

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

February 23, 2021

APPROVED MINUTES

As required under the VEC Bylaws, notice of this meeting was sent to each Director either via US Mail on February 17, 2021 or by electronic means for those Directors requesting such delivery.

CALL TO ORDER – AGENDA ITEM #1

President Rich Goggin called the meeting to order at 3:03 pm via video conference. Present were Directors Ken Hoepfner, Carol Maroni (Second Vice President), Mark Woodward (Secretary), George Lague, Charlie Van Winkle, Don Worth, Paul Lambert (First Vice President), John Ward (Treasurer), Tom Bailey, Rich Westman, and Jody Dunklee. Also present from VEC were CEO Rebecca Towne, General Counsel Vickie Brown, Chief Operations Officer Peter Rossi, Chief Financial Officer Mike Bursell, Manager of Government Affairs and Member Relations Andrea Cohen, and Project Planner Laura Kinney.

Penny Thomas and Kristin Fountain, VEC members, joined by request, as observers.

SAFETY MINUTE – AGENDA ITEM #2:

Maroni shared about a time when she broke her arm because she did not want to take the time to get a ladder to do a task. Her lesson is that if your head is telling you that you probably should or should not do something, you should listen. She noted that living with one arm has been a challenge, and she passed on some suggestions to make the home safer.

APPROVE BOARD MEETING MINUTES -- AGENDA ITEM #3

Goggin asked for a motion to approve the minutes of the January Board meeting.

Westman moved:

That the minutes of the regular meeting of the Board of Directors held on January 26, 2021 be approved.

Woodward seconded. Brown noted that one date needed to be changed from 2020 to 2021. With that change, the minutes were approved by unanimous vote.

RENEWABLE ENERGY DISCUSSION - AGENDA ITEM #4

Craig Kieny, VEC's Manager of Power Planning, and Dan Potter, VEC's Power Planning Analyst, joined the meeting.

Kieny noted that this discussion is the culmination of five months of examining VEC's policy regarding the desired levels of renewable and carbon free resources in VEC's power supply portfolio. He noted that the current policy is to meet the Vermont Renewable Energy Standard exactly and then choose sources that are as inexpensive as possible. He then presented several options for moving toward a carbon-free and a renewable power supply. Some directors expressed the desire to move quickly and others expressed concerns about the cost impacts to members. Kieny shared the rate impact of various options, ranging from 0.7% to 5.0%.

Woodward moved that staff should enter contracts that procure energy and/or environmental attributes from non-carbon emitting generating resources sufficient to cover 100% of VEC's annual energy requirement for each year starting in 2023 and to enter contracts that procure energy and/or environmental attributes from renewable resources sufficient to cover 100% of VEC's annual energy requirement for each year starting 2030.

Van Winkle seconded.

A director asked that the board split the resolution into two parts.

Westman moved to amend the motion to answer each question separately. Ward seconded the motion to amend.

There was a discussion of the amendment, and Westman subsequently withdrew the amendment.

Woodward revised his motion to be that staff should enter contracts that procure energy and/or environmental attributes from non-carbon emitting generating resources sufficient to cover 100% of VEC's annual energy requirement for each year starting in 2023. Westman seconded.

There was extensive discussion as to the advantages and disadvantages of the various alternatives.

Maroni called the question. Ward asked for a recorded vote.

Voting in favor of the motion were Maroni, Goggin, VanWinkle, Dunklee, Woodward, Lambert, and Westman.

Voting against the motion were Ward, Bailey, Worth, Lague, and Hoepfner

The motion passed by a majority vote.

Woodward moved and VanWinkle seconded that staff should enter contracts that procure energy and/or environmental attributes from renewable resources sufficient to cover 100% of VEC's annual energy requirement for each year starting in 2030.

The motion passed by majority vote.

Potter and Kieny left the meeting.

2021 ANNUAL MEETING PLANNING – AGENDA ITEM #5

Cohen asked the Board to appoint members of the petition review committee. She noted that VEC implemented an online petition signature process that will make the petition review easier. The committee will meet remotely on the morning of March 22, followed by a brief conference call at noon with the full Board to approve the slate of candidates.

Van Winkle, Worth and Hoepfner volunteered to serve. Cohen and Towne shared some plans for the format of annual meeting, which will again be virtual.

Woodward moved and Lague seconded to hold a brief Board meeting on March 22 at noon to approve the candidates.

The motion passed by unanimous vote.

MARCH BOARD MEETING DATE AND TIME – AGENDA ITEM #6

Goggin noted that the Board has not yet established a date and time for the March meeting.

Woodward moved that the March meeting be held on March 30 from 3:00 to 6:00 pm.

The motion passed by majority vote. There will also be a Governance Committee meeting in March with the date to be determined.

BREAK – AGENDA ITEM #7

There was a break in the meeting at 4:27, and the meeting resumed at 4:37.

MANAGERS' REPORTS – AGENDA ITEM #8

There were a number of questions about interactions with broadband providers concerning the proposed make-ready tariff. Towne reported as to the most recent discussions. Brown noted that the PUC has issued questions about the broadband make-ready tariff and early indications are the tariff will be approved without investigation.

Bursell noted that we will be working with the Board to complete the 990 questionnaires by the end of next month.

There were several additional questions about details included in the managers' reports.

UTILITY SCALE BATTERY PROPOSAL – AGENDA ITEM #9

Craig Kieny and Dan Potter rejoined the meeting

Woodward moved and Ward seconded to go into executive session to discuss a confidential business arrangement for a utility scale battery for VEC.

The motion passed by unanimous vote and the Board entered into executive session at 5:06 pm.

By unanimous vote the Board exited executive session at 5:28 pm.

Lague moved and Bailey seconded that the CEO, CFO, or COO are authorized to finalize negotiations and enter into an Energy Storage Services Agreement for peak shaving purposes with WEG/CarVal for a 12 MWh battery to be located at the South Hero Substation for a term not-to-exceed 15-years.

The motion passed by unanimous vote.

Potter and Kieny left the meeting.

Lague moved and VanWinkle seconded to go into executive session to provide the annual CEO performance review.

The motion passed by unanimous vote and the Board entered executive session at 5:30 pm.

Brown, Bursell, Cohen, Kinney, Rossi, and Varney exited the meeting.

By unanimous vote the Board exited executive session at 6:27 pm.

Hoepfner moved and Westman seconded that the CEO compensation will be increased by 2% with a \$2500 bonus. Goggin expressed the Board's desire to continue to discuss the relative merits of annual percentage increases versus lump sum bonuses as compensation.

ANY OTHER BUSINESS – AGENDA ITEM #10

There was no other business.

ADJOURN -- AGENDA ITEM #11

Ward moved and Lague seconded that the meeting be adjourned.

The motion was approved by unanimous vote.

The meeting adjourned at 6:30 pm.

Respectfully submitted:

Mark Woodward, Secretary

Rich Goggin, President