

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

BOARD OF DIRECTORS' MEETING

RICHARD D. CARNEY MUNICIPAL OFFICE BUILDING
SHREWSBURY, MA

REGULAR SESSION
SEPTEMBER 11, 2019

10:00 AM

MINUTES

A. PROCEDURE

1. Chairman Flynn called the meeting to order at 10:00 a.m. stating that a quorum was present.

Those present:

Directors and Officers:

Chairman Michael Flynn; President Peter Dion; Directors Joseph Sollecito, Sean Hamilton, James Lavelle, Michael Hale, Charmaine White; General Counsel Peter Barry; CEO and Secretary Ronald C. DeCurzio; Executive Director, Energy & Financial Markets and Treasurer, Matthew J. Ide

Others:

Hull Manager, Panos Tokadjian; West Boylston Manager, Jonathan Fitch

MMWEC Staff:

Director, Financial Reporting & Corporate Technology, Carol Martucci; Director, Engineering & Generation Assets, Brian Quinn; Senior Project Manager Regulatory Services, Brian Thomson

2. Approval of Agenda

A motion was made by Mr. Hale, seconded by Ms. White and it was unanimously voted to accept the agenda as presented.

3. Approval of June 5, 2019 Regular Session Minutes

A motion was made by Mr. Lavelle, seconded by Mr. Sollecito.

The June 5, 2019 Regular Session Minutes were approved as presented, with Mr. Hamilton abstaining.

B. CURRENT AGENDA

1. Member/Participant Comments

There were no comments.

2. Activities Report

Mr. DeCurzio began the discussion on the Activities Report. Mr. Quinn described the planned fall outage at Stony Brook (9/22-10/6) referenced on page 4, and the replacement of the three transmission line structures necessitated by woodpecker damage. In June of 2019, a re-inspection was done and it was determined that three structures needed total replacement. The contractor for this work is EJ Electric. EJ recently lost two linemen due to a tragic incident. MMWEC has included terms requiring that all safety measures be in place before EJ is allowed on site. The transmission lines will be deenergized and there will be a dedicated safety manager, project manager, and foreman on site. The safety plan will be reviewed and approved prior to beginning of any work. EJ Electric was chosen for this project out of a field of ten contractors through a bid process.

Relative to the material on page 9, Mr. DeCurzio stated that third party bi-lateral contracts with energy escalators are not favored by MMWEC. Mr. Smith and Mr. Ide are meeting with individual members to explain why. Mr. Hamilton stated that these contracts are marketed aggressively, and members should hear from MMWEC first before having to reach out to MMWEC to ask about the validity of the vendor. Mr. DeCurzio agreed. Mr. Ide stated that a key issue for MMWEC is that environmental attributes should be decoupled from energy prices. Energy prices should be variable and follow the market rather than fixed with escalators.

Referring to page 11, Mr. Ide stated that the peak forecasting program was successful and capacity savings were achieved. One month, the battery dispatch window was missed because the peak was an hour earlier than anticipated.

MMWEC debt was retired on July 1 and a luncheon was held to mark the occasion.

3. Financial Statements (Unaudited) dated June 30, 2019 (Votes)

Ms. Martucci presented the Financial Statements – 6 month actual and 6 month forecasted budgets and full contract year project review.

The A&G budget is forecasted by the end of the year to be \$500,000 under budget, driven largely by open staffing positions and related benefits. There is a slight overrun in “other

legal” due to the Wyman sale. Mr. DeCurzio stated that on October 16th, in lieu of the monthly Board meeting the budget workshop will be held.

Stony Brook is running a \$1.3 million underrun due mostly to fuel use \$800,000 below forecast. Outage expenses are running over due to the planned fall outage.

Millstone is running 5% over budget, due to the misalignment of lead owner budget year versus MMWEC’s budget cycle.

Seabrook budget is running on budget. Mr. Hale asked how interest income was missed by so much. Ms. Martucci responded that a change in investment strategy and interest environment and new personnel is setting the correct course.

Wyman’s underrun was driven by lower fuel expenses.

There was no further discussion on the financial reports and:

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

(VOTED 19-43):

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 June 30, 2019 and the Administrative and General Statement of Revenues & Expenses for the Six Months Ended June 30, 2019, as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-44):

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 Contract Year Ended June 30, 2019, for Nuclear Mix No. 1 as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-45):

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 Contract Year Ended June 30, 2019, for Nuclear Project No. 3, as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-46):

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 Contract Year Ended June 30, 2019, for Nuclear Project No. 4, as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-47):

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 Contract Year Ended June 30, 2019, for Nuclear Project No. 5, as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-48):

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 Contract Year Ended June 30, 2019, for Project No. 6, as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-49):

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 Contract Year Ended June 30, 2019, for the Stony Brook Peaking Project as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-50):

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 Contract Year Ended June 30, 2019, for the Stony Brook Intermediate Project, as submitted to and made a part of the permanent records of this meeting.

(VOTED 19-51):

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 Contract Year Ended June 30, 2019, for Wyman

Unit No. 4 Project, as submitted to and made a part of the permanent records of this meeting.

C. EXECUTIVE SESSION

A motion was made by Mr. Sollecito, seconded by Mr. 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:

Sollecito	"aye"
Lavelle	"aye"
Hale	"aye"
White	"aye"
Hamilton	"aye"

It was:

(VOTED 19-52):

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 10:45 a.m.

The Board meeting reconvened Regular Session at 11:30 a.m.

All business having been concluded, it was moved by Mr. Sollecito, seconded by Mr. Lavelle, 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 11:30 a.m.

A TRUE RECORD

ATTEST:


Peter H. Barry, General Counsel to MMWEC