

Electric Sub-Committee

03/2/2016
7:00 PM to 9:20 PM
Ipswich Utilities Office
Meeting Room
272 High Street
Ipswich, MA

Type of meeting: Monthly Meeting, Open Session

Attendees: Ed Rauscher, Jim Engel, Charles Surpitski, Michael Schaaf, Whitney Hatch, Karen Repucci (Business Mgr) and Don Newell (ELD Dir.). Cindy Quinn, Minutes Secretary, was present and seven other guests.

Agenda

Citizen queries	Chair	5
Acceptance of Minutes	Chair	5
Net Metering	Chair	10
FY 2017 Conservation Budget	Donald Newell/Karen Repucci	30
Conservation Program Goals Discussion	Chair/ICARE Representative	30
Conservation Consultant RFP Discussion	ICARE Representative	15
FY2017 Budget Discussion	Don Newell/ Karen Repucci	30
Solar Update	Don Newell	10
Other Business	Donald Newell	5

Additional Information

E. Rauscher called the meeting to order at 7:00 pm with 7 members present and eight others noted above.

Handouts:

Packet for 3/2/16 including minutes for 2/3/16, 42 pgs

Bulleter Agenda for 3-2-2016, 1 pg

Ipswich MLD Conservation Budget, 1 pg

FY16 Electric Profit and Loss, 1 pg

Exhibit A Financial Statement Disclosure as of July 1, 2015 from Odyssey Advisors, 1 pg

Abbreviations used:

BOS = Board of Selectmen DPU = Dept. of Public Utilities ELD = Electric Light Department HVAC = Heating Ventilation and Air Conditioning ICARE = Ipswich Citizens Advocating Renewable Energy IMLD = Ipswich Municipal Light Department KWH = kilowatt hour MMWEC = MA Municipal Wholesale Electric Company OPEB = Other Post Employment Benefits PPFA = Purchase Power Fuel Adjustments PV = Photovoltaic RFP = Request for Proposal SREC = Solar Renewable Energy Credit

Citizen queries

Chair

5

Discussion: Ed Sklarz of 14 Argilla Rd. asked about a possible conflict of interest with our newest committee member. With a photovoltaic (PV) system on his home, Whitney announced he may have a conflict and has submitted such a document to the BOS, the Light Commissioners. Then Ed inquired about a family member that might be involved.

There was a question about net metering and the smart meter system. If they can help the homeowner, why is only one man installing the smart meters? Don mentioned that the BOS has approved funds for more meters, and Jim noted that the BOS wants a quicker installation. Mike Johnson, 12 Kinsman Court, spoke to the customer interface and how many of the functions do not work.

Conclusions: Jim suggested that this item be placed on the next agenda.

Action items:

Smart meters should be on the next agenda

Person responsible:

Don Newell

Deadline:

Acceptance of Minutes

Chair

5

Discussion: Michael moved to accept the 2/3/16 minutes. Jim seconded the motion, and the vote was unanimous.

Conclusions: The minutes were approved.

Action items:

Person responsible:

Deadline:

Net Metering**Chair****10**

Discussion: Both Michael and Whitney recused themselves from the discussion on solar panels. There was some dialogue on the net metering change and cost of service and rate studies. Charlie moved to reconsider the vote, and Jim seconded. Wanting to have some of the changes, Jim finds himself conflicted with some of the issues but acknowledged that the group needs new facts.

Alternate forms of energy need to be encouraged, while at the same time, the Town should not subsidize just a few. Ed added that the committee could do better at reaching out to the public. Jim amended the motion to have a meeting to make recommendations after the cost of service study, and Charlie seconded.

Patrick Patterson of Linebrook Rd. wanted to know about the cost of smart metering. A photovoltaic customer, John Soininen, 17 County St., favored the cost of service study in the summer and rate study in the fall but questioned the analysis of peak load sharing in the paper. William Graham, a photovoltaic customer on Ward St., hopes the effects of solar will be part of the study, and how the costs of solar bring intrinsic value.

On the amendment, the vote was 3 in favor and 2 recusing themselves. The amendment passes. The vote on the main motion as amended was also 3 in favor and 2 recusing. Recusing: Michael Schaaf and Whitney Hatch.

Conclusions: The motion passes as amended.

Action items:	Person responsible:	Deadline:

FY 2017 Conservation Budget**Don Newell/Karen Repucci 30**

Discussion: Don updated the committee on the changes in the rebates, prescriptive lighting and HVAC, the education component, and commercial energy audits in the conservation budget. The budget for FY 17 is \$279,000, and when there is a surplus, it is carried over to the next year.

Jim reviewed some of the history of this budget, and Don started work 2 years ago when there was a full-time Director of Operations and part-time ELD director. Now the ELD director position is full-time, and Don is attempting to recruit an operations director. There was a conversation of the possible duties and the role of the operations person.

Mike Johnson, ICARE representative, spoke about the climate action plan and the role of the ops director as energy czar, which would be one of several major responsibilities. The Conservation Fund is to be spent in areas that benefit the ratepayers, and Jim suggested that the BOS revisit the Climate Action Plan. There was talk of involving a citizens' group and looking at the ICARE proposal.

Further discussion included staffing levels, managing more aggressively, and fine-tuning MMWEC programs. The poorest investment is solar according to Mike, but the KWH efficiency could be better along with a goal of reducing carbon emissions. Charlotte Kahn, East St., went on to say the goal is a reduction of KWH, more electric cars, and clean energy for power.

Conclusions: Jim moved to include in the budget \$265,860 as the Conservation line item, and Charlie seconded. The vote was unanimous. Jim move, that between now and the next fiscal year, we make recommendations to the BOS off how it would be spent. After the second, there was dialogue on LED lights in the downtown and the status of the renewable contracts such as Berkshire Wind. The vote was unanimous.

Action items:	Person responsible:	Deadline:
Place the MMWEC presentation on the website	Don Newell	
Status of renewable contracts	Don Newell	

Conservation Program Goals**Chair/ICARE 30****Discussion****Representative**

Discussion: Mike Johnson, ICARE representative, reviewed four goals: reducing greenhouses gasses, adapting and encouraging renewable energy, reducing fossil fuel sources, and considering price vs. cost for ratepayers. Some other comments he made were to consider the time of day price, storing energy from renewables to use at other times of day, financial incentives to store energy, and working with developers.

The committee is interested in setting quantifiable goals that can be measured and having an infrastructure in place. There were some concerns about having goals set first, increasing KWH, and using the Conservation Fund for additional green energy such as wind power. As Light Commissioners, the BOS voted the funds, but they could change their vote.

One goal to consider is to support customer generation and to support customers at large. Once the group sets the goals, they can build a listing of activities to support those. Charlotte Kahn suggested switching to heat pumps, and SRECS would encourage some customers to do things.

Steve Manley, Main St., wondered what would the cost be to do all of this, and Whitney asked about the objectives to help partner with the ELD. The customer should choose the tools to help save energy. On net metering, Bill Graham spoke about the committee tabling an incentive for the program, but Jim pointed out it was not taken away, and Ed noted that the money would be spent where the department can get the highest return.

Bruce Smith of Linebrook Rd. commented how using public funds makes it easier for a family to go solar. John Soininen suggested having money for educating the residents on the costs of the various systems, analyzing the rate structure, charging solar customers to have electricity there, and paying more for the KWH. Another factor Ed mentioned is to consider a component to help switch from fossil to green fuels.

Using conservation funds, Michael Schaaf seeks to combine the goals of reducing greenhouse gas and the impact of peak electric energy hours. He gave some examples. It was noted that our own power plant, when used, provides the dirtiest energy. There was talk of financing and which programs we can take advantage of that would make this work as the fourth goal. Some of the goals could be short-term while others will take longer to achieve.

Conclusions: Jim will write some goals, and Ed will send the listing to the members of the subcommittee.

Action items:

Person responsible:

Deadline:

Action items:	Person responsible:	Deadline:

Conservation Consultant RFP Discussion

ICARE Representative

15

Discussion: Mike Johnson supported a thorough evaluation of the fund and the program to determine what is working, what is not, and metrics. Some money could be spent on a one-year contract, to do an analysis and then make some recommendations. He reviewed the past program funds and surveys on the home energy audits. There was some discussion on what customers were willing to do (audits).

There was a conversation about the unfilled ops manager position and the dormancy of the conservation fund. It would be quicker to meet with MMWEC for their suggestions, and Steve Manley added this could be revisited in 6 months. Both John Soininen and Charlotte Kahn felt that the energy audits are not helpful. It would be better to implement prescriptive programs and keep them simple. Don pointed out that we have those in place already.

There was further dialogue on the audits, whether MMWEC has hired a new firm and has done follow-ups. Discussion on the skills sets for the operations manager and ELD manager and how to manage the staff and duties led to Mike Johnson talking about what Gloucester is doing. Jim recommended presenting Mike's proposal to MMWEC to see what they can do to assist.

Conclusions: Don and Ed will meet with MMWEC. Jim moved, seconded by Ed, to take the ICARE draft proposal to MMWEC. Michael believes this is a test to see if MMWEC can carry this out. The vote is unanimous.

Action items:

Person responsible:

Deadline:

Talk with MMWEC about their services	Don Newell	
Meet with MMWEC on the conservation audits and follow-ups	Don Newell	

FY 2017 Budget Discussion**Don Newell/Karen Repucci 30**

Discussion: Don announced that several numbers are incorrect in the spreadsheet of the budget. Even though some lines went down, Karen mentioned that there are not many changes. There is some paving (to be shared with Water) and a surplus vehicle. Under administration and general, Karen outlined some of the OPEB numbers--\$80,000 or 4% of payroll. Michael indicated that we are not paying down the long-term debt and suggested making orderly increases to obtain a better discount rate. Two years ago, Karen explained that ELD went higher, and the amount went down.

There is a cash problem, and Don predicted a better amount for profit and loss. We did over-collect on PPFA. Next, he reviewed the Capital Plan, which he modified by adding some projects. There were changes on the line for substations. For FY15, \$211,000 was carried over, but in FY16, he expects about \$75,000 to roll over. Both building improvements and parking lots maintenance have been neglected.

For the depreciation fund, there is not much more because the plant appreciated only slightly because of the work on the catalytic converters. Michael suggested utilizing some of the PPFA monies for cash, capital, and rate stabilization, while leaving some in PPFA. Whitney questioned if there any benefits to the ratepayer, and then he asked about the increases in the water and wastewater rates. For OPEB, there was a discussion on the amounts each department contributes and the OPEB policy in general. There were several suggestions including one proposal to do two transfers, one for each year and being consistent.

The budget is due to the BOS on Patriot's Day. There were some conversations about the capital budget and using some of the PPFA funds. The rate study is later, and the cost of service study will decrease the PPFA and increase rates.

Conclusions: Jim moved to augment the OPEB budget line to \$104,867 from \$80,000, and Michael seconded the motion. Charlie was concerned that this should be discussed with the BOS. The vote was unanimous.

Action items:	Person responsible:	Deadline:
Remind the committee about cost of service study	Don Newell	
Ask about setting up a PPFA capital budget	Karen Repucci	

Solar Update**Don Newell****10**

Discussion: Don is waiting for the DPU to schedule their review, and this subcommittee may need to push them.

At the High School, Don visited the building, and the State SREC2 program is currently oversubscribed. Solar projects are on hold. He will try to get the school on the list, as some other projects will drop off. He did inform the committee about the policy for SRECS. If you want to be green, why are we selling our SRECS? He expects that the State will end the program by the end of June.

On the modeling software, Don is planning to hire someone to complete the model and give a report to the committee.

Conclusions:

Action items:	Person responsible:	Deadline:
Hire someone to finish the modeling software	Don Newell	

Other Business**Donald Newell****5**

Discussion: The next subcommittee meeting will be Mar. 30th. The group is considering changing the meetings from the first Wednesday of the month to the second one and changing the meeting time to 7:30 pm. The meeting in May is the 4th.

The meeting packages will now be printed for those members who email Don. Another item is to send the Conflict of Interest statements to Jen Breaker.

Concerning the Ops Manager position, Don interviewed another candidate and has decided to rewrite the job description for an engineer. There was some talk about looking for an intern.

Don confirmed he would be presenting to the Ipswich Rotary at their next meeting.

Conclusions:

Action items:

Print packages for those who email a request for one

DPU report

Person responsible:

Don Newell

Karen Repucci

Deadline:

Additional Information

It was moved and seconded to adjourn the meeting at 10:58 pm. Unanimous.