



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

APPROVED MINUTES

July 25, 2023

As required under the VEC Bylaws, notice of this meeting was sent to each director on July 18, 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), Jody Dunklee (Secretary), Charlie Van Winkle (Treasurer), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Mark Woodward, and Don Worth.

Staff Present: Rebecca Towne (CEO), Brian Hall (Manager of Engineering), 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), Jeff Bickford (People and Culture Leader), Vickie Brown (General Counsel), and Cyril Brunner (Innovation and Technology Leader).

Guests: Don Douglas and Steve Knowlton of Washington Electric Cooperative joined for the first half of the meeting. VEC staff Lisa Morris, Jake Brown, and Jamie Brewster attended a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

President Rich Goggin called the meeting to order at 12:02 pm.

AGENDA ITEM #2 -- SAFETY MINUTE

Pratt provided a story about her attempts to spray an herbicide on a peach tree. When checking on a faulty nozzle, she inadvertently sprayed herself in the eye and ended up in the emergency room. She advised to take care with herbicides and wear safety goggles.

AGENDA ITEM #3 -- APPROVE BOARD MEETING MINUTES

Maroni moved and Worth seconded that the minutes of the regular monthly Board of Directors meeting held June 26, 2023, be approved as presented.

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

AGENDA ITEM #4 – NRECA UPDATE

Goggin introduced Don Douglas and Steve Knowlton, members of the Board of Directors at Washington Electric Cooperative. Douglas represents Vermont on the NRECA Board of Directors.

Douglas shared that the NRECA is advocating that cooperatives submit letters supporting coal plants with no acknowledgment of the impact of such fuels on climate change. He has encouraged the NRECA to engage in a more honest discussion about the continued need for baseload power resources and the need to move away from fossil fuels. However, the low price of coal makes the transition to cleaner fuels challenging.

Douglas also described NRECA's international efforts whereby coop employees (line workers and engineers) spend time working in foreign countries to promote electrification. He proposed that the northeastern cooperatives should begin to participate in NRECA-sponsored programs.

He further described a recently-launched "Cooperative Family Fund", which supports children of electric cooperative employees when they experience the loss of a parent while employed by the co-op. This provides both a monetary payment and a memory book about the parent. The NRECA seeks to raise money, either from donations from cooperatives (e.g. \$1000/year) or from employees or members.

There were questions from the directors about these topics and others.

AGENDA ITEM #5 – MID-YEAR ANNUAL PERFORMANCE PLAN REVIEW

Towne shared the company's progress at the mid-point of the year on the performance metrics that the Board established for 2023. Of the 26 measures, the company is on track to meet or exceed 17 measures and will be challenged to meet 9 others. The company is progressing well on measures related to member engagement, reliability, employee development, and safety. As to challenges, VEC is again experiencing unpredictable costs (e.g., interest costs) and fluctuating revenues (e.g., lower sales due to weather) outside their control, threatening

budget goals. There are also challenges to meet the strategic goals to manage distributed resources, such as electric vehicles and batteries. There were questions by the directors throughout her presentation.

AGENDA ITEM #6 – BREAK

There was a break from 1:55 to 2:10 pm.

AGENDA ITEM #7 - AMI UPDATE RECOMMENDATIONS

Brunner introduced Jamie Brewster, VEC’s System Administrator-IT Generalist, to discuss the results of a Request for Proposal for vendors to supply an upgrade to VEC’s Automated Meter Infrastructure (AMI). Brunner explained the need for the update, namely, to defer or eliminate infrastructure upgrades by modeling and analyzing data about the usage of the electric grid. This is the culmination of a robust process to evaluate various vendors and available AMI products/services. He walked through the offerings from different vendors. Based on cost (vendor costs and ancillary costs to VEC to implement the system) and other success factors, VEC proposed to follow up with one bidder for further negotiations. VEC will look for grant funding that could be available to support this project.

There were numerous questions about the need for this project, how it would fit into VEC’s capital budget, and further details of the various proposals throughout the presentation. Further discussion will occur in the context of timing, years of rollout, and funding the project through capital budgeting which will require future approval of the board

AGENDA ITEM #8 – ENERGY TRANSFORMATION PROGRAMS

Morris led a presentation on VEC’s Energy Transformation Programs. She explained the Renewable Energy Standard, which is the state law that set standards for renewable power acquisition and fossil fuel reduction goals by converting to “clean” electricity and increasing energy efficiency. The standard is intended to lead Vermont to 90% fossil-fuel free by 2050.

Morris reported that, as of 2022, VEC had provided members with 5,000 incentives totaling \$1.9 million, saving approximately 12 million gallons of fossil fuel and an estimated additional revenue of \$8 million over the lifetime of the technology. She explained the various products that qualify for the incentives, with heat pumps and electric vehicles being the most frequently adopted.

AGENDA ITEM #9 – MANAGERS REPORTS

There were several questions from the directors about details contained in the managers’ reports.

AGENDA ITEM #10 - OTHER BUSINESS

There was no other business.

AGENDA ITEM #11 – ADJOURN

Bailey moved and Van Winkle seconded to adjourn. By unanimous vote, the meeting adjourned at 4:01 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President