

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JANUARY 15, 2025

A meeting of the Holyoke Gas and Electric Department was held on January 15, 2025, 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 Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from December 18, 2024.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon then reviewed the draft November 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 consistently with the hedging plan for the current 12-month procurement window and noted that 88% of winter ('24-'25) gas supply is locked in price. He then reported that January unit sales are projected to be approximately 15% above plan due to cold weather. He then reviewed the January natural gas rate comparisons, noting that the Department remains very competitive in all rate classes.

Mr. Roy gave a brief update on the LNG I&R project and noted that there is a bid authorization later on the agenda designed to solicit bids for the LNG I&R Project Phase I construction. Commissioner Marrero questioned if any of the work in the Phase I construction was related to work currently under EFSB review. Mr. Roy stated that the only portion of the project that is EFSB jurisdictional is the proposed fifth (5th) LNG tank at the site. He stated that the Phase I construction involves the replacement of an existing vaporizer that is at the end of its useful life, and the installation of a redundant vaporizer for public safety purposes. Mr. Marrero suggested that the title of the project might be changed to avoid any confusion with the jurisdictional portion of the project. Mr. Roy stated that the project name would be changed to the LNG Vaporizer Replacement Project. Mr. Roy then reported that distribution crews have begun preparations for 2025 construction projects. He noted that there are currently no leaks in file. He then gave a brief update on the moratorium and noted that, although the moratorium is still in place, limited peak day capacity gains have been achieved over the past several year through our energy efficiency programs and load loss (in 2024, 4 locations that were previously gas users were converted to electric and had gas service abandoned). He stated that, with these system improvements, the Department may be able to accommodate limited requests for gas services that do not have a material impact on peak load. He stated that each application will be reviewed on a case-by-case basis and noted that if there is no existing gas service, the request is

unlikely to be approved. He further noted that any required upgrade expenses (meter work, etc.) at a location will be the responsibility of the property owner. He reported that staff would begin contacting customers with active gas service requests on file as of 12/31/24 to determine if certain requests can be approved. He then gave an update on ongoing DPU audits and gave a brief update on the PSMS implementation, and the PHMSA grant process. There was a brief discussion on the matter.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the January electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the January 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 December peak occurred on December 22nd, hour-ending 18, and that 4.52 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that the Electric Division completed all 39 commitments that were scheduled for 2024 and that crews are busy preparing for 2025 commitments. He noted that crews have already begun the third year (of five) of AMI meter deployments. He stated that 7,025 meters still need to be changed out over the next three years. He gave an update on several distribution projects and noted that contract tree crews completed work at Ashley Reservoir to remove 50 dead trees that were in danger of falling on transmission lines in that area. He reported that Sublime Systems continues to define utility requirements for the Holyoke site and that the electric demand is currently projected to be 12 MW. He then gave a report on the December 23, 2024 power outage that resulted from a failure of a Voltage Transformer (VT) at Holyoke Substation. He stated that the outage impacted 7,900 customers in 43 minutes. He stated that the VT failure was the third ABB VT in HG&E's system that has failed catastrophically in the past five years. He stated that the failed component has been replaced and that a plan is in place to replace the other five (5) ABB VT's at Holyoke Substation as soon as alternate manufacture VT's can be procured. He stated that lead times are between 36-52 weeks and that an interim solution to minimize risk to personnel and equipment is being implemented at the substation. He also gave a brief update on several other ongoing electric distribution and transmission projects. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy noted that 2024 hydro production was 228,802 MWh which was 6.4% above plan. He then gave an update on capital projects, including the Hadley Falls Unit #2 rehabilitation project, and Cobble Mountain maintenance activities. He noted that the commissioning of Hadley Falls Unit #2 went well and that the unit was returned to service on Monday. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave an update on the status of sales activity and ongoing maintenance projects. He then gave an update on the 2024 cybersecurity training results. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave an update on 2024 statistics for fuel assistance activity, payment methods and delinquencies. She also reported that the existing drive-up payment kiosk is not compatible with the NISC ERP system and given the low volume of transactions through the drive-up kiosk, the current plan is to discontinue the drive-up kiosk once the ERP conversion to NISC is completed. She stated

that communications will go out to customers notifying them of the many different payment methods other than the drive-through kiosk. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave an update on recent legislative activity related to Energy and Environmental Affairs (EEA) proposals to establish a Decarbonization Clearinghouse and require all Municipal Light Plants (MLP's) to participate in the clearinghouse, a proposal to require all heavy-duty vehicles to meet California emissions standards by January 1, 2025, and the Clean Heat Standard (CHS). She then gave an update on several state and federal grant applications that have been submitted including the MBI Residential Retrofit Grant, EPA Community Change Grant, and the DOE RMUC Cybersecurity Grant. She then gave an update on upcoming community outreach and discussed current Green Team activities including the evaluation of existing incentive programs. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

SPONSORSHIP REQUEST – ST. PATRICK'S COMMITTEE OF HOLYOKE: Mr. Lavelle reported that the Department received a sponsorship request in the amount of \$12,000 from the Holyoke Saint Patrick's Parade Committee and recommended that the request 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.

NON-GUILD MERIT -2025: Mr. Lavelle recommended that the Commission approve a budget for non-guild merit adjustments per the following: 4.0% pool for merit adjustments; 1.5% for performance recognition and 1% for equity adjustments and promotions. He stated that this recommendation is consistent with the 2025 budget approved by the Commission and consistent with the recommendations of the Department's wage consultant. There was a brief discussion on the request. On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the request per the recommendation of management.

BID AUTHORIZATIONS:

2025 ONE-TIME PURCHASES & ANNUAL CONTRACTS: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for planned one-time purchases and annual contracts for 2025, as outlined in the January 3, 2025, memorandum from Purchasing Coordinator, Chi Wong. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to authorize the bids per the recommendation of management.

LNG I&R PHASE I CONSTRUCTION: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for the Phase I Construction of the LNG I & R project which includes the installation of new glycol heaters, vaporizers, controls, and associated equipment at the Mueller Road LNG 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:

GAS METER TEST EQUIPMENT: Mr. Lavelle recommended that the Commission award the contract for Gas Meter Test Equipment to Powell Controls, the low and only 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.

VEHICLE #4 REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for Vehicle #4 replacement to Marcotte Ford through the State contract #VEH110. He noted that the existing vehicle is a 2012 box truck that is beyond its useful life and reasonable repair. 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.

OVERHEAD CRANES & HOISTS INSPECTIONS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Overhead Crane and Hoist Maintenance to Mass Crane and Hoist Services, Inc., the low and only 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.

HYDRAULIC TURBINE MECHANICAL MAINTENANCE & REPAIRS ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission award the contract for Hydraulic Turbine Maintenance and Repairs to O'Connor Corporation, the low and only 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.

VIRTUAL STORAGE PLATFORM (VSP) DEVICES: Mr. Lavelle recommended that the Commission approve the expenditure of up to \$330,000 for the purchase of two (2) virtual storage platform appliances to replace the existing network-attached storage (NAS) devices that are at the end of their useful lives. He noted that the storage devices support the Suffolk and Walnut data centers and over 80 vmware servers. 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.

PROFESSIONAL SERVICES – GRANT COMPLIANCE SUPPORT: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$133,000 for professional services required to support the Department's Federal Grant Compliance efforts. He stated that the Department has received several federal grants that have numerous compliance requirements and stated that external resources are required to ensure compliance with the grant requirements. He noted that HDR Engineering has assisted the Department with the grant applications and is qualified to ensure that the Department complies with all grant requirements. 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.

COMMERCIAL AUTO INSURANCE RENEWAL: Mr. Lavelle recommended that the Commission approve the expenditure of up to \$84,275 for the renewal of the Department's commercial auto insurance written by Glatfelter and served by Clayton Insurance. 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.

PURMA/PUMIC LIABILITY INSURANCE RENEWAL: Mr. Lavelle recommended that the Commission approve the expenditure of up to \$132,243 for the renewal Department's liability insurance policies through PURMA/PUMIC. He noted that the policies include excess liability, fiduciary liability, public officials' liability, employment practices liability, errors, and omissions coverage. 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:

- 01/02/25 – Draft Commission Meeting Minutes from 12/18/24
- 01/02/25 – JL/DD/Financial Statements, Balance Sheet & Summary Report – November 2024
- 01/15/25 – COMM/BM/2025 Non-Guild Merit Adjustment Recommendation
- 01/13/25 – COMMM/KC/Sponsorship Request – Saint Patrick's Committee of Holyoke
- 01/03/25 – JL/CW/Authorization to Bid – 2025 One Time Purchases & Annual Contracts
- 01/06/25 – JL/BR/Authorization to Bid – LNG I&R Project (Phase 1) Construction
- 01/09/25 – JL/CW/Bid Recommendation – Gas Meter Testing Equipment
- 01/03/25 – BR/RT/Purchase of Replacement Vehicle – Truck #4
- 01/08/25 – JL/CW/Bid Recommendation – Overhead Cranes & Hoists Inspections Annual Contract
- 01/08/25 – JL/CW/Bid Recommendation – Hydraulic Turbine Mechanical Maintenance & Repairs Annual Contract
- 01/09/25 – KJ/ED/Purchasing Approval: Hitachi VSP One Storage
- 01/09/25 – JL/BM/Purchasing Approval: Professional Services – Grant Compliance Services
- 01/09/25 – JL/BM/Purchasing Approval: Commercial Auto Insurance Renewal
- 01/09/25 – JL/BM/Purchasing Approval: PURMA/PUMIC Liability Insurance Policy Renewal

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, February 25th at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to adjourn the Meeting at 5:55 P.M.

HG&E Commission