

**SOUTH HADLEY ELECTRIC LIGHT DEPARTMENT
BOARD OF COMMISSIONERS VIRTUAL EXECUTIVE SESSION MEETING
85 MAIN STREET, SOUTH HADLEY, MA
FEBRUARY 23, 2023, at 4:30 PM**

Present for the Board: Chairman John Hine, Vice Chair Denise Presley, Paul Dobosh

Absent: Kurt Schenker

Present for staff: General Manager Sean Fitzgerald, Sr. Engineer Mark Gilmore, Sr. Accountant Christopher Geraghty, Administrative Assistant Kim Mendoza

Guest: Matthew Ide, MMWEC

The executive session of the Electric Light Board convened at 4:31 PM following an open session motion to enter executive session by Mr. Dobosh, seconded by Ms. Presley.

Mr. Fitzgerald introduced Matthew Ide who was presenting information on a behind the meter battery storage project for consideration. MMWEC conducted a large-scale RFP, vetted and selected Delorean Power who has substantial experience in battery storage projects. SHELD management has met with MWMEC and Delorean and would like to present the project to the board for consideration.

Mr. Ide stated that there were 13 other municipalities who were voting on this project and he would walk the Board through the reasons why the project would make sense for South Hadley. He explained how South Hadley pays capacity and transmission charges to ISO New England to move power throughout New England. The formulas use the peak day per year for capacity and the peak hour during a month for transmission. South Hadley's capacity and transmission costs are \$6.7 million per year which can only be impacted by South Hadley using less volume on those peak days. If those charges could be reduced by the battery behind the meter project, then ratepayers would benefit from the savings. The BTM (behind the meter) battery will be discharged directly into the distribution system on those peak days to reduce the volume consumed, therefore reducing the charges South Hadley would pay to ISO-NE.

MMWEC spoke with several battery operator vendors, compared apples to apples and after evaluating all submissions, chose Delorean. They signed an Energy Savings Agreement with Delorean who will come to the MLP site and set up the battery, pay all the capital costs, and operate the battery hoping to catch the peak to reduce capacity and transmission charges.

Delorean and SHELD would share the savings. SHELD would need to pay to prep the site, connect the battery, and pay MMWEC for administrative costs associated with preparing documents and monitoring for the life of the battery. When Delorean charges the battery, SHELD would pay for the electricity to charge the battery, when they discharge the battery on peak days, they sell the electricity to SHELD. Delorean would be responsible for maintenance,

running the battery, and decommissioning the battery, which has a 20-year life. The desired timeframe would be to have it up and running by June 2024.

Mr. Ide displayed a proforma which showed the estimated savings to SHELD. The Energy Savings Agreement pays Delorean 52% of the savings and SHELD would receive 48% of the savings, so the \$6.7 million dollar capacity and transmission charges are estimated to generate \$600,000 in savings, \$362,000 for Delorean and \$265,000 savings for SHELD.

The Board members had many questions and Mr. Fitzgerald said one issue was finding an appropriate site in Town to put the battery. Mr. Gilmore mentioned the pros and cons of three possible sites.

Mr. Ide reviewed the steps it would take before SHELD would sign a MOU (Memorandum of Understanding) for the project which would commit SHELD to the project and paying MMWEC's fees for their prep work. Mr. Hine said they would speak with Mr. Fitzgerald and decide if there needed to be a special meeting before they would make a decision on the project.

The next topic was to review several pending fiber opportunities. Mr. Fitzgerald notified the Board that SHELD is in discussions for fiber construction with River Crest and Pine Grove MDU'S in South Hadley. He also reviewed new information on the Vermont Fiberworks venture and has decided it is not something we should pursue. The greater Portland Maine opportunity is still ongoing. We are in process of scheduling a meeting with their leadership to discuss their business model and identify if this is worthy of further pursuit.

A new opportunity came from Wired West Cooperative which consists of six Western Mass towns: Becket, Windsor, Washington, Heath, Rowe, and New Salem. They are already constructed. There is an RFP for ISP services due by April 1, 2023. If the board approves, Management will provide a proforma of potential revenue, and costs to provide service, by March. Mr. Fitzgerald felt it was worth evaluating.

A motion was made by Mr. Dobosh and seconded by Ms. Presley. It was unanimously VOTED: To authorize SHELD Management to explore this option, by a roll call vote: Ms. Presley – aye, Mr. Dobosh – aye, Mr. Hine – aye.

The next new opportunity was with the Town of East Longmeadow. They requested a meeting with SHELD to discuss their plans to construct a town wide fiber network and indicated a desire for us to provide a proposal for their project. Management would like to request approval to proceed with the initial proposal for planning, engineering, and design services for them.

A motion was made by Ms. Presley and seconded by Mr. Dobosh. It was unanimously VOTED: To authorize SHELD Management to proceed with the proposed initial design plan for East Longmeadow, by a roll call vote: Ms. Presley – aye, Mr. Dobosh – aye, Mr. Hine – aye.

Next was a review of the status of the previous Block Island opportunity. There is a possibility for SHELD to provide ISP services should their town seek another provider. Sertex built their network, has an ongoing relationship with them, and has inquired if we would be interested

should the current ISP provider become unable to serve them or should the town desire to select another provider. The town is fully constructed. Management is introducing this potential opportunity to the board as we may need to act in the near future. Mr. Fitzgerald will revisit this if the opportunity arises.

The final topic was review and release of previously held executive session minutes. The board had reviewed the list of minutes approved but not released in 2021 and 2022. Mr. Fitzgerald stated that the minutes had been reviewed by SHELDT legal counsel. Mr. Hine said he was looking for a motion from the Board to authorize the release the executive session meeting minutes listed on the spreadsheet entitled, Executive Session Meeting Minutes, (August 26, 2021, December 9, 2021, May 12, 2022, July 28, 2022 and December 8, 2022) and not release the other executive session meeting minutes or portions of said meeting minutes referenced therein. And further that said disclosure be announced during the open session portion of this meeting, all in accordance with M.G.L. c.30A, s.22 and all other applicable statutory provisions.

Mr. Dobosh moved, and Ms. Presley seconded the motion. It was unanimously approved by a roll call vote: Mr. Dobosh – aye, Ms. Presley – aye, Mr. Hine – aye.

Adjourn:

On a motion by Mr. Dobosh, and seconded by Ms. Presley, the meeting was unanimously VOTED: to adjourn executive session and return to open session at 6:00PM, by a roll call vote: Ms. Presley–aye, Mr. Dobosh-aye, Mr. Hine-aye.

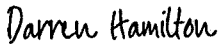
The executive session meeting was adjourned at 5:44 PM.



Paul Dobosh, Light Board Secretary

Approved: March 23, 2023

Signed by:



Darren Hamilton, Light Board Clerk

Approved for Release w/ no Redactions: October 22, 2026