

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors October 28, 2025

Pursuant to proper notice duly provided to all Directors, the regular meeting of the Directors of the New Hampshire Electric Cooperative, Inc. (NHEC) was held October 28, 2025, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were William Darcy (Chair), Leo Dwyer, Harry Viens, Alana Albee, Thomas Mongeon, Pat Barbour, Robert MacLeod, Jerry Stringham, Peter Laufenberg, Jeffrey Morrill, and John Goodrich.

Others present were Michael Jennings, President/CEO; Susan Lowry, Attorney; Kristen Taylor, Chief Financial Officer; Josh Mazzei, Chief Operating Officer; Brittany L'Heureux, Security Operations Manager; Jeremy Clark, Financial Planning Analysis Rates Mgr; Madeline McElaney, NRECA Director for New Hampshire; Maida Lessard, Executive Services Administrator (recording).

Chair Darcy called the meeting to order at 9:00 a.m.

Chair Darcy noted an item was removed from the agenda as it has been referred to the Budget, Finance, and Rates Committee.

He asked for a motion to approve the consent agenda items.

Upon motion of Mr. Morrill, seconded by Mr. Mongeon, it was

VOTED That the Board of Directors approved the consent agenda items as presented in the board packet.

Vote for the motion was unanimous.

Chairman's Report

Chair Darcy provided historical context that he discovered while going through paperwork at the town of Benton on the Co-op's bankruptcy in 1992 caused by its Seabrook nuclear plant investment and noted how far the Co-op has come since then in improving its finances.

Board Committees

Executive Committee

Chair Darcy asked for a motion to approve holding the NHEC Annual Meeting on June 16th, 2026 at 5:30 p.m. at Owl's Nest Resort in Thornton, NH.

Upon motion of Mr. Stringham, seconded by Ms. Barbour, it was

VOTED That the Board of Directors sets the date, time, and location for the 2026 New Hampshire Electric Cooperative Annual Meeting of the Members as June 16, 2026 to be held at the Owl's Nest Resort in Thornton, NH.

Vote for the motion was unanimous.

He asked for a motion to approve the Nominating Committee Questionnaire, noting that the requirement that a potential committee member must contact a board director had been eliminated to be consistent with a revision in the relevant board policy.

Upon motion of Mr. Dwyer, seconded by Mr. Goodrich, it was

VOTED That the Board of Directors approve the Nominating Committee Questionnaire as presented in the meeting packet.

Vote for the motion was 9 in favor, 2 abstentions (Chair Darcy and Mr. MacLeod as they are running for reelection).

Mr. Laufenberg asked if the Nominating Committee composition is laid out in the bylaws of the organization.

Chair Darcy replied there is some information in the bylaws but there is greater detail in a board policy.

He asked for a motion to approve the reaffirmation of Board Policy B-2, Attachment A Executive Committee and minor changes to Board Policy B-15 Record Retention and Destruction Policy.

Upon motion of Mr. MacLeod, seconded by Mr. Laufenberg, it was

VOTED That the Board of Directors reaffirms Board Policy B-2, Attachment A (Executive Committee) and approves of the changes proposed to Board Policy B-15 Record Retention and Destruction as presented at the Executive Committee meeting held October 22, 2025.

Vote for the motion was unanimous.

Budget, Finance, and Rates Committee

Mr. Stringham reported that the committee met last Friday and it was the second meeting reviewing the complete budget. The broadband budget was added to the executive session

separately. The full budget will be presented at the November Budget, Finance, and Rates Committee and board meeting for final approval.

He asked for a motion to approve the uncollectible write-offs resolution.

Upon motion of Mr. Mongeon, seconded by Mr. Viens, it was

VOTED That the Board of Directors authorizes a write-off for uncollectible electric accounts, excluding bankruptcies, in the amount of \$123,154.33 for accounts final billed from April 2024 to March 2025 and miscellaneous accounts receivable in the amount of \$25,117.13. The Board directs staff to continue to attempt recovery of these uncollectible accounts, as presented to the Budget, Finance, and Rates Committee on October 24, 2025.

Vote for the motion was unanimous.

Mr. Stringham then discussed the fee structure adjustments across nine categories (site visits, late fees, reconnect services, etc.), collecting approximately \$400K annually, late fees \$376K, reconnect fees \$196K, and established service fee of \$164K. The idea is to collect those fees so the ongoing members are not held responsible for things that are really benefiting individual members. The more significant discussion with the adjustments was for items where the interconnection fees for members bringing in solar and he asked to have them excluded from the resolution.

Mr. Jennings commented the challenge for generation we have is with individual net metered accounts as we don't have any enforcement on how they install it to ensure it benefits other members. He suggested trying to balance this with what the board's goals are for embracing clean or green energy.

Ms. Barbour asked if there was any indication that the fee structure has deterred any members from going to solar.

Mr. Jennings responded he doesn't believe that it has as the more expensive fees are attributed to the large installations that are costly compared to those fees.

Mr. Dwyer commented that five years ago the Co-op led the state in the adoption of solar in terms of our percentage of installed base each year versus our size but in the last four years we've fallen behind significantly and asked what drove that.

Mr. Clark noted that the majority of our interconnections fall into the lowest tier of our interconnection application fee structure, resulting in an incremental increase of \$20 based on our administrative costs. The other two tiers are for large non-residential installations in

alignment with the PUC approved tiers. NHEC continues to see strong growth in residential installations. The other utilities have had growth in large non-residential installations. He suggested maybe what Mr. Dwyer sees is in other territories where they have very large multi-megawatt installations that we don't have.

Chair Darcy asked if he had information on the relative cost of the largest tier for Eversource compared to our rates.

Mr. Clark responded our proposed fee would be the same as Eversource.

Chair Darcy would like to approve the resolution as is and have a reconsideration meeting in the second quarter that is provided in the next resolution. Consideration of the solar and interconnection items as well as incentives can be discussed in a separate meeting as he is reluctant to make any changes to it now without researching the consequences first.

Mr. Laufenberg highlighted the difference in impact that interconnection or related fees have on commercial versus residential solar projects and how it could discourage solar adoption due to cost for residential members.

Mr. Dwyer asked if he could get a copy of Eversource's rate structure to compare.

Mr. Morrill suggested for future consideration of those early adopters of solar that are below the line is a barrier to adding more solar that the Co-op may want to consider eliminating, but people might then engage more.

Chair Darcy asked for a motion to approve the Schedule of Fees and Terms and Conditions resolution.

Upon motion of Mr. Mongeon, seconded by Mr. Laufenberg, it was

VOTED That the Board of Directors authorizes staff to update the Schedule of Fees and Terms & Conditions as recommended in the January 2026 Schedule of Fees Proposal presented to the Budget, Finance, and Rates Committee on October 24, 2025.

Vote for the motion was unanimous.

Ms. Albee confirmed that the reconsideration of the solar rates will take place in the second quarter of 2026.

Mr. Stringham drew attention to the approval of the Member Service Charge resolution.

Chair Darcy commented he continues to support the fact that high fixed monthly fees harm the low income, low usage members and is deterrent to conservation and load management. He also emphasized there is a 42% difference in the effective kWh rate between our 500 and the 1000 kWh users, which equates to 8.16 cents for the high usage member versus 11.26 cents for the 500k kWh user. There is only a 22% difference in those usage categories with Eversource. He would like to bring the fixed charge down as we are higher than everybody else in the state. The rate impact on the final bills will be minimal even though the fixed charge will be reduced 16%.

Mr. Dwyer shared his thoughts on distribution rates in a slide presentation to the board. The presentation included his belief that lowering the fixed charge increased the risk of revenue volatility, that rate changes should be gradual, that rate changes should be strategic, that rates should move toward the cost of service, and that lower fixed rates will diminish lender confidence.

Mr. Mongeon asked if he had a proposed revision to the resolution.

Mr. Dwyer responded that more research should be done to analyze the information available before making a decision.

Ms. Albee commented that we do need to take more time on the resolution.

Mr. Morrill commented that he doesn't think it hurts to do more analysis but feels the change would have minimal impact to most members. He noted if we wanted to make a difference, we should be having a bigger strategic conversation.

Mr. Goodrich and Mr. Viens stated the Board must be sensitive to the member and political implications of having a much higher fixed rate than other state utilities.

The Chair asked for a motion regarding the Member Service Charge resolution.

Upon motion of Mr. MacLeod, seconded by Mr. Goodrich, it was

VOTED Whereas, the New Hampshire Electric Cooperative (NHEC) provides electric service in 118 New Hampshire towns, and in most of those towns, Eversource also provides electric service, and

Whereas, the New Hampshire Public Utilities Commission (NHPUC) this year in the Eversource rate case significantly increased the residential monthly fixed rate

for electric customers by 43 percent, rising from \$13.81 to \$19.81 per month, and

Whereas the Eversource NHPUC decision, and specifically the increase in the monthly fixed charge for residential customers, was strongly opposed by the American Association of Retired People (AARP), the Office of Consumer Advocate (OCA), Governor Ayotte, and the leadership of a major political party, and

Whereas, an Op-Ed in the statewide Union Leader newspaper by the Chair of the Science, Technology and Energy Committee revealed that the fixed monthly charge of NHEC (the Member Service Charge) was 54% higher than the new Eversource fixed monthly rate allowed by the NHPUC decision, and

Whereas, in sworn testimony and briefs submitted to the NHPUC, public statements, news articles, and social media posts, the AARP, OCA, and Clean Energy NH, stated that the fixed month rate NHPUC adopted (\$20 vs. NHEC's \$35) had the following harmful effects:

- harms the members least able to pay their electric bills;
- discourages conservation and the efficient use of power, through insulation, self-generation, battery storage, and other peak shaving and load management methods; and,
- shifts costs to low usage members.

Whereas, the AARP witness submitted evidence that low-income families are the most harmed by high fixed charges because of their lower electricity usage, stating that,

...there is a clear and consistent correlation between income and energy usage across each Northeast census region, which includes New Hampshire, as shown in Figure 4 below. The correlation between energy use and household income in the Northeast is consistent with other regions across the country.

Figure 4: Annual Household Electricity in Northeast Region by Household Income³⁰



U.S. Energy Information Administration, 2020 Residential Energy Consumption Survey: Table CE1.2 Households Site End-Use Consumption and Expenditures in the U.S. – Totals and Averages by Climate Region. March 2024.

Whereas, the OCA expert witness also stated high fixed monthly rates harm low-income customers:

- Q. Do fixed charge increases disproportionately impact certain customers?
- A. Yes; bill impacts do not apply to all customer groups the same way. Increasing the fixed charge results in a larger bill impact for lower-usage customers than for higher-usage customers on a percentage basis, because the fixed portion of the bill comprises a relatively larger portion for lower-usage customers....Therefore, the Company's proposal would also disproportionately harm low-income customers, who tend to consume less electricity than high-income customers.

The OCA witness supported the claim of low-income customers using less electricity by reference to Eversource's data on the customers enrolled in New Hampshire's Electric Assistance Program (EAP), but caution must be used with that data because EAP subsidies may encourage greater electricity use.

Whereas, the "Typical Bill Comparison - September 2025 Rates" included in the September Board of Directors agenda package shows that, as a result of the NHEC fixed rate charge, that lower usage members are charged a 42.4% higher distribution rate than higher usage customers:

500 kWh per month = 11.62 cents/kWh 1,000 kWh per month = 8.16 cents/kWh

Whereas, as a result of NHEC's significantly higher fixed monthly rate than Eversource (even with the recent NHPUC authorized increase), the September 2025 bill comparison shows that low usage (poorer) NHEC members pay 4.12% higher bills than Eversource customers, but NHEC higher usage (more affluent) members pay 11.11% lower bills than Eversource customers:

| | | |
|---------|----------------------|----------------------------|
| 500 kWh | NHEC 11.62 cents/kWh | Eversource 11.16 cents/kWh |
|---------|----------------------|----------------------------|

| | | |
|-----------|---------------------|---------------------------|
| 1,000 kWh | NHEC 8.16 cents/kWh | Eversource 9.18 cents/kWh |
|-----------|---------------------|---------------------------|

The impact of lowering the NHEC high fixed charge will be a fairer rate structure for low-usage and low-income members.

WHEREAS over-reliance on cost of service (COS) studies as a guide to setting rates ignores the equitable and policy considerations noted above, and

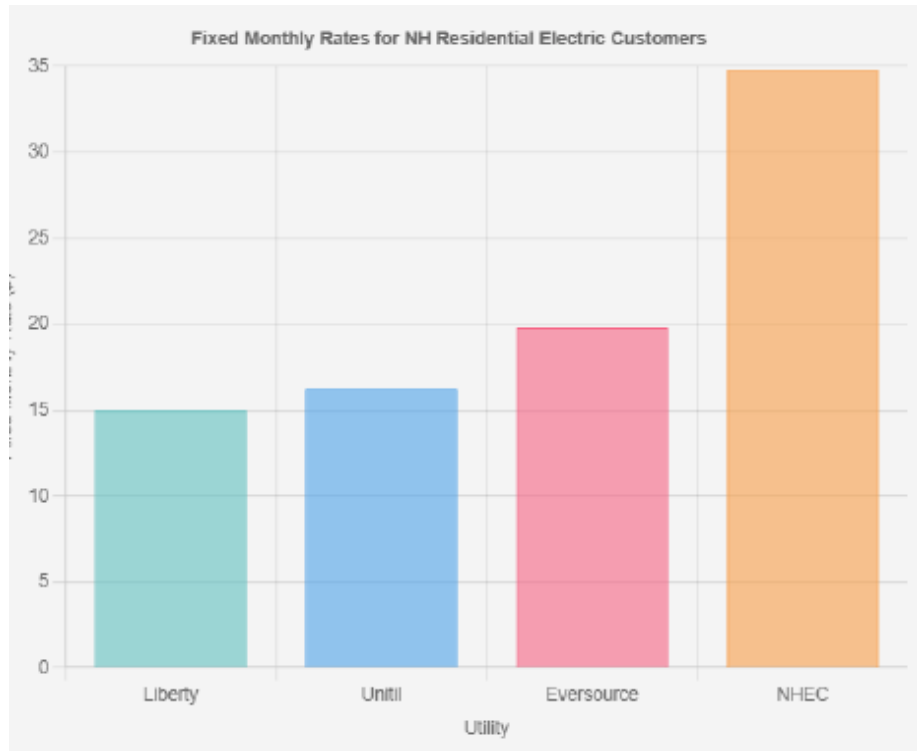
WHEREAS, the National Association of Rural Electric Cooperatives' (NRECA) Legal Reporting Service notes in its article, "The Role of the Co-op Board as Regulator," cautions that,

"a regulation or policy should be customary and usual; that is, it should be in line with those of utilities in the area. For example, a co-op policy requiring new customers to provide a deposit in advance of service that is three times what any other utility charges in the state could hardly be called "customary and usual." That way, consumers will be less likely to view the regulation as unfair or unneeded.

Whereas there have already been calls for regulation of NHEC, including reference to NHEC's high member service rate, as a reason for such regulation in an OCA editorial this month, and

Whereas, as a part of a general review of budget and rate policies in the second quarter of 2026, NHEC will explore further data and policy implications of the allocations of costs between the residential fixed charge and volumetric rates; and

Whereas the confidence of members in the Board of Directors in protecting them from unfair and unreasonable rates is undermined by rates significantly higher than those of other utilities in their area, and



WHEREFORE, IT IS

VOTED,

That, for the equitable, policy, and comparability reasons stated above, the member service charge for the Basic Single-Phase residential and non-residential up to 400 amps shall be reduced to \$29 for the 2026 rate period.

Vote for the motion was 7 in favor, 1 against (Mr. Dwyer), and 3 abstentions (Mr. Mongeon, Mr. Morrill, Ms. Albee). Mr. Mongeon abstained because he feels more time and data is needed and offered to work on the strategy part and put together any data requests with the focus on what is best for our low-income members.

Chair Darcy commented if the board has requests for more data before the Q2 examination of rates to submit them to Mr. Jennings.

Mr. Mongeon suggested merging the concerns from Mr. Dwyer's presentation and the strategic discussion together and by the end of Q1 of 2026 to be well positioned to have a fully informed decision.

Mr. Laufenberg asked if historically this is how the Co-op has approached the member service charge consideration in the past.

Mr. Jennings replied after collaborating with Chair Darcy about this, that traditionally, we're only moving the rate at the rate adjustment time based on whatever percentage increase we deemed. We haven't taken a more holistic look in adjusting that, other than determining where to allocate the adjustment.

Mr. Stringham then drew attention to a potential alternative resolution based on the depreciation study that was performed and that recommended that we make some changes to our depreciation schedules. It was recommended to postpone the implementation of any depreciation rate changes which will result in a discontinuation of the regulatory liability of \$1.8 million. This would have a distribution rate impact of approximately 2.3% or do nothing and perform another depreciation study in three years when the fiber build is complete.

Chair Darcy asked for a motion to approve the Depreciation Adjustment resolution.

Upon motion of Mr. Laufenberg, seconded by Mr. Stringham, it was

VOTED That the Board of Directors authorizes staff to reverse the remaining regulatory liability of \$8,834,709.40 implemented following the 2018 depreciation study, which will result in a discontinuation of the \$1.8 million reduction in depreciation expense effective January 1, 2026. To offset this change, a corresponding increase will be incorporated into the 2026 distribution rates, in alignment with the recommendation of the Budget, Finance, and Rates Committee dated October 24, 2025.

Vote for the motion was unanimous.

Audit Committee

Ms. Barbour reported that the committee met on October 20th and reviewed the security risk, approved changes to Board Policy B-15 as discussed earlier, and deferred Board Policy B-17 pending additional data. Mr. Jennings presented the engagement letter for the internal audit to be completed by Berry Dunn. The letter was executed, and we are waiting on an updated time schedule due to delays on their end. Ms. Barbour shared her concern about it being extended into the middle of February as that is tax season and it would be very likely it would get delayed longer.

E&O Committee

Mr. Mongeon reported that the committee met on October 7th with a presentation on data analytics, the micro grid discussion was deferred to the Executive Committee meeting, and the primary focus was on the Capital Construction Budget. The proposed budget was \$23.22

million, but due to the historical underspending, the committee recommended a budget of \$22.22 million.

Upon motion of Mr. MacLeod, seconded by Mr. Goodrich, it was

VOTED That the Board of Directors approves the 2026 Capital Construction Budget of \$22.22 million to be incorporated into the 2026 Capital Budget as recommended by the E&O Committee Meeting held on October 7, 2025.

Vote for the motion was unanimous.

Mr. Dwyer requested we get approval from our bank before announcing the member service rate change.

Mr. Jennings commented we will reach out to them.

Mr. Laufenberg wanted to confirm that a press release wouldn't go out until the board passes the full budget next month.

Chair Darcy confirmed that is correct.

CEO Report

Mr. Jennings started his report off with a non-hunter safety moment and tips and reminded the board about the active shooter training directly following the board meeting.

He noted that two of the three reliability goals on the dashboard are currently in green, which is a significant improvement from March.

He drew attention to the resolution for board approval for NHEC to join the Clean Energy of New Hampshire group. The cost associated with this membership is in the best interest of NHEC as there is an extensive list of benefits that members receive. We are also the only utility in the state that is not currently a member and they would help provide us with advocacy and government affairs updates.

Upon motion of Mr. Mongeon, seconded by Mr. Laufenberg, it was

VOTED Whereas, New Hampshire Electric Cooperative, Inc. ("NHEC") is a member-owned, not-for-profit electric utility whose mission includes providing safe, reliable, and affordable electric service and representing the interests of its members in state and regional energy policy discussions; and

Whereas, Clean Energy New Hampshire (CENH) is a New Hampshire nonprofit that convenes utilities, municipalities, businesses, and stakeholders to provide

technical education, policy analysis, and forums that are directly relevant to electric utilities' operations and member engagement in the state; and NHEC leadership has been actively engaging CENH on topics such as storage integration, interconnection, and statewide energy strategy; and

Whereas, CENH has extended membership to NHEC with nonprofit pricing (a discount not available to investor-owned utilities) and has provided an invoice and benefits summary outlining member value (e.g., conference access, training, and information services).

Now, therefore, be it VOTED/RESOLVED:

That the Board of Directors approves NHEC joining Clean Energy New Hampshire (CENH) as an organizational member and authorizes the President/CEO to execute all membership materials and manage the relationship on behalf of NHEC.

Vote for the motion was unanimous.

Mr. Laufenberg asked what the membership cost is and is there a reason why we haven't been part of this.

Mr. Jennings replied the cost is \$3,600 a year and it has never been brought to the board before.

NRECA Director Election

Chair Darcy recessed the meeting at 10:06 a.m. for the NRECA Director Election.

Ms. McElaney and Mr. Darcy were both nominated to be the New Hampshire NRECA Director.

Ms. McElaney and Mr. Darcy made short presentations on why they should be elected.

A secret ballot election was conducted by Attorney Lowry and she reported that Mr. Darcy received the majority of votes.

The NHEC Board meeting reconvened at 10:15 a.m.

Mr. Mongeon drew attention to the one-day strategic planning meeting scheduled with CFC in December and requested in the future to have an availability poll sent out for optimum attendance. He also requested a discussion in advance for preparation purposes and the flexibility to discuss other strategic topics.

Mr. Jennings replied CFC will be emailing a questionnaire to all attendees the next day or so and the plan for that day will be based on those responses. There will be a week to respond to the questionnaire, and he encouraged everyone to provide feedback. His plan is to briefly review

the past strategic plan items for accuracy and then spend the remainder of the time on broadband.

NRECA Report

Ms. McElaney drew attention to her report in the meeting packet and highlighted some upcoming events on the NRECA calendar.

Concerns were raised that upcoming FEMA policy changes may exclude cooperative damages from county-level disaster thresholds, which could negatively impact New Hampshire cooperatives. This is not explicitly stated in the bill but was flagged during recent discussions in Concord. A follow-up call with Jim Matheson (NRECA CEO) is scheduled next week and she will ask for clarification about Co-op damages not contributing to whether or not a county meets the threshold.

Additional topics were discussed:

- NRECA podcast and legislative updates on FEMA reform.
- Focus on wildfire risk mitigation under the *Fix Our Forests Act*—while New Hampshire faces limited wildfire risk, related tools for insurance and line maintenance are relevant.
- Co-op Economic Outlook Webinar: Free for members, recordings available if registered. Recent session featured insights from NRECA’s strategic analysis director and Homestead Funds CEO on economic trends and utility impacts.

Mr. Mongeon asked what her takeaway or objective of the call with Mr. Matheson.

Ms. McElaney noted she has quarterly calls with him and each one is different. She encouraged board members to reach out to her if they had concerns, they would like her to share with him.

Conference Presentation

Chair Darcy highlighted the key takeaways from the PJM presentation given at the Region 1 and 4 Conference he attended.

Governance & Policy Pressure

- Governors of Pennsylvania and New Jersey, plus 21 Democratic representatives, are calling for PJM withdrawal or major reforms.
- Concerns center on rate increases, governance structure, and slow interconnection of new energy sources (especially large solar projects).

Rate & Capacity Market Trends

- Recent PJM capacity saw significant price spikes, driven by assumptions of high demand (e.g., data centers in Northern Virginia).
- Rate impacts vary widely—some areas face increases up to 33%.

Energy Mix & Reliability

- PJM remains heavily fossil-fuel-based (natural gas, coal, nuclear).
- Current reliability outlook is stable, but rapid changes in load growth projections (EVs, heat pumps, data centers) create uncertainty.

Retirements & Policy Risks

- Most generation retirements are policy-driven, not economic.
- Extensions for coal, gas, and nuclear plants show flexibility when reliability concerns arise.

Interconnection Challenges

- PJM's process for connecting new generation is slow and contentious, creating bottlenecks for renewable projects.
- Improvements are underway, but demand growth pressures require faster action.

PJM influences regional markets and transmission that can affect New England rates and reliability. Governance changes and interconnection delays could impact renewable integration and cost structures, so monitoring these trends is critical for strategic planning and risk management.

Mr. Jennings commented that while interconnection processes often get blamed for delays, the real bottleneck is permitting and siting. However, even in countries with minimal permitting barriers (e.g., China), building a new nuclear plant still takes 7+ years, and in the U.S., it's typically 10+ years. Bulk studies and fast-track efforts by ISOs help reduce barriers, but permitting remains the dominant challenge.

While New Hampshire Electric Co-op alone may not carry significant weight with large regional organizations, partnering with other public power utilities through NEPPA has amplified influence. A clear example is the capacity market reforms currently under review by ISO—where collective advocacy helped drive changes. As the largest utility within NEPPA, NHEC likely played a major role in shaping those reforms, even though the ultimate impact is still to be determined.

Chair Darcy highlighted the key takeaways from the Local Energy Solutions Conference presentation given by Sam Evans-Brown.

Nationwide Energy Price Trends

- Significant increases in electricity prices in recent years, driven by rising demand and broader energy market dynamics.

Electrification Projections

- US-REGEN forecasts show electricity becoming a larger share of total energy consumption by 2050, primarily due to EV adoption and heat pumps replacing gasoline and oil heating.
- New Hampshire's total energy cost per person could drop from 7.5¢ to ~5.6¢, with electricity making up a much larger portion of the mix.

Potential Member Benefits

- Replacing gasoline with EVs powered by ISO New England-priced electricity could save members thousands annually.
- More electrification means higher kWh sales, spreading fixed costs over more units and potentially lowering per-kWh rates.

Future Outlook

- A “bright future” where electrification reduces overall costs and improves affordability—though projections remain speculative.

Chair Darcy asked for a motion to go into executive session to discuss confidential legal, litigation, and personnel matters.

Upon motion of Mr. Goodrich, seconded by Mr. Laufenberg, it was

VOTED That the Board of Directors go into executive session for the purposes of discussion of confidential legal, litigation, and personnel matters.

Vote for the motion was unanimous.

The Board of Directors went into executive session after a brief break at 10:43 a.m.

The Board of Directors came out of executive session at 11:41 a.m.

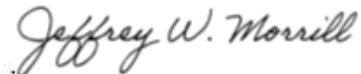
Upon motion of Mr. Morrill, seconded by Mr. Mongeon it was

VOTED That the Board of Directors adjourn the meeting.

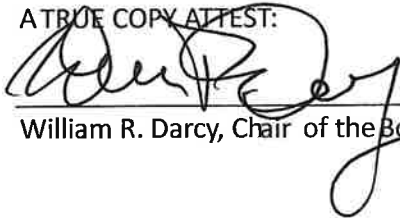
Vote for the motion was unanimous.

The meeting was adjourned at 11:42 a.m.

Approved 11/25/25


Jeff Morrill, Secretary

A TRUE COPY ATTEST:


William R. Darcy, Chair of the Board