

**MINUTES  
TOWN OF BELMONT  
MUNICIPAL LIGHT BOARD  
SELECTMEN'S MEETING ROOM  
TOWN HALL  
Friday, October 30, 2015  
8:00-9:30 A.M.**

RECEIVED  
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**I. CALL TO ORDER**

*Chair Baghdady called a regular meeting of the Municipal Light Board (MLB) to order at 8:03 A.M.*

Present:

MLB- Chair Sami Baghdady, Vice Chair Mark Paolillo, Member Jim Williams

Municipal Light Advisory Board- Member Ralph Jones, Member Mark McVay (no quorum)

Belmont Light- General Manager Jim Palmer, Staff Becca Keane

**II. APPROVAL OF MINUTES DATED 08/28/15**

Baghdady had made a few small revisions to the draft August 28<sup>th</sup> minutes since they were first presented at the September 30<sup>th</sup> MLB meeting.

*Williams motioned to approve the minutes dated August 28, 2015. Baghdady seconded and the motion was approved with a vote of 2-0.*

**III. GENERAL MANAGER'S REPORT**

Palmer provided an update on the substation and transmission line project. Work at the 20 Flanders substation site has been progressing. The building's steel frame was constructed, major materials had been delivered, and the building was still scheduled to be weather-tight by the end of December.

For the transmission line, the project team has been working closely with the City of Cambridge and the MBTA. McCourt, the contractor who will be doing the work on the line, will kick-off construction at the beginning of November. Belmont Light and Cambridge staff developed a communications plan to alert Cambridge residents of the project's progress. Palmer is hoping for a mild winter so that work on the transmission line is not interrupted by storms and snow removal. A risk matrix is in place in case this occurs. Barring any major weather issues, the project should be ready for energization by June 2016.

Williams asked about a trenching issue that was discussed at the September MLB meeting. Palmer responded that this issue has been resolved because the contractor was able to find an alternative trenching method that will reduce risk and expenses.

#### **IV. CHARGE AND PURPOSE**

Baghdady stated that he and his colleagues disagreed with statements made by former MLAB Chair Ashley Brown (not present) at a June 2015 Municipal Light Advisory Board (MLAB) about MLAB potentially needing to be dissolved. Baghdady said, and Williams, Paolillo, and McVay concurred, that the Light Board needs a committee of experts to provide valuable insight and advice to the Light Board. However, Baghdady explained that the current governance is not fair for Belmont Light because it is not clear who the General Manager reports to. MLAB's roles needed to be redefined to help ensure clarity.

Baghdady offered some proposals for reconfiguring MLAB. The first would be to change MLAB's name to *Light Board Advisory Committee* (LBAC). The second would be to clarify the committee's purpose, which is to advise and guide the Light Board on high-level policy issues like demand-side management. It needs to be clear that supervision of the Belmont Light's day-to-day operations is the Light Board's duty. Baghdady also offered that LBAC could be a five-person committee because more than five members can get unwieldy when it comes to decision-making and discussion.

Paolillo liked the clarity achieved by the proposed name change, but did not want to make any changes that might diminish the expertise and duties of the committee. He and Williams added that they preferred the structure of seven-person committees. The Board, Palmer, McVay and Jones further discussed what committee size would be best for LBAC.

Palmer noted that a committee that reports directly to the Light Board can help create a solid governance structure. He corroborated Baghdady's earlier point that dealing with managers under the current structure was, at times, difficult.

Residents Phil Thayer and Tony Alcorn commented that LBAC's membership and charge should clearly reflect the community's interest in and concern with renewable energy and carbon emissions. The Board and Palmer discussed this matter and considered how to include these topics in LBAC's charge and member requirements.

Baghdady read aloud potential language for LBAC's charge (attached, as updated and approved on October 30, 2015). The proposed charge included that the committee would consist of five voting members and 2 non-voting, associate members and specific references to sustainability and renewable energy.

*Williams moved to approve the charge and composition guidelines for the Light Board Advisory Committee. Paolillo seconded and the motion was approved with a vote of all in favor (3-0).*

#### **V. DISCUSSION ON SOLAR DG PRICING AND POLICY**

##### **a. Power purchase agreements**

Baghdady explained that the Light Board had heard two different concerns regarding Belmont Light's policy on power purchase agreements (PPA) for solar DG and recent changes made to

the newly approved solar tariff. Residents were concerned that disallowing PPAs would render future renewable energy projects in town less viable. The Light Department, on the other hand, cautioned that allowing third-party entities to directly sell power to Belmont Light customer is a big risk to the department's stability.

Palmer reported that the removal of the PPA language from the new solar tariff and policy was suggested by Belmont Light's supply contractor and legal firm. He did not view the PPA change as affecting the Belmont Goes Solar campaign or future large-scale renewable projects in town because Belmont Light would collaboratively work with prospective developers. If, for instance, the Wellington School project goes forward or there were a potential development at the incinerator site, Belmont Light could be involved in a tri-party power arrangement. Palmer then summarized the history of PPAs and retail-choice discussions in town. In 2003, a Belmont electricity study group made the deliberate recommendation to not open Belmont's borders to competitive choice because it was a risk to Belmont Light's franchise. The same decision to not open their borders was made by all the other municipal light departments in Massachusetts around the same time. Palmer stressed that the ramifications of allowing outside entities to contract with Belmont Light's customers will threaten the department's ability to provide quality service. To Palmer, removing the PPA language from the tariff is the most prudent decision.

The Board asked some questions related to Palmer's points and then further discussed the issue. Jones questioned whether Wellington School having a PPA would actually threaten retail-choice and raised a relevant passage from Chapter 164, which Palmer said legal counsel had already considered. McVay expressing caution that allowing outside entities to contract with Belmont Light's customers will threaten Belmont Light's reliability and ability to provide the best power around.

Williams stated that this all relates to a legacy issue because Belmont Hill School was granted a PPA. Residents were concerned that changing the policy on PPAs would not allow for similar projects in the future. He also asked Palmer what might happen if a large commercial customer such as McClean Hospital wanted a PPA. Palmer responded that if McClean engaged in a PPA without Belmont Light's involvement, it could be a risk to the department. Palmer also mentioned that customers in town are currently being solicited by outside parties for renewable energy generation.

The group discussed PPAs in more detail and heard from residents. The Board agreed to keep the solar tariff as-is for the time being and to collect more information before making a policy decision on PPAs. The Board would hear more opinions from residents, Belmont Light, and legal counsel and will plan to make a decision on the issue by November 19<sup>th</sup>.

## **VI. CURRENT NET METERING POLICY**

Baghdady said that the Net Metering Working Advisory Group (NMWAG) had made a majority recommendation to compensate specific residents who installed solar by 2011 with a one-time payment of up to \$3,000. One member of NMWAG suggested to continue all existing customers on pure net metering for a period of three years. Other residents have asked to be grandfathered on net metering indefinitely.

The Board discussed these different options for compensating existing solar customers because of the transition to the new solar rate. Paolillo suggested adopting the majority opinion of NMWAG since the group was explicitly created to advise MLB on this topic and Williams discussed that the 2011 date seems artificial. To him, it is important that the 40 percent cut in the buyback rate will be felt by all existing customers.

The Board asked Resident Nelson Hartunian to speak on the topic since he was one of the first residents in town to adopt solar. Hartunian commented that all existing customers should continue on net metering. The Board agreed to hold off on making a decision until November 19<sup>th</sup>.

## **VII. ADJOURNMENT**

The Board adjourned at 9:42 A.M.

**Light Board Advisory Committee  
Committee Charge**

Purpose: To advise the Municipal Light Board (MLB) on fair and equitable demand-side management (DSM) policies, plans, and programs that are consistent with customer needs, legal mandates, public policy, operational requirements, and the long-term financial stability and viability of the electric utility. The LBAC shall provide other advisory duties as requested by the Municipal Light Board.

Composition: The committee shall be comprised of five (5) voting members and two (2) non-voting, associate members, appointed by the Municipal Light Board, including persons with expertise in at least some of the following areas: legal and regulatory matters related to electric utilities, electric power engineering, finance, accounting, economics, sustainability, and renewable energy. The members will be appointed for staggered three (3)-year terms.