



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

APPROVED MINUTES

June 25, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on June 18, 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), Jody Dunklee (Secretary), Charlie Van Winkle (Treasurer), Tom Bailey, Ken Hoepfner, George Lague, Bonnie Pratt, Jeffery Wilson, and Mark Woodward.

Staff Present: Rebecca Towne (CEO), Peter Rossi (Chief Operating Officer), Caroline Mashia (Chief Financial Officer), Andrea Cohen (Manager of Government Affairs and Member Relations), Laura Kinney (Project Planner), Cyril Brunner (Innovation and Technology Leader), and John Varney (Manager of Safety, Security, and Facilities)

Guests: Belinda Gunnel, Interim Technology Coach and Strategist, and Jamie Brewster, System Administrator, joined for a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

President Goggin called the meeting to order at 12:00 noon.

AGENDA ITEM #2 – SAFETY MINUTE

Hoepfner advised the importance of potassium in people’s diets, noting that people need a 3:1 ratio (three parts Potassium to one part sodium). If a person does not have enough potassium and has consumed a salty meal, they can develop hypoglycemia. He recommended checking the labels on beverages, noting that sodium often outweighs the potassium rate.

AGENDA ITEM #3 – MINUTES REVIEW

Goggin noted that a staff member was missing from the staff present listing and should be added.

Lague moved and Van Winkle seconded that the minutes of the regular Board meeting held on May 28, 2024, be approved with the abovementioned correction. The minutes were approved by unanimous vote.

AGENDA ITEM #4 – REVIEW FINANCE COMMITTEE MEETING MINUTES

Wilson moved and Bailey seconded that the minutes of the Finance Committee Meeting held on May 28, 2024, be approved as presented. The minutes were approved by unanimous vote.

AGENDA ITEM #5 – AMI PROJECT PRESENTATION

Belinda Gunnell and Jamie Brewster joined the meeting.

Brunner summarized VEC's current Advanced Metering Infrastructure (AMI) system, recognizing that AMI data is critical to VEC's operations, billing, and engineering modeling process. He noted that the metering system is the backbone of VEC's Outage Management System.

Brunner summarized the current system challenges, the proposed upgrade benefits, and how it correlates to VEC's strategic plan.

Challenges of the current AMI system:

- Delayed data
 - Hourly kWh reads are collected every 8 hours and are not useful for control center operations.
- Low-resolution grid data
 - Meters send hourly kWh data only, which can miss usage spikes and make EV detection and other analytics more difficult.
- No power quality data
 - Missing a view into voltage, real power kilowatt, frequency, and reactive power.
 - High voltage or inverter tripping becoming more common making power quality more important.

Benefits of the proposed AMI upgrade within the strategic plan objectives

- Orchestrate Distributed Renewable Energy
 - Higher resolution grid data is available within 5-15 minutes to allow operators to respond, and engineers to accurately and proactively model.
 - Provide load management, maximizing existing infrastructure with flexibility. Without load management, 30-40 percent of distribution lines and substations could be overloaded by 2040.

- Engage Members
 - Empower members with clearer usage data
- Pursue Operational Reliability
 - Automated outage system that is faster than the member calling
 - Ability to minimize outages to critical facilities or members with medical emergencies during a regional load-shedding event.
- Maintain Financial Strength
 - Increase visibility into usage to structure rates that continually align with actual costs with rates and incentivize load management.
- Lead with People
 - Improve VEC metering staff safety with remote disconnection capability for all members (pending regulatory changes)

Finally, Brunner proposed a 6-year implementation timeline at an estimated cost of \$20.8 million, including replacement of all 43,000 meters in VEC’s territory. The project contract cost for software, meters, and implementation services is \$14.0 million, which was developed through a robust RFP process in 2023. The remaining estimated \$6.8 million costs excluded from the contract are for VEC and contract labor and materials such as transformers. He noted that VEC is also awaiting grant results that could help pay for and accelerate the project. Brunner addressed questions about the quantitative and qualitative benefits to the membership. Brunner will provide the Board with a summary of the project benefits that is appropriate to share with members.

There were many questions from the directors throughout the presentation.

Woodward moved and Lague seconded that the VEC Board authorizes the approval of the AMI upgrade and authorizes the CEO to sign vendor AMI upgrade contracts with, with an amount not to exceed \$14.0 million, which includes a 10% contingency. The motion passed by a vote of 9 to 1.

Jamie Brewster and Belinda Gunnell left the meeting.

AGENDA ITEM #7 – BREAK [THIS ITEM WAS MOVED UP.]

There was a break at 1:55 and the meeting resumed at 2:05.

AGENDA ITEM #6 – LEGISLATIVE UPDATE

Cohen summarized the 2024 law changes relevant to VEC. In general, VEC was effective with their advocacy investment.

- Renewable Energy Standard (H.289)
 - Cohen stated that VEC is well positioned as it is already committed to 100% renewable energy by 2030. The bill contains new requirements that may present

some cost pressures, such as increasing the percentage of in-state renewables to 20%, but it also includes some important adjustments to current policy such as net metering that will benefit VEC members financially.

- Transportation Bill (H.868)
 - The bill funds various electric transportation and efficiency programs. The bill contains a requirement for a PUC report on charging infrastructure regulation due January 2025. VEC expects to actively participate in this discussion. The bill also contains an EV Infrastructure Fee, which is a special registration fee to initiate the financial contribution of electric vehicle drivers to the transportation system.
- Energy Cost Stabilization Study (in S.305)
 - ⊖ The House Energy and Environment Committee attached an Energy Cost Stabilization Study to the PUC Housekeeping Bill that requires the PUC to complete a study by December 2025.
- PUC Housekeeping (in S.305)
 - The PUC Housekeeping Bill also contained provisions to provide regulatory clarity regarding fees and permit requirements for energy storage facilities, adjustments to the Clean Heat Standard implementation dates, extensions of Dig Safe notice requirements, and a thermal energy network development study.
- Regulating Drones Above Privately-Owned Property (H.878)
 - The utilities secured an exemption for use of drones to survey infrastructure systems for reliability and resiliency.
- Utility Property Valuation (H.546)
 - ⊖ VEC and other utilities advocated at the statehouse for fair and consistent property valuation of assets since the town-by-town approach results in inconsistent, costly, and time-consuming appeals and litigation.
- Wetland Permits for Line Relocations (S.213)
 - The House Natural Resources and Energy Committee agreed to add a provision requiring the Department of Environmental Conservation to consider relocating lines and poles to roadside locations an “allowable use” in their next wetlands rulemaking process.
- ACT250 (H.687)
 - The legislature passed to extend the ACT250 exemptions for reliability and resiliency upgrades until December 31, 2030.
- Data Privacy (H.121)
 - This Bill is not law, and the veto is sustained. VEC expects this bill to be taken up early in the next legislative session.

There were several questions from the directors throughout the presentation.

AGENDA ITEM #8 – MANAGERS’ REPORTS

Towne noted that the Northeast Association of Electric Cooperative’s annual conference will be in Saratoga Springs, New York, from October 15-18. She encouraged directors and staff to attend. She discussed the training for Board software and suggested a one-hour training to review the software basics and a one-hour in-depth training on an upcoming Board meeting day. Lastly, Towne noted the upcoming September Board Meeting being held at VEC’s Newport Facility.

There were other questions from the directors as to details in the managers’ reports.

AGENDA ITEM #9 – 2024 CEO GOALS – EXECUTIVE SESSION

Pratt moved and Lambert seconded to go into executive session with Towne for the purposes of the mid-year CEO performance review. The motion passed, and the Board entered executive session at 3:15.

Staff left the meeting.

Lague moved and Van Winkle seconded to exit executive session. By unanimous consent, the Board exited executive session at 4:05.

AGENDA ITEM #10 – OTHER BUSINESS

There was no other business.

AGENDA ITEM #11 – ADJOURN

Lague moved and Pratt seconded to adjourn. By unanimous vote, the meeting adjourned at 4:06.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President