

VERMONT ELECTRIC COOPERATIVE, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

APPROVED MINUTES

 October 31, 2023

As required under the VEC Bylaws, notice of this meeting was sent to each director on October 23, 2023, either via US Mail or by electronic means for those directors requesting such delivery.

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| 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 Hoeppner, George Lague, Bonnie Pratt, Mark Woodward, and Don Worth |
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| 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 Controller Brittany Greene attended a portion of the meeting. Kelly Lucci, of Efficiency Vermont, also attended a portion of the meeting. |

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

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

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

Goggin noted that as we enter hunting season folks should be careful to wear orange when out in the woods. Also, as we transition to winter driving make sure to clear car windows of ice and snow.

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

Bailey moved and Van Winkle seconded that the minutes of the regular monthly Board of Directors meeting held September 26, 2023, be approved as presented.

The minutes were approved by unanimous vote.

**AGENDA ITEM #4 –APPROVE O&M BUDGET**

Green joined the meeting.

Goggin noted that the Finance Committee had met in the morning for an extensive briefing as to the elements in the 2024 Operations and Maintenance Budget and the rate increase needed in 2024 to support the budget.

Van Winkle moved and Bailey seconded the following resolution:

RESOLUTION

Whereas,

The elements of a proposed 2024 budget and rate increase were explained and discussed at a meeting of the VEC Finance Committee held on October 31, 2023 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 8.76%, to be effective on January 1, 2024, and

That the Board of Directors approves the 2024 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 2023 as to the final rate increase as of the filing date of November 15, 2023.

The motion was approved by unanimous vote.

Greene left the meeting.

**AGENDA ITEM #5 –ENERGY BURDEN REPORT PRESENTATION**

Kelly Lucci, of Efficiency Vermont, joined the meeting.

Lucci provided an overview of a recent Efficiency Vermont report on “energy burden” by town in Vermont. Energy burden is the percentage of a household’s budget income spent on energy needs including electricity, heating, and transportation. She noted that household income is the most significant driver of the household’s energy burden, in that burden is higher where income is lower.

She shared statistics on household energy burden, as well as total amounts spent on energy, by town. More high-burdened households tend to be in the northeast part of the state with more low-burdened households in Chittenden County, while noting that each individual household and situation is unique, despite location. She noted that compared to other parts of the country, Vermont’s burden is on the high side. Transportation makes up 45% of the energy burden, thermal is 35%, and electricity is 20%. She walked through the energy burden report by each energy source.

She noted that measuring energy burden helps understand the impact of energy costs across the state and where energy expenses are highest. Energy expenditure competes with other household costs like food, housing, and health care. Understanding energy burden and tracking it over time can inform state programs and efficiency measures that aim to address high energy costs.

Much more detailed information, including by census block can be accessed at <https://www.efficiencyvermont.com/2023-vermont-energy-burden-report>.

There were numerous questions and comments throughout her presentation.

Lucci left the meeting.

**AGENDA ITEM #6 – NEAEC ATTENDEE REPORT: TAKEAWAYS AND RISK MANAGEMENT COURSE**

Lambert provided an overview of the Northeast Association of Electric Cooperatives’ Conference held in Rhode Island.

He noted that the conference has become more robust and substantive over the years, with highlights being:

* A new NEAEC website was launched in 2023, making information sharing and registration easier​
* Combining director and staff sessions has added value​
* The number and variety of sessions has been expanded, with new topics and speakers
* The newest NEAEC member – Block Island Power Company​ – hosted the conference
* Networking opportunities​ proved valuable
* Attendance was very good, with over 100 staff and directors

Lambert also summarized the NRECA all-day session on directors’ role in risk management. They recommended an enterprise risk management approach which is organization-wide, top-down and bottom-up across departments​, and pro-active in analyzing risks.​

Other directors shared their impressions and takeaways from the conference.

**AGENDA ITEM #7 – BREAK**

There was a break in the meeting at 1:20 and the meeting resumed at 1:30.

**AGENDA ITEM #8 – REVIEW AND FEEDBACK ON 2024 ANNUAL PERFORMANCE PLAN METRICS**

Towne provided a summary of performance metrics that staff developed as part of the 2024 annual strategic process.

These are built from the 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

Within those categories, the Board developed 21 goals. For 2024, as part of the budget process, VEC staff considered what actions they can take in 2024 to move toward those goals. Staff also developed measures of success by which the Board can evaluate progress toward those goals.

Towne shared with the Board the initiatives proposed and metrics for each of the 21 goals.

There were a number of questions and suggestions from directors throughout the presentation with follow-up edits to be presented to the Board in November.

**AGENDA ITEM #9 – MANAGERS’ REPORTS**

There was a question about Green Mountain Power’s new initiative to provide batteries to homes with the goal of major outage reductions. Towne provided further details about the program, noting that VEC would be following the regulatory review of the proposal to gain insights which may apply to our service territory. One key distinction between VEC and GMP is the access to FEMA reimbursement for major storms, which is not available to GMP.

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

**AGENDA ITEM #10 – OTHER BUSINESS**

A director expressed his concerns about our reception area being less than friendly for members, and discussion of the issue ensued.

**AGENDA ITEM #11 – ADJOURN**

Bailey moved and Van Winkle seconded to adjourn. By unanimous vote, the meeting adjourned at 3:32 p.m.

Respectfully submitted:

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| Jody Dunklee, Secretary |  | Rich Goggin, President |