

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

Wednesday, August 11, 2021, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:32 pm on Wednesday, August 11, 2021 via Microsoft Teams Video Meeting.

Channel 17 was present via Microsoft Teams Video to record this meeting.

Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker participated via Microsoft Teams.

Staff members present included Darren Springer, Paul Alexander, James Gibbons, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), and Emily Stebbins-Wheelock.

1. Agenda

There were no changes to the Agenda.

2. July 14, 2021 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the July 14, 2021 Commission Meeting; the motion was seconded by Commissioner Herendeen.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

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

3. Public Forum

Present for the meeting was Mr. Thomas Melloni, Esq. from the Paul, Frank, and Collins law firm.

4. Commissioners' Corner

Commissioner Stebbins attended BED night at the Lake Monsters game and stated that she really enjoyed the event.

Commissioner Herendeen stated that the monthly report indicated that the capacity factor and availability at Winooski One was the same and asked if this was due to a water problem. Mr. Kasti stated that is due to a water problem. Mr. Gibbons stated that it has been a grim hydro year, and yet Winooski One has not been doing as poorly as some of the other hydro plants in the state.

Commissioner Herendeen asked if heat pumps or gas would be used for the Cambrian Rise project. Mr. Springer stated that some of the buildings in Cambrian Rise are looking at heat pumps as the primary source but believes they are also looking at natural gas for air tempering as well. Mr. Springer asked Mr. Kanarick to follow up with Mr. Burns for a more detailed response to be sent to Commissioner Herendeen.

5. GM Update

Mr. Springer stated that BED will have a "Defeat the Peak" event tomorrow from 4:00 – 7:00 pm and encouraged Commissioners to participate and spread the word to neighbors and community members to participate in defeating the peak tomorrow, if possible. Mr. Springer stated that for this event BED has partnered with the Curtis Fund, which supports low-income Vermonters with scholarships for education.

Mr. Springer stated that the Ever-Green staff were in Burlington in late July for visits with UVM, UVMMC, the Intervale Center, BED, and VGS. The McNeil Joint Owners are discussing terms for the potential sale of thermal energy to the Burlington District Energy System (DES), and Ever-Green is continuing with operational planning with the potential customers.

Mr. Springer stated that Senator Leahy issued a press release highlighting Vermont projects that he supported with federal funding requests. These funding requests are included in the Senate Appropriations Bill along with the BED's DES project funding in the amount of \$5.166M for construction support. We are very grateful to Senator Leahy and his staff for including the DES request in the federal appropriations legislation. The funding will provide a big boost to the project.

Mr. Springer will provide an update on our progress with Phase 3 of the DES project to the Transportation Energy Utilities Committee and the City Council in late September. We continue to anticipate bringing the Phase 3 work to a close sometime this fall.

BED engaged with the authors of a Clean Heat Standard proposal that has emerged from Energy Action Network's pitch sessions as a possible legislative item, and possible recommendation from the Climate Council. This would put some type of renewable fuel requirement, similar to the electric sector's Renewable Energy Standard, on fuel dealers and VGS. This could be a positive from a

climate standpoint, and BED's interest is in part relative to ensuring we retain all our current regulatory tools that are supporting our Net Zero Energy city effort, such as our Tier 3 incentives, in the process of a Clean Heat Standard design. We also want to ensure that there is coordination between electric utility work with Tier 3 and potential fuel sector work with the new Clean Heat Standard.

The PUC has formally opened an investigation into BED's rate increase request as expected, and the DPS has retained an outside consultant to assist in its review of our rate case proposal. The surcharge is effective on customer bills as of August. BED has opened our temporary energy assistance program. We have had some customers sign up, and we encourage more customers to do so. We have expanded the eligibility to include not only customers who are eligible and participating in the State Fuel Assistance Program, but also customers who receive Section 8 housing. Mike Kanarick, Andi Higbee, and the Customer Care Team are reaching out to communicate that opportunity to our customers.

There is a proposal for decision, not yet an order, from the PUC that would approve our Act 151 filing. This could be an important development in helping to ensure continued strong customer incentives, such as the Green Stimulus level incentives for heat pumps and could give us the tools to even further increase our EV incentive and open up some new programs. This would help us use the efficiency dollars in tandem with the Tier 3 dollars to do even more in some of those areas to maintain the Green Stimulus level incentives beyond 2021.

Mr. Springer stated that we have had a strong recommendation from the City and the Mayor for indoor masking to resume, whether or not staff members are vaccinated. We have changed the signage at our buildings to reflect the change, and there have been a number of meetings that have returned to remote technologies. We are conscious of the Delta variant and are looking to keep our employees and customers safe during this new stage of the pandemic. Mr. Springer will keep the Commission updated if there are any further changes in City policy.

Commissioner Moody asked if we might reconsider our plan to meet in person beginning next month. Commissioner Stebbins stated that she spoke with Mr. Springer about the September meeting and feels that it's not appropriate to ask anyone to attend in-person meetings given the uptick in COVID cases. She further stated that the Commission is a volunteer board, that it can keep potential contact limited, that it make more sense to keep the meetings remote for now. The Commissioners were in agreement. Mr. Springer stated that, in terms of City policy, we are fully able to continue with the way we are running the meetings in September, as long as we provide a physical location for residents if they would like to come in for public comment. Mr. Springer will share updated guidance as it is issued from the City.

Commissioner Stebbins stated that we are over \$1M dollar in arrearages, which is the highest arrearages we have seen in a very long time. Commissioner Stebbins asked where BED is in terms of support we can give to customers. Mr. Springer stated that the Vermont Emergency Rental Assistance Program (VERAP) is open for renters, and that we have a number of customers in the

queue to receive that funding. The first tranche of that funding – approximately \$66K – should be arriving this week. Also, in the latter half of 2020, BED utilized the Vermont COVID-19 Arrearage Assistance Program (VCAAP) to help provide over \$300K of arrearage assistance. VCAAP 2.0 is now available, and customers can access that funding over the next several months. The BED Team is doing a number of different outreach efforts to let customers know that VCAAP and VERAP are both open. Also, we have secured \$1.3M in funds from the American Rescue Plan Act (ARPA) through the City, and we expect that those funds will be coming in late September or early October. Hopefully, we can encourage many of our eligible customers to enroll in these programs, along with taking advantage of additional City resources, allowing BED to significantly drive down our arrearage number. The moratorium for disconnection of service has ended, and BED voluntarily has continued its policy to not disconnect for another few months to allow time for customers to take advantage of these programs. We will be coordinating with the City Water Department as to when we will resume disconnections for nonpayment. At that time, we will resume disconnections for nonpayment in line with applicable winter-time disconnection restrictions.

Commissioner Moody asked if BED could take a more personal approach with customers regarding these programs. Mr. Kanarick stated that there are separate portals through which people apply for these funds, and that the program administrators specially had asked utilities not to work with customers on the specifics of how to apply, but instead to refer the customers to the program websites and 800 numbers. BED has promoted the assistance programs on the BED website, in our advertising, and on Front Porch Forum explaining where customers should go to access the applications and where to go if they have trouble. Customer Care Reps do their very best to direct the customers, and they try to lend a hand where possible.

Financials

Ms. Stebbins-Wheelock stated that there was not a financial review included in the Commission packet this month due to only preliminary unaudited financials at this time. The Commission has received preliminary June financials presented at prior August meetings, however due to the timing for this meeting, along with our preparation for the audit, we did not have enough entries, as we had not closed period 12 and did not want to present results even in a preliminary form.

Commission Stebbins stated that she appreciates the tweaking of the monthly dashboard and asked if it would be possible to add a column in the area of Net Zero Energy Goals that lists the percentage to goal.

6. Revenue Bond

Mr. Springer stated that BED will be recommending to the City Council that it place the question of a Net Zero Energy Revenue Bond on the November ballot for voters. If that is approved we would then return to the Commission and the Council with a resolution related to the issuance of the revenue bond in March.

We included in the FY22 approximately one-half year of projects related to the revenue bond with the assumption that we will be successful in moving the bond forward. We would begin to have access to the revenue bond for projects sometime in December of this year and for the second half of the FY22 budget year.

The idea behind the Net Zero Energy Revenue Bond is to provide a financing mechanism to accelerate our progress as a community relative to our Net Zero Energy Roadmap goals and do so in a way that mitigates what would otherwise be cost pressures on BED's annual budgets.

Our 2030 Net Zero Energy goal is one of the most ambitious local climate goals anywhere in the nation, and recent national reporting has highlighted a gap in financing that exists for cities to meet their climate goals. BED's efforts alone will not be enough to achieve the Net Zero Energy goal, because this is a true community goal and requires partnerships, participation by the community, and complementary policies and funding at all levels of government. However, BED can play an important role in accelerating progress through some of the tools we have available, including incentive funding. BED also plays an important role in supporting grid and technology system upgrades that will be necessary as we adopt strategic electrification technologies, such as heat pumps and electric vehicles, at greater rates.

In presenting this idea, we draw on the energy efficiency revenue bond from 1990 (\$11.3 million), which was the foundation from which BED and our customers have since invested a total of over \$70 million in energy efficiency, helping to save BED customers over \$10 million annually on electric bills and contributing to Burlington using less electricity today as a community than we did in 1989, the year prior to the revenue bond.

BED is requesting authorization for total issuance of \$20M that would be expended over the course of partial year FY22, FY23, FY24, and partial year FY25. BED will further explore additional financing options to support our capital needs and Net Zero Energy progress beyond FY25 during the course of the next several years.

Mr. Springer and Mr. Melloni answered questions from the Commission after which the Commission was ready to make the motion to recommend.

Commissioner Moody made a motion to recommend to the City Council that BED's revenue bond proposal be placed on the November ballot not to exceed \$20M; the motion was seconded by Commissioner Whitaker.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye

Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

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

7. Commissioners' Check-In

There were no Commissioner check-ins.

Commissioner Herendeen made a motion to adjourn; the motion was seconded by Commissioner Chagnon.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

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

The meeting of the Burlington Electric Commission adjourned at 6:41 p.m.

Attest:


Laurie Lemieux, Board Clerk