

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

BOARD OF DIRECTORS MEETING

MMWEC ADMINISTRATIVE OFFICES
LUDLOW, MA

AND

MMWEC VIA ZOOM

REGULAR SESSION
January 25, 2023

MINUTES

A. PROCEDURE

1. Call to Order

Chairman Flynn called the meeting to order at 10:00 a.m. and, following a roll call, stated that a quorum was present.

Those present:

Directors and Officers:

Chairman Michael Flynn; Town of Ludlow Representative James Gennette; Director Tara Rondeau; Director Joseph Sollecito; Director James Lavelle; Director Christopher Roy; Director Jonathan Blair; Director John Driscoll; Director Kevin Kelly; CEO and Secretary Ronald C. DeCurzio; President Peter Dion; Executive Director, Energy & Financial Markets and Treasurer Matthew J. Ide; Treasury and Financial Markets Manager and Assistant Treasurer Maria McCarthy; Director of Communications and External Affairs and Assistant Secretary Kate Roy; General Counsel Peter Barry; General Counsel Ryan Barry

Members:

Joe Kowalik, Marblehead Manager; Panos Tokadjian, Hull Operations Manager; Jonathan Fitch, West Boylston Manager; James Lisowski, Chicopee Manager; Joseph Anastasi, Peabody Manager; Jean-Jacques Yarmoff, Marblehead Commissioner; Mark Barakian, Boylston Manager; Kevin Sullivan, Ashburnham Manager; Sean Fitzgerald, South Hadley Manager

Others:

Director of Engineering and Generation Assets Brian Quinn; Director of Financial Reporting and Corporate Technology Carol Martucci; Director of Business Support and Administrative Services Eric Womack; Budget Manager Kelly Joyce; Administrative Services Coordinator Heather Santaniello; Director of Energy Markets Justin Connell.

2. Approval of Agenda

Chairman Flynn asked for approval of the agenda. A motion was made by Mr. Sollecito, seconded by Mr. Blair and it was unanimously voted to accept the agenda as presented, with the modification that agenda item B.3, the legislative updates from Ventry Associates, would be addressed first due to schedule constraints of the Ventry Associates representative.

B. CURRENT AGENDA

1. Legislative Updates – Ventry Associates

Mr. Abdelahad and Mr. Murphy presented.

A bill is expected to be introduced to the Massachusetts legislature changing the composition of the MMWEC Board of Directors, the process of DPU approvals of MMWEC bonds, and the conditions under which the MMWEC Board of Directors can enter into executive session. The MMWEC leadership team will be reviewing the bill and discussing it with their legal and other advisors, and will report back to the Board.

With a new governor and a new Secretary of EOEEA, Ventry Associates is monitoring the developments that may affect MMWEC and the energy industry more broadly.

Mr. Abdelahad discussed the timeline for the filing, consideration and approval of bills in the Massachusetts legislature. Ventry will be reviewing all bills filed and determining which ones may impact MMWEC.

The Board is interested in scheduling a meeting with EOEEA Secretary Tepper to strengthen the relationship with the new administration.

2. Member and Participant Comments

There were no member or participant comments.

3. Approval of Regular Session Meeting Minutes

Mr. Flynn presented the draft regular session minutes of the following meetings of the Board: July 13, 2021; October 20, 2021; January 26, 2022; and February 23, 2022.

It was moved by Mr. Driscoll, seconded by Mr. Sollecito, and

VOTED: to approve the minutes of the July 13, 2021 meeting of the Board. Mr. Blair abstained because he did not serve on the Board at that time. All other directors voted in favor.

It was moved by Mr. Driscoll, seconded by Mr. Sollecito, and

VOTED: to approve the minutes of the October 20, 2021 meeting of the Board. Mr. Blair abstained because he did not serve on the Board at that time. All other directors voted in favor.

It was moved by Mr. Driscoll, seconded by Mr. Sollecito, and

VOTED: to approve the minutes of the January 26, 2022 meeting of the Board. Mr. Blair abstained because he did not serve on the Board at that time. All other directors voted in favor.

It was moved by Mr. Driscoll, seconded by Mr. Sollecito, and

VOTED: to approve the minutes of the February 23, 2022 meeting of the Board. Mr. Blair abstained because he did not serve on the Board at that time. All other directors voted in favor.

4. Code of Ethics Training

Mr. DeCurzio explained that MMWEC staff has completed the required State Ethics Law training but that directors still need to complete it. The state's online system for completing the training is currently down, it is expected to be fixed by next week. Instructions for completing the training will be sent to directors by email. Mr. Dion questioned whether he would have to complete the training again, as he has already completed it twice in connection with two other governmental positions he holds. An update to the training system may be in the works to address Mr. Dion's concerns.

5. Activities Report

Mr. Quinn reported.

The next scheduled refueling outage for Seabrook will occur in Spring 2023 and includes several large capital projects. Small modular reactors (SMRs) are being considered at Seabrook.

Millstone experienced an outage from April to June to make improvements that added 20MW. The outage was longer than expected due to supply chain issues with GE equipment. Millstone Unit 3 was down in Q4 of 2022 due to replacement of reactor coolant pump (RCP) seals. Millstone continues to monitor all RCP seals. SMRs are also being considered at Millstone.

With respect to Stony Brook, Q4 availability was down due to a failed hydraulic hose in Unit 1C. Staff is monitoring all similar equipment to ensure no future outages. Otherwise, Stony Brook operated more than usual in Q4 due to a December cold spell, and margins were the highest in eight years.

With respect to Berkshire Wind availability is typically down in the winter due to ice and snow. In 2022, there were four outages due to a transformer issue. Supply chain issues

have improved somewhat in 2022, but still pose problems. There are now monthly scheduled meetings with GE to improve supply chain issues.

Mr. Ide reported on grid reliability issues.

MMWEC leads a coalition of public power entities to address winter grid reliability issues. There is an over-reliance on natural gas in the region. Reliability could be improved by open and competitive transmission, including public financing of transmission projects. The FERC process is being manipulated in a manner that denies competitive opportunities for public power. In addition, there needs to be more incentives for power that is immediately available in the event of a power emergency; some facilities that currently receive such incentives take significant time to come online.

Mr. Connell reported further on Stony Brook's operations in Q4 of 2022.

An increase in the cost of natural gas over the Christmas holiday weekend made oil-powered power plants more competitive. Bids were binding for a three-day period due to the holiday and demand exceeded ISO forecasts. Some oil-powered plants tripped, causing natural gas-powered plants to come online at a high cost. The failure of the Stony Brook 1C unit during this period caused MMWEC to miss out on some benefit, but overall, the margins for Stony Brook during this period were high.

6. Financial Statements (Unaudited) dated September 30, 2022 (Votes)

The unaudited financial statements dated September 30, 2022 were presented.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-01) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Consolidated Balance Sheet as of September 30, 2022 and the Administrative and General Statement of Revenues & Expenses for the Nine Months Ended September 30, 2022, as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-02) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for Nuclear Mix No. 1 as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-03) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the

Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for the Nuclear Project No. 3, as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-04) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for the Nuclear Project No. 4, as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-05) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for the Nuclear Project No. 5, as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-06) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for the Project No. 6, as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-07) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for the Stony Brook Peaking Project as submitted to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

It was moved by Ms. Rondeau, seconded by Mr. Sollecito and

(23-08) VOTED: that the Board of Directors accepts the recommendation of the Treasurer and Director of Financial Reporting & Corporate Technology and hereby accepts the Review of Actual Power Costs and Statement of Revenues & Expenses for the Three Months Ended September 30, 2022, for the Stony Brook Intermediate Project, as submitted

to and made a part of the permanent records of this meeting. The vote was taken by roll call and was unanimously in favor.

C. EXECUTIVE SESSION

A motion was made by Mr. Kelly, seconded by Ms. Rondeau, that the Board enter into executive session for the purpose of discussing trade secrets or commercial or financial information the disclosure of which would adversely affect MMWEC's ability to conduct business in relation to other suppliers of electric power and energy, under St. 1975, c.775 Section 19(a), and to reconvene the meeting in Open Session upon termination of the Executive Session for the purpose of adjournment. The vote was taken by roll call and was unanimously in favor.

It was:

(VOTED 23-09): To enter Executive Session pursuant to St. 1975, c. 775 Section 19(a) for the purpose of discussing trade secrets or commercial or financial information the disclosure of which would adversely affect MMWEC's ability to conduct business in relation to other suppliers of electric power and energy and that upon termination of the Executive Session, the Board Meeting will be reconvened in Regular Session to adjourn the meeting.


The Board entered Executive Session at 11:40 a.m.

The Board meeting reconvened Regular Session at 12:54pm

The Board reconvened in open session after the conclusion of executive session. There was no further discussion. A motion was made by Mr. Sollecito and seconded by Mr. Kelly and Chairman Flynn declared the Regular Session of the Board of Directors' Meeting adjourned at 12:55 p.m.

A TRUE RECORD

ATTEST:



Peter H. Barry, General Counsel to MMWEC