

**NEW JERSEY SUSTAINABLE ENERGY JOINT MEETING  
OPEN MINUTES  
MEETING OF SEPTEMBER 11, 2019  
TELECONFERENCE  
1:30 PM**

Meeting called to order by Acting Chairman Cuccia. The Open Public Meeting Notice was read into the record.

**ROLL CALL OF COMMISSIONERS:**

<b>NJ SEM</b>	
<b>State Wide Representatives</b>	
<u>State Rep.</u>	
Region 1	William Close, Sparta Twp.
Region 2	Charles Cuccia, Maywood
Region 3	Joseph Catenaro, Fairfield Twp.
Region 4	Thomas Nolan, Brielle Borough
Region 5	Richard Brook, Florence Twp.
Region 6	Keith Hastings, Collingswood
Region 7	Diane Lapp, Manchester Twp.
<u>Alternate Rep.</u>	
Region 1	Jon Rheinhardt, Wharton Borough
Region 2	Greg Franz, Edgewater Borough
Region 3	Tim Dacey, Piscataway Twp.
Region 4	Michael Gianforte, Two Rivers Water Rec. Authority
Region 5	Michael Theokas, Bordentown Twp.
Region 6	David Taraschi, Audubon Borough
Region 7	Veronica Laureigh, Lacey Twp.

Present from the above group were: William Close, Charles Cuccia, Thomas Nolan, Richard Brook, Keith Hastings, Greg Franz, Tim Dacey, Michael Gianforte, David Taraschi, and Veronica Laureigh

**APPOINTED OFFICIALS PRESENT:**

Executive Director/ Administrator	<b>PERMA Risk Management Services</b>	Stephen Sacco	Present
Attorney	<b>Maley Givens</b>	James Maley, Esq. Erin Simone, Esq.	Absent Present
Treasurer		William Garofalo	Present
Energy Consultant	<b>Gabel Associates</b>	Bob Chilton	Present

Also Present:

Brad Stokes, Perma  
Jason Thorpe, Perma  
Carol Friedman, Gabel Assoc.

**APPROVAL OF MINUTES: August 5, 2019**

**MOTION TO APPROVE OPEN AND CLOSED MINUTES OF AUGUST 5, 2019**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Franz  
**VOTE:** Unanimous

**EXECUTIVE DIRECTOR'S REPORT:**

**NATURAL GAS BID** - Mr. Thorpe indicated that the main purpose of the meeting was to review the results of the natural gas bid. He then asked Mr. Chilton to review the results of the bid with the Board. Mr. Chilton reported that there were 6 prequalified suppliers that submitted all of the necessary paperwork. He reminded the Board that this bid had been structured to accept bids for 24 month and 36 month contracts. Mr. Chilton reported that bids were received from all 6 prequalified suppliers. He further reported that all 36 month bids received from suppliers were lower than the 24 month bids submitted. Mr. Chilton said that with respect to the SJG bid group, the pipeline prices have increased while the tariff price has decreased concurrently. He added that there are four members in the SJG bid group and noted that the low bid submitted is higher than both the strike price and the expected price and no contract can be awarded. Chairman Cuccia recommended that the Board address the rejection of all bids submitted for the SJG bid group prior to Mr. Chilton continuing his report. He then asked for a motion to adopt Resolution 21-19.

**MOTION TO ADOPT RESOLUTION # 21-19 THE REJECTION OF BIDS AT SEPTEMBER 11, 2019 GAS BID OPENING FOR GAS SUPPLY SERVICES FOR THE NJSEM AUTHORIZING REFRESHED BIDS FOR BID GROUP 4 – SOUTH JERSEY GAS COMPANY (“SJG”) ACCOUNTS.**

**MOTION:** Commissioner Nolan  
**SECOND:** Commissioner Hastings  
**VOTE:** Unanimous

**NATURAL GAS BID (cont.)** – Mr. Chilton reported that for the other three bid groups (E-Town, NJNG, and PSE&G) the low bid prices received are below both the strike price and the expected price. He reminded the Board that when the strike price was set several weeks prior, a fairly large risk premium above the then prevailing commodity prices was included. Mr. Chilton informed the Board that the low bid prices received for the E-Town and NJNG bid groups are slightly lower than the current contract price. He advised that low bid price received

for PSE&G is below the strike price and the expected price but above the current contract price. He added that the low bid price is modestly below the current tariff price. Mr. Chilton noted that the current contract price for PSE&G, which was received two years ago, is an outlier and the market has now recalibrated. Chairman Cuccia commented that the purpose of the SEM is not to provide savings, but to provide price stability for the membership. He then asked if there were any questions from the Board. Hearing none, Chairman Cuccia asked for a motion to award 36 month contract terms for the E-Town, NJNG, and PSE&G bid groups and move it as a consent agenda.

**MOTION TO ADOPT RESOLUTION # 11-19 AWARDDING A 36 MONTH TERM GAS SUPPLY SERVICES CONTRACT TO UGI ENERGY SERVICES FOR BID GROUP 1 – ELIZABETHTOWN GAS COMPANY (“ETOWN”) ACCOUNTS.**

**MOTION TO ADOPT RESOLUTION # 13-19 THE REJECTION OF BIDS AT SEPTEMBER 11, 2019 GAS BID OPENING FOR A 24 MONTH TERM FOR GAS SUPPLY SERVICES FOR THE NJSEM FOR BID GROUP 1 – ELIZABETHTOWN GAS COMPANY (“ETOWN”) ACCOUNTS.**

**MOTION TO ADOPT RESOLUTION # 14-19 AWARDDING A 36 MONTH TERM GAS SUPPLY SERVICES CONTRACT TO DIRECT ENERGY BUSINESS FOR BID GROUP 2 – NEW JERSEY NATURAL GAS COMPANY (“NJNG”) ACCOUNTS.**

**MOTION TO ADOPT RESOLUTION # 16-19 THE REJECTION OF BIDS AT SEPTEMBER 11, 2019 GAS BID OPENING FOR A 24 MONTH TERM FOR GAS SUPPLY SERVICES FOR THE NJSEM FOR BID GROUP 2 – NEW JERSEY NATURAL GAS COMPANY (“NJNG”) ACCOUNTS.**

**MOTION TO ADOPT RESOLUTION # 17-19 AWARDDING A 36 MONTH TERM GAS SUPPLY SERVICES CONTRACT TO DIRECT ENERGY BUSINESS FOR BID GROUP 3 – PUBLIC SERVICE ELECTRIC AND GAS COMPANY (“PSE&G”) ACCOUNTS.**

**MOTION TO ADOPT RESOLUTION # 19-19 THE REJECTION OF BIDS AT SEPTEMBER 11, 2019 GAS BID OPENING FOR A 24 MONTH TERM FOR GAS SUPPLY SERVICES FOR THE NJSEM FOR BID GROUP 3 – PUBLIC SERVICE ELECTRIC AND GAS COMPANY (“PSE&G”) ACCOUNTS.**

**MOTION TO ADOPT RESOLUTION # 21-19 THE REJECTION OF BIDS AT SEPTEMBER 11, 2019 GAS BID OPENING FOR GAS SUPPLY SERVICES FOR THE NJSEM AUTHORIZING REFRESHED BIDS FOR BID GROUP 4 – SOUTH JERSEY GAS COMPANY (“SJG”) ACCOUNTS.**

<b>MOTION:</b>	Commissioner Gianforte
<b>SECOND:</b>	Commissioner Nolan
<b>VOTE:</b>	Unanimous

**FINAL OPT-OUT LIST-** Mr. Thorpe reported that 7 members have opted out of the natural Gas bid and referred to the list within the agenda packet.

**QUALIFIED PURCHASING AGENT** – Chairman Cuccia informed the Board that the MEL and E-JIF have hired The Canning Group to serve as their Qualified Purchasing Agent (QPA). He noted that the purpose for the hiring of a QPA was to review and confirm that the policies and procedures, with respect to procurement, are being followed properly. Mr. Sacco added that the reason for the hiring was a result of several JIFs being contacted by the State Comptroller regarding not conducting the RFP/RFQ process 100% properly. Chairman Cuccia suggested that the Executive Director request a proposal from The Canning Group. Following further discussion, Mr. Sacco indicated that topic would be tabled until the next meeting. He added that he would request a proposal from The Canning Group and attempt to have Mr. Sean Canning participate in the next meeting to answer any questions the Board may have.

**ENERGY CONSULTANT REPORT:**

Mr. Chilton indicated that he had nothing further to report.

**TREASURER REPORT:**

Mr. Garofalo referred to the Treasurer Reports for the months of July and August contained within the agenda packet. He noted that there was not a bills list for the month so no action was needed.

**ATTORNEY REPORT:**

Ms. Simone indicated that she would like to discuss the competitive contract process during Executive Session. Chairman Cuccia asked that all professionals other than the Executive Director and Attorney disconnect from the teleconference during Executive Session.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

**PUBLIC COMMENT:**

None

**MOTION TO ENTER INTO EXECUTIVE SESSION**

**MOTION:** Commissioner Brook  
**SECOND:** Commissioner Nolan  
**VOTE:** Unanimous

**MOTION TO ADJOURN EXECUTIVE SESSION**

**MOTION:** Commissioner Franz  
**SECOND:** Commissioner Laureigh  
**VOTE:** Unanimous

**MOTION TO ADJOURN MEETING**

**MOTION:** Commissioner Gianforte  
**SECOND:** Commissioner Laureigh  
**VOTE:** Unanimous

Meeting Adjourned: 1:48 PM

*Respectfully submitted,*

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Prepared by J. Thorpe, Assistant Secretary