

*Chicopee Municipal Lighting Board
Minutes of Meeting
Tuesday, October 26, 2021*

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:01 pm, Tuesday, October 26, 2021.

Present for this meeting were Commissioner Robert L. Pajak, Commissioner Joseph F. Pasternak, III, Commissioner Carl E. Sittard (remotely) and General Manager and Clerk of the Board James M. Lisowski. Also present for a portion of the meeting were: Matthew Ide, Exec. Director, Energy & Financial Markets and Ron Decurzio, CEO of MMWEC.

Commissioner Pajak made a motion to accept the minutes of September 27, 2021 as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion to concur with the payment of **Warrant #E100821** dated 09/30/2021 in the amount of \$272,120.53; **Warrant #E100821** dated 10/4/2021 in the amount of \$207,124.21; **Warrant #E101521** dated 10/7/2021 in the amount of \$200,108.46; **Warrant #E101521** dated 10/12/2021 in the amount of \$197,501.29; **Warrant #E102221** dated 10/14/2021 in the amount of \$164,049.12 and **Warrant #E102221** dated 10/18/2021 in the amount of \$1,534,836.13. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pajak made a motion to pay **Power Bills** in the amount of **\$2,048,801.88**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pajak made a motion to pay **Bills and Customer Refunds** in the amount of **\$513,934.31**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 3 to 0.

Commissioner Pasternak made a motion to **Write-off the Uncollectibles** in the amount of **\$38,588.84**. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.

The General Manager presented the Commissioners with the Annual Bid for Polemount Transformers. Commissioner Pasternak made a motion, to award the Annual Bid for Polemount Transformers, consistent with staff's recommendation in response to CEL Bid #21-0494. Commissioner Pajak seconded the motion. Discussion: General Manager informed the Board that pricing is significantly higher than historical costs and lead-times are extended, but it is "cost of doing" business in today's environment; Motion was passed 3 to 0. *Document: CEL Bid #21-0494*

DISCUSSION ITEMS:

MMWEC – Power Supply Overview/Project 2015A & Pooled Loan/Lease Program

Matt Ide, Exec. Director, Energy & Financial Markets and Ron Decurzio, CEO of MMWEC provided the Board the Power Supply Overview, including discussion of the following:

- Power Portfolio Cost Report – Energy, Capacity and Transmission related costs
- Current Generation Resources
- Non-Carbon Emitting Analysis – 2020 approx. 17% of Portfolio qualified as Non-Carbon Emitting with increase to 25% in 2021
- Non-carbon Emitting Analysis – how will CEL meet the 2030 50% Requirement from an Energy Perspective
 - Offshore Wind
 - Hydro Quebec Extension
 - New Hydro, onshore wind or Solar opportunities
 - Seabrook
- Review of CEL’s Capacity Position – After 2024, our open position increases to approx. 79%, which is too large from a hedging perspective. MMWEC feels an appropriate open-position should be approx. 35%
 - Need to fill that open position and Project 2015A provides a resource (CEL portion is 2.6MW +/-)
 - Renewables do not provide the needed capacity – their low capacity factors would require over-procurement of renewable energy to fulfill capacity requirements
 - By supporting CEL’s capacity requirements, project allows participants to pursue additional carbon-free energy resources
 - The need for reliable capacity resources are recognized by the 2050 Decarbonization Roadmap and ISO-NE
 - Project projected to operate only around 240 hours per year and is produces fewer emissions than 94% of similar plants in the region.
 - Potential to utilize Green Hydrogen at some point in the future

MMWEC also introduced to the Board their Pooled Loan/Lease Program, which allows MMWEC to make loans to member utilities for capital projects such as generating assets, substations, buildings, etc. Benefits to members include: more economical financing, more expeditious, greater flexibility and preserves capital at adequate resource levels. CEL may want to consider this option when/if we decide to move forward with the 1895 Building Renovation. *Document: MMWEC Commissioner Presentation October 6 2021.pptx*

Crossroads Fiber Update

General Manager informed the Board that Crossroads is nearing 1750 total customers with approximately 150 in the installation queue. We continue to add 20-25 customers per week in the active fiber neighborhoods. Last week, the Woodland Rd. FSA was opened up

for applications; we are currently completing work in the Simonich St. FSA with plan to open up in early November and we just kicked off construction in the New Ludlow Rd – East FSA. We are looking to build 1-2 additional FSA's by end of year, bringing the total to 42 total FSA's (approx. 30% of City), We continue to deal with material availability issues and significantly higher prices. We are developing our plan for 2022 and have tentatively targeted the construction of an additional 25 FSA's. If there is some return to "normalcy" in material pricing and lead times, we would consider upping that figure. We are also introducing a Seasonal ("Snowbird") Rate starting in November – we have seen some demand for this and other providers do offer something similar.

Chicopee Hydro Update

General Manager informed the Board that the New Operator has discovered some additional issues with both penstocks and will be performing an ultrasonic thickness analysis to determine the scope of the problem and potential game plan to address. If study finds widespread issues along both penstocks, discussion will need to be had as it relates to the financial viability of the site going forward. The Board was informed that the insurance claim for the initial Penstock failure has been submitted and we await response.

1895 Building Reno Update

General Manager has had discussion with the Project OPM and he feels that we should maintain the hold on the project due to cost and material availability concerns. CEL's architect had a bid opening on the 26th for a 30,000 sq. ft Vehicle and Maintenance facility in the Berkshires and the prices received came in 10-30% higher than the project estimate of \$9.5M. As a reminder, CEL received an estimate of approx. \$12.1M in May 2021 for our project. This does not include Design and project management costs (OPM + Clerk of the Works), which would drive costs over \$13M. The General Manager is looking to arrange a sit-down with the Architect and OPM the week of November 8th to hash out our course of action. Realistically, CEL needs some de-escalation in the current market to make this financially viable.

Legislative Update

General Manager informed the Board that all indication points towards the Clean Electricity Performance Program (CEPP) discussed at last month's meeting, will not make it onto the Reconciliation bill in Washington. It is unknown at this time if a different plan will emerge to address the President's climate goals. On the State Level, there are a number of bills being discussed including one that deals with Double Poles and setting timelines for removal or fines will be imposed plus one that defines the multi-step notification procedure that a utility must follow to disconnect a customer:

Verizon 5G Micro Cell Sites

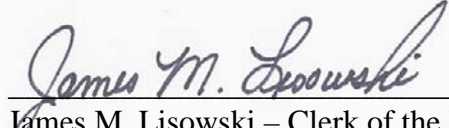
Recently, the General Manager was contacted by a Verizon Wireless representative concerning the installation of 17 5G Micro Cell Sites in the City. We have requested the

location of these sites so we can perform a preliminary review and identify possible poles and/or make ready work. As of meeting date, we have not received the locations. The installation of these sites may prove to be controversial as some entities claim there are possible health effects related to the radio waves. We do not have the authority to deny their installation, but have set expectations through a previously negotiated agreement with Verizon. Verizon will be responsible for dealing with any of the political or customer complaints.

Staffing / Succession Planning

We remain in contact with the engineer from an investor owned utility who is considering the open Senior Electrical Engineer position. We have received and are currently reviewing a couple of applications. We will start interviewing for the Station Repairman position and the Customer Service/Front Office open positions over the next couple of weeks.

Commissioner Pasternak made a motion to adjourn at 6:25 pm. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 3 to 0.


James M. Lisowski – Clerk of the Board

Approved: November 30, 2021