

SUBJECT TO BOARD APPROVAL

MINUTES OF THE REGULAR MEETING
OF THE BOARDS OF DIRECTORS OF

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

January 26, 2023

The Regular Meeting of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Municipal Transmission Electric Energy Cooperative (“CTMEEC” dba Transco) was held telephonically and via Zoom on Thursday, January 26, 2023 at 10:00 a.m.

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

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

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: William Ballinger, Scott Barber
South Norwalk Electric & Water: Alan Huth
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
Jewett City Municipal Representative: George Kennedy

The following CMEEC Staff participated:

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
Candice DiVita, CMEEC Financial Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Heidi Winnick, CMEEC Financial Treasury Analyst
Ellen Kachmar, CMEEC Office and Facilities Manager

Others who participated:

David Silverstone, Esquire, Municipal Electric Consumer Advocate (excused himself at 11:47 a.m.)

Ms. Job recorded.

Chair Kevin Barber called the meeting to order at 10:08 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 identifying voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve the Minutes of the Annual and Regular November 17, 2022 Joint Boards of Directors' Meeting

A motion was made by Member Representative Jeffrey Godley, seconded by Municipal Member Representative David Eggleston to Approve the Minutes of the Annual and Regular November 17, 2022 Joint Boards of Directors' Meeting.

Motion passed unanimously.

23-01-01

Chair Barber took this time to request an amendment to today's agenda by moving the first bullet under Agenda Item L, New Business to follow discussion under Agenda Item M, MEU Roundtable.

A motion was made by Municipal Representative George Kennedy, seconded by Member Representative Scott Barber to Amend the Agenda to move the first bullet under Agenda Item L, New Business to follow discussion under Agenda Item M, MEU Roundtable.

Motion passed unanimously.

23-01-02

D December 2022 Objective Summary

Mr. Meisinger explained that the December financial results are based on preliminary unaudited results. He then explained that the results for December are similar to November month end results stating that the Regional Competitiveness TMR view came

in at 27% versus the target of 32% for the month, with year-end coming in at 32% versus the target of 30%.

Customer Fulfillment “All In” Cost TMR View came in at \$114/MWh versus the target of \$82/MWh. Year End came in at \$107/MWh, or \$17/MWh over the original target. Mr. Meisinger explained that these results reflect the volatility in the wholesale energy market and gas market mitigated by solid hedging practices and project performance.

E December 2022 Project Portfolio Summary

Mr. Rall noted that overall, the projects for the month and year end came in 17% lower than budgeted, excluding Subase Fuel Cell. He identified Microgen coming below budget as a driver for these results adding that MicroGen was below budget due to lower peak load reduction in November, higher than budgeted maintenance expenses resulting from expense timing, and higher than budgeted capital and debt expenses resulting from additional interest and debt service coverage associated with the debt refunding which occurred in October 2022.

Transmission Project #1 was higher than budgeted due to return of interest collected from the 2022 bond refunding.

Community Solar Garden came in lower than budgeted due to REC sales budgeted for December that did not occur due to their unavailability.

Finally, Great River Hydro realized a solid month in December which provided a positive net benefit for the month.

F December 2022 Energy Market Update

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

He then explained the recent capacity deficiency which occurred on Christmas Eve and how that impacted real-time pricing on consumers. He stated that the event did not have a big impact on cost for CMEEC, however.

Discussion followed.

G Audit Committee Report

Member Representative Stewart Peil, Audit Committee Chair, explained that this Committee met on November 15, 2022 as well as on January 10, 2023.

Member Representative Peil explained that at the November 15, 2022 meeting, the Committee discussed and received a report of the 2022 Internal Audit presented by CliftonLarsonAllen (CLA). He reported that the audit was conducted on the Accounts

payable/P-Card process and that the internal audit received an overall rating of Satisfactory, which is the highest available rating.

Member Representative Peil then reported that at its meeting on January 10, 2023, the Audit Committee re-appointed him as Chair for 2023. The Committee also received an overview of the conduct of the Annual Audit Plan with CLA. He explained that CLA walked the Committee through the standard CMEEC Management and Auditors' responsibilities during the process and the audit approach and discussed the GASB Standards possibly affecting CMEEC in the audit. The CLA team provided a detailed audit schedule. Member Representative Peil informed the Board that the preliminary audit fieldwork was conducted during the week of January 3, 2023 with final fieldwork scheduled to be conducted during the weeks of January 30 and February 6. The results of the annual audit will be reported to the Audit Committee at its meeting on March 16, 2023 with financial statements being targeted to be finalized by March 31, 2023.

The Committee authorized the CEO to sign the CLA Statements of Work for CMEEC and Transco and the overall Master Services Agreement associated with the audit.

The Committee reviewed its Charter and there were no revisions. They reviewed the results of its self-evaluation and discussed potential goals for 2023. The Committee agreed that an educational presentation of the CMEEC accounting system should be conducted either jointly with the Budget & Finance Committee or during a future Board of Directors meeting. The Committee also tabled its discussion on a potential policy or focus for an internal audit for 2023.

Member Representative Peil explained that New Committee Member Onboarding did not take place since the membership of the Committee for 2023 is the same as the membership in 2022.

Finally, the Committee discussed the enhancement of the vendor due diligence program.

Chair Barber thanked Member Representative Peil for agreeing to Chair the Committee another year.

H Budget & Finance Committee Report

Member Representative Christopher LaRose, Budget & Finance Committee Chair, reported that the Committee met on January 17, 2023 and reappointed him Chair of the Committee for 2023. He explained that the Committee reviewed its Charter and there were no revisions. Member Representative LaRose added that the Committee also reviewed their self-evaluation stating that the Committee scored well reflecting continued transparency. The Committee discussed goals for 2023 and received a report on the budget forecast from Ms. Meek. Finally, he reported that the Committee conducted New Committee Member Onboarding.

Ms. Meek then walked the Board through a demonstration of the Master Dashboard in PowerBI. She explained that all Board will receive licenses to access PowerBI. She then provided a high-level demonstration explaining that, like SharePoint, the PowerBI Master

Dashboard will need to be launched in a private or “incognito” page on the internet. Ms. Meek noted that Ms. Job will include a link to the Master Dashboard in her monthly material upload notification email.

Ms. Meek explained that detailed instructions will be emailed to the full Board after today’s meeting explaining steps to access the Master Dashboard in PowerBI. She added that the Master Dashboard will be shared on the screen during the Board meetings.

Ms. Kipnis added that the Master Dashboard will also be saved each month in pdf format so that a record is maintained.

Chair Barber thanked Member Representative LaRose for agreeing to Chair the Committee for another year.

I Legislative & Governmental Affairs Committee

Member Representative Louis Demicco, Legislative & Governmental Affairs Committee Chair, explained that the Committee met on December 8, 2022 at which it received an introduction to the 2022-2023 session of the Connecticut General Assembly presented by Timothy Shea of Brown Rudnick. Mr. Shea highlighted the newly elected members of the General Assembly including Jonathan Steinberg as being elected Co-Chair of the Energy & Technology Committee.

Member Representative Demicco stated that the Committee agreed that Mr. Shea would arrange a meeting with Mr. Steinberg as well as similar meetings with newly elected representatives identified by Mr. Shea.

The Committee then discussed the upcoming APPA Legislative Rally being held from Monday February 27, 2023 through Wednesday March 1, 2023. Member Representative Demicco explained that meetings will be conducted via Zoom as they were last year. Members of the Board, particularly General Managers, were encouraged to participate.

Finally, the Committee received an update from Ms. Kipnis of the CT DEEP’s Comprehensive Energy Strategy.

Ms. Kipnis added that a new section of the Regulatory Stewardship Board report will contain a list of bills that are being watched by CMEEC in the current legislative session.

J Risk Management Committee Report

Alternate Member Representative Robert Staley, Risk Management Committee Chair, explained that the Committee held its meeting on January 19, 2023. He explained that due to his desire not to be reappointed Chair of this Committee, and after discussion and interest to Chair the Committee expressed by a non-member of the Risk Management Committee, the Committee agreed to table appointment of Chair of this Committee until its meeting on April 20, 2023.

Alternate Member Representative Staley further explained that the Committee discussed its Charter and there were no revisions and that they reviewed the results of its self-evaluation and goals for 2023.

Alternate Member Representative Staley also noted that the Committee held a discussion of the preliminary draft CMEEC Decarbonization Policy in Executive Session. Upon returning to Public Session, the Committee agreed it would continue to review the draft policy at its meeting in April.

The Committee then received a presentation on the evolving market and climate risks and strategies which was presented by CMEEC staff member Richard Gaudet.

Finally, the Committee tabled New Committee Onboarding until its April meeting.

K Update on Navy Subase Fuel Cell Project: Vote to Ratify and Affirm Execution of the Amended and Restated PPA and MOD 19 of the Enhanced Use Lease

Mr. Meisinger stated that at the Annual Meetings in November 2022, staff discussed proposed revisions to the Fuel Cell Energy PPA and Enhanced Use Lease, which were conditionally authorized by the Board at that meeting. He stated that the slides before the Board today are almost verbatim to those presented at the Annual Meetings in November. Mr. Meisinger explained that Commercial Operation of the fuel cell units was achieved on December 16, 2022, at which time an Amended and Restated PPA with FCE was signed pursuant to the Board's authorization. He added that the resolution before the Board authorizes, approves, and ratifies the execution of the Amended and Restated PPA and Modification 19 of the Enhanced Use Lease, which was also executed on December 16, 2022.

After review of the slide deck presentation and discussion, Chair Barber entertained a motion to so authorize approval of resolution to ratify execution of the PPA and Modification 19 discussed above.

A motion was made by Member Representative Ronald Gaudet, seconded by Municipal Representative Pete Johnson to Ratify the Execution of an Amended and Restated Power Purchase Agreement by and Between CMEEC and Groton Station Fuel Cell, LLC and Modification 19 of the Enhanced Use Lease.

Motion passed unanimously.

23-01-03

L New Business

- **Vote to Adopt IRS Increase to Contributions and Rollover Limits to CMEEC's Flexible Spending Account (FSA)**

Ms. Kipnis explained that this agenda item is an administrative matter to address the increase in the maximum amount employees can contribute to their FSA, as well as an increase in allowable carryover of unused FSA funds under the IRS Section 125 Cafeteria

Plan (the “Plan”). She further explained there is no cost to CMEEC associated with the revised Plan.

A motion was made by Municipal Representative Mark Oefinger, seconded by Municipal Representative Kennedy to Approve the Resolution Amending the CMEEC Flexible Spending Accounts.

Motion passed unanimously.

23-01-04

- **Establishment of Ad Hoc CEO Compensation Committee**
 - **Motion for Chairperson to Establish Ad Hoc Compensation Committee and to Appoint Members of the Committee and for authorization to engage the services of InTandem Consulting**

Chair Barber explained that the Ad Hoc CEO Compensation Committee was established in 2022 to conduct a CEO compensation study and to develop evaluation parameters to conduct the annual CEO performance evaluation.

Chair Barber reminded the Board that Winston Tan is the principal of InTandem and that Mr. Tan assisted the Board last year with the development of the CEO performance evaluation format as well as facilitated a CEO compensation survey.

Chair Barber informed the Board that Mr. Tan will be conducting a survey of the Board members as an initial step in that review process. He explained that all responses will be confidential with no names associated with responses. Mr. Tan will compile the answers and work with the Committee to develop the CEO performance evaluation for 2022. He added that Mr. Tan will also update the CEO compensation study to reflect current salary levels.

Mr. Meisinger added that he will draft his annual letter to the Committee and the Board highlighting accomplishments and milestones reached. He asked that the Board review his letter prior to responding to the survey.

After inquiry by Member Representative Scott Barber, Chair Barber stated that prior membership on the Ad Hoc CEO Compensation Committee was comprised of the General Managers from each of the Member Utilities. Mr. Meisinger added that the General Managers were designated as the voting members of the Committee last year, but he and Chair Barber encouraged others to let Chair Barber know if there was interest in serving on this Committee. Chair Barber reminded the Board that they are all invited to attend meetings of this Committee as they are for all other CMEEC Committee meetings.

A motion was made by Municipal Representative Pete Johnson, Seconded by Municipal Representative Eggleston to Approve the CMEEC Chairperson to establish an Ad Hoc CEO Compensation Committee and to Appoint Members of the Committee, and Authorize the CMEEC Chairperson to Engage the Services of InTandem Consulting

Motion passed unanimously.

23-01-05

- **ESG Score Discussion**

Ms. Meek explained that Moody's Investor Services recently published its updated Environmental, Social and Governance (ES&G) methodology which introduces ES&G Issuer Profile Scores (IPS) and Credit Impact Scores (CIS) for rated agencies. She further explained that both CMEEC and Transco received an overall score of CIS-2, which means that their individual ES&G scores have a neutral to low impact on their credit rating. She added that the individual ES&G scores assigned to CMEEC and Transco were at a level equal to or better than the median scores for the issuers rated by Moody's in the 'Regulated and Self-Regulated Utilities with Generation' sector.

Ms. Meek further explained that there is no impact on CMEEC's credit score which remains at Aa3 from Moody's.

After discussion, the Board agreed CMEEC staff will draft a notice for posting on the CMEEC website announcing the ES&G Score received by CMEEC.

M MEU Roundtable

Chair Barber acknowledged Mr. Meisinger for the APPA podcast on which he was recently interviewed at the request of the APPA. Mr. Meisinger explained the topics he discussed on the podcast and agreed with the Board that a link to the podcast will be added to the CMEEC website.

The General Managers of each Member Utility provided updates on operations and initiatives occurring in their utilities.

- **Discussion of Judge's Decision in Criminal Trial: Possible Vote to Enter Executive Session for Discussion of CMEEC's next steps pursuant to C.G.S. §§ 1-200(6)(B) and 1-210(b)(4)**

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

Motion passed unanimously.

23-01-06

The basis for entering Executive Session is as identified above.

Members of the Board and CMEEC Staff, excluding Messes. DiVita and Winnick, remained.

The Board entered Executive Session at 11:47 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 12:21 p.m.

N Adjourn

A motion was made by Member Representative Huth, seconded by Member Representative Scott Barber to adjourn.

Motion passed unanimously.

23-01-07

The meeting was adjourned at 12:21 p.m.