

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
AUGUST 19, 2020

A meeting of the Holyoke Gas and Electric Department was held on August 19, 2020 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard and Ducheney; Acting Gas Superintendent Brian Roy; Brooke McMahon, Kirk Jonah, Kate Sullivan, Mike Curtin and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:00 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:

Mr. Lavelle presented the minutes from July 15, 2020 for approval. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from July 15, 2020.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft June financial statements and gave an update on outstanding receivables and cash flow status. Chairman Hoey questioned what the estimated long-term impacts of the pandemic would be on revenues and bottom line. Ms. McMahon stated that the drop in consumption and revenue due to the pandemic would have some long-term impact due to certain businesses that are not able to rebound or survive, but that some, or all of that loss of load, could be offset by the increasing cannabis cultivation and data center loads. She also noted that the increase in transmission costs is a long-term impact on expenses and bottom line. 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 summer supply is secured and that 40% of winter supply has been locked in. He also gave an update on the LNG procurement for the coming winter season and noted that two sources of winter LNG supply have been contracted for. He then reviewed the August 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. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the August electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the August Mark-to-Market report and reported that all transactions are within policy limits and that there are no red flags with any counterparties. He also gave an update on peak load reduction activities and an update on the Citizens Energy Battery Storage project. He further reported that the Department received notification from Excelon that they intend to sell all of their C&I solar projects, including the Meadow Street and Mueller Road projects. He noted that there are certain contractual requirements that ensure that the Department's interests will be protected in any transfer of the assets. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that all non-emergency field work that requires access to a customer premise continues to be suspended until further notice due to the COVID-19 outbreak. He then gave a report on the outage response to Tropical Storm Isaias and commended the line crews and engineering staff for their performance under very difficult conditions. Commissioner Hoey acknowledged the efforts of all involved in the storm restoration and noted that other communities were without power for over a week. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Ducheny reported that water flows continue to be very low and that hydro production was behind plan for the month of July, and slightly behind plan year to date. He stated that the Chemical Unit #2 was recently received and that installation will commence in the next few days with a return to service of the unit estimated to be by the end of the year. He also reported that staff was preparing for the fall canal outage which is scheduled for September 19 through September 26. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on help desk activity as well as sales and ongoing projects. He also reported that staff is preparing to launch a major upgrade to the phone system in mid-September and that the project is on schedule to date. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan reported that staff continues to provide updates to employees regarding operational changes and required precautions to minimize risks related to the COVID-19 outbreak. She introduced Mike Curtin, the new Technical Support Engineer and stated that Mike was already working with staff and customers to ensure that energy conservation goals and carbon reduction goals are met. She then gave an update on website and newsletter updates that include communications on HG&E's clean energy collaboration with multiple parties. She also gave an update on on-line account management statistics and discussed customer communications during the August 4th power outage due to a severe storm. There was a brief discussion on the matter.

OLD BUSINESS:

REAL ESTATE – 56 CANAL STREET EASEMENT: Mr. Lavelle reported that IIP-MA 3 LLC acquired 56 Canal Street in May 2019 and wished to resolve historical easements and property rights on and around the subject property, and to establish certain easement and access rights moving forward

for both HG&E and IIP. He stated that staff and legal counsel worked with IIP to identify certain historical HG&E easements that were no longer needed, such as access to maintain a steam line that was removed several years ago, identify easements that HG&E would retain, and to identify additional easements that HG&E would require in order to maintain existing, and potentially future electric infrastructure. He further stated that IIP had requested access to certain adjacent HG&E property for parking and fire escape access. Mr. Lavelle stated that Attorney Ferriter worked with staff to develop a Release and Easement Agreement between the parties that was signed on July 24, 2020 and that IIP has requested a certificate from the Commission Secretary confirming the Manager's authority to execute the Agreement. He presented both the Release and Easement Agreement, as well as a proposed Certificate of Vote to the Commission. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter it was unanimously voted to ratify the Manager's execution of the Agreement and to authorize the Commission Secretary to execute the Certificate of Vote.

NEW BUSINESS:

COMMERCIAL ENERGY ASSISTANCE REQUEST – DWIGHT ELM, LLC: Mr. Lavelle recommended that the Commission approve a commercial energy assistance request, in the amount of \$20,000, for the owners of 690-702 Dwight Street for the installation of energy efficient windows and insulation for the property. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

COMMERCIAL ENERGY ASSISTANCE REQUEST – HOLYOKE MEDICAL CENTER: Mr. Lavelle recommended that the Commission approve a commercial energy assistance request, in the amount of \$372,905, for the Holyoke Medical Center for the replacement of the main facility switchgear at 575 Beech Street. He stated that the assistance will be paid back over two years and that the project will provide several benefits to HG&E including: facilitating the replacement of the 17L7 and 17L8 PILC circuits which are the last two PILC circuits in the system and are at the end of their useful life; eliminating an existing arc flash and safety hazard for HG&E employees that must operate the 13.8 kV switchgear for HMC at times; relocation of the metering/interconnection point outside of HMC's facility and on a new padmount switchgear and moving maintenance responsibilities downstream of the new metering point to HMC; and providing a reliable backup source to Oakdale switching station. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

SPONSORSHIP REQUEST- HPD SENIOR HOLIDAY EVENT: Mr. Lavelle reported that the Department received a sponsorship request from the Holyoke Police Department to support the annual HPD Senior Holiday Event and recommended that it be approved at \$1,500, the same level as past years. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance per the recommendation of management.

HYDRO QUEBEC PHASE 1 & PHASE 2 CONTRACT RENEWAL: Mr. Lavelle reported that negotiations have been underway on renewing the HQ Phase 1 and 2 contracts that expire in November 2020. He stated that HG&E's Phase 1 entitlement is through MMWEC and that the Phase 2 contract is direct with Hydro Quebec. He stated that he is requesting Commission approval of the general terms and conditions that have been agreed to in principle, and that any material changes would be brought back to the Commission for review and approval. After a discussion on the matter and on a motion

from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously agreed to approve the proposed amendments to the contracts as presented by management.

BID AUTHORIZATION:

CANAL LOG BOOM FABRICATION: Mr. Lavelle requested authorization to solicit bids for the replacement of the Canal Log Boom structure. He stated that the existing structure was built in 1940 and is beyond repair. Commissioner Hoey disclosed that his employer was contracted to perform the design of the Log Boom and he abstained from deliberations and voting 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 the bid per the recommendation of management. Commissioner Hoey abstained.

BIDS RECEIVED:

POWER PIPING SYSTEMS & HVAC MAINTENANCE, INSTALLATIONS & REPAIRS

ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the annual Power Piping Systems and HVAC Maintenance, Installations and Repairs Contract to Harry Grodsky & Co., Inc., the lowest qualified bidder meeting all requirements of 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.

DIVE SURVEYS, INSPECTIONS, MAINTENANCE & REPAIRS ANNUA CONTRACT -

EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Dive Surveys, Inspections, Maintenance and Repairs annual contract with Underwater Construction Corporation. 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.

15KV PADMOUNTED THREE-WAY SWITCHGEAR: Mr. Lavelle recommended that the Commission award the contract for the 15kV Padmount Three-Way Switchgear to Eaton/Cooper Power Systems, Inc., the lowest qualified bidder meeting all requirements of 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.

COMMUNICATIONS:

08/12/20 – Draft Commission Meeting Minutes from 07/15/20

07/24/20 – JL/DD/Financial Statements, Balance Sheet June 2020

08/18/20 – JL/JF/Real Estate – 56 Canal Street Easement

07/29/20 – JL/LR/Commercial Energy Assistance Request – Dwight Elm, LLC

08/13/20 – JL/MC/Commercial Energy Assistance Request – Holyoke Medical Center

08/03/20 – JL/KS/Sponsorship Request – HPD Senior Holiday Event

08/12/20 – BB/JS/Power Supply Contract Renewal – Hydro Quebec Phase I & II DC Transmission Line

08/07/20 – PD/SR/Authorization to Bid – Canal Log Boom Fabrication

08/07/20 – JL/CW/Bid Recommendation – Power Piping Systems & HVAC Maintenance, Installations & Repairs Annual Contract

08/11/20 – JL/CW/Recommendation – Dive Surveys, Inspections, Maintenance & Repairs Annual Contract – Extension

08/14/20 – BB/CP/Bid Recommendation – Line Hardware – 15kV Padmounted Three-Way Switchgear

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, September 9, 2020 at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:29 PM.

HG&E Commission