

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, November 8, 2017 – 5:30 p.m.

The regular meeting of the Burlington Electric Commission was convened at 5:37 p.m. on Wednesday, November 8, 2017 at the Burlington Electric Department at 585 Pine Street, Burlington, Vermont.

Commissioners Sabina Haskell, Bob Herendeen, Scott Moody, and Tim Perrin were present. Gabrielle Stebbins participated via conference call.

Staff members present included Neale Lunderville, Paul Alexander, Patrick Campbell, Mike Flora, James Gibbons, Munir Kasti, Mike Kanarick, Dave MacDonnell, Jim Reardon, Darren Springer, and Destenie Vital

Other staff members present included Laurie Lemieux, Board Clerk

Channel 17 was present to record this meeting.

1. Agenda

There were no changes to the Agenda.

2. Minutes of the October 11, 2017 Meeting

Commissioner Haskell made a motion to approve the minutes of the October 11, 2017 meeting; the motion was seconded by Commissioner Perrin.

At this time the Board Clerk conducted a roll call vote by calling on the following Commissioners:

Commissioner Haskell: Aye

Commissioner Herendeen: Aye

Commissioner Moody: Aye

Commissioner Perrin: Aye.

Commissioner Stebbins: Aye

Results: 5 Ayes, 0 Nays, the motion carries.

3. Public Forum

The following people were present for the meeting: Marty Gillis, Thomas Melloni, Kirsten Merriman Shapiro, Senior Policy and Project Specialist at the Community & Economic Development Office and Meagan Tuttle, Principal Planner at the Department of Planning & Zoning, and Dale Douglas, Travis Hickford-Kulak, Morrigan McGregor, and Eric van Roon from Corix.

4. Commissioners' Corner

Commissioner Herendeen stated that a request was made for average and peak power requirements for Burlington City Place and the Cambrian Rise projects, before and after completion of the project, and to date this information has not been provided. Mr. Lunderville stated that the Department can provide Commissioner Herendeen with the numbers for the entire Mall Project however due to confidentiality regarding personal customer data.

Commissioner Perrin stated that the 250 KW solar array at Burton is the first large solar project of this kind after the Tier 2 and Tier 3 obligations were instituted. Mr. Perrin also noted that there have been

changes in the net metering policy and requirements and asked for an explanation of the considerations that related to these policies and the rate structure changes. Mr. Gibbons stated that BED worked with Burton on the process to ensure that the current net metering rules were understood, assisted with the selection criteria, and reviewed the RFP results. Mr. Gibbons stated that net metering is Tier 2 eligible, however BED is exempt from Tier 2 with the exception that BED has to accept net metering, which means the RECs are accepted and then retired.

5. General Manager's Update

Mr. Lunderville stated that employees from BED attended the Vermont Climate Action Coalition's Energy and Climate Summit hosted at Champlain College today, which was attended by 180 people. This Summit was proposed by the Mayor, supported by the Governor, and developed through collaboration by BED and the Vermont Energy Action Network in an effort to get Vermont groups to make a pledge towards meeting the Vermont and Paris climate goals. Jen Green, the City of Burlington Sustainability Coordinator and Darren Springer, COO each moderated panels during which many great ideas were shared. Mr. Lunderville also presented a climate "pitch" to the group related to helping low to moderate income Vermonters have greater and quicker access to home weatherization.

BED continues to have great success in the EV Rebate Program. It has slowed down a little, but the Department is continuing to get the word out through the efforts of social media.

The first BED crew has returned from the U.S. Virgin Island and another crew is on the way for a 4 week rotation. BED will be sending a third crew and a supervisor for another 4 week rotation.

Mr. Lunderville stated that there is not a Monthly Primer on the agenda this month, and that a Rate Design Primer will be on next month's agenda.

Commissioner Perrin asked if there was a map showing the locations of public and private charging stations. Mr. Lunderville stated that there is a map showing public charging stations on the BED Website, and that Drive Electric Vermont may have a map that lists the private charging stations.

Finance

Jim Reardon, Director of Finance and Administration, presented a brief review of September year-to-date financial results.

This presentation included a brief discussion of the \$2,651,000 Operating Income year-to-date. Year-to-date Operating Income is \$716,000 more than budgeted. Total Operating Revenues are \$387,000 below budget but Operating Expenses are \$1,103,000 below budget. Sales to customer's year-to-date are below budget due to a cooler summer than projected in the forecast. This decrease in revenue was partially offset by the sale of Renewable Energy Credits (RECs) at amounts higher than budgeted.

On the expense side, Power Supply Expenses year-to-date is \$453,000 below budget largely due to less power purchased for sale to customers. The \$627,000 year-to-date favorable variance in Operating Expenses is due to lower than projected expenses for outside services (i.e. tier three, brokerage commissions, Northbrook contract which ended August 15, 2017).

Mr. Reardon then discussed Capital Spending. In total, year-to-date ending October 31st, Capital Spending is 10% (\$1,057,000) of the \$10,280,000 budgeted. Year-to-date, we are underspent relative to the budget through October by \$1,711,000. In summary, the underspending is due to timing and is the reason for Other Income year-to-date, specifically Customer Contributions being below budget through October.

6. Great Street Standards

Mr. Lunderville stated that the Great Street Standards is an initiative by the Mayor and City Councilors to come up with new and modern designs for the streets within the City. The City is at the stage of putting together design and construction standards and Meagan Tuttle from Planning and Zoning and Kirsten Merriman Shapiro from CEDO asked for some time to introduce the Great Street Standards with the Commission.

Ms. Tuttle stated that all City Boards and Commissions have a role in the adoption of these standards as there will be a comprehensive document that will talk about how the entire ROW will be built. These documents are being shared with all City Boards and Commissions in November and will be presented in full in December to specifically ask for support for some explicit elements.

Ms. Tuttle explained the design team process included: analyzing existing elements that are currently used in the City's ROW; collecting feedback; exploring the selection of elements such as lane widths, benches and lighting, etc.

Ms. Tuttle stated that "A Great Street" is defined as walkable, bikeable, sustainable, vibrant, and functional. Ms. Tuttle stated that the Great Street Initiative is specifically for the downtown area within the boundaries of Pearl Street to Maple Street and Battery Street to Union Street.

The standards will be a guiding document as the streets are rebuilt. These standards will include the common palette of materials and furnishings, will ensure that Church Street's visual character will be complemented, will combine city, state, and federal requirements regarding rights-of-way, and eventually take precedence over the other City ROW policies. These standards will include preferred and alternate elements to allow flexibility such as lighting standards. The lighting standards will include the boundaries of the downtown decorative lighting district, assemblies, layout, and lighting characteristics. This new standard will not mandate the immediate replacement of all the elements within the downtown environment, but rather is meant to be a document to guide several decades of investment in public ROW.

Mr. Lunderville stated that Munir Kasti and the Engineering team will work closely with the City in deciding the lighting standards. There must be balance among what the City would like for the design, BED Department standards, and the dark sky principles and where this might meet. Mr. Lunderville stated that, in advance of the next meeting, the teams from the City and BED will work closely together and ensure that the teams can answer any questions the Commission may have and will ensure the standards comport with the Department's lighting standards and relevant Engineering standards that exist today.

7. District Energy Update

Morrigan McGregor, General Manager/Special Projects, Eric van Roon, Senior VP, Dale Douglas, VP for Corporate Development, and Travis Hickford-Kulak, GM/Energy Services were present for the update on the Burlington District Energy Project.

Ms. McGregor began the presentation by walking the Commission through a background on how the District Energy Project got started, where we are now, how the project has gotten to this point, and where the project is heading.

Ms. McGregor stated that district energy has been looked at before in the City of Burlington, and Corix began the process by reviewing what had been done in the past and then developed "Phase 1" which was an initial feasibility assessment. This included looking at a number of scenarios and potential customers and resulted in 11 total groups. Also discussed was the location, and potential source technologies. An analysis was completed by comparing the district energy opportunity with a "Business As Usual" (BAU) case, and this data served as a matrix to determine if a district energy system would be economically feasible for the City of Burlington. These results were then presented at a stakeholder meeting and, based on that meeting, two (2) scenarios (S1A & S1C) were selected for further analysis.

Based on the selection of these two (2) scenarios it was determined that the next phase would be a refined analysis. The financial model was updated and, based on all the results, it was determined that this project would proceed with the S1A scenario.

Scenario 1A and Scenario 1C were looked at to include the plant site, peak diversified load, capital costs, levelized costs, GHG savings and key considerations. This analysis determined that both scenarios were good options, but based on the lowest levelized cost and the use of existing heat sources, Scenario 1A was selected as the base case. Ms. McGregor noted that Scenario 1C is a potential future add-on to Scenario 1A which would include sewage heat recovery at the main sewage plant at Perkins Pier.

Ms. McGregor stated that Corix is now meeting with individual key potential customers to review the next steps, refine the model again and develop some high level rates. The next step is the process of drafting letters of intent (LOIs) and thermal energy services agreements (TESAs) to get a level of commitment from the these key customers.

Ms. McGregor explained the next steps which would include Phase 4 Preliminary Design, Phase 5 Detailed Design, Phase 6 Construction and Commissioning, and Phase 7 Operations.

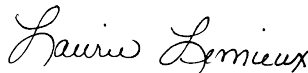
Corix will continue to meet with customers this week to review the business cases and will determine where the project goes from here.

Commissioner Herendeen moved to adjourn the meeting at 7:21 pm; the motion was seconded by Commissioner Perrin.

At this time the Board Clerk conducted a roll call vote by calling on the following Commissioners:

Commissioner Haskell: Aye
Commissioner Herendeen: Aye
Commissioner Moody: Aye
Commissioner Perrin: Aye.
Commissioner Stebbins: Aye
Results: 5 Ayes, 0 Nays, the motion carries.

Attest:



Laurie Lemieux, Board Clerk