

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

BOARD OF DIRECTORS' MEETING

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY
LUDLOW, MA

REGULAR SESSION
FEBRUARY 8, 2018

MINUTES

A. PROCEDURE

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

Those present:

Directors and Officers:

Chairman Michael J. Flynn; President Peter D. Dion; Directors James Lavelle, Sean Hamilton, John Driscoll, Kevin Kelly, Joseph Sollecito, Glenn Trueira; CEO and Secretary Ronald C. DeCurzio; General Counsel Peter Barry; Executive Director, Energy & Financial Markets and Treasurer, Matthew J. Ide; Gubernatorial Appointee, Charmaine White

MMWEC Staff:

Director, Engineering & Generation Assets, Brian Quinn; Director, Communications & External Affairs, David Tuohey; Communications Supervisor, Kate Roy; Manager, Energy Commodities, Stephen Smith; Power Generation Engineer, Jason Viadero

Remote Participation

Shrewsbury Manager, Michael Hale

2. Approval of Agenda

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

Mr. Flynn asked that discussion on Wyman and CEO review be added as numbers two and three under the Executive Session agenda.

It was unanimously voted to accept the agenda as amended.

3. Approval of December 6, 2017 Regular Session Minutes

A motion was made by Mr. Trueira, seconded by Ms. White.

Mr. Lavelle stated that certain comments attributed to him and set forth in the first paragraph on page three of the Regular Session minutes were not made by him. Mr. Flynn stated that he was the one leading that discussion at that point and his name should be substituted. Mr. Barry stated that he would correct the minutes to reflect this change.

The December 6, 2017 Regular Session Minutes were unanimously approved as amended.

B. CURRENT AGENDA

1. Member/Participant Comments

There were no comments or questions.

2. Activities Report

Mr. DeCurzio provided an overview of highlights from the Activities Report. With regard to Special Project 2015A, FCA 12 was conducted on Monday, February 6, 2018. The auction results were distributed to the Board at the meeting. Round four was not closed until 11:00pm. Mr. Ide was deeply involved in the process and added his perspective to the discussion. The most significant facts are that the auction did close within the range predicted by MMWEC, and Special Project 2015A cleared when the auction closed at \$4.63 per kW-month.

Mr. DeCurzio referred to another distributed handout on the Emerging Technologies Site Plan to determine the best use of the land at MMWEC headquarters. Mr. Jason Viadero joined the meeting. Mr. Viadero authored the Plan and presented an overview of the Plan including the different technologies that are possible at the MMWEC site. Any technology that could provide energy to the wholesale market or capacity and forward reserve was considered as potentially beneficial to members. Site opportunities and constraints were measured regarding base load generation. Wind, hydro and tidal power options are not viable at the site. Political opposition to biomass and anaerobic digestion development would be likely and problematic. Mr. Sollecito asked if a transmission project was under consideration. Such a project could generate good publicity and grants might be available. Mr. Hamilton stated that combined solar and storage projects are getting a lot of publicity and seem to have the potential to be very successful. Mr. Lavelle questioned whether a surplus declaration would be necessary if the land was leased out and, with respect to any disposition of real estate, what the legal requirements would be. Mr. DeCurzio stated that he would report back to the Board on that issue as staff continues to explore each technology and see how it would apply to the site and to the membership. Following that analysis, staff will perform an economic analysis.

Mr. DeCurzio began discussion on Millstone by referring to page 2 of the Activities Report. Mr. Tuohey stated that he met with legislators in Connecticut to educate legislators on MMWEC generally and its interest in Millstone. The senators' concerns were job creation and what it would do to the tax base in the town. Mr. DeCurzio stated

that the biggest concern is uncertainty with respect to Dominion's plans. MMWEC has asked Dominion if it is considering delisting Millstone 3. Mr. Quinn stated that MMWEC is trying to get further information from Dominion with respect to the project's continuing economic viability.

Mr. Quinn presented the emerging technology grants on page 13 of the Activities Report. The Commonwealth issued \$20 million in battery storage grants, and through three MLP's, MMWEC was able to secure \$1.65 million in grants to subsidize battery installations in Ashburnham, Wakefield, and West Boylston. This is a unique opportunity in which the MLP's can use the pooled loan program to do procurement, construction and leasing of the technology itself. Mr. Ide discussed the MMWEC pooled loan lease program referred to on page 17 of the Activities Report. In 2018, \$37.1 million in funding for eight projects has already been scheduled. This is an additional tool that is available to members for business development.

Mr. DeCurzio led discussion on Hydro Quebec, page 14 of the Activities Report. Independent consultants were hired to evaluate the profitability of renewing the contract with Hydro Quebec. Their conclusion was that capacity savings will more than offset capital costs going forward and that the contract is worth renewing. A renewal notice is due in October. MMWEC is also trying to negotiate additional revenue through the flow of electricity.

Mr. Smith discussed the MEAM solar rebate incentive. MEAM has been working with DOER for over a year now to create a voluntary solar rebate incentive. DOER has agreed to a \$1.50 per watt incentive based on MLP participation. DOER would rebate \$0.75 and the MLP would match \$0.75. This solar incentive would be capped by size (25kw) and must be for residential use. Residents will be reimbursed after the system is installed and approved. Typical cost is \$3.80-\$4.00 per watt for installation, so that under this program, the \$1.50 per watt reimbursed is substantial.

Mr. Ide concluded the Activities Report by covering the remote battery and generation dispatch. MMWEC began remotely dispatching Sterling's battery in October, and overall for 2017, there were \$400,000 in savings. Mr. DeCurzio stated that this is a separate agreement and is not part of the service agreement. Many members are looking forward to using this service. Mr. Hamilton lauded the services of this program – he stated that this is working very well for Sterling.

Mr. Lavelle asked how the profits from running Stony Brook for thirteen days in January was allocated (page 5). Mr. Ide responded that this is based on participants' individual exposure, i.e. pro-rata.

C. EXECUTIVE SESSION

A motion was made by Mr. Hamilton, seconded by Mr. Kelly, 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:

Hamilton	"aye"
Trueira	"aye"
Lavelle	"aye"
Kelly	"aye"
Driscoll	"aye"
Sollecito	"aye"
White	"aye"
Flynn	"aye"

(VOTED 18-01): To enter Executive Session for the purpose of discussing strategy with respect to trade secrets under St. 1975, c. 775 Section 19(a) 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 11:46 a.m.
The Board meeting reconvened Regular Session at 12:00 p.m.

All business having been concluded, it was moved by Mr. Hamilton, seconded by Mr. Sollecito, 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 12:00 p.m.

A TRUE RECORD

ATTEST:



Peter H. Barry, Esq., General Counsel, MMWEC
Bulkley, Richardson, and Gelinas, LLP