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

APPROVED MINUTES

December 17, 2024

VEC Johnson, VT

As required under the VEC Bylaws, notice of this meeting was sent to each director on December 10, 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, George Lague, Bonnie Pratt, Jeffrey Wilson, and Mark Woodward

Staff Present: Rebecca Towne (CEO), 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), Cyril Brunner (Innovation and Technology Leader), Craig Kieny (Manager of Power Planning), and Thea Schwartz (Corporate Counsel). Dan Potter (Power Planning Analyst) and Ed Peterson (Accountant/Work Order Specialist) joined for part of the meeting.

Guests: Patti Komline (Government Relations Manager) and Gabrielle Malina (Government Relations Specialist) from Downs Rachlin Martin

**AGENDA ITEM #1 – CALL TO ORDER**

President Goggin called the meeting to order at 12:01 pm. President Goggin shifted the order of the agenda items to address Agenda Item #4 Legislative Update prior to Agenda Item #2 Safety

Drill so that Downs Rachlin Martin (DRM) staff could make their presentation as they needed to leave the meeting at 12:50 pm.

#### **AGENDA ITEM #4 – LEGISLATIVE UPDATE**

Andrea Cohen (Manager of Government Affairs and Member Relations) introduced Downs Rachlin Martin's Patti Komline (Government Relations Manager) and Gabrielle Malina (Government Relations Specialist). Komline presented an overview of recent election results and their potential impact on the upcoming legislative session. She described legislative hot topics and explained how they may relate to VEC. These topics include education, housing, data privacy, Clean Heat Standard alternatives, and group net metering. She shared her perspective that the legislature will focus its efforts on property tax this session. Malina contributed to this presentation and provided explanations of possible changes to education funding and limits to Inflation Reduction Act funding. Komline and Malina answered the directors' questions.

#### **AGENDA ITEM #2 – SAFETY DRILL**

George Lague presented several safety tips. He explained that it is important not to use your hand to unplug a stuffed snowblower and to make sure it is shut off before cleaning. He advised to be careful when using extension cords with holiday lights.

#### **AGENDA ITEM #3 – REVIEW NOVEMBER 26, 2024 REGULAR BOARD MEETING MINUTES**

Jeffrey Wilson moved and George Lague seconded that the minutes of the November 26, 2024 regular monthly Board of Directors meeting be approved as presented.

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

#### **AGENDA ITEM #5 – SOUTH HERO BATTERY PROJECT**

Manager of Power Planning Craig Kieny presented on the South Hero Battery Project. He described the history and scope of the project and its current status. In 2021, the Board authorized VEC management to enter into an Energy Storage Services Agreement for a 4.99 MW/12 MWh battery, located at the South Hero Substation, for a term not to exceed 15 years. Under the agreement, VEC would pay a monthly charge for usage of the battery in peak load shaving, and the owner would otherwise be able to use the battery in the Frequency Regulation Market or other purposes. The construction would begin in 2025 with a project guaranteed completion date of January 1, 2027. Contract negotiations for this project are ongoing. Kieny explained the parameters of these negotiations regarding the Energy Storage Services Agreement and Interconnection Agreement. A Certificate of Public Good was received on April 21, 2022 for the project.

Kieny fielded numerous questions from the directors.

#### **AGENDA ITEM #6 – BREAK**

There was a break in the meeting at 1:56 and the meeting resumed at 2:10.

#### **AGENDA ITEM #7 – FINANCIAL UPDATE**

CFO Caroline Mashia presented a financial services update. Mashia reported on November 2024 and year-to-date operating and capital results. She provided a status update on the rate case. She explained that the Department of Public Service (the Department) has recommended that the Public Utility Commission (the Commission) open an investigation, which she said VEC expected it would do. She shared the Department’s recommendation to the Commission which stated it has “identified a need for additional information and documentation to ensure a full understanding of VEC’s proposed rates and facilitate a thorough review of the cost-of-service, particularly in areas other than Transmission and Power Supply Costs.” She described the need for VEC to request an accounting order from the Commission as part of its financial planning to cover past storm costs. The accounting order, if issued, would give approval for VEC to defer all incremental expenses associated with Winter Storms Finn and Gerri in January 2024 and Tropical Storm Debby in August 2024. She also provided an update on VEC’s efforts to obtain FEMA reimbursement for past storm costs.

#### **AGENDA ITEM #8 – ANNUAL COMMUNITY FUND REPORT**

Ed Peterson, VEC Accountant/Work Order Specialist and Community Fund Chair, presented on VEC’s Community Fund Committee. He described the committee’s makeup and the process and guidelines it uses to disperse funds to non-profits. He said that the application to receive a grant is simple and the committee considers applications on a rolling basis, meeting quarterly to review them. He emphasized that the Fund’s work aligns with the coop principle of “neighbor helping neighbor.”

Peterson shared 2024 highlights:

- Use of Front Porch Forum tool to solicit donations and applications
- Annual meeting display table and direct engagement with members
- Annual meeting participation by grant recipient Westford Robotics
- Increased member capital donations
- New evaluation criterion: “Opportunity for positive community-level publicity for the organization and VEC.”

Peterson noted members contribute by rounding up their bills, making one-time donations, and returning member capital. Peterson said the Fund has collected \$173,862 from members since its inception in 2014, and dispersed \$148,653 through 210 donations over its lifetime. He said for 2024, 2,129 members donated, with an average donation of \$7.16, with 486 members donating member capital. He shared names and information about grant recipients.

Peterson shared the Fund's balance sheet as of November 30, 2024 as \$25,209.08.

Peterson said that looking forward, the committee will focus on the continued growth of member participation and grant applications, additional targeted outreach to local organizations, and continuous improvement of the award process.

The directors expressed their appreciation for the work done by those who started the Fund, including some of the Directors present at the meeting, and their appreciation for the committee members.

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

CEO Rebecca Towne presented the CEO report and the Engineering and Operations report. Andrea Cohen (Manager of Government Affairs and Member Relations), John Varney (Manager of Safety, Security, and Facilities), Jeff Bickford (People and Culture Leader), and Cyril Brunner (Innovation and Technology Leader) were present to answer questions from the directors about details in the written managers' reports.

#### **AGENDA ITEM #10 – OTHER BUSINESS**

There was no other business.

#### **AGENDA ITEM #11 – ADJOURN**

Jeffrey Wilson moved and Charlie Van Winkle seconded to adjourn. By unanimous vote, the meeting adjourned at 3:54 p.m.

#### **AGENDA ITEM #12 – OTHER ITEMS**

Respectfully submitted:



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Jody Dunklee, Secretary



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Rich Goggin, President