

*Chicopee Municipal Lighting Board
Minutes of Meeting
Monday, July 26, 2021*

Chairman Pasternak called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:04 pm, Monday, July 26, 2021.

Present for this meeting were Commissioner Robert L. Pajak, Commissioner Joseph F. Pasternak, III, and General Manager and Clerk of the Board James M. Lisowski. Commissioner Carl E. Sittard was absent.

Commissioner Pasternak made a motion to accept the minutes of June 8, 2021, June 17, 2021 and the Executive Session minutes from June 17, 2021 as presented. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to concur with the payment of **Warrant #E062521** dated 6/21/2021 in the amount of \$1,311,573.51; **Warrant #E070921** dated 7/1/2021 in the amount of \$611,133.69; **Warrant #E071621** dated 7/9/2021 in the amount of \$125,993.90; **Warrant #E071621** dated 7/12/2021 in the amount of \$347,045.05; **Warrant #E072321** dated 7/15/2021 in the amount of \$262,260.99 and **Warrant #E072321** dated 7/19/2021 in the amount of \$3,457,710.04. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pajak made a motion to pay **Bills and Customer Refunds** in the amount of **\$206,328.21**. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pajak made a motion to pay **Power Bills** in the amount of **\$50,988.24**. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to **Write-off the Uncollectibles** in the amount of **\$33,031.21**. Commissioner Pajak seconded the motion. Discussion: Customer Service continues to perform admirably. Decrease also attributable to increase in new Customer Deposits established several years back; Motion was passed 2 to 0.

The General Manager presented the Commissioners with the Annual Bid for Calix Customer Premise Equipment. Commissioner Pasternak made a motion, to award the Annual Bid for Calix Customer Premise Equipment, consistent with staff's recommendation in response to CEL Bid #21-0493. Commissioner Pajak seconded the motion. Discussion: Lead times for Calix products impacted by Supply Chain issues; Motion was passed 2 to 0. *Document: CEL Bid #21-0493*

The General Manager reviewed the IBEW Union Agreement with the Commissioners. Commissioner Pajak made a motion to approve the 3 year agreement between CMLP and the IBEW. Commissioner Pasternak seconded the motion. Discussion: Objective of new contract was to remain competitive with other MLP's and employee retention; Motion was passed 2 to 0.

DISCUSSION ITEMS

Chicopee Hydro – O&M Contractor Update

- CEL received 2 Proposals – Ware River Hydro (WRH) and Dichotomy Power (DP); Essex Hydro decided to not submit proposal
 - WRH is the more cost effective on initial review – approx. \$80K less per year, but is not as complete and thorough as DP’s proposal and labor rates for work outside the standard O&M contract are significantly higher than DP
 - CEL will review proposals in more detail with intent to have contract in place by August 20th, allowing contractor to mobilize resources by September 1st.
 - Continue to negotiate with Eagle Creek (existing O&M Contractor) on Transition phase extension – have not received response in last 2 weeks.
 - May be necessary to call special meeting prior to next formally scheduled meeting to award new contract to selected contractor

Collections Update

- As of 7/23, Residential arrears are just over \$500K, from a high of \$2.5M in February.
 - 530 Accounts with 227 on Payment Plans totaling \$128K and 129 Protected accounts totaling \$288K
 - All high \$ accounts (> \$2000) are Protected Accounts
 - Working with City Hall on placing liens against 12 Protected accounts (owners) totaling \$38K
- Expecting additional funds from Wayfinders and VOC (Secondary Fuel Assistance) expected over next couple of months to further reduce the arrears
- Commercial arrears are “negligible” with majority related to Owner’s common meters in multi-family/apartments

Power Supply Updates

- Clean Energy Portfolio
 - ME Class II RECS – earlier this month, MMWEC purchased, on our behalf, 5 Year (11%) and 10 Year (3.3%) strips of ME Class II RECS to meet our intended goal of 25%. Compared to what was discussed at earlier board meeting and as a result of the final negotiated price, we doubled our 5 Year, reduced our 10 Year and eliminated the Spot purchase for 2021 and 2022, The Spot and 10 Year increased, while the 5-year strip price decreased making that a more desirable option.
 - Executed agreement with Brookfield Hydro (thru MMWEC) for 5 year term (2024-28) for 2 MW of ATC (Around the Clock) power at \$50.50/MWh. Price includes the associated ME Class II RECS, which carry a value of \$5-\$8/MWh, resulting in energy price in the \$42-45/MWh range (¢4.2-4.5/kWh), which is favorable when compared to our existing Solar PPA’s which run ¢5-6/kWh currently
- Mayflower Off-Shore Wind
 - MMWEC moving forward with negotiations with the Mayflower Off-Shore Wind Farm Developer

- CEL looking for 32 MW at 48% Capacity Factor
- 20 Year PPA, Expected on-line date of January 2026 thru 2046
- Price is \$71.23/MWh, which includes the energy, MA Class 1 REC's and the MA Clean Peak Certificates, but does not include any ISO Capacity.
 - Will have option to retire the REC's or arbitrage and purchase lower cost ME Class II REC's (or others as they become available)
 - Opportunity to sell the Clean Peak Certificates to further reduce the bottom line energy price
- MMWEC Project 2015A (Peabody)
 - After a 3 +/- month hold at the DPU to address concerns of environmental groups and the community, MMWEC in proceeding with the Project.
 - CEL has 2.67 MW (4.85%) share of the 55 MW gas fired plant to be installed at the same site of 2 existing Peabody Gas Turbines
 - Notified MMWEC in 2019 of desire to “sell off” our share – so far no takers and likely will not receive any interest until the plant has cleared all permitting, regulatory, political and community hurdles and approaches operation
 - MMWEC has made some concessions – eliminating 200,000 Gallon oil tank at the site and the use of Urea (vs. ammonia) to a NOx emissions scrubbing agent
 - Due to site now being part of an Environmental Justice Neighborhood per the 2020 Census, Peabody has agreed to decommission the existing 20 MW, 1970's vintage Generator at the site following construction of the new generator, consistent with PMLP's obligations in the ISO Capacity Market and in accordance with ISO tariff requirements. However, it is possible that ISO will not allow the retirement due to reliability or other concerns
 - Still getting significant push-back from Environmental Groups and local politicians
 - Intent is to begin minor construction and make-ready work starting this fall with major construction planned for Spring 2022 with on-line in 2023

Environmental Justice

- Defined by the State of Massachusetts as the economic, environmental and public health impact of underserved communities.
- Per 2020 Census, Chicopee has 27 EJ Neighborhoods that make up approx. 66% of the population
 - There are 3 primary criteria to qualify as an EJ neighborhood: % Minority Population, Low-income levels and English Isolation (i.e. non-english speaking).
- Initially defined a “do no harm” policy, but has been expanded to “do good” for these underserved communities.
- CEL has been in communication with MMWEC on what we can do as an MLP to support this initiative. A Resolution in Support of Addressing EJ Concerns will be brought to the board at the August meeting

- Options including putting Google Translate on our web sites, providing Spanish literature (in addition to the English Versions), such as our newsletters, Applications, School Education literature, etc.
- I have reached out to City Planning and the Mayor's office to see if there is an opportunity to partner in some initiatives.- awaiting a response
- Commissioner Pasternak requested a copy of the Chicopee EJ map be provided at the next Board Meeting

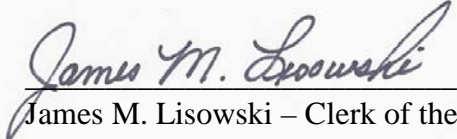
Staffing/Succession Planning

- Have hired a Part-time Telecomm Engineer (20-25 hrs/week) – hope is to have them become permanent at some point in the next year or so.
- Still searching for Sr. Electrical Engineer and Fiber Technician
- Recently posted for Billing Clerk, Telecom Scheduler/Coordinator and will be advertising for a lineman
- Q4 – post for Compliance Officer/Manager due to planned August/September retirement of current employee
- Q4 – look at posting for Asst. GM → GM to have on board in Q1 2022.

New Business

- PURMA Property Insurance Captive (PEIC), which was brought to the board 3-4 months back continues to progress. Working through the legal and regulatory requirements related to establishing the Captive.
- Jeff Cady is working through an analysis to determine if PPA adjustment is warranted due to significant increase in Power Supply Costs. We would like to implement the change, if necessary, prior to the August billing period. Board is okay with implementing in August and formally presenting the change at the August Board Meeting.
- On the Telecom side, we continue to deal with extended lead times across most product lines. Will have an impact on the ability to continue the construction of new FSA's in the near future, however, we will continue to push forward with service installs in existing FSA's. Commissioner Pasternak requested a more detailed update at the next Board Meeting.

Commissioner Pasternak made a motion to adjourn at 5:26 pm. Commissioner Pajak seconded the motion. Discussion: None; Motion was passed 2 to 0.


James M. Lisowski – Clerk of the Board

Approved: August 30, 2021