

BELOW ARE MEMBER COMMENTS AND QUESTIONS RECEIVED DURING THE 2021 VIRTUAL ANNUAL MEETING, WITH OUR RESPONSES. MEMBERS ARE ENCOURAGED TO CONTACT THE COOPERATIVE WITH ADDITIONAL QUESTIONS.

From R. Herr: What can you tell us about the Xcel Energy Powerline rerouting project? Do you have any input on the routing of Xcel Energy power line relocation project, and would you advocate for residents?

RESPONSE: Xcel Energy has two proposed projects in the Bayfield Electric service territory (links below). The Public Service Commission of Wisconsin (PSCW) has jurisdiction over transmission permitting and routing. Please contact Xcel or the PSCW with questions about the projects.

[Xcel Energy - Bayfield Second Circuit Transmission Project](#)

[Xcel Energy - Ashland-Ironwood Project](#)

From Kim Bro: I think load management incentives for members should be updated to include home backup and EV batteries whose energy the coop can access during peak demand periods. This can save on peak load and transmission costs. It would upgrade load management to reflect modern technology. Green Mountain Power cost shares \$5,500 for customers that install Tesla PowerWall 2 batteries.

RESPONSE: Thank you for your suggestion. We will pass it along to Dairyland Power Cooperative, our wholesale power supplier. The load management program used by Bayfield Electric is designed, implemented, and managed by Dairyland for the benefit of all Dairyland members.

From Bill Bailey: I encourage the BEC board to embrace solar technology and find ways to incentivize it. It brings value to the grid and the board should identify that value and encourage clean energy within its distribution system. Please invest in the future with a vision that “electrifies everything” including our transportation and heating systems. Distributed generation brings resilience to a system that we will depend on even more than we do now. I look forward to meeting and working with Chris Kopel.

RESPONSE: The Bayfield Electric Board of Directors is committed to work with all

members to address existing and future policy issues, including renewables. Mr. Kopel is looking forward to working with Mr. Bailey, and all members.

From Mike Fitzgibbon: Who were the directors that supported Bill Bailey's appeal to run for District 1 director and what were their reasons for supporting the appeal?

RESPONSE: The board of directors held a special meeting in March 2021 in consultation with counsel to consider Mr. Bailey's appeal of the CEO's initial determination that his nomination presented a conflict of interest under to Article IV, Section 2(b)(2) of the Cooperative Bylaws, based on Mr. Bailey's affiliation with Cheq Bay Renewables. The Board affirmed the CEO's decision by a vote of five to two, with Russell Bailey and Barry Radloff dissenting. Mr. Bailey was notified of the Board's decision by a letter from counsel dated March 15, 2021, a copy of which appears below.

From Roy Settgas: Since a bunch of us are still hanging here in zoom, let me just say that one of my objectives in running for the board is to try to have the operation of the coop more open and accessible, to member/owners. If you agree with this- please let your board rep know that you'd like to see more opportunity for members to engage with the board and to be aware of coop decision-making. It sounds like Chris Kopel is in favor of member involvement and good communication, and I take that as a good sign moving forward.

RESPONSE: We are always open to hearing members questions and comments. Welcome to the Board, Roy!



ATTORNEYS AT LAW
Niles Berman
Jeffrey L. Landsman
Stuart G. Mondschein
William P. O'Connor
Rhea A. Myers
Mary Beth Peranteau
Jessica J. Shrestha
Justin W. Chasco
Andrew J. Parrish

Thomas J. Zaremba
Denis R. Vogel
David A. Bolles
Sarah A. Arbaje
Kari J. Fasulo
Janet L. Kelly

IN MEMORIAM
Norman C. Anderson
(1928-2020)

March 15, 2021

VIA ELECTRONIC MAIL TO: billebailey2@gmail.com

Mr. William Bailey
33430 Whiting Road
Bayfield, WI 54814

RE: Bayfield Electric Cooperative Director Nomination Appeal

Dear Mr. Bailey:

The Cooperative Board of Directors met on Friday to consider your appeal of the CEO's determination that you are disqualified under Article IV, Section 2(b)(2) of the Bylaws as a candidate for director. The Board considered all the information you provided in your correspondence with me. After extensive discussion, on a vote of 5-2 (with one director absent), The Board upheld the CEO's decision. The Board finds that Cheq Bay Renewables, to the extent of its consulting and advocacy work for large scale solar, is a "competing enterprise" within the meaning of the bylaw. Further, the phrase "*in any way employed*" contemplates not only employment but also consulting work for competing enterprises, i.e., those that are engaged in the sale of electric energy to Cooperative members.

The Board finds that your continuing role with Cheq Bay Renewables would conflict with the fiduciary duties of loyalty and avoidance of conflicts of interest by which Cooperative directors must be bound, and which are the underlying reason for the bylaw provision. Note that the bylaw applies only where the conflicting relationship exists in the two years preceding election. Therefore, should you elect to step down from your role with Cheq Bay Renewables, you would thereafter be eligible to become a candidate for the Cooperative Board.

You can be assured that the Board has considered your appeal fully and in good faith and appreciates your desire to serve the members.

Very truly yours,

WHEELER, VAN SICKLE & ANDERSON, S.C.

A handwritten signature in black ink, appearing to read "Mary Beth Peranteau", is written over a horizontal line. The signature is fluid and cursive.

Mary Beth Peranteau

/mbp