

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**MARCH 28, 2023**

A meeting of the Holyoke Gas and Electric Department was held on March 28, 2023, at 5:00 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 5:00 P.M.

**MINUTES:**

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from March 1, 2023.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon reviewed the draft January financial statements, and she gave an update on the 2022 financial audit. 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 99.5% of winter ('22-'23) gas supply is locked in price and 49% of summer ('23) gas is locked in price. Mr. Roy noted that, through March, the weather has been 9% warmer than planned resulting in sales that are 7% below plan. He then reviewed the March natural gas rate comparisons and reported that the Department remains very competitive in all rate classes. There was a brief discussion on the matter.

Mr. Roy provided an update on the LNG reliability project and stated that the EFSB has scheduled a public hearing on the project application for tomorrow, March 29th. He stated that the hearing would be held virtually and that all required public notices had been posted and mailed. He also gave an update on planned cast iron and bare steel service replacements for 2023 and he reported there are currently two (2) leaks on record, and that both have been repaired and are in verification stage prior to closing out. He then gave an update on planned cast iron main replacements and reported that a section of main on Green Lane would be removed this week and that work on South Street (from Brown Avenue to Northampton Street) started this week and will take 8-10 weeks to complete. He then gave an update on the annual review of the Pipeline Safety Management System (PSMS) implementation and efforts to continuously improve that program, and he reviewed service safety and quality results for several key metrics. There was a brief discussion on the matter.

## **ELECTRIC DIVISION**

### **Power Supply:**

Mr. Steve Roy reviewed the March electric rate comparisons and reported that the Department has the lowest rates in all rate classes compared to regional peers. He then reviewed the March Mark-to-Market report and reported that all transactions are within policy limits. He also gave an update on peak load reduction activities and battery storage projects. He then discussed a proposed pilot commercial demand response plan for C&I customers that is targeted for launch in the summer. There was a brief discussion on the matter.

## **TRANSMISSION & DISTRIBUTION**

Mr. Roy gave an update on EV charger installation requests and noted that staff has developed an EV Charging Tariff for Commission approval. He further noted that the Department Rules and Regulations were also being updated to address EV charging requirements. There was a brief discussion on the matter.

Mr. Roy reported that 88% (2207 of 2500) of planned AMI meter deployments for the year have been completed through February. He further reported that crews continue making upgrades to the H-3 circuit as part of the 4800V to 13,800V conversion in the area of Dwight Street to Fairfield Avenue, and Northampton Street to Nonotuck Street. He stated that the conversion is expected to be completed by the end of June. He also reported that crews will be working on Mountain View Drive over the next 4-6 weeks to replace padmount switchgear and a termination cabinet. He also noted that tree trimming and dead tree removal activities inside of Ashley Reservoir have been completed. There was a brief discussion on the matter.

## **ELECTRIC PRODUCTION**

Mr. Steve Roy reported that hydro production is 16.6% ahead of plan through March and that the higher generation has been offset by average market power prices that are approximately 30% below budget. He then reported that the spring canal drawdown went generally according to plan. He stated that one section of the deteriorated canal required repairs that delayed the re-filling of the canals for approximately two days. Mr. Roy also noted that, during the first quarter, staff performed an in-depth review of the flood operations manual and has incorporated all facility drawings for ease of use and is preparing for training sessions for applicable personnel by end of summer. There was a brief discussion on the matter.

## **TELECOMMUNICATIONS**

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

## **MARKETING AND COMMUNICATIONS**

Ms. Sullivan gave an update on monitoring activities of various federal grant opportunities. She then gave an update on the 2023 plans and schedule for the Robert E. Barrett Fishway, and she reported on Green Team activity with regard to energy conservation and electrification outreach. There was a brief discussion on the matter.

### **Customer Service:**

Ms. Rogers gave an update on collection activities and fuel assistance support. She also noted that staff would begin communicating with customers regarding the budget billing process and also promote paperless billing options for customers. There was a brief discussion on the matter.

**OLD BUSINESS:** None

**NEW BUSINESS:**

**SPONSORSHIP REQUEST – FIESTAS PATRONALES DE HOLYOKE:** Mr. Lavelle reported that the Department received a sponsorship request in the amount of \$2,500 from the Holyoke Rotary Club for the 2003 Positively Holyoke Summer Concert series. 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.

**RATE TARIFF RECOMMENDATION – COMMERCIAL & INDUSTRIAL ELECTRIC VEHICLE CHARGING RATE:**

Mr. Lavelle recommended that the Commission approve a Commercial and Industrial Electric Vehicle Charging tariff as presented. He stated that the rate is designed to encourage off-peak charging of electric vehicles by commercial and industrial electric vehicle chargers. He stated that the tariff is also designed to minimize the impact on the Department's peak power costs. Commissioner Marrero asked if it was possible to have an interruptible rate to ensure that customers on this tariff do not drive peak demand costs that would impact the balance of the customer base, and to ensure residential customers do not get curtailed prior to charging stations, during periods of power constraints. Mr. Lavelle stated that the proposed rate could be designed as an interruptible rate, but that employing a demand response solution, similar to the C&I demand response pilot that Mr. Roy mentioned, would be a more appropriate approach. Mr. Roy stated that there is not currently a capacity constraint concern for the Western Mass region, and that in the event of a system emergency, such as an OP-4 condition, the Department has the ability to shed load in an orderly fashion and would prioritize residential and other sectors ahead of battery storage installations. Mr. Roy further stated that the proposed tariff could also be adjusted at any time if it is determined that the battery installations are not covering actual costs. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the tariff as presented.

**BID AUTHORIZATIONS:** None

**BIDS RECEIVED:**

**SITE READY CAPACITOR BANK ASSEMBLY:** Mr. Lavelle recommended that the Commission award the annual contract for the Site Ready Capacitor Assembly to Graybar Electric Co. Inc, the apparent low bidder meeting all requirements of the solicitation. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contract per the recommendation of management.

**COMMUNICATIONS**

03/24/23 – Draft Commission Meeting Minutes from 03/01/23

03/07/23 – JL/DD/Financial Statements, Balance Sheet & Summary Report – January 2023

03/23/23 – JL/KC/Sponsorship Request – Holyoke Rotary Summer Concert Series

03/08/23 – SR/JS/ Rate Tariff Recommendation – Commercial & Industrial Electric Vehicle Rate

01/31/23 – SR/SD/Bid Recommendation – Site Ready Capacitor Bank Assembly

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday March 28th at 5:00 PM.

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to contract negotiations and trade secrets. Chairman Hoey stated that the Commission would return to regular session.

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted, on a roll call vote, to enter into executive session at 6:29 PM.

Upon return from Executive Session, Chairman Hoey re-convened the Regular Session of the meeting at 6:50 P.M.

**GUILD CONTRACT NEGOTIATIONS:** Mr. Lavelle reported that the Department has been in negotiations with the Guild for several weeks and that the Guild has requested a re-opening of the existing Collective Bargaining Agreement (CBA), which is scheduled to expire on March 31, 2024. He stated that the Guild is scheduled to receive a 2.75% wage adjustment on or about April 1<sup>st</sup>. He noted that scheduled increase is below market compared to much larger adjustments that peer utilities received during, and since, the pandemic. He further noted that the increase that the Guild got in 2022 was slightly below market as well. He stated that the Guild submitted a wage adjustment proposal as well as several other requests that were included with the proposal. He stated that management and the union have had several negotiation sessions and have come to agreement in principle on a settlement. He requested that the Commission authorize him to execute an amendment to the existing CBA that includes a 5% adjustment on April 2, 2023 as well as, adding the day after Thanksgiving as a holiday; a modification to language regarding Mutual Aid and indicating that crews will be paid double-time for mutual aid work only if the Department is reimbursed at that rate by the host utility; and a modification to the Utility Engineering wage rates. He further requested that the Commission authorize him to execute a successor CBA with similar terms as the amended contract and with wage adjustment of 4%, 3%, 3% and 3% for years 2024-2027. Mr. Lavelle also noted that the proposal was reviewed by the Department's wage consultant who indicated that the offer is fair and consistent with the current market. There was a discussion on the matter and the Commission was in agreement that the proposed offer is fair and reasonable. On a motion by Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the Manager to execute the amendment to the existing CBA as described above, and to execute a successor CBA also as described above.

**MANAGER COMPENSATION:** Chairman Hoey noted that the Commission reviewed the Manager's performance and has determined that the Manager met all key performance objectives, and that the Department is performing very well with respect to rate competitiveness, reliability, and customer satisfaction. He also noted several acknowledgements and awards by various organizations relative to the Department's clean energy transition. After a brief discussion and on a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to approve a 5.5% base pay adjustment and a one-time 10% performance recognition for the Manager.

**ADJOURNMENT:**

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 7:00 PM.

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HG&E Commission

Minutes 03/28/23