

## **CMEEC Board of Directors' Regular Meeting**

**August 27, 2015**

### **MINUTES**

The Board of Directors (referred to hereafter as the "Board" or the "BOD") of the Connecticut Municipal Electric Energy Cooperative ("CMEEC") conducted a regular meeting of the Board on Thursday, August 27, 2015 at CMEEC's office, 30 Stott Avenue, Norwich, Connecticut.

The meeting was legally noticed in compliance with Connecticut State law and all proceedings and actions hereinafter recorded occurred during the publicly open portions of the meeting.

Vice Chairman Kenneth Sullivan called the meeting to order at 9:39 a.m. and determined that a quorum was present.

#### **The following Member Representatives/Directors participated:**

Jewett City – Louis Demicco, Kenneth Sullivan, Richard Throwe

Groton – Edward DeMuzzio, Ronald Gaudet, David Collard

Norwich – No Participants

East Norwalk – David Brown (arrived at 9:47 a.m.), James Smith (arrived at 9:50 a.m.)

South Norwalk – Mark Harris, Paul Yatcko (by phone)

#### **The following individuals from CMEEC management and staff participated:**

Drew Rankin, CMEEC, Chief Executive Officer

Edward Pryor, CMEEC, Chief Financial Officer

Justin Connell, CMEEC, Director, Portfolio Management

Brian Forshaw, CMEEC, Chief Regulatory and Risk Officer

Michael Rall, CMEEC, Director, Asset Management

Gabriel Stern, CMEEC, Director, Technical Services

Philip Sussler, CMEEC General Counsel

Ellen Kachmar, CMEEC, Office and Facility Manager

#### **Guests from A J Gallagher**

Ann Canton

Brendan Goodwin

Andy Lee

Adam Cottini

Ms. Kachmar recorded.

Mr. Rankin announced that Chairman James Sullivan was unable to attend the meeting and Vice Chairman Kenneth Sullivan would be sitting in for him and acting as Chairman for purposes of the conduct of the meeting.

### **Standard Action Items**

#### **(A)(1) Approval of the Minutes of the CMEEC July 23, 2015 Board of Directors' Regular Meeting.**

**A motion was made by Director DeMuzzio, seconded by Director Demicco, to approve the Minutes of the July 23, 2015 CMEEC Board of Directors' Regular Meeting.**

**Vote passed. Director Yatcko abstained. (15-08-05)**

#### **(A)(2) Approval of the Minutes of the CMEEC August 11, 2015 Board of Directors' Special Meeting.**

Mr. Rankin announced that Director Harris was listed in the Special Meeting Minutes as having had attended, when he did not, and that the minutes should be revised to reflect this fact.

**A motion was made by Director DeMuzzio, seconded by Director Yatcko, to approve the Minutes of the August 11, 2015 CMEEC Board of Directors' Special Meeting, subject to the correction noted by Mr. Rankin.**

**Vote passed. Directors Demicco and Harris abstained. (15-08-06)**

### **Specific Action Items**

#### **(A) Objective Summary Exception Reporting Review**

Mr. Rankin provided an overview of the exceptions to the summary dashboard report provided to the Board in advance of the meeting, reviewing the line items that reflected a deviation from the established target values for the performance month, year to date and 2015 projected year end. A general discussion and questions followed.

#### **(B) July Market Analysis Summary**

Mr. Connell reported energy costs for the month were above budget by approximately 2%, actual demand was 1672 MWh lower than budget, and unit contingent resources were 354 MWh lower than budget. Lower gas transportation costs resulted in Day Ahead LMPs lower than budget.

#### **(C) Executive Summary of Portfolio Back-casting Results.**

Mr. Rankin reported CMEEC staff conducted a back-casting analysis of the Rate 9 portfolio to assess what changes in policy may better serve for the future, based on the testing of multiple

scenarios utilizing empirical data. Mr. Connell explained that the staff created six (6) risk management scenarios to compare against the base case of the current policy, and applied them to empirical market and load data, for the purpose of analyzing how the scenarios would have performed in optimizing the naturally conflicting two objectives, regional competitiveness and predictability/stability. The period of data analyzed was from 2012 to November of 2014. Mr. Rankin notified the Board that the Risk Management Committee (“RMC”) would meet during the 1<sup>st</sup> and 3<sup>rd</sup> weeks of September to determine changes, if any, deemed most constructive to achieving the two objectives. The entire Board is invited to the RMC meetings. Mr. Rankin noted that the RMC may 1) issue a temporary waiver consistent with the ERMP, 2) defer to the Board at the September Board meeting for any formal change desired in the ERMP, or 3) make no temporary or formal changes.

**(D) AJ Gallagher Presentation / Overview.**

Mr. Rankin introduced four representatives from AJ Gallagher (“AJG”), the 4<sup>th</sup> largest insurance brokerage firm in the world, who has been doing business with CMEEC since 2011. Mr. Rankin noted that the firm was selected based on a complementary and thorough assessment by key AJG leads, Ann Canton and Andy Lee. Mr. Rankin reported that since the beginning, AJG significantly improved CMEEC’s depth and breadth of coverage, made decisions more objective, reduced costs, increased efficiencies, and continues to enhance a professional and positive relationship. The AJG team covered topics including an overview, purchased lines of coverage, historical premiums from 2011 to present, macro accomplishments 2011 to present, and cyber coverage.

**(E) CONVEX Emergency Load Shedding Procedures.**

Due to time constraints, this Agenda item was not covered. It was decided that Mr. Stern, slated to report on the subject, would be report on the subject at the first Risk Management Committee meeting in September.

**A motion to adjourn the meeting was made by Director Demicco, seconded by Director DeMuzzio.**

**Voted passed unanimously.**

**(15-08-07)**

There being no further matters to be discussed, the meeting was adjourned at 11:30 a.m.