

Special Board Meeting for Village Board of Trustees

September 19, 2024

In attendance: Mayor Warner Jr, Trustee Davis, Trustee Hyatt , Trustee Jackson, Deputy Clerk-Treasurer Fisher, RPL Superintendent Tim Smith, Aliha Harwood, Bruce Stevens, Chris English
Guest speakers in attendance: MEUA Director Jim Stokes, Attorney Ken Podolny
Guest Speakers in attendance by Zoom: PLM Mark Cordeiro, PLM Matt Dunnells, PLM Dylan Marsland

Meeting called to order by at 10:39 am by Mayor Warner Jr. to discuss proposal of the new bus garage project for the Cobleskill -Richmondville school district in Warnersville.

Mr. Stokes discussed the opportunity to work towards electrification. Upgrades are needed to our electrical system due to NYS mandates. The potential project would include a 2-megawatt load. We currently have a 5-megawatt system. He discussed the possibility of challenges on the effects of rate payors. We could engage PLM to do a system analysis since an upgrade is needed at this time. We are a NYMPA member that includes helping to balance energy prices which include growth and support. As rate payors, we have an obligation to serve our customers. Trustee Davis asked about NYS Electric System mandates, the time frame and the sustainability of it. The project is dependent on the chosen location of the CSCS bus garage which has not been chosen to date. Attorney Podolny from Read and Laniado reiterated that we serve all who request service. Rates can be negotiated between both parties. Costs can be chosen and how to be allocated. One option is to have the customer pay for the upgrade. We are not able to rate base or get a return on if we follow this route. Retail rates are approved by the PSC or through a tariff. Classification can be approved for special circumstances. The retail can be negotiated as a new service class. RPL has the ability to go to the PSC and ask for a special rate. A cost-based system is usually perceived to be higher and may be a less favorable option. A tariff rate-demand-energy charge must be approved by the commission. An arrangement based would include pass-through costs and again requires PSC approval. Mr. Coreiro discussed we are based in Zone F-Capital District (higher costs) based on Location Based Marginal Price(LBMP). This year we have incurred price increases from National Grid due to mandatory system upgrades. Trustee Davis asked if it was an option to split the franchise area between RPL and National Grid, which Attorney Podolny replied was not a typical situation. The customer has the option if the land sits on both electric companies. Attorney Podolny did add that National Grid is EV make ready which is no cost to the customers but currently is at a 2-year waiting period. He did state that our substation is currently at capacity, and we could utilize the situation to upgrade our current system. Mr. Dunnells stated that a 5 KVA transformer lead time is currently 1-2 years. The current cost is \$500,000 plus the plan to upgrade the package. Mr. Stokes discussed coming up with a borrowing plan through an annual debt service. NYSERDA currently has Grant funding up to \$200,000. It is based on rolling applications to fund a system study upgrade and for system improvements. The 2nd phase of the study is slated to open in Sept. To date, RPL is fully depreciated. Our procurement policy allows the exclusion of bids for professional services. Mayor Warner Jr. questioned the ability to build in projects when going in for a rate case. Attorney Podolny stated that it is possible to go in for multiple year rate plans. We should plan

for a 15-megawatt system in the future. Mr. Stokes stated that we could use BST or PLM for a rate filing case. Request information from NYMPA and they will provide a rate case team for support. NYMPA also provides financial assistance of \$5,000(reimbursed). They will provide a 50/50 split up to \$25,000. Superintendent Smith noted that of our 2 transformers-1 is 50 yrs old and the other 1 is 30 yrs old.

Motion made by Mayor Warner Jr., seconded by Trustee Davis, it was unanimously resolved to adjourn the meeting at 11:45 am.

Respectfully submitted by,

Jenifer L. Fisher
Deputy Clerk-Treasurer
Village of Richmondville