

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, June 9, 2021, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:38 pm on Wednesday, June 9, 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.

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

1. Agenda

There were no changes to the Agenda.

2. May 12, 2021 and May 19, 2021 Meeting Minutes

Commissioner Chagnon made a motion to approve the minutes of the May 12, 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

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

Commissioner Herendeen made a motion to approve the minutes of the May 19, 2021 Commission Meeting; 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.

3. Public Forum

There were no members of the public present.

4. Commissioners' Corner

Commissioner Herendeen thanked Mr. Gibbons for the information on heat pump cost balance and said he would reach out if he has questions.

Commissioner Stebbins stated that she attended a gathering in the Old North End where the resident had a small PV system set up as a small power purchase agreement. Commissioner Stebbins asked how many small power purchase agreements there are and how this is working.

Mr. Gibbons stated that a customer, who had reached out to BED, wanting to put in a new metering array that was oversized for future needs, but not wanting to lose the production under the net metering arrangement, asked if BED could accommodate this request. Mr. Gibbons asked the customer if he would be willing to do a purchase power agreement with BED, knowing that by doing so, the customer would not get the net metering rate, but would not forfeit any generation, resulting in an agreement that ended up being very close to the net metering rate. The customer agreed. This agreement helped the customer solve his issue of not wanting to lose excess generation. Mr. Gibbons stated that BED has approximately eight arrays in Burlington, which range from the smallest up to the South 40.

Commissioner Moody asked when the Commission might be returning to in-person meetings. Commissioner Stebbins noted that Mr. Springer stated in the Strategic Direction the desire to identify a path forward that would allow for a flexible approach to hybrid work schedules along with in-person meetings. Commissioner Stebbins' sense is to see how this flexible approach evolves and to look at how other City Boards and Commissions and the City Council approach in-person meetings moving forward. Commissioner Moody stated that, through his work at Channel 17, he is seeing municipalities coming back to in-person meetings in July and also adopting hybrid models, which allow more people to participate. Commissioner Moody asked if BED would consider this hybrid model.

Mr. Springer stated that the Mayor announced that the City would be lifting its emergency order on June 15, and that we have an expectation that the State is going to lift the remaining COVID restrictions in the next few days. Mr. Springer stated that we will have the flexibility to continue with remote technology for Commission meetings as needed, but if there is desire and interest by

the Commission to meet in person, doing so would be feasible.

Commissioner Stebbins stated that we have learned that more people can participate when there are Teams or Zoom meetings, creating a meaningful result for the public. Historically, the Commission does not meet in August; we will have further discussion at the July meeting and perhaps look at hybrid meetings beginning in September.

5. GM Update

Mr. Springer thanked the Commission for its willingness to hold several special meetings, and thanked Commissioner Stebbins for speaking during public forum at the Board of Finance and City Council meetings. The Council approved our rate case authorization by a 10-1 vote. We are planning a mid-June filing to stay on track for the August surcharge. We have provided an update to Moody's on the rate case and the department is instituting additional semi-annual check-ins with University of Vermont and UVM Medical Center to keep these customers better apprised of how BED is doing relative to our budget expectations and of what we think may be necessary from a rate standpoint so they can better plan their budgets. The department has done a lot of work to prepare for the Energy Assistance Program to help our low-income residential customers. We have created an application form on the BED website allowing customers to sign up for this program. Also included on the website is an information page on the rate case, including a letter from the General Manager. A similar version of this letter was published in the June North Avenue News to reach as many customers as possible. The department is hoping to help a number of customers in the coming months and will keep the Commission posted moving forward on the rate case with the Public Utility Commission.

Mr. Springer stated that we are moving toward a reopening on July 4, with development of a plan to incorporate remote work flexibility to continue during a pilot program period in the second half of 2021. Our employee survey indicated a strong preference for continued remote work options, and our Net Zero Energy Roadmap update confirmed the importance of driving fewer miles in helping to keep us on the path to Net Zero Energy even as we have yet to fully scale up electrification at a pace consistent with the Roadmap. BED should play a role in leading by example to reduce vehicle miles traveled, and our remote work pilot program will be intended to do that. We are looking forward to some in-person events this summer, including BED nights at the ballpark with the Lake Monsters, and an in-person employee appreciation lunch in September.

Mr. Springer stated that this week the City Council gave BED the approval to accept a state multi-year grant of up to \$560K from the Volkswagen Settlement. This grant will help the department purchase the electric bucket truck, which should be delivered by June 2022.

Mr. Springer thanked the Commission for its patience as the department worked on providing edits and feedback on the Strategic Direction. We plan to finalize this document at our July meeting.

As part of BED's efforts to engage with the City on policy and participation, we will be at the

Ordinance Committee meeting on June 16 where a proposal for an ordinance change that will require new buildings to have a renewable primary heating system capable of providing at least 85% of the buildings' heating loads through renewable fuels.

Financials

Ms. Stebbins-Wheelock presented a graph showing the monthly impacts of COVID-19 on BED loads from March 2020 through the end of May 2021. In May 2021, BED's loads continued the pattern seen throughout the pandemic; residential sales were 4.7% higher, commercial sales were 3.7% lower, and overall system loads were approximately 2% lower than normal projections.

Ms. Stebbins-Wheelock reviewed the budget-versus-actual results for the month of April FY21. April ended with a net income of \$721K compared to the budgeted net loss of \$662K. This positive variance is mostly due to the fact that BED received REC revenue in April that was budgeted to be received in May.

On the revenue side, sales to customers were 3% or \$218K below budget due to COVID-19 impacts (commercial sales decreased \$253K offset by a residential sales increase of \$33K), and other revenues were \$129K better than budget, most due to EEU reimbursements above budget. Power supply revenues were \$1.6M favorable vs budget, due to REC revenues being received in April instead of May as budgeted. REC revenue for May will be lower than budgeted, and for the full FY21 is forecast to be only \$55K less than budgeted, despite below-budget Winooski One generation. Ms. Stebbins-Wheelock commended the Policy & Planning team for their good work in closing out BED's 2020 REC positions.

Power supply expenses in April were under budget by \$238K, with a wood inventory adjustment resulting in a credit to fuel expense and purchased power expenses also less than budget. Transmission expenses were again higher than budget by \$85K.

Operating expense in April was higher than budget by \$124K, with favorable variance in O&M expenses offset by unfavorable variance in EEU rebates and outside services.

Other income was less than budget by \$206K due to less customer contributions.

FY21 year-to-date, the Department reports an actual net income of \$1.916M compared to budget of \$691K, which is \$1.226M better than budget.

As of April, the Department has spent 56% of the capital budget.

As of the 12 months ending April 2021, the Department has an operating cash balance of \$9.671M and 127 days cash on hand, the debt service coverage ratio is 4.47, and the adjusted debt service coverage ratio remains below target at 1.15.

Ms. Stebbins-Wheelock shared that the Department is currently forecasting to end FY21 at a net loss of approximately \$1.5M (including an estimated \$1M unbudgeted pension liability expense) and 97

days cash on hand.

6. Draft 2021-22 Strategic Direction

Mr. Springer reviewed the changes made to the new draft Strategic Direction and stated that some of the edits are substantive, while others involve grammar, wording, or just cleaning up language to make it easier to understand. Mr. Springer walked through each proposed change and asked for Commission feedback.

Mr. Springer made note of the feedback from the Commission and stated that these edits will be brought back to the BED team. Once changes and edits are made, Mr. Springer will forward an updated draft to the Commission prior to the July meeting to give the Commission as much time as possible to review the proposed final draft.

Mr. Springer stated that the Commission has provided great feedback, thanked the Commission for its patience, and said that he looks forward to presenting a final Strategic Direction at the July meeting.

7. Commissioners' Check-In

Commissioner Herendeen wanted to reinforce the idea that Synapse may be more optimistic than BED about how far we get within a given time to achieve Net Zero. Commissioner Herendeen added that it is important that BED have regular and as quantitative as possible milestones. Strong yet reasonable measures should be instituted, and we must regularly check in on how we're doing – when we're 30% of the way, 60% of the way, and so on.

Commissioner Stebbins stated that the biggest change is debt financing and the need to figure out a way to help customers afford the up-front costs that will save them money in the long run, but not everyone is able or willing to make the investment. If there is a possibility of making a monthly payment that is offset by what they are saving in fossil fuel bills, then that's an opportunity to move forward. It would be great at a future meeting to take the Synapse analysis a step further and review what it looks like in terms of cost savings for the customer.

Commissioner Moody made a motion to adjourn; 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

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

The meeting of the Burlington Electric Commission adjourned at 6:48 p.m.

Attest:



Laurie Lemieux, Board Clerk