

**ELECTRIC SUBCOMMITTEE**  
Meeting of Wednesday, April 14, 2021  
Virtual/Zoom ELC Meeting  
7:00PM

The regular meeting of the Electric Subcommittee was held on April 14, 2021. It was a virtual/Zoom meeting format due to the current COVID-19 pandemic.

With a quorum in virtual attendance, Mr. Engel called the regular meeting to order at 7:00 p.m.

Subcommittee Members present: James Engel, William Craft, Whitney Hatch, Michael Schaaf, Edward Rauscher, Jonathan Blair, Ray Lezynski

Absent: Nishan Mootafian

Recording Secretary: Kathleen Reed

**I. Citizens' Queries**

- A. Mr. Craft advocated on behalf of citizens that have approached him regarding their interest in exploring the feasibility of underground ELD resources on High Street. He requested that this matter be taken up by the ELC as a formal agenda item at a future meeting. Mr. Blair suggested that the Subcommittee might want to consider redirecting the \$25,000 budget line item dedicated to the Market Street project toward a feasibility study focused on underground services on High Street. The study would result in a first draft of visual plans that could be considered by the Commissioners. Mr. Craft thought that High Street was a very desirable location to make the case for underground ELD resources due to the historical importance of that location as well as the straight visual look and feel. There was discussion about the scope of such a project.

In that vein, Mr. Craft feels that it is prudent for Ipswich to have a proactive approach to several significant projects, outside of items that need to be addressed that are critical in nature. Lengthy discussion ensued and it was agreed that consideration should be given to the feasibility of underground ELD services on High Street.

*Action: Mr. Blair will add the High Street Underground Services as an agenda item for a future meeting of the ELC.*

- B. With regard to solar developments on private or commercial property, Mr. Hatch suggested that the ELD develop a template or a set of criteria that could be used by parties interested in exploring solar developments.

*Action: Mr. Blair will add Solar Developments Discussion as an agenda item for a future meeting of the ELC.*

**II. Approval of Minutes - March 2021**

The draft March 10, 2021 minutes had been distributed to the ELC for review prior to the meeting. Mr. Engel requested on page 2 of the minutes that the word "product" in the second line under the first action item be replaced by "budget". In the next paragraph, 4<sup>th</sup> line, "boarders" should be "borders". In the paragraph beginning with "Mr. Blair", in the 5<sup>th</sup> line, "prior vote" should be amended to "prior vote taken".

The amendments will be made and a revised draft of the March 2021 minutes will be presented for a vote at the May meeting of the ELC.

### III. **Review of FY 22 Budget and Rates**

Mr. Blair and Mr. Lezynski presented an alternative methodology designed to generate \$1M in additional revenue to the ELD. It was proposed that the residential meter charge be increased from \$4/month to \$10/month as well as an increase by \$0.06/kWh for all rate classes. The goal of this methodology is to ensure that the proper funds are derived from the appropriate sources so that no customer class is unfairly burdened.

It was noted that commercial customers are significantly subsidizing the residential customer base. Mr. Engel stated that the commercial/industrial subsidizing of the residential rate class was supported by the Commissioners. With the regard to the proposed increasing of the fixed charge from \$4 to \$10, there was concern expressed that low income customers may feel the burden of the suggested increase.

Those present agreed that there is a need to monetize realized savings; however, there was debate on the sourcing of those funds. There was discussion that the timing of the proposed methodology may be not optimal as the rate structure and cost of service study has not yet been completed. That study may not be disseminated for several months. The benefit of the proposal is that it is anticipated that the study is more than likely to recommend a significant increase, and the proposal would represent a proactive approach to what is anticipated to be a necessary and substantial rate increase.

All present agreed that a rate structure that provides financial stability for the ELD was necessary; however, that rate structure may be one that is different from other municipalities in order to serve the needs of the community beyond electric power. The rate study report will contain useful information on the design of rate structures but may not be 100 percent applicable to the ELD goals and objectives.

It was requested that in the budget in the third column that the term “annualized” be replaced with “projected”. All agreed that this was an important distinction and that this amendment should be made prior to the budget being submitted to the Commissioners for consideration.

After lengthy discussion and upon motion duly made by Mr. Rauscher and seconded by Mr. Hatch, it was

***VOTED: To increase the base rate of all rate classes by \$0.01/kWh, to amend the Commissioners’ vote of 4/25/2011 and have the Sustainability Fund sourced from the base rate rather than via the power purchase fuel adjustment (PPFA), and to approve the plans, goals, and vision outlined in the Annual Report. The vote was unanimous.***

### IV. **New Business**

A. Mr. Blair had intended to raise the matter of taking a more proactive approach in the Bruni project as referenced in the Citizens’ Query above. He feels that it is prudent to have a focused discussion to see if there is a community solution for using the land for a solar land project. Mr. Hatch requested that some industry appropriate criteria be shared so that there is consistent information that can be used by any interested parties to determine the feasibility of a solar land site and whether or not it make sense from an energy power generation and sustainability perspective. The criteria could serve as a tool to begin to

assess whether the associated cost is tolerable and whether there is an economic benefit to the ELD and the Town. Mr. Blair noted that a solar land site would require 4 acres per megawatt, that the installed cost is \$2.50 per watt, that the compensation would be between 5-10 cents for kWh hour, and the production would be between 12-15 mWh hours per kWh installed. It was thought that including a definition of “usable acre” may also be helpful. The decision of when to provide the information and what the proper vehicle for providing the information should be is best decided by the Commissioners.

*Action: Mr. Blair will develop a bulleted information sheet for consideration by the Commissioners. When presenting the document, he was asked to note that the ELC was mixed in its discussion.*

- B. Mr. Blair is currently reviewing and finalizing the draft documents associated with the proposed development of the current Wind II turbine location. The documents include the proposed lease agreement, the PPFA, and an interconnection agreement. The ELD is doing its due diligence and conducting a very comprehensive review of the documents. It is anticipated that the draft will be ready for distribution to ELC and the proposed developer within a week, and Mr. Blair is looking forward to external feedback on those documents. The developer remains interested in aggressively moving forward with the project. If the Select Board chooses to approve the project by vote in mid May, the developer would like to take down Wind II in June 2021. The proposed turbine is on schedule to arrive in October 2021 and , if that occurs, it would result in an operable turbine on that property by the end of the year.

Mr. Blair asked for a 1.5-2 week turnaround time for comments after review of the documents. He suggested that the ELC consider scheduling a special meeting on or about April 28, 2021 for the purpose of reviewing the draft documents. That would put the ELC on pace to forward a recommendation to the Commissioners in May 2021.

It was agreed that issues of capability, credibility and reputation pertaining to the Developer should be explored by Town authorities. Mr. Blair will give his opinion, provide technical recommendations, and suggest questions to be posed to the Developer by the Select Board.

Mr. Blair noted that both Wind towers were registered energy sources with the grid. In processing the various documents, Mr. Blair gained the insight that there is an opportunity to manage the new turbine energy source in the same way as the power plant, a behind-the-meter unit.

Mr. Schaaf stated that there may likely be some educational opportunities associated with the new turbine project for the school system children. Mr. Blair agreed to participate as educational opportunities arise.

- B. Mr. Blair reported that he has received a secondhand update regarding the solar project at the dump site. He learned that there was a provisional green light given to begin with some monitoring and testing wells and to conduct an engineering study. This information is not public knowledge at this point in time.
- C. Mr. Schaaf reported that there is controversy surrounding the new Peaker Plant being planned for Peabody. This plant is being developed by MMWEC. Mr. Blair confirmed that if

the Peaker Plant project was to fail, that would not pose any financial liability for Ipswich given that project is funded by the participants and MMWEC is not liable.

- D. Mr. Lezynski reported that the issue of bad debt over 120 days continues to grow but appears to be leveling off. The current bad debt figure is approximately \$340,000. Moratoriums are over, therefore, the DPU has been informed that collection activities will commence followed by shut offs, when/if necessary, effective July 2021. Customers in negative standing will be encouraged to make payment plans and will be directed to available resources.
- E. Mr. Hatch noted that there is nothing in the ELD objectives that refers to long-range planning and projects. He asked that the ELC consider how the future should be viewed from an increased depreciation perspective and that a significant objective be included in the next fiscal year planning. He advocated for an annual review of a long-range capital plan with a focus on the depreciation fund, resiliency, preparedness for electrification, and strategic goals.

*There being no regular meeting further business, and after a motion for adjournment was made by Mr. Craft and seconded by Mr. Hatch, it was*

***Voted: To adjourn the regular meeting of the ELC at 9:09 pm. The motion passed unanimously.***

The next regular meeting of the ELC will be held on May 12, 2021.

Respectfully submitted,

Kathleen Reed, Recording Secretary