



MUNICIPAL ELECTRIC POWER ADVISORY BOARD

Minutes

February 25, 2021

**HMLD Community Room, 1 Holden Street, Holden, MA
6:00 pm**

Members present: Scott Carlson, Gary Harrington, Steve Sendrowski, Pete Liddy II, Peter Elkas,

Call in: Richard Farrell, Jane Dye, Dennis Mahoney

Staff present: Jane Parenteau, General Manager

Determination of quorum

The meeting was called to order at 6:02 p.m. and determined there was a quorum.

Approval of Minutes

- January 21, 2021

Motion by S Sendrowski, seconded by P Elkas to approve the January 21, 2021 minutes. Unanimously approved 6-0.

Draft December 2020 Financials

J Parenteau went through the 2 year financials through December 2020. Auditors are making year-end adjustments, so these numbers are prior.

Overall revenue up \$300,000. Distribution charges were slightly higher than last year. Admin. costs were less and likely due to vacancies, expected to level off next year. Investments earned \$36,000 with \$148,000 the prior year which can be attributed to the dip at the beginning of the pandemic. Will give an update with more accurate numbers for final year-end adjustments. Transmission billing has a 2 month lag so there are some significant numbers that will have an impact.

Budget to Actual expenses, Operating Revenues were anticipated to be \$13.9 million and they were close to that with \$13.8 million actual. Power supply expenses were budgeted at \$9.3 million but came in \$8.8 million actual YTD. The driving forces of that were that transmission came in higher but energy/capacity came in lower.

J Parenteau explained for new members of the Board that power supply is a pass through, HMLD does not make money on it. YTD basis we have only over recovered a small amount and once a final number comes from the auditors that amount will be reconciled. P Elkas asked how that gets dispersed. J Parenteau answered that it is through the purchase power charge. They try to keep rates as level as possible because customers like stability.

P Elkas asked if this has been communicated to customers at any point. J Parenteau said with the recent unbundling of the rates they would like to start doing a newsletter soon to communicate more with customers.

J Parenteau went on to review the numbers; Distribution Expenses were a little higher (\$19,991.04 increase over budgeted

S Carlson asked how the Capital Project budget is allocated. J Parenteau replied that the Light Dept. is not a line item budget company, funds are not allocated to line items so they forecast where it might go but the numbers can shift. Capital projects are paid through the depreciation.

J Parenteau said customer expenses were slightly higher than budgeted (variance of \$13k). Admin and general expenses were down about \$60k from budget due to vacancies. Stressed yearend adjustments are coming so these are preliminary. The change for unbundling the charges and providing the prompt payment discount on the actual usage versus the bundled amount in 2019 has a significant impact on the numbers.

R Farrell asked about the expense for power production from national grid. J Parenteau said that is part of the purchase power charges and received monthly. The first component is a local network service charge that gets billed based on the monthly peak. The second component comes from regional network service.

Arrears Update

J Parenteau provided an update. She shared a graph showing arrears in 2019 vs 2020 vs 2021. Significantly higher versus last year which is due to Covid-19 and the moratorium still in effect. HMLD will continue to mail reminders for customers 60+ days in arrears. Phone calls will continue to be made to try and set up payment plans prior to the potential lifting of the moratorium in April 1, 2021.

HMLD Residential Rebates

J Parenteau explained about the pilot Solar rebate program through MMWEC. For every kilowatt the customer could potentially earn \$1.20/watt capped at 5 kW in order to make it available to more customers. \$ 50,000 earmarked for this program for Holden and \$48,000 has been committed and pending. DOER has not signaled that they want to continue the program so the matching dollars are not going to be available. Most MLPs are ending the solar rebate program since DOER is ending it.

J Parenteau asked for the Board's feedback about continuing the program in Holden. Rebates come out of the Operating fund, so this might be something to look at in the future.

HELPS program 2018 spent \$61k

HELPS program 2019 \$86k

HELPS program 2020 \$96k

S Carlson asked how HMLD would protect themselves. J Parenteau replied that the criteria would be crucial to make sure it is both beneficial to the customer and HMLD. It is a balancing act.

Massachusetts law requires MLP's spend .25% of total revenue on Residential rebate programs. Based on 2019 HMLD is doing 2.5 times the mandated amount.

P Elkas asked if this is Solar only or appliance and energy programs as well. J Parenteau explained that the HELPS program encompasses Free Home Energy Audits, Energy Star

Appliance Rebate, Wi-Fi Smart Thermostat, and Home Energy Incentives. Flyers with the program details were shared.

P Elkas asked if HMLD is funding these programs 100%? J Parenteau replied yes.

S Carlson asked how we can make mid-level customers incentivized for Solar.

J Parenteau said the way would be to develop an HMLD Community Solar project which would give to the utility and pass those savings on to the customer. Hypothetical structure would be to get a 3rd party developer to install the solar project and get X number (maybe 500) of customers to sign up for the Solar project and pay a slight premium monthly. Then the savings earned would be passed on to those that bought into the program. It is a program that they have been thinking about and would be up for discussion by the Board.

P Elkas and S Carlson voiced their support for that type of program.

Operation/Capital Update

J Parenteau gave an update from Operations - converting URD developments from HP to LED which is completed with the exception of 3 developments (Pilgrim, Plymouth and Beechwood) waiting on inventory to finish. Meter counts have begun for the new meter replacement project in preparation for bidding. New construction projects to include Seven Saws, Quinns and Tea Party estates. Paxton fiber project is complete and was invoiced.

J Parenteau gave an update from Capital - Chaffin replacement is underway and bid opening is scheduled for March 11. Bullard St Substation materials are being manufacture, engineering has been completed for the circuit design and is being reviewed by the Senior working foreman. LEDs have arrived for the HMLD building.

AMI Meter Replacement project – HMLD hired a consultant for the project to make sure HMLD's interests are being considered. Meter data management policy was drafted in response to concern about data safety and presented to the Light Commission. The Light Commission approved the HMLD budget but put a moratorium on replacing the meters until they had a chance to review the Meter Data Management Plan. J Parenteau will be attending the March 8th meeting to either vote to accept it or end the moratorium.

J Parenteau reached out to Town Manager, Peter Lukes supports the financing through MMWEC and it will go before the Board of Selectman hopefully in March.

Chaffin Substation Rutland Feeder – had a meeting with National Grid contact, Joe Murphy, in February and provided design and feedback on the rewriting of the 1980s agreement. The Feeder into Rutland doesn't comply with that contract. There will be a follow up meeting before the March MEPAB meeting in regards to this so it doesn't hold up the construction.

Personnel Update

Mike Viano was promoted to Senior Working Foreman.

Meter reader moved to South Hadley but with the upgrade forthcoming that position would be obsolete so it works out well.

Looking to create an Engineering position in the near future.

There have been 2 meetings so far for negotiations between the HMLD and the Union. Barry Tupper has been in attendance representing management.

Public Comment

Dennis Mahoney, Fox Hill Dr. asked about the Peabody Peaker Plant (gas and oil) construction, what is the total cost to Holden? Does the project still make sense from a financial standpoint and with the change from fossil fuels?

J Parenteau replied that she will get that information for him.

Other Business

Next Meetings

March 18, 2021

Motion to adjourn by S Carlson, seconded by P Elkas, it was unanimously approved to adjourn the February 25, 2021 meeting at 7:08 pm

Prepared by: Sara Flagg, Recording Secretary

Approved: March 18, 2021