

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
FEBRUARY 9, 2022

A meeting of the Holyoke Gas and Electric Department was held on February 9, 2022 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Steve Roy and Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan, Lisa Rogers and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:00 P.M.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from January 13, 2022.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft December 2021 statements. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He stated that approximately 98% of winter ('21-'22) supply is locked in price and that 28% of the summer (2022) supply is locked in price. He stated that January was 19% colder than plan, resulting in a send out that was 25% above plan, and that LNG production was 160% above plan, at almost 50,000 dth, compared to a total of 56,000 dth for all of 2021. He then reviewed the February natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy then provided an update on the status of leak reductions, cast iron main replacements, bare steel service replacements, the pursuit of DOT grant funding for replacement of leak prone assets, PSMS implementation, recent DPU audit results, the County Road interconnect upgrades and the impact of the natural gas moratorium. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the February electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the February Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction

activities and an update on in-progress and proposed Battery Storage projects. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that 2 maintenance projects were completed in January and that staff continues to plan for materials and resources to complete the balance of 2022 projects as planned. He then provided an update on the January 21st power outage that was caused by a failed vacuum switch at the corner of Beech and Cabot streets. He reminded the Commission that the Department is in the midst of a multi-year plan to eliminate all underground vacuum switches and he reported that the subject switch was scheduled for replacement in the spring. He stated that crews have inspected all remaining vacuum switches in service and replaced one switch based on the findings of the inspection. He reported that staff visited Ambri Battery to get a first-hand tour of their liquid metal battery technology and reported that Ambri is interested in exploring a pilot project in Holyoke. He also reported that bids were received for a sag solution for MIT-LL and that the low bidder was \$4.3 Million. He stated that staff would have a recommendation on the bid for the next meeting. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy reported that January hydro generation was 12.7% below plan (3,214 MWh below plan) and the system electric load was approximately 3,000 MWh above plan, creating a power supply variance of approximately 6,000 MWh for the month. He noted that there will be a significant budget impact for January due to the fact that market clearing prices averaged approximately \$150/MWh for the month. He also noted that February hydro generation is currently on target for the month. He then provided a brief update on Cobble Mountain operations and reported that the recent winter claimed capability test for Unit #1 resulted in a capacity rating of 13.2 MW. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and capital projects. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan presented a summary report on 2021 energy conservation activities and reviewed the key findings. She then reported that a full launch of the website re-design is scheduled for February 16th. She also reported that the public fishway activities would be suspended for the 2022 fish passage season due to COVID and the required lead times to conduct the programming. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

ENE MILAN ROAD SOLAR PROJECT: Mr. Lavelle recommended that the Commission authorize the Department to participate in Energy New England's Milan Road Solar Project (Milan, NH) and authorize the Department to execute any documents required for participation in the project at up to 10 MW. He stated that the staff has reviewed the proposed project pricing (energy and environmental attributes) and has determined that the project would be a good addition to the electric portfolio and will help the Department meet its obligation under the State's Climate Bill. He stated that

Commission authorization is requested in case ENE or the project developer (Borrego) request proof of authorization. Commissioner Hoey disclosed that Borrego is a client of his employer and he abstained from deliberations on the matter. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was voted 2-0 to authorize participation in the project per the recommendation of management. Commissioner Hoey abstained.

SPONSORSHIP REQUEST – HOLYOKE ST. PATRICK’S COMMITTEE: Mr. Lavelle reported that the Department received a sponsorship request from the St. Patrick’s Parade Committee in the amount of \$6,000. He stated that the Department has typically sponsored the Committee events in the amount of \$10,000, but \$4,000 of the 2020 sponsorship went unspent when the Parade and related events were cancelled due to the pandemic. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to the sponsorship per the recommendation of management.

2022 NON-GUILD MERIT ADJUSTMENTS: Mr. Lavelle recommended that the Commission approve a budget for non-guild merit adjustments per the following: 3.2% pool for merit adjustments; 1% for performance recognition and 1% for equity adjustments and promotions. He stated that this recommendation is consistent with the 2022 budget approved by the Commission and consistent with the recommendations of the Department’s wage consultant. Chairman Hoey asked if the recommendation was sufficient to withstand market forces for talent and Mr. Lavelle stated that it was. There was a brief discussion on the request. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the request per the recommendation of management.

COMMERCIAL ENERGY CONSERVATION ASSISTANCE – SEARLES ASSOCIATES (110 N. BRIDGE STREET): Mr. Lavelle recommended that the Commission approve a Commercial Energy Conservation Assistance Request from Searles Associates, in the amount of \$29,968.15, for the replacement of a gas fired HVAC system with mini splits. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to the assistance per the recommendation of management.

BID AUTHORIZATIONS:

EMERGENCY GENERATOR – 91 WALNUT STREET: Mr. Lavelle requested that the Commission authorize the solicitation of bids for the replacement of the emergency generator and automatic transfer switch at 91 Walnut Street. He stated that the existing unit was installed in 1999 and has been experiencing operating issues and is near the end of its useful life. He stated that the unit backs up critical utility equipment and must be replaced prior to a catastrophic failure. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the solicitation of bids per the recommendation of management.

HADLEY UNIT #1 TAILRACE GATE PAINTING: Mr. Lavelle requested that the Commission authorize the solicitation of bids for the removal of the existing coating and application of a new coating for the Hadley Falls Unit #1 tailrace gates. He stated that the existing coating is original from 1950 and is failing, and that a new coating is required to preserve the gates and to avoid the need to replace the gates at a much higher cost. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the solicitation of bids per the recommendation of management.

GATEHOUSE CRANE REPLACEMENT: Mr. Lavelle requested that the Commission authorize the solicitation of bids for the replacement of the Gatehouse Crane. He stated that the existing crane was installed in 1960 and is at the end of its useful life. He further stated that a new crane is required in order to replace the head gates at the station which is planned for 2023. He further stated that the crane replacement was not originally included in the 2022 capital budget, but due to the priority of the project, it will replace the automation of the Riverside Station crane, which will be rescheduled for 2023. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the solicitation of bids per the recommendation of management.

RIVERSIDE STATION (4/5/7) ROOF REPLACEMENT: Mr. Lavelle requested that the Commission authorize the solicitation of bids for the replacement of the Riverside Station roof above the Riverside Units 4, 5 and 7. He stated that the existing roof is leaking and will jeopardize the operation of the generators in that area if not replaced. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the solicitation of bids per the recommendation of management.

SCADA MASTER REPLACEMENT: Mr. Lavelle requested that the Commission authorize the solicitation of bids for the replacement of the Electric Operations SCADA Master replacement. He stated that the existing SCADA software and servers (Siemens Spectrum PowerTG) are at the end of their useful life and are no longer supported by the manufacturer. He stated that the SCADA system is a critical tool for managing electric operations, security and reliability. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the solicitation of bids per the recommendation of management.

BIDS RECEIVED:

ELECTRIC DISTRIBUTION TRANSFORMERS: Mr. Lavelle recommended that the Commission award the contracts for Electric Distribution Transformers to the low bidders meeting all requirements for each item as more thoroughly described in the January 28, 2022 memorandum Senior Engineer, Carl Peterson. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contracts per the recommendation of management.

HYDRAULIC TURBINE MECHANICAL MAINTENANCE & REPAIRS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Hydraulic Turbine Mechanical Maintenance & Repairs to O'Connor Corporation, the low and only bidder meeting all requirements for the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

ROAD REPAIRS ANNUAL CONTRACT (REBID): Mr. Lavelle recommended that the Commission award the contract for Road Repairs to JSC Construction, LLC, the low bidder meeting all requirements for the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

TREE TRIMMING & VEGETATION MANAGEMENT ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Tree Trimming & Vegetation Management

to All Reliable Services, Inc., the low bidder meeting all requirements for the solicitation. He further recommended that the Commission award a secondary contract to Asplundh Tree Expert Co to be used in the event that the primary contractor cannot meet Department needs. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contracts per the recommendation of management.

102 CABOT STREET SMOKESTACK DEMOLITION: Mr. Lavelle recommended that the Commission award the contract for the 102 Cabot Street Smokestack Demolition to Manafort Brothers, Inc., the low bidder meeting all requirements for the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contracts per the recommendation of management.

ELECTRICAL PREVENTIVE MAINTENANCE TESTING SERVICES - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the contract for Electrical Preventive Maintenance Testing Services (#21-09) with USNE, Inc., through February 28, 2023 subject to a 7.5% increase in proposed rates. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

PURCHASE OF PLASTIC NATURAL GAS PIPE: Mr. Lavelle recommended that the Commission award the contract for Plastic Pipe to WL Plastics Manufacturing, the low bidder meeting all requirements for the solicitation. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

2022 UPSTREAM FISH & EEL PASSAGE ACTIVITIES — PURCHASE APPROVAL: Mr. Lavelle requested authorization for the expenditure of up to \$189,091 for biological oversight and reporting, data collection, and shortnose sturgeon on-call services as required by the FERC Project 2004 license. Chairman Hoey asked if there was an opportunity to reduce the subject expenses due to COVID. Mr. Roy explained that the recommended scope already reflects a \$15,000 reduction in typical outreach expenditures. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

2022 ANNUAL ASSOCIATION MEMBERSHIPS - PURCHASE APPROVAL: Mr. Lavelle requested authorization for the expenditure of up to \$110,488 for annual association memberships for the Gas, Electric and Hydro Divisions. He stated that \$37,383 of the total amount requested are mandatory charges related to the FERC Project 2004 license. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

GAS REGULATOR STATION UPGRADES - PURCHASE APPROVAL: Mr. Lavelle requested authorization for the expenditure of up to \$23,342 for the purchase of parts and equipment from Powell Controls in order to add tertiary protection to three district regulator stations (Homestead/Westfield, Hampden/Lincoln, and Northampton/Hampden) consistent with the 2022 capital plan. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

- 02/03/22 – Draft Commission Meeting Minutes from 01/13/22
- 02/09/22 – JL/DD/Financial Statements, Balance Sheet & Summary Report - December 2021
- 01/20/22 – SR/JS/ENE Milan Road Solar Project
- 02/03/22 – JL/KC/Sponsorship Request – St. Patrick’s Committee of Holyoke
- 02/04/22 – COMM/JL/2022 Non-Guild Merit
- 02/09/22 – KS/MC/CECP – Searles Associates, LLC (International Container)
- 02/02/22 – BR/TS/Authorization to Bid – 91 Walnut St Emergency Generator
- 02/01/22 – SR/KT/Authorization to Bid – Hadley 1 Tailrace Gates
- 02/01/22 – SR/KT/Authorization to Bid – Gatehouse Crane Replacement
- 01/31/22 – SR/KT/Authorization to Bid – Riverside 4/5/7 Roof Replacement
- 02/03/22 – SR/JA/Authorization to Bid – SCADA Master Replacement
- 01/28/22 – SR/CP/Bid Recommendation – Electric Distribution Transformers
- 01/27/22 – JL/CW/Bid Recommendation – Hydraulic Turbine Maintenance & Repairs Annual Contract
- 01/19/22 – JL/CW/Bid Recommendation – Road Repairs Annual Contract (Rebid)
- 01/21/22 – JL/CW/Bid Recommendation – Tree Trimming & Vegetation Management Annual Contract
- 02/02/22 – SR/SL/Bid Recommendation – 102 Cabot Smokestack Demolition
- 02/04/22 – JL/CW/Recommendation – Extension of Electrical Preventative Maintenance Testing Services
- 02/04/22 – JL/CW/Bid Recommendation – Purchase of Plastic Natural Gas Pipe
- 02/01/22 – SR/SL/2022 Upstream Fish & Eel Passage Activities
- 02/01/22 – SR/JZ/2022 Annual Association Membership Requests
- 02/03/22 – BR/MK/Purchasing Approval: Regulator Station Tertiary Over-Pressure Protection Equipment

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday March 15th at 5:00 PM.

Mr. Lavelle requested that the Commission enter into Executive Session to address outstanding minutes and to discuss strategy with respect to negotiations. Chairman Hoey stated that the Commission would return to Regular Session.

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted, on a roll call vote, to enter into Executive Session at 6:10.

Upon return from Executive Session, Chairman Hoey re-convened the Regular Session of the meeting at 6:36 P.M.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:37 PM.

HG&E Commission