



OBSERVER CORPS REPORT

Name of Committee: Marblehead Municipal Light Commission

Meeting Date: 11/29/22

LWVM Observer: Maggie Smist

Members in Attendance:

Jean Jacques Yarmoff, Michael Hull (Chair), Simon Frechette and Adam Smith
Joe Kowalik : General Manager, and the Financial Director, Matt Beck

1. Meeting Minutes from November: Tabled until next month as changes need to be made.

2. 2022 Financial Update

.09 PPA (Power Cost Adjustment) – with that increase, MMLD expenses will exceed revenue by \$75,000. There is no need to adjust this .09 PPA in December. With the closing of the books MMLD needs to consider two charges to budget – employee benefits and pension contribution. These figures haven't come in yet.

Budget includes \$330 Pilot Payment – Should the board discuss using this for the Rate Stabilization Fund? If MMLD does this, it should be communicated to the Select Board. In the past, if MMLD had a surplus it went back to town – MMLD won't have it this year. There are also Capital improvements that need funding. There was a lengthy discussion of the financial situation and communicating with the Town about the status as of this date. Decision does not need to be made tonight since there are items that MMLD is waiting to have come in before year-end.

MMLD operating cash remains solid at \$5.4 million.

3. Discussion of 2023 budget

There is a 17% increase in budget due to rate changes. There was a discussion of adding a line item for rate stabilization fund. There was a discussion of the

cost of energy with environmental attributes such as wind, solar and batteries. Discussion about benefits and downsides of retiring requisitions. Also, there was discussion of adjusting PPA's.

4. Discussion of rate restructuring

Discussed PPA of .025 for 2023. The board also discussed their current communication plan and how it should continue in the light of rate increases.

5. Winter Electric Service Reliability

Marblehead may have supply risks this winter per ISO New England. There is a 'minor' chance of rolling blackouts with a higher probability this year than other years. Under extreme conditions, ISO will load shed (automatically reduce customers demand). Would more likely happen when we have sustained multi-day cold spell. There was extensive discussion of how load-shedding works. An example of a load-shed plan was reviewed. Customers should sign up for 'Code Red' since this is the best way to get information out securely. Customers will need to know which 'circuit' they are on.

6. Low-income residential rate reduction

MMLD uses Neighbors Helping Neighbors and there was a discussion of the program and allocation of money to the fund.

7. Certificate of Excellence In Reliability

MMLD received this award in 2022! It is an award for reliable electric service given by the American Public Power Association.

8. Sustainability Committee Update

No updates for this meeting. Need to set goals for 2023. Looking at setting meeting for 12/20.

9. Strategy Working Group

The group is working on understanding long-term needs for Marblehead and planning for future infrastructure needs.

There was a discussion of trends affecting electric energy charges. The group also needs data for load forecast – it was discussed what data points are needed.