



MUNICIPAL ELECTRIC POWER ADVISORY BOARD

Minutes

August 27, 2019

HMLD

6:00 p.m.

Members present: Peter Elkas, Gary Harrington, Steve Sendrowski, Scott Carlson and Joe Sullivan. Tom Runstrum joined meeting at 6:20pm.

Staff present: Jane Parenteau, General Manager – HMLD
Barry Tupper, Assistant General Manager – HMLD

Public present: Mayhew Seavey – PLM
Jane Dye
Bob Dyer
Russell Aney
Robin Van Liew

The meeting was called to order at 6:01 p.m. and determined there was a quorum.

Meeting minutes

On a motion by Mr. Sullivan, seconded by Mr. Sendrowski, the minutes of the meeting of July 29, 2019 were unanimously approved with Mr. Shepherd abstaining.

Proposed Rate Designs

Mayhew Seavey began the presentation by reviewing the conclusions of the Five-Year Financial Projection.

- Existing rates are not adequate to:
 - Fund budgeted capital projects
 - Maintain an adequate level of cash reserves
- An increase of ¾ cents per kWh is needed
- Customer impact will be minimal because purchase power costs are expected to decrease over the same period.

Mr. Seavey then reviewed the impact of ¾ cent increase in 2020

- Cash reserves increase from 3.3 million in 2019 to 4.0 million in 2024.
- Net residential customer bills increase by 1% in 2020, remain within 1% of present levels through 2023.

Mr. Seavey then reviewed the proposed rate changes.

- Adjust rates to collect needed revenue
- Unbundle rates, reset Purchase Power Adjustment to \$0
 - Increase prompt payment discount to 15% for residential and commercial, 7.5% for general service customers.
- Adjust NYPA hydropower credit to reflect the actual savings from the hydropower
- Add charge of \$2.00 per installed kW of solar capacity to Net Metering customers
- Waive the customer charge for low-income customers
- Gather Demand data to move large customers in current commercial rate to General Service rate (next year)



Mr. Sullivan requested an explanation of NYPA. Mr. Seavey stated it was subsidized energy from Niagara and St. Lawrence hydro based on a law suit from New England and that any associated savings from the energy is returned to residential customers. Mr. Seavey has calculated that the savings are equivalent to \$0.005/kwh.

Mr. Seavey reviewed the impact of the proposed rate change for residential, commercial and general service customers.

Mr. Seavey then recommended that HMLD waive the \$5.00 customer charge for low-income customers

- This represents approximately 7% of the total bill for a 500 kWh customer
- Difficult to estimate how many customers would take advantage of the rate
- Other municipals report between 0.6% - 2.8% of residential customers on their low income rate.
- Assuming 5% of HMLD residential customers applied for the rate the reduction in income would be about \$200,000 per year.

Mr. Shepard thanked Mr. Seavey for the presentation and solicited public comment related to the presentation. There was a question asking how many Municipal Light Departments offer a prompt payment discount. Mr. Seavey indicated that he didn't have an exact number but it is very popular with customers and light boards and used by many MLPs. Ms. Robin Van Liew asked Mr. Seavey why is it that customers who install solar typically have their usage increase. Mr. Seavey stated that as a result of customers generating free power from the sun, often they convert to heat pumps as their primary source of heating as well as invest in Electric Vehicles. Mr. Russ Aney who owns Avid Solar at 789 Wachusett Street shared his thoughts about the presentation as it relates to low income customer usage patterns and the proposed solar charge. After discussion with the advisory board, Mr. Runstrum suggested that the MEPAB hold off on the Net Metering decision and schedule a follow up meeting. Mr. Sullivan indicated that he did not have an issue but wanted to determine a consensus on an available date. Discussion ensued and it was determined that the MEPAB would meet on September 12, 2019 to discuss the proposed changes to the Net Metering rate. Mr. Aney requested that he be allowed to make a presentation to the MEPAB.

Mr. Sullivan made the following motion:

Move that the Municipal Electric Power Advisory Board recommend to the HMLD Board of Commissioners an increase of \$0.0075 per kWh in base (Distribution) rates, the unbundling of rates into Distribution and Purchase Power components, decreasing the effective NYPA hydropower credit from \$0.01 to \$0.005 per kwh, increasing the current prompt payment discount from 10% to 15% (Residential and Commercial) and from 5% to 7.5% (General Service) as well as the adoption of a low income rate which waives the customer charge effective on October 1, 2019 on the recommendation of the General Manager.

The motion was seconded by Gary Harrington. Mr. Shepherd asked if there was any discussion. Mr. Sendrowski asked if it would be appropriate to raise the increase to \$0.0081. Discussion ensued. Mr. Sendrowski withdrew his suggested increase.

The MEPAB unanimously approved the motion.

Mr. Seavey left the meeting at 7:25pm.



Operations Update

Mr. Tupper updated the MEPAB on the following projects:

- Completed installation of new conductor on Reservoir St. Working on sagging lines and transferring attachments.
- Continue re-conductoring Valley Hill, Terrie Ln and Greenwood Parkway.
- Continue to remove old double poles throughout various areas in town.
- ROW and road way /canopy trimming of Shrewsbury St.
- Continue ROW trimming South Main St. 3 phase from Newell Rd to Adams Rd
- ROW trimming at Val's plaza
- Awaiting EPA grant to help pay for the new truck 25(Service Bucket Truck)
- Continue to convert all Main St decorative lights to LED.
- Replacement regulators have arrived, were tested and installed at Bullard sub today.

Major Outages:

- 03:21 hrs on Tuesday August 20th 2019
- Due to unknown fault on between A&C phase on 34 North feeder circuit the breaker operated and locked open. The C phase relay had a catastrophic failure which would not allow the breaker to close back in. We were able to bypass the relay and restore power to the circuit. A new relay was installed this morning.

Personal:

- John Harris re-evaluated Aug 29th.
- Bryan Diehl started on Monday 8/19 (Forestry Apperntice)

There being no further business, on a motion by Mr. Sullivan, seconded by Mr. Carlson, the meeting of the Municipal Electric Power Advisory Board was adjourned by consensus at approximately 7:32 pm.

Prepared by: Jane Parenteau, General Manager – HMLD

Approved: February 27, 2020