



## **Minutes of the Board Directors Meeting of the Municipal Electric and Gas Corporation – January 17, 2014**

**Present:** Douglas Barton, Mary Pat Hancock, David Allen, Michael Stamm, Richard Blythe Mark Taylor, Jack Wheeler, Heather Brown, Steve Hoover  
**Guests:** Gordon Boyd, Energy Next; Katy Vescio; NYSAC; Omay Olphick, Gravity Renewables; John Conley, Dan Leary, Al Gordon, SolarCity  
**Staff:** Ronald Feldstein, Stuart Stein, Barbara Blanchard, Jennifer Luu

### **Call to Order and Approval of Agenda**

President Barton called the meeting to order at 11:05 a.m. and introductions followed.

### **Approval of Minutes**

It was Moved by Ms. Brown, seconded by Mr. Allen unanimously adopted by voice vote of members present to approve the minutes of September 27, 2013, as submitted.

### **Administration**

#### **Executive Session**

It was Moved by Ms. Hancock, seconded by Mr. Taylor and unanimously adopted by voice vote enter into Executive Session at 11:09 a.m. for the purposes of discussing contract negotiations with EnergyNext and the New York State Association of Counties. Mr. Boyd was asked to remain in the room for the discussion relating to the New York State Association of Counties. He left the meeting at 11:47 a.m. following that discussion. It was Moved by Ms. Hancock, seconded by Ms. Brown to return to open session at 12:06 p.m. No action was taken in Executive Session.

### **Resolution Authorizing Renewal of Partnership Agreement with the New York State Association of Counties (NYSAC)**

It was Moved by Mr. Wheeler, seconded by Mr. Allen and unanimously adopted by voice vote of members present.

Whereas, MEGA and NYSAC began collaborating on a group energy procurement and management program in 2008, whereby its members may procure energy (electricity and natural gas), renewable or "green" power and related services at competitive rates, and

Whereas, MEGA and NYSAC have agreed to continue that collaboration as described in the Agreement for Energy Procurement Services, that details the responsibilities of each party, now therefore be it

Resolved, That the Agreement for Energy Procurement Services, attached and made a part of this resolution, is approved by the MEGA Board of Directors for a term to expire December 31, 2018.

## **Resolution to Approve the Contract with Energy Next, Inc., for Energy Consulting Services**

It was Moved by Ms. Hancock, seconded by Mr. Blythe and unanimously adopted by voice vote of members present.

Whereas, MEGA and EnergyNext have had a contractual agreement for energy consulting services since 2001, and

Whereas, said contract was renewed in October 2008 for a three-year term expiring March 31, 2011, and

Whereas, both parties have agreed to the continuation of the contract and the terms as outlined in the Contract for Energy Consulting Services beyond the original termination date of March 31, 2015, now therefore be it

Resolved, that the contract for Energy Consulting Services with EnergyNext Inc., is hereby extended for a term expiring on March 31, 2017.

### **Executive Director's Report**

Mr. Feldstein's report is attached.

### **Customer Service Manager's Report**

Ms. Blanchard's report is attached.

### **Discussion of Marketing Plan**

Ms. Blanchard and Ms. Vescio reviewed the proposed marketing plan (attached).

It was Moved by Ms. Hancock, seconded by Mr. Blythe and unanimously adopted by voice vote to approve the plan as presented.

### **Director of Research and Planning Report**

Mr. Stein's report is attached.

### **By-law Amendment**

Mr. Stein presented a by-law amendment for consideration by the Board allowing for Emeritus members to be appointed. It was Moved by Mr. Blythe, seconded by Ms. Brown and unanimously adopted by voice vote to lay the following by-law amendment on the table for consideration by the Board at their April 2014 meeting.

### **By-Law Amendment**

Section X. Emeritus Members. It order for the MEGA Board of Directors to utilize the experience gained from prior participation as a member or officer of the MEGA Board, and in order to provide additional expertise to the Board or to supplements the work of the sitting MEGA Board members that may required extensive commitments of time and energy, the MEGA Board may appoint previous Board members to serve at Emeritus Members. Emeritus Members are appointed by the Chair of the MGA Board with the approval of the full Board.

An Emeritus Member may attend all official meetings of the Board or its committees, and participate in all discussions and deliberations but does not have the right to vote on matters that come before the Board. He or she shall not be counted to constitute quorum for the Board meetings but an Emeritus Member may be appointed to a special Board committee. He or she may serve as chair of that committee and may vote as a member of that special Board committee.

An Emeritus Member may receive reimbursement for out of pocket expenses in accordance with MEGA's travel and reimbursement policies.

### **Presentations by Gravity Renewables and SolarCity, Inc.**

Presentations were provided by Gravity Renewables and SolarCity, Inc. They provided an overview of their companies and their proposed projects.

### **Resolution to Authorize Bids and Approval of Contracts – SolarCity, Corp.**

It was Moved by Ms. Brown, seconded by Mr. Allen and unanimously adopted by voice vote.

Whereas, on August 6, 2013, the Tompkins County Legislature approved Resolution No. 2013-117, authorizing the Municipal Electric and Gas Alliance to issue a Draft and later a Final Request for Proposals for the supply of renewable energy from solar, micro-hydroelectric and farm waste generation facilities in all utility territories of New York State on a net metered basis, all in accordance with provisions of New York State Law, and

Whereas, all political subdivisions and districts within the State of New York were authorized by the same resolution to participate in the contracts awarded as a result of this procurement, and

Whereas, Responses to the Request for Proposals were received and opened at the offices of the New York State Association of Counties on November 1, 2013, and subsequently evaluated by MEGA and NYSAC staff and consultants for determination of best value to MEGA participants in the designated utility service areas, with the results as follows:

For solar renewable energy SolarCity Corp., of San Mateo, California, and

Whereas, a Program Agreement has been negotiated and prepared to be executed by Tompkins County, MEGA and SolarCity Corp., such Agreement embodying the terms and conditions envisioned in the Request for Proposals, now therefore be it

Resolved, the MEGA Board of Directors accepts such proposal and authorizes and directs MEGA's President to execute the Program Agreement with SolarCity Corp.,

Resolved, further, That the MEGA Board of Directors requests and recommends the Tompkins County Administrator approve and execute the Program Agreement with SolarCity Corp., as appropriate to implement the above described program.

### **Treasurer's Report**

Mr. Hoover provided an overview of the budget. A budget adjustment was made by the Executive Committee in the amount of \$10,000 to allow for silver memberships in the New York State Association of Towns and the Conference of Mayors, at the cost of \$5,000 each. The

budget remains in very good shape. A preliminary review of the 2014 budget was also completed. It was Moved by Mr. Wheeler, seconded by Mr. Taylor and unanimously adopted by voice vote to accept the Treasurer's Report as presented.

### **Consultant's Report**

Mr. Boyd reported that Washington County is executing their contract and Rockland County will be returning. Rockland County will be doing the procurement in Orange and Rockland utility territory. It was Moved by Ms. Brown, seconded by Mr. Allen to approve Rockland County bidding for electric and natural gas in the Orange and Rockland utility territory.

### **NYSAC Report**

Ms. Vescio reported there are currently 34 counties participating. The planned marketing effort to continue to get the word out is very exciting. She noted that the NYSAC Conference in February will have a session to talk about renewables. She also stated that the using the NYSAC Weekly Wire is an excellent avenue to promote the SolarCity and Gravity Renewables programs.

### **Old Business**

None.

### **New Business**

The annual meeting date of the Corporation has been established as Friday, April 25, 2014 at 11 a.m. at the Otesaga Resort Hotel in Cooperstown NY.

### **Adjournment**

It was Moved by Ms. Brown and unanimously seconded to adjourn the meeting at 2:29 p.m.

Minutes prepared by Jennifer Luu.

# **AGREEMENT FOR ENERGY PROCUREMENT SERVICES**

This Agreement for energy procurement services is entered into as of the \_\_\_\_\_, by and between New York State Association of Counties (NYSAC), doing business at 540 Broadway, 5<sup>th</sup> Floor, Albany, NY 12207, and Municipal Electric and Gas Alliance (MEGA) doing business at PO Box 88, Ithaca, NY 14851.

## **ARTICLE I. RESPONSIBILITIES OF THE PARTIES**

1.01 RESPONSIBILITIES OF MEGA. During the term of this Agreement, MEGA will undertake the following responsibilities:

- a. Offer its existing energy procurement and management programs to all NYSAC members and affiliate organizations. During the terms of this contract the MEGA programs will be the means by which the NYSAC offers its eligible members an opportunity to manage their energy costs, and may include any or all of the following services offered by MEGA:
  - i) Identification and collection of necessary data;
  - ii) Preparation of Invitations to Bid or Requests for Proposals (RFPs) pursuant to public bidding guidelines for electricity and natural gas supplies and energy services to the participants;
  - iii) Analysis of the RFP or bid responses and preparation of recommendations resulting from such analysis for Participants' action;
  - iv) In consultation with NYSAC, negotiate one or more Program Agreements between MEGA and one or more supplier(s), such Agreements to determine the basic terms and conditions available to Participants for electricity and/or natural gas supply, renewable or "green" power or energy services. Program Agreement(s) shall set forth the overall terms and conditions of any program, and shall provide that eligible Participants will have the ability to enter into contracts with the energy supplier based on the terms of the Program Agreement. A Program Agreement will also provide for the payment of administrative fees by the supplier to MEGA, which will be shared with NYSAC pursuant to this Agreement;
  - v) Monitor agreements and contracts so executed, including assuring conformance by supplier with terms and conditions;

- vi) Assist NYSAC with structuring and marketing the energy procurement programs to prospective Participants;
  - vii) Monitor State and federal regulatory policies and developments and assist NYSAC with educational and informational efforts regarding the programs;
- b. Offer energy efficiency and management programs.

Upon request of Participants, offer assistance in the implementation and management of energy efficiency programs which may include energy billing and usage audits, energy efficiency, demand-response, other conservation and efficiency related programs, also review of current utility contracts, perform budget analyses and any other energy-related tasks beyond the scope of those otherwise set forth in this Agreement. Notice of these activities shall be provided to NYSAC on a periodic basis.

1.02 RESPONSIBILITIES OF NYSAC. During the term of this Agreement, NYSAC will:

- i) Endorse and promote the MEGA program to its members and affiliate organizations. The program will be the exclusive vehicle for services carried out by MEGA under Article 1.01 of this Agreement. With the assistance of MEGA, NYSAC will establish the structure and marketing of the program to its members and Participants;
- ii) Determine eligibility requirements for participation in the program, such as eligibility to include, at a minimum, existing and new NYSAC members, and provide reasonable assistance to MEGA with respect to individual Participants to ensure that information required for work by MEGA is provided in a timely and complete manner;
- iii) Review recommendations that MEGA will make from time to time and provide direction and approval as required to enable the program to meet agreed upon timetables;
- iv) Promote and market the program in meetings and publications, and, with input and writing assistance from MEGA, produce and disseminate information and participation authorization material both in print and through electronic means to eligible members;
- v) Reasonably assist MEGA in negotiating contracts with energy suppliers if requested.
- vi) Provide support for MEGA operations as may be necessary from time to time to conduct mutually supportive activities.

- vii) Host MEGA Board meetings as a feature of NYSAC Conferences when requested by MEGA
- viii) Other activities as described in the Addendum to NYSAC Agreement 2011-2014.

## **ARTICLE II. COMPENSATION; ENERGY SUPPLY; ENERGY EFFICIENCY AND MANAGEMENT PROGRAMS.**

For purposes of allocating royalty fee compensation under this Agreement, NYSAC Participants shall include any municipal entity, public benefit corporation or NYSAC affiliate in the State of New York, but shall not include any MEGA Participant served prior to January 28, 2008. (See Appendix A) Compensation, as provided below, will begin when revenue is initially received by MEGA from royalties or administrative fees paid by any Supplier or service provider for sales to NYSAC Participants initiating service after January 28, 2008. Such fees may be based on the sales of electricity and/or natural gas, renewable or “green” power pursuant to a Program Agreement or from other services as may be mutually agreed to. Such royalties will be provided for in any Program Agreement negotiated by MEGA and a Supplier.

### **2.01 COMPENSATION**

#### **a. Compensation for Energy Supply services based on Section 1.01.a.**

Pursuant to existing and future Program Agreements, fixed royalty fees will be paid to MEGA by suppliers of electricity, gas, renewable or “green” power and/or energy services, based on the value of sales to participants, or otherwise. MEGA’s consultants, EnergyNext, Inc. are paid a portion of such royalty fees, pursuant to MEGA’s Agreement with EnergyNext, Inc. MEGA shall provide NYSAC a twenty-five (25) percent share of the royalty fees attributable to NYSAC Participants (i.e. municipal entities, public benefit corporations or NYSAC affiliates) initiating service after January 28, 2008. The pre 2008 municipalities are attached this agreement.

#### **b. Compensation for services related to energy efficiency and other programs as may be requested of MEGA by NYSAC Participants and with approval of NYSAC, based on Section 1.01.b.:**

For services related to energy efficiency and/or other management programs, MEGA will receive a payment pursuant to any agreement between a NYSAC Participant and MEGA. Mutual prior agreement of NYSAC and MEGA shall be required in finalizing the scope of services and basis for fees from energy efficiency and other consulting services.

Any and all royalty fees to be shared by NYSAC and MEGA pursuant to this Agreement shall remain an obligation of MEGA throughout the term of this Agreement, plus the term of any Program Agreement between MEGA and an energy supplier, or of an energy

supply agreement with a NYSAC Participant, even if such Program Agreement or energy supply agreement continues beyond the term of this Agreement, or so long as MEGA is rightfully owed royalty fees by a supplier. Any and all payments due to NYSAC will be made by MEGA within 30 days of receipt by MEGA.

- c. NYSAC shall provide MEGA with 50% of royalty fees received from its Solar City agreement which use non-MEGA procurement for their solar energy projects, with the exception of the following counties: Orange, Westchester, Nassau, Suffolk, Dutchess, and Putnam.

### **ARTICLE III. MANAGEMENT OF THE PROGRAM; REPRESENTATIVES; MEETINGS.**

- 3.01 Management of the Program. The day to day financial and administrative management and supervision of the MEGA program shall be the responsibility of MEGA and EnergyNext, Inc. or its successor in interest. It is anticipated that the bulk of administrative work will be assumed by Suppliers and MEGA and EnergyNext, Inc. or its successor in interest.
- 3.02 Designation of Representatives. Both NYSAC and MEGA shall by written notice to the other, designate one individual (Representative) authorized to act on their behalf. In the case of MEGA, such individual shall be the Executive Director or designee; NYSAC's representative shall be the Executive Director or designee. NYSAC and MEGA shall have the right to remove their respective Representative and replace her or him with a different Representative by giving written notice thereof at least 10 days in advance to the other party in accordance with Article XII below.
- 3.03 Meetings of Parties. NYSAC and MEGA shall consult on a regular basis either through meetings at the office of NYSAC or by conference call on a date and at a time mutually agreed upon unless both parties otherwise agree.

### **ARTICLE IV. QUARTERLY AND ANNUAL REPORTS.**

- 4.01 Quarterly Reports. Within sixty (60) days after the end of each calendar quarter, MEGA shall cause to be prepared and delivered to NYSAC a written royalty report containing a combined revenue statement and a statement of changes in the revenue position of the program for such quarter and fiscal year to date.
- 4.02 Annual Reports. Within sixty (60) days after the end of each calendar year, MEGA shall furnish NYSAC with a revenue report of the program for the preceding year.

## **ARTICLE V. SUBCONTRACTORS.**

MEGA may from time to time engage the services of subcontractors to fulfill the terms of this Agreement. MEGA's principal subcontractor for the term of this Agreement is EnergyNext, Inc., of Saratoga Springs. MEGA maintains an ongoing relationship with EnergyNext, Inc. through a separate contractual agreement.

## **ARTICLE VI. TERM AND TERMINATION.**

6.01 Initial Term. Unless sooner terminated as provided herein, the initial term of this Agreement commences on the date hereof and continues until December 31, 2018.

6.02 Renewal Term. Prior to December 31, 2018, NYSAC and MEGA shall jointly review and assess the structure and terms of this agreement, and jointly determine whether any changes should be made. The parties agree that it is their intention to renew this Agreement for an additional three-year period, unless amended or terminated as provided herein.

6.03 Termination by MEGA. MEGA shall have the right to terminate this Agreement for cause, upon 90 days written notice. Cause shall include the occurrence of any of the following (each, an Event of Default).

- a. NYSAC breaches any of its representations or warranties herein in any material respect or fails in any material respect to comply with any of the terms or conditions of this Agreement or otherwise fails to discharge its duties hereunder, and such breach or failure is not cured or commenced to be cured within 45 days after written notice thereof is sent by MEGA to NYSAC.
- b. NYSAC ceases all operations or makes an assignment for the benefit of creditors, or has filed by or against it any petition under any federal, state or local bankruptcy, insolvency or similar laws, if such filing is not dismissed or stayed within 30 days after the date thereof.

6.04 Termination by NYSAC. NYSAC shall have the right to terminate this Agreement for cause, upon 90 days written notice. Cause shall include the occurrence of any of the following (each, an Event of Default).

- a. MEGA breaches any of its representations or warranties herein in any material respect or fails in any material respect to comply with any of the terms or conditions of this Agreement or otherwise fails to discharge its duties hereunder, and such breach or failure is not cured within 45 days after written notice thereof is sent by NYSAC to MEGA.
- b. MEGA ceases all operation, or makes an assignment for the benefit of creditors, or has filed by or against it any petition under any federal, state or local bankruptcy, insolvency or similar laws, if such filing is not dismissed or stayed within 30 days after the date thereof.

6.05 No Waiver. Unless otherwise provided herein, the right of either party to terminate this Agreement hereunder shall not be affected in any way by its waiver of or failure to take action with respect to any previous default.

**ARTICLE VII. FORCE MAJEURE.**

Neither party shall be liable to the other for any delay or failure to perform due to causes beyond its reasonable control. Performance times shall be considered extended for a period of time equivalent to the time lost because of any such delay.

**ARTICLE VIII. INDEPENDENT CONTRACTOR.**

It is expressly agreed that MEGA and/or its subcontractors are acting as independent contractors, and not as employees of NYSAC. Except as expressly set forth in this Agreement, nothing herein shall be construed to imply that either party is an agent of the other or that the parties are in partnership or joint venture together or that either is liable for the acts of the other.

**ARTICLE IX. GOVERNING LAW.**

This Agreement and performance hereunder shall be governed by the laws of the State of New York. It is further agreed that the sole location and venue for any litigation which may arise hereunder shall be an appropriate federal or state court located in Albany County, New York State.

**ARTICLE X. ASSIGNMENT.**

This Agreement and MEGA'S rights or obligations hereunder may be assigned to another party only with the prior written consent of NYSAC. This Agreement and NYSAC'S rights or obligations hereunder may be assigned to another party only with the prior written consent of MEGA.

**ARTICLE X1. PREFERRED SUPPLIER.**

During the terms of this contract MEGA is NYSAC'S Preferred Supplier which means that MEGA is NYSAC'S Supplier of first choice. As such, NYSAC shall, in good faith, give the Preferred Supplier the first opportunity to meet NYSAC'S and NYSAC members' energy supply procurement and management requirements.

**ARTICLE XII. EXCLUSIVITY.**

MEGA agrees not to contract for energy procurement management services with any other municipal association without NYSAC written approval. NYSAC agrees that during the term of this agreement, it shall not enter into any agreements or contracts for energy procurement management services without giving MEGA the first opportunity to

meet NYSAC'S and/or NYSAC members' energy requirements. In the unlikely event where it may appear that MEGA cannot meet NYSAC'S and/or its members' requirements, NYSAC agrees to meet and discuss such with MEGA prior to entering into other agreements or contracts for energy consulting or procurement services.

**ARTICLE XIII. NOTICE.**

All notices, requests, demands and other communications required or permitted to be made hereunder shall be in writing and shall be deemed duly given if hand delivered, sent by certified mail, return receipt requested, or sent by nationally recognized overnight delivery service, in each case addressed to the party entitled to receive the same at the address specified below:

Executive Director  
Municipal Electric and Gas Alliance  
PO Box 88  
Ithaca, NY 14850  
607-227-3149

Executive Director  
New York State Association of Counties  
540 Broadway, 5<sup>th</sup> Floor  
Albany, NY 12207  
518-465-1473

Any party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Article providing for the giving of notice. Notice shall be deemed to be effective, if personally delivered, when delivered; if mailed, at midnight on the third business day after being sent certified mail; and if sent by nationally recognized overnight delivery service, on the next business day following delivery to such delivery service.

**ARTICLE XV. ENTIRE AGREEMENT; AMENDMENTS.**

This Agreement evidences this entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes and merges any prior understandings or agreements. This Agreement may not be amended or modified except in writing subscribed to by both parties.

**ARTICLE XVI. THIRD PARTY BENEFICIARIES.**

The parties specifically intend and agree that no one other than the parties to this Agreement, including without limitation any participant, is or shall be deemed to be a third party beneficiary of any of the rights or obligations set forth in this Agreement.

**ARTICLE XVII. CONFIDENTIALITY.**

MEGA acknowledges that, during the negotiation and performance under this Agreement, confidential information relating to NYSAC's finances and operations and/or participants' finances and operations may be disclosed to or acquired by MEGA and/or its officers, directors and/or employees. MEGA agrees not to disclose, use or divulge and agrees to cause its officers, directors and employees not to disclose, use or divulge, except as may be necessary in connection with the performance of MEGA's obligations

under this Agreement, or pursuant to law, any such confidential information disclosed by NYSAC to MEGA or its officers, directors or employees or otherwise obtained by MEGA or its officers, directors or employees from NYSAC or anyone acting on NYSAC's behalf which relates to NYSAC's finances, operations, and/or the participants.

**ARTICLE XVIII. MISCELLANEOUS.**

Any delay or forbearance by either party in exercising any right hereunder shall not be deemed a waiver of that right. Each party shall be responsible for its respective legal and other expenses incurred in connection with the preparation and negotiation of this Agreement. The provisions of this Agreement are independent of and severable from each other. No provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any one or more of the other provisions hereof may be invalid or unenforceable in whole or in part. The title of the Sections and subsections are for convenience only and are not in any way intended to limit or amplify the terms or conditions of this Agreement. This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one Agreement. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories hereto.

IN WITNESS WHEREOF the parties hereto have set their signatures as of the date first above written:

**NYSAC:**

**MEGA**

By:

By:

Title:

Title:

Date:

Date:

**Addendum I  
to NYSAC Agreement 2014-2018**

NYSAC has established a NYSAC / MEGA liaison position, funded by NYSAC, dedicating a portion of one staff member's time to furthering the MEGA program for the benefits of member counties and municipalities. The NYSAC/MEGA Liaison reports to the Executive Director of NYSAC and works directly with MEGA's Executive Director and consultants to promote the MEGA program and expand MEGA's municipal membership. The Liaison is responsible for joint outreach from both organizations.

Services provided to MEGA through the liaison position include but are not limited to continuing reasonable efforts to:

- Serve as a central point of contact for interested persons/ potential MEGA members
- Monitor MEGA calls to 518-465-1473 with referral to appropriate responder
- Promote the program in meetings and publications
- Coordinate and complete mailings originating from NYSAC/MEGA jointly
- Communicate MEGA benefits through electronic publications
- Participate in presentations at county and local government events and meetings
- Facilitate meetings and conversations with county decision makers
- Advocate in Albany on related energy issues
- Track bills and legislative proposals related to MEGA's interests
- Organize MEGA workshops at NYSAC conferences as requested

MEGA will reimburse NYSAC for the following expenses associated with the MEGA program including:

- Printing costs for brochures and other publications or materials
- Out-of-house production costs for other materials requested by MEGA (eg. lapel pins, banners)
- Direct costs associated with conference venue charges for MEGA Board meetings (eg. Breakfast set-up and similar)
- 1-day conference charges for MEGA Board members not covered by their member county or by MEGA exhibitor fees

**Addendum II  
Marketing Plan and Budget**

NYSAC will share the cost of a reasonable marketing budget to be established on an annual basis jointly between MEGA, NYSAC and Energy Next. This plan, which is attached to this addendum, will be jointly established between the parties. The marketing budget will pay for new association memberships, sponsorships, exhibit fees, and advertising and like activities. It shall not include out of pocket activities associated with

travel costs. The MEGA executive director shall have the authority to approve any expenditure associated with this marketing agreement within the appropriation made herewith.

Cost sharing. NYSAC will contribute 25% of the marketing budget. Quarterly contributions to the marketing budget (25% of the total, each quarter) will be made by subtracting NYSAC's share from the commission owed NYSAC.

**Appendix A  
To NYSAC Agreement 2014-2018  
Pre 2008 MEGA Municipal Participants**

	Otsego County	Town of Liberty
Afton Central School District	S C L I W C	Town of Maine
Bing Johnson City Joint Sewage Treatment	Schuyler County	Town of Newark Valley
Broome County	Steuben County	Town of North Dansville
Cattaraugus County	Susquehanna Valley C S D	Town of Norwich
Chemung County	Tioga Central School	Town Of Oneonta
Chenango Fire Co Inc	Tioga County	Town of Owego
City of Batavia	Tomp Cortland Comm College	Town of Pulteney
City Of Binghamton	Tompkins Consolidated Area Transit	Town of Richford
City Of Hornell	Tompkins County	Town of Salem
City of Ithaca	Town of Almond	Town of Saranac
City Of Norwich	Town of Ashland	Town of Spencer
City of Oneonta	Town of Berkshire	Town of Triangle
Cortland County	Town of Brutus	Town Of Union
County of Genesee	Town of Candor	Town Of Walton
Delaware County	Town of Caroline	Varna Volunteer Fire Co
Greater Binghamton Airport	Town of Chenango	Village of Almond
Harpursville Central School	Town of Colesville	Village Of Aurora
Ithaca Housing Authority	Town of Conklin	Village Of Bainbridge
Johnson City School District	Town of Danby	Village of Cato
Livingston County	Town of Dickinson	Village of Cayuga Heights
Maine Endwell Central School District	Town of Dix	Village Of Delhi
Margaretville Central School District	Town of Fenton	Village Of Deposit
Milford Central School	Town Of Groton	Village Of Endicott
Montgomery-Otsego-Schoharie Solid Waste Management Authority	Town of Hamden	Village Of Freeville
Morris Central School District	Town of Indian Lake	Village Of Groton
New York State Thruway Authority	Town of Ithaca	Village Of Hammondsport
Newark Valley Central School	Town of Kirkwood	Village Of Homer
OGS Division of Financial Administration	Town of Lebanon	Village Of Johnson City
Oneonta City School	Town of Lewisboro	Village Of Liberty

Agreement for Energy Procurement Services

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Village Of Lodi

Village Of Margaretville

Village of Moravia

Village Of Naples

Village Of New Berlin

Village Of Owego

Village of Pawling

Village Of Perry

Village Of Port Byron

Village Of Port Dickinson

Village Of Richfield Springs

Village Of Spencer

Village Of Stamford

Village Of Trumansburg

Village Of Unadilla

Village of Union Springs

Village of Walton

Village Of Whitney Point

Village of Woodridge

W B Strong Fire Co Of Freeville Inc

Wells College

Windsor Central School District

MEGA Board of Directors  
Executive Director's Report  
January 2014

**Recruitment and Retention**

As I noted last year at this meeting, the good health of MEGA is its ability to recruit new participants as well as retaining existing members. Staff and consultants and contractors commit a large part of their time to this effort. Most participants (both existing and prospective) realize that MEGA affords them a good deal. But competition for the energy buck magnifies especially among organizations operating with minimal and sometimes depleted budgets.

Staff continues to attend various conferences including NYSAC, NYS School Business Officials and various regional county and town and village associations. This investment in time and money provides vibrant opportunities to network with prospective, current and former MEGA participants.

Next month MEGA will attend, exhibit and conduct educational sessions at the NYSAC Legislative Conference; the Conference of Mayors Winter Legislative Meeting and the Association of Towns Annual Meeting.

MEGA continues to grow in participants and participant accounts. Added to our member rolls in since the outset of Quarter 4: Town of Clifton, Wayne County, Oneida County and Oswego County. Negotiations are at a final stage with Rockland County.

**Associations and Affiliations**

MEGA is now directly affiliated with the NY Conference of Mayors and the NYS Association of Towns. The \$5,000 fee to each organization provides many opportunities. We can now attend many organization conferences and workshops with discounted fees. We have been asked to present educational sessions that will enable us to talk about MEGA and our program and our cost savings opportunities.

We have received informal inquiries from some of these organizations who wish to pursue a MEGA partnership similar to the MEGA/NYSAC. This might include revenue sharing and participation in governance. We have indicated that, at this time, we seek no partnerships other than with NYSAC.

We have also been asked to develop an energy procurement designed specifically for school districts. School business officers are being queried as to their current supplier relationships. Based upon the results of this survey, we will further discuss the prospect.

**Procurements**

MEGA recently completed renewable energy procurements in partnership with Tompkins County that may set the stage for significant statewide investment in solar, micro hydroelectric and other renewable energy generation options for municipalities. Recently adopted rules at the NYS Public Service Commission have set the stage for such renewable power sources to work with Counties and other municipal governments and provide electricity at favorable rates.

The issuance of an RFP yielded five excellent responses. Proposals were reviewed and evaluated by MEGA, NYSAC, EnergyNext and Tompkins County personnel.

Contracts are being offered to Gravity Renewables, Inc. and Solar City Inc. are in various stages of execution.

### **NYSAC/MEGA Agreement**

The current partnership agreement expired on December 31<sup>st</sup>. The Chairman appointed a subcommittee to study and make recommendations for a successor agreement. The committee consisted of the Chair, Mr. Barton; the Treasurer, Mr. Hoover; Mr. Salerni from EnergyNext and the Executive Director. The committee recommended continuing the tenants of the previous agreement with two changes:

1. **Changing the commission structure** from a 50:50 split of post-January 2008 customers to a 70:30 split on all customers would keep NYSAC whole. It would also have several other benefits:
  - It gives NYSAC an ownership interest in the entire customer base. NYSAC currently helps service and retain all customers, whether they earn a commission from them or not.
  - It solves ownership issues for new customers. For example, the Town of Clifton Park was a pre-NYSAC customer that dropped out of MEGA earlier this year.
2. **Marketing budget.** NYSAC should share the cost of a reasonable marketing budget to be established annually by MEGA in consultation with NYSAC and Energy Next. This budget should pay for new association memberships, sponsorships, exhibit fees, and advertising. Out of pocket travel and other incidentals are not included. Any unspent amounts at the end of the fiscal year should be rolled over into the next year.
  - **Cost sharing.** NYSAC would pay 25% of the marketing budget. Quarterly contributions to the marketing budget (25% of the total, each quarter) would be made by subtracting NYSAC's share from the commission owed NYSAC. This can be handled on the regular invoice.

I presented the committee's response to NYSAC. They preferred to maintain the 50/50 split of post 2008 MEGA participants. NYSAC did agree to the marketing cost sharing, with the exception of cost sharing NYSAC expenses.

There are two additional tenants in the proposed agreement.

1. The agreement's term be extended to 5 years (2018)
2. The existence of a NYSAC Solar City agreement. NYSAC is entering a contract with Solar City Inc. to provide renewable energy. This agreement is separate and apart from the MEGA/Tompkins County renewable program. NYSAC shall provide MEGA with 50% of its royalty fees received from Solar City which choose to use non-MEGA procurement for their solar energy projects, with the exception of the following counties: Orange, Westchester, Nassau, Suffolk, Dutchess, and Putnam.

### **MEGA/EnergyNext Agreement**

EnergyNext has agreed to cost share marketing expenses with MEGA and NYSAC. E/N will contribute 50% under the same terms and limitations agreed to with NYSAC. EnergyNext has requested a two year extension of its agreement with MEGA through March 31, 2017.

## Quarterly Report September 2013– Customer Relations Manager

Participated in the NYSAC September Conference vendor exhibit with Ron, Gordon and Doug as well as the Energy Tract program. The Tract was a success in terms of participant interest reflected in discussion participation and questions. All three presenters were very good and on point. We had 6 participants, one of which was the Highway Superintendent in Yates County. His garage is the only county building in Yates that is not within the service area of the Penn Yan municipal system. He will likely put his building into the MEGA program for county #33..

We participated in the NYS School Business Officers meeting in Albany in November which did not offer as many opportunities for personal contacts as the previous NYSSBO event in June in Saratoga. Reason: this particular conference was really targeted at training while the previous event had been an Exhibitors Expo. You learn by doing

Evaluation of the responses to our Remote Net Metering program bid took some time. The evaluation matrix required that you read each of the five proposals carefully and follow up with questions clarifying some of the more technical aspects. Even though the evaluators were working independently, we all reached the same conclusion and are moving toward execution of Program Agreements. (More on that at the January meeting)

I was scheduled to meet in November with the Town Supervisors organization in Sullivan County but the meeting was postponed until January 2014. This turned out to be a blessing because there were several new supervisors and they were all present in January. This was exactly the type of meeting we need to do more of and my thanks to Heather Brown for making the initial contact. Ten of the 15 supervisors were present; I got a very attentive hearing and I have good contact information which will make following up much easier. We currently have 4 towns, 6 school districts, the Village of Liberty and several fire districts in our program and I expect that 1 or 2 of those present at the meeting will enroll. Sullivan is a complicated county because it encompasses 3 utility service areas; NYSEG, Central Hudson and Orange-Rockland. The Town of Mamakating – one of the larger communities – is affected by the delay in getting a program reestablished in O-R but this will soon be behind us with support from Rockland County for a new bid.

October and November are difficult months for contacting county leaders as they are all totally involved with budget issues. I did, however, manage to meet with the new purchasing officer for Oswego County, Dan Stevens, accompanied by Dan Murphy, Integrys Energy Services. (Stevens replaces Fred Maxon who was the corporate delegate from Oswego; no new appointment yet). This resulted in Oswego enrolling for electricity (they were already in the gas program). Dan Murphy is now working with the Oswego Port Authority and the City of Oswego. I am taking my cues from him as to when a boost from MEGA might be most helpful.

This outcome highlights the supportive relationship we have developed over time with our suppliers. Dan Murphy and Todd Loucks, Hess, were key players in getting Madison County in and we have Jody Spaeth and Jeff Hills from Integrys to thank for Oneida County with a little boost from MEGA and NYSAC.

I accompanied Ron and Gordon to meetings with the Association of Towns and Conference of Mayors to investigate potential alliances with those organizations. We will be discussing how these might be structured at our January meeting. I also consulted with Ron on our agreement with NYSAC and EnergyNext.

Katy, Mark LaVigne and I worked on a draft marketing plan which we reviewed with Ron and discussed at the MEGA staff meeting. Katy and I will review the draft for general direction with the Board next Friday. A copy of the draft is attached but I will have some specific targets for action thought out by that time

Happy to report that the heart condition I reported in September is well under control and I'm feeling great. Looking forward to a successful year for me and for MEGA!

January 17, 2014

## **QUARTERLY REPORT**

### **Stuart W. Stein, Director of Research and Planning**

My continuing battle with health issues (Lyme disease) during the past quarter impinged upon my time and efforts. Nevertheless, I was able to make some progress with data collection, planning and policy development to assist the MEGA staff and Board. My contributions during this past quarter, albeit somewhat limited, involved the following:

1. Collection of background data for 5 counties is now complete (Cattaraugus, Allegany, Sullivan, Broome, Steuben). Gathering data for several other counties is underway and partially complete (Chemung, Schuyler, Tioga and Tompkins), with the goal of completing this project for the more than 30 MEGA counties in the next 3 to 6 months. This is part of the program discussed at the last Board meeting to involve board members from MEGA counties in reaching out to municipal leaders in each of their counties to encourage them to sign up with MEGA.
2. Preparation and distribution of a survey of all Corporate Board members to gather biographies, extent of knowledge about MEGA, and determination of members' interest in becoming more actively involved in the management of MEGA. The survey has had limited response, but it is now being followed-up more aggressively.
3. Preparation of the wording for a by-law amendment pertaining to the establishment of new category of MEGA Board membership.
4. Continued research and discussions with staff and others about potential MEGA programs pertaining to microgrids and compressed natural gas (CNG), plus participation (limited) in the new MEGA program dealing with remote net metering of renewable energy.



## 2014 MEGA Marketing Strategy

- Marketing Goals
  - To ~~bring grow~~ MEGA ~~to by~~ 25 new contracts for supplies of natural gas, electricity, solar and hydro-electric power.
  - To retain no less than 95 percent of the current MEGA customer base.

### Marketing touches

- Letter to prospects, including (but not limited to) Board of Supervisor County Boards (to promote to town supervisors), and appropriate affiliates (Airport Directors, Jail Administrators) – letter will come from Steve for county affiliates.
- Ads in NYSAC eblasts (Counties in the News, Weekly Wire) – NYSAC will create an ad and post the advertisement.
- Develop a Smart Buyers Guide—to better explain how municipalities can purchase their energy. It would explain the broker/agent/consultant market, and also provide a buyer beware section – Barbara will take the lead on this with Gordon's assistance-
- Articles and updates in Weekly Wire and NYSAC News.
  - program news
  - articles about energy topics
  - testimony from participating counties
- to be produced by MEGA and disseminated by NYSAC.
- Explore the potential of promoting to special districts and county entities that are served by other NYSAC Partnership Programs, specifically NYMIR and Parma. NYSAC will provide list of current participants in these programs. MEGA will

~~[triage to identify entities offering best potential. These could include water, sewer, lighting libraries, fire districts, hospitals, jails, airports and 9-1-1 centers.](#)~~

- Update the two page brochure, with photos of MEGA customer facilities – airports, waste water facilities, jails, county office buildings, etc. and power plants—solar and hydro projects. (NYSAC will take the lead. Ron and Barbara will ask the board for photos from their counties. [Scheduled for development in April](#))
- Update and use the one-pager [with testimonial by MP Hancock](#)
- Call current accounts for questions about service and to update contact information – to make sure that customer satisfaction remains high. Barbara will take the lead, starting with the largest users of energy and work her way down the list. [Ongoing project](#)
- **Develop a presence on social media – facebook and twitter—to be used to highlight special events, make announcements and inform customers. NYSAC will train and support [Barbara and other MEGA staff as required.](#)**
- **Increase frequency of customer contacts. (All stakeholders)**
- **Mobilize and coordinate with supplier sales forces to increase referrals and customer acquisitions. [Work with Gordon to determine best way to do this](#)**
- **Work with MEGA board members in the counties they represent to make direct contacts with city, town and village officials (may involve costs for catering food at group meetings.**
- Provide print advertisements in association publications – these will be a joint decision based on cost per magazine. NYSAC will produce ads. MEGA will provide the editorial calendars and specifications for each publication.
  - [Talk of the Towns](#) – Association of Towns magazine, published bi-monthly.
  - **NYS School Association of School Business Officers** - published 20 times a year - [rates based on frequency, and start at \\$255.](#) (We need to decide jointly whether this is worth the investment)

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- [Municipal Bulletin](#) - NYCOM publication – half page color ad starts at \$600 for one issue. Published four times a year.
- Sponsorships/exhibit booths at municipal association meetings (NYSAC will provide a list of all known meeting days/locations)

### **Seminars and workshops**

- Educational sessions at the Fall Seminar in Erie County, free for local officials.
- Newly elected training program, updates and handouts
- Attend Tug Hill, Potsdam, Southern Tier, and county municipal association conferences and meetings.
- ~~Attend other associations' meetings, exhibits;~~ **as advised and appropriate.**  
**Shared budget with partners.**

### **New Marketing Tools**

- Website – move the website to NYSAC server for ease of update (MEGA will provide specifications. NYSAC will get quotes from existing Internet Service Company. Decision to be made jointly.)
- Online Application – improve the online application process
- NYSAC TV – Hold interviews in NYSAC studio and disseminate to existing and prospective customers
- Prezi – NYSAC will create a Prezi template that can be used for presentations throughout the year.