



Marblehead Municipal Light Board Meeting

November 24, 2025

Agenda Board meeting November 24, 2025

3:30 Call to Order

Executive session to discuss strategy with respect to litigation

4:00 Open session

- Public Comments
- Calendar: next board meetings
- Minutes of previous meetings
- General Manager Jon Blair: Report
- Voluntary payments policy draft
- Toward an MMLD strategic plan: next steps

Adjourn

Executive Session

- Motion to meet in Executive Session to discuss strategy with respect to litigation as an open meeting may have a detrimental effect on the litigation position of the board
- Return to Open Session by 4:00 pm

Executive Session in progress
Public meeting will resume at 4:00 pm

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Meetings Calendar: regular board meetings

• December meeting	Tuesday 12/16	4:00 pm
• January 2026 meeting	Tuesday 1/27	4:00 pm
• February meeting	Tuesday 2/24	4:00 pm
• March meeting	Tuesday 3/31	4:00 pm
• April meeting	Tuesday 4/28	4:00 pm
• May meeting	Tuesday 5/26	4:00 pm

Usually on the last Tuesday of the month at 4:00 pm

Minutes of previous meetings

Minutes of

- September 22 meeting
 - Public session
 - Executive session
- September 24 meeting
 - Public session
 - Executive session
- October 28 meeting
 - Public session
 - Executive session

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General Manager Update

Board of Electric Commissioners Meeting
November 24, 2025



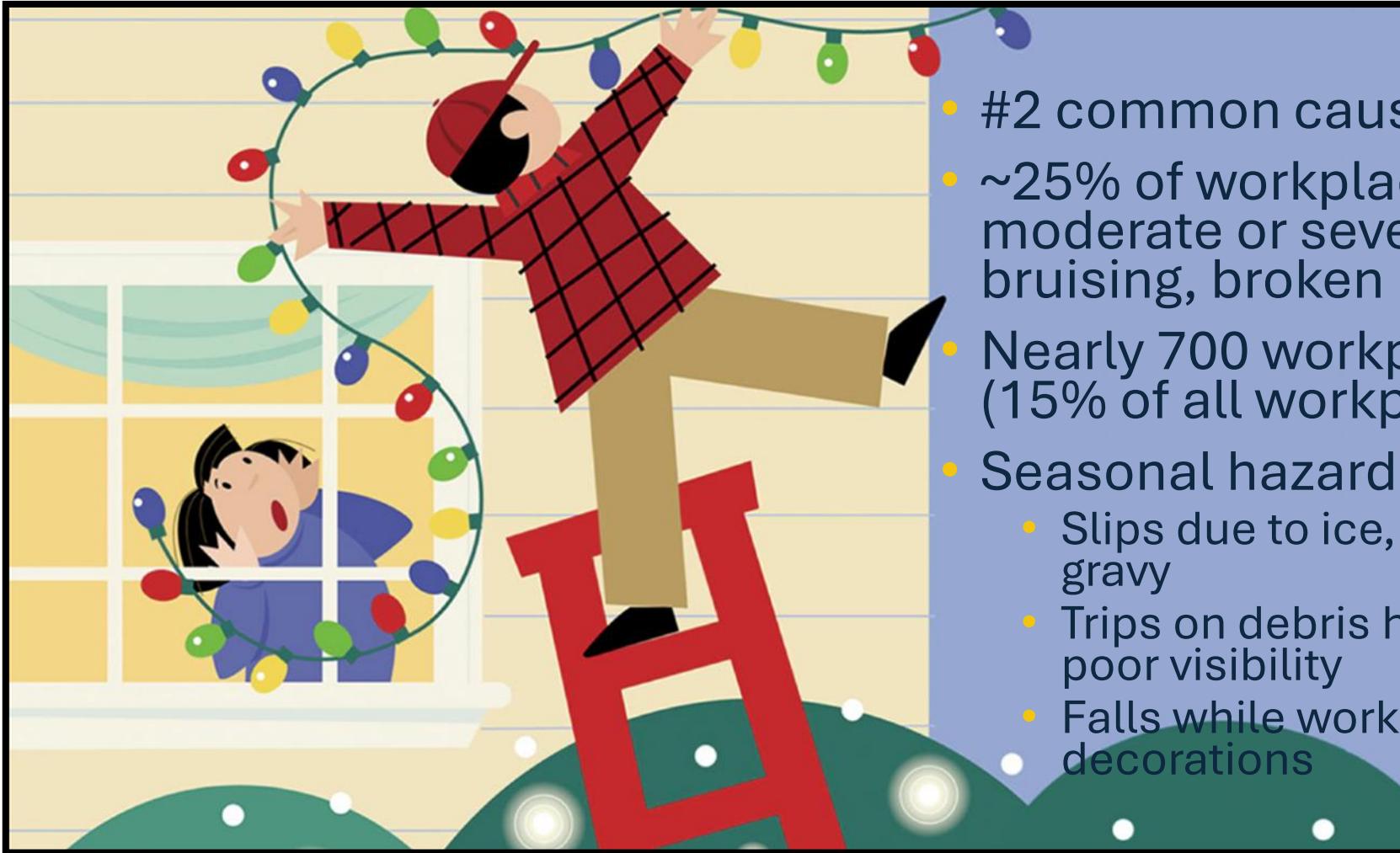
MMLD



Updates Overview

- Thanksgiving holiday hours
 - Wednesday, 11/26, 7:30am-12:30pm
 - Thursday, 11/27, closed
 - Friday, 11/28, closed
- Safety minute
- Long range agenda
- Lightshift battery energy storage system (BESS)
- Financial update

Safety Minute – Slips, Trips, & Falls

A cartoon illustration on the left side of the slide. It shows a person in a red and black plaid shirt and tan pants falling forward while hanging a string of colorful Christmas lights. The lights are wrapped around a window frame. A woman in a blue shirt is looking out from the window. The background is a yellow wall with a green baseboard and some white dots on the floor. On the right side of the slide, there is a blue background with white text containing a bulleted list of statistics and hazards related to slips, trips, and falls.

- #2 common cause of workplace injury
- ~25% of workplace falls result in a moderate or severe injury like deep bruising, broken bones, or concussions
- Nearly 700 workplace fatalities per year (15% of all workplace deaths)
- Seasonal hazards include:
 - Slips due to ice, wet leaves, or spilled gravy
 - Trips on debris hidden by leaves, snow, or poor visibility
 - Falls while working aloft on holiday decorations

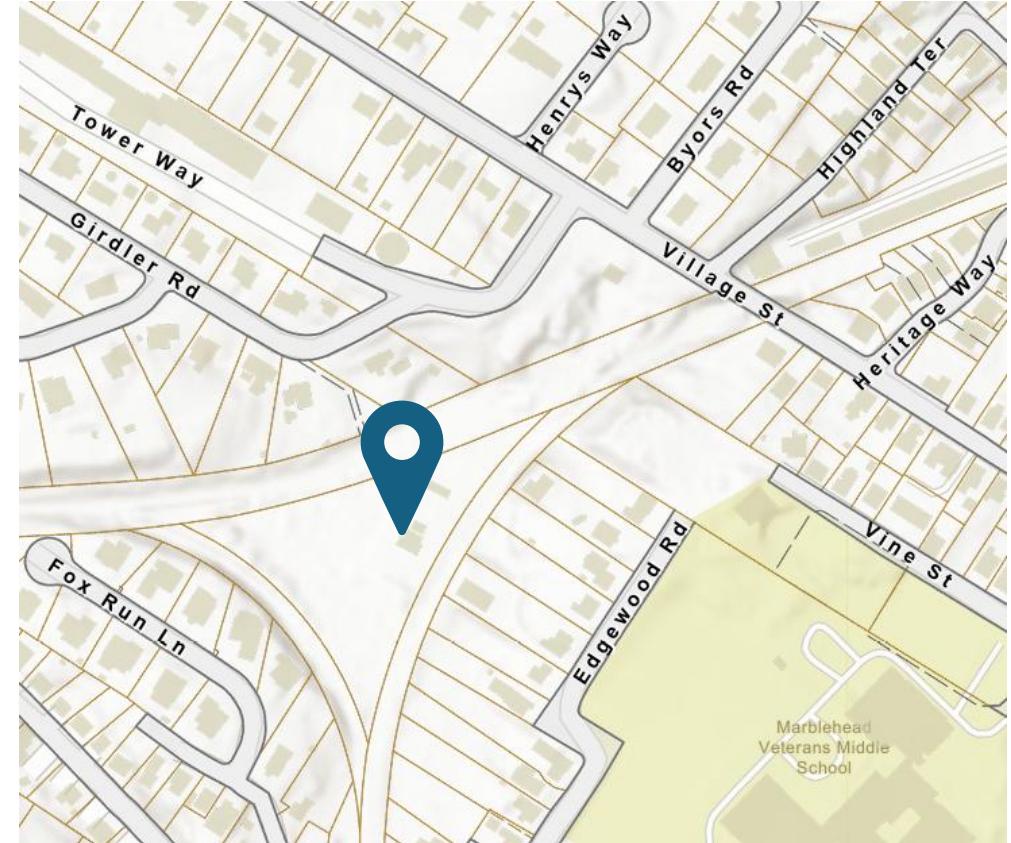
Long Range Meeting Schedule (Draft for Discussion)

Topic	Date
FY 2026 Budget Review	Tuesday December 16, 4:00 pm
Peak Demand Management (Wilkins & BESS)	Tuesday January 27, 4:00 pm
Rate Planning Discussion	Tuesday February 24, 4:00 pm
Phase 1 Strategic Planning Discussion, GM Goals Review	Tuesday March 31, 4:00 pm
Cyber/Tech Discussion; Audit & DPU Report Review	Tuesday April 28, 4:00 pm
Energy Programs Discussion	Tuesday May 26, 400 pm
Power Portfolio Discussion; Board Assignments Review	June
Capital, Strategic, and Succession Planning Discussion	July
	August
System Projects and Reliability Discussion	September
GM Performance and Goals Review	October
	November
FY 2027 Budget Review	December

Utility-Scale Battery Energy Storage System (BESS)

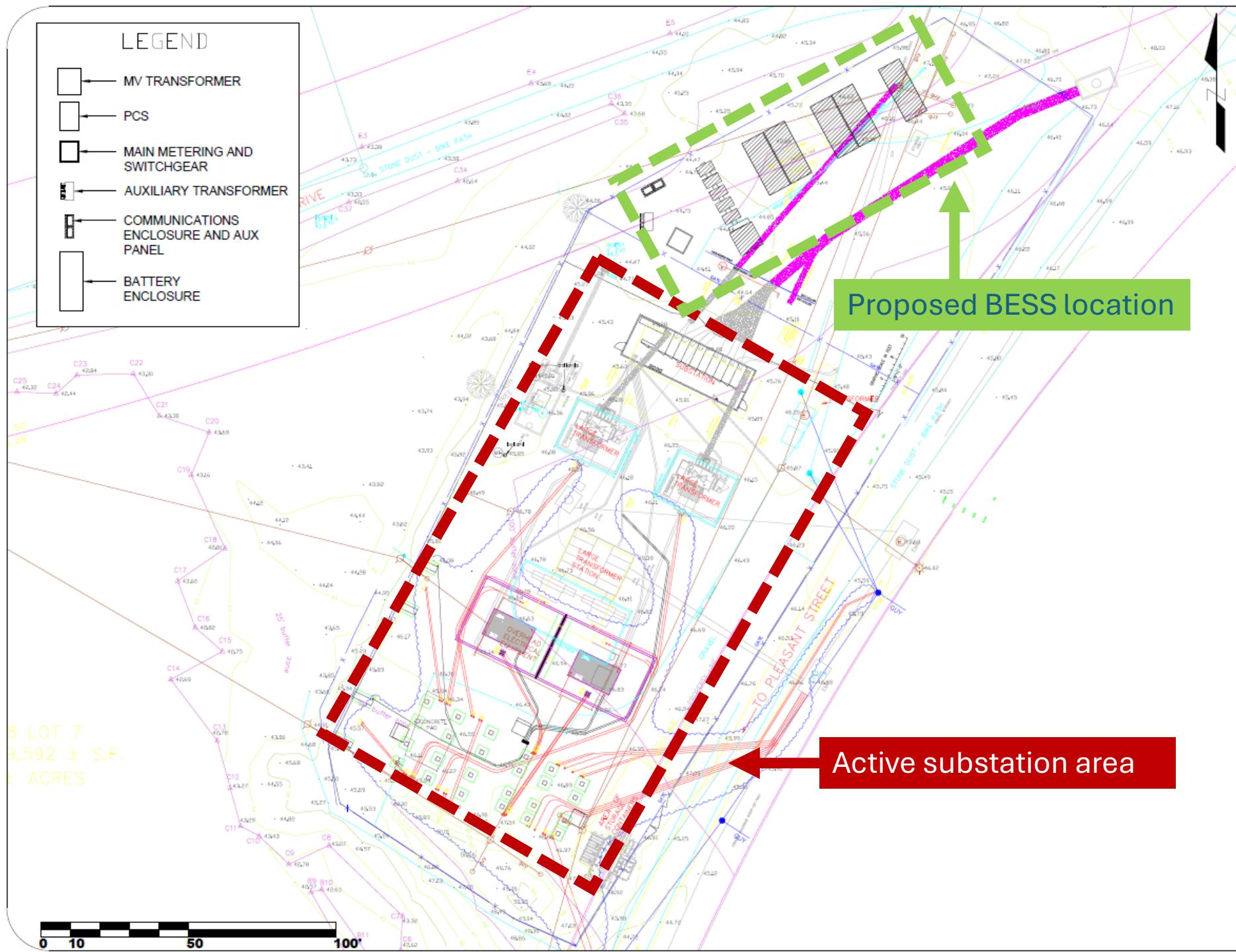


- Developer: Lightshift (via MMWEC)
- Size: 5MW/20MWh
- Location: Village Substation
- Anticipated value for MMLD customers: ~\$500k/year



LEGEND

- MV TRANSFORMER
- PCS
- MAIN METERING AND SWITCHGEAR
- AUXILIARY TRANSFORMER
- COMMUNICATIONS ENCLOSURE AND AUX PANEL
- BATTERY ENCLOSURE



Proposed BESS location

Active substation area

General Notes

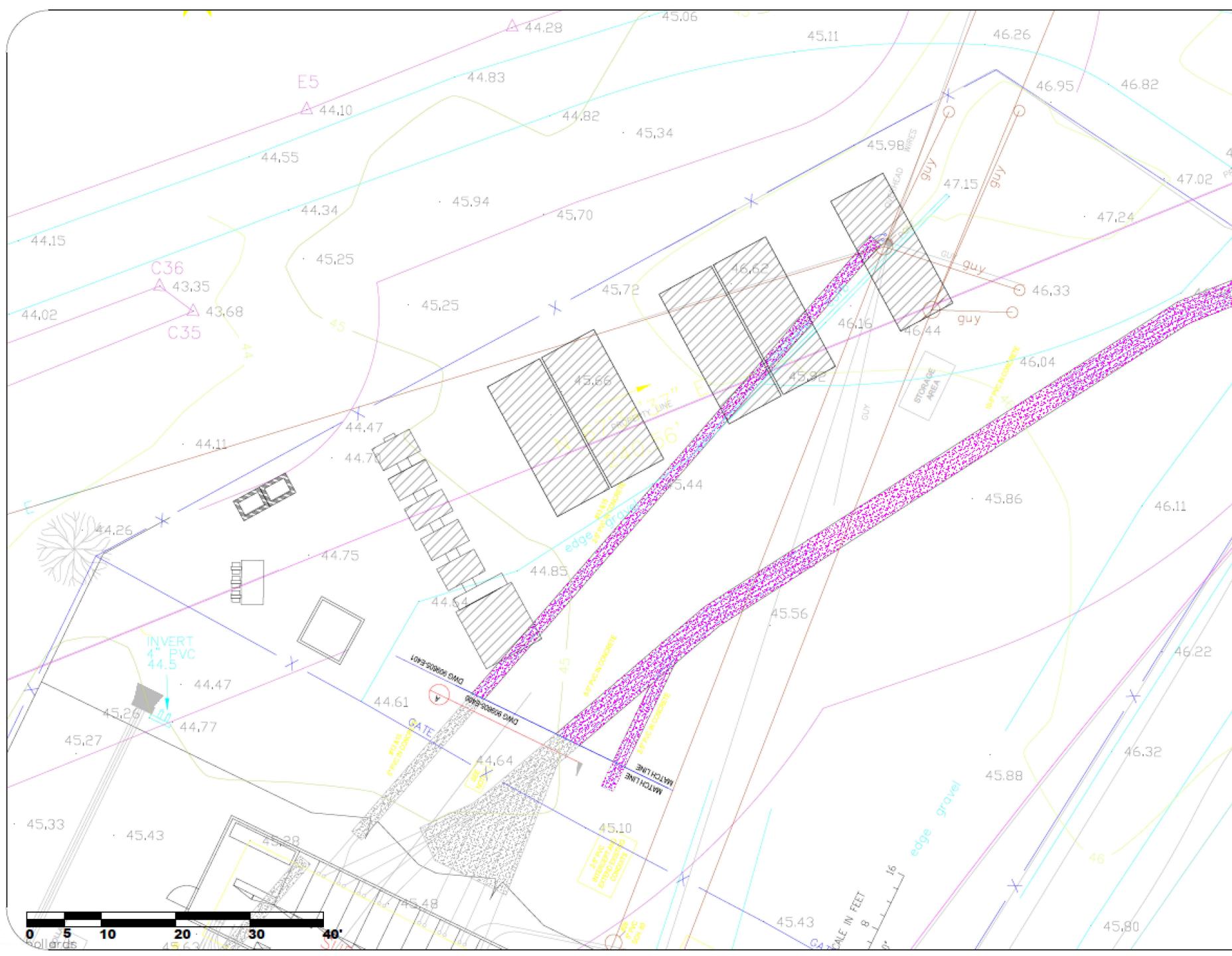
- PRELIMINARY DRAWING: NOT FOR CONSTRUCTION. FINAL SITE LOCATION, LAYOUT AND DESIGN SUBJECT TO ENGINEERING DESIGN AND REVIEW.
- LAYOUT SHOWS GENERAL FOOTPRINT REQUIRED FOR FACILITY, SITE LOCATION AND DETAILED LAYOUT AND CONSTRUCTION DRAWINGS TO BE DEVELOPED LATER.

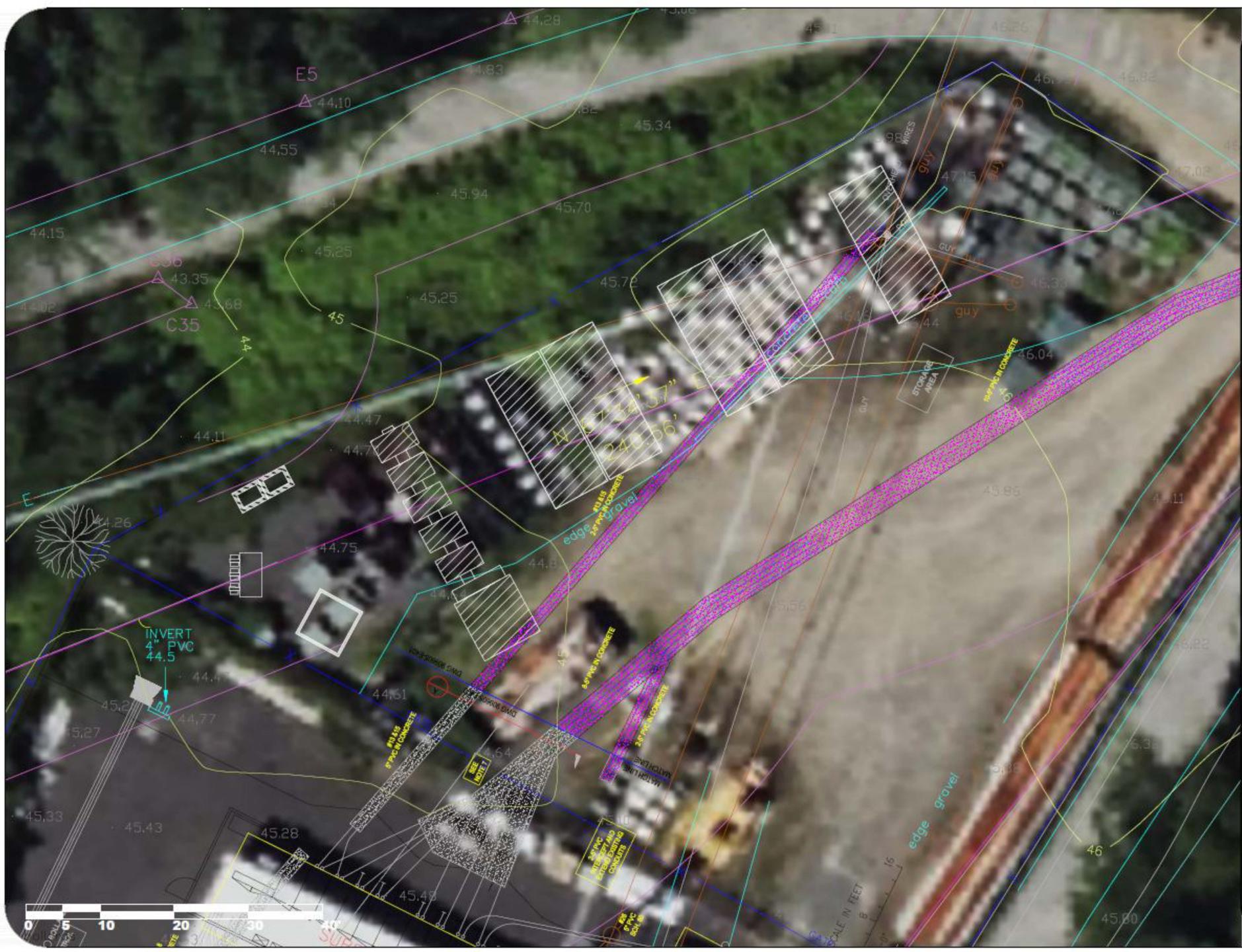
SYSTEM Rating	4,999 MW
INTERCONNECTING VOLTAGE	13.8 KV
PEAK POWER AT PTC	4,999 MW
PEAK ENERGY AT PTC	23.2 MWH
LINE AREA	
INVERTER MANUFACTURER	
EPC POWER	
INVERTER MANUFACTURER	
TRINA	
No.	Revision/Issue
	Date

LIGHTSHIFT ENERGY
1201 WILSON BLVD, FL 27
ARLINGTON, VA 22209
571-447-9180

Project Name and Address
Marblehead MA BESS 1
25 Maverick St
Marblehead, MA 01945
42.4995, -70.8645

Drawn by: CMC-204 Date: 01
11/10/2025





SYSTEM Rating
4,999 MW
 INTERCONNECTING VOLTAGE
13.8 KV
 FACILITY POWER AT PPA
4,999 MW
 FACILITY ENERGY AT PPA
23.2 MWH
 SITE AREA
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—
 EPC POWER
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LIGHTSHIFT
ENERGY
101 WILSON BLVD, FL 27
ARLINGTON, VA 22209
571-447-9180

Name and Address
blehead MA BESS 1
Maverick St
blehead, MA 01945
995, -70.8645

NAME DWG-CDA-A	Sheet 03
1/10/2025	

Financial Update

- Projected revenue: **\$500k** more than original budget
- Projected expense: **\$1M** more than original budget, due mostly to higher power costs
- Projected operating income: **~\$100k**
- Projected net income: **\$869k**, mostly due to interest earnings
- Pending adjustments to net income include PILOT payment and yearend adjustments (e.g., pension and OPEB)

- Key takeaway: The operating budget of MMLD is very lean; net income has risk due to influence of below-the-line influences

Thank you

Contact Info:

jblair@mhdld.com

(781) 584-5472



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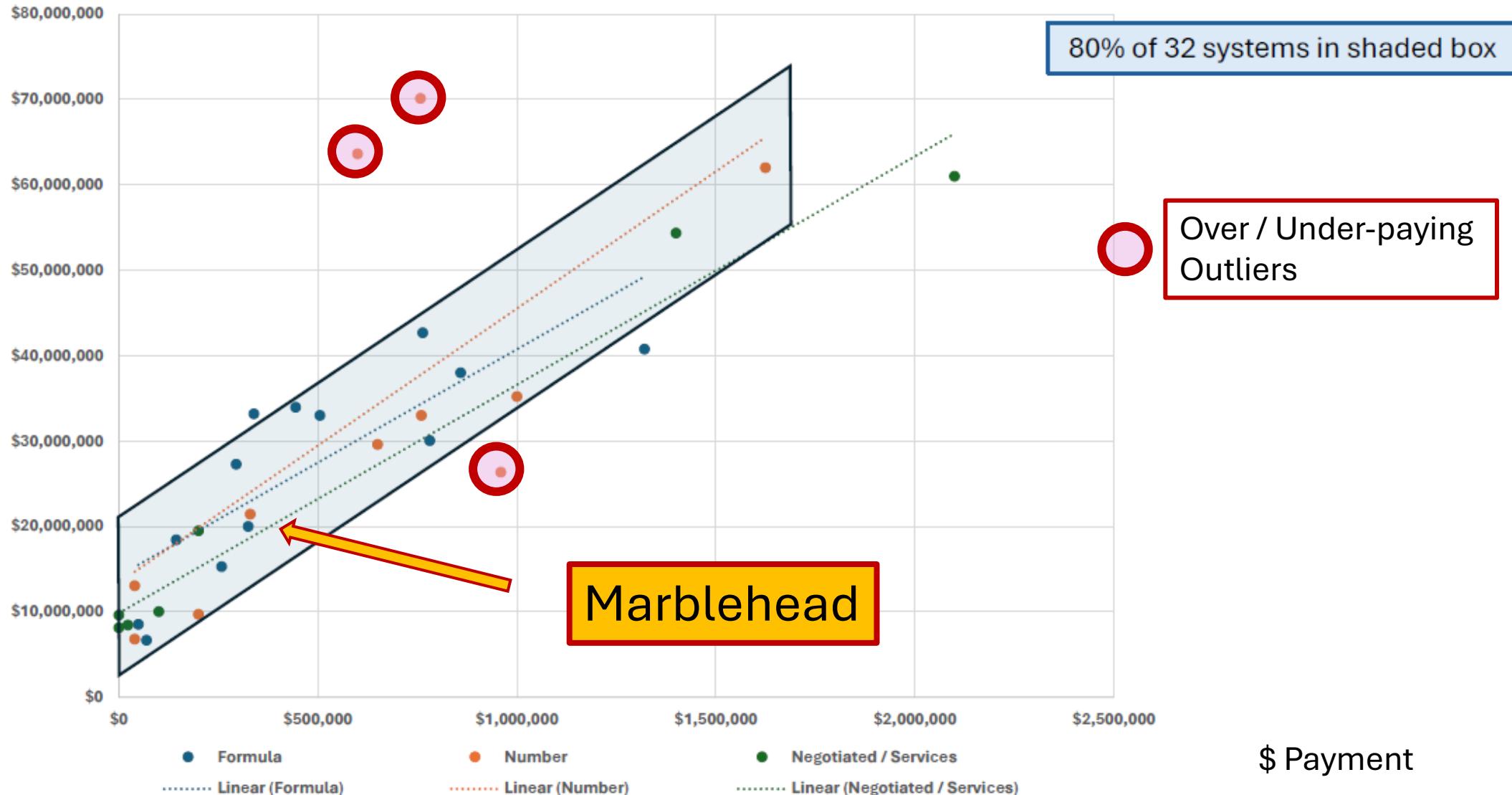
Voluntary Payments Policy draft (1/3)

- Formalize policy to ensure predictability
- **Voluntary** payments
 - 4 MLPs make **NO** payment to their towns
 - **Payment is from surplus** which may not exist
- Last Year's payment of \$360K consistent with other MLPs payments

Data from 32 systems

\$ Sales

Vol. Payment vs Sales \$ (80/20)



Voluntary Payments Policy draft (3/3)

- Formula based on MWh sold
 - Simple
 - Measurable
- Aligns objectives of Town and Light Department
- Policy distributed for comments
- Vote at next Board meeting

Purpose and Background

The Marblehead Municipal Light Department (“MMLD” or “the Department”) is a municipal light plant operating pursuant to Massachusetts General Law, Chapter 164. As a locally owned not-for-profit utility, MMLD exists to provide safe, reliable, clean and reasonably priced electricity to the residents and businesses of Marblehead. Consistent with common practice among public power utilities nationwide, municipal light plants often provide voluntary financial contributions to their host communities as a recognition of the community benefits of public ownership. National analysis from the American Public Power Association notes that approximately 91% of public power utilities make such voluntary payments.

Under Massachusetts law, any transfer of funds from a municipal light plant to its host municipality is strictly voluntary. The Department of Public Utilities (DPU) has consistently held that (a) municipal light plants have no legal obligation to make in-lieu-of-tax payments, and (b) any such payments must be funded only from below-the-line surplus, defined as the plant’s income remaining after accounting for all statutory expenses and up to an 8% return on net plant.

MMLD has historically provided to the Town a flat annual Expected PILOT amount of \$330,000; in 2025 the Actual PILOT was \$360,000.

<u>Year</u>	<u>Electric Sales (MWh)</u>	<u>PILOT Payment</u>	<u>PILOT Payment (\$/MWh)</u>
2020	100,625	\$330,000	\$3.28
2021	102,374	\$330,000	\$3.22
2022	100,689	\$330,000	\$3.28
2023	96,828	\$330,000	\$3.41
2024	98,811	\$330,000	\$3.34
2025	99,865	\$360,000	\$3.60

3. Legal Framework

PILOT payments must comply with Massachusetts General Laws and DPU precedent, including the following principles:

1. PILOT payments are not required and cannot be treated as taxes or utility operating expenses. They must be made, if at all, from below-the-line surplus funds
2. MMLD may not raise rates or include PILOT as an above-the-line cost for the purpose of generating funds to support such payments.
3. The Board must exercise prudent management discretion, ensuring that any PILOT does not impair MMLD's ability to maintain reliable service, invest in infrastructure, and meet future financial obligations
4. The Department may adjust the PILOT in any year in which sufficient surplus is not available.

4. PILOT Determination Method

MMLD intends to maintain a simple, transparent, and predictable PILOT structure based on power sales of the prior fiscal year.

4.1 Actual PILOT Amount

- The actual PILOT shall be calculated as \$3.60/MWh of power sales occurring in the previous fiscal year, unless explicitly modified by the Board through a policy update.
- The actual PILOT shall not be less than \$360,000 annually, unless explicitly directed by the Board.
- Any modification to the actual PILOT shall be communicated to the Town Administrator.

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MMLD Strategic Plan

- MMLD needs a framework to guide decision making
 - Over the next ~18 months
 - Long term investment decisions

MMLD Strategic Plan

- Work in two phases
- Phase 1: Priorities for next 18 months
 - January – February: priorities for the next 18 months
 - Open and participatory process, Community involvement welcome
 - Review and adopt during February 24, 2026 Board Meeting
- Phase 2: Framework to 2050
 - From April, Open and Participatory, with Community involvement

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Any other Business?

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