

# Light Commission March 26, 2024 meeting minutes

To: Light Commission: Commissioners  
Light Department: J. Kowalik, General Manager  
From: Jean-Jacques Yarmoff, Secretary  
Date: May 15, 2024  
Re: Commission Meeting Public and Executive Sessions, March 26, 2024

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A quorum being present, Chair Wolf brought the meeting to order at 4:03 pm. The meeting was held in person and with remote internet access, both available to public participation. A recording of the meeting is made available to the public at the following [link](#).

## **Participated in meeting:**

Commissioners: Commissioners Frechette, Hull, Smith, Wolf and Yarmoff participated in person.  
Light Department: General Manager, J. Kowalik; Greg Chane, Distribution Manager; Business Manager, Matt Barrett.  
Invited: Tom Barry, Director of Energy Markets, MMWEC.

Marblehead Land Acknowledgment declaration was read by Commissioner Smith.

## **Comments from the Public**

Lauren McCormak, Executive Director of the Marblehead Museum presented an interpretative sign about the ship Desire, built in 1636 in Marblehead, and the first recorded ship to be involved in the slave trade in the Massachusetts Bay colony. This design for the sign had already been shown in 2022 (See page 5), and the Marblehead Museum is having signs done, one of which could be installed in Hammond Park. The General Manager agreed the installation of the sign could proceed, the board concurred, in a spot that does not complicate mowing, and with the caveat that as the park will undergo work to raise the sea wall, it might be best if the sign were taken out and protected during the work period.

## **Outstanding items from previous meetings**

**Tioga way and Village 13 update.** The General Manager presented the list of tasks that need to happen for these two projects, shown page 4 below. For Tioga Way, in a first step, Bay Side Engineering will develop a site plan for the full parcel that identifies 2-3 areas for potential improvements. The chair requested that the dates when this work will start be specified.

**Time of Use.** Time of Use is a complicated subject: we have the MIT Sloan School study, there is a lot of information to review, discussions with outside vendors, evaluating different technologies. To make progress, the chair moved that we create a working group with two board members, the General Manager and appropriate outside people brought in for their expertise.

**Vote #2024-05** Motion was seconded by Commissioner Yarmoff. **Unanimous.**

## **MMWEC Director of Energy Market presentation: Tom Barry.**

Tom Barry introduced himself and the role of the Massachusetts Municipal Wholesale Electric Company (MMWEC). Key slides from his presentation are shown below. Interested readers are invited to listen to Tom's [presentation](#). Tom directs the team that executes power purchases for MMWEC members including Marblehead, as well as the group dealing with efficiency programs (Connected Homes ...).

## Distribution Manager Updates

The focus of the Distribution team has been to make sure that Village 13 is ready for the upcoming work: receiving the two transformers, and preparing for the switch gear installation when it arrives later in the year. This has meant re-routing the 23 kV and 13 kV lines, to clear the air space above the substation so that the crane can move the transformers. A lot of the equipment that was stored at the Village 13 location has been moved to other facilities. We are now ready to receive the pre-cast concrete sections to build the land bridge over the sewer pipe.

Greg Chane also explained the training the Distribution team is undergoing, with a third of the team being apprentices. Distribution team is down to 8 members and will hire to replace one lineman who left. One other person will retire in the coming months. MMLD has five trucks, so in theory we could have 5 teams, but we need to recruit and train people. (Fleet maintenance is now done by a cooperative, GML.) Some of the “easier” work is a great occasion for the team to learn by doing: replacing old single phase wires, before three phases, for example.

The team has been replacing obsolete poles focusing on whole street work and rewiring where wires are old and obsolete. The new wires will also have more capacity as we are anticipating a higher load in the future. Verizon has also been working to update some of their poles, mainly by adding a metal sheathing that will extend their useful life by a decade or so.

Commissioner Yarmoff mentioned that since there is a plan laid out for the work in the next 2 ½ years or so, it would be good to have that translated into numbers. The Distribution Manager and the Business Manager have a good handle on these aspects, so the board will look forward to seeing the work plan’s financial implications.

## General Manager Updates

**PILOT Payment.** The General Manager proposed that the Light Department make a Payment In Lieu of Taxes (PILOT payment) to the town. Commissioner Yarmoff presented an analysis of PILOT payments by other municipal systems, showing that MMLD, compared to its size, was making significant payments, larger than some comparable sized systems, and on par with some much larger systems, see page 9. One system published a formula for their calculation of their PILOT, and applied to MMLD, it would mean a payment of \$331K. So it seems from this analysis that MMLD in the past was overpaying the town, and is currently making fair payments to Marblehead.

**Vote #2024-06** Motion to approve a Pilot payment to the Town of Marblehead for \$330,000, from MMLD 2023 Operating Income was moved by Commissioner Smith and seconded by Commissioner Yarmoff. **Unanimous.**

**Rate stabilization fund.** This particular account of MMLD was used to limit the rise of rates for residents when the natural gas prices hike caused by the war in Europe drove up electricity prices. These funds can be used for unforeseen circumstances, such as a market price hikes fuel price or transmission price increases. After discussions with other systems and following the recommendations of APPA, guidelines are that this fund should be about three-months of average energy costs. The proposal is to move \$1.5 million from our cash account to the Rate Stabilization Fund, which would then reach about 2.5 months of energy cost, slightly less than the recommended amount.

**Vote #2024-07** Motion to transfer \$1.5 million from MMLD Operating Cash to the MMLD Rate Stabilization Fund was moved by Commissioner Hull and seconded by Commissioner Frechette. **Unanimous.**

**Village 13 upgrade.** The detailed list of tasks for the preparation of the site are shown on page 4. The latest update from Virginia Transformers states that we should be expecting the two transformers by May 6. The precast concrete land bridge should be delivered at the end of April. Discussions are continuing for an easement to the parcel at the Bessom street corner.

**Update on hiring.** MMLD is continuing to interview for the IT position; Commissioner Frechette has helped screen the candidates. The General Manager is now checking the references, and hopes to be able to make an offer next week. Separately, the position description for capital projects planning manager is being prepared, and we are meeting soon with the recruiting firm to start that process. Lastly, with regard to the Energy Services position, while the resumes that the town received were looked at, there were no actionable candidates.

**Upnine contract** has been finalized and the last issues regarding insurance have been resolved. The communication system monitoring and review will now take place with interventions from Upnine when needed.

**Executive Session** During the March 26, 2024 Light Commission meeting, Chair Lisa Wolf proposed to enter Executive Session Motion to discuss trade secrets or confidential or proprietary information regarding activities of a governmental body as energy supplier, municipal aggregator or energy cooperative, if an Open Session will adversely affect conducting business relative to other entities making, selling or distributing energy. Not to return to Open Session.

Motion was moved by Commissioner Yarmoff and seconded by Commissioner Frechette.

Votes: Simon Frechette: Yes; Mike Hull: Yes; Lisa Wolf: Yes; Jean-Jacques Yarmoff: Yes.

Executive Session started at 5:46 pm.

During the Executive Session MMWEC's Director of Energy Market, Tom Barry, presented an update of the development of off-shore wind projects: MMWEC has been in negotiation with Avangrid and has recently come to an MOU agreement, should the project receive approvals, which are expected during the remainder of 2024.

While this was presented in executive session, the information disclosed was made publicly available by Avangrid on 3/27, the day following the meeting, and can be found in [this press release](#).

The Executive Session concluded at 6:22 pm at which point a motion to adjourn was proposed, seconded and, after a roll call of the five commissioners present voting unanimously in favor, adopted.

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## Documents presented during the March 26, 2024 Light Commission Meeting

Tioga Way - Municipal-scale BESS site Development v1						
Task	Who?	Preceding tasks	Start Date	Complete Date	Status	
1	Wetland scientist to remark full parcel for survey					
2	Survey the full parcel	Northshore Survey				
3	Confirm MMLD ongoing access on Tioga Way and Hood Lane to end	JK & Ted Moore				
4	Develop a site plan for the full parcel that identifies 2-3 areas for potential improvements	Bayside Engineering or other				
5	Develop capital improvement estimates for the 2-3 improvement areas	"				
6	File a Notice of Intent with the Mhd Conservation Comm	JK & C. Quigley				
7	Review current stormwater drainage on site and surrounding parcels; understand historical flooding issues in the area, including Lincoln Ave residents	JK and Mhd DPW/ Drainage Engr Maggie				
8	Meet with area residents and property owners	MMLD, Fire, DPW				
9	Develop engineering plans for brings power to the area; with interconnection preferences and minimums	Collin C & Delorean Power/Lightshift Energy				
10	Support Lightshift in developing their detailed battery system design	Collin, Joe				
11	Review designs with Building and Fire Depts	MMLD, Fire, DPW				
12	Make a decision on upgrading perimeter from fencing to fireproof walls	MMLD, Fire				
13	Meet with area residents and property owners	MMLD, Fire, DPW				
14	Lightshift begins their development of the BESS facility	Lightshift Energy				

Village - 13 Site Prep Upgrade Tasks - March 15, 2024 v2						
	Task	Who?	Preceding tasks	Start Date	Complete Date	Status
1	Gain written easement agreement from Mike Rocket on 26 Heritage Way	Joe				
2	Open and level the corner of Bessom St. & ROW	Jimmy J				
3	Compact and level ROW between Bessom and Village	Jimmy J				
4	Identify all signage for temporary removal by DPW on Pleasant St and Bessom	Jimmy J				
5	Identify all low wires for temporary lifting on Pleasant St and Bessom	Greg				
6	Order Truckload of Stonedust for grading by DPW	Jimmy J				
7	Remove Village 13 storage area fence along Swampscott-side ROW	Premiere/Jack				
8	Determine unloading locations for all 29 precast bridge sections	Greg/Glen C				
9	Confirm delivery date of precast concrete sections; Confirm date with Glenn Cairns	Bill Capone				
10	Unload 29 concrete bridge sections to pre-designated locations	MMLD crew				
11	Set 2-3 new utility poles along Swampscott-side ROW	MMLD crew				
12	Move Overhead conductors to new poles (1301, 1304, Smith, Lafayette)	MMLD crew				
13a	Remove old OH conductor	MMLD crew				
13b	Remove one 23 KV line to switchgear	MMLD crew				
14	Remove all Poles and lightpoles from V- 13 storage area to XXXX	MMLD crew				
15	Remove MMLD Transformer inventory from Pole Yard to Wilkins Plant - Transfer Station	Greg				
16	Move Padmount transformer ordered for 124 Pleasant St to 124 Pleasant St	Greg				
17	Organize onsite meeting with Mike Barrett & Mike Shaughnessy to determine site for crane and temp transformer location	Jack/Joe		22-Mar		
18	Identify and mark out temporary locations for new power transformers	Mike B & Mike S		22-Mar		
19	Identify and acquire needed materials (timber & gravel) to create temporary bases for new transformers 6x6xL pressure-treated railroad ties	Mike B/Jack/Cairns				
20	Confirm arrival date of crane	Mike S				
21	Confirm Arrival date of transformers	HiReli & RGM Transport				
22	Identify dates for Marblehead police support	Greg & Jack				
23	Communicate plan to Select board	Joe				
24	Communicate plan with public on town & MMLD websites	Joe				
25	Communicate plan with two Marblehead local newspapers	Joe				
26	Identify and produce any onsite signage for public	Joe				

MARBLEHEAD  
M-U-S-E-U-M





## The Ship *Desire* and the introduction of African slavery into Massachusetts

In 1636, shipwrights constructed a 120-ton merchant vessel in Marblehead Harbor called *Desire*. The ship crossed the Atlantic numerous times, trading goods with the Caribbean and England. Today, *Desire* is remembered for her role in transporting the first enslaved African people to Massachusetts.


The 1630s were a contentious time among Native Peoples and the recently arrived European colonizers. After a particularly deadly battle in July 1637 near present-day New Haven, Connecticut, the English colonists captured many Pequot people. In his journal, Governor John Winthrop of the Massachusetts Bay Colony records that officials sent 15 captured Native boys and 2 Native women on *Desire* to the Caribbean. William Peirce, captain of *Desire*, brought the prisoners to Providence Isle off the coast of present-day Nicaragua, where the prisoners were forced to labor on the island's English-owned plantations.

Upon the ship's return to Boston in February 26, 1638, Winthrop recounts that "he [Peirce] had been to Providence, and brought some cotton, and tobacco, and negroes, etc., from thence, and salt from Tertugos [sic]." These words mark the first recorded instance of enslaved people of African descent arriving in the Massachusetts Bay Colony.

**Interested in learning more about Marblehead's diverse history? Please visit:**

 Marblehead Museum.org/BIPOC/
  Marblehead Racial Justice Team's audio guide on YouTube
  Essex Historical Foundation
  Mass Cultural Council

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No image of *Desire* exist, but this reproduction of S. Jean Constant's, the ship which brought the first English settlers to Jamestown, Virginia, is a similarly sized, 120-ton square-rigged vessel. There is no evidence of exactly where along Marblehead's waterfront *Desire* was constructed.

**First Slaver Was Built in Marblehead**

**Program to Document Walk of Abolition With Picture of "Desire," First Slave Ship, as CWI Art Project**

"A statue of "Desire" that sits built in the century will have a highly important role in the walk of the abolitionists and the CWI statue are being set. For around the subjects under consideration is that of the shipping of the ship "Desire" at destination in 1636."



In 1934, during the Great Depression, Civil Works Administration artists created this mural in Abbot Hall. Perhaps meant to recognize the achievement of constructing a mighty ship by early Marbleheaders, the selection of this scene illustrates inauspiciously the honor of the infamous role *Desire* played as the first ship built in the Massachusetts Bay Colony that transported enslaved persons out of New England and returned with others. Though built as a merchant vessel, not a "slave ship," her hold and compartments were likely retrofitted to accommodate a "cargo" of people.

## Who am I?

- Identity Definers
  - Family
- Longtime Ago
  - Education: University of California @ Berkeley
- Not So Long Ago
  - Experience
    - Commodity Trading Arm of Large Investment Bank
      - Treasury / Compliance / Finance / Derivative Products / Wholesale Power Marketing
    - Large Midwestern IOU
      - Senior Manager responsible for all commercial optimization & risk management activities surrounding utility generation & associated supply
- Today
  - **MMWEC - Director of Energy Markets**



## Who is MMWEC?

- Founded in 1969 to serve the consumer-owned, municipal utilities of Massachusetts
- Joint action / Collective strength of municipal utilities - entering New England Power Pool
- In 1976, through state legislature, ascertained non-profit status enabling tax-exempt funding opportunities
  - \$7 Billion in funding
- Today - Joint action efforts continue for benefit of network of municipalities
  - Power supply, financial risk management, & ancillary services
    - **780-MW ownership interest**

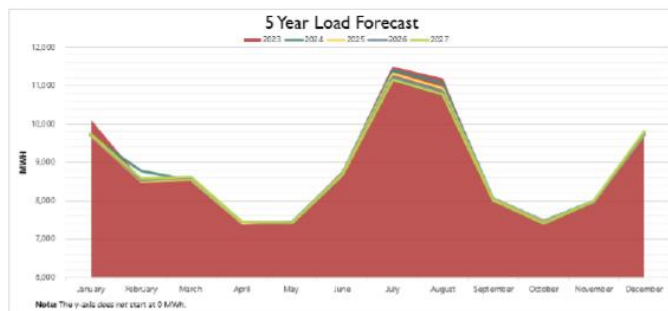


# Why am I here?

- Today in Marblehead
  - Introduce myself to Board & Community
- At MMWEC
  - Grow, Compete, & Contribute
  - Share knowledge of portfolio optimization, risk management, commercial operations, financial product structuring & marketing, and asset acquisition with existing team
  - Assist existing and future Member clients reach their diverse goals
    - Reliability
    - Economy
    - Sustainability
- **Promote and grow Joint Action initiatives within Massachusetts Public Power**



## 5 Year Load Forecast

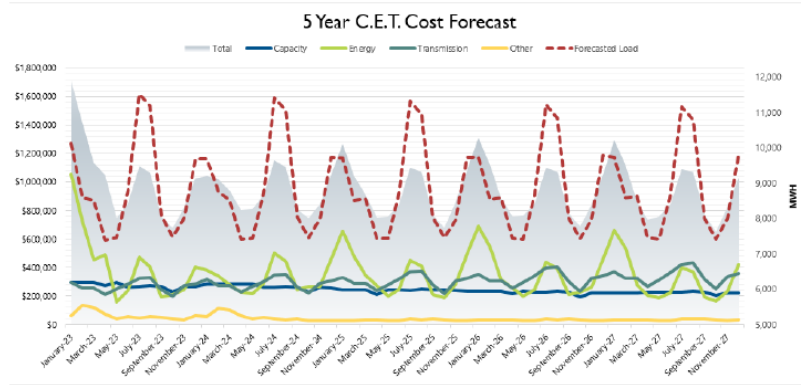


Month	2023	2024	2025	2026	2027
January	10,119	9,694	9,716	9,731	9,741
February	8,571	8,773	8,507	8,541	8,571
March	8,508	8,521	8,553	8,588	8,626
April	7,379	7,422	7,435	7,442	7,459
May	7,452	7,545	7,432	7,419	7,420
June	8,779	8,720	8,677	8,660	8,656
July	11,513	11,404	11,304	11,233	11,162
August	11,184	11,060	10,937	10,840	10,777
September	8,076	8,054	8,037	8,017	8,004
October	7,476	7,466	7,447	7,426	7,415
November	8,019	7,982	7,965	7,965	7,983
December	9,693	9,719	9,737	9,767	9,790
<b>Total</b>	<b>106,770</b>	<b>106,259</b>	<b>105,748</b>	<b>105,632</b>	<b>105,612</b>





### 5-Year Forecasted C.E.T. Cost Summary

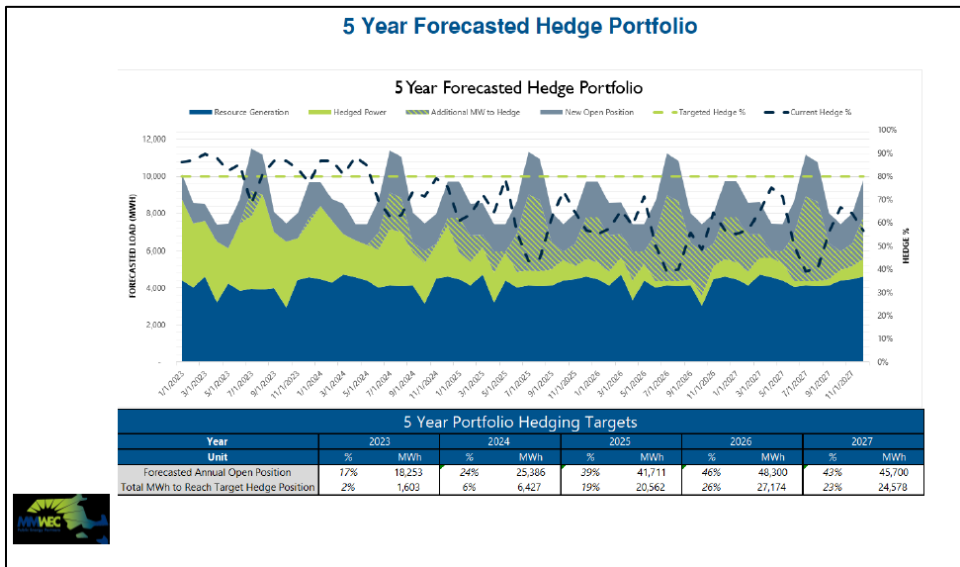
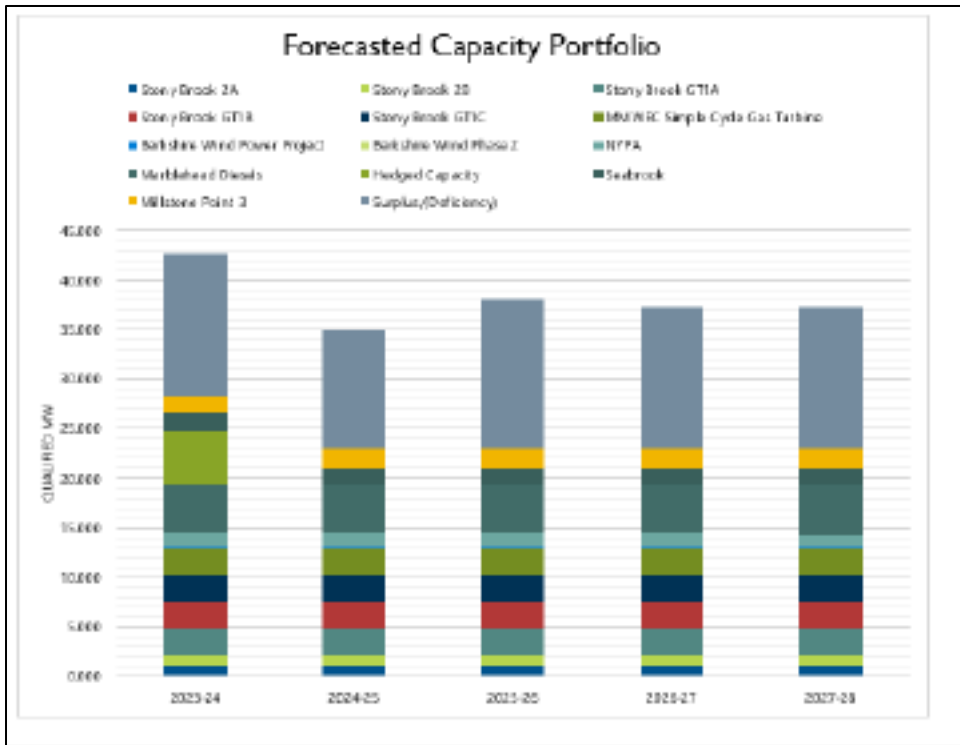


Year	Forecasted Load	Capacity		Energy		Transmission		Other		Total	
	MWh	Total \$	\$/MWh	Total \$	\$/MWh	Total \$	\$/MWh	Total \$	\$/MWh	Total \$	\$/MWh
2023	106,770	\$3,299,369	\$30.90	\$5,061,513	\$47.41	\$3,217,891	\$30.14	\$780,534	\$7.31	\$12,359,307	\$115.76
2024	106,259	\$3,233,902	\$30.43	\$3,927,900	\$36.97	\$3,451,960	\$32.49	\$624,171	\$5.87	\$11,237,953	\$105.76
2025	105,748	\$2,891,147	\$27.34	\$4,246,383	\$40.16	\$3,620,236	\$34.23	\$384,296	\$3.63	\$11,142,062	\$105.36
2026	105,632	\$2,710,315	\$25.66	\$4,241,928	\$40.16	\$3,868,450	\$36.62	\$399,399	\$3.72	\$11,216,092	\$106.16
2027	105,612	\$2,695,808	\$25.53	\$3,873,305	\$36.67	\$4,088,625	\$38.71	\$399,478	\$3.78	\$11,056,217	\$104.69



### Forecasted Capacity Portfolio

Forecasted Capacity Portfolio					
	FCA 14 2023-24	FCA 15 2024-25	FCA 16 2025-26	FCA 17 2026-27	FCA 18 2027-28
Resource	Qualified MW	Qualified MW	Qualified MW	Qualified MW	Qualified MW
<b>Projected Capacity Obligation</b>	<b>-42,612</b>	<b>-34,804</b>	<b>-30,014</b>	<b>-37,221</b>	<b>-37,221</b>
Stony Brook 2A	1,071	1,071	1,071	1,071	1,071
Stony Brook 2B	1,039	1,039	1,039	1,039	1,039
Stony Brook GT1A	2,769	2,769	2,769	2,769	2,769
Stony Brook GT1B	2,682	2,682	2,682	2,682	2,682
Stony Brook GT1C	2,769	2,769	2,769	2,769	2,769
MMWEC Simple Cycle Gas Turbine	2,568	2,568	2,568	2,568	2,568
Berkshire Wind Power Project	0.09	0.10	0.10	0.09	0.09
Berkshire Wind Phase 2	0.12	0.12	0.12	0.12	0.12
NYPA	1,289	1,289	1,289	1,289	1,289
Marblehead Diesels	5,000	5,000	5,000	5,000	5,000
Hedged Capacity	5.40	0.00	0.00	0.00	0.00
Seabrook	1,600	1,600	1,600	1,600	1,600
Millstone Point 3	1,891	1,894	1,891	1,921	1,890
<b>Total Capacity Supply</b>	<b>28,375</b>	<b>22,963</b>	<b>22,969</b>	<b>22,904</b>	<b>22,899</b>
<b>Surplus/(Deficiency)</b>	<b>-14,237</b>	<b>-11,841</b>	<b>-15,056</b>	<b>-14,237</b>	<b>-14,322</b>





## 2022 & 2023 NextZero Program Participati on



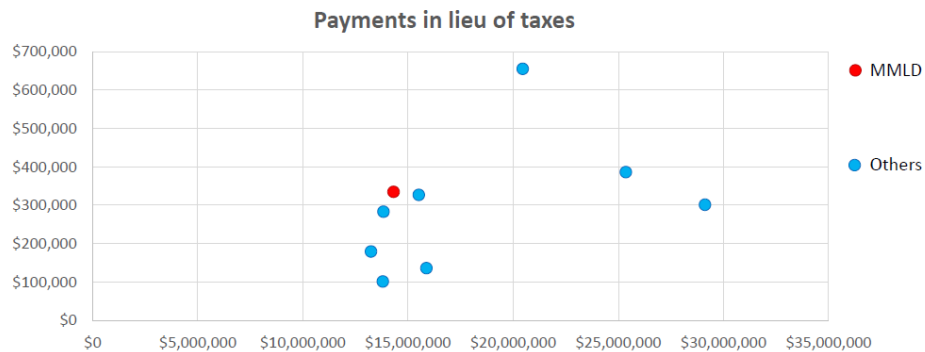
- efficiency and decarbonization audits conducted through CET. Over 75 air-source heat pump specific audits were also.
- energy efficiency appliance rebates, and over 95 rebates for electric lawn equipment,
- NextZero approved over 90 heating and cooling rebates for MMLD.
- NextZero approved over 15 HEI rebates to weatherize those homes.
- NextZero saw an 87% increase in MMLD enrolled device in Connected Homes.
- NextZero saw a 160% increase in enrolled MMLD EVs in EV Scheduled Charging.

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## Why does MMLD make PILOT to the Town

- Municipal Light Plants are non-profit organization, established to serve their communities
- If a For Profit IOU served Marblehead, it would make tax payments
- MMLD makes Payments In Lieu Of Taxes so that the town gets financial payments similar to what an IOU would provide
- MMLD also provides cheaper and cleaner electricity to Marblehead residents

## Comparing MMLD's and PILOTs of similar systems





## Board Vote

Motion:

To approve a Pilot payment to the Town of Marblehead for \$330,000, from MMLD 2023 Operating Income.



## Rate Stabilization Fund

- A fund to be used to help stabilize customer energy rates over future periods, through the transfer of funds into operations for unforeseen occurrences as unscheduled unit outage, and unusual spikes in fuel costs and/or transmission costs.
- Recent conversations with other MLPs, our auditors, and APPA guidelines...indicate a fund level equal to three months of energy costs.



## Board Vote

Motion:

To approve a transfer of \$1.5 million from MMLD Operating Cash to the MMLD Rate Stabilization Fund.



## Village 13 update

- Virginia Transformer updated delivery schedule- now May 6 for both transformers
- Detailed task list generated
- Crane operator & PLM Power Engineer met onsite to review plans for crane positioning and temp transformer storage
- Precast concrete manufacturing on schedule...late April.

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