

NORWICH ETHICS COMMISSION

ROBERT GRONER STATEMENT

Case Number 2016-3

January 19, 2017

Question: How long have you been on the NPU Board?

Answer: My name is Robert Groner. After working 30 years at Electric Boat as an engineer in Research and Development, I retired in 2011. I was asked in 2012 if I was interested in applying for a position on the Norwich Public Utilities ("NPU") Board of Directors. I was very interested and, after being interviewed by the City Council, was selected for the position. I have been on the Board for about five years, and find the job extremely interesting and challenging. I put in many hours a month researching public utility issues and learning the many ways NPU serves the City of Norwich. I have studied and advised regarding many technical and financial issues. After five years I firmly believe that NPU is one of the best things this city has going for it, in the same league as Norwich Free Academy and our fine public Library. As an NPU Board Member, I receive ten dollars per official NPU meeting, or about ninety dollars a year.

Question: How did you come to serve as one of NPU's representatives on the CMEEC Board?

Answer: In November of 2015 I was asked by NPU management if I would be interested in serving as one of NPU's representatives on the Connecticut Municipal Electric Energy Cooperative ("CMEEC") Board of Directors. I was thrilled to have the opportunity.

Question: Please describe your work on the CMEEC Board.

Answer: The position in fact opened a fascinating new world for me, slowly learning how electric energy is bought and sold on a huge and complicated energy grid. I learned how a team of CMEEC analysts develops complicated computer algorithms to predict and hedge wholesale prices as far as five years out, providing a consistent twenty percent advantage in wholesale energy costs when compared to wholesale costs paid by Eversource. I also learned how the owner Utilities pool their money into CMEEC investments in micro generators that kick on when the grid is overloaded and market prices go through the roof, providing an income stream we could never realize as individual Public Utilities. I also learned about the monthly revenue streams NPU receives from profits from CMEEC sales of electricity to non-member customers in towns in Massachusetts and the Mohegan Sun Casino. All these factors play a huge part in allowing NPU electric rates to be consistently ten percent lower to our customers than

Eversource customers, and to provide revenue streams that allow the kind of training to our linemen that results in nationally recognized reliability and quick turnaround to power outages. I am very enthused about the opportunities CMEEC has provided NPU to participate in large solar farms turning unused farmland and otherwise unusable landfills into renewable energy resources, bringing NPU's renewable portfolio close to 20 percent when combined with our own hydro facilities.

Question: Please describe your attendance at the 2016 CMEEC Board retreat.

Answer: I had been on the CMEEC Board for about four months when I was asked whether I was interested in attending an annual retreat to the Kentucky Derby in May. I was told I should attend because it was the best opportunity to network with the five other owner public utilities representatives, get to know them and understand their particular issues. Since I was new on the CMEEC Board and was attending meetings with a large group of strangers from all over the state, I thought this made sense. I assumed it was previously vetted, and really didn't give it much further thought. I was told most spouses went and I should invite my wife, which I did.

Question: What did you learn about your CMEEC Board colleagues on the trip?

Answer: The trip did in fact provide me with a very thorough understanding of issues faced by the other public utilities in Connecticut, and put me on a first name basis with the other players. This probably would have otherwise taken many months. I did think the event was lavish, but realizing that CMEEC had an average annual revenue stream of 200 million dollars, I thought this was not out of line with other large business entities, private or public. Again, I had no reason to believe that the trip had not been previously vetted.

Question: Are you paid for serving as a CMEEC Board member?

Answer: A couple of months after the Derby trip, I was reviewing the minutes of an old CMEEC Board meeting where Board member stipends were discussed. I was surprised to realize that Board members were compensated annually for meetings. Since I was not yet on the CMEEC Board for a year, I had received no stipend money. I asked about it at CMEEC and was told it was compensation for travel and time lost at work, which was substantial for some members who traveled from across the state and/or lost time from high responsibility jobs. Since I was retired and most meetings were local, I asked around, and found out that the Jewett City members gave half their stipends back to the member rate stabilization funds, and that the Groton representative had also agreed to do so. I thought that made sense and notified CMEEC that I would do the

same. I have further committed an additional quarter of my annual stipend as a donation to the St Vincent de Paul Soup Kitchen where my wife and I volunteer.

Question: What is your current perspective on the trip?

Answer: In closing I want to reiterate that I was new to the CMEEC Board when invited on the Derby trip, and assumed it was thoroughly vetted. I was surprised when I read the total cost of the trip in the local papers. Using 20-20 hindsight, I should have asked more questions. I don't believe the intent of the trip was to in any way influence any business dealings NPU has with CMEEC, since NPU is a joint owner in CMEEC and CMEEC is not an NPU vendor. I think it was what CMEEC CEO Drew Rankin says it was, a team building retreat not unusual for large corporations. As a CMEEC Board Member, I felt I was expected to attend.

Going forward, I plan to use my influence as a CMEEC Board member to ensure that future Board events and workshops are conducted closer to home and for a lot less money. Seeing the damage the trip has caused to NPU and CMEEC, it is clear to me now that, while CMEEC's intentions were good, the trip was a bad idea. It won't happen again.