



WMGLD
P.O. BOX 190 480 North Ave.
Wakefield, MA 01880
Tel. (781) 246-6363 Fax (781) 246-0419

Peter D. Dion, General Manager

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

WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT

BOARD OF GAS & LIGHT COMMISSIONERS MEETING

May 11, 2022

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
Mark Cousins, Finance Manager
Jim Brown, Gas Superintendent
Raven Fournier, System Engineer
Joe Collins, Business Analyst- Energy Services
Sylvia Vaccaro, Office Manager

Members of the Public

| | |
|---------------------|-----------------------|
| Kathleen Scharf | 69 Pleasant St. |
| Julie Smith- Galvin | 28 Grafton St. |
| Susan Smaller | 3 Lowman Cir. Peabody |

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 read the following:

Good evening, I need to address some issues and concerns *from* our April 6th meeting.

Commissioner Courcy, while you have a voice on this board you are not the voice of the board, when speaking in public or during our meetings please do make comments on behalf of the board unless authorized by the board to speak on its behalf.

Also for the record Sustainable Wakefield is a private citizens group which does not fall under the prevue of open meeting laws, unlike the Environmental Sustainability Committee (ESC) which is an appointed Town Body which does fall under open meeting laws.

Your comments around Sustainable Wakefield's presentation on 2015A were incorrect that they are required to abide by open meeting laws, furthermore Sustainable Wakefield did not ask or invite the Board or the Utility to present or speak during their presentation. They extended an invite to Myself as Chair and to Pete to listen in. Since there were 3 Commissioners present during their presentation if any of us were to speak, that person would have most likely been in violation of open meeting law.

Yes, I'm currently our liaison to the ESC but your comment that I'm a "double dealing MCAN/ESC board member" is wildly untrue, highly offensive, and downright unprofessional. MY work with the ESC has been to bridge the work the utility does and work that ESC does which have a lot of similarly aligned goals, while I have not gone through all the ECS meeting minutes over the last two years that I've been the liaison, I don't recall that MCAN has ever been brought up or discussed in a single ECS meeting.

Last week Commissioner Kallay and I attended MMWEC's annual conference where we were provided updates on our generation assets, the many projects in the works including offshore wind, grid scale solar and batteries as well as updates on fully electrified connected home. The state had a presentation on environmental justice, it was great to hear from our peer MLPs on some of their initiatives like time of use rates and tariff on bill financing model to fund energy efficiency improvements. Closing out the conference we got an update on emerging technologies including small modular reactors, geothermal, and fusion which is being developed right here in Massachusetts.

Finally, I'm looking forward to Raven & Jim's presentation this evening.

COMMISSIONER REMARKS: No comments

TOWN COUNCIL LIASON COMMENTS: Not present

PUBLIC COMMENTS:

Commr. Boettcher made the following comments:

Thank you all for attending the meeting this evening, as reminder if you would like to speak during the public comment section, please raise your hand and I'll recognize you. Please remember to state your full name and address. Since we have a full agenda this evening, I ask that you keep your comments to 3 – 5 minutes.

Historically we have allowed public participation during the meeting at the discretion of the Chair (Myself). If you would like to be recognized, please raise your hand and if appropriate I will call upon you. If you haven't already stated your name and address, please do so. Thank you.

He also read the following member the public's comments:

Hello Commissioners,

I am unable to attend tomorrow's meeting, but I want to share that I am excited and happy to hear that the Commissioners are reconsidering our town's participation in the Peabody Power Plant project. I think that the investment put towards the project is insignificant when you consider the negative impact of the plant on the region for decades.

Also, I support extension of the gas moratorium to include single-family construction and providing rebates for electric landscape equipment. Maybe we can address getting rid of all leaf blowers but that is a discussion for another day.

Thanks for your great work on the commission.

Robin Greenberg

3 Auburn St

Julie-Smith-Galvin, 28 Grafton St., explained that she is here as a private citizen. She noted that back in October 2020, she asked WMGLD about their participation in MMWEC Project 2015A. She stated that while it may have made sense back in 2015, it no longer makes sense for many reasons ranging from costs to environmental justice, to health, and climate purposes. She asks the Board to vote on opting out of this project. She mentioned that she is very familiar with this project, and this would not be a high-risk vote. She would appreciate if you would consider it, so Wakefield ratepayers will have an opportunity to not be an investor in one of the last fossil plants ever built in this region. The vote would reaffirm that Wakefield is committed to climate action, health and environmental justice in surrounding communities, as well as environmental justice areas in our own back yard

Kathleen Scharf, 69 Pleasant St., echoed Julie-Smith-Galvin's excellent comments about Project 2015A. She noted that the Peabody Peaker plant is an old solution to a virtually non-existent issue, and we need to move into the future in a responsible way.

Susan Smaller, 3 Lowman Circle, Peabody, MA, a member of Breath Clean North Shore said that she has campaigned to stop the third peaking plant being built in an environmental justice area in Peabody. She noted that everything that Julie said is correct and true. This deserves a full environmental review and a comprehensive health impact study as this affects everyone, especially those in Peabody. She stated that avoiding this 30-year investment in fossil fuel infrastructure is the right thing to do.

SECRETARY'S REPORT

Approval of the minutes included in the Board book from the April 6, 2022, meeting was before the board for approval.

A motion was made by Commr. Courcy to approve the April 6, 2022, minutes as appeared in the Board book and was seconded by Commr. Prifti

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

The motion was approved unanimously 4-0.

OLD BUSINESS:

Project Updates

Gas System Major Project Update- Raven Fournier & Jim Brown

Jim Brown provided the Board with an update on the gas main replacement of bare steel and cast iron to plastic. He explained that WMGLD hires a contractor to lay the dead main and then we will do our own interconnects and tie ins. He also noted that the Gas department is continuing to move inside services to the outside. He mentioned that the Department of Public Utilities (DPU) has recognized WMGLD as a leader in this safety practice.

Jim explained that there has been a reduction of 68 gas leaks from 2018-2021. Class 2 leaks are down to zero, where Class 3 (*SEI) are at 13, and Class 3 (non-SEI) are down to 56.

Raven Fournier provided an overview of the regulator station replacements at the Lowell and Farm Street stations. These updates will offer uniformity across design and procedures. Outdated underground sensor lines were replaced with the new industry best practice of above ground sensor lines, and relief valves to be installed on regulating stations if needed. The Lowell Street regulator station is completed, with landscaping to be finished by the end of this month. The Farm Street regulator station is in process with the new building being shipped on May 15th. Installation will be finished, then fiber will be connected for remote SCADA monitoring. The final step will be to clean the site and add landscaping.

Raven noted that she submitted the initial statement of interest for the Environmental Justice Area Project Grant through the Infrastructure Investment and Jobs Act. Municipals from across the country are entitled to apply for this grant. This area would include the Crescent Street Project Area and the Columbia Road Project Area with an estimated cost of \$800,000.00. If WMGLD is awarded this grant it will cover the cost of replacing over a mile of main and the remaining cast iron. This would help us reach our goal of 100 percent plastic. Commr. Kallay inquired that if WMGLD is awarded this grant money, would we be able to use the money we would have spent on other projects in the Environmental Justice area. Pete noted that there is a separate program and budget for those projects. He stated that we could accelerate the gas mains replacement in our whole

system. Commr. Prifti added that the grant money is to be used to replace aging infrastructure and assets only.

Project 2015A

Commr. Boettcher noted that there was a tabled motion from the April 6, 2022 meeting calling for a vote to put our share of Project 2015A up for sale. He expressed concerns for leaving a stranded capacity asset. The capacity market is lower and forecasted to be lower for the next 5- 10 years. He stated that had he been on the Board back in 2015 and based on the capacity markets back then, he probably would have voted in favor of this project. He noted that even though 2015A would come online with newer technologies producing less greenhouse gases and that Plant 1 at the site will be shutting down dramatically reducing the greenhouse gasses in the Peabody area in aggregate, he believes the long-term financials are not there and may put us at risk. He noted that he sees 3 potential scenarios:

- We receive no offer
- We receive an offer that is not financially advantageous for us
- We do receive a financially beneficial offer and we are back in the open market for that capacity and potentially seeing a profit.

Commr. Kallay told the Board that she does not believe that this vote presents a risk to us. She explained that this is not a vote of no confidence in the utility or this Board. She said we have an astoundingly amazing team at WMGLD, and, a very competent Board, so she has no fear of the future and states that we will do what needs to be done. She commented that natural gas planning will be different moving forward and we will have further discussions on how much gas we need and what kind of gas assets we invest in going forward.

Commr. Courcy remarked that he believes everything that can be said has been said and is ready to take a vote.

Commr. Prifti stated that a couple of months ago the Board looked at ISO load growth projections that were tripling the electric load and to be ready for such growth a peaker plant like this would come into play. The gas suppliers National Grid and Tennessee Gas have put out a vision to have fossil free gas by 2050 for consumption, which is contradictory to the claim made by the public that this plant would be a fossil plant. Regarding the environmental study, there is an environmental permit that has been granted for the project, therefore an environmental impact study has been completed. As far as health concerns, this project will eliminate Unit 1,

which is operating on oil and is generating a lot more carbon emissions than what the new plant will generate. There are other municipals that have offered up their shares with no interest to date, so if others have not been successful why would we think we could sell our shares.

Commr. Boettcher stated that he sees no harm in voting to in offer up our shares for sale. Commr. Prifti asked for clarification as to what we would be voting on today. Commr. Boettcher said that the only exit ramp is to put our options up for sale. Commr. Kallay explained that we could transfer to others that have already bought into the project or sell to someone that is not already a participant. Commr. Prifti commented that the peaker plant participates in the capacity market and with the anticipated load growth in the capacity market he proposed the question that would that not change the cost. He said that it would make sense to participate in this project. He also went on to say that this plant would last for 30 years. Commr. Boettcher said the capacity market would be lower for the next 5-10 years, he noted that it is speculation. Other projects will continue to come online that would lower the capacity like 2022A. Commr. Prifti explained that Project 2022A could go in the opposite direction with all costs increasing, that project will cost more than what people are estimating the costs to be today.

Commr. Kallay said just how cost-effective battery capacity is and coming into the market and faster than anyone thought, which may be an alternative solution based on how much this plant would run. Commr. Boettcher said there are investments coming in the next few years that could be a better option. Commr. Prifti inquired that MMWEC's analysis was that in addition to this plant we need the battery project and other projects would be on top of the peaking plant. Pete confirmed that is true. He stated that we need a layered approach, as it is the only way to cover the load growth. Batteries are a piece of the of the puzzle, but they are only a 4-hour solution. It is a layered approach to make sure we are covered for the next 30 years. He explained that there will be no more Seabrook, Millstone, and Mystic plants being built any longer. The capacity of the peaking plant is another piece of the puzzle just as batteries and offshore wind. Commr. Prifti asked if the peaker is included in the base analysis and then we add on all the layers or strip out the layers. Pete said it is included in our portfolio. We show were different pieces come on and off over the next several years and this is a layer of our capacity requirement. Commr. Boettcher said the open market is showing the capacity to be lower. He said the hedge may not be good for us long term. Pete explained that the more assets coming online does not mean that they will be adding capacity. The only thing would be batteries and you would not have the room for all the batteries you would need. Pete continued to say that peakers are being added back in Texas and California because of the need. He stated that the

technology to convert to green is getting close. It is much closer to have the peakers run on green hydrogen than receiving capacity from fusion. Commr. Prifti cited recent reports from electric and gas distribution companies that a hybrid solution is needed to meet the 2050 net zero goals. If we go all renewable, we will not be able to provide a safe and reliable service to Wakefield.

A motion to untable Commr. Kallay's motion from the April 6, 2022, meeting was made by Commr. Warchol 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 A motion was made by Commr. Kallay to provide notice to MMWEC to sell or transfer Wakefield's shares of the 2015A Peabody Peaker Plant project.

| | |
|------------------|-----|
| Commr. Courcy | Nay |
| Commr. Kallay | Aye |
| Commr. Prifti | Nay |
| Commr. Warchol | Nay |
| Commr. Boettcher | Aye |

The motion fails 3-2

Northeast Tech/Wakefield HS Energy Park

Pete stated that staff has been meeting weekly with the building committee and design team to encourage them to shift from natural gas to electric for HVAC systems. They have agreed to make a recommendation to go all electric. WMGLD would construct an Energy Park with a battery, generator, and potential future distribution technology that would serve as a micro grid and provide emergency backup to both NEMT and the future Wakefield High School. It would also be used to serve as a capacity management resource to the benefit of all WMGLD customers. Pete said that he would like to proceed with the Energy Park plan and come back to the Board with a

proforma. Commr. Boettcher inquired if there were any grants available for this project. Pete noted that he will seek MMWEC assistance in this.

Winter Gas and Electric Supply Status

Gas Moratorium

Pete explained that we held our rate an extra month because the prices stayed higher and that we were still billing off winter loads. He mentioned that we should be able to lower the rates to the summer rates next month. He noted that we were pretty much on plan because of the work that Sprague has done. We did pay extra in transportation dollars because we took more from National Grid than the Tennessee pipeline, but that should help us in the long run on our capacity allocation. As of right now, we will not necessarily need to have portable LNG or longer-term peaking contracts as long as we get the allocation that we are expecting based on how we ran the system this year.

Pete mentioned that Commr. Kallay asked for a discussion on the possibility of expanding the gas moratorium to include any new construction. The question of what would be considered new construction versus a renovation was raised. Pete consulted General Counsel, Mike McCarthy, who stated that new construction is clear, however there are terms that apply to major renovations that could be considered. Substantial renovations for our purposes, should be defined as anything that results in an increase in the existing building envelope, meaning that any increase in the footprint for any addition to the existing residential structure could also be considered for these purposes. Pete said if we are going to expand the moratorium, we must be clear on the definition of new construction. Discussion ensued and Commrs. agreed that the moratorium should be expanded to include new construction. Commr. Warchol requested to see a draft with the proposed language before a vote is taken. Pete agreed and he will come back to the Board next month with a draft.

New Business

2021 Green Communities Presentation

Julie Smith Galvin advised that they will be submitting their application within the next month. This grant is for municipal buildings and vehicles. There are 5 criteria that are required to be entered into the grant program.

- Zoning

- As right zoning
- Stretch code
- Vehicle use policy
- Energy plan to reduce Municipal energy use by 20% in 5 years

Once accepted we would receive the \$170,000 grant and be able to apply thereafter for \$200,000 annually towards municipal energy conservation measures. She hopes that the Town will start to think of how to make energy savings as part of their capital planning budget and that will translate into grant applications and hopefully accelerating projects.

Commr. Kallay stated that they are collecting feedback and input and hopefully will apply to the program in June. GDS conducted scoping audits on 17 major municipal buildings and discovered savings opportunities and the associated costs. We worked with MAPC and developed three strategies:

- Focusing on larger less efficient buildings
- Identifying buildings with a lot of opportunities for savings and addressing them in a comprehensive way
- Looking to pair some of the energy improvements with some of the other improvements that are already in our capital plan

She noted that they identified 5 buildings to concentrate on over a 5-year period.

- Town Hall
- Americal Civic Center
- Public Safety Building
- Woodville School
- Wakefield High School

The next steps in May will be to solicit and incorporate feedback and to provide an updated ERP for final review and approval, with application to the Green Communities program to be completed in June.

Energy Efficiency Program- Cordless Outdoor Equipment

Joe Collins presented his analysis of adding cordless outdoor equipment to WMGLD's rebates and incentives. He noted that he reviewed other MLPs and chose the top 4 popular pieces of equipment to rollout in this program.

There is an initial budget of \$5500.00. Pete noted that the economic impact on existing plan will not be significant. He said that we can analyze the program results at the end of the year and decide if we want to continue or expand this program for next year.

A motion to accept the cordless electric yard equipment into our current energy efficiency program 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.

MMWEC Project 2021A – Offshore Wind (portions may be in Executive Session)

Pete stated that MMWEC has entered into an agreement with Mayflower Wind LLC to participate in the development of a larger offshore wind project. We are recommending a 6 percent share, just under 6 megawatts. This will not hit our portfolio until the end of 2027 or 2028. This would not have a full 6-megawatt value on the capacity side but would have some sort of D rate. This is another step in our layering strategy in our portfolio. In the last MMWEC meeting we discussed other projects like this moving forward. This will be a good piece for our portfolio. By the time this comes online it will account for about 10% of our portfolio. He explained that this is more of an energy play than a capacity play. Commr. Kallay asked how preference rights are determined because it appears that some utilities have larger preference rights than WMGLD. Pete explained that it had to do with what each municipal's portfolio had open at the time of solicitation. The percentage that we are taking is consistent with what we have historically taken. It is a good, layered strip, as you do not want to put all your eggs in one basket. It is best to stay diversified. Pete noted that there are developers that MMWEC is in discussion with for other future wind projects. Therefore, we would be spreading the development and operational risks over several projects.

Certificate of Vote

Special Project 2021A

I, the Secretary or Clerk of the Municipal Light Board or Commission of the City or Town of _____, Massachusetts, certify that at a meeting of the Board or Commission held on _____, 2022, of which meeting all members of the Board or Commission were duly notified, all notices were duly posted and at which meeting a quorum was present and acting throughout, and which meeting was duly convened in Open Session and following a roll call vote on a motion to enter into Executive Session in order to address, among other things, Trade Secrets as defined in G.L c 164, Sec. 47D and St. 1975, c. 775, Sec. 19 (a) relating to participation in Special Project 2021A and following the conclusion of the Executive Session and in the reconvened Open Session, the following vote was passed in Open Session by a vote of ____ to ____, all of which appears in the official records of the Board or Commission in my custody:

- Voted:***
1. that the City or Town of _____, acting by and through the Municipal Light Board or Commission, in accordance with St. 1975, c. 775, § 1 hereby votes and agrees to participate in MMWEC's Special Project 2021A; and
 2. that the City or Town of _____, acting by and through the Municipal Light Board or Commission, in accordance with St. 1975, c. 775 § 1 hereby agrees to pay its *pro rata* share of the costs of carrying out Special Project 2021A, as established by the MMWEC Board of Directors in the Special Project Fund for such Special Project 2021A, which *pro rata* share shall be based on the City or Town's participation in Special Project 2021A; and
 3. that the Manager is hereby authorized and directed to make payments to MMWEC calculated as set forth in the preceding paragraph 2; and

4. that the Manager is hereby authorized and directed to execute the Participation Acknowledgement, a copy of which has been presented at this meeting and is filed with the permanent records thereof; and
5. that any actions previously taken by the Manager, which are consistent with the purpose of this vote, are hereby ratified and confirmed.

I further certify that the above vote was taken in a duly convened meeting which convened open to the public; that notice stating the place, date, and time of the meeting was filed with the City or Town clerk and a copy thereof was posted in the office of the City or Town clerk or on the principal official bulletin board of the City or Town at least 48 hours prior to this meeting, excluding Saturdays, Sundays or legal holidays, and that the official record of the meeting was or will be made available to the public, all in accordance with G.L. c.30A Sections 18-25, as amended.

Dated: _____

Secretary or Clerk of the Municipal Light Board

A motion to vote on attachment one and including that full text in our minutes to express our interest in the 10% share in MMWEC Project 2021A was made 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.

Board Reorganization

Commr. Boettcher stated that part of this reorganization also includes the Environmental Sustainability Committee liaison. Commr. Boettcher will remain as liaison. He stated that the chair position would go to Commr. Prifti and secretary would go to Commr. Kallay. Commr. Prifti explained

that he has a new role in his company, and he would not be able to allocate the time needed to this position. He noted that he would appreciate it, if he would be able to skip his turn. It was decided that Commr. Kallay would assume the role of Chair and Commr. Prifti would remain as secretary for this term.

A motion was made by Commr. Warchol that Commr. Kallay be appointed Chair and Commr. Prifti will remain as secretary 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.

Any other matter not reasonably anticipated by the Chair

Commr. Warchol requested an update on the Shumway Circle entry in the customer inquiry log. Commr. Warchol said he was contacted by this customer because his neighbors had received notification that gas main work was going to be performed in the neighborhood. The scope of the project changed, and this customer's home was now included in the project, however he had not received any notification. Pete emailed the customer apologizing for this oversight and assured the customer he will receive notification when we come back to complete the project in the fall. Commr. Warchol will circle back with the customer. Commr. Prifti requested that this log be a 3-year rolling log. All agreed to this change. Commr. Boettcher asked that the special financing available through a local bank for solar & energy efficiency projects needs to be highlighted further on our website. Mark Cousins stated that we handle these calls on an individual basis, but we will add more descriptive information.

Executive Session- Project 2021A/ Collective bargaining

A motion to enter Executive Session for the purpose of discussing collective bargaining and to come out of Executive Session solely for the purpose of adjourning the General Session was made by Commr. Warchol and seconded by Commr. Courcy.

| | | |
|------------------------|---------------|-----|
| Roll Call Vote: | Commr. Courcy | Aye |
|------------------------|---------------|-----|

| | |
|------------------|-----|
| Commr. Kallay | Aye |
| Commr. Prifti | Aye |
| Commr. Boettcher | Aye |
| Commr. Warchol | Aye |

The motion was approved unanimously 5-0.

Adjournment

A motion to adjourn was made at 9:25 pm by Commr. Kallay and seconded by Commr. Boettcher.

Roll Call Vote:

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

The motion was approved unanimously 5-0.