

**Concord Municipal Light Board  
March 13, 2019  
FINAL**

Pursuant to a notice duly filed with the Town Clerk, a meeting of the Municipal Light Board was held on Wednesday, March 13, 2019, at 8:00AM, at the Light Plant Public Meeting Room. Present were Board members Gordon Brockway (Chair), Lynn Salinger, and Wendy Rovelli. Board members Dan Gainsboro, Peggy Briggs were not present. Also in attendance were David Wood, CMLP Director; Laura Scott, CMLP Power Supply and Rates Administrator; Carole Hilton, CMLP Customer Service, Jan Asceti, Energy Conservation Coordinator; Alice Kaufman Select Board; Brian Foulds, David Allen, Charlie Parker

*Note: definitions for acronyms used in these minutes:*

- *CMLP: Concord Municipal Light Plant*
  
- *DOER: Department of Energy Resources*
- *ENE: Energy New England*
- *kWH: Kilowatt hour*
- *MLP: Municipal Light Plant*
- *MUD: Multi Unit Dwelling*
- *NISC: National Information Solutions Cooperative*
- *NYPA: New York Power Authority*
- *PILOT: Payment In Lieu Of Taxes*
- *PPA: Purchase Power Arrangement*
- *REC: Renewable Energy Credit*
- *TOUR: Time of Use Rate*

Meeting handouts:

1. CMLP Strategic Plan Timeline
2. Strategic Initiative Status Update & 2019 Energy Management Expenditure Forecast
3. Memo from Laura Scott titled Clarification of the January 1, 2019 revenue neutral rate change
4. Memo from Laura Scott titled New York Authority Power Cost Adjustment for Residential Ratepayers
5. Presentation by Brian Foulds titled Time of Use Rate

### **CALL TO ORDER**

The meeting was called to order at 8:00 AM. It was noted that the meeting was being recorded by the Director in the absence of the recording secretary.

### **FUTURE MEETINGS**

The next meeting will be April 10, 2019. Future dates will generally be the second Wednesday of the month for the remainder of calendar year 2019

It was moved by Ms. Salinger, seconded by Ms. Rovelli and voted unanimously to  
**Approve the Minutes, for the January 3, 2018 Light Board Meeting.**

Ms. Rovelli noted the January 9, 2019 draft minutes includes a statement that the board “thoroughly checks all detail line items”. While many members do check several line items it may be inaccurate to suggest every line item is thoroughly checked. Ms. Rovelli suggested a modification to indicate “The Board acknowledged that they *do not* thoroughly check all lines items, but are focused on understanding the assumptions and policy decisions that are incorporated into the budget.” It was noted that some items are reviewed in detail, but not every line item.

It was moved by Ms. Rovelli, seconded by Ms. Salinger and voted unanimously to  
**Approve the Minutes as amended for the January 9, 2018 Light Board Meeting.**

### **DIRECTOR'S REPORT**

**Mr. Wood reviewed the status of several ongoing projects:**

- **Enterprise Public Hearing** – Mr. Wood presented the CMLP budget and Mr. Howell presented the Telecom budget at the hearing held on Monday, March 11.
- **Town Meeting Warrant** – There are 3 articles pertaining to the MLP. Article 4 notes the addition of the Associate Finance Manager position, and creation of the Customer Service Supervisor which replaces the Utility Software Coordinator. Article 5 includes a 5% increase in salary range for Electrical Labor (EL) and Electrical Management (EM) which is intended to address the difficulty in retaining and recruiting staff in these positions. Article 38 represents the Light Plant Expenditures and the PILOT. If article 38 is not on the consent calendar this year the expectation would be that the board chair will present at Town Meeting.
- **NISC**- Last week training for customer services was conducted and all departments participated. The scheduled go-live date of May 6<sup>th</sup> is still on track.
- **Recruitment** – There are interviews in progress for the electrical engineer position which has 5 candidates and Mr. Wood expects to fill the line worker position in the next week. A qualified applicant for the Assistant Director position has recently been received.
- **Fenn School** – The MLP has been working with Fenn School which is interested in a 110KW solar installation with battery storage
- **Transmission Relay** – Staff are working with Eversource on a schedule for replacement of the relay which will be targeted for September. This limits risk during the summer peak and is in line with Eversource scheduling, which has an 18 week lead time for implementation.
- **Construction Projects** – There are 9 construction projects planned for the upcoming season. Priority has been placed on neighborhoods with direct buried lines, some of which CMLP does not own, but has an easement for access. There is conduit to be installed as part of the Cambridge Turnpike project currently managed by Public Works.
- **Keyes Road & Walden Street Lighting** – Street light fixtures have been delivered and crews will get those installed in the near future.
- **Outages (2)** – During the Superbowl an outage occurred – as a result of a failed cable (which was not at end of life). A number of calls were received. Crews had some power restored by 8 pm, but some customers missed the entire Superbowl. In addition, a software failure with our smartgrid vendor caused ETS customers to have no hot water. Unfortunately, this issue was outside the control of the MLP. Any customer expenses incurred were passed on to the vendor for reimbursement.

## STRATEGIC PLAN UPDATE

Mr. Wood distributed a detailed status report on the strategic initiatives along with a summary milestone chart representing the CMLP Strategic Plan Timeline.

- Based on the green PPAs and the \$.01 REC charge and related REC purchases, the MLP is 54% carbon free for 2018 and is expected to be 100% carbon-free by the end of 2019. The strategy for 2019 REC purchases is still to be defined (and is discussed later in the agenda)
- In the area of EVs, the team is working on approaches for Multi Unit Dwellings (MUD). MUDs are challenging because every complex/unit is different and costs vary based on the design. It is fairly easy in the case of an MUD such as Newbury Court with a parking garage to install a bank of charging units, whereas in an MUD like Concord Green parking is by individual spaces, which makes it much more challenging to design efficient charging stations.
- The NISC milestones are on track for the billing software to go live in May and the remaining financial software to be integrated by year end.
- MLP staff are in the process of putting an RFP together for smart meters and have considered similar RFPs including a recent RFP by Hudson Light Plant.
- There has been some increased interest in Air-Source Heat Pumps over initial expectations and those details are included in the detailed status report.
- The expected introduction of the new DOER residential solar rebate program has been pushed back again and there is no published date for implementation. Since CMLP has included a solar rebate program for 2019, new solar installations in Concord would receive CMLP's portion of funding, but additional incentives from the state will not be provided. Citizens should consider the implications of the state program when planning their installations.

Board members were encouraged to review the detailed report and send questions to Mr. Wood.

In response to a question from Mr. Allen, Mr. Wood noted that the RFP for the Cost of Service study will include a rate design. A consultant will be hired and Ms. Scott will serve as Project Manager. The RFP will be reviewed in an upcoming meeting.

## **RATES**

Ms. Scott reviewed her memo titled "Clarification to the January 1, 2019 revenue neutral rate change". In September, the Light Board agreed to increase meter charges with an off-setting reduction in kWh distribution rates. The language in the board's actual vote in September included the kWh reduction in the distribution rate for residential customers, but omitted the equivalent reductions for the G-1, G-2 and G-3 rates. On January 1, 2019 these meter rate increases were incorporated, but a formal vote to reduce the distribution charges for April 1, 2019 is needed. The board confirmed that this was our intention at the time.

It was moved by Ms. Rovelli, seconded by Ms. Salinger and unanimously voted

**To lower the G-1, G-2, G-3 kWh distribution rate, effective April 1, 2019 as outlined in Ms. Scott's memo ("Clarification to the January 1, 2019 revenue neutral rate change") dated March 8, 2019.**

Ms. Scott also reviewed the background and benefits of the NYPA cost adjustment for residential ratepayers. This credit rate is reviewed periodically to ensure that the majority of funds are appropriately being credited back to rate payers. In 2017 a significant rate reduction was implemented to address a negative balance in the reserve account and adjusted most recently in September to more historical levels. A balance of \$393,967 has accrued for year end 2018 and an increase in the rate is recommended. The recommended rate reduction is forecast to pay out \$267,000 to residential customer and leave a project balance in the fund at year 2019 of \$310,000.

Mr. Foulds raised a question about who benefits from this program and that solar customers, who are net generators for CMLP, do not receive credit from the program. Ms. Salinger noted that solar customers don't use the grid (and therefore this source of energy for whom the benefit of the credit is intended to be applied).

It was moved by Ms. Salinger, seconded by Ms. Rovelli and unanimously voted

**To increase the NYPA credit rate from \$0.0250/kWh to \$0.0500/kWh effective April 1, 2019.**

In the interest of time, the Rate Stabilization update was deferred to a future meeting.

Mr. Wood provided further detail on the recent purchase of RECs. After initial discussions with ENE, ENE solicited bids. Mr. Wood instructed ENE to purchase RECs prior to 2/15/2019 allowing CMLP to achieve a 54% carbon free target for 2018. A strategy for REC purchases needs to be established going forward. CMLP has until June in the subsequent year to purchase RECs, but there is the opportunity for forward purchasing as well. Mr. Wood suggested staff will be evaluating whether quarterly or bi-annual purchases should be considered. For 2019, based on future pricing and anticipated funding, CMLP will likely achieve a 100% carbon free target, but we need to maintain that target level in 2020 and beyond. As other MLPs, businesses and countries continue to adopt similar strategies, REC pricing will be impacted. Prices could increase and there is a risk that we will not be able to maintain the 100% target. The Board endorsed a funding policy for the purchase of RECs which did anticipate an increase in the current \$0.01 kWh REC charge over time. The board needs to keep a close eye on the strategy to ensure funds sufficient to achieve our target and at the same time minimize any rate shock to consumers. Mr. Parker asked whether the board had an explicit REC purchase strategy (including purchase of class I RECs) and Mr. Wood suggested that the purchase of RECs be incorporated through an update to the current Renewable Energy Strategy. Mr. Brockway noted his preference for quarterly purchase of RECs

## **TIME OF USE RATES**

Mr. Foulds presented to the Board on Time-of-Use Rates, illustrating the benefits and complexity of issues that need to be considered in setting of rates. During the course of the presentation a few questions and issues were highlighted:

- Currently one household in Concord is fully subscribed to TOUR. In addition, about 20 customers are subscribed to the EV TOUR.

- Demand charges are not aligned to the peak use rate experienced by CMLP. Demand charges are set at the time of the ISONE peak, which may or may not coincide with the local peak.
- Low load risk is limiting our adoption of a large solar installations in Town.
- ISO capacity planning continues to be based on 2008 with increases to the multiplication factor and CMLP does not have control over this or the forward capacity rate.
- Volatility in the load of a given substation drives some inefficiency as capacity must address the peak, so our goal of TOUR should be to reduce the peak.
- To incentivize expansion of in-town solar, ideally the credit to solar generators would be 1:1 (e.g. the rate for generating power = the rate for power received).

The board was encouraged to review the presentation in more detail as there was insufficient time for additional discussion.

#### **LIAISON & PUBLIC COMMENTS**

Ms. Kaufman inquired about the status of the proposed solar project with battery storage on Cypress Creek. The original project proposal included a time deadline, now passed, and it appears the project will not be proceeding. Ms. Kaufman noted that the handout on the Strategic Initiative Status Update is focused on the financial budget status, and suggested that future updates also include non-financial benefits (e.g. social context).

Mr. Parker suggested it would be helpful to see modeling of the TOUR expenses. Mr. Wood explained that this modeling will be part of the cost of service study planned for 2019. He further noted that metrics for measuring the impact of TOUR should be identified and that modeling the impact of TOUR on CMLP customer usage should be developed.

It was moved by Ms. Salinger, seconded by Ms. Rovelli, and unanimously voted to adjourn the meeting at 9:35 AM.

Respectfully submitted,

Wendy Rovelli, Clerk