

The Power of Partnership



A Local Development Corporation

P.O. Box 88
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www.megaenergy.org

Minutes of the Board of Directors – February 12, 2021 – via Zoom

Present: Mark Taylor, Steve Hoover, Mark Sachetti, Crystal Abers, Robert Wood, RochelleStein, Jack Wheeler, Mary Gates, Allen Olsen, Katie Borgella

Corporate Members in Attendance: Kasey Chewning-Kulick, Jamie Kowalczk

Guests: Anna Baluyot, David Wiers, Katy Vescio, Nicole Correia, EnergyNext

Staff: Ronald Feldstein, Jennifer Luu, Jonathan Wood

Call to Order, Approval of Agenda, and Announcements

Chairman Taylor called the meeting to order at 1:15 p.m.

Administration

Approval of Minutes

It was Moved by Mr. Wheeler, seconded by Ms. Stein and unanimously adopted by voice vote of members present to approve the minutes of May 5, July 24, and October 16, 2020, as submitted.

Approval of New Board Members

It was Moved by Mr. Taylor, seconded by Ms. Stein and unanimously adopted by voice vote of members present to approve and welcome to the Board Mary Gates from Ontario County and Allen Olsen (prior member whose name was overlooked on the ballot).

Ms. Gates stated she has worked at Ontario County for 27 years and was appointed as Director of Finance in 2016. She has also served in the roles of Deputy County Administrator and Senior Fiscal Manager for the Health and Public Safety Department and the Department of Economic Development.

Affirm Executive Committee Actions

It was Moved by Mr. Wood, seconded by Mr. Olsen and unanimously adopted by voice vote of members present to approve the actions taken by the Executive Common on November 30, 2020.

Resolution: Extension of Program Agreements with Constellation through October 31, 2026

WHEREAS MEGA executed program agreements for electric supply with Constellation through October 31, 2023, in the Central Hudson, NYSEG, National Grid, and RG&E utility areas, and

WHEREAS, MEGA wishes to extend the program agreements through October 31, 2026, to allow longer term pricing options, now therefore be it

RESOLVED, that the Executive Committee of the MEGA Board of Directors approves the extension of the existing Program Agreement with Constellation for a term through October 31, 2026 and authorizes the President to sign such extension.

Resolution: Extension of Program Agreements with Direct Energy through October 31, 2026

WHEREAS, MEGA executed program agreements for natural gas supply with Direct Energy through October 31, 2023, in the Central Hudson, NYSEG, National Grid, RG&E, and National Fuel Gas, and

WHEREAS, MEGA wishes to extend the program agreements through October 31, 2026, to allow longer term pricing options, now therefore be it

RESOLVED, that the Executive Committee of the MEGA Board of Directors approves the extension of the existing Program Agreement with Direct Energy for a term through October 31, 2026 and authorizes the President to sign such extension.

President's Report

Mr. Feldstein's report is attached at the end of these minutes. He stated this has been a challenging year for everyone. Overall, the organization is doing well. Changes in the past have helped with the cash position of the organization. He noted a new royalty rate that will be going into effect in November 2020 and this will also help financially.

Treasurer's Report

Mr. Hoover stated the annual budget was approved as part of the ballot process. He stated future meetings the cash flow will be given less emphasis and we will move to a budget versus actual report. Moving to this report will show how impacts of the pandemic are being felt. He expects the fund balance to go from \$70,000 to \$78,000. He also noted the organization changed the fiscal year from March to April to the calendar year, which will also help with accurate reporting.

Mr. Wiers stated that when EnergyNext looked at the budget for 2020 they took the original and proposed amounts and reduced those figures by 12.5% and the actual amounts are close to those reductions.

Mr. Hoover stated that he wants to monitor losses in membership and see how CCA and customer churn are affecting the organization.

Mr. Feldstein stated Rensselaer County left the program last year, reason unknown. Tioga County is leaving the program this year due to the variable rate with the utility being lower. He stated he believes they will return. Over the long-term there is value in fixed pricing.

Consultants' Report

EnergyNext gave a presentation as their report. That presentation is included at the end of the minutes.

Corporate Counsel Report

Mr. Wood reported had no report.

Old Business

None

New Business

None

Proposed Future Meetings if Needed

April 30, 2021
July 30, 2021
October 29, 2021

Adjournment

It was Moved by Ms. Stein, seconded by Ms. Borgella and unanimously adopted by voice vote of members present to adjourn the meeting at 3:17 p.m.

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President's Report February 2020

2020 was both interesting and certainly challenging. Despite reductions in staff, shrinking in person marketing opportunities, communication tribulations and fluctuating market conditions MEGA continues to thrive. MEGA remains on solid footing by continuing to add value and savings to participating organizations at this time of belt-tightening and anxiety.

MEGA's financial position has stabilized. The reduction of two staff members, the exclusion of in-person meetings and attendance at trade shows and the enactment of Covid commission reductions have contributed to this equilibrium. But let us look ahead.

On November 1st increased royalty aggregates have been implemented. Electric: from .001 cents to .0015 cents per kwh and gas and Gas: from .08 cents to .12 cents per dth. Constellation and Direct Energy BDM's (business development managers) are successfully renewing participants under MEGA's new procurements. 2020 Quarter 4 reports should be available at the 2/12/21 Board meeting.

MEGA's CCA (Community Choice Aggregation) program continues to be challenging. Just as success was at our footsteps regarding the Capital Area Aggregation, Covid hit. Municipal in-person meetings diminished as did opportunities to market and communicate CCA information with residential and small business prospects. The concept of a CCA pause was implemented. But our CCA team did not pause. They implemented an incredible series of virtual experiences. These opportunities for municipal officials and residential and small business prospects continue and will insure the implementation of a successful Capital Aggregation. The Southern Tier Aggregation is due for renewal soon and our CCA Team is implementing a series of virtual experiences as well as the preparation and marketing of a renewal RFP.

In December, in keeping with a charitable effort that demonstrates MEGA's commitment to these communities and their residents, MEGA and E/N sent contributions to all perspective and current, CCA communities' food pantries.

The Public Service Commission has approved a new program authorizing Opt-Out Community Solar for CCA participants. Participation will enable CCA participants to receive credits on their electric bills without enrolling in a local community solar program. The opportunity for dollar savings as well as participating in a renewable energy program will only go to enhance the CCA package.

EnergyNext will be describing and proposing a marketing plan for 2021. Additionally, Constellation New Energy has implemented an extensive marketing plan for MEGA participants and prospects. We will be looking at re-branding MEGA by introducing additional promotional materials including a new website and improved social networking. A committee composed of MEGA and EnergyNext staff and Board members will be appointed.



Board Meeting Consultant's Report

February 12, 2021

Virtual

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- CCA Update
- Royalty Analysis
- New Program Fees & Program Agreement Extensions
- Marketing Plan Update
- Community Solar
- Satori Energy/ EnergyNext Update

CCA Update

Southern Tier – 21 munis, 35,000 households; maintenance mode

- 24-month term from July 2019 – July 2021 (NYSEG)
- Annual Report for 2020 due to DPS by 3/31/2021
- Renewal efforts in progress to continue the CCA
 - Presentations held February 10 and 11, 2021
 - RFP release planned February 15, 2021
 - Pricing evaluation and agreements executed week of March 8 – 12, 2021
 - Education and outreach TBD in March-April 2021

CCA Update

Capital Region - 13 municipalities; 90,000 households

- All 13 communities have completed local law process
- Summer 2020 – issued RFP
 - Presented indicative pricing for various start dates
 - Each community decided to wait
- 2021 strategy – Expand the program offering
 - Include community solar to bring a discount
 - Re-release the RFP to get pricing options

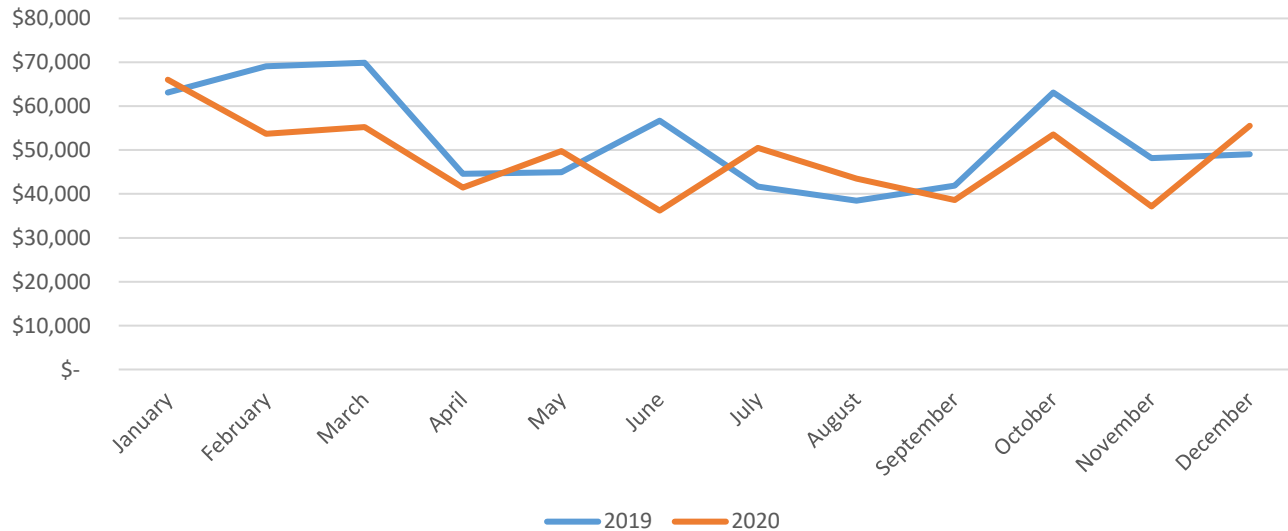
2020 Royalty Analysis & Highlights

	Electricity						Gas					
	Usage (kWh)			Royalties			Usage (therms)			Royalties		
	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change
January	52,848,886	51,794,478	-2%	\$ 50,494	\$ 49,969	-1%	1,541,834	1,987,438	29%	\$ 12,601	\$ 16,049	27%
February	59,888,005	43,660,063	-27%	\$ 57,222	\$ 42,430	-26%	1,469,509	1,387,822	-6%	\$ 11,873	\$ 11,244	-5%
March	53,946,456	42,582,306	-21%	\$ 51,884	\$ 41,143	-21%	2,239,769	1,733,363	-23%	\$ 18,003	\$ 14,082	-22%
April	35,853,448	33,405,662	-7%	\$ 34,189	\$ 32,415	-5%	1,292,890	887,095	-31%	\$ 10,424	\$ 9,047	-13%
May	40,677,918	45,110,056	11%	\$ 38,918	\$ 44,163	13%	747,579	684,024	-9%	\$ 6,062	\$ 5,631	-7%
June	56,538,405	29,724,469	-47%	\$ 54,222	\$ 29,090	-46%	294,401	782,517	166%	\$ 2,432	\$ 7,125	193%
July	41,268,889	49,728,753	20%	\$ 39,525	\$ 48,464	23%	257,951	222,268	-14%	\$ 2,144	\$ 2,057	-4%
August	35,827,976	42,381,740	18%	\$ 33,678	\$ 41,437	23%	578,468	223,552	-61%	\$ 4,775	\$ 2,087	-56%
September	42,041,071	36,410,406	-13%	\$ 40,086	\$ 35,208	-12%	217,101	374,615	73%	\$ 1,814	\$ 3,372	86%
October	61,549,732	46,700,468	-24%	\$ 59,574	\$ 45,595	-23%	432,344	869,216	101%	\$ 3,546	\$ 7,975	125%
November	42,071,132	32,084,923	-24%	\$ 40,992	\$ 31,216	-24%	887,551	638,195	-28%	\$ 7,198	\$ 5,915	-18%
December	40,731,873	37,846,199	-7%	\$ 39,691	\$ 43,555	10%	1,148,823	1,359,725	18%	\$ 9,324	\$ 11,937	28%
Total	563,243,791	491,429,523	-12.8%	\$540,475	\$484,685	-10%	11,108,220	11,149,830	0%	\$90,197	\$96,522	7%

- CY2021 budget estimated a 12.5% usage decrease – final numbers are listed above
- Calendar year electricity kWh usage was down 12.8% (YOY)
- Calendar year gas therm usage was even (YOY)

2020 Royalty Analysis & Highlights

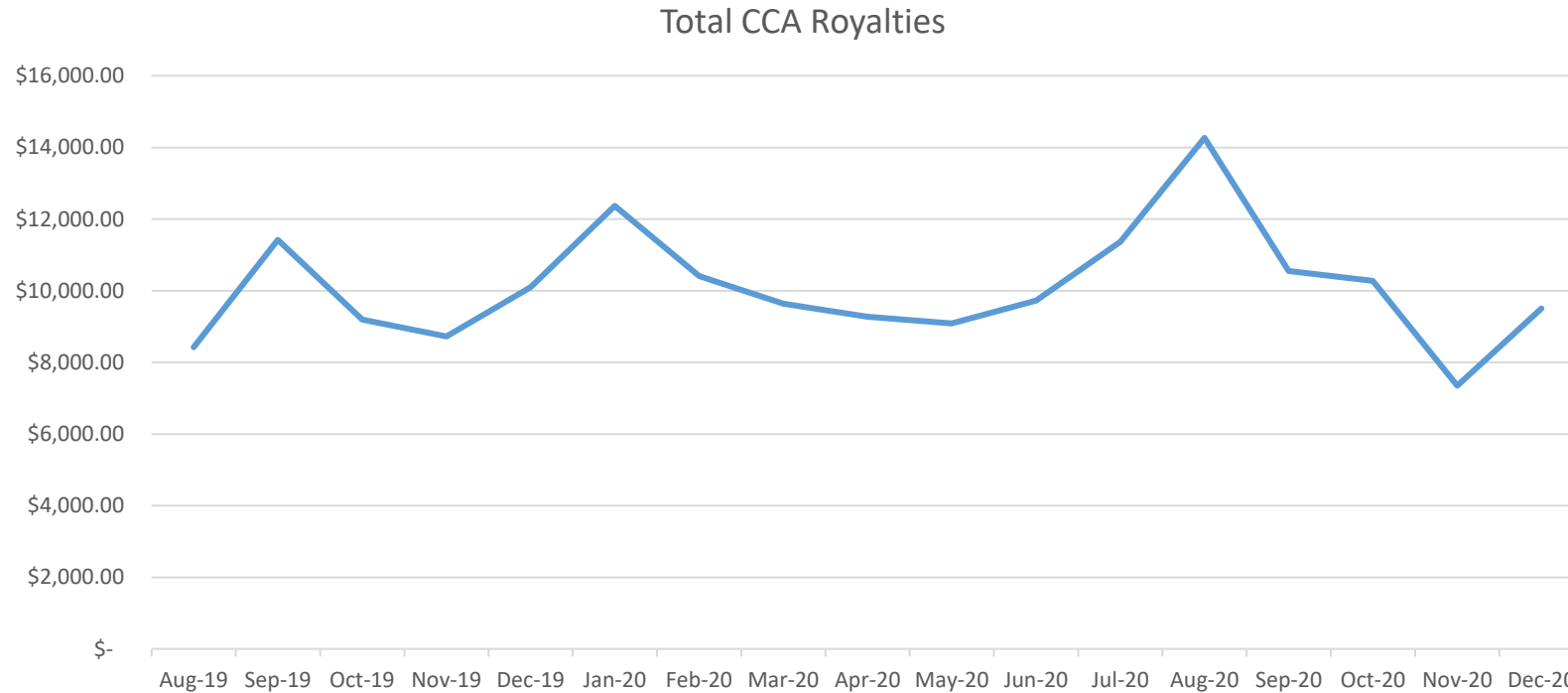
Standard Programs Royalties



	STD PROGRAM ROYALTIES		
	2019	2020	% Change
January	\$ 63,095	\$ 66,018	5%
February	\$ 69,095	\$ 53,674	-22%
March	\$ 69,887	\$ 55,226	-21%
April	\$ 44,613	\$ 41,463	-7%
May	\$ 44,980	\$ 49,794	11%
June	\$ 56,654	\$ 36,215	-36%
July	\$ 41,668	\$ 50,521	21%
August	\$ 38,453	\$ 43,524	13%
September	\$ 41,901	\$ 38,580	-8%
October	\$ 63,120	\$ 53,569	-15%
November	\$ 48,190	\$ 37,131	-23%
December	\$ 49,015	\$ 55,492	13%
Total	\$ 630,672	\$ 581,207	-7.8%

- Calendar year Standard Program Royalties were down by 7.8%
- Consistent with expectations based on reduced consumption

2020 Quarterly Royalty Analysis & Highlights - CCA



- CCA Usage and Revenue were 2.5% higher than budget due to COVID-19
- Driven by additional residents working from home

New Royalty Fees & Program Agreement Extensions

- New Program Agreement Fees went into effect November 2020
 - \$0.0015 per kWh for electricity
 - ✓ Versus \$0.001 per kWh
 - \$0.012 per therm for gas
 - ✓ Versus \$0.008 per therm
- Program Agreement extensions for both electric and gas were enacted
 - 3-year extension; through October 31, 2026
 - Resolutions passed by Genesee County and MEGA

Marketing for Standard Procurement Program

Marketing Collaboration with Constellation

- Centralized campaign for MEGA prospects
- Renewal campaign, MEGA video

Lost/Gained Customers over Calendar Year 2020

- 16 customers lost - \$43,000 annual revenue
 - County of Oswego, Wesley Health Care Center, Schenectady
- 5 customers gained - \$9,000 annual revenue
- Year long, comprehensive marketing plan

2021 Marketing Plan for Standard Procurement Program

- **Goals:** develop and maintain program awareness, broaden MEGA's client base, serve clients through MEGA's energy expertise.
- ***The shift in how business is done requires leveraging:***
 - E-newsletters, webinars, social media, ads in association publications, virtual events – presentations and sponsorship
 - Direct outreach by staff and board members
- **Refresh** MEGA's look – website, branding
- **Refocus** MEGA's messaging – experts in energy + municipal needs

Community Solar = Lower Electricity Costs

Community Solar provides a credit (discount) on the utility bill, effectively lowering the cost of electricity for consumers.

Opt-in: Individual Sign-Up

- Municipalities are already participating in NYSERDA's Solarize campaigns
- Residents can enroll on their own
- Residents can enroll now
- Typically 10% guaranteed savings

Opt-out: Automatic Group Sign-Up

- NYS has given the first approval for an opt-out community solar program to be done in conjunction with a CCA.
- MEGA is awaiting DPS approval
- Municipalities must enroll in a CCA program
- Enrollment, like CCA, is on done automatically for all residents – unless they opt-out
- Typically 10% guaranteed savings

Satori Energy / EnergyNext Update

Satori Energy was recognized as the Consultant of the Year by our Industry Trade Group Association (TEPA).

- 3rd time over the past 6-years Satori has received this award

Satori Energy has joined forces with Priority Power out of Texas

- The combined company will lead the industry toward a future that is cleaner with a more reliable and resilient infrastructure. EnergyNext continues to operate in its current role
- No day-to-day changes in the EnergyNext relationship with MEGA – Katy, Nicole, Anna and David will continue in our mission to serve MEGA and its clients. Additional infrastructure/resiliency projects and resources