NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
Minutes of the Meeting of the Board of Directors
July 28, 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 July 28, 2026, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Alana Albee (Chair), Leo Dwyer Tom Mongeon, Jeff Morrill, Pat Barbour, William Darcy, Jerry Stringham (Teams), Peter Laufenberg, Laurel Boivin, Carl Knowlton, and John Goodrich.

Others present were Michael Jennings, President/CEO; Todd Fahey and Lauren Simon Irwin, Attorney; Kristen Taylor, Chief Financial Officer; Ben Doyle, Chief Administrative Officer; Josh Holbrook, Chief Broadband Officer; Josh Mazzei, Chief Operating Officer, Brittany L'Heureux, Director of Information Technology and Maida Lessard, Executive Services Administrator (recording).

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

She asked for any changes to the agenda and there were none.

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

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

VOTED That the Board of Directors approve the Board of Directors Meeting minutes of June 24, 2026 and expense reports as presented in the meeting packet.

Vote for the motion was unanimous.

Chair's Report

Chair Albee welcomed Lauren Simon Irwin from the General Counsel team led by Attorney Fahey. She then reported on several significant matters, including the major July outage attributed to an Eversource transmission outage during extreme heat. She thanked Mr. Jennings for engaging with Eversource leadership regarding response efforts and emphasized the need to protect NHEC's reputation with members while maintaining constructive utility relationships. She acknowledged that NHEC's outage communications were less than optimal and noted that staff had reviewed the event and were developing improvements to member communications during outages.

Chair Albee also noted that NHEC's overall reliability performance had been better than usual for the year despite recent events, including a brief outage in Rumney caused by a failed lightning arrester. She stated that engineering data is regularly reviewed by the senior team to assess overall reliability, single-contingency risks, and system exposure. She thanked Mr. Jennings for strategic plan updates, including confirmation that electric members are not subsidizing broadband and that broadband is not subsidizing electric operations. Additional acknowledgments included staff work on member concerns regarding herbicide use, finalization of NHEC's community aggregation position statement, state-level grant negotiations, new director orientation, internal rate discussions, early work on facilities, coordination of a visit to the Weidmann insulation transformer facility in St. Johnsbury, VT, Foundation Board policy alignment, the CEO performance review process, and industry updates provided by Vice Chair Mr. Darcy.

Mr. Mongeon asked about NHEC's leverage with Eversource regarding transmission-related outages, referencing prior periods of repeated transmission issues and the costs paid for regional network service, local network service, and contractual arrangements. Mr. Jennings explained that Eversource's capital improvements are driven by planning criteria tied to return on equity and that NHEC can work with Eversource to justify upgrades when they align with those criteria. He noted that Eversource has been accommodating on many requested improvements and cited upgrades to the 355 line serving the Colebrook substation as an example of investments that improved transmission reliability. Mr. Darcy added that Eversource has incentives to make capital investments, while the New Hampshire Consumer Advocate has criticized Eversource for potential overinvestment in transmission. Mr. Jennings confirmed that he is in frequent contact with the President of Eversource New Hampshire and has discussed the Meredith outage multiple times, including follow-up deliverables.

In response to Mr. Dwyer's request for more detail on the cause of the outage, Mr. Jennings explained that a line burned down during the heat event and that while the exact cause could not be determined, possible causes included prior damage, gunshot damage, or a tree-related impact. He noted that Eversource had flown the lines before the heat event to identify vulnerabilities and had addressed other areas before the outage occurred. When asked whether prior upgrades could have prevented the incident, Mr. Jennings stated that some incidents of that type are difficult to avoid.

Chair Albee referenced director training guidelines included in the Board packet, noting that they summarize NRECA's training expectations and encourage directors to complete basic training and work toward certifications. She indicated that Ms. Lessard is a helpful resource for directors needing guidance, along with other directors who have completed training.

Board Committees

Executive Committee

Chair Albee reported that the Executive Committee met on July 20th, with most directors attending. The Committee reviewed approximately half of the board policies scheduled for annual review and reviewed two resolutions presented later in the meeting. The Committee also reviewed the strategic plan and recommended its utilization, while acknowledging that the next planning cycle may warrant separate plans for the electric and broadband businesses. The Committee reviewed the CEO goal update related to recruitment and orientation of the Chief Administrative Officer and confirmed that the goal had been completed.

She also reported that the Director Compensation Committee process had been initiated following preparatory work by Mr. Stringham and Mr. Morrill. She stated that the committee would be expanded to include Mr. Stringham, Mr. Morrill, Mr. Mongeon, Mr. Darcy, and Mr. Laufenberg. Mr. Mongeon commented positively on how the committee process evolved and emphasized the value of including directors with differing perspectives because that leads to stronger discussions.

The Executive Committee reviewed the community aggregation statement and agreed upon a member message to be used by staff, subject to advance agreement by the Board where appropriate, and to be conveyed through NHEC's newsletter and other suitable channels. Chair Albee also stated that outage communication improvements are underway, including improved email communications and introduction of text message alerts, with updates to be provided to the Executive Committee.

Chair Albee explained that several policies contained no substantive changes, while B-2, Attachment A, related to CEO compensation goals and appraisal, required substantive updates. She stated that the policy was outdated and did not reflect the desired CEO evaluation process, including the CEO's request for more regular performance feedback.

She asked for a resolution to approve and adopt the revisions to B-2, B-7, B-18, B-19, and B-21.

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

VOTED WHEREAS, the Board of Directors has reviewed and considered proposed revisions to Board Policies B-7 – Membership Dues and Contribution, B-18 – Director Electric Accounts, B-19 – Member Electrical Usage and Generation Data, and B-21 – Project Justification;

WHEREAS, the Board of Directors has reviewed the existing Addendum to Board Policy No. B-2, Attachment A, entitled "President/CEO Compensation, Objective Setting & Appraisal Process Guidelines"; and recognizes the desire to provide flexibility for the newly established committee to evaluate and recommend an updated approach to President/CEO evaluation;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves and adopts the revisions to the following Board policies:

B-2, Attachment A, Executive Committee
B-7, Membership Dues and Contribution
B-18, Director Electric Accounts
B-19, Member Electrical Usage and Generation Data
B-21, Project Justification

Vote for the motion was unanimous.

Mr. Darcy clarified that the reason for deleting the existing CEO compensation policy was to allow the committee to develop a new policy and procedure that accurately reflects how the review process should work, including the role of the performance review committee.

Chair Albee introduced the second resolution, explaining that it removes the Funds Management Committee from various policies and places its functions within the Audit Committee to improve efficiency while preserving fiduciary oversight.

Mr. Darcy explained that the resolution eliminates the Funds Management Committee and transfers its functions into the Audit Committee. Mr. Laufenberg included the need for the Audit Committee schedule to reflect quarterly fiduciary review of investments. Ms. Barbour noted that the schedule had historically been driven largely by the external audit and Chair Albee noted that the Audit Committee meeting schedule may require adjustment.

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

VOTED WHEREAS, the Board of Directors has reviewed the proposed revisions to Policy B-2 Attachment D – Audit Committee, which expand the Audit Committee's responsibilities to include oversight of the Cooperative's funds management activities; and

WHEREAS, the Board has determined that consolidating funds management oversight within the Audit Committee will enhance governance efficiency and eliminate the need for a separate Funds Management Committee;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves and adopts the revised Policy B-2 Attachment D – Audit Committee;

BE IT FURTHER RESOLVED that Policy B-2 Attachment E – Funds Management Committee is hereby retired and removed from the Cooperative's policy framework;

BE IT FURTHER RESOLVED that the Funds Management Committee is removed from the list of standing committees identified in Policy B-2 – Board Committees and Related Matters;

BE IT FURTHER RESOLVED that responsibility for oversight under the Funds Management Investment Policy and the Reserve Funds Use Policy is assigned to the Audit Committee;

BE IT FURTHER RESOLVED that Cooperative staff are authorized and directed to make all necessary conforming revisions to policies, attachments, references, and governance documents to implement and reflect these changes.

Vote for the motion was unanimous.

<u>Budget, Finance, and Rates Committee</u>

Mr. Stringham reported that the agenda item was approval of the June 15, 2026 Budget, Finance and Rates Committee minutes and stated that he had reviewed and supported the minutes. Mr. Darcy stated that he would not offer a formal amendment but wanted the current meeting minutes to reflect a question he had asked during the committee meeting regarding what the battery project pays to recharge its batteries from NHEC electricity. He stated that the answer provided was that the battery entity pays NHEC at the avoided cost rate, not the retail rate paid by other members.

Mr. Mongeon moved approval of the minutes, seconded by Mr. Goodrich and unanimously approved.

Member Comments

Chair Albee reported receipt of a letter from the Lake Winnipesaukee Alliance concerning herbicide use in watershed areas. She noted that similar concerns had been raised by other lake or watershed organizations, including Stinson Lake, White Oak Pond, and Squam Lakes. Discussion focused on communicating NHEC's practices more clearly, including that herbicide application is not broad spraying and that NHEC maintains buffers from watershed areas and public wells. Mr. Jennings stated that most concerns are reduced when NHEC explains its actual treatment practices and that the topic would be discussed further in the Engineering and Operations Committee. He will reach out to them directly and explain the process. Mr. Mongeon suggested outreach through email to the New Hampshire Lakes Association and watershed associations to improve education and communication.

President/CEO Report

Mr. Jennings presented a safety moment on complacency, emphasizing that repeated tasks can lead employees to stop actively thinking through hazards. He stated that NHEC's safety focus for the month is encouraging employees to slow down, avoid complacency, and use practices such as tailboards to identify hazards even for familiar work.

He reported on ISO New England capacity auction reforms, stating that preliminary analysis suggests costs may remain relatively similar to the current capacity auction costs because higher unit costs may be offset by reduced seasonal capacity requirements. He cautioned that the outcome remains to be determined and noted that similar assurances had been made when the new ancillary services market was introduced. Mr. Darcy asked about progress on ancillary services issues, referencing a significant cost increase after market changes and recommendations from the independent system monitor to reduce costs. Mr. Jennings stated that structural changes are being proposed and may be fast-tracked to FERC within approximately 12 months, but he had no further update.

Mr. Jennings also reported that New Hampshire completed its study on the cost of leaving the ISO New England market and that the result was consistent with Connecticut and Maine studies: withdrawal would be too expensive and would impose significant costs on ratepayers. He noted that the study cost approximately $230,000 in ratepayer funds but provided an official answer to the question.

He highlighted two process improvements: automation of transformer data input and automation of vehicle mileage reporting. He explained that both processes had previously required multiple days or weeks of manual work and can now be completed in hours or less, freeing staff time for other operational priorities. In response to Mr. Mongeon's question about whether the improvements came from process mapping or employee suggestions, Mr. Jennings stated that many lean process improvements are driven by employee suggestions and cross-departmental collaboration.

On government affairs, Mr. Jennings reported that permitting reform remains important because projected load growth will require additional generation and transmission that cannot come online quickly enough under current permitting timelines. He said both political parties generally agree on the need for reform, but negotiations remain stalled. He also provided industry updates on return on equity scrutiny and solar policy trends. He noted that states are moving from net metering toward net billing or avoided-cost approaches and stated that batteries are key to unlocking solar value by shifting output to periods when it is most needed.

He noted two new articles on industry insights, one being a focus countrywide on return of equity for transmission projects and distribution at the local level. Government agencies are focusing on affordability and how they can make things more affordable for ratepayers. The other article is an update on solar energy and the diminishing development of since the tax credit was eliminated. States are transitioning from net metering policies to net billing policies to implement solar reimbursement. Battery storage coupled with this allows the shifting of the output to the time it's needed most.

Next Mr. Jennings presented a resolution authorizing sale of the Andover District property, explaining that the Sunapee District office is being rebuilt as a combined Sunapee and Andover office and that Board approval is required to dispose of land assets. He stated that there is a willing buyer prepared to pay full value. Discussion included the parcel size, assessed value, facility condition, lack of a substation on the site, and conflict-of-interest considerations related to the realtor and buyer. Mr. Mongeon asked whether conflict checks had been completed, and Mr. Jennings stated that there was no evidence of conflict of interest.

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

VOTED WHEREAS, management has determined that the Andover District Office property located at 10 Potter Road, Andover, New Hampshire is no longer required for the Cooperative's operational needs and that its sale is in the best interests of the Cooperative and its members; and

WHEREAS, management has negotiated a purchase and sale agreement for the property at a purchase price of Five Hundred Fifty Thousand Dollars ($550,000);

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves the sale of the Andover District Office property located at 10 Potter Road, Andover, New Hampshire, for the purchase price of $550,000; and

FURTHER RESOLVED, that the President & Chief Executive Officer and other authorized officers of the Cooperative are authorized and directed to take all necessary actions and execute all required documents to complete the transaction and carry out the intent of this Resolution.

Vote for the motion was unanimous.

Mr. Jennings reported on his review of FEMA reform proposals and their potential impact on NHEC. He identified possible benefits, including faster reimbursement timelines, reduced administrative burden, and increased support for infrastructure resilience and mitigation projects. He also identified concerns, including higher disaster declaration thresholds, reduced federal cost sharing, increased reliance on state administration, and a potential shift from actual-cost reimbursement to formula-based funding. He stated that NHEC will need to work closely with NRECA and NEPPA on federal advocacy.

Mr. Darcy agreed with Mr. Jenning's assessment that the most significant risks are that fewer storms may qualify for federal assistance or that assistance may cover a smaller portion of actual restoration costs. He reported on discussions with NRECA's lead lobbyist, who indicated that it is too early to determine whether changes to disaster qualification criteria will be significant and that a reduction in federal cost sharing from 75% to 50% is unlikely to be adopted because it would require legislative action. Mr. Goodrich emphasized New Hampshire's vulnerability to storm-related outages based on its forested landscape and topography and raised concern about cost shifting given the state's tax structure. Mr. Laufenberg asked whether reduced weather data collection is on NRECA's radar because it could affect forecasting accuracy and storm preparation; Mr. Jennings stated he had not heard that issue from NRECA but noted some challenges raised by contracted meteorologists.

Mr. Mongeon asked for an update on TIER and whether it is included in financial proformas. Ms. Taylor explained that TIER is not one of the formal covenants but is closely tracked as a rolling 12-month ratio. She explained that it reflects interest expense plus margins and losses divided by total interest expense, and that while NHEC would like the ratio to be at or around 2, it tends to fluctuate and is not an indication that NHEC cannot cover its debt.

Director Conference Presentation

Mr. Darcy reported on an NRECA training course titled "Co-op Structure: A Strategic Advantage." He stated that he would not recommend the six-hour course overall but shared key takeaways, including discussion of cooperative mission and values, the importance of "community-based" or "community-sensitive" principles, and an emerging trend of allowing greater telecommuting flexibility to recruit and retain highly competent employees.

NRECA Report

Mr. Darcy also reported on NRECA national resolution activity and stated that he did not recommend that NHEC join a ratepayer protection effort related to data centers because the timing did not allow for Board approval and the issue seemed too political. He then presented information on Federated Rural Electric Insurance, noting that Federated is a cooperative insurer that specializes in rural electric cooperatives, insures a large majority of cooperatives, and emphasizes proactive safety programs to reduce claims. He asked Mr. Jennings to ensure that Federated is considered in NHEC's next insurance bid cycle. Mr. Jennings responded that he had worked with Federated previously and described the organization as hands-on, relationship-based, and focused on operational risk assessment, facility review, employee engagement, and safety improvement. He stated that NHEC is attempting to include Federated in the upcoming bid process, recognizing that timing may be challenging for the September 1 renewal deadline.

Mr. Darcy reported on the Business and Technology Strategies Committee, stating that the committee provides significant value through operational, financial, and technology-related research and tools. He described federally funded research and pilot programs related to batteries, distribution automation, communications networks, cybersecurity, and artificial intelligence. He highlighted tools that can assess the economic value of distribution automation investments, communications infrastructure, fiber extensions, substations, SCADA devices, and related grid applications. He emphasized that NHEC should consider whether to analyze the value of extending fiber to the other half of the system to support substations and SCADA devices. He also reported that NRECA is studying artificial intelligence use cases across cooperative operations, including applications that integrate enterprise and operational data to support decision-making.

Mr. Mongeon noted prior contact with Federated chief counsel and agreed that the Business and Technology Strategies work appears valuable to NHEC. He suggested that key staff should subscribe to any available BTS newsletter. Mr. Goodrich stated that the Board appears to be receiving more value from NRECA representation than he has previously seen. Chair Albee asked Mr. Jennings to provide a future response on which NRECA programs NHEC already uses and which additional opportunities may warrant further engagement.

NHEC Foundation Quarterly Report

Mr. Laufenberg reported that the Foundation held its annual meeting and elected new officers, with Mr. Laufenberg serving as the new Foundation Chair. He stated that the Foundation trustees unanimously recommended five appointments to the Board of Trustees: Pam McLeod and John Scheinman as community trustees, and Alicia Melanson, Jeanette Fecteau, and Jeff Smith as employee trustees. He also noted that future strategic planning discussions will occur and that Ms. Thielbar has rejoined the Foundation, bringing valuable institutional knowledge from her prior role.

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

VOTED WHEREAS, the NHEC Foundation Board of Trustees has recommended the appointment of Jeanette Fecteau and Alicia Melanson as Employee Trustees and Pam McLeod and John Scheinman as Community Trustees of the NHEC Foundation; and

WHEREAS, the NHEC Foundation Board of Trustees has recommended the reaffirmation of Jeffrey Smith as an Employee Trustee of the NHEC Foundation;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of New Hampshire Electric Cooperative, Inc. hereby approves the appointment of Jeanette Fecteau and Alicia Melanson as Employee Trustees and Pam McLeod and John Scheinman as Community Trustees of the NHEC Foundation; and

FURTHER RESOLVED, that the Board of Directors hereby approves the reaffirmation of Jeffrey Smith as an Employee Trustee of the NHEC Foundation.

Vote for the motion was unanimous.

Contributions and Donations Bi-Annual Report

Mr. Jennings referenced the contributions and donations report included in the Board packet, explaining that it is disclosed twice annually and reflects groups to which NHEC provides support outside of Foundation criteria. He described these as community-focused contributions aligned with cooperative principles, often involving small-dollar sponsorships or in-kind support such as labor. In response to questions, he stated that he or the Chief Broadband Officer approves such expenditures, that they are budgeted, and that the annual budget ceiling is approximately $35,000.

Board Tracking Report

Mr. Mongeon asked whether herbicide opt-in/opt-out should be added to the board tracking report, particularly given upcoming discussion in the Engineering and Operations Committee. Chair Albee agreed that the multi-year herbicide opt-out topic should be added to the tracking report for follow-up next year. It was also noted that ad hoc committees, including the expanded Director Compensation Committee, need to coordinate future meeting schedules.

Miscellaneous Additional Items

Mr. Mongeon commended Mr. Jennings for comprehensively, transparently, and promptly addressing a wide variety of Board questions. Chair Albee added that Mr. Jennings has built a strong senior management team, and other directors echoed appreciation for the team's work.

Ms. Boivin disclosed that her husband is affiliated with GZA, an employee-owned firm that is a subcontractor of the Cooperative and has provided services for several years, including environmental and related permitting work. She stated that her husband does not personally work on NHEC projects and that she had previously discussed the matter with Mr. Jennings. Mr. Jennings stated that the relationship predates Ms. Boivin joining the Board and that the work is typically related to services such as environmental permitting for substations and similar projects. Attorney Fahey indicated that continuing transactions often are not treated as conflicts when the relationship predates the director's service, but that the applicable bylaw and Board policy should be reviewed. Chair Albee thanked Ms. Boivin for the disclosure and stated that the Board would circle back after reviewing the policy and completing any necessary public determination process.

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

Upon motion of Mr. Mongeon, seconded by Mr. Darcy, 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 10:20 a.m.

The Board of Directors came out of executive session at 12:17 p.m. and the meeting was adjourned.

Jeff Morrill, Secretary

A TRUE COPY ATTEST:

Alana Albee, Chair of the Board