

TO: CSEC

FROM: Bill Lehr

RE: CMLP Liaison Reports to CSEC

DATE: Wednesday, July 13, 2016

Attached please find a summary report of liaison notes for past two CMLP Light Board meetings: June 15 and July 13.

1. Wednesday, July 13, 2016

Summary:

- Attendance: Gordon Brockway is the newest member of the CMLP Light Board, joining Peggy Briggs, Dan Gainsboro, Lynn Salinger, and Jim Terry.
- Next meetings will be 7:30am on August 10 (tentative) and September 14.
- CMLP managers update indicated that work is progressing on sundry projects around town (including W.R. Grace site) and extending facilities to the planned bus depot.
- LED Pilot: lights installed and maps on website. Go to CMLP site. Link to SurveyMonkey for citizen feedback (see http://www.concordnet.org/Pages/ConcordMA_LightPlant/LED%20Street%20Light%20Survey).
- Other issues: nothing to report, but work continuing on Green Energy Program, Municipal Solar, and Walden Pond Net Metering projects.
- Broadband Update: now at 600 residential and business subscribers and \$50k in billings per month. Hope is to continue fast growth until reach about 2000 subscribers.
- David Wood presented draft of "Possible Goals for the Light Board" (see 2 attachments, a draft originally prepared by Hugh Lauer for July 2011-June 2012). Expectation is that this will be useful for Light Board to prioritize goals of CMLP. Board agreed that Peggy Briggs would coordinate with David Wood to collect thoughts from other Board members to revise draft for consideration at future CMLP meeting. Discussion noted some of items are outdated and need to be reformed, while others that should be included are missing (e.g., financial goals that may include something like 2% ROI).

2. Wednesday, June 15, 2016

Attendance: Peggy Briggs, Chair (first meeting as chair); Dan Gainsboro; Jim Terry; Lynn Salinger (on phone, clerk); David Wood

Next meetings: July 13, August 10 at 7:30am.

- Director's Update: noted progress on Knox Trail and WR Grace projects proceeding on schedule. Streetlight pilot expected to go live soon. Power supply achieved better pricing for 2018-2021 for base load contracts. Sagewell is working with CMLP on data analytics.
- Rate Stabilization: Board approved plan outlined earlier. Increase in surcharge to \$0.075/kwh to supply fund through end of 2016, with rebates kicking in in 2017 and going through 2018. Point of stabilization fund is to spread cost of \$2million in additional capacity costs occasioned by state-mandated increase in transmission costs (associated with investor-owned utilities). Rate stabilization fund will be used to mitigate rate increases to consumers, while covering higher CMLP costs.
- Green Energy Program: proposing an opt-in program where customers can purchase offset recs at \$0.04/kwh for up to 100% of their current power bill. CMLP currently gets between \$0.055-\$0.06/kwh for the credits and so selling to consumers for \$0.04 will be slightly underwater. CMLP will retire the recs. Considering whether to offer in 10% increments or some coarser schedule (10%, 20%, 50%, 100%).
- Reviewed financials and presented handouts on budget variance.
- Other stuff:
 - Solar on municipal buildings proceeding more slowly than anticipated.
 - Brian Foulds organizing electric vehicle event for September at Walden Pond.

3. Attachments

- July 13 draft of "Possible Goals for Light Board" provided at July 13 meeting.
- Agenda for July 13
- June 15 hand-outs, including agenda and budget variance.

**Possible Goals for Light Board
July 2011-June 2012**

Hugh C. Lauer
(Draft #3)

Here are some proposed goals for the Municipal Light Board (separate from the goals for CMLP circulated by D. Wood).

Energy and Conservation

- Continue to encourage energy conservation via support of CMLP initiatives, rate design, and public outreach.
- Define relevant metrics for measuring energy performance in Concord, including carbon footprints.
- Participate with CMLP staff in meetings with commercial customers to better understand their needs and motivations.
- Participate in public forums, hearings, etc., as CMLP's public face for renewable energy and conservation.

Rate Structures

- Analyze tiered rate structure to understand impact on conservation and load shifting.
- Develop rate strategy based on Smart Grid to incentivize conservation and load shifting.
- Benchmark and understand rate incentives as practiced by other utilities.

Capacity

- Present the Forest Ridge capacity plan at Town Meeting.
- Lay the groundwork with the public and other boards and committees to obtain a positive vote.
- Communicate a long term capacity strategy to the public in the context of Smart Grid and utility-scale solar generation.

Solar Generation

- Get started with the first 5MW of utility-scale solar based on the Solar Siting Committee report. At the very least, have a feasibility study of sites underway by the start of 2012. Determine an opportune time to ask Town Meeting for funding for such a project.
- Attend September hearing of Solar Siting Committee. Present Light Board's Renewable Energy Strategy and Utility-Scale Solar Strategy.
- Work with the Regional School Committee and the High School Building Committee to incorporate at least 2 MW of solar generation into the high school building project and to seek partial funding.
- Promote the rollout of the Solar Rooftop program.

Light Board Goals – some thoughts

Community involvement

- Periodic communications through the Concord Journal
- Accompany staff on commercial customer visits
- Publicize CMLP energy saving incentives
- Children as ambassadors to increase energy conservation
- Understand cost of undergrounding

Electric rates

- Learn about time of use rates
- Review current tiered rates
- Understand impact of R-6 rates (solar primarily) after one year
- Solar: leasing / PPA / equipment loans

Improve / utilize technology

- Smart grid
- Electronic billing
- Telecommunications

Review CMLP strategies

- Renewable Energy Strategy
- Utility-scale Solar Strategy (Grace land, town buildings, parking lots)
- Use of CARES funds

CONCORD MUNICIPAL LIGHT PLANT
MEETING AGENDA

Date: July 8, 2016

To: Municipal Light Board:
Peggy Briggs, Chair
Dan Gainsboro
Jim Terry
Lynn Salinger
Gordon Brockway

From: David Wood, Director

Subject: Agenda for Light Board Meeting **June 13, 2016 7:30 A.M.** in the Public Meeting Room at the Concord Municipal Light Plant

- | | | | | |
|---------|-----------------------------------|------------|----------|-------------|
| 7:30 AM | 1. Call to Order | | Chair | |
| 7:30 AM | 2. Meetings and Minutes | 5 minutes | Chair | |
| | A. Upcoming Meeting Dates | | | |
| | i. August 10, 2016 at 7:30 AM | | | |
| | ii. September 14, 2016 at 7:30 AM | | | |
| | B. Approval of Minutes | | | |
| 7:35 AM | 3. Committee/ Task Force Updates | 10 minutes | Chair | Information |
| 7:45 AM | 4. Directors Update | 15 minutes | Director | Information |
| 8:00 AM | 5. Broadband Update | 20 minutes | Director | Information |
| 8:20 AM | 6. WR Grace | 20 minutes | Chair | Discussion |
| 8:40 AM | 7. Light Board Goals | 20 minutes | Director | Discussion |
| 9:00 AM | 8. Liaison & Public comments | 5 minutes | Chair | |
| 9:05 AM | 10. Adjourn | | | |

Distribution: Board of Selectmen (1 copy)

Chris Whelan	Chris Roy	Carole Hilton	Mark Howell
Sherman Chapman	Jan Aceti	June Rzepczynski	
Ruth Lauer	Bill Lehr	Alice Kaufman	

CONCORD MUNICIPAL LIGHT PLANT
MEETING AGENDA

Date: June 10, 2016

To: Municipal Light Board:
Peggy Briggs, Chair
Dan Gainsboro
Jim Terry
Lynn Salinger

From: David Wood, Director

Subject: Agenda for Light Board Meeting **June 15, 2016 7:30 A.M.** in the Public Meeting Room at the Concord Municipal Light Plant

- | | | | | |
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| 7:30 AM | 1. Call to Order | | Chair | |
| 7:30 AM | 2. Meetings and Minutes | 5 minutes | Chair | |
| | A. Upcoming Meeting Dates | | | |
| | i. July 13, 2016 at 7:30 AM | | | |
| | ii. August 10, 2016 at 7:30 AM | | | |
| | B. Approval of Minutes | | | |
| 7:35 AM | 3. Committee/ Task Force Updates | 10 minutes | Chair | Information |
| 7:45 AM | 4. Directors Update | 15 minutes | Director | Information |
| 8:00 AM | 5. Rate Stabilization Strategy | 30 minutes | Director | Information |
| 8:30 AM | 6. Green Energy Program | 30 minutes | Director | Discussion |
| 9:00 AM | 7. 1 st Quarter Financials | 10 minutes | Director | Discussion |
| 9:10 AM | 8. Liaison & Public comments | 5 minutes | Chair | |
| 9:15 AM | 10. Adjourn | | | |

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Sherman Chapman	Jan Aceti	June Rzepczynski	
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6/15/2016

MEMORANDUM

Concord Municipal Light Plant * 1175 Elm Street * PO Box 1029 * Concord, MA 01742-1029
978-318-3101 Fax 978-318-3105 www.concordma.gov

Date: June 14, 2015
To: Concord Municipal Light Board
CC: David Wood
Tony Logalbo

From: Sherman Chapman

Subject: Analysis of Budget Variance – First Quarter Ended March 31, 2016

The following note should be taken into account in understanding the budget variances explained in this and future quarterly variance analyses for 2016. All kWh revenues and purchase power expenses in the annual budget data are allocated based on monthly purchased kWh percentage averages over the last 7 years. All other budget revenue, expenses, and deductions are allocated equally over the four quarters.

Actual kWh **purchased** for the first quarter ended March 31, 2016 was 2,232,500 under the first quarter budget, and compared to the actual 2015 first quarter, the 2016 kWh **purchased** was under by 4,619,300.

Actual kWh **sold**, adjusted for unbilled kWh, for the first quarter ended March 31, 2016 was 2,424,000 under the first quarter budget, and compared to the actual 2015 first quarter, the 2016 kWh **sold**, adjusted for the unbilled kWh, was under by 4,702,200.

For the first quarter ended March 31, 2016 CMLP's net surplus after non-operating income, debt payments, PILOT and the underground surcharge, is \$44,200. Compared to the 2016 first quarter budgeted net surplus of \$248,400 this generates a negative bottom line budget variance of \$204,200.

Following are the greatest positive and negative variances that contribute to the negative budget variance of net surplus for the first quarter of calendar year 2016:

REVENUE VARIANCES:

Negative: (reduces surplus)

- ◆ The non-PCA revenues (revenues other than power supply revenues) were under the budget by \$160,000. CMLP sold 2,424,000 less kWh than the budget and residential and commercial sales were not sold in the same proportion as they were projected in the budget.
- ◆ Cares Surcharge revenues were under budget by \$7,300 due to lower billings.

Positive: (increases surplus)

- ◆ Operating Income Interest Income is over budget by \$5,800 due to higher interest rates. A positive variance of \$20,000 is expected at yearend.

EXPENSE VARIANCES:

Positive: (reduces surplus)

- ◆ Distribution Maintenance expenses were over budget by \$54,100. At this time no change from the yearend budget is expected.
- ◆ Administration and General Payroll and payroll related expenses were running over budget by \$8,100 due to timing of excused leaves and benefits. At this time no change from the annual budget is expected.
- ◆ Bond Debt Payments were over budget by \$7,100. At this time no change from the annual budget is expected.

Negative: (increases surplus)

- ◆ Customer expenses were under budget by \$26,600. Rebates and expenses will be incurred later in the year. No change from the yearend budget is expected.

Effect of the above Variances on the 2016 Annual Budget Net Surplus

2016 Annual budget bottom line net surplus	\$ 624,300
Revisions:	
Operating Interest Income	20,000
2016 Adjusted annual budget bottom line net surplus*	<u>\$ 644,300</u>

* (1) If the first quarter short fall of sales and revenues is made up in the remaining three quarters of the year, the adjusted budget bottom line surplus can be attained.

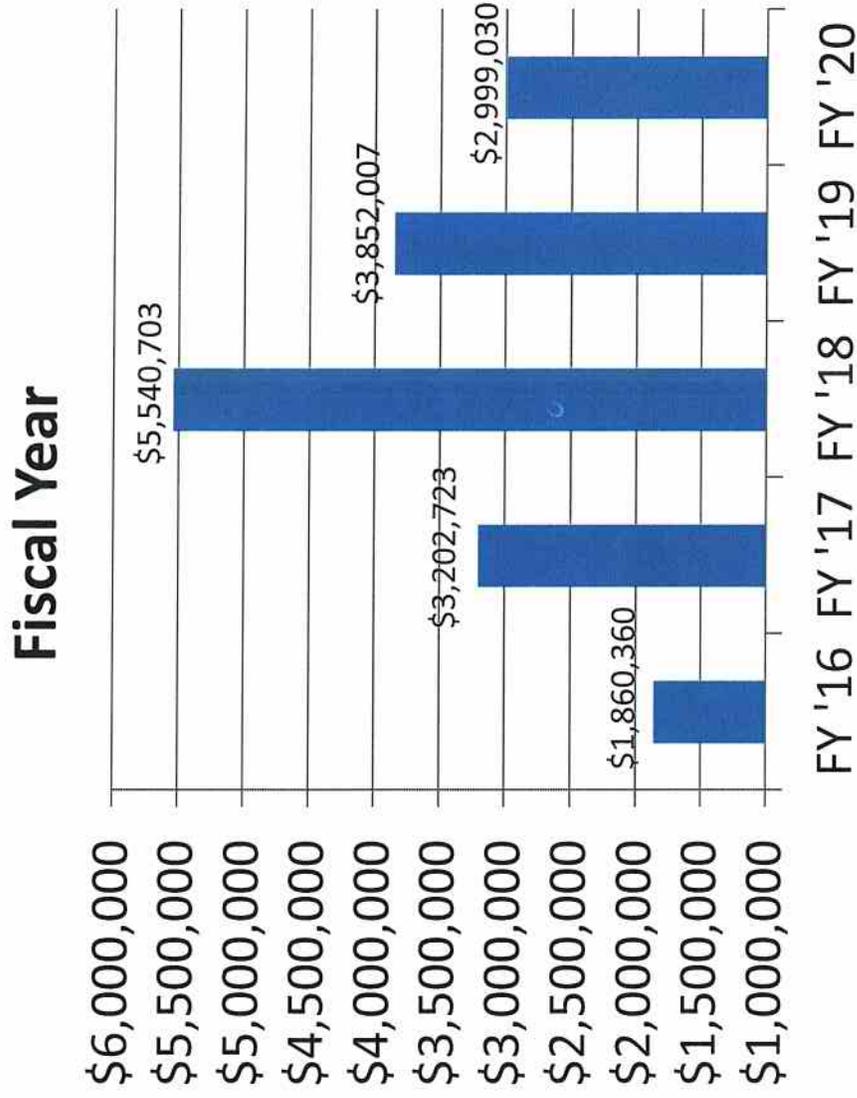
(2) The lower first quarter sales effect on the 2016 adjusted annual budget bottom line surplus is approximately \$160,000 and lowers the annual surplus to \$484,000.

If anyone is interested in seeing the detailed financial statement please let me know, and I will forward a copy.

6/15/2016

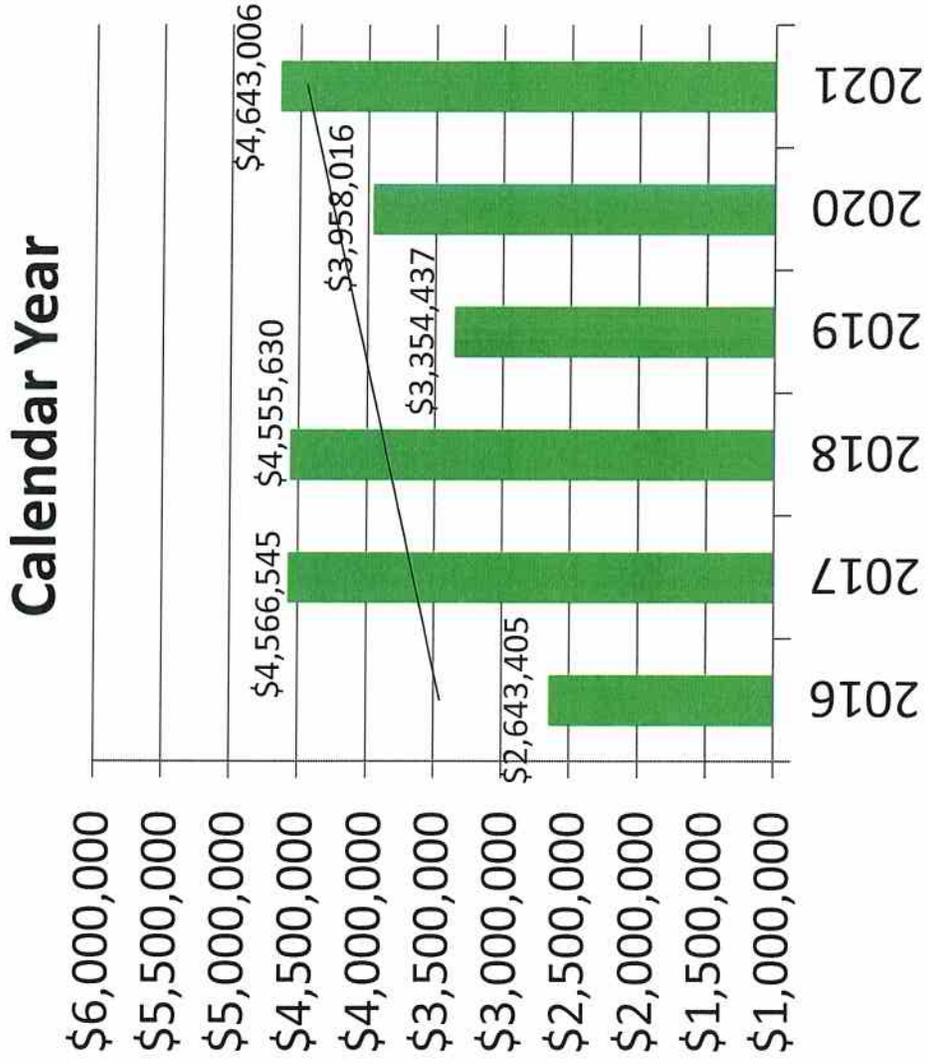
Forward Capacity Costs

mandated by the New England Independent System Operator



Forward Capacity Costs

mandated by the New England Independent System Operator



75/50,40,30

