

HONORING THE PAST

1986



CMEEC ANNUAL REPORT 2025

Celebrating Our First 50 Years



Present

BUILDING THE FUTURE

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Our Vision: Our Inspiration to Dream

To be a leading energy solutions partner, adding **economic value** and **environmental sustainability** to the communities we serve.

Our Mission: Our Inspiration to Act

To provide **reliable, sustainable** and **cost-effective** energy solutions to meet the evolving needs of our Members and stakeholders through **joint action, public power advocacy** and leveraging **benefits of scale**.

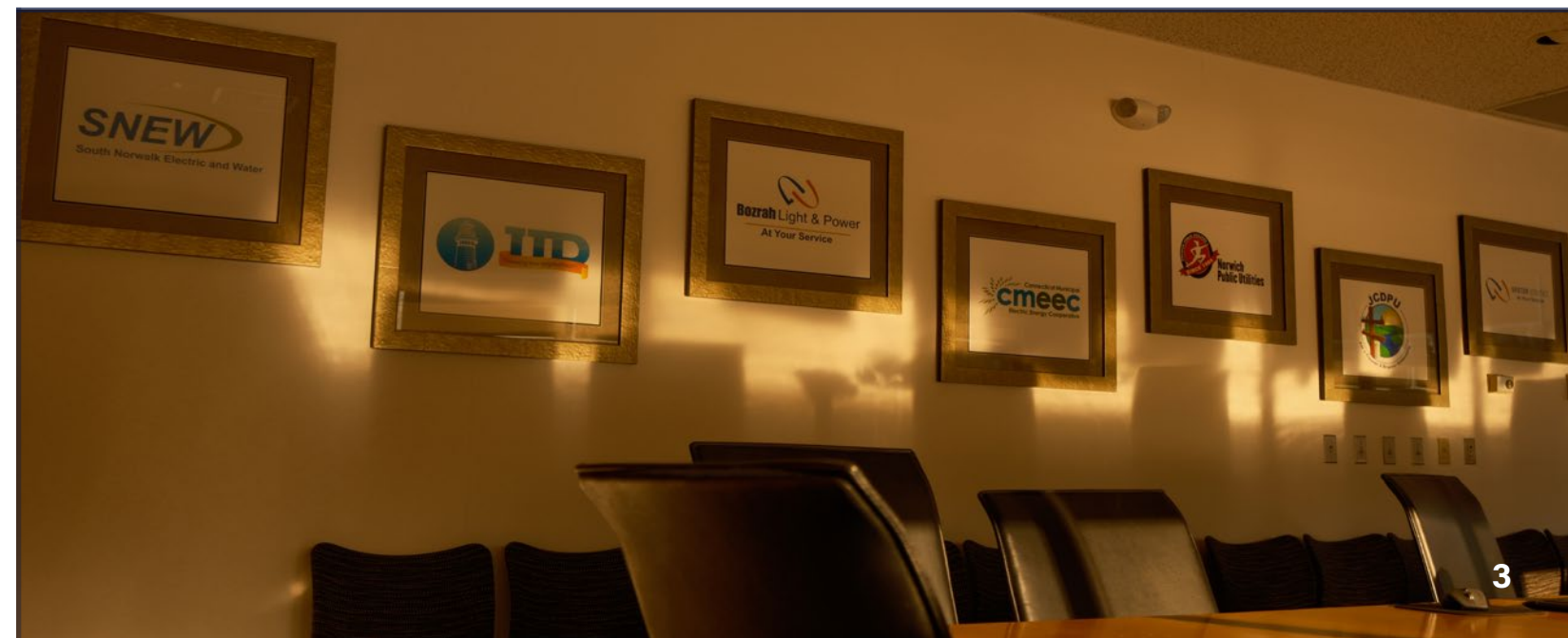
Connecticut Municipal Electric Energy Cooperative (CMEEC), a municipal joint action agency, was established by municipal electric utilities (MEUs) pursuant to state enabling legislation passed 50 years ago (1975). This legislation founded our operating principles and bylaws and resulted in a long-standing commitment to serve our member communities in Connecticut and other customers in the region.

The Members of CMEEC today include the MEUs that serve the Town of Bozrah (BL&P), Cities of Groton (GU) and Norwich (NPU), the Borough of Jewett City (JCDPU), and the Second (SNEW) and Third (TTD) Taxing Districts of Norwalk. Each MEU owns and operates an electric distribution system that provides power to residential, commercial, industrial and other customers within their service areas and aims to supply reliable and sustainable power at a reasonable cost.

CMEEC is subject to the direct local control and governance of its Members, whose local utility commissions appoint the members of the Joint Board of Directors of CMEEC and Connecticut Transmission Municipal Electric Energy Cooperative (CTMEEC dba "Transco"), hereafter referred to as "the Board". This local control provides a high level of governance transparency, accountability, and responsiveness, as well as community-tailored policies, programs and practices.

For more information about CMEEC, please visit:

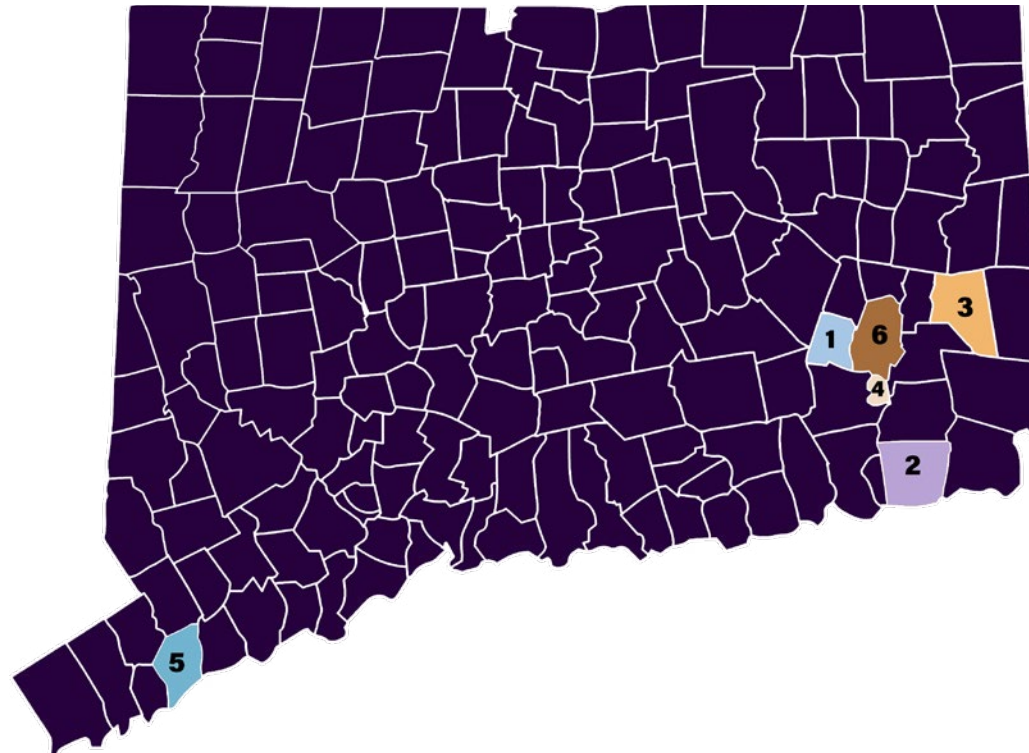
 <https://cmeec.com/about/history/>



Members & Customers

CMEEC is the exclusive wholesale power requirements supplier to its Members and to the Mohegan Tribe through the Mohegan Tribal Utility Authority (MTUA). The service territories of CMEEC Members and MTUA are illustrated and summarized below.

Please be aware that service territories may vary slightly from the city limits depicted on the map.



- 1 **Bozrah Light & Power Company (BL&P):** Serves 2,836 customers in Bozrah and portions of Montville and Lebanon.
- 2 **Groton Utilities (GU):** Serves 14,189 customers in the City of Groton and portions of the Town of Groton.
- 3 **Jewett City Department of Public Utilities (JCDPU):** Serves 2,701 customers in the Borough of Jewett City.
- 4 **Mohegan Tribal Utility Authority (MTUA):** Serves a small residential population and the Mohegan Sun Casino as a wholesale requirements customer of CMEEC.
- 5a **South Norwalk Electric & Water (SNEW):** Serves 7,697 customers in a 2.0-square-mile service territory within the City of Norwalk.
- 5b **Third Taxing District (TTD):** Serves 4,138 customers in East Norwalk.
- 6 **Norwich Public Utilities (NPU):** Serves 21,040 customers in the City of Norwich.



Celebrating 50 Years: Reflections from the Chair & CEO

Half a century ago, our founding communities joined together and achieved the scale needed to cooperatively procure and develop a wholesale energy portfolio to serve their residents. They shared a common demand for a stable and affordable supply of electricity, and a common desire to counter the actions of dominant investor-owned utilities who had no incentive to provide grid access nor to sell wholesale power at competitive rates.

Driven by home rule principles and the spirit of local control - hallmarks of our nonprofit, member-owned public power model - we boldly forged a path to deliver on our original promise. Our staff played a central role in regional and national battles that led to open transmission access, coordinated regional grid operations and energy trading markets that continue to evolve and level the playing field. We have transitioned from operating as a patchwork of islands to participating as part of a vibrant, interconnected whole.

Our achievements over these past five decades speak to a strategic vision that constantly evolves around our core mission of providing a reliable, resilient and sustainable supply of energy to our members, at a low and stable price. The public power model continues to deliver for our communities - our local value proposition is as firmly-embedded as our hard-earned and well-deserved seat at the larger industry table.

As we consider our path forward to the next 50 years, our crystal ball is necessarily unclear. We know that market regimes will change, technologies will mature, societal demands will fluctuate and the collective political winds will shift unpredictably. Our ability to shape, predict and adapt to change, and to be curious, will remain paramount.

But one thing that has not changed - and never will - is that we remain beholden to distant shareholders or other parties who seek to gain from our delivery of a vital and necessary service to our member-owners. We have only one compass, and direct accountability for the satisfaction of our communities will always be our True North.

We are locally owned and governed by the communities we serve. We learn from our past, and maintain control over our future. We are the face of public power here in Connecticut, and while we like what we see when we look in the mirror, our priority is to focus on the road ahead.

Cheers to our first 50 years ... we are just getting started!



Dave Meisinger
Dave Meisinger
Chief Executive Officer

Kevin Barber
Kevin Barber
CMEEC Board Chair



Plug into the Past

A Timeline of CMEEC History



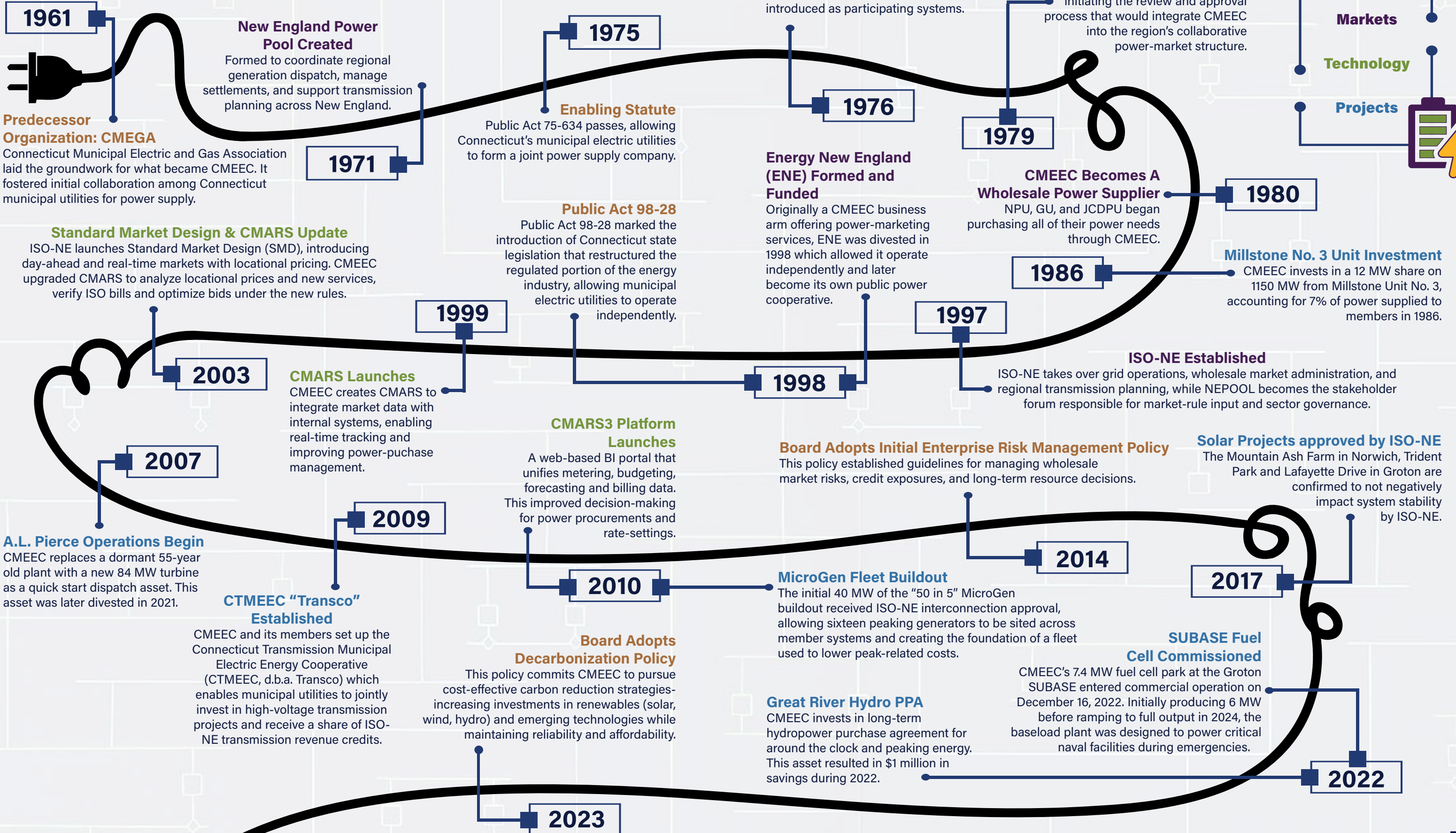
Topics

Governance

Markets

Technology

Projects



1961

Predecessor Organization: CMEGA
Connecticut Municipal Electric and Gas Association laid the groundwork for what became CMEEC. It fostered initial collaboration among Connecticut municipal utilities for power supply.

New England Power Pool Created
Formed to coordinate regional generation dispatch, manage settlements, and support transmission planning across New England.

1971

Enabling Statute
Public Act 75-634 passes, allowing Connecticut's municipal electric utilities to form a joint power supply company.

1975

Formation Agreement Signed
GU, NPU and Wallingford Electric Department (WED) signed the original formation agreement. At this time, JCDPU, TTD, and SNEW are also introduced as participating systems.

1976

Energy New England (ENE) Formed and Funded
Originally a CMEEC business arm offering power-marketing services, ENE was divested in 1998 which allowed it operate independently and later become its own public power cooperative.

1979

CMEEC Applies for NEPOOL Membership
CMEEC files its formal application to join the New England Power Pool, initiating the review and approval process that would integrate CMEEC into the region's collaborative power-market structure.

1980

CMEEC Becomes A Wholesale Power Supplier
NPU, GU, and JCDPU began purchasing all of their power needs through CMEEC.

1986

Standard Market Design & CMARS Update
ISO-NE launches Standard Market Design (SMD), introducing day-ahead and real-time markets with locational pricing. CMEEC upgraded CMARS to analyze locational prices and new services, verify ISO bills and optimize bids under the new rules.

1998

Public Act 98-28
Public Act 98-28 marked the introduction of Connecticut state legislation that restructured the regulated portion of the energy industry, allowing municipal electric utilities to operate independently.

1997

ISO-NE Established
ISO-NE takes over grid operations, wholesale market administration, and regional transmission planning, while NEPOOL becomes the stakeholder forum responsible for market-rule input and sector governance.

1999

CMARS Launches
CMEEC creates CMARS to integrate market data with internal systems, enabling real-time tracking and improving power-purchase management.

2003

CMARS3 Platform Launches
A web-based BI portal that unifies metering, budgeting, forecasting and billing data. This improved decision-making for power procurements and rate-settings.

2007

A.L. Pierce Operations Begin
CMEEC replaces a dormant 55-year old plant with a new 84 MW turbine as a quick start dispatch asset. This asset was later divested in 2021.

2009

CTMEEC "Transco" Established
CMEEC and its members set up the Connecticut Transmission Municipal Electric Energy Cooperative (CTMEEC, d.b.a. Transco) which enables municipal utilities to jointly invest in high-voltage transmission projects and receive a share of ISO-NE transmission revenue credits.

2010

Board Adopts Decarbonization Policy
This policy commits CMEEC to pursue cost-effective carbon reduction strategies-increasing investments in renewables (solar, wind, hydro) and emerging technologies while maintaining reliability and affordability.

2014

Board Adopts Initial Enterprise Risk Management Policy
This policy established guidelines for managing wholesale market risks, credit exposures, and long-term resource decisions.

2017

Solar Projects approved by ISO-NE
The Mountain Ash Farm in Norwich, Trident Park and Lafayette Drive in Groton are confirmed to not negatively impact system stability by ISO-NE.

2022

SUBASE Fuel Cell Commissioned
CMEEC's 7.4 MW fuel cell park at the Groton SUBASE entered commercial operation on December 16, 2022. Initially producing 6 MW before ramping to full output in 2024, the baseload plant was designed to power critical naval facilities during emergencies.

2023

Great River Hydro PPA
CMEEC invests in long-term hydropower purchase agreement for around the clock and peaking energy. This asset resulted in \$1 million in savings during 2022.

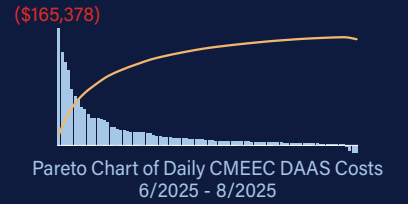
Plug into the Present

2025 Happenings



ISO-NE News: Day-Ahead Ancillary Services

New England's Backup Power Market



2025 marked a year of meaningful progress and modernization across CMEEC. Building on five decades of innovation highlighted in the timeline spread on the previous pages, staff continued advancing the organization's capabilities, tools, and partnerships to better serve our Members and strengthen our operational foundation.

STRENGTHENING SAFETY

As part of CMEEC's broader safety program enhancements, a new bucket truck was acquired for the Asset Management department, with staff trained in its safe operation to support MicroGen maintenance and uphold our commitment to safety and operational excellence.



INDUSTRY ENGAGEMENT

Staff participated in key industry conferences, meetings, and collaborative sessions throughout New England and across the country. These in-person engagements helped build relationships, expand technical knowledge, advocate for our Members' interests, and pursue opportunities for professional growth.



Photo by Dave Fox Photography

ENHANCING FACILITIES

CMEEC completed two facilities-related capital projects in 2025. The roof of the CMEEC building was replaced and a new seasonal outdoor space was constructed. These enhancements ensure our workspace supports staff having the spaces needed for organizational performance and employee satisfaction.



IMPACT ON CMEEC

As a wholesale power supplier, load-serving entity, and generation owner, CMEEC is operating in a new market that pays for backup power in a fundamentally different way. Understanding how and when those costs hit is now essential to managing risk and protecting member communities.

For CMEEC and member communities, the impact of the new reserve market is direct:

- **Less predictable costs.** A small number of very tight, high-load days now drive most Day-Ahead Ancillary Service (DAAS) expenses, creating budgeting and forecasting challenges.
- **More complex risk exposure.** DAAS creates new financial exposure because resources are paid to stand ready, but if real-time prices surge, they may be charged unless they operate. This "pay in advance, settle to actual conditions" structure makes costs more volatile on tight days.
- **Strategic opportunity.** As a supplier and generation owner, CMEEC can use day-ahead signals to manage member costs and operate any available resources to offset ancillary service exposure.

MARKET MECHANICS

Before: Backup power relied on a Forward Reserve Market that paid season-long fees, along with additional unit commitments after the day-ahead market cleared, which were often settled through uplift payments and were not tied to the specific hours when reserves were most needed.

After: ISO-NE now clears energy and reserves together in the day-ahead market, paying resources to be ready for the next day's needs. This co-optimized design moves most reliability procurement into the market itself leading to a transparent, market-based approach.

YEAR ONE OUTCOMES

Costs far exceeded projections. ISO-NE's Internal Market Monitor (IMM) reported that DAAS accounted for roughly nine percent of total wholesale costs in its first year, which is about three times higher than the approximately three percent share originally projected by ISO-NE.

Costs concentrate on tight days. The majority of expenses occurred during a small number of hot, high-load days, creating budgeting volatility for organizations like CMEEC.

Market fundamentals don't explain everything. While higher gas prices and supply shifts contributed, the IMM found that lower-than-expected participation and higher offer prices also drove costs up.

IMM'S PROPOSED CHANGES

In February 2026, the IMM proposed targeted DAAS market adjustments:

1. **Align strike price with fuel costs** – Raise strike prices to better reflect the actual marginal operating costs of gas-fired resources providing reserves.
2. **Adjust energy forecast for renewables** – Reduce over-procurement by accounting for expected wind and solar output that may not clear in proportion to real-time production.
3. **Re-examine reserve cushion** – Reassess and potentially reduce the non-performance factor, lowering reserve requirements where improved performance supports it.

These changes aim to preserve the principle of paying for backup when it matters most while seeking to improve cost-effectiveness and place downward pressure on costs borne by load.

CMEEC'S TAKEAWAYS

CMEEC must use day-ahead ancillary service market outcomes as a planning signal. These outcomes shape how we manage member power costs, develop our budgeting and forecasting tools, and determine how to bid or operate any available resources when offsetting ancillary service exposure.

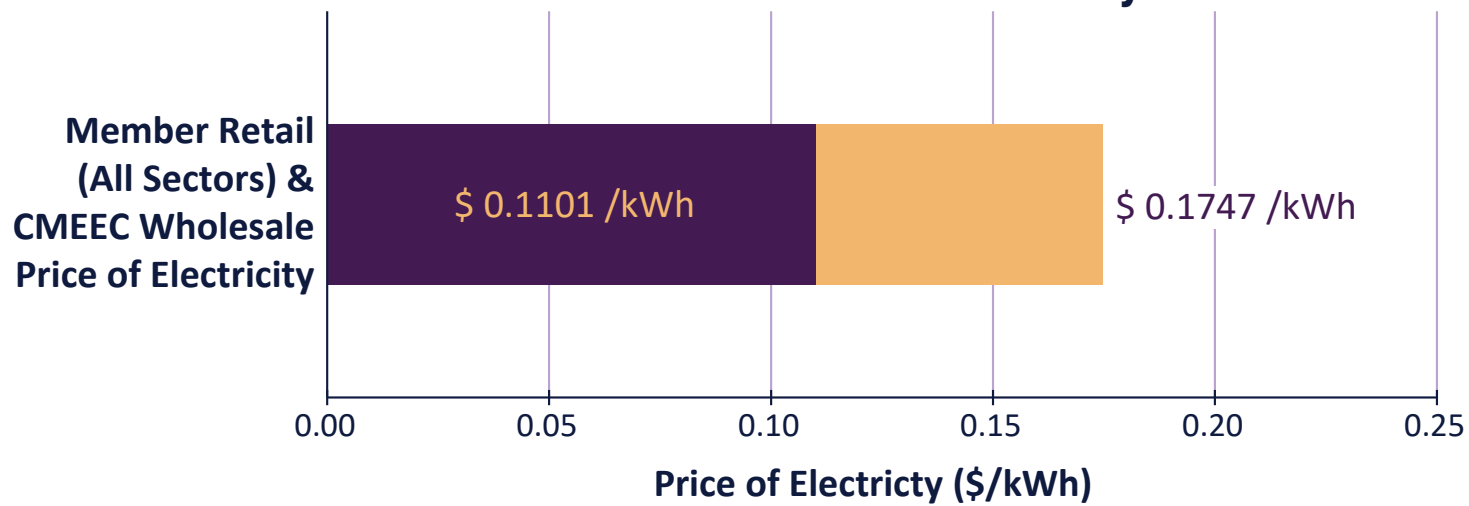


Rate Competitiveness

CMEEC Members' 2025 Average Monthly Customer Accounts

	Average Monthly Customer Accounts	Percentage of Connecticut's Customer Accounts	Percentage of New England's Customer Accounts	Retail Electric Sales (MWh)	Percentage of Connecticut's Retail Electric Sales	Percentage of New England's Retail Electric Sales
Residential	45,733	2.90%	0.69%	370,623	2.77%	0.75%
Commercial	5,018	3.21%	0.54%	249,641	2.17%	0.50%
Industrial	112	2.94%	0.54%	472,923	18.47%	3.25%
Total <small>(includes the 'Other' rate class)</small>	52,601	3.03%	0.69%	1,093,187	4.00%	0.98%

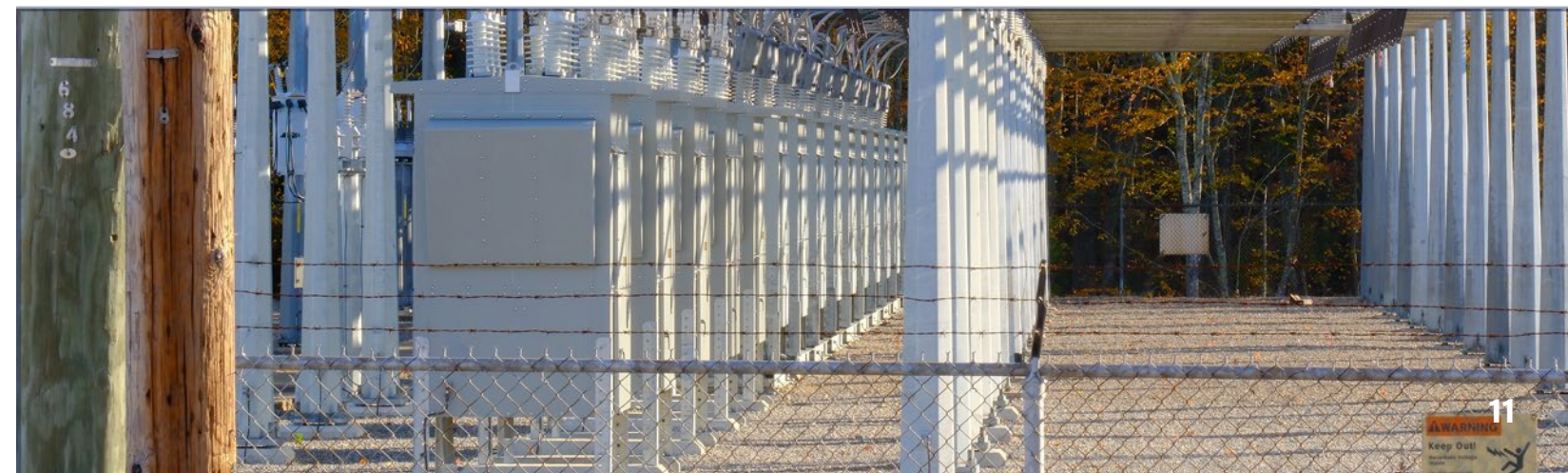
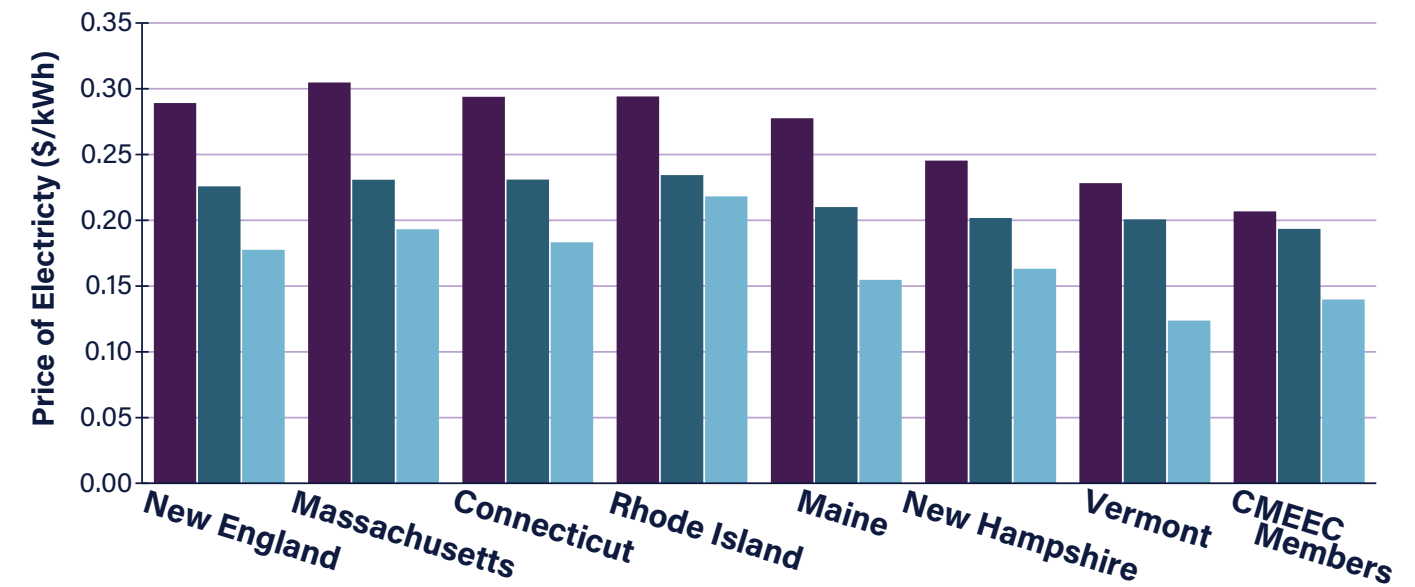
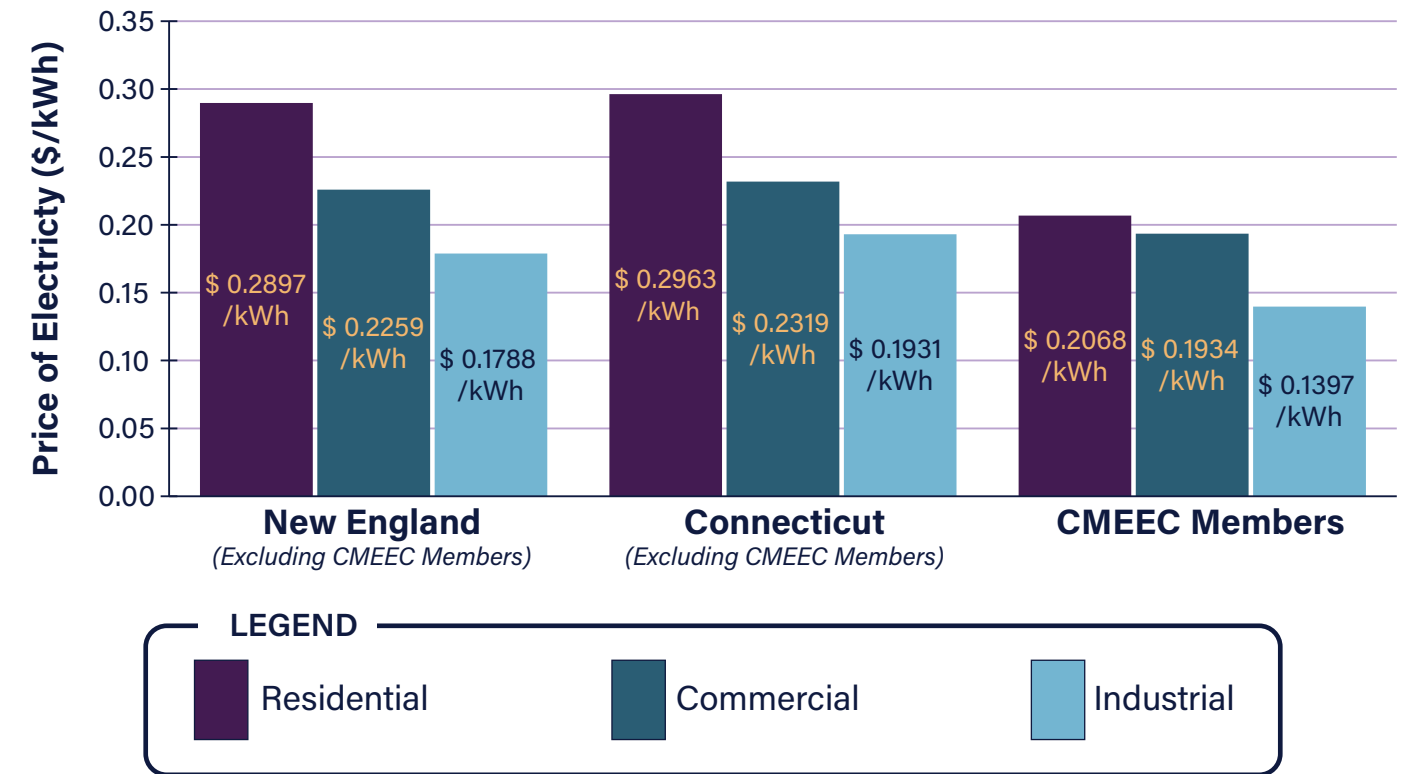
CMEEC Members' 2025 Wholesale Power Costs Compared to Members' Retail Price of Electricity



LEGEND

- Wholesale Power Costs:** The total costs incurred by CMEEC to provide wholesale power and related services to its Members, exclusive of special contract customers.
- Retail Price of Electricity:** The total CMEEC Member retail revenue (\$) collected in 2025 for all customer sectors divided by the total Member retail sales to ultimate customers in 2025 (kWh).

2025 Retail Price of Electricity (\$/kWh)



Financial Statements

Including Transco as a Blended Component

STATEMENT OF NET POSITION

for the years ended December 31, 20xx (dollars in thousands)

	2025	2024 (Restated)
Current Assets	\$ 59,053	\$ 52,665
Noncurrent Assets		
Restricted Assets	6,764	6,009
Capital Assets	48,397	50,430
Other Noncurrent Assets	51,184	51,601
Deferred Outflows of Resources	668	517
Total Assets & Deferred Outflows of Resources	\$ 166,066	\$ 161,222
Current Liabilities	\$ 29,126	\$ 18,329
Including Current Portion of Long-term Debt		
Long-term Liabilities	75,057	77,911
Net of Current Portion		
Deferred Inflows of Resources	46,845	51,387
Total Liabilities & Deferred Inflows of Resources	\$ 151,028	\$ 147,627
Net Position		
Net Investment in Capital Assets	\$ 3,421	\$ 2,221
Restricted	2,484	2,415
Unrestricted	9,133	8,959
Total Liabilities and Net Position	\$ 166,066	\$ 161,222

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024 (Restated)
Operating revenues	\$ 130,298	\$ 106,627
Operating expenses		
Depreciation & amortization expense	3,168	3,202
Other operating expenses	123,732	99,539
Total Operating Expenses	\$ 126,900	\$ 102,741
Operating Income	\$ 3,398	\$ 3,886
Non-operating income (expense)	(1,955)	(2,403)
Change in Net Position	\$ 1,443	\$ 1,483

STATEMENT OF CASH FLOWS

	2025	2024
Cash Flows from Operating Activities	\$ (2,652)	\$ (804)
Cash Flows from Noncapital Financing Activities	10,250	-
Cash Flows from Capital and Related Financing Activities	(6,416)	(5,157)
Cash flows from investing Activities	6,626	3,422
Net Change in Cash and Cash Equivalents	\$ 7,808	\$ (2,539)
Cash and Cash Equivalents - Beginning of Year	5,152	7,691
Cash and Cash Equivalents - End of Year	\$ 12,960	\$ 5,152

Financial Statements & Credit Ratings

View our full 2025 financial statements and supplementary information by scanning the QR code or visiting the link below:

<https://cmeec.com/resources/public-info-2/financial-reports/>



Scan for full financials

Current Credit Ratings

FitchRatings	AA-	(Stable)
MOODY'S	Aa3	(Stable)

Contact Our MECA

Connecticut Public Act 17-73 established a Municipal Electric Consumer Advocate (MECA) to serve as an independent advocate in matters affecting municipal electric cooperative consumers. The MECA attends meetings of the Board of Directors and its committees, publishes quarterly reports, and holds an annual meeting every fall to report to consumers.

Quarterly Consumer Advocate Reports are available at the link below:

<https://cmeec.com/resources/governance-2/consumer-advocate/>



Municipal Electric Consumer Advocate

David Silverstone, Esquire

✉ icacmeec1@gmail.com

Board & Staff

BOARD

Chair	Kevin Barber
Vice Chair	Jeffrey Godley
Secretary	Mark Oefinger
Treasurer	Ronald Gaudet
BL&P	William Ballinger Scott Barber Joseph Cirrito*
GU	Ronald Gaudet Jeffrey Godley Mark Oefinger*
JCDPU	Elier Alvarado Louis Demicco George Kennedy*
NPU	Jeffrey Brining David Eggleston* Stewart Peil
SNEW	Dawn DelGreco* Alan Huth David Westmoreland
TTD	Kevin Barber Peter Johnson* Michele Sweeney

*Municipal Ratepayer Representative

Board & Staff as of January 31, 2026

STAFF

Chief Executive Officer	Dave Meisinger
Administrative Services	Lauren Gaudet Margaret Job Chantal Maxwell
Asset Management	Michael Leep Hao Ni Jessica Pecor Walter Szymanski Jay Urbinati
Business Intelligence	William Butts Matthew Foley Christopher Gurtowsky Donald Hunter Yuxin Liu Pulat Matyakubov Ginger Palmer
Finance & Accounting	Christopher Collins Anthony DePaolis Candice DiVita Patricia Meek Joanne Menard
Portfolio Management	Michael Cyr Richard Gaudet Meredith Hernandez Richa Patel Menglu Tang Fusheng Yang
Treasury & Risk Assurance	Shadaya Bransford Heidi Winnick

