

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS' VIRTUAL MEETING
JULY 28, 2022, AT 5:15 P.M.**

Present for the Board: Vice-Chair Denise Presley, Gregory Dubreuil, Paul Dobosh
Absent: Chairman John Hine, Kurt Schenker

Present for SHELD: General Manager Sean Fitzgerald, Administrative Assistant Kim Mendoza,
Financial Manager Michael Conchieri, Marketing/Customer Service Manager Kelly Frazier

The virtual meeting was called to order at 5:15 P.M. by Vice Chair Presley.

On a motion by Mr. Dubreuil, seconded by Mr. Dobosh, it was unanimously
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 return to open session at approximately 6:00PM., by a roll call vote: Mr. Dubreuil – aye, Mr.
Dobosh – aye, Ms. Presley – aye.

The open session reconvened at 6:01 PM.

Minutes Approval:

6/23/2022 Open Session:

On a motion by Mr. Dobosh, seconded Mr. Dubreuil, it was unanimously
VOTED: To approve the June 23, 2022 open session meeting minutes, by a roll call vote: Mr.
Dobosh-aye, Mr. Dubreuil -aye, Ms. Presley - aye.

6/23/2022 Executive Session:

On a motion by Mr. Dobosh, seconded Mr. Dubreuil, it was unanimously
VOTED: To approve the June 23, 2022 executive session minutes and not release, by a roll call
vote: Mr. Dubreuil – aye, Mr. Dobosh-aye, Ms. Presley – aye.

Public Comment:

Ms. Maryjane Else asked questions on the AMI metering system and if there will be time of use
metering. Mr. Fitzgerald said that there are currently 1500 new AMI meters installed and no
plans will be made until we are closer to having all 8000 meters installed.

Manager's Report:

Outages:

There were more outages than usual this month impacting a total of 209 customers. Four outages
were due to animal contact, one lightning and four transformer overloads during the extreme heat
last week.

Fibersonic Update:

There are currently 1525 connected fiber customers, 265 phone customers and 36 pending installations through August. Construction is ongoing and several underground areas will begin installations in August. The Amherst Road fiberhood is also beginning aerial installations.

Mr. Fitzgerald gave an update on the progress of the Shutesbury ISP offering to over 750 customers which is scheduled to go live on August 30th. There is also a signed IGA agreement with Leverett, and a kickoff meeting will be held with their Manager in September.

May 2022 Financials:

Mr. Conchieri referenced PowerPoint slides as he gave a brief overview of the Financials for the month ending May 31, 2022.

Kilowatt hour sales for 2022 were up from 2021 by 658,000 kilowatt hours. Year-to-date operating revenues were up from 2021 by about \$3,000, consisting of an increase of \$84,000 in volume and offset by a decrease of \$81,000 in selling price. We had budgeted for a \$296,000 revenue increase; the actual was a \$294,000 decrease.

The 2021 kilowatt hour purchases were up by 3.7% from 2021, or 1,678,000. The 2022 cost of power sold was up by about 25% from 2021, or \$878,000, consisting of an increase of \$134,000 in kilowatt hour purchase volume, and an increase of \$745,000 in purchase price. We had budgeted for a cost decrease of \$296,000; the actual was a \$1,100,000 increase.

The increase in revenue was less than the increase in the cost of power; therefore, the net revenue of \$2,086,000 was down from 2021 by about \$499,000. The actual net revenue was down from the budgeted amount by \$1,205,000.

All other 2022 operating expenses of \$2,618,000 on a combined basis, were down from 2021 by about \$239,000 and down from the budgeted amount by \$325,000. The 2022 operating loss of \$531,000 was up from the 2021 loss by \$259,000 and down from the budget by \$853,000.

May 2022 ended with a net YTD loss of about \$1,247,000, compared to the 2021 net loss of \$57,000 and was less than the budgeted amount of a \$434,000 profit.

Mr. Conchieri continued to explain that through May, the controllable expenses were both less than budget and less than last year. However, certain other expenses, over which we have minimal to no control, were over budget and over last year. Substantially all of that loss was the result of a drop in the market value of our investments in the Reserve Trust Fund, OPEB Trust Fund, and Depreciation Fund and a variance in the cost of power which was evident in the 2022 to 2021, and budget to actual, comparisons. We are trying to hold costs and not pass the increase onto ratepayers in hopes that investments will rebound.

Ms. Presley asked for a motion to accept the Manager's Report and the May 2022 Financial Report.

On a motion by Mr. Dubreuil, seconded Mr. Dobosh, it was unanimously VOTED: To accept the Managers' Report and the May 2022 Financial Report, by a roll call vote: Mr. Dubreuil – aye, Mr. Dobosh-aye, Ms. Presley – aye.

Solar Net Metering:

Ms. Presley opened the floor to ratepayer questions and comments which ranged from climate change to solar battery storage for residents, and AMI meters.

Ms. Presley asked Mr. Fitzgerald to address their questions and comments. He said there was a misconception that SHELD is not in support of solar. He also stated that SHELD does compensate customers the full retail rate for kilowatts they produce and consume in their home. It's only the kilowatts that are in excess of what they consume, and that are pushed back into the distribution system, that are compensated at the average generation rate. The Board voted to incentivize \$200k in solar rebates, \$100k directly from ratepayer funds, which averages \$10k per rebate per solar installation. SHELD and the Board are very supportive of solar.

Mr. Fitzgerald addressed the comments on power supply which were specific to nuclear. He stated that there are 20 & 25 years left on the nuclear contracts, that are paid in full, and the contracts may be extended. SHELD was 89% carbon free last year, making us #1 in the group of Massachusetts MLPs. A majority of the year we are fully supplied, or oversupplied, and we do not need more generation. It does not make sense to go out and buy backup power for energy we don't need or can't consume. Capacity is another story. ISO New England requires us to have in-excess of our peak demand of capacity should we need it during storms or heat waves.

Prior to 2018, full net metering resulted in the distribution and transmission system costs not being covered. In 2018 the Board agreed to a Modified Net Metering policy which maintained full retail price for power that is produced and consumed in the home. However, the excess power that comes back to the system is paid at the generation rate. This policy has the least cost shifting impact on other ratepayers who are our most vulnerable and least able to pay more for power. If the policy were to be changed, it could have a significant effect in the future. Only one of fifteen other municipalities uses a full net metering policy which will shift the cost of solar customers transmission and distribution costs to all other residents. The IOUs use full retail rate net metering, but they also charge all their customers a monthly fee. SHELD's rates are half of what the IOUs charge. SHELD is interested in a large battery storage project that was tabled earlier this year but residential battery storage is different. SHELD would need to investigate that before making any decisions. Once all AMI meters are installed, there needs to be a data management program implemented, and time to pull and study information from the AMI system. SHELD did not have a rate change for 17 years before the changes in 2018.

Ms. Presley asked for Mr. Fitzgerald's recommendation on a change in policy before deciding if the three attending Board members needed to take a vote to change the policy. Mr. Fitzgerald stated he felt the policy should remain unchanged. Then she asked Mr. Dobosh and Mr. Dubreuil for their opinions. They both said they wanted to keep the current modified net metering policy

unchanged. Ms. Presley agreed with them and stated no vote was needed as the policy would remain unchanged.

Old Business:

There was none.

New Business:

Mr. Fitzgerald said that the State has extended remote public meetings through March 31, 2023.

Adjourn:

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

The open session ended at 7:04 P.M.



Gregory Dubreuil, Light Board Secretary

Approved: August 25, 2022

EXHIBIT A

List of Documents reviewed at the July 28, 2022, Municipal Light Board Meeting

1. Draft Open Session Minutes June 23, 2022
2. Draft Executive Session Minutes June 23, 2022
3. Financial Statement May 31, 2022
4. Photovoltaic (PV) Policy Presentation – 4/2018
5. SHELDT PV System Metering Policy – 5/25/2018