

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**JANUARY 13, 2021**

A meeting of the Holyoke Gas and Electric Department was held on January 13, 2021 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Ducheny and Roy; 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.

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 December 22, 2020 for approval. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes.

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Mr. Lavelle reviewed the draft November financial statements and reported that the 2020 audit was in progress by Baker-Tilly. 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 98% of winter supply has been locked in price and that 23% of summer supply is locked in. He then reviewed the January 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 stated that the number of system leaks has been reduced from 119 at the beginning of the year to the current number of four, and all leaks are minor. He also reported that 130 bare steel services and 16 coated steel services were eliminated during the year. Mr. Roy also gave an update on the Safety Management System (SMS) implementation.

**ELECTRIC DIVISION**

**Power Supply:**

Mr. Beauregard reviewed the January electric rate comparisons and reported that the Department remains competitive in all rate classes. 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 an update on the Citizens and Convergent Energy Battery Storage projects, as well as the ESG load reduction project. There was a brief discussion on the matter.

Mr. Lavelle reported that during the first week of the new year the State legislature issued the long awaited Climate Bill and the Governor issued the 2050 Decarbonization Road Map along with an Interim Clean Energy and Climate Plan for 2030. He stated that the Climate bill requires the State to achieve net zero emissions by 2050, and to achieve a 50% emission reduction from 1990 levels by 2030 and a 75% emission reduction, from 1990 levels, by 2040. He stated that the bill also includes the following provisions:

- Mandates emissions sub-limits for six high-priority sectors of the economy: electric power, transportation, commercial and industrial heating and cooling, residential heating and cooling, industrial processes, and natural gas distribution and service.
- Writes environmental justice into Massachusetts law, defining environmental justice populations and providing new tools and protections for affected neighborhoods.
- Provides \$12 million in new annual funding for Mass CEC for clean energy workforce development for minority-owned and women-owned small businesses, environmental justice communities, and fossil fuel workers.
- To aid in achieving limits and sub-limits, sets numerical benchmarks for adoption of electric vehicles, charging stations, solar technology, energy storage, heat pumps, anaerobic digestors, and other breakthrough solutions.
- Creates a first-time greenhouse gas emissions standard for municipal lighting plants, requiring them to purchase 50% non-emitting electricity by 2030 and get to “net zero” emissions by 2050. Imposes a moratorium on wood-to-energy facilities of the kind contemplated in Springfield, MA, preventing them from qualifying as “non-carbon emitting” resources for five years. Directs EEA to conduct a new study of the impact of biomass on greenhouse gas emissions and public health.
- Encourages natural gas utilities to get into new lines of work, by authorizing them to pilot "renewable thermal energy sources, systems or technologies capable of substituting for fossil-fueled natural gas" -- geothermal heating and cooling on a district-wide scale.
- To help drive down emissions from common household and commercial appliances, sets Massachusetts appliance efficiency standards according to California precedents and future federal standards.
- Addresses natural gas safety:
  - ✓ Requires the DPU to issue new regulations relative to training and certifying utility contractors;
  - ✓ Instructs the DPU to set standards for maintaining gas distribution maps and records;
  - ✓ Increases the penalties for failure to restore service after emergencies;
  - ✓ Raises the cap on civil penalties for gas pipeline safety violations, allowing for fines in excess of those set by federal law;

- ✓ Strengthens gas company plans to address aging and leaking infrastructure, by setting interim targets for reducing gas leak rates and authorizing the DPU to levy fines for non-compliance.

He further stated that the 2050 Decarbonization Roadmap calls for a balanced clean energy portfolio that including significant offshore wind resource, widespread electrification of transportation and building heating, a requirement that all new cars and passenger trucks sold in Massachusetts be zero-emission vehicles starting in 2035, new long-term declining emissions caps for heating fuels like natural gas and oil, scaling up offshore wind generation by more than 15 times from the 1,600 megawatts already under contract to 25 gigawatts by 2050, and the creation of a new net-zero stretch building energy code.

### **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 reported that all 2020 project commitments had been substantially completed by year-end, with three projects completed since the last Commission meeting. He stated that the Meter Data Management System was placed into production; the final three backyard services were completed; and the arc flash tripping task was substantially completed. Mr. Beauregard then gave an update on the RNS reconstitution issue. There was a brief discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Ducheney reported that 2020 hydro generation was 6%, or 19,000 MWh, below plan due to low water flows. He stated that water flows have been favorable for generation since the first of the year and are just beginning to moderate over the past couple of days. He further reported that wholesale electricity prices are averaging approximately 20% higher than last year for the first two weeks of the year. He then gave an update on the Chemical Station re-habilitation work and the non-power solutions being implemented at Cobble Mountain Station. 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.

### **CUSTOMER SERVICE**

Ms. Rogers gave an update on the new rebate structure and stated that the in-house process of rebates has been going smoothly since the beginning of the year. 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 then gave an update on Fiber-to-the-Home communication strategy, website updates for energy conservation and community outreach efforts. There was a brief discussion on the matter.

**OLD BUSINESS:** None

**NEW BUSINESS:** None

## **BID AUTHORIZATIONS:**

**2021 ANNUAL CONTRACTS:** Mr. Lavelle requested authorization to solicit bids for the 2021 One-Time Purchases and Annual Contracts as outlined in the January 5, 2021 memorandum from Purchasing Coordinator, Chi Wong. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bids per the recommendation of management.

## **BIDS RECEIVED:**

**LEASE OF COPIERS & SUPPORT SERVICES:** Mr. Lavelle recommended that the Commission award the contract for the Lease of Copiers & Support Services to Ricoh USA, Inc., 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.

**HYDRAULIC TURBINE MECHANICAL MAINTENANCE & REPAIRS ON-CALL ANNUAL CONTRACT – EXTENSION:** Mr. Lavelle recommended that the Commission authorize a one year extension to the Hydraulic Turbine Mechanical Maintenance & Repairs On-Call Annual Contract with O’Connor Corporation, subject to a 3% increase in labor rates and all other terms and conditions the same as 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.

**2021 UTILITY LINE MATERIAL:** Mr. Lavelle recommended that the Commission award the contracts for Utility Line Material to the lowest qualified bidder meeting all requirements for each item as identified on the January 8, 2021 memorandum from Storekeeper Terrence Judd. 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.

**ENGINEERING SERVICES – COBBLE MOUNTAIN BROOME GATE:** Mr. Lavelle recommended that the Commission authorize the expenditure of \$7,950 for engineering services required to engineer a plan to install an emergency generator at the Cobble Mountain Broome Gate. 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.

**SCADA PROGRAMMING SERVICES:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$25,000 for SCADA Programming Services required for integrating new instrumentation to the SCADA system as well as any other unplanned programming work during the year. 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 MANAGEMENT SYSTEM (SMS) GUIDES:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$22,140 for Safety Management System (SMS) Guides, through the Blacksmith Group and Northeast Gas Association, and required to train employees to safely engineer and execute key distribution tasks as part of the Gas Division’s SMS implementation. 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.

**ENGINEERING SERVICES – HYDRO FISHWAY MANAGEMENT SUPPORT:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$20,000 for Engineering Services required to support fishway operations for 2021 and to prepare and submit required reports to the environmental agencies. 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.

**115 KV VOLTAGE TRANSFORMERS – NORTH CANAL SUBSTATION:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$150,150 for the replacement of eighteen (18) voltage transformers (VT's) at North Canal Substation plus two spares. He stated that the existing units were installed in 2012 when the substation was commissioned and that there was a catastrophic failure of one of the existing VT's on November 4, 2020 that caused significant damage. He stated that upon further testing, three of the remaining 17 units showed signs of significant deterioration. He stated that the units are on a preventive maintenance schedule for testing and the unit that failed, passed inspection tests in late 2015. Based on the apparent quick degradation of the units, staff is recommending that all units at North Canal Substation be replaced. He stated that the vendor (ABB) has acknowledged a "design issue" with the vintage VT's that installed at North Canal Substation and that a design modification has since been made to the high voltage shield design. He further reported that the units are no longer under warranty. Mr. Beauregard stated that staff has conducted an extensive investigation and has determined that another vendor, Trench, makes a similar item that is designed to the IEC – 61869 Arc Withstand standard, has a cast aluminum tank design, versus the welded steel design of the ABB units, and has no incidents of failure for any of their units in the field. Mr. Beauregard explained that, based on the unique Trench design, a sole source procurement is recommended and has been approved by Chi Wong, the Purchasing Coordinator. Commissioner Hoey suggested that staff work with Attorney Ferriter to pursue a claim against ABB due to the design defect, and Mr. Lavelle agreed. 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:**

01/08/21 – Draft Commission Meeting Minutes from 12/22/20  
12/29/20 – JL/DD/Financial Statements, Balance Sheet November 2020  
01/05/21 – JL/CW/Authorization to Bid – 2021 One Time Purchases & Annual Contracts  
01/07/21 – JL/CW/Bid Recommendation – Lease of Copiers & Support Services  
01/08/21 – JL/CW/Bid Recommendation – 2021 Utility Line Material  
01/05/21 – JL/CW/Recommendation – Hydraulic Turbine Mechanical Maintenance & Repairs On-Call Annual Contract - Extension  
01/07/21 – JL/CW/Purchasing Approval: Engineering Support – Cobble Broome Gate Emergency Generator  
01/07/21 – BR/RB/Purchasing Approval: Gas SCADA Services  
01/08/21 – BR/MK/Purchasing Approval: Professional Services to develop PSMS Enhancements  
01/08/21 – PD/SL/Purchasing Approval: Hydro Fishway Management Support  
01/11/21 – BB/SD/Purchasing Approval: N. Canal Substation 115kV Voltage Transformers Replacements

**NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, February 16, 2021 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 6:39 PM.

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HG&E Commission