

SUBJECT TO BOARD APPROVAL
MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
February 25, 2021

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, February 25, 2021 telephonically and via Zoom at 10:00 a.m.

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

The following Member Representatives / Alternate Member Representatives / Municipal Representatives participated telephonically or via Zoom:

Groton Utilities: Jeffrey Godley
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: Scott Barber, Richard Tanger
Bozrah Municipal Representative: Joseph Cirrito
South Norwalk Electric and Water: Alan Huth, David Westmoreland
South Norwalk Municipal Representative: Dawn Del Greco
Third Taxing District, East Norwalk: Kevin Barber, Michele Sweeney
East Norwalk 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 telephonically or via Zoom:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Bella Chernovitsky, CMEEC Director of Business Intelligence
Michael Cyr, CMEEC Director of Portfolio Management
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Gabriel Stern, CMEEC Director of Technical Services
Scott Whittier, CMEEC Director of Enabling Services
Heidi Winnick, CMEEC Financial & Treasury Analyst
Margaret Job, CMEEC Executive Assistant / Paralegal
Ellen Kachmar, CMEEC Office and Facilities Manager

Others participating telephonically or via Zoom:

David Silverstone, Esquire Municipal Electric Consumer Advocate

Ms. Job recorded.

Chair Kevin Barber called the meeting to order at 10:00 a.m. He stated for the record that today's meeting is being held telephonically and via Zoom. Chair Barber requested all participants mute their devices unless speaking to eliminate confusion and background noise. He requested those present state their name and where they are from when speaking for clarity of the record.

Specific Action Items

A Public Comment Period

No public comment was made.

B Conduct Roll Call / Voting Roster

Ms. Job conducted roll call with each member responding individually as their names were called. Following roll call, Ms. Job identified the voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve Minutes of the Regular January 28, 2021 Board of Directors' Meeting

A motion was made by Municipal Representative Pete Johnson, seconded by Municipal Representative Mark Oefinger to approve the Minutes of the Regular January 28, 2021 Board of Directors' Meeting with Member Representative Scott Barber abstaining.

Motion passed.

21-02-01

D January 2021 Objective Summary

Mr. Meisinger explained that later on the agenda and in response to inquiries by members of this Board, a brief discussion will be held related to the recent weather event in Texas and its potential impact and lessons learned.

Mr. Meisinger explained the Regional Competitiveness view realized a good month overall coming in at 33% versus a target of 31% reflecting moderately higher load and lower spot market prices for the month, offset by the transmission true-up from 2020. Year-End projection is 28% versus 31% which is mostly due to 2020 LNS transmission true-up and projected higher forward energy and gas prices.

All-In TMR view came in at \$80/MWh versus a target of \$83/MWh for the month of January reflecting strong project portfolio performance, a moderately higher load and lower spot market prices offset by the transmission true-up from 2020. Higher forward energy prices and the 2020 LNS transmission true-up are pushing the year-end projection to \$84/MWh versus a target of \$81/MWh.

E January 2021 Project Portfolio Performance

Michael Rall, Director of Asset Management, walked the Board through the project portfolio performance for January 2021 highlighting budget versus actual results for the month and year end identifying drivers affecting portfolio results including lower than budgeted maintenance costs and fuel costs, some battery storage performance and lower than budgeted capacity net clearing price for the month. Mr. Rall noted that the budgeting convention for Community Solar Garden project was changed to reflect that RECs are sold once per quarter versus monthly as had been budgeted for previous years.

F January 2021 Energy Market Update

Michael Cyr, Director of Portfolio Management, provided a high-level review of the Energy Market Analysis for December, highlighting that actual loads came in at 80,658 MWh which was 2,504 MWh higher than budget.

Actual Energy Cost was \$41.69/MWh which was \$2.43/MWh lower than budget. Weighted Average Energy Cost at LMPs were \$42.98/MWh and Actual Average Daily Hub Day Ahead LMPs were \$42.73/MWh, ranging from \$27.48/MWh to \$89.74/MWh.

Henry Hub Gas Price was \$2.60/MMBTU which was \$0.77/MMBT lower than budget, ranging between \$2.30 to \$2.83/MMBTU. Algonquin Citygate Gas Price was \$4.65/MMBTU which was \$4.30/MMBTU lower than budget, ranging from \$2.44 to \$11.79/MMBTU.

Mr. Cyr explained mitigation actions taken in January.

Discussion followed related to the weather event in Texas and the impact it had there and the likelihood of a similar event impacting the North East and ISO-NE. Mr. Cyr explained that the Electric Reliability Council of Texas (ERCOT) market structure is an energy market only structure that is contained within an isolated grid inside the state of Texas and therefore cannot import energy, unlike ISO-NE's market which includes a capacity market that strongly incentivizes generation to be available during peak periods, as well as having interconnections to other power pools. Discussion followed in connection with the impact the event had on Texas energy customers' billing rates. Mr. Meisinger also pointed out that events like these are why CMEEC hedges. While there may be a premium paid for locking in energy prices with a hedge, it also protects against price volatility, which we have seen in the New England energy markets.

After discussion, Mr. Meisinger stated that CMEEC staff can develop talking points to be shared with the Board regarding the recent events in Texas and the additional protections in place in ISO-NE that tend to help mitigate or avoid a similar result should this region experience such a catastrophic weather event impacting delivery of power to its customers.

**G Compensation Committee Report
Possible Vote to Approve Revised Charter**

Member Representative Alan Huth, Compensation Committee Chair, provided an update of the Committee's recent meetings. He and Mr. Meisinger walked the Board through the revisions to the Committee Charter provided to the Board in advance of today's meeting.

Chair Barber entertained a motion to adopt the revised Compensation Committee Charter.

A motion was made by Municipal Representative Oefinger, seconded by Municipal Representative David Eggleston to Adopt the Revised Compensation Committee Charter.

Motion passed unanimously.

21-02-02

H Governance Committee Report

Ms. Kipnis explained that this Committee met on February 18, 2021. She stated that the Committee discussed the CEO's authority to enter into employment agreements. The Committee agreed that staff would develop proposed guidelines for discussion at the May 13, 2021 Committee meeting regarding circumstances under which the CEO can enter into employment agreements.

Ms. Kipnis explained that the Committee also discussed the development of job descriptions for Board officers and the Board Chair under the succession planning initiative of the Strategic Plan. The Committee discussed that officers appointed by this Committee may lead to future leadership positions. She added that the Committee agreed that CMEEC staff will draft a Board succession plan that the Committee will review at its meeting in May and then bring to the Board at a future date.

She added that the Committee discussed a self-evaluation tool as is required by its Charter. She stated that Member Representative Ronald Gaudet, Governance Committee Chair, will work with Mr. Whittier in the development of that tool.

The Committee also discussed the Special Committee recommendations and determined that an annual review of them is not necessary. Ms. Kipnis explained that the recommendations have been implemented, and that they will be highlighted during the Board Member onboarding process.

Lastly, Ms. Kipnis stated the Committee determined that it would review current Board Committee structure to determine if there is any duplication or overlap in the current committee structure and whether some can be consolidated or if other committees should be created to address topics not already being addressed.

I Legislative and Governmental Affairs Committee Report

Member Representative Louis Demicco, Legislative and Governmental Affairs Committee Chair, explained that the Committee held a special meeting on February 8, 2021 at which Timothy Shea, Brown Rudnick, provided a legislative update. The Committee discussed proposed written comments to the Draft DEEP 2020 Integrated Resource Plans (IRP), 2021 APPA Virtual Legislative Rally and the NEPPA Board of Director's open position. Member Representative Demicco stated that Brian Forshaw, a former CMEEC employee and principal of Energy Market Advisors, provided talking points to be used during the virtual meetings with the congressional delegates during the Legislative Rally.

Mr. Meisinger provided a brief update of the IRP stating that CMEEC's comments were filed on February 17, 2021 and that the final IRP will be issued in March. Mr. Meisinger also added that there are a number of bills being introduced including data center legislation and reporting requirements imposed on municipal utilities. Ms. Kipnis walked the Board through the proposed legislation.

Lengthy discussion followed in connection with a proposed bill related to solar energy products which contains two provisions that are applicable to MEUs. Section 6 of the bill would require MEUs, on or before 1/15/2022 and annually thereafter, to report to the DEEP on quantifiable progress of carbon reduction in a manner prescribed by DEEP. Ms. Kipnis explained that this provides an opportunity for CMEEC and the MEUs to meet with DEEP to determine what the report must contain. She continued to explain that Section 7 of the bill would spread some of the cost of large scale PPAs procured by the state to municipal utilities and would impose a system benefits charge against the MEUs. This creates an opportunity to educate the Energy & Technology Committee, with testimony, regarding why these charges should not be imposed upon the MEUs. She stated that this bill is scheduled for public hearing on March 4, 2021. She recommended that CMEEC staff and/or an MEU General Manager testify at the hearing.

After lengthy discussion regarding a second important bill that was introduced this session and which already passed the House, which would largely exempt certain data centers from taxation, Mr. Meisinger stated that CMEEC will develop a proposed draft term sheet early next week for use by each MEU for their use during negotiations.

Mr. Whittier provided an update on the schedule of meetings with the congressional delegates during the APPA Virtual Legislative Rally scheduled for March 1 and 2, 2021. He asked that any of the Board who are interested in participating in these meetings to let him know soon, since the Rally is next week. He added that they are not required to attend all the meetings, they can choose which meetings work with their schedules.

J Project Update: SUBASE Fuel Cell

Mr. Rall provided a brief history and current status of the SUBASE Fuel Cell project. He explained that today's presentation is being provided so that every member of the Board has an understanding of the project and a context for making decisions. Upon completion of Mr. Rall's presentation, the Board were encouraged to ask questions.

Proposed Executive Session Pursuant to C.G.G. Section 1-210(b)(10) to discuss Attorney-Client Privileged Written Communication Concerning Subase Fuel Cell Matters

Ms. Kipnis explained that she prepared a memo on the topic of Subase Legal Issues. She told the Board that she and the Municipal Electric Consumer Advocate, Mr. Silverstone, discussed his participating in the Executive Session under a confidentiality agreement. Mr. Silverstone agreed that if he is allowed to participate, he will keep all material and discussion confidential. He also agreed that if he is asked to disclose any information from the Executive Session, he will discuss that request with CMEEC first. Ms. Kipnis proposed that under these guidelines, Mr. Silverstone be invited to participate in the Executive Session. There were no objections by the Board.

Mr. Silverstone added the Confidentiality Agreement extends to what he learns in today's Executive Session only. He further added that he will address future meetings including Executive Sessions on an ad hoc basis.

Chair Barber entertained a motion to enter Executive Session to discuss the Attorney-Client Privileged Written Communication Concerning Subase Fuel Cell Matters.

A motion was made by Municipal Representative George Kennedy, seconded by Member Representative Demicco to enter Executive Session.

Motion passed unanimously.

21-02-03

The basis of entering Executive Session is pursuant to Connecticut General Statutes Section 1-210(b)(10). Members of the Board, Messrs. Meisinger, Rall, Stern and Silverstone and Mses. Kipnis and Job remained.

The Board entered Executive Session at 12:00 p.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 1:13 p.m.

Chair Barber explained that the Board will be polled for availability to hold a Special Meeting the first week of March for the purpose of further discussing the Subase legal issues in Executive Session.

K MEU Roundtable

No MEU updates were made.

L New Business

Mr. Meisinger made a brief announcement stating that the service agreement between CMEEC and MDC had been extended for an additional three-year term under substantially the same terms as before.

He also reminded the MEU General Managers that he recently sent an email to them which asked for their interest in conducting a cybersecurity project. He added that Hometown Connections has expertise to assist any interested MEU's. He also stated that CMEEC is currently involved in a cybersecurity project with Novus, who also may be able to help the MEUs with their cybersecurity needs.

M Adjournment

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

A motion was made by Municipal Representative Dawn DelGreco, seconded by Member Representative Alan Huth to adjourn.

Motion passed unanimously.

21-02-04

The meeting was adjourned at 1:17 p.m.