S

VERMONT ELECTRIC COOPERATIVE, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

APPROVED MINUTES

February 27, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on February 21, 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), Ken Hoeppner, George Lague, Bonnie Pratt, 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), Vickie Brown (General Counsel), and Cyril Brunner (Innovation and Technology Leader) |
| Guests: | Lisa Morris, VEC’s Energy Services Planner; Brittany Greene, VEC’s Controller; Jake Brown, VEC’s Energy Services Planner; and Sam Lotto, a VEC member, observed a portion of the meeting. |

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

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

**AGENDA ITEM #4 –CEO 2023 PERFORMANCE REVIEW – This item was moved up.**

Lague moved and Pratt seconded to go into executive session to discuss the CEO performance appraisal and compensation. By unanimous vote, the Board entered into executive session at 12:04. VEC staff, including Towne, left the meeting. Towne rejoined the meeting at 1:15.

By unanimous vote, the Board exited executive session at 1:50.

Maroni moved and Hoeppner seconded to award Towne a salary increase in 2024 of 4% and an additional five days of vacation, effective January 1, 2024. The motion passed by unanimous vote.

There was a short break and the meeting resumed at 2:00. Staff and guests rejoined the meeting.

**AGENDA ITEM #2 – SAFETY MINUTE**

Maroni shared hazards and safety considerations around driving with headlights, running lights, and parking lights. The best practice is to always drive using headlights, as they also light up the tail lights.

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

Lague moved and Pratt seconded that the minutes of the regular monthly Board of Directors meeting held on January 30, 2024, be approved as presented. The minutes were approved by unanimous vote.

Goggin noted that a VEC member, Sam Lotto, from Cambridge is attending to observe the meeting.

**AGENDA ITEM #5 – BREAK**

This agenda item was omitted.

**AGENDA ITEM #6 – NET METERING**

Morris shared a variety of data about VEC’s net-metering program, including;

* A comparison of a net-metering household’s daily usage and generation patterns in the months of June and January. There is more generation in July and very little in January.
* A comparison of a typical net-metering customer’s kWh generation, their usage, the kWh amount exported to the grid, and the amount purchased from the grid.
* The number of net-metering applications by year since the program start in 2013.
* A comparison of net-metering projects by capacity, noting that the number of small projects has been consistent over the years, but large project installations have varied.
* A comparison of the net-meter program rules before and after 2017, when the PUC adopted a revised net-metering program.
* A summary of the four categories in the net-metering rule, based on the size of the project and whether it is located on a preferred site.
* A summary of current net-metering rates and a comparison of rates over the years of the program.

She also shared an analysis of the financial impacts of the program on VEC, which showed that in 2022, VEC paid net-metering projects $1.7 million above the market value of other solar generation, plus an additional $250,000 in rate adders as defined in the net-metering rule, resulting in a subsidy paid by members who do not participate in net-metering.

In contrast to the net-metering program, Morris shared the details of VEC’s Co-op Community Solar program, which provides bill credits for those enrolled at rates that do not require a subsidy from non-participating members.

There were numerous questions and comments from the directors throughout the presentation.

Morris, Brown, and Greene left the meeting.

**AGENDA ITEM #7 – COMMUNICATIONS COMMITTEE REPORT**

Maroni noted that the minutes from the Communication Committee were included in the meeting packet and asked for a motion to approve them.

Pratt moved and Hoeppner seconded to approve the minutes of the Communications Committee held on January 9, 2024. The Committee recommended changes to the letter to potential candidates for director. Maroni had two minor clarifications to the minutes. With those changes, the minutes were approved by unanimous vote.

**AGENDA ITEM #8 – BOARD ONSITE TRAINING – TOPICS AND TIMING**

Towne shared the results of the Board survey as to topics for a full-day training. The top two choices were (1) Moving VEC’s Power Supply to 100% Renewable and (2) Virtual Power Plants. There were also some NRECA training options for consideration, with the top choice being Evaluating and Compensating the CEO. There was a discussion as to topic preferences but no consensus was reached. Towne will refine the question for the next meeting.

There was also a discussion of the format and timing for the meeting, with directors’ providing feedback for Towne’s consideration.

**AGENDA ITEM #9 – ANNUAL MEETING PLANNING**

Cohen shared the current plans for the May 11 annual meeting at Smuggler’s Notch. The theme will be “Powering up for a Reliable Future” and focus on resiliency/reliability/weather. A planning team is working on details with potential presenters being Peter Rossi on reliability and resiliency efforts and a weather expert on storm patterns.

Goggin asked for volunteers to be appointed to the petition review committee to vet candidates’ petitions and report out to the Board as to qualified candidates. Pratt and Lambert volunteered, and they were appointed by consensus of the Board.

Goggin noted that staff has proposed three bylaw amendments for member approval. Lague moved and Pratt seconded to approve the three ballot items included in the meeting packet. There was a brief discussion to improve the wording of the ballot explanation and the motion passed by unanimous vote.

**AGENDA ITEM #10 –MANAGERS’ REPORTS**

Mashia provided two updates to her report: First, VEC’s auditors completed their audit work in the office and made no audit findings. Second, VEC has received tentative indication from FEMA that both storms Finn and Gerri will be declared eligible for FEMA support.

There was a discussion of the reporting of VEC’s reliability indices in the Engineering and Operations report and whether this information should be shared with members. The Communications Committee will follow up on this topic.

A director asked about the leadership training focused on the Clifton Strengths model and wondered if it would be suitable for Board members. Staff will follow up and make a recommendation at a future time.

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

Lague moved and Pratt seconded to go into executive session to discuss pending lawsuits. By unanimous vote, the Board entered executive session at 4:30.

By unanimous consent, the Board exited executive session at 4:35.

**AGENDA ITEM #11 – OTHER BUSINESS**

There was no other business.

**AGENDA ITEM #12 – ADJOURN**

Pratt moved and Lague seconded to adjourn. By unanimous vote, the meeting adjourned at 4:35 p.m.

Respectfully submitted:

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