



VERMONT ELECTRIC COOPERATIVE, INC.  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
APPROVED MINUTES  
June 28, 2022

As required under the VEC Bylaws, notice of this meeting was sent to each director on June 21, 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), Jody Dunklee (Secretary), John Ward (Treasurer), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, Charlie Van Winkle, and Don Worth. Also present from VEC were CEO Rebecca Towne, 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 Caroline Mashia, Innovation and Technology Leader Cyril Brunner, General Counsel Vickie Brown, Power Planning Analyst Dan Potter, and Power Supply Manager Craig Kieny.

**AGENDA ITEM #1 -- CALL TO ORDER**

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

**AGENDA ITEM #2 -- SAFETY MINUTE**

Pratt shared a story about a relative who developed a bee allergy late in life and may have died except for quick action in getting emergency aid.

**AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES**

Hoepfner moved and Woodward seconded that the minutes of the regular monthly Board of Directors meeting held May 31, 2022 be approved as presented. A director noted a minor correction to the advice included in the safety minute.

The minutes were approved as amended by unanimous vote.

#### **AGENDA ITEM #4 – REVIEW ANNUAL MEETING AND ORGANIZATIONAL MEETING MINUTES**

Lague moved and Worth seconded that the minutes of the Organizational Meeting of the board of Directors held May 14, 2022 be approved as presented.

The minutes were approved by unanimous vote.

#### **AGENDA ITEM #5 – GOVERNANCE COMMITTEE RECOMMENDATIONS**

Hoepfner noted that Governance Committee met on April 12, 2022 and reviewed the following VEC policies:

- Policy Index
- Preamble to the Policies
- Policy BOD-1: Formulation, Review and Approval of Board Policies
- Policy BOD-2: Duties and Responsibilities of the Board
- Policy BOD-3: Director Fiduciary Duties and Standards of Conduct
- Policy BOD-4: Conflict of Interest
- Policy BOD-8: Board of Directors-CEO Relationship

The Committee recommended that each of these policies be approved without change, except that the Committee recommended that all Board policies be revised to replace singular personal pronouns (e.g. she/he) with plural pronouns (e.g. they), in keeping with current practices.

The Committee also reviewed changes to Policy BOD-14 – Voting Procedures to eliminate the option of in-person voting at annual meeting.

Worth moved and Bailey seconded to accept the Committee's recommendation as summarized here.

The motion passed by unanimous vote.

#### **AGENDA ITEM #6 – INTEGRATED RESOURCE PLAN – EXECUTIVE SUMMARY AND ACTION PLAN**

Brunner presented a high-level executive summary of the Integrated Resource Plan as well as the action items that are recommended in the plan.

He noted that we submit the IRP to the Public Utility Commission and the Department of Public Service every three years. Our plan goes beyond the minimum requirements set by the state because we use the plan to inform our decision-making. He articulated the five challenges that VEC is facing and then walked through VEC's strategies in each of these areas. The challenges and strategies are summarized below:

### Challenge 1: Decarbonizing the energy ecosystem

#### Strategies:

- Reach 100% renewable by 2030
- Invest smartly to expand energy transition
- Invest in infrastructure for electrification
- Enable distributed generation

### Challenge 2: Just transitions and energy equity

#### Strategies:

- Keep rates low
- Enable membership-wide participation in the energy transition
- Focus on low-to-middle income members
- Promote affordable renewables

### Challenge 3: Maintaining a reliable electric grid

#### Strategies:

- Maintain reliability strategies already in place
- Invest in resiliency and anticipate climate change impacts
- Prepare for transmission constraints
- Prioritize cybersecurity efforts

### Challenge 4: Supporting a rapidly shifting and decentralized grid

#### Strategies:

- Build a culture of innovation and learning
- Develop a technology strategy roadmap
- Ensure safety of staff and members given unpredictable power flow
- Develop and retain great talent

### Challenge 5: Providing our members choice

#### Strategies:

- Explore VEC's role in the energy services sector
- Enhance member interactions
- Enhance member facing data

There were numerous questions and discussion throughout the presentation.

## **AGENDA ITEM # 7 – POWER SUPPLY STRATEGY**

Kieny provided a summary of the power supply strategy section of the IRP. This section sought to explore the following overarching questions:

- How do we cost effectively meet our 100% Carbon Free and 100% Renewable goals?

- What are the incremental costs and challenges of serving VEC's 2030 load with 100% renewable energy on an hourly basis (24/7)?
- What are the power supply risks associated with uncontrolled electric vehicles and cold climate heat pumps, and the effect on our hourly load shape?

He shared our current portfolio and discussed various ways to answer the questions above and the costs associated with various options. There was much discussion throughout the presentation.

#### **AGENDA ITEM # 8 – BREAK**

There was a break in the meeting from 2:05 p.m. to 2:17 p.m.

#### **AGENDA ITEM # 9 – LOAD MANAGEMENT OF THE FUTURE AND DERMS DISCUSSION**

Brunner led a discussion about the need for VEC to transition from being a distribution network operator (DNO) – i.e., maintaining and operating the grid to deliver electricity from generation resources to members -- to a Distribution System Operator (DSO) -- where there will be many distributed resources throughout our system that will need to be managed efficiently.

He noted that currently VEC has a limited number of distributed resources, which we are managing manually using technology tools that are somewhat limited but sufficient for today's need. As we make this transition, we will need more sophisticated technology, including artificial intelligence, to orchestrate the integration and deployment of these distributed resources, which are expected to grow significantly in the coming years. This will require breaking down silos between departments and finding the right partners to support this work.

Kieny and Potter left the meeting.

#### **AGENDA ITEM # 10 -- MANAGERS' REPORTS**

Towne updated the Board as to progress with respect to a proposed VELCO transmission upgrade that is expected to expand the capacity of the Sheffield Highgate Export Interface (SHEI). The project is anticipated to qualify for funding shared by all New England utilities through ISO-New England, called the Pooled Transmission Facilities (PTF) mechanism. There will be a lengthy permitting and public information process for the project prior to construction so there is time for this discussion to happen. Stakeholders in Vermont are beginning to discuss how to ensure the most benefit to Vermont's goals in a way that avoids unintended consequences.

Towne reminded the Board that the CFC survey in advance of the July strategic planning session will close on July 1. We will re-share the link for staff and Board members who have not yet completed the survey.

Mashia provided an update on the volatility in the power market, which is making cost predictions difficult for the remainder of the year. However, she anticipates significantly higher cost than budget for the last six months of the year, and much higher prices in 2023 which will likely impact rates. She also reported that VEC recently hired a new Controller, Brittany Greene, who is currently with our auditor Kittel, Branagan and Sergeant.

Cohen reported on outreach events in the summer. The member services team will hold two events in hardware stores to discuss energy transformation, one in the Islands and one Drive Electric event to coincide with the Board's September meeting in Newport. In August there will be a Communications Committee meeting to discuss the results of the member survey.

#### **AGENDA ITEM #11 –OTHER BUSINESS**

There was a discussion of what directors should be paid for attending the recent NEAEC conference. The policy states that directors are compensated at \$300 per day for training, including travel days. This will also apply to the strategic planning session to be held in July at Jay Peak. There was a consensus that the compensation policy should be discussed at the next Governance Committee meeting to explore whether there should be a lower rate of pay for partial days.

Woodward asked for feedback on the NEAEC meeting. The directors shared their impressions of the conference and provided feedback for future meetings.

Goggin noted that there is a need for VEC to select a representative to the NRECA Resolution Committee for Vermont. Lague moved and Ward seconded to appoint Paul Lambert. The motion passed by unanimous vote.

#### **AGENDA ITEM #12 -- ADJOURN**

Ward moved and Worth seconded to adjourn. By unanimous vote, the meeting adjourned at 4:22 p.m.

Respectfully submitted:

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Jody Dunklee, Secretary

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Rich Goggin, President