

ELECTRIC SUBCOMMITTEE
Meeting of Wednesday, March 13, 2019
Ipswich Utilities Department | 272 High Street

A meeting of the Electric Subcommittee was held on Wednesday, March 13, 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; William Craft; James Engel; Whitney Hatch; Edward Rauscher; Michael Schaaf

Also present: Jim Prato

Abbreviations Used: MMWEC, Massachusetts Municipal Wholesale Electric Company; ELD, Electric Light Department; REC, Renewable Energy Certificates; FY20, Fiscal Year 2020; PPA, Power Purchase Agreement; GIS, Geological Information System

Public Information: Agenda

Citizen Queries

Mr. Prato discussed his desire to develop solar projects outside of the established “net metering” program. Specifically, he mentioned using public land, as well as a parcel of land that he owns on Great Neck that he would be interested in developing into a ground-mounted array. Mr. Blair informed him that the 2016 Distributed Generation policy allowed for such an arrangement under a PPA structure. Mr. Engel recommended that Mr. Prato approach the Select Board with any proposal before moving forward to ensure that approval would be given to use the land for such purposes. Some issues regarding “open space” and “green space” were discussed as barriers to such development by the Town. Other obstacles that were identified were declining financial incentives, including solar RECs and the reduced federal tax incentives. Whitney Hatch recalled his positive experience in developing a PPA on his personal land, and suggested that Mr. Prato use Green Belt resources to conduct a GIS mapping of viable Town properties for solar development. Mr. Prato thanked the subcommittee for their insight and helpful feedback.

Approval of Meeting Minutes

February 27, 2019

Vote: Mr. Engel moved to approve the minutes, and Mr. Hatch seconded. The motion carried unanimously

FY20 Budget Review

Mr. Blair presented the budget and noted several changes from the previous year. Mr. Engel recommended adding a graphic showing the power portfolio that was used in the previous year’s budget. He made several other comments to clarify and improve the language in the narrative, including a statement about the production from Wind I. Mr. Engel further stated the importance of including graphics about rate and sales trends that had been omitted. Although the trends are steady, Mr. Engel pointed out that the lack of change can be informative. Mr. Schaaf stated his desire to see Climate Change listed among the challenges that are facing the ELD; the subcommittee debated the rationale, but concurred. Further, he liked the strategic plan, but added that it needed more consideration and development.

Regarding a capital investment in rebuilding an underground distribution line on Herrick Drive, Mr. Schaaf stated his concern about the cost per meter ratio. Mr. Blair provided a detailed breakdown of the costs over time and the subcommittee agreed that it was a necessary investment. The work will be contracted out at an estimated cost of \$345k, but crews will supervise with the intent of learning skills that will allow them to perform similar work in-house in the future. Mr. Schaaf also requested a more comprehensive capital plan to review.

Rate Adjustment

Mr. Blair described the anticipated reduction in capacity costs that were expected in FY20. He stated that he wanted to capture those reductions in power expense as reserves, allowing rates to remain level from their existing costs to customers. An increase of \$0.0043/kWh would accomplish this goal.

VOTE RECOMMENDATION

Vote: Mr. Engel moved to recommend the rate increase as proposed, and Mr. Hatch seconded. The motion carried unanimously.

New Business

Mr. Schaaf inquired about the status of Wind II. Mr. Blair said that there were no meaningful updates and he still believed that the unit would be decommissioned. The group discussed repurposing the site in the future.

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

The Electric Subcommittee adjourned at 10:23pm.

*Respectfully submitted by Jon Blair
05.03.19*