

**Mansfield Municipal Electric Department
Minutes of Light Commissioners Meeting
January 27, 2016**

Present: Chairman Jess Aptowitz, Vice Chairman Olivier Kozlowski, Clerk Frank Delvecchio, Commissioner Doug Annino, Financial Assistant Jacqueline Lee and Town Manager William Ross

The meeting was held at the Mansfield Town Hall Room 3AB and called to order at 7:07 PM followed by the Pledge of Allegiance. Chairman Aptowitz then asked for a moment of silence in honor of Dave Wellman who recently passed away. He had worked for the Town for 47 years at the DPW and retired 6 years ago.

A complete copy of the Board packet containing all documents that are referenced in the minutes is on file at the Mansfield Municipal Electric Department office. Chairman Aptowitz stated that this meeting was being televised and taped for future broadcast.

Citizens Comments: none

Proposal from MMWEC for a Capacity Hedge Opportunity- Town Manager Ross told the Board that he received information from MMWEC about one and a half weeks ago regarding a Capacity Hedge Opportunity. He said that a decision needs to be made this week. He explained that MMED is required to maintain a certain level of generation capacity, approximately 62 megawatts of capacity. MMED owns pieces of several generation plants which make up approximately 40 megawatts. For the remaining 20-22 megawatts, MMED works with MMWEC and the clearing price on this capacity has been going up. Town Manager Ross clarified this doesn't buy power, only generation capacity. He told the Board that there are large aging plants that have been retired which mean less capacity because the output is now gone.

MMWEC has analyzed this hedge and is recommending that MMED purchase 14.7 MW (which is more than half of what is open) at a contract price of \$7.75 per kW. Mayhew Seavey, form PLM, has assessed this proposal and is recommending that MMED buy 10 MW and believes this is a good price.

Town Manager Ross also mentioned the transmission line from Quebec but said that it is years down the road. He said that if the clearing price is \$11 then MMED would save \$573,300 with this hedge but also said that it does come with risks. Mayhew Seavey believes this is a good hedge so there's more than a 50/50 chance that the Town would benefit. Former MMED Director Gary Babin also thought this was a good opportunity. Town Manager Ross told the Board that he finds Mayhew Seavey to be accurate and is in favor of purchasing 10 rather than 14.7 MW.

Commissioner Kozlowski questioned why southeastern Massachusetts seems to be getting hit the hardest. Town Manager Ross answered that it is because of the plants that are going off-line. Commissioner Kozlowski asked about additional sourcing such as other plants, solar, etc. and wondered if they were in the foreseeable future. Town Manager Ross said he has had

conversation with Mayhew Seavey about MMED possibly purchasing and installing a generation unit. Mr. Seavey is still running numbers on this and the payback is usually 5-6 years. MMED would reduce their capacity requirements with this and Mr. Seavey warned against putting all your apples in one cart. Town Manager Ross said that Mr. Seavey will be coming back to the Board with more suggestions at a later date.

Chairman Aptowitz asked if they chose to purchase 10 MW instead of 14 MW if it would be at a higher price. Town Manager Ross responded that MMWEC said it would be the same price.

Chairman Aptowitz noted that there was not a full Board this evening but with all due respect to Commissioner Dentino who was out of Town, the Board would be making a decision tonight.

Town Manager Ross told the Board there are two downsides to this hedge. The first is if someone comes to southeastern Massachusetts and builds a lot of generating units really quickly but he believes this scenario to be unlikely. The second is if Canada's transmission line is built thru Vermont and into Massachusetts but this is probably 4-5 years away.

Town Manager Ross reminded everyone this is not for energy but just for capacity. Then there was a discussion about if the costs go down then the ratepayers will be paying more than they could have been paying. The other scenario is if it goes up to \$11 then the ratepayer would be paying significantly less.

Motion: To purchase 14 MW of Forward Capacity at a purchase price of \$7.75 per kW (Kozlowski/Annino) Fails 0/4

Clerk Delvecchio pointed out that Mayhew Seavey recommended purchasing 10MW not 14 MW. The original motion was then amended.

Motion: To purchase 10 MW of Forward Capacity at a purchase price of \$7.75 per kW and to authorize Town Manager Ross acting in his capacity as Light Department Manager to so inform MMWEC (Kozlowski/Annino) Passes 4/0

Old/New Business-

Clerk Delvecchio- none

Commissioner Annino- none

Vice Chairman Kozlowski commented that he was intrigued by the proposal of local generation and looks forward to hearing more about that.

Chairman Aptowitz told Town Manager Ross that he would like to schedule a full meeting as Light Commissioners. He also inquired as to whether a drive thru for the streetlights is being done every quarter. Town Manager Ross said he would talk to Line Foreman Tom Weir about that.

Motion: To adjourn at 7:40pm
Passes 4/0

Respectfully submitted: Jacqueline Lee



Signature of Clerk



Date of Approval