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WMGLD
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Peter D. Dion, General Manager

Sharon Daly, Chair
Thomas Boettcher,
Secretary
Jennifer Kallay
Elton Prifti
John J. Warchol

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

December 12, 2024

IN ATTENDANCE:

Comms., Chair Sharon Daly
Thomas Boettcher, Secretary
Jennifer Kallay
Elton Prifti
Jack Warchol

Peter Dion, General Manager
Mark Cousins, Finance Manager
Dave Polson, Engineering and Operations Manager
Joe Collins, Business Analyst - Energy Services
Jeff Morris, IT Manager

Ron Decurzio, MMWEC
Tom Barry, MMWEC
Jeff Bourgoin, MMWEC

Members of the Public

John Sofia, 6 Whittmore Terrace
Gary Schettini, 81 Chestnut Street
Nathan Schimmoller, 14 Wakefield Avenue

PLACE:

480 North Ave., Wakefield, MA
& ZOOM MEETING

CALL TO ORDER:

Commr. Daly called the meeting to order at 6:30 pm and advised the meeting was being recorded.

CHAIR REMARKS:

Commr. Daly asked Pete Dion for an update on yesterday's storm. Pete noted that there were no outages and that there were only a couple of tree issues.

COMMISSIONERS REMARKS:

Commr. Kallay informed the Board that the Environmental Sustainability Committee heard about the GO program, a new Energy Efficiency program targeting Commercial & Industrial (C & I) customers administered by MMWEC, and would like to have WMGLD attend their January meeting to discuss potential opportunities to promote the programs. Commr. Boettcher mentioned that the Business Development planning team inquired about the C & I programs as well. Pete stated that currently WMGLD is targeting large existing C & I customers with a focus on reducing the gas peak. He stated that the GO program is open to all C & I customers.

TOWN COUNCIL LIASON:

Not present

Public Comments

John Sofia, 6 Whittmore Terrace commented that there has been gas main replacement work on his street and a pile of sticky stone material was left in the front of his house. This material is getting on people's feet thereby tracking it into their homes, getting on people's vehicles and causing a mess. He spoke to Jim Brown, who said that the material was cold patch, which was a temporary repair, and the permanent repair would be made next week. Mr. Sofia said that this does not seem like proper procedure. Pete explained this was the normal work flow. Pete stated that the binder is usually used as temporary repair, and he will talk to Jim Brown in the morning. Commr. Warchol asked for the customer to follow up with the Board. Commr. Daly requested the customer to send pictures.

Gary Schettini, 81 Chestnut Street (at the corner of Chestnut Street and Whittmore Terrace) said the concrete cutter contractor failed to flush the sidewalk down after it was cut and as a result it stained his driveway. He mentioned that Paul Roberston from WMGLD came out to power wash his driveway, but ever since this work started, he has pounds of sand in his driveway that he must shovel. Pete said he will investigate this issue and have it resolved this week.

SECRETARY'S REPORT

Approval of November 6, 2024, minutes was before the Board for approval. Commrs. Daly and Warchol provided revisions.

A motion to approve the November 6, 2024, minutes as amended was made by Commr. Warchol and seconded by Commr. Boettcher.

Vote: The motion was approved unanimously 4-0.
Commr. Prifti abstained as he was not in attendance for the last month's meeting.

Electric Supply Update – Tom Barry MMWEC

Tom Barry provided a quick market recap and spoke about WMGLD's power supply. He stated that the mild winter led to fairly mild power prices. The daily liquidation price for June was \$45 per MWh, July was \$60 and August peak prices were around \$41. He provided a graph that illustrated power prices over the past 5 years, from 2021 after COVID, prices began to escalate up to 2022 mainly because of the Federal stimulus and growing consumption. The geopolitical events, mainly in the Ukraine, caused fragile markets to experience higher pricing. Since 2022 there has been a slowdown brought on by increased production in natural gas and slowing of consumption, as well as there being a better handle on some of those geopolitical risks that we experienced between 2020 and 2022. Tom noted that if Wakefield were to hedge power in January 2025 it would be around \$113.

He mentioned that the load forecast for Wakefield in 2024 was 172,442 MWh and for 2028 it is 180,641 MWh. Commr. Prifti questioned if the load forecast took into consideration electrification because it only shows a 4.6 % growth over 5 years. Jeff Bourgoin from MMWEC said that the load forecast is consistent with what ISO-NE is forecasting for the Massachusetts region. Tom reviewed Wakefield's power sources with the Board, including nuclear, hydro, wind, solar, and fossil fuel resources. Currently WMGLD is hedged for 2024 at a price of \$62.89 with an open position on the spot market of around 32,000 MWh at a current price of around \$51.98. He mentioned that WMGLD has done a tremendous job each year working towards the non-carbon emitting benchmark goals for 2030 and 2050. This does not include the retirement of certain renewable energy credits (RECs). At year end WMGLD's fuel mix will be at 54% non-carbon emitting. In 2029 WMGLD is entering into an additional contract with the Seabrook nuclear power plant so there will be a large leap pushing our non-carbon emitting supply to almost 70%.

Commr. Daly requested moving New Business item Gas Pricing and Bill Format out of order. Commr. Warchol made a motion to take the New Business item out of order and address it now seconded by Commr. Prifti.

Vote: The motion was approved unanimously 5-0.

New Business

Gas Pricing and Bill Format Discussion

Nathan Schimmoller, 14 Wakefield Avenue requested that WMGLD's bill be more transparent. He inquired as to what is included in the gas supply charge. He stated that he had a previous conversation with Pete, Mark Cousins and Joe Collins back in March of 2023 about WMGLD's gas rates. He said that he is comparing WMGLD's supply and delivery charges to investor owned utilities (IOUs) (e.g., National Grid) and in doing so has noted that WMGLD's supply charge is higher than IOUs. Pete noted that the only true comparison is the total combined rate. Pete explained the following WMGLD gas charges as follows:

- Customer charge- Metering, billing charge and front office
- Delivery charge- Operation, maintenance and construction of gas infrastructure
- Cost of Gas- Comprised of cost of gas commodity, transportation costs and capacity costs

WMGLD is an all-requirement customer of Sprague. WMGLD typically draws 85% of gas from the Tennessee Gas pipeline owned by Kinder Morgan and 15% from National Grid which makes up WMGLD's cost of gas. Nathan stated that WMGLD's supply charge was the same as the IOU's supply charge. Pete said that the IOUs have a Revenue Decoupling charge and a Distribution Adjustment charge that are included in their delivery charges, which is different from WMGLD. The Revenue Decoupling charge trues up any over or under collection from the previous year, and includes a supply component. The Distribution Adjustment charge, which is for recollection of bad debt, also includes a supply component. So, an IOU's supply charges cannot be compared directly to WMGLD's supply charge.

Mark mentioned that IOUs lock in their gas supply for 6 months at a time and can defer costs out 2 years whereas WMGLD pays as they go. Nathan also inquired why WMGLD bills show gas by volume and not in therms as the IOU bills do. Pete explained that gas is metered in volume, cubic feet (CCF). The IOUs show a conversion of CCFs to therms on the bill. Nathan inquired as to why WMGLD does not leverage the Algonquin Gas transmission pipeline and Maritime's Northeast pipeline. Pete noted that it is extremely expensive to tie into those transmission lines and they are not physically close enough to WMGLD's service territory. Nathan also commented that the upcoming fuel charge should not be located under historical rates. Pete agreed and will change how the upcoming fuel charge is presented charge. A section explaining the conversion of CCFs to therms will also be added to the website.

WMGLD IT Department Updates – Jeff Morris

Jeff informed the Board that the IT department has determined that the Easton Utilities' Customer portal design is not a good fit for WMGLD. He told the Board that WMGLD has signed a contract with SilverBlaze. It has a reasonable subscription price and is partnered with Cogsdale and Invoice Cloud so integration should be seamless. It is extremely user friendly and has many account features for our customers. They also have informational videos tailored to specific customers. For example, how to read your bill, use your portal, and conservation. He said that in November he put up a brief customer survey about the WMGLD website and gathered some valuable information. Part of the survey asked participants if they would be interested in participating in a focus group. Twenty-eight people have signed up for the focus group. Pete said the goal is to receive more actionable items to determine how to improve and enhance our website. Commr. Kallay inquired if the Board should take the survey. Pete said they absolutely can, but he would like the role of WMGLD staff and Board members at the focus group sessions to be observers. Jeff said his focus this year has been on cyber security. The following have been installed to assist with cyber security:

- Avanan has been installed for greater email filtering.
- Symbol Security is part of our improved personnel awareness, which has monthly and quarterly videos.
- DNSFilter has been installed which blocks unauthorized websites and typesquatting.
- Kaseya RMM/Endpoint Management is another cyber security tool that has been installed this year that allows for remote management of endpoints, controlling and scheduling patches and updates.

He also noted that the Outage Management System (OMS) is currently being updated.

Jeff mentioned he worked with Utility Services of Vermont to rewrite IT policies. Fiber is currently being installed at Kimball Lane. Jeff stated that in 2025 we will install card readers on all doors along with cameras that give access to IT assets.

Old Business

Project Updates

Energy Park

Pete said that site work is underway. The retaining wall has been installed. Preliminary site work will be completed soon. The battery foundations should be started next month weather permitting.

Other Projects

Pete noted that the reforestation of Maple Way is completed with the planting of over 100 trees and Burns Park on Ballster Street is under construction and will be completed in the Spring.

Pete mentioned that in Wakefield right now there are 640 residential apartment units under construction. Dave Polson said that he is in conversation with the Building Department about new construction and what procedures we can use to ensure compliance with the new Specialized Energy Building Code that Wakefield has adopted.

Clean Heat Standard and Decarbonization Clearinghouse

Pete said that WMGLD has completed an analysis to understand the financial impact if WMGLD is forced to comply with the Clean Heat Standard. He noted that we are opposed to this because it infringes on local control. He stated that municipal utility opposition on this continues to grow. Pete went on explain that even though Mass Save has higher rebates for electrification they have only converted 1.1% of their customers to heat pumps, whereas WMGLD in half the amount of time has converted 2.3% of its customers to heat pumps. There are more effective policies that can be used such as instituting a moratorium on fossil fuel installations on new multi-families, instituting stricter building codes, and instituting point of sale modification codes. Commr. Warchol commented that he is not in favor of the Clean Heat Standard and Decarbonization Clearinghouse. Commr. Boettcher stated that the Board knows their customer best. Commr. Prifti asked if Pete will draft a letter to the Legislators sharing our concerns. Joe said that if we are required to match the Mass Save rebates it would have a direct impact on our rates. WMGLD would be impacted twice under the Clean Heat Standard, as both a gas and light utility. We would have to increase our rates by \$0.005 per kWh in 2026 increasing to over \$0.03 per kWh by 2029. Discussion ensued.

2025 Energy Efficiency Programs

Pete said we did not change anything based on the budget that was approved last month. Commr. Boettcher inquired if there could be tiered rebates for anyone installing a heat pump clothes dryer and for those converting from a gas clothes dryer to an electric clothes dryer. The Board reviewed the Energy Efficiency appliances and equipment program.

Any other matter not reasonably anticipated by the Board.

The Board reviewed the potential 2025 Board dates and adjustments were made to the January and May dates.

Executive Session if necessary

Adjournment

A motion to adjourn was made at 9:37 pm by Commr. Prifti and seconded by Commr. Boettcher.

Vote: The motion was approved unanimously 5-0.