

SUBJECT TO BOARD APPROVAL
MINUTES OF THE REGULAR JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

February 24, 2022

The Regular Joint Meeting of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held telephonically and via Zoom on Thursday, February 24, 2022 at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut General Statutes and all the 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, 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
South Norwalk Electric & Water: Alan Huth, Eric Strom, 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, 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
Heidi Winnick, CMEEC Financial and Treasury Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Ellen Kachmar, CMEEC Office and Facilities Manager

Others participating telephonically or via Zoom:

Brian Forshaw, Energy Market 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 for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Conduct Roll Call / Voting Roster

Ms. Job conducted roll call and identified the voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve the Minutes of the Regular January 27, 2022 Joint CMEEC and CTMEEC Boards of Directors' Meeting

Norwich Municipal Representative David Eggleston noted that the attendance list on these minutes incorrectly identified him as a Groton Municipal Representative and requested the minutes be amended to correctly identify him as Norwich Municipal Representative.

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Jeffrey Godley to Approve the Regular January 27, 2022 Joint CMEEC and CTMEEC Boards of Directors' Meeting as amended.

Motion passed unanimously.

22-02-01

D ISO New England Update

Brian Forshaw, Energy Market Advisors, LLC, CMEEC's representative at ISO-NE, provided a status report on ISO-New England (ISO-NE) activities during 2021 and looking into 2022 that could impact CMEEC's members. His discussion covered future grid initiatives, including the future grid reliability study, proposed by NEPOOL and ISO-NE, and future grid pathways analysis. He stated that final reports for both initiatives are expected around the second quarter of 2022. Mr. Forshaw also discussed Forward Capacity Auction activities and developments, FERC Order 2222 and market enhancements for clean energy. His discussion of the market enhancements for clean

energy transition included a look at the changes to Capacity Market qualifications requirements and Operating Reserve Market enhancements.

Mr. Forshaw discussed implications to CMEEC and MEUs associated with each of the topics reviewed while providing the Board the opportunity to ask questions and make comments along the way.

E January 2022 Objective Summary

Mr. Meisinger explained that Customer Fulfillment All-In Cost TMR view came in \$12.00/MWh higher than budgeted for January, and with year-end projections now at approximately \$10.00 over budget. He stated that these results are largely due to the continued volatility in the energy and gas markets. Mr. Meisinger added that All-In Cost TMR View came in approximately \$62.00 below the LMP in January, so while we were above budget this month our Portfolio Management team nonetheless shielded us from significant additional wholesale market costs and volatility.

Regional Competitiveness came in better than the target and is currently expected to remain as such.

F January 2022 Project Portfolio Performance

Mr. Rall provided a high-level review of the Projects stating that projects came in below budget for the month with the Subase Fuel Cell project being excluded. He stated that the biggest driver for this result was Transmission Project #1 which came in below budget due to the pool network peak load being lower than expected. Mr. Rall explained that MicroGen projected year end came in lower than budget due to fuel oil cost projected for the year being higher than what was budgeted when the budget was developed last year.

Mr. Rall further explained that Subase Fuel Cell continues to be separate on the report adding that the project is currently expected to be attain commercial operation by mid-May. He added that this project will continue to be separated on the report until it becomes commercially operational.

Discussion followed.

G January 2022 Energy Market Update

Mr. Cyr provided a high-level overview of the Energy Market Analysis for January highlighting the results of the previous month and how they were impacted by Load, Energy Costs, Natural Gas Costs and Oil Costs.

Mr. Cyr then explained the mitigating actions taken recently and walked the Board through the other materials included in the Board Package highlighting Member Residual Costs for the month. He then discussed forward market prices stating that they are at an historically high level.

H Ad Hoc CEO Performance and Compensation Committee Report

Chair Barber, Chair of the Ad Hoc CEO Performance and Compensation Committee, stated that the Committee met several times over the past few weeks to conduct a CEO annual performance review and determine a reasonable incentive payment for 2021 CEO performance as contemplated by his employment agreement. He stated that the Committee agreed that it would recommend an incentive payment of \$41,500.00 for 2021 performance with a resolution before the Board today for approval.

A motion was made by Municipal Representative Pete Johnson, seconded by Member Representative Richard Tanger, to Approve the Resolution Approving CEO Incentive Payment for 2021 Performance. Municipal Representative Oefinger opposed.

Motion passed.

22-02-02

I Legislative and Governmental Affairs Committee Report

Member Representative Louis Demicco, Chair of the Legislative and Governmental Affairs Committee, stated that this Committee met on February 17, 2022. He stated that the Committee re-elected him to be Chair for 2022. The Committee received a report from Timothy Shea, Brown Rudnick, on the current legislative session which began on February 9, 2022. Member Representative Demicco also stated that the Committee conducted new Committee member onboarding and agreed that CMEEC staff would conduct a brief refresher and reminder to the Board on the CMEEC Lobbying Policy at the start of each legislative session and/or as part of each Board Onboarding session.

Ms. Kipnis added that Mr. Shea updated the Committee on where the Energy & Technology Committee of the Connecticut Legislature is focusing its efforts. She also added that CMEEC is watching for legislation that directly impacts CMEEC or the Members.

Ms. Kipnis further informed the Board that CMEEC is seeking to schedule remote meetings with congressional delegates at the end of March. CMEEC staff will keep the Board apprised of the meeting schedule and she encouraged them to consider participating in the meetings.

Mr. Meisinger added that testimony was filed on behalf of CMEEC yesterday in connection with Senate Bill 10 that was proposed by Governor Lamont and which, if passed as introduced, will codify his initiative for zero carbon emissions from the state's electric sector by 2040. All Board members received a copy of that testimony.

J MEU Roundtable

The General Managers of the Members provided an update on Covid-19 related business practices currently being followed by their utilities and commissions.

K New Business

Possible Vote to Approve the CMEEC Investment Policy

Member Representative Christopher LaRose, Chair of the Budget & Finance Committee, explained that the Committee met on January 6, 2022 and reviewed the CMEEC Investment Policy along with other policies.

Ms. Meek explained that the Investment Policy was supposed to be brought to the January Board meeting however it was inadvertently left off that Agenda. She walked the Board through the proposed changes to the Investment Policy stating most changes were made for clarity and to codify actual investment practices. Ms. Meek also informed the Board that the additional policies provided to them in advance of today's meeting were included in the packet for their information. She explained that those policies are internal staff policies that do not require Board approval.

A motion was made by Member Representative LaRose, seconded by Municipal Representative Johnson to Approve the CMEEC Investment Policy.

Motion passed unanimously.

22-02-03

Establishment of Escrow Account for Pierce Proceeds

Ms. Meek explained the proceeds from the sale of the Pierce Project, in order to preserve the tax-exempt status of the bonds, are required to be deposited into an Escrow Account to defease the CMEEC 2013 Series A Power Supply Revenue Bonds associated with the project. She stated that proceeds from that sale were deposited into this account on February 15, 2022, to defease a portion of the bonds maturing in 2032 and 2038.

FERC Order on Behind the Meter Generation

Ms. Kipnis explained that in August 2020 she provided a report related to the ISO-Internal Market Monitor's quarterly report which stated that certain behind the meter generation was being excluded from monthly load reporting by market participants, potentially contrary to some interpretations of the ISO-NE transmission tariff. ISO-NE made a filing with FERC outlining certain changes to the tariff, which FERC recently accepted. The tariff codifies how behind the meter resources are treated to calculate regional network load.

Mr. Kipnis then provided a brief update on the mediation of the D&O policy coverage dispute.

Mr. Meisinger provided a brief update on the community solar garden dispute.

Mr. Meisinger then provided a brief update on the Subase project stating that the Navy agreed to extend the deadline for the fuel cell project until May 15, 2022. He further stated that the fuel cell developer agreed on a resolution surrounding payment for natural

gas used during commissioning. Mr. Meisinger then explained progress is being made with the Navy regarding the amount of rent CMEEC will be required to pay.

Mr. Meisinger then made the Board aware that the General Managers of the Members received an email from Ms. Meek related to the CMEEC 2021 Annual Report staff is currently working on. He encouraged the Board share any stories they would like included in the report as well as pictures of interest from within their territories. He asked if there was interest to do so, to please provide those items to Ms. Meek by mid-March. He also informed the Board that staff is considering changing the CMEEC logo. Although any change to the logo would not likely make it into this year's Annual Report, he stated that staff will seek input from the Board once one has been created.

Upon inquiry, Ms. Kipnis provided a brief update on the criminal trial stating that two motions have been filed recently by the three defendants who were each convicted of one count. The first is a motion for acquittal and the second is a motion for a new trial. She explained that the government has an opportunity to respond to those motions with defendants' response being due two weeks after that, followed by an oral argument in late April. She stated that there is nothing pending on the second criminal trial related to the government's case against Mr. Rankin and Mr. Sullivan separately.

L Adjourn

A motion was made by Municipal Representative Johnson, seconded by Municipal Representative George Kennedy to adjourn.

Motion passed unanimously.

22-02-04

The meeting was adjourned at 12:11 a.m.