

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JUNE 15, 2021

A meeting of the Holyoke Gas and Electric Department was held on June 15, 2021 at 5:30 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Ducheney, Brian Roy and Steve Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan, Lisa Rogers and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:30 P.M.

Chairman Hoey noted that remote participation in the Commission meeting by Commissioners was authorized by an Executive Order issued by Governor Baker on March 12, 2020 and is required due to the COVID-19 pandemic.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from May 19, 2021 for approval.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft April financial statements. She also gave an update on the aging receivables and the efforts of staff to work with customers that are behind on their bills. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Roy reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He stated that approximately 50% of summer supply has been locked in price and that 20% of winter ('21-'22) supply is locked in price, and that the July-December wholesale gas prices are currently 20% higher than budget. He then reviewed the June natural gas rate comparisons and reported that the Department remains very competitive in all rate classes. He then gave an update on the status of leak reductions, cast iron main replacements and bare steel service replacements. He also gave an update on the Safety Management System program enhancements and the impact of the natural gas moratorium. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Roy reviewed the June electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the June 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 the Citizens and Convergent Energy Battery Storage projects. He further gave an update on the NEPOOL RNS load reconstitution issue. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that five of 50 Transmission and Distribution commitments have been completed to date, with the remainder in process and on schedule for completion by the end of the year. He then gave an update on replacement of VT's and CCVT's at North Canal substation and reported that three of six terminals have been returned to normal. He also reported that outages have been scheduled through CONVEX to complete the replacement of the VT's by the end of July. He then gave an update on load reduction activities and efforts to design a successor Large Industrial Electric contract for the HIPA group.

Mr. Beauregard then gave an update on energy storage projects with Citizens Energy and Convergent, and he also provided an update on the RNS reconstitution issue as well as 2021 RNS rates. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheny reported that year-to-date hydro generation is behind plan by approximately 18,000 MWh due to low water flows. He stated that fish lifting operations are ongoing and that over 250,000 shad have been lifted over the dam so far this season. There was a brief discussion on the matter.

TELECOMMUNICATIONS

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

MARKETING AND COMMUNICATIONS

Ms. Sullivan gave an update on the Fiber-To-The-Home (FTTH) interest survey and reported that over 1,000 responses have been received to date. She also stated that efforts were underway to continue to promote the survey through various media outlets to ensure that all customers are familiar with how to access the interest form. She also gave an update on the website upgrade and gave an overview of the Valley Heights backyard facility. There was a lengthy discussion on the matter and it was determined that, due to the unique nature of the Valley Heights Situation (would be the only neighborhood with backyard pole line that serves only one street, and the only installation that would have high-voltage primaries deep into the backyards) staff should modify the proposal to include an underground design and look to find grant sources to offset the cost of the project.

OLD BUSINESS: None

NEW BUSINESS:

ELECTRIC RATE MODIFICATION – STANDBY FACILITIES CHARGE: Mr. Lavelle recommended that the Commission authorize modifications to the Standby Facilities Charge, consistent with the recommendations in the June 8, 2021 memorandum from Jeanette Sypek, Sr. Energy Resources Coordinator. He stated that the rate has not been modified in over seven years and requires adjustments to keep pace with the cost of service, and that the adjustments would impact 17 customers. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the rate modifications per the recommendation of management.

AIR SOURCE HEAT PUMP (ASHP) INCENTIVE PLAN MODIFICATION: Mr. Lavelle recommended that the Commission authorize changes to the ASHP incentive plan consistent with the changes outlined in the June 9, 2021 memorandum from Sophie Theroux, Energy Efficiency Coordinator. He stated that the incentives were designed to incentivize customers that currently heat with oil or propane to convert to a cleaner ASHP heating source and would provide a free energy audit and heat pump rebate of up to \$3,000 and a weatherization rebate of up to \$3,000 per participating customer. He stated that the changes would also apply to a customer looking to upgrade or convert from an older inefficient natural gas heating system. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the program modifications per the recommendation of management.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

GAS LEAK SURVEYS ANNUAL CONTRACT - EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Gas Leak Surveys Annual Contract with Omark Consultants, Inc., through July 31, 2022 with all rates, terms and conditions consistent with the existing contract. 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.

SPECIALTY CONSTRUCTION & FACILITIES MAINTENANCE ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Specialty Construction & Facilities Maintenance to Garland Construction Corp., the lowest qualified bidder meeting 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.

LANDSCAPING SERVICES ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Landscaping Services to GTC Landscaping, the lowest qualified bidder meeting 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.

WALNUT STREET UPPER ROOF REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for the Walnut Street Upper Roof Replacement to DP Carney, the lowest qualified bidder meeting 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.

ELECTRIC UNDERGROUND CABLE – 35 KV 750 MCM EPR CU CONDUCTOR: Mr. Lavelle recommended that the Commission award the contract for Electric Underground Cable, 35 KV 750 MCM EPR Copper Conductor to Prysmian Cables and Systems USA, LLC (General Cable), the lowest qualified bidder meeting 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.

ELECTRIC DISTRIBUTION TRANSFORMER – 34.5 KV PADMOUNT: Mr. Lavelle recommended that the Commission award the contracts for Electric Distribution Transformers (34.5 KV Padmount) to the lowest qualified bidders meeting requirements for each item as detailed in the June 11, 2021 memorandum from Carl Peterson, Sr. Electrical Engineer. 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.

WIRE ROPE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$8,576 for the purchase of wire rope required to replace the existing wire rope on the tailrace gates at Hadley Station for Units #1 and #2. 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.

SAFETY DATA SHEET (SDS) ON-LINE TRACKING & MAINTENANCE PROGRAM: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$10,638 for the purchase of three years of SDS on-line Tracking and Maintenance services from HazCompliance. He stated that the services are required to ensure that the Department remains in compliance with the Hazard Communication Standard (29 CFR 1910.1200(g)(1)). 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.

2021 DEFORMATION MONITORING SURVEY: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$113,200 for engineering services from Clough Harbor & Associated, LLP. He stated that the services include a dam deformation study required to comply with the FERC Project 2004 License. Chairman Hoey commented that the proposed approach is quite expensive and data intensive. He suggested that rather than measuring a few points to extreme (perhaps unnecessary) precision; more valuable safety information might be captured by measuring thousands of points to a lesser (but still high) level of precision for significantly less money. He further stated that with the proper control established, the assessment could even be conducted more frequently. Superintendent Duchenev agreed with the suggestion but stated that the current deformation measurement tolerance requirements (1mm-3mm) are required by the Army Corps of Engineers (ACOE). Mr. Hoey suggested that the Department might seek a relaxing of that requirement, and Superintendent Duchenev agreed that it was worth discussing with the ACOE. 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:

06/11/21 – Draft Commission Meeting Minutes from 05/19/21
05/27/21 – JL/DD/Financial Statements, Balance Sheet April 2021
06/08/21 – SR/JP/Rate Recommendation – Standby Facilities Charge
06/09/21 – BB/ST/Recommendation – HG&E Whole-Home Air Source Heat Pump (ASHP) Program
06/01/21 – JL/CW/Recommendation – Extension of Gas Leak Surveys Annual Contract
06/08/21 – JL/CW/Bid Recommendation – Specialty Construction & Facilities Maintenance Annual Contract
06/08/21 – JL/CW/Bid Recommendation – Landscaping Services Annual Contract
05/27/21 – JL/CW/Bid Recommendation – Walnut St Upper Roof Replacement
06/11/21 – BB/CP/Bid Recommendation – 35kV 750 MCM EPR CU Conductor Bid
06/11/21 – BB/CP/Bid Recommendation – 34.5 kV Padmounted Electric Distribution Transformer
06/09/21 – PD/KT/Purchasing Approval: Purchase of Wire Rope
06/09/21 – SR/CP/Purchasing Approval: SDS Tracking & Maintenance Program

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, July 13, 2021 at 5:00 P.M.

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to competition. Chairman Hoey stated that the Commission would not 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 6:25.

Upon return from Executive Session, Chairman Hoey re-convened the Regular Session of the meeting at 6:35 P.M.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:36 P.M.

HG&E Commission