

Approved 2/24/26

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

**Minutes of the Meeting of the Board of Directors**

**January 27, 2026**

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 January 27, 2026, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

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

Absent: Pat Barbour

Others present were Michael Jennings, President/CEO; Susan Lowry, Attorney; Kristen Taylor, Chief Financial Officer; Josh Mazzei, Chief Operating Officer; Josh Holbrook, Chief Broadband Officer; Brittany L'Heureux, Director of Information Technology; 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 asked for any changes to the agenda and there were none.

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

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

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

Vote for the motion was unanimous.

**Chairman's Report**

Chair Darcy noted that he sent a commendation to all employees in accordance with a previously adopted board resolution.

He drew attention to an op-ed published in the Union Leader regarding pending solar legislation that is gaining momentum. He noted an article from New Hampshire Business discussing proposed permitting legislation, the SPEED Act, that is intended to streamline the permitting of

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new generation facilities among other things that two NH representatives voted against. This reinforces the importance of continued communication with elected officials.

Mr. Dwyer asked if this was a clean bill or part of a bigger bill.

Chair Darcy replied it is his understanding it is a clean bill and it received considerable Democratic support.

## **Board Committees**

### Special Board Meeting

Chair Darcy reported this meeting was held on January 6, 2026 and nine members were selected for the Nominating Committee, which has since held their first meeting. Legislative matters, including solar legislation and two alternative bylaw amendments were proposed and also discussed.

### Executive Committee Meeting

Chair Darcy reported this meeting was held on January 15, 2026 and proposed revisions were reviewed to Board Policy B-2 to include the establishment of a new standing Funds Management Committee and the adoption of a new attachment outlining the committee's charter. He asked for a motion to approve.

Upon motion of Mr. Laufenberg, seconded by Ms. Albee, it was

**VOTED** That the Board of Directors approve the revisions to Board Policy B-2, Board Committees, and the addition of Board Policy B-2, Attachment E, Funds Management Committee as recommended at the January 15, 2026 Executive Committee Meeting.

Vote for the motion was unanimous.

He drew attention to the bylaw amendment and the two alternative options for board term limits. Option one effectively results in a 13-year maximum tenure for certain board members. Option two allows for a 16-year tenure for certain board members. He asked for a motion to approve either option one or two.

Upon motion of Mr. Goodrich for Option 2, seconded by Mr. Laufenberg, it was

**VOTED** That the Board of Directors approves the change to the Bylaws Term Limit recommended at the January 15, 2026 Executive Committee Meeting:

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ARTICLE IV  
DIRECTORS

*Section 2. Qualifications and Tenure.* At each annual meeting to which ballots are returned, directors shall be elected for three-year staggered terms, with at least three to be elected each year. Directors shall also be separately elected to fill designated seats for any one-year or two-year terms as may be required to fill any unexpired terms created by virtue of a vacancy or temporary appointment made pursuant to Section 5 of this Article. All board members shall serve until their successors shall have been elected and shall have qualified. Directors shall not be eligible for reelection if they will have served fifteen (15) or more years of service as a Director at the end of their current term.

Vote for the motion was 8 in favor, 2 abstentions (Mr. Dwyer, Mr. Morrill), 1 absent (Ms. Barbour). Vote for Option 2 carries, Option 1 will not be proposed.

Budget, Finance, and Rates Committee Meeting

Mr. Stringham reported that the committee met on December 12, 2025 and asked for a motion to approve the meeting minutes.

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

**VOTED** That the Board of Directors approve the December 12, 2025 Budget, Finance, and Rates Committee Meeting minutes as presented in the board packet.

Vote for the motion was unanimous.

Funds Management Committee Meeting

Mr. Laufenberg reported the committee held its first meeting on January 16, 2026, and held discussions on key items:

- Allocation of approximately \$2.6 million was transferred from the former trust.
- Proposed creation of two funds: one for retirement benefit obligations and one for large storm costs and the amount of money to be allocated to each.
- Ongoing discussion regarding investment custodians, updates to the investment policy, and parameters around when to use those funds.
- No final decisions were made; a comprehensive recommendation package will be presented to the board at a future board meeting.

Strategic Planning Steering Committee Meeting

Chair Darcy reported that the committee met on January 15, 2026 and discussed:

- Review of board feedback on strategic planning issues to be considered for an amendment to the plan.
- Alignment between board identified priorities and results from staff on the Enterprise Risk Management (ERM) results.
- Development of a preliminary list of ten strategic issues for further refinement.
- Request for additional board input by the end of the month, with recommendations expected in advance of the next meeting.

It was confirmed that strategic planning covers both the electric and broadband businesses and that background materials have been centralized in OnBoard for board review.

**President/CEO Report**

Mr. Jennings presented a safety moment focused on generator safety, emphasizing risks associated with improper installation and back feeding, and the importance of public education.

He reported that the Governor nominated Chris Ellms, currently the Deputy Commissioner of the Department of Energy, to fill the vacant seat on the Public Utilities Commission.

The second person is Lucy Lange who is the nominee for the Commissioner of the BEA and is currently the President of Saga Communications and the Manchester Radio group.

He noted that energy market conditions in January resulted in significantly higher prices, but this was anticipated by our group, so the actual prices thus far have closely matched our forecasts.

Senate Bill SB539 related to Class III Renewable Energy Certificates, was referred to interim study, effectively ending further consideration of this bill.

Chair Darcy emphasized that capacity market reform is a significant issue, highlighting PJM who is the largest ISO in the U.S. In response to state concerns about rising rates, PJM implemented a cap in its recent capacity auction. However, the auction and the cap were reached and failed to procure enough capacity to meet forecasted needs. After the auction, PJM revised its load forecast to reduce their load estimate, concluding that less capacity was required due to a lower projected load.

Mr. Mongeon asked how much of the A&G, which is \$3 million below budget, is due to open positions, and what is the average time for open positions and the impact to the Co-op.

Mr. Jennings stated that the time of a job posting to an offer for open positions is 37 days. We have not had an issue filling open positions but defers to Ms. Taylor for the percentage that's associated with payroll. We had about \$3 million favorable to budget on A&G which is primarily due to the vacancy in open positions as well as reduced legal expenses, healthcare, and health insurance. This figure was often overestimated as we didn't have attrition built into it so it assumes 100% fill rate so to be under budget is expected.

Mr. Dwyer asked if the capacity issue is being driven by data centers.

Chair Darcy replied with PJM it is, but it is also being driven by the load estimates that assume that there will be a high adoption of both EV's and heat pumps. They are also finding that there are more proposals for data centers than are actually being built.

### 2026 BSC Approval

Mr. Mazzei presented the proposed Balanced Scorecard for 2026, including safety, cybersecurity, and performance metrics.

Mr. Jennings noted that nothing changed significantly from the last Executive Committee presentation given. How we performed last year was included in the packet as requested and some of the goals were adjusted. He noted that he looked into the 360 review that Ms. Albee requested and for this year he would like to focus on completing a full year review since the process is still new for employees. We also need to set up a system to do the feedback anonymously and without an automated way to reach out to all employees, gather feedback and organize it, it would be unmanageable for staff right now. We will focus on trying it out with the senior leadership team this year and work on trying to implement a feasible system going forward.

Ms. Albee is pleased that there will be some movement on it with senior management and we are moving in the right direction.

She asked why the locations are not listed for the next transformer replacements in the report.

Mr. Mazzei replied it is just the way the information is reported and the next locations for new transformer replacements are Center Harbor and Bartlett.

Mr. Mongeon asked how the goals on the BSC are communicated to each department and then to employees.

Mr. Jennings replied that the goals will be communicated at the upcoming All Employee meeting as well as the top-down approach. These goals are monitored and communicated to employees throughout the year.

Chair Darcy asked for a motion to approve the 2026 BSC goals.

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

**VOTED** That the Board of Directors approves the 2026 Balanced Scorecard and Success Sharing Plan as presented in the board meeting packet.

Vote for the motion was unanimous.

Emera Energy, Inc. Guaranty Approval

Chair Darcy noted we are receiving more potential bidders for our energy portfolio on a six-month basis and staff have been given the authority to carry out at least one longer-term contract. This requires board approval because the company didn't meet our credit rating criteria and thus requires a parent guaranty to qualify.

Mr. Jennings noted that it is becoming common for many of the marketing companies to have a parent company that owns all the assets, so we may want to consider modifying the policy language moving forward.

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

**VOTED** WHEREAS, NHEC routinely enters into Power Supply Agreements for Firm Energy with various trading partners ("Counterparties") under Master Agreements that establish legal terms and conditions for energy purchases;

WHEREAS, Board Policy B-11, II.D.1 requires that Counterparties meet an investment grade credit rating of BBB- (S&P/Fitch) or Baa3 (Moody's) or higher, and that agreements with non-investment grade Counterparties require Board approval;

WHEREAS, PR&A staff have negotiated a Master Agreement with Emera Energy Services, Inc. ("Emera") who does not have an investment grade credit rating but has provided a Parental Guaranty from their parent company:

Emera: Guaranty from Emera, Inc. (Fitch rating "BBB")

WHEREAS, this agreement expands NHEC's pool of potential energy suppliers and will only be utilized when this firm provides competitive pricing in response to routine power purchase solicitations;

NOW, THEREFORE, BE IT RESOLVED:

That the Board of Directors approves entering into agreements for transactions through the Master Agreement with Emera, contingent upon the continued

validity of the Parental Guaranty as presented at the January 27, 2026 Board of Directors Meeting.

Vote for the motion was unanimous.

### **NRECA Report**

Ms. McElaney reported that the NRECA board has not met since last month's board meeting and the next time they will meet is at the Power Exchange Conference in March. She noted this will be her last NRECA board meeting and Chair Darcy will be seated at that time in her place. She drew attention to the graphic on the last page that reflects a past core operations moment and shared a parting message about leadership, encouraging members to reflect on whether they lead defensively as "knowers" or embrace "daring leadership" marked by curiosity, continuous learning, and a willingness to fail forward. She closed her remarks with appreciation for the opportunity to share this reflection over the past few years.

Chair Darcy and other directors thanked her for her service to NHEC.

### **Financial Update**

Ms. Taylor reported on the preliminary year-end financial results, noting:

- Record electricity sales driven by continuing colder weather conditions.
- Distribution revenue exceeded budget.
- Favorable cost performance in multiple categories.
- A preliminary net margin for distribution is approximately \$10.8 million.

The board commended staff for a strong financial performance.

### **NHEC Foundation Report**

Mr. Viens reported there is a meeting scheduled for the first quarter donations and he will report on this at the next meeting.

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

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

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

Vote for the motion was unanimous.

The board went into executive session at 9:59 a.m.

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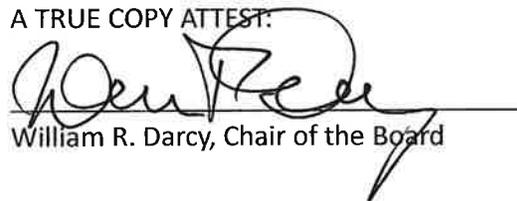
Ms. McElaney left the meeting.

The Board of Directors came out of executive session at 12:00 p.m. and the meeting was adjourned.



Jeff Morrill, Secretary

A TRUE COPY ATTEST:



William R. Darcy, Chair of the Board