



VERMONT ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS

APPROVED MINUTES

May 30, 2023

As required under the VEC Bylaws, notice of this meeting was sent to each director on May 23, 2023, either via US Mail or by electronic means for those directors requesting such delivery.

Board Members Present: Rich Goggin (President), Paul Lambert (First Vice President), Carol Maroni (Second Vice President), Charlie Van Winkle (Treasurer), Jody Dunklee (Secretary), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, and Don Worth.

Staff Present: Rebecca Towne (CEO), Peter Rossi (Chief Operations Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), John Varney (Manager of Safety, Security, and Facilities), Laura Kinney (Project Planner), Vickie Brown (General Counsel), Jeff Bickford (People and Culture Leader), and Cyril Brunner (Innovation and Technology Leader).

Lisa Morris (Energy Service Planner) and Katie Orost (Transmission and Rates Specialist) attended part of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

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

AGENDA ITEM #2 -- SAFETY MINUTE

Woodward shared two safety tips: avoid reaching out to a dog, no matter how cute, as they can bite; and use a flashing bike light for increased visibility to drivers.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Maroni moved and Lague seconded that the minutes of the regular monthly Board of Directors meeting held April 25, 2023, be approved as presented.

There was no discussion and the minutes were approved by unanimous vote.

AGENDA ITEM #4 – BOARD COMMITTEE CHAIRS

Goggin noted that he spoke to each of the current committee chairs, and each volunteered to continue in the role for the next year, except that Van Winkle will take over from John Ward as chair of the Finance Committee.

Bailey moved and Woodward seconded that the VEC Board approve the following committee chairs:

Governance: Ken Hoepfner

Communications: Carol Maroni

Finance: Charlie Van Winkle

Power Supply and Operations: George Lague

The motion passed by unanimous vote.

Goggin asked for two volunteers for the Community Fund Committee, as two current Board members' terms expired. Maroni and Worth volunteered.

AGENDA ITEM #5 – FINANCE COMMITTEE RECOMMENDATIONS

Mashia noted that the Committee met on May 25, 2023, and reviewed the Equity Management Plan and Five-year Financial Forecast. The Committee made two recommendations for the Board: to approve a member capital retirement and to approve the purchase of TRANSCO stock.

Lague moved and Pratt seconded that the Board approve the Finance Committee's recommendation to retire member capital in 2023 (for 2022) of \$900,000 applied to the 1997 allocation.

The motion passed by unanimous vote.

Worth moved and Bailey seconded that the Board approve the Finance Committee's recommendation to purchase TRANSCO stock shares in 2023, including any available over-subscription shares, not to exceed \$2,200,000 in total.

The motion passed by unanimous vote.

Goggin informed the Board that Ward has moved his primary residence to Florida and will need to resign from the Board. Under the VEC bylaws as long as there is a quorum, a vacant director position remains open until the next annual or special members meeting.

AGENDA ITEM #6 -- AMI SYSTEM UPGRADE

To follow up on his report at the April Board meeting on the need to upgrade VEC's Automated Metering Infrastructure (AMI), Brunner summarized VEC's process for selecting an AMI vendor and implementing the upgrade project.

The Request for Proposal process has been quite robust, garnering bids from five vendors, which have been narrowed down to three, based on capabilities and bid quality. The three finalists provided in-person presentations to VEC staff, with final selection planned for mid-July. He noted that the decision process has been focused on working with the bidders to understand their capabilities and limitations as well as the value they could bring to VEC. Implementation is planned for a five-year period beginning in 2024.

There were numerous questions and comments from various directors throughout the presentation.

AGENDA ITEM #7 – BREAK

There was a break from 1:30 to 1:45.

AGENDA ITEM #8 –VEC VISION AND MOMENTUM COMMUNICATIONS

Elise Annes of Momentum Communications joined the meeting. Towne noted that the Board has worked to rewrite the VEC vision statement but decided to seek expert outside help to complete that process. She noted that Annes specializes in helping organizations with their mission and vision statements.

Annes explained definitions of mission and vision statements, as well as a three-way framework for taking action, which considers (1) the desired results, (2) the process to get there, and (3) the need to maintain relationships along the way. She asked directors to share what has worked in the past to achieve a good result and what has been challenging.

She noted that, at the June offsite meeting, the Board would address the following questions as they think about VEC's vision and mission statements:

- Who is the audience?
- What are the VEC values that should be reflected in VEC's mission and vision?

She stated that the goal is to reach a consensus, which she defined as an outcome where everyone feels heard, and everyone accepts the decision even if it is not their preferred result.

There was a lengthy discussion about the process that would best meet the Board's needs in building on prior work to adopt a revised vision statement, to tweak the mission statement, or consider a "tagline" for VEC.

AGENDA ITEM #9 -- NET METERING – PAST, PRESENT, FUTURE & VEC COMMUNITY SOLAR & ACORN

Lisa Morris and Katie Orost joined the meeting.

Morris presented on VEC's net-metering program, its history, and the expectations for the future.

She noted that a key change in the net-metering rule in 2017 provided an incentive for members to transfer Renewable Energy Credits to the utility, which allows VEC to claim net-metering projects as renewable resources to meet our Renewable Energy Standards (RES) requirements. She provided information as to the impact of the net-metering rates to VEC throughout the program's life, noting that:

- Net-metering rates have decreased over time, from 23¢ at the programs' inception in 2013 to 14.3¢ today.
- In 2021, net-metering systems cost about \$2.6 million above market rates.
- Compared to other renewable resources, net-metering resources are the second most expensive, after small wind projects.

Finally, she provided a comparison of VEC's Co-op Community Solar program to the Acorn community solar project.

Cohen summarized VEC's new Affordable Community Renewable Energy (ACRE) program, which is gearing up for a launch once final contract documents are in place. This program was modeled after VEC's Coop Community Solar Project and was selected as part of a state request for proposal process for funding through an ARPA recovery grant. VEC invited Washington Electric Cooperative to join the program, and the final award was \$2.7 million. The program

will allow income-qualified members to sponsor solar panels from VEC's Jericho Landfill Solar Project initially. If that is over-subscribed, another solar site may be used.

Low-income members will be able to enroll in this program and receive a monthly bill credit of \$45 for a period of five years for a total of \$2,700. The program has the potential to serve up to 893 VEC and WEC members. The program is designed to be simple for members to access and for VEC to administer.

There were many questions and much discussion throughout these presentations.

AGENDA ITEM #10 – MANAGERS REPORTS

Towne described three proposed transmission projects to move power from Canada to southern New England. Two of these developments have submitted applications to a Department of Energy program that enables transmission facilities to be built by guaranteeing off-takers of the system. There was a discussion of federal funding for transmission and other energy projects that may benefit VEC.

There was a question about the risk of fires in VEC's service territory. Rossi responded that Vermont's risk of wildfires is lower relative to other states. A director commented on the potential value of a fire risk mitigation plan.

There were additional questions about details in other managers' reports.

AGENDA ITEM #11 -- OTHER BUSINESS

There was no other business.

AGENDA ITEM #12 – ADJOURN

Bailey moved and Woodward seconded to adjourn. By unanimous vote, the meeting adjourned at 4:04 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President