

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
NOVEMBER 7, 2023

A meeting of the Holyoke Gas and Electric Department was held on November 7, 2023, 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; 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 Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from October 3, 2023.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft September 2023 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 72% of winter ('23-'24) supply is locked in price. He noted that unit sales are down approximately 8% below plan through October, largely due to more mild weather. He noted that the Purchased Gas Adjustment (PGA) has been set at \$0.71/ccf for the winter months. He then gave an update on the Westfield inter-connection improvements and stated that negotiations for limited peak winter supply are ongoing with WG&E. Commissioner Hoey asked how WG&E's gas load compared to HG&E. Mr. Roy stated that the two systems are comparable and that he would get back to the Commission with more specific data. Mr. Roy then reviewed the November natural gas rate comparisons and reported that the Department remains very competitive in all rate classes.

Mr. Roy then provided an update on the LNG reliability project and noted that staff is preparing a response to an Information Request (IR) from EFSB staff in preparation of the upcoming evidentiary hearing on the project. He stated that the IR included 110 questions and that responses will be submitted by Thursday. Commissioner Hoey asked if other State agencies participated in the IR and Mr. Roy stated that other agencies may have been consulted by EFSB staff, but that the IR came from EFSB staff only. Mr. Roy then gave an update on cast iron and bare steel service replacements and reported that there are currently two minor leaks on record that will be repaired by the end of next week. He further reported that the DPU completed an audit of current operating procedures and only minor matters were noted in the exit meeting, and that a formal exit letter will be submitted by the DPU. There was a brief discussion on the matter.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the November electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the November 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 September peak occurred on October 4th, hour-ending 18, and that 5.3 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that the remaining 48 customers on the 4,800V circuit would be converted to 13,800V circuit during a scheduled outage overnight tonight. He noted that this work will complete the conversion of both the H-1 and H-3 circuits. He stated that crews will replace the old cable at the Highland Substation later this week so that all circuits can be restored to their final configurations. He then reported that distribution work for the remainder of the year will focus on replacement of the 32W3 circuit and he gave an update on other outstanding projects. He also reported that there was a failure of a primary disconnect bushing on North Canal Substation a few weeks ago and follow-up testing indicates the potential for concerns with other bushings and those test reports are being further evaluated by in-house and contracted expert personnel. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy stated that hydro production is approximately 34% (63,900 MWh) above plan through October. He also noted that the higher generation has been offset by average market power prices that are approximately 70% below budget year-to-date. He reported that staff met with Springfield Water and Sewer management team to provide recommendations for the 2024 operating plan for the Cobble Mountain Hydroelectric Facility and discuss strategy for their capacity supply obligation. He then gave a brief update on ongoing projects and maintenance at the Holyoke hydro projects. Finally, he noted that grant applications, with total requested amount of \$7.2 Million, were submitted in response to various DOE funding opportunities and that the DOE is expected to announce awards in May 2024. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Lavelle gave an update on the status of sales activity noting that sales and net income continue to track ahead of plan, largely due to wholesale ISP service sales. He further reported that staff are summarizing the findings of the FTTH design and will have recommendations on next steps in the first quarter of 2024. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan reported that HG&E was acknowledged by the Smart Electric Power Alliance (SEPA) with their 2023 Utility Transformation Leadership Award. She further noted that Holyoke Veterans Services has named HG&E as their Business of the Year awardee. She then reported that staff has been doing outreach to prepare customers for the heating season and promoting energy conservation and available assistance. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers noted that the winter shut-off moratorium begins on November 15th and runs through April 1, 2024. She also gave an update on accounts receivable and shutoff statistics for October. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

RESIDENTIAL ENERGY CONSERVATION ASSISTANCE REQUEST- 1010 DWIGHT

STREET: Mr. Lavelle reported that the Department received a Residential Energy Conservation Assistance Request from the owner of 1010 Dwight Street in the amount of \$15,000 for the installation of Air Source Heat Pumps in the two-family dwelling. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the assistance per the recommendation of management.

2023 HOLIDAY DISCOUNT: Mr. Lavelle recommended that the Commission approve an additional 10% Holiday Discount for the December billing. He stated that the Commission has approved the Holiday Discount for many years and the discount was factored into the annual budget. Commissioner Marrero stated that he is not opposed to providing a discount, but he is opposed to subsidizing uncapped consumption. He stated that he hoped that the new ERP system would provide the capability to exclude from the discount any customers that would see it as an incentive to use more energy. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Hoey, it was voted 2-1, with Commissioner Marrero in opposition, to approve the additional 10% discount, consistent with management recommendation.

ENERGY CONSERVATION ASSISTANCE PROGRAM – RECOMMENDED

MODIFICATIONS: Mr. Lavelle recommended that the Commission authorize and increase to the amounts of energy conservation assistance that the Green Team is authorized to approve for heat pumps and weatherization assistance. He recommended increasing the single-family amount from \$10,000 to \$15,000, and the multi-family amount from \$20,000 to \$25,000. He stated that the recommended amounts are more consistent with current pricing for those projects and will allow customers to complete the application and approval process much more efficiently. He stated that all approved assistance requests would still be reported to the Commission on a monthly basis. Commissioner Marrero asked why the approval limits would not be higher and consistent with the Purchase Approval limit of \$50,000. Mr. Lavelle stated that the current recommendation is consistent with typical pricing for weatherization and heat pump projects, but that staff may well request a higher threshold as project pricing continues to increase. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the assistance increases per the recommendation of management. Commissioner Sutter recommended that staff market the higher assistance amounts broadly and prominently to increase customer participation in the program.

SPONSORSHIP REQUEST – CITY OF HOLYOKE 150TH COMMEMORATIVE

SPONSORSHIP: Mr. Lavelle reported that the Department received a sponsorship request from the Mayor to support the City's 150th Anniversary celebration through an advertisement in the event program book in the amount of \$2,000 and recommended that it be approved. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the sponsorship per the recommendation of management.

DISTRIBUTED GENERATION POLICY UPDATE: Mr. Lavelle recommended that the Commission approve updates to the Distributed Generation Policy as outlined in the November 1, 2023, memorandum from Jonathan Zwirko. He stated that the updates are to more clearly articulate eligible generating assets and interconnection requirements for customers. Both red-lined and clean

versions of the document were presented. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the policy as presented.

DISTRIBUTED GENERATION CREDIT ADJUSTMENT: Mr. Lavelle recommended that the Commission approve an adjustment to the Distributed Generation (DG) Credit in order to keep the credit aligned with the actual benefits received by the Department for participating generation assets. He stated that the credit would be decreased from 8.5 cents/kWh to 7.0 cents/kWh as described in the November 1, 2023, memorandum from Jonathan Zwirko. Commissioner Hoey asked if the recommendation would impact additional DG deployments or cause a reaction by existing DG customers. Mr. Roy stated that the recommendation is not anticipated to have an adverse impact as the DG credit is reviewed every six months. He noted that the credit was increased last year based on projected energy prices and that staff will continue to recommend adjustments to keep pace with market pricing. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the rate adjustment as presented.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

UTILITY LINE MATERIAL – 637 LINE RECONDUCTORING: Mr. Lavelle recommended that the Commission award the bids for Utility Line Material for the 637 Line Reconductoring to the low bidders meeting all requirements of the solicitation as detailed in the October 27, 2023, memorandum from Sarah Larose. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the bids per the recommendation of management.

SHELL & TUBE LNG VAPORIZERS: Mr. Lavelle recommended that the Commission award the bid for Shell and Tube LNG Vaporizers to Chicago Power & Process the low and only eligible bidder meeting all requirements of the solicitation as detailed in the October 31, 2023, memorandum from Brian Roy. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the bid per the recommendation of management.

INSULATION, ASBESTOS & LEAD ABATEMENT ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Insulation, Asbestos & Lead Abatement annual contract with Atlantic Contracting & Specialties, LLC. He said the extended contract would be subject to a 9% increase in labor rates with all other terms and conditions remaining the same, as outlined in the October 17, 2023, memorandum from Chi Wong. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per the recommendation of management.

GAS ROTARY METERS ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Gas Rotary Meters annual contract with DBI, Inc. He said the extended contract would be subject to an increase in equipment rates from 7%-18% based on the manufacturer's most recent price sheet, and all other terms and conditions remaining the same. After a brief discussion and on a motion from

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

OVERHEAD CRANES & HOISTS INSPECTIONS ANNUAL CONTRACT – EXTENSION:

Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Overhead Cranes & Hoists Inspections annual contract with Mass Crane & Hoist Services, Inc. He said the extended contract would be subject to existing labor and equipment rates with all other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per the recommendation of management.

FIBER OPTIC INSTALLATION, SPLICING, TERMINATION & TESTING ANNUAL CONTRACT – EXTENSION:

Mr. Lavelle recommended that the Commission authorize a one-year extension, consistent with the existing contract, to the Fiber Optic Installation, Splicing, Termination & Testing annual contract with Collins Electric Company. He said the extended contract would be subject to a 2% increase in labor rates and all other terms and conditions remaining the same. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the extension per the recommendation of management.

CISCO CONNECTED GRID ROUTERS: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$89,610 for the purchase of six (6) Cisco Connected Grid Routers that are required to support the AMI meter deployment. 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.

NETWORK THREAT DEFENSE SYSTEM- DDOS HARDWARE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$106,224 for the purchase of a network threat defense system (DDOS) hardware and maintenance as outlined in the October 31, 2023, Purchase Approval memorandum from Timothy Haas, Chief Network Engineer.

2024 Utility Line Material: Mr. Lavelle recommended that the Commission award the bids for 2024 Utility Line Material to the low bidders meeting all requirements of the solicitation as detailed in the November 6, 2023, memorandum from Storekeeper Terrence Judd. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the bids per the recommendation of management.

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

10/04/23 – Draft Commission Meeting Minutes from 10/03/23

10/26/23 – JL/DD/Financial Statements, Balance Sheet & Summary Report – September 2023

10/13/23 – KC/ST/Residential Energy Assistance Request – 1010 Dwight Street

10/23/23 – JL/LR/Holiday Discount

10/31/23 – JL/KC/Recommendation to Increase the Energy Conservation Assistance Approval Threshold

11/01/23 – JL/KC/Sponsorship Request – Holyoke 150th Commemorative Sponsorship

11/01/23 – SR/JZ/Distributed Generation Policy – 2023 Update

11/01/23 – SR/JZ/Rate Recommendation – Distributed Generation Credit Increase

10/27/23 – SR/RL/Bid Recommendation – Utility Line Material for 637 Line Reconductoring
10/31/23 – JL/BR/Bid Recommendation – Shell & Tube LNG Vaporizers
10/17/23 – JL/CW/Recommendation – Extension of Insulation, Asbestos & Lead Abatement Annual Contract
10/30/23 – JL/CW/Recommendation – Extension of Gas Rotary Meters Annual Contract
11/01/23 – JL/CW/Recommendation – Extension of Overhead Cranes & Hoists Inspections Annual Contract
11/01/23 – JL/CW/Recommendation – Extension of F.O. Installation, Splicing, Termination & Testing Annual Contract
10/19/23 – SR/RL/Purchasing Approval: Cisco Connected Grid Routers
10/31/23 – KJ/WM/Purchasing Approval: Network Threat Defense System & Maintenance
11/07/23 – SR/TJ/Bid Recommendation – 2024 Utility Line Material

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, December 12th 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 6:10 PM.

HG&E Commission