



VERMONT ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
APPROVED MINUTES
February 22, 2022

As required under the VEC Bylaws, notice of this meeting was sent to each director on February 15, 2022 either via US Mail or by electronic means for those directors requesting such delivery.

Present were directors Rich Goggin (President), Paul Lambert (First Vice President), Carol Maroni (Second Vice President), John Ward (Treasurer), Jody Dunklee (Secretary), Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle, and Don Worth. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Operations Officer Peter Rossi, Manager of Government Affairs and Member Relations Andrea Cohen, Manager of Safety, Security, and Facilities John Varney, Chief Financial Officer Michael Bursell, Project Planner Laura Kinney, Controller Caroline Mashia, Power Planning Analyst Dan Potter, Manager of Power Planning Craig Kieny. Special guest was Molly Connors, External Affairs Representative from ISO-New England.

AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:01 pm via videoconference.

AGENDA ITEM #2 -- SAFETY MINUTE

Maroni reminded the board of the dangers of snow and ice on roofs, noting that when ice curls under, it could fall, potentially breaking property or hurting people. She also noted the importance of keeping roofs clear and to be alert for snow or ice on roofs when out and about.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Worth moved and Maroni seconded that the minutes of the regular monthly Board of Directors meeting held January 25, 2022 be approved as presented.

Maroni requested to list all meeting attendees at the top of the minutes. The minutes were approved, as amended, by unanimous vote.

AGENDA ITEM #4 – ANNUAL MEETING PLANNING

Cohen briefed the Board on this year's annual meeting timeline and requested that the Board (1) designate two Board members to serve on the petition review committee and (2) adopt the 2022 voting procedures. She noted the staff recommendation is to meet in person at Smuggler's Notch and provide breakfast as usual. For safety reasons, she suggested a limited meeting time, with no external speakers. She also recommended keeping the raffle smaller and open to all members who voted in the election. Cohen also noted that staff is exploring remote participation. With the uncertainty of the pandemic, staff will also be prepared to pivot back to an online meeting. Lague and Pratt volunteered to represent the Board on the petition review committee.

Brown explained that the change proposed to the voting procedures policy would eliminate the option of in-person voting at the meeting. At previous in-person meetings, only a handful of members used this option. Eliminating it avoids the need to hire a ballot teller to attend the meeting and allows VEC staff to reach out to candidates with voting results prior to the meeting. There were numerous suggestions and questions throughout the presentation.

Worth moved and Ward seconded to revise the voting procedures policy to eliminate in-person voting. The motion passed by unanimous vote.

Hoepfner moved and Worth seconded to create a Petition Review Committee and appoint Lague and Pratt to the ad-hoc committee. The motion passed by unanimous vote.

AGENDA ITEM #5 – ISO-NE MARKETS

Mashia, Potter, Kieny, and Connors joined the meeting.

Connors presented an overview of ISO-New England, providing background on the relationship between ISO-NE and its stakeholders as well as their continued forecasts of New England's energy requirements. She reiterated that, under regulation by the federal government, ISO-NE serves two main functions. First is to manage the operational status of power generators on the regional grid - which plants are on, off, how much production, and when. They also

determine which new generation and infrastructure projects get approved for grid attachment. Their goal is to provide a continuous and reliable supply to all consumers for the lowest cost.

Their second function is the creation and management of regional energy markets that foster the development of needed generation resources and infrastructure to meet the ongoing regional demand. They do this strictly through market forces. ISO-NE does not own or govern any power generators, nor do they promote a particular type. However, they do monitor factors that put pressure on the energy markets, on developer choices, and grid reliability. They regularly perform in-depth studies to model how changing externalities will affect energy production and reliability. As such, they have a new initiative in response to the Renewable Energy Standards that have been legislated in all New England states. They are evaluating the effect this influx of renewables has on regional grid reliability and infrastructure, the compatibility of renewable resources with the current energy markets, and what needs to change to adapt to the anticipated future resource profile.

Connors reported that two-thirds of the renewable resources in the ISO-NE project queue are wind power, with battery storage as the second-largest growth in resource type. She noted that some areas of the grid can accept this additional capacity, but there are also limitations to current infrastructure. She noted that ISO-NE monitors and forecasts demand growth of heating and transportation due to beneficial electrification projects on the state and regional electric energy levels. Based on electric heating and transportation growth, ISO-NE predicts that New England may become a winter peaking system.

Connors noted that ISO-NE continues to see a historic dip in the midday demand with record-high solar power output, creating new challenges. She identified that ISO-NE had received thirteen transmission line proposals to interconnect Canadian hydropower and offshore wind. She noted New England had made significant investments in transmission to ensure a reliable electric grid with \$11.7 billion put into service and \$1 billion for future projects.

Connors summarized ISO-NE's current studies supporting the future grid:

- Weather: rigorously model likelihood and impacts of extreme weather events
- Transmission: identify transmission needs to support renewable / high load future
- Operations: examine operational effects of renewable-heavy grid
- Markets: evaluate different market options to support a renewable-heavy grid
- Reliability: Transmission planning for the clean energy transition
- Other studies: identify tools ISO-NE needs to perform future studies

There were numerous questions throughout and after the presentation.

Connors, Mashia, Potter, and Kieny exited the meeting.

AGENDA ITEM #6 – BREAK

There was a break in the meeting from 2:05p.m.to 2:19 p.m.

AGENDA ITEM #7 – MANAGER’S REPORTS

Lague moved and Hoepner seconded to enter executive session to discuss a confidential business arrangement. By unanimous vote, the Board entered executive session at 2:21p.m.

Lague moved and Van Winkle seconded to exit executive session, and Board exited executive session at 2:46 p.m.

Bursell noted that his Financial Services Report described a reduction to the approved 2022 capital budget of \$500,000, reducing the approved capital budget for 2022 to \$10.9 million from \$11.4 million. This was a carry-over item that staff previously proposed which is no longer needed. Ward moved and Hoepner seconded to reduce the 2022 capital budget by \$500,000. The motion was approved by unanimous vote.

There were several questions throughout the management reports.

AGENDA ITEM #8 – CEO REVIEW AND SALARY DISCUSSION

Maroni moved and Hoepner seconded to go into executive session to discuss a personnel issue. By unanimous vote, the Board went into executive session at 3:31 p.m.

Brown, Bursell, Brunner, Cohen, Rossi, Varney, and Kinney exited the meeting.

By unanimous vote the Board exited executive session at 4:10 p.m.

Worth moved and Hoepner seconded that the CEO compensation be increased by two percent with a \$5000 bonus. The motion passed by unanimous vote.

AGENDA ITEM #9 –OTHER BUSINESS

Hoepner announced the Governance committee meeting would be on March 16 at 9:00 a.m.

He noted there are seven policies that are up for review. Hoepner had reviewed the

Committee's previous work and the notes from Adam Schwartz's governance training, which included director term limits, director qualifications, and Board diversity. He proposed focusing on director qualifications and diversity and asked each director to complete NRECA's board assessment in advance of the meeting.

Goggin announced that the town of North Hero has joined the Northwest Communication Union District (CUD), and that he is actively involved as North Hero's representative in their efforts to facilitate broadband build-out in the region.

AGENDA ITEM #10 -- ADJOURN

Ward moved and Worth seconded to adjourn. By unanimous vote, the meeting adjourned at 4:29 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President