



A Local Development Corporation

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## MEETING MINUTES

### Municipal Electric and Gas Alliance, Inc., Board of Directors April 21, 2017 – The Otesaga Resort Hotel

**Board of Directors:** Michael Stamm, Crystal Abers, Bob Edwards, Richard Blythe, Heather Brown, Karen Sullivan, Steve Hoover, Mark Taylor, Mack Cook, Allen Olsen, Jack Wheeler

**Add'l Corporate Members:** Ellen Pratt, Mark Sachetti

**Emeritus Member:** Mary Pat Hancock

**Guests:** Ronald Dougherty, Tioga County Founding Member; Gordon Boyd, Gene Salerni, Danielle McMullen, Anna Baluyot, David Wiers, Energy Next; Patrick Cummings, NYSAC; Omay Elphik, Gravity Renewables; Barry Warren; Henry Schecher

**Staff:** Ronald Feldstein, Douglas Barton, Barbara Blanchard, Jennifer Luu, Jonathan Wood, Louise Gava

#### Call to Order and Approval of Agenda

Chairman Stamm called the meeting to order at 12:30 p.m.

#### Approval of Minutes

It was Moved by Mr. Hoover, seconded by Mr. Wheeler and unanimously adopted by voice vote of members present to approve the minutes of February 1, 2017 as presented.

#### Resolution No. 17-4 - Resolution of Appreciation for Service to MEGA and Appointment as Emeritus Member – Mary Pat Hancock

It was Moved by Mr. Edwards, seconded by Ms. Brown and unanimously adopted by voice vote of members present. Chairman Stamm thanked Ms. Hancock for her many years of service to the organization and Genesee County noting that her input has always been very meaningful and she has always kept the best interests of the people we serve in mind.

WHEREAS, Mary Pat Hancock has faithfully represented Genesee County on the MEGA Board of Directors since 2006, and served as Vice President in 2010 and Secretary since 2012, and

WHEREAS, her contributions to and support of MEGA's program of energy procurement as well as efforts to expand the development and use of renewable energy sources, is greatly appreciated by other MEGA Board members and staff, now therefore be it

RESOLVED, That the MEGA Board of Directors as well as all Corporation representatives extend a heartfelt thanks to Mary Pat and in accordance with Section X. of the Bylaws of the Municipal Electric and Gas Alliance do hereby extend the title of Member Emeritus to Ms. Hancock.

#### **Resolution No. 17-5 - Amendment to Policy Manual – Staff Compensation**

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

WHEREAS, NYS Labor Law Section 191 outlines the frequency by which employees must be paid, and

WHEREAS, the Law requires that individuals who earn less than \$900 per week be paid no less than semi-monthly, and

WHEREAS, it has been the Board's policy to pay staff monthly, now therefore be it

RESOLVED, That the Staff Compensation Policy is hereby amended to modify the payroll schedule to semi-monthly with payments occurring on the 3<sup>rd</sup> and 15<sup>th</sup> of each month.

#### **Resolution No. 17-6 - Extension of Memorandum of Understanding Between the Municipal Electric and Gas Alliance, Inc., and Energy Next, Inc. for Consulting Services Related to Development of Community Choice Aggregation (CCA)**

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

WHEREAS, the Municipal Electric and Gas Alliance (MEGA) and Energy Next, Inc. originally entered into a Memorandum of Understanding on May 1, 2016 for Energy Next to provide consulting services related to the development of Community Choice Aggregation (CCA) and support services to MEGA and any municipalities participating in CCA through MEGA, and

WHEREAS, the agreement was for a one-year term covering the period April 1, 2016-March 31, 2017, and

WHEREAS, MEGA is satisfied with the performance of Energy Next, Inc. in carrying out its obligations pursuant to the MOU and wishes to extend the agreement for an additional one-year period, now therefore be it

RESOLVED, That, the Memorandum of Understanding is hereby extended to March 31, 2018.

#### **Resolution No. 17- 7 – Acceptance of Strategic Plan**

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

WHEREAS, the Board of Directors and staff have undergone the strategic planning process, and

WHEREAS, the Plan is considered a living document to guide the Board in current and future activities, now therefore be it

RESOLVED, that the Strategic Plan is hereby accepted.

## **Treasurer's Report**

### **Q4 Royalty Report**

Mr. Hoover stated the standard programs are starting to plateau. They currently generate 91% of the overall income for the organization. Mr. Feldstein stated the organization continues to gain and lose some customers each quarter and noted that income is somewhat controlled by the weather. Mr. Boyd stated that gaining and retaining customers continues to be a focus and is included within the strategic plan.

## **Staff Reports**

Staff reports were included in the agenda packet as follows:

### **MEGA Board of Directors President's Report – April 2017**

## **Where We Stand**

MEGA is now more than a decade old! It's important we be reminded of our growth and maturity.

MEGA grew out of local government beginning with a two-county pilot program in 1997. We now represent 35 counties, 12 cities, over hundreds of towns, villages, school districts and other municipal entities plus 48 private businesses and 325 residential participants. And other organizations such as NYS Bridge Authority, water and sewer districts, housing authorities, fire and EMS companies and many others.

In 2008, MEGA was endorsed by the NYS Association of Counties as the preferred energy procurement program for its members and affiliates. We now have a partnering arrangement with the NY Conference of Mayors, the NYS School Business Officials, the NYS Housing Authorities Directors and the NYS Library Association.

Our longstanding electric and natural gas supply programs continue to flourish with participants having saved millions of dollars while saving staff time and dread over the preparation and conduct of general municipal procurements. Last year MEGA bid over 600 million kWh/year of electricity and 1 million dekatherms of natural gas. Over 30 remote net metering projects (to date) with partners Solar City and Gravity Renewables will yield more than 70 megawatts of electricity at substantial savings to MEGA participants for several decades. Value added programs including curtailment services, compressed natural gas, utility invoice monitoring and even holiday LCD lighting have also afforded participants desirable and cost effective opportunities.

Additionally, MEGA has CCA Administrative Agreements with over a dozen municipalities and more being authorized each day. Presently, the advent of MEGA's most

anticipated and massive undertaking, Community Choice Aggregation, it is both fitting and essential that we carry out the strategic planning process.

## Strategic Plan

Last February, MEGA initiated the advancement of a strategic plan. A focus team consisting of Board members and executive staff was assembled:

- Michael Stamm - MEGA Chairman of the Board/Tompkins County
- Mark Taylor – MEGA Vice Chairman of the Board/Steuben County
- Heather Brown – MEGA Board Member/Sullivan County
- Gordon Boyd – Consultant, EnergyNext, Inc.
- Ron Feldstein – MEGA President & CEO
- Doug Barton – MEGA Business Relations Manager
- Barbara Blanchard – MEGA Customer Relations Manager
- Jennifer Luu – MEGA Finance Manager

Facilitating the planning session was Dr. Barry Warren, a retired professor and administrator with SUNY. Dr. Warren has extensive experience conducting similar workshops and seminars among hundreds of governmental and not-for-profits groups. The group met for 7 hours in Binghamton.

The Strategic Plan is designed to achieve the following:

- **Ensures** that the goals and objectives of the plan fit the vision and mission of MEGA.
- **Identifies** strategies for taking advantage of opportunities and reduces external threats that can impact MEGA and its future.
- **Identifies** MEGA's internal strengths and weaknesses so the plan is built on strengths and reduces the impact of weaknesses.
- **Focuses** on critical issues that MEGA must address.
- **Includes** actions for achieving the goals and objectives as well as a strategy for implementing the plan.

The final draft of the strategic plan will reviewed by the Board and consultants and presented to the MEGA Board for approval and implementation.

## Budget and Finance

Fiscal 2016-2017 will reiterate decades of relative financial calm for MEGA. This years' expansion of marketing costs was expected to draw over \$100K from reserves but only drew some \$70K. These expenses were nearly all attributed to MEGA's CCA initiative. MEGA revenues totaled \$724,377, up 13% from 2015. Energy supply revenues were up 3.3%, with the balance of the increased revenues attributable to renewable energy programs.

Expenditures are expected to rise by just over 25 percent with an accompanying 25% rise in income (royalties). Our expectation is that some CCA royalties will begin appearing in the last quarter of FY. Expectations for FY18-19 will place CCA income in the six figures category. CCA marketing and commitment account for staff and consultant's remuneration increases.

## **Renewables (Remote Net Metering)**

Issues related to the sluggishness of utility interconnection of RMN projects has shown some up tempo and some projects are being interconnected. Many thanks to our partner, NYSAC, for including a resolution in their 2017 Legislative Program and receiving an optimistic reply from the Public Service Commission:

### ***NYSAC Resolution:***

Urging the New York State Public Service Commissioner to work with utilities to determine the cause of delayed Interconnection Agreements and to promote a streamlined interconnection process for connecting existing and new renewable energy projects to the grid and provide immediate relief to delayed projects

### ***Part of the PSC's response to NYSAC:***

Thank you for sharing the Association's recent statement on the issues facing renewable energy projects in New York. The Commission has recently addressed your concern about delays in the interconnection process. In an order issued January 25, 2017 in Case 16-E-0560, the Commission approved a plan for restructuring the backlog of renewable energy projects that have been held up in the utilities' queues. This plan establishes firm deadlines for both project sponsors and utilities to ensure that well-developed projects can proceed to construction in the soonest possible time frame.

In addition, the Department of Public Service (Department) has been working since early 2016 with project developers and utility experts on resolving technical impediments to interconnection. These efforts are being conducted under the auspices of the Interconnection Technical Working Group (ITWG) and have already succeeded in lowering interconnection costs for several projects in the queue.

MEGA, as well as renewable provider throughout NYS are trusting the PSC's commitment to action.

By the way, three vacancies have occurred in the Commission which include the departure of Chairperson Audrey Zibelman. The Commission consists of up to five members, each appointed by the Governor and confirmed by the State Senate for a term of six years or to complete an unexpired term of a former Commissioner. At present, Gregg Sarema's been appointed Interim Chairman and Diane X. Burman remains as Commissioner. Perhaps with the recent passage of the State budget the Governor and the State Senate will fill the Commission's vacancies.

## **Consultants**

EnergyNext personnel continue to provide invaluable service to corporation and its participants. Their effort, support and commitment to the CCA project has been exceptional. Supporting Ms. Gava by providing rides to and from the many CCA events is indicative of their considerate and professional effort.

The upgrading of MEGA's customer information system, the development of a formal annual report, the implementation of additional supplier pipeline reports and the addition of a CCA residential user website are but some of the recent innovations advanced and realized by E/N.

There is no doubt that MEGA's success is due principally to the good work and expertise of E/N staff. As we begin the implementation of the Strategic Plan, E/N's support and skill will be ever more essential and indispensable.

### **Customer Relations Manager's Report – April 2017**

Worked with Joanne Foresta at EnergyNext on developing a productive relationship with Local public housing authorities. Joanne, who chairs the Saratoga Authority, has signed up the Kenmore and Herkimer Housing Authorities in addition to Canton HA which joined in 2016 and the Ithaca HA, a long time MEGA participant. We will be attending the groups Spring conference this week where we will exhibit. We concentrate on informing the HA Directors and staff about the basic MEGA program as their interest is almost entirely related to the money saving and stability aspects of energy purchasing. We also provide information about CCA as it might ultimately affect their residents.

We continue to approach the City of Troy every two months or so but, so far, no success. This is discouraging because we feel MEGA could play at least a small part in solving Troy's continuing budget problems.

We continue to pick up interest in our basic energy procurement program through Louise's CCA contacts. I think it is highly likely that the communities that eventually form the various CCA aggregations will be encouraged to participate in MEGA for their public buildings. The level of cooperation and trust that should build during CCA formation would open those doors.

Worked with our ESCO reps from Constellation and Direct Energy to get various contracts extended. Would like to note once again that we have some very fine representatives from these companies. Their job can be pretty frustrating at times when these things drag on and they watch the prices go up. In order to make this effort more efficient and productive, EnergyNext staff is now consulting with our ESCO reps on a regular basis. This gives us current feedback on the status of participants either currently in the program or who have submitted participation forms but not yet executed contracts as well as those who may benefit from some direct contact by MEGA staff. It closes a circuit of information that is most helpful and thanks to Danielle McMullen for her efforts on this.

Participated in the Strategic Planning Work Group, a program on REV and CCA hosted by the Capital District Regional Planning Commission, accompanied Louise to a meeting of Town Supervisors in Sullivan County, and met with Miles Ahead Communications to review several goals and strategies that emerged from the Strategic Planning process.

Accompanied Louise and Danielle to the Local Government Conference in the Tug Hill area. This attracted several hundred people to Watertown for various training and informational programs. We were impressed by the energy of the attendees, several of whom expressed interest in the basic MEGA program as well as CCA. We also saw a number of county people already participating in MEGA. Good opportunity for face time with people who don't ordinarily attend NYSAC conferences.

I continue to get calls from individuals in Illinois who are being hassled by MEGA Energy Illinois (MEI) with high pressure sales tactics and slamming – up to about 45 now – and beginning to get calls from MEGA Energy Massachusetts with the same complaints.

## **Business Relations Manager – April 2017**

### **CCA**

Participated in the creation of a list of potential invitees and reached out to a number of public officials in regards to an event co-sponsored by Constellation at the Elmira Arena. This was an appreciation and informational event to be held at the Constellation suite at a hockey game. This event was cancelled due to the snowstorm and was not rescheduled because the season ended.

Made a number of phone calls trying to garner interest in the CCA program.

### **Affiliate Organizations**

Continue with our bi-weekly calls with Solar City to stay on top of projects. The staff turnover in Solar City can be a bit challenging, but they are keeping us well informed. Attended a NYSASBO event in Albany with Ron. Had an opportunity to discuss our program with a number of their Regional leaders. This group offers great opportunity, but will be a difficult group to reach in the short term.

Attended the NYS Public Housing official's conference in Verona, NY. This was one of the better conferences I have ever been involved with. The attendees were interested in MEGA and what we have to offer. They, in many cases, were the decision makers and are always looking for ways to save money. Our booth location was the best one could ask for and we made many good contacts and will follow up in the near future. I would say there were at least half a dozen true potential partners in the MEGA program.

### **Other**

Assisted in the organization of the Strategic Planning session. This day-long session took place in Binghamton with our facilitator Barry Warren. Board members Mark Taylor, Mike Stamm and Heather Brown joined Barbara, Ron, Jennifer, Gordon and me to create a strategic plan for MEGA. A draft has been created and will be presented to the group in Cooperstown to evaluate and alter in the hopes of having a final document to be endorsed by the entire Board. Called on a large swine farm (RDVB, LLC.) in Newark Valley, NY. This farm can have between 6,000 and 7,000 pigs on site at any given time. The operation is totally automated and uses a considerable amount of electricity. They were encouraged to provide us with an application which I think they will do.

Did a presentation to the Elmira Water Board concerning the MEGA program. This was the result of a contact made at the NYSAC Conference.

## **MEGA PARTICIPANT LIST as of March 2017**

### **COUNTIES**

▪ Albany ▪ Allegany ▪ Broome ▪ Cattaraugus ▪ Chemung ▪ Clinton ▪ Cortland ▪ Delaware ▪ Essex ▪ Franklin ▪ Genesee ▪ Hamilton ▪ Jefferson ▪ Lewis ▪ Livingston ▪ Madison ▪ Oneida ▪ Ontario ▪ Orleans ▪ Oswego ▪ Otsego ▪ Rensselaer ▪ St. Lawrence ▪ Saratoga ▪ Schenectady ▪ Schuyler ▪ Steuben ▪ Sullivan ▪ Tioga ▪ Tompkins ▪ Ulster ▪ Warren ▪ Washington ▪ Wayne ▪ Yates

### **CITIES**

▪ Albany ▪ Batavia ▪ Binghamton ▪ Cortland ▪ Elmira ▪ Glens Falls ▪ Hornell ▪ Ithaca ▪ Kingston ▪ Olean ▪ Oneonta ▪ Schenectady

## **TOWNS**

▪ Berkshire ▪ Bethel ▪ Big Flats ▪ Binghamton ▪ Candor ▪ Caneadea ▪ Caroline ▪ Catlin ▪ Charlton ▪ Clarkstown ▪ Clifton Park ▪ Cochection ▪ Colesville ▪ Colonie ▪ Conesus ▪ Conklin ▪ Danby ▪ Dickinson ▪ Dryden ▪ Elmira ▪ Enfield ▪ Erin ▪ Fenton ▪ Granville ▪ Groton ▪ Hamden ▪ Hancock ▪ Hope ▪ Horseheads ▪ Ithaca ▪ Jewett ▪ Keene ▪ Lake George ▪ Laurens ▪ Lebanon ▪ Lewisboro ▪ Lima ▪ Madrid ▪ Maine ▪ Mamakating ▪ Montour ▪ Moreau ▪ Nelson ▪ Newark Valley ▪ Newfield ▪ Niskayuna ▪ Oneonta ▪ Otego ▪ Owego ▪ Perry ▪ Poughkeepsie ▪ Putnam ▪ Queensbury ▪ Ramapo ▪ Red Hook ▪ Rockland ▪ Rotterdam ▪ Rushford ▪ Salem ▪ Saranac ▪ Saratoga ▪ Savannah ▪ Schroon ▪ Shawangunk ▪ Spencer ▪ Stony Creek ▪ Thurman ▪ Ulster ▪ Unadilla ▪ Union ▪ Van Etten ▪ Vestal ▪ Ward ▪ Wells ▪ West Sparta ▪ Williamson

## **VILLAGES**

▪ Athens ▪ Aurora ▪ Brewster ▪ Canastota ▪ Canton ▪ Cato ▪ Cayuga Heights ▪ Constableville ▪ Coxsackie ▪ Delhi ▪ Deposit ▪ Ellenville ▪ Endicott ▪ Fishkill ▪ Freeville ▪ Groton ▪ Hammondsport ▪ Horseheads ▪ Johnson City ▪ Lake George ▪ Margaretville ▪ Moravia ▪ Otego ▪ Owego ▪ Pawling ▪ Perry ▪ Port Dickinson ▪ Potsdam ▪ Pulaski ▪ Richfield Springs ▪ Saugerties ▪ Sidney ▪ Spencer ▪ Trumansburg ▪ Unadilla ▪ Union Springs ▪ Van Etten ▪ Webster ▪ Weedsport ▪ Wells ▪ West Haverstraw ▪ Whitney Point ▪ Woodridge

## **SCHOOL DISTRICTS/OTHER EDUCATION**

▪ Albany City ▪ Bedford ▪ Binghamton City ▪ Carmel ▪ Cayuga and Clinton County Community Colleges ▪ Cobleskill-Richmondville ▪ Dover ▪ Dutchess County BOCES ▪ Edmeston ▪ Eldred ▪ Ellenville ▪ Highland ▪ Johnson City ▪ Kingston City ▪ Marlboro ▪ Millbrook ▪ Milford ▪ Monticello ▪ Morris ▪ Newark Valley ▪ New Lebanon ▪ New Paltz ▪ Oneonta City ▪ Onteora ▪ Putnam Valley ▪ Rondout Valley ▪ Roscoe ▪ Roxbury ▪ Saugerties ▪ Somers ▪ Spackenkill ▪ Sullivan West ▪ Tri-Valley ▪ Ulster County BOCES ▪ Walkill ▪ Wappinger ▪ Whitney Point ▪ Schenectady County Community College ▪ Somers ▪ SUNY Morrisville ▪ Selected SUNY Accounts ▪ Ulster County Community College

## **OTHER SELECTED MUNIS**

▪ Albany Airport Authority ▪ NYS Bridge Authority ▪ Binghamton-Johnson City Sewage Treatment Plant ▪ Bloomingburg Fire District ▪ Canton Housing Authority ▪ Chenango Fire Company ▪ Cortlandville Fire District ▪ Cooperative Extension/Allegany & Cattaraugus ▪ Dunham Public Library ▪ Greater Binghamton Airport ▪ 4-County Library System ▪ Greene County EMS ▪ Herkimer Housing Authority ▪ Highland Fire District ▪ Hose Co #1 Geneva ▪ Ithaca and Kenmore Housing Authorities ▪ Livingston County Water/Sewer Authority ▪ NY Public Library Association ▪ Oneida-Herkimer Solid Waste Authority ▪ Poughkeepsie Sewer Commission ▪ Savannah Fire District ▪ Selkirk Fire District ▪ Schroon Lake Fire District ▪ So Cayuga Lake Water Commission ▪ Strong Fire Co Freeville ▪ Tompkins County Better Housing ▪ Tri-Municipal Sewer Comm ▪ TCAT Transit ▪ Trumansburg Seniors ▪ Ulster County Resource Recovery Agency ▪ Varna Fire Co ▪ West Hurley Public Library ▪ Upper Mohawk Valley Auditorium Authority

## **EnergyNext Team Consultant Report April 2017**

The report was distributed with the agenda packet and is included below. Mr. Boyd highlighted the recent procurement that was conducted with Ulster County noting the collaboration was very successful.

During the past MEGA fiscal year, EnergyNext has continued to support all of MEGA's energy supply and services offerings, as well as assisting the development of the Community Choice Aggregation program. A summary of activities follows.

## 1. Overall Results

MEGA's ongoing electric and natural gas programs continue to produce savings and/or price stability for its participants. Currently, MEGA serves 271 municipal participants including 35 counties, 12 cities, 76 towns, 42 villages, 43 schools and colleges, plus 48 private firms and 325 residential customers. In 2016, MEGA customers consumed more than 600 million kWh of electricity and 1 million dekatherms of natural gas. Overall, MEGA revenues totaled \$724,377, up 13% from 2015. Energy supply revenues were up 3.3%, with the balance of the increased revenues attributable to renewable energy programs.

## 2. Energy Supplies and Services

Market conditions have remained favorable from the consumer's viewpoint, i.e. low and stable. While a consumer-favoring market keeps current costs down, such conditions only exist until they don't. MEGA's greatest challenge in the near term is complacency among participants believing that energy prices will always remain low.

Meanwhile, more than twenty new customers have entered the MEGA program through a variety of channels: supplier marketing, MEGA's presence and visibility in municipal associations, and finally seven as a byproduct of Community Choice Aggregation marketing.

Six additional municipalities are reviewing pricing proposals, having learned about MEGA as a result of CCA outreach. About 23 customers, mostly small accounts, left the MEGA program for a variety of reasons.

### Central Hudson Procurement

EnergyNext supported the issuance of electric and natural gas supply bids by Ulster County to serve MEGA's participants in Central Hudson Gas & Electric utility territory and also in St. Lawrence Gas utility territory. Requests for bids were issued in November 2016, and Program Agreements were executed in December. The process, working with Ulster County Purchasing Department, went very smoothly and bids were competitive. The program will remain in place through October 31, 2020. At that time, Central Hudson participants will be on the same timetable as MEGA's participants in National Grid, NYSEG and other utilities. Therefore, future procurements will be conducted for all MEGA participants at the same time, increasing MEGA's market leverage of the aggregation – resulting in better prices for individual participants.

## 3. Renewable Energy

MEGA's renewable remote net metering programs were initiated in 2014, in collaboration with the New York State Association of Counties, and with suppliers SolarCity and Gravity Renewables, both chosen as a result of a competitive procurement. MEGA presently counts 25 projects booked with SolarCity (soon to be re-branded Tesla), and 7 projects (including one that is operational, plus four signed operating agreements) with Gravity, and others in stages of discussion and development.

The principal obstacle to fulfillment of MEGA's original plans in this program remains the utilities' halting approach to approving interconnections. The NYS Public Service Commission has assisted with an "ombuds-staff", with whom we have met and conferred on

numerous occasions, but progress remains slow. NYSAC approved a resolution at its Legislative Conference exhorting the PSC to advance the utilities' progress.

Notwithstanding, we anticipate more than a dozen of SolarCity's projects to be interconnected in 2017, along with a number of Gravity's projects. SolarCity has successfully amended its agreements with municipal customers to bring the required milestones into line with this protracted approval process.

Gravity's projects include one in Waterloo that is assigned to Tompkins County, and is to be named for MEGA's late founder Stewart W. Stein.

#### 4. Curtailment Services

After procuring the services of Johnson Controls, Inc. (JCI) through a bid conducted with St. Lawrence County in 2015, JCI was acquired by CPower, an experienced provider of curtailment services, also known as demand response, or 'DR'. The program then experienced a delay due to changing personnel and corporate structure. In addition, regulatory requirements introduced by New York State and U.S. EPA at the end of the Obama Administration, restricted the number of participants that could use their generators in the curtailment program.

Notwithstanding these disruptions, CPower continued to explore means to bring value to willing participants, and Chemung County was successfully enrolled in the Summer 2016 participation program, realizing substantial financial benefits.

#### 5. Customer Information Systems, Customer Additions and Drops

As the Board and Corporate members will learn from the Strategic Plan, EnergyNext is tasked with upgrading MEGA's customer information system. Originally installed through the open-source SUGAR system, the system will be improved to include each customer's contract renewal information, additional contact individuals, and other data to facilitate MEGA staff and consultant follow-through.

It is hoped that with this information system upgrade, making staff and consulting contacts with customers more frequent and relevant, the annual customer turnover (last year about 9%) can be minimized. An example of the kind of customer turnover we would like to reduce is reflected in the following tally of drops and adds that have taken place in the last two months.

Since our February report to the Board, the following new participants have begun electric or gas service through MEGA and have appeared in our commission reports:

##### ADDITIONS

- Better Housing for Tompkins County (electric);
- Canton Housing Authority (electric);
- Cayuga Community College (gas, returning customer);
- Kenmore Housing Authority (electric); and
- Trumansburg Seniors, Inc. (electric).

And these new participants have recently signed contracts and will appear in future commission reports. Please note that all except the college were brought into MEGA as a result of our outreach efforts for our new Community Choice Aggregation Program:

- Finger Lakes Community College (electric);
- Town of Caneadea (electric);
- Town of Milford (electric);
- Town of Montour (electric);
- Town of Rushford (electric);
- Town of Spencer (electric);
- Village of Burdett (electric); and
- Village of Horseheads.

We also lost several municipal/non-profit participants along with a few small private participants. Several of these were due to Constellation dropping a product line (“shared savings”) that these customers had remained in on an evergreen basis. They were all offered new products but some were reluctant to sign new contracts and returned to the utility. Dropped participants include:

#### DROPS

- Albany County Airport Authority (dropped electric);
- Cady Library (dropped electric shared savings plan);
- Co-Op Extension of Tompkins County (dropped electric shared savings plan);
- Southworth Library Assoc. (dropped electric shared savings plan);
- Town of Ballston (dropped electric “per customer request”);
- Town of Dryden (switched gas suppliers without bidding);
- Town of Lima (moved gas account back to the utility);
- Town of Sanford (dropped electric “per customer request”);
- Town of Saugerties (switched electric suppliers); and
- Town of Triangle County (dropped electric shared savings plan).

## 6. Marketing and Customer Acquisition

EnergyNext staff continue to support the planning and execution of customer acquisition efforts, whether through supplier outreach, MEGA staff contacts, involvement at association conferences, or via the CCA marketing efforts.

### Community Choice Aggregation (CCA)

EnergyNext staff continue to support and help coordinate MEGA's development of a Community Choice Aggregation program for residential customers of villages, towns and cities. We have helped schedule and participate in dozens of town hall meetings, plan public education efforts, provide other logistical support, and advise on regulatory matters. EnergyNext's legal advisors at Young Sommer et al have continued to ably and responsively represent the EnergyNext/MEGA team. They provide exemplary advice and delivery of interventions on all relevant matters affecting CCA at the NYSPSC. At present we anticipate the first CCA energy procurement to go to bid in Q3-Q4 of calendar 2017. Final rulemaking by the NYSPSC is still pending, as of this date, so the final timetable remains somewhat uncertain. Please review Louise Gava's CCA report for a complete overview of CCA development activities.

### New Service Development

EnergyNext has continued to analyze and develop information for MEGA staff and Board to consider new value-added services for MEGA participants. Most of our attention has been focused on the NYSPSC's REV proceeding (Reforming the Energy Vision), which anticipates CCA programs as a potential platform for community-based distributed energy

resources (DER). These elements could include energy storage, microgrid development, community renewable energy generation, and other means of making the energy system in New York more reliable, resilient, and inclusive of more renewable power.

We have also taken a preliminary look at whether MEGA can assist municipalities that are considering acquiring their street lights. Preliminary information suggests this will be a difficult and long-term consideration.

Mass-market customers, i.e. residential, continue to be victimized by predatory ESCO marketing practices, much to the consternation of the NYSPSC. CCA is MEGA's proposed solution to this problem, but at the same time, we remain mindful that requirements imposed on anyone marketing to residential customers, especially if they are low-income, will be a requirement for MEGA's suppliers to meet.

### **Community Choice Aggregation Program Lead Report April 11, 2017**

The report was distributed with the agenda packet and is included as follows:  
As shared in my previous reports I'd like to highlight the most recent progress of the MEGA CCA Program's regulatory compliance, participant engagement and continued leadership in New York.

#### ***Regulatory Compliance***

The tariffs which govern access to the data required to bid and enroll customers in CCA have been delayed by the Public Service Commission until July 1, 2017. This delay appears to be the result of non-CCA related forces including recent changes in Public Service Commission Chair and Commissioners and overlap in decision making with other proceedings. In our regular communications with DPS staff, they continue to be supportive of MEGA, encouraging our work and helping us identify a path forward.

#### ***Participant Engagement***

MEGA staff and board members continue to make introductions, attend and give presentations and encourage municipal leaders to explore CCA with us. MEGA's presentation introducing CCA has been given 90 times and reached a total of over 140 municipalities.

We continue to focus our efforts and resources on three primary aggregations in (Utility/Load Zone) NYSEG/E, NYSEG/C (both in Southern Tier and I-88 Corridor) and National Grid/C(Central NY). In our model, the first official step a municipality must take is signing an Administration Agreement with MEGA. In each of our three primary aggregations multiple municipalities have taken this step: 5 in NYSEG/E, 12 in NYSEG/C and 2 in National Grid/C. This is a total of 19 municipalities which contain over 40,000 households. Each month new municipalities pass resolutions, sign the Administration Agreement and join us in the exploration of CCA. We expect this slow and steady growth to continue.

While working to increase participation in the three primary aggregations, we are managing initial interest from two other aggregations National Grid/F (Capital Region) and National Grid A (Western NY) as well as inquiries from other areas of the state.

After signing the Administration Agreement, municipalities move into the "education and outreach" phase of the CCA Program. The State requires this to be a minimum of sixty days and involve multiple methods. We are finding great efficiencies as municipalities desire to work

together engaging in a regional approach to education and outreach. Some of the methods we've already used include: public education sessions, newspaper articles, information in print and electronic municipal newsletters, information posted on municipal websites, posters at key locations (municipal building, library, community center etc.) and local talk radio programs. We have received news coverage from a number of television stations which have often included interviews with residents sharing their opinions on why they are supportive of CCA in their community. Residents who have attended the public education sessions have been excited to learn about CCA and are grateful for the opportunity to ask questions about their electric bills. With the expectation that our education and outreach efforts will create an increase in questions from residents we've developed a few additional tools. We recently launched "megacca.org" our website dedicated to helping residents understand CCA. Additionally, we've begun to see the use of the "CCA Helpline" a dedicated phone number that rings at EnergyNext's offices for the purpose of responding to residential customers' questions.

### ***MEGA as a CCA Leader in New York***

Community Choice Aggregation is part of NYSERDA's newly launched Clean Energy Communities Program, and also a component of the PSC's Reforming the Energy Vision (REV). MEGA continues to be a resource for the State as both NYSERDA and the PSC consider program and regulatory changes. We have participated in meetings, panel presentations and conferences as experts on CCA in NYS and more of these engagements are scheduled in the coming months.

Additionally, over the last few weeks MEGA has been approached by around a half-dozen renewable energy generators (hydro and solar) that have an interest in selling their electricity through our CCA. Such opportunities are not without challenges but if nothing else they indicate that MEGA has developed a reputation as a top CCA Administrator in New York State. The work of MEGA Staff over the last 20 years has generated a reputation and trust which has made it significantly easier for us to develop our CCA Program. Additionally, CCA has been the catalyst for an increasing number of municipalities' decision to join the basic MEGA program for their municipal electric and/or gas supply needs.

### **NYSAC Report**

The NYSAC report will be focused on Shared Services and in addition to the discussion during the meeting will also be discussed during the Board's luncheon with Mr. Cummings as guest speaker.

### **Old Business**

None

### **New Business**

None

### **Announcements**

A decision will be made on whether to have a July Board meeting. If the meeting is held it will be at the Doubletree Hotel in Binghamton NY.

## **Corporate Counsel Report**

Mr. Wood did not have a report.

## **Adjournment**

It was Moved by Mr. Blythe, seconded by Ms. Brown and unanimously adopted by voice vote of members present to adjourn the meeting at 12:40 p.m.

Minutes prepared by Jennifer Luu.