



Board of Directors
Meeting Minutes
November 1, 2023

Board of Directors:

X	Vera LaPorte, Barton	X	Jonathan Elwell, Lyndon
	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
	Mike Sullivan, Hardwick	X	Stephen Fitzhugh, Northfield
	Vacant, Jacksonville		John Morley, Orleans
X	Erik Bailey, Johnson	X	Bill Sheets, Swanton
X	Thomas Petraska, Ludlow		

X indicates attendance in person, P indicates attendance by phone.

Alternate Directors present:

Abbey Miller, Enosburg (P)	Lynn Paradis, Swanton (P)
Erica Welton, Lyndon ()	Penny Jones, Morrisville ()
Denis Fortin, Barton()	

Others present:

Ken Nolan, VPPSA (X) (12:05)	Sarah Braese, VPPSA (X)	Amy Parah, VPPSA (P)
Grace Sawyer, VPPSA (X)	Heather D’Arcy, VPPSA (X)	Amber O’Neill, VPPSA ()
Drew Clayson, VPPSA (P)	Amanda Simard, VPPSA (P)	Lance Woods, VPPSA (P)
Josh Bancroft, VPPSA (P)	Steve Farman, VPPSA (X)	Apryl McCoy, VPPSA (P)

Numbers in bold type correspond with agenda item numbers:

1. Chairman Fitzhugh called the meeting to order at 9:32 a.m.
2. Chairman Fitzhugh asked if there were requests for changes and or/modifications to the current agenda. There were no changes.
3. Chairman Fitzhugh asked if there were public comments and/or individuals who would like to address the Board. There was no public comment.
4. Director Elwell made a motion to accept the minutes of the Board of Directors meeting held on October 4, 2023. The motion was seconded by Director Sheets. Motion approved.
5. Director Johnstone made a motion to approve the Monthly Financial report for the period ending September 30, 2023. The motion was seconded by Director Elwell.

APPROVED

Ms. Sawyer, VPPSA's Controller provided a summary of operational revenue vs expenses for the period ending September 30th, 2023. It was noted that YTD net income is approximately \$1.9MM, which is greater than budgeted by \$52K. Net Power supply and transmission expenses are \$189K above budget. Interest income is \$94K greater than the budget. Interest expense is below budget by \$18K YTD because VPPSA has not had to draw on the LOC. VPPSA's Operational income is \$4,765, which is greater than budgeted by \$172K Year-to-date. Other items of note: The REC purchase contract of \$1.1MM was delivered at the end of May. For the budget, we did not anticipate delivery of the full contract at once and had evenly spread the expenses to match the revenue. The project will show a decreasing loss for the remainder of the year as the revenue catches up. McNeil generation is under budget 21.17% for the year resulting in revenue being below budget by \$358K. P10 interest income is over budget by \$151K YTD and various other operating expenses are below budget by \$40K YTD resulting in net income of \$385K which is \$95K greater than budgeted YTD. The GIS Salary & Benefits are below budget \$22K year-to-date. As a result of the separation with the GIS employee, Outside Services (mPower) is over budget by \$19K. Computer Software is above budget by \$11K YTD due to the ARCGIS licensing of \$27K. This results in the project being over budget by \$9K YTD.

The motion was approved.

6. Sarah Braese, VPPSA's Assistant General Manager, provided an update on the requested refund of Ludlow's contribution to the GIS program expenses, based on concerns raised by customers in recent Ludlow Electric Department Trustee meetings. Ms. Braese presented the GIS cost details VPPSA staff pulled together which included GIS project payments and annual budget. Staff is evaluating a policy revision to address future withdrawal from projects and is considering implementing a contract related to the GIS program going forward. This will be discussed as a separate agenda item once ready.

Director Petraska made a motion to enter Executive Session, under the provisions of 1 V.S.A. §313(a) to discuss the requested refund of Ludlow's contribution to the GIS program. The motion was seconded by Director Sheets. The motion was approved.

The Board entered Executive Session at 9:45 a.m.

Director Bailey made a motion to return to Regular Session, seconded by Director Sheets. The motion was approved.

The Board returned to Regular Session at 10:24 a.m.

Director Bailey moved to approve Ludlow's request to issue a refund of their GIS Project contributions. Director Sheets seconded the motion. The motion was put to a vote and failed by a vote of 1 in favor and 7 against.

Director Johnstone reminded the board further discussion is warranted to revise the project policy.

7. Heather D'Arcy, VPPSA's Senior Power Analyst, provided an overview of the power supply markets, the primary driving factors related to power costs, actual and future energy prices, and the budget vs actual for each member. Ms. D'Arcy presented the September YTD variances. Loads in September were higher due to higher temperatures. Hydro that's functioning continues to do well. Energy coverage was mostly low due to higher loads and many resources producing less than budget. The largest variances overall; lower LMPs: reduced energy credits and lower energy market costs, overall costs were increased, lower capacity charges, more P10 reserve revenue. Ms. D'Arcy presented a detailed review of the Mystic Station costs and what the variances would be absent the Mystic costs and how the unfavorable rate variance for most members is primarily due to the unbudgeted Mystic

APPROVED

Station Cost. There was a brief discussion on the Mystic contract period and what will be replacing it when the contract has ended. Ms. D'Arcy also gave an overview of the Renewable Energy Credits.

8. Heather D'Arcy, VPPSA's Senior Power Analyst provided a high level overview of the 2024 Power Supply budget highlighting GMP transmission costs, VTA common facilities costs, Stetson Wind, Energy credits/market costs and coverage ratio as well as Inventory Energy Program and Mystic costs.

9. Sarah Braese, VPPSA's Assistant General Manager, provided a brief Regulatory and Power Services update and a highlight of recent and upcoming regulatory items of importance. She also summarized the upcoming dates and deadlines through December.

Ms. Braese also provided a few key highlights on national and regional FERC, NERC, and ISO-NE proceedings.

10. Sarah Braese, VPPSA's Assistant General Manager and Steve Farman, VPPSA's Manager of Planning and Support Services provided an update on the PUC EV Rate Docket. VPPSA filed its petition to approve the proposed EV/EVSE rate structure on October 16th and awaits Commission response.

Staff continues to negotiate with its technology provider and intends to engage with member utility staff to explore the structure and approach for billing implementation.

Brief discussion about future plans around the PowerShift Program partnership and licensing for member-enrolled customers.

11. Sarah Braese, VPPSA's Assistant General Manager, and Ken St. Amour, VPPSA's Manager of Technology and Security Services provided a brief update on the AMI project status. It was noted that the AMI kickoff meeting has now occurred with Aclara and the project has now finally reached the point of transitioning from planning to implementation for the first tranche of participants. There was a short discussion on timing for each of the tranches.

12. Ken St. Amour, VPPSA's Manager of Technology and Security Services provided a brief GIS project status update. mPower is working with Dave DeSimone and the internal IT team to streamline and standardize the data collection process. Dave is beginning to meet with Members to roll out the process and assist with developing/modifying operating procedures. Staff has asked mPower to develop a plan/pricing for moving Lyndonville, Morrisville, and Swanton off from their individual servers onto the VPPSA server, mPower is evaluating those moves. Going into FY24, staff has decided to outsource management of the project to mPower and has been working with both mPower and Dave DeSimone to make the transition. Going forward mPower will be directly handling Member issues and requests for new services. Members will have a direct line to call mPower customer support for all needs, with the costs billed to VPPSA. Staff believes these revisions will provide better support for the members, allow for more organic growth of GIS capabilities, and maintain cost containment. Chairman Fitzhugh expressed that Northfield would like to meet with mPower and Dave DeSimone to go over their options.

13. Sarah Braese, VPPSA's Assistant General Manager and Grace Sawyer, VPPSA's Controller provided a brief presentation and overview of the 2nd draft CY24 budget and highlights of variances and changes from prior years. The overall budget draft currently shows a decrease of ~1.4% from the CY23 budget, although individual member variances range from a 14.8% decrease to a 28.4% increase, dependent upon load and project changes. By removing the AMI & Barton projects from the analysis and providing a net change which takes into account carry-forward credits the Controller has prepared an Apples-to-Apples comparison which more clearly identifies the year-to-year change for each member. This will be sent out to the members following the meeting.

Lunch break @ 12:05 p.m.



APPROVED

Reconvened @ 12:36 p.m.

14. Ken Nolan, VPPSA's General Manager gave the GM update:

IT Cyber review: The cyber review of VPPSA and member systems under the Homeland Security grant from 2022 is continuing. Staff continues to implement upgrades both at VPPSA and at Members where reasonable. Additional changes are being included in the FY24 budget.

Federal Grants: VPPSA was not awarded the GRIP grant it had applied for nor were most Vermont grant applications awarded. Staff is working with Meguire Whitney to assess weaknesses in VPPSA's application to determine if resubmittal, or submittal in another program, is warranted.

Jacksonville Operations: VPPSA staff continues to manage Jacksonville's office operation and Steve Farman, VPPSA's Manager of Planning and Support Services continues to spend time working in Jacksonville to address any issues and assist with research. Amy Parah, VPPSA's Accountant/Administrator, is providing remote accounting assistance to Jacksonville's part-time staff. Applications for a new Business Manager have been arriving steadily and several screening conversations have occurred. No good fit has been found yet, but discussions continue. Grace Sawyer, VPPSA's Controller has begun working with Jacksonville's auditor (KBS) to prepare for the 2022 audit, which will then allow work to begin on a rate case review. Staff is attempting to coordinate with Rod Bemis and his team to finalize the DV Fiber billings. Overall, Jacksonville has stabilized and steps are beginning to improve the operations.

Barton Operations: Barton's new Business Manager, Vera LaPorte, has been appointed as Barton's VPPSA Director. VPPSA continues to look at acquiring the Barton hydro facility (through purchase or lease) as a mechanism for providing the capital for the needed improvements, with Barton entering a PPA to purchase the plant output back from VPPSA (essentially trading the upfront capital investment for a monthly power supply payment) with the transfer documents providing for Barton to reacquire the facility at a later date. Heather and Drew, VPPSA's Power Analysts are assessing the market value and a meeting with Bill Ellis has been held to review legal constraints and determine the most appropriate legal structure. Bill is reviewing Barton's loan/bond covenants and VPPSA is seeking a copy of the hydro facility FERC license. At present it appears that a long term lease of the facility will provide the most appropriate vehicle.

Director Elwell asked the General Manager what the impact would be to the other members and if taking on more projects was going to spread the VPPSA staff too thin. The General manager explained that by not assisting members in need could cause a larger burden on existing members.

Pecos Wind: Swanton has expressed interest in hosting one or more Pecos Wind (85kW) turbines. VPPSA is beginning discussions with Pecos on potential PPA rates and interconnection issues. This effort will form the basis for VPPSA moving forward with the community wind concept initially discussed with Pecos.

Transmission Joint Ownership: APPA and TAPS have been advocating before FERC for some time to allow broader public power ownership in transmission projects. They have argued that allowing public power ownership will decrease the costs to deploy this new transmission. Joint ownership was one of NEPPA's key talking points during its D.C. Congressional fly-in in September. It will also be a major push at the TAPS D.C. Congressional Fly-in in November. On a related note, New England states are in the process of applying for a DOE grant to support buildout of an offshore transmission network to facilitate wind development. The concept being that the states will jointly run an RFP seeking developers to construct a high voltage transmission network off the coast that individual offshore wind projects could connect to. The winning bidder to construct the network will have access to the state sponsored DOE grant and have state support in permitting. MMWEC is proposing that the states should require the winning bidder to allow public power "ownership" of up to our load ratio share of the offshore network, similarly to how the Phase I/II line from Quebec works. In MMWEC's concept CMEEC, MMWEC, and VPPSA would be the public power "owners" because of our statutory ability to raise capital. In theory this would give VPPSA Members access to returns similar to those received from VTTRANSCO. Since the

APPROVED

last Board meeting VPPSA participated in a call with MMWEC, CMEEC, and representatives from NESCOE and all of the state regulatory bodies to discuss the concept. The regulators provided encouragement to continue refining the concept such that the group could propose specific language for consideration in developing the state RFP(s).

Legislative RES Working Group: The General Manager has been very active in the RES group discussions, to the point that some VPPSA Directors are receiving feedback that some committee participants are not happy with VPPSA's statements/positions. Conversely, support from AIV, Vermonters for a Clean Environment, and several other utility representatives has been received. VPPSA's position has been that the RES should be simplified such that it truly focuses on GHG reductions and does not include specifics essentially designed the shift money into the pockets of specific developers. VPPSA wants to continue expanding municipal autonomy to make decisions locally by having the legislature provide broad directives/requirements and leaving the implementation details to each utility. A window appears to be opening for VPPSA to propose a muni version of the RES it could live with, and some legislators have expressed a willingness to consider a separate muni RES that would sit alongside the broader RES statute providing more local flexibility. Staff will be working over the next several weeks to see if such a proposal can be framed.

15. Board Member Updates:

Ludlow shared updates about the economic impacts of July 2023 flooding, including closure of a pharmacy and supermarket.

Johnson also shared updates about the economic impacts of July 2023 flooding.

Swanton shared highlights around community votes for future municipal investment projects.

Director LaPorte, Barton's new Business Manager shared overall experiences getting onboarded with the Village and Utility Department.

Lyndon shared staffing and tariff filing updates, including recruitment of a new 1st class lineman.

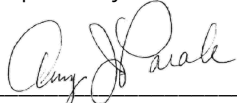
Morrisville shared ongoing updates related to their FERC Hydro re-licensing and ongoing efforts to seek resolution.

16. Other Business: None

Director Petraska made a motion to adjourn the meeting. The motion was seconded by Director Bailey. Motion approved.

The meeting was adjourned at 1:37 p.m.

Respectfully submitted,



Amy Parah, Assistant Secretary