

2022 Strategic Planning

ANNUAL PERFORMANCE PLAN



LEAD WITH INNOVATION

	KEY FOCUS AREA	PERFORMANCE METRIC	IMPLEMENTATION INITIATIVES
LEVERAGE THE GRID	Explore cost effective storage for peak shaving and other grid and financial benefits.	Amount of cumulative load managed for peak reduction. [4,200 – 5,400 – 8,400 kW]	<ul style="list-style-type: none"> • South Hero 3MW, 12MWh project work with developer to obtain CPG and create project plan for new utility scale project on-line at our South Hero substation. • North Troy 3MW, 12MWh project: work towards completion of Joint Ownership agreement with GMP, CPG and construction plan for the North Troy utility scale battery project. • Finalize VELCO agreement and implement pilot battery backup program for radio tower(s). Montgomery & Richford – 250kw, 1 MWh

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	<p>Pursue utility and member energy management and behind-the-meter services</p>	<p>Design & implement cost-effective energy transformation/flex load pilot projects [2 – 4 – 6]</p>	<ul style="list-style-type: none"> • Expand residential battery program to include additional Tesla batteries and other battery manufacturers. • Work with VELCO on battery backup for their communication hubs and/or substation device backup as a partner for VEC’s peak management. • Re-deploy salt water battery (~ 12.5 kW) warehoused at VEC’s Johnson office to Old Creamery Road in Williston. • Evaluate and pilot vehicle-to-grid (e.g., F150 Lightning) technologies and smart panels that may allow us to come up with innovative rates by allowing VEC the data at the circuit level. • EVT Commercial Industrial Pilot to explore building management system utility integration. • Level 1 Charger smart plug pilot with WEC and BED. • Identify pilot, program and grant pathway and criteria for advancement to tariff.
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	<p>Develop microgrid strategies</p>	<p>Explore microgrid options. [explore opportunities and risks – determine funding – begin implementation plan]</p>	<ul style="list-style-type: none"> • Add school, hospital, emergency and low-income layers to GIS and combine with existing outage layers to identify opportunities. • Leverage knowledge and connections from industry partners (NRECA, GMP) to develop plans. • Evaluate optimum locations for microgrids on the VEC system. This could involve existing solar locations already deployed or additional behind the meter opportunities at customer owned systems with load. • Increase knowledge and understanding of the local and all-member benefits, implementation challenges, and options for creating a microgrid
<p>EVOLVE THE MEMBER EXPERIENCE</p>	<p>Encourage electric vehicle ownership with incentives and outreach, with a focus on lower income community.</p>	<p>Increase uptake of member EV purchases in 2022 (v2021) [10% - 20% - 30%]</p>	<ul style="list-style-type: none"> • Implement Tier 3 plan incentives • implement EV education and outreach plan (email, social, video) • Support development of public charging stations in service territory with bill credit program and assisting municipalities and businesses in applications for state grants • Using charging maps identify gaps and potential opportunities for fast chargers at VEC substations.

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	Pilot innovate rate designs to support economic development, member choice and convenience and wise energy use	Exceed Tier III Energy Transformation Goals in MWh [25,000 – 30,000 – 35,000]	<ul style="list-style-type: none"> • Evaluate rate design analysis from CFC and leverage it to optimize new innovative pilot rate(s). • See above associated with V2G and smart panels. • Implement 2022 Tier 3 plan. Promote incentives, implement outreach, promote and close CAP projects. Evaluate new or enhanced incentives. • Identify opportunities for grant funding through Federal infrastructure bill and State ARPA/allocation funding.
EXPLORE GROWTH OPPORTUNITIES	Support economic development strategies to attract people and industries to northern VT	Develop and implement financial and technical incentives and/or collaborations that will retain and attract new members. [6 – 12 – 18]	<ul style="list-style-type: none"> • Leverage existing tariff change (transformers) that allows for incentives for economic development opportunities that may not qualify for CAP. • Complete agreements with advance payments for three new CAP projects. • Follow up with Consolidated for additional pole acquisitions using the broadband deployment report for optimizing opportunities for unserved or underserved VEC members. • Manage all make-ready requests to meet 3.700 timeframe requirements.
	Leverage financial strength & reputation of excellence for energy partnerships or synergies.	Actions that directly support or accelerate broadband deployment in VEC territory [2 – 4 – 6]	

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			<p>Partner with CUDs, VCCB, and other communication utilities to meet their timeframes for broadband rollout.</p> <ul style="list-style-type: none"> • Support VELCO broadband project
LEAD ON SUSTAINABILITY	Expand VEC's Community Solar model	Develop new strategies to bolster VEC Co-op Community Solar participation [1 – 2 – 3]	<ul style="list-style-type: none"> • Evaluate program enhancements – perhaps a shorter term or low-income grant opportunity while still maintaining an offering with very little subsidy. • Implement 2022 media buy (print and radio) • Implement program to “upsell” current participants and enrolled energy transformation participants.

LEAD WITH PEOPLE

	KEY FOCUS AREA	PERFORMANCE METRIC	IMPLEMENTATION INITIATIVES
FOCUS ON OUR MEMBERS	Increase our understanding of members wants and needs through data gathering and analysis	Grow expertise in data analytics across the organization through targeted training tracked by participants. [75 – 150 – 300]	<ul style="list-style-type: none"> • Deploy Workday Adaptive Planning budgeting tool for analyzing financial results better. Train our employees on use of system. • Consolidate existing suit of analytics tools (Mosaic, iDashboards) and explore how we can use Workday

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			<p>Adaptive to have better/more timely reports for decisions.</p> <ul style="list-style-type: none"> • Maximize the use of iVUE and GIS (Tier 3 participants, distribution equipment) • Implement Quarterly Tech Tip meetings. • Increase our presence in the NISC Large Utilities Committee (LUC) and Member Information Conference (MIC) • Implement ArcGIS Online platform to share data publicly.
	Regularly educate members on energy issues.	<p>Improve member interaction through SmartHub, outage information and proactive communication.</p> <p>[3 – 6 – 9]</p>	<ul style="list-style-type: none"> • Promote SmartHub as tool for outage notifications • Explore Smarthub for planned outages • Increase home page messages during outages. • Invite more SmartHub users to go paperless. • Identify unutilized SmartHub and Messenger opportunities (Electronic signatures?, more use of Messenger?) • Expand use of Forms for member communications.
	Continue to develop communication options for members, particularly leveraging technology		

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			<ul style="list-style-type: none"> • Develop plan to implement OMS Outage lifecycle
<p>ENGAGE AN EXCELLENT WORKFORCE</p>	<p>Create a working environment that is flexible, rewarding, and stimulating.</p>	<p>Johnson Office renovations on budget. [±10% – ±5% – ±2%]</p>	<ul style="list-style-type: none"> • Finalize Johnson design plans with support from VEC committee, obtain board approval for plan & budget, build project plan and begin implementation. • Should we insert something here on exploring flexible work policies, hotel desks? • Implement hybrid work solutions (hotel desks, conference room booking tablets, new zoom technology) • Expand use of Virtual Desktop machines and work to improve performance.
	<p>Pursue diversity and inclusion at all levels of the organization</p>	<p>Activities designed to attract workforce talent to VEC, particularly from non-traditional sources or incorporating diverse perspectives.</p> <p>[2 – 4 – 6]</p>	<ul style="list-style-type: none"> • Conduct trainings on inclusion and unconscious bias. • Develop team to focus on inclusion and unconscious bias. • Hiring teams include diverse VEC perspectives, encouraged to be more open to applicants outside the traditional or usual field of experience. HR preps interview

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			<p>team to ensure consistent messages.</p> <ul style="list-style-type: none"> • Include inclusion and unconscious bias discussion as part of onboarding new employees. • Redefine what it means to be the “right fit” for a team filling a vacancy; focus on shared values rather than homogeneity; develop checklist with hiring supervisor as to what the shared values for this position. • Identify gaps in inclusion/diversity practices demonstrated by those with supervisory duties or team leadership responsibilities – start at Senior Leadership Team • Check out resources from KnowledgeWave, Invest EAP, Cigna, and NRECA – consider attendance by teams, with discussion afterward.
	<p>Live our Values: The Rules of Engagement</p>	<p>Targeted efforts to increase the internal and external visibility of VEC pride</p> <p>[12 – 24 – 36]</p>	<ul style="list-style-type: none"> • Develop an internal and external ad campaign to promote co-op pride <ul style="list-style-type: none"> ○ Involve VPP communications team ○ Social media element is important

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			<ul style="list-style-type: none"> • Develop photo bank of VEC employees to use in Co-op Life and presentations • Incorporate VEC pride material into job ads and on HR's Linked In • Continue newsletter and VEC TV – have issues focused on VEC pride. • Establish volunteer program for VEC teams to participate in community events • Develop program for school visits to promote safety and promote VEC pride (Norka and Beth) • Provide instruction/training on how to take good photos to share • Reopen Coop Store and offer logo-wear • Increase visits to Key Accounts and other local municipal utilities.
	<p>Encourage a culture of innovation</p>	<p>Enact global improvements to the safety program.</p> <p>[5 – 10 – 15]</p>	<ul style="list-style-type: none"> • Onboard new Safety Technician and incorporate their perspectives & ideas into our safety program. • Continue VPP safety teams, Safety Committee and monthly safety

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		<p>Update VEC’s vision to an inspiring statement that aligns VEC’s direction</p> <p>[Board brainstorm– approve new vision – awareness campaign]</p>	<p>meetings as a source for safety improvements.</p> <ul style="list-style-type: none"> • Host facilitated board offsite to update VEC vision, mission & 5 year strategic plan • Monthly/Quarterly Core Innovation meetings focused AppSuite enhancement, Grid of the Future, and Innovation in Member Service.
ENGAGE OUR PARTNERS	<p>Engage significantly in relationships with other Vermont energy organizations</p>	<p>Partner or more deeply engage with other VT energy organizations</p> <p>[3 – 6 – 9]</p>	<ul style="list-style-type: none"> • Expand partnership opportunities with EVT that provide our members greater benefits • Create opportunities for VEC leaders and employees to connect with their counterparts at other VT utilities and energy organizations. • Pursue ongoing collaborative grant and innovation work partnership opportunities.
	<p>Leverage the electric cooperative contacts and tools at our disposal</p>	<p>Expand participation in cooperative regional and national organizations:</p> <p>[4 – 8 – 12]</p>	<ul style="list-style-type: none"> • Seek or expand participation in the NRECA, NISC (technology platform), NEPPA (New England Public Power), Vermont Business Roundtable, and

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			<p>NEAEC (NorthEast Electric Cooperatives), CFC & CoBank</p> <ul style="list-style-type: none"> • Seek speaking and attendance opportunities at industry cooperative conferences • EPRI Incubatenergy
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LEAD WITH RESPONSIBILITY

	KEY FOCUS AREA	PERFORMANCE METRIC	IMPLEMENTATION INITIATIVES
<p>MAINTAIN A SECURE & RELIABLE GRID</p>	<p>Maintain high level of cybersecurity controls and practices.</p>	<p>Conduct a “penetration test” with vendor to assess cybersecurity practices. [Conduct the test – mitigate 100% of crucial issues – develop and implement action plan to address vulnerabilities]</p>	<ul style="list-style-type: none"> • Look at additional tools for providing security to VEC’s banking such as two-factor authentication for Community Bank • Progress three domains in the C2M2 model <ul style="list-style-type: none"> ○ Identity and Access Management (IAM). ○ Threat & Vulnerability Management (TVM).

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			<ul style="list-style-type: none"> ○ Situational Awareness (SA), if we still have time after the first two ● Implement penetration test & follow up activities with buy-in from across the organization ● Implement network inventory tool and develop plan to systematically update Active Directory (AD)
	<p>Pursue resilience through ongoing system hardening and technology deployment</p>	<p>Reduction in number of worst performing circuits (starting from 2021 top-ten list). [2 – 3 – 4]</p>	<ul style="list-style-type: none"> ● Complete AMI RF project in French Hill area with three GMP primary metering points. ● Work with Aclara to improve and implement FD&L software. ● Complete GIS/OMS transmission model updates. ● Update primary owned by member in GIS. ● Fish and Wildlife License project completion (updates to Map). ● Successful invest in distribution system by completing identified capital improvements including removing older, smaller wire (e.g., 6A and 8D) that do not support our electrification efforts. ● Successful FEMA 404 funding request (in progress but new).

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			<p>Complete FEMA 406 projects scheduled for 2022.</p> <ul style="list-style-type: none">• Establish master license for Vermont Forest Parks and Recreation Department.• Establish routine standards committee meeting to consolidate items used in assemblies and move forward with AppSuite improvements and material charge out.• Finalize pole treatment choice (CCA and which type of tree species).• Formalize and finalize asset management (e.g., substation equipment inventory).• Integrated Resource Plan filing.• Update ABS labor hours so that we can use ABS to generate tariff estimates.• Expand the use of underground fault indicators to more easily locate underground faults.• Create and implement Worst Performing Circuits mitigation strategies for 2021 identified circuits.
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	Continue to improve the vegetation maintenance cycle to increase reliability	Miles of Right of Way line cleared. [300 – 325 – 350]	<ul style="list-style-type: none"> Effectively manage Emerald Ash Borer (EAB) mitigation program. Move to a faster vegetation maintenance cycle (10-year/250 miles per year cycle to 8-year/300 miles per year cycle). Hire new Utility Arborist (add to headcount) to support increase of annual miles and EAB program.
MAINTAIN FINANCIAL STRENGTH	Balance least-cost strategies with environmental impact in power supply	Operating budget performance net income. [-5% – 0 – 5%] Capital budget spending to budget. [±5% – ±2.5% – ±1%]	<ul style="list-style-type: none"> Closely evaluate operating and capital budget performance to ensure meeting targets. Develop plans that will offset unplanned changes in costs within our budget that will offset these variances Enter additional least-cost power supply commitments to keep us on target for VEC to reach 100% carbon free power supply in 2023 Manage Capital Budget. Train new managers on effectively managing respective Operating Budgets.
	Achieve TIER consistent with our financial plan	Achieve budgeted TIER consistent with our approved financial plan. [2.0 – 2.1 – 2.2]	<ul style="list-style-type: none"> Leverage accounting order for the PPP loan forgiveness that optimizes our financial results for 2022 Evaluate operating budget performance after completion of 1Q22 for ability to increase mtce

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			<p>plan budget from \$100k to \$300k in 2022</p> <ul style="list-style-type: none"> • Develop forecast and plan for 2023 rate increase, stretch goal to keep under 2%
<p>INVEST IN THE COMMUNITY</p>	<p>Advocate for rural communities and those who experience high energy burdens.</p>	<p>Implement Rural and High Energy Burden Pilot Projects [1 - 2 - 3]</p> <p>Target low to moderate income members for participation in energy transformation [50 – 100 – 150]</p>	<ul style="list-style-type: none"> • Work with Town of Williston and Emergency Services for Optimizing our communications and facility at Old Creamery Road in Williston and install VEC’s salt water battery. • Work with partners to promote available programs and opportunities (EVT and Neighborworks) • Promote Community solar to low and fixed income members. (explore grant opportunities) • On bill Tariff Pilot Program for weatherization • Participate in low-income rates docket • Explore mobile home park microgrid, elder care facility, work with landlords. • Continue to ensure energy equity in energy transformation programs through eligibility and incentive design.

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			<ul style="list-style-type: none">• Advocate at legislature for funding to assist low and moderate income members with energy transformation.• Explore using infrastructure funding for Electric School bus pilot• See Microgrid and GIS mapping initiatives above• Develop map of tier 3 incentives and overlap with low income pockets of our service territory.
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