

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**

February 2, 2022

MINUTES

IN ATTENDANCE: Commrs. Thomas Boettcher, Chairman
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 6:31 P.M. and informed the Board the meeting is being recorded.

Chair Remarks:

Commr. Boettcher expressed his thanks to the WMGLD crews for their work during last weekend's snowstorm. He commented on how well the electric system handled the

inclement weather. He also stated that last week's strategic meeting was filled with good dialogue and discussion, which lead to developing some action items. He and another Board members will work on a draft for EV's and solar policies or guidelines so the Environmental Sustainability Committee could sponsor them as a Town Warrant articles.

Commissioner Remarks: None

Town Council Liaison Comments: Not present.

Public Comments: None

Secretary's Report

Approval of the amended minutes included in the Board book from the January 5, 2022, meeting was before the Board for approval.

A motion was made by Commr. Courcy to accept the January 5, 2022, minutes and seconded by Commr. Kallay.

Roll Call Vote:	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

The Gas Department will be working on their annual leak survey through this March. The number of leaks is at the lowest it has ever been in recent years because of the capital investments that have been made in gas main replacement. There was one Class 1 leak on Main Street this pass month. It was a National Grid leak, but we are required to respond. This section of Main Street is part of our replacement schedule over the next few years.

COVID

There has been an update to the Town's COVID policy. Unvaccinated people no longer must take a weekly COVID test. Home tests are provided to all employees. If anyone has symptoms, they simply take a home test. The State has allowed for up to 5 COVID sick days for people with COVID to take without it counting toward their sick time. As of now, this policy runs through March of this year.

Community Solar

Commr. Kallay expressed an interest in exploring options for a solar project targeted at low-income customers structured with a longer utility payback and a quicker net savings for the customer. She wondered if the costs could be spread out over 20 or more years. Commr. Boettcher asked if the utility would then recoup additional savings after the 20-year mark, as the system would still have at least 5 years of life. She noted for transparency we would have to establish an end date on the project. She said that perhaps some buildings in town could potentially donate their roofs as well. Assistance agencies may be able to identify customers that would qualify for this project. Pete noted that this debt would be carried longer than our substation, our building, our generator, and our battery because those are all financed for less than 20 years.

He said we could look at other municipal buildings and approach them as small individual projects. Commr. Kallay said that a Municipal building will want to use their own roof to reduce their own energy costs, so perhaps an assistance organization or business could donate their roof top. Commr. Boettcher inquired if there were any grants that may be utilized for projects like this. Pete said MMWEC is always researching grants for its members. Pete concluded that we could pursue Commr. Kallay's idea on a smaller scale. The Senior Housing building may be an option for this project. Commr. Kallay noted that she is open to any version of this. She said that we can also check with Massachusetts Area Planning Council (MAPC) and the Department of Energy Resources (DOER) to see if they have any funding for this type of project.

In conclusion, Pete explained that the Community Solar Project for 480 North Ave. was designed as a pilot to gauge customer's interest. Any additional solar projects would depend upon the subscription rate of this project. He said that further discussions will be necessary to determine how to handle customers that leave and what to do with their shares.

Other

Pete reported to the Board that there had been an issue with a neighbor of the Wakefield Ave. substation that plowed snow into our fence causing damage again this year. They caused damage in 2021 and did repair the fence, however they did it again during this last storm. Mike McCarthy has given them a cease-and-desist letter.

Payment in Lieu of Taxes (PILOT)

Pete provided a detailed the list of projects that have been completed by WMGLD for the Town over the past five years including:

LED Streetlights	\$	475,000
Pole Top Solar	\$	15,000
EV Chargers	\$	105,000
Water Dept. Solar	\$	34,000

Tree Planting	\$	80,000
Albion St. Project	\$	440,000
<u>TOTAL</u>	\$	<u>1,149,000</u>

The projects that were completed benefited both WMGLD and the Town of Wakefield. Pete recommended keeping the PILOT structure the same with the hope that we could continue to do projects like these going forward. Commr. Boettcher requested that this list be sent out to the Board members for reference. Commr. Kallay questioned the kwh trajectory on page 43, that indicates a sales decline beginning in year 2016, except for calendar year 2022. Pete explained that WMGLD lost two large data centers, DRT and Epsilon during this period. He also stated that COVID played a part in these numbers as well. He indicated that we may start to see load growth with the new development going on in town and with EV charging. The question is how quickly we will see this growth. Commr. Boettcher inquired if it was possible to see the metrics on the electric load growth along with the offset of gas consumption decrease. Pete noted that we can look at the customers that applied for heat pump rebates and start to monitor their electric consumption. Commr. Warchol stated that the 1.5 percent increase is fair. If the amount was calculated on kwh, then there would be variability from year to year. He noted that the Board can revisit this every year and adjust this amount if needed. Pete mentioned that there was one year where the State cut municipal aid and the Finance Committee came to the WMGLD Board and asked for more money, and the Board voted to give them more money that year. It was agreed that the Board would increase the PILOT by 1.5 percent each year for the next five years and invite the Finance Committee to the next meeting and explain how the Board came to this determination. Commr. Courcy made a motion to increase the PILOT by 1.5 percent each year for the next five years and seconded by Commr. Prifti.

Roll Call Vote:

Commr. Courcy	Aye
Commr. Kallay	Aye
Commr. Prifti	Aye
Commr. Warchol	Aye
Commr. Boettcher	Aye

The motion was approved unanimously 5-0.

Pete noted that he will send a letter to the Finance Committee reviewing the rationale behind the Board's decision and vote.

Winter Gas and Electric Supply Status

Pete noted that for December 2021 we were under budget, however we are a little over for January 2022 due to it being colder than expected, but the net is still on budget.

Global politics of LNG and local LNG transferring overseas also plays a role in driving up gas prices and consequently driving up electric prices. Electric generation is now at 53 percent natural gas. Mark Cousins ran a rate comparison to National Grid. WMGLD is a third lower on the electric side and equal to or slightly less on the gas side. Pete explained that we did raise our cost of gas charge to \$1.29 for February, up \$0.10 from

January's fuel charge. He mentioned that staff is closely monitoring this situation and will adjust the fuel charge and the cost of gas charge if necessary.

Commr. Kallay inquired as to how many more months we may anticipate rising fuel costs. Pete said that the fuel charge usually decreases with the March consumption, which is billed in April. Commr. Boettcher asked if there has been an increase in customers receiving fuel assistance. Mark Cousins noted that there has not been an increase in fuel assistance customers.

New Business

Offshore Wind – MMWEC Project 2021A

Pete stated that Mayflower Wind was the successful bidder for this project. He mentioned that the numbers were not available yet and he will have more data for next month's Board meeting. He said that we will see what the numbers look and at what level we would like to participate. This project is set to come online in late 2026 or early 2027. Pete noted that he spoke to MMWEC about future opportunities, but they that maybe a ways off, therefore we may want a bigger share of this project. Mayflower is a PPA arrangement, therefore there is less risk on the construction side. He also stated that MMWEC is capped at 100 mega-watts. Pete mentioned that MMWEC is working with another entity on a project off the shore of Rhode Island that we may be able to have part ownership. This is projected to come online in late 2029 or 2030.

He said that the Vineyard Wind project has faced another legal challenge that was filed at the federal level. Commr. Kallay inquired as to what is WMGLD's potential share of Mayflower Wind. Pete said that WMGLD's current share is estimated to be 5 MW, which is 10% of our current peak load. He stated that he would like to add one mega-watt, bringing our share to 13% of our current peak. Commr. Boettcher inquired if WMGLD would receive all the environmental benefits. Pete assured him that WMGLD would receive all the environmental benefits.

Pete mentioned that he spoke to MMWEC last week about another intermediate term purchase power agreement they are entertaining over a 10 year window from 2024 to 2034. He stated that we may be able to obtain one mega-watt that would be for around the clock for a certain price and would have all the green attributes. Pete stated that Steve will get back to him with how much is available. He continued to say that this would be part of our layering strategies. This would hopefully help to levelize things if any of these projects were delayed. He noted that we are projecting to be at 51 percent non carbon emitting this year. Commr. Boettcher inquired if there would be an extension on the one mega-watt, 5- year Quebec Hydro contract. Pete said they are hopeful that it will continue beyond that time. He said we would have the right to first refusal because of our ownership stake in the Hydro Quebec line. Commr. Kallay asked if more off shore wind was available, how high could we go. Pete said he would have to see where it fits. We are now at \$0.65, a little above base market, so we would have to watch this. Pete explained that in terms of power supply, the issue of the layers we will take will be smaller to mitigate risk further. Commr. Kallay noted that over time we will have limited opportunities for additional wind power. Commr. Kallay reflected on our sales forecast of a 50 percent load increase over a 10-year period that will also dilute these percentages where we are relative to our goal.

Any other matter not reasonably anticipated by the Chair.

None

Executive Session – Collective Bargaining

A motion to enter executive session for the purpose of Collective Bargaining was made at 8:02 pm by Commr. Kallay and seconded by Commr. Prifti

Roll Call Vote: Commr. Courcy Aye
 Commr. Kallay Aye
 Commr. Prifti Aye
 Commr. Warchol Aye
 Commr. Boettcher Aye

The motion was approved unanimously 5-0.

A motion to come out of Executive session for the sole purpose of adjournment was made by Commr. Courcy and seconded by Commr. Kallay.

Roll Call Vote: Commr. Courcy Aye
 Commr. Kallay Aye
 Commr. Prifti Aye
 Commr. Warchol Aye
 Commr. Boettcher Aye

The motion was approved unanimously 5-0.

A motion to adjourn was made at 8:26pm by Commr. Warchol and seconded by Commr. Courcy

Roll Call Vote: Commr. Courcy Aye
 Commr. Kallay Aye
 Commr. Prifti Aye
 Commr. Warchol Aye
 Commr. Boettcher Aye

The motion was approved unanimously 5-0.