



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

APPROVED MINUTES

October 29, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on October 22, 2024, either via US Mail or electronically for those directors requesting such delivery.

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

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 (Safety and Security Manager), Cyril Brunner (Innovation and Technology Leader), Jeff Bickford (People and Culture Leader), Laura Kinney (Project Planner), and Thea Schwartz (Corporate Counsel).

Guests: Don Douglas (NRECA VT Board Representative), Louis Porter (Washington Electric Cooperative), Craig Kieny and Dan Potter (VEC) joined for a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

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

AGENDA ITEM #2 – SAFETY MINUTE

Goggin reminded the group of the importance of seasonal chimney cleaning. He noted that he has already responded to three fire calls in his town involving chimney-related incidents that could have been avoided if proper maintenance had been completed.

AGENDA ITEM #3 – WELCOME THEA SCHWARTZ

Towne introduced Thea Schwartz to the Board, noting that she started on September 30 as VEC's Corporate Counsel and has been diving in quickly to get up to speed. Schwartz provided an overview of her first month at VEC. The Board welcomed Schwartz to the team.

AGENDA ITEM #4 – MINUTES REVIEW

Lague moved and Maroni seconded that the minutes of the regular Board meeting held on September 24, 2024 be approved as presented. The minutes were approved by unanimous vote.

AGENDA ITEM #5 – NRECA SERVICES AND VALUE

Douglas and Porter joined the meeting.

Towne outlined the various services and benefits offered by the National Rural Electric Cooperative Association (NRECA) to cooperatives.

1. **Policy & Advocacy:**
 - a. NRECA is a strong federal advocate for cooperatives, lobbying for regulatory positions and ensuring nonprofit cooperatives' eligibility for federal programs.
 - b. Advocacy relevant to VEC focuses on areas like EPA regulations, transformer supply chains, and funding opportunities under the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA).
2. **Cooperative Community Resources:**
 - a. NRECA provides resources, including online communities for cooperative professionals (e.g., IT, CEO, HR, Legal), and strategic advisory groups for topic areas such as technology, legal and governance, and distributed energy resources.
 - b. They also offer assistance in securing federal funding for projects such as T&D upgrades, AMI upgrades, and utility-scale storage.
3. **Education & Conferences:**
 - a. Cooperative staff and board members can attend a variety of in-person conferences and training programs, such as PowerXchange, CEO Close-Up, and Board Governance workshops.
 - b. NRECA also offers online educational resources across many topic areas.
4. **Employee Retirement Plans:**
 - a. NRECA administers 401k and pension plans for cooperative staff with low administrative costs and high performance.

- b. These plans cover tens of thousands of participants across hundreds of cooperatives, offering benefits like retirement counseling and risk management for fiduciary compliance.

NRECA's overall value includes advocacy, educational opportunities, cooperative resources, and retirement benefits, all of which support electric cooperatives' operational and strategic needs.

Douglas encouraged VEC employees to support NRECA's Family Fund, which provides each child of a parent who dies while an active cooperative employee a trust account that is available to the child on their 18th birthday. Porter noted that WEC is also supporting the Family Fund.

There were many questions throughout the presentation.

Douglas and Porter left the meeting.

AGENDA ITEM #6– POWER SUPPLY UPDATE

Kieny and Potter joined the meeting.

Potter noted that a current energy contract that fulfills 115,000 MWh annually expires in 2025. In alignment with VEC's renewable energy goals, and its obligations under the Vermont Renewable Energy Standard, VEC has issued a Request for Proposal (RFP) for long-term renewable resources to fill this gap in its power supply portfolio, starting in 2026. VEC has received proposals from biomass, hydro, wind, and solar resources. Potter reviewed the cost/risk differentials between the various proposals of renewable energy and associated renewable energy credits (RECs) compared to a market baseline of non-renewable energy and VT category 1 RECs.

The next steps are performing a more in-depth analysis of benefits and risks, a sensitivity analysis of fossil fuel and REC scenarios, evaluating various energy combinations, and matching the scenarios against VEC's monthly and hourly needs. Then they will finalize pricing and volume with a target timeline of awarding the RFP by mid-November 2024.

There were several questions from directors throughout the presentation.

Kieny and Potter left the meeting.

AGENDA ITEM #7 – BREAK

There was a break at 2:22 p.m. and the meeting resumed at 2:30 p.m.

AGENDA ITEM #8 – APPROVE O&M BUDGET AND RATE CASE

Van Winkle noted that the Finance Committee had met in the morning for an extensive briefing on the elements of the 2025 Operations and Maintenance Budget and the rate increase needed to support it.

Bailey moved and Lambert seconded the following resolution:

RESOLUTION

Whereas,

The elements of a proposed 2025 budget and rate increase were explained and discussed at a meeting of the VEC Finance Committee held on October 29, 2024 and at a meeting of the VEC Board of Directors held on the same day.

Be it resolved:

That Vermont Electric Cooperative Inc. (VEC) is authorized to implement a rate increase not to exceed 6.66%, to be effective on January 1, 2025, and

That the Board of Directors approves the 2025 operating budget, subject to final revisions deemed necessary by VEC's CFO during testimony preparation, and

That VEC will report to the Board at the regular Board meeting held in November, 2024 as to the final rate increase as of the filing date of November 15, 2024.

The motion was approved by unanimous vote.

AGENDA ITEM #9 – REVIEW 2025 ANNUAL PERFORMANCE PLAN METRICS

Towne presented proposed performance metrics for the upcoming year that employees developed as part of the 2025 annual strategic process.

These are built from five broad categories that the Board developed as part of its five-year strategic plan. The categories are:

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

For 2025, the Board focused on 17 goals within those categories. As part of the annual process that includes project planning and budgeting, VEC departments considered what actions they could take in 2025 to move toward those goals.

Towne shared the proposed initiatives and metrics for each of the 17 strategic goals.

After a brief discussion, Van Winkle moved and Lambert seconded to approve the 2025 performance metrics. The motion passed by unanimous vote.

AGENDA ITEM #10 – NEAEC ATTENDEE REPORT

Towne provided an overview of the Northeast Association of Electric Cooperatives' Conference held in New York.

The Board members in attendance provided feedback on the sessions they found valuable and appreciated the opportunity to build relationships with directors and staff from cooperatives across the Northeast.

AGENDA ITEM #11 – MANAGERS' REPORTS

There was a discussion about what caused a recent major outage affecting 1,284 members in the town of Highgate, Highgate Center, Franklin, and Sheldon. Rossi noted it was caused by tractor resulting in a 3-phase pole replacement that took crews several hours to repair.

Varney noted that on certain days in the office, there are not enough workstations for staff, and to remedy this they are adding workstations.

Brunner noted that after a lot of time and effort in developing an application, VEC did not receive the IJJA GRIP grant.

Maroni moved and Bailey seconded to go into executive session for the purposes of discussing a confidential contract matter. The motion passed, and the Board entered executive session at 3:37 p.m.

Lague moved and Maroni seconded to exit executive session. By unanimous consent, the Board exited executive session at 3:48 p.m.

Cohen shared that the low-income solar ACRE phase one subscription has been completely filled for hundreds of members now receiving bill credits. Phase two will open at a later date once we have a solar array that meets the criteria of the grant.

There were several questions throughout the management reports.

AGENDA ITEM #12 – ANY 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 3:55 p.m.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President