

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

A meeting of the Holyoke Gas and Electric Department was held on July 13, 2021 at 5:00 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin (via telephone) and Sutter; Manager Lavelle; Superintendents Steve Roy, Brian 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.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the minutes from June 15, 2021 for approval.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Mr. Lavelle reviewed the draft May financial statements. 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 approximately 90% of summer supply has been locked in price and that 28% of winter ('21-'22) supply is locked in price. He stated that market volatility continues to put upward pressure on wholesale natural gas prices (NYMEX) and that the average August-December pricing is 33% higher than budget which will impact the winter fuel adjustment. He then reviewed the July 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 also gave an update on the Safety Management System program enhancements and the impact of the natural gas moratorium.

Mr. Roy then reported that the Department of Public Utilities (DPU) conducted a follow-up on their 2019 LNG audit on July 9th and that it appears that the DPU is prepared to close-out the audit. He then reminded the Commission that gas meter changes, which are required every seven years, were suspended by the DPU during the pandemic, and were only recently approved in May. He stated that crews are working at an aggressive pace to catch up with meter changes and expects to be caught up by December 2022. He stated that 2,133 meters are scheduled for change-out this year, with another 1,700 meters planned for change-out in 2022. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Steve Roy reviewed the June electric rate comparisons and reported that the Department remains competitive in all rate classes. He then reviewed the July 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. He further reported that the Large Industrial Electric Contract rate was scheduled to expire at the end of the year and that staff will present a proposed successor rate at a future meeting. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Roy reported that nine (9) of fifty (50) Transmission and Distribution commitments have been completed to date, with the remainder in process and on schedule for completion by the end of the year. He then gave an update on replacement of VT's and CCVT's at North Canal substation and reported that four of six sets of terminals have been replaced and returned to normal. He also reported that outages have been scheduled through CONVEX to complete the replacement of the remaining two sets of VT's by the end of July. He then gave an update on load reduction activities and efforts to design a successor Large Industrial Electric contract for the HIPA group. Commissioner Hoey asked if the Department had behind the meter storage activity ongoing or planned for the near future. Mr. Lavelle stated that the residential storage project had been terminated due to the failure of the battery supplier to produce a viable product. He stated that Mr. Roy is currently developing a Grid Modernization plan that will accommodate behind the meter storage and other capabilities and that he would have more to report on that in the near future. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Steve Roy reported that year-to-date hydro generation is behind plan by approximately 18,000 MWh (~12,6%) due to low water flows. He stated that July generation has started off higher than plan due to higher than average rain so far and that the monthly target should be met by mid-month. Mr. Roy then gave an update on the Canal Log Boom construction and the Hadley Falls Unit #2 overhaul design. 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 reported that foot traffic has increased steadily at the main office, but is still well off of the normal pace. She further reported that she expects that the new payment kiosk will be installed at the Drive-Thru station by the end of October. There was a brief discussion on the matter.

MARKETING AND COMMUNICATIONS

Ms. Sullivan gave an update on the Fiber To The Home (FTTH) interest survey and reported that over 1,100 responses have been received to date. She also stated that efforts were underway to continue to promote the survey through various media outlets to ensure that all customers are familiar with how to access the interest form before the survey process is closed on July 23rd. She also gave an update on the SpryEngage outage communication system that will be launched this week to improve outage communications. She then reported that she is working on the development of clean energy logos that customers can use to promote their use of clean energy through HG&E. Finally she reported that the ribbon cutting for the Martin Dunn Energy Center will be held on July 29 at 2 PM. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

COMMERCIAL ENERGY CONSERVATION PROGRAM MODIFICATION: Mr. Lavelle recommended that the Commission authorize modifications to the Commercial Energy Conservation Program, consistent with the recommendations in the July 7, 2021 memorandum from Sophie Theroux, Energy Conservation Coordinator. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the rate modifications per the recommendation of management.

SPONSORSHIP REQUEST- GREATER HOLYOKE CHAMBER OF COMMERCE: Mr. Lavelle reported that the Department received a sponsorship request from the Greater Holyoke Chamber of Commerce. He stated that the request is consistent with the level of support that the Commission has approved for the last several years at the Corporate Sponsor Level and he recommended that it be approved. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the sponsorship per the recommendation of management.

BID AUTHORIZATIONS:

DIVE SURVEYS & MAINTENANCE ANNUAL CONTRACT: Mr. Lavelle recommended that the Commission authorize the solicitation of bids for Dive Surveys and Maintenance requirements for the annual hydro-electric facilities maintenance requirements. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the bid per the recommendation of management.

BIDS RECEIVED:

35 KV PADMOUNTED THREE-WAY SWITCHGEAR: Mr. Lavelle recommended that the Commission award the contract for 34.5 KV Switchgear to E.L. Flowers, the lowest qualified bidder meeting requirements of the specification. 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.

30 WATER ST. OLD STEAM PLANT ROOF REPLACEMENT: Mr. Lavelle recommended that the Commission award the contract for the Steam Plant Roof Replacement to DP Carney, 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.

UTILITY OPERATIONS NETWORK UPGRADE – PHASE 3: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$75,911 for the purchase of hardware and associated network equipment to replace the existing equipment on the Utility Operations Network access layer. He stated that the recommendation is the third phase of a three phase project to upgrade the network infrastructure in order to keep pace with increased network traffic, maintain reliability and improve the security posture of the network. 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.

CIENA ETHERNET SWITCHING HARDWARE: Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$20,000 for the purchase of hardware and associated network equipment to satisfy a customer (SHELD) request to connect several municipal buildings to their network. He stated that the expenditure is fully reimbursable by the customer. 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:

07/08/21 – Draft Commission Meeting Minutes from 06/15/21
06/28/21 – JL/DD/Financial Statements, Balance Sheet May 2021
07/08/21 – SR/ST/Commercial Energy Conservation Program (CECP) – Modifications to Terms & Conditions
06/23/21 – JL/KS/Sponsorship Request – Greater Holyoke Chamber of Commerce
06/29/21 – JL/PD/Bid Authorization – Dive Surveys & Maintenance Annual Contract
07/08/21 – SR/CP/Bid Recommendation – 35kV Padmounted Three-Way Switchgear
07/09/21 – JL/CW/Bid Recommendation – 30 Water St. Old Steam Plant Roof Replacement
06/11/21 – KJ/JP/Purchasing Approval: Utility Operations Network Phase 3 Solution
07/07/21 – TH/KJ/Purchasing Approval: SHELD FiberSonic Public Schools Network Equipment

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Wednesday, August 11, 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 6:05 P.M.

HG&E Commission