

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL MEETING
JULY 22, 2021 AT 6:00 P.M.**

Present for the Board: Chairman Gregory Dubreuil, Vice-Chair John Hine, Anne Awad, Peter McAvoy, Kurt Schenker (arrived 6:01),

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

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

Minutes Approval:

6/24/2021 Open Session:

On a motion by Mr. Hine, seconded Ms. Awad, it was

VOTED: To approve the minutes of the South Hadley Electric Light Department Board of Commissioners' virtual meeting of June 24, 2021, by a roll call vote: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy - aye, Mr. Schenker - aye, Mr. Dubreuil – aye.

6/24/2021 Executive Session:

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

VOTED: To approve the minutes of the South Hadley Electric Light Department Board of Commissioners' executive session virtual meeting of June 24, 2021 and release them, by a roll call vote: Mr. Hine – aye, Ms. Awad – aye, Mr. McAvoy - aye, Mr. Schenker - aye, Mr. Dubreuil – aye.

Public Comment:

There were no comments.

Manager's Report:

Outages:

There were eleven outages in the last month. The largest outage was on Titans Pier Road on June 30th when a tree came down across all 3 phases and caused a brush fire impacting 150 customers for 4 hours. The other significant outage was on Woodbridge Street, also caused by tree damage and impacting 100 customers up to 4 hours. Several other minor outages occurred due to lighting and animal contact.

Fibersonic Update:

Construction in the Woodbridge fiberhood, one of our largest fiberhoods, has been completed and installs will begin next week. We are also nearing completion of several underground service streets. The Fibersonic team conducted a streaming workshop at the Library on Wednesday July 20th for customers to learn about the service and streaming. There are 1050 completed installs with 75 on the schedule leading to a 39% take rate with 50% of the town constructed.

April 2021 Financial Report:

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

Kilowatt hour sales for 2021 were up by 1.1% from 2020, or 417,000 kilowatt hours. Year-to-date operating revenues were up by .5% from 2020, or about \$24,000. The \$24,000 increase consisted of an increase of \$53,000 in volume and a decrease of \$29,000 in selling price. We had budgeted for a \$164,000 revenue decrease; the actual was a \$188,000 increase.

The 2021 kilowatt hour purchases were up by 1.5% from 2020, or 533,000. The 2021 cost of power sold was up by about 5.3% from 2020, or \$149,000. The \$149,000 consisted of an increase of \$41,000 in kilowatt hour purchase volume, and an increase of \$108,000 due to a higher purchase price. We had budgeted for a cost increase of \$154,000; the actual was \$302,000 increase.

The increase in revenue was more than an increase in the cost of power; therefore, the net revenue was up from 2020 by \$49,000. The actual net revenue was down from the budgeted amount by \$72,000. All other 2021 operating expenses of \$2,300,000 were up from 2020 by about \$416,000 and up from the budgeted amount by \$412,000.

April 2021 ended with a net YTD loss of about \$11,000, compared to the 2020 net YTD profit of \$123,000 and was short of the budgeted amount of a \$470,000 profit.

Mr. Conchieri answered several questions from Board members on the fluctuation of expenses, the debt service payments and the cost of capacity.

Peabody Project 2015A Briefing:

Mr. Fitzgerald gave an update on the Peabody Project 2015A. The MMWEC Board of Directors voted to resume DPU financial proceedings and filed a petition to resume the process effective July 29th, with reply briefs due on August 5th. The DPU subsequently issued a Memorandum announcing their adoption of this schedule which includes a final order within 14 days (by August 12th).

Also, the Peabody Municipal Light Plant and MMWEC has announced some changes to the original plans of Project 2015A. They have decided to close of one of their older existing 20MW (GT1) peaker plants, they are eliminating a 200,000-gallon oil storage tank, and switching to non-hazardous urea, versus ammonia, to treat nitrogen oxide emissions. The MMWEC Board also indicated the manufacturer communicated to MWMEC that the new peaker could run on a conversion of 30% hydrogen.

Mr. McAvoy asked for a discussion on the details of these matters by the board members and wanted to ask questions of each board member about renewable energy, and other decisions they make, so the ratepayers will know how each member votes on topics such as renewables, the nuclear plants, and fossil fuel burning plants.

Mr. Dubreuil stated that they had already addressed this request for board member's energy position statements at a previous meeting. The peaker plant has been on previous agendas five times and he will not allow Mr. McAvoy to question the board members on this again. If the board members do not agree with Mr. Dubreuil, they can vote to overrule him. Mr. Hine agreed with Mr. Dubreuil and said ratepayers can watch previous meetings, or read the minutes, to see their positions on this project, and others, and how the board members voted. Mr. Hine also stated that Mr. McAvoy made an incorrect statement about Chicopee and Holyoke backing out of the project. They voted to withdraw from the project but cannot until another municipal buys out their contracts. Mr. Fitzgerald clarified that Chicopee and Holyoke have attempted to sell their pro rata shares. They cannot just walk away from the project; they are under contract.

Mr. McAvoy insisted he should be able to question the board members on their positions so ratepayers can decide who they want to represent them. Ms. Awad supported Mr. Dubreuil's decision to not allow Mr. McAvoy to question the board members stating that a dialogue where one board member interrogates another member on positions so voters can approve them or not, is inappropriate. In April, when board members decide to run for the board, is when that should take place and not at a board meeting.

Mr. Fitzgerald reminded the Board that SHELD is in an oversupplied position much of the year and we don't need more energy which would be generated by adding solar and wind to our portfolio. If we add generation, we would be selling energy at a loss. We need capacity which is why we invested in the peaking plant.

Mr. Hine reminded everyone about the new program which begins in September, that was put in place for people who want support renewable energy by paying towards renewable energy credits which will go towards renewable projects.

Mr. McAvoy made statements about the town electric grid, his concerns over the state of the nuclear reactors, and that he feels the board is not fulfilling the power that the people in town are requesting. He said the town rules are supporting the extension of the fossil fuel industry.

Mr. Fitzgerald said that Mr. McAvoy's statements were misleading customers. It's not accurate to say we are supporting the fossil fuel industry. His job is to operate the distribution system and power supply for South Hadley which is over 90% carbon free. Millstone and Seabrook have a high safety and run rating. It's premature for management to plan for new generation now. He would advise the Board it's a mistake since we have contracts in placed for 25 and 30 years that cover 90% of our energy needs. Mr. McAvoy stated he is not in agreement with how our operations are going.

Mr. Fitzgerald stated that ISO New England sets the market rules and is authorized by the Federal Energy Regulatory Commission (FERC) to set the market rules. We must make decisions to meet our obligations. Mr. Fitzgerald explained that SHELD and the Municipal Light Plants have market representation in the wholesale markets and the process is complex. Mr. Fitzgerald suggested Mr. McAvoy should talk to ISO New England about his concerns and stated that adding generation, when we have enough, is a huge mistake.

Mr. Dubreuil said that any member of the community can contact a board member to civilly discuss topics. He will not let any board member be put in position to be interrogated, belittled, demeaned, or bullied by another board member. You can make your position known and the other members can present their positions if they choose.

Old Business:

None

New Business:

None

Adjourn:

On a motion by Mr. Hine and seconded by Ms. Awad, 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 6:50 P.M.



Anne Awad, Clerk

Approved: August 26, 2021

EXHIBIT A

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

1. Draft Open Session Minutes June 24, 2021
2. Draft Executive Session Minutes June 24, 2021
3. Financial Statements Ending April 30,2021
4. MMWEC Update on Project 2015A
5. Memorandums from the DPU on MMWEC Financing, DPU 21-29
6. The Salem News article on Peabody, 7/21/2021