

Fox Islands Wind, LLC
Minutes of the Board of Directors Meeting
February 24, 2023, 9:00 a.m.

The meeting was held in person at Fox Islands Electric Cooperative, Inc.'s freight building located at 24 West Main Street, Vinalhaven, Maine, and via video conference.

Present:

George Kendrick, President
Douglas Green, Vice President
Charles Gadzik, Secretary/Treasurer
Amy M. W. Turner, Chief Executive Officer

President Kendrick called the meeting to order. A quorum was established for the purpose of conducting business.

Approval of Agenda

Upon motion by Mr. Gadzik, which was seconded by Mr. Green, the Board of Directors unanimously voted to approve the agenda as presented.

Public Comment

There were no individuals present who wished to address the Board of Directors.

Approval of the Minutes of the January 13, 2023, Regular Meeting

Upon motion by Mr. Gadzik, which was seconded by Mr. Kendrick, the Board of Directors dispensed with the reading of the minutes and unanimously approved the minutes of the January 13, 2023, regular meeting as presented.

Financial Report

Ms. Turner reviewed the 2022 Accounts Payable Report, which detailed all of the vendors retained by FIW and the related expenses. Ms. Turner informed the Board that the 2022 audit was being completed by FIEC and FIW's independent auditor, Kittel, Branagan & Sargent.

Upon motion by Mr. Kendrick, which was seconded by Mr. Green, the Board of Directors unanimously accepted the financial report.

CEO Report

Ms. Turner presented the FIW power purchase agreement report. In January, FIW generated and sold 262,146 kWh for a total charge of \$92,667. Due to the turbine outages, FIW is starting 2023 behind budget by \$8,822.

Board Meeting Minutes
February 24, 2023

Ms. Turner informed the Board that FIW is contractually obligated to sell 8,500 MW of renewable energy credits (RECs) generated in 2022. Because FIW generation fell short of the minimum by 741 MW, Ms. Turner is working with Vermont Public Power Supply Authority (VPPSA) to purchase additional RECs for our buyer, 3 Degrees Group, Inc. If the additional RECs are not available to purchase, she will negotiate a settlement based on the contract unit price of \$31 or offer 741 RECs from 2023 generation. Following the resolution of this issue, the 2023 RECs will be bid on a contingent basis – the contract will apply only if and when the energy is generated without penalties for underperformance.

Ms. Watson presented FIEC's power cost data. In January, FIEC sold 16,753 kWh of wind for \$0.04232/kWh, which is a low market price. FIEC purchased 805,734 kWh from the market to meet its load at the cost of \$46,211.77, which is \$0.05735/kWh – a low market price in the current economic climate.

The billed power cost of \$0.1620685/kWh for January power (February bill) was positively impacted by market factors. The turbines generated only 262 MWh at a cost of \$0.35098/kWh – the less the turbines generate, the more expensive the power because costs are spread across fewer kWh. The market power average cost of \$0.05735/kWh significantly decreased the overall cost of power in January.

Ms. Turner gave a brief update on FIEC's purchase of the wind farm property. The closing is expected to take place before the next FIW Board meeting, and Ms. Turner expects to propose amended lease documents to the Board for consideration at that meeting.

Ms. Turner summarized the FIW insurance policy renewal process and results. The policy cost breakdown is as follows:

Business interruption coverage	\$8,075
General liability	\$218,525
Brokerage fee	\$6,798
Financing charge	\$9,754
Total renewal cost	\$243,152

Ms. Turner will request a quote from Federated Insurance to provide a quote for both FIEC and FIW in 2024. Federated does not underwrite wind farms but would serve as our broker for FIW if it also served FIEC.

Ms. Turner concluded her report with a report on the activities of the Maine State Legislature. Bill LD 466 is a concept draft titled "An Act to Develop and Enforce Mandatory Recycling of All Solar and Wind Projects." Ms. Turner will be tracking the bill to determine whether FIW should support or oppose the draft language when it is introduced.

New Business

GE SCADA Upgrade Quote and O&M Reserve Request

Ms. Turner presented the GE quote for the SCADA upgrade. The current system is fully depreciated, past its useful life, and unable to incorporate curtailment functioning at the level desired by the Board and the FIEC board. The expense is not in the current FIW budget and will have to be financed through increased rates, the O&M reserve account, or FIEC loan. The directors reviewed the quote and discussion ensued.

Upon motion by Mr. Gadzik, which was seconded by Mr. Kendrick, the Board unanimously approved the GE quote for the SCADA service upgrade and directed Ms. Turner to seek approval to use the O&M reserve account to finance the project.


Standards of Conduct and Conflict of Interest Policy

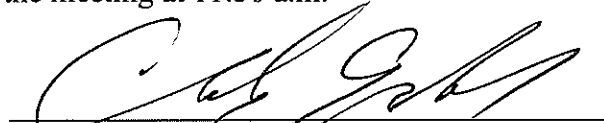
The directors discussed the proposed Standards of Conduct and Conflict of Interest Policy that reflects the principles adopted by the FIEC board. Ms. Turner summarized the key provisions and discussion ensued. Upon motion by Mr. Gadzik, which was seconded by Mr. Kendrick, the Board unanimously adopted the Standards of Conduct and Conflict of Interest Policy.

Logo Redesign Project

The Board discussed a redesign of the FIW logo, which is a simple three-turbine logo. FIEC's consumer accounts specialist, Karen Oakes, developed a few concept ideas that the Board reviewed and discussed. The Board discussed and adopted a variation of the fox logo with turbines and perhaps softer lines to represent wind. Design options will be developed and presented to the Board at a future meeting.

The Board concluded its business. Upon motion by Mr. Kendrick, which was seconded by Mr. Green, the Board of Directors voted to adjourn the meeting at 11:56 a.m.


George Kendrick, President


Charles Gadzik, Secretary/Treasurer