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John M. Driscoll, *General Manager*

**Light Commissioners' Meeting
January 29, 2020**

Members present were: Chairman Dana Blais
Clerk/Secretary Chris Stewart
Member Gregg Edwards

Employees present were: General Manager (GM) John Driscoll
Light Superintendent (LS) Thomas Berry
Business Manager (BM) Jennifer Belliveau

The meeting was called to order at 6:17 p.m. by Dana.

The agenda was approved on a motion from Chris, seconded by Gregg, 3-0 in favor.

The minutes of November 12, 2019 were approved on a motion from Chris, seconded by Gregg, 3-0 in favor.

Old Business:

The GM updated the Board on the MEAM Bill H.2863. The GM explained there would be no movement of the bill until July 2020. We still have Representative Tom Golden and Senator Anne Gobi as the bill sponsors. The TMLWP, even under this new MLP legislation, should not have to worry about adding additional non-emitting energy resources until about 2037. In 2018 we were already 72% non-emitting for power supply and we were 68% in 2019 (due to chronic down time for Templeton Wind). The GM will update the Board on new developments with this MEAM bill.

The LS told the Board that the new Truck #29, a 2020 Chevy Silverado had finally arrived months later than planned. The LS said that the radio installation has been scheduled. He explained that the old Truck #29 will have a new bed put on it and become the new Truck #28. The old Truck #28 will get painted and be given to the Water Plant as an extra light duty pickup truck for hydrant flushing and/or seminars.

The LS explained to the Commissioners that the Truck #23 Chassis has been ordered and that we had the bid opening for the body. The bids for the body were from the same vendors as the last time when the Truck #25 Digger-Derrick was out for bid. Kiley's cost came in the middle range of the

three with 0 exceptions, as opposed to Altec with 8 and DC Bates with 1. Dana asked if the Chassis had a warranty, the LS responded yes. The GM and LS prefer Kiley with 0 exceptions and they had done well on the last truck that was ordered. The LS said they were only offering \$10K for the old one for a trade. The LS wanted to know if the Board wanted to sell it on Municibid instead and they said yes. At this time a vote was taken as follows:

"On a motion by Dana, seconded by Gregg, 3-0 in favor the Board voted to put the old Truck #23 on Municibid instead of trading it in."

Dana - Aye

Gregg - Aye

Chris - Aye

The GM told the Board that the TMLP Property at 11 ¾ Elm St should have been removed from the agenda once he'd not heard anything back from Chris Pera in a while. The GM will reach out to him again.

The GM handed out a corrected copy of the 2020 Budget. There was an error on the first draft in Account #593 having to do with tree-trimming. The tree trimming budget figure was adjusted accordingly. Power Supply budget was down by \$200K from 2019 (it was down \$400K in 2019 from 2018). The GM had proposed a 2020 light budget amount of \$7.287M, which was 2% lower than the light budget had been in 2019. The GM stated that the PPC Adj will be a credit for all of 2020 since power supply was to be lower than even last year. He said that the base period cost of 7.93¢ per kWh is what the PPC Adj calculation is heavily based on, and since no new rate schedules were adopted for 2020 there was no updated base period cost calculated. Dana suggested giving some of the credit back to the customers. The GM said this is already what is happening.

The GM reviewed the 2018 light audit results with the Board. A summary page (5) put our 2018 revenue at \$7.2M and our operating expenses at just \$6.5M, about \$500K less than in 2017. As far as our status with our OPEB Trust, the TMLP was about 34% from fully funding our UAAL at the close of 2018. The GM would like to increase the 34% to 50% by this year's end if possible thru a combination of fund returns and contributions, so maybe some of 2018's light net income could go towards this; TMLP needed \$989K in OPEB Trust to be fully funded. Dana asked if we would need to draw down this account balance any time soon now that Greg Haley was to retire in March 2020. The GM said that was unlikely and that the OPEB Trust funds were for the Light Plant to handle unexpected annual increases in healthcare premiums, an alternative to raising electric rates each time healthcare got more costly. He said that going back about 15 years the TMLP had absorbed an average annual increase of 7% without much difficulty, mostly due to decreased operating costs thanks to power supply costs. The GM anticipated Melanson-Heath to begin the 2019 light audit process in April 2020.

The GM informed the Board that we had hired Shane Murphy from the TMWP to be the next TMLP Groundman. It was an easy decision since his abilities and work ethic had already demonstrated that he was a good fit for the position. He will begin soon, which will mean a replacement water employee would next to locate and hire. Dana asked if the GM had any hiring prospects in mind and he said that the WS had already let him know that he knew of many qualified applicants interested in working here. Chris asked if with the Greg Haley retirement if the TMLP would need to hire an additional Groundman, since Shane Murphy will have replaced Ian Johnson who left in August 2019. The GM and LS said yes,

and that they already had reviewed a stack of applications and resumes prior to hiring Shane Murphy and they could go back to that hiring pool and contact the next most qualified candidate for an interview.

New Business:

The GM had handouts for the Board on the Templeton BESS performance in 2019 for May thru December. He had put this with the sales and revenues from 2019. The peak monthly output for the BESS was in October 2019 at 14.1 MWH of discharge. The TMLP had successfully discharged the battery at its full 1.6-MW output for the annual capacity peak on July 30, 2019 for Hour 18. The total BESS revenue for 2019 was \$228K against BESS expenses of just \$99K. The GM stated that this project payback looks to be right around the 5.8 years he'd presented to the Board in his last battery pro forma back in September 2018.

Templeton Solar for 2019 had revenues of \$581K against expenses of \$285K with a net savings of \$296K.

In 2019 the Light Plant sold 61,881,692 kWh and collected \$7,301,653 in revenues, resulting in a rate of 11.799¢ per kWh for the year.

On a budget-to-actual report the GM did for the Board, he had come up with just \$7.0M in expenses against a \$7.4M operating budget for 2019.

The GM had four (4) handouts he distributed to the Board on Power Supply, Wind Generation, kWh Sales/Revenues and Electric Rate Comparisons all for 2019.

The TMLP was 51% less than NGRID for residential rates in 2019, 46% less than NGRID for small/medium commercial rates and 40% less than NGRID for large industrial rates. The TMLP also placed in the top ten (10) lowest electric rates against its fellow MA MLPs in 2019.

The GM thought it appropriate to have a discussion with the Board on the Gardner Airport situation. The TMLP had nine (9) electric customers in Templeton at the Gardner Airport off of Airport Rd. These loads used to be fed from an underground 600-Volt set of cables installed at the end of Pail Factory Rd. At some point in the 1990s the underground cable to the Airport failed and the Light Plant no longer wished to serve them electricity via Pail Factory Rd. We approached Massachusetts Electric Co who already had 13,800-Volt plant on Airport Rd and made an arrangement that they now feed electricity to the Airport loads and primary-meter the riser pole. The TMLP would now get a monthly retail bill from Massachusetts Electric Co for the entire airport while the TMLP would get several of or retail bills paid. The hope was not to lose money in this process and we did not as long as Massachusetts Electric Co's electric rates were close to ours. Once they became National Grid circa 2003 this was no longer the case after a few years. The GM reported to the Board that now, from January 2018 thru December 2018 TMLP was paying NGRID a retail rate of 19.079¢ per kWh while the Airport customers were paying TMLP a retail rate of only 11.630¢ per kWh. NGRID's rates were 68% higher than that of comparable rates of the TMLP, and we had been losing money on this airport for several years now.

The GM suggested the Board that we develop a special rate for airport customers only that was equivalent to the rates at which TMLP was paying NGRID. Dan suggested that we simply offer the airport loads to NGRID along with the distribution plant as is and get out of there, that it didn't make sense for us to have some of the lowest electric rates in the state except for a few airport hangars. The GM wanted some direction from the Board on just how to proceed. He said that he could approach NGRID to offer them the Airport but would first research whether or not this would affect our franchise rights (i.e., our right to serve electricity to anyone within our borders). Chris said to explore this option to make it easier to decide whether we should give the Airport to NGRID or just start charging the Airport at NGRID's rates.

Other Business:

The LS provided information to the Board on a possible EV Charging Station to be built at the TMLWP Office. The LS explained the cost difference between Level 2 (single-phase, 6-hour) and Level 3 (three-phase, 30-minute) stations.

- Level 2 stations are the most popular they take 6-8 hours to charge with an estimated cost of \$18,179 and a possible grant of \$4,326 via MA DOER. TMLP would need to supply single phase power and would connect two (2) port stations, so you can charge two cars at once.
- Level 3 stations take under an hour to charge and are the most expensive to install with an estimated cost of \$79,163, no grant from MA DOER. TMLP would have to install 3 phase power and would connect one (1) port station, capable of only one car charge at a time.

Gregg was incredulous as to the more than four (4) times the cost estimate for Level 3 versus Level 2; the LS agreed that either option was costly and unlikely to see through without the grant funds. Dana said that these units have a credit/debit card payment system already installed and we could simply set the rates. The LS said there was a Smart Phone app that specifically located these stations for EV drivers and that we would be put on the list as part of an installation thru Chargepoint. At this time a vote took place as follows:

"On a motion by Dana, seconded by Gregg, 3-0 in favor the Board voted to look more into the Level 2 EV Charging Station at the TMLWP"

Dana – Aye

Gregg – Aye

Chris – Aye

There being no other Open Session business to discuss, on a motion by Chris, seconded by Gregg, 3-0 in favor, the Light Commissioners' Meeting adjourned at 7:17 p.m.

Respectfully Submitted,



John M. Driscoll
General Manager