

**MINUTES OF REGULAR BOARD MEETING
OF
HOLY CROSS ENERGY**

APRIL 17, 2024

A regular meeting of the Board of Directors of Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy (hereinafter called “Holy Cross”), a Colorado cooperative association, was held at the main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO, on April 17, 2024, at 8:57 a.m. The meeting was held on WebEx with Board members and staff appearing electronically. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross.

Agenda Item 1: Roll Call. Chair David C. Munk called the meeting to order and reported that all seven Directors were present, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Keith E. Klesner, Linn Brooks, and Alexander DeGolia. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Cody O’Neil, Vice President—Operations; Sam Whelan, Vice President—Finance; Jenna Weatherred, Vice President—Member and Community Relations; and Trina Zagar-Brown, Vice President—Business Services. Also attending was General Legal Counsel Randolph W. Starr, Jonathan Perez, Christian Rosas, Eric Arnette, David Manning, and Betsey Seymour. Matthew Hale [Co-Bank], Rick Engel [former member] were also on the web meeting.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on March 20, 2024, and then continued to today’s meeting. [08:57]

Agenda Item 3: Public Comment. Chair Munk asked for comments from members of the public present. Mr. Hale made comments about CoBank, and Mr. Engel made comments about capital credits refund policy. [09:03] Mr. Engel left the meeting.

Agenda Item 4: Employee Recognition.

April Service Recognition:

Barry Croissant, Manager of Facilities is celebrating 30 years of service. Barry will be retiring on May 1, 2024.

Ben Bauer, Senior Equipment Operator is celebrating 5 years of service.

Recent New Hires, Promotions and Departures:

Hunter McCormick joined us on April 8, 2024, as a Journey Lineworker in Glenwood Springs.

Member High Fives. [09:09]

Agenda Item 5: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of March 20, 2024, Regular Meeting
- b. Treasurer’s Report
- c. Safety Committee Minutes

- d. Diversity, Equity, and Inclusion Committee Minutes
- e. Power Supply Report
- f. System Reliability Report
- g. Community Energy Systems Report
- h. Member Participation Report
- i. Legislative and Regulatory Report
- j. Attorney's Report
- k. Board Committee Reports
 - i. Communications
 - ii. Finance
 - iii. Governance
 - iv. Strategic Issues
- k. Directors' Reports
 - i. Western United Electric Supply Corporation
 - ii. Colorado Rural Electric Association
 - iii. National Rural Electric Cooperative Association
 - iv. National Rural Utilities Cooperative Finance Corporation
 - v. Federated Rural Electric Insurance Exchange

Questions posed by Board members were answered by staff members. Upon motion duly made, seconded, put to a vote and unanimously carried, it was

RESOLVED, that the items on the Consent Calendar be approved as presented. [09:48]
 Additional discussion ensued about the NEM working group meeting. [09:57]

Agenda Item 6: Staff Reports. The Staff Reports were delivered to the Board members prior to the meeting. Questions from Board members were answered by staff members. After discussion a motion was made, seconded, and put to a vote and unanimously carried, it was

RESOLVED, that the proposed changes to the 2024 Work Plans be approved as presented. [10:11]

Agenda Item 7: Old Business.

None.

Agenda Item 8: New Business.

- a. Network Infrastructure Plan Review.

Vice President Zagar-Brown and IT Manager Eric Arnette provided the Board with a status report on Holy Cross's Network Infrastructure Plan. They responded to questions from Board members. In January 2020, following an extensive broadband feasibility analysis, the Board adopted a series of resolutions establishing a five-year Network Infrastructure Plan with the goal of building out a fiber-optic ("broadband") network to connect "priority 1" sites important for Holy Cross's current and future system operations. While constructing a future system to meet Holy Cross's own needs, the Board instructed staff to explore options to provide excess strands of deployed fiber-optic cable available to community partners and service providers to improve broadband for Holy Cross's members. The Board considered the possibility of Holy Cross providing retail broadband services to all members but rejected it in favor of the partnerships approach given the numerous existing providers already in place in our area.

Funding to execute the 5-year fiber-optic deployment plan was first approved by the Board in the 2020 Capital Budget, and in each successive Capital Budget thereafter. Work was delayed significantly due to pandemic related material and labor challenges in 2020 and 2021.

Progress in executing the Network Infrastructure Plan has been made so far in three Phases:

- Holy Cross successfully completed Phase I in 2023 creating a fiber connection from Holy Cross's Glenwood campus to HCE's Aspen office and substation. Phase I created data center resiliency and redundancy and supports the operation of numerous smart devices deployed on the Holy Cross grid to improve Holy Cross's electric system reliability. It also increases access to middle mile internet services for regional entities such as the Northwest Council of Governments (NWCOG) and Pathfinder.
- Phase II presently under construction involves fiber connection between Holy Cross's Avon Office and the Wolcott substation. The project began in 2023 and resumed operations on April 15th following a winter hiatus with completion set for summer 2024.
 - o Phase II as designed does not connect into Cooley Mesa. Holy Cross has determined that there is benefit in pursuing a connection into Cooley which requires additional feasibility review in 2024 for a possible 2025 budget request.
- Phase III will extend fiber from Holy Cross's Cooley Mesa facility and substation over Cottonwood Pass to Holy Cross's Basalt distribution substation. Contracting and design are underway, and the expected completion date will be summer 2025.
 - o As a part of ongoing partnership discussions, Holy Cross engaged in a feasibility analysis with Colorado Mountain College exploring the potential for the CMC Spring Valley campus to connect to Holy Cross's Phase III fiber. This additional spur (Phase III – B) would enable a connection to additional Holy Cross's smart system devices, and ultimately to HCE's Glenwood campus.

For both Phase I and Phase II, Holy Cross contracted with HR Green and Bonfire, with HR Green performing engineering and logistical functions and Bonfire as the contractor. During the completion of Phase I, Holy Cross identified inefficiencies and challenges with this approach and decided to restructure contract relationships for Phase III. For Phase III, Bonfire will provide project management as well as engineering services. Bonfire will facilitate contractor selection and Holy Cross will select and directly retain the contractor.

Staff's presentation provided more detailed information on the status of each Phase and reviewed the partnership agreements and collaborations that Holy Cross has with Visionary, Pathfinder, NWCOG and the Colorado Department of Transportation. In many cases, Holy Cross has entered into use agreements and collaborations that provide Holy Cross with access to fiber-optic capability along routes used by partners for their internet access, in exchange for Holy Cross absorbing the "make ready" costs needed to strengthen Holy Cross's electric system to support fiber. Holy Cross has not sought Federal broadband funding as these funds have been primarily directed at "last mile" internet access through Internet Service Providers.

All current activities are contained in the Network Infrastructure Work Plan approved by the Board in December 2023, with funding approved in the 2024 Capital Budget. Following the end of Phase III in summer 2025, staff anticipates conducting a comprehensive review to determine whether further Holy Cross fiber-optic construction projects are justified based on business needs and availability of alternatives. No current action is required of the Board. [11:03] A break was taken. [11:03 to 11:15] Mr. Hale left the meeting.

b. Clean Energy Plan Review.

Vice President Whelan and Manager of Power Supply Phil Armstrong provided the Board with an update on Holy Cross's progress toward its Clean Energy Plan goals. At its April 21, 2021, regular meeting, the Holy Cross's Board of Directors authorized the filing of a Clean Energy Plan (CEP) with the Air Quality Control Commission (AQCC) in compliance with the provisions of HB19-1261 and SB19-236 as amended. As provided for in that legislation, an electric utility that files a CEP that

demonstrates a greater than 80% level of CO₂ reduction by 2030, compared to 2005 levels, obtains a “safe harbor” from future CO₂ regulations that may be implemented by the CDPHE/AQCC.

Holy Cross’s CEP includes Holy Cross’s existing and planned power supply projects and programs, and Holy Cross’s current and projected future power supply relationships with both Xcel Energy / Public Service Company of Colorado (PSCo) and Guzman Energy. The resulting CEP will achieve a 99% percent reduction in 2030 greenhouse gas emissions associated with Holy Cross’s retail sales from 2005 levels and is consistent with our public “Journey to 100%” commitment to supply 100% carbon-free electricity to Holy Cross’s members and their communities by 2030.

AQCC staff completed their verification and approval of Holy Cross’s CEP in 2022 and filed a Petition on May 12, 2022, for a Commissioner Information Meeting (CIM) at the Colorado Public Utilities Commission (PUC). Despite intervenor comments about the Guzman / Comanche 3 transaction, the PUC held a CIM on June 3, 2022, at which point Holy Cross’s CEP filing was deemed approved, and the safe harbor provided to Holy Cross according to state law. No current action is required of the Board. During the presentation Vice President Zagar-Brown left the meeting. Discussion about the notice received yesterday about the EVCE plan to file Chapter 7 bankruptcy. [12:22]

c. Amendment to Bronco Plains II Power Purchase Agreement.

Vice President Whelan provided the Board with an update on the Bronco Plains II (BP2) transmission curtailments and to seek approval of an amendment to the BP2 Wind Energy Purchase Agreement (WEPA). Staff has negotiated a WEPA amendment with NextEra to provide for damage payments to Holy Cross for the lost production from the resource.

Additionally, due to the BP2 seasonal sale agreement with Guzman, Holy Cross’s staff has shared the BP2 amendment with Guzman for its review. Holy Cross will receive curtailment damage payments from NextEra for the full 200MW project, and staff will need to amend the Holy Cross / Guzman Renewable Product Confirmation to pass through Guzman’s share of the curtailment damage payments. Guzman is preparing the draft and staff is seeking approval from the Board to move forward with negotiating and executing a simple payment pass through based on Guzman’s share of the output, subject to Legal Counsel review and approval.

Questions by Board members were answered by Vice President Whelan and President and CEO Hannegan. Upon motion duly made, seconded, put to a vote and unanimously carried, it was

RESOLVED, that staff is authorized to proceed with negotiations and execution of the Second Amendment to the Bronco Plains II Wind Energy Purchase Agreement, in a form substantially like what was presented to the Board; and

FURTHER RESOLVED, that staff is authorized to proceed with negotiations and execution of an amendment to the Guzman Renewable Product Confirmation as presented. [12:32]

d. Electric Rate Comparison.

Vice President Whelan provided a brief comparison of Holy Cross’s electric rates compared to the respondents to the CAMU rate survey. Every six months (January and July) CAMU requests each electric utility in the state of Colorado to provide their electric bill for a fictitious customer with specific consumption for four types of electric consumer. Holy Cross has provided the implied bill for three of those customers as Holy Cross does not have an applicable rate for CAMU’s Industrial customer class. Although this isn’t a perfect comparison of rates among utilities, the survey provides a useful way to compare bills of an “average” Colorado customers. Staff provided the related graphs for those responses. Holy Cross’s budgeted rates and tariffs are shown by the green bar and with rankings against those that have responded to the survey regardless of the corporation’s status (IOU, Cooperative or Municipal). Holy Cross continues to have lower rates than most of the utilities in Colorado, in line with Holy Cross’s strategic priorities. Holy Cross’s rates include the addition of a

franchise fee as well as the WeCARE rate rider, which many other utilities do not have. Questions from Board members were answered by staff members. [12:40]

e. Touchtone Energy[®] Cooperative Membership. Vice President Weatherred presented the Board with information for its decision on the renewal of Holy Cross's membership in Touchstone Energy[®] Cooperatives. According to its website, Touchstone Energy[®] helps its member cooperatives strengthen their relationships with their members. Touchstone Energy[®] is a national network of electric cooperatives across 46 states that provides research, communications resources, and employee training programs to help its member cooperatives better engage and serve their members. Holy Cross's interaction with Touchstone Energy[®] has decreased significantly over the past few years. The annual dues for Touchstone Energy[®] for 2024 are \$30,997 in cash and \$30,997 invested in Touchstone Energy[®] branded items. Holy Cross does this investment by including the Touchstone Energy[®] logo on some branded clothing and by including the logo on the election packet each year. Holy Cross staff does not recommend continuing with the Touchtone Energy[®] membership. After discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that Holy Cross Energy's Touchstone Energy[®] membership be nonrenewed in 2024. [12:43]

A break was taken. [12:43-13:15] All staff members with the exception of President and CEO Hannegan left the meeting.

Agenda Item 10: Items for Future Agendas. Discussion about the items on the list ensued. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that the June 19, 2024, Board meeting be moved to June 26, 2024, commencing at 9:00 a.m. [13:28]

Agenda Item 9: Executive Session. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Board enter executive session to consider documents or testimony given in confidence generally relating to board self-assessment. All staff members and members of the public left the Board meeting including President and CEO Hannegan and Attorney Starr.

No action was taken by the Board to make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money.

Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Board exit executive session. [15:07] President and CEO Hannegan and Attorney Starr returned to the Board meeting.

Agenda Item 11: Adjourn Board Meeting. Chair Munk continued the meeting at 15:08 p.m. until **May 15, 2024, at 9:00 a.m.** The next meeting will be held by WebEx at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO.

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Secretary – Alexander DeGolia

APPROVED:

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Chair – David C. Munk

2024 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
May 15, 2024—WebEx
The Annual Meeting of Members will be held on June 6, 2024, at 4 Eagle Ranch, 4098 Hwy 131, Wolcott, CO 81655
June 26, 2024—in person— <u>Note New Date!</u>
July 17, 2024—WebEx
August 14, 2024 (strategic planning)—in person
September 18, 2024—WebEx
October 23, 2024—WebEx
November 20, 2024—WebEx
December 18, 2024—in person at Glenwood