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

APPROVED MINUTES

September 29, 2026

As required under the VEC Bylaws, notice of this meeting was sent to each director on September 12, 2026, 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), George Lague (Second Vice President), Jody Dunklee (Secretary), Charlie Van Winkle (Treasurer), Tom Bailey, Ken Hoeppner, Mark Woodward, Bonnie Pratt, Jeff Wilson, William Gilbert, and Brian Cook.
Staff Present:	Rebecca Towne (CEO), Peter Rossi (Chief Operating Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), Lisa Lubas (People and Culture Leader), Belinda Gunnell (Strategic Technology and Cybersecurity Leader), Thea Schwartz (Corporate Counsel), Dan Potter (Senior Power Analyst) and Katie Audette (Transmission and Rate Specialist) joined the meeting for Agenda Item #6. After the break, Potter returned for Agenda Item #8.

AGENDA ITEM #1 -- CALL TO ORDER

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

AGENDA ITEM #2 – MEMBER INPUT

There was no member input.

AGENDA ITEM #3 – SAFETY DRILL

Jody Dunklee advised on the importance of wearing helmets and wearing the right type of helmet. She explained wearing helmets reduces head injuries by 48% and reduces fatal injury

by 34%, and 62% of all bike fatalities in U.S. are from bicyclists not wearing helmets. She provided instruction on how to properly wear them.

AGENDA ITEM #4 – REVIEW AUGUST 2026 REGULAR BOARD MEETING MINUTES

George Lague moved and Ken Hoeppner seconded that the August 2026 Regular Board meeting minutes be approved. The minutes were approved by unanimous vote.

AGENDA ITEM #5 – MEMBER SURVEY RESULTS

Government Affairs and Member Relations Leader Andrea Cohen presented the annual member survey. Cohen began with an explanation of the survey's history, noting that VEC began conducting the survey for Service Quality and Reliability Plan (SQRP) reporting purposes and the survey has transformed into an important tool for VEC planning and policy advocacy purposes. Cohen said that VEC uses the survey to understand how members think about a topic and what they want. For this year's survey, she said that the responses were collected online in a two-week period, May 26 through June 8, 2026, and 1,377 or 11% of 22,567 contacted members responded.

Cohen noted that overall member satisfaction continues to be very positive, with an 8.57 on a scale of 1-10, slightly higher than last year's survey result. She broke this down by district so Directors would be aware of this result for their district. Directors expressed curiosity as to whether the number and date of outages (how close to the survey polling dates), and the number of Community Fund donations to organizations in a particular district might correspond to member satisfaction within a district. Cohen presented slides on member demographics, including one on age which showed that 58% of members are 65 and older.

Cohen shared a chart of the ranking of all performance attributes from the perspective of polled VEC members which shows that VEC performs the best at professionalism of employees, customer service, and restoration of outage and fares not as well with rate-related items such as monthly service fees and keeping rates low. She said that satisfaction with electric service is increasing.

Cohen explained that NRECA compared VEC's survey results with those of co-ops across the United States and that this comparison shows that VEC is ranking higher than many other coops at keeping members informed of outages and communications.

Cohen said the survey also looked at the type of power that members prefer, noting that the survey inadvertently omitted wind, and the results show that members prefer hydro and solar, with hydro in recent years becoming more popular, and that interest in nuclear is increasing.

She noted that the results show that power that is low cost is more important than anything else to members with members placing higher importance on VEC being renewable than carbon free, and that the difference between members' preference over in-state and out-of-state renewables is negligible.

Cohen shared members' results on whether incentives for plug-in EVs made a difference (50% said "yes") and satisfaction with heat pumps (44% said "performing as expected" and 17% "not satisfied"). She also shared that more members (42%) than not say that VEC should not support state requirements to increase the amount of renewables in VEC's power supply portfolio if it would result in increased rates, with 26% saying that VEC should and 32% members saying that they were not sure. Cohen concluded with the statistic that 76% of members replied that they read Co-op Life and more than half view VEC Facebook posts.

Senior Power Analyst Dan Potter and Transmission and Rates Specialist Katie Audette joined the meeting for Agenda Item #6. Potter stayed for the majority of Agenda Item #7.

AGENDA ITEM #6 – HEDGING STRATEGY FOR POWER SUPPLY PORTFOLIO

Dan Potter discussed power supply hedging strategies for January and February 2027. He began by reviewing the February 2026 Board discussion regarding hedging, reintroducing the concept of hedging, describing what an unhedged portfolio would look like, and the current VEC hedge policies and levels. He reiterated that hedging reduces financial risk though does not minimize costs and consists of entering into contractual obligations to purchase power. He explained its benefits of rate stability, budget predictability, and risk reduction and limitations of opportunity costs, shape intermittency (hedging may not perfectly match load patterns), and forecast error. He used the financial impacts to VEC in January and February 2026 from high energy prices as an example and explained that hedging can be analogized to purchasing an insurance premium during times of volatile energy markets. He shared a chart of the current hedging positions for the months of December 2026 and January and February 2027 and a chart of the amount of anticipated electricity use for these three months in the categories of on peak, weekend peak, off peak, and total cost if VEC were 100% hedged during this time period. He concluded with a reminder that while hedging carries risk it also carries potential reward and with a recommendation for VEC to get to 90% hedged in each of these categories in each of these months. Potter answered Directors' questions throughout his presentation. The board asked questions and shared comments throughout, ultimately noting general alignment with the proposed recommendations for retaining a 90% hedged level.

AGENDA ITEM #7 – BREAK

President Goggin called for a break at 2:11 pm. Meeting resumed at 2:23 pm.

AGENDA ITEM #8 – RATE DESIGN DISCUSSION AND NEXT STEPS

CFO Caroline Mashia led a discussion on rate design. She emphasized that rate design is a long-term process and explained that from the discussion she sought Board direction as to what to prioritize and as to how to move forward. She summarized the Board's September 15, 2026 Board Education Day, highlighting the presentations on the regulatory perspective of the Department of Public Service and the Public Utilities Commission; the results of the Cost of Service Study conducted by Toth Associates; the opportunities through rate design to improve how costs are recovered within classes and to support financial stability, electrification, and beneficial load growth; and the impacts of changes in rate design on members. She then explained that while the Cost-of-Service Study results indicate that VEC's overall class relationships are generally aligned with cost responsibility, Toth's primary recommendation stemming from the survey is to improve how costs are recovered within classes of members and address identified cost-causation issues. She said that it is important to remember that the survey is a picture of a point in time so everything can change, perfection is not the goal and to recognize that prioritization is necessary as VEC cannot fix every issue. She emphasized the need to be thoughtful and practical throughout the rate design process with the goal of reaching alignment among the Board, the regulators, VEC management, and VEC employees. She presented VEC management's recommendations of identifying changes that would better align changes with costs associated with serving the individual rates, evaluating increasing the base service charge, evaluating the value of the inclining block structure to determine who benefits from the current structure and whether a single energy rate would better support electrification and beneficial load growth, evaluating revisions to SC-5 custom rate, analyzing the effectiveness and value of existing flexible load management incentives, and pursuing legislative changes that would make consideration of a power cost adjuster or storm rider more feasible. The Board supported these recommendations.

Many Directors noted the offsite education day was valuable and that they appreciated having both the Toth consultant and NRECA facilitator there together.

At 3:26 pm, President Goggin left. Vice-President Lambert facilitated the rest of the meeting.

AGENDA ITEM #9 – MANAGEMENT REPORTS

CEO Towne presented the CEO report. Members of the Senior Leadership Team and Corporate Counsel were present to answer questions from Directors about details in the written managers' reports.

Bill Gilbert left the meeting at 3:29 PM.

AGENDA ITEM #10 – 2026 CEO GOALS

The Board decided to move the discussion of the CEO goals to next month's Board meeting.

AGENDA ITEM #11 – ANY OTHER BUSINESS

There was no other business.

AGENDA ITEM #12 – ADJOURN

George Lague moved and Jeff Wilson seconded to adjourn the meeting. The Board voted unanimously to adjourn the meeting. The meeting adjourned at 3:58 pm.

Respectfully submitted:

Jody Dunklee, Secretary	Rich Goggin, President