

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JULY 16, 2024

A meeting of the Holyoke Gas and Electric Department was held on July 16, 2024, at 5:04 P.M. in the Department's offices. In attendance were Commissioners Hoey, Sutter and Marrero; 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 5:04 P.M.

MINUTES:

On a motion from Commissioner Marrero, seconded by Commissioner Hoey, it was unanimously voted to approve the minutes from June 18, 2024.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon then reviewed the draft May 2024 financial statements. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Brian Roy reported that wholesale natural gas purchases continue consistent with the hedging plan for the current 12-month procurement window. He stated that 95% of summer supply is locked in price and that 43% of winter ('24-'25) is also locked in price, and that contracts have been executed for anticipated LNG supply requirements for the winter. He reported that unit sales are down approximately 5% below plan, year-to-date, due to mild weather. He then reviewed the July natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy stated that there has been no update from the EFSB regarding the Department's petition to add a fifth LNG tank. He reported that the insulation work is ongoing for LNG tanks #1 and #4 and he noted that there is a bid authorization request later on the agenda for the ancillary reliability improvements for the LNG facility. He then reported that distribution crews completed the main replacement work on Lincoln Street and will begin to replace services once the work in the EN White area is completed at the end of August. He also reported that bare steel service replacements on progressing according to plan and that there is currently one leak on file that has been scheduled for repair. He then gave an update on recent DPU audits and the PHMSA grant process. There was a brief discussion on the matter.

ELECTRIC DIVISION

POWER SUPPLY

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

reduction activities and noted that the June peak occurred on June 20th, hour-ending 17, and that 13.14 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that crews have installed 1,792 of 2,500 (72%) planned AMI meters to date and removed another vacuum switch, leaving two left in the system to be removed. He then reported that 24 new capacitors and controls have been received and will be installed in the coming weeks. H also noted that on-site commissioning of the Water Street UPS system began this week, and that the system is scheduled to be fully commissioned by the end of the summer. Mr. Roy also reported that crews began work to underground services on Vadnais Street to eliminate backyard services in that area and that work will continue for several weeks. He then gave an update on various grant funding applications and described a recent ISO-NE scarcity event. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy stated that hydro production for June was approximately 8.7% ahead of plan and that year-to-date generation is approximately 17% ahead of plan due to favorable river flow. He then gave an update on capital projects, including the Hadley Falls Unit #2 rehabilitation project. He noted that there have been a few changes in the construction plan due to findings with the unit stator. He noted that upon disassembly of the unit, it was discovered that the stator is mis-aligned, several mounting dowels require replacement, and that the unit must be re-wedged. He also noted that a purchase approval for the subject construction change orders is later on the agenda. He then gave a brief update on other capital improvement projects including Cobble Mountain activities. There was a brief discussion on the matter.

TELECOMMUNICATIONS

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

CUSTOMER SERVICE

Ms. Rogers gave a brief update on accounts receivable and fuel assistance activity. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave an update on upcoming outreach activities including the Summer Safety Program presentations at the Holyoke Boys & Girls Club and YMCA, and she noted that NFL referee, Paul King visited the program and officiated a pie eating contest. She also reported that Public Power and Public Natural Gas Week events are scheduled for October 8th and she reviewed the preliminary schedule of events. She then gave an update on Green Team activities and an update on various grant opportunities being pursued by the Department. She also noted that the Massachusetts House released its energy bill today and noted that, although staff is still reviewing the document, the focus of the bill appears to be intended to improve the approval process for siting clean energy facilities. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS: None

BID AUTHORIZATIONS:

LNG INFRASTRUCTURE AND RESILIENCY (I&R) PROJECT EQUIPMENT: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for equipment necessary to complete enhancements at the West Holyoke Liquefied Natural Gas Facility as part of the LNG I&R project which is designed to improve safety and reliability of that facility. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the bid per the recommendation of management.

BIDS RECEIVED:

SALE OF SURPLUS ELECTRICAL EQUIPMENT: Mr. Lavelle recommended that the Commission reject the only bid received for the Sale of Surplus Electric Equipment, as the respondent proposes to charge HG&E approximately \$110,000 for the subject equipment and staff estimates that the equipment can be disposed of for significantly lower costs. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to reject the bid per the recommendation of management.

UTILITY LINE MATERIAL: Mr. Lavelle recommended that the Commission award the bid for Utility Line Material (Line Reclosers, Sectionalizers and Controls) to Wesco Distribution, Inc. (Hubbell), the lowest responsible and eligible bidder for items #1, #2 and #3, subject to verifying that the Items #1 and #2 meet the requirements of the solicitation. He also recommended that the Commission approve a contingent contract award for items #1 and #2 to Wesco Distribution, Inc. (Eaton), the second lowest responsible and eligible bidder if it is determined that Wesco (Hubbell) does not meet the requirements for Items #1 and #2. He noted that Wesco (Hubbell) quoted new equipment that the Department has not used before, and that staff must verify the compatibility of the proposed components with other distribution equipment. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted award the bid per the recommendation of management.

POWER PIPING SYSTEMS & HVAC MAINTENANCE: Mr. Lavelle recommended that the Commission award the bid for Power Piping Systems & HVAC Maintenance to Harry Grodsky & Co., Inc., the lowest responsible and eligible bidder meeting the requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted award the bid per the recommendation of management.

PURCHASE APPROVAL – HADLEY FALLS UNIT #2 REHABILITATION PROJECT

BUDGET AMENDMENT: Mr. Lavelle recommended that the Commission authorize the expenditure of an additional up to \$1,500,000 for the Hadley Falls Unit #2 Rehabilitation Project, increasing the project budget from \$9,500,000 (approved in 2021) to \$11,000,000. He stated that the unit was recently disassembled for rehabilitation, and, after thorough inspection of the internal components, several major findings were observed that require correction to maintain the long-term reliability of the unit. He stated that the main findings were misalignment of the unit stator (including damage to the radial dowels) and loose stator wedges. He noted that re-aligning the stator, repairing the broken dowels, and re-wedging the stator are estimated to cost \$972,549 based on estimates from Voith Hydro Inc., the OEM and contractor performing the unit rehab. Mr. Roy also noted that several smaller change orders are expected as the project continues. He further noted that the original project budget contingency was largely exhausted in labor and material increases due to delaying the project construction for one year. After a brief discussion and on a motion from Commissioner Sutter,

seconded by Commissioner Marrero, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS

07/10/24 – Draft Commission Meeting Minutes from 06/18/24

06/25/24 – JL/DD/Financial Statements, Balance Sheet & Summary Report – May 2024

07/03/24 – JL/BR/Authorization to Bid – LNG I&R Equipment

07/10/24 – SR/SD/Bid Recommendation – Sale of Surplus Electrical Equipment

07/11/24 – SR/VO/Bid Recommendation – Utility Line Material – Line Reclosers, Sectionalizers & Controls (REBID)

07/09/24 – JL/CW/Bid Recommendation – Power Piping Systems & HVAC Maintenance, Installations & Repairs Annual Contract

07/11/24 – SR/KT/Hadley Falls Unit No. 2 Rehabilitation – Budget Increase

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, August 27th at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 5:47 PM.

HG&E Commission