

**MINUTES OF SPECIAL MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, May 5, 2021, 6:00 pm

The special meeting of the Burlington Electric Commission was convened at 6:03 pm on Wednesday, May 5, 2021 via Microsoft Teams Video Meeting.

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

Commissioners Chagnon, Herendeen, Moody, and Stebbins participated via Microsoft Teams at the start of the meeting. Commissioner Whitaker was absent.

Staff members present via Microsoft Teams included Darren Springer, Paul Alexander, Freddie Hall, James Gibbons, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Dave MacDonnell, Cheryl Mitchell, Paul Pikna, and Emily Stebbins-Wheelock.

1. Agenda

There were no changes to the Agenda.

2. Public Forum

There were no members of the public present.

3. BED EV Tariff Update

Mr. Gibbons stated that the Vermont Legislature brought forth a bill regarding electric vehicle (EV) charging rates along with a series of requirements that this statute would put in place. BED was one of the first utilities in Vermont to have an EV rate. Now, BED would like to ensure that we expand our EV rates to the small commercial and large commercial customers. Mr. Gibbons stated that, to accomplish this, BED will structure a program very similar to the program in place for residential customers. Mr. Gibbons stated that Mr. Hall will share a PowerPoint presentation with the Commission that will outline the structure for the small and large commercial customers.

Mr. Hall gave an overview of the proposed BED EV Rate Amendments, including the Department's goals, timing of the proposed rate amendments, EV rate context, charging options, rate credit derivation, and next steps.

Mr. Hall stated that the goals of the rate amendment are to increase EV charging availability at commercial and workplace locations and to provide flexible charging options for business and multi-family customers, along with increasing the number of hours available for commercial EV charging.

Mr. Hall stated that the Department would like to obtain approval for these rates from the Public Utility Commission (PUC) before July 1, 2021, which is when the state statute requirements will take effect.

Mr. Hall reviewed the Average Load Profile for weekday Level 1 and Level 2 charging, and what the cost would be to serve this additional load. Mr. Hall explained the RV rate context for commercial customers, charging options, and an overview of flexible real-time charging. Mr. Hall spelled out the advantages of flexible real-time charging for BED and for customers.

Mr. Hall summarized the presentation by reviewing the EV rate tariff, SG tariff, and LG tariff and closed the presentation by asking the Commission to recommend to the City Council that the BED EV Rate Tariff amendments and the small general and large general tariff amendments be adopted and allow BED to file such amendments with the PUC.

Commissioner Moody made a motion to recommend to the City Council that that BED EV Rate Tariff amendments and the accompanying Small General and Large General Tariff amendments as proposed be adopted and that the City Council approve Burlington Electric Department filing such amendments with the PUC; this 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

Results: 4 Ayes with 0 Nays, the motion carries.

4. Fiscal Year 2022 Draft Budget Update

Mr. Springer stated that this has been a very challenging budget, and it will be the first time in 12 years that the Department recommends a rate case as part of its budget. BED's current working assumption is that we would file a rate case on June 15 that would take effect on August 1, the second month of FY22 for budget purposes. Mr. Springer stated that there will be a more in-depth conversation at the next Commission meeting about the amount of the rate increase and what it will mean for the average residential customer.

Mr. Springer stated that the Department began the FY22 budget with a \$10M gap in ending days cash-on-hand vs the balance needed to meet the goal of 90 days' cash-on-hand. Mr. Springer stated that a lot of progress has been made towards that goal since the last Commission meeting, as the Department has cut and deferred spending in several areas and closely considered sales forecasts and COVID-19 impacts.

Mr. Springer informed the Commission that there has been a late-breaking development relating to an arbitration between the City and the IBEW over retirement benefits that was decided in favor of the IBEW. The arbitration result is presenting an additional fiscal challenge to our FY22 budget and will present fiscal challenges to future budgets as well.

At this time, Ms. Stebbins-Wheelock presented an overview of the changes that were made to the budget since the April 14 meeting.

Ms. Stebbins-Wheelock stated that Department has revised its initial forecast that was prepared in February about how the COVID19 pandemic would impact sales in FY22. Based on additional sales data through mid-April, as well as Vermont vaccination rates and associated post-pandemic reopening plans, BED has revised its budgeted sales revenue upwards by \$225K. Certain operating expenses also have been revised based on the new sales assumption, including purchased power, transmission, and gross revenues/receipt tax.

Additional operating expense cuts include the contingency for Moran payments (deferred to FY23), IRP forecasting expenses not needed until FY23, and incorporation of indirect/direct retirement into the labor overhead rate. Based on updated information from the City, we were able to reduce the labor overhead rate, reducing operating expenses as well as capital labor expenses and the administrative and general return on capital. Budgeted operating expenses increased slightly through plans to fill a vacant sustainability position that will be 75% funded by EEU. Finally, the FY22 budget includes an additional sources of funding for customer arrearage assistance from both City of Burlington federal funds and assumptions for current and proposed State programs.

Ms. Stebbins-Wheelock stated that the net effect of the above changes results in BED's current draft FY22 budget projecting a net loss of \$2.656M and an ending cash balance of \$2.796M.

Ms. Stebbins-Wheelock closed her budget review and stated that the rate increase and a contingency for IBEW arbitration are the major changes anticipated for the final budget presented next week for approval.

Commissioner Moody 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

Results: 4 Ayes with 0 Nays, the motion carries.

The meeting of the Burlington Electric Commission adjourned at 7:13 p.m.

Attest:



Laurie Lemieux, Board Clerk