A meeting of the Electric Subcommittee was held on Wednesday, January 8, 2020 at 7:00pm at the Ipswich Utilities Department Conference Room.

With a quorum present, Mr. Engel called the meeting to order at 7:06pm.

Subcommittee Members present: James Engel; Michael Schaaf; William Craft; Whitney Hatch

Staff present: Jon Blair; Ray Leczynski; Jeff Civitarese; Dylan Lewellyn

Also present: Ann Reynolds, Howe Street

Not present: Ed Rauscher; Nishan Mootafian

Abbreviations Used: ELD, Electric Light Department; FERC, Federal Energy Regulatory Commission;

Citizen Queries
There were no citizens queries.

Approval of Minutes
- November 13, 2019
- December 11, 2019

Vote: Michael Schaaf moved to approve the minutes; Whitney Hatch seconded. The motion carried unanimously.

Final Review of Strategic Plan
The group reviewed the final draft of the Strategic Plan. Several minor modifications were discussed.

Vote: Michael Schaaf moved to forward the Strategic Plan, with noted changes, to the Commission for their review and approval; Whitney Hatch seconded. The motion carried unanimously.

Budget Introduction
Jon recommended that the narrative be removed from the budget, due to its lack of direct financial relevance; he suggested that the strategic plan did a better job of meeting the intent of such a narrative. Mr. Craft explained that including narrative in the budget helped to convey the big picture, putting in context what the customers, via the Commissioners, were purchasing with the budgeted funds. Mr. Engel recommended that Jon think of the budget as an annual report on the condition of the ELD, which happens to include a budget, but is not limited only to the financial statements. Understanding these perspectives, Jon agreed that a narrative should continue to be included in the budget document.

Jon and Ray introduced a streamlined, condensed format for the budget. The group collectively discussed how the existing budget format was too cumbersome for the average customer to review. With over 65-line items, each containing four subaccounts, as well as statements for power purchasing, debt, cash accounts, sustainability, and fuel adjustments, the budget document could benefit from some consolidation and modernization in its presentation. Jon and Ray demonstrated how they proposed collapsing the four subaccounts into each major line item; this maintained the accounting structure required by FERC, but provided a streamlined layout that could be more easily digested. Ray and Jon demonstrated that this change would have no reduction in transparency for public oversight; they argued that making the budget less bulky may actually encourage more customers to read and understand it.

Management will print and publish the budget document in its condensed form; however, digital copies of the budget, which can be expanded to view each subaccount, will be available during budget presentations to the Commission and Finance Committee; digital copies of the expanded accounts will also be made available to anyone upon request. The consolidation will impact the FERC accounts for Capital expenditures, operational expenses, and administrative expenses; the budget document will continue to include separate sections for the debt schedule, statement of cash accounts, sustainability fund budget, and fuel adjustment. The group concurred with the proposed changes.
Ray introduced an update to the PPFA page, which is included in the budget. The PPFA calculation warranted reexamination due to the changes in power procurement and invoicing that have occurred since its initial implementation. Ray explained his goals were to make the PPFA page more transparent, auditable, understandable, reproducible, and accurate. The sustainability fund was removed from PPFA, since it did not provide for power purchases; conversely, locally sourced wind and solar purchases were added into it. Overall, Ray did not feel that the redistribution of items would have a significant effect on the purchase and loss statement. The group agreed that the changes were worthwhile improvements and supported moving forward with the new format.

Jon provided a brief introduction to the capital plan, which outlined major projects and expenditures anticipated over the next five years. The discussion focused primarily on how the subcommittee wanted to see the information presented. Jon will continue to build the capital plan with the group’s feedback; the full plan, including financial support, will be discussed in an upcoming meeting.

**Long-range agenda**
Mr. Engel recommended that Jon send a list of recommended topics to the subcommittee for consideration before populating the long-range agenda of meeting topics.

**New Business**
Michael Schaaf asked if there were any relevant updates on Wind II, Barefoot Solar, or the meetings with MassDEP about the landfill. Jon stated that there were no meaningful updates to share with the group on these subjects. Jon noted several encouraging anecdotes – first, the final payment of the internal loan for the power plant’s catalysts had been completed, second, Wind I recorded its first day of maximum performance, generating the full 1.6MW of power for 24 hours straight in early December.

*Vote: Mr. Engel moved to adjourn, and Mr. Schaaf seconded. The motion carried unanimously.*

The Electric Subcommittee adjourned at 9:45pm.