

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

BOARD OF DIRECTORS' MEETING

MMWEC VIA GO TO MEETING

REGULAR SESSION

MARCH 30, 2021

MINUTES

A. PROCEDURE

1. Chairman Flynn called the meeting to order at 10:05 a.m. stating that a quorum was present following a roll call.

Those present:

Directors and Officers:

Chairman Michael Flynn; President Peter Dion; Charmaine White, Gubernatorial Appointee/Director; Directors: Kevin Kelly, Joseph Sollecito, Sean Hamilton, John Driscoll, James Lavelle, Christopher Roy; CEO and Secretary Ronald C. DeCurzio; General Counsel Peter Barry; Executive Director, Energy & Financial Markets and Treasurer Matthew J. Ide; Nancy A. Brown, Assistant Secretary

Members:

Kevin Sullivan, Ashburnham Manager; Mark Barakian, Boylston Manager; Jeffrey Cady, Chicopee Manager; Jane Parenteau, Holden Manager; Jon Blair, Ipswich Manager; Joseph Kowalik, Marblehead Manager; Bryan Howcroft, Peabody Assistant Manager; Sean Fitzgerald, South Hadley Manager; Jonathan Fitch, West Boylston Manager

Others:

Director, Engineering and Generation Assets Brian Quinn; Director of Business Support and Administrative Services Eric Womack; Director of Communications and External Affairs Kate Roy; Director of Financial Reporting and Corporate Technologies Carol Martucci; Kelly Joyce, Budget Manager; Debra Riley, Budget Analyst

2. Approval of Agenda

Chairman Flynn asked for approval of agenda. A motion was made by Sollecito, seconded by Lavelle and it was unanimously voted to accept the agenda as presented.

3. Approval of February 24, 2021 Regular Session Minutes

The February 24, 2021 Regular Session Minutes were not available for this meeting.

B. CURRENT AGENDA

1. Member/Participant Comments

Chairman Flynn asked for comments.

Director of Communications & External Affairs Roy reported that she had been sending several emails out re: Deed webinar sponsored by APPA. That webinar would be held later today. Roy

told everyone they need to register via their APPA sign-in in order to participate in the webinar and if they have any problems signing in to contact her.

a. Nominating Committee Report

MMWEC President Dion reported that a Nominating Committee Meeting was held via Zoom meeting on March 22. Dion said that one seat on the Board is up in 2021. That is a three year term which is currently held by Kevin Kelly. Kelly is interested in being re-nominated. The Nominating Committee re-nominated Kelly for the three-year term. The other director slot is the last year of current Board member Sean Hamilton who will be retiring end of May. The Nominating Committee nominated Tara Rondeau for the one year term. The current Nominating Committee members all agreed to stay on and the current slate of officers was re-nominated. The Chairman and Nominating Committee member by and from the Board will be done at the Board meeting scheduled for after the Membership elections. Dion said he was re-nominated as President.

DeCurzio said the Membership meeting and Board meeting will be scheduled for Thursday, May 6.

2. Activities Report

Quinn said that as he stated at the last Board meeting that Millstone plans to uprate Unit 3 in the spring of 2022 using the MUR (Measurement Uncertainty Recapture) process. This will be done consistent with the spring 2022 refueling outage. The MUR is expected to increase Unit 3's electrical output by approximately 20 MWs which translates to approximately 1 MW for MMWEC.

Quinn said there are two major components to the MUR uprate. The first component is the reactor instrumentation upgrade involving upgrading the Leading Edge Flow Meter (LEFM) instrumentation in order to support the more precise flow measurements needed in the reactor core for the increased power level. MMWEC's share of the cost of this upgrade is approximately \$1,320,000. The second component is the turbine generator upgrades which are necessary not only for the MUR project, but for the unit as a whole as it approaches the end of approximately 40 years of initial commercial operation, and transitions into extended operation in 2025. MMWEC's share of the cost of the upgrades just for the MUR power increase portion is approximately \$60,000. This puts MMWEC's share of the total cost of the MUR project at approximately \$1,380,000.

A financial payback analysis was performed to determine how long it will take to recover the \$1,380,000 through sale of the increased power output. The total additional generation for all MMWEC participants is expected to be approximately 7,819 MWH per year. This will result in approximately \$220,000 in net benefit to the Millstone project participants in year one, and increasing to approximately \$260,000 by year five. This should yield a simple payback of the \$1,380,000 cost share in less than 6 years.

Sollecito asked about the virtual site audits which Quinn reported on. Quinn said that there has been five so far and he has been happy with them. The audits are performed on Monday and Tuesday with the close out on Wednesday. Quinn said there has been good feedback with a 45 minute call with site Vice Presidents when they go over good, bad and areas of improvement. Of course, in person audits could trigger more questions.

Ide reported on the HELPS activity so far this year stating that in the month of February there was an increase of 72% in the rebate program. Ide said that some of the rebate increase is due to the increase in the mini-split heat pump rebates. Also some of the audits were not being done due to the pandemic. Ide said that MMWEC is close to finalizing the heat pump program and will have a HELPS participants call next week.

3. MMWEC Financial Statements with Supplementary Information for the Years Ended December 31, 2020 and 2019 With Independent Auditors' Report Thereon (Vote)

Martucci reported that an Audit Committee meeting was held virtually March 17. Martucci said it was essentially a “boring” year with no new GASBEs and no changes in the financials, but a footnote for Asset Retirement was added. The financials will go out tomorrow.

A motion was made by Lavelle, seconded by Kelly and it was unanimously:

(VOTED 21-11): the Board of Directors has reviewed and, as recommended by the Audit Committee and staff, hereby accepts the Massachusetts Municipal Wholesale Electric Company Financial Statements with Supplementary Information for the years ended December 31, 2020 and 2019 and the Independent Auditors' (Baker Tilly's) report on the December 31, 2020 and 2019 financial statements.

4. Management Letter issued Subsequent to the 2020 Annual Audit (Vote)

Martucci and Audit Committee Chairman Kelly said there was a clean management letter.

A motion was made by Lavelle, seconded by Hamilton and it was unanimously:

(VOTED 21-12): the Board of Directors has reviewed and, as recommended by the Audit Committee and staff, hereby accepts the 2020 management letter by Baker Tilly Virchow Krause LLP subsequent to their audit of MMWEC's 2020 financial statements.

5. Project Budgets (Summary Report) (VOTES)

Budget Manager Joyce reported on the project budgets for the period July 1, 2021 through June 30, 2022. Joyce reported that the proposed contract year budget is 1.3% less than the 2020/21 projected actual budget and 4.2% less than 2020/21 approved budget. In regard to Stony Brook, Joyce said that the next phase of transmission line pole replacements will be funded through the reserves and that the spring 2021 outage has been pushed to the fall. Joyce provided a summary report with details of budget changes.

- a. Nuclear Mix No. 1 – Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-13): that the Board of Directors accepts the recommendation of staff and hereby approves the Nuclear Mix No. 1 Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$6,679,982 as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- b. Nuclear Project No. 3 – Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-14): that the Board of Directors accepts the recommendation of staff and hereby approves the Nuclear Project No. 3 Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$12,425,311, submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- c. Nuclear Project No. 4 – Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-15): that the Board of Directors accepts the recommendation of staff and hereby approves the Nuclear Project No. 4 Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$11,498,859, as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- d. Nuclear Project No. 5 – Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-16): that the Board of Directors accepts the recommendation of staff and hereby approves the Nuclear Project No. 5 Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$2,970,894, as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- e. Project No. 6 - Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-17): that the Board of Directors accepts the recommendation of staff and hereby approves the Project No. 6 Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$16,054,713, as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- f. Wyman Unit No. 4 - Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-18): that the Board of Directors accepts the recommendation of staff and hereby approves the Wyman Unit No. 4 Annual Budget of Monthly Power Costs for the contract year July 1, 2020 through June 30, 2021 in the amount of \$0, as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- g. Stony Brook Intermediate Project - Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-19): that the Board of Directors accepts the recommendation of staff and hereby approves the Stony Brook Intermediate Project Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$16,670,197 as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- h. Stony Brook Peaking Project - Annual Budget of Monthly Power Costs for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Sollecito, seconded by Hamilton and it was unanimously:

(VOTED 21-20): that the Board of Directors accepts the recommendation of staff and hereby approves the Stony Brook Peaking Project Annual Budget of Monthly Power Costs for the contract year July 1, 2021 through June 30, 2022 in the amount of \$3,933,421, as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

- i. Stony Brook Intermediate and Peaking Projects – Capital Additions Budget for the Contract Year July 1, 2021 through June 30, 2022

A motion was made by Kelly, seconded by Hamilton and it was unanimously:

(VOTED 21-21): that the Board of Directors accepts the recommendations of staff and hereby approves the Stony Brook Intermediate and Peaking Projects - Capital Additions Budget of \$1,787,118 as allocated between the Intermediate Project (\$1,195,819) and Peaking Project (\$591,299) for the 2021/22 contract year as submitted to and made a part of the permanent records of this meeting; and

authorizes the Chief Executive Officer to carry out the programs and related expenditures as he deems necessary or advisable for the purpose of this vote.

C. EXECUTIVE SESSION

A motion was made by Sollecito, seconded by Lavelle, that the MMWEC Board meeting enter Executive Session for the purpose of discussing strategy with respect to discussing 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. Based on roll call vote as follows:

| | |
|-----------|-------|
| White | “aye” |
| Driscoll | “aye” |
| Hamilton | “aye” |
| Roy | “aye” |
| Lavelle | “aye” |
| Kelly | “aye” |
| Sollecito | “aye” |

It was:

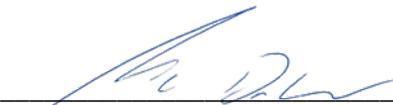
(VOTED 21-22): To enter Executive Session pursuant to St. 1975, c. 775 Section 19(a) for the purpose of discussing strategy and competitively sensitive commercial and financial information that would adversely affect its ability to conduct its business and that upon termination of the Executive Session, the Board Meeting will be reconvened in Regular Session to adjourn the meeting.

The Board entered Executive Session at 10:35 a.m.
The Board meeting reconvened Regular Session at 11:45 a.m.

All business having been concluded, it was moved by Hamilton, seconded by Roy, and it was unanimously voted to adjourn the Board of Directors' meeting.

Chairman Flynn declared the Regular Session of the Board of Directors' Meeting adjourned at 12:45 p.m. It was stated that the next Board meeting would be held on March 24.

A TRUE RECORD

ATTEST: 

Ronald C. DeCurzio, Secretary to MMWEC