

Final – Approved May 8, 2013

## Minutes of Board of Directors Meeting

December 20 2012

A special meeting of the Directors of the Western Climate Initiative, Inc. (the “Board”) was held in executive session to discuss financial and contractual matters. The meeting was held via teleconference on December 20, 2012, pursuant to written notice sent to each Director.

The meeting was called to order as an executive session by the Chair, Matthew Rodriguez, at approximately 9:10 a.m. Pacific Time. Lydia Dobrovolny kept the minutes of the meeting.

### Attendance

The following Directors were present, constituting a quorum pursuant to the By-Laws:

- Matthew Rodriguez (Chair)
- Tim Lesiuk (Secretary)
- Jean-Yves Benoit
- Michael Gibbs (alternate for Mary Nichols)
- Geneviève Moisan (alternate for Charles Larochelle)
- Jessica Verhagen (alternate for James Mack)
- Michael Bedard (alternate for Nancy Skinner, non-voting)

Also present were:

- Kip Lipper, California State Senate Staff
- Mark Wenzel, State of California
- Dave Tiffin, Province of Ontario
- Cliff Case, Carter Ledyard & Milburn LLP
- Patrick Cummins, WCI, Inc. Executive Director
- Lee Alter, WCI, Inc. Project Manager
- Bob Flemington, WCI, Inc. Project Manager
- Lydia Dobrovolny, Ross Strategic

### 1. Quebec Funding Agreement

Following review and discussion by the Board of a funding agreement with the Province of Quebec for \$1.5 million USD, Mr. Gibbs made a motion authorizing the Chair of the Board to execute the funding agreement on behalf of WCI, Inc., with such changes therein as deemed appropriate in consultation with the representatives from the Province of Quebec. Mr. Lesiuk seconded the motion. Mr. Benoit and

Ms. Moisan abstained from voting on the grounds that they may be conflicted, as Quebec is a party to the agreement. With the Directors from Quebec abstaining, the Board unanimously adopted the motion.

## **2. Contract Amendment for CITSS Development and Support**

Directors received a proposal to amend the existing WCI, Inc. contract with SRA International, Inc. to continue to provide Compliance Instrument Tracking System Services (CITSS) development and support, and a memo describing the justification for the contract amendment. Following review and discussion by the Board, Mr. Gibbs made a motion to approve the amendment to the WCI, Inc. contract with SRA International, Inc. The amendment will enable SRA to continue development of the CITSS through the end of 2013, and to provide additional hosting for its operation, subject to the addition of language about retaining data confidentiality in the system. The motion was seconded by Mr. Lesiuk, and unanimously approved by the Board.

## **3. Market Monitor Contract**

Directors received a draft proposal for a contract between WCI, Inc. and Monitoring Analytics, LLC, to provide cap and trade market monitoring services, and a memo describing the justification for awarding the contract on a non-competitive basis. Following review and discussion by the Board, Mr. Benoit made a motion to approve a contract with Monitoring Analytics, LLC, for analyses in support of market monitoring being conducted by California and Quebec, subject to adding Quebec as a third-party beneficiary in the agreement. The motion was seconded by Mr. Gibbs, and unanimously approved by the Board.


## **4. Auction Services Contract**

Directors received a draft proposal for a contract between WCI, Inc. and Markit Group Limited (Markit) to implement a multi-jurisdiction allowance auction, and a memo describing the justification for awarding the contract on a non-competitive basis. Following review and discussion by the Board, Mr. Gibbs made a motion to approve a contract with Markit Group Limited to implement an auction platform that will enable a multi-jurisdiction allowance auction, subject to WCI, Inc. staff finalizing invoicing terms and clarifying cost estimates with the contractor. The motion was seconded by Ms. Verhagen and unanimously approved by the Board.

## **5. Adjournment**

There being no other business to come before the Board, the meeting adjourned at 10:45 a.m. Pacific Time.

Respectfully submitted,



Tim Lesiuk, Secretary