

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT  
BOARD OF COMMISSIONERS' VIRTUAL MEETING  
FEBRUARY 24, 2022, AT 5:15 P.M.**

Present for the Board: Chairman Gregory Dubreuil, Vice-Chair John Hine, Denise Presley, Ron Coutu, Kurt Schenker (arrived 5:25)

Present for SHELD: General Manager Sean Fitzgerald, Administrative Assistant Kim Mendoza, Financial Manager Michael Conchieri

Guest: David Moore

The virtual meeting was called to order at 5:15 P.M. by Chairman Dubreuil.

On a motion by Mr. Hine, seconded by Mr. Coutu, it was VOTED: To move to Executive Session pursuant to M.G.L. c. 164, § 47D, for purposes of discussing trade secrets, confidential, competitively sensitive, or other propriety information, and to discuss the purchase, exchange, lease or value of real property that the Board has determined the disclosure of which may have a detrimental effect on their negotiating position and return to Open Session at approximately 6:00PM, by a roll call vote: Mr. Hine – aye, Ms. Presley – aye, Mr. Coutu – aye, Mr. Dubreuil – aye.

The open session reconvened at 6:00 PM.

Guest: Brian Thomson, MMWEC

**Minutes Approval:**

1/27/2022 Open Session:

On a motion by Mr. Hine, seconded Mr. Coutu, it was unanimously

VOTED: To approve the Municipal Light Department Board minutes of the virtual meeting of January 27, 2022, by a roll call vote: Mr. Hine – aye, Mr. Coutu - aye, Ms. Presley – aye, Mr. Schenker – aye, Mr. Dubreuil – aye.

1/27/2022 Executive Session:

On a motion by Mr. Hine, seconded Mr. Schenker, it was unanimously

VOTED: To approve the minutes of the Board of Commissioners' executive session virtual meeting of January 27, 2022 but not for release, by a roll call vote: Mr. Hine – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Coutu - aye, Mr. Dubreuil – aye.

**Public Comment:**

There were none.

**FERC Order 2222:**

Mr. Thomson, Senior Manager of Regulatory Services for MMWEC, gave background on himself and presented a PowerPoint on FERC Order 2222. Order 2222 allows Distributed Energy Resources (DERs) to form aggregations and participate in all wholesale markets which creates major technical challenges for implementation, including establishing baselines and metering. It was designed for large utilities, not small ones. Currently all New England public owned entities are exempt because of their size. For MLPs, it would likely require investments in software systems and staff to meet real time reporting requirements with ISO-NE and Eversource. MLPs must opt-in to participate.

SHELD is already doing FERC 2222, without opting in, and therefore doesn't need to pay for the transmission. DERs in MLP territories already fully participate in wholesale markets. Under FERC Order 2222, DERs get revenue from wholesale markets. MLPs have always gotten wholesale market savings from DER load reductions. MLPs also have the added benefit of getting transmission savings, while FERC Order 2222 DERs do not.

Currently SHELD participates in Connected Homes, which allows smart thermostats and EV chargers to generate wholesale market savings behind the meter. SHELD is saving electricity already and if opts-in to the order, would have to pay a third party for transmission. SHELD can accomplish the same thing with our its resources, with local control, and help customers save money without opting in to the order.

**Manager's Report:**

**Outages:** We had 2 minor outages. One was due to a windstorm and trees on the pole on Hadley Street impacting 3 customers for less than 2 hours. There also was a squirrel on a transformer on Brook Street causing a 43-minute outage impacting 12 customers.

**AMI Update:** The initial communication equipment has been installed and is operational. As the system expands its footprint, a few additional gateways and routers will be installed within the next 12 months. Approximately 200 meters have been changed out, most were to replace our original AMI pilot program meters. We are working through the different integration and file exchanges between all our systems, including the meter exchange mobile app, SEDC billing and records, and the AMI dashboard. The first meters will be billed on Tuesday 3/1. Once we vet out all the systems, we expect to replace 200-400 meters per month, with completion in 2-3 years. Board members asked questions on how the installation process will go forward, how the AMI system works, how changes will affect customers, and the benefits to SHELD and its customers. Mr. Fitzgerald said he would get build out details from Mr. Gilmore and relay the information to the board.

**Fibersonic Update:** There are currently 1,333 active fiber customers, 234 phone customers, 24 Emergency Broadband customers, 18 connected "fiberhoods", and 4 "fiberhoods" under construction.

### **November 2021 Financials**

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the Financials for the month ending November 30, 2021.

Kilowatt hour sales for 2021 were up by 1.3% from 2020, or 1,338,000 kilowatt hours. Year-to-date operating revenues were up by 4.2% from 2020, or about \$526,000, consisting of an increase of \$168,000 in volume and an increase of \$358,000 in selling price. We had budgeted for a \$604,000 revenue decrease; the actual was a \$1,130,000 increase.

The 2021 kilowatt hour purchases were up by 2.1% from 2020, or 2,181,000. The 2021 cost of power sold was up by about 5.9% from 2020, or \$467,000, consisting of an increase of \$170,000 in kilowatt hour purchase volume, and an increase of \$297,000 in purchase price. We had budgeted for a cost decrease of \$609,000; the actual was a \$1,077,000 increase.

The increase in revenue was higher than the increase in the cost of power; therefore, the net revenue was up from 2020 by about \$658,000. The actual net revenue was down from the budgeted amount by \$271,000.

All other 2021 operating expenses of \$6,184,000 on a combined basis, were up from 2020 by about \$878,000 and up from the budgeted amount by \$943,000.

November 2021 ended with a net YTD loss of about \$386,000, compared to the 2020 net YTD profit of \$88,000 and was less than the budgeted amount of a \$491,000 profit. Mr. Conchieri broke down, by category, the reasons for supplies and expenses being over budget for Chairman Dubreuil.

### **Friends of BATTERY Brook:**

Mr. Fitzgerald reviewed the request from The Friends of BATTERY Brook group seeking a \$12,000 sponsorship contribution to pay for lighting at their planned pickle ball court at BATTERY Brook Park. As directed by the Board last month, Mr. Fitzgerald confirmed with legal counsel that SHEL D cannot make donations but can advertise or be a sponsor. Legally SHEL D can sponsor in the amount of \$12,000, part of the sponsorship paying for materials. Historically, SHEL D has not exceeded \$5,000 in sponsorship contributions to any group.

After a discussion, board members agreed that they were in favor of sponsoring the labor to install the lighting but not paying for the materials which could be paid for by the groups fund-raising efforts. The Board asked how much of the initial \$12,000 quote was for labor. Mr. Fitzgerald said he would get that information from Mr. Gilmore who put together the initial proposal. Mr. Hine also wants to see a sign erected showing Fibersonic as a sponsor. After further discussion, it was decided to table the request until they had a breakdown of the labor and material costs for the project and revisit the topic again next month.

### **Performance Evaluation Process Renewal:**

Mr. Dubreuil suggested that the Board review the process for the General Manager's performance evaluation and goals as it has been in place since Mr. Fitzgerald was hired 5 years

ago. He would like to have 2 board members look at the process and make suggestions or changes. Mr. Coutu and Ms. Presley both volunteered for the project.

**Old Business:**

There was none.

**New Business:**

Mr. Fitzgerald mentioned that as part of fiber expansion, Fibersonic has subcontractors in other towns, specifically Easthampton, doing some preliminary design and engineering work. They are displaying Fibersonic placards on their vehicles. This is not affecting the South Hadley construction project at all, which is still running ahead of schedule.

**Adjourn:**

On a motion by Mr. Hine and seconded by Mr. Coutu, the meeting was unanimously VOTED: to adjourn by a roll call vote: Mr. Hine – aye, Mr. Coutu – aye, Mr. Schenker - aye, Ms. Presley – aye, Mr. Dubreuil – aye.

The open session ended at 6:57 P.M.



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Ron Coutu, Secretary

Approved: March 24, 2022

## EXHIBIT A

List of Documents reviewed at the February 24, 2022, Municipal Light Board Meeting

1. Draft Open Session Minutes January 27, 2022
2. Draft Executive Session Minutes January 27, 2022
3. PowerPoint FERC Order 222 and MLPs
4. Management Report for November 30, 2021