

SUBJECT TO BOARD APPROVAL

MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

May 27, 2021

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, May 27, 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: Ronald Gaudet

Groton Municipal Representative: Mark Oefinger

Norwich Public Utilities: Christopher LaRose, Stewart Peil (joined at 10:12 a.m.)¹, Robert Staley

Norwich Municipal Representative: David Eggleston

Bozrah Light & Power: Scott Barber, Richard Tanger

South Norwalk Electric & Water: Alan Huth, David Westmoreland

South Norwalk Municipal Representative: Dawn DelGreco

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

¹ Member Representative Peil requested that it be noted on the record that he arrived at the meeting late and confirmed that Alternate Member Representative Staley should continue to have voting rights at today’s meeting.

Heidi Winnick, CMEEC Financial and Treasury Analyst
Margaret Job, CMEEC Executive Assistant / Paralegal
Ellen Kachmar, CMEEC Office and Facilities Manager

Others participating telephonically or via Zoom:

Carrie Gilbert, Managing Consultant Daymark Energy Advisors
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 that those present state their name and where they are from when speaking for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B 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 April 22, 2021 CMEEC 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 April 22, 2021 CMEEC Board of Directors' Meeting.

Motion passed unanimously.

21-05-01

D Potential Vote to Enter Executive Session for the Purpose of Discussing Confidential Settlement Negotiations between Contractual Counterparties Pursuant to C.G.S. 1-210(b)(4)

Chair Barber inquired who will remain for the Executive Session discussion. Mr. Meisinger identified himself, Ms. Gilbert, Ms. Kipnis, Ms. Meek, Mr. Rall, Mr. Stern and Ms. Job. He also explained that Mr. Silverstone will remain based on the provisions of

the recently executed Non-Disclosure Agreement between him and CMEEC related to his participation in Executive Sessions of CMEEC Board and Committee meetings.

Chair Barber entertained a motion to enter Executive Session.

A motion was made by Alternate Member Representative Robert Staley, seconded by Municipal Representative Oefinger to enter Executive Session.

Motion passed unanimously.

21-05-02

The basis for entering Executive Session is pursuant to Connecticut General Statutes Section 1-210(b)(4). Members of the Board, Messrs. Meisinger, Rall, Stern, Silverstone and Meses. Kipnis, Meek, Gilbert, and Job remained.

The Board entered Executive Session at 10:07 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

Ms. Gilbert left the meeting at 11:07 a.m.

The Board re-entered Public Session at 11:41 a.m.

Chair Barber entertained a Motion to authorize the CEO to enter into a settlement agreement with FCE and/or its subsidiary Groton Station Fuel Cell, LLC, to resolve a dispute between the parties regarding aspects of their contractual relationship, on such terms and conditions as discussed in Executive Session with such reasonable changes as the CEO, in consultation with the General Counsel, deems appropriate and necessary.

A motion was made by Member Representative Scott Barber, seconded by Municipal Representative Oefinger to authorize the CEO to enter into a settlement agreement with FCE and or its subsidiary Groton Station Fuel Cell, LLC in accordance with the Board's approval set forth above, with Member Representative Alan Huth abstaining.

Motion passed.

21-05-03

E April 2021 Objective Summary

Mr. Meisinger briefly highlighted the Regional Competitiveness and Customer Fulfillment metrics stating that Regional Competitiveness came in at 24% for April compared to a target of 31%, and that the year-end projection is at 28% compared to the target of 31%. He added that lingering true-up costs from 2020 are the primary drivers.

Mr. Meisinger noted that there were not big changes from last month in the Customer Fulfillment All-In cost view.

F Aril 2021 Project Portfolio Summary

Mr. Rall explained that the Project Portfolio budget was down for the month of April. He explained that MicroGen came in on budget and Pierce came in above budget due to lower than budgeted maintenance costs. Mr. Rall stated that Transmission Project #1 was below budget due to a discrepancy in timing for debt expenses however he explained that should even out by year end. Community Solar Garden generation was lower than budgeted due to PPA and REC expenses as a result of higher than budgeted generation.

Mr. Rall added that the Sumer LFR auction had recently cleared at lower than budgeted. He stated that because of timing, the impact of this will show up in next month's report.

G April 2021 Energy Market Update

Mr. Cyr provided a high-level review of the Energy Market Analysis for April highlighting that Actual Loads came in at 59,984 MWh, which was 262 MWh higher than budget. He explained that Actual Energy Cost was \$33.50/MWh, which was \$0.78/MWh lower than budget, Weighted Average Energy Cost at LMPs was \$26.49/MWh and Actual Average Daily Hub Day Ahead LMPs came in at \$26.14/MWh, ranging from \$20.99/MWh to \$34.98/MWh.

Henry Hub Gas Price was \$2.57/MMBTU, which was \$0.27/MMBTU lower than budget ranging from \$2.36 to \$2.94/MMBTU. Algonquin Citygate Gas Price was \$2.31/MMBTU, which was \$1.90/MMBTU lower than budget ranging from \$1.78 to \$4.06/MMBTU.

West Texas Intermediate Oil Price came in at \$61.72/Barrel, which was \$0.61/Barrel lower than previous month and Ultra Low Sulphur Diesel price was \$14.00/MMBtu which was \$4.83/MMBtu higher than budget.

Mr. Cyr explained the mitigation actions taken recently and walked the Board through other materials included in the Board Package.

H Member Delegation Report

Member Representative Kenneth Sullivan, Member Delegation Chair, provided a brief overview of the Meeting of the Member Delegation held on May 6, 2021. He explained that Ms. Meek walked the Delegation through a slide deck that detailed equity distribution scenarios available to them related to the 2020 distribution of eligible equity.

He continued to state that after lengthy discussion the Member Delegation determined the issuance of the 2020 Distribution Eligible Equity for 2020 would be based on a Target Equity value of 20%.

Ms. Meek provided a summary of the distribution, and that all Members had received their distribution, to the extent they had given direction to CMEEC to date.

I Budget & Finance Committee Report

Member Representative Christopher LaRose, Budget & Finance Committee Chair, explained that the Committee met on April 29, 2021 and reviewed the first quarter operating results as well as certain financial policies including the Capital and Purchase Order policies. Ms. Meek added that the Purchase Order policy would be reviewed again after the development of CMEEC's procurement guidelines, which is a goal of the Strategic Plan.

J Governance Committee Report

Possible Vote: Adoption of Parameters Defining CEO Authority to Enter into Employment Agreements

Member Representative Ronald Gaudet, Governance Committee Chair, explained that the Committee met on May 13, 2021 to begin discussion on the review of Committee structure, Board and Committee Chair succession plan, the establishment of a formal Board and Board Committee Self-Evaluation and Engagement Survey process which is a Strategic Plan initiative. The Committee also discussed the CEO's authority to enter into employment agreements with parameters.

Member Representative Ronald Gaudet gave the Board a brief summary of some of the revisions to the structure being contemplated and that questions related to CMEEC Committee structure were added to the Board Self-Evaluation and Engagement Process survey. Member Representative Gaudet added that the Board and Committee succession planning needs to be reviewed further with the Committee. He encouraged the Board to provide comments related to succession planning, as he works with Ms. Kipnis toward having additional materials for discussion at the next meeting of this Committee that is scheduled for July 8, 2021.

Ms. Kipnis walked the Board through the Resolution before them today that would provide the CEO with authorization to enter into employment agreements with certain parameters. After discussion, Chair Barber entertained a motion to approve the Resolution as recommended by the Governance Committee.

A motion was made by Alternate Member Representative Staley, seconded by Municipal Representative Oefinger to Approve the Resolution Defining CEO Authority to Enter into Employment Agreements.

Motion passed unanimously.

21-05-04

K MEU Roundtable

Mr. Meisinger explained that there are two Committee meetings scheduled before the next Board meeting. The Strategic Planning Committee has a meeting on June 10, 2021 and the Legislative and Governmental Affairs Committee has a meeting scheduled for June 17, 2021.

Mr. Meisinger explained his post-Covid plans including a likely return of staff to the building on September 13, 2021. He added that no in-person, non-staff meetings will likely be held in CMEEC's office building until September. The participation format for in-person Board and Committee meetings going forward will need to be discussed and settled as we get through

the summer, and all plans are subject to change as circumstances around the pandemic continue to evolve.

At this time, the General Managers provided brief updates from their utilities.

L New Business

Mr. Meisinger mentioned that Mr. Whittier has sent out one of two Board surveys to the Board Members, adding that most have been completed. He further explained that Mr. Whittier will be sending a link to a second survey sometime next week. He stated that hard copies of the 2021 Annual Report and Strategic Plan have been mailed to all who requested copies.

Ms. Meek provided highlights of the RRIF meeting held with the General Managers on May 11, 2021. She explained at that meeting the General Managers agreed to discontinue the \$45/MW use of RIFF to offset the Community Solar Garden PPA, effective as of May 1, 2021.

Ms. Meek then explained that Fitch Ratings completed a review of CMEEC with a resulting 'review – no action' recently. She stated that meant that Fitch found no material changes in either CMEEC's operations, governance, or financial performance or the Members' financial status as a result of that review. They will not submit a press release however the Fitch website will include the updated date on which the rating review was completed. She added that the rating date has already changed.

Mr. Meisinger provided an update on the testimony he and Chair Barber provided in response to SB952 at the Connecticut Legislature. He explained that the language that was the primary focus of their testimony had been removed from the current draft and will not be in the final version of the bill.

Mr. Stern provided a high-level review of the Hydro Quebec Interconnection Settlement Agreement. He explained the settlement was the outcome of over four years of negotiations and extends the use of the Hydro Quebec interconnection for an additional 20 years. Under the agreement, CMEEC along with other interconnection rights holders (IRH) negotiated several important concessions with the interconnection owner, National Grid. These concessions include the option to renew for an additional period beyond 2040, a more favorable debt to equity ratio, stronger language supporting lease of use rights and a lower return on equity.

Approval of the settlement agreement is a major milestone in assuring the continuation of CMEEC benefits for participation the Hydro Quebec interconnection.

Mr. Stern then provided an update on the NYPA firm peaking power offer that had been approved by this Board at its meeting on April 22, 2021, subject to certain conditions related to ISO NE acknowledgment of capacity qualification and the likelihood of positive net benefits over the contract life. Since that Board meeting in April, ISO NE has acknowledged that the proposed peaking power contracts would qualify for capacity

credits. But despite that result, he also stated that CMEEC and the Neighboring States collectively informed NYPA that their proposal is uneconomic absent some adjustments in terms. He added that discussion continues, and it has been a cooperative effort of the parties.

M Adjourn

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

A motion was made by Municipal Representative Oefinger, seconded by Member Representative Gaudet to adjourn.

Motion passed unanimously.

21-05-05

The meeting was adjourned at 12:38 p.m.