

**MINUTES OF GAS & ELECTRIC COMMISSION MEETING**  
**REGULAR SESSION**  
**FEBRUARY 13, 2024**

A meeting of the Holyoke Gas and Electric Department was held on February 13, 2024, at 5:10 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 5:10 P.M.

**MINUTES:**

On a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the minutes from January 9, 2024.

(Commissioner Sutter joined the meeting)

**REPORTS & RECOMMENDATIONS OF MANAGER:**

**Financial Report:**

Ms. McMahon reviewed the draft December 2023 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 98% of winter ('23-'24) supply is locked in price and that 39% of summer supply is locked-in. He noted that unit sales are down approximately 6% below plan through January, largely due to mild weather. He then reviewed the February 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 noted that staff submitted the Department's brief on the project merits for the EFSB staff to review. Mr. Roy then gave an update on cast iron and bare steel service replacements and a recent CNG feasibility study. There was a brief discussion on the matter.

Mr. Roy then gave an update on planned distribution projects for the construction season and noted that there are currently no leaks on file. There was a brief discussion on the matter.

**ELECTRIC DIVISION**

**POWER SUPPLY**

Mr. Steve Roy reviewed the February electric rate comparisons and reported that the Department remains competitive in all rate classes compared to regional peers. He then reviewed the February 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 January peak occurred on January 17th, hour-ending 19, and that 2.65 MW were shed via Department load reducers. There was a brief discussion on the matter.

### **TRANSMISSION & DISTRIBUTION**

Mr. Roy reported that inspections of padmount transformers and termination cabinets have been completed for the year and that the transformer oil at Ingleside Substation was changed during January. He also reported that AMI meter deployments are ongoing as part of the second year of a five-year deployment plan, and he gave an update on various distribution projects and grant applications. 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 recent test results of both failed and functioning bushings will be reviewed in the coming weeks. Mr. Roy then gave a brief update on two different parties that are interested in developing battery storage projects in the City. There was a brief discussion on the matter.

### **ELECTRIC PRODUCTION**

Mr. Roy stated that hydro production for January was 17% ahead of plan due to favorable river flow. He then gave an update on planned capital projects at Cobble Mountain Station and Hadley Falls Station, including the Hadley Falls Unit #2 rehabilitation project that is scheduled to begin in the second quarter. There was a brief discussion on the matter.

### **TELECOMMUNICATIONS**

Mr. Jonah 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 first quarter of 2024. 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 public activities for the fishway during the spring season and noted that staff is working with Heritage State Park and First Light Power due to the planned outage for Hadley Falls Unit #2. She then gave an update on various grant applications that are in process or have been submitted. She also reported that two HG&E customers have been selected for the Decarbonization Pathways Pilot #2 program through MassCEC. 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 \$10,000 from the Holyoke Saint Patrick’s Parade Committee and 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.

**COMMERCIAL ENERGY CONSERVATION ASSISTANCE REQUEST – 224 WESTFIELD**

**ROAD, LLC:** Mr. Lavelle reported that the Department received a Commercial Energy Conservation Assistance request in the amount of \$43,095, from the owners of 224 Westfield Rd, LLC, for the installation of two rooftop gas/electric energy efficient HVAC units and a new efficient water heating system. He recommended that the assistance be approved as requested. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to approve the assistance per the recommendation of management.

**2024 NON-GUILD MERIT:** 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 2024 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.

**HOLYOKE SOLAR COOPERATIVE AGENT AGREEMENT:** Ms. McMahon presented a draft Agent Agreement between the Department and the Holyoke Solar Cooperative (HSC) that defines the terms by which the Department would finance three capital projects through the HSC. She stated that the recommended approach is similar to the approach used on the recent 17L Substation improvements and the MIT-LL UPS projects. She stated that the projects included in the Agreement include cast iron gas mains replacements (\$5.75M), LNG Facility upgrades (\$10.8M) and Advance Metering Infrastructure (AMI) deployments (\$1.24M). She explained that the proposed financing is the most cost-effective approach currently available as continued use of operating cash to fund all capital projects is unsustainable over the long term. Commissioner Marrero questioned the structure of the arrangement and asked how the proposed financing is more cost-effective than issuing a bond for the capital projects. Ms. McMahon stated that a bond issuance would likely involve issuance costs of up to \$500,000 or more, and that the proposed option gives the Department significant flexibility to adjust financing amounts and the ability to take advantage of potential interest rate decreases in the future. She noted that the LNG project cost is uncertain due to the current review by the EFSB and that the proposed financing allows for adjusting the loan amount and for changing the specific capital projects to be financed, which would not be allowed under a bond issuance. She stated that the draft Agreement has been reviewed by Department counsel and recommended that the Commission approve the Agent Agreement and the assignment of the Agent Agreement to PeoplesBank and also recommended that the Commission approve the draft Certificate of vote presented to the Commission. After a discussion, and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was voted 2-0:

- (1) that the Holyoke Gas & Electric Commission (HG&E) hereby authorizes entering into an Agent Agreement with the Holyoke Solar Cooperative for financial and other management and administrative services; and the assignment of the Agent Agreement between HG&E and the Holyoke Solar Cooperative to PeoplesBank for a borrowing by the Holyoke Solar Cooperative; and
- (2) that the Manager or Director of Finance & Accounting or either one of them is hereby authorized and directed to take any action deemed necessary or advisable to carry out the purposes of this vote, including but not limited to execution of Notes, Security Agreement and any other documents to accomplish the borrowing; and

- (3) that the Manager or Director of Finance & Accounting or either one of them is hereby authorized and directed to execute any other documents necessary to effectuate the purposes of this Vote; and
- (4) that any actions previously taken by the Manager or Director of Finance & Accounting or HG&E which are consistent with the purpose of this vote are hereby ratified and confirmed.

Commissioner Marrero abstained from the vote as he stated that he wanted to better understand some of the complexities of the proposed financing.

**BID AUTHORIZATIONS:** None

**BIDS RECEIVED:**

**2024 ELECTRIC DISTRIBUTION TRANSFORMERS:** Mr. Lavelle recommended that the Commission award the contracts for electric distribution transformers to the low bidder meeting all requirements for each item as detailed in the January 25, 2024, memorandum from Senior Electrical Engineer Vincent O’Connell. After a brief discussion and on a motion from Commissioner Sutter, seconded by Commissioner Marrero, it was unanimously voted to award the contracts per the recommendation of management.

**ELECTRICAL PREVENTATIVE MAINTENANCE TESTING SERVICES ANNUAL CONTRACT:** Mr. Lavelle recommended that the Commission award the contract for Electrical Preventative Maintenance Testing Services to Osrose Utility Services, Inc., as detailed in the January 24, 2024, memorandum from Senior Electrical Engineer Vincent O’Connell. 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.

**TRUCK #40 REPLACEMENT:** Mr. Lavelle recommended that the Commission award the contract for the Truck #40 replacement to Marcotte Ford, off of the VEH110 State Bid List. 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.

**LNG TANK 1 & 4 INSULATION UPGRADES:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$175,000 to perform insulation upgrades for Tanks #1 and #4 at the West Holyoke LNG facility. He stated that the tanks were installed in the 1970’s and the original insulation has deteriorated resulting in increased vaporization of LNG. 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.

**2024-2025 PROPERTY INSURANCE RENEWAL:** Mr. Lavelle recommended that the Commission authorize the expenditure of up to \$522,165 for the renewal of the Department’s property insurance policy offered by Aon. He stated that the negotiated premium represents an increase of 5% over the prior year premium, and that the insured values have increased 3% over the prior year. 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.

**DOBLE 3-YEAR SERVICE & EQUIPMENT AGREEMENT:** Mr. Lavelle requested authorization for the expenditure of up to \$93,450 for a three-year extension to the existing contract with Doble Engineering Company for test equipment and engineering services required to ensure the integrity of transformers, breakers and other critical electrical equipment deployed throughout the electric transmission and distribution system. 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 – 2024 UPSTREAM FISH & EEL PASSAGE ACTIVITIES:** Mr. Lavelle requested authorization for the expenditure of up to \$231,626 for professional services required to comply with FERC Project 2004 Fish and Eel passage requirements. He stated that the required services include data collection services; third-party biological oversight; shortnose sturgeon radio tagging and study; and public outreach activities. He stated that the cost and vendors for each activity are detailed in the February 2, 2024, memorandum from Senior Engineer, Sarah Larose. Chairman Hoey asked if competitive bids had been received for certain proposed services and asked if local firms had been contacted to submit proposals. Steve Roy stated that certain services were not competitively bid due to specific license requirements for shortnose sturgeon tagging capabilities and that other services have been brought in-house, reducing outside consulting costs. He further stated that proposals for other services would be obtained for future activities. 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**

01/04/24 – Draft Commission Meeting Minutes from 01/09/24  
02/06/24 – JL/DD/Financial Statements, Balance Sheet & Summary Report – December 2023  
02/05/24 – JL/KC/Sponsorship Request – Saint Patrick’s Committee of Holyoke  
02/07/24 – KC/MC/CECP – 224 Westfield Road, LLC  
02/08/24 – COMM/JL/2023 Non-Guild Merit  
02/01/24 – COMM/BM/Holyoke Solar Cooperative Agent Agreement  
01/25/24 – SR/VO/Recommendation – 2024 Electric Distribution Transformers  
01/24/24 – SR/VO/Recommendation – Electrical Preventative Maintenance Testing Services  
02/07/24 – SR/JW/Purchasing Approval: Truck #40 Replacement  
01/26/24 – BR/RB/Purchasing Approval: LNG Tank 1 & Tank 4 Insulation Upgrades  
02/08/24 – JL/BM/Purchasing Approval: 2024-2025 Property Insurance Renewal  
01/24/24 – SR/SD/Purchasing Approval: Doble 3 Year Service & Equipment Agreement  
02/02/24 – SR/SL/2024 Upstream Fish & Eel Passage Activities

### **NEXT MEETING DATE:**

It was agreed that the next Commission meeting would take place on Tuesday, March 12th at 5:00 P.M.

### **ADJOURNMENT:**

Mr. Lavelle recommended that the Commission enter into Executive Session to discuss strategy with respect to real estate negotiations.

Chairman Hoey stated that the Commission would enter into Executive Session and 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 6:10 P.M.

Chairman Hoey reconvened the Regular Session at 6:30 P.M.

Adjournment: On a motion from Commissioner Marrero, seconded by Commissioner Sutter, it was unanimously voted to adjourn the Meeting at 6:31 P.M.

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HG&E Commission

Minutes 02/13/24