

**WASHINGTON ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS**

September 24, 2025

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:01p.m. by President Stephen Knowlton. The following Board members were in attendance:

Susan Alexander
Betsy Allen
Pat Barnes

Don Douglas
Stephen Knowlton
Bill Powell

Mary Just Skinner

Also, present were; General Manager (GM) Louis Porter, Legal Counsel Ron Shems, Director of Finance & Administration (F&A) Teia Greenslit, Director of Engineering & Operations (E&O) Dave Kresock, Director of Special Projects & Innovations JJ Vandette, Director of Power Supply & Regulatory Affairs Brian Callnan, Member Services Supervisor Susan Golden, Administrative Assistant Dawn Johnson, Energy Innovator Fellow Intern Kevin Crawford, guest National Rural Utilities Cooperative Finance Corporation (NRUCFC) Regional Vice President Colleen Taylor and members Steve Farnham, Ian Buchanan and Roger Fox. Staff member Golden, guest Taylor and members Buchanan and Fox attended via video teleconference. Director Skinner arrived at 4:12p.m. Guest Taylor left at 5:00p.m. and staff member Vandette left at 6:03 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the August regular Board meeting held August 27, 2025.

President Knowlton declared the minutes of the regular August 2025 meeting of the Board of Directors, held August 27, 2025, approved.

2024 NRUCFC KRTA RESULTS OVERVIEW

NRUCFC Regional Vice President Colleen Taylor presented the 2024 Key Ratio Trend Analysis (KRTA) results for WEC to the board. Ms. Taylor explained the KRTA process, which benchmarks 145 financial and operational ratios for electric co-ops using consolidated Form 7 data, focusing on trends over time and comparisons to peer groups, the region, and national medians. She noted that some ratios are influenced by factors unique to WEC such as WEC's investment in Transco stock and the high fraction of its total revenue from residential customers. Board members, staff and Colleen discussed how the KRTA results can be used as a management tool to monitor trends, inform decisions about equity, capital credits, and investments, and provide timely indications of emerging changes. The board agreed to review these ratios more regularly and to consider more customized presentations in the future to address specific strategic questions.

POLICY 23 – COMPENSATION FOR DIRECTORS

The board reviewed the history of per diem increases, noting that adjustments have been made on an ad hoc basis to keep pace with inflation. After discussing the timing and rationale for increases, the board decided not to raise the per diem at this time, citing high rates and recent adjustments.

Director Douglas made a motion, seconded by Director Allen, to keep the per diem rates the same as approved in January 2024. Unanimously approved.

ANNUAL MEETING VENUE

Board members evaluated several venue options, weighing the importance of retaining the popular Snap Vermont caterer, parking availability, and member preferences. The warehouse and tent options were favored for their flexibility and ability to accommodate the preferred caterer. Administrative Assistant Johnson will continue to search for venues within the WEC territory and keep the board updated.

CONSIDERATION AND APPROVAL TO PURCHASE F150 LIGHTNING

General Manager Porter presented a proposal to purchase a Ford F-150 Lightning electric vehicle for staff use. Porter explained the rationale for selecting the F-150 Lightning at this time. The time frame of this decision is driven by the need to take advantage of federal and NRECA incentives. The choice of this EV reflected its suitability for rural terrain, and also the need to reduce reliance on WEC employees' personal vehicles for business travel. The vehicle will be used primarily for meetings and staff commuting, with the potential for field use as needed.

The total cost, after incentives, was estimated at \$60,000–\$65,000 and will be purchased under the 2025 capital budget with funds available due to the deferral of other capital projects. The board was informed that the purchase would not immediately reduce the number of gasoline-powered trucks in use but would provide operational flexibility and address insurance concerns related to staff vehicle use.

Director Barnes made a motion, seconded by Director Douglas, to approve the purchase of a F-150 Lightning in the 2025 Capital Budget for up to \$65,000. Unanimously approved.

VELCO INVESTMENT

Director of Finance Greenslit informed the board about a small additional equity investment of the amount of \$220 in VELCO, made on short notice due to another utility's decision not to participate. The decision was made quickly to meet closing deadlines. Greenslit confirmed that the FAPP committee was consulted.

TENTATIVE BOARD/COMMITTEE MEETING CALENDAR

The Board was given a draft 2026 Board and Committee Meeting calendar for review. They were asked to review for discussion at a future board meeting.

SUBSTATION-SCALE BATTERY STORAGE PROJECT EXPLORATION

Director of Power Supply and Regulatory Affairs Callnan provided an update on the exploration of a substation-scale battery storage project, detailing vendor proposals, use cases, funding models, and the anticipated timeline for board decisions.

Callnan described the ongoing planning for contracting for the use of a 5 MW battery for load reduction with primary use cases including capacity and transmission peak avoidance, energy arbitrage and ancillary services. Substation locations such as East Montpelier and Moretown were identified as likely candidates.

Two main contract models were presented: a shared savings agreement where the vendor owns the battery and is paid from achieved savings, and a fixed monthly payment model from the vendor-owned battery to include performance guarantees. Both models avoid direct debt issuance by WEC.

Callnan explained that while one vendor is pushing for a commitment by year-end to secure investment tax credits, the board is not being asked for an immediate decision. A letter of intent may be considered in October, with a full contract decision likely requiring several meetings and implementation not expected before 2027.

The board discussed operational impacts, including the need for vendor-managed dispatch, the potential for "solar-soaking", and the importance of community engagement regarding siting and safety. The project is expected to add some administrative and accounting workload.

BED REGULATORY INFORMATION

General Manager shared regulatory documents regarding Burlington Electric Department's recent compliance issues, prompting a board discussion about regulatory complexity, oversight, and implications for Washington Electric.

There being no further essential business to discuss, the meeting adjourned at 6:12 p.m.

Betsy Allen, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on 9/24/25, at which a quorum of the Board was present and voting.



Betsy Allen, Secretary

