

WPUI Board Meeting Minutes – June 19, 2014

The meeting was called to order by Cara Lee Mahany Braithwait at 9:30 a.m.

Present: Peter Taglia, *E&E Consulting*; Terry Nicolai, *Alliant Energy*; Dave Donovan, *Xcel Energy*; Jeff Ripp, *PSCW*; Earl Gustafson, *Wisconsin Paper Council*; Matt Bromley, *Customers First Coalition*; Heather Leibham, *We Energies*; Hong-En Chen, *WPUI*; Tim Kallies, *Wisconsin Public Service*; Brian Rude, *Dairyland*; Luke Vandenlangenberg, *Energy Hub*

On the phone: Dave Siebert, *DNR*; Robert McKee, *ATC*; Jordan Hemaïdan, *Michael Best and Friedrich*;

Excused: Scott Williams, *Wisconsin Energy Institute & WPUI*; RJ Pirlot, *PSCW*; Sen. Paul Farrow; PJ Distefano, *Deloitte and Touche*; John Sumi, *MG&E*; Nilaksh Kothari, *Manitowoc Public Utilities*; Paul Meier, *Wisconsin Energy Institute*; Kevin Vesperman, *Division of Energy Services*; Mike Corradini, *Wisconsin Energy Institute*

Unexcused: None

Minutes from December

- Motion to approve from Tim Kallies, seconded by Dave Donovan.
- The motion to approve the December minutes was approved unanimously.

Re-Appointment of Brian Rude and PJ DiStefano to WPUI Board for term July 2014 – June 2016

- Motion to approve from Dave Donovan, seconded by Matt Bromley.

Reviewing WPUI Membership

- Membership Discussion
 - Matt Bromley: How does membership stack up?
 - Essentially same as before.
- ITC
 - Stand alone Transmission Company
 - Publicly traded; working with ATC on a Multi-Value Project

Financial Report

- Slides were provided on WPUI's financial status for July 2013 – June 2014
- Potential new budget process
 - WPUI – Cara Lee to receive 15% budget to work with.
- Numbers will increase following program
- Revenues: Professional services – 19%; Membership – 37%; Registration – 64%
 - Lowered fees → increased registration revenues.
- Expenses: Salaries – 43%; Fringe Benefits – 22%; Services & Supplies – 35%
 - Services & Supplies not accounting for reimbursements
 - We conduct labor-intensive programs
- Program-by-program
 - Motion to accept made by Dave Donovan; Seconded by Matt Bromley

- Conclusions for Cashflow—we are lumpy
 - July 2013 – December 2013 Net: (\$3,154)
 - January 2014 – June 2014 Net: \$4,320
- Conclusions for Future Budgets
 - Total Annual Budget: \$165,000
 - Suggestions made by Earl Gustafson; seconded by Jeff Ripp
 - For future meetings: Estimate expenses and revenue broken down by program
 - Cara Lee noted that December meeting shows breakdown by program
 - Unanimously approved by board members.
- Approval of financials
 - Motion to approve made by Brian Rude; Seconded by Matt Bromley

Program Discussion

- Revenue Generating Courses
 - EEI Rates, EEI Transmission, LPPC, General Rates Course, Energy Utility Basics
- Non-revenue Generating Courses
 - Summer Series, WICCI, Energy Summit, Ehub Conference, Batteries & Storage, CHP
 - Minor cashflow for CHP – open and free to public; Program with State Energy Office
- Timeline
 - EEI Rates Course sponsored by EEI
 - WPUI receives flat fee; expenses and revenues all sent to EEI
 - Keeps relationship going
 - David Owens free speaker for EHub Conference 2009
 - ACEEE would have charged fee
 - Bar Association: 54 attendees
 - Summer Series: 8 programs free for public
 - 85 general public; 65 through UW, 20 students for credit
 - Webcast, recorded, up on website – short notice or email by next Wednesday
 - Suggestion made by Peter Taglia: Formally ask members about newsletters
 - Show value of membership and share public events
 - Wisconsin Public Radio
 - ECW may collaborate or partner?
 - Under Siege – Richard Hirsh, possibly Steve Kihm for conversation
 - Richard – Effect of technology and recognition
 - WICCI
 - What can they do to make this more interesting to you?
 - Jordan Hemaidan close to Professor Tim Baye– Policy; biogas—will ask for next meeting in December
 - Supported by Earl Gustafson, Peter Taglia, Brian Rude
 - EEI Transmission (Weeklong training; open to public)
 - LPPC (August 13-15)
 - LIPA – Long Island Power Authority serves NYC and depends on PSENG
 - General Rates Course
 - Feed in tariffs to achieve distributed renewables & climate goals

- Paper with comprehensive review of Germany's economic model
 - Public Policy and its effects
 - Energy Utility Basics
- There was discussion on whether WPU should send out emails or newsletter blurbs. It could show the value of memberships and share public events more widely through members. It was agreed that an email would be sent out for events.
- There was general interest in a Germany and transmission
- John Wellinghoff – Utilities to own solar generation
 - Suggested speaker is David Boyd - Experiences with MGA (Midwestern Gov't Assoc) and local and international regions
 - Suggestions by Dave Donovan
 - Check with David Boyd to make sure he is on board with the discussion
 - Jeff Ripp and Dave Donovan to work on this program – Roundtable Discussion

Enrique Bacalao of Economics Wisconsin

Proposal for Defined Pension Plan Regulatory Discussion

Two large industry challenges

- 1) Capital Markets are going through change
 - Artificially low long-term interest rates
- 2) Potential secular change from distributed generation
- Legal, Accounting, Credit Ratings
- Defined Benefit Plan – Pension plan works as own entity
 - Assets: Equities, Fixed-Income, Duration, Valuation Risks
 - Liabilities: Discount Rate, Growth, Longevity, Lump sum v.s. annuities
 - Individuals put the best interest of the entity first
 - Discount rate determines future
 - Rate decrease → Liability increase
- How do we 1) Fund the plan and 2) Mitigate risk?
- 401K has shifted from Defined Benefits → Defined Contribution
 - Brian Rude, Dairyland still offers Defined Benefits to employees
- Case-by-case studies fluctuate a lot.
- **Free program for attendees**

Energy Hub Update

- Luke Vandenlangenberg from Energy Hub provided an update on the student group. November conference is on Food and Energy. Members involved in Green Program Iceland, Taiwan America Student Conference, World Expo 2017, Office of Sustainability, and Off-Grid Electric.

Motion in closed session

Motion made by Brian Rude; seconded by Jeff Ripp

Moved that the Salary of the Director be increased by \$3,000 a year, effective July 1, 2014, and that an ad hoc committee of Board members serve on an ongoing committee to annually review goals and performance of the Director, and to make recommendations to the whole Board regarding future salary adjustments.

Committee members:

Brian Rude, Jeff Ripp, Heather Leibham, Robert McKee and John Sumi.

Motion in open session

Moved that the budget be adjusted by a \$3,000 revision to increase the salary of the Director, effective July 1, 2014, and that an ad hoc committee of Board members serve on an ongoing committee to annually review goals and performance of the Director, and to make recommendations to the whole Board regarding future salary adjustments.

The next meeting is scheduled for December 19. The meeting was adjourned at 12:00 p.m.