

BLOCK ISLAND UTILITY DISTRICT



The Block Island Utility District recently hosted the Northeast Association of Electric Cooperatives Annual Conference in Newport. On the last day of the conference, we visited the BI Wind Farm via Interstate MV Islander. There was active maintenance taking place on the blades of two turbines. Attendance at the conference exceeded 100 employees and directors from all but two electric cooperatives in New England and New York.

**BOARD OF COMMISSIONERS MEETING
NOVEMBER 2, 2023
4:00 PM**

**Block Island Utility District
Meeting of the Board of Utility Commissioners**

Thursday, November 2, 2023 @ 4:00 PM

THE MEETING WILL BE HELD AT THE HARBOR CHURCH

1. Public Input
2. Commissioner's Report
 - i. Election Review – Welcome new Commissioner, Ken Lcoste
 - ii. Election of Board of Utility Commissioner Officers
3. Strategic Plan Update
4. Approve Meeting Minutes from the June 22, 2023 and July 27, 2023 meetings
5. Treasurer's Update
6. President's Update
 - i. Grant Updates (ETTIP and NRECA GRIP Grant)
7. Review and Approve 2024 Power Supply and Transmission Procurement Plan (100% Renewable Portfolio) and Rates
8. Review of the Northeast Association of Electric Cooperatives Conference
 - i. NRECA Board Governance Presentation
9. Review the 2024 Budget Process and appoint two Commissioners to a Capital Planning Sub-Committee
10. Review and Act Upon BIUD's position on Orsted Off-Shore Wind Projects

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty-eight hours before the meeting date.

Posted: October 31, 2023 12:00 PM

Secretary of State Website, BIBB, Town Hall, BIUD Website www.blockislandpowercompany.com

AGENDA ITEM 1
PUBLIC INPUT

AGENDA ITEM 2
COMMISSIONER'S REPORT

(THIS PAGE INCLUDED FOR NOTES)

AGENDA ITEM 3
STRATEGIC PLANNING UPDATE

Block Island Power Company

Strategic Plan 2023

Mission Statement

To serve Block Island with safe, reasonably priced and reliable energy.

Vision Statement

Our vision is to serve Block Island in a way that enhances our members' lives.

Safety

Empower and support a workplace culture that promotes the safety of our employees and members.

Financial Balance

Embrace policies that ensure financial stability, reasonable rates and innovative rate making

Member Engagement

Promote understanding of the cooperative model and transparency

Sustainable Workforce

Invest in workforce stability

Capital Planning

Embrace a sustainable and robust planning process for capital projects that focus on priority, funding, and impacts.

Power Supply

Continuously evaluate future power supply opportunities and develop renewable goals.

GOALS/TARGETS

Employee Lost Time Incident Rate

Goal 0

Public Incident Rate

Goal 0

Comply with Quarterly Safety Training and Monthly Truck/Equipment Inspections - Goals 4 and 12

Modified Debt Service > 1.50%

Develop Time of Use Pilot EV Charging Rate

Set Timeline for Next Rate Case (COS)

Conduct Annual Member Satisfaction Survey

Review and update Mission/Vision Statements

Develop Succession Plans

Create Ad-Hoc BOD Sub-Committee to Review Benefits Packages

Create Ad-Hoc BOD Sub-Committee to work on this.

Develop 5-10 Year Capital Plan.

Create Standing Power Supply Sub-Committee

Develop Power Supply Questions for Member Survey

STRATEGIES

Conduct Daily Safety Meetings/Field Visits

Host external training (fire/rescue/excavators)

Publish public safety messages (paper/bill stuffers/social media)

Continue to grow Equity:Debt Ratio (Q3 2022 20%)

Produce Timely Quarterly Financials for Review

Develop Equipment Rotation Schedule

Promote the Seven Cooperative Principals

Solicit member participation to determine BIUD's branding

Enhance cross-training efforts, recruit future BOD candidates, and develop recruitment strategies for future President

Conduct review of the benefits package – specifically retirement plans.

Review existing projects, facilities, housing and engineering plans.

Investigate external funding opportunities to support project plans.

Continuously evaluate power supply opportunities and tailor BIUD power supply to long-term goals.

Survey the BIUD membership to aid in developing long-range renewable goals.

MEASURE

ON TRACK
0

ON TRACK
0

ON TRACK

4.45%

Q3 & Q4

ON TRACK

COMPLETE

Q4 AFTER
ELECTION

NEEDS
ATTENTION

ON TRACK

ON TRACK

ON TRACK Q4
PRIOR TO
BUDGET

COMPLETE

COMPLETE

AGENDA ITEM 4
APPROVAL OF MINUTES
JUNE 22, 2023 AND JULY 27, 2023

Block Island Utility District
Meeting of the Board of Commissioners
Thursday, June 22, 2023 @4:00pm

In attendance: Board of Directors: Barbara MacMullan, Eliot Taubman, John Warfel, Tom Risom.

Jeffery Wright, Tracy Fredericks, Tom Durden, Tony Pappas, David Lewis

Board Chair Barbara MacMullan called the meeting to order at 4:12 pm

1. **Public Input** - John Warfel said that he would like us to investigate more EV charging as more people will be asking for this service. This may be adding a level 2 chargers somewhere around the island and/or offer them to private residences. Barbara suggested we encourage businesses to install them.
2. **Commissioner's Report** - Barbara MacMullan reported that John Warfel, Tom Durden, Jeff Wright and herself had an enlightening trip to Fisher's Island. Jeff added that this was an outreach to other Island communities, it is good to build these relationships and plans on reaching out to other communities.
3. **Strategic Plan Update-Jeff reported:**
Update on the strategic plan on file.
4. **Approve Meeting Minutes from the May 25, 2023, Regular Meeting**
Tom Risom made a motion to approve the meeting minutes from the May 25, 2023, meeting the motion was seconded by John Warfel and the motion was approved. Eliot Taubman abstained.
5. **Treasurer's Report** - Tom Risom reported the balance sheet is on the website. Second quarter accounts payable is higher than expected. We are paying down the line of credit. He and Jeff will be working on this in the next few weeks.
6. **President's Report** – President Jeffery Wright reported he had a meeting with the electric school bus company; they will do a test discharge next week. Jeff will have them discharge the bus, and then we will slowly charge it overnight, which is better for the battery. If done correctly we could save between 10-15k if we hit all the peaks.

The Utility District will have a trailer with a tribute to Don in the 4th of July Parade. We will also have the school bus, and the electric bucket truck in the parade with banners explaining where the money came from.

The power supply sub-committee will be meeting tomorrow at 3 PM. Craig will be available to tell us what it would cost if we went 100% renewable and of any options. The Solar Initiative has approved some funding for us to go 100% renewable. Details will be discussed at the meeting tomorrow.

Jeff reported he was attending the NRECA Region 1 meeting in Richmond, VA. Jeff encouraged two commissioners to register. Eliot and John are considering joining Jeff.

BIUD Annual meeting is Saturday, August 26th at 4 PM. We will have a similar setup as last year. Chris Christianson is the main speaker. He is a former NRECA board president.

7. Review of the 2023BIUD Election Schedule

June 1- Mail forms to designate qualified electors to all account holders

July 3-Qualified elector forms due back to BIUD

July 26-Candidates must declare intent to run by this date

August 26-Candidate introduction at the annual meeting.

August 30-Mail ballots

October 2-Ballots due back to BIUD

October 4-Election results announced

October 26- Transition of board seats (last/first meetings)

8. Review and Act upon the NRECA Member Satisfaction Survey

Jeff reported that NRECA does member satisfaction surveys for other organizations. Jeff said he had done one of these surveys every year at his former job.

Jeff asked that everyone look over the questions and make suggestions.

Jeff added that the survey will be provided online. There was concern that a subset of the population will be left out. We may entertain a paper survey if they ask for one.

A lengthy conversation was had pertaining to the questions.

Barbara MacMullan made a motion to adjourn the meeting, the motion was seconded by Tom, and the motion passed unanimously. The meeting adjourned at 5:22 pm.

Block Island Utility District
Meeting of the Board of Commissioners
Thursday, July 27, 2023 @ 4:00pm

In attendance: Board of Directors: Barbara MacMullan, Eliot Taubman, Tom Risom.

Jeffery Wright, Tracy Fredericks, Tom Durden, Tony Pappas, David Lewis

Barbara called the meeting to order at 4:10 PM

1. Public Input - No input

2. Commissioner's Report (ETTIP Grant Update) Board Chair Barbara MacMullan reported we got the Technical Assistance grant she and John were working on. We will create a sub-committee; this is a community-based activity. We will form this committee and work with the Island Institute, the planning board, sea-level rise group.

3. Strategic Plan Update-

President Jeffery Wright reported that there are still several items that are still on track. Still, we don't want to lose sight of capital planning and getting the capital budget created, succession planning, and what to do if any critical members of our organization are suddenly gone and the subcommittee working on the benefits package.

4. Approve Meeting Minutes from the June 22, 2023, Regular Meetings

Barbara MacMullan asked that item #5 of the Treasurer's report we change the word restraints to constraints.

A motion was made by Barbara MacMullan, seconded by Tom Risom, the motion passed unanimously.

5. Treasurer's Report

Treasurer, Tom Risom reported we are all caught up with all the financials from May, June and July.

Jeff Wright reported on the second quarter report; net utility plant has greatly increased in the last year. Current assets are up a couple \$100,000, deferred assets and deferred liability tied to the tower's new tax requirement.

Jeff also reported that the same goes with deferred credits, long-term liabilities, and long-term CFC debt. The line of credit was drawn down, but it will get paid down by the end of the year. Total revenues are up significantly due to the new bucket truck.

Additionally, he noted that we will be doing a cost-of-service study, which could result in a rate change. This is necessary because the cost of everything has increased due to inflation. Everything is posted on the website.

6. President's Report

President Jeffery Wright reported on the following:

- i. 2023 Member Satisfaction Survey Update-we did a mailing and posted it to the BIBB.
- ii. 2023 Sales/Operational Update: sales are on par with last year. Page 20 system losses are down to about 11%. This does cover about 2/3% of our loan for the voltage conversion.
- iii. DOE Grant (Resiliency/Pole Replacement) Update Jeff reported grip to grant no update, hopefully will hear soon. This would change our capital budget. We need to sit down once we get the grants and figure out the changes.
- iv. Level II Car Charger Program and BI Solar Initiative Grant-Jeff reported that the island could not sustain several more level 3 chargers. Jeff offered EV charging should be at home with back-feed capability and Wi-Fi-controlled. We need to have the ability to spread out the load. Jeff said he spoke with the Solar Initiative to help develop and fund a pilot project then we can take this to the PUC. Jeff has offered to put this program together. Jeff stressed that the utilities need to control them and know where they are to meet demand.

7. Review of the 2023 BIUD Election Schedule/Annual Meeting Planning-The meeting is scheduled for Saturday, August 26th at 4:00 pm. We have speakers lined up and plenty of raffle prizes. We have 7 candidates for the election; all are asked to be present and will be given a chance to introduce themselves. The keynote speaker is Chris Christensen, past NRECA president and NRUCFC Director.

8. Review and Act upon Block Island Utility District "Round-Up" (looking for alternative names) Program- We would like to call it the Small change project. Jeff suggested we have a 7-member committee of 4 members, 2 board members, and 1 employee. The committee would work on where and how the money is spent.

9. Review of BIUD Power Supply Strategy and BI Solar Initiative Grant - Jeff Wright reported we are not bound by the renewable energy standard. We have done some math, the cost to become 100% renewable isn't as expensive as we thought. State RES- (renewable energy standard) we sell the rec's. It would be to our benefit not to sell the recs. The solar initiative has offered to buy renewable attributes to bridge the gap. We could say we are 100% renewable. It would cost the ratepayers .01/kwh for the first year than a half-cent each year after. Tony offered that the donor is on board with this idea, but there are still some pieces to work

through.

10. *Review and Act Upon Hull Suburban Lease Renewal (1st Term Expires August 26, 2023)

***This item may be discussed in closed session pursuant to R.I. Gen Laws 42-46-5(a)(5):** Any discussions or considerations related to the acquisition or lease of real property for public purposes, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

Board Chair Barbara MacMullan moved to enter closed session, and Tom Risom seconded the motion. The motion passed unanimously.

At 5:55 PM, a motion to come out of closed session was made by Barbara MacMullan, seconded by Tom Risom and approved unanimously. No actions or votes were taken.

The motion to seal the minutes of the closed session was made by Barbara, and seconded by Tom. The motion passed unanimously.

The motion to adjourn the meeting was made by Barbara, and seconded by Tom. The motion passed unanimously. The meeting was adjourned at 6:02 p.m.

AGENDA ITEM 5
TREASURER'S UPDATE

AGENDA ITEM 6
PRESIDENT'S UPDATE

AGENDA ITEM 7

**REVIEW AND APPROVAL OF BIUD POWER SUPPLY STRATEGY,
BISI “BRIDGE” GRANT AND BIUD’S 2024 PUC FILING**

POWER SUPPLY AND TRANSMISSION RATE PROPOSAL
AND POWER SUPPLY STRATEGY
NOVEMBER 2, 2023

The BIUD reconciles its power supply and transmission rate collections with actuals each year, forecasts the next year's expenses, and recalculates new rates that go into effect on January 1st.

This year we are proposing a rate and strategy that:

- 1) Includes BIUD complying with the RI State Renewable Portfolio Standard ("RPS") – which requires 28% of our power supply portfolio to be from renewable resources. BIUD will accomplish this in 2024 by retiring its Renewable Energy Credits ("RECs") from its existing contract resources, and by purchasing additional RECs to make up the 28%. The cost of this new strategy is roughly one cent/kilowatt.
- 2) Includes an additional "NET \$0" line item that includes a grant from the BI Solar Initiative that would fund the purchase of additional RECs so that BIUD can claim 100% renewable. The generous contribution from the BI Solar Initiative would be roughly \$50K.

The new rates are shown on the following pages. For comparison, I have also included rates that reflect no renewable strategy.

Some questions that can be anticipated are:

- Q1: What if the BI Solar Initiative funding is withdrawn?
A1: If the funding were pulled we would just revert back to "meeting the RI-RPS" (28%) but not be able to claim 100% renewable.
- Q2: What financial risk is there to BIUD?
A2: None, we will simply purchase the energy and RECs from Gravel Pit, Broadleaf, FirstLight, roof top solar and possible NYPA and then retire those RECs.
- Q3: Are the REC expenses in Attachment 1 net of the retirement of the resource RECs listed above?
A3: Yes, the total cost of REC purchases is net of those RECs we already purchase as part of our existing contracts.
- Q4: How many other electric utilities can make this claim of 100% renewable?
A4: From our limited research, there appear to be less than ten electric companies in the US that can make this claim.
- Q5: Why is the BI Solar Initiative willing to make this contribution?
A5: Mr. McClusky wanted to advance the development of renewable generation and be a catalyst for change. This generous offer meets this criterion.
- Q6: Does the 28% in 2024 change annually?

A6: Yes. Each year the percentage increases until, 2032, the year the RI RPS percentage reaches 100%.

Q7: Does our expense increase accordingly?

A7: Yes, we estimate a necessary increase of half a cent each year in the power supply rate each year until 2032.

Q8: Can BIUD change its strategy in any year or are we committed until 2032?

A8: BIUD would not give up its exemption of the RPS, but rather be clear that we are meeting it voluntarily. This would allow BIUD to change its strategy. The decision to meet the RPS is an annual commitment and can be changed with its annual filing.

Q9: Does BUD's power supply sub-committee support this proposal?

A9: Yes. They will voice their full support in our meeting.

Impact

Jan-Dec				
Factor	Current	Proposed	Difference	
Power Supply Service	\$0.1036	\$0.1200	\$0.0164	15.8%
Transmission	\$0.0786	\$0.0778	(\$0.0008)	-1.0%
Fuel Adjustment	\$0.0000	\$0.0000	\$0.0000	
TOTAL	\$0.1822	\$0.1978	\$0.0156	8.6%

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	Peak	Shoulder	Off Peak
Current			
Customer	\$ 10.00	\$ 10.00	\$ 10.00
Electric	\$ 142.50	\$ 71.25	\$ 44.75
Power	\$ 91.10	\$ 91.10	\$ 91.10
	<u>\$ 243.60</u>	<u>\$ 172.35</u>	<u>\$ 145.85</u>
Proposed			
Customer	\$ 10.00	\$ 10.00	\$ 10.00
Electric	\$ 142.50	\$ 71.25	\$ 44.75
Power	\$ 98.89	\$ 98.89	\$ 98.89
	<u>\$ 251.39</u>	<u>\$ 180.14</u>	<u>\$ 153.64</u>
	\$ 7.79	\$ 7.79	\$ 7.79
	3.2%	4.5%	5.3%

Power Supply Service & Transmission Cost
Rate Calculation
Block Island Power Company

Schedule DGB-1
CY 2023 Reconciliation
Twelve month Recalculation for
Rates Effective Jan 1, 2024

Power Supply Service

Total Energy Costs	1,281,831	See Attachment-1
Total Capacity/Other Costs	477,591	See Attachment-1
Total Other Costs	-	See Attachment-2
Less Over Collections		
December-22 Reconciliation estimates to actual variance	(8,403)	See Attachment-5
December-23 Reconciliation (net of Reserve request)	33,724	See Schedule DGB-4
Subtotal	1,734,102	
Subtotal to recover (No Gross Receipts Tax)	1,734,102	(A)
 Estimated Sales (MWH) to Customers	 14,454	 See Schedule DGB-2
Cost per MWH	\$ 119.97	
Cost per KWH	\$ 0.1200	

Transmission Charges

Transmission costs	1,170,624	See Attachment-1
Less Over Collections		
December-22 Reconciliation estimates to actual variance	1,725	See Attachment-5
December-23 Reconciliation (net of Reserve request)	44,123	See Schedule DGB-4
Subtotal	1,124,776	
Subtotal to recover (No Gross Receipts Tax)	1,124,776	(B)
 Estimated Sales (MWH) to Customers	 14,454	 See Schedule DGB-2
Cost per MWH	\$ 77.82	
Cost per KWH	\$ 0.0778	

Total

Cost per MWH	\$ 197.79
Cost per KWH	\$ 0.1978

Updated Net Metering rate based upon this filing

	<u>Costs</u>	
Power Supply Costs	1,734,102	(A)
BIUD interconnection	-	See Attachment-2
Power Supply Service portion of Net Metering Credit	1,734,102	
 Transmission Costs per Settlement Schedule-1	 1,124,776	 (B)
DAF Costs	(338,136)	See Attachment-1
BITS Costs	(34,200)	See Attachment-1
Transmission portion of Net Metering Credit	752,440	
 Total Costs Assigned to Net Metering Credit	 2,486,542	
Estimated Sales (MWH) to Customers	14,454	See Schedule DGB-2
 Total Net Metering Credit per MWH	 \$ 172.03	 172.03
Cost per KWH	\$ 0.1720	

**Estimated Sales (KWH) to All Customers
Block Island Power Company**

**Schedule DGB-2
CY 2023 Reconciliation
Twelve month Recalculation for
Rates Effective Jan 1, 2024**

	Ending December-21	Ending December-22	Ending December-23	Projected	
Estimated Sales (Two year average by month)	(A)	(B)	(C)	(B+C)/2	X 2%
January	878,879	923,494	879,254	919,401	Jan-24
February	839,233	768,270	868,951	834,983	Feb-24
March	777,962	774,904	795,450	800,881	Mar-24
April	778,866	736,036	762,866	764,440	Apr-24
May	969,895	954,857	959,810	976,480	May-24
June	1,348,806	1,371,593	1,340,858	1,383,350	Jun-24
July	2,155,158	2,239,426	2,383,072	2,357,474	Jul-24
August	2,197,610	2,392,958	2,099,135	2,290,967	Aug-24
September	1,510,833	1,476,389	1,527,700	1,532,085	Sep-24
October	909,765	954,467	954,467	973,556	Oct-24
November	748,430	727,948	727,948	742,507	Nov-24
December	789,801	860,896	860,896	878,114	Dec-24
	<u>13,905,238</u>	<u>14,181,238</u>	<u>14,160,407</u>	<u>14,454,239</u>	
			99.9%		

12 month estimated KWH Sales for Rate period

14,454,239

Project Load (See Attachment 1)

16,636,947

% of Line Loss and Plant Use

13.12%

(A) See Attachment-4

(B) See Attachment-4

(C) See Attachment-4

FY 2023
14,160,407
16,280,152.00
13.02%

Forecast Purchase Power Costs Block Island Power Company

Attachment 1

CY 2023 Reconciliation
Twelve month Recalculation for
Rates Effective Jan 1, 2024

Purchase Power Projections

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Totals
Load (Energy Purchased)	1,045	983	993	881	1,097	1,577	2,743	2,641	1,748	1,037	869	1,023	16,637 *
MWH													
Bilateral Purchase	773	728	735	652	812	1,340	2,331	2,245	1,486	767	643	757	13,269
NYPA Purchase	138	137	135	150	130	132	147	155	143	135	124	117	1,642
BIUD Solar (Project)	4	6	10	12	15	11	15	12	11	7	5	4	111
Gravel Pit Solar II	-	-	-	-	-	-	-	-	-	-	-	-	-
Gravel Pit Solar III	-	-	-	-	-	-	32	32	25	14	13	8	123
Cabot/Tuners (First Light)	64	52	66	78	76	56	46	37	30	54	61	65	686
ISO Adjusted net Interchange	65	62	48	(10)	64	38	171	160	53	58	23	73	805
Total Net Purchases MWH	1,045	983	993	881	1,097	1,577	2,743	2,641	1,748	1,037	869	1,023	16,637

Energy Costs See Attachment-3

Shell	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50
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py BIUD SO rate	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03	\$ 172.03
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Bilateral Purchase	\$ 59,152	\$ 55,656	\$ 56,204	\$ 49,879	\$ 62,128	\$ 102,534	\$ 178,337	\$ 171,722	\$ 113,678	\$ 58,698	\$ 49,178	\$ 57,933	\$ 1,015,100
NYPA Purchase	\$ 681	\$ 672	\$ 663	\$ 736	\$ 641	\$ 650	\$ 723	\$ 761	\$ 704	\$ 667	\$ 610	\$ 573	\$ 8,081
BIUD Solar (Project)	\$ 715	\$ 978	\$ 1,659	\$ 2,053	\$ 2,592	\$ 1,808	\$ 2,499	\$ 2,128	\$ 1,810	\$ 1,270	\$ 938	\$ 651	\$ 19,102
Gravel Pit Solar II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gravel Pit Solar III	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,672	\$ 1,654	\$ 1,296	\$ 717	\$ 666	\$ 394	\$ 6,398
Cabot/Tuners (First Light)	\$ 2,978	\$ 2,400	\$ 3,001	\$ 3,570	\$ 3,525	\$ 2,552	\$ 2,157	\$ 1,725	\$ 1,424	\$ 2,538	\$ 2,813	\$ 2,991	\$ 31,674
Class 1 REC Cost (28% RI RPS)	\$ 8,587	\$ 8,080	\$ 8,159	\$ 7,241	\$ 9,019	\$ 12,958	\$ 22,539	\$ 22,539	\$ 21,703	\$ 14,367	\$ 8,521	\$ 7,139	\$ 150,851
Projected Class 2 REC Cost (72%)	\$ 2,729	\$ 2,568	\$ 2,593	\$ 2,301	\$ 2,867	\$ 4,119	\$ 7,164	\$ 7,164	\$ 6,898	\$ 4,566	\$ 2,708	\$ 2,269	\$ 47,948
Reimb from BI Solar Initiative	\$ (2,729)	\$ (2,568)	\$ (2,593)	\$ (2,301)	\$ (2,867)	\$ (4,119)	\$ (7,164)	\$ (7,164)	\$ (6,898)	\$ (4,566)	\$ (2,708)	\$ (2,269)	\$ (47,948)
ISO Net Position	\$ 8,424	\$ 7,122	\$ 2,768	\$ (691)	\$ 2,057	\$ 1,267	\$ 9,690	\$ 7,257	\$ 1,806	\$ 1,980	\$ 1,205	\$ 7,741	\$ 50,626
Total Energy Costs	\$ 80,538	\$ 74,908	\$ 72,453	\$ 62,789	\$ 79,963	\$ 121,769	\$ 217,617	\$ 207,785	\$ 142,420	\$ 80,237	\$ 63,930	\$ 77,422	\$ 1,281,831

Capacity/Other Costs

ISO FCM Charges net of													
NYPA CAP credit	\$ 15,583	\$ 15,583	\$ 15,583	\$ 15,583	\$ 15,583	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 269,473
NYPA Fixed Costs	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 17,827
ISO Ancillary/Schedule													
Charges	\$ 12,917	\$ 12,154	\$ 6,852	\$ 6,081	\$ 7,574	\$ 10,882	\$ 10,699	\$ 10,302	\$ 6,820	\$ 4,045	\$ 3,389	\$ 9,581	\$ 101,294
ISO Annual Fee	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Projected ENE Fees	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,382	\$ 7,382	\$ 7,382	\$ 7,382	\$ 7,382	\$ 7,382	\$ 88,498
Total Capacity/Other Costs	\$ 37,854	\$ 36,591	\$ 31,288	\$ 30,517	\$ 32,010	\$ 47,101	\$ 46,931	\$ 46,535	\$ 43,052	\$ 40,277	\$ 39,621	\$ 45,813	\$ 477,591

Transmission Costs

ISO Transmission Charges	\$ 20,994	\$ 28,206	\$ 29,346	\$ 24,084	\$ 21,990	\$ 30,725	\$ 52,078	\$ 72,689	\$ 70,370	\$ 56,266	\$ 27,543	\$ 22,334	\$ 456,626
NYPA Transmission Costs	\$ 3,618	\$ 6,995	\$ 5,952	\$ 5,265	\$ 3,965	\$ 7,759	\$ 3,777	\$ 5,164	\$ 3,759	\$ 2,408	\$ 1,789	\$ 5,851	\$ 56,301
National Grid Connection													
DAF Charges	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 338,136
National Grid Cable													
Surcharges	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 34,200
National Grid Transformer													
Surcharges	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
National Grid Meter													
Surcharge	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 60
National Grid Rolled in													
Distribution	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 179,065
National Grid PTF, Non-PTF													
and Load Dispatch Charges	\$ 3,667	\$ 4,526	\$ 4,709	\$ 3,865	\$ 3,529	\$ 5,177	\$ 8,775	\$ 12,247	\$ 11,857	\$ 9,480	\$ 4,641	\$ 3,763	\$ 76,236
Total Transmission Costs	\$ 76,562	\$ 88,010	\$ 88,290	\$ 81,496	\$ 77,766	\$ 92,239	\$ 113,207	\$ 138,678	\$ 134,563	\$ 116,733	\$ 82,552	\$ 80,526	\$ 1,170,624

Total All-In Costs	\$ 194,954	\$ 199,509	\$ 192,032	\$ 174,802	\$ 189,739	\$ 261,109	\$ 377,755	\$ 392,998	\$ 320,036	\$ 237,247	\$ 186,103	\$ 203,761	\$ 2,930,047
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* This line item represents the Purchased KWH.

The difference between this line item and the estimated kwh sales on DGB-2 represents the estimated KWH line losses & KWH Plant Use.

Impact

Jan-Dec

Factor	Current	Proposed	Difference	
Power Supply Service	\$0.1036	\$0.1091	\$0.0055	5.3%
Transmission	\$0.0786	\$0.0778	(\$0.0008)	-1.0%
Fuel Adjustment	\$0.0000	\$0.0000	\$0.0000	
TOTAL	\$0.1822	\$0.1870	\$0.0048	2.6%

net metering	\$0.1558	\$0.1612	\$0.0054
--------------	----------	----------	----------

	Peak	Shoulder	Off Peak
Current			
Customer	\$ 10.00	\$ 10.00	\$ 10.00
Electric	\$ 142.50	\$ 71.25	\$ 44.75
Power	\$ 91.10	\$ 91.10	\$ 91.10
	\$ 243.60	\$ 172.35	\$ 145.85
Proposed			
Customer	\$ 10.00	\$ 10.00	\$ 10.00
Electric	\$ 142.50	\$ 71.25	\$ 44.75
Power	\$ 93.48	\$ 93.48	\$ 93.48
	\$ 245.98	\$ 174.73	\$ 148.23
	\$ 2.38	\$ 2.38	\$ 2.38
	1.0%	1.4%	1.6%

Power Supply Service & Transmission Cost
Rate Calculation
Block Island Power Company

Schedule DGB-1
CY 2023 Reconciliation
Twelve month Recalculation for
Rates Effective Jan 1, 2024

Power Supply Service

Total Energy Costs	1,125,480	See Attachment-1
Total Capacity/Other Costs	477,591	See Attachment-1
Total Other Costs	-	See Attachment-2
Less Over Collections		
December-22 Reconciliation estimates to actual variance	(8,403)	See Attachment-5
December-23 Reconciliation (net of Reserve request)	33,930	See Schedule DGB-4
Subtotal	1,577,544	
Subtotal to recover (No Gross Receipts Tax)	1,577,544	(A)
Estimated Sales (MWH) to Customers	14,454	See Schedule DGB-2
Cost per MWH	\$ 109.14	
Cost per KWH	\$ 0.1091	

Transmission Charges

Transmission costs	1,170,624	See Attachment-1
Less Over Collections		
December-22 Reconciliation estimates to actual variance	1,725	See Attachment-5
December-23 Reconciliation (net of Reserve request)	44,123	See Schedule DGB-4
Subtotal	1,124,776	
Subtotal to recover (No Gross Receipts Tax)	1,124,776	(B)
Estimated Sales (MWH) to Customers	14,454	See Schedule DGB-2
Cost per MWH	\$ 77.82	
Cost per KWH	\$ 0.0778	

Total

Cost per MWH	\$ 186.96
Cost per KWH	\$ 0.1870

Updated Net Metering rate based upon this filing

	<u>Costs</u>	
Power Supply Costs	1,577,544	(A)
BIUD interconnection	-	See Attachment-2
Power Supply Service portion of Net Metering Credit	1,577,544	
Transmission Costs per Settlement Schedule-1	1,124,776	(B)
DAF Costs	(338,136)	See Attachment-1
BITS Costs	(34,200)	See Attachment-1
Transmission portion of Net Metering Credit	752,440	
Total Costs Assigned to Net Metering Credit	2,329,985	
Estimated Sales (MWH) to Customers	14,454	See Schedule DGB-2
Total Net Metering Credit per MWH	\$ 161.20	161.2
Cost per KWH	\$ 0.1612	

**Estimated Sales (KWH) to All Customers
Block Island Power Company**

**Schedule DGB-2
CY 2023 Reconciliation
Twelve month Recalculation for
Rates Effective Jan 1, 2024**

	Ending December-21	Ending December-22	Ending December-23	Projected	
Estimated Sales (Two year average by month)	(A)	(B)	(C)	(B+C)/2	X 2%
January	878,879	923,494	879,254	919,401	Jan-24
February	839,233	768,270	868,951	834,983	Feb-24
March	777,962	774,904	795,450	800,881	Mar-24
April	778,866	736,036	762,866	764,440	Apr-24
May	969,895	954,857	959,810	976,480	May-24
June	1,348,806	1,371,593	1,340,858	1,383,350	Jun-24
July	2,155,158	2,239,426	2,383,072	2,357,474	Jul-24
August	2,197,610	2,392,958	2,099,135	2,290,967	Aug-24
September	1,510,833	1,476,389	1,527,700	1,532,085	Sep-24
October	909,765	954,467	954,467	973,556	Oct-24
November	748,430	727,948	727,948	742,507	Nov-24
December	789,801	860,896	860,896	878,114	Dec-24
	<u>13,905,238</u>	<u>14,181,238</u>	<u>14,160,407</u>	<u>14,454,239</u>	
			99.9%		

12 month estimated KWH Sales for Rate period

14,454,239

Project Load (See Attachment 1)

16,636,947

% of Line Loss and Plant Use

13.12%

(A) See Attachment-4

(B) See Attachment-4

(C) See Attachment-4

FY 2023
14,160,407
16,280,152.00
13.02%

Forecast Purchase Power Costs Block Island Power Company

Attachment 1

CY 2023 Reconciliation
Twelve month Recalculation for
Rates Effective Jan 1, 2024

Purchase Power Projections

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Totals
Load (Energy Purchased)	1,045	983	993	881	1,097	1,577	2,743	2,641	1,748	1,037	869	1,023	16,637 *
MWH													
Bilateral Purchase	773	728	735	652	812	1,340	2,331	2,245	1,486	767	643	757	13,269
NYPA Purchase	138	137	135	150	130	132	147	155	143	135	124	117	1,642
BIUD Solar (Project)	4	6	10	12	15	11	15	12	11	7	5	4	111
Gravel Pit Solar II	-	-	-	-	-	-	-	-	-	-	-	-	-
Gravel Pit Solar III	-	-	-	-	-	-	32	32	25	14	13	8	123
Cabot/Tuners (First Light)	64	52	66	78	76	56	46	37	30	54	61	65	686
ISO Adjusted net Interchange	65	62	48	(10)	64	38	171	160	53	58	23	73	805
Total Net Purchases MWH	1,045	983	993	881	1,097	1,577	2,743	2,641	1,748	1,037	869	1,023	16,637

Energy Costs See Attachment-3

Shell	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50	\$ 76.50
py BIUD SO rate	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20	\$ 161.20
Bilateral Purchase	\$ 59,152	\$ 55,656	\$ 56,204	\$ 49,879	\$ 62,128	\$ 102,534	\$ 178,337	\$ 171,722	\$ 113,678	\$ 58,698	\$ 49,178	\$ 57,933	\$ 1,015,100
NYPA Purchase	\$ 681	\$ 672	\$ 663	\$ 736	\$ 641	\$ 650	\$ 723	\$ 761	\$ 704	\$ 667	\$ 610	\$ 573	\$ 8,081
BIUD Solar (Project)	\$ 670	\$ 917	\$ 1,555	\$ 1,924	\$ 2,429	\$ 1,694	\$ 2,342	\$ 1,994	\$ 1,696	\$ 1,190	\$ 879	\$ 610	\$ 17,900
Gravel Pit Solar II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gravel Pit Solar III	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,672	\$ 1,654	\$ 1,296	\$ 717	\$ 666	\$ 394	\$ 6,398
Cabot/Tuners (First Light)	\$ 2,978	\$ 2,400	\$ 3,001	\$ 3,570	\$ 3,525	\$ 2,552	\$ 2,157	\$ 1,725	\$ 1,424	\$ 2,538	\$ 2,813	\$ 2,991	\$ 31,674
Cabot/Tuners REC	\$ -	\$ (900)	\$ -	\$ -	\$ (1,444)	\$ -	\$ -	\$ (905)	\$ -	\$ -	\$ (1,049)	\$ -	\$ (4,298)
Class 1 REC Cost (28% RI RPS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Class 2 REC Cost (72%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimb from BI Solar Initiative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ISO Net Position	\$ 8,424	\$ 7,122	\$ 2,768	\$ (691)	\$ 2,057	\$ 1,267	\$ 9,690	\$ 7,257	\$ 1,806	\$ 1,980	\$ 1,205	\$ 7,741	\$ 50,626
Total Energy Costs	\$ 71,906	\$ 65,867	\$ 64,190	\$ 55,419	\$ 69,336	\$ 108,697	\$ 194,921	\$ 184,207	\$ 120,604	\$ 65,790	\$ 54,301	\$ 70,242	\$ 1,125,480

Capacity/Other Costs

ISO FCM Charges net of													
NYPA CAP credit	\$ 15,583	\$ 15,583	\$ 15,583	\$ 15,583	\$ 15,583	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 27,365	\$ 269,473
NYPA Fixed Costs	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 1,486	\$ 17,827
ISO Ancillary/Schedule													
Charges	\$ 12,917	\$ 12,154	\$ 6,852	\$ 6,081	\$ 7,574	\$ 10,882	\$ 10,699	\$ 10,302	\$ 6,820	\$ 4,045	\$ 3,389	\$ 9,581	\$ 101,294
ISO Annual Fee	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Projected ENE Fees	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,368	\$ 7,382	\$ 7,382	\$ 7,382	\$ 7,382	\$ 7,382	\$ 7,382	\$ 88,498
Total Capacity/Other Costs	\$ 37,854	\$ 36,591	\$ 31,288	\$ 30,517	\$ 32,010	\$ 47,101	\$ 46,931	\$ 46,535	\$ 43,052	\$ 40,277	\$ 39,621	\$ 45,813	\$ 477,591

Transmission Costs

ISO Transmission Charges	\$ 20,994	\$ 28,206	\$ 29,346	\$ 24,084	\$ 21,990	\$ 30,725	\$ 52,078	\$ 72,689	\$ 70,370	\$ 56,266	\$ 27,543	\$ 22,334	\$ 456,626
NYPA Transmission Costs	\$ 3,618	\$ 6,995	\$ 5,952	\$ 5,265	\$ 3,965	\$ 7,759	\$ 3,777	\$ 5,164	\$ 3,759	\$ 2,408	\$ 1,789	\$ 5,851	\$ 56,301
National Grid Connection													
DAF Charges	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 338,136
National Grid Cable													
Surcharges	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 34,200
National Grid Transformer													
Surcharges	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 30,000
National Grid Meter													
Surcharge	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 60
National Grid Rolled in													
Distribution	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750	\$ 14,750	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 15,045	\$ 179,065
National Grid PTF, Non-PTF													
and Load Dispatch Charges	\$ 3,667	\$ 4,526	\$ 4,709	\$ 3,865	\$ 3,529	\$ 5,177	\$ 8,775	\$ 12,247	\$ 11,857	\$ 9,480	\$ 4,641	\$ 3,763	\$ 76,236
Total Transmission Costs	\$ 76,562	\$ 88,010	\$ 88,290	\$ 81,496	\$ 77,766	\$ 92,239	\$ 113,207	\$ 138,678	\$ 134,563	\$ 116,733	\$ 82,552	\$ 80,526	\$ 1,170,624
Total All-In Costs	\$ 186,322	\$ 190,468	\$ 183,768	\$ 167,432	\$ 179,113	\$ 248,037	\$ 355,060	\$ 369,420	\$ 298,220	\$ 222,801	\$ 176,474	\$ 196,581	\$ 2,773,695

* This line item represents the Purchased KWH.

The difference between this line item and the estimated kwh sales on DGB-2 represents the estimated KWH line losses & KWH Plant Use.

AGENDA ITEM 8

**REVIEW OF NORTHEAST ASSOCIATION OF ELECTRIC
COOPERATIVES CONFERENCE**

**DISCUSSION OF
NRECA BOARD GOVERNANCE PRESENTATION**



**National Rural Utilities
Cooperative Finance Corporation**

SERVICE | INTEGRITY | EXCELLENCE

Effective Governance: Finding the Balance Between the Board and Management

Kimberly E. Miller

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Agenda

- Duties of the Board
- Duties of Management
- Fiduciary Duties
- Risk Management
- Strategies for Balance

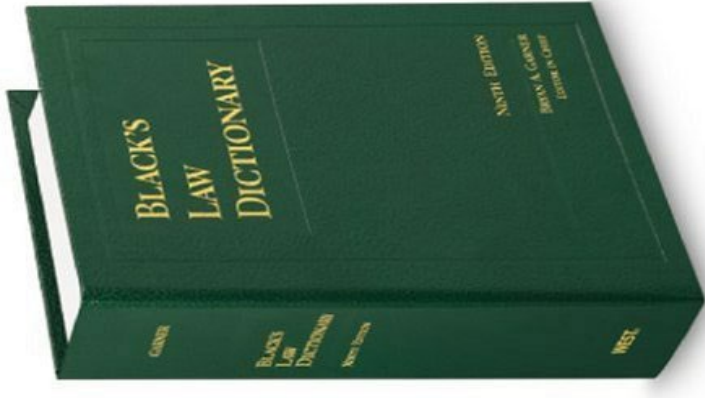
Director and Officer Duties

Director responsibilities

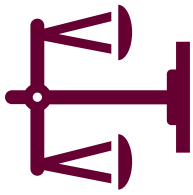
- Setting the system's strategic direction
- Oversight of management

Co-op officer responsibilities

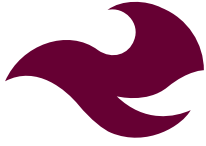
- Implementing the board's strategic plan and operations
- Supporting the efforts of the board
- Providing the board with timely and pertinent information



Duties of the Board



Upholds its fiduciary
duties to its members



Hires/Fires CEO



Votes on important
policies



Deploys and
Safeguards resources

Duties of Management



“In the Trenches”



Presents recommendations to the Board based on their best, most current knowledge



Creates the policies and procedures that the Board approves



Consists of or manages subject matter experts

Fiduciary Duty Defined

“A fiduciary is a person who acts for the benefit of another person on all matters within the scope of their relationship...who owes to another the duties of good faith, trust, confidence and candor; and who must exercise a high standard of care in managing another’s money or property.”

– Commitment to Excellence (p. 10)



Fiduciary Duties

Duty of
Care

Duty of
Loyalty

Duty to
Inform

Duty of
Obedience

Duty of Care

The Board of Directors must consistently discharge their duties:

- In good faith
- With the care that an ordinary prudent person in a like position would reasonably exercise under similar circumstances
- In a manner the directors believe to be in the best interests of the cooperative

Duty of Loyalty



Act in the cooperative's best interests



Refrain from competing with the cooperative



Never use information received from Board discussions for personal gain

Duty to Inform



Duty of Obedience

1

**Adhere to the
cooperative's
bylaws**

2

**Comply with
state and federal
laws**

3

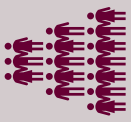
**Be Faithful to the
cooperative's
mission**

Case Study

Mike and Bill have been friends since they were in grade school. Mike has been elected to the coop Board and has served on the Board for the past two years. Bill's son applies for a job at the coop and is outright rejected without an interview. Bill calls Mike and asks for a favor. He wants Mike to make a case for his son's employment at the coop.

1. What fiduciary duties should Mike be mindful of?
2. How should Mike proceed?

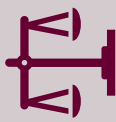
Fiduciary Duties – Management vs. Board



Managers spend more time than directors dealing with the cooperative's business



More extensive expectation of competence and diligence



Subject to greater potential liability

Fiduciary Duties – Management vs. Board

REASONABLE FOR
DIRECTORS TO RELY ON THE
ADVICE OF OTHERS,
SPECIFICALLY LEGAL
COUNSEL, ACCOUNTANTS
AND OTHER SUBJECT
MATTER EXPERTS

DIRECTORS SHOULD BE
ASKING THE RIGHT
QUESTIONS

POLICIES SHOULD INCLUDE
A CLEAR PATH FOR
OVERSIGHT

Business Judgment Rule

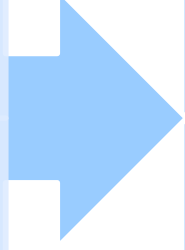
Traditionally, directors are not liable for business decisions that are made:

On an informed basis

In good faith

In the best interests of
the cooperative

When the director has
no individual interest in
the decision



Even if the decision yields a bad result

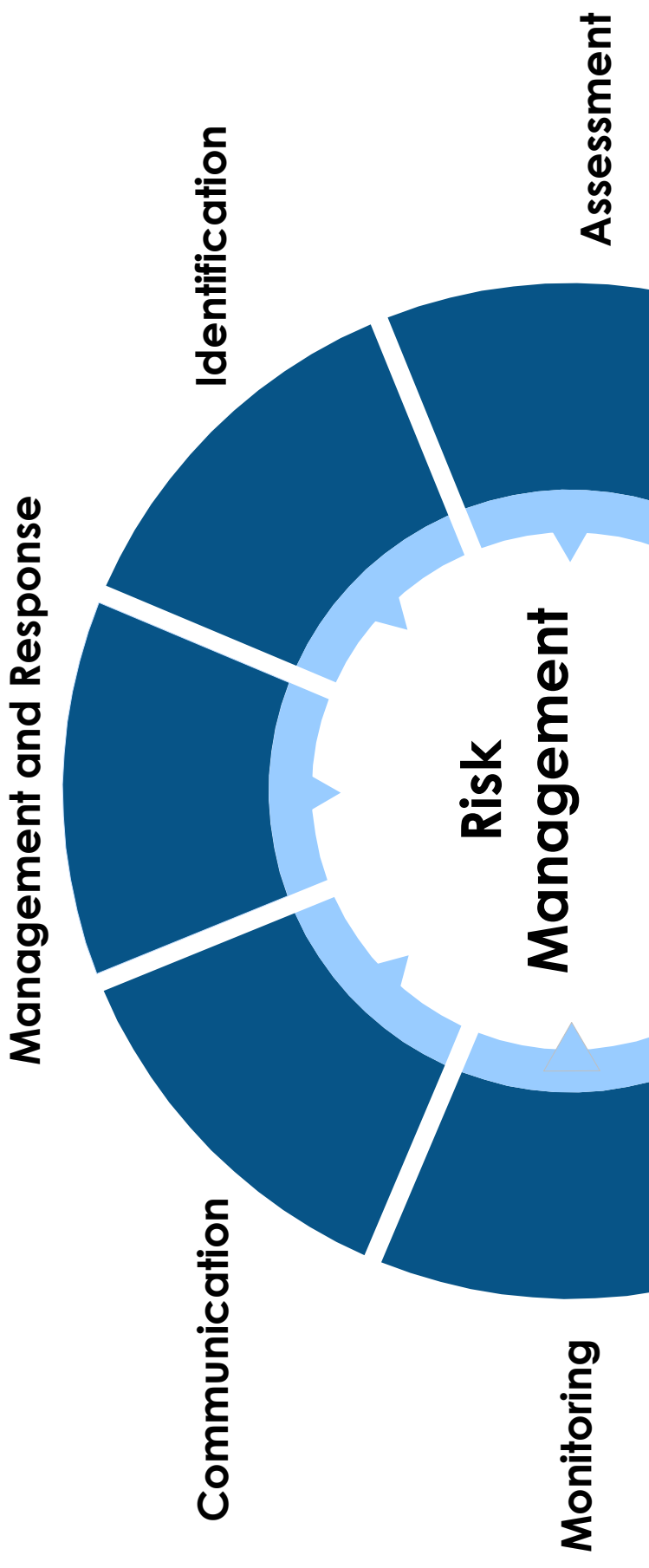
Case Study

Jake is an auditor with limited cooperative experience who was lucky to snag a seat on his cooperative's Board. As the only director with a CPA, he was asked to serve as chair of the Board's audit committee. The Board has indicated that they are looking to do a solar deal but the CEO has raised a number of regulatory and other challenges to the proposed structure based on information he received from his accountant and subject matter experts. Jake knows plenty of his clients who have done this deal with this structure and insists the coop move forward.

1. What fiduciary duties comes into play here?
2. How should Jake proceed?
3. How should the Board respond to Jake?

The Board's Role in Risk Management

OVERSIGHT



Case Study

Shaun Stevens is a new member to his cooperative's board of directors. Shaun is confused about the most recent report to the Board which reported a 25% loss attributed to the cooperative's propane subsidiary. Shaun recalled hearing at the previous board meeting that the propane business was strong and profitable. Shaun reaches out to the auditor to ask a few questions and was politely denied. When Shaun followed up with the CEO, he was told not to concern himself with operational details and instead focus his time on strategic issues.

1. What are the governance issues here?
2. What should Shaun do next?

Board and Management

Strive for a teammate mentality

Every person has to recognize the other's role and not overstep

Board has to find a way to support the CEO

CEO has the ultimate responsibility to keep the Board informed and regularly consult with them

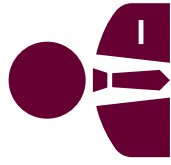
CEO must ultimately defer to the Board on the direction of the Company.

Case Study

Thomas Crown is a director at Blue Ridge Cooperative. The cooperative recently hired John Smith as its CEO. Thomas was wary of John due to his reputation and his overbearing personality. In his first year as a CEO, John has attended multiple conferences and events but, in Thomas' opinion, has not made a significant impact on the coop that the Board expected. As a result, Thomas often skims rather than reads proposals John brings to the Board's attention. However, Thomas did read the last proposal and has serious concerns about what John has proposed. When he begins to raise them at the Board meeting, he is quickly dismissed because his opinions of John are well known. Thomas is frustrated that his concerns are not being taken seriously and intends to approach the Board President after the meeting.

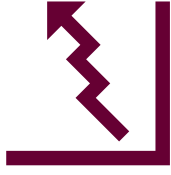
1. What corporate governance issues are present?
2. How should the Board President proceed?

Guiding Principles



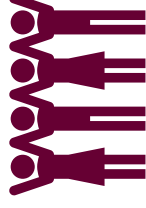
Independent directors

The number of directors who are not executives of the company should significantly outnumber any executive presence on the Board



Financial and managerial transparency

Always operate in the best interests of members and not the individual



Check your motivation

Always operate in the best interests of members and not the individual

Build a Strong Partnership

- ▶ Hold regular training sessions
- ▶ Provide guidelines (i.e. policies) with clear written expectations
- ▶ Focus on ethics
- ▶ Practice regular self-evaluation

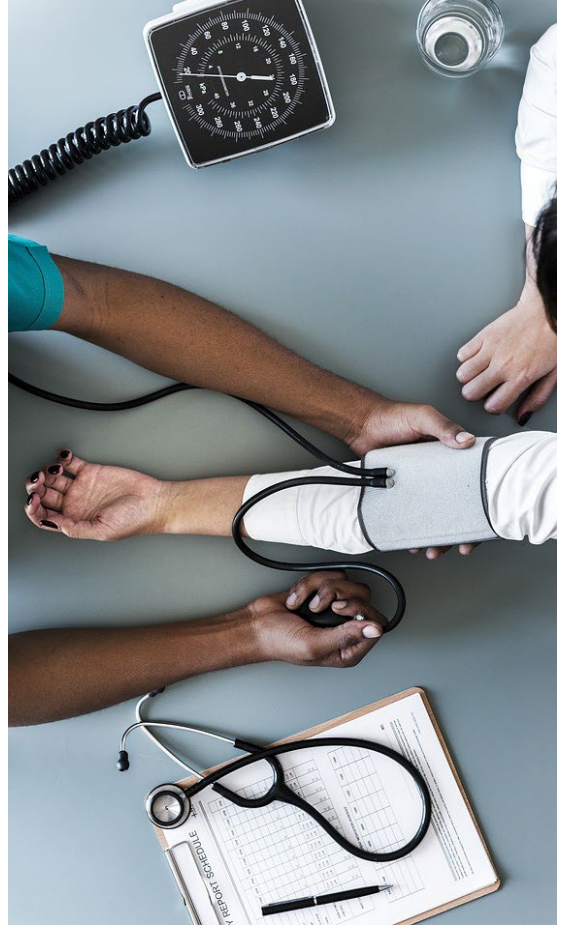




**National Rural Utilities
Cooperative Finance Corporation**

SERVICE | INTEGRITY | EXCELLENCE

Closing Thoughts



AGENDA ITEM 9
REVIEW OF 2024 BUDGET PROCESS AND
APPOINT CAPITAL PLANNING SUB-COMMITTEE

AGENDA ITEM 10
REVIEW AND ACT UPON BIUD'S POSITION ON CURRENT/FUTURE
ORSTED WIND FARMS