

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
SEPTEMBER 5, 2018**

PURSUANT TO notice given the Wellesley Municipal Light Board ("Board") met in the Municipal Light Plant ("MLP") Gordon F. Kingsley Board Room, 4 Municipal Way, at 5:30 PM.

PRESENT

Those present included Chair Edward J. Stewart, III and Commissioners Paul L. Criswell, David A. T. Donohue, Katharine Gibson and Jeffrey P. Wechsler. Also in attendance were MLP Director Richard F. Joyce and staff members Kevin P. Bracken, Ann G. Collins, Terrance J. Connolly, Debra J. Healy, Cynthia R. Lowe, William H. Marsh, Janet C. Maynard, Stephen G. Neshe, Donald H. Newell and Daniel J. Trant. In addition, Advisory Representative William G. Maynard was in attendance.

APPROVAL OF MINUTES

Upon a motion made by Mr. Criswell and seconded by Mr. Donohue, it was unanimously

VOTED: To approve the July 30, 2018 Public Session Minutes as written.

Upon a motion made by Mr. Criswell and seconded by Mr. Donohue, it was unanimously

VOTED: To approved the July 30, 2018 Executive Session Minutes as written.

CITIZEN SPEAK

Mr. Stewart presented all of those in attendance with an opportunity to speak on matters pertaining to the MLP. No one wished to speak.

DIRECTOR'S ITEMS

Recognition. The Director introduced two employees. Janet C. Maynard has a strong accounting background which allows her to work effectively with all MLP departments. Stephen G. Neshe has been with the MLP for 25 years and was recently promoted to Line Supervisor.

Financial Statements. Fiscal Year 2018 ("FY18") ended with a loss of \$3.7 million prior to the \$1 million payment to the Town. The loss was a direct result of a \$5.1 million increase in Forward Capacity Market ("FCM") expenses. The negative financial impact of ISO-New England's FCM policy was anticipated and partially offset by the drawdown of \$1.8 million of rate stabilization funds and a 5% rate increase that went into effect in October 2017. The FY18 ending cash balance of \$7.1 million exceeded the Five Year Financial Forecast estimate by \$100,000.

Due to above normal temperatures July kilowatt-hour sales exceeded the prior year by 11.9% resulting in \$450,000 more revenue. Approximately \$330,000 of increased revenue was offset by additional power costs. In addition to the warmer temperatures Wellesley College purchased more energy from the MLP throughout the month of July. The Board asked if the College's additional load had created any reliability concerns during peak demand periods. The

Director recognized the excellent engineering work provided by David M. Allen in balancing the supply lines and allowing the MLP to serve Wellesley College seamlessly. The Board and Mr. Joyce discussed the financial structure of the Partial Requirements Tariff and everyone was in agreement the MLP should continue to provide the College with as much electricity as needed. The MLP's available cash increased from \$7.1 million to \$7.5 million.

Reliability Report. Assistant Director Donald H. Newell reviewed the FY18 reliability results. The System Average Interruption Duration Index of 22 minutes for the year places the MLP among the most reliable electric utilities in New England. The number of outages increased compared to past years as a result of the staff's decision to include interruptions experienced by an individual resident or business. The industry standard does not include single resident/business outages and/or interruptions beyond the control of the utility, e.g. pole accidents. The MLP includes all power outages. Squirrels continue to be a problem. In the fourth quarter 11 of 14 interruptions were caused by squirrels. Mr. Stewart asked if there was any equipment the MLP could install to prevent future incidents. Mr. Newell discussed preventative measures, most of which the MLP utilizes.

Standard & Poor's ("S&P"). The Director reviewed the outstanding efforts of Debra J. Healy in responding to S&P information requests. This year's S&P credit rating evaluation was more comprehensive than past years. On August 28th the staff participated on a conference call with S&P to review and confirm the information provided. Mr. Joyce was confident the credit evaluation process accurately reflected the MLP as a financially, healthy electric utility and was optimistic S&P would, at a minimum, re-affirm the "AA Stable" rating.

Mr. Maynard left the meeting at 6:25 PM.

Board Meetings. The Board adopted a "last Monday of the month" schedule for the remaining FY18 Board Meetings except for those days falling on a holiday. The schedule will be posted on the MLP's website.

Executive Session. Mr. Stewart requested a meeting in Executive Session to discuss the financial impact of various energy supply scenarios identified in the Analysis Group 2018 – 2030 Study. The Secretary, Mr. Wechsler polled each Member individually for authorization to enter into Executive Session for the sole purpose of discussing the current and future cost impact of greenhouse gas emission reductions identified by Analysis Group. Each Board Member responded in the affirmative and the Board entered into Executive Session at 6:30 PM.

Return to Public Session. The Board returned to Public Session at 7:45 PM only to adjourn.

ADJOURNMENT

The Board Meeting adjourned at 7:45 PM.

Respectfully submitted,

Jeffrey P. Wechsler, Secretary

**EXECUTIVE MINUTES OF THE
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PRESENT

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Analysis Group Phase I, 2018 – 2030 Study (“AG”). Mr. Joyce reviewed the MLP’s power supply prices for hydro, solar and nuclear. The MLP’s 20-year commitment in wind projects was approximately \$550,000/year more expensive than the purchase and retirement of Renewable Energy Certificates (“REC”) quarterly. Between FY18 and FY22 the MLP’s non-Greenhouse gas emitting power supply will increase from 36,000 megawatt-hours (“MWHs”) to 91,349 MWHs. From Fiscal Year 2022 through 2029 the MLP will reduce its carbon emissions by 50% from Town Meeting’s 2007 benchmark.

The Director reviewed the projected MWHs and prices for four non-fossil fuel generation being added to the portfolio: 1) Granite Reliable Wind; Canton Wind; 900 Worcester solar; and Seabrook Station. The Board and staff had a lengthy conversation regarding the costs to ratepayers for the sale, purchase and retirement of RECs. The Board expressed an interest in obtaining feedback from the Ad Hoc Committee and public forum on the benefits that can be achieved from the sale of RECs. The Board reviewed the following schedule:

- Wednesday, September 12th, Ad Hoc Committee;
- Monday, September 24th, Analysis Group attendance in public session at the Board Meeting; and
- Monday, September 24th, public forum, televised at the Town Hall.

The Board expressed an interest in receiving the Director’s recommendations from the AG by the end of calendar year 2018.

ADJOURNMENT

There being no further items to be discussed in Executive Session, Mr. Wechsler polled individual Members to return to Pubic Session. Each Board Member responded in the affirmative and adjourned the Executive Session at 7:45 PM.

Respectfully submitted,

Jeffrey P. Wechsler, Secretary