

*Chicopee Municipal Lighting Board
Minutes of Meeting
Wednesday, March 2, 2022*

Chairman Sittard called a regular meeting of the Chicopee Municipal Lighting Board to order at 4:15 pm, Wednesday, March 2, 2022.

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

Commissioner Pasternak made a motion to accept the minutes of February 15, 2022 as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to concur with the payment of **Warrant #E021822** dated 2/16/2022 in the amount of \$1,597,407.87; **Warrant #E022522** dated 2/18/2022 in the amount of \$146,849.55; **Warrant #E022522** dated 2/22/2022 in the amount of \$4,333,635.54 and **Warrant #E030422** dated 2/28/2022 in the amount of \$81,620.94

Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

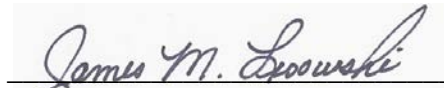
Commissioner Pasternak made a motion to pay **Bills and Customer Refunds** in the amount of **\$588,797.89**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

The General Manager discussed the Purchase Power Adjustment (PPA) with the Commissioners. He explained that the PPA will need to be adjusted effective with the March billing period. The Power supply costs for January and February are coming in substantially higher than budgeted and at their highest levels since February 2014. Prices are running approx. 250% above this time last year, driven primarily by the natural gas price which is 305% above January 2021 levels. In January alone, our ISO-NE Interchange Costs came in approx. \$1.5M above budget (spot market price of approx. \$.17/kWh) and current projections for the balance of the year point towards an average annual spot market costs of approx. \$.09/kWh. vs. the original budget of \$.052/kWh. This increase equates to an increase in power supply costs for the year of \$5.5M compared to budget. The General Manager presented the board with several methods of calculations used to evaluate the appropriate increase to the PPA, including a “cautiously optimistic” and “pessimistic” evaluation. Based on the information currently available and the current indicative forward on-peak pricing provided my MMWEC, the General Manager recommended a PPA adjustment of \$.014/kWh, which was based on the “cautiously optimistic” assumptions. The pessimistic evaluation would result in an increase of \$.017/kWh. Because of the volatility in the market and to provide a small “buffer”, Commissioner Sittard recommended an increase of \$.015/kWh. After further discussion, Commissioner Pasternak agreed with this figure. This equates to a 10-11% increase in residential rates, resulting in a \$11-12 increase for a residential customer using 750kW/month The General

Manager stated that he is working with MMWEC on opportunities to close our open position by 10-20% per month (higher on peak months), but there will be challenges based on the current market volatility. We will monitor actual costs vs. budgeted and will come to the Board if additional adjustments will be necessary.

Commissioner Sittard made a motion to approve the PPA adjustment of \$.015/kWh. Commissioner Pasternak seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Pasternak made a motion to adjourn at 4:36 pm. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.



James M. Lisowski – Clerk of the Board

Approved: March 22, 2022