

MINUTES OF THE
REGULAR MEETING OF THE

JOINT RISK MANAGEMENT COMMITTEE
OF THE
BOARDS OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

April 20, 2023

A Regular Meeting of the Joint Risk Management Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held via Zoom and telephonically on Thursday, April 20, 2023 at 10:00 a.m.

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

The following Committee Members participated:

Bozrah Light & Power: William Ballinger
Groton Utilities: Ronald Gaudet, Aaron Brooks (Non-Board Member member)
Jewett City Department of Public Utilities: Louis Demicco, Kenneth Sullivan
Norwich Public Utilities: Christopher LaRose, Robert Staley
Norwich Municipal Representative: David Eggleston
South Norwalk Municipal Representative: Dawn DelGreco
Third Taxing District, East Norwalk: Kevin Barber
East Norwalk Municipal Representative: Pete Johnson

The following Non-Voting Members participated:

Jewett City Municipal Representative: George Kennedy
Norwich Municipal Representative: Mark Oefinger
South Norwalk Electric & Water: Alan Huth

The following CMEEC Staff participated:

Dave Meisinger, CMEEC CEO
Michael Cyr, CMEEC Director of Portfolio Management
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller

The following CMEEC Staff participated:

Michael Rall, CMEEC Director of Asset Management
Gabriel Stern, CMEEC Director of Technical Services
Menglu Tang, CMEEC Lead Energy Market Analyst
Candice DiVita, CMEEC Financial Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Leslie Williams, CMEEC Principal Billing & Rate Analyst
Heidi Winnick, CMEEC Financial & Treasury Analyst

Others participating:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Robert Staley called the meeting to order at 10:00 a.m. noting for the record that today's meeting is being held telephonically and via Zoom. He explained that participants should keep their devices on mute unless speaking to eliminate background noise and state their name when speaking for clarity of the record.

Committee Chair Staley announced that today will be his last meeting as Chair of this Committee, however he will remain as a Committee member.

Specific Agenda Items

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call. Committee Chair Staley confirmed a quorum of the Committee was present.

C Selection of Joint Risk Management Chair

Committee Chair Staley opened the floor for nomination of Chairperson of the Risk Management Committee. Committee Member Christopher LaRose nominated Committee Member Ronald Gaudet. There were no other nominations.

A motion was made by Committee Member LaRose, seconded by Committee Member Kevin Barber to elect Committee Member Gaudet as Chairperson of the Risk Management Committee.

Motion passed unanimously.

D Approve Minutes of the Regular January 19, 2023 Meeting of the Joint Risk Management Committee

A motion was made by Committee Member Barber, seconded by Committee Member Pete Johnson to Approve the Minutes of the Regular January 19, 2023 Meeting of the Joint Risk Management Committee.

Motion passed unanimously.

E Discussion of Status and Timing of Proposed Modifications to Enterprise Risk Management Policy, including Review of Regional Competitiveness Metric Possible Executive Session Pursuant to C.G.S. §§ 1-200(6)(E) and 1-210(b)(5)(A)

The basis for entering Executive Session is as identified above.

A motion was made by Committee Member Barber, seconded by Committee Member Staley to enter Executive Session.

Motion passed unanimously.

Mr. Silverstone agreed that he is exercising his right under his Non-Disclosure Agreement dated May 24, 2021 to participate in Executive Session.

Members of the Committee, as well as non-voting members present, CMEEC staff in attendance and Mr. Silverstone remained.

The Committee entered Executive Session at 10:11 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Committee re-entered Public Session at 10:51 a.m.

F Discussion of Preliminary Draft of CMEEC Decarbonization Policy Possible Executive Session Pursuant to C.G.S. § 1-210(b)(1) for Preliminary Drafts and C.G.S. § 1-210(e)(1) for a Preliminary Draft of a Recommendation made by Staff which is Subject to Revision.

After lengthy discussion, the Committee agreed that discussion of Agenda Item F should be conducted in Public Session while reserving the right to enter Executive Session should the direction of the discussion deem it appropriate to do so.

Mr. Meisinger walked the Committee through the slide deck provided in advance of today's meeting. He reminded the Committee that the establishment of a written decarbonization policy was a product and goal of the CMEEC Strategic Plan. Mr. Meisinger explained that the revised draft included in today's meeting materials reflects discussion from the January 19, 2023 meeting of this Committee as well as further

revisions by staff. Mr. Meisinger then summarized discussion of the draft decarbonization policy from previous Risk Management Committee meetings.

Finally, Mr. Meisinger explained that the revised draft in today's meeting material contains minor wording changes to add clarity, and that the proposed changes in section 2 reflect the setting of new project parameters and goals that are not tied to specific metrics in order to retain sufficient optionality.

After lengthy discussion, the Committee agreed that certain additional edits discussed at today's meeting would be incorporated into the draft policy and the edited draft policy will be included in the material for the April 27, 2023 Board of Directors' meeting.

G Discussion of Status of Recent Negotiations Regarding Potential New Projects and Existing Hydro Quebec Project – Possible Executive Session Pursuant to C.G.S. §§ 1-200(6)(E), 1-210(b)(5)(A), and 1-210(b)(5)(B)

The basis for entering Executive Session is as identified above.

A motion was made by Committee Member Barber, seconded by Committee Member Dawn DelGreco to enter Executive Session.

Motion passed unanimously.

Mr. Silverstone agreed that he is exercising his right under his Non-Disclosure Agreement dated May 24, 2021 to participate in Executive Session.

Members of the Committee, as well as non-voting members present, CMEEC staff in attendance and Mr. Silverstone remained.

The Committee entered Executive Session at 11:13 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Committee re-entered Public Session at 11:59 a.m.

**H New Business
Municipal Competitive Trusts**

Committee Chair Gaudet provided a brief history of the development of the Municipal Member Competitive Trust accounts (the "Trusts"). Ms. Meek added that the Trusts were established in 2003. She described the purpose for which funds may be used by the Member Electric Utilities (MEUs). Ms. Meek also described the approval process the MEU is required to follow in order to request and utilize such funds.

Committee members discussed how their individual utilities use the funds for rate stabilization, capital projects, and other potential purposes. Ms. Meek further discussed

how rating agencies view the Trusts as a positive component of liquidity and financial stability measures.

After further discussion, the Committee agreed that the Joint Budget & Finance Committee will discuss this topic at a future meeting.

I New Committee Member Onboarding

Mr. Meisinger walked the Committee through New Committee Onboarding material which included minutes from the prior year, Committee Charter, Due Diligence Process and Meeting schedules and Committee membership lists. He highlighted and discussed the responsibilities of this Committee under its Charter and the Due Diligence Process.

Mr. Cyr walked the Committee through Portfolio Management Onboarding presentation highlighting Winter 2023/2024 Forward Energy Prices; Eversource's Standard Service generation supply rates over recent periods; Regional Benchmark; Annual and monthly hedging targets under the Enterprise Risk Management Policy (ERMP); energy purchasing in compliance with the ERMP, current portfolio hedge position, hedge effectiveness and member residual sources of power.

Mr. Rall then walked the Committee through an Asset Pro Forma process overview onboarding presentation. He explained that due to the growing number of projects, the schedule for performing pro formas was split with some project pro formas being conducted in even numbered years and the remaining being conducted in odd-numbered years. He explained that the next pro formas will be conducted and presented to this Committee at its meeting in July.

J Adjourn

A motion was made by Committee Member Staley, seconded by Committee Member Eggleston to adjourn.

Motion passed unanimously.

The meeting was adjourned at 12:54 p.m.