

MINUTES OF REGULAR BOARD MEETING OF HOLY CROSS ENERGY

APRIL 20, 2023

A regular meeting of the Board of Directors of Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy (hereinafter called “Holy Cross”), a Colorado cooperative association, was held at the main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO, on April 20, 2023, at 9:26 a.m. [technical issues deferred the start of the meeting]. The meeting was held on WebEx with Board members and staff appearing electronically. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross.

Agenda Item 1: Roll Call. Chair David C. Munk called the meeting to order and reported that all seven Directors were present, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Keith E. Klesner, David S. Campbell, and Alexander DeGolia. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Cody O’Neil, Vice President—Operations; Sam Whelan, Vice President—Finance; Jenna Weatherred, Vice President—Member and Community Relations; and Trina Zagar-Brown, Vice President—Business Services. Also attending was General Legal Counsel Randolph W. Starr, Ladd Epp, Jonathan Perez, and Betsey Seymour. Craig A. Brown, Linn Brooks, Kristina Johnson, Kimberly Schlaepfer, Rich Clubine, Dan Loya, Jessica Fishman, Terry Murray, Chuck Campagna were also on the web meeting.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on March 15, 2023, and then continued to today’s meeting. [09:26]

Agenda Item 3: Public Comment. Chair Munk asked for comments of members of the public present. No comments were received, and no members of the public were on the call. [09:58] A motion was made and seconded to amend the Agenda to defer the hearing on the PURPA items until the August 23, 2023, Board meeting, and to schedule a comment session on the rate change at the May 24, 2023, Board Meeting. Discussion among the Board members occurred. A motion was made to change the PURPA hearing to the June 21, 2023, Board meeting. The amendment to the motion was approved by acclamation. The motion, as amended, was put to a vote and unanimously carried, it was

RESOLVED, that the hearing on the PURPA items was rescheduled for the June 21, 2023, Board meeting; and to schedule a comment session on the proposed rate change at the May 24, 2023, Board Meeting. [10:07]

Agenda Item 4: Employee Recognition.
April Service Recognition:

Michael Corson, Tree Clearing Foreman in Glenwood Springs, is celebrating 15 years of service.

Kristina Johnson, Communications Supervisor in Glenwood Springs is celebrating 5 years of service.

Recent New Hires, Promotions and Departures:

Humberto Estrada Quinones joined us on March 6, as an Apprentice Lineworker in the Eagle/Vail District.

Kaila Busk joined us on March 13, as an Energy Programs Coordinator in Glenwood Springs.

Kate Vaught-Smith joined us on March 13, as a Network Administrator in Glenwood Springs.

Glen Underhill joined us on March 27, as an Equipment Operator in Glenwood Springs.

Tiffany Cote has been promoted to Senior Billing Administrator. She previously held the position of Lead Member Services Representative. Her promotion took effect on March 1, 2023.

Ezra Velez has been promoted to Electrician/Meter Person in Holy Cross's Eagle/Vail District. He previously held the position of Engineer Tech I. His promotion took effect on April 1, 2023. [10:14]

Agenda Item 5: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of March 15, 2023, Regular Meeting
- b. Treasurer's Report
- c. Safety Committee Minutes
- d. Diversity, Equity, and Inclusion Committee Minutes
- e. Power Supply Report
- f. System Reliability Report
- g. Community Energy Systems Report
- h. Member Participation Report
- i. Legislative and Regulatory Report
- j. Attorney's Report
- k. Board Committee Reports
 - i. Communications
 - ii. Finance
 - iii. Governance
 - iv. Strategic Issues
- k. Directors' Reports
 - i. Western United Electric Supply Corporation
 - ii. Colorado Rural Electric Association
 - iii. National Rural Electric Cooperative Association
 - iv. National Rural Utilities Cooperative Finance Corporation
 - v. Federated Rural Electric Insurance Exchange

Questions posed by Board members were answered by staff members. Upon motion duly made, seconded, put to a vote and unanimously carried, it was

RESOLVED, that the items on the Consent Calendar be approved as presented. [10:47]
A break was taken in the meeting. [10:47 to 11:01]

Agenda Item 6: Staff Reports. The Staff Reports were delivered to the Board members prior to the meeting. Questions from Board members were answered by staff members. [11:21]

Agenda Item 7: Old Business.

- a. Wildfire Risk Mitigation Plan Review.

Vice Presidents Bleakley and O’Neil provided a detailed update to the Board of Directors on current and planned activities intended to reduce the risk of wildfire ignition from Holy Cross’ distribution system, and to provide improvements to the resilience of Holy Cross’s distribution system to impacts from wildfires. Jeff Wissing entered the meeting. Over the past several years, Holy Cross has undertaken several specific activities to mitigate the risk of wildfires to the Holy Cross system and to the areas we serve, including:

- Vegetation management
- Regular visual and infrared system inspection
- Pole testing
- Substation testing
- Monthly/Annual substation inspections
- Smart meters
- Investigation of all temporary faults on main feeders
- Automatic Vehicle Location (AVL) to improve response time
- Fire protection system settings that reduce the likelihood of fuse expulsions
- Implementation of multiple SCADA control switching points
- Transmission expansions for resilience, such as the Avon-Gilman project
- Fire retardant wrapping of transmission structures
- Non-expulsion fuse replacements
- Installation of smart reclosers and sectionalizing
- Additional hardware maintenance
- Drone inspections of overhead line
- ROW inspection through satellite imagery
- Installed 3 Wildfire detection cameras at Holy Cross’s communications high sites.

For 2023, the Wildfire Risk Mitigation Work Plan includes 5 specific tasks related to wildfire mitigation activities. Currently, we have focused Holy Cross’s wildfire mitigation efforts in two categories: vegetation management and engineering activities. The vegetation management is aimed to prevent vegetation contacts and fall ins that could potentially ignite a fire. The engineering activities focus on preventative system maintenance and engineering-based equipment and operational decisions that reduce potential ignition sources. Outside of the work plan we will continue to build upon Holy Cross’s inspection and maintenance activities that have been used in past years. Mr. Wissing made additional comments. No action is required of the Board currently. Questions from Board members were answered by staff members. [12:01] A break was taken. [12:01 to 12:49]

Agenda Item 8: New Business.

a. Clean Energy Plan Review.

Vice President Whelan provided the Board with an update on Holy Cross’s progress toward Holy Cross’s Clean Energy Plan goals. At its April 21, 2021, regular board meeting, the Holy Cross Board authorized the filing of a Clean Energy Plan (CEP) with the Air Quality Control Commission (AQCC) in compliance with the provisions of HB19-1261 and SB19-236 as amended. As provided for in that legislation, an electric utility that files a CEP that demonstrates a greater than 80% level of CO2 reduction by 2030, compared to 2005 levels, obtains a “safe harbor” from future CO2 regulations that may be implemented by the CDPHE/AQCC. Holy Cross’s CEP includes Holy Cross’s existing and planned power supply projects and programs, and Holy Cross’s current and projected future power supply relationships with both Xcel Energy/Public Service Company of Colorado (PSCo) and Guzman Energy. The resulting CEP will achieve a 99% percent reduction in 2030 greenhouse gas

emissions associated with Holy Cross's retail sales from 2005 levels and is consistent with Holy Cross's public "Journey to 100%" commitment to supply 100% carbon-free electricity to Holy Cross members and their communities by 2030. AQCC staff completed their verification and approval of Holy Cross's CEP in 2022 and filed a Petition on May 12, 2022, for a Commissioner Information Meeting (CIM) at the Colorado Public Utilities Commission (PUC). Despite intervenor comments about the Guzman/Comanche 3 transaction, the PUC held a CIM on June 3, 2022, at which point Holy Cross's CEP filing was deemed approved, and the safe harbor provided to Holy Cross per State law. Phil Armstrong made additional comments. No action is required of the Board currently. [13:45]

b. Electric Rate Comparison.

Vice President Whelan provided a brief comparison of Holy Cross's electric rates compared to the respondents to the CAMU rate survey. Every six months (January and July) CAMU requests each electric utility in the state of Colorado to provide their electric bill for a fictitious customer with specific consumption for four types of electric consumer. Holy Cross has provided the implied bill for three of those customers as Holy Cross does not have an applicable rate for CAMU's Industrial customer class. Although this isn't a perfect comparison of rates amongst utilities, the survey provides a useful way to compare bills of an "average" Colorado customers. Staff provided the related graphs for those responses. Holy Cross's budgeted rates and tariffs are shown by the green bar and with rankings against those that have responded to the survey regardless of the corporation's status (IOU, Cooperative or Municipal). Staff has also internally provided an additional bar in purple based on Holy Cross's planned 2023 rate redesign. Holy Cross continues to have lower rates than most of the utilities in Colorado, in line with Holy Cross's strategic priorities. Holy Cross's rates include the addition of a franchise fee as well as the WeCARE rate rider, which many other utilities do not have. Questions from Board members were answered by staff members. [13:58]

c. Rate Change Communications.

Vice President Weatherred provided an update to the Board on communications made by Holy Cross and received from members regarding Holy Cross's proposed electric rate changes. Rate structure change communications began shortly after the January 2023 Board of Director's meeting with outreach focused on key accounts, local partners, and solar installers. Holy Cross hosted an event specifically for solar installer education and discussion on February 21. All staff were trained on the proposed rate changes during the first week of March, and Holy Cross announced the rate change in Holy Cross's e-newsletter. At that time, Holy Cross also mailed and e-mailed a letter to all existing members with rooftop solar systems informing them of the changes to the value of net metering (NM). Holy Cross then began receiving phone calls and emails requesting additional information. Most members' communications were from NM members asking for advice on which option to choose. Holy Cross also received a few calls from other types of members about how best to prepare for the upcoming rate changes. During the last week of March and the first week of April, President and CEO Hannegan and Senior Staff met members of COSSA to discuss the proposed changes and consider alternatives that might work for both Holy Cross's general membership and solar installers. Holy Cross has not received any firm suggested changes from COSSA. In Holy Cross's April newsletter Holy Cross announced Holy Cross's new rate calculators for both regular and NM members. Rich Clubine of Active Energies also mailed a letter to 800 Holy Cross members sharing his opposition to the changes and asking the recipients to offer feedback on Holy Cross's website. Throughout this period, Holy Cross continued to make changes and improvements to the website and adjust messaging so

that members can better understand the changes as well as the importance and significance of these changes.

During the second week of April, Holy Cross also submitted an opinion piece to local papers in an effort to better inform members on these issues. Thus far, the piece has been picked up only by The Aspen Times, where it ran alongside an opinion piece from COSSA. Since the time the rate changes were posted, the Community Relations team has been tracking all comments to the Board and written questions from members. 122 comments and questions can be broken down into the following categories:

- Questions/Information Requests 49
- High Cost/Rate Increase Complaints 6
- Peak Demand Concerns 3
- Net Metering Complaints 30
- Form Letter / Active Energies 17
- Other Issues/Topics 17

Questions from Board members were answered by staff members. The Community Relations team will continue to track responses and move forward as planned with additional outreach. No action is currently requested from the Board. Holy Cross accepts comments on the proposed rate changes through the end of April, and a full review of any comments will be provided at the May 24 Board meeting. [14:07]

Director DeGolia requested that he be given additional time to meet the requirement for completion of the CCD. A motion was made and seconded to approve the exemption until December 31, 2023, for Director DeGolia to complete the required course for completion of the CCD certification. Discussion among the Board members ensued. The motion was put to a vote and unanimously carried, it was

RESOLVED, that for good cause Director DeGolia be allowed to complete the required course for completion of the CCD certification on or before December 31, 2023 [Bylaws: Article IV, Section 2, (A)(5)]. [14:13]

Agenda Item 10: Items for Future Agendas. Discussion about the items on the list ensued. [14:23]

Agenda Item 9: Executive Session. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Board enter executive session to consider documents or testimony given in confidence generally relating to succession planning and public input on rate design. All staff members and members of the public left the Board room except President and CEO Hanegan.

No action was taken by the Board to make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money.

Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Board exit executive session. [15:56]

Future agenda item should include an item about ranked choice voting. Funding for other projects was raised.

Agenda Item 11: Adjourn Board Meeting. Chair Munk continued the meeting at 16:01 p.m. until **May 24, 2023, at 9:00 a.m.** The next meeting will be held in person at Holy Cross’ main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO.

Secretary – Alexander DeGolia

APPROVED:

Chair – David C. Munk

2023 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
May 24, 2023 —in person—Glenwood—NOTE change date and change in location of Board meeting. The Annual Meeting of Members will be held on June 15, 2023, at The Arts Campus at Willits [TACAW], 400 Robinson Street, Basalt, CO 81621
June 21, 2023—in person—Glenwood
July 19, 2023—WebEx
August 23, 2023 (strategic planning)—in person
September 20, 2023—WebEx
October 18, 2023—WebEx
November 15, 2023—WebEx
December 20, 2023—in person—Glenwood