Meeting of the Board of Utility Commissioners
Thursday, May 22, 2025 @ 4:00 PM

THE MEETING WAS HELD AT THE HARBOR CHURCH

Board Members In Attendance: Barbara MacMullan, Ken Lacoste, Tom Risom, Mary Jane Balser, John Warfel.
Others in attendance: Jeffery Wright, Tracy Fredericks, David Lewis, Keith Lewis, Carlos Salinas, Don Logan, Tom Durden, Chris Warfel.

Barbara called the meeting to order at 4:03 pm.

1. Public Input: There was no input.

2. Commissioner's Report: There was no Commissioner's Report.

3. Review and Approve the Meeting Minutes from March 27, 2025, and April 30, 2025.

    - Tom Risom made a motion to approve the meeting minutes from March 27, 2025, as presented, the motion was seconded by Mary Jane Balser. The motion passed unanimously.

4. Review of ETIPP Presentation and Solicit Public Feedback

    - Board Chair Barbara MacMullan reported on the ETIPP draft report, noting that over the next 15 years as things become more electrified, we need to consider the infrastructure that we are going to need to support that level of demand which could only meet about 40% of our load. Peter Cappers will write a final, more detailed report of the findings. He offered to be at the Annual Meeting in August.
    - Jeff Wright reported that he and Peter talked about storage. Jeff felt it is important for people to understand storage, and what it would take to provide backup storage to the island. He and Peter will work on an estimate of what we would need for batteries and what that would cost. The report they did back in 2021 (Fractal Engineering) would have required 50, 20 ft storage containers to accommodate about 1 day of power, with no other backup form of power. This set up with the inverters and transformers would require a 3–4-acre battery field. The cost at the time of this report did not work even with the lowest cost batteries. We will look into this again and put a price tag on this. Resiliency comes at a price; the board needs to make some decisions on this at some point.
    - Barbara agreed we need to do an updated battery storage review, and issue

rfp for a community solar.

- Barbara added that we will be going back to the Community Solar Partnership Initiative which is another assistance group to help us look at the costs of a community solar project.
- Member David Lewis asked what Peter felt was the “scary number” from 6-7.5 that he mentioned at the ETIPP meeting. Jeffery replied it was the load forecast. We need to think about this because all of the EV’s and heat pumps that are being installed. We need to think about the infrastructure upgrades in the substation and possibly another voltage conversion.
- John added that the study showed we need another renewable energy source other than solar. Wind may be something to look into.

5. Review and Act Upon the 2025 Strategic Plan

Jeff reported the committee met to go through the strategic plan and made a few changes. The new and proposed strategic plan was presented: on file.

Tom Risom made a motion to approve the Strategic plan for 2025 in the packet. The motion was seconded by John Warfel. The motion was approved unanimously.

6. Treasurer’s Report and Review of Q1 2025 Financials
   - All financials are in the packet and included on the website
   - Jeff reported that we got through another clean audit.
   - Net margins are slightly better than last year.
   - Deferred revenue use is much higher; this is because the we collected the money for the 2024 energy certificates but haven’t paid for them.
   - Expenses and revenues are up equally and the capital expenses are up slightly, but we anticipated the OER grant.

7. President’s Report:
   - Tracy reported on the election process, stating we have hired Survey and Ballots Systems. They will handle all of the mailings, and I will provide them with all of the information. I have already sent the candidates forms over the BIBB for anyone that wants to run for office. They are due back July 7th. I have sent SBS the mailing list, logo and the designated qualified electors’ form and will be sent out on June 2nd. They are due back July 7th also. We will mail the ballots on May 28th, and they are due back October 1st, back to SBS and the results will be announced on October 3rd. All of this information is relayed via a web portal. They will send a final report, and they will shred everything. Barbara asked that they not shred the ballots until we have a certified election. Tracy will discuss this with them.
     The candidates will have the opportunity to introduce themselves at the annual meeting along with a list of the candidates and a 250-word bio.
   - Jeff reported that we had a debt hearing last Tuesday, and they were very supportive of everything. They were very impressed with our line losses. Jeff reported that it is saving us 150,000 dollars per year which is about .05/KwH. This money is going to go back into the power supply and saving

on our rates. Our system is now safer, and this is due to the voltage conversion.
- Barbara and Tom have signed up for the CFC forum in NYC, Barbara will be the designated voter.
- The NRECA regional meeting is being held in RI this fall on Tuesday September 2nd. Jeff asked for volunteers to help with running the meeting, to help man a table.
- BIUD will hand out RI gifts and we will be sponsoring a wind farm ferry tour.
- NEAEC- Held its annual meeting earlier this month. Tracy was elected the secretary of the NEAEC. The conference is Oct 13, 14 and 15 in Portland.

8. NRECA Director 2026-2028 Term Appointment
   - This is for the National Board, Jeff has been doing this for the past 3 terms. This will likely be his last term if appointed.
   - Barbara made a motion to appoint Jeff as the NRECA Director for Rhode Island. Mary Jane seconded the motion, the motion passed unanimously.

9. Rate Case Discussion
   - Jeff asked Dave to help do some rate calculations with different scenarios. We talked about borrowing more money for things like housing and new buildings and other projects. CFC wants to know how we plan to get from 20% to 40% equity. When we develop our rate case, you will see a 5-year plan for us to get to 40%. The more you borrow the more cash you have to put in. Ideally you would borrow 60% for your capital needs and fund the other 40% with cash. CFC wants us at 40% it helps them borrow money at a lower rate and lowers their risk profile. We have to factor this into our rates. The rates are listed in the meeting packet on page 23.
   - These scenarios are listed in the packet. This will be done by the next meeting then we can discuss the rates.
   - If we have a desire to make a change in the rate design, we can talk about this, but changing the rate design will impact the rate case design. This will take a lot of consulting work which Jeff is trying to limit.
   - Carlos asked if we are deciding not to look into block rates. Jeff said we are not deciding on anything we are just throwing it out there as an idea. Barbara added we will sit down and discuss this but from a practical view it would be difficult to come up with a block rate design in time to file in October. We have a real need to do a rated case. She suggested we stick with our current design and work on a cost-of-service rate case. She suggested we keep these separated and look for a grant to help with this.
   - Dave asked why other coops do an annual rate increase. Jeff said they are not regulated and don’t need approval. Our excess margin is rolled into our next year’s budget. Others give it back to their members. They don’t want the margin to be too big. It doesn’t cost them anything to change their rates.

Barbara made a motion to adjourn, the motion was seconded by Tom, the motion passed unanimously.