

SUBJECT TO BOARD APPROVAL

MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS
OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

October 24, 2019

The October Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, October 24, 2019 at the CMEEC offices located at 30 Stott Avenue, Norwich, CT at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut State Statutes and all proceedings and actions hereafter recorded occurred during the publicly open portions of the meeting.

The following Member Representatives / Alternate Member Representatives / Municipal Representatives participated:

Groton Utilities: Ronald Gaudet, Jeffrey Godley Keith Hedrick (via telephone)
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Chris LaRose, Stewart Peil (via telephone), Robert Staley
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: Seymour Adelman, Scott Barber, Richard Tanger
South Norwalk Electric & Water: David Westmoreland, Paul Yatcko (via telephone)
South Norwalk Municipal Representative: Dawn DelGreco
Third Taxing District: Kevin Barber, Debora Goldstein
Third Taxing District Municipal Representative: Pete Johnson
Jewett City Department of Public Utilities: Louis Demicco, Kenneth Sullivan, Richard Throwe
Jewett City Municipal Representative: George Kennedy

The following CMEEC Staff Participated:

Michael Lane, CMEEC CFO and Interim CEO
Bella Chernovitsky, CMEEC Director of Business Intelligence
Justin Connell, CMEEC Director of Sustainability and Customer Engagement
Michael Cyr, CMEEC Director of Portfolio Management
Patricia Meek, CMEEC Financial Planning & Analysis Manager
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Bradley Svalberg, CMEEC Treasury Consultant
Scott Whittier, CMEEC Director of Enabling Services
Margaret Job, CMEEC Executive Assistant and Paralegal

Others in Attendance:

Claire Bessette, Reporter, The Day Newspaper
David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Chair Kenneth Sullivan called the meeting to order at 10:00 a.m. He made a brief announcement that the meeting of the Executive Search Committee scheduled for today at 2:00 p.m. will instead meet immediately following the Regular Board of Directors' meeting which shall be earlier than 2:00 p.m.

For the record, Chair Sullivan noted that today's meeting is being held via telephone and in person at the CMEEC offices located at 30 Stott Avenue, Norwich, CT.

Standard Agenda Items

A Public Attendee Comment Period

No public comment was made.

B Conduct Voting Roster / Roll Call

Ms. Job conducted roll call identifying the formal voting persons at today's meeting. Chair Sullivan confirmed a quorum was present.

C Approve Minutes of the CMEEC Regular September 26, 2019 Board of Directors' Meeting

A motion was made by Municipal Representative Pete Johnson, seconded by Member Representative Chris LaRose to approve the Minutes of the CMEEC Regular September 26, 2019 Board of Directors' Meeting.

Motion passed unanimously. 19-10-03

D Approve Minutes of the CMEEC Special October 8, 2019 Board of Directors' Meeting

A motion was made by Member Representative Louis Demicco, seconded by Member Representative Jeffrey Godley to approve the Minutes of the CMEEC Special October 8, 2019 Board of Directors' Meeting.

Motion passed unanimously. 19-10-04

E September 2019 Objective Summary Review (Informing)

Michael Lane provided a high-level overview of the exceptions noted in the objective summary dashboard report provided to the Board in advance of today's meeting. He reviewed each line item that reflected a deviation from established target value for the month and year to date, providing an explanation of the variance.

He explained that the Regional Competitiveness Deviation to Benchmark realized a strong month for September at 32% over benchmark. This was mainly due to strong performance in power cost and the investment portfolio. He noted that the financial stability metrics are realizing a strong year to date. He added that the total gross NFO is under budget for September due partially to the O&M not being realized at the Subase, along with savings in salaries.

He noted that the investment portfolio under the Maximize Asset Value metric is strong and came in above budget for September mainly due to investing strategies utilized by PFM. Upon inquiry by Alternate Member Representative Robert Staley, Bradley Svalberg, CMEEC Treasury Consultant, explained that PFM is CMEEC's investor noting that PFM represents municipals across the US. Mr. Svalberg also explained the conservative investment approach by PFM is paying off.

F September 2019 Project Portfolio Performance (Informing)

Michael Rall provided a high-level overview of the project portfolio performance for the month of September. He explained that MicroGen's September actual net benefit was lower than budget due mainly to lower than budgeted peak load reduction in August. Mr. Rall explained that MicroGen units were scheduled to start beginning at 16:00 because peak load was forecasted to be higher for several hours later in the evening, but pop-up storms caused loads to drop quickly throughout Connecticut and New England. The MicroGen units were started quickly when the storms began but were only on line for approximately 45 minutes. He added that MicroGen units were successful in optimizing the monthly peak load for September. The load was reduced by 45.72 MW out of an available 50MW during the peak hour. Mr. Rall also noted that Pierce realized a strong month mostly due to higher than budgeted Summer LFR rate.

G September 2019 Energy Market Analysis (Informing)

Michael Cyr provided a high-level review of the Energy Market Analysis for September 2019 provided to the Board in advance of today's meeting.

Mr. Cyr explained that actual loads came in 3,836 MWh lower than budget at 65,936 MWh. Actual Energy cost was .029/MWh lower than budget with an actual cost of \$34.09/MWh. Weighted average energy cost at LMPs was \$21.79/MWh for September and Actual Average Hub Daily DA LMPs came in at \$21.14/MWh, ranging from \$15.71/MWh to \$29.17/MWh.

Henry Hub Natural Gas Price was \$2.52/MMBTU for September, coming in at 0.11/MMBTU lower than budget and ranging from \$2.29 to \$2.74/MMBTU. Algonquin Citygate Gas Price for September was \$1.92/MMBTU, coming in at \$1.28/MMBTU lower than budget and ranging from \$1.21 to \$2.61/MMBTU.

West Texas Intermediate Oil August Settlement price was \$54.81/Barrel, which was \$2.54/Barrel lower than previous month.

Mr. Cyr pointed out that the Forward Capacity Auction Clearing Price was \$7.03/Kw-Mo for September and the August Actual Net Regional Capacity Clearing Price was \$7.07/Kw-Mo which was \$0.02/Kw-Mo lower than previous month.

Mr. Cyr noted that Eversource recently has purchased the remaining 30% of their wholesale power for the first six months of 2020 reaching 100% purchased for the first six months. He stated that winter ATC pricing at the time that Eversource purchased their remaining 30% pricing was roughly \$71.00/MWh. He highlighted that CMEEC is 92% hedged for December at approximately \$43.00/MWh and 85% hedged for January and February at approximately \$50.00/MWh.

Mr. Cyr highlighted that gas storage levels continue to be very high and are approximately 16% higher than 2019. He added that there is plenty of gas in storage for the winter. The only concern is transportation.

H Governance Committee Report (Informing)

Member Representative Ronald Gaudet, Chair of the Joint Governance Committee, reported to the Board that at its last meeting the topic of onboarding of Board members was discussed. A draft onboarding package will be completed and passed out at the upcoming Board Governance Training session scheduled for Wednesday, October 30, 2019. He explained that the Board Governance Training is being facilitated by Timothy Blodgett of Hometown Connections. He noted that no onboarding will be conducted at the Board Governance Training session, but that Ms. Kipnis will discuss some of the highlights of the package.

Mr. Gaudet informed the Board that the Committee worked on the first draft of the Officer and Board Committee slates at its last meeting. He explained that the slates were filled using the survey tool that was emailed to each member of the Board of Directors which solicited interest in serving. He also stated that focus was on ensuring each member utility was fully represented on each Committee and Officer position. He explained that the Governance Committee placed an interim chair on each of the Joint Committees so that they would be in position to conduct business at their first meeting in 2020.

Mr. Gaudet asked that the Board review the draft slates and make any comments or pose any questions to either him, Ms. Kipnis or Scott Whittier. He stated that the Governance

Committee will meet in November prior to the November Board of Directors' meeting and will present its final Officer and Committee slate at that Board meeting for approval.

I Budget & Finance Committee Report (Informing)

Member Representative Kevin Barber, Chair of the Joint Budget & Finance Committee, reported to the Board that the Budget & Finance Committee met several times delving deeply into the Transco and CMEEC budgets created by CMEEC staff. He added that the full Board were invited to each of the Committee meetings and were provided documentation and encouraged to ask questions. He stated that the level of detail in the budget process was greater than in years past. He noted that the Transco budget is before the Transco Board of Directors today for approval at their meeting which will immediately follow this CMEEC Board of Directors' meeting. He added that the Budget & Finance Committee has met to review the CMEEC budget and an additional meeting has been scheduled for November 1, 2019 to review the CMEEC budget again. The CMEEC budget will be brought to the November CMEEC Board of Directors' meeting for approval.

J Legislative Committee Report (Informing)

Member Representative Debora Goldstein, Chair of the Joint Legislative Committee, reported to the Board that the Legislative Committee has met a few times this year and has a meeting scheduled for November 1, 2019 to address the Special Committee recommendation to review and possibly draft a policy on lobbying activities for CMEEC.

Ms. Goldstein stated the at a previous Board of Directors' meeting, this Committee reported on the proposed federal legislation addressing exemptions that municipals have with placement of devices on poles especially as they relate to the proposed 5G network. She continued to explain that Ms. Kipnis had distributed a memo to the Board of Directors via email that addressed litigation in connection with the legislation. She explained that it appears the municipals may be in danger of losing the exemption. She added that this topic could be a strategic planning topic to assist municipals to navigate any impact that may have.

Ms. Goldstein stated that this Committee addressed Governor Lamont's Executive Order No. 3 which addresses renewables standards and targets rolled out to Connecticut at its last meeting. Ms. Goldstein stated that an IRP initiated by the Department of Energy and Environmental Protection (DEEP) in 2018 has been revised in response to this Executive Order No. 3. She added that CMEEC is drafting a response to the IRP which is due on October 29, 2019.

Ms. Goldstein added that the Joint Legislative Committee may call a special meeting later in the year to discuss potential legislation being proposed in the 2020 legislative session.

**K Risk Management Committee Report (Informing)
Facilitated Distributed Energy Resources Pilot Project Update**

Municipal Representative Pete Johnson, Chair of the Joint Risk Management Committee, reported to the Board that CMEEC commercial insurance agent, USI Insurance Services, was invited to conduct a presentation to this Committee at its last meeting of its findings and activities conducted leading up to the presentation of a quote for the CMEEC commercial insurance renewal.

Mr. Johnson introduced Justin Connell who provided an overview of an update of the Facilitated Distributed Energy Resources Pilot Project. Mr. Connell informed Board that, upon their approval at its last meeting, the TTD customer was approached again with respect to the pilot project. After lengthy discussion with the customer, the customer acknowledged its desire to continue working with CMEEC and TTD to determine a viable solution and that it wishes to continue to work with the municipality. He added that work is being conducted to determine a workable solution for both the customer and the municipality.

In other business, Chair Sullivan reported to the Board that at the last meeting of this Board, during its preliminary discussion on strategic planning, Member Representative Paul Yatcko suggested that Chair Sullivan and Mr. Lane, as interim CEO, have a discussion related to the creation of an ad hoc strategic planning committee. Chair Sullivan explained that he and Mr. Lane contacted Tim Blodgett of Hometown Connections, who is the facilitator of the Board Governance Training being held on October 30, 2019.

There being no further business to come before this Board, Chair Sullivan entertained a motion to adjourn.

A motion was made by Member Representative Gaudet, seconded by Member Representative Louis Demicco to adjourn the meeting.

Motion passed unanimously.

19-10-05

The meeting was adjourned at 10:37 a.m.