

APPROVED

8/5/25

TOWN OF WALLINGFORD
PUBLIC UTILITIES COMMISSION
PURCHASED POWER WORKSHOP
WALLINGFORD TOWN HALL
45 SOUTH MAIN STREET
ROOM 315
WALLINGFORD, CT 06492

Monday, July 14, 2025

10:30 A.M.

MINUTES

PRESENT: Chairman Robert Beaumont; Commissioners Dr. Joel Rinebold and Laurence Zabrowski; Director Richard Hendershot; Electric Division General Manager Jake Arborio; Electric Division Business Office Manager Marianne Dill; Mayor Vincent Cervoni, Comptroller Tim Sena, Water and Sewer Divisions General Manager Neil Amwake and Recording Secretary Michelle Bracale

Absent –None

Members of the Public – Jesse Fitzmaurice – ENE, Ken Stambler – ENE, Craig Kieny – Energy Initiatives

Mr. Beaumont called the Meeting to order at 10:30 A.M., and the pledge of Allegiance was recited.

1. Pledge of Allegiance

2. Motion to approve the ERMOC meeting minutes of February 21, 2025.

Made by: Mr. Hendershot

Seconded by: Mr. Fitzmaurice

Votes: 9 ayes. (*Mr. Beaumont abstained from the vote*)

40 **PURCHASED POWER WORKSHOP**

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44 **3. Table 2 – Portfolio Summary – ISO, Monthly Portfolio Results Discussion**

45 **(Prepared by ENE).**

46

47 Mr. Kieny went over Table 2 of the presentation going over WED's purchases at the CT Zone,

48 NYPA, and the bilaterals through ENE.

49

50 Craig Kieny then explained the complexities of the monthly energy hedging report, detailing the

51 Connecticut load zone's energy consumption, costs, and hedging strategies. The net charge for

52 May was 39,776,23 megawatt hours, with an average cost of \$35.74 per megawatt hour. The

53 discussion also covered the capacity market, explaining how ISO conducts auctions to ensure

54 sufficient resources for peak loads, and the allocation of costs based on load and resource

55 availability. The conversation highlighted the challenges and strategies for managing energy

56 costs and load curtailment. The discussion focused on changes in ISO market rules, specifically

57 the shift from a three-year auction to two annual auctions and a new reserve market.

58

59 He went on to explain that Energy New England is set-up to collect all of this data and sum it up.

60 Mr. Kieny verifies it once it is collected.

61

62 Mr. Zabrowski questioned the amount of power we obtain from NYPA and if we are receiving

63 the maximum amount and it was explained by Mr. Beaumont and Mr. Stambler that, ultimately,

64 one would have to drastically increase the residential base load in order to significantly change

65 the amount of energy WED received from the New York Power Authority.

66

67 Mr. Beaumont added that CMEEC is the agent for Connecticut in which they administer in terms

68 the amounts that each one of the MEU's in Connecticut receive.

69

70 Mr. Kieny then went on to explain the Hedging Results Discussion from page 2 of the slides, as

71 well as reviewed the purpose of Hedging to the group. Some discussion ensued in regards to this

72 topic.

73

74 Dr. Rinebold stated that on peak and off peak are getting close in pricing and questioned to what

75 extent we should be looking at load following hedges?

76

77 Mr. Hendershot responded that ENE checks with the respondents to our solicitations every time

78 we go to hedge and deciphers what load following has cost other clients. As of now, the cost

79 doesn't benefit us, however, we continue to look at it.

80

81 Mr. Stambler added that ENE continually analyzes WED's growth sheet.

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87 **Capacity Market Overview**
88

89 Mr. Kieny explained that the purpose of the ISO-NE Capacity Market is to ensure adequate
90 resources are available to meet system peak load plus a reserve margin.
91

92 Dr. Rinebold questioned how many companies who are bidding into ISO are generators versus
93 market participants (i.e. Wall Street)?
94

95 Mr. Fitzmaurice stated that is a possibility, however, if they are financing these power plant
96 packages, they have to justify what they bid.
97

98 Dr. Rinebold stated that he's questioning are the generators getting the resources and the value
99 proposition, or is Wall Street positioning themselves as the middle man? If that is the case, they
100 can't lose.
101

102 Mr. Stambler responded that they can speculate all they want, but when you come to the final
103 settlement, it is the real generation that is setting the marginal price for each of those units.
104 There are also rules and regulations on how they can offer their units into the market.
105

106 Dr. Rinebold stated that he would like to see ways to keep rates low for our customers.
107

108 More discussion ensued on this topic.
109

110 ISO establishes a NE capacity requirement which is made up of the forecasted peak load plus a
111 reserve margin (usually 20%). ISO then conducts auctions for procurement of capacity by
112 System-wide and by Capacity Zone. The commitment periods are June – May.
113

114 For commitment periods through May 2028, annual auctions are conducted 3 years in advance
115 then refined on annual and monthly bases, however, for commitment period beginning June
116 2028, seasonal auctions will be held several months in advance.
117

118 Mr. Kieny then explained in more detail how the auctions are conducted and why they break it
119 down into capacity zones because of transmission constraints on the system.
120

121 Mr. Fitzmaurice stated that there is a new reserve market. Previously, there was a forward
122 reserve market where the generators could sell reserves similar to a capacity auction where they
123 would do a forward reserve market for the summer and winter generators that can either respond
124 in 10 or 30 minutes. Now it has gone to hourly data for better forecasting and to manage the
125 system better.
126

127 Mr. Zabrowski questioned what is the cost impact for us?
128

129 Mr. Fitzmaurice responded that he believes it would slightly raise costs for the reserves because
130 they added a new reserve product. ISO believes it should improve reliability as well, because it
131 increases the incentive for these units to go out and buy fuel the day before.

There was some discussion between Dr. Rinebold, Mr. Fitzmaurice and Mr. Stambler in regards to spot market gas, pricing and reserves.

Mr. Zabrowski questioned if ENE uses a Monte Carlo formula to establish what they believe the rates are forecasted to be?

Mr. Fitzmaurice responded that it is used for load, price and risk. Mr. Stambler added that ENE takes the forward curve, the volatility that applies to the load and that is the simulation they figure out. Is there enough hedged? Exposure to the spot market? Percentages? These are all factors. Monte Carlo does not present a huge variability in what the forward energy cost prices will be looking forward, how they sell out in spot market versus what has been hedged.

Mr. Fitzmaurice reiterated that Monte Carlo would be used for energy, but not energy hedging, capacity or reserves.

4. Transmission Cost Overview

Mr. Kieny discussed WED's various transmission providers which includes:

- NEPOOL RNS - doesn't actually own the lines, but administers the billing for owners of Pool Transmission Facilities (PTF). (PTF facilities are high voltage lines that are considered integral to the reliability of the New England region).
- Eversource LNS – charge those using NU system's non-PTF facilities (Local Network Service or LNS)
- United Illuminating (UI) LNS – charge those using UI system's non-PTF facilities. (Local Network Service or LNS).
- Connecticut Transmission Municipal Electric Energy Cooperative (CTMEEC) LNS – charge those using CTMEEC systems' non PTF facilities. (Local Network Service or LNS).

He also went over the monthly transmission charges by provider by load at time of monthly peaks as the group discussed how WED can mitigate transmission and capacity costs.

Executive Session pursuant to Connecticut General Statutes §1-200 6(E), §1-210(a), §1-210(b)(5)(A)(B) and §7-232a to discuss Purchased Power.

Motion was made to move into Executive Session pursuant to Connecticut General Statutes §1-200 6(E), §1-210(a), §1-210(b)(5)(A)(B) and §7-232a to discuss Purchased Power at 1:10 p.m.

Made by: Mr. Zabrowski

Seconded by: Dr. Rinebold

Votes: 10 ayes.

178 Present: Chairman Robert Beaumont, Vice-Chairman Dr. Joel Rinebold, Secretary Laurence
179 Zabrowski, Director Richard Hendershot. Electric Division General Manager Jake Arborio,
180 Electric Division Business Office Manager Marianne Dill. Comptroller Tim Sena, Water and
181 Sewer Division General Manager Neil Amwake, Executive Secretary Michelle Bracale, Craig
182 Kieny – Energy Initiatives, Jesse Fitzmaurice – ENE. and Ken Stambler - ENE
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185 **ADJOURNMENT**
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187 **Motion to Adjourn**
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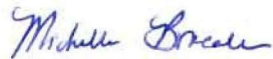
189 **Made by: Mr. Zabrowski**

190 **Seconded by: Dr. Rinebold**

191 **Votes: 10 ayes**
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194 The meeting was adjourned at approximately 2:55 p.m.
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197 Respectfully submitted,

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199

200 Michelle Bracale

201 Acting Recording Secretary

Respectfully submitted,



Laurence J. Zabrowski
Secretary