

**Block Island Utility District
2019 Annual Meeting Agenda
August 24, 2019
Town Hall, Old Town Rd 4:00 PM**

Minutes

Present Everett Shorey, William Penn, Mary Jane Balsler, Absent Barbara MacMullan, and Jack Savoie. Also, present Jeff Wright, President, Christine Grele, Board Clerk, Christina Braudry, and Michelle Coscia from Energy New England. Several members were in attendance (roster on file)

4:03 PM Everett Shorey called the meeting to order.

Commissioner's Welcome and Introductions

- Everett Shorey welcomed all in attendance and introduced staff and guests. He then opened the floor to public comment.

Public Input

- Donna Cory from Southwest Point stated that she appreciated all the updates and improved efficiency and thanked BIUD staff for doing a great job.
- David Lewis asked that information be more accessible through self-serve systems such as those used by the town with supporting documents posted on the web site. Everett Shorey responded that the Board has made transparency a priority.
- John Warfel from Westside Road commented that the crew and company had done a great job, and they have made a lot of improvements, such as trimming trees, to reduce line loss. He suggested that with the move to smart meters, there is an opportunity to test out new ideas to make a better system and increase affordability.

Everett Shorey closed the public comment period.

Board Chairperson Report

- Everett Shorey reported that this first Annual Meeting comes after years of hard work to acquire the power company. He thanked Jeff Wright for implementing so many innovations, noting that the company had survived a fire, the cable has been installed, and we have learned how to purchase power and control transmission costs. All of which could not have been done without Jeff Wright's leadership and the work of the crew and staff. Everett Shorey reported that there would be no rate increase in the upcoming rate filing, thanks to costs saved from converting to a not-for-profit company.
- Chris Warfel asked for more details on the rate design and that information be share well before the filing. William Penn and Everett Shorey noted that the rate design has been on the Board agendas for several months, yet there has been little public participation.

No action taken.

Treasurer's Report

- William Penn presented the Treasurer's Report (on file) noting three significant categories; assets, liabilities, and financial goals for the next ten years.

- Donna Cory asked if the Account Receivables were high because the bills have not gone out yet. Everett Shorey clarified that the item combines unbilled receivables.
- Chris Warfel asked about Demand rate revenues. Jeff Wright responded that it affects commercial customers.
- Tom Mandel asked what makes a Demand customer. Jeff Wright explained that peaks in usage automatically trigger the switch to Demand.
- Doug MacDougal asked about budget fluctuations in the winter. Jeff Wright reported that revenue is about \$200,000 in a winter month compared to about \$2,000,000 in July.
- Doug MacDougal asked if an audit will be required. William Penn responded that there would be one in the first quarter of next year, within 120 days of the end of the fiscal year, and it will be public.

No action taken.

President's Report

- Jeff Wright thanked the membership for welcoming to him to Block Island; he presented the Report (on file) that outlined improvements and the rate forecast.
- David Lewis asked for more information about shareholder dividends. William Penn reported that the previous owners no longer collect dividends. Everett Shorey reported that for the two years that the town-owned the company dividends were collected, but now there are no shareholders.
- Chris Warfel asked if the annual savings on page 3 are fixed. Jeff Wright responded that they are since taxes will continue not to be paid.
- Doug MacDougal asked if there were opportunities for grants and other funding. Jeff Wright responded yes, but not all of them will meet the needs of the company.
- Chris Warfel asked about mutual aid with other utilities. Jeff Wright responded that Block Island is unique due to isolation, but there is some opportunity to share pre-storm work that could cost less than bringing contractors to the island.
- David Lewis asked for examples of improvements with the connection to broadband. Jeff Wright reported that what was close to a \$3,000 monthly cost is now \$158 on the Verizon modem bill, and the system works faster and is much more reliable.
- Bill McCombe asked if ratepayers will be paying for re-splicing the cable. Jeff Wright reported that National Grid can share the cost among all Rhode Island ratepayers. The decision is not final, but the Division and PUC staff are supportive of BIUD not being responsible for paying their share.
- Catherin Diamond asked if she installed solar now why she could not realize the benefit. Jeff Wright reported that BIUD has reached the 3% maximum for net metering and increasing the cap will not be in this rate case as it is a long process to study the implications, develop a tariff and apply for changes in the law. In the meantime, an individual can still qualify for the federal rebate on the installation of the equipment. Chris Warfel reported that the federal rebate is sunseting in two years, and he requested for more details on the agendas to know when the Board will discuss net metering.

No action taken.

Peak Shaving Presentation and Discussion

- Everett Shorey explained that the Board would soon be deciding on whether to use the diesel generators during peak demand. He explained that when the island does not reach the

established peak for New England for the year, it lowers the capacity charge for the year. The Board has decided to poll the membership in a question on the ballots. To help explain peak shaving and answer questions, representatives from Energy New England will present at this meeting.

- Christina Beaudry and Michelle Coscia introduced themselves, and Christina Beaudry went through her presentation (on file). It demonstrated the average savings realized from peak shaving.
- Elliot Taubam asked about the coincident peak. Christina Beaudry explained that it was 26,000 MW last year.
- Chris Warfel asked about the impact on contacted power. Christina Beaudry reported that a load falling contract on Block Island would mean the utility would buy less from the supplier. Everett Shorey pointed out that the generators are what we have in place now.
- Elliot Taubman asked if using more solar during peak would help. Christina Beaudry reported that peak typically happens with it is cloudy, so it would be difficult to rely on solar. Chris Warfel suggested adding battery storage.
- A question from the floor about the typical time the generators currently run for maintenance. Crew member, Jim Stockman, reported that they are run once or twice a month for short periods.
- Doug MacDougal asked what the savings would be. Jeff Wright reported there could be a reduction of up to 4 cents per kWh on the standard offer rate the following year.
- William Penn asked about the emission costs. Elliot Taubman asked if alternatives could offset the pollution from the generators. Chris Warfel asked if we could invest the savings in alternative capacity. Jeff Wright reported that PUC requires the savings to go directly to the ratepayers. Everett Shorey mentioned that there are multiple ways to address peak shaving and that using the generators means no capital investment, and the Board can continue to research other options. Sven Risom asked if the question could include an adjustment to invest in new projects in this budget. Jeff Wright reported that since the diesel generators are already in place, there was no need for a cost-benefit to include new projects.
- Steve Robinson asked if this approach is unique to Block Island. ENE reported on several other projects in communities throughout New England using a variety of sources.
- There was a question from the floor on the administrative costs from ENE. Chris Warfel asked if these costs are factored into the savings calculated. ENE reported that they had not been included.
- Elliot Taubman asked if energy efficiency programs would help reduce peak demand. Jeff Wright said yes.
- Sven Risom suggested wording the question in a way that made the savings more relatable. Jeff Wright clarified that it was dependent upon usage.
- John Warfel spoke in support of peak shaving generally, noting that the generators are available now, and he encouraged looking at new approaches for the future, including the storage of clean energy.
- Sam Bird asked to know how much fuel is consumed in 53 hours to achieve peak shaving.

Everett Shorey closed the discussion.

Election Review and Introduction of Candidates

- Everett Shorey reviewed the election process, noting that the deadline to designate an elector has passed. He then introduced the candidates.

- Mary Jane Balsler, a non-resident incumbent, talked about her service and representing the members.
- Elliot Taubam, a resident candidate, talked about his experience, his goals, and his desire to serve.
- William Penn asked Elliot Taubman if he would apply to the Ethics Commission for an opinion on his relationship with the previous owners of the company. Everett Shorey clarified that the request for an opinion does not mean that there is a conflict. Elliot Taubman reported that he did not think it was necessary, but he would get an opinion.

No action taken.

Adjourn

- 6:23 PM Everett Shorey thanked everyone for attending and moved to close the meeting, seconded by William Penn. Ayes 3 (Shorey, Penn, and Balsler).

Approved: October 22, 2019

Posted: October 31, 2019