

**MINUTES OF REGULAR BOARD MEETING
OF
HOLY CROSS ENERGY**

AUGUST 20, 2025

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 Colorado Mountain College Morgridge Commons at 815 Cooper Avenue, 2nd Floor, Glenwood Springs, CO, on August 20, 2025, at 9:02 a.m. The meeting was held in person and virtually on WebEx with Board members and staff appearing in person. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross.

Agenda Item 1: Roll Call. Chair Adam Quinton called the meeting to order and reported that all seven Directors were present, Robert H. Gardner, David C. Munk, Adam Quinton, Keith E. Klesner, Alexander DeGolia, Linn Brooks and Kim Schlaepfer. 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 Karl Kumli, Christina Conly, Libby Cowling, Sanem Sergici, and Betsey Seymour

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on August 8, 2025, and then continued to today’s meeting. [08:35]

Agenda Item 3: Public Comment. Chair Quinton asked for comments from members of the public present. No members of the public were present in person or on the web.

Agenda Item 4: Employee Recognition.
August Service Recognition:

Jim Neil, Material Handler, is celebrating 45 years of service.

Daniel Nunn, Crew Foreman, is celebrating 25 years of service.

Libby Cowling, Engineer III, is celebrating 35 years of service.

Recent New Hires, Promotions and Departures:

Hudson Richards joined us on July 28, 2025, as an Apprentice Lineworker I in Gypsum.

Owen Evans’ summer Utility Worker I position has ended. His last day was July 31, 2025.

Asmaa Romia, Energy Innovator Fellowship recipient with the Department of Energy, will be working closely with Power Supply and Energy Programs for the next two year.

Corey Anderson joined us on August 11, 2025, as a Systems Administrator in Glenwood Springs.

Stefan Johnson, Electric Transportation Specialist, departed Holy Cross on August 14, 2025.

Libby Cowling left the meeting.

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 July 16, 2025, Regular Meeting
- b. Minutes of August 5, 2025, Special Board Meeting
- c. Treasurer's Report
- d. Safety Committee Minutes
- e. Cyber and Physical Security Committee Minutes
- f. Diversity, Equity, and Inclusion Committee Minutes
- g. Power Supply and Programs Report
- h. System Reliability Report
- i. Community Energy Systems Report
- j. Member Participation Report
- k. Legislative and Regulatory Report
- l. Attorney's Report
- m. Board Committee Reports
- n. Directors' Reports

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.

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.

Agenda Item 7: Old Business.
None.

Agenda Item 8: New Business.

a. Cost of Service Study. Sanem Sergici, with The Brattle Group, presented the cost-of-service enhancements and a review of alternative rate designs. Directors posted questions and Sanem and staff answered questions. No further action was taken.

Sanem Sergici left the meeting, and a break was taken for lunch.

b. Rate Design Options. Vice President Sam Whelan provided information to inform the Board of staff's proposed rate design direction and to engage in a dialogue that informs the next steps in implementing revised rates.

The Board previously approved and subsequently rescinded a rate design structure that was aimed at increasing equity, financial sustainability, adoption of DERs and electrifications, and aligning our rates to the cost to serve each member. The rescinded rate design included an increased fixed charge, a lower energy charge, a delivery charge (kWh pulled from the grid), and an on-peak demand charge from 4-9pm.

In response to the prior rate proposal, three major concerns were voiced about the above rate design:

1. Negatively impacts the economics of net metering
2. Impacts working class who cannot change behavior out of 4-9pm window
3. COSSA threatened lawsuit based on the delivery charge recovery method

Following the rescission of the rate plan, staff engaged with The Brattle Group for a peer review of the COS model and for suggestions/data on rate design options. After working with Brattle and performing our own internal analysis of rate design alternatives, staff recommend a three-part base rate consisting of a fixed monthly charge, a 24/7 non-coincident peak (NCP) demand charge for delivery, and an energy charge that incorporates peak costs. This structure will be complemented by stackable programs (PTP, DFT, rebates) for targeted peak management. TOU rates will be revised as opt-in dynamic rate alternatives.

The recommended small residential base rate structure is shown here, with minimal changes required to the large residential and large commercial class rates:

- Fixed Charge
 - Billing and collection costs, member service, community programs, A&G
- Demand Charge
 - 24/7 standard 15-minute demand
 - Includes non-TIE transmission costs, distribution system O&M, depreciation, interest, property tax, and margins.
- Energy Charge
 - Cost of Purchased Power (less PSCo demand charges) plus Comanche 3 Fuel costs
 - Includes PSCo demand costs, non-fuel C3 costs for capacity, and TIE transmission costs as those are allocated based on coincident peak load

TOU opt-in rates are recommended as two options:

1. TOU No Demand
2. TOU with Demand

The recommended approach prioritizes simplicity, equity, and defensibility while maintaining costs recovery and supporting DER/BE adoption. By moving to a three-part demand-based structure, HCE can avoid legal risks, reduce cross-subsides, and leverage program-based solutions for peak reduction instead of relying on complex time-of-use or multi-component rates.

Board members asked questions and provided thoughts on the information. Staff provided additional information and answers as needed. No further action was taken.

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 discuss Board Governance All staff members left the meeting with Bryan Hannegan and Karl Kumli remained in the meeting.

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

RESOLVED that the Board exit executive session.

Agenda Item 10: Items for Future Agendas.

Agenda Item 11: Continuation of Board Meeting. There being no further business before the Board Chair Quinton continued the meeting until **Wednesday, September 17, 2025, at 9:00 a.m.** The next meeting will be held by WebEx.



Secretary – David C. Munk

APPROVED:



Chair – Adam Quinton

2025 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
September 17, 2025—WebEx
October 15, 2025—in person at Cooley Mesa
November 19, 2025—WebEx
December 17, 2025—in person at Glenwood Springs

EARLY TENTATIVE 2026 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
January 21, 2026—WebEx
February 18, 2026—in person at Cooley Mesa
March 18, 2026—WebEx
April 15, 2026—WebEx
May 20, 2026—WebEx
The Annual Meeting of Members will be held on June [?], 2025, at _____
June 17, 2026—in person at Glenwood
July 15, 2026—WebEx
August 19, 2026 (strategic planning)—in person TBD
September 16, 2026—WebEx
October 21, 2026—in person at Cooley Mesa
November 18, 2026—WebEx
December 16, 2026—in person at Glenwood