

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

December 20, 2018

The December Regular Meeting of the Board of Directors (“Board”) of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, December 20, 2018 at the Spa at Norwich Inn, 607 West Thames St, Norwich, CT 06360.

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

Chairperson Kenneth Sullivan called the meeting to order at 10:05 a.m. and determined a quorum was present.

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

Bozrah Light and Power Company: Richard Tanger, Ralph Winslow
Groton Public Utilities: Ronald Gaudet, Keith Hedrick, Mark Oefinger
Jewett City Department of Public Utilities: Louis Demicco, Kenneth Sullivan, Richard Throwe
Norwich Public Utilities: Dr. Grace Jones
South Norwalk Electric & Water: David Westmoreland (via telephone), Paul Yatcko (via telephone)
Third Taxing District: Kevin Barber, David Brown Debora Goldstein, Pete Johnson (via telephone)

The following CMEEC staff participated:

Michael Lane, CMEEC Interim Chief Executive Officer
Robin Kipnis, CMEEC General Counsel
Bella Chernovitsky, CMEEC Director Business Intelligence
Justin Connell, CMEEC Director Portfolio Management
Jake Pagan, CMEEC Director Business Development
Michael Rall, CMEEC Director Asset Management
Gabe Stern, CMEEC Director Technical Services
Scott Whittier, CMEEC Director Enabling Services
Ellen Kachmar, CMEEC Office & Facility Manager
Margaret Job, CMEEC Administrative Staff

Other participants:

Timothy Shea, Brown Rudnick
Paul Afonso, Esquire, Brown Rudnick
William Kowalski, Municipal Electric Consumer Advocate
Kevin Ahern, Reporter, The Norwich Bulletin
Claire Bessette, Reporter, The Day

Ms. Job recorded.

Chairperson Sullivan noted for the record that today's meeting is being held at the Spa at Norwich Inn, 607 West Thames Street, Norwich, CT.

Standard Action Items

(A) Public Attendee Comment Period

Chairperson Sullivan invited any member from the public present at today's meeting to comment. No public comment was made.

(B) Conduct Voting Roster / Roll Call

Ms. Kipnis conducted roll call identifying the formal voting persons at today's meeting.

Chairperson Sullivan entertained a motion to modify the agenda to include a vote on and approval of the Charter of the Special Investigative Committee.

Alternate Member Representative Debora Goldstein asked that a request be made to suspend the rules of order to modify the agenda to include a vote for approval of the Charter of the Special Investigative Committee since she is unable to do so as a non-voting member at today's meeting.

Member Representative Ronald Gaudet requested to suspend the rules of order to modify the agenda.

Chairperson Sullivan entertained a motion to amend the agenda to include a vote on and approval of the Charter of the Special Investigative Committee.

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Dr. Grace Jones to amend the agenda to include a vote on and approval of the Charter of the Special Investigative Committee added as Agenda Item L.

Motion passed unanimously.

18-12-01

(C) Approve Minutes of CMEEEC Annual and Regular November 15, 2018 Board of Directors' Meeting

A motion was made by Member Representative Kevin Barber, seconded by Member Representative Jones to approve the Minutes of the CMEEC Annual and Regular November 15, 2018 Board of Directors' meeting.

Motion passed unanimously.

18-12-02

(D) Approve Minutes of CMEEC Emergency December 6, 2018 Board of Directors' meeting.

A motion was made by Member Representative Gaudet, seconded by Member Representative Louis Demicco to approve the Minutes of the CMEEC Emergency December 6, 2018 Board of Directors' meeting.

Motion passed unanimously.

18-12-03

(E) November 2018 Objective Summary Review

Michael Lane, Interim Chief Executive Officer, provided a high-level overview of the exceptions to the objective summary dashboard report provided to the Board in advance of the meeting and provided as a handout at today's meeting. He reviewed each line item that reflected a deviation from established target value for the performance month, year to date. Mr. Lane provided a summary of each of the metrics highlighting deviations and targets met.

(F) Pierce and Microgen 2018 Performance

Michael Rall, Director Asset Management, provided a high-level overview of the Pierce and Microgen assets. He stated that the Microgen realized good performance for the year and is expected to continue into 2019.

Mr. Rall stated that Pierce Project also realized good performance for the year and identified some operational activities that took place in 2018, including the annual emissions testing required by the DEEP and a fuel audit which is a requirement of ISO New England. He added that both test activities were conducted with good results.

Mr. Rall highlighted activities being slated for 2019 related to Pierce. He stated that there will be a control system upgrade in the fall noting that such an upgrade has not been conducted since 2007. He explained that he received three proposals in response to an RFP and noted that Emerson Controls was selected to conduct the upgrade.

He added that Pierce will be due for its combustion inspection in 2019.

(G) November 2018 Energy Market Analysis

Justin Connell, Director Portfolio Management, provided an overview of the November 2019 Energy Market Analysis by highlighting that Actual Loads were 1,427 MWh higher

than budget. He stated that Actual Energy Cost was \$41.56/MWh and that had no hedges been in place the Weighted Average Energy Cost at LMPs would have been \$59.03/MWh. He added that Actual Average Hub Day Ahead Daily LMPS were \$57.47/MWh, ranging from \$28.46/MWh to \$117.27/MWh.

Henry Hub Gas price was \$4.19/MMBTU, \$1.22/MMBTU higher than Budget and ranging from \$3.22 to \$4.70/MMBTU and Algonquin Citygate Gas price was \$5.89/MMBTU, which was \$1.82/MMBTU higher than budget, ranging between \$2.84 and \$13.32/MMBTU. The West Texas Intermediate (WTI) October Settlement Price was \$70.75/Barrel which was \$0.52/Barrell higher than previous month.

(H) Forensic Examination Update

Mr. Lane provided a brief update on the Forensic Examination stating that it is nearing completion and will be brought to the Board of Directors at its meeting in January. He noted that the final report is required to be provided to the State of Connecticut Legislature. He added that the report is required to be posted on the CMEEC website as well as provided to the clerks of member municipalities for posting on their websites.

(I) Hydro Quebec Renewal

Robin Kipnis, CMEEC General Counsel provided an overview of the status of the Hydro Quebec renewal agreement stating that at its meeting in August 2018, the Board of Directors granted the CMEEC CEO authorization to execute the Hydro Quebec agreement if it was completed by December 31, 2018. She added that since that time National Grid notified rights holders of its plan to charge an additional fee for managing interconnection however National Grid did not identify what that fee would be resulting in the agreements not being ready for execution. She stated that the previous pro forma provided to the Board of Directors will be modified to reflect that new fee.

(J) Brown Rudnick Legislative Update CT and MA

Paul Afonso, Esquire, Brown Rudnick, provided a high-level overview of the legislative activities in Massachusetts. He provided a review of the current Massachusetts legislature, identifying key stakeholders in energy policy outcomes for the 2018-2019 session. He stated that the Massachusetts legislative session begins on January 2 adding that presently the legislature is meeting on an informal basis where only non-controversial policies can be taken up.

Mr. Afonso identified key hot topics before the legislature including carbon pricing; language to address solar net metering caps; electric vehicle adoption/transportation sector measures; and the Governors Comprehensive Energy Plan released on December 12, 2018 which he provided a brief overview.

He discussed the legislative schedule identifying key dates. Mr. Afonso provided updates of regulatory activities discussed last year with CMEEC and provided a status of the

Regional Pipeline Project. He briefly discussed the Renewal Procurement measure identifying key activities currently being undertaken.

Tim Shea, Brown Rudnick, provided a high-level overview of the legislative activities in Connecticut. He noted that policy considerations and regional thinking in Massachusetts will be the same for Connecticut. He reviewed the current Executive and Legislative branches identifying the CMEEC Legislative Delegation members.

Mr. Shea reviewed the timeline for the 2019 legislative session and noted major issues for 2019 highlighting the major energy issues for 2019 as well as the CMEEC energy issues for 2019 identifying activities CMEEC will be participating in.

(K) Acknowledge David Brown's Retirement from the CMEEC Board of Directors

Mr. Lane read the CMEEC resolution: Acknowledgment and Appreciation of Extraordinary Service by David Brown to CMEEC. David Brown stood and thanked the Board for the recognition.

(L) Approve Special Committee Charter

Ms. Kipnis provided an overview of issues raised by the Special Investigative Committee, created to provide oversight of the independent investigation of potential workplace misconduct and/or performance by two CMEEC employees being conducted by an outside law firm, at its meeting on December 6, 2018. Ms. Kipnis provided a memo written by Attorney Duggan, the attorney hired by CMEEC to conduct the independent investigation, which encourages current and past CMEEC staff and members of the Board of Directors within a certain time frame to contact Attorney Duggan directly who may have relevant, direct information regarding the subject matters of the investigation.

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Jones to approve the Special Committee Charter.

Motion passed unanimously.

18-12-04

Chairperson Sullivan entertained a motion to enter Executive Session to discuss consideration of action to enforce/implement legal relief or legal right in connection with the federal indictments.

A motion was made by Member Representative Kevin Barber, seconded by Municipal Representative Pete Johnson to enter Executive Session with direction to the Board to return to Public Session upon completion of the discussion in Executive Session.

The Board entered Executive Session at 11:33 a.m.

The basis for entering Executive Session was Conn. Gen. Stat. Section 1-200(9)(c).
Members of the Board remained along with Ms. Kipnis and Mr. Lane.

The Board returned to Public Session at 12:00 p.m.

There being no further business to be brought before this Board, Chairperson Sullivan entertained a motion to adjourn.

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

Motion passed unanimously.

18-12-05

The meeting was adjourned at 12:00 p.m.