

WMGLD
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Thomas Boettcher, Chair
Elton Prifti, Secretary
Philip Courcy
Jennifer Kallay
John J. Warchol

Peter D. Dion, General Manager

**WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT
BOARD OF GAS & LIGHT COMMISSIONERS MEETING**

April 6, 2022

MINUTES

IN ATTENDANCE: Comms. Thomas Boettcher, Chairman
Elton Prifti
Philip Courcy
Jennifer Kallay
Jack Warchol

Peter Dion, General Manager, WMGLD

Dave Polson, Engineering and Operations Manager
Mark Cousins, Finance Manager
Paul Redmond, Electric Superintendent
Vinnie McMahon, Senior Engineer
Sylvia Vaccaro, Office Manager

Member of the Public

Melissa Eusden	3 Fairmount Ave.
Kathleen Scharf	69 Pleasant St.
Julie Smith- Galvin	28 Grafton St.

PLACE: ZOOM MEETING

CALL TO ORDER:

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

Chair Remarks:

Commr. Boettcher stated that we have a fairly full agenda this evening.

He commented that, "Weather, geo-political forces & other conditions continue to create volatility in our energy markets and we as Commissioners have the challenging job of balancing our responsibilities of keeping the lights on, homes and businesses warm and cool, rate stability and environmental stewardship."

He wanted to point out an interesting fact that on Sunday, April 3 at approximately 1pm, ISO New England had a mostly zero carbon resource mix on the grid, between the full sunshine and lower temps (which solar panels love), the steady wind, coupled with hydro & nuclear resources, the grid was able to achieve this benchmark. While this is a great benchmark there are continuing challenges in managing the peak and off-peak loads and striking the correct balance of all these resources.

He also thanked WMGLD staff for developing another great program, A Shade Above, the WMGLD Tree Initiative where the utility will provide 50 customers with a utility friendly tree, free of charge. He also thanked them for considering the feedback of offering more trees that are both utility friendly and native our region.

Commr. Boettcher thanked the public for attending the meeting and as a reminder, he commented that if the members of the public would like to speak during the public comment section, they would need to state their full name and address, when recognized by the Chair. He also asked that comments be kept to 3 – 5 minutes.

Commissioner Remarks:

Commr. Courcy stated that he attended a couple of subcommittee meetings during the month. He also noted that he attended four collective bargaining sessions and will be attending another scheduled meeting. He also attended two meetings reviewing the 2021 Goals and Objectives of the General Manager and the development of the 2022 goals. He wanted to thank the General Manager for providing continued updates of the 2021 goals. that made the evaluation process easier. He thanked Jenn Kallay for her efforts in providing the Board with her input and both a redline copy and a finished copy of the 2022 goals for the Board's review. He mentioned that he attended the Sustainable Wakefield meeting and noted that it is on the agenda, so he will reserve his comments until then.

Commr. Kallay provided an update on the Green Communities Energy Reduction Plan and the application to the program. She stated that they will be presenting to the School Committee on May 3, 2022, and to Town Counsel on May 9, 2022. They will return to the School Committee for a vote and approval for submission on May 24, 2022. Commr. Kallay said that she is happy to present at the next Board meeting, if so desired.

Town Council Liaison Comments: Not present.

Public Comments:

Melissa Eusden requested that the Commissioners vote to sell or transfer their shares in the 2015A project. Many of you attended the Sustainable Wakefield presentation that went over the various reasons that we believe the Municipal Light Board should take a vote on this. She stated that she does not believe that it makes economic or environmental sense for WMGLD to invest in this natural gas plant.

Kathleen Scharf said that she supports Melissa Eusden’s statement. In her view the Peabody Peaker plant is a 10-year-old idea that probably made sense when the whole structure of alternative sources of energy was quite different in terms of availability and cost. It no longer makes sense. She requests that the current Commissioners, who were not on the Board at the time, take a vote, so we know what people’s positions are on this.

Julie Smith-Galvin, speaking as a private citizen, commented that she has spoken out about the Peabody Peaker plant quite a lot. She thanked WMGLD for always being willing to talk about this. She stated that she sent a letter back in October, 2020 asking for serious consideration to reassess this project. Since that time, we have seen capacity prices go down, IPCC warnings become more dire, and our own Board of Health asking the State to do a comprehensive health assessment of this power plant. We have seen the cost of renewables and alternatives come down and the availability of renewables go up. What we are asking today is to take a vote to exit this contract under your power purchase agreement, which requires putting your shares on the market for others to buy. While that may not seem as significant because it requires others to purchase your shares, what is really important is that you would signal to ratepayers, policy makers, and Wakefield residents that Wakefield is aware of the environmental, economic, and health consequences of this plant and the risks it poses to everyone. It is not an easy vote but a highly symbolic one for how we want Wakefield to move forward.

Secretary’s Report

Approval of the amended minutes included in the Board book from the March 2, 2022, Strategic Meeting was before the Board for approval.

A motion was made by Commr. Prifti to accept the March 2, 2022, minutes and seconded by Commr. Kallay.

Roll Call Vote:	Commr. Courcy	Aye
	Commr. Kallay	Aye
	Commr. Prifti	Abstained
	Commr. Boettcher	Aye
	The motion passed 3, 1- Abstained	

Old Business:

Project Updates

Electric System Major Project Update- Vincent McMahon and Paul Redmond

Vinnie McMahon, Senior System Engineer and Paul Redmond, Electric Superintendent, provided the Board with an overview of the 2022-2023 Project Calendar.

Vinnie explained that the Wallace Circuit Extension- Water Street work will replace the existing circuit 9, a 4.16kV circuit, by extending Circuit W32 out of Wallace Substation. It will extend all the way to McGrail Substation, serving as an additional backup feed from Wallace substation. This work will begin in July 2022.

He stated that the Burns Substation, which was built in 1960, will be decommissioned by the end of the year. The area will be fed from McGrail Substation via two pole-mounted reclosers. Work is currently underway to convert the area from 4 kV to 13.8kV. WMGLD is creating space to potentially install battery storage units with a combined output of 5 MW. WMGLD will be partnering with fourteen other municipalities, through MMWEC, who are seeking bids for similar projects. Site surveying, asbestos testing, and soil sampling have been completed. Sound testing will take place shortly. The battery installation would be tentatively scheduled for 2023-2024.

Vinnie noted that the solar roof project at 480 North Ave. will have over 228kW of solar. The Community Solar project will account for 120 kW and 108 kW will be for the building load. He also said that WMGLD will be installing several EV chargers at 480 North Ave. There are currently two level 2 chargers, with three more level 2 fleet chargers, and one level 3 high output charger planned. There has also been a Level 2 charger added at the McGrail substation.

Paul Redmond mentioned that in 2020, WMGLD had identified 110 poles that needed to be replaced. Verizon has been replacing poles at WMGLD's request and should be completed by the end of the year. To date WMGLD has transferred 23 of these poles.

Vinnie explained that the Northeast Metro Tech & Energy Park will be an ongoing project from 2022-2025. WMGLD is currently in discussions with developers to push the building to use all- electric heat with a gas service provided for cooking and shop use only. The project would also include the installation of a 250kW solar array on the roof of the school. The WMGLD would develop an Energy Park

to serve the new NEMT as well as the future Wakefield High School. The project is in its the initial design stage. The challenges with this project include:

- Maintaining service to the existing school while providing a temporary service during construction of the new school
- Rerouting the electric at the entrance to Hemlock Rd
- Developing a design to replace the school's backup generator with a WMGLD battery storage unit and a peak shaving generator
- Meeting tight budget and schedule constraints for the \$300+ million project

Commr. Kallay asked about the details of the Energy Park. He explained that it consists of an area concentrated with a battery storage unit, a natural gas generator, 250 kw solar, and EV chargers. He stated that the battery storage would be utilized as the primary backup to support the two schools in the event of an outage. It would serve as a micro grid. Commr. Boettcher noted that this would also be a benefit to the vocational school's educational curriculum. He asked if the nearby Woodville School could possibly benefit by the Energy Park. Vinnie said that ideally everyone benefits because the Energy Park could be used in shaving the peak. Commr. Kallay inquired as to what the significant challenges are of this project. Pete noted that the technological issues are not as big as the political issues. Pete explained that WMGLD is meeting with the developers weekly and has offered creative ways for them to reduce costs as well as their carbon footprint. The State, however, has not made any changes to the laws making these energy saving measures mandatory, so with a 300-million-dollar project that is already over budget it is challenging to incorporate these energy saving measures.

Paul stated that from January 2023- September 2023, WMGLD will be extending the 13.8kV lines from W30 down Preston Street with Verizon replacing poles as needed. This will eliminate antiquated 4kV hardware and create a tie to the Circuit W 32 extension on Water Street. He also noted that Circuit 1380 underground feeder replacement will take place during 2023.

Vinnie said that he is meeting weekly with the developer of Quannapowitt Parkway to finalize plans. There will be 3 buildings, which will have 440 apartments, all with electric heat. Retail space is also being incorporated into the plans. There will be 26 EV chargers, with each building having a dedicated EV meter for chargers. The project will consist of 4 Transformers, 2 switches, all new 13.8kv underground system, approximately 3,600' of new duct bank & 7 new manholes. The preliminary schedule includes building demolition/disconnect in Q3/ Q4 of 2022 through full occupancy in 2025.

Project 2015A Update

Pete noted that the project was put on pause in May of 2021 to hear comments from the public. In June of 2021, a public information session was held in Peabody and technical changes were made to the project to further address environmental concerns. At the end of July, MMWEC decided to move ahead with the project. MMWEC received approval from the DPU to proceed with the financing of the project on August 12, 2021. The public had until September 1st to file an appeal and when there was none filed, the project proceeded with bonding. The financing was completed in November of 2021 and construction of the project began in December of 2021. At this point, site work underway, with foundations due to be poured and large portions of the project being delivered to the site over the next 3 months. The project is moving forward as scheduled.

Commr. Courcy stated that he and other Commissioners as well as some of Pete's staff registered and attended the Sustainable Wakefield meeting held on March 21, 2022, via Zoom. He said that he registered for the meeting with an expectation to hear a long litany of previously aired grievances against the plant but he would be on hand to provide a project update, dispel any misinformation, and answer questions from the public. He said that everyone was placed on mute and never given the opportunity to comment. The moderator ended the 30-minute-long meeting without allowing public comment. Commr. Courcy continued to say that for the record:

- All 14 of the original participants are still partners in this project. No one has sold their shares.
- Months ago, if we cancelled this project, it would have cost the ratepayers \$1.5 million dollars. If the project was cancelled now, the Wakefield ratepayers would now be responsible for \$6.7 million dollars we would receive nothing and would still need to fulfill our capacity obligation.
- He stated that he does not agree with the math that is presented and that the capacity doesn't pay for itself.
- The DPU approved the project in September of 2021 and stated that "MMWEC has shown that the 60MW capacity resource will offer needed capacity as well as price stability for project participants and their ratepayers".
- The project obtained all the required permits and construction began in Dec. 2021.
- The prime mover and generator delivery is scheduled for July or August 2022.
- The in-service date is expected in June 2023.

Commr. Courcy would like to enter the MMWEC Statement in Response to Reports on Project 2015A dated March 10, 2022 into the meeting minutes.

He noted his takeaways from the meeting as follows:

- 1) The meeting was a bust as only one true member of the public attended.
- 2) Sustainable Wakefield website does not provide advanced public meeting notice, provide minutes of meetings, or post the recorded Zoom meeting session for viewing. It is unaccountable to the tax and ratepayers as it does not have to justify their actions or decisions.
- 3) The duplicity of Sustainable Wakefield is remarkable and crosses a line in my opinion. They are using the website to create a back channel of communication between the Town's Environmental Sustainability Committee (ESC) and the public. and do not have to address Town's open meeting law?
- 4) Why would the WMGLD continue to provide a liaison to the ESC if they will not allow us to even speak at a public meeting? Or why would we allow a double dealing MCAN/ESC board member to be a liaison to the WMGLD?
- 5) I am having trouble believing it was an oversight to leave us on mute. The meeting was a bust, they panicked, and they just wanted to end it. If you are testing for gullibility, I have no plans to wait up for Easter Bunny.

Commr. Kallay stated that she has long supported taking a vote on this. She thinks it is reasonable and sees no risk in offering up our shares even though we may not receive viable offers. She said she has long questioned the economics and that is documented in testimony before the State and does not see any problem or concern in taking a vote at this time.

Commr. Boettcher expressed concern around the of the long-term financial aspects leaving a stranded asset out there and saddling the ratepayers with this capacity over the long-term.

Commr. Prifti stated that from his perspective he is not convinced that there is another alternative out there that will be able to provide the source of power to Wakefield and other Municipals that this peaking plant will be able to provide in the long run. He stated that a couple of meetings ago, we saw what the forecast of ISO is for reaching some of the 2050 goals and to reach these we will need more of the traditional generating power sources not just renewables. He explained that he is all for renewables, but they do come in at a higher cost than a traditional power plant will. He noted that he is not opposed to taking a vote, but would like to see more data, before taking a different route. The \$6.7 million is a huge cost that needs to be eaten by all ratepayers and we would have to spend additional dollars to find capacity elsewhere in the market. He stated that there has been talk about batteries and based on his

research and information derived from his day job, the price for installing a 1 mega-watt battery is coming in at about \$2 million dollars. To provide the necessary 55 mva of a peaking plant for less than what we are being charged for by a traditional generating power source, it is not a viable economical option to move forward toward a different alternative.

Pete stated that there were a few items mentioned at the Sustainable Wakefield meeting that were factually incorrect. It was stated that the plant would have to be retired in 2050 and that is not correct. The goal is to be at net zero by 2050. There is no mandatory retirement date. The plant will have long been paid for and will be an available resource to run if needed. It was also mentioned that the PPA was somehow unique, which is not true. It is the standard PPA we have used since the 1970's. We must pay for a project, whether we take the resources generated from it or not. It was true for any project that we have done in the past, such as Seabrook, Millstone, Berkshire Wind, and Hancock Wind and Hydro Quebec. The financing community will not finance any projects like this, without this take or pay provision. Pete said that two systems did attempt to sell their shares, but neither has received any offers for their shares. It is also important to note that the shares would be sold for cents on the dollar and not full price.

He noted that we are committed to this project. We have already spent almost \$2 million and are committed to about \$7 million at this point. The asset is going to be built and will be there and if we step away from it now, we will have to replace the capacity, so it will be a double cost. Commr. Kallay stated that it will not be double cost if you sell your shares at a reasonable price. Pete explained that it depends if you sell, at what cost, and that there is no market for this. Commr. Kallay said that we need to take a vote because we were asked by people on this call. Commr. Courcy commented that he sees no need to take a vote.

A motion to provide notice to MMWEC to sell or transfer the shares of this project was made by Commr. Kallay and seconded by Commr. Boettcher. Commr. Courcy said that the vote should be delayed until the next meeting. Commr. Boettcher stated that this request is reasonable because we do not have the full Board in attendance. Commr. Boettcher asked Commr Kallay if she minded if this vote was scheduled for next month's Board Meeting. It was motioned to table and the motion would appear in the next Board book.

Winter Gas and Electric Supply Status

Pete stated that per his discussions with Sprague and MMWEC over the past two months, winter commodity prices have been higher than prior years and volatile. Market commodity costs did stabilize in February and our natural gas hedging strategy was effective. We will be dropping our Cost of Gas Charge for March usage by \$0.15. Staff will continue to monitor and adjust the fuel charge and the cost of gas charge if necessary. The electric fuel charge has not decreased yet but is anticipated to decrease in month or two. He explained that over the past four years we had two years where we utilized REV LNG and portable. The past two years we relied on LNG out of Everett for peaking. We used more National Grid this past year, so we should be able to receive a higher allocation. He noted that we will have to perform an analysis and have a discussion with Mark Roberts from Sprague. Commr. Boettcher commented that WMGLD's layering strategy has been successful. Commr. Kallay inquired as to the accounts receivable and where we stand today compared to last year. Mark Cousins commented that we are in a better position than last year even though bills have been higher.

Pete mentioned that there are more resources available to our customers. He noted that the moratorium ends on April 15, 2022. Commr. Boettcher inquired if there is a potential uptick in past due accounts this year compared to previous years. Mark said that the percentage of accounts past due are down, but the dollars past due are higher due to higher costs in this energy environment.

Gas Moratorium

Pete noted that Commr. Kallay has asked to have an additional discussion on the scope of the new gas service moratorium. Commr. Kallay noted that the Board had previous specific discussions around a customer's request for an exemption from the gas moratorium on multi-families. She requested that the Board have a discussion on including new single-family dwellings into the gas moratorium.

Commr. Boettcher said that the goal of the moratorium was to protect WMGLD's peaking capacity. Commr. Prifti noted that we would need to define new construction versus renovation. He also stated that we should grant a grace period to those customers that already have building permits and those currently in process. Pete stated that he will check with the building department to see what their definition of new construction is and align our definition with theirs. Commr. Boettcher stated that once we have a clear definition, we can bring an amendment to the moratorium to the Board for review and possible vote.

Review of 2021 Performance and Discussion of 2022 Goals

Commr. Kallay stated that she met with Pete and Commr. Courcy to draft goals for 2022. She reviewed the changes with the Board. She noted that a number of initiatives were more formally incorporated into the 2022 goals such as:

- Supporting the Green Communities Energy Reduction Plan
- Assisting the Town with major projects (Vocational School)
- Assisting with building codes and the accompanying technical requirements associated with these codes. For example, solar ready and EV ready

She noted that there should be a shift from website updates to marketing and increasing our customers' awareness of all the new initiatives that have been implemented over the last few years. Commr. Kallay expressed her interest in discussing creative ways that WMGLD could use to reach customers about the rebates & incentive programs. Pete noted that there are different classifications of customers that will acknowledge our efforts. We have utilized our website, bill inserts, and advertisements. We continue to develop new mechanisms to reach out to the customers. Commr. Prifti commented that this is not fair to base the General Manager's performance on the adoption rate of rebates & incentives. He said that he is not sure that bringing in a marketing firm is the answer. Perhaps, a post participation survey on how helpful the website and other mechanisms were in the process. Commr. Courcy noted that the General Manager has implemented different methods to reach the public about these programs. We cannot force our customers to accept these technologies, so how can we evaluate the General Manager on the adoption rate. Commr. Prifti agreed with not measuring on the adoption rate, but on the increase in marketing efforts.

A motion to approve the General Manager's 2022 goals as amended was made by Commr. Courcy and seconded by Commr. Prifti.

Roll Call Vote:

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

The motion was approved unanimously 4-0.

New Business

2021 Department of Public Utilities Report

Mark Cousins stated that the DPU report details both financial and statistical information that the DPU uses for comparative purposes. Included in the Commissioners Board packet is the signature page for the report that each Commissioner needs to sign and return to WMGLD. The DPU requests all utilities in the Commonwealth to complete this report. Mark also noted that the final audited financial statements for 2021 with the pension numbers is also included in the Board book.

A motion to accept the DPU report for 2021 was made by Commr. Courcy and seconded by Commr. Prifti.

Roll Call Vote:

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

The motion was approved unanimously 4-0.

Project 2022A – MMWEC Battery Project

Pete stated that MMWEC has entered into an agreement with a partner to develop a 100MW battery storage system on the Ludlow campus of MMWEC. Project 2022A was created in January by the MMWEC Board of Directors to solicit member participation in this project. The project will be in a development phase and focus only on engineering until it clears the Forward Capacity Market auction. The votes attached establish our interest and commitment to participate. Financials for the project can be discussed in Executive Session, if necessary. WMGLD's share of this project would be 2.8% and cost roughly \$270,000.00. As there are no large units coming down the path, we need to keep adding layers of capacity. This battery project will supplement Project 2015A. Commr. Kallay questioned what the status of the project would be if the Minimum Offer Price Rule (MOPR) was not eliminated. Pete explained that WMGLD would not proceed with the project. We would only go forward if we knew we would be going into the Forward Capacity Market. Pete confirmed for Commr. Boettcher that our share of 2.8% does equal approximately 1 megawatt. He assured Commr. Kallay that we would receive the capacity payment.

Any other matter not reasonably anticipated by the Chair.

A motion by was made Commr. Courcy to go into Executive session at 8:35pm for the purpose of discussing f Collective Bargaining, Project 2022A, and review of the General Manager's 2021 performance goals. Returning to general session to take a vote.

Roll Call Vote:

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

The motion was approved unanimously 4-0.

