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2025 Annual Town Report

Respectfully submitted, the one hundred and fifteenth report of the Sterling Municipal Light Department (SMLD).

Electricity Sales

As of December 31, 2025, there are **4,187 revenue meters on the SMLD electrical distribution system:**

- 3,719 Residential,
- 401 Commercial
- 6 Large Commercial / Industrial
- 61 Municipal / Government

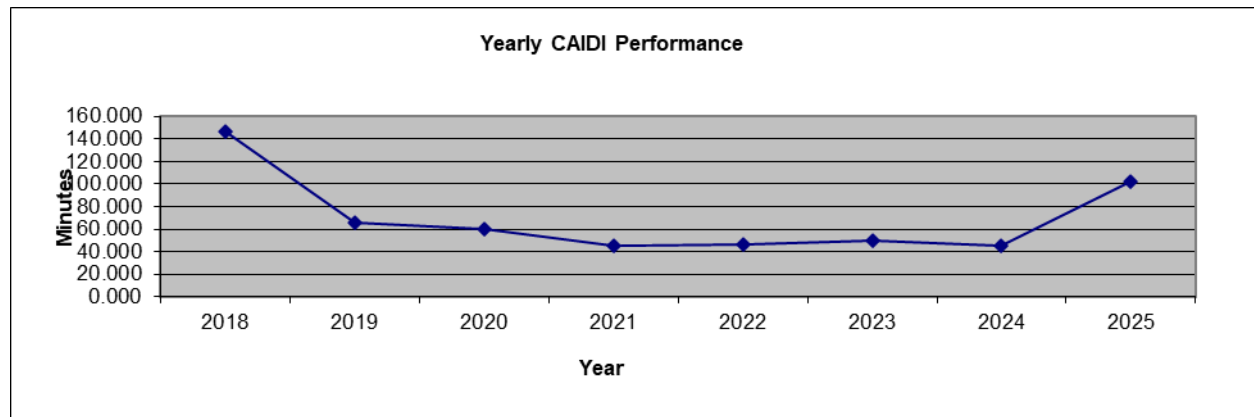
A total of **70,802,763 kilowatt-hours (kWh) of electricity were sold** during the calendar year 2025. This represents an increase of 2,233,760 kWh from the 68,569,003 kWh sold in calendar year 2024. Sterling's hourly peak demand of 13.595 MW was set in July of 2025.

In 2025, **SMLD rates for electricity continued to be among the lowest in Massachusetts.** We are consistently **among the least expensive 1/3 of surveyed municipal electric companies** and charge considerably less than investor-owned utilities. For example, a typical residential customer of **National Grid or Eversource** using 750 kWh per month over the 12-month period ending in December 2025 would have seen an electric bill averaging **more than double** what would have been charged to a Sterling resident for the same energy use.

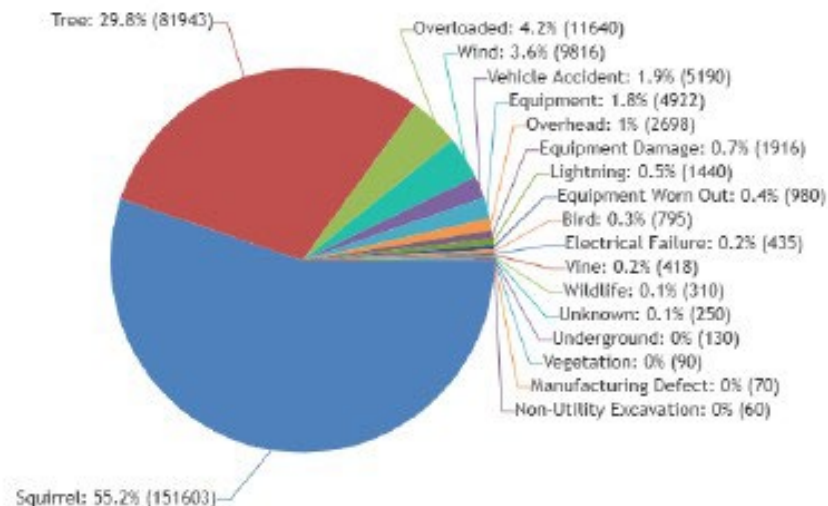
System Reliability

Keeping the lights on is of the highest priority at the SMLD. We utilize industry-standard reliability indices to monitor the performance of our distribution system to measure our response time to system interruptions. The 2025 **Average Service Availability Index (ASAI)** of electricity for Sterling residents was **99.995%**. The 2025 **Customer Average Interruption Duration Index (CAIDI)** numbers which represent

the average time required to restore service to a customer per sustained outage was **102.01 minutes**. This compared to the utilities of similar size average CAIDI for 2024 of 140.07 minutes.



Continued reliability in the distribution system is a direct result of the systematic tree trimming approach by the Working Foremen which ensures each quadrant of the system is trimmed every 4 years and that this is performed at a time of year when additional growth is minimized. The Operations crew continues to replace outdated equipment with newer technology as we look for ways to improve reliability, while being conscious of the financial impact on ratepayers.



The rural nature of the Town of Sterling continued to be the primary cause of system interruptions in 2025 and the slight uptick in our CAIDI number. As many as **55% of Sterling line outages can be attributed to wildlife and 30% to vegetation**.

Power Supply

To diversify our power sources and stabilize costs, the SMLD procures electricity through a combination of fixed-price contracts and open-market purchases. These expenses cover both the generation and delivery of electricity to Sterling. However, certain external factors—such as peak demand during extreme weather, unscheduled plant maintenance, and fuel price volatility—can cause costs to fluctuate. The consistent increase in transmission costs poses yet another challenge to cost control.

Under the Massachusetts 2050 Roadmap legislation, SMLD is mandated to meet specific clean energy benchmarks: 50% non-carbon emitting resources by 2030, 75% by 2040, and 100% (net-zero) by 2050. We will achieve these targets by expanding our portfolio of renewable energy, including solar, wind, and hydroelectric projects. While we are committed to reducing carbon emissions, we remain dedicated to protecting the interests of Sterling ratepayers by ensuring these mandates do not compromise local control or fiscal stability.



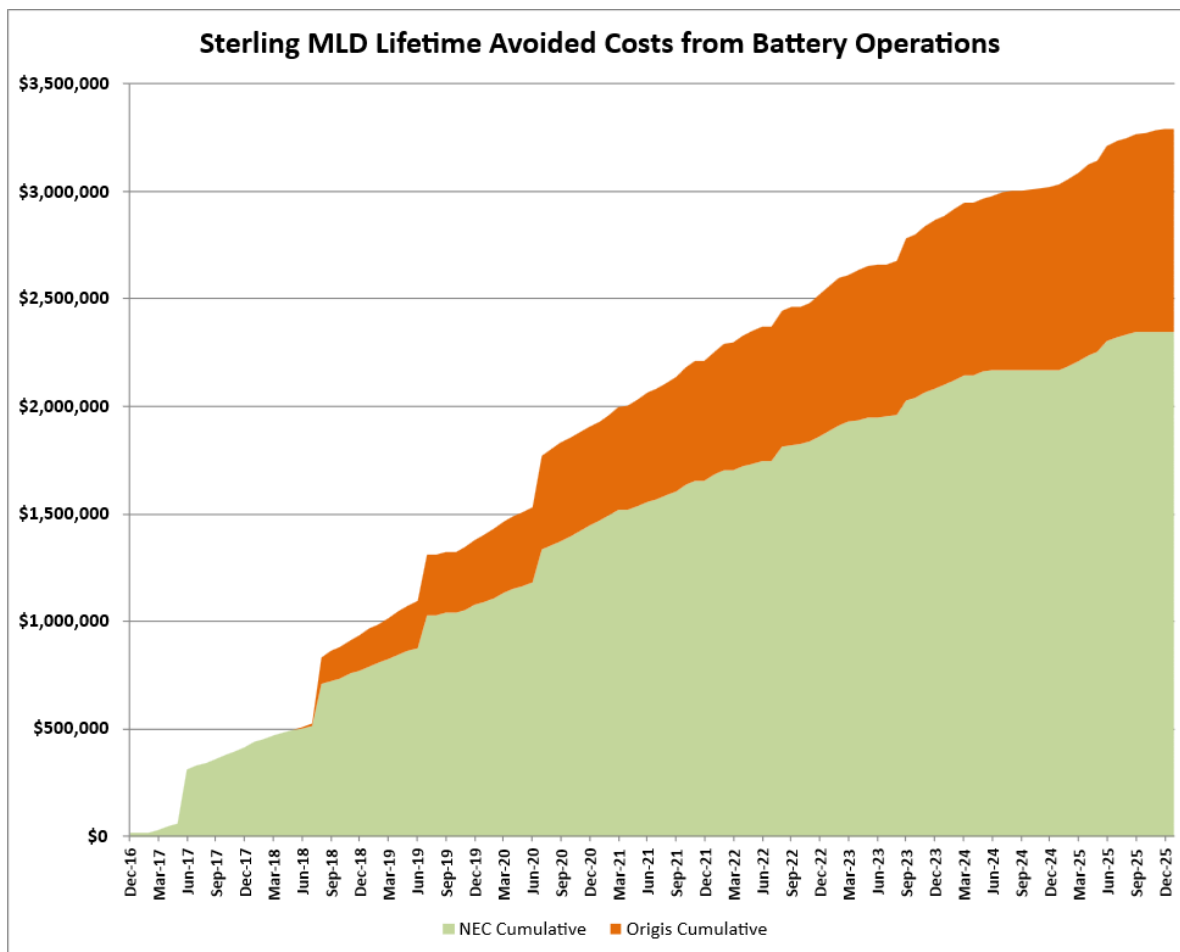
In 2025, **SMLD's power portfolio** reached a significant milestone, with **over 54% of our energy coming from non-carbon emitting resources**. Of this total, we retain the attributes to officially claim credit for more than 38% carbon-free generation. Our diverse supply includes **hydroelectric power from Baltic Mills, Mechanicsville, Energy Stream, and PASNY**. Additionally, renewable sources accounted for over 19% of our 2025 power, fueled by the **Berkshire, Hancock, and Princeton wind projects**, alongside Sterling's **three local large-scale solar facilities**:

- **Kearsarge Energy** – 1.4 MW solar with storage located on Jewett Road.
- **Wiles Road Project** – 2 MW solar array.
- **Origis Energy** - 1 MW solar with storage located on Chocksett Road.

Sterling also receives carbon-free energy from the **Millstone III Nuclear Plant** in Connecticut and the **Seabrook Nuclear Power Plant** in New Hampshire. Other sources of our power supply come from the **MMWEC Stony Brook Plant** (combined cycle units I & II).

Energy Storage

SMLD attempts to minimize increases in transmission and capacity costs passed on to customers through peak shaving with our two battery energy storage systems. The **2MW/3.7 MWH NEC battery project** at our Chocksett Road substation and the **Origis Energy 1 MW/2MWH Community Solar with Storage Project** on Chocksett Road were designed for this purpose. To date, these facilities have combined savings to ratepayers of **\$3,290,130** in avoided energy costs.



Operations Department

In 2025 the SMLD Operations Line Crews continued to work hard at upgrading and maintaining the electric distribution system, as well as installing the new broadband fiber infrastructure to serve town residents.

SMLD crews did some much-needed upgrading to our biggest electric circuit in town, that feeds its greatest number of residents. They replaced all of the worn out and damaged conductors, poles, hardware and equipment along the route to increase the reliability and capacity of the circuit. Crews also installed the infrastructure on this line to bring the new solar and battery storage site on Jewett Road online. Line crews also had a busy 2025 responding to issues from a very windy year. As in previous years, crews responded to numerous motor vehicle accidents involving SMLD poles and pad mount equipment in 2025.

During the summer of 2024, an outside contractor was hired to inspect the condition of all utility poles here in town. SMLD crews installed 64 rejected poles in 2025 and are continuing to install utility poles that were either damaged or in need of replacement per the inspection. We will continue to replace any poles that did not pass inspection through 2026 and beyond.



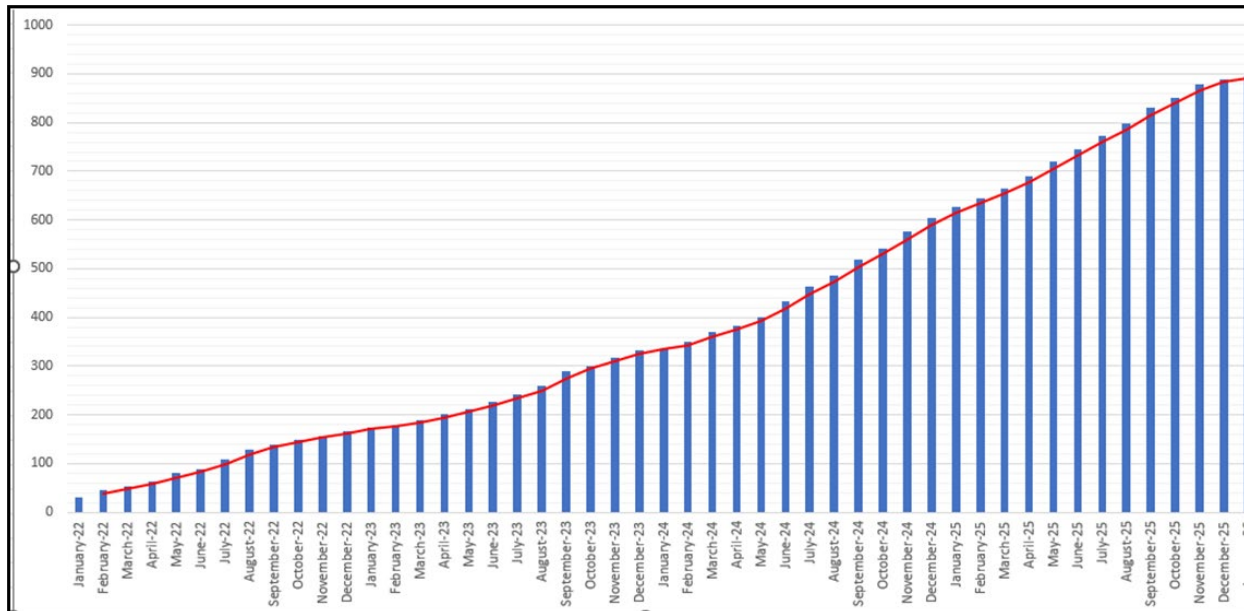
Fortunately, NEPPA (New England Public Power Association) and APPA (American Public Power Association) had a very quiet year as far as storms and mutual aid are concerned. Our SMLD team was only dispatched to one event in the north this year to help a neighboring utility after a large snowstorm in Vermont.

In 2026, the SMLD Operations Department will continue to prioritize tree trimming, system improvement, and a reliable electrical system. ***The SMLD continues to provide safe and reliable power, as well as maintaining excellent customer satisfaction.***

Fiber Project

The Sterling Municipal Light Department fiber-to-the-home internet initiative, operating as the Local Area Municipal Broadband (LAMB) project, continued to demonstrate sustained growth in 2025. During the year, 251 new customers were connected to municipal fiber ***bringing the total to 895***, just shy of our internal goal set at 900.

Viewed over a multi-year period, the program's trajectory remains strong, with steady expansion of infrastructure, continued customer adoption, and increasing community reliance on locally provided broadband services.



During 2025, Sterling LAMB’s primary operational objective was to substantially increase the network pass rate within overhead service areas. To achieve this goal, the organization engaged a professional fiber splicing contractor. This strategic decision enabled internal staff to focus more efficiently on aerial cable placement and customer service installations, resulting in accelerated deployment progress.

As a result of these efforts:

- Network coverage expanded to approximately **61 percent of the Town**.
- An additional 23 roadways were designated as fiber-ready.
- Nearly all overhead infrastructure was completed on the east side of Route 190.

Sterling LAMB also continued its commitment to public connectivity and community support. In 2025, the organization:

- Continued to provide fiber internet services to all Town buildings.
- Provided complimentary Wi-Fi service at the Sterling Fair for attendees, vendors, and public safety personnel.
- Maintained free public Wi-Fi access at the Town Center and Memorial Park.

These initiatives reflect Sterling LAMB’s ongoing mission to expand reliable broadband access while supporting community engagement.

In 2026, Sterling LAMB will continue the expansion and enhancement of its fiber network with the following priorities:

- Further development of overhead fiber infrastructure on the west side of Route 190.
- Targeted expansion into select underground subdivisions where demonstrated resident interest supports.

- Completion of the fiber backbone “ring” along Route 140 to strengthen system redundancy and reliability.
- Continued provision of complimentary Wi-Fi service at the Sterling Fair and other public locations.



Additionally, Sterling LAMB plans to implement residential rate adjustments in 2026. This restructuring will include the elimination of certain service tiers and a reduction in pricing for remaining residential plans in order to enhance affordability and competitiveness.

Awards

The most important award that we receive continues to be our safety award. For the thirteenth consecutive year the SMLD had no workers’ compensation claims or lost time. ***SMLD has been honored as a GOLD winner of the 2025 American Public Power Association Safety Award of Excellence.*** Our outstanding safety record and the associated reduction of insurance premiums combine to provide substantial cost savings to our ratepayers.

The American Public Power Association also commended Sterling Municipal Light Department for achieving exceptional electric reliability in 2024. APPA compared our reliability data to national data collected by the Energy Information Administration (EIA) and determined that ***SMLD was in the top quartile (25%) of utilities nationally.*** SMLD was awarded the APPA Certificate of Excellence in Reliability in 2025.

On an individual staff level, ***Working Foreman Tim Gray*** received the 2025 Northeast Public Power Association Robert “Henry” Henniksen Mutual Aid Service Award which recognizes significant sustained contributions to the NEPPA Mutual Aid Program.

Community Contributions

SMLD continues to offer the following ***assistance programs*** to our residents:

- NextZero Home Energy Audit (no cost to residents)
- Energy Star® Home Appliance Rebate Program
- Residential Heat Pump System Rebates
- Electric Vehicle Charger Rebates / Charging Rate
- EV Charger Program
- Residential Behind-the-Meter Battery System Rebate
- Electric Yard Equipment Rebates
- Connected Homes Demand Response Program
- Commercial Prescriptive Lighting Program
- Payment Plans / Budget Billing

SMLD customer ***rebates and incentives totaled more than \$193,000*** in 2025.



Other community activities/contributions sanctioned by the SMLD Light Board include:

- Community Solar participation program.
- Annual electrical safety demonstrations at Houghton and Chocksett Schools
- Installed LED holiday lights on the Town Common.
- Annually we install poles, cables, and lighting needed to power the Sterling Fair.
- Free public wi-fi at the Sterling Fair.
- Funds for annual inspection and maintenance for all town-owned generators.
- Offer the round-up program to our customers to benefit the Sterling Neighbor-to-Neighbor (N-2-N) Program. Since the program began in June 2014, your generous contributions have raised over \$26,500 for the Neighbor-to-Neighbor Fund.
- Donation of surplus vehicles to other Town departments.
- Work closely with Sterling DPW on tree maintenance and removals.

SMLD contributed in-kind services to the Town of Sterling in 2025 valued at just shy of \$173,000.

SMLD CHANGES IN 2025

Significant staffing changes occurred at SMLD in 2025. Longtime employee and **Office Manager Nancy Forgiore** retired in May. Fiber Intern **Brooklyn Mackin** became a full-time **Fiber Apprentice** in June, **Darren Borge** returned to SMLD in June taking the position of **Operations Engineer**, and new **Customer Service Representative Angel Chaulk** joined the team in July.

As part of a minor reorganization, Customer Service representative **Amanda Manca** was promoted to **Customer Service Manager** and Staff Accountant **John Kwasniewski** was promoted to newly created position of **Business Manager**.

Also, **Commissioner Joe Curtin** was re-elected to a 3-year term on the Municipal Light Board in May.

COMING IN 2025

Line crew initiatives for 2026 include continued pole replacements, line reconductoring projects, and replacement of I-190 underpass cables. Engineering initiatives include an update of our electrical system planning study and design of a full SCADA system.



Other notable plans for 2026 include:

- Bidding of a replacement bucket truck.
- Purchase of a new forklift.
- Continued aggressive tree trimming.
- Installation of a new telephone system.
- Launch of the new website.
- Repaving of parking lots at 50 Main and 2 Leominster.
- Continued expansion of OH fiber. West of I-190
- Underground subdivision fiber focus.
- Continued search for a new storage building.
- Resurrection of the SMLD Light Lines Newsletter

Respectfully Submitted by,

Matthew V. Stelmach, PE
General Manager

On behalf of the Sterling Municipal Light Board Members:

Joseph Curtin, Chairman
Eric Darlington, Vice Chairman
Andrew Gonsorcik, Clerk