



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

APPROVED MINUTES

January 30, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on January 23, 2024, 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), Peter Rossi (Chief Operating 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), Jeff Bickford (People and Culture Leader), Vickie Brown (General Counsel), and Cyril Brunner (Innovation and Technology Leader)

Guests: VEC member Sandra Enman attended for a portion of the meeting. Belinda Gunnell, Interim IT Manager, also attended for a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

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

AGENDA ITEM #2 – MEMBER COMMENTS

Goggin introduced Sandra Enman, a member whose family owns and runs the Sleepy Hollow Ski and Ride Center in Huntington. She described their recent frustrating experience trying to get Public Utility Commission (PUC) approval for an expansion of their solar facility on their

property. She shared her impression that VEC is not supportive of solar, that she believes battery projects can supplement solar, and she is concerned about the challenges of climate change that members of future generations will experience.

Goggin responded that the Board is also concerned about climate change and supportive of renewables. In fact, VEC has made a commitment to have a carbon-free power supply as of last year, and be 100% renewable by 2030. However, there are important considerations that VEC must take into account regarding how renewables are implemented, as well as for VECs core responsibilities in distribution of reliable and affordable power to VEC members. To address the members specific issue, he expressed that VEC's concern with net-metering (which the member's project is a part of), is that the compensation paid for it costs more than VEC pays for other in-state solar resources. This is not a sustainable business model and drives member rates up. VEC is supportive of affordable solar development in Vermont and has long advocated to adjust the net-metering compensation to be more comparable to other local solar resources. He also described the role of the PUC in the project development process and explained what is in VEC's control and what is not.

There was additional discussion about the net-metering program.

AGENDA ITEM #3 -- SAFETY MINUTE

Lambert shared that recently, he was driving at dusk, and salt spray limited his ability to see. He advised to keep the washer fluid full and to clean off the headlights.

AGENDA ITEM #4 – APPROVE BOARD MEETING MINUTES

Pratt moved and Van Winkle seconded that the minutes of the regular monthly Board of Directors meeting held December 19, 2023, be approved as presented.

A director asked about one detail in the summary of the community fund report. Brown will double-check to ensure the minutes are accurate.

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

AGENDA ITEM #5 –CYBERSECURITY PRESENTATION

Belinda Gunnel joined the meeting. Brunner noted that Belinda has stepped in as VEC's interim IT manager while the current holder of that position is on National Guard service.

Gunnel provided an overview of the guiding principles for VEC's cybersecurity program, which takes a three-pronged approach: (1) be proactive to find vulnerabilities and fix them, (2) be

prepared in the event of a cyber incident through table-tops and other exercises, and (3) take steps to mitigate problems that occur.

She explained that the key focus areas for VEC's cybersecurity program include:

- Using a "C2M2" framework, which requires moving through tiers of maturity in 10 domains, with each domain designating 15 to 30 best practices to strive for
- Performing annual penetration testing to find vulnerabilities; this used to be periodic but will now be an annual test
- Training end users to be careful with external contacts, including sending a monthly cyber message focused on different types of threats, as well as cybersecurity tips, shared as part of meeting protocol.
- Reviewing cybersecurity events that occur to better protect against future threats and performing routine threat analysis
- Preparing for incidents and incident response
- Maintaining insurance to cover cyber incidents

She shared accomplishments from 2023 and the team's goals for 2024.

There were numerous questions and comments throughout the presentation.

Gunnel left the meeting.

AGENDA ITEM #6 – CEO REPORT ON 2023 ANNUAL PERFORMANCE PLAN

Towne provided a final report on VEC's progress in meeting the 2023 performance metrics that were set by the Board. There were over twenty different metrics covering the following five focus areas:

- Maintain Financial Strength
- Engage Members
- Pursue Operations Reliability
- Orchestrate Distributed Renewable Energy
- Lead with People

She summarized VEC's performance in each different metric with numerous questions and comments throughout the presentation. Metrics included a threshold level, a target level and a "stretch" level. VEC met the threshold level on four metrics, the target on 15 metrics, and the stretch on two metrics. VEC failed to meet threshold on four metrics, two of which were due to circumstances outside of VEC's control. There was discussion on challenges and successes and how to improve these for next year. There was a discussion about whether some measures are

too specific to allow for adjustments through the year as things change, as well as the appropriate categories of some of the metrics, and whether some could be more qualitatively measured.

AGENDA ITEM #7 – BREAK

There was a break in the meeting at 2:33, and the meeting resumed at 2:45.

AGENDA ITEM #8 – FINN AND GERRI STORMS

Rossi summarized the two recent major storm events. Key points included:

- There were five major events and one minor event (wet snow and wind) since November 28, 2023
- VEC experienced one injury (VEC line worker slipped and injured their knee) during Winter Storm Finn
- Incident Command System worked extremely well, and the company restored power as expeditiously as possible
- Investments in resiliency paid off, with minimal damage from lines that have recently been rebuilt with FEMA funds.
- Mutual aid groups worked well in augmenting the VEC field workforce.

He shared some statistics about winter storms Finn and Gerri, including:

- Broken poles: 61 (46 Finn + 15 Gerri)
- Number of meters restored: 29,708
- Individual outage events: 292
- Field personnel: ~160
- 28 VEC Line Workers and 90 Mutual Aid/Contractor Line workers
- Mutual Aid
 - Massachusetts (NEPPA) - Groveland, Holden, Littleton, Sterling, Middleton
 - Vermont - WEC, BED, Enosburg, Swanton, Morrisville, Stowe, Orleans
- Contractors
 - Four external line crews
 - 40 tree-clearing crews
- 60 VEC office employees provided management, Control Center, and Call Center support, logistics, safety, field patrols, crew guides, and other activities

AGENDA ITEM #9 –MANAGERS' REPORTS

A director asked Rossi about the impact of more frequent storms on our reliability metrics. Rossi noted that he will analyze the data and provide this information over a longer time horizon.

Towne noted that she will send the Board a survey to assess preferences for an upcoming Board training.

There were some questions about the power supply report and a delay in a battery project summarized in the financial summary.

Maroni noted that the Communication Committee met on January 9, and the minutes will be provided next month. The Committee suggested some changes to the letter that goes out to Board candidates, and those have been implemented.

There were numerous questions from directors about details in the managers' reports.

AGENDA ITEM #10 – VEC MISSION STATEMENT

This agenda item was postponed to next month.

AGENDA ITEM #11 – ANNUAL CEO ASSESSMENT

Bailey moved and Pratt seconded to go into executive session to discuss CEO performance. By unanimous vote, the Board entered into executive session at 3:45. VEC staff and Ms. Enman left the meeting.

Pratt moved and Bailey seconded to exit executive session. By unanimous vote, the Board exited executive session at 4:05.

AGENDA ITEM #12 – OTHER BUSINESS

There was no other business.

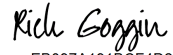
AGENDA ITEM #13 – ADJOURN

Bailey moved and Van Winkle seconded to adjourn. By unanimous vote, the meeting adjourned at 4:06 p.m.

Respectfully submitted:

DocuSigned by:

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Jody Dunklee, Secretary

DocuSigned by:

EB097A194BCF4D2...
Rich Goggin, President