



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

APPROVED MINUTES

August 27, 2024

As required under the VEC Bylaws, notice of this meeting was sent to each director on June 23, 2024, either via US Mail or electronically for those directors requesting such delivery.

Board Members Present: Rich Goggin (President), Paul Lambert (First Vice President), Jody Dunklee (Secretary), Charlie Van Winkle (Treasurer), Carol Maroni (Second Vice President), Tom Bailey, Ken Hoepfner, George Lague, 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), John Varney (Safety and Security Manager), Cyril Brunner (Innovation and Technology Leader), and Jeff Bickford (People and Culture Leader)

Guests: Sue Bernier (Manager of Member Services) and Dan Potter (Power Planning Analyst) joined for a portion of the meeting.

AGENDA ITEM #1 -- CALL TO ORDER

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

AGENDA ITEM #2 – SAFETY MINUTE

Bailey reminded the group of the importance of pedestrian safety, including always walking facing traffic and wearing bright colors. He also noted the importance of cyclists using lights on their bikes and wearing bright-colored clothing.

AGENDA ITEM #3 – MINUTES REVIEW

Van Winkle moved and Lague seconded that the minutes of the regular Board meeting held on July 30, 2024 be approved as presented. The minutes were approved by unanimous vote.

AGENDA ITEM #4 – VIRTUAL POWER PLANT (VPP) AND GRID ORCHESTRATION

Dan Potter joined the meeting.

Brunner presented on VEC's VPP programs and the value they provide. Projects include tracking the size, availability, quantity, and type of third-party and member-owned Distributed Energy Resources (DER) on the grid; DER technology integration; and using VPP to assist in peak forecasting, peak shaving, congestion reduction, and energy curtailment reduction.

He highlighted the team's progress in integrating utility data and expanding the grid Distributed Energy Resource Management System (DERMS) to include EV charger telematics and batteries. As an example, this would enable VEC to detect and control loads on the grid, potentially saving costly infrastructure work such as transformer repairs and upgrades as more distributed energy resources come online.

Key challenges include intermittent network connections to DER devices, ensuring proper equipment installation by third parties, and expanding the number of member devices that are enrolled in the voluntary load management programs. Opportunities lie in expanding the number of managed devices by increasing the value to members; increasing DER sizes; and leveraging federal and state funding to enhance the program.

The focus for 2025 includes upgraded VEC's Advanced Metering Infrastructure (AMI) system and incorporating more DERs, such as Vehicle-to-Grid and heat pumps, into the VPP. The team will continue collaborating with partners to improve grid management and DER integration. During the spring of 2025, the Board will engage in further discussion about the future of VPP and its alignment with broader energy goals.

There were several comments and questions throughout the presentation.

Potter left the meeting.

AGENDA ITEM #5 – BREAK

There was a break at 1:14 pm and the meeting resumed at 1:20 pm.

AGENDA ITEM #12 – NRECA RESOLUTIONS COMMITTEE REPORT

This item was added to the agenda and moved up.

Lambert summarized the regional NRECA Resolutions Committee's role in developing resolutions and reviewing proposals submitted by electric cooperatives across the US for NRECA policy positions. Among this year's proposed new resolutions, the regional Committee is recommending amendments to two of them. In the resolution supporting natural gas-fired generation the Committee suggests adding language about the potential benefits of reduced greenhouse gas emissions for cooperatives that currently utilize dirtier fuels. In the resolution that supports nuclear power, they suggest adding back in the language that indicates nuclear is a carbon-free resource.

The voting delegates will vote on the resolutions at NRECA's Regional Meeting in September. Lambert will represent VEC and Washington Electric Cooperative.

There were questions throughout the presentation.

AGENDA ITEM #6 – STRATEGIC PLAN GOALS PRIORITIZATION PROCESS

Senior Leaders and Board members participated in an exercise to prioritize the 21 goals from the long-term strategic plan. They identified the most and least important strategic priorities for 2025 within the categories of; Maintain Financial Strength; Engage Members; Orchestrate Distributed Renewable Energy; and Lead with People.

The group identified four goals that are no longer relevant, were too vague, or already covered by other goals. For the purposes of planning 2025 annual performance goals, the following goals were removed:

- Increase load through competitive incentives for beneficial electrification, decarbonization, and economic development
- Become our region's trusted leader for managing the transition to beneficial electrification
- Engage to strengthen and connect communities
- Influence optimal locations for renewable installations, lead SHEI opening and closing in a predictable, cost-effective way that best meets VEC and Vermont energy goals

In the following steps, staff will develop the annual metrics for the remaining 19 goals. The Board will review the proposed metrics at the October Board meeting.

AGENDA ITEM #8 – RED FLAG REPORTING

This agenda item moved up.

Sue Bernier, Manager of Member Services, joined the meeting.

Bernier provided an overview of VEC's "Red Flag" program, which safeguards members' confidential financial information from identity theft. VEC has implemented several robust security practices, including requiring identification before sharing information, restricting access to member data to key employees, and enforcing security measures for all VEC equipment. Bernier also conducts annual employee training to ensure these practices are consistently followed. She also conducts quarterly audits to ensure employees' compliance with security practices. Since the program's implementation, no "red flags" have been detected.

There were several questions from directors throughout the presentation.

Bernier left the meeting.

AGENDA ITEM #7 – REVIEW BOARD BUDGET

Mashia reviewed the Board budget trends over the past few years, highlighting the budget components and noting that spending has decreased. She attributed this trend to a decrease in meetings and Board member turnover. Mashia emphasized the valuable year-round training opportunities available through NRECA and encouraged Board members to take advantage of the offerings.

Over the next month, Mashia will collaborate with the Board Chair to develop the 2025 Board Budget and provide it for approval in October.

There were questions throughout the presentation.

AGENDA ITEM #9 – MANAGERS' REPORTS

Towne asked the board members to vote on their date preference for the spring 2025 strategic planning session, which will be held at Jay Peak Resort.

Maroni moved and Lague seconded to go into executive session for the purposes of discussing a confidential legal matter. The motion passed, and the Board entered executive session at 3:23 pm.

Lague moved and Lambert seconded to exit executive session. By unanimous consent, the Board exited executive session at 3:34 pm.

Mashia shared that VEC is experiencing increased transmission expenses, storm costs, and property taxes. The July flooding event was declared a FEMA event, but Tropical Storm Debby was not proclaimed a FEMA event. The finance team continues to work to mitigate these expenses.

Rossi shared that Highgate experienced a lightning strike close to the lines, which caused a transmission outage. VELCO is researching the event.

Directors discussed the best avenue to show appreciation to staff for storm restoration. They also discussed member expectations regarding storm and outage communications, and how VEC might better meet them. Directors will discuss this topic more at an upcoming committee meeting.

There were several questions and comments throughout the managers' reports.

AGENDA ITEM #10 – OTHER BUSINESS

There was no other business.

AGENDA ITEM #11 – ADJOURN

Maroni moved and Van Winkle seconded to adjourn. By unanimous vote, the meeting adjourned at 4:26 pm.

Respectfully submitted:

Jody Dunklee, Secretary

Rich Goggin, President