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**New Hampshire Electric Cooperative, Inc.  
Minutes of the Meeting of the Strategic Planning Steering Committee  
Teams Meeting  
February 13, 2026 10:00 a.m.**

**Present:** Committee Board Members: Bill Darcy, Alana Albee, Tom Mongeon

Other Board Members: Harry Viens, John Goodrich, Bob MacLeod, Leo Dwyer, Jeff Morrill, Peter Laufenberg, and Jerry Stringham

NHEC Employees: Michael Jennings, and Maida Lessard (Recording)

**Meeting Called to Order**

Chair Darcy called the meeting to order at 10:00 a.m.

**Agenda Review/Outline**

Chair Darcy drew attention to the checklist provided by Mr. Jennings and in the meeting packet and noted that additional suggestions for modifications to the strategic plan for the electric portion will be taken into consideration.

Mr. Mongeon asked Chair Darcy to go over the roles, process, and next steps of the committee for both the staff and the board.

Chair Darcy provided a brief overview of the Steering Committee's role:

- The Committee's charge is limited to recommending amendments to the existing Strategic Plan, not reopening the entire plan.
- The Committee's role is to provide focused guidance and recommendations to the board and to direct staff on how to revise the plan consistent with board intent.
- The Committee serves as a mechanism to ensure scope discipline while allowing additional ideas to surface.

Chair Darcy asked for a motion to approve the January 15, 2026 Strategic Planning Steering Committee Meeting (public session) minutes.

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

**VOTED** That the Strategic Planning Steering Committee approve the January 15, 2026 Strategic Planning Committee Meeting (public session) minutes as presented in the meeting packet.

Vote for the motion was unanimous.

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He asked for a motion to approve the January 15, 2026 Strategic Planning Steering Committee Meeting (executive session) minutes.

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

**VOTED** That the Strategic Planning Steering Committee approve the January 15, 2026 Strategic Planning Committee Meeting (executive session) minutes as presented in the meeting packet.

Vote for the motion was unanimous.

Chair Darcy introduced a discussion on the electric business project justification memo prepared by Mr. Jennings. He commented that member satisfaction is a validation of our analysis of reliability and affordability and these are top concerns of our members.

- The CEO explained that the analysis was framed around whether members are better served by NHEC operating the electric business versus another provider.
- Key evaluation criteria included affordability, reliability, and member satisfaction.
- Management concluded that NHEC continues to outperform alternatives, citing power supply cost performance, distribution cost comparability, and strong member satisfaction indicators.
- The analysis was intended to set context and reaffirm the rationale for continued ownership and operation of the electric business.
- Board members asked him to prepare a similar analysis for the broadband business which he will have prepared for the next meeting.

Mr. Mongeon asked who might be interested in buying NHEC and what their objectives would be. He noted he is in agreement with not taking on a comprehensive strategic planning process and in getting the electric business done and moving on to the broadband business as that will be much more sophisticated. He asked if there are any suggested changes to the mission, vision values, or strategic goals.

Mr. Jennings did not suggest any changes.

Mr. Mongeon suggested highlighting any potential changes in the strategic goals because that is the area where the board weighs in and suggested when discussing the broadband side, taking a harder look at the mission, vision, values, and strategic goals.

Ms. Albee asked where this will go, how it will be incorporated, will it be tied into the strategic plan, or is it something we will give a name to so it doesn't get lost in the documents.

Chair Darcy suggested putting it in the background overview of the plan due to our participation in the electric business.

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Ms. Albee commented that innovation and cyber are issues that are important and asked how they will be incorporated into the strategic plan.

Mr. Dwyer commented that we often compare ourselves to investor-owned utilities and the price our members pay, but our price includes free equity that our members have given us that is hidden.

Mr. Morrill encouraged the group to begin thinking about long-term strategic opportunities, including potential consolidation, partnerships, or territory optimizations now.

Mr. Jennings replied that it would be dependent on the purchase price and what is available at the time. He will discuss this in more detail at the upcoming board meeting.

### **Strategic Discussion – Electric Business Justification**

#### Grant Funding

Chair Darcy proposed shifting the Strategic Plan language from aggressive pursuit of new grants toward execution and compliance with existing grants, due to grant opportunities being diminished. He noted a significant emerging new development from the NTIA as they indicated that the full \$20 billion BEAD allocation may be returned to states, leaving New Hampshire with an estimated \$170–\$180 million still available. This presents a significant broadband opportunity, particularly for improving network resiliency and redundancy, and warrants revising the grants language and further discussion at a dedicated broadband meeting.

Ms. Albee suggested including some basic data such as the number of grants, cumulative to date, and the number of grants we thought were available but are no longer. She asked if the 4% was on cost containment on the budget or expenditure, and should there be guardrails around capital.

Mr. Jennings replied it is on the expenditure, but it is related to some items you wouldn't want to contain such as a significant increase in the capital budget or several large storms. It is unclear if that 4% pertains to things like capital budgeting, or rate increases. He is trying to put better guidance around all the other factors that may drive these costs that we have no control over so it can be handled better internally.

Mr. Mongeon emphasized maintaining balance across all five strategic pillars and suggested developing a qualitative framework or checklist to guide future grant decisions, considering administrative burden, likelihood of award, staffing capacity, and member benefit to present to the board. He asked where the 4% originally came from. He suggested creating some continuous process improvement goals using a lean process that could help with cost reductions.

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Mr. Jennings replied that staff currently do assessments on grant opportunities, but it is very dependent on the situation. He noted that he is unsure of how the 4% was determined but it is in the existing plan and he is not suggesting a deep dive to try to calculate a new percentage. We do participate in lean processes, and many times it results in better member experience, but it's not necessarily cost savings for us. We recently did a solar interconnection lean process that will help get better communication to members.

Mr. Mongeon asked in the event there is a lucrative and beneficial grant program to our members and there wasn't enough staff capacity, when would he come to the board and ask for additional staffing.

Mr. Jennings noted that we reprioritized a lot in the last year, and when there are opportunities that come up, we will make sure to prioritize them. It is difficult to put a calculation together to show what that threshold would be because it's dependent on the situation.

### Cost Control

Mr. Dwyer suggested using trailing CPI rather than the 4% as it seems to include an inflation number.

Mr. Goodrich asked what cost index could be used and suggested not going after every grant opportunity as it can be time-consuming for staff.

Mr. Jennings offered to share his priority list of grants he developed some time ago. He noted FEMA mitigation grants are a good opportunity to get a good amount of money with little effort.

Ms. Albee agrees to locking in the 4% but also suggested considering the trailing CPI over the previous twelve months as an option as things are volatile.

Chair Darcy understands the need to be flexible and suggested a list of some of the factors to consider including the trailing in CPI and others. He noted with all the cost increases we've had over the last five or six years and look at our rates and our expenses we have done well keeping it below inflation increases. It appears we are not going to have a specific figure but we will review this again.

Mr. Jennings commented there may be alternative cost indices that can be explored other than CPI, such as the power transformer cost index.

### Data Analytics, Technology, and AI Adoption

Mr. Jennings noted the recurring theme that overlaps here and other areas much more now is artificial intelligence. It emphasized in ERM the importance of innovation as an organizational expectation.

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Mr. Mongeon commented this would likely overlap in the cost control section and emphasized using attrition and potential reallocation of resources, particularly toward the growing broadband business. He noted that AI and other technologies may offer efficiency gains and can be further explored through benchmarking. He asked how management will set goals and expectations around technology adoption and emphasized the importance of defining whether the organization intends to be a “fast adopter” versus operating at the leading edge of technology.

Ms. Albee suggested to incorporate the statement around innovation as being an ongoing expectation embedded in how NHEC operates and evolves into the value section of the strategic plan.

Mr. Jennings agreed this would be a good way to implement that statement if the board chooses to have him include it.

Chair Darcy suggested including the increased and demonstrated uses of AI that cooperatives have adopted as outlined in his recent presentation.

### Reliability and the Transformer Replacement Plan (TRP)

Mr. Jennings proposed revisiting the strategic plan’s specified replacement pace in light of significantly increased equipment costs as our members may be better served spending the money elsewhere for reliability improvements.

Ms. Albee asked if the goal as stated in the strategic plan was to complete SCADA expansion by 2026 and realize full automation by 2028.

Mr. Jennings confirmed that is still the case and none of those goals are changing.

Mr. Mongeon commented he would like to see more data on when the decision was made to do two replacements per year and why we should not do two per year. He would not be comfortable with going down to one per year if there were significant risks involved. He suggested running a rough engineering analysis to get a rough order of magnitude to back up to this decision. He asked if we have been tracking the health of our substation transformers.

Mr. Jennings noted that he developed the plan to complete two replacements per year based on the rate at which our assets are aging in the study.

Mr. Goodrich suggested looking at ratings versus loadings on the transformers, doing some gas monitoring for signs of insulation decay, and creating a priority list of those most critical to replace.

Mr. Jennings replied that NHEC performs all of those tests as well as others. The analytics that were provided for the study were based on a transformer risk index that was independent of

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what the cost would be, which have significantly increased. There wasn't a rating of where the money would be best spent whether it was on transformers or for reliability improvements in areas that we know have outages over the years.

Mr. Mongeon asked for confirmation that if a substation transformer should go down there are other circuits to pick up the load as well as the use of a mobile substation if needed.

Chair Darcy commented our mobile unit capability has increased as we have a brand-new mobile substation unit that is available to pick up the load if necessary.

### Cybersecurity

Mr. Jennings recommended treating cybersecurity as an ongoing operational requirement similar to safety, rather than a strategic initiative. Cybersecurity will continue to be a significant risk every year that we will need continuous improvement. He suggested not including this in ERM moving forward for the same reason safety is not included.

Ms. Albee suggested embedding it into the mission section of the strategic plan.

Chair Darcy commented it is in the reliability section, and it does not require any specific treatment because of ongoing efforts.

### Regulatory and Policy Risk

Mr. Jennings proposed adding regulatory and policy risk as a distinct strategic focus area in the plan as things can get passed that can negatively impact the organization or the membership and we need to be on top of this.

Ms. Albee suggested explaining that this is not a new activity but being brought more into focus because of the rapidly shifting external policy environment that has a real-time impact on our members.

### Failure to Innovate

Mr. Jennings discussed the risk of failure to innovate and the importance of continuous improvement, training, and cultural readiness that fits within a couple of existing strategic goals with some modifications.

Mr. Dwyer asked if we have a vision for what the electric industry is going to look like in five to ten years as the idea of a strategic plan is to decide how to compete in the future.

Mr. Jennings commented that is true for the broadband business. As for the electric side, items coming down the pipeline we don't want or need to get started on them right away. We would

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want to wait to see what other utilities are doing that are working well for them and then decide what would be best for our members.

Mr. Dwyer gave an example of replacing transformers being a good investment but pointed out other options may have evolved that we should explore.

Mr. Jennings agreed but is not sure of the best way to incorporate that into the plan.

### Power Supply Costs

Mr. Jennings reviewed recent power supply volatility driven by weather and natural gas constraints and suggested incorporating this into the regulatory and policy risk section.

Mr. Mongeon suggested that a final draft of the strategic plan for the electric business be brought to this committee first and then to the full board for full approval.

Mr. Jennings proposed redlining the existing strategic plan to reflect committee feedback rather than producing a separate document.

Ms. Albee asked if the strategic plan will be reviewed on an annual basis or the next time it is up for review.

Chair Darcy confirmed it will be reviewed the next time it is up for review in 2029.

Mr. Mongeon commented that it is important to remain open to a comprehensive planning process in the future should any underlying assumptions materially change, particularly as the broadband business matures.

Chair Darcy asked for a motion to adjourn the meeting.

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

**VOTED** That the Strategic Planning Steering Committee adjourn the meeting.

Vote for the motion was unanimous.

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