

The Smithfield Town Council continued the recessed April 4, 2017 regular meeting on Thursday, April 20, 2017 at 6:30 p.m. in the at 6:30 at the Office of ElectriCities located at 1427 Meadow Wood Blvd, Raleigh, NC Mayor M. Andy Moore presided.

Councilmen Present:
J. Perry Harris, District 2
Travis Scott, District 3
John A. Dunn, At-Large
Stephen Rabil, At-Large

Councilmen Absent
Emery D. Ashley, Mayor Pro-Tem
Marlon Lee, District 1
Roger A. Wood, District 4

Administrative Staff Present
Michael L. Scott, Town Manager
Ted Credle, Public Utilities Director
Greg Siler, Finance Director
Shannan Williams, Town Clerk

Mayor Moore reconvened the meeting at 6:30 pm.

1. Special Event Request: First Baptist Church –Spring Fling

Town Manager Michael Scott addressed the Council on a request by First Baptist Church. The church was seeking approval to conduct an outdoor event on Saturday, April 29, 2017 from the hours of 9:00 am – 2:00 pm. The event will require Johnston Street from Fourth to Fifth Street to be closed. There will also be amplified sound at the event.

Councilman Harris made a motion, seconded by Councilman Scott, to approve the Temporary Use Permit request by First Baptist Church. Unanimously approved.

2. Presentation by ElectriCities

a. Introduction

Matt Schull provided a brief introduction to Council on the following:
He explained that there are 88 members in North Carolina, South Carolina and Virginia

- Governance Structure which include the following:
 - NCEMPA Board of Commissioners
 - NCMPA1 Board of Commissioners
 - ElectriCities Board of Directors
 - ElectriCities Staff

- Strategic Priorities which include the following:
 - Value of Public Power
 - Wholesale Power Supply
 - Workforce Planning and Development
 - Continuous Improvement
 - Grid Modernization

b. Wholesale Rates and Defeasance Debt

Matt Schull explained that with the NCEMPA asset sale NCEMPA's actual first year in savings was 19.9% (\$132 million) and Smithfield's actual first year in savings was 19.3% (\$3 million). He further explained that lower energy rates from DEP resulting from lower fuel costs on the DEP system allowed NCEMPA to reduce wholesale rates 4.55 effective April 1, 2017. Even though there is a rate decrease this year, the rates will increase that 3% in 2020 and 3% in 2021.

Town Manager Michael Scott inquired as to what other municipalities are doing in regards to the rate decrease. Mr. Schull responded that there is a mix. Some are doing a rate reduction, some are doing a partial reduction and some are not doing any reduction knowing that rates will increase in 2020. Mr. Schull informed the Council that ElectriCities has staff that can provide rate assistance to the Town.

Mr. Schull provided a defeasance debt update. He explained that NCEMPA has an outstanding debt of \$386 million as of January 2, 2017. Smithfield's allocation of the outstanding debt is 2.26% (\$8.7 million). NCEMPA's annual debt service payment is \$50 million and Smithfield's share is \$1.6 million. This debt is scheduled to be paid off in eight years.

Town Manager Michael Scott questioned if Smithfield's portion of the debt could be paid off earlier. Mr. Schull responded that Smithfield's debt can be paid off in whole by terminating that DSSC but the Town would be still be required to pay the entire debt plus interest.

c. Load Management

Jason Thigpen addressed the Council the importance of load management. Mr. Thigpen explained that load management is a process used to reduce electrical load to achieve monthly savings. It includes: demand side management, peak load reduction and load curtailment. He further explained that on the peak demand day is when it costs the Town the most for power. Mr. Thigpen informed the Council that currently Smithfield pays 700 residential customers \$6 a month for each water heater load management switch and pays 600 residential customers \$10 a month for each partial control air condition unit load management switch during the months of July, August, September and October. This equates to \$74,000 a year for load management payments to customers. The annual net savings to the Town from residential load management switches is \$80,544. Mr. Thigpen pointed out that if 50% of the residential customers installed load management switches on their water heaters and air condition units, it would save the Town \$584,358.

Councilman Harris stated with those kinds of savings, the Town should do more to promote load management.

Mr. Thigpen informed the Council that commercial and industrial customers also benefit from load management. Some of the Town's commercial customers have installed generators to shave some of their load. An industrial customer actually uses a shift change to shut down operations during the peak.

Councilman Harris questioned how customers are informed of when the peak will occur. Mr. Thigpen responded that Electricities staff estimates when a peak will occur and they have not missed a peak in many years. Once they determine when the peak will occur, they will send out an email or a text message to inform the customer.

Mayor Moore stated that the Town needs to do more to inform the customers of when the peak will occur and what they need to do to control their electricity needs during that time.

d. Advantages / Disadvantage of AMI Meters

Andy Fusco addressed the Council on some of the advantages of AMI metering. Mr. Fusco explained that AMI metering is metering technology that allows the customer usage data to be transmitted to the utility and allows the utility to transmit data to the meter, which can be used to control devices at the customer premise. Some advantages discussed are as follows:

- Remove meter reading
- Remote disconnect and reconnect
- Customers can prepay
- Real time energy consumption monitoring
- Water leak detection and electric meter tampering detection
- Provides remote control of devices to customers
- Enables an array of analytical capabilities
- Potential cost savings to

Mr. Fusco informed the Council on some of the disadvantages of the AMI Meters. They are as follows:

- The large expense to implement the program

- Installation difficulties
- Adjusting staff skillsets (identifying a “Super- User”)
- Customer perceptions

3. Tour of the ElectriCities Facility

Council was guided on a tour of the ElectriCities facility.

4. FY 2017 – 2018 Electric Fund Budget

Due to time constraints this item was not discussed.

Recess

Councilman Harris made a motion, seconded by Councilman Scott, to recess the meeting until Wednesday, April 26, 2017 at 6:30 in the Town Hall Council Chambers located at 350 East Market Street. Smithfield, NC. Unanimously approved.

M. Andy Moore, Mayor

ATTEST:

Shannan L. Williams, Town Clerk