

Connecticut Municipal Electric Energy Cooperative

Board of Directors Meeting

October 29, 2015

MINUTES

A regular meeting of the CMEEC Board of Directors (the “BOD” or the “Board”) was held at the Norwalk Inn and Conference Center, 99 East Avenue, Norwalk, CT on October 29, 2015.

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

Edward DeMuzzio, Secretary, acting in lieu of the Chairman, called the meeting to order at 11:40 a.m., following the adjournment of the special meeting of the CMEEC Member Delegation, and determined a quorum was present.

The following Directors/Representatives and Alternates were present and participated:

East Norwalk -- David Brown, James Smith
Groton – Ron Gaudet, Edward DeMuzzio, David Collard
Jewett City – Louis Demicco (by telephone), Richard Throwe
Norwich – John Bilda. Steven Sinko
South Norwalk – Paul Yatcko, Scott Whittier, Mark Harris

The following individuals from CMEEC management participated:

Drew Rankin, CMEEC, Chief Executive Officer
Edward Pryor, Chief Financial Officer
Justin Connell, CMEEC, Director Portfolio Management
Michael Rall, CMEEC Director Asset Management
Philip Sussler, CMEEC General Counsel

Additional persons present:

Robert Groner, Commissioner, Norwich Public Utilities.

Mr. Sussler recorded.

Mr. DeMuzzio, requested that the Board of Directors consider the designation of a chair for the conduct of the meeting in the absence of the Chairman.

Motion by Mr. Brown, seconded by Mr. Yatcko, to recognize Mr. Bilda as the acting Chairperson pro tem for the conduct of the meeting and in lieu of the permanent designation of a Chairperson.

Voted unanimously for approval.

(15-10-01).

Standard Action Items:

(A) Approval of the Minutes of the CMEEC Board of Directors' Meeting of September 24, 2015.

Motion by Mr. DeMuzzio, seconded by Mr. Brown, to approve the minutes of the meeting of the BOD of September 24, 2015, subject to correcting the reference of the title of Ms. Goldstein.

Vote passed, with all present voting to approve, with Mr. Yatcko abstaining.

(15-10-02).

Specific Action Items:

(B) Objective Summary Exception Reporting Review.

Mr. Rankin reviewed the highlights of the Objective Summary Reporting Review as presented in the Board package. He noted that the estimated volumes used to determine the budget values for CMEEC Margin varied from actual, which also affected the actual revenues because CMEEC's basis for revenues is dependent on the units of sale. He also noted the continued adverse position of Pierce relative to budget due the failure to clear in the summer 2015 locational forward reserve market ("LFRM"); year-end projections are also adversely affected by the lower clearing price for the 2015-2016 LFRM auction.

(C) Review BLP Membership Schedule

Mr. Rankin reviewed the proposed schedule for actions and decisions related to the process for the accession of Bozrah Light and Power Company ("BL&P") as a New Member of CMEEC.

(D) BLP RPSC Approval and Authority to CEO to Finalize and Execute

Mr. Rankin reviewed the process for negotiation and execution of a Replacement Power Sales Contract ("RPSC") between CMEEC and BL&P, which is anticipated to be accomplished in parallel with completing the procedural steps for BL&P's accession to membership in CMEEC. The proposed RPSC with BL&P is intended to be materially the same as the RPSCs between CMEEC and CMEEC's existing members, with the only changes entailing different defined terms, addressing BL&P specifically; and different dates and arrangements for transition from CMEEC's existing power supply arrangement with BL&P, which is different than that adopted for the existing members when they transitioned to the RPSCs in 2013. The proposed resolution for consideration by the Board grants the Chief Executive Officer ("CEO") the authority to negotiate and execute the RPSC on behalf of CMEEC with BL&P, substantially conforming to the redline draft of the CMEEC-BL&P RPSC included in the Board package.

Motion by Mr. Brown, seconded by Mr. Demicco, to approve the resolution, as modified by the draft resolution distributed during the meeting, authorizing the CEO to negotiate, finalize and execute the RPSC by and between CMEEC and BL&P.

Voted passed, with all present voting to approve and Mssrs. Yatcko and Harris voting against.

15-10-03.

(E) September (2015) Market Analysis.

Mr. Connell reviewed the materials describing CMEEC's power supply and market development during September, 2015. He noted that electric loads during the month were approximately 10% higher than forecasted, due to a heat wave experienced during the month. He noted that due to the unanticipated variation in load, CMEEC only was effectively hedged against 85% of the Rate 9 load volume. He also commented on the increase in the unit cost of power due to the monthly recovery of the costs related to the "firming" of the Pilgrim Nuclear Unit contract, and also the benefit of lower spot market costs realized during the month due to the lower level of contract cover of actual load.

Mr. Connell also noted that staff is seeking to unwind the Ridgewood Landfill Gas project power purchase agreement and anticipates reporting on the efforts to do so in future meetings.

Following the completion of Mr. Connell's presentation, Mr. Smith suggested that future Board meetings convened at CMEEC's offices should, for the better convenience of Board members traveling from distant parts of the State, begin at 10 a.m., rather than 9:30 a.m. The Board consensus was in favor of Mr. Smith's suggestion.

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

Voted unanimously for approval.

15-10-04.

There being no further business to come before the Board, the meeting was adjourned at 12:09 p.m.

Connecticut Municipal Electric Energy Cooperative

Board of Directors' Meeting

Resolution 15-10-03

RESOLUTION OF GRANT OF AUTHORITY FOR NEGOTIATION AND EXECUTION OF A REPLACEMENT POWER SALES CONTRACT BY AND BETWEEN CMEEEC AND THE BOZRAH LIGHT AND POWER COMPANY.

WHEREAS, the Bozrah Light and Power Company ("Bozrah") has applied to become a Member of CMEEEC; and

WHEREAS, as part of becoming a Member of CMEEEC, it is contemplated that Bozrah will execute and enter into a Replacement Power Sales Contract with CMEEEC (the "Bozrah RPSC"), substantially equivalent to the RPSCs previously entered into by CMEEEC and each of CMEEEC's existing Members, that the Bozrah RPSC will replace and substitute for CMEEEC's current power supply arrangements with Bozrah, and that Bozrah will become a Rate 9 customer of CMEEEC subject to the provisions of the RPSC; and

WHEREAS, CMEEEC and Bozrah are currently finalizing the specific terms and conditions of the Bozrah RPSC; and

WHEREAS, conditions to the effectiveness of the Bozrah RPSC, shall include Bozrah's completion of its application for membership in CMEEEC, receipt of approval of Bozrah's application for membership in CMEEEC by at least two-thirds of the governing bodies of each of CMEEEC's existing Members and the completion of all filings and other requirements under applicable law and the CMEEEC By-laws and Membership Agreement as are necessary and appropriate to make Bozrah a member of CMEEEC (the "Conditions to Effectiveness").

Now, therefore, be it resolved by the Board of Directors of the Connecticut Municipal Electric Energy Cooperative as follows:

1. The CMEEEC Chief Executive Officer ("CEO") is hereby authorized to negotiate, finalize and execute the Bozrah RPSC, for and on behalf of CMEEEC, in form substantially equivalent to that of the RPSCs between CMEEEC and each of the existing Members, with such changes as the CEO shall deem are appropriate and acceptable.
2. The Bozrah RPSC shall be subject to satisfaction of the Conditions to Effectiveness, before become binding on CMEEEC and Bozrah.
3. The CEO is authorized to negotiate, finalize and execute any termination of Bozrah's existing power supply arrangements with CMEEEC, to effect Bozrah's transition to the Bozrah RPSC.
4. The Bozrah RPSC, upon its execution by the Parties thereto and coming into effect as provided herein, shall be deemed a Power Sales Contract for the purpose of the Amended and Restated Power Supply System Revenue Bond Resolution adopted by CMEEEC on March 28, 2013.
5. This resolution takes effect immediately.

October 29, 2015


Edward DeMuzzio
Secretary