

SUBJECT TO BOARD APPROVAL

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

October 25, 2018

The October Regular Meeting of the Board of Directors (“Board”) of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, October 25, 2018 at FuelCell Energy, 539 Technology Park Drive, Torrington, CT 06790.

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 12:30 p.m. and determined a quorum was present.

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

Bozrah Light and Power Company: David Collard, Richard Tanger (via telephone), Ralph Winslow
Groton Public Utilities: Ronald Gaudet, Jeffrey Godley, Mark Oefinger
Jewett City Department of Public Utilities: Louis Demicco (via telephone), Kenneth Sullivan, Richard Throwe
Norwich Public Utilities: John Bilda, Stewart Peil
South Norwalk Electric & Water: Dawn Del Greco, David Westmoreland, Paul Yatcko (via telephone)
Third Taxing District: Kevin Barber, David Brown Debora Goldstein, Pete Johnson

The following CMEEC staff participated:

Drew Rankin, CMEEC Chief Executive Officer
Robin Kipnis, CMEEC General Counsel
Bella Chernovitsky, CMEEC Director Business Intelligence
Justin Connell, CMEEC Director Portfolio Management
Michael Lane, CMEEC Director Finance and Accounting
Pat Meek, CMEEC Financial Planning & Analysis Manager
Jake Pagragan, CMEEC Director Business Development
Dan Ryan, CMEEC NOC/Field Service Technician
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:

Captain Whitescarver, Commander, New London SUBASE
Adam Wright, New London SUBASE
Chip Bottone, President & CEO, FuelCell Energy
Michael Lisowski, Vice President Global Operations, FuelCell Energy
Neil Aiello, Vice President Manufacturing, FuelCell Energy
Frank Wolak, Vice President American Sales, FuelCell Energy
Chuck Sheehan

Ms. Job recorded.

Chairman Sullivan noted for the record that today's meeting is being held at FuelCell Energy located at 539 Technology Park Drive, Torrington, CT.

Chairman Kenneth Sullivan stated that in the interest of time, he would entertain a motion to amend the Agenda to conduct the Transco Board meeting prior to the CMEEC Board meeting.

A motion was made by Member Representative Ronald Gaudet, seconded by Member Representative John Bilda to amend the Agenda to conduct the Transco Board meeting before the CMEEC Board meeting.

Motion passed unanimously.

(18-10-01)

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

Mr. Rankin took roll call identifying the formal voting persons at today's meeting.

(C) Approve Minutes of CMEEC Regular September 27, 2018 Board of Directors' Meeting

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Ronald Gaudet to approve the Minutes of the CMEEC Regular September 27, 2018 Board of Directors' Meeting with Member Representative Jeffrey Godley abstaining.

Motion passed.

(18-10-02)

Chairman Sullivan entertained a motion to amend the agenda so that Agenda Item E will come before Agenda Item D.

A motion was made by Municipal Representative Oefinger, seconded by Member Representative Gaudet to amend the Agenda.

Motion passed unanimously.

(18-10-03)

(E) SUBASE Presentation and Update

Mr. Rankin introduced Captain Paul Whitescarver, Commanding Officer of New London Naval Submarine Base after which Captain Whitescarver led a presentation on the infrastructure of the SUBASE, his role there, and an overview of the boats under his command.

The presentation was well received. A question and answer session followed the presentation.

(D) CMEEC Objectives Performance Summary (Informing)

Mr. Rankin provided a high-level overview of the exceptions to the summary dashboard report provided to the Board in advance of the meeting, reviewing the line items that reflected a deviation from established target value for the performance month, year to date. He briefly discussed the purpose of the newest graphic introduced in last month's board package which is included to provide a tool by which Member Representatives can articulate CMEEC's activities to their respective Utility Commissions.

He briefly explained the master metric Total Member Return stating that a more in-depth review will take place at the November Board of Directors' meeting. He also added that Mr. Paul Zumma from the American Public Power Association (APPA) will present a session on Joint Action Agency benchmarking at CMEEC's November Board of Directors' meeting. He continued to provide an abbreviated review of the performance of each of CMEEC's objectives and metrics.

(F) Fuel Cell Project Update / Asset Portfolio Performance

Michael Rall provided an overview of the CMEEC fuel cell project and CMEEC's application for funding of a microgrid for the Subase currently being reviewed by CT DEEP.

He noted that the CMEEC fuel cell project consists of the installation of two 3.7 MW fuel cells by FuelCell Energy, including a power purchase agreement between CMEEC and FuelCell Energy. The fuel cells will become part of the CMEEC project portfolio.

He stated that the Subbase microgrid being reviewed as part of the CT DEEP Microgrid Program allows for utilization of the fuel cells and other on-base generation to maintain power in the event of power loss. The project includes the upgrade of existing equipment to allow for integration and installation of new equipment to allow for automation.

Mr. Rall provided a high-level overview of the key milestones achieved to date and mapped out future milestones in connection with both the fuel cell installation and the award of funding for the microgrid by CT DEEP. A brief question and answer session followed the presentation.

(G) Energy Market Analysis (Informing)

Mr. Connell provided a high-level summary of the Member Residual Portfolio Analysis and Market Outlook for September 2018 by summarizing the most significant variables that drive costs. Actual loads were 70,689 MWh which was 865 MWh higher than budget. Actual energy cost for the month of September was \$39.10/MWh which was \$4.92/MWh higher than budget. Weighted average energy cost at LMPs was \$36.75/MWh and actual average daily LMPs were \$33.89/MWh and ranged from \$23.36/MWh to \$61.13/MWh.

He explained that the underlying commodity cost for gas, Henry Hub gas price, was \$2.95/MMBTU which was \$0.05/MMBTU higher than Budget ranging from \$2.84 to \$3.13/MMBTU. Algonquin Citygate gas price was \$2.97/MMBTU, \$0.12/MMBTU lower than budget ranging from \$2.58 to \$3.61/MMBTU. West Texas Intermediate (WTI) oil August settlement price was \$69.06/Barrel, \$2.92/Barrel lower than previous month.

Mr. Connell continued by explaining the annual forward capacity auction clearing price was \$9.55/kW-Mo for September which he explained was not much of a change from last month. Actual net regional capacity clearing price ended at \$9.47/Kw-Mo, which was \$0.01/Kw-Mo lower than previous month.

He explained mitigating actions included the purchase of 23.0 MW at \$36.55/MWh in the months leading into September 2018 to comply with the Risk Management Policy minimum volume targets. Price for spot energy in the budget was \$26.56/MWh. CMEEC purchased additional resources on seven days within the month of September 2018 and sold no excess resources within that same month. At hour 18 on September 3, 2018, Labor Day Monday, the RT LMPs was at \$2,446.71. Mr. Connell noted that on October 23, 2018, Eversource will seek to fill up the balance of 40% of their wholesale power for the first half of 2019 and 30% of their wholesale power for the second half of the year. With this RFP, Eversource will be 100% hedged for the first half of the year.

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

A motion was made by Member Representative Collard, seconded by Alternate Member Representative Ralph Winslow to adjourn the meeting.

Motion passed unanimously.

(18-10-04)

Meeting was adjourned at 2:05 p.m.