

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

BOARD OF DIRECTORS' MEETING

HOLDEN MUNICIPAL LIGHT
HOLDEN, MA

REGULAR SESSION
NOVEMBER 7, 2018

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; Directors Sean Hamilton, John Driscoll, Kevin Kelly, Joseph Sollecito, James Lavelle, Luis Vitorino, Glenn Trueira; General Counsel Peter Barry; CEO and Secretary Ronald C. DeCurzio; Executive Director, Energy & Financial Markets and Treasurer, Matthew J. Ide

MMWEC Staff:

Director, Engineering & Generation Assets, Brian Quinn; Director, Financial Reporting & Corporate Technology, Carol Martucci

Others:

Marblehead Manager, Joe Kowalik; Hull Manager, Panos Tokadjian; West Boylston Manager, Jonathan Fitch; Holden Manager Jane Parenteau

2. Approval of Agenda

Mr. Flynn asked for a motion to amend the Current Agenda by adding, as number 4, a ratification of actions taken regarding Berkshire Wind, and, as number 5, a vote to approve revised minutes of the July meeting.

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

It was unanimously voted to accept the agenda as modified.

B. CURRENT AGENDA

1. Member/Participant Comments

There were no general comments.

2. Activities Report

Mr. Lavelle asked if there was any update on the Stony Brook site evaluation in regards to possible development of solar use. Mr. DeCurzio reported that a meeting had been scheduled among a potential counterparty, Columbia Gas and MMWEC that had to be rescheduled when the gas explosions in the Lawrence area occurred. About a week ago, Columbia Gas notified MMWEC that it is now ready to begin scheduling meetings again.

Mr. Hamilton asked if the timeline on the grant program being rolled out jointly by DOER and MMWEC was firm and whether the program is available to all MLPs. Mr. Hamilton added that the DOER took eighteen months to decide to offer the program, and has only allowed five days for responses from interested applicants. Mr. Ide responded that the program is available to all MLPs. Members can apply for the grant directly or can assign ENE or MMWEC to work on their behalf. DOER expects grant applications from both ENE and MMWEC. MMWEC was not consulted in the DOER rollout schedule and MMWEC plans to let DOER know that the timeline is unreasonably condensed. MMWEC has simplified the application forms for participants but there are policy decisions that must be made as well. In response to a question about whether there were penalties for taking more capacity than may actually be used (i.e. oversubscribing), Mr. Ide stated that MMWEC would explore that further, but it does not appear there will be a penalty. Mr. Sollecito stated that because MLPs would be committing money to the program, it would require a vote of their Boards and, therefore more time would be required to call a meeting and gather the votes. Mr. Vitorino asked if there was a mandate to participate. Mr. Ide stated that there was no mandate.

Mr. DeCurzio stated that Berkshire Wind phase 2 is progressing, land clearing has begun. There is a participants' meeting November 29, 2018 in Shrewsbury.

There were no further questions or comments on the Activities Report.

3. 2019 Administrative and General Budget

Mr. Flynn read the vote in its entirety. A motion was made by Mr. Lavelle and seconded by Mr. Driscoll. Discussion ensued.

Ms. Martucci explained the budget distributed was exactly the same as presented at last month's budget presentation. There is about a \$400,000 increase over last year's budget due to some new projects and upgrades. Increases can also be attributed to emerging technology projects and continuation of projects. Capital increases are due to IT upgrades (including servers).

Mr. Sollecito questioned the personnel agency fee increase of 300%. Ms. Martucci stated that the goal for recruiting fees is \$0. Because of personnel vacancies, there was a budget number entered this year to be realistic in filling those vacancies.

Mr. Lavelle noted that the legal fees set forth in the budget have increased significantly. Mr. DeCurzio explained that Project 2015A is the main cause, with DPU's approval of the financing scheduled for 2019. He also stated that even though it has been budgeted for, there is no need to assume legal costs will be this high. Mr. DeCurzio added that the testimony in front of the DPU will come from Mr. Ide, Mr. Tuohey and from him. Mr. Ide said that intervention from CLF was also factored in to costs. Mr. Fitch questioned if DPU's interest was only in the financing. Mr. DeCurzio stated that DPU looks only into whether the financing of the project is in the best interest of the rate payers and here, the peaking units have to enhance viability of solar and wind. Mr. Lavelle pointed out that templates are available for all of the documents and that should reduce the legal spend.

In answer to a question from Mr. Vitorino about the lack of an expense line for pensions, Ms. Martucci stated that MMWEC's long term initiative to get the pension fully funded has been achieved. Because the funding is now ahead of schedule, it is expected there will be no cash contribution to the plan needed this year.

There was no further discussion, and it was thereby:

(VOTED 18-53):

that the Board of Directors' accepts the recommendation of the Chief Executive Officer who recommends approval of the 2019 MMWEC Proposed Administrative and General Budget and hereby approves the 2019 A& G Operating Expense Budget in the amount of \$11,361,312 and the Capital Budget of \$142,750 as submitted to and made a part of the permanent records of this meeting, and further authorizes the Chief Executive Officer to carry out the programs and related expenditures included therein, with quarterly presentation of actual to budget financial statements to the Board of Directors; and that the Chief Executive Officer is authorized to take such other action as he deems necessary or advisable to carry out the purpose of the vote within the overall budget amount.

4. Berkshire Wind Project

A vote ratifying the actions of MMWEC regarding the Berkshire Wind project was presented to the Board. A motion was made by Mr. Hamilton, seconded by Mr. Kelly, and with no further comments, it was:

(VOTED 18-54):

That the Board of Directors hereby ratifies and confirms any actions previously taken by the Chief Executive Officer and/or MMWEC staff that are

consistent with the purposes of Votes 18-33 through 18-39 taken at the July 11, 2018 Board of Directors' meeting.

5. Approval of the amended July 11, 2018 Board of Directors' Regular Session meeting minutes.

A motion was made by Mr. Lavelle and seconded by Mr. Hamilton and with no further discussion, it was thereby:

(VOTED 18-55):

That, whereas on September 12, 2018, the MMWEC Board of Directors approved the Regular Session minutes of the July 11, 2018 Board of Directors meeting; and whereas one of the votes taken at the July 11, 2018 meeting of the Board of Directors regarding the Berkshire Wind project was not included in said minutes;

Now therefore, the Board of Directors hereby votes to amend the minutes of the July 11, 2018 Board of Directors' meeting as reflected in the attachment to this vote, and to accept said minutes as amended.

All business having been concluded, it was moved by Mr. Hamilton, 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 10:45 a.m.

A TRUE RECORD

ATTEST:



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