



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

December 7, 2022

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

Peter Dion, General Manager, WMGLD

Dave Polson, Engineering and Operations Manager
Mark Cousins, Finance Manager
Joe Collins, Business Analyst- Energy Services
Jeff Morris, IT Manager
Sylvia Vaccaro, Minute Secretary

Mark Roberts, Sprague Energy

Members of the Public

Bronwyn Della Volpe 8 Cyrus St.
Eleanor Axelrod 19 Sheffield Rd.

PLACE: ZOOM MEETING
CALL TO ORDER:

Commr. Kallay called the meeting to order at 6:31 p.m. and informed the Board the meeting is being recorded.

CHAIR REMARKS:

Commr. Kallay commented that all Board members and many WMGLD staff members were in attendance when the Energy Park was approved at Town Meeting. She noted that this is one of the many steps that will be required for this project. She said that she was very pleased with the result and also extended her thanks to staff for their presentation and question and answer session with the community prior to the Town Meeting.

COMMISSIONER REMARKS:

No comments

TOWN COUNCIL LIASON COMMENTS:

Not present

PUBLIC COMMENTS:

None

SECRETARY'S REPORT

Approval of the minutes included in the Board book from the November 2, 2022, meeting was before the Board for approval.

A motion was made by Commr. Courcy to approve the November 2, 2022, minutes as amended and including edits provided by Commr. Warchol seconded by Commr. Warchol.

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

Vote: The motion was approved unanimously.

OLD BUSINESS:

1. Project Updates

i. Energy Park

Pete mentioned that he met with the Conservation Committee last night and that the Committee has not given their support for the easement on Hemlock Rd. Pete along with the Conservation Committee will meet and walk the Hemlock Rd. property as well as both the Beebe and Burns substations on Saturday, December 17th. He stated that the proposed additional offset would be to dedicate a portion of the land behind the Beebe substation (approximately 2.5 acres) in exchange for the one acre on Hemlock Rd. He explained that the land behind Beebe is classified by the state of Massachusetts as ACEC (Areas of Critical Environmental Concern). This land would be in addition to the square footage at Burns substation, which is being proposed for use as a passive park. Pete recommends that the Board delay a vote on this at this time, because it is unclear what form this offset would take. The land could be deeded over to the Conservation Committee or classified as a conservation restriction. Dave Polson provided the Board with a map of the Beebe substation. Commr. Courcy inquired about future expansion of Beebe and the potential location of such an expansion. Dave stated that if the substation needed to be expanded, it would be in the area closest to the existing footprint. Commr. Boettcher asked what the probability would be that we would need to expand the substation. Pete noted that the odds of expanding the substation in the next 30 years are extremely low. If there was a need to expand the first steps would most likely be to increase the transformers' capacity in the existing yard. He stated that the wording in the Article 97 legislation states that the value must be of greater or equal natural resource value, and the department feels that because of the special designation of this portion of land at Beebe, it is more valuable than the land at Hemlock Rd. It is also 2.5 times the size. This land, combined with the land at Burns, is approximately 2.75 acres. Commr. Boettcher expressed that he gives his full support on this idea, noting that we are going above and beyond giving 2.5 times the land we are seeking for the easement. Commr. Kallay inquired as to what concerns the Conservation Committee has about the project. Pete stated that he feels that there is an undertone of, if they stop the Energy Park then they can stop the school and that simply is not the case. He believes their concern is the number of trees that are going to be removed and are not looking at the big picture of saving 2600 tons of carbon per year versus the alternative. Dave said they talked more of the impact of the trees and not the impact of the entire project. Pete noted that

there is a law that has been passed but there is a waiting period of 90 days to 18 months We are following those guidelines and have exceeded that with almost 3 times the land in the offset. He said that it is incumbent on us to continue to educate the public about the benefits of the Energy Park.

Bronwyn Della Volpe assured Pete that stopping the Energy Park is not the goal of the Conservation Committee and realizes it is an integral part of the high school and the Northeast Vocational School. They are looking at trees and conservation but are not trying to stop the Energy Park or the school. She understands how he might think that, but that is not the case. They are concerned about the trees and replication. An 8500 square foot parcel in the middle of a dense residential area certainly does not take the place of 2/3 of an acre of a wooded area. Pete agreed, but noted that the 8500 square feet for Burns substation is not the whole offer for offset. The land behind Beebe substation is a significant portion of the entire picture. We are going to plant and convert industrial space green, but this is only a part of the solution to making sure the 2.5 acres that is designated as a higher environmental resource is included in that solution. He said that WMGLD will be at the Conservation Committee's next meeting on December 20th and hopefully will receive better direction at that time. We do not know if they will want a conservation restriction or have the land deeded to them, so we will have to wait to take a vote. Pete stated that the Board may need to have a Zoom Board meeting to vote to transact the land in whatever form they are suggesting.

Eleanor Axelrod stated that she is in support of the Energy Park. She said that it is more than just cutting down some trees. It is part of a contiguous habitat. She said hikers and walkers use those trails where the energy park is going. Bats, owls, raptors, and other birds live in those trees, so replanting a lilac in someone's yard will not compensate for that loss. Those plants that are there cannot be purchased at a garden center. She noted that she has not seen the 2.5 acres of land at Beebe, but high resource areas should be contiguous with other resource areas. She inquired about the solar that would be used at the schools and why they would only cover a third of their energy consumption. Pete explained that the maximum output is usually 15% of its nameplate capacity, so there are a lot of issues that limit a solar farm. A conservative estimate would be 30 percent. None of what is generated would be wasted, it would flow back into the energy park and be used to charge the battery or feed

the system. He stated that we do not have the final roof designs of either building, but each building would have 300kW system at least. Eleanor inquired how this would impact ratepayers. Pete said whatever the school is not using at the time would flow back to the energy park and stored in the battery. Commr. Boettcher clarified that what flows back to the battery could be dispatched during peak periods which would help reduce our peak usage that we are taking from the transmission system, which saves all ratepayers. Eleanor questioned the gas lines being brought into the school. Pete stated that a small gas service is being brought to the NEMT for labs and for the kitchen.

Commr. Warchol stated that he is unsure if the land at Burns substation is a great place for a playground. Pete noted that it would be for a passive park as outlined in the drawings presented at last month's Board meeting. Commr. Kallay commented that it is always a good thing to return industrial land back to nature. There is value in having these spots sprinkled throughout Wakefield for residents to enjoy. Eleanor Axelrod said that the first priority should be to protect untarnished land from development. If you have untouched forest habitat the best practice is to leave it. Dave noted that the land at Beebe consists of thirteen unrestricted acres other than the wetlands, that WMGLD owns and can develop. Our proposal in perpetuity is to keep the natural habit of 2.5 acres as undeveloped land in perpetuity. He continued to say that the 2.5 acres is in an area that the State has determined to be an Area of Critical Environmental Concern (ACEC), which is not the same classification as the land on Hemlock Rd. This has a lot of value, and we think this will offset the land on Hemlock and address all your concerns. Burns is just a piece of the offset. Commr. Boettcher stated that the Town could have decided, without a vote at Town meeting, to build a playground on Hemlock Rd. The reason for Article 97 was the restriction around the designation of a playground. Commr. Kallay noted that there is a possibility that Beebe land could potentially be developed with ground mounted solar down the road. Pete explained that by adding this 2.5 acres as restricted, it will protect it from development.

2. Supply Update – Sprague Gas Supply Overview – Mark Roberts

Mark Roberts reviewed the 2021-2022 Budget Performance with the Board. He stated that the Town does have assets with National Grid for capacity and had supplemental supply with Exelon in the form of LNG.

We had baseload supply that is represented 1500 dekatherms (MDQ-minimum daily quantity) and a peaking agreement in place with a demand charge component. He noted that going back a couple years, we had contracted for onsite LNG to reduce demand and last year we brought demand charges down to \$440,000 by contracting for peak supply from the Exelon LNG facility in Everett.

Last year, the Department budgeted \$10.00 per unit and settled at \$9.09 per dekatherm for the year, thanks to a slightly warmer than normal winter. This year given the situation over in Europe, Exelon was very hesitant to give us any offers on supply. They eventually did on the baseload component at \$10-\$12 more a dekatherm than last year and did not offer on peaking supply. Their view is the value of LNG is more in Europe right now, so anything sold in the New England area will be sold at European market rates. As of now, we have hedged out the capacity component, we are way below the market at \$6.61 because we had employed a hedging strategy over the years back when prices were down. To fill the rest of the requirement, we secured additional baseload gas. The \$31.47 is sticker shock but it is a little below where LNG is in Europe. The peaking component is an estimated number. The number we are budgeting for this year is \$13.71. It could go down in the \$11-\$12 range depending on the weather this winter. He explained that the New England area is capacity constrained. There is not enough pipeline capacity to meet the area's need during days of high demand and that is why LNG is utilized. He further discussed how supply disruptions at Nord Stream 1 & 2 drive the European market, which in turn impacts the New England market. He noted that there is a layering strategy going out the next few years. Mark stated that Sprague has excess capacity this year, so there is no need to buy peaking from Exelon. The only disadvantage is that although we have the capacity to make sure we can get gas to the Town's meters, we are still subject to where the daily market prices. Commr. Kallay inquired how our current hedging strategy compares to previous years. Mark commented that we layer in 25 percent blocks of each asset when prices are low. He noted that we do not want to over buy. Commr. Kallay questioned if future electrification growth has been factored into the demand for natural gas. Mark stated that it would soften prices for natural gas. Pete stated that with the

increase in electrification, specifically heat pumps we will continue to monitor the demand for natural gas. Commr. Warchol asked if we are informing customers of the increases in their bills this year. Pete stated that we have spoken to budget customers on a one-to-one basis and will also utilize press releases and Facebook. Commr. Coury noted that constrained capacity has been an ongoing issue in New England and inquired if there has been any news on updating the aging infrastructure. Mark noted that there has been a reluctance to invest in infrastructure the past few years. Hopefully with Massachusetts' continued efforts to transition to renewable energy including renewable natural gas there will be progress made.

i. Follow up discussion on electric supply

Pete stated that Commr. Kallay had some follow up questions after last month's MMWEC presentation. Commr. Kallay stated that natural gas prices look like they will remain high for a while. Because when we buy power the natural gas prices set the price for all power, we buy, including renewables. So, the more we can cost effectively build our own projects either here in Wakefield or elsewhere the less we will have to buy on the open market and the more we could save. She stated that we need to look at different in-town resources we could bring in over the next 20 -30 years and add them to the graphics, so we can see what projects would look like and their impact. We also need to look into the pricing of these resources, as well as others we have invested in overtime. A lot of resources are large and not what we have been building in Wakefield. She asked to include these in the graphs, so we can see their impact. MMWEC is adding existing solar including residential and C&I projects, solar on the high school and vocational school, and the two Broadway Water Department solar projects to the data. The Housing Authority project may not move forward, but the Americal Civic Center roof is being replaced right now. She said that private C&I buildings may provide opportunity over the next 20 years for roof top solar. Pete said we need to factor in the value that is received. We may have to look at our solar incentive model and reduce the incentive. Currently we get back power at 15 percent off plus the Renewable Energy Credits (RECs). However, the market for the RECs going forward is dropping dramatically. We would have to lower this incentive because it would never pay back. Commr. Boettcher stated that he sees the benefits in

projects that WMGLD would build and own. Pete noted that Blue Sel is working on an assessment of any roof in Wakefield that would qualify based on sun and roof size that could be 50 kW or larger, so we could talk about it strategically going forward.

3. Electric Vehicle Proposed Rate

Pete stated that staff looked at the questions raised and is recommending that a customer charge of \$2.00 per month for the second meter for customers that go to the EV TOU rate. The customer would be required to stay on this rate for at least one year. The rebate for service upgrades would recoup at least a portion of that if they stayed on this rate for one year. Next steps would be to hold a public hearing and then file the rate. If the customer receives a charger from WMGLD then the rebate would be \$600. If they already have their own charger, it would be a \$1000 rebate. Should the customer decide to leave the program within the first year, the rebate will be prorated. Commr. Kallay asked if the customer decides to leave the program what would happen to the equipment. Pete stated the customer could have their electrician rewire their charger back to the home panel or keep the meter and we would change it back to a residential meter, but they would have two \$6.00 customer charges. Commr. Boettcher explained that it will be important to have all these questions included in an FAQ. Commr. Kallay wondered why a customer would want to come off this rate. Commr. Warchol stated that that it may be in the event someone's work schedule changes. Commr. Boettcher also added that it may be in the event the home is sold or in the case of tenants moving out of rental properties. Pete stated that Connected Homes is another option for EV customers that would not benefit by this new EV rate. Commr. Boettcher asked how this would work for C & I. Pete said we could create a separate rate for C & I. Commr. Kallay inquired if we would need another rate for C & I. Pete acknowledged that a separate rate would be needed because of the different base rates. Pete recommends starting with the residential EV rate. Commr. Kallay asked if this is revenue neutral. Pete stated that in theory if we started to collect more money from people charging on peak, then the program is not working. Instead of lowering the rate from five times to three times, he would suggest we double it again because it is not working. The program is designed to deter people from

charging on peak. We should have very little usage during on peak periods. Commr. Warchol inquired why not just have a meter that does not work during on peak hours. Pete stated that in the case of an emergency you may need to charge during on peak hours. The Connected Homes program allows you to override the level 1 charge and not participate for that month. Pete said the purpose is to potentially increase kWh sales, but at the right times. Commr. Kallay added it is also to properly allocate the higher costs of on peak charging to the appropriate individuals that are willing to pay for it. Commr. Boettcher stated that we are trying to drive the behavior to charge off peak. If this does not work for some people, then they probably should be on the Connected Homes program. Commr. Warchol expressed his concern for customers paying to have a time of use meter set, then finding out it is not feasible for them. Commr. Kallay said the goal is to move to a different future than we are living in today and I would not suggest to anyone that anytime they change their behavior or change vehicles that they come off this rate. Commr. Kallay stated that the key here is to educate on how they can stay on this rate and how this can be a long-term solution for them. Pete stated that we can edit and modify the rate based on the comments we receive from the public hearing.

A motion was made by Commr. Warchol to vote to adopt the Time of Use rate pending a follow up vote by the Board subsequent to the public hearing and by Commr. Boettcher.

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

Vote: The motion was approved unanimously.

NEW BUSINESS

1. Information Technology Department Update- Jeff Morris

Jeff Morris provided the Board with an overview of IT projects that were completed this year. He noted that he completed the off-site backups and disaster

recovery with Thrive. Migration to a new meter reading system, Temera, which was modified for us as we are the first electric utility to use it. The software we were using was no longer supported. This is a web-based product, so someone could potentially read all the meters from home. Visual security at the substations was increased. Commr. Kallay inquired how this is monitored. Jeff stated that it is monitored 24/7 by Genetec Surveillance Solutions. He also mentioned that we have also migrated to a new network. There was a change in bill printing company which allowed for easier bill exporting, less cost, and time savings for billing staff. Ongoing projects include migrating the radio loop from copper to our own fiber. The new customer portal has been delayed because during testing we discovered some features that needed to be incorporated. We have employees who live in town using the system to work out any issues. Commr. Kallay inquired if Board members could be included in testing the new system. Jeff stated that he will send them the information, so they can begin to test the new system. An upgrade to the billing and financial system is in process and we will be conducting one to one testing after the first of the year. Another one of the ongoing projects is updating the SCADA system. The servers have all been migrated to the new host and the next step is to upgrade the software. A new project that is coming up is a mobile solution by Sprypoint for meter change workflow to ensure the work completed in the field is automatically downloaded into the billing system to eliminate any inaccuracies. Once new customer portal is rolled out, then we will continue with customer portal 2.0. We also will be utilizing our inventory module more extensively than we currently do. We will be able to provide at a glance knowledge of inventory. Commr. Kallay, Boettcher and Warchol thanked Jeff for all his efforts.

2. January Strategic Planning Session

Commr. Boettcher stated that perhaps a high-level view of capital type projects around our capacity, meeting upcoming goals, and assets we need to be thinking about acquiring would be constructive for this session. Commr. Courcy noted that if the State was to do strategic planning on the Climate bill and take all the aspirational goals, they are not going to make the 2050 goal and realizing this to readjusted those dates and budget on a more reasonable timeline that would be a worthwhile effort. It is certainly not our effort, but he is willing to listen. Commr. Boettcher stated we could also discuss our capacity planning and where we see growth in the next few years and the impact of electrification. Commr. Prifti said in the last session we spoke about forecasting and what the outlook is at meeting some of the state's goals. He mentioned that the new legislation that was passed in August is asking the Clean Energy Center (CEC) to put together an electric sector modernization plan that looks out 5-10 years and all the way out to 2050. We can look at how we are going to meet these goals and what type of new technology we need to start exploring. Commr. Warchol stated that we need to look at what are the strategy challenges that we have. Commr. Kallay said she is trying to see what our portfolio would like over the longer-term. She said that when she looked at it, it looked like the market was going to move faster than we are. Pete stated that we work closely with MMWEC. A couple of the big items that were going to get us to our Net Zero 2050 goals are sliding further away. Originally the State felt that Canadian hydropower was part of the solution, but the transmission lines were shot down. The offshore wind projects have been pushed at least another year at costs that are still not clear. There will be some small pieces we can do in Wakefield, but we do need to participate in some of the bigger projects as they become available. What will happen is National Grid and Nstar that don't own any assets will have to buy greater percentages which will drive prices up, if there are no more assets being built, we will have to participate in building new assets. Berkshire Wind will have to be repowered and expanded within the decade and expanded, so we will be able to increase our participation in that wind farm. MMWEC is constantly working on making us part of the

offshore wind projects, but a lot of those projects are going backwards and are being pushed out to 2027 & 2028. Pete stated the Governor is going to have to move some barriers, otherwise the projects are not going to move forward. Commr. Boettcher said that perhaps we can discuss other opportunities in Environmental Justice areas. Pete said that the State has changed the EJ area and we are waiting on clarification. Commr. Kallay expressed interest in a deep dive into projects and the target goals that we have at the strategic meeting. Pete stated a lot depends on what projects are available to us. Hopefully there will be an opportunity to get an additional piece of Seabrook Nuclear Power plant in the future. It would be part of an MMWEC project that would come back to us. Commr. Kallay asked if we should kick the strategic meeting down the road to a future meeting, so to allow more time to develop items for the Strategic meeting.

3. 2023 Meeting Schedule

Commr. Kallay stated that March 1 and October 4 she will not be available and asked that these meetings be pushed out to the following week. The meetings will be held on March 8 and October 11.

Any other matter not anticipated by the Chair

None

A motion to adjourn was made at 9:40 pm by Commr. Courcy and seconded by Commr. Warchol.

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

Vote: The motion was approved unanimously.