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MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION

Wednesday, June 12, 2019– 5:30 p.m.

The regular meeting of the Burlington Electric Commission was convened at 5:30 p.m. on Wednesday, May 8, 2019 at the Burlington Electric Department, 585 Pine Street, Burlington, Vermont.

Commissioners present included Jim Chagnon, Bob Herendeen, Scott Moody, and Gabrielle Stebbins.

Staff members present included Paul Alexander, James Gibbons, Freddie Hall, Andi Higbee, Mike Kanarick, Laurie Lemieux (Board Clerk) Dave MacDonnell, Paul Pikna, Adam Rabin, Jim Reardon, and Darren Springer.

Channel 17 was present to record this meeting.

1. Agenda

There were no changes to the Agenda.

2. May 8, 2019 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the May 8, 2019 Commission meeting; the motion was seconded by Commissioner Chagnon and approved by all Commissioners present.

3. Public Forum

Bonnie Reese was in attendance.

4. Commissioners' Corner

Commissioner Stebbins stated that Commissioner Sabina Haskell is moving out of Burlington and will no longer be serving on the Commission. Commissioner Haskell will be missed and Burlington Electric Department appreciates all that she has contributed over the past three years and wishes her well.

Commissioner Herendeen stated that, in reviewing the monthly report, it was nice to see examples of efficiency projects that worked out, especially Cambrian Rise. Commissioner Herendeen wanted to take this opportunity to compliment the Energy Services staff for all the great work they are doing in the area of efficiency.

Commissioner Herendeen asked if they will have the opportunity to review the Net Zero Energy Roadmap. Mr. Springer stated that the Department had the opportunity to look at the first draft of the Roadmap, provided feedback to Synapse, and should be receiving an updated draft from Synapse soon. Mr. Springer spoke with Commissioner Stebbins regarding an opportunity for the Commission to review the Roadmap, indicating that the Department will work with the Commission on the best way to share the report.

In past years, the Commission generally forgoes the August meeting, dependent on Department needs. During the summer, the Department will finalize the report and hold a briefing from the Synapse/RSG

and the BED teams at the September Commission meeting. Mr. Springer stated that the Commission will have the opportunity to review the Roadmap before the September meeting.

Once BED receives the final report, the Board Clerk will contact the Commission to set up time for review. Due to public meeting laws, these reviews will be done on separate days and will be attended by two Commissioners at a time.

Commissioner Herendeen received a call from Mr. Jared Wood regarding staples on utility poles and the potential safety hazard. Mr. Alexander stated that the Department spoke with Mr. Wood regarding this issue and explained that the Department periodically sends out information regarding the ordinance prohibiting flyers, staples, nails, etc. on the poles. Unfortunately, it is impossible for BED to remove the very large number of staples, but BED does its very best by sending out a Utility Generalist to perform this task when time permits.

Commissioner Chagnon suggested a bill insert periodically to reiterate the ordinance and explain the potential hazards.

Commissioner Stebbins stated that BED hosted a training yesterday for the proposed 2019 code update, which was attended by 60-80 people, and thanked BED staff for all the help in arranging this training.

5. Quantifying the Benefits of Defeat the Peak

Bonnie Reese, a Ph.D. student from the University of Vermont, presented a PowerPoint presentation on her findings regarding BED's Defeat the Peak program. Ms. Reese concluded that the Defeat the Peak Program resulted in significant savings (and corresponding economic value) from BED's residential customer class. Mr. Hall commented that BED's opinion and findings on the program differed somewhat from Ms. Reese's findings, but that BED agrees that the program provided benefits materially in excess of its costs even if the residential impacts are not included. The main point of difference is a result of the high degree of uncertainty that comes from measuring the magnitude of demand reductions. This degree of uncertainty increases for a behavioral demand response program's impacts on customers with small individual loads, such as residential customers. Following the presentation, there was a brief discussion with questions from the Commission.

6. General Manager's Update

Mr. Springer stated that BED is continuing to work on the IRP but has not finalized who the public members will be to serve on the Committee. Mr. Springer thanked Commissioners Herendeen and Stebbins for volunteering to serve on the IRP Committee.

Mr. Springer stated that he had spoken previously with Commissioner Stebbins regarding a conflict with the October Commission Meeting and requested that the meeting be changed from October 9, 2019 to October 16, 2019. The Commission agreed to the change.

BED hosted the Vermont Works for Women Trailblazers for a discussion regarding career opportunities in technical fields at BED and McNeil. Betsy Lesnikoski, BED's Chief Forester, is working on promoting a forestry/McNeil demonstration at the *Women Can Do* conference, which promotes STEM careers for high school students.

BED has a long-standing partnership with the Vermont Lake Monsters to promote e-billing and in the past BED has supported the Lake Monsters' dugout banner. This year BED is helping to launch CHAMP's new BED logo/baseball-themed electric ride (golf cart), which will replace his fossil fuel burning ATV. On Vermont Lake Monsters opening day, Friday, June 14, the new electric ride will be presented. Also, BED's own Adam Rabin filmed and created a promo video with CHAMP, part of which will be shown when Mr. Springer hands the keys to the electric ride to CHAMP during opening ceremonies at the game.

In May, BED launched the residential and commercial electric lawn mower rebate program by working with WPTZ Channel 5 on an exclusive story. So far, approximately 60 customers have taken advantage of the program, and our local hardware stores have sold out of E-mowers at least once each.

Bill H.133 was signed by the Governor. This Bill allows BED the ability to use thermal incentive funds to support the next phase of work on District Energy. Also, the Standard Offer exemption language was included in this bill, protecting BED's ability to continue to benefit from the exemption even if it is unable to avail itself of the exemption in one particular year.

Mary Peterson has left BED to pursue other opportunities and, in the interim, James Gibbons will serve as Acting Manager of Strategy and Innovation. This position will be posted on Monday, June 17 and will remain open for approximately one month. The plan is to conduct interviews in late July and early August.

Finance

Jim Reardon, Director of Finance, presented a brief review of April 2019 year-to-date financial results.

April Operating Income year-to-date is \$4,000, and Net Income year-to-date is \$1,420,000. Year-to-date Operating Income and Net Income are lower than budgeted due to the timing of \$1,240,000 in REC (Renewable Energy Certificates) revenue budgeted in April, but received in May. While the REC revenue of \$1,240,000 is less than budgeted for April, receipt of this amount in April would have put us relatively on target.

Power Supply Expenses year-to-date continue to exceed budget. Power Supply Expenses year-to-date are \$564,000 above budget primarily due to McNeil production below budget, causing BED to purchase more power from the ISO New England Exchange. While total Purchased Power year-to-date is above budget by \$1,727,000, Fuel Expense is \$1,336,000 below budget due to lower McNeil production (17%) and woodchip costs (per ton) 6% below budget. The favorable year-to-date variance in Operating Expenses of \$2,080,000 is due to underspending for DSM Rebates (\$807,048) and Outside Services (\$966,782) for PRS Compliance (Tier 3), REC broker commissions and consulting services related to "Net zero Roadmap."

Mr. Reardon then discussed Capital Spending. In total, year-to-date ended May 31, Capital Spending is 64% (\$6,469,000) of the \$10,045,000 budgeted in Fiscal Year (FY) 2019. Year-to-date, we are underspent relative to the budget through May 31 by \$2,837,000 of which a large share is attributable to the IT Forward Project.

On Cash and Investments, BED closed May with \$12.7 million of unrestricted and reserved operating funds. Mr. Reardon noted this is \$2.5 million above the revised cash forecast used to determine the beginning cash balance for the FY 2020 budget. This is due to underspending to date for capital projects and operating expenses.

The Adjusted Debt Service Coverage Ratio and Days Cash on Hand decreased slightly from March to April, 2019, while the Debt Service Coverage and Debt Ratio were relatively unchanged.

7. Customer Care Procedures

Andi Higbee and Mike Kanarick presented a PowerPoint presentation on the steps taken to assist BED customers experiencing bill payment challenges.

Mr. Kanarick began by sharing the metrics related to the “busy season” that the Customer Care team had just tackled in May and early June, indicating that the number of calls had increased 88% since the prior month and that the number of work orders had nearly tripled from the prior month. Mr. Kanarick then offered high praise for Mr. Higbee, Director of Customer Care, and all the Customer Care Representatives, stressing that the Customer Care team is top-notch. Mr. Kanarick then stated that, as of June 11, 2019, 141 customers had past due balances over \$250, and 31 customers had past due balances over \$500. Mr. Kanarick emphasized that the Customer Care team works hard to reach out to customers in an effort to avoid interruptions of power, to make payment arrangements, and to provide options for assistance by informing customers of all the local and state agencies that will provide financial help.

Mr. Higbee declined Mr. Kanarick’s praise, suggesting all the credit belongs with BED’s incredible Customer Care Representatives. Mr. Higbee then reviewed the steps and processes used to inform customers when their balances are overdue and provided examples of BED’s interruption notice and warning letter. Mr. Higbee stated that BED’s Customer Care team works closely with customers to arrange affordable payment plans. BED’s goal is to not interrupt service and continue to work closely with the Energy Services team to provide energy efficiency information, attend neighborhood meetings, and provide customers with the tools and options for affordable payment plans.

8. Commissioners’ Check-In

There were no Commissioner check-ins at this time.

Commissioner Moody moved to adjourn the meeting at 6:59 pm; the motion was seconded by Commissioner Chagnon and approved by all Commissioners present.

Attest:



Laurie Lemieux, Board Clerk