

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT  
BOARD OF COMMISSIONERS VIRTUAL MEETING  
APRIL 22, 2021 AT 5:15 P.M.**

Present for the Board: Chairman Gregory Dubreuil, Vice-Chair John Hine, Anne Awad, Peter McAvoy, Kurt Schenker

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

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

On a motion by Mr. Hine, seconded by Mr. Schenker, it was VOTED: To move to Executive Session under purpose 7 to comply with the provisions Massachusetts General Laws, Chapter 30A, Section 22(f) and (g) to review executive session meeting minutes and to reconvene in Open Session at approximately 6:00 PM by roll call vote: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – aye, Mr. Schenker – aye, Mr. Dubreuil – aye.

The open session of the virtual meeting reconvened at 6:02 P.M.

Also present for SHELD: Financial Manager Michael Conchieri, Sr. Engineer Mark Gilmore  
Guest: Matthew Ide, MMWEC

**Reorganization of the Board:**

Mr. Dubreuil explained the process for nominating and voting for officers. Mr. McAvoy nominated himself for Chair, Mr. Hine nominated Mr. Dubreuil for Chair. A roll call vote (by name) was taken: Mr. Hine–Dubreuil, Ms. Awad–Dubreuil, Mr. McAvoy–McAvoy, Mr. Schenker–Dubreuil, Mr. Dubreuil–Dubreuil. Mr. Dubreuil remained Chair. Mr. Dubreuil nominated Mr. Hine for Vice Chair. A roll call vote was taken: Mr. Hine–Hine, Ms. Awad–Hine, Mr. McAvoy–Hine, Mr. Schenker–Hine, Mr. Dubreuil–Hine. Mr. Hine remained Vice-Chair. Mr. Dubreuil nominated Ms. Awad for Clerk. A roll call vote was taken: Mr. Hine–Awad, Ms. Awad–Awad, Mr. McAvoy–Awad, Mr. Schenker–Awad, Mr. Dubreuil –Awad. Ms. Awad remained Clerk.

**Minutes Approval:**

3/25/2021 Open Session:

Mr. Hine moved, and Ms. Awad seconded the motion, to approve the minutes of the Board of Commissioners' virtual meeting of March 25, 2021, at 6:00PM.

Mr. McAvoy requested that an email he had sent to the Board earlier in the day, regarding his objections to the minutes, be included with the minutes. Mr. Dubreuil denied the request stating that he did not know if the Board members had a chance to see the last-minute email and that Mr. McAvoy could either approve the minutes as written or propose an amendment.

A roll call vote was taken on the motion: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – no, Mr. Schenker – aye, Mr. Dubreuil – aye, and the minutes were approved without changes.

**Executive Session Minutes Review:**

On a motion by Mr. Schenker, seconded by Mr. Hine, it was unanimously VOTED: To move to accept minutes as discussed in the previous Executive Session, as they were stated then, by roll call vote: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – aye, Mr. Schenker – aye, Mr. Dubreuil – aye.

**Public Comment:**

Mr. Dubreuil stated that he was aware that many of the public comments would be related to the Peabody Project 2015A and wanted to hold those comments until the item came up on the agenda later in the meeting. There were no comments on other topics.

**Manager's Report:****Outages:**

There were three outages in the last month. One outage, on Easter Sunday at Alvord Place, was due to a pad mount transformer that was hit by a car. The other outages were due to high winds and broken primary equipment. All customers were restored in 4 hours or less.

**Fibersonic Update:**

The fiber financing closing is complete. Also, the two new hardened concrete fiber huts were being delivered this week, one today at Stoneybrook and one tomorrow at Plains. Fiber construction is in full swing now that the weather is warmer.

Mr. Hine asked about the number of fiber installations. Mr. Fitzgerald stated there were 940, with 40 in the cue. The take rate is above 35%, which is better than projected.

Mr. Dubreuil asked about the possibility of having fiber training videos on the installation process and streaming services on the website. Mr. Fitzgerald said videos were in process and will be on the website soon.

**COVID-19 Update:**

We continue to operate as an essential business with our in-person customer service office closed to the public. We are monitoring the Town and other MLPs for reopening guidelines, but there are no changes at this time.

**Peabody Project 2015A:**

Mr. Dubreuil asked if there will be a motion, which should precede discussions, or was the agenda item just for general information. If there will be a motion, it needed to be made and seconded before any discussion take place.

Mr. Hine moved that the Municipal Light Board authorize the General Manager, Sean Fitzgerald, to submit a letter of support of MMWEC's request for authority to issue bonds for the funding and refunding of Project 2015A. Mr. Schenker seconded the motion.

The floor was opened to discussion for the Board. Mr. Hine stated that the reason for the motion, to submit a formal letter, was because Commissioner McAvoy petitioned to become an intervenor in the process and that the Board should separate their position from Mr. McAvoy's position. The letter would show that the majority of the Board is in support of the project.

Mr. McAvoy stated he was clear in not including the other four Board members who approve of the fossil fuel burning facility for power production. This flies in the face of national interest and affects people's health everywhere. There are other ways to accomplish the same thing. He stated a peaking plant does not need to be purchased and that we will hear from a concerned public tonight. He urged the Board to turn against MMWEC and stand up for people in Town and the planet. He stated that his position will never change. Mr. McAvoy quoted the results from last month's customer survey, which showed many ratepayers favoring renewable energy. He stated that he is against the use of fossil fuels which are causing global warming. Mr. McAvoy referenced Governor Baker's email, that Mr. Fitzgerald had sent the Board, stating that nothing in the email is right.

Ms. Awad stated that it was four years ago that the Board voted for this project and said she heard that ratepayers feel this was hidden from them. She is in support of renewable energy and is alarmed by climate change and believes SHELD is moving in the right direction to be compliant and free from fossil fuels in the future. The peaking plant is a transitional decision and will replace some of the older, dirty, high emission plants. It is a short-term plan to bridge to the future. She has complete faith in advice from management, MMWEC, the State and the Feds, that we are on the right path, and she supports the motion.

Mr. Hine spoke about capacity and SHELD's requirement to have capacity credits. ISO New England manages the grid to ensure there is electricity and capacity for when there are peaks. Every utility has obligation contracts for capacity to have power ready when necessary. SHELD has to go out and buy capacity. We have some capacity credits but have to buy 50% our capacity requirements in the open market from old fossil fuel plants. The new peaking plant will run only when needed, an estimated 250 hours a year, and covers 10-15% of our capacity requirements, whereas the other dirty plants run year-round. This plant will be more efficient, run short-term and will improve the environmental outcome. There is still 35-40% of the credits which could be purchased from renewable sources. A solar farm project to generate that much capacity would need to be huge and would not be as effective in the winter. This plant is not for an energy source but for capacity. This is much better than being out in the open market for all of our capacity needs.

Mr. McAvoy stated that last month Mr. Hine said we do not need renewable energy because we cannot afford to buy it and we do not need additional energy. Mr. McAvoy said that, this month, Mr. Hine stated we cannot afford to spend money on renewable energy because it is too expensive. Which is correct? Mr. Dubreuil stopped Mr. McAvoy's comments and then let Mr. Hine clarify. Mr. Hine stated that Mr. McAvoy's statements were clearly incorrect. Mr. Hine stated his position explaining that he is not against renewables. We get most of our energy from the nuclear power plants for which we have contracts. So, it does not make sense to purchase electricity, from renewable sources, that would be wasted because we meet our energy requirements through our contracts. Why would we buy electricity we do not need? Mr. Hine stated he is not against renewables; it would be a waste, for the ratepayers, to buy electricity we do not need. It is incorrect to say that he is against renewables.

Mr. McAvoy spoke at length against the peaking plant, and the other board members support of the project, and stated that he will never back down from his position. This is a life-threatening issue. He stated that South Hadley's position in 2015A is that we are 10% owners and quoted dollar amounts for the investment that Mr. Fitzgerald said were not correct. Mr. McAvoy stated the issue is for the bond financing. He continued to say that if the Board suggests extending the nuclear contracts or any fossil fuel facilities, there will be serious problems. When he hears the board or management deviate from the voracity of words we use, using marketing manipulation or smoking mirrors, he gets upset. He hopes he gets intervenor status. He will never back down.

Mr. Dubreuil stated the reason we need capacity is for life safety and to prevent brown outs. The capacity plants need to be able to be fired up quickly to meet peak demands. Mr. Dubreuil displayed a slide showing the energy and capacity costs of SHELD from December 2020. It showed 54% of SHELD's cost was related to capacity. Energy costs were only 15%. Capacity is SHELD's highest cost. Our position is open, and we are buying capacity from older dirty fossil fuel plants. The overwhelming majority of capacity plants are fossil fuel fired plants, that can start quickly, for large scale generation of electricity. We also explored battery storage, which is behind the meter, and does not satisfy capacity requirements. The capacity market will continue to grow and become more volatile. SHELD is one of the more capacity exposed MLPs in the State, which is why we bought into this plant. It is necessary to have this plant to close the open position in capacity which provides better rate stability for ratepayers and the ability to meet peak requirements.

Mr. Schenker agreed with Mr. Hine and Mr. Dubreuil. He supports renewables but realizes we cannot afford to jump right into renewables now. They have problems of their own and we do not want to clear cut every forest to put up solar panels. We need to work our way towards renewables in small steps. Most people who speak to him feel the same way.

Mr. McAvoy gave a lengthy closing statement, speaking to the Commissioners directly, suggesting they could choose another path. When MMWEC was created in 1975, there was a fossil fuel shortage. At that time, the government was anti-environmental. The nation's security interests have changed and now we have a global overheating crisis which is deadly. Since we have had an agreement with MMWEC, they have been our chief financial advisor. They have not done a great job advising because we purchase power from nuclear reactors that are already past their extension dates. We need to plan now and invest in the future by investing in post meter infrastructure for multi directional payment and battery operation. There are other options for peak capacity but purchasing more fossil fuel is not rational.

Mr. Fitzgerald stated that MMWEC is a joint action agency and SHELD's advisor, but he manages SHELD's power supply and that he is not anti-renewable energy. This plant, which will run only when needed for peak demand, and is critical to stabilize rates to close our capacity requirements.

Mr. Ide confirmed there are two portfolios that MMWEC assists SHELD in managing and capacity is a separate market, with its own rules and function, from energy. SHELD is obligated

to buy capacity, as a distribution company, for rate stability. The energy portfolio has other opportunities for obtaining power.

Mr. Dubreuil then moved on to the Public Comment item on the agenda.

Several ratepayers spoke against SHELD and MMWEC's participation in the Peabody peaking plant project. Adele Franks, who did not state residency as a rate payer in South Hadley, spoke about the public health impacts and stated that there are peaking plants being built in our area relying on renewable energy and battery storage. John Howard spoke about his support of using batteries instead of investing in a plant that he thinks will be a stranded investment in the near future. He stated that we only have 10 years to make huge changes. Christie Reardon spoke about the environmental justice relating to racism, wage and equality, and climate change. Mary Jane Else agreed with the other ratepayers and is uncomfortable with SHELD's decision and would like to see us reduce our need for capacity by conserving power or reducing capacity through incentives. She would like SHELD to consider other alternatives. Joel Patruno stated the plant is old technology and thinks we should consider solar fields with battery storage. This peaking plant will be obsolete before it is built. We should look at other alternative energy sources and pay more for our electricity to be able to invest for the future. Lucia Foley is concerned about the plant because others are bailing out of the project and there are groups online fighting against it. She has concerns about its viability and thinks we should be looking for alternatives. Also, she was disturbed by the tenor of the meeting. This is a tough issue and things have changed in four years. People here trying to do their best for the ratepayers, and she is dismayed by the way some people are acting at the meeting. She stated that Mr. McAvoy is not helping himself by the way he is acting. He is so adversarial that he is making it hard for the Board and employees to do their jobs. There needs to be some civility at the meetings. Beverly Pead is concerned about investing in another fossil fuel plant which she feels is not the way to go even if it is less polluting and will not run often. It would be better to invest in alternative energy sources, for the health of our children, even if it raises the rates. Mary Hall said the Board should step back and reevaluate the situation even though it seems most of the Board is ready to move forward with the project.

Mr. Hine asked Mr. Ide to comment on other types of peaking projects that use renewables, as mentioned earlier by a ratepayer. Mr. Ide stated that in relation to capacity, there are some very large battery projects that are starting to enter the capacity market. There are other technologies, but it comes down to timing, the mix of assets, and how they fit into SHELD's capacity portfolio. The smaller peakers mentioned do not apply to the capacity market like project 2015A.

Mr. Hine stated it is not possible for the Board to change their previous decision tonight and to withdraw from the contract. For SHELD to try and pull out, it would involve trying to sell SHELD's shares of the project. They would need to be purchased by another entity. Mr. Ide confirmed that others who are trying to withdraw are still in the project, and will remain in the project, unless someone else purchases their megawatts.

Mr. Dubreuil stated that there was a motion before the Board, which had been seconded, for the Manager to provide a letter of support for the project. Since it had been a while since the motion

was made, he asked Mr. Hine to restate the motion, which he did.

A roll call VOTE was taken on the motion: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – no, Mr. Schenker – aye, Mr. Dubreuil – aye.

**Annual Town Disbursement Transfer:**

Mr. Fitzgerald stated that SHELD’s annual 2020 reimbursement to the Town, for services provided to SHELD, was for \$180,000. The three previous years’ reimbursements were \$175,000. He recommended to the Board that SHELD provide the same reimbursement as last year, \$180,000, for 2021.

On a motion by Mr. Schenker, seconded by Ms. Awad, it was unanimously VOTED: To pay to the Town the amount, as stated by the General Manger, \$180,000 for this year’s disbursement, by roll call vote: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – aye, Mr. Schenker – aye, Mr. Dubreuil – aye.

**Rebates:**

Mr. Fitzgerald stated that John Howard had previously asked for rebates to be added on electric lawn equipment. A PowerPoint presentation was displayed showing the rebate programs SHELD currently has and a few possible new rebates for cordless lawn equipment, electric bikes and electric panel upgrades for EV chargers.

Mr. Fitzgerald stated that SHELD is also researching possibly offering a 0% Green Heat Loan of its own, similar to a MassSave loan, for converting fossil fuel heating systems to heat pump systems. We are talking to a couple of banks about possibly processing the loans. SHELD would pay the lenders the interest on the loans up front.

After a brief discussion on the rebate budget, Mr. Fitzgerald said, the new rebates could be added now, if the Board wanted. Also, Mr. McAvoy stated he wants to have this on the agenda again when they can talk about rebates for battery storage associated with solar, wind, and water power for residential or commercial customers. He said we also need to improve the grid in South Hadley so we can move toward a renewable energy future.

On a motion by Mr. Hine, seconded by Mr. McAvoy, it was unanimously VOTED: To approve offering the additional SHELD rebates indicated under Rebates to Consider, by a roll call VOTE: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – aye, Mr. Schenker – aye, Mr. Dubreuil – aye.

**Old Business:**

Mr. Dubreuil stated that he spoke with Jeff Labrecque at the Village Commons regarding them installing an electric car charging unit. Mr. Labrecque was very complimentary of Mr. Gilmore for all the information and guidance he gave him. There are going to be some upfront costs that are not in their budget right now, but they are interested pursuing it in the future.

**New Business:**

Mr. Schenker stated that he would like to see rebates offered only to people with financial hardships and not to those who really can afford to buy the products. All ratepayers should not be paying for rebates for those who do not have a financial need.

After a short discussion, Mr. Dubreuil asked Mr. Fitzgerald to explore a possible program and find out if other MLPs have something in place like the Weatherization Assistance Program that Mr. Fitzgerald referenced.

Mr. Dubreuil had another item for new business. He wanted to add an agenda item next month to develop a code of conduct and guidelines for the Light Board meetings to keep the meetings more orderly, civil and professional.

Mr. McAvoy spoke up, stating that if the minutes presented have factual misstatements and the Board continues to say they support renewable energy and votes to not support renewable energy, then the concept that we are all good people, doing a good thing, flies out the window. Someone needs to stand up and speak up to get the right job done. Mr. McAvoy reminded the Board that he sat on this board for 2.5 years and played as well as he could, to participate in a kindly way, until he could take it no more. Mr. McAvoy then stated he went to Massachusetts Municipal Wholesale Electric Company and said he heard them say we cannot do renewable energy. Mr. Fitzgerald spoke up and said that is not true. The discussion escalated and Mr. Dubreuil called for a motion to adjourn the meeting.

**Adjourn:**

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

The open session ended at 7:45 P.M.

  
Anne Awad, Clerk

Approved: May 27, 2021

## **EXHIBIT A**

List of Documents reviewed at the April 22, 2021 Municipal Light Board Meeting

1. List of Executive Session Meeting Minutes for Review
2. Draft Open Session Minutes of the MLB March 25, 2021 meeting
3. SHELD Rebates PowerPoint