

## MINUTES

### New Jersey Public Power Authority

April 17, 2019

The meeting at the Borough of Pemberton, 50 Egbert Street, Pemberton, NJ 08068 was called to order at 10:31 AM by Donna Mull, Authority President.

Mull opened the meeting with the reading of the required statement: "Notice of this meeting was published in the Star-Ledger on February 7, 2019 and displayed by Authority members in their municipal offices."

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; William Akers for the Borough of Seaside Heights; Bill Beattie for the Borough of Park Ridge; Joe Zanga for the Borough of South River and John Lillie for Vineland. Christopher Vaz for the Borough of Seaside Heights, Joe Isabella for Vineland, Kevin Boutilier for Sussex REC and Brian Vayda, Executive Director of the New Jersey Public Power Authority were also present. Jim Burnet and Kevin O'Keefe for the Borough of Madison were present via conference call. The Borough of Milltown was not represented at the meeting.

**Minutes** of the regular meeting of January 24, 2019 were approved. Borowski offered a motion to approve. Zanga offered a second. The voice vote was unanimous.

**Claims for the 1st Quarter of 2019** in the amount of \$33,554.06 were approved. A motion was offered by Zanga with a second by Lampmann. The voice vote was unanimous.

The **Treasurer's Report for the 1st Quarter 2019 (Feb-Mar)** showed a Net Income of \$183,122.52 for the 1st Quarter 2019 with expenses of \$137.95. The balance sheet as of March 31, 2019, showed a cash balance at Lakeland Bank of \$280,145.43, accounts receivable of \$60,584.72 and \$0 liabilities. Lampmann made a motion to accept the report. Beattie offered a second. 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 and there were none. Lillie and Isabella opened discussion on issues facing the energy industry such as renewable penetration, nuclear power and subsidies, natural gas markets and future changes occurring in the capacity and energy markets in PJM. The Executive Director suggested that the Board consider locking in 25% of electric supply for five years commencing in January 2025 due to uncertainty in the markets. The Executive Director also suggested to the Board to strongly consider behind the meter solutions to mitigate transmission and capacity increases. The Board expressed interest in long term contracts going out five years. The executive director's report was accepted following a motion offered by Lillie. Borowski offered a second. The voice vote was unanimous.

**Unfinished Business: None were noted**

**New Business:**

The Executive Director opened the discussion on **credit support** for wholesale transactions. In the past, the Commissioners have expressed interest in the Authority exploring a long-term (five or ten-year term) block power purchase for the municipalities. The Executive Director noted that since the Authority has no credit history of its own, and has not issued any debt, its credit will be based entirely on the strength of an underlying back-to-back energy supply agreement between the Authority and the participating municipalities. The Executive Director also noted that through discussions with several wholesale suppliers, some will require a form of collateral such as letter of credit, cash or payment guaranty. The Executive Director also noted the Authority would have to obtain \$1 million in total net worth or \$5 million in total assets to meet the minimum PJM capitalization criterion. Borowski mentioned that the Authority has nowhere near the minimum PJM capitalization requirements. Akers noted the risks and challenges of establishing credit for the Authority for both wholesale suppliers and PJM and also stated that he doesn't see the need for the municipalities to incur these higher costs for the Authority to establish credit. Lampmann made a motion to table the discussion on establishing credit for the Authority. Akers seconded the motion. The voice vote was unanimous.

Lampmann made a motion to instruct the Executive Director to assemble the documentation for the municipalities to request prices for 2022/2023, 2023/2024 and also five years, 2025-2029. Akers seconded the motion. The voice vote was unanimous.

Mull announced that the next regular quarterly meeting will be held on July 18, 2019 at 10:30 AM at the Borough of Lavallette, 1306 Grand Central Ave, Lavallette NJ 08735.

Lampmann made a motion to adjourn at 11:20 AM. Zanga offered a second. The voice vote was unanimous.

**Respectfully Submitted on Behalf of the Secretary,**

**/Brian Vayda/ Executive Director**