

1 **DRAFT**

2 PUBLIC UTILITIES COMMISSION
3 WALLINGFORD ELECTRIC DIVISION

4 100 JOHN STREET

5 WALLINGFORD, CT

6 Wednesday, November 6, 2019

7 6:30 p.m.

TOWN OF
WALLINGFORD

NOV 12 2019

DEPARTMENT OF
PUBLIC UTILITIES

8 **MINUTES**

9 **PRESENT:** Chairman Robert Beaumont; Commissioners Patrick Birney and Joel Rinebold;
10 Director of Public Utilities Richard Hendershot, Electric Division General Manager Tony
11 Buccheri; Office Manager Tom Sullivan; Energy Conservation Specialist Walt Szymanski;
12 Recording Secretary Beth Dighello; *members of the public – John McCarthy, Cathy McCarthy,*
13 *Steve Gale*

14
15 Mr. Beaumont called the Meeting to order at 6:30 p.m. and the Pledge of Allegiance was
16 recited.

17
18 **1. Pledge of Allegiance**

19
20 **2. Consent Agenda**

- 21 a. Consider and approve the Minutes of October 15, 2019

22
23 **Motion to approve the Consent Agenda:**

24 **Made by: Mr. Birney**

25 **Seconded by: Mr. Rinebold**

26 **Votes: 3 ayes**

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29 **3. Items removed from Consent Agenda - None**

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32 **4. Discussion and Possible Action: Electric Division – Reinstatement of Economic**
33 **Development Rider - McCarthy**

34
35 Cathy and John McCarthy joined the Commissioners at the table. Mr. Beaumont stated that the
36 Commission is in receipt of the letter from Cathy McCarthy. He asked if they had anything they
37 would like to add to the letter. Ms. McCarthy stated that she has historically paid all her bills
38 online and is just getting used to writing a monthly check and mailing in a payment. She said,
39 unfortunately, she missed the cut off date for their electric payment. She said they are really
40 counting on the program, especially during the first few years of establishing their business in
41 the community. Mr. McCarthy said that one of the reasons they brought their business to

42 Wallingford was this incentive program. When trying to start a business, the first couple of
43 years can be difficult. He stated that they have done a lot for the community. They
44 volunteered at the YMCA's Little Rascal program, they did a used instrument drive for
45 underprivileged students and plan on doing more for the community. Mr. McCarthy said the
46 late payment was an honest mistake.

47
48 Mr. Sullivan referred to the payment history of the account. He said once the McCarthy's
49 realized one bill had fallen behind, the account was brought up to date, and the subsequent
50 monthly bill was paid on time.

51
52 Mr. Rinebold said that it appears this was an error and not disregard. He said he does not like
53 to set precedent, but he is inclined to make a motion to reinstate the rider. Mr. Beaumont said
54 he would like to amend the motion to include that all future payments must be made on time.

55
56 Mr. Sullivan stated there has been one bill since the late payment where the incentive was
57 terminated. He asked if Commission would like the Division should go back and adjust it to
58 reflect a credit.

59
60 Mr. Birney said that nine times out of ten this type of request is denied. The Commission takes
61 the incentive very seriously and this reinstatement is an exception. There is no precedential
62 value in this reinstatement. The McCarthy's thanked the Commission.

63
64
65 **Motion to reinstate the Economic Development rider and adjust the October bill:**

66
67 **Made by: Mr. Rinebold**
68 **Seconded by: Mr. Birney**
69 **Votes: 3 ayes**

70
71 **Motion to amend the reinstatement with the understanding that all future payments**
72 **be made on time:**

73
74 **Made by: Mr. Beaumont**
75 **Seconded by: Mr. Birney**
76 **Votes: 3 ayes**

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79 **5. Discussion and Possible Action: Electric Division – Annual Forward Capacity**
80 **Market Revenue from Energy Efficiency Projects**

81
82 Mr. Hendershot referred to his October 7, 2019 memo which is a cover for Walt Szymanski's
83 two page report. Mr. Hendershot stated that he concurs with Mr. Szymanski's recommendation
84 to use the proceeds from the ISO-NE Forward Capacity Market auction revenues for
85 replenishing the modest amount of renewable funds that we have.

86

87 Mr. Szymanski explained the Wallingford Electric Division initiated an outreach to CPower to
88 monetize the capacity credits. This is a great opportunity to use the revenues to enhance
89 opportunities for customers who are interested in renewable energy.
90

91 Mr. Hendershot noted the report indicates from June 2018 through May 2022 because that is all
92 the capacity CPower has contracted with us. Mr. Szymanski responded the CPower Master
93 Service Agreement was signed back in May 2018. We have since had two subsequent
94 amendments. We have added projects as it has been economically viable. This is reflected in
95 the graph on page two of the memo. We must have an independent consultant verify our
96 numbers, and this is a cost which does take away from our revenues. That needs to be
97 considered when considering entering new projects. Mr. Birney asked if we still receive sixty
98 percent of the project revenues. Mr. Szymanski replied that that is correct. Mr. Beaumont
99 stated that the cost of the verification audit per project is about \$3,000.
100

101 Mr. Rinebold noted that in the memo, Mr. Szymanski suggested using the funds for renewable
102 generation. Mr. Hendershot clarified in 2014 WED received remaining funds earmarked for
103 renewables from CMEEC and applied it to all types of customers. Since then we have modified
104 Policy No. 6, and it is now only for residential customers. Mr. Rinebold asked if we could use
105 some of the funds for public projects, for example roof tops of public buildings. He said he is
106 aware that there is not a lot of money, so it may not go far. Mr. Hendershot replied that is
107 correct and in round numbers there would only be about \$120,000 - \$130,000 in total.
108

109 Mr. Szymanski said he reviewed projects completed before his arrival to the Division. For
110 example, the Hart Infinity project was \$100,000. That would mean we would only be able to
111 do one project, maybe two. Green Bank provides the calculation for how much the incentive
112 will be for the customer. Residential rebate incentives are coming in around \$4,500 per house.
113

114 Mr. Rinebold said he would like to see whether the funds can be put into a public project,
115 perhaps a school roof top. Mr. Hendershot said the Commission could put a collar on it, but the
116 Electric Division isn't in the business of promoting projects. The customer must come to the
117 Division. We can let the Town know this might be available. Mr. Rinebold said he would
118 stipulate the first recommendation be for public projects only. He said there is not a lot of
119 money, but it would be a small windfall for a public project, such as a school or library.
120

121 Mr. Hendershot said he would like the Commission to pick one of the three applications for the
122 revenue. If we do all three, it would be gone within a month.
123

124 Mr. Birney stated the he would support a revised recommendation #1 in accordance with the
125 proposal. Mr. Rinebold asked Mr. Szymanski if he thought there would be interest and if the
126 interest would be: stronger if we held the money over for a second year. Mr. Beaumont said we
127 have some money in the bank already. Mr. Hendershot said the Commission could also collar
128 that by amending Policy E-6. Mr. Beaumont said that is not on the agenda, so it would have to
129 be done at another time. Mr. Hendershot said all of the funds could be used for public projects.
130 We could amend the Policy E-6 to shut the door on anything other than using the funds for
131 municipal accounts. Mr. Rinebold said he would like to see some thought given to whether

132 there would be interest in using it this way. He doesn't want to see it just sit in an account. As
133 a municipal project you would be able to monitor it for effectiveness. Mr. Szymanski said the
134 website would have to be updated to reflect that renewable incentives are no longer available
135 except for municipal buildings. Mr. Hendershot stated that any residential projects that are
136 already in the works would still be funded. Mr. Rinebold asked how many residential projects
137 the Division gets each year. Mr. Szymanski responded that typically there are about three.

138
139 Mr. Rinebold said we do have a form of net metering which is beneficial to the customer. The
140 policy is fair. Mr. Birney asked if using the funds for public buildings would affect net metering.
141 Mr. Beaumont said it would be an overall benefit to all customers.

142
143 Mr. Beaumont said the issue would be revisited at the next meeting, at which time an action
144 may be made.

145
146 **No action was taken.**

147
148

149 **6. Discussion and Action: Electric Division – Set Date for Public Hearing –**
150 **Economic Development Rider.**

151

152 Mr. Beaumont asked how much this rider costs the Division. Mr. Sullivan replied that the
153 amount this year through October is \$10,200, last year it was \$15,000 and the year before it
154 was \$19,000. As customers move through the program the percentage goes down. That is the
155 reason for the decrease.

156

157 **Motion to set the Economic Development Rider Public Hearing date for November**
158 **19th at 7:15 p.m.**

159

160 **Made by: Mr. Beaumont**
161 **Seconded by: Mr. Rinebold**
162 **Votes: 3 ayes**

163

164

165 **7. Discussion and Action: Electric Division – Budget Amendment – Account**
166 **#909-Conservation Expense**

167

168

169 **For reasons stated in Mr. Sullivan's October 11, 2019 memorandum to Mr. Buccheri**
170 **a motion is made to approve the budget amendment:**

171

172 **Made by: Mr. Birney**
173 **Seconded by: Mr. Rinebold**
174 **Votes: 3 ayes**

175

176

177 **8. Discussion and Action: Electric Division – Budget Amendment – Various**
178 **Accounts – Labor Contract Settlements.**

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180
181 Mr. Birney asked for clarification of the breakdown of the various accounts. He asked why the
182 settlement of the labor contract is broken up into all these accounts. Mr. Sullivan explained that
183 the labor is allocated to those accounts when preparing the budget. Mr. Sullivan said there are
184 two parts of the adjustment. One is to allow the Division to pay the retroactive wages from
185 September 2017 through June 2019. The remainder is to pay the new wages in the current
186 year. The accounts are set up according to task. It is different than general government.

187
188 **For reasons stated in Mr. Sullivan's October 29, 2019 memorandum to Mr. Buccheri**
189 **a motion is made to approve the budget amendment.**

190
191 **Made by: Mr. Birney**

192 **Seconded by: Mr. Rinebold**

193 **Votes: 3 ayes**

194
195 **Public Question & Answer Period**

196
197 Mr. Steve Gale asked how transmission charges determined. Mr. Hendershot said all
198 transmission costs in New England are calculated and submitted to ISO each year. Everyone
199 who owns transmission calculates the cost of ownership, O&M, debt service, depreciation. It all
200 gets gathered up and submitted to ISO. ISO gathers that and determines the amount of
201 revenue that has to be collected inside the six states to pay for transmission. Then all load is
202 assessed a charge on a per kilowatt hour basis. Every month for each load serving entity, their
203 share of ISO's hourly peak load that month. One twelfth of the transmission charges are
204 divided among all the load serving entities. They then get a bill for the transmission. The WED
205 is starting to do some things to try to lower our peak, so we have a smaller load ratio share and
206 pay a little less. It is difficult to change your load a lot. It is a moving target.

207
208 Mr. Beaumont said there are two categories, regional network service and local network service.
209 The regional service is what impacts everyone throughout New England. The local charges are
210 added if specific things are done on a transmission line, such as putting the lines underground.

211
212 Mr. Gale asked if these charges are determined every month. Mr. Hendershot replied that bill
213 fluctuates a little month to month. Mr. Gale asked about the steps being taken to reduce peak.
214 Mr. Hendershot said that we are testing an idea that began with the Water Division. We are
215 now moving on to the schools, but with a few technical difficulties implementing it. The idea is
216 to notify large customers that a transmission peak event may be coming. They can choose to
217 reduce their load or not. They are under no obligation to do so and will not be penalized if they
218 do not. They would be equipped with a meter that takes load readings each hour. These
219 readings can be downloaded to the Division. They will be credited about 90% of the
220 transmission charge for the difference between their peak for the whole month and their peak

221 during that special hour. If they respond to the notice that a transmission peak may be
222 coming, that could be a pretty big delta. It is all up to the customer.

223
224 Mr. Gale asked if the Division knows when that special hour will happen. Mr. Hendershot
225 replied that we have some sense about it, but there are months when we notify the customer a
226 dozen times in one month. There are other months when it may only be once or twice. We are
227 trying it out in limited ways.

228
229

230 **9. Discussion and Action: PUC – 2020 Meeting Schedule**

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232 **Motion made to approve the 2020 PUC Meeting Schedule as presented:**

233

234 **Made by: Mr. Birney**

235 **Seconded by: Mr. Rinebold**

236 **Votes: 3 ayes**

237

238 Mr. Hendershot noted that the Town Council's Question and Answer Period is just an
239 agenda item and doesn't have a fixed time. The Council does not have to maneuver the
240 meeting around it. However, the Public Utilities Commission has always set a time on the
241 agenda for the Public Question and Answer Period. Mr. Beaumont said if it can be verified that
242 setting a time for the Question and Answer Period is not part of the by-laws, he doesn't have a
243 problem with changing it to an agenda item. Mr. Hendershot said he will look into it and report
244 back to the Commission.

245

246 **ADJOURNMENT**

247

248 **Motion to adjourn.**

249 **Made by: Birney**

250 **Seconded by: Mr. Rinebold**

251 **Votes: 3 ayes**

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253

254 The meeting was adjourned at approximately 7:15 p.m.

255

256 Respectfully submitted,

Respectfully submitted,

257

258

259 Elizabeth Dighello
260 Recording Secretary

Joel Rinebold
Secretary