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**MINUTES OF REGULAR MEETING**  
**BURLINGTON ELECTRIC COMMISSION**

**Wednesday, July 11, 2018 – 5:30 p.m.**

The regular meeting of the Burlington Electric Commission was convened at 5:30 p.m. on Wednesday, July 11, 2018 at the Burlington Electric Department at 585 Pine Street, Burlington, Vermont.

Commissioners Jim Chagnon, Sabina Haskell, Bob Herendeen, Scott Moody, and Gabrielle Stebbins were present.

Staff members present included Paul Alexander, Mike Flora, Freddie Hall, Mike Kanarick, Munir Kasti, Casey Lamont, Laurie Lemieux (Board Clerk), Dave MacDonnell, Jim Reardon, Darren Springer, and Destenie Vital

Channel 17 was present to tape this meeting.

Commissioner Stebbins introduced the newest member of the Commission, Mr. Jim Chagnon. Commissioner Chagnon is a former Burlington Electric Department employee with a career that expanded over 36 years. Commissioner Chagnon is presently employed by the City of South Burlington as the wire inspector. Commissioner Chagnon is looking forward to the opportunity to serve on the Commission.

**1. Election of Officers**

Board Clerk Laurie Lemieux called the meeting to order at 5:32 p.m. The first meeting of the new fiscal year is the Burlington Electric Commission's organizational meeting. The first order of business is to elect officers. The Board Clerk opened the floor for nominations for Chair of the Commission.

Commissioner Moody made a motion to nominate Commissioner Stebbins as Chair of the Burlington Electric Commission. The nomination was seconded by Commissioner Haskell. The Board Clerk asked if there were any other nominations, hearing none, the Board Clerk asked the Commission to indicate support for Gabrielle Stebbins by a show of hands. Of the 4 members voting, 4 votes were cast in support of Commissioner Stebbins, with Commissioner Stebbins abstaining, Commissioner Stebbins was elected Chair of the Commission. At this time Ms. Lemieux turned the meeting over to the Chair.

Commissioner Stebbins opened the floor for nominations for Vice Chair of the Burlington Electric Commission. Commissioner Herendeen made a motion to nominate Commissioner Moody; the nomination was seconded by Commissioner Haskell. Of the 4 members voting, 4 votes were cast in support of Commissioner Moody, with Commissioner Moody abstaining, Commissioner Moody was elected Vice Chair of the Commission.

Commissioner Moody nominated Laurie Lemieux as the Board Clerk for the Burlington Electric Commission; the nomination was seconded by Commissioner Haskell and approved by all Commissioners present.

## **2. Agenda**

Commissioner Stebbins asked that the Agenda be amended to include 5a. Acting General Manager Update.

## **3. Minutes of the June 13, 2018 Meeting**

Commissioner Moody made a motion to approve the minutes of the June 13, 2018 Commission meeting; the motion was seconded by Commissioner Haskell. Commissioner Chagnon was not in attendance at the June 13, 2018 Meeting and, therefore, abstained from the vote.

## **4. Public Forum**

Kate Desrochers and Paul Hines from Packetized Energy were present for the meeting.

## **5. Commissioners' Corner**

Commissioner Herendeen stated that the "Defeat the Peak" was instituted last week and would like to know if BED met the goal. Mr. Springer stated that two (2) events were called for "Defeat the Peak" on Monday and Tuesday of last week and the preliminary results did show significant savings and did achieve the Department targets to justify the two (2) \$1000 donation to the chosen charities.

Commissioner Herendeen asked if an email could be sent regarding the success to the customers who were asked to cut back. Ms. Vital stated several pieces needed to be put into place which included coordination with the non-profits that are receiving the donations along with social media updates and stated that an email would be going out this week. Commissioner Herendeen asked if communication could be sent out within 48 hours of the event.

Commissioner Stebbins suggested that Ms. Vital work with the leadership team in the next week to figure out what can consistently be done and what information is safe to release to the public in a 48 hour timeframe. Commissioner Stebbins also asked that Ms. Vital follow up next week with a memo which should include what is presently being done on "Defeat the Peak" information and the plan moving forward to ensure the information is out quickly. Commissioner Stebbins also asked that the BED Website include clarification that the Department has met the target and include language stating that ISO NE data will be released at a later date. Commissioner Stebbins asked the Board Clerk to forward the Commissioner's emails to Ms. Vital so that the memo can be sent to the Commission along with any other "Defeat the Peak" information.

Commissioner Herendeen read Mr. Springer's article titled "*Beneficial Disruption: Vermont's Renewable Energy Standard and the Need for Innovative Utility Regulation in the 21<sup>st</sup> Century*" and stated it was well written and thoroughly enjoyed.

Commissioner Stebbins stated that the BED General Manager position will go out for a full national outreach process and will take approximately 2-3 months. There are two (2) seats available on the hiring committee for Commission representation and Commissioner Stebbins will follow up with the Commission to find out what members would like to be part of this committee.

Commissioner Stebbins stated that there will not be an August Commission Meeting. In discussion with Mr. Alexander it was agreed that if an issue should arise that requires Commission feedback then Mr.

Alexander would reach out and a special meeting could be called.

Commissioner Stebbins asked for a presentation at the September Commission Meeting concerning where the IT Forward is going and how this is relating to some of the EV Tariff design rates.

### **5a. Acting General Manager Update**

Mr. Alexander stated that EnerNex is the company that has been working with several areas within BED and were on site for two (2), three (3) periods a few weeks ago. EnerNex is working with the BED teams (working, core, and leadership). This is what the Department refers to as the CIS /FIS/MDM capital projects and stated that a lot of time, effort, and money have gone into this project. Sue Fritz is working to prepare the technical requirements for the upcoming RFI/RFP. The goal is for the RFI to go out around August 1, 2018 with vendor demos to following during September and October.

Last year the Department secured a 2-year rate lock with AIG on the Property/B&M insurance with a premium of \$243,200. The Department's TIV's went down by \$17M due to HWI calculations, resulting in a reduction of \$15,218 which BED paid on June 21, 2018 as due to "Non-appropriation of fund" issue which had to be paid out before July 1, 2018.

On Friday morning (July 6) water in the front lobby was noticed by the line crew at 3:15 am due to a power outage call. Jeff Turner and the utility generalists did an amazing job and had ServPro on site within 2 hours and commercial blowers have been in operation 24/7 ever since. The cause of the water was a high pressure water line hooked to the building on Thursday by the City Water Department as part of the Pine Street by-pass work. This water entered the building at 180 psi which was too much for the pipe/joint causing the pipe to burst. The City's general liability carrier and BED's property carrier have been notified.

### **6. Financials: May FY 2018**

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

Operating Revenues continue to be less than budgeted for the same reasons Mr. Reardon as outlined in previous months. Mr. Reardon noted that Power Supply Revenues were \$905,000 higher than projected for the month of May. As he pointed out in April, this is due to Renewable Energy Credits (REC's) delivered in May but budgeted in April. This did reduce the unfavorable variance year-to-date in Operating Revenues from approximately \$3.9 million in April to \$3.2 million in May.

While there is less than expected through May in Operating Revenues, Power Supply Expenses are \$2,403,000 less than budget year-to-date for the same reasons as in prior months. Mr. Reardon noted that all other expenses in the aggregate are relatively on target.

Mr. Reardon then discussed Capital Spending. In total, **preliminary** through June 30<sup>th</sup>, Capital Spending is 65% (\$6,699,000) of the \$10,280,000 budgeted for FY 2018. We are underspent relative to the Fiscal Year 2018 budget by \$3,581,000. As Mr. Reardon discussed in May, it was expected that Production, Distribution and General plant would be underspent in FY 2018 compared to the budget.

On Cash and Investments, BED closed June with \$9.5 million of unrestricted and reserved operating funds. Mr. Reardon pointed out that this is \$990,000 higher than what was projected in early April, so the beginning balance for FY 2019 will be higher than projected in the FY 2019 budget.

## **7. Packetized Energy Phase 2 Proposal**

Mr. Lamont began the PowerPoint presentation with a definition of Packetized Energy. Packetized Energy turns energy into discrete chunks of usage to create virtual batteries and was co-founded by Mr. Paul Hines, a former Burlington Electric Commissioner.

Mr. Lamont explained that in 2016 BED became Packetized Energy's first customer and together installed a Packetized device on eight (8) water heaters in Burlington to shave peaks and perform energy arbitrage. Thermal and transportation have the potential to become large peak-coincident loads and Packetized Energy will allow BED to shift load from those peaks and pass on the associated savings.

Mr. Lamont stated that BED would like to enter into a 5-year contract with Packetized Energy. This contract would result in a full-scale water heater program, EV partnership, and allow BED to work with Packetized Energy to explore other Distributed Energy Resources and pass savings on to customers with bill credits along with a discounted device for the EV Charger Program.

The BED costs and Packetized compensation structure include the initial equipment purchase of 100 water heater controllers with a maximum capital outlay of \$25,000 if all 100 controllers are installed. Packetized will receive a portion of the wholesale market value which will reduce the non-performance risk for BED and will provide incentive to keep the focus on grid benefit while adding and increasing value streams. BED expects an annual savings of \$80 per device which will be shared with customers through bill credit.

The Department is asking the Commission to grant authority to BED Management to enter into a 5-year power supply agreement with Packetized to pursue the shared savings model.

Commissioner Stebbins asked for an annual update on this program.

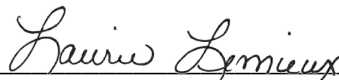
Commissioner Haskell made a motion to grant authority to management to enter into a 5-year power supply agreement with Packetized; the motion was seconded by Commissioner Moody and approved by all Commissioners present.

## **8. Commissioner's Check-in**

Commissioner Herendeen asked for an update on the RFP Net Zero Roadmap. Mr. Springer stated that the Department is in a final review with the Energy Services and Resource Planning teams. Mr. Springer has received great feedback from the Commissioners and Mr. Springer will share a more updated version of the RFP with the Commission.

Commissioner Moody moved to adjourn the meeting at 6:48 pm; the motion was seconded by Commissioner Haskell and approved by all Commissioners present.

Attest:



Laurie Lemieux, Board Clerk