



## OBSERVER REPORT

### **MARBLEHEAD MUNICIPAL LIGHT BOARD: 3.29.22**

LWVM Observer – Maggie Smist

Board: Michael Hull (Chair), Walter Homan, Lisa Wolf, Simon Frechette. GM: Joseph Kowalik, Mgr.

Guests: Frank Castner, Jean Jacques Yarmoff, Eileen Mathieu, Susan Morrison, Jack Weltner, Linda Weltner, Matthew Eid

**The tree trimming contract** went out with one qualifying bid from Maher. Joe asked for approval for 250-300k for this tree trimming contract from March 2022 – February 2023. Joe said there are some questions to answer before moving ahead but would like a vote on the expenditure. Lisa asked if we had to have more than one bid. Joe said this isn't necessary as long as town bid requirements are followed. Motion to approve was passed pending Joe having his questions answered.

**Village 13 update** – tech committee has been formed with two department employees, a design firm and the former GM. Weekly Monday meetings are being held. Design is now in review and schedule for work has been developed. There are lengthened delivery times due to COVID. Joe is looking to get this out to competitive bid soon.

Joe recapped the Village 13 project – a sub-station revamp is needed since it is old equipment. Transformers are starting to fail and supply lines won't change. The study shows the need to 'manage the peaks.' New lines may come in down the road so we are building for this possibility. Certain

locations may be connected to high voltage capacity – buildings like the YMCA. The project builds in new technology. Timing for the project is over the next two years.

**Overall portfolio outlook** – EMRIC forecasting a flat load for megawatt hours but wholesale cost of electricity is going up. The MMLB did not address this cost increase so in February so PPA was bumped by 1 cent/per kw hour and it will be held for 3 months. Joe thinks the political situation in Europe may be hurting the situation.

### **Rate change schedule discussion.**

The Board recognizes the need for a clear discussion on how to handle the new rates. Joe wants to work with UFS to finalize numbers so in May a public information meeting can be held. Message is financial ratios are good but rate adjustment is needed to address fixed/variable cost discrepancy. Also, we should introduce demand charge discussion. There was a lengthy discussion about changing out all meters which have software but per Joe, we may need to introduce another vendor since it is a big project. Lisa discussed how the demand charge is different than time of use rate. Lisa wants to get specific questions sent on to UFS before we adjust rates. There will be no demand charge change initially as Joe wants to fix base rate and PPA first.

Joe feels the software solutions will cost millions and take more time – Lisa feels these new meters will send a better message about peak usage. We get info 4x per hour for 24 hours wirelessly for every household with a specific vendor. This vendor also has a higher priced meter which offers hardware for peak usage but we didn't get it 10 years ago.

'Go Green Now' is live now – 11 enrollments so far. Anyone can sign up for it on-line and there is information in their monthly bill.

**Union Negotiation** – we are in the middle and discussions need to go to executive session.

## **Proposal for Assistant GM position – Lisa**

Lisa feels there are a lot of projects that could/should be done but the GM doesn't have time. IE: Communication strategy (newsletter, FB, Website etc), strategic electrification and tools, grant writing, update EV infrastructure, continuing process of solar on buildings, work on off-peak use and promoting this, revenue increase/rate saving strategy work.

Lisa would like the position to focus on decarbonization and not day to day items. Simon also discussed succession planning. Michael suggested hiring a project engineer with communication skills as well as tech skills. Joe suggested using a head -hunting firm to find this person since it will be a high demand position. This will move forward.

## **MMWEC Project 2022A -Matthew Eid**

The project is the construction of a utility scale battery electric storage facility – a large battery located on MMWEC's campus. Idea is to use 2020A project combine with 2022A to create clean energy. Project has to do with peak supply and getting a handle on capacity cost by getting control of your capacity resources. MMWEC has done their homework on batteries.

Matt discussed capacity, energy and transmission and trends in Marblehead so rate stability can be reached. Capacity costs are dropping slightly year over year. Mhead has high exposure. 2022A will provide stability over the longer term. Cost up due costs from last summer/last fall when demand increased and supply decreased of natural gas. 2024-2026 that tightness of supply/demand will ease. Transmission is harder to implement a strategy around hedging. Costs will likely rise over the years. He explained it is difficult to check cost growth in transmission due to ISO New England procurement not being as competitive. Matt sees opportunity with off shore wind and trying to build a competitive process.

The future dynamic is getting balance between behind/in front of 'behind the meter'. MMWEC assists with this and works with the 14 municipals. The

project gives a municipality the option to own and operate assets or place with vendor. Lisa asked about projecting workload increases and Matt said it is difficult to project. Current behavior is flat demand but when people move away from fuel and towards electricity then yes, it will change.

Discussed 2030 climate bill and finding resources that are non-carbon emitting to get to the goals required and then get to net zero by 2050. Renewable hydro power – the plan is to renew that contract. Off shore wind is another area to bring renewable power into the system.

### **Public Comments:**

**Frank Kashner** – six people from UU looking to move carbon-free for the church. Observation is treating service recipients as black box. We would like to offer to ourselves as people in black box and help move the public. Frank asked for information, strategy, slides etc. He wants to share information with the public.

**Jack Weltner** - the UU group is called Climate Matters and goal is to have planet for his children and is concerned about 2050. Trying to meet with other churches and sustainable Marblehead. He asked how we can organize since he sees this as a bigger threat than WW2.

Joe pointed them to website and POWERFUL NEWS.

**Linda Weltner** – would like to turn Marblehead into a town that other groups can be used as a model. Reiterated the desire to support the MMLB and she offered assistance in communicating with the public.

**Jean-Jacques Yarmoff**– had general questions about the public meeting – what is the focus - Base rate and PPP AND time of use? He suggested making a decision on time-of-use BEFORE this forum. He thinks people will be receptive to discuss change in time-of-use. He also asked about Village 13 project – do we have provision for replacement – YES! We won't be financing any of the upgrade.

Additional questions from Jean were on 2022A – Investment choices are finite – hedging is good option but if we are investing in additional line then it requires investment. Do we have plan for various investment where we can measure strategy? Joe said investment in 2022A is coming from different funds then line coming in from Swampscott. Will be paid as bulk power expense. Do we have a list of capital assets to invest in? Joe said replacing things around town are built into rates.

Jean Jacques hopes for prioritization of projects in the future.

**Elaine Mathieu** – concern about demand going up and asked for MMLB to develop a few scenarios. She suggested putting in a plug for smart meters and working with the highest technology. She agrees that the GM is the man for all season – this points to maybe needing to two new people instead of just one. Belmont has two energy managers.

Joe commented about starting forum beginning with ministerial association. **Susan Morrison** who is involved with the ministerial association commented on bringing things back to houses of worship.

Went into executive session after public comments.

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