

MINUTES

New Jersey Public Power Authority

April 16, 2020

The meeting held via WebEx conference call was called to order at 10:30 AM by Donna Mull, Authority President.

Mull opened the meeting with the reading of the required statement: “Notice of this meeting was originally published in the Star-Ledger on February 4, 2020 and revised on March 20, 2020 and displayed by Authority members in their municipal offices or on their websites.

In addition to Mull, representing the Borough of Pemberton, the following were present for the meeting: Jim Borowski for the Borough of Lavallette; Jim Lampmann for the Borough of Butler; Chris Vaz for the Borough of Seaside Heights; Jim Burnet for the Borough of Madison; Bill Beattie for the Borough of Park Ridge; Joe Zanga for the Borough of South River and Joe Isabella and John Lillie for the City of Vineland. Brian Vayda Executive Director of the New Jersey Public Power Authority and Kevin Boutilier for Sussex REC were also present. Jeanette Larrison for the Borough of Milltown joined the meeting at 11:01 AM

Minutes of the annual meeting of January 23, 2020 were approved. Lillie offered a motion to approve. Lampmann offered a second. The voice vote was unanimous.

The Treasurer’s Report for the period ended March 31, 2020 showed a Net Income of \$149,979.94 with income of \$162,421,32 and expenses of \$19,441,38. The balance sheet as of March 31, 2020, showed a cash balance at Lakeland Bank of \$365,944.93, accounts receivable of \$25,136.80 and \$0 of liabilities. Lampmann made a motion to accept the report. Vaz offered a second. The voice vote was unanimous.

Claims for the period ended March 31, 2020 in the amount of \$40,652.24 were approved. A motion was offered by Beattie with a second by Lampmann. The voice vote was unanimous.

The executive director’s monthly report was delivered in advance of the meeting. Mull asked if there were any questions regarding the reports. Lillie asked about the recent public report concluding that PJM is overcharging customers by making them buy more capacity than needed, costing consumers up to \$4 billion a year in unnecessary charges. The Executive Director noted that while the target reserve margin in PJM is about 16% of peak load, the RPM auctions regularly clear significantly more – equivalent to reserve margins in excess of 20%, resulting in commitments that are roughly in excess of 15,000 MW and the main cause of the consistent over procurement is inaccurate load forecasts. The executive director’s report was accepted following a motion offered by Lillie. Borowski offered a second. The voice vote was unanimous.

Old Business: None

New Business:

The Executive Director discussed recent changes to PJM's credit policy due to the fallout of the very large FTR default in 2019. The Executive Director noted that these changes resulted in five areas of importance for NJPPA members and how members need to be prepared for these changes.

The Executive Director discussed the details of the Murphy administration's Energy Master Plan. Discussed was how the Plan electrifies the transportation and building sectors, accelerates renewable energy deployment and promotes energy efficiency and also that the meeting of Plan goals will mean a more than doubling of load growth by 2050. The Executive Director noted that our members may need to prepare for potential infrastructure investments.

The Executive Director discussed the recent FERC ruling on PJM's MOPR and the effect on the public power business model. The Executive Director noted exemptions to the MOPR are available for public power, self-supply resources, if they have previously cleared an auction or they may apply for a Unit-Specific Exemption. The Executive Director also discussed a second option available to public power, the FRR Alternative. The members unanimously agreed that the Executive Director should explore FRR options with generators.

The members considered the existing Executive Director's Employment Agreement. The original Agreement was for an initial three-year term effective from April 3, 2017 expiring on April 3, 2020. Resolution 2020-7 extends the term from the initial three-year term to automatically renew for one-year periods unless terminated at least ninety (90) days prior to the renewal date. A motion was made by Lampmann to approve Resolution 2020-7. Vaz seconded the motion. The voice vote was unanimous.

Mull announced that the next regular quarterly meeting will be held on July 16, 2020 at 10:30 AM at the Borough of Lavallette, 1306 Grand Central Ave, Lavallette NJ 08735, however due to COVID restrictions, the meeting may need to be moved to a conference call.

Lampmann made a motion to adjourn at 11:08 AM. Lillie offered a second. The voice vote was unanimous.

Respectfully Submitted on Behalf of the Secretary,

/Brian Vayda/ Executive Director