

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL MEETING
AUGUST 27, 2020 AT 6:00 P.M.**

Present for the Board: Gregory Dubreuil, John Hine, Anne Awad, Peter McAvoy
Absent: Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Financial Manager Michael Conchieri,
Administrative Assistant Kim Mendoza, Telecommunications & Electric Meter Manager Bob
Liswell, Sr. Engineer Mark Gilmore

The virtual meeting was called to order at 6:06 P.M. by Chair Dubreuil.

Minutes Approval:

7/23/2020 Open Session

On a motion made by Mr. Hine and seconded by Mr. McAvoy, it was unanimously

VOTED: To approve the minutes of the July 23, 2020 open session.

Public Comment:

Mr. Fitzgerald had received and replied to an email inquiry from Mr. John Howard asking if SHELD would be willing to provide Electric Vehicle (EV) charging station electricity for free, for one full year. He felt that it would help promote Electric Vehicles in South Hadley.

Mr. Fitzgerald summarized his email response to Mr. Howard by listing the incentives SHELD has offered commercial accounts in the past such as a 50% rebate incentive, up to a maximum of \$5,000, for the purchase and installation of a dual port, Level 2, commercial charging station if the location of the charging station was installed in a conspicuous place, easily accessible 24/7 with markings on the charger that SHELD was a partner. The location must be active for a minimum of 5 years and SHELD must be able to publicize the charger location. The above offer has been made to two large commercial customers, however neither has accepted yet. The offers have not been made public.

Mr. Fitzgerald stated that there are complications with Mr. Howard's suggestion of free charging, such as the need to bring a separate service or meter to the charger, rather than have the charger supplied by building power. A separate meter would require a manual process to subtract the usage from the from the host's billing which can lead to errors.

Also, there are rate payers who would feel that a free charger is an unfair use of rate payers' funds because not everyone has electric vehicles and only a few could use the chargers. SHELD must be careful to be inclusive. SHELD believes the rebate offer of up to \$5,000 is more than fair and a good incentive for those customers who are interested in installing a charger which runs from \$10,000-14,000. Again, this offer was made to two commercial customers within the last year and they have not proceeded with the project.

Ms. Awad had concerns about the equity issue that not all rate payers are able to afford electric vehicles and only those people who could afford electric cars would be getting free electricity. It would also be reducing revenue to provide certain customers an advantage.

Mr. McAvoy felt that if there were more local charging stations, more people would buy electric vehicles. The electric cars can only go a limited number of miles on a charge and if there were more charging stations available more people would buy electric vehicles. It would be a potential encouragement for more people to purchase electric vehicles.

After a discussion on all the positive reasons to add charging stations in South Hadley, and the possible ways to accomplish it, Mr. Fitzgerald said SHELD would approach some of the commercial customers to gauge their interest. He thinks that the \$5000 rebate would be a good incentive for some businesses to take part. He would shy away from the idea of free charging stations as this would create an equity issue by giving only some people the advantage.

Manager's Report:

Outages:

Storm Isaias occurred on Tuesday August 4th at 4:30PM with winds up to 50 MPH. The storm caused extensive damage in Town, mostly north of Mount Holyoke College along Silver Street and Amherst Road and also along River Road. The high winds snapped multiple large trees and utility poles which caused downed transformers. Most of the damage was in a concentrated area and caused less than 5%, or 391 of SHELD's customers to lose power. 99% of the outages were restored within 24 hours, with our final customer restored on Thursday at 12:15PM. A crew of two lineworkers from Groton Electric Light Department provided mutual aid from Wednesday to Friday. Mr. Fitzgerald thanked Groton General Manager Kevin Kelly and Littleton General Manager Nick Lawler, who is our NEPPA Mutual Aid contact, for their support which was greatly appreciated.

Mr. Fitzgerald also thanked the SHELD staff, and their families. Most of them never went home Tuesday night, and some of them changed their vacation plans to work the storm. SHELD's employees showed great dedication which contributed to a successful restoration. The teamwork was extraordinary.

Fibersonic Update:

Mr. Fitzgerald provided an update on the Advanced Meter Infrastructure (AMI) RFP. The AMI project was approved in October of 2018, in conjunction with SHELD's fiber expansion, to address the need for advanced meter reading, demand side management, peak shaving and the replacement of aging meters which are at the end of life. SHELD completed a sample pilot of 150 meters and has posted an RFP for the whole project. The bid opening will occur on September 24, 2020.

The Telecom Substation Improvements contract for the Central Offices site construction was awarded to Marois Construction Company of South Hadley who was the lowest qualified bidder. Construction will begin in the next couple of months.

A Fibersonic construction update went out to all 2,554 customers who have expressed interest on the website. The update included the nine fiberhoods that have been completed and the four fiberhoods that are under construction. In addition, notification of Fibersonic's new telephone service was included in the update. The new service has robust features and costs \$19.99 a month, plus taxes and fees which are an additional cost by law. Marketing for telephone services is underway and customers will be receiving information within the next few weeks. This will offer a complete solution for those who would like to stream and keep phone service too.

COVID-19 Update:

There are no changes to report. SHELD continues to operate as an essential business with our in-person customer service office closed to the public. We have been able to service our customers' needs successfully in this mode and do not anticipate any disruption to service. The staff has been back in the office for a few weeks to cover vacations. Employees wear masks when they leave their desks, are supplied with hand sanitizer, and the building is being sprayed with disinfectant weekly. We are following all protocols.

June 2020 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending June 30, 2020.

Kilowatt hour sales for 2020 of 51,981,000 were down by 5% from 2019, or 2,743,000 kilowatt hours. Year-to-date operating revenues of \$6,720,000 were down by 6% from 2019, or about \$459,000. The \$459,000 decrease consisted of \$360,000 in lower volume and \$99,000 in a lower selling price. We had budgeted for a \$218,000 revenue decrease; the actual was a \$241,000 decrease.

The 2020 kilowatt hour purchases of 53,292,000 were down by 4% from 2019, or 1,953,000. The 2020 cost of power sold at \$4,188,000 was down by about 14% from 2019, or \$633,000. The \$633,000 decrease consisted of \$171,000 attributable to a lower kilowatt hour purchase volume, and \$492,000 due to a lower purchase price. We had budgeted for a cost decrease of \$370,000; the actual was a decrease of \$293,000.

The decrease in revenue was less than the decrease in cost of power; therefore, the net revenue of \$2,700,000 was up from 2019 by about \$308,000. The actual to budget decrease in revenue was more than the actual to budget decrease in cost of power; therefore, the actual net revenue was down from the budgeted amount by \$14,000.

All other 2020 operating expenses of \$2,800,000 on a combined basis, were up from 2019 by about \$406,000 and up from the budgeted amount by \$39,000. The 2020 operating loss of \$107,000 was up from 2019 by \$99,000 and up from the budgeted by \$53,000. The 2020 non-operating income was an expense of \$44,000, was down from 2019 by \$392,000 and down from the budgeted amount by \$131,000.

June 2020 ended with a net YTD loss of about \$63,000, which was less than the 2019 net YTD profit of \$428,000 and was lower than the budgeted amount of a \$121,000 profit.

Mr. Dubreuil noted that other than the rising pension and benefits numbers, the budget numbers were still on target. Mr. Conchieri explained how he figures the budget numbers.

House Bill 4912 Update:

Mr. Fitzgerald gave a brief history of the climate bill, which was previously called H2863, then it became H4912 and more recently changed to House Bill 4933. The climate bills have been intensely discussed in the past three years and could have a significant potential economic impact on SHELD and its rates. In summary, it began with conversations with 41 MLPs on how to assist Massachusetts Climate Policy. There were many discussions, hearings, and letters written between 2018 and March of 2020 when the MLP bill was redrafted and voted on favorably. The new draft solved concerns over a “double counting” issue regarding selling renewable energy credits by removing it from the bill. By the end of July 2020, the text of H4553 was incorporated in the House version of the climate bill. The language now establishes non-carbon energy standards for MLPs and outlines the sources MLPs can utilize to meet these standards.

This latest version states that SHELD and all MLP’s in the Commonwealth will be required to achieve 50% non-carbon emitting energy by 2030, 75% non-carbon emitting energy by 2040 and zero non-carbon emissions by 2050. The most significant development is that the generation technologies, now considered to be non-carbon emitting, include nuclear and hydrokinetic energy. If the bill is passed with this language, SHELD will have already met its 2040 goal of 75% and is close to meeting its 2050 goal of zero percent. The timeline to pass the bill is the end of this year.

Mr. Fitzgerald thanked the Board, the Town Counsel and other key customers who supported SHELD’s advocacy of this bill. Their support holds weight with legislators.

The Board members had a few comments and questions that Mr. Fitzgerald addressed.

Solar Rebate Vote:

The Board has approved SHELD’s participation in the State’s MLP solar program for the past 1.5 years. In summary, SHELD’s initial funding request was for \$50,000 which was matched with \$50,000 by the MA DOER. The Board authorized an additional \$25,000 in matching funds last month making the total rebate funding \$150,000

The solar program has resulted in 14 awards for SHELD Customers for a total of \$142,752 with an additional one in the queue which will exhaust the \$150,000.

Additional MA DOER funding is not available, but MMWEC can transfer funding, initially allocated to other MLPs, to maximize expenditure in the program and ensure all State DOER funds are optimized. SHELD will have to stop further PV rebate applications unless funding is increased. Customers could still install PV systems, but a rebate will not be available to them. Mr. Fitzgerald requested that the Light Board authorize an additional \$25,000 in funds, to be

matched by the DOER, to allow the program to continue until year-end. The result would be a grand total of \$100,000 from SHELD and \$100,000 from the DOER. The Commissioners supported the request.

On a motion made by Ms. Awad and seconded by Mr. Hine, it was unanimously
VOTED: to appropriate \$25,000 additional to add to the solar rebate program.

Old Business:

There was none.

New Business:

There was none.

Adjourn:

On a motion by Mr. Hine and seconded by Ms. Awad it was unanimously
VOTED: To adjourn

The open session ended at 6:58 P.M.



Anne Awad, Clerk

Approved: September 24, 2020

EXHIBIT A

List of Documents reviewed at the August 27, 2020 Municipal Light Board Meeting

1. Draft Open Session Minutes of the MLB July 23, 2020 meeting
2. Email from John Howard regarding EV charging stations
3. NEPPA Newsletter on Storm Mutual Aid
4. Management Financial Report June 30, 2020 and 2019
5. House Bill 4912 (now H4933)
6. PowerPoint slide on MLP Solar Program Funding