MMWEC Files Comments at FERC Regarding Transmission Incentives Policy

MMWEC, joining together with the New Hampshire Electric Cooperative (NHEC) and the Connecticut Municipal Electric Energy Cooperative (CMEEC), has filed comments at the Federal Energy Regulatory Commission (FERC) in response to FERC’s transmission incentives policy.

The comments were in response to FERC’s Notice of Proposed Rulemaking (NOPR), issued in March. MMWEC, NHEC and CMEEC wrote that FERC’s current transmission incentives policy is resulting in a robust and reliable grid, and maintained that the proposed changes to the policy are unwarranted.

The comments reflect MMWEC’s belief that the NOPR is in conflict with FERC’s positions in its current transmission incentives policy, notably, that transmission investment is “generally robust,” and that FERC is “encouraged by the investment in transmission to date.” The NOPR also indicates current incentives-related information is not sufficient to determine how effective incentives are to encourage new transmission.

MMWEC maintains that over the past several years, there has been massive transmission investment and infrastructure development in New England, when transmission owners have been paid generous base returns on equity (ROEs) and project-specific ROE “adders”. The focus should be on keeping projects on-budget and built at the lowest possible cost. MMWEC and the other public systems state that none of the proposed changes in the NOPR address concerns about excessive costs.

MMWEC and the other public systems state that relaxing the criteria used to award incentive ROE adders, such as eliminating the requirement that a project poses unique “risks and challenges,” will result in the award of additional ROE adders and increases in consumer costs, with no guaranteed benefit or improvement. The comments reflect the public systems’ conclusion that the NOPR doesn’t demonstrate that the proposed changes will actually result in new transmission investment that wouldn’t otherwise happen.

While not supporting the changes proposed in the NOPR, MMWEC and the other public systems suggest that FERC can make two changes that would help meet the NOPR’s stated objective of encouraging cost-efficient transmission investment. These include incentivizing joint-ownership arrangements to reduce risk and expense, and expanding the use of competitive solicitations for new transmission projects.

Finally, if FERC moves forward with these proposed changes, MMWEC and the other public systems urge the Commission to explain what benefits can be expected to result, while acting in a manner consistent with its consumer protection responsibilities.

MLPs Help Each Other in Storm Aftermath

Municipal light plants (MLPs) hard hit by the August 4 storms and resulting power outages were back up and running quickly, thanks to assistance from other MLPs. Chicopee Electric Light (CEL) experienced over 5,000 outages among its 26,000 meters at the height of the outages.

Assistant General Manager Jim Lisowski said the storm packed a punch, but they were ready.

“We were prepared,” he said. “We had our trucks stocked, we had people ready. But it was bigger than we thought based on the forecasts we were getting from the National Weather Service.”

Downed trees seemed to cause the most damage to power lines in the affected communities, and Chicopee was no exception. CEL, through a coordinated mutual aid effort by the Northeast Public Power Association (NEPPA), received help from crews from the MLPs in Russell, Mansfield, and Littleton. The crews arrived on August 5, and were released on August 6, the same day power was restored to all customers.

Lisowski said all the MLPs rely on mutual aid in times of need. “It is certainly more cost effective and more convenient to have those relationships in place than to call in private contracting crews,” he said. “People know that at some point, they might have to call on others.”

CEL, which is building a fiber network for internet in town, was more active on social media during the power restoration effort, providing updates to customers.

“It’s a bigger tool for us for keeping people informed,” Lisowski said. “Giving the proper message is important; we don’t want to set false expectations. But when people understand how much damage is out there, they tend to be more understanding.”

CEL attributes the quick restoration effort to long hours put in by many of the 30-35 people, including...
 SELCO General Manager Retires

Longtime Shrewsbury municipal employee Michael R. Hale has retired from the light department after 32 years working in town.

Hale started with the Town of Shrewsbury in 1988 as an administrative assistant in the town manager’s office. He later was promoted to Assistant to the Town Manager, then to Assistant Town Manager, before being hired as the SELCO General Manager in 2011.

“I was blessed to be able to train with two highly competent and principled people,” Hale said of his time with the town. “You’re lucky if you get to work under someone whose values dictate how they operate.”

With a background in municipal management, a degree in economics and an MBA, Hale joined SELCO to succeed longtime General Manager Tom Josie. Even though he wasn’t an engineer, Hale felt prepared for the job.

“Tom set the table so to speak before he left,” Hale said. “He told the committee that because Shrewsbury’s (light department) not just electric and 65 to 70 percent of his time was spent on cable, he saw the need for someone with some business experience. I think I fit the bill when the committee made the decision.”

Hale also cites the competence of SELCO Electric System Manager Ralph Iaccarino with helping him along the way.

“I had Ralph to handle the engineering aspects at a managerial level,” Hale said. “I was very fortunate to have Ralph, who thinks like me. He would educate me on the engineering aspects, and we would work together on the business aspects, so it was a very good partnership.”

Regional Transmission Rates are on the Rise

Transmission rates in the region are expected to increase, according to a presentation from participating transmission owners (PTOs) at the NEPOOL Transmission Committee’s June meeting.

As of June 1, 2020, the rates for Regional Network Service (RNS) have been increased by more than 15% per kilowatt year, going from $111.94 to $129.26 per kilowatt year. RNS is the transmission service that transmission customers purchase in order to serve their network load in New England.

The PTOs attribute the RNS rate increase to additions of pool transmission facilities and lower peak load. Pool transmission facilities additions are in line with 2019 forecasts, but a decrease in monthly net coincident peak load resulted in a forecasted annual increase in RNS rates of more than double.

The resolution of major transmission needs across the New England region over the past decade, increased spending on upgrading existing facilities and an expected continued push toward reducing peak loads are all expected to result in a continued rise in RNS rates for the foreseeable future.

MMWEC staff predict future transmission rates based in part on ISO New England’s own forecasts. However, unusual weather and further reductions than anticipated in peak loads resulted in transmission rates that were higher than expected.

“The transmission owners have to meet their revenue requirements,” said MMWEC Energy & Financial Markets Executive Director, Matthew Ide. “But the volume is getting smaller, so the rate is going up. The manipulation of the peaks is starting to impact the actual derivation of the transmission rates.”

New peak demand reduction programs, such as the state’s new Clean Peak Standard, are targeting monthly peaks. These programs, coupled with weather uncertainties, are having an impact on the calculation of the transmission rates.

While municipal utilities are excluded from the Clean Peak Standard, MMWEC Members which participate in the EV Scheduled Charging program, MMWEC’s Connected Homes program and other peak demand management programs have the increased flexibility to manage peak loads and reduce their transmission and capacity costs, which in turn, increases the value of these programs. ∞
SMLD Collaborates to Electrify Town with Energy Efficient Apartment Complexes

The town of Sterling will soon be offering ultra-efficient living options thanks to a partnership between the Sterling Municipal Light Department (SMLD) and Whitney Companies, a real estate development firm.

Jim Whitney, president of Whitney Companies, approached Sean Hamilton, general manager of Sterling Municipal Light Department (SMLD), about providing power to Northgate Meadows, his company’s new luxury apartment units located in Sterling. SMLD had previously worked with Whitney Companies in 2017 on a different subdivision located in Leominster, Mass. SMLD installed the infrastructure and provided power to that subdivision under a borderline agreement with National Grid.

When discussing power options for Northgate Meadows, Whitney expressed interest in energy efficient HVAC options for his apartments. Jason Viadero, chief emerging technologies engineer at MMWEC, arranged a meeting between Whitney and Mitsubishi, a mini split heat pump manufacturer, so Whitney and his associates could learn more about the devices.

After the meeting, Whitney decided to purchase mini splits for his apartment units. Hamilton worked with Whitney during the purchasing process and explored the idea of offering Whitney Companies rebates on the efficient devices. In July, the SMLD board approved the initiative and awarded Whitney Companies a $500 rebate for each mini split purchased. Once installed, the mini splits will be enrolled in the MMWEC Connected Homes program, which helps municipal light departments better manage their electricity loads by making brief adjustments to the smart devices during times of peak demand. In exchange for participating in the program, tenants will receive monthly incentive checks.

Since Whitney Companies was responsive to efficient heating and cooling measures, Hamilton and his team proposed adding another energy efficient technology to Northgate Meadows—electric vehicle (EV) chargers. Whitney Companies agreed that EV chargers would be a great option for their future tenants, and Jason Viadero assisted SMLD with their application for grant funding for the chargers through the Massachusetts Electric Vehicle Incentive Program (MassEVIP). In July, SMLD learned that all 12 proposed EV chargers were approved for funding under the MassEVIP program. The chargers will be managed by SMLD after installation.

Hamilton said he enjoyed working with Whitney Companies and hopes their forward-thinking inspires other developers.

“This is the future,” Hamilton said. “Energy efficiency is key to controlling our demand, which controls our transmission cost and helps us maintain our rates. This is an important project for us and we hope it becomes the model for other developers.”

When construction has completed, Northgate Meadows will consist of 216 apartment units. The first units at Northgate Meadows are expected to be ready for tenants this year.

HELPs Members Expand Access to Appliance Rebates Following ENERGY STAR® Changes

Several MMWEC Members participating in the Home Energy Loss Prevention Services (HELPs) program are expanding access to certain energy efficient appliance rebates, in light of changes being made by ENERGY STAR®.

ENERGY STAR, the government-backed symbol for energy efficiency, plans to change the appliance specifications for its “Most Efficient” categories for certain household appliances in 2021. Because of these changes, fewer appliance models will qualify as “Most Efficient.”

As some municipal light plant (MLP) Members of HELPS have historically issued rebates based on this “Most Efficient” category, the changes would have resulted in fewer appliances qualifying for their rebates. To counter this reduction, several MLPs have expanded or will expand their rebate programs to provide rebates on specific qualifying appliances that are ENERGY STAR-certified, and not only the appliances in the “Most Efficient” category. Most of these changes affect clothes washers, dryers and refrigerators. MLP customers are reminded to check if an appliance will qualify before making a purchase or applying for a rebate.

Earlier this year, MLPs were required to file a “Municipal Action Plan” with the state Department of Energy Resources under new Residential Conservation Services (RCS) guidelines. One portion of these plans addresses the MLPs’ efforts to reach low and moderate income customers. This expansion of rebate availability is one aspect of increased efforts to engage those populations by municipal utilities.

SELCO has extended appliance rebates beyond “Most Efficient” to cover all ENERGY STAR-certified models both to clarify the application process and increase opportunity, according to Jackie Pratt, SELCO Marketing and Customer Care Manager.

“Through this expansion of rebated products, we are able to make replacement of old appliances with new energy efficient models more affordable for Shrewsbury families,” Pratt said. “Many people are struggling financially as a result of the COVID-19 pandemic. This change to our rebate program helps those customers who need an additional financial incentive make the upgrade now rather than later.”

HELPs provides energy education, home energy audits, assistance with home energy improvements and ENERGY STAR appliance rebates. HELPs was established in 1988 by the Massachusetts Municipal Wholesale Electric Company (MMWEC), a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts that provides a variety of power supply, financial, risk management and other services to the state’s consumer-owned, municipal utilities.

For more information, visit http://www.munihelps.org.
MMWEC has awarded four $1,000 scholarships to Ludlow High School and Minnechaug Regional High School 2020 graduates.

MMWEC handed out the scholarships to deserving graduates planning to study engineering, environmental sciences, business, finance, accounting or a related field. The state’s joint action agency for municipal utilities began awarding scholarships to local graduating seniors 22 years ago, and has awarded $50,000 in total to help students defray the cost of college.

This year’s scholarship awardees are Johnny Jaworski and Matthew Tibbitts of Ludlow High School, and Nicholas Bernier and Bryan Greene of Minnechaug Regional High School.

Jaworski plans to attend UMass Amherst to study mechanical engineering. In high school, he ran cross country and was part of the indoor and outdoor track and field teams. He was also in concert band, and was a member of the National Honor Society and Portuguese Club.

Tibbitts will study environmental studies and government at Harvard University. In high school, he was vice president of his class and president of Student Council, played varsity golf and baseball, and was a member of the Math and As Schools Match Wits teams.

Bernier plans to attend Springfield Technical Community College (STCC) to study finance and accounting. At Minnechaug, he was a member of the Theatre Club and Chess Club and participated in College Now, a dual-enrollment program that allowed him to take courses at STCC while still in high school.

Greene expects to study accounting at Holyoke Community College. At Minnechaug, he was a member of the Drama Club and served as the leader of the Video Game Club.

MMWEC’s scholarship program is a key component of its community relations efforts which aim to make positive contributions to the community.

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MLPs Help Each Other

line crews, engineering, substation personnel and other support staff that play an active role in storm response.

At Shrewsbury Electric Light and Cable Operations (SELCO), 536 customers lost power. Most were restored in just over two hours. In addition, a tree on fire melted through the fiber that serves SELCO’s 13,000 internet customers, including the light department. But, crews were able to shift feeds so that internet was restored within a couple of hours as well.

SELCO General Manager Chris Roy said his crews were hustling to get everyone back online, and customers seemed to appreciate it.

“All the social media comments have been really positive, and there have been many good calls coming in to our customer service line, saying we did a great job,” Roy said.

Other MMWEC Members providing aid to MLPs in the storm’s aftermath included the Groton Electric Light Department (assisted the South Hadley Electric Light Department and Norwich Utilities in Connecticut); Wakefield Municipal Gas & Light Department (assisted Holyoke Gas and Electric and Westfield Gas and Electric); Templeton Municipal Light & Wa-

Templeton Municipal Light & Water Plant's EV charging station came online in July. The charging station is connected to the department's 1.6 MW battery.

MMWEC’s 2019 Annual Report is now available to view online at www.mmwec.org. The report highlights the range of programs, services, and energy efficiency efforts offered by MMWEC and its Member MLPs as they adapt to the evolving energy landscape.