board discussed potential system costs and benefits associated with solar, including future distribution impacts and the treatment of solar buyback costs.

Ms. Makar-Limanov presented the option of using four summer peaks or twelve monthly peaks as an allocator in Version 3 and recommended the twelve-month approach, citing potential shifts in system peaks associated with electrification. The Board discussed the implications of the alternative approaches; the discussion generally supported further consideration of the twelve-month approach.

Ms. Makar-Limanov also reviewed individual tariff components and noted that generation and transmission are pass-through costs subject to the Power Cost Adjustment (PCA), while distribution and customer charges

remain areas of focus. The Version 3 analysis showed a customer-charge recovery ratio of approximately 0.74. The Board discussed the current customer charge and potential future rate design implications, but no immediate rate change was directed. The group discussed residential demand charges and time-of-use (TOU) rates as potential options for providing price signals and transitioning customers to different rate structures.

The Board discussed whether Version 3 should be formally adopted as the methodology for future COS studies. Board members expressed support for continuing the analysis but noted that additional questions regarding methodology, rate design, solar, and industry practices should be addressed before formal policy adoption. The Board also discussed the distinction between establishing the COS methodology and determining how COS results should ultimately be applied through rates, customer programs, or other policy decisions.

Ms. Makar-Limanov proposed approximately six months of additional analysis, including further review of solar impacts, avoided costs and buyback rates, TOU customers and potential migration strategies, twelve-month peak allocation, and future seasonal capacity requirements. She also described ongoing automation of the COS analysis using monthly meter data. Mr. Spinale suggested potentially engaging a consultant to provide additional information regarding industry methodologies and address outstanding questions. Mr. Beavers suggested keeping the public informed as the methodology and potential rates are considered.

ELECTRIFICATION FUND DISCUSSION & POSSIBLE VOTE

Mr. Bleau presented analysis of four battery-storage options for the possible use of funds earmarked for renewable energy and greenhouse gas reduction initiatives: utility-scale storage, commercial-scale cabinet batteries, utility-owned residential batteries, and customer incentive programs. The analysis considered capacity, transmission and energy savings, installation costs, battery losses, equipment downtime and degradation, operations and maintenance, and potential federal Investment Tax Credit (ITC) treatment. Staff modeled a 4% discount rate and battery lives of approximately 10 years, or 12 years for utility-scale systems.

Mr. Bleau reported that the modeled utility-scale installation would generate ~\$10.8M in cumulative savings against an \$8.4M project cost, with a positive Net Present Value (NPV) of \$353K and a nine-year payback period. Commercial-scale cabinet batteries generally produced a negative NPV under the assumptions presented, although combining a battery with the planned Claflin Street Level 3 charger could reduce construction costs and result in a slightly positive NPV of ~\$28.5K. Utility-owned residential batteries also showed a negative financial return. Board members questioned the assumptions regarding future energy, capacity, and transmission costs, including whether the modeled escalation should be compared with Belmont Light's procurement forecasts. Also discussed were resilience benefits, additional costs, and risks associated with utility-owned residential batteries.

Mr. Webster then presented on possible customer incentive programs for customer-owned batteries, including time-of-use (TOU) rates and performance-based structures. An initial review of eight existing battery customers found that TOU rates did not consistently result in batteries discharging during BMLD's peak hours, limiting their value for reducing system peaks. He noted limitations with current battery controls as a possible barrier.

Mr. Webster reviewed performance-based programs in other jurisdictions and presented preliminary residential program concepts, including an incentive of ~\$200/kWh and performance payments for discharge during critical hours. A preliminary 10-year scenario estimated cumulative program costs of approximately \$900K with a breakeven point by year 10 under favorable assumptions. He noted uncertainties related to customer participation, battery capacity and controls, performance verification, and establishing baselines, particularly where solar, heat pumps, and EVs affect customer load. Board members discussed the need for improved data and control capabilities.

The Board also discussed potential applications at municipal facilities, schools, commercial properties, and neighborhood locations, as well as combining batteries with solar. Members also raised battery safety, siting, resilience, and alternative battery technologies. Mr. Spinale indicated that approximately \$600K is currently available in the strategic fund and that additional funding may become available later in the year.

Staff's follow-up included further development of the Claflin Street battery project, evaluation of battery-and-solar combinations and commercial-scale installations, and continued work on customer incentive and programmatic options. The possibility of a pilot was discussed to obtain operational experience, data, and control capabilities. The Board also requested consideration of incentive-based, behind-the-meter commercial applications and continued monitoring of potential state funding opportunities.

GENERAL MANAGER'S REPORT

Mr. Spinale updated the Board on the following:

- **Staff Recognition/Open House:** A draft proclamation recognizing staff contributions to three awards had been circulated for feedback. It may be presented at the Public Power Week Open House; the Board discussed scheduling, with October 7 identified as preferable to October 8 for some members.
- **IBEW Negotiations:** Negotiations for the IBEW contract, covering approximately half of BMLD staff, will begin August 26. Executive Session updates are expected beginning in September; Town HR will participate as needed.
- **Power Cost Adjustment (PCA):** He reported that the PCA charge effective September 1 will be \$0.0156/kWh, reflecting a shorter collection period than originally planned and updated costs. Board discussion included whether future PCA adjustments could be timed to shoulder months; staff noted the required revenue collection and load projections would determine the resulting rate. Ms. Makar-Limanov also noted that spot-market purchases were substantially above budget. Further discussion of the impact was deferred to the upcoming mid-year financial review.
- **Commercial Customer Service Issue:** Mr Spinale gave some background on an ongoing dispute concerning removal of a three-phase service from a commercial customer during system conversion work. The customer had sent a demand letter seeking costs associated with replacing equipment, but BMLD staff maintain that the customer had verbally approved the service removal in the presence of the electrical inspector. A response letter has been issued, and further details may be discussed in future Executive Session(s) if necessary.
- **DASI/FERC:** He reported that the Day-Ahead Ancillary Services Initiative (DASI) implemented March 1, 2025, resulted in consumer costs significantly above initial estimates. Belmont Light and 23 other public power entities supported proposed changes before the Federal Energy Regulatory Commission (FERC) that could reduce consumer costs by approximately \$292 million annually.
- **MEAM Meeting:** He invited Board members to attend the annual manager/commissioner meeting of the Municipal Electric Association of MA (MEAM) in Plymouth on September 17–18.

ADJOURNMENT

Mr. Beavers moved to adjourn the meeting of the Municipal Light Board. 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 meeting was adjourned at 9:54am.

Respectfully submitted by,

Erin Lenzing, Executive Assistant