



## OBSERVER REPORT

### **Marblehead Electric Light Board Meeting - 6jul21**

Present: GM Joe Kowalik and all Light Board Members, Mike Hull, Walter Homan, Karl Johnson, Lisa Wolf and newly elected member Simon Frechette.  
The meeting was accessible via zoom only for the presenters, not for the public.  
Six Marblehead residents attended as observers.

Chair Mike Hull called the meeting to order at 4:30pm. Open session lasted 2 1/2 hours.  
Mike Hull was unanimously reelected as Chair.  
Vice Chair - Walter Horan was nominated and seconded. Lisa Wolf was nominated, but no second. Thus Walter Horan unanimously elected as Vice Chair.

Simon Frechette asked to introduce himself. He was given permission. He told the Board that he in no way accepted money from outside groups, nor does he have a conflict of interest with an Environmental League of MA, ELM, both rumors which had spread during the campaign.

**1st Presentation - Dawn of Utility Financial Solutions**, a Financial Company that works with utilities across the country regarding financial planning and rate planning. Unfortunately, because they are based in the Mid-West and do not work with Municipal Light departments Joe wondered if they are the best fit for us.

Dawn gave a presentation on what a financial restructuring of MMLD would include:

**Cost of Service Study** - To be done every 3-5 years. A long time has passed since a study was done in Marblehead. Among other things it establishes the fixed electric costs for a town which is usually between 12 and 25 cents per kilowatt hour. MHD is very low at 4.25 cents.

Dawn explained if its done properly, low income residents who don't have efficient energy appliances and systems, thus use more energy, that this restructuring would actually lower their costs and if done properly those with low energy use should not see their bills rise. She said the whole key is to move slowly so there is no rate shock.

GM, Joe Kowalik agrees that we are not capturing all of our fixed costs, thus the need for this study.

Lisa and Simon asked if Time of Use data, including peak/off peak and critical peak could be factored in. This would include higher pricing during peak hours. It takes a 25% variance for customer behavior to change. Joe said time of use will come later.

### **Purchase Power Adjustment PPA**

MHD is always between 2.7 & 3.1cents, in the positive so MHD needs to true it up and lower it

**Rate Structure** - Elements that go into determining this number: Coincident and Non-coincident peak demands, time of use. The question arose do we have the data to analyze this and do we have the right kind of meters? Answer was yes and yes. We have 15 minute data for the last 10 years.

Joe's main concern is stability and reliability. Thus, he is not ready to include time of use data into the equation. We have had rate stability for 5 years and he wouldn't know how to explain the change if we included time of use, peak/off peak, etc.

**2nd Presentation - Attorney Nicolas Scobbio**, working in the power industry for 35 years, staff attorney for MMWEC. Over time the MA Supreme Court has established responsibilities:

**Costs** - GM recommends to Light Board and they approve or not.

**Hiring** - GM has complete control

**Tort Claims Act** - in 1978 the MA Legislature passed this which replaced the unlimited liability of Light Boards down to 100k per occurrence, allowing people to sue. The town can indemnify the light board up to 1 million.

**Conflict of Interest** - The members of the Light board are prohibited from making any deal with any appearance of conflict of interest such as receiving money, even \$50.

**2015A, Peabody Peaker Plant Update** from Joe Kowalik

- **2015A eliminates a 200,000-gallon** oil tank

- **Converting an ammonia tank into urea**

- **Further development of green hydrogen** which MMWEC and Joe say will be a viable, cleaner source in the future. Mitsubishi which owns Pratt & Whitney, which is manufacturing the Peabody Peaker is doing a big push for green hydrogen and has begun to study green hydrogen as a green source of energy.

Last Monday at 3:30pm ISO instructed MHD to dispatch the Wilkins plant during the heat wave. It ran from 4:45 to 7:15pm. Joe does not why he was asked to run it. ISO states that due to cyber security reasons they could not inform him why it needed to run. It has not been run in many years.

In addition to MMWEC hearing on 22jun in Peabody where 150 people from the surrounding towns attended, Danvers Reps and Selectmen demanded a hearing with MMWEC. They had never been consulted nor brought into the process even though Danvers is right over the Peabody line,

At both of these hearings MMWEC officials spoke of the benefits of 2015A before taking questions from the audience. Both audiences were deeply concerned about the environmental consequences of this plant and asked for further postponement and an environmental review.

**MMLD Priorities** as prepared by GM, Joe Kowalik

- 1 - Restart Village 13 Substation upgrade
- 2 - Make more space at Tioga Way to increase battery storage.
- 3 - Implement fall 2021 tree trimming program, basically a prevention effort to prevent trees from falling on power lines.
- 4- Complete cost of service study and rate review.

5 - Work with MMWEC to continue power portfolio transition to renewable energy sources.

Commissioner Wolf added a comment as to placement of batteries (priority 1) and Joe said that was included

Commissioner Wolf asked if the board could submit their priorities. It was agreed they could do so for the next monthly meeting. She had questions on Priority 1 - Village 13 and Priority 4 - such as including a greenhouse gas surcharge to the calculations in Dawn's study. Joe said you are jumping the gun, first let Dawn complete her studies, then we can look at that.

### **Audience Question on Green Committee**

Joe was asked if he would consult with the Town's Green Committee, a committee appointed by the Selectmen. He said no, he wants to direct them to do their own thing