

MINUTES

New Jersey Public Power Authority

April 27, 2017

The meeting at the Borough of Madison Municipal Building was called to order at 10:32 AM by Bill Beattie, Authority Secretary, presiding in the absence of the President and Vice-President. Beattie stated, "Notice of this meeting was published in the Star-Ledger on February 15, 2017 and displayed by Authority members in their municipal offices".

In addition to Beattie, the following Commissioners were present for the meeting: William Akers for the Borough of Seaside Heights; Jim Burnet for the Borough of Madison; Denise Biancamano for the Borough of Milltown; Jim Borowski for the Borough of Lavallette; John Lillie for The City of Vineland; Jim Jablonski, Executive Director of the Public Power Association of New Jersey and Brian Vayda, Executive Director of the New Jersey Public Power Authority were also present. Chris Nicola of Madison, Joe Zanga of South River, Kevin Boutilier of Sussex REC, and Joe Isabella of Vineland were in attendance. Donna Mull for the Borough of Pemberton was absent.

Beattie opened the meeting by welcoming Brian Vayda to the Executive Director position of the New Jersey Public Power Authority. Beattie then turned the floor over to Vayda. Vayda thanked the members for hiring him and showing confidence in his abilities.

Minutes of the Regular Meeting of January 26 2017, the Special Meeting of February 22, 2017 and the Executive Session of February 22, 2017 were approved. Burnet offered a motion to approve. Akers offered a second. The vote was unanimous.

There were no **Claims** nor a **Treasurer's Report** available for action.

Biancamano made a motion to add Joe Zanga to the slate of Commissioners to replace Fred Carr as the Borough of South River representative. Borowski offered a second to the motion. The vote was unanimous.

Biancamano made a motion to open nominations for President to replace Fred Carr; to nominate Donna Mull for president; that nominations be closed; and that a unanimous ballot be cast for this election. Burnet offered a second to the motion and the vote was unanimous.

Akers made a motion to open the nominations for Vice President to replace Donna Mull as she was appointed President; to nominate Denise Biancamano for vice-president; that nominations be closed; and that a unanimous ballot be cast for this election. Burnet offered a second to the motion and the vote was unanimous.

The **Executive Director's monthly report** was delivered in advance of the meeting. Vayda asked if the discussion on the monthly report could be moved under New Business items since the

report overlapped with New Business. The executive director's report was accepted following a motion offered by Akers. Beattie offered a second. The vote was unanimous.

There was no **Unfinished Business** available for action.

New Business:

Vayda recommended that discussion on Agenda item 10.a Generation project and Agenda item 10.d. Consideration of RFQs for Professional Services be moved into Executive Session as these items involve anticipated contract negotiations in which the Authority may become a party.

The members discussed the benefits of smaller scale Behind-the-Meter ("BTM") generation projects in PJM. BTM (aka Distributed Energy Resources) can be used to net against load for energy, capacity, transmission service, ancillary services and PJM administrative fees. Akers offered commentary on how Seaside's 6 MW BTM diesel units have been performing and some of the benefits around these units. Isabella offered some caution on risks of BTM hitting capacity and transmission peaks in the summer. Burnet offered commentary on Madison's experience with some BTM developers. It was the consensus of all present that the executive director should pursue BTM projects in PJM for the members.

Commissioner Jim Lampmann, for the Borough of Butler, joined the meeting at 11:15.

The members discussed the emails sent by PJM to several members within the JCP&L territory requesting a potential posting of collateral for negatively valued ARR's. Vayda explained how he spoke to PJM's Treasury department and got PJM to agree to temporarily waive this collateral call. Subsequently, after the annual FTR auction, PJM informed Vayda that the ARR's were no longer negatively valued and no collateral call would be forthcoming at this time, however future collateral calls could be made. Jablonski offered that the goal is to have the members fully excused from any PJM collateral call. Vayda offered that we may need to work with counsel to pursue alternatives to PJM's credit policy. It was the consensus of all present that the executive director should pursue the goal of having the members fully excused from any collateral call and also to pursue ways for the Authority to post collateral on their behalf in the future.

Lampmann made a motion to amend the agenda and adopt a Resolution Authorizing the Adoption of a Temporary Budget for the NJ Public Power Authority for the Year 2017 (attached). Burnet seconded the motion. The vote was unanimous.

Biancamano offered a motion to enter executive session to discuss Agenda item 10.a Generation project and Agenda item 10.d. Consideration of RFQs for Professional Services as items involving anticipated contract negotiations in which the Authority may become a party. The results of any negotiations that result in a contract will be made public when negotiations are completed. Beattie offered a second to the motion. The vote was unanimous.

Biancamano made a dual motion that the executive director pursue the feasibility of participation in a large-scale generation development project by requesting additional information to create a basic feasibility study; to send a letter detailing an expression of interest; and also, to prepare and issue an RFQ for energy services. Zanga offered a second. The vote was unanimous.

The members emerged from executive session and discussed the location of the next meeting scheduled for July 20, 2017 at Madison.

Biancamano made a motion to adjourn. Zanga offered a second. The vote was unanimous.

Respectfully Submitted,

/Brian M. Vayda/

On behalf of the Secretary.