

ELECTRIC SUBCOMMITTEE
Meeting of Wednesday, February 27, 2019
Ipswich Utilities Department | 272 High Street

A meeting of the Electric Subcommittee was held on Wednesday, February 27, 2019 at 7:00pm at the Ipswich Utilities Office.

With a quorum present, Mr. Rauscher called the meeting to order at 7:05pm.

Subcommittee Members present: Jon Blair; Jeff Civitarese; William Craft; James Engel; Whitney Hatch; Edward Rauscher; Michael Schaaf

Also present: Eileen Page, Recording Secretary

Not present: Ray Leczynski; Dylan Lewellyn

Abbreviations Used: MMWEC, Massachusetts Municipal Wholesale Electric Company; ELD, Electric Light Department; REC, Renewable Energy Certificates; FY20, Fiscal Year 2020

Public Information: Agenda

Citizen Queries

None.

Approval of Meeting Minutes

November 2018; December 2018; January 2019; February 2019

Mr. Craft abstained from voting on the minutes of November 2018 and February 2019. Mr. Rauscher abstained from voting on the minutes of February 2019.

Vote: Mr. Engel moved to approve the minutes with corrections, and Mr. Hatch seconded. The motion carried unanimously for the December 2018 minutes. The motion carried 4-0 for the November 2018 minutes, 5-0 for the January 2019 minutes, and 3-0 for the February 2019 minutes.

Withdrawing ELD Generators From ISO-NE Market

RESPONSE FROM 13FEB19 INQUIRIES

Mr. Blair reported that it will not be possible to remain in the capacity market while also shaving transmission peaks. He also clarified that a specific line item from the comparison of proformas referred to the benefit of being self-supplied.

DEGREE OF PARTICIPATION

Mr. Blair spoke with Alex Chapel (MMWEC Analyst) this week to discuss the level of the Town's commitment to ISO, and money made back on the dollar in the withdrawal process. Overall, it was determined that exiting the market would be a net benefit, and the benefits are greater if the ELD exists sooner rather than later. Mr. Schaaf stated that he does not want to see any actions result in the reduction of rates.

ULTIMATE DESTINATION/STRATEGY

Mr. Hatch suggested chasing no less than six capacity peaks per year, but not peaks that would require the burning of oil. Mr. Engel noted that Ipswich cannot run the plant unless it is linked to National Grid. Following the delistment of the plant, Mr. Hatch would like to have a discussion regarding the economic and carbon footprint results and see the analytics in the first few years. Mr. Schaaf suggested that if the Town were to switch to batteries, batteries run on renewable energy would make a big impact.

RECOMMENDATIONS FOR COMMISSIONERS/FINCOM PRESENTATIONS

1. Withdraw the Ipswich Power Plant from the ISO-NE forward capacity market and shed future capacity supply obligations already obtained by the ELD.
2. Delist the Ipswich Power Plant; transition away from ISO-NE control and the associated obligations, payments and penalties, in favor of a new posture as a locally controlled asset that works to reduce system load “behind-the-meter” (BTM).

Mr. Blair debuted a slideshow for review by the Subcommittee that will be presented to the Commissioners and Finance Committee. Several suggestions were made for modifications that would simplify explanations for the “layperson.” Additionally, the Subcommittee reviewed the concerns laid out by Mr. Blair, including monetary repercussions of failing to clear the reconfiguration auctions, an estimated six-week exposure during the transition, ramifications of violating the transmission tariff, material readiness, and proof of performance.

VOTE RECOMMENDATION

Vote: Mr. Schaaf moved to withdraw from the capacity market at the next possible juncture, and Mr. Engel seconded. The motion carried unanimously.

Vote: Mr. Engel moved to recommend to the Commissioners that this plan be implemented only when natural gas can be the sustaining energy source, and Mr. Schaaf seconded. The motion carried unanimously.

Vote: Mr. Engel moved to chase no less than six capacity peaks per year so long as they are run on natural gas, and Mr. Schaaf seconded. The motion carried unanimously.

Greenhouse Gas Emissions Standard

Mr. Blair spoke to the Subcommittee regarding the process of voting for the Greenhouse Gas Emissions Standard to be presented to the State House. He believes that while the legislation itself is not tailored for Ipswich, it is better than the current non-existent legislature, and is overall strong and generally on target with Ipswich’s goals. Highlights of the plan include the use of nuclear power, credit given for the use of renewable resources, and alternative compliance payments set aside to be used to correct shortcomings within the local community. Discussion followed regarding how Ipswich plans to meet the requirements set forth by this legislation if it is voted into law. Mr. Schaaf would like to develop an action plan in writing. Mr. Hatch would like to see the ELD investing in REC-producing products.

New Business

Mr. Blair reminded Subcommittee members of upcoming presentations and meetings:

- Monday, March 4: ELD budget presentation to the Select Board
- Thursday, March 7: ELD budget presentation to the Finance Committee
- Wednesday, March 13: ELD meeting to discuss FY20 budget

Mr. Rauscher and Mr. Schaaf do not support presenting the plan of delistment to the Finance Committee. Mr. Craft disagreed. Discussion followed regarding the benefits and drawbacks of presenting the plan in-depth to the Finance Committee.

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

The Electric Subcommittee adjourned at 9:33pm.

*Respectfully submitted by Eileen G. Page
03.02.19*