



WMGLD

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Peter D. Dion, General Manager

Thomas Boettcher, Chair

Elton Prifti, Secretary

Philip Courcy

Jennifer Kallay

John J. Warchol

## WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT

### BOARD OF GAS & LIGHT COMMISSIONERS MEETING

January 5, 2022

#### MINUTES

**IN ATTENDANCE:** Comms. Thomas Boettcher, Chair  
Elton Prifti, Secretary  
Phil Courcy  
Jennifer Kallay  
Jack Warchol

Peter Dion, General Manager, WMGLD

Dave Polson, Engineering and Operations Manager  
Sylvia Vaccaro, Office Manager

**PLACE:** ZOOM MEETING

**CALL TO ORDER:**

Commr. Boettcher called the meeting to order at 6:30 P.M. and informed the Board the meeting is being recorded.

### **Chair Remarks:**

Commr. Boettcher extended his thanks to those that attended former Commissioner Ken Chase's retirement ceremony. He also wanted to give a shout out to WMGLD for being proactive in its use of social media to inform Wakefield residents of Verizon's Pole maintenance program that has started. He hopes that WMGLD will continue to utilize different avenues of social media to keep our customers educated and informed. He noted that he is looking forward to the January 26<sup>th</sup> Strategic Planning meeting.

**Commissioner Remarks:** Commr. Courcy informed the Board that he attended the American Rescue Plan Act (ARPA) meeting via Zoom on December 16<sup>th</sup> to discuss the Town plans on how they will be allocating its share of the \$5.3 million. He proposed that some of the money could be used help customers that are in arrears with their gas & electric bills. Commr. Courcy noted that nothing was decided at this meeting as it was just to begin discussions with more meetings with Steve Maio and Town Council to follow.

### **Town Council Liaison Comments:**

Not present.

### **Public Comments:**

None

### **Secretary's Report**

Approval of the amended minutes included in the Board book from the December 1, 2021, meeting was before the Board for approval.

**A motion** was made by Commr. Courcy to accept the December 1, 2021, minutes and seconded by Commr. Warchol.

<b>Roll Call Vote:</b> Commr. Courcy	Aye
Commr. Kallay	Aye
Commr. Prifti	Aye
Commr. Warchol	Aye
Commr. Boettcher	Aye

The motion was approved unanimously 5-0.

## **Old Business:**

### **Project Updates**

#### **Albion Street Lighting**

New lighting has been completed on Albion and will also be installed on Foundry and Maple. Pete noted that the poles used on Albion are 15 foot 6 inches, which may be too short for use on Main Street because the spread of light for these fixtures at that height will not cover Main Street. These cutoff fixtures force the light to the ground without any up lighting, so the spread will be just to the edges of Main Street if these were used. The Albion Street project did have some system benefits beyond upgrading the lighting. There were 10 services that were fed out of the bases of the lampposts before, so we were able to resolve that issue and we also added a manhole for future 4kv conversion and capacity into the downtown. The ultimate goal this year is to retire Burns Station as a 4kV station.

#### **Gas Regulators**

The Gas Department has started the regulator design for the replacement of the third regulator on Farm Street. The new regulators on New Salem and Lowell Streets are both

operational. Landscaping will be completed at the Lowell Street regulator this Spring.

## **COVID 19**

Thirty-five of our forty-three employees have been vaccinated. On December 27, 2021, the Town adopted an updated Covid policy requiring weekly testing for non-vaccinated personnel and has modified quarantine times for close contacts for non-vaccinated and non-booster personnel. The Town distributed test kits to WMGLD. We will be testing for the next 3 weeks. This week we tested 28 people and 2 people tested positive and were sent home to receive a PCR test. The Town will be hosting a booster clinic and anyone that does not have their booster after this clinic will be considered non-vaccinated and be required to obtain a PCR test every week.

## **Other**

Commr. Boettcher stated that the Commissioner's Request log should be updated because the outage map functionality on the mobile app has been completed. He noted that he would like to add a request for EV charging stations' year to date kwh and billing data. Commr. Kallay requested the numbers around the kwh generated and savings from the Water Department solar panels. Commr. Boettcher offered to share a spreadsheet he utilizes for his own personal systems that may provide the information that Commr. Kallay is requesting. Commr. Kallay inquired about MMWEC's recent offshore wind announcement. Pete noted that it was awarded to Mayflower with an install date of 2026. He said he will have more details once MMWEC has their board meeting.

## **Community Solar Structure Options**

General Counsel Mike McCarthy is working on obtaining permit approvals with the ZBA and Building Inspector. Pete stated that he is confident that the design should not be an issue because the panels should not be visible from the

street. The height off the roof will only be 10 inches and the panels will be set back 10 feet from the edges of the roof, so visibility should not be an issue.

Pete noted that part of the project at 480 North Ave. will be used to supply the building and the excess will be put back into the system, while the other part (126kw) will be used for the Community Solar Project. There are two rate structures for participants in this program. The first being a cents per kwh basis which is essentially a premium over the existing rate (normally a little bit higher). For example, Braintree Electric Light Department's base rate is approximately 14 cents, while the rate for the output of the community solar project is fixed 15 cents. The second method is a set monthly charge per increment. He recommends that this project be structured in the form of a monthly charge for the capital cost and a monthly credit for the output. Customers would purchase in one block increments for a set monthly charge and would receive a percentage of the output as a monthly credit. This would be delineated on their WMGLD bill. After a determined payback period the customer would simply receive the energy credit. Pete said that the Board will need to decide if they want to set minimum and maximum block purchases as well as, determine the payback period of either 7 or 10 years. Commr. Boettcher inquired as to what would happen if someone signed up and pays into the program for 5 years than moves out of Wakefield. He questioned if those blocks go back into the pool for repurchase. Pete stated that this is the challenging piece to this project. Another consideration is the person that signs up 5 years from now. He noted that we need to be fair to those people that signed up early, so they are not paying more than those people signing up later. Commr. Boettcher said that another option is to simply have the Community Solar Project as part of our portfolio and go back into the system. Pete noted that the purpose of this project was to give opportunities to those people that wish to participate in a solar project, but circumstances prohibit them from doing so on their own. He explained that residents will benefit from the other part of the roof because it will support the WMGLD building, and the excess will go back into the system. Pete noted that this is a pilot to gauge the public's interest. If this

project fully subscribes, we can then look at an additional 33 kw project for Wakefield Ave that could be bid again in the Spring. Commr. Warchol stated that he does not have objections to this pilot if it means that down the road there are larger projects that we would be able to apply the lessons learned from this pilot project. Pete assured him that there would be plenty of opportunities, such as the high school and commercial buildings. He continued to say that the idea of this project is to see the level of interest and subscription. Pete stated that if the Board agrees on the concept than we can go back and dive down further on the issues that were discussed tonight and bring back numbers for the Board. Commr. Boettcher added that he would be interested in carving out part of this pilot for low income.

Commr. Kallay inquired about marketing this program in a more concrete way so to provide the customer with an idea of what they are actually buying, as to give them a sense of ownership. Dave Polson stated that we could offer them an equivalency that a panel equals so many kilowatts.

Commr. Courcy cautioned the Board about a December 27, 2021, Boston Globe article titled, Efforts to Cut Energy Costs Hit DPU Snags. The article talked about installing solar and heat pumps for low-income customers. The DPU states that you cannot use energy efficiency dollars to change energy sources, so some of these projects have been halted because of this.

Commr. Warchol inquired as to what happens with the program after the panels have reached their life expectancy and what the decommissioning costs would be. Dave Polson noted that the panel life expectancy is 25 years. Pete said the panels would be likely upgraded at that time under a new project and he could include the decommissioning costs into the project. Commr. Kallay mentioned a New York model that netted out the cost over the lifetime of the panels. She will investigate this model and provide the information to Pete and Dave so they can model it out. Pete stated that if the Board believes that we are heading down the right path with this than he will come back with more details as modeling out

the 1 kw block showing 7,10, and 15-year outlay and projections on the energy.

### **Payment in Lieu of Taxes (PILOT)**

Pete explained that five or six years ago FINCOM requested a presentation from the WMGLD how their PILOT payment to the town compared with to other municipals. WMGLD hired Energy New England to conduct the study where he evaluated twenty municipals and their in Lieu of Taxes payments. Pete explained that there are different options and formulas such as asset value and cents per kwh to determine payment, but at the end of the day it comes down to dollars and relative position. The study concluded that WMGLD was in the top 3 or 4 in cents per kwh as well as whole dollar amount. As a result of WMGLD's ranking in this study, we advised FINCOM that we agreed to not reduce our rate but to only grow it at a fixed rate of 1.5% over the next five years, thereby assuring cost certainty for the Town as well as WMGLD. Pete noted that the 1.5% was based on an anticipated load growth of 1.5% per year. Over the course of the past 5 years, there has probably been some years that we did not reach the growth rate forecasted, but in general it probably averaged out.

Last year, MEAM decided to conduct their own study and evaluated all 40 municipals and that study showed the same conclusions regarding WMGLD's position relative to the other municipals in Massachusetts. He stated that considering our position it would be our recommendation to stay with the current formula of 1.5% for the next five years. He said that it is his opinion that it is best for WMGLD to continue to provide additional monetary benefits to the Town, above and beyond the PILOT payment, by investing in energy projects of interest to the Town. For example, the Albion Street lighting program, EV chargers installed in town, the solar project on the Water Department buildings, and the replacing all the streetlights. WMGLD has always done more than just the PILOT amount. These additional contributions always tie back to the system and the rate payers. Commr. Boettcher noted that it may be helpful to have a tally on all the additional projects that WMGLD has funded for the Town.

Commr. Kallay inquired about the validity of the 1.5% load growth number. Pete stated that 1.5% is a reasonable number. We can anticipate additional electric growth, but we are not sure how quickly it will happen. There are external factors such as weather, COVID, and large customers like DRT moving out of Wakefield that directly impact this number. Commr. Kallay and Commr. Boettcher stated that we should have actual numbers to back up our position. Pete stated that over the past 7 years our sales have dropped. If the formula was a cents per kwh the Town would have received less money each year so the model we are offering is fair. Commr. Boettcher asked if Mark Cousins would add an additional column on the spreadsheet that indicates an increase or decrease in sales for that year. Pete said it would be added. Commr. Kallay stated that recent inflation may have an impact on the PILOT payment. Pete responded that WMGLD would then have to factor that in and increase our rates as well. Commr. Warchol cautioned that the FINCOM has previously argued the WMGLD is an investment and the town should receive a return on their investment that could be modeled on sales or assets. He also stated that the Board could not commit itself in year one to a PILOT payment three or four years from now because a future Board could vote to do something different but that we could tell the FINCOM this is for planning purposes only and it is our intent today to increase the amount by 1.5% each year. Pete countered that a Board vote would bind the Board but that a vote of the Board could be overturned by a future vote. Discussion ensued as to whether or not the Board has actually voted on a PILOT payment amount in each of the past few years or whether the payment was made under the MOU without a specific Board vote. Pete added that the MOU was set at five years because of FINCOM's concerns of predictability and stability.

Pete stated that for next months' Board meeting he will continue to look at growth rates. Commr. Kallay believes that the sales forecast assumptions are unrealistic and not appropriate over the longer term, and we need another scenario with more electrification for planning purposes. Commr. Courcy stated that strategic planning is really the issue. Pete said that in 2021 we have seen a lot of customers install heat pumps, as well as some commercial customers.

However, these have not been reflected in the growth rate yet. We are not sure when we will see that growth curve rise. Commr. Boettcher pointed out that the increase in electricity use due to electrification may have been offset by energy savings because they may have replaced older units. We could be in this period where we do not see big changes in our growth rate for a while. Pete explained that one major factor for a decrease in our growth is the loss of large customers, DRT and Epsilon. Commr. Boettcher stated that this will be discussed again next month and potentially invite FINCOM to the March board meeting.

### **Winter Gas and Electric Supply Status**

Per discussions with Sprague and MMWC over the past two months, winter commodity prices have been higher than prior years and are volatile. Pete mentioned that the market was depressed a little bit because we had a very mild December. Some of the LNG facilities were able to procure tankers for the short term so that will help in January. He cautioned that if we get a long cold snap, we will still have some price issues, but our volatility will be relatively managed because we are 80% hedged on the gas side and 82% hedged on the electric side. He commented that we will be closely monitoring this.

### **January Strategic Planning Meeting**

Commr. Boettcher acknowledged Commr. Kallay and Courcy for their thoughts and suggestions for the Strategic Planning Meeting agenda. He proposed that the Board should discuss policies around V2G (Vehicle to Grid). He noted that the City of Beverly is currently utilizing batteries from electric school buses in the summer during peak times. He said that we may also look at zoning and codifying the EV space for multifamily and large projects and the electrification of heating and cooling of spaces. Commr. Warchol stated that he would like to see a discussion on EV charging because it will be a huge demand on WMGLD in the future. He said that we have an important role in the Town to facilitate this for our rate payers and to be prepared.

Commr. Boettcher noted that on a high level we can set the framework and directionality on where we want to go on these goals. Commr. Kallay commented that she loves the idea of working on a policy because it is the best way to manage costs as we do not have to provide higher incentives to convince people to alter their behavior if we can codify the desired behavior in policy. She noted that we are always managing our peak costs. Pete mentioned that one of the topics we can discuss is separately metering EV chargers on multi families which gives us the opportunity to either create a separate rate structure for those meters or have a set of requirements for this charging. It would be more of a time of use rate, allowing us to manage and move this charging to off peak. Commr. Prifti inquired if we would be installing double the number of meters. Dave Polson stated that we would install one meter off the main for a bank of charging stations and we would have control over that meter. He stated that he has already worked with some developers and there has been no push back or issues. Commr. Kallay wants to make sure we touch on protections for our customers during very expensive times when they maybe charging. She also stated that we need more information about what our future load shape is going to be so we can determine our power supply options and what power we need at different times of day. In addition to the revised sales forecast incorporating transportation and heating system electrification, she also requested WMGLD calculate the maximum capacity that could be supported by the existing distribution system. Pete stated that as a municipal we are in extremely good shape from a capacity perspective and on a transmission level.

Commr. Boettcher inquired if ChargePoint and other chargers can check into WMGLD and set the rate for that peak period of time for those that are on a time of use rate. Dave Polson said that he will inquire to see if this is possible. Pete said we need to investigate Vehicle to Grid, as aggregated vehicle discharge could be a resource during peak periods to feed back into the system. Pete explained that he will share an agenda prior to the Strategic Planning Meeting, so that the Board may review and provide feedback.

## **New Business**

### **FERC 2222**

Pete reminded the Board that FERC Order 222 allows distributed energy resource aggregations (DERAs) to fully participate in the ISO New England Markets. MMWEC has supported this order with ISO New England.

Advanced Energy Economy (AEE) has filed proposed seven amendments to FERC Order. The ISO New England and the Public Power Sector are opposed to these amendments.

Recently, Brian Thompson, from MMWEC, attended a Market Committee meeting and the Advanced Energy Economy (AEE) amendments was rejected at the market committee level. AEE is not going to bring it to the participants committee level, however they reserve the right to appeal it directly to FERC. MMWEC, ISO New England, and many others are not in support of the amendments. AEE will withdraw their amendment 1A even if they appeal to the FERC level. Pete explained that AEE has cherry picked different concepts from different regional transmission organizations without thought to how the global market is structured for ISO New England. This was the crux of why ISO New England opposed this as they were not consistent with the macro structure of our market. Commr. Kallay inquired if MMWEC ever files formal comments and requested regular updates on MMWEC interactions at FERC and notice and the opportunity to review comments being drafted by MMWEC for submittal to FERC. Pete stated that MMWEC may have relied on ISO's comments. Pete suggested that he can share MMWEC's ISO report.

**Any other matter not reasonably anticipated by the Chair.** - None

**A motion** to adjourn was made at 8:56 pm by Commr. Courcy and seconded by Commr. Prifti.

<b>Roll Call Vote:</b> Commr. Courcy	Aye
Commr. Kallay	Aye
Commr. Prifti	Aye
Commr. Warchol	Aye
Commr. Boettcher	Aye

