

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
APRIL 9, 2024

A meeting of the Holyoke Gas and Electric Department was held on April 9, 2024, at 5:13 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, Kate Sullivan, Lisa Rogers, and Attorney John Ferriter.

CALL TO ORDER:

Chairman Hoey called the meeting to order at 5:13 P.M.

MINUTES:

On a motion from Commissioner Marrero, seconded by Commissioner Hoey, it was unanimously voted to approve the minutes from March 12, 2024.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the draft February 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 consistent with the hedging plan for the current 12-month procurement window. He stated that 54% of summer supply is locked in price. He noted that the Purchased Gas Adjustment (PGA) was reduced from \$0.29/ccf to \$0.035 for the April billing cycle as a result of energy costs being down 33% since the PGA was set in October. He reported that March unit sales are down approximately 5% below plan due to mild weather, and that first quarter unit sales are approximately 8% below plan. He then reviewed the April 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 reported that there has been no feedback from the EFSB regarding the petition to expand LNG storage and that counsel is currently advising that it will likely be at least September before a draft ruling is issued on the petition. He stated that distribution construction work has begun on Main Street and Woodbine Ave. He then reported that there are currently zero leaks on file and that the annual DIMP review would be completed this week. He also gave a brief update on the PHMSA grant funding. There was a brief discussion on the matter.

DPU Update – Mr. Roy stated that the DPU issued a Letter of Concern related to the operator qualification performance exam observation in February. He noted that the DPU raised a concern during the exit interview over an interpretation of manufacturer procedures. Mr. Roy stated that the Department provided documentation to the DPU demonstrating that our interpretation of the subject procedure was correct. He reported that the DPU's Letter of Concern affirms that the Department did not violate applicable code and advised the Department to follow best practices, which would be to follow standards in manufacturer's procedures, which Department staff did in this case. There was a brief discussion on the matter.

PHMSA Grant Update – continue to remain engaged with PHMSA on the \$10M provisional grant award. They have not reviewed the revised application submitted in August 2023 but Westfield recently received authorization of their revised plan and we submitted it at the same time so we should hear soon. Seeking ATB tonight just to help streamline the process and position us to (hopefully) complete Cabot St work this year ahead of next year’s Canal Walk work in that area.

ELECTRIC DIVISION

POWER SUPPLY

Mr. Steve Roy reviewed the April electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the April 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 March peak occurred on March 21st, hour-ending 20, and that 6.15 MW were shed via Department load reducers. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that 54% (1350) of planned AMI meter deployments have been completed as of April 1st and that crews began prep-work to replace a vacuum switch on Kelly Way. He noted that the DPW received a grant for an EV trash truck and that Highland Fleets (serving HPS with school bus transportation) received a grant for five (5) EV buses and that staff is working with both parties to ensure the appropriate infrastructure is available to support the vehicles. He noted that the Rivian EV chargers at the Barnes and Noble plaza were energized and that prep-work has begun for the UPS installation on Water Street. He then reported that ISO New England is requiring a Level III system impact study for the several distributed energy resource (DER) projects that are currently in various stages of planning or development. He stated that the projects include various battery storage systems and a second generator at the ESG project site. He also reported that the investigation continues to determine the cause of failure of three primary disconnect bushings at North Canal Substation during 2023 and that Doble Engineering will be on-site Wednesday and Thursday to perform additional testing on switchgear cubicles. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Roy stated that hydro production through March was 10.8% ahead of plan due to favorable river flow. He then gave an update on planned capital, including the Hadley Falls Unit #2 rehabilitation project that is scheduled to begin in the second quarter. He also reported that the canal shutdown activity was completed as scheduled and that there were no major findings. He further reported that staff assisted the city with a grant application to the Executive Office of Energy & Environmental Affairs to obtain funds necessary to rehabilitate Flood Stations #1 & #4. Commissioner Hoey disclosed that his employer was contracted to assist the city with the application as well. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Lavelle gave an update on the status of sales activity, and he reported that staff continues to summarize the findings of the FTTH design and will have recommendations on next steps in the near future. There was a brief discussion on the matter.

CUSTOMER SERVICE

Ms. Rogers gave a brief update on accounts receivable, fuel assistance and payment method statistics for 2023. There was a brief discussion on the matter.

MARKETING & COMMUNICATIONS

Ms. Sullivan gave an update on planned spring public outreach activities including the natural gas public awareness campaign, safety awareness program for the schools and seniors, collaborative fishway education program, and an elected officials update. She then gave an update on Green Team activities including collaboration with MMWEC and DOER on potential funding for conservation and electrification assistance. She also gave an update on various grant opportunities being pursued by the Department. Finally, she reported that the Department is the recipient of APPA's RP3 Diamond designation, APPA's highest award for reliability. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

INVESTMENT POLICY STATEMENT/OPEB INVESTMENT POLICY STATEMENT: Ms. McMahon presented revisions to both the HG&E Investment Policy Statement and the OPEB Investment Policy Statement for approval by the Commission. She noted that there are no material changes being recommended and that all recommended changes are for cosmetic or clarification purposes. She further noted that the proposed changes have been reviewed and agreed to by the Department's investment advisor. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the policies as presented.

SPONSORSHIP REQUEST – FIESTAS PATRONALES DE HOLYOKE: Mr. Lavelle reported that the Department received a sponsorship request in the amount of \$5,000 from the organizers of the Fiestas Patronales de Holyoke and he recommended that the request be approved as it is consistent with the sponsorship level for the past several years. 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.

SPONSORSHIP REQUEST – WESTMASS ELDERCARE 50TH ANNIVERSARY: Mr. Lavelle reported that the Department received a sponsorship request from WestMass Eldercare for their 50th Anniversary events and he recommended that the request be approved at \$2,000. 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.

BID AUTHORIZATIONS:

WHITNEY AVENUE BRIDGE GAS MAIN REMEDIATION: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for required remediation work on the natural gas main at the Whitney Avenue Bridge crossing. He stated that a recent inspection noted that the pipeline sleeve is in need of remediation to protect against atmospheric corrosion in accordance with state and federal pipeline regulations. 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.

GATEHOUSE GAGE ACTUATOR ASSEMBLIES: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for the procurement of ten (10) complete screw stem actuator assemblies to replace the existing actuators that are nearing the end of their useful life. 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.

BIDS RECEIVED:

ELECTRIC UNDERGROUND CABLE – 500 MCM EPR CU CONDUCTOR: Mr. Lavelle recommended that the Commission award the contract for Electric Underground Cable – 500 MCM EPR cu Conductor to Prysmian Cables and Systems USA, LLC, the low bidder meeting all technical 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.

PURCHASE APPROVAL – ARCFM SOFTWARE SUPPORT & MAINTENANCE

RENEWAL: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$81,434.35 for the five (5) year renewal of ArcFM software support and maintenance services in support of the Department’s GIS Application, to replace the expiring support contract. 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.

PURCHASE APPROVAL – ENGINEERING SERVICES - DER LEVEL III SYSTEM

TRANSMISSION SYSTEM IMPACT STUDY: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$114,000 for engineering services required to perform a Distributed Energy Resource (DER) Level III System Impact Study on the HG&E transmission system to assess the impact of interconnecting various DER’s onto HG&E’s distribution system. There are a number of proposed battery energy storage developers that would like to deploy DER’s (battery storage, etc.) within HG&E’s territory and ISO New England is requiring the system impact study which will be paid for by the developers looking to deploy the DER’s. 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

03/28/24 – Draft Commission Meeting Minutes from 03/12/24
03/06/24 – JL/DD/Financial Statements, Balance Sheet & Summary Report – February 2024
04/02/24 – JL/BM/Investment Policy
04/02/24 – JL/BM/OPEB Investment Policy
03/22/24 – JL/KC/Sponsorship Request – Fiestas Patronales de Holyoke
04/04/24 – JL/KC/ Sponsorship Request – WestMass Eldercare 50th Anniversary
03/29/24 – BR/JB/Authorization to Bid – Whitney Ave Bridge Gas Main Remediation
04/03/24 – SR/KT/Authorization to Bid – Gatehouse Gate Actuator Assemblies
04/04/24 – SR/VO/Bid Recommendation – Electric Underground Cable – 500MCM EPR CU Conductor
03/27/24 – KJ/ED/Purchasing Approval: ArcFM Software Support Renewal
04/05/24 – SR/SD/Engineering Services – DER Level III Transmission System Impact Study

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, May 14th at 5:30 P.M.

ADJOURNMENT:

On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:38 P.M.

HG&E Commission

Minutes 04/09/24