

# MINUTES OF REGULAR BOARD MEETING OF HOLY CROSS ENERGY

**MAY 15, 2024**

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 May 15, 2024, at 9:00 a.m. 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 six of the seven Directors were present, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton [absent], Keith E. Klesner, Linn Brooks, 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, Jonathan Perez, Christian Rosas, Eric Arnette, David Manning, and Betsey Seymour. Amy Hausman, Kristina Johnson, and Amanda Shelley 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 April 17, 2024, and then continued to today’s meeting. [09:00]

Agenda Item 3: Public Comment. Chair Munk asked for comments from members of the public present. Comments were made by Amanda Shelley of West Range Forest Products. [09:09]

Agenda Item 4: Employee Recognition.  
April Service Recognition:

Amy Hausman, Human Resources Administrator, is celebrating 5 years of service.

Ben Bauer, Senior Equipment Operator, is celebrating 5 years of service.

Recent New Hires, Promotions and Departures:

Jack Warkentin has been promoted to Manager, Facilities and Warehouse effective April 1, 2024. He previously held the position of Manager, Warehouse and Purchasing.

Patrick Poulter has been promoted to Journey Lineworker effective May 1, 2024. He previously held an Apprentice Lineworker IV position.

Barry Croissant, Manager of Facilities, retired from Holy Cross after 30 years of dedicated service effective May 1, 2024.

Jennifer Broderick, Telecommunications Administrator, retired from Holy Cross after 7 years of dedicated service effective May 17, 2024.

Charlotte Crawford joined Holy Cross on May 13, 2024, as Project Administrator – Business Services in Glenwood Springs. [09:17]

Agenda Item 3 (continued): Public Comment. Chair Munk asked for comments from members of the public present. Comments were made by Matt Hasvold, and Michael Hood could not be connected. [09:19]

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 April 17, 2024, 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. [10:02]

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. [10:09]

Agenda Item 7: Old Business.  
None.

Agenda Item 8: New Business.

a. Proof of Service of Notice. Each year, the Proof of Service of Notice is signed by the Secretary of the Board of Directors. This document certifies that proper notice was given to the Membership on several important items including the following:

- The date and location of the Annual Meeting of Members
- The right to nominate Board Candidates by petition
- That nominating petitions were received and that they were available for examination

2024 Update:

This year's document confirms that the 2024 Election Packet was emailed on May 8, 2024, and mailed (delivered to the Post Office) on May 16, 2024, to all active Members of Holy Cross. This

packet contains an invitation to attend this year's Annual Meeting along with the date and time of the meeting. It also contains a 250-word campaign statement and photograph of each candidate. Finally, the packet gives detailed instructions on how to mark the ballot, how to mail and sign the return envelope, and when the ballots are due.

Media and communications schedule: May 1 – June 6

#### Print

Sol de Valle

- o 7 insertions
- o Half page in Spanish
- o Circulation: Downvalley 25%, Midvalley – 25% and Upvalley 50%

CMNM

- o Meet the candidates: AT, GPI, VD – DT spread
- o Annual meeting/election – 11 insertions
  - Thursdays, starting -7 insertions in PI, VD, AT
  - Thursday – Rifle Citizen Telegram (2)
  - Thursday - Snowmass Sun (2)
  - Thursday – Eagle Valley Enterprise (2)

Sopris Sun

- o Annual meeting/election – 7 insertions - English/Spanish

#### Broadcast

AMT Radio

- o 5 stations including Spanish
- o Covering Aspen/GWS/Avon – La Nueva, The Lift, KSPN, KSKE, KNFO

KNS Broadcasting – Run with Watts Up with Holy Cross Energy campaign.

- o 3 stations
- o Covering GWS – East Vail – Leadville, The Zephyr, The Outlaw, The Mile

KDNK Community Radio (Carbondale)

- o Submitted to their online community calendar.

KSUN Community Radio (Colorado River Valley)

- o Station serving Parachute, Battlement Mesa, De Beque, Silt, Rifle, New Castle
- o Sponsoring Town Hall News - morning drive, lunch, and evening drive

KAJX, Aspen Public Radio (Roaring Fork Valley)

- o Sponsorship of program

#### Service Organization newsletters

Glenwood May Newsletter (English/Spanish)

Chamber eNews: standalone flyer, (English/Spanish)

Basalt Chamber – Weekly newsletter in May (Thursdays)

Vail Valley Partnership – June newsletter English, May newsletter Spanish

Eagle Chamber – May newsletter

#### Paid social media

Video paid social, FB: (Annual Meeting only, election not allowed)

#### Holy Cross-owned assets

Election ballot postal mailing – mailed May 8

Election ballot email - emailed May 8

Special Edition Member Newsletter – May 15

Election email reminders to vote – May 24, May 31 and June 1

Email, online and mailed ballot closes - June 4

In-person voting closes at Annual Meeting on June 6

The Notice of Right to Nominate by petition was published in eight area newspapers the week of January 8, 2024. These papers included the Glenwood Springs Post Independent, Snowmass Sun, The Aspen Times, Vail Daily, Eagle Valley Enterprise, Grand Junction Daily Sentinel, and Rifle Citizen Telegram.

Two nominating petitions from the Northern District were received.

After the presentation and after discussion among the Board members, upon motion duly made, seconded, put to a vote and unanimously carried, it was:

**RESOLVED**, that Secretary DeGolia be directed to sign this year's Proof of Service of Notice certification. [10:12] A break was taken. [10:12 to 10:31]

b. Cyber and Physical Security Plan Review. Vice President Zagar-Brown with input from Eric Arnette provided an update to the Board of Directors on current and planned activities that support Holy Cross's organizational cyber and physical security. Holy Cross affirms the importance of a strong cyber and physical security program with the goal to diligently identify, detect, defend against, train, and respond to cyber and physical security incidents, and if necessary, efficiently restore systems in the event of a cyber incident. In 2023 Holy Cross hosted Department of Homeland Security personnel to complete a cyber assessment (August 2023) as well as a facilities assessment (November 2023) with corresponding reports and recommendations. These reports and recommendations assisted in framing the 2024 Cyber and Physical Security Board Work Plan, and the restructured Business Services team, specifically the cyber and physical security department. The 2024 Cyber and Physical Work Plan strategically supports Holy Cross's critical investments in facilities and system networks including an emphasis on advanced technologies. Holy Cross's physical security is complicated by its large service territory which includes four campuses (Glenwood, Avon, Cooley Mesa, and Aspen), with five substations and extensive distribution facilities. Important progress has been completed in support of the Board Workplan tasks and deliverables that strengthens Holy Cross's overall cyber and physical security posture, training, and response. The 2024 Cyber and Physical Work Plan focuses on the following Tasks:

- Implement managed cybersecurity services with Fishtech Group, LLC ("Cyderes"—cyber-defense-and-response, Kansas City, MO).
- Utilize DOE and NARUC Cybersecurity Baselines for Electric Distribution Systems and Distributed Energy Resources.
- Establish Holy Cross Cyber and Physical Security Committee.
- Conduct Cyber and Physical Security Training Program.

[11:12]

c. GHG Emissions Annual Report. Vice President Whelan with additional input from Phil Armstrong, Theresa Comerer, Kyle Lord, and Melissa Jodis, provided the results of Holy Cross's 2023 greenhouse gas (GHG) emissions annual inventory. At its February 2020 Board Meeting, the Board reviewed the results from the emissions inventory conducted by Lotus Sustainability of Holy Cross's GHG emissions for the years 2005, 2014, and 2018. For 2005 and 2014, only power supply-related emissions reports were reviewed; however, for 2018 an entire inventory across all Holy Cross's activities was created for the first time. Holy Cross chose to undertake this audit and inventory to better document progress in future years towards Holy Cross's then Seventy/Thirty plan's greenhouse gas emissions reduction goals. At the last three May Board Meetings, staff presented the completed inventory for the prior years. Since then, Holy Cross has issued a new strategic plan to attain net zero emissions across Holy Cross by 2035. This annual report will continue to provide updates on our progress toward that goal. It will also provide a tool with which to evaluate where emissions opportunities exist. Below is an updated table with 2023 emissions related specifically to Power Supply.

Power Supply (MT CO <sub>2</sub> E)	2005	2014	2018	2019	2020	2021	2022	2023
Comanche 3	329,363	430,023	372,334	14,675	339,259	257,933	420,592	329,363
T&D Losses, Company use	44,213	28,031	11,714	9,031	16,279	7,441	10,104	9,063
Contracted Power Supply	900,207	592,979	317,987	216,131	429,559	228,652	265,997	131,779
<b>Total</b>	<b>944,420</b>	<b>950,373</b>	<b>759,724</b>	<b>597,496</b>	<b>460,513</b>	<b>575,351</b>	<b>534,034</b>	<b>561,433</b>

This reflects a 3% increase from 2022 power supply GHG emissions. Despite the renewable content of 50% maintaining steady last year, there were increased sales, a consistent year of operations for Comanche 3, and an increase in the overall emission factor for wholesale power purchases. The newly added Bronco Plains wind and Hunter solar generation facilities are expected to result in a significant reduction in 2024 emissions.

For 2023, non-power supply GHG emissions were down slightly from 2022, as follows:

Non-Power (MT CO <sub>2</sub> E)	2018	2019	2020	2021	2022	2023
Fleet	874	902	768	868	883	865
Personal Use	891	798	603	733	606	626
Natural Gas	421	454	420	363	402	369
Commute	237	238	90	99	258	259
Waste	34	34	28	28	28	28
Travel	31	41	14	8	18	23
<b>Total</b>	<b>2,488</b>	<b>2,467</b>	<b>1,923</b>	<b>2,100</b>	<b>2,195</b>	<b>2,171</b>

As expected, 2023 emissions have stabilized now that there is more consistency with commuting and travel post-pandemic. The focus in 2024 will be around implementing EnergyCAP, a software focused on collection and analysis of operational (primarily building use) data. This will help staff prioritize the evaluation of the most impactful and economical operational emission reduction options. [11:44]

d. Round-Up Foundation Review. Director Gardner made initial comments about the status of the Round-Up Foundation. Lindsey Williams reviewed the work of the Round-Up Foundation with the Board of Directors and to seek input on its role with respect to energy assistance. The Holy Cross Energy Round-Up Foundation was created to provide financial assistance to individuals experiencing hardship and the organizations that serve them. Until 2021, the Round-Up Foundation primarily aided fellow non-profits, including Catholic Charities, the Salvation Army, our local food pantries, and our local school resource centers. The Round-Up Foundation occasionally aided individuals, but this was not where a large portion of its funding went. Given the establishment of the Energy Assistance Work Plan and the Holy Cross Energy Board's expressed desire to explore how we may better serve our low- to- moderate income members, and with additional staff outreach, the Round-Up Foundation has experienced an increase in the number of individual requests over the past year. This has also resulted in increased staff time to administer the program. At its August 2023 strategic planning retreat, the Holy Cross Board of Directors directed staff to approach the Round-Up Foundation regarding funding for Holy Cross bill payment assistance. Staff worked with the Board of Directors of the Round-Up Foundation to update the Foundation Bylaws to provide further clarification and limits on how much the Round-Up Foundation can support Holy Cross Energy bill payment assistance. The supplemental materials included for review include the updates to Round-Up Foundation Bylaws, Round-Up Foundation Philosophical Guidelines, and a flow chart currently used by HCE Member Services Representatives to determine when an individual would

qualify for bill payment assistance through Round-Up. Staff also completed a timesheet exercise in Q1 to determine the amount of staff time currently devoted to the Round-Up Foundation. [12:31] A break was taken. [12:31-13:19] Michael Hood and Brandon Cohen joined the meeting.

e. Master Meter Operators. President and CEO Hannegan sought Board input on whether / how Holy Cross's Tariffs, Rules, and Regulations should be amended to allow for Master Meter Operators within Holy Cross's service territory. Vice President Bleakley made additional comments. As defined by §40-1-103.5, Colorado Revised Statutes, a "Master Meter Operator" or "MMO" means a person who purchases gas or electric service from a regulated public utility for the purpose of delivering that service to end-users whose aggregate usage is measured by a master meter or other composite measurement device. An MMO is subject to regulation of rates by the Public Utilities Commission unless the MMO simply passes through to the end user its proportionate share of actual costs billed by the serving utility, less any refunds, rebates, rate reductions, net metering credits, or similar adjustments attributable to retail distributed generation located on property owned or leased by the MMO. *See* 4 CCR 723-3 Rules 3800-3805 which are included in the materials for your reference.

The definition of an MMO only applies to a "regulated public utility". Pursuant to §40-9.5-103, Colorado Revised Statutes, Holy Cross has previously voted to exempt itself from PUC regulation, thus Holy Cross does not need to recognize MMOs on its electric system. Nonetheless, Holy Cross's Tariffs, Rules, and Regulations address MMOs at Rule 4100 as follows:

"4100 MASTER METERS

Consumers who desire to purchase electric service from HCE for the purpose of delivery of that service to end-users whose aggregate usage is to be measured by a master meter or other composite measurement device will be called Master Meter Operators and are subject to the following:

1. MASTER METER OPERATORS

All Master Meter Operators are required to notify HCE by duly authorized letter of their desire to be designated a Master Meter Operator, identify electric service location(s) to be master metered, complete all required billing and service documentation and reimburse HCE any expenses incurred making any necessary meter and/or metering changes.

1. All Master Meter Operators are subject to the jurisdiction of the Colorado Public Utilities Commission, 4 Code of Colorado Regulations (CCR) 723-3, Part 3 Rules Regulating Electric Utilities."

On March 6, 2024, HCE received a request from the owner of the Haymeadow Condominium development to become an MMO and install sub-meters for each unit. The request was referred to Holy Cross's General Counsel the next day for consideration and advice on how to proceed. Counsel confirmed its view that the PUC Rules regarding MMOs do not apply to electric cooperatives that have previously voted to exempt themselves from regulation by the PUC. Further discussion with Counsel identified several issues that would need to be addressed if an MMO were allowed on Holy Cross's system regarding membership, billing and collections, patronage capital, obligation to serve, eligibility for Holy Cross's programs and incentives, and rate complaint procedures. Counsel identified one of two options for Holy Cross to consider, both involving changes to the existing Tariffs, Rules, and Regulations:

- (1) Prohibit the resale of electric energy by member to another end user; or
- (2) Put more detailed rules in place governing MMOs if Holy Cross wished to permit them, such as prohibitions on the resale of electric energy, consumer protections and notification requirements, system upgrade or expansion cost obligations, totalized tariffs, and denial of member benefits to end users served by an MMO.

On March 13, 2024, Holy Cross received another request to become an MMO from the owner of the River Dance RV Park in Dotsero. This request was referred to Holy Cross's staff by a Holy Cross Director with a strong encouragement to support the project which is aimed at expanding the availability of affordable housing in Eagle County through long-term RV stays and "tiny homes." Staff will provide updates on communications with both interested parties seeking recognition as MMOs. General Counsel will also be available to advise on what modifications should be made to the Tariffs, Rules, and Regulations to implement the Board's wishes with regards to MMOs.

After the presentation and after discussion among the Board members, upon motion duly made, seconded, put to a vote and unanimously carried, it was:

**RESOLVED**, that the Tariffs, Rules, and Regulations be amended to state:

**4100 MASTER METERS AND RESALE OF ELECTRIC ENERGY**

Consumers who purchase electric service from HCE for the purpose of delivery of that service to end-users whose aggregate usage is to be measured by a sub-meter or other composite measurement device and paid for to the consumer by the end-user(s) are prohibited [e.g. Master Meter Operators]. The Consumer shall not extend the Consumer's electrical facilities outside the Consumer's premises for service to other Consumers or premises and shall not resell any of the energy received by the Consumer from the Association to any other Person or Persons on the Consumer's premises or for use on any other premises.

[Alternative fuel vehicle charging stations described in Section 40-1-1.3.3 CRS are excluded.]

Staff is directed to prepare and publish the change as provided in the Tariffs, Rules, and Regulations to become effective as soon as practicable, to prohibit MMOs and resale of electric energy. [14:35]

f. 2024 NRECA Member Resolutions. Board members began consideration of the 2024 NRECA Member Resolutions and began development of proposals for amendments for consideration at the upcoming Regional Meetings.

NRECA's Member Resolutions are created and refined during an annual cycle that gives members an opportunity to participate at every step. Any member cooperative can pass a resolution or amend an existing resolution and submit it to NRECA for consideration during the Spring of each calendar year. An NRECA Resolutions Committee reviews proposed resolutions and compiles them for consideration at Regional Meetings in the Fall of each year. Resolutions that are approved by one or more NRECA Regions are forwarded to the Annual Meeting for consideration by the entire membership.

The Holy Cross Board most recently considered the NRECA Member Resolutions at its July 2023 meeting and took positions on several proposed Member Resolutions to be communicated to the NRECA, as follows:

Support for a Reasonable Transition of the Electric Utility Industry (6.14)

- Vote to AMEND through a change or elimination of this sentence: "We also support the preservation and use of all current and future power supply resources for their entire useful life to protect the electric grid and power supply resource adequacy."
- Suggested amendment to this sentence: "We also support allowing systems to make individual decisions based on the affordability and reliability of their local situation as they judge necessary to protect the electric grid and power supply resource adequacy."
- If not amended, then HCE vote to OPPOSE.

Support of Renewable and Environmentally Favorable Energy (6.16)

- Reaffirm OPPOSE
- Note that this resolution says: "We oppose any mandates that undermine a cooperative's ability to decide which resources make sense for the cooperative and its member-owners."

Support of the Keystone XL Pipeline (6.12)

- Reaffirm OPPOSE
- Support for Nuclear Power (6.17)
  - Reaffirm ABSTAIN
- Clean Water Act Regulatory Implementation (9.5)
  - Reaffirm ABSTAIN
- Support for Superfund Reform (9.8)
  - Reaffirm ABSTAIN
- Support for Public Utility Regulatory Policies Act Reform (6.19)
  - Reaffirm AMEND to replace “repeal” with “reform” in the body of the resolution
- Environmental Externalities (9.3)
  - Reaffirm OPPOSE
- Support for Efforts to Address Poverty in Cooperative Communities (3.2)
  - Reaffirm SUPPORT
- Support of Demand Response Programs (3.11)
  - Reaffirm SUPPORT

In addition, staff is aware of a general Board interest in adding the words “demand response” to any Resolution which addresses power supply issues.

At the March 2024 NRECA Annual Membership Meeting offered motions to amend or remove the above-listed Resolutions in line with the Board’s wishes, however each motion was rejected by the Meeting by a significant majority.

The next meeting of the NRECA National Resolutions Committee is on June 21, and voting member cooperatives have been requested to send by June 14 any submissions they wish for changes to the 2024 Compendium. Consistent with HCE’s expressed positions on certain Resolutions (as described above), a proposed “redline” of the Compendium was given to the Board prior to the meeting.

NRECA posts member-proposed amendments as they are received prior to the meeting of the National Resolutions Committee. At the present time, two proposals have been received from the Arizona statewide association:

- f. Support for the Rural Heritage and Values of Rural Electric Cooperatives — Proposed New Resolution
- g. Insert “Rural” before “Electric Cooperative” throughout Existing Resolutions — Proposed Amendments

The text of these proposals was given to the Board prior to the meeting.

In addition, the National Resolutions Committee plans to review the following existing natural gas-related Resolutions during its meeting on June 21, to determine if amendments are needed:

- h. 6.11 Support for the Development of a Plan to Meet the Fuel and Infrastructure Requirements of the Existing and the New Natural Gas Fleet and Complying with Environmental Regulations
- i. 6.13 Support Pipeline Rate Complaint Reform
- j. 7.4 Federal Siting, Permitting, Eminent Domain and Private Property Rights
- k. 8.4 Natural Gas Reliability and Gas/Power Market Alignment

No action was taken by the Board. Directors were encouraged to review the “redline” version of the NRECA Resolutions and, not later than June 7, and to communicate any further desired changes to the President and CEO for proposal to the National Resolutions Committee. [14:48]

g. NEM Working Group Report. President and CEO Hannegan with input from Vice President Whelan reported on the last meeting of the Group. They responded to questions from Board members. No action was taken. [15:13]

Agenda Item 9: Executive Session. None. [15:13]

Agenda Item 10: Items for Future Agendas. Discussion about the items on the list ensued. Discussion ensued about the Round-Up Foundation issues. [15:45]

Agenda Item 11: Adjourn Board Meeting. Chair Munk continued the meeting at 15:45 p.m. until **June 26, 2024, at 9:00 a.m.** The next meeting will be held at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO.



Secretary – Alexander DeGolia

APPROVED:



Chair – David C. Munk

2024 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
The Annual Meeting of Members will be held on June 6, 2024, at 4 Eagle Ranch, 4098 Hwy 131, Wolcott, CO 81655
June 26, 2024—in person— <u>Note New Date!</u>
July 17, 2024—WebEx
August 14, 2024 (strategic planning)—in person
September 18, 2024—WebEx
October 23, 2024—WebEx
November 20, 2024—WebEx
December 18, 2024—in person at Glenwood