

Middleton Electric Light Commission  
Meeting Minutes  
September 21, 2022

The following individuals were in attendance:

Frank Twiss, Chairman  
Chuck Clinch  
Jim Kelley  
Jim Carbone  
Tim Houten

Michael Cloutier, Manager

Chairman Twiss called the meeting to order at 5:04PM.

***Approval of Agenda:***

**Tim Houten motioned to approve the agenda as written. Jim Kelley seconded the motion. Motioned carried 5-0.**

***Approval of Minutes:***

**Motion:**

**Tim Houten motioned to approve the minutes of August 24, 2022, as written. Jim Kelley seconded the motion. Motion carried 5-0.**

***Financials:***

Mr. Cloutier included in the Commissioners' package a Spot Market Purchases by Month chart. It showed that we have purchased more percentage wise and cost wise than in 2020 and 2021. If we were to lock up January 2023 right now, it would be about \$300 per megawatt hour or about \$0.30 per KWH. July and August were not good compared to prior years, but it still was respectable at \$0.11 to \$0.115 per KWH. The rate increase we instituted last month should carry

us through the end of the year. We have a couple of charges coming up. Mystic Units 8 and 9 in Chelsea, MA had a cost of \$16K and \$38K for July and August due to their RMR contract. ENE is trying to get additional information on what those costs will be for us going forward. We do not have a winter reliability program in place, but ISO is currently looking at an IEP program. This will ensure that there will be resources available over the winter. This will add about \$0.005 per KWH. Due to these additional costs, we may have to go up again on our rates. ENE has not been able to find out what is behind these increased costs. Unfortunately, there is a real danger of rolling blackouts this winter due to shortage of natural gas. In winter if we do run out of natural gas, generators switch to oil. Although they only have so much oil in their tanks right now.

If we need to, we can increase the rates. We will control as much as we can control. The open position for energy is in our control. Prices are continuing to rise as natural gas is a worldwide commodity and is sent to whoever will pay the highest price. If it is a cold winter in Massachusetts, we will become an importer paying top dollar to keep on the lights.

Moneywise, if we back out net investments, our net income is about \$100K through July. However, in July there was three days when National Grid read zero at our meter and submitted zero to ISO. So we underpaid ISO \$80K to \$90K which will have to be backed out of the net income. We are still about even for the year. For September, October and November we are well hedged, but December will be a hard month for us as we have a larger open position. Even with this we should end on the positive side for net income at the end of year. However, we need to keep an eye on the RMR contracts with Mystic and the winter reliability program. Scott has finished the spread sheets as what we are going to need for generation, and we are currently shopping that with BP and NextEra. January gas two years ago was \$5 and is now \$35. Even with all this our cash position is okay at about \$4M.

***Manager's Report:***

RP3 application has been submitted. The results will be out in February.

Rail trail is completely done from Essex Street to the Danvers line except for the Oak Road bridge over the Ipswich River. They are going to be working on the Highland Road pond soon.

We missed peaks in July and August. They are coming earlier around 4PM and we usually dispatch at 5PM to 8PM. We will be in the black for the year. Mr. Cloutier would like to look at a gas generator. Next Wednesday Mr. Cloutier, Mr. Twiss and Mr. Sheehan are going to the Littleton Electric Light Department to listen to the noise level of their generators. They say they are very quiet. We will be looking for one and possibly two. It is harder to hit the peak with batteries, as the duration of dispatch is limited. A generator doesn't have that limitation.

We are going in with Groveland Electric Light Department on heat rate pricing so our volumes will be combined. Holden has signed on to be a customer of GML. Scott is getting them set up for a truck repair and maintenance program and power supply. They also want engineering services. Rowley is also ready to sign on. GML has a meeting next Monday and we are hoping to lock up heat rates for December soon.

Pumpkin Festival is looking for a bucket truck to put up the lights and decorations on October 22, 2022. Mr. Houten asked Mr. Cloutier to get in touch with Lance MacInnis for details.

Mr. Cloutier would like to have the Commissioners sign the warrants. Warrants are submitted biweekly.

Jim Carbone and Jim Kelley have agreed to be the sub-committee for Mr. Cloutier's contract. Mr. Cloutier will send a copy of current contract to them and will arrange a meeting to get together.

Next meeting: October 19, 2022

Chuck Clinch motioned to adjourn at 6:10PM. Jim Kelley seconded motion.  
Motion carried 4-0.

Respectfully submitted,

James Carbone  
Clerk