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3 PUBLIC UTILITIES COMMISSION  
4 WALLINGFORD ELECTRIC DIVISION

5 100 JOHN STREET

6 WALLINGFORD, CT

7 Tuesday, September 14, 2021

8 6:00 P.M.

9 **MINUTES**

10  
11 **PRESENT:** Chairman Robert Beaumont; Commissioner Patrick Birney (*Teleconference*) and  
12 Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri;  
13 Business Office Manager Marianne Dill; Economic Development Specialist Tim Ryan; Town  
14 Attorney Gerald E. Farrell; Recording Secretary Bernadette Sorbo

15 *Members of the public – Lauren Takores, Eugenia Maxs*

16 *Outside Council – Robert O’Neil (Teleconference)*

17 Mr. Beaumont called the Meeting to order at 6:30 P.M., and the pledge of Allegiance was  
18 recited.

19 **1. Pledge of Allegiance**

20  
21 **2. Discussion and Possible Action: Proposed Market-Priced Power Supply**  
22 **Agreement Between the Town/WED and GotSpace Data Partners, LLC**

23  
24 Attorney O’Neil reviewed the Market-Based Power Supply Agreement between the Town of  
25 Wallingford, Connecticut, Department of Public Utilities, Electric Division and GotSpace Data  
26 Partners, LLC. Attached is a copy of the Proposed Market-Based Power Supply Agreement.

27  
28 Attorney O’Neil went through the specific questions and comments that were raised by Mr.  
29 Birney.

30  
31 One of the first comments from Mr. Birney referenced paragraph 1.1 Defined Terms. Mr.  
32 Birney commented that this paragraph did not specifically address WED’s rules and regulations.

33  
34 Attorney O’Neil stated that WED’s rules and regulations were the legacy component of the  
35 Nucor deal. Since this contract has a term of 30+ years it would be prudent to define the term in  
36 the glossary pertaining to the rules and regulations propagated by the Wallingford Electric  
37 Department from time to time in the course of the operation of the municipal utility.

38 Another paragraph that falls under this category is the paragraph 4.4.2 Ordinance 543 Charge.  
39 This was a legacy comment from the Nucor deal. Attorney O'Neil has been educated from Mr.  
40 Hendershot and Attorney Farrell that the ordinances of this charge only pertains to a requirement  
41 by the Town that the Electric Division collect \$3.14 per MWh from sales and remit to the Town.  
42 Attorney O'Neil would like to make sure that this does not open an argument down the road that  
43 the separately stated \$5.00 charge is inclusive of the \$5.14 charge. One way to address this  
44 discrepancy is to specifically put this in the glossary.  
45

46 Attorney O'Neil commented on Mr. Birney's concerns in regards to credit and credit worthiness.  
47 Attorney O'Neil advised that what was trying to be done was to let customers know that they  
48 have a certain amount of time to post security that is acceptable to the Town of Wallingford  
49 whether it is a letter of credit or cash. If this is not done the power will be shut off.  
50

51 Attorney O'Neil suggested adding a definition in terms of the security. An example of this  
52 definition would be "Adequate security can include a letter of credit."  
53

54 Attorney O'Neil addressed the comment on customer charges. Attorney O'Neil stated that the  
55 way this is structured is that there is not a separate customer charge as you would have with a  
56 residential retail customer. There are costs that are allocable to the provision of service even if  
57 services are not being provided.  
58

59 Attorney O'Neil read a question, why wouldn't a customer charge continue during a Force  
60 Majeure event? Attorney O'Neil stated that this is a business issue and also a legacy issue. That  
61 provision was present in the Nucor market base arrangement. In this agreement there is language  
62 that refers to the customer charge as a practical matter but it is not defined.  
63

64 Attorney O'Neil stated that there was a comment to provide an example on the provision dealing  
65 with the suspension of the customer charge in the event of a foreclosure and what would occur if  
66 the customer wanted to reopen the plan?  
67

68 Attorney O'Neil stated that an addition can made to include an avoidance of doubt sentence to  
69 the end of the paragraph. This will make it clear that if there are any charges that were suspended  
70 the customer will be properly charged and responsible for the charges.  
71

72 Attorney O'Neil referenced Paragraph 4.5 and Paragraph 4.2.4 (2). Mr. Birney purposed to  
73 delete the language in these paragraphs as Mr. Birney thought the language was redundant. Mr.  
74 O'Neil stated that paragraph 4.2.4 (2) deals with specific ISO NE charges as they exist today and  
75 that they cannot forecast what the charges will be 20-25 years from now. The language in  
76 paragraph 4.5 was intended to be a catchall in that the customer basically understands and  
77 acknowledges that what is being paid for is not based on terminology used by ISO NE today but  
78 it is whatever the practice happens to be at the time. Attorney O'Neil does not know if there will  
79 be real time market or a DA market.  
80

81 Attorney O'Neil noted Paragraph 4.5.2 in regards to the certain charges and stated there is a  
82 choice. Customers capacity cost liability will be determined under current ISO NE market rules  
83 upon the load placed in the system during the peak hour of the proceeding power year. This

84 would establish the cost for the following power year. This can be payed upfront or pay over  
85 time but will need to be securitized.

86  
87 Attorney Farrell requested that Attorney O'Neil make a modification to paragraph 3 New  
88 Construction as to who would bear the cost to bring the power to the site. Attorney Farrell  
89 would like to make it clear that any costs that Wallingford incurs from Eversource, ISO NE or  
90 any transmission will be directly owed by the customer.

91  
92 Attorney O'Neil stated that he can add language to state that in the event that there is a change in  
93 ISO NE billings such as the individual bills rendered by transmission providers that are  
94 attributable to serving the market price loads will be chargeable.

95  
96 Mr. Rinebold stated that he had some questions and would like to go page by page through the  
97 agreement.

98  
99 Mr. Rinebold stated that WED will procure the power for GotSpace and questioned will this  
100 involve costs to Wallingford and is that cost intended to be compensated by the \$5.00/MWh  
101 administrative charge?

102  
103 Mr. Hendershot stated that GotSpace will have their own metering domain and in ISO NE eyes it  
104 will be part of Wallingford's load. Wallingford will track and settle the loads separately.  
105 GotSpace is required the business day before any given day to provide a schedule of anticipated  
106 energy needs for the day ahead market. Energy NE will then schedule this in the day ahead  
107 market.

108  
109 Attorney O'Neil advised that the market participant in ISO NE is the Town of Wallingford, it is  
110 not GotSpace Data. The town will be liable.

111  
112 Mr. Rinebold stated that the town will have responsibility and liability and questioned how will  
113 this be compensated for? Is it solely through the \$5.00/MWh administrative charge?

114  
115 Mr. Hendershot responded yes plus the actual cost of power.

116  
117 Mr. Rinebold questioned can you provide detail on how the \$5.00/MWh admin charge was  
118 determined?

119  
120 Mr. Hendershot stated that this was proposed during discussions with GotSpace.

121  
122 Mr. Birney pointed out that this information should not be discussed in public session due to the  
123 extent of disclosing confidential commercially sensitive information.

124  
125 Mr. Rinebold referenced the paragraph 11.6 Confidentiality. The terms of this Agreement are not  
126 deemed confidential, throughout the term of the following expiration the party shall maintain in  
127 confidence. What is confidential to who and when?

128 Attorney O'Neil stated that there isn't a contract right now therefore whatever the provisions are  
129 for in this draft contract don't apply. What does apply is under FOIA, contract negotiations are  
130 exempt.

131  
132 Attorney Farrell stated that the contract itself will be subject to Freedom of Information.  
133

134 Mr. Rinebold referenced paragraph 4.2.4 and stated that the customer is seeking exemption from  
135 the Gross Earnings taxed. Is the town comfortable with that provision?  
136

137 Attorney O'Neil stated that the provision states that the customer will have to pay if they are not  
138 exempt.

139  
140 Mr. Rinebold questioned is the town negotiating a pilot?  
141

142 Attorney Farrell stated that there is a host agreement that has been approved by the Town  
143 Council on a 5-4 vote.  
144

145 Mr. Rinebold commented that in some places in the agreement, "facilities" is referred to in  
146 uppercase, in other places "facilities" is lowercase and then is defined in attachment A  
147 Definitions as given in the first recital. Mr. Rinebold questioned, would it make more to sense to  
148 refer facilities to customer facilities and when referring to Wallingford facilities to specifically  
149 refer to the facilities as WED Facilities to avoid confusion?  
150

151 Attorney O'Neil stated that he will take a look at any ambiguity and clarify it.  
152

153 Mr. Rinebold referenced paragraph 4.6 Hedging of Market Costs and questioned if WED is  
154 required to hedge?  
155

156 Attorney Farrell advised that WED will not hedge.  
157

158 Mr. Rinebold referenced the last paragraph in 4.9 Billing and questioned what does both Market-  
159 Priced Load and load served under WED's tariff rates mean?  
160

161 Mr. Hendershot stated that this was legacy language from the Nucor Agreement.  
162

163 Mr. Rinebold questioned what does this have to do with WED's tariff's and if this can be  
164 removed?  
165

166 Attorney Farrell stated that the whole parenthesis should be removed.  
167

168 Mr. Rinebold referenced paragraph 6.1 Distribution and Transmission Rights and asked for  
169 explanation on any third party seeking to purchase electric service directly from WED must have  
170 an ownership entitlement in the distribution system or an enforceable right for the third party to  
171 use same sufficient for the third party to take of its power requirements from WED.  
172

173 Attorney Farrell stated that he wanted to ensure that WED is delivering the power to the  
174 customer and that it is not coming over from another facility. WED did not want to endanger  
175 the franchise rights.

176  
177 Mr. Rinebold requested to modify paragraph 6.1 to specifically state the customer's distribution  
178 system.

179  
180 Attorney O'Neil suggested to define the 34.5 kV Distribution System in the glossary specifically  
181 as 34.5 kV Distribution System is that which connects to the Wallingford owned 34.5 kV system  
182 at the Wallingford owned 115/34.5 kV transformer.

183  
184 Mr. Rinebold discussed paragraph 6.4 Terms of Market Based Power Services to other Entities  
185 and questioned if this will go to WED's system impact study with ISO?

186  
187 Mr. Hendershot responded, absolutely.

188  
189 Mr. Rinebold referenced paragraph 9 Dispute Resolution and questioned the meaning.

190  
191 Attorney Farrell stated that out of state entities have the right to move a suit from a State Court to  
192 a Federal Court. This paragraph is stating that the entity is giving up that right to move to a  
193 Federal Court.

194  
195 Mr. Rinebold referenced paragraph 11.6 Confidentiality and asked for clarification on what is  
196 confidential and what is not.

197  
198 Attorney Farrell stated that the agreement itself is not confidential and open to the public.  
199 Anything that is learned or future discussions should be maintained in confidence.

200  
201 Mr. Beaumont stated that he has a few minor grammatical and punctuation corrections that he  
202 will give to Mr. Hendershot by Wednesday morning.

203  
204 Attorney Farrell and the Commissions discussed approving the agreement.

205  
206 The Commissions decided to table the motion until the Commissions receive the results and the  
207 support or models for the opinion of pricing.

208  
209 Mr. Beaumont advised that the Commissions would put a place holder on the agenda for this  
210 item for next Tuesdays meeting if needed.

211  
212 Mr. Birney stated that he is open to a special meeting if necessary

213  
214

215 **No Action Taken**

216  
217  
218

219 **ADJOURNMENT**

220 **Motion to adjourn**

221

222 **Made by: Mr. Birney**

223 **Seconded by: Mr. Rinebold**

224 **Votes: 3 ayes**

225

226 The meeting was adjourned at approximately 7:35 p.m.

227

228 Respectfully submitted,

Respectfully submitted,

229

230

231

232 Bernadette Sorbo

233 Recording Secretary ←

Joel Rinebold

Secretary

234

235

236

*May Lombardo*

*for*