

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL MEETING
MAY 27, 2021 AT 6:00 P.M.**

Present for the Board: Chairman Gregory Dubreuil, Vice-Chair John Hine, Anne Awad, Peter McAvoy, Kurt Schenker (arrived 6:06)

Present for SHELD: General Manager Sean Fitzgerald, Administrative Assistant Kim Mendoza, Financial Manager Michael Conchieri, Sr. Engineer Mark Gilmore, IT & Business Systems Manager Paul Byrne
Guest: Attorney Ben Coyle

The virtual meeting was called to order at 6:00 P.M. by Chairman Dubreuil.

Minutes Approval:

4/22/2021 Open Session:

Mr. Hine moved, and Ms. Awad seconded the motion, to approve the minutes of the April 22, 2021, virtual meeting of the Municipal Light Board as amended by Ms. Awad (to include the roll call votes in the Reorganization of the Board section of the minutes).

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

4/22/2021 Executive Session:

Mr. Hine moved, and Ms. Awad seconded the motion, to approve and release the Board of Commissioners' Executive Session virtual meeting minutes of April 22, 2021, at 5:15.

A roll call vote was taken on the motion: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy – aye, Mr. Dubreuil – aye.

MLB Code of Conduct:

Mr. Hine moved, and Ms. Awad seconded the motion, to approve the SHELD Board of Commissioners' Code of Conduct as presented.

Mr. Hine stated it is important to have a formal policy, with rules of conduct in place, setting clear expectations for the Board members, and what can be done to address any issues.

Mr. McAvoy stated the code of conduct does not meet the legal principles for elected officials. It violates the first amendment; it violates the US Constitution, and it violates the purpose for the Board of Commissioners of a Municipal Light Board. He said that he will never abide by this.

Attorney Coyle stated that the code of conduct is standard code for boards throughout Massachusetts. It does not set for the responsibilities and duties of the board but does set forth the way the Commissioners conduct themselves by following the procedures in the code of conduct. Many boards in Massachusetts have codes of conduct.

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

Public Comment:

Ms. Rachel Scott, a member of Mother’s Out Front, spoke out against the Peabody Project 2015A peaking plant for health and environmental reasons. She urged SHELD to back out of the project and look for alternatives.

Manager’s Report:

Outages:

There was one outage, due to animal contact and a blown fuse, on Canal Street which impacted 16 customers for 25 minutes.

Fibersonic Update:

Currently, there are 996 connected customers. The 1,000th installation will be next week. The overall take rate is 37% with 17 impending installs. There are 15 connected “fiberhoods” and Mr. Fitzgerald gave an update on the fiberhoods under construction for 2021.

COVID-19 Update:

SHELD will be opening its doors to the public on Tuesday June 1st with a 2-person limit in the lobby at one time.

Cyber and Distribution Security:

Sr. Engineer Mark Gilmore presented information on what SHELD does to monitor risks to the power grid. SHELD is a member of NERC (North American Electric Reliability Corporation). NERC oversees the operation of the main power grids in North America. They monitor all threats and inform NERC members of any risks or threats reported by other members.

Mr. Gilmore answered several questions from board members.

IT & Business Systems Manager Paul Byrne presented information on how SHELD’s systems are protected in-house. He gave an update on the state of the security systems at SHELD. Malicious emails are one way ransomware gets into systems. SHELD does not have any customer financial information stored onsite. SHELD uses a third-party vendor to monitor and support Mr. Byrne, the firewall, and equipment.

December Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the financials for the month ending December 31, 2020.

Year-to-date operating revenues were consistent with those from 2019. Kilowatt hour sales for 2020 were down by 2% from 2019, or 2,400,000 kilowatt hours.

The 2020 kilowatt hour purchases were down by 3% from 2019, or 3,170,000. The 2020 cost of power sold was down by about 9% from 2019, or \$881,000. The net revenue of \$5,405,000 was up from 2019 by about \$1,084,000.

All other 2020 operating expenses of \$5,668,000 on a combined basis, were up from 2019 by about \$627,000 and up from the budgeted amount by \$109,000.

December 2020 ended with a net YTD gain of about \$217,000, compared to the 2019 net profit of \$229,000 and was not as good as the budgeted amount of \$260,000.

Voluntary Renewable Energy Option:

Mr. Fitzgerald stated that SHEL D learned of a renewable program offered by other MLPs which will provide customer choice for renewables. He presented PowerPoint slides showing the breakdown of SHEL D electrical sales as 87% carbon free and 7.7% renewables. Mr. Fitzgerald highlighted the program which supports Massachusetts renewable energy, does not affect rates, provides customers a way to be 100% renewable, maintains purchase/demand balance, and is voluntary.

Mr. Hine moved, and Mr. Schenker seconded the motion, that the Municipal Light Board approve the Renewable Energy Option program for residents.

Mr. Hine stated it was a great opportunity since residents want to be more supportive of renewable energy. He asked Mr. Fitzgerald where the money would go. Mr. Fitzgerald said SHEL D would purchase RECs (renewable energy credits) with the money going to renewable energy projects. Mr. McAvoy said he did not see how this would change where our energy comes from and is not going to change power generation locally or decrease greenhouse gases. It shifts money around on paper. Mr. Fitzgerald said we are often oversupplied and do not need more generation, but this allows residents a choice to invest in, and support, renewable projects. It is a marketplace mechanism to generate money for new renewable projects.

A roll call vote was taken on the motion: Mr. Hine – aye, Ms. Awad – aye, Mr. Schenker – aye, Mr. McAvoy – yes, Mr. Dubreuil – aye.

Project 2015A Update

Mr. Fitzgerald gave a PowerPoint presentation update on project 2015A. There are 2 different points of view on the project, some for it and others against it. The slides showed the project 2015A environmental benefits of reducing carbon emissions. Many other businesses in the State emit a lot more emissions than this plant will emit. There is a large price tag, \$3.3 million, for SHEL D to cancel and these charges will need to be recovered from the ratepayers. Capacity costs will also be increasing, raising costs for SHEL D and ratepayers. This asset is being built for capacity only and will only run about 10 times per year to supplement when renewable projects need back up because they cannot run. A discussion followed between Board members and SHEL D management.

Old Business:

There was none.

New Business:

Mr. Fitzgerald said he had been asked to attend the Board of Health meeting on June 8th to answer questions on 2015A.

Also, SHELD will observe Juneteenth Independence Day, in conjunction with the Town of South Hadley. Massachusetts is now recognizing June 19th as an annual State holiday commemorating the emancipation from slavery in America. The Town of South Hadley is observing the new holiday on Friday June 18, 2021.

Adjourn:

On a motion by Ms. Awad and seconded by Mr. Hine, the meeting was

VOTED: to adjourn by a roll call vote: Mr. Hine – aye, Ms. Awad – aye, Mr. Schenker – aye, Mr. McAvoy – aye, Mr. Dubreuil – aye.

The open session ended at 7:42 P.M.



Anne Awad, Clerk

Approved: June 24, 2021

EXHIBIT A

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

1. Draft Open Session Minutes of the MLB April 22, 2021 meeting
2. Draft Executive Session Minutes of the MLB April 22, 2021 meeting
3. 2021 SHELd Board of Commissioners Code of Conduct
4. SHELd Management Report December 31, 2020
5. SHELd Renewable Energy Option
6. SHELd Project 2015A Update