

BURLINGTON
BOARD OF ELECTRIC COMMISSIONERS
585 Pine Street
Burlington, Vermont 05401

GABRIELLE STEBBINS, CHAIR
SCOTT MOODY, VICE CHAIR
JIM CHAGNON
ROBERT HERENDEEN
BETHANY WHITAKER

To be held at Burlington Electric Department (and)
Via Microsoft Teams
[+1 802-489-6254](tel:+18024896254)
Conference ID: 154 453 814#

AGENDA
Regular Meeting of the Board of Electric Commissioners
Wednesday, May 18, 2022 – 5:30 p.m.

- | | |
|---|----------------|
| 1. Agenda | 5:30 (5 min.) |
| 2. Minutes of the April 13, 2022 Meeting | 5:35 (5 min) |
| 3. Public Forum | 5:40 (5 min.) |
| 4. Commission Corner | 5:45 (5 min.) |
| 5. GM Update (Oral Update) | 5:50 (10 min.) |
| 6. Financials: FY22 March (Discussion): E. Byrne | 6:00 (10 min.) |
| 7. Fiscal Year 2023 Updated Draft Budget (Discussion and Vote): E. Byrne | 6:10 (15 min.) |
| 8. Fiscal Year 2023 General Obligation Bond (Discussion and Vote): E. Byrne | 6:25 (5 min.) |
| 9. Proposed 2024 Rate Case (Discussion and Vote) D. Springer | 6:30 (15 min.) |
| 10. Commissioners' Check-In | 6:45 (5 min.) |

Attest:



Laurie Lemieux, Board Clerk

If anyone from the public wishes to speak during the public forum portion of the Commission Meeting and/or wishes to be present for the Meeting of the Board of Electric Commission via Microsoft Teams, please email llemieux@burlingtonelectric.com to receive a link to the meeting, or call (802) 489-6254, Conference ID: 154 453 814#

Note: Members of the public may speak during the Public Forum, or when recognized by the Chair during consideration of a specific agenda item.

TABLE OF CONTENTS
(for 05/18/22 meeting)

***** FYI *****

- Minutes of the April 13, 2022 Meeting
- April Monthly Report
- Dashboard
- FY22 March Financials
- FY23 Updated Draft Budget
- General Obligation Bond Memo



MEMORANDUM

To: Burlington Board of Electric Commissioners
From: Darren Springer, General Manager
Date: May 12, 2022
Subject: **April 2022 Highlights of Department Activities**

General Manager

- **NZE Yard Signs and Bill Insert** – Big push for Net Zero Energy yard signs happening mid-May. Folks can visit www.burlingtonelectric.com/yardsign to sign up for one. Also, this month, we have a bill insert focusing on the need to consider changing out old water heaters before they break and replace them with renewable-powered heat pump water heaters with BED incentives available.
- **Thermal Charter Change** – With the Governor signing Burlington's Thermal Charter Change, BED worked with the Mayor and City Council on a Resolution, which passed unanimously on 5/9/22, to lay out further work by BED and DPI, with a July 18 initial report back date. This will focus on new construction, municipal buildings, and large commercial buildings.
- **Trusted Community Voices** – BED was pleased to join the Trusted Community Voices group for a call on 5/3 to learn about how we can do more to reach our community. We discussed language translation and literacy, ideas for outreach and trainings, and incentive program barriers. We look forward to additional partnership opportunities.
- **Federal Funding** – BED partnered with CEDO to apply to Congressman Welch's Office for \$50,000 in funding that would support two batteries at the Elmwood Avenue Temporary Shelter to provide back-up power in the event of an outage and be used for peak reduction efforts.
- **City Council McNeil/Winooski One Tours** – BED has now hosted Councilors Hanson, Barlow, and Traverse for tours at McNeil and Winooski One recently, and Vermont Senate President Pro Tem Becca Balint. We are ramping up our tours for school groups, policymakers, and others who are interested to visit.

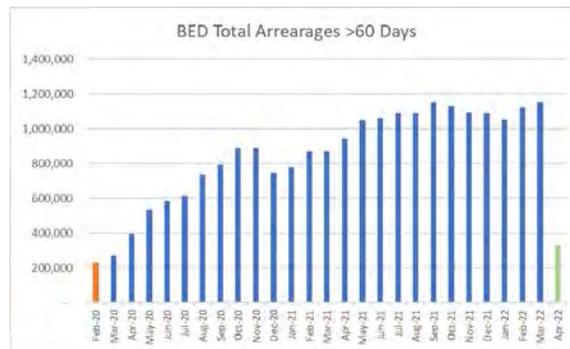
Center for Innovation - Emily Stebbins-Wheelock

- Continued sponsorship of IT Forward implementations.
- Sponsoring internal team reviewing rebate process for efficiencies and effectiveness.
- Mentoring DeltaClimeVT 2022 cohort.

Finance & Accounting

- Continued work on FY 2023 budget development.
- Continued work with Policy & Planning on final documentation of REC and Tier 3 accounting change for external audit support.
- Continued work on assessing new GASB Standard 87-Leases for implementation in FY22.

- Continued data gathering for the development of a potential 2022 rate case.
- Hired Accounting Administrator (accounts payable position).
- Received Board of Finance and City Council approval of Key Bank Line of Credit renewal.
- Applied the first \$1.08M of ARPA funds to residential customer accounts in arrears on April 4. The remaining ARPA funds will either be applied to commercial accounts in arrears between now and the end of FY 2022 or rolled forward to fund the new Energy Assistance Pilot Program in FY23.
- Receivables due to COVID19 as of April 29, 2022 reflect the application of ARPA funds to residential accounts. BED's total non-current receivables decreased \$949,536 or (45.13%) compared to the end of March 2022. Arrearages >60 days were \$331,446.



Information Services

- Virtualization and upgrade of Field Collection System.
- New multiyear agreement for backup and disaster recovery solution (Rubrik) approved by Board of Finance/City Council. Estimated implementation June 2022.
- Significant progress made on IT Forward projects; continued focus on these efforts.
- All BED employees completed mandatory cybersecurity training.
- Implemented multifactor authentication; all BED employees enrolled in either hard or soft token solution.
- Continued updates to security posture. Scheduled DHS CISA voluntary assessment for June 2022.

Policy & Planning

- BED Energy Assistance Pilot Program approved by City Council; drafting filing documents.
- Significant budget and potential rate filing work.
- Discussion with finance on grant funding processes and Rate Design Initiative grant contract.
- Re-engaged on McNeil Battery Project.
- Participated in Summer Forward Reserve Auction and analyzed impact of high clearing price.
- Work on revised McNeil fuel price proposal.
- Packetized Energy device transition contract review.
- IRP/forecasting kickoff meeting with Itron; finalizing SOW.
- State of VT Multifamily EVSE grant awarded for 5 stations.
- District Energy Funding Opportunity Request reply to reviewer comments.
- Comments filed in PUC Rulemaking on 4/15/2022 (19-0856-RULE).
- Additional discussions with VELCO and Consultant on proposed K42 upgrade.
- Discussing potential changes to DES McNeil Term Sheet.

- DeltaClimeVT 2022 mentoring.
- ARC pilot project location work.
- Review and comment on VEIC review of McNeil carbon accounting.
- Selected UNH sustainability intern.
- Monitoring 2022 legislative committee activity.
- Work on Net Metering customer issue with PSD.
- Exploring purchases of additional VT1 RECS to strengthen forward REC position.

Sustainability & Workforce Development

- Continued Ventilation Improvement Program meetings with CEDO.
- Hosted NZE Podcast episode with Burlington 2030 District Director Jenna Antonino DiMare.
- Facilitated monthly project meeting for VLITE grant to expand EV access for low-income residents through car sharing and enhanced charging infrastructure.
- Assisted EverGreen Energy in expanding the diversity, equity, and inclusion section of District Heating proposal in response to DOE's request.
- Participated in a Leadership Champlain panel on Vermont's energy transformation with VGS, the Vermont Energy Co-op, and EVT.
- Met with City Market Co-op Chef Michael Clauss re: induction cooking training; hosted NZE Podcast interview on induction cooking with Chef Chris Galarza of [Forward Dining Solutions](#).
- Met with CATMA and other transportation partners to plan for spring activities, including May "Park Your CARbon" events and Burlington-based lunchtime bike rides.
- Planned all-staff Lunch and Learn for required cybersecurity training.
- Participating in REV Conference planning.
- Co-chairing Employee Engagement Committee; current focus is employee onboarding.
- Participating in Burlington High School and Burlington Technical Center Advisory Group to give feedback to the architecture and design teams on sustainability considerations.
- 2030 District executive meeting and spring event planning, including an energy benchmark training, annual membership gathering, and panel discussion on Burlington energy policies.
- Joined Heidelberg, Germany's Director of Sustainability for a presentation on Net Zero Energy as part of the U.S. Mission to Germany's second annual Transatlantic Innovation Week.
- Joined GM Springer and Director of Energy Services Chris Burns in a Better Buildings by Design presentation on BED's incentives and the City's policy initiatives to support Net Zero Energy.

Center for Safety and Risk Management – Paul Alexander

Safety

- Conducted evaluation of System Operator for current skill level.
- Conducted McNeil Annual Outage Training.
- Attended 4-day Incident Prevention CUSP Conference.
- Conducted annual fire extinguisher inspections for Pine Street & Substations.
- Conducted Confined Space Manual review meeting.
- Completed evaluation of Steel Beam installation at GT with structural engineer.

Environmental

- Contacted the State regarding water removal from vaults at Shelburne Road Project.
- Completed the RFP process for the cooling tower fill capital project.
- Conducted inspections of various pits, sumps, and confined spaces across McNeil.
- Submitted the quarterly data report to the EPA for air.
- Submitted waste water reports for our permit renewal.

Risk Management

- New Claims Investigations (4 total, 3 involving poles, 1 BED gate).
- Continued research, effort, planning and correspondence on Coronavirus (COVID -19), Booster shots, Face mask policy, Testing kits, Return to work plans, Health Officers, Vaccinations, Contact tracing, Signage, etc.
- Met with new City Councilor (Gene Bergman).
- Sent an email to all employees on BED's ID Badges (no longer mandated).
- Create agenda and chair BED's Safety Committee (BSC) monthly meeting.
- Attend iPi Forum and Safety Conference.
- Review City's FY'23 Direct costs (Insurance) for Finance.
- Attend annual McNeil Outage Training Day.
- Continued discussion on JDs for P&IS position with HR/IBEW.
- Attend Cyber Security monthly meeting.

Purchasing/General Services

- Monthly meeting with the Electric Bucket Truck Vendor.
- Monthly meeting with the state on our grant for Electric Bucket Truck.
- Met and finalized the design for modifications to the Power Resource Planning area.
- Discussions on future vehicle needs and meeting our NetZero Goals.
- Working on setting up a purchasing training plan for backup coverage.

Center for Operations & Reliability – Munir Kasti

Engineering & Operations

- Completed the rebuild of 1L4 circuit on North Avenue from pole P3132 to pole P3149.
- Completed the street lighting upgrade on North Avenue from pole P3147 to Pole P3164.
- Energized the new service at the Airport expansion project.
- Completed the secondary wire upgrade and load balance on Lakeside Avenue.
- Installed SCADA-controlled motor operator to 227S switch on Park Street.
- Responded to 18 trouble calls.
- Completed 10 service requests and 20 street lighting repairs.
- Resumed training at the Gas Turbine.
- Performed fiber splicing and field commissioning of the switch for the 227S project on Park Street.
- Completed field commissioning of the new 5-way padmounted switch for the UVM LCOM/Firestone project.

- Developed communications scheme and began testing new padmounted capacitor bank for the UVM LCOM/Firestone project.
- Released settings for a new aerial capacitor bank to be installed on South Willard Street to accommodate UVM load growth on 2L5 circuit.
- Analyzed and prepared trip out reports for several outages that occurred during the windstorm on March 6.
- Reviewed upcoming fiber splicing work for the Shelburne Street Roundabout Project.
- Attended a utility relocation coordination meeting with VTrans for the Shelburne Street Roundabout Project.
- Attended coordination meetings with VELCO for upgrades to the ICCP link.
- Awarded RFP for Appletree Point civil work.
- Released the design and work order for the following projects:
 - New 400A service to 45-57 Lakeside Avenue
 - Lakeside Avenue Transformer and Secondary Upgrade
- Met with Finance to review and discuss the proposed FY23 budget for the Engineering and Technical Services area.
- Continued to analyze load shedding plans in the unlikely event of controlled outages being requested by VELCO and ISO New England.
- Continued analysis of projected increased system peak loading due to Net Zero Energy.
- Interviewed and hired for the Utility Services Coordinator II position.
- Interviewed and hired for the Power System Coordinator I position.
- Posted the position of Director of Grid Services.

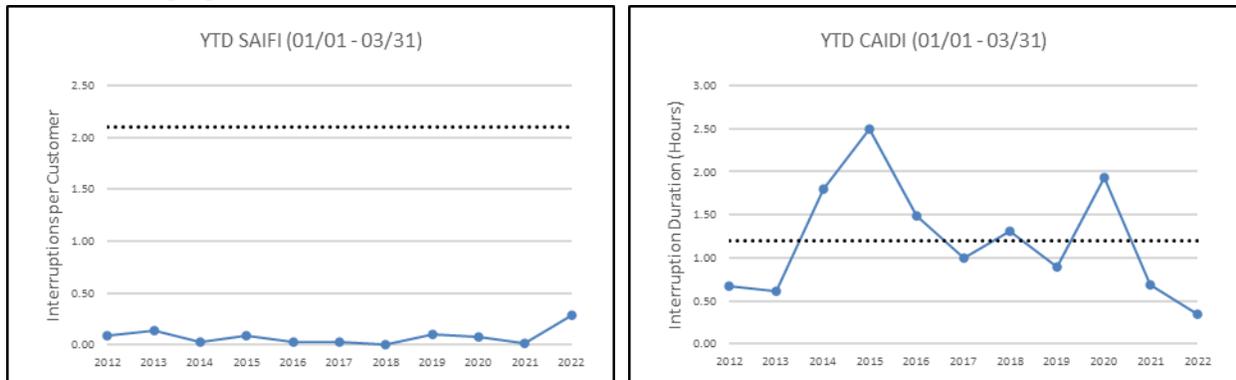
Grid Services

- Waiting on equipment delivery to start the SCADA firewalls and network switches replacement projects
- Continued training the Power System Coordinator I employee.

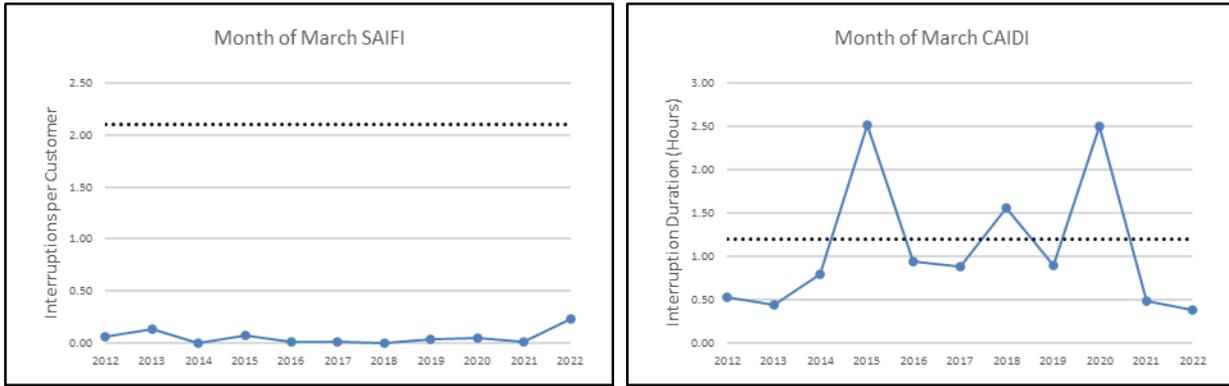
SAIFI & CAIDI Outage Metrics:

BED’s distribution system experienced 15 outages in March 2022 (3 unscheduled and 12 scheduled). BED’s SAIFI for the Month of March was 0.23 interruptions per customer and CAIDI was 0.38 hours per interruption. BED’s YTD SAIFI is 0.29 interruptions per customer and YTD CAIDI is 0.34 hours per interruption.

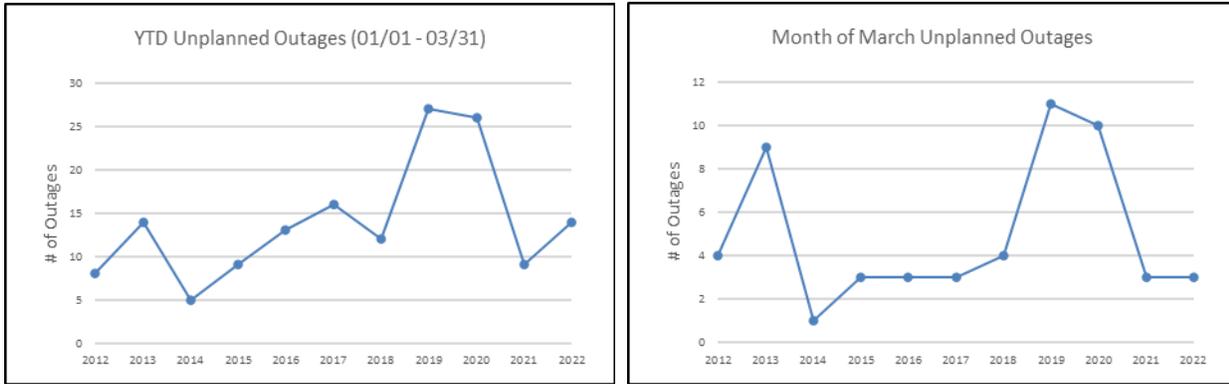
The following figure shows BED’s historical YTD SAIFI and CAIDI:



The following figure shows BED’s historical March SAIFI and CAIDI:



The following figure shows BED’s historical Unplanned Outages:



GENERATION

McNeil Generating Station

Month Generation: 2,5342 MWh
 YTD Generation: 9,5332 MWh
 Month Capacity Factor: 68.1%
 Month Availability: 86.91%
 Hours of Operation: 519.5 hrs.

There was a total of 5,261 hours of reductions for the month due to poor wood quality, waterwall tube leaks, and plugged cyclone cones. We have been offline but available for a duration due to wood supply running thin. Working to build stores for mid-summer and winter runs. Currently working on items in preparation for the upcoming outage and to free up personnel hours for larger projects during the outage.

Winooski One Hydroelectric Station

Monthly Generation: 3,849.97 MWH (113.001% of average)
 YTD Generation: 7,236.213 MWH (89.89% of average)
 Month Capacity Factor: 69.928%
 Annual Capacity Factor: 45.27%

Month Availability: 99%

Winooski is in the spring fishing period and is staffed to support that as such. Run time and operation has been with river flow patterns.

Burlington Gas Turbine

Month Generation: 137.379 MWh
YTD Generation: 167.186 MWh
Month Capacity Factor: 0.803%
Month Availability: 97.160%
Hours of Operation Unit A: 11.9
Hours of Operation Unit B: 11.9

There was six total operations of the asset this month. There were two self-scheduled operations, one for asset operability confirmation and training and one for operability confirmation after a fuel oil leak occurred during a dispatched operation. The fuel oil leak was completely contained within the GT building and was not a reportable event however the leak resulted in approximately 18.5 hours of unavailability for cleanup and repair activities. The dispatched operation referenced above was an audit request by BED to set asset capacity during the Winter season with ISO NE and was successful. There were three additional ISO NE dispatched operations based on economics which were all successful. Lastly there were approximately 5 hours of reduction due to VELCO breaker maintenance where the asset Ecomax was set at 11.5 MW with ISO NE. The asset is fully functional and in service at the end of the month with no reductions in place.

Solar (Airport 499 kW)

Month Generation: 53.9 MWh (-13% from previous year)
YTD Generation: 148 MWh
Month Capacity Factor: 15%
Month Availability: 100%

Solar (Pine Street 107 kW)

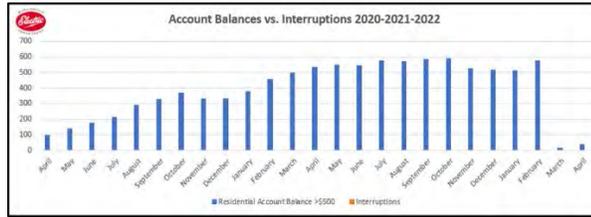
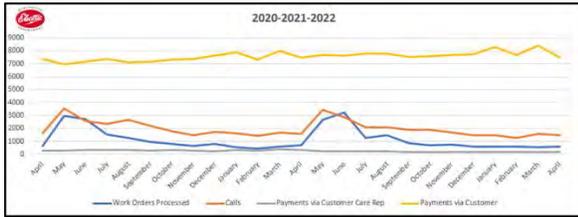
Month Generation: 11.9 MWh (-2% from previous year)
YTD Generation: 23.3 MWh
Month Capacity Factor: 15%
Month Availability: 100%

Center for Customer Care & Energy Services – Mike Kanarick

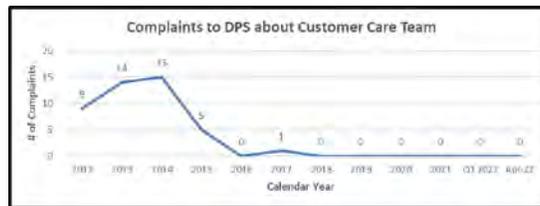
Customer Care

- **Call Answer Time (75% in 20 seconds):** April 2022 85.0%, March 85.8%, February 85.2%, January 83.9%, December 2021 84.6%, November 85.2%. April 2021 91.0%, March 89.1%, February 93.1%, January 86.7%, December 2020 84.2%, November 85%. Call answer time holding steady the last few months.

- **April 2022 Stats:** please see dashboard for additional metrics categories.



***Please note that our account balances greater than \$500 was substantially reduced to 16 accounts with the application of more than \$1M in ARPA funds in early April.**



Communications and Marketing

- Temporary Energy Assistance Program to offset 7.5% rate increase: to help offset BED’s first-rate increase in 12 years we have been offering income-qualified customers temporary assistance in the form of a monthly bill credit through June 2022. So far 99 (up from 90, 79, 75, 69, and 58) customers have applied with 71 approved, 27 awaiting verification, and 1 found ineligible. Customers can learn about eligibility requirements and apply by visiting burlingtonelectric.com/rates.
- Vermont Emergency Rental Assistance Program (VERAP - erap.vsha.org): launched by State in April 2021 “to help alleviate income pressure on tenants and landlords and restore stability to the rental community.” VERAP helps tenant households with paying rent, as well as paying utility and home energy costs. BED has approved 765 of 1,037 (up from 709 of 972 March, 591 of 866 February, 560 of 818 January, 478 of 696 December, 411 of 639 November, 312 of 561 October, and 280 of 461 September) program applicants for a total of \$620k (up from \$568k, \$474k, \$434k January, \$353k December, \$323k November), of which BED has received \$599k (up from \$533k, \$436k, \$388k January, \$263k December, \$212k November).
- Vermont Homeowner’s Assistance Program (VHAP): launched by the State of Vermont through the Vermont Housing Finance Agency (VHFA) in January 2022 to help prevent home foreclosure and displacement with assistance for overdue mortgage payments, homeowners association fees, property taxes, and utilities. So far, BED has certified 13 (up from 12) applicants and received our first payment of \$1,289 on March 29.
- National Lineworker Appreciation Week: the week of April 18, we recognized via social media and on our website homepage BED’s dedicated and hard-working lineworkers for all they do for the Burlington community.
- Resumption of Disconnects for Nonpayment: in April 2022, BED eliminated pandemic-related, past-due balances for residential customers with active accounts by using American Rescue Plan Act (ARPA) funds allocated by the City of Burlington and invited eligible commercial customers with active accounts that have past-due balances to complete pandemic-related economic hardship certifications to request assistance from available ARPA funds. On May 1, 2022, BED resumed our

regular policy of disconnection for nonpayment, including sending letters to alert customers of past-due balances that could lead to disconnection of electric service. As always, we asked our customers to pay their electric bills on time each month to avoid any service interruptions. BED continues to offer expanded budget payment plans, and our goal always is to work with our customers to avoid any disconnections. We encouraged them to contact us to make payment arrangements or with any other questions to avoid disconnections. Also, we invited our customers to visit our website to learn more about the continued availability of a number of financial assistance programs, including BED’s Temporary Energy Assistance Program, VERAP, and VHAP.

- Free Net Zero Energy Yard Signs: BED is encouraging community members to help spread the word about the impactful steps they’ve taken to help Burlington make progress along the path to becoming a Net Zero Energy city by 2030 by planting a sign in their yard and having conversations with as many members of our community as possible about what they have done to reduce their carbon footprint. Our awesome new yard signs say “WE’RE ONE STEP CLOSER! NET ZERO ENERGY” and includes space on which to place stickers that say, “ELECTRIC VEHICLE,” “HEAT PUMP,” “ELECTRIC LAWNMOWER,” “EFFICIENT APPLICANCES,” and “ELECTRIC BIKE.” Team BED will deliver a free yard sign to the homes of anyone who requests one. You can view and order a sign at burlingtonelectric.com/yardsign.
- Customer Satisfaction Survey: BED’s triennial Customer Satisfaction Survey (that was postponed by one year until FY21 with PUC approval due to the pandemic) is in the field with our residential customers and soon will be in the field with our commercial customers. Our third-party vendor will make a presentation to the Commission at its June 2022 meeting.
- Net Zero Energy Podcast: we hope you’ve had a chance to take a listen to BED’s new Net Zero Energy Podcast at www.burlingtonelectric.com/podcast, including our latest episode with guest Jenna Antonino DiMare, the director of the Burlington 2030 District, a private-public partnership that encourages commercial property owners and building managers in Burlington to reduce fossil fuel use in buildings, water use, and transportation.
- North Avenue News: our May column encourages Burlingtonians to order and plant in their yards BED’s new Net Zero Energy yard signs, reminds customers about the resumption of disconnects for nonpayment, and spotlights the many rebates we offer, focusing this month on E-bikes and E-mowers. Our ad promotes the new NZE yard signs.
- April 2022 Website and Facebook Highlights
 - Overall site-wide pageviews for April 2022 = 28,428
 - March = 23,967
 - February = 17,126
 - January = 19,000
 - December = 18,374
 - November = 19,898
 - October = 20,598
 - September = 21,327
 - August = 22,962
 - July = 23,727
 - June = 25,159
 - May = 28,428

- April = 22,745
- March = 21,463
- February = 18,773
- Unique homepage pageviews for April 2022 = 7,499
 - March = 7,282
 - February = 5,831
 - January = 6,380
 - December = 6,346
 - November = 6,379
 - October = 6,857
 - September = 6,905
 - August = 8,464
 - July = 7,931
 - June = 7,484
 - May = 7,499
 - April = 5,404
 - March = 5,775
 - February = 5,165



- Visitors by website page – please note that some of the columns indicate n/a as the page-specific URLs changed when we launched our new website. We will continue to track this information, which will become more meaningful each month.

page title	Apr 2022	Mar 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sep 2021	Aug 2021	July 2021	June 2021	May 2021	Apr 2021	Mar 2021	Feb 2021	Jan 2021	Dec 2020	Nov 2020	Oct 2020	Sept 2020
Report A Problem	189	516	70	95	385	93	235	119	79	153	155	93	60	88	80	80	121	76	140	721
Stop or Start Service	464	383	202	248	279	306	298	454	867	803	1079	2599	622	337	279	336	277	330	366	502
E-billing	534	266	266	240	345	274	276	376	345	532	451	337	380	357	368	496	528	397	394	669
Contact Us	489	555	260	445	439	448	460	577	621	638	731	949	458	569	413	417	487	414	436	547
McNeil Generating Station	726	557	255	374	379	444	443	347	339	447	429	627	791	517	385	525	597	734	634	548
Heat Pumps	512	559	331	382	264	394	477	406	496	567	369	82	40	39	46	30		18	36	36
Rebates	636	917	488	450	377	501	537	566	571	621	795	n/a								
Rebate Center	688	733	508	549	419	499	546	530	667	679	319	n/a								
Green Stimulus	53	121	49	57	97	49	91	106	113	138	233	255	257	280	504	283	208	168	152	171
Stop or Start Service	464	383	202	248	279	306	298	454	867	803	1079	2599	622	337	279	336	277	330	366	502
Leadership Team	284	269	237	246	196	222	206	243	276	228	240	212	192	208	218	286	207	193	190	249
Rates & Fees	220	246	180	221	203	166	214	178	132	143	247	310	184	212	218	161	140	139	190	190
Usage Tracker Registration	77	145	120	156	142	127	114	94	154	177	223	107	118	150	196	182	209	147	154	201
RFP	211	534	597	362	152	270	243	452	497	455	158	143	439	393	474	404	258	387	400	383
Residential Ways to Save	171	158	146	147	157	164	156	172	191	172	220	217	173	175	163	137	159	137	212	172
Electric Vehicles	274	356	296	222	244	296	289	272	265	245	332	247	258	246	218	210	190	208	296	219
E-Bikes	167	206	89	78	76	78	161	168	265	207	192	223	242	196	117	106	109	117	131	174
Net Zero Energy News	87	27	31	33	26	22	67	204	139	115	178	210	132	187	196	228	179	215	222	244
Electric Vehicles	274	356	296	222	244	296	289	272	265	245	332	247	258	246	218	210	190	208	296	219
COVID-19 Updates	10	11	11	17	16	22	79	153	166	397	540	335	275	332	391	349	337	353	281	83
Our Energy Portfolio	79	124	54	58	48	88	104	96	59	42		51	110	102	101	49	51	53	84	125
Lawn Care	121	149	31	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a						
Electric Lawn Mowers & Leaf Blowers	n/a	n/a	23	49	39	94	117	150	133	184	229	408	312	176	79	131	70	157	101	88
RFP Detail	110	222	413	214	n/a	94	49	258	334	185	n/a	23	401	199	414	393	148	293	321	405
Default The Peak	9	16	11	8	12	12	n/a	11	137	22	155	11	17	20	35	n/a	n/a	10	20	n/a
Commercial Ways to Save	42	63	45	30	43	37	41	98	55	39	62	26	46	59	33	37	41	34	53	33

- Top-performing Facebook posts
 - Top Facebook posts.
 - We boosted our post about the Burlington 2030 District
 - Beltline closure got a lot of shares likely because it directly impacted many people

04/27/2022 8:39 AM		The Burlington 2030 District is public-private partnership			3K		125 13	
04/21/2022 4:40 PM		This Saturday, April 23 from 6am to 4pm, the beltline			3.1K		115 72	
04/20/2022 3:41 PM		BED welcomed City Councilor Jack Hanson to			700		84 28	

Blue: clicks / Red: comments, shares

Energy Services

UVM

- UVM Lighting / Howe Library Upgrade Project - This project includes stack lighting fixture replacements and general area lighting fixture retrofits. About 325 fixtures have been retrofitted and 50 fixtures for stack lighting have been replaced. These projects are now complete, a final BED site visit has occurred.
- UVM Virtue Field / Support Building – This is a small new construction project that is to be located next to Virtue Field, near the Gutterson Athletic Facility. It will provide basic support for the field in the way of rest rooms, locker rooms and a small consignment space.

Other Services

- Brian Reilly attended the Adult Computer Literacy Class at the Old North End (ONE) Family Room on April 28. With the support of an instructor/interpreter, shared information about our Temporary Energy Assistance Program and how to apply with 3 groups of students. One student had a question about VERAP and their budget plan. With the support of an interpreter, BED Customer Care followed up with the student and addressed their concerns following day.
- Weatherization coordination with VGS - VGS requested electrical account usage histories (with customer permission) for 3 SF and 6 MF buildings (representing 33 living units) this month for the purpose of weatherization audit preparation and building energy use analysis. This brings the total TTD (2021-2022) requests to 125 SF and 84 MF buildings (representing 277 living units).
- Eight homes are now enrolled in the BTV NZE Home Pilot Program with VGS. Each owner will receive a comprehensive NZ roadmap that is customized for their home and budget.
- Hannaford North Ave / Renovation – BED is working with VEIC on energy savings measures associated with this supermarket renovation project. Measures include new lighting fixtures, efficient refrigerated cases, and the enclosing of a partially open produce cooler. The final paperwork for the project has been finalized and the rebate has been paid.
- Burlington High School Downtown / HVAC Upgrades - The high school is temporarily being housed in the old Macy's building until a new school building can be constructed on North Avenue. Two failures of large variable speed drives (50HP) in the HVAC system have occurred. BED is assisting with rebates for replacing these drives which otherwise would be in by-pass with motors running at 100% speed. One of these drive replacement projects has been completed and a prescriptive rebate paid, and the second VFD replacement is now in progress.
- Hotel Burlington / Facility Lighting Project – This project involves the upgrading of 600 + existing lighting fixtures to LED technology, and the replacement of about 65 existing fixtures with new

LED flat panels. The project was completed last month with some adjustments made to savings calculations based on an increase in scope. A BED site visit has been completed and this month the rebate was paid out.

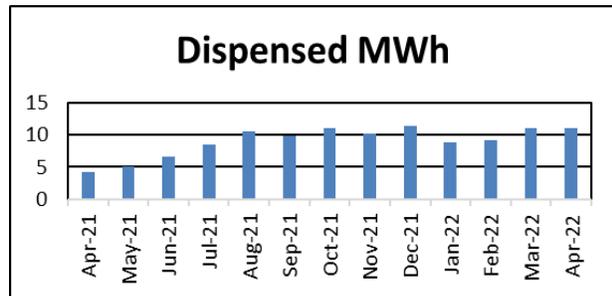
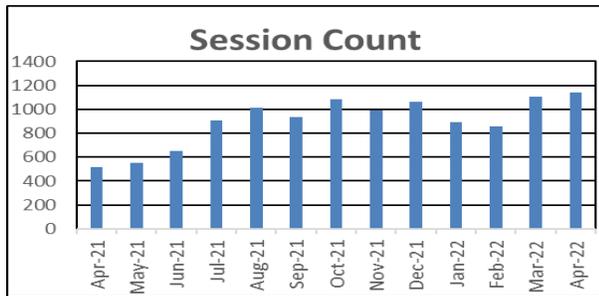
- Citizen Cider – 7 Kilburn St. / New Air Compressor – A new 35 HP air compressor with refrigerated dryer, has been installed at the Pine St. facility of Citizen Cider. A site visit is pending, as well as some final paperwork before the rebate can be paid.
- King St. Laundry / Natural Gas Dryer Efficiency - The new owner of this facility is considering replacing 10 commercial natural gas dryers or investigating modifications to increase efficiency. VGS has suggested modifying the make-up air system for the dryers to isolate it from the building HVAC system. This should provide heating and some cooling energy savings. BED is determining if the electrical cooling energy savings would be substantial enough to warrant a rebate.
- Main St. Landing / 60 Lake St. – Domestic Hot Water Fuel Switch – The owner of this large multi-use commercial building on Burlington’s Waterfront is investigating a DHW fuel switch from natural gas to electric via a 120-gallon heat pump water heating system. This project is large enough to go beyond the scope of prescriptive heat pump measures and has been evaluated as a custom Tier 3 project by BED. A rebate offer was made to the owner, and a decision is pending on implementation.
- Main St. Landing / 1 Main St. HVAC Re-Commissioning – This is a project that was initiated over two years ago and was interrupted in implementation by the Covid restrictions beginning March 2020. The scope of the work eventually increased to the addition of two-way valves to heat pumps and the inclusion of variable speed drives for pumping. Recent analysis of the house meters for this three-building facility, comparing pre-project and post-project consumption, show considerable electrical energy savings.
- Old Spokes Home / Lighting Retrofit – This bicycle sales and repair shop in the Old North End of Burlington has upgraded most of the existing lighting fixtures in their facility with LED light engines and drivers. BED completed a site walkthrough of the store this month confirming the completion of the work.
- Burlington City Place / Initiation of Design Process – BED has been in contact with the project manager of this major downtown core construction project. Discussion focused on the process to maximize energy efficiency rebates for the project. One project requirement is for the building to be LEED Gold. MEP options are still being discussed as well as final construction features of the building envelope. BED will be brought into the design and development team meetings as soon as they begin in approximately two months.
- YMCA – 298 College St. / Re-Commissioning – This new facility in downtown Burlington has been in operation since early 2020. However, both electric and natural gas consumption has been higher than expected over that period. BED is assisting the owner in investigating adjustments to the DDC system which will reduce energy use without impacting occupant comfort. As of the end of last month, a number of adjustments have been made in the DDC settings. Additional adjustments are still in development. It is hoped that energy usage reductions will be evident in upcoming utility bills.
- Hula Office Complex / Lakeside Ave – This two-building new construction project on the shores of Lake Champlain has been in operation for over a year. It is notable in that all heating and cooling is provided by ground-source heat pumps supplied by an open loop geothermal system. The calibration of the original energy model to the actual electrical usage of the building is now in

progress. A meeting was held this month with the energy modeler to determine additional information needed to make the final adjustments that will bring the DSM project to completion.

- Ethan Allen Residence - This customer is in the final process of revising their scope of HVAC work.
- Rock Point School - This customer reached out regarding solar credits and Strategic electrification of HVAC. Discussions are underway.
- Ohavi Zedek Synagogue - Assisting customer in evaluating options to replace a failed 5-ton Trane RTU unit.
- Ski Rack - Currently pursuing possible automated wireless HVAC controls to improve scheduling and unoccupied hours savings. Ski Rack went through the PEP process with 2030 District and is already doing very well with their building.

Electric Vehicles

- The EVSE dispensed a total of 11.0 MWh and supported 1,144 sessions.
- The top 3 sales were 74, 80, & 95 kWh and occurred at the Cherry St. and College St. garages.
- The top 10 sessions (0.9% of total) accounted for 6.1% (676 kWh) of the total monthly sale. The ten sessions ranged from 52 kWh-95 kWh.
- The EVSE served 565 unique drivers.
- BE08/UVM Aiken Center requires a head replacement. The port 2 connector was damaged.
- Session Count and Dispensed Energy plots from the from the public charging network are shown below.



- Number of EV and PHEV rebates to date – 370 (of this 64 LMI rebates to date as shown below)
 - New All Electric Vehicle – 151
 - New All Electric Vehicle (LMI) – 27
 - New PHEV – 99
 - New PHEV (LMI) – 34
 - Used All Electric Vehicle – 29
 - Used All Electric Vehicle (LMI) – 2
 - Used PHEV- 14
 - Used PHEV (LMI) – 1
 - All Electric Vehicle (\$50K plus) – 13
- Number of customer loans with lending partners to date – 5
- Number of customers currently participating in the new EV Rate- 116
- Number of EV home charging stations rebates to date – 57

Electric Lawn Equipment to Date

- Number of e-mower rebates to date – 401 (11 commercial & 390 residential)
- Number of e-leaf blowers to date – 34
- Number of Residential e-Trimmers – 1

Heat Pump Installations to Date (since the September 2019 NZEC announcement)

- Total Number of Heat Pump Technology rebates to date- 661 (of this 102 LMI rebates to date as shown below)
 - Number of ductless heat pumps to date – 412
 - Number of LMI eligible ductless heat pumps to date – 86
 - Number of centrally ducted heat pumps to date – 121
 - Number of LMI eligible centrally ducted heat pumps to date – 11
 - Number of air-to-water heat pumps to date – 1
 - Number of commercial VRF heat pump systems to date – 2
 - Number of geo-thermal heat pump systems to date – 1
 - Number of heat pump hot water heaters to date – 22
 - Number of LMI eligible heat pump hot water heaters participants to date – 5

Electric E-Bikes to Date

- Number of e-bike rebates to date – 283

Electric Induction Stovetops to Date (new offering in Jan 2021)

- Number of induction Stovetops rebates to date – 19

Electric Snow Blowers to Date (new offering in Jan 2022)

- Number of snow blower rebates to date – 2

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	Apr 2022 Actuals	Mar 2022 Actuals	Feb 2022 Actuals	Jan 2022 Actuals	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual	2018 Yearly Actual
Engage Customers and Community									
Call answer time 75% within 20 seconds	75%	85%	86%	85%	90%	avg 82%	avg 81%		
Delinquent accounts >\$500	0	40	16	571	513	avg 529	avg 201		
Disconnects for non-payment	0	0	0	0	0	0	45		
# of residential weatherization completions	10	0	0	0	0	5	3	11	11
Weatherization completions in rental properties		-	0	0	0	0	0	TBD	TBD
# or % of homes or SF weatherized		TBD	TBD	TBD	TBD	TBD	TBD	0	0
Champ Challenge weatherization participants		2	2	3	3	0	1	TBD	TBD
# of commercial building with improved thermal envelopes		0	0	1	0	5	5	0	0
% of EEU charge from LMI customers spent on EE services for LMI customers		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Strengthen Reliability									
SAIFI (AVG interruptions/customer) (annual target)	< 2.1	0.002	0.23	0.01	0.06	0.22	1.50	1.03	0.43
CAIDI (AVG time in hrs to restore service) (annual target)	< 1.2	12.05	0.38	1.4	0.12		0.55	0.75	0.93
Distribution System Unplanned Outages (annual target)	82	3	3	7	4	44	90	98	78
McNeil Forced Outages	0	0	1	0	2	5	21	TBD	TBD
W1H Forced Outages	0	2	0	0	0	9	2	TBD	TBD
GT Forced Outages	0	0	0	0	0	2	3	TBD	TBD
Invest in Our People, Processes, and Technology									
Avg. # of days to fill positions under recruitment	120	96	76	102	115	68	179		
# of budgeted positions vacant	0	9	9	9	10	avg 9	6	NA	NA

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	Apr 2022 Actuals	Mar 2022 Actuals	Feb 2022 Actuals	Jan 2022 Actuals	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual	2018 Yearly Actual
Innovate to Reach Net Zero Energy									
<i>Tier 3 Program</i>									
# of residential heat pump installs		9	26	13	20	315	203	10	0
# of commercial heat pump installs		0	0	1	1	4	13	0	0
# of residential hot water heat pump installs		1	0	1	0	14	6	4	0
# of commercial hot water heat pump installs		0	0	0	0	0	0	0	0
Heat pump rebates		9	26	14	21	328	212	0	0
Heat pump hot water heater rebates		1	1	1	0	15	3	0	0
LMI heat pump rebates		4	4	6	0	28	6	4	0
Heat pump technology installs in rental properties		0	1	1	1	14	9	TBD	TBD
LMI heat pump hot water heater rebates		0	1	0	0	2	0	1	0
EV rebates - new		3	5	2	6	67	14	36	44
EV rebates - pre-owned		3	3	0	1	7	8	2	0
LMI EV rebates	See NZE Roadmap Goals below	1	0	0	0	11	7	7	0
PHEV rebates - new		1	6	0	0	41	10	17	14
PHEV rebates - preowned		0	1	0	1	6	5	3	0
LMI PHEV rebates		1	5	1	1	13	6	2	1
Public EV chargers in BTV (total)		27 ports	27 ports	14	14				
Public EV charger energy dispensed (kWh)		11,000	11,000	9,200	8,860	86,570	35,690	78,000	67,931
Home EV charging station rebates		0	0	0	1	32	20	12	0
EV rate charging customers (total)		116	109	106	102	40	40	28	4
Level 2 charger rebates	0	0	0	0	10	0	1	0	
Level 1 charger rebates	0	0	0	0	0	1	0	0	
E-bike rebates		8	0	3	4	88	36	65	62
E-mower rebates		4	1	1	2	154	95	142	NA
E-forklift rebates		0	0	0	0	0	0	0	0
MWE of Tier 3 measures installed		910	2,013	829	1,730	23,763	35,112	3,342	
% Tier 3 obligation met with program measures	100%	32%	27%	15%	10%	159%	283%	31%	30%
<i>Net Zero Energy Roadmap Goals</i>									
# of solar net metering projects installed		2	3	1	4	29	24	33	52
No. of homes receiving NZE Home Roadmaps		0	2	1	2	10	7		
Residential heat pumps for space heating (no. of homes)	2022: 8615	NA	NA	NA	NA	1235, 20% of goal	891	572	NA
Commercial heat pumps for space heating (1000 SF floor space served)	2022: 5397	NA	NA	NA	NA	405, 11% of goal	374	374	NA
Residential heat pumps for water heating (no. of homes)	2022: 4365	NA	NA	NA	NA	108, 4% of goal	108	87	NA
Commercial heat pumps for water heating (1000 SF floor space served)	2022: 1019	NA	NA	NA	NA	0	0	-	NA
EV registrations in BTV (light-duty)	2022: 2294	NA	NA	NA	NA	549, 45% of goal	361	296	NA
Greenhouse gas emissions (1000 metric tons CO2)	2022: 150	NA	NA	NA	NA	188, 114% of goal	185	214	NA
Fossil fuel consumption (billion BTU)	2022: 2418	NA	NA	NA	NA	3220, 120% of goal	3,182	3,660	NA

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	Apr 2022 Actuals	Mar 2022 Actuals	Feb 2022 Actuals	Jan 2022 Actuals	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual	2018 Yearly Actual
Manage Budget and Risks Responsibly									
<i>Safety & Environmental</i>									
No. of workers' compensation/accidents per month	0	3	0	1	0	4	8		
Total Paid losses for workers' compensation accidents (for the month)	\$225,000 annual	\$3,573	\$382	\$396	\$757	\$ 93,612	\$ 165,402	\$38,288	\$ 255,273
Lost Time Incident Rate (days/year) (Dec numbers reflect annual results)	<= 3.5	N/A	N/A	N/A	N/A	0.0	0.93	0.89	1.89
Lost Time Severity Rate (days/year) (Dec numbers reflect annual results)	<= 71	N/A	N/A	N/A	N/A	0.0	41.71	78.2	109.75
Lost work days per month	0	0	0	0	0	0.0	45		116
NOx reporting levels to EPA (Quarterly) (lbs/mmbtu)	<0.075	0.0	0.07	0.07	0.071	0.07	0.07		
# of reported spills, waste water incidents (monthly)	0	0	0	0	0	4	4		
Phosphorus levels to DEC in lbs (monthly/yearly total)	<0.8/37	0.119/1.008	0.104/1.52	0.067/1.714	0.145/1.839	2.028		1.169	
# of new power outage claims reported (monthly)	1	0	0	0	0	7	4		
# of new auto/property/other liability claims reported (monthly)	2	4	2	0	0	18	27		
<i>Purchasing & Facilities</i>									
# of Purchase Orders for Inventory (Target: avg for winter months)	42	59	56	39	70	644	593		
\$ value of Purchase Orders for Inv. (Target: avg dollars spent during winter)	\$78,000	\$753,161	\$626,698	\$231,292	\$566,870	\$ 3,278,620	975,531		
# of stock issued for Inventory (Target: avg during winter months)	320	446	531	556	387	4,402	4,545		
\$ value of stock issued for Inventory (Target: avg. during winter)	\$ 65,000	\$ 231,454	\$ 141,090	\$ 71,107	\$ 39,432	855,456	1,086,478		
# of posters pulled from poles monthly (Target: goal to remove each month)	58	42	164	76	96	2,728	627		
# of Spark Space and Auditorium setup/breakdowns monthly (Target: Covid impact)	3	12	7	3	2	88	87		
<i>Finance</i>									
Debt service coverage ratio	1.25		5.47	5.26	5.15	NA-FY basis	NA-FY basis	NA-FY basis	NA-FY basis
Adjusted debt service coverage ratio	1.5		1.5	1.43	1.39	NA-FY basis	NA-FY basis	NA-FY basis	NA-FY basis
Days unrestricted cash on hand	>90		138	145	142	NA-FY basis	NA-FY basis	NA-FY basis	NA-FY basis
<i>Power Supply</i>									
McNeil generation (MWH) (100%)	per budget	0	25,342	33,825	36,165	273,355	192,696		
McNeil availability factor	100%	60%	87%	100%	96%	80%			
McNeil capacity factor	per budget	0%	68%	100.7%	97.2%	62.4%			
Winooski One generation (MWH)	per budget	4,495	3,850	1,751	1,635	24,752	21,194		
Winooski One availability factor	100%	97%	99%	98%	98%	97%			
Winooski One capacity factor	per budget	84%	69%	35%	30%	37%			
Gas Turbine generation (MWH)	NA	16	137.4	13.7	16.1	373	441		
Gas Turbine availability factor	100%	100%	97%	100%	93%	96%			
Gas Turbine capacity factor	NA	0.1%	0.8%	0.09%	0.09%	0.21%			
BTV solar PV production (mWh)		488	396	235	156	5,015	5,182		
Cost of power supply - gross (\$000)			\$2,718	\$2,409	\$2,116	\$30,285	\$31,081		
Cost of power supply - net (\$000)			\$2,718	\$746	\$2,116	\$22,134	\$23,388		
Average cost of power supply - gross \$/KWH			\$0.10	\$0.09	\$0.07		\$0.10		
Average cost of power supply - net \$/KWH			\$0.10	\$0.03	\$0.07		\$0.08		

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

Wednesday, April 13, 2022, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:31pm on Wednesday, April 13, 2022 via Microsoft Teams Video Meeting.

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

Commissioners Chagnon, Herendeen, Moody, Stebbins (arrived 5:42 pm), and Whitaker participated via Microsoft Teams.

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

1. Agenda

There were no changes to the Agenda.

2. March 9, 2022 Meeting Minutes

Commissioner Chagnon made a motion to approve the minutes of the March 9, 2022 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. Not present for vote.
Commissioner Whitaker. Aye

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

3. Public Forum

No one from the public was present for the meeting.

4. Commissioners' Corner

Commissioner Herendeen thanked Mayor Weinberger for hosting Dr. Sterman from MIT to run through their model for predicting the greenhouse gas emissions that was presented to the community during a 1-hour Town Hall style webinar on April 6, 2022.

5. GM Update

Mr. Springer stated that there is a potential to move to in-person Commission meetings for those who are able to join along with a hybrid option starting in the May timeframe. Mr. Springer suggested that the discussion continue during the Commissioner Check-in portion of this meeting after Commissioner Stebbins arrives to the meeting.

Mr. Springer stated that we have successfully applied over \$ 1million in ARPA funds to residential customer accounts that had past due balances as of late March. Commercial customers with past due balances received a communication asking them to pay their past due balances and providing a hardship exemption certification that provides access to ARPA funds if they certify that their arrearage is due to pandemic-related economic hardship. Our goal was to help clear the backlog of arrearages prior to resumption in May 2022 of our disconnect for non-payment policy. Disconnection always will remain a final resort, with our Customer Care team taking many steps to work with customers prior to any disconnection for non-payment. State arrearage assistance programs, including VERAP for renters, remain available as well, and we've continued to help customers access those programs. Also, a new program for income-qualified homeowners (not renters) is available.

Commissioner Whitaker asked if BED's application of ARPA funds to customer arrearages was automatic so that, if customers are in arrears, BED sends them a note stating that their balances have been cleared. Commissioner Whitaker also asked whether BED will continue to encourage customers to sign up for the low-income program that is being discussed this evening.

Mr. Springer stated that communication had been mailed to the eligible residential customers informing them that BED would be automatically applying the ARPA funds to clear their past due balances. Commercial customers received a communication encouraging them to pay their past due balances, and also providing an option to certify their need for a hardship exemption that would enable them to receive ARPA assistance.

The department has been operating the temporary Energy Assistance Program throughout

FY22. We have had approximately 60 customers who have completed the application process and approximately 28-30 customers who are in the process of applying. It is our plan that, if the low-income pilot rate that we are proposing this evening is approved by the Commission, we would then present the rate to the Board of Finance and City Council for their approvals on April 25. At that time, our goal would be to automatically transfer all eligible customers who already are signed up for the Temporary Assistance Program to the new low-income pilot rate that would be available beginning in FY23.

BED has been meeting weekly with UVMMC and every other week with UVM in an effort to conclude Phase 3 of our district energy plan. Funding from Senator Leahy now has been finalized as part of the recent omnibus appropriations bill signed by President Biden. We are getting updated construction pricing given the impacts of inflation and getting updated pricing from our previous bidders and hope to have a substantive conclusion to Phase 3 in the near future.

Mr. Springer stated that BED has created a new, two-week radio ad focused on EV rebates. The ad includes the voices of the Mayor, Chair Stebbins, and GM Springer, and has been running on Star 92.9 and WVMT. We also have digital ads running and a new bill insert forthcoming focusing on heat pump water heaters.

As reported in the Center for Innovation monthly report, the NZE Net Zero Energy (NZE) Revenue Bond has been issued. Mr. Springer offered much appreciation to the many BEDers who helped move this forward to fruition.

BED staff are undergoing a mandatory cyber security training, as we take further steps with leadership from our new IT Director and IT team members to implement additional measures on this front.

The Thermal Energy Charter Change has passed the Senate and is headed to the Governor. BED testified in the Senate and House in support. BED also testified in support of Clean Heat Standard legislation, and at a cyber security hearing in House Energy & Technology.

6. FY22 February Financials

Ms. Byrne presented the budget-vs-actual results for the month of February FY22. The Department had a net income of \$1,368K in January compared to a budgeted net income of \$1,074K. On the revenue side, actual sales to customers were unfavorable to budget by \$69K. Residential sales were up \$139K, and commercial sales were down \$209K. Ms. Byrne noted that, for the year-to-date, actual sales to customers are within \$22K of budget. Other revenues were down \$315K, partially due to lower than budgeted EEU receipts. REC receipts to were down \$220K due to lower hydro and wind

production at the beginning of the year.

Power supply expenses were \$266K less than budget. Transmission fees were over budget for the month. This was offset by excess generation at McNeil during February and higher than budgeted prices for generation. Other operating expenses were down \$252K compared to budget. Other income was up \$86K, interest expense was under budget by \$12K.

For FY22 year-to-date, actual net income is \$991K or 32% better than budget. Sales to Customers is \$22K under budget. Other revenues are down due to EEU and customer billings. Power supply revenues are down by \$49K or less 1 % for the year. McNeil REC revenue is tracking to the budget, helping make up for lower performance for wind, hydro, and other REC generators. On the expense side, power supply is under budget by \$1,530K, driven by purchase power, transmission, and fuel costs all coming in under budget. Operating expenses are running below budget by \$1.2M.

As of January, the Department has spent 37% of the FY22 capital budget. When adjusted for projects and spending that we know will not occur, the capital spending is closer to 43% of budget, this will see an increase in April and May due to the McNeil overhaul. At the end of February, the Department has an operating cash balance of \$11.9M with 145 days cash on hand. The debt service coverage ratio is 5.26 and the adjusted debt service coverage ratio is 1.43.

7. Fiscal Year 2023 Draft Budget

Ms. Byrne presented the preliminary FY23 budget. The preliminary budget was based on several assumptions, including a 4.9% rate increase, a COLA for employees, a level of capital investment similar to prior years (including investments using proceeds of the 2022 revenue bond, and \$3M of annual general obligation (GO) bond proceeds). Additionally, the preliminary budget assumes the phase-out of impacts from COVID-19 over the next 5 years as commercial business reopen and people return to the office.

The preliminary FY23 budget accounts for anticipated changes in expenses, including: an additional \$1.171M in REC purchases, \$869K increase in transmission costs, an approximate \$1M increase in labor and labor overhead expenses, a \$134K increase in the allocation from the City, \$118K for the first payments to the City for the Moran Plant, a \$462K reduction in taxes due to property reappraisal, a \$1.289M reduction in capital contributions (the FY22 budget assumed \$750K in APRA funding), and a \$712K increase in interest costs due to the issuance of the 2022 Revenue Bond. The budget assumes that sales to customers will increase due to the rate case and our assumptions that the usage continues to return to a pre-pandemic state. Operating expenses are anticipated to increase approximately 7%. The Department continues to work on incorporating several unknowns into the budget including current energy prices, inflation, and the cost of fuel.

The preliminary FY23 budget, based on the assumptions presented, currently has a net operating loss of \$3.585M, and a net loss of \$1.393M. The projected cash position at the end of FY23 is \$6.569M. The preliminary FY23 budget assumes \$5.75M of capital spending using revenue bond

proceeds and \$3.37M of non-revenue bond spending, for a total projected capital spending of \$9.12M. Based on the assumptions in the FY23 preliminary budget, the debt service coverage ratio is 3.17 and the adjusted debt service coverage ratio is 0.97, with a projected 83 days of cash on hand. The department will submit a budget in May with improved metrics for commission approval.

Mr. Springer stated that further discussion regarding the draft budget should be discussed in Executive Session due to the sensitivity of certain aspects of the budget.

Commissioner Chagnon made a motion that premature general public knowledge of the upcoming FY23 Draft Budget with the Commission would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes; 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.

Commissioner Chagnon made a motion to enter into Executive Session with Burlington Electric Department Staff at XXX p.m. to discuss the FY23 Draft Budget, under the provisions of Title 1, Section 313(a) (1)(A) of the Vermont Statutes; this 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.

The Commission moved into Executive Session at 6:43 p.m.

Commissioner Moody made a motion to exit Executive Session at 7:23 p.m. This motion was seconded by Commissioner Herendeen.

Commission Chair Stebbins 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.

8. Renewal of BED's Line of Credit with Key Bank

Ms. Byrne stated that in the past the Department has entered into a revolving line of credit up to \$5M with KeyBank, serving as additional cash if needed. This item is to approve the renewal of this line of credit for another two years. Moody's flagged in our previous line of credit that there was language around the material adverse change clause that was problematic, indicating that we would not include the line of credit in our cache in the cache metrics. KeyBank has agreed to pull this clause from this line of credit agreement. This means we could count the cash in our cash position which will improve our metrics. The interest rate on the line of credit is better than our existing one. The new rate will be Statement of Financial Activities (SOFA) rate plus 1.1%, previously it was SOFA rate plus 1.4%.

Commissioner Whitaker made a motion to authorize Burlington Electric Department to enter into the revolving line of credit with KeyBank; 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.

9. Synapse Net Zero Energy Roadmap

Mr. Springer reviewed the PowerPoint presentation that he will be presenting to the Board of Finance and the City Council on April 25 and will present during BTVStat on April 27.

Mr. Springer compared the Roadmap Business as Usual graph to Net Zero path. Last year, we were essentially on the Net Zero path, although we caveated very heavily that it was partly due to reduced driving during the pandemic that was subject to rebound. Mr. Springer stated that we have had some mild rebounds and that we are up about 1½% relative to 2020, but noted that we are still down compared to 2019 and 2018.

Mr. Springer shared key takeaways from the 2022 Roadmap Update:

- Fossil Fuel Use and Greenhouse Gas Emissions in Burlington experienced a mild rebound compared to pandemic-impacted 2020. Burlington Emissions were up approximately 1.5% in 2021 compared to 2020. Nationally, emissions were up 6.2% in 2021, compared to 2020. However, Burlington emissions were still down 12.5% in 2021 compared to 2018 levels.
- Natural gas use in 2021 in Burlington was down approximately 1% from 2020 levels; gasoline and diesel consumption for transportation was up approximately 10% from 2020.
- In 2021, vehicle miles traveled partially rebounded to an estimated 7,565 per vehicle, up from 6,671 in 2020. The 2018 baseline was 8,187.
- We have made significant progress on strategic electrification, but are not on pace for the Roadmap goals for heat pumps and EVs.
- Recent initiatives, such as weatherization in rental properties, new construction renewable heating, and the Net Zero Energy Revenue Bond, have not yet impacted the data but will start in 2022.
- The Net Zero Energy 2030 goal remains an important guiding goal for our community, and BED's work and progress toward the goal are critical, but we need to contextualize withing state and federal trends.

Mr. Springer reviewed the graph showing the heat pump installations under the Tier 3 incentive programs, showing that we had a 15x increase from the period prior to the Green Stimulus launch. Mr. Springer indicated that, while a great trajectory, we still are not at the Roadmap pace. More specifically, including EEU and Tier 3 program incentives, we have provided rebates in the residential sector for 1,235 heat pumps, yet the roadmap goal is slightly greater than 6,300.

We have doubled the number of EV and plug-in hybrids since the Green Stimulus launch in June of 2020 relative to the period prior. There are 549 total EVs and plug-in hybrids registered in Burlington in 2021. The Roadmaps goal was a little more than double that amount at 1,209.

Our charging infrastructure has a significant build-out planned as part of the rental expansion of the EV Match Program and includes funding from our Net Zero Energy Revenue Bond. We are looking at a major expansion throughout the City in the coming years. Mr. Springer reviewed the

analysis that was done looking at multifamily housing, median income, and identifying areas of the City where we had a good opportunity to expand charging in areas that lacked it, particularly serving areas where we have a higher number of low-income residents and a higher percentage of multifamily buildings.

Mr. Springer stated that we will continue to manage peak loads and to advocate for carbon pricing for a level playing field for renewables. We will continue to focus on balancing our financial responsibility for our customers along with our need to make investments in various technologies.

Mr. Springer reiterated that he will be presenting this PowerPoint presentation to the Board of Finance and City Council on April 25 and BTVStat on April 27.

Commissioner Stebbins asked if this presentation would be posted on the BED website. Mr. Springer stated that some sort of update will be posted. Mr. Kanarick is assisting with updating the Performance Measures Report, which is on the website and anticipates that this will be included as part of the Performance Measures Report.

Mr. Springer will forward this PowerPoint presentation to the Commissioners.

10. BED Low-Income Rate

Mr. Gibbons gave a quick summary of the energy assistance the department has been offering since the last rate case went into effect on August 1. We have been running a temporary energy assistance program using funding from the COVID relief funds to residential customers to apply a 7.5% discount on their electric bill. This discount offsets the 7.5% rate increase. Eligibility is based on participation in either the State Vermont Fuel Assistance Program, which is offered for households below 185% of the federal poverty level, or a housing choice voucher for Section 8. The current number of participants is approximately 59 customers, which is 1% what we estimate the eligible potential population to be. The average bill for the participants is 470 kW hours per month, which is below the residential overall average.

Mr. Gibbons stated that there are two Energy Assistance Programs that are approved in Vermont. One is at VGS, and the other is at Green Mountain Power. Both programs are structured fairly similarly, and both use a stated percentage discount off the rates and charges that otherwise would have applied. Both programs are using an outside entity to determine eligibility for the rate.

The BED team did review Austin Energy's program that offers a flat discount per month for the customer charge to offset their customer charge. BED also looked at Sacramento Municipal Utility District (SMUD). SMUD does a tiered monthly discount that reduces the customer energy charges. The discount is dollar-based, tiered based on the federal poverty level, and determined yearly, so it changes over time and by participant income level. The BED team also spoke to the Burlington Water Resources Department. They are offering a waived fixed monthly fee of \$7.95, which is the equivalent of our customer charge, and which represents roughly a 15% bill discount. The

qualification is based on an income of less than 200% of the federal poverty level.

BED is proposing a 12.5% discount for eligible customers. Eligible customers will be better off under this proposal as they are currently receiving a 7.5% discount on their bill and will now get a 12.5% discount. This increase would displace a potential 4.9% rate increase in addition to the 7.5% increase from 2021. The eligibility criteria would be unchanged, and all current customers would transition to the pilot rate. The external verification will stay consistent with the VGS threshold (185% of FPL) as their service territory overlaps BED's better than Green Mountain Power's service territory.

The proposed resolution is that the Commission approves BED seeking approval for an 18-month pilot energy assistance program, based on a 12.5% discount to BED charges for residential non-net metering customers whose household income is less than or equal to 185% of the Federal Poverty Level, to take effect on or after July 1, 2022.

BED will monitor and report on participation, cost impacts, and potential revisions to either assistance or eligibility.

Commissioner Whitaker made a motion to adopt the BED Low-Income Rate as presented and to recommend adoption of this rate to the Board of Finance and City Council; 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.

11. Commissioners' Check-In

Commissioner Stebbins stated the BED staff are ready to go back to in-person Commission Meetings in May and asked how the other Commissioners felt about returning to 585 Pine Street. We have learned a lot over the last 2 years that we can be a productive via the hybrid approach and allow for greater community participation through the remote option. All Commissioners were in agreement to return to in-person meetings along with working with CCTV to provide a hybrid option.

Commissioner Stebbins asked that anyone who is unable to attend any meeting in person let the Board Clerk know that they will be attending via the hybrid option.

Commissioner Herendeen asked if there would be a lighting update at the May Commission Meeting. Mr. Springer stated that it's worth having a conversation with Mr. Kasti and Mr. Elliston to see if they have something to share at that time. Mr. Springer believes we are still waiting for information from IES, but if the Commission wanted a basic primer on lighting, we can look into providing one. Mr. Herendeen will send his comments to Mr. Springer. Commissioner Stebbins feels that this is a complex enough topic that it should warrant a primer so that when we do receive information from IES we are up to date on the information.

Commissioner Herendeen stated that Mr. Springer mentioned that a carbon profile of McNeil will be available later, but is not available at this time. Mr. Springer confirmed that it's not available as of yet but will share as soon as it's provided.

Commissioner Herendeen asked if the BTVStat meetings are open to the public. Mr. Kanarick will check and get back to Commissioner Herendeen.

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
Commissioner Whitaker. Aye

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

The meeting of the Burlington Electric Commission adjourned at 8:19 p.m.

Attest:



Laurie Lemieux, Board Clerk



*FY 2022
Financial Review
March*

May 3, 2022

**Burlington Electric Department
Financial Review**

FY 2022

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FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of March FY22

(\$000)	Full Yr Budget	CURRENT MONTH			YEAR TO DATE		
		Budget	Actual	Variance	Budget	Actual	Variance
Sales to Customers	48,172	4,157	4,272	115	37,265	37,402	136
Other Revenues	3,978	295	235	(61)	2,808	2,253	(555)
Power Supply Revenues	8,404	0	0	0	6,058	6,009	(49)
Total Operating Revenues	60,554	4,452	4,506	54	46,132	45,664	(468)
Power Supply Expenses	32,155	3,053	2,718	335	24,418	22,552	1,866
Operating Expense	21,543	1,653	1,579	74	15,120	13,842	1,278
Depreciation & Amortization	6,007	501	503	(3)	4,506	4,586	(81)
Gain/Loss on Disp of Plant	291	0	(8)	8	291	233	58
Taxes	3,935	325	276	49	2,960	2,495	465
Sub-Total Expenses	63,932	5,532	5,068	463	47,295	43,709	3,586
Operating Income	(3,378)	(1,080)	(562)	517	(1,163)	1,955	3,118
Other Income	6,588	413	354	(59)	5,170	3,450	(1,720)
Interest Expense	2,402	201	189	12	1,794	1,730	63
Net Income (Loss)	808	(868)	(397)	471	2,213	3,675	1,462

Year-to-Date Results:

- **Sales to Customers** down \$136,000 (within budget). Residential Sales up \$903,700 and Non-Residential Sales down, \$757,700.
- **Other Revenues** down \$555,000 (19.8%)
 - a. DSM billable (customer driven) down \$487,500.
- **Power Supply Revenues** down \$49,000 (1%)
 - a. McNeil REC revenue of \$3,442,000 compared to a budget of \$3,030,000.
 - b. Wind REC revenue of \$1,987,000 compared to a budget of \$2,277,000.
 - c. Hydro REC revenue of \$459,000 compared to a budget of \$585,000.
 - d. Other REC revenue of \$122,000 compared to a budget of \$167,000.
- **Power Supply Expenses** down \$1,866,000 (8%)
 - a. Purchased Power down \$1,413,000.
 - b. Fuel down \$302,000.
 - c. Transmission Fees down \$151,000.
- **Taxes** down \$465,000 (15.7%)
 - a. Actual Payment in Lieu of Tax (PILOT) is less than budget assumption. This is projected to be a \$580,000 positive variance for the year.
- **Operating Expenses** down \$1,278,000 (8.5%)
 - a. Various items are less than budget. This includes outside services (\$493,400), materials & supplies (\$127,200), DSM (rebates & outside services) (\$106,700), transportation clearing & building clearing (\$113,600) and uncollectible accounts (\$81,500). Offset by higher expense due to the credit for A&G (“Admin and General Expenses”) charged to Capital projects was less than planned, \$318,700.
- **Other Income** down \$1,720,000
 - a. Budget assumed \$750,000 of ARPA. Also, assumed customer contributions for Shelburne Road roundabout relocation, \$616,700, UVM LCOM, \$116,200 & Champlain Pkwy, \$334,200.

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of March FY22

Capital Spending – March YTD				
(\$000's)				
Plant Type	Full Yr. Budget	Budget	Actual	% Spent
Production	\$1,017	\$621	\$226	22%
Other	192	163	0	0%
Distribution	3,577	2,770	2,456	69%
General	2,034	1,454	724	36%
Sub-Total	6,820	5,008	3,405	50%
Transmission	1,150	1,150	0	0%
Total	\$7,970	\$6,159	\$3,405	43%

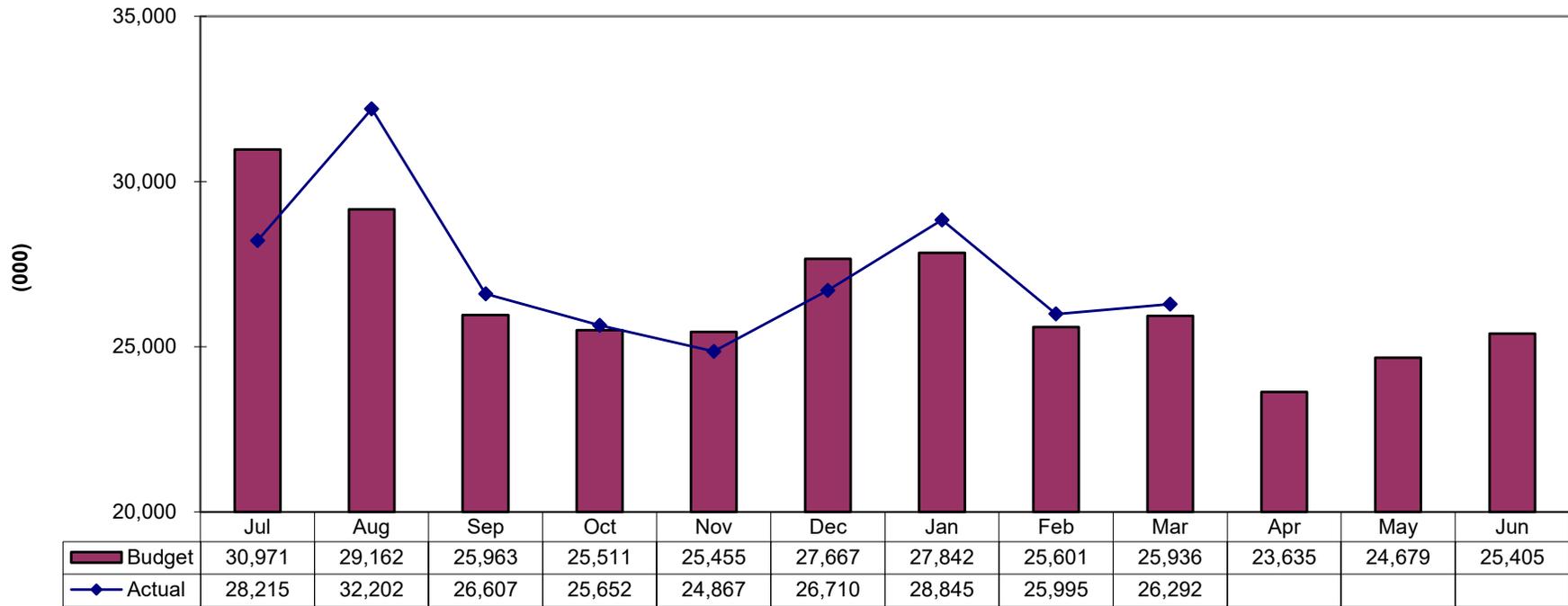
- (1) **Production** – Timing of projects at McNeil, \$110,600 and Gas Turbine, \$84,900. The unit #3 bearing replacement budgeted for Winooski One will not happen this fiscal year, \$125,000.
- (2) **Other** – Timing; budget includes Level 2 & 3 chargers, Packetized Energy, and research & development.
- (3) **Distribution** – Timing of various projects.
- (4) **General** – IT Forward project was budgeted throughout the year; YTD expenses of \$590,200 compared to a budget of \$1,085,600. Pole mount routers YTD expenses of \$13,700 vs budget of \$101,300. Electric Bucket Truck replacement was budgeted throughout the year, delivery has been delayed until FY 2024.
- (5) **Transmission** – VT Transco equity purchased deferred.

As of March 31, 2022	
Cash and Investments	
Operating Funds	\$9,532,300
Operating Fund – CDs	\$1,158,800
Total Operating Fund	\$10,691,100

Credit Rating Factors				
	"A"	"Baa"	Current	3 Year Average
Debt Service Coverage Ratio	1.25	1.25	5.47	3.84
Adjusted Debt Service Coverage Ratio	1.50	1.10	1.50	0.96
Cash Coverage - Days Cash on Hand	90	30	138	125

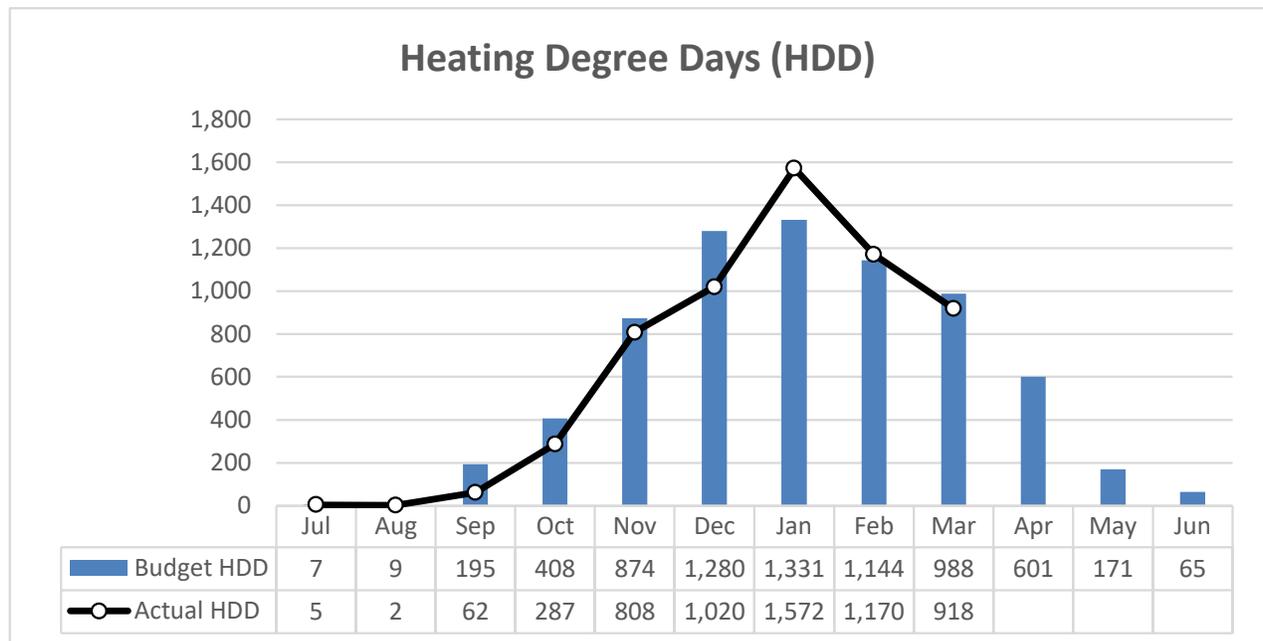
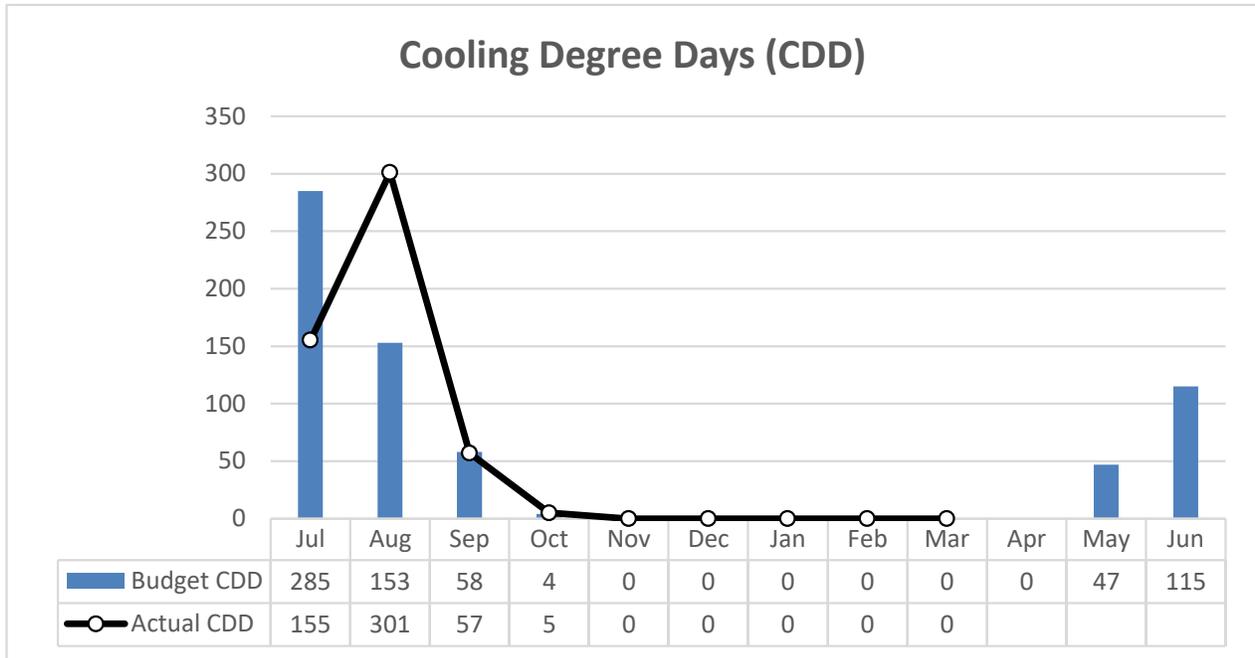
**Burlington Electric Department
Fiscal Year Ending June 30, 2022**

**Total Sales to Customers - KWH
Monthly**



KWH Sales to Customers (YTD)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	30,971	60,134	86,097	111,608	137,063	164,730	192,571	218,172	244,108	267,743	292,422	317,827
Actual	28,215	60,417	87,024	112,676	137,543	164,253	193,098	219,092	245,385			

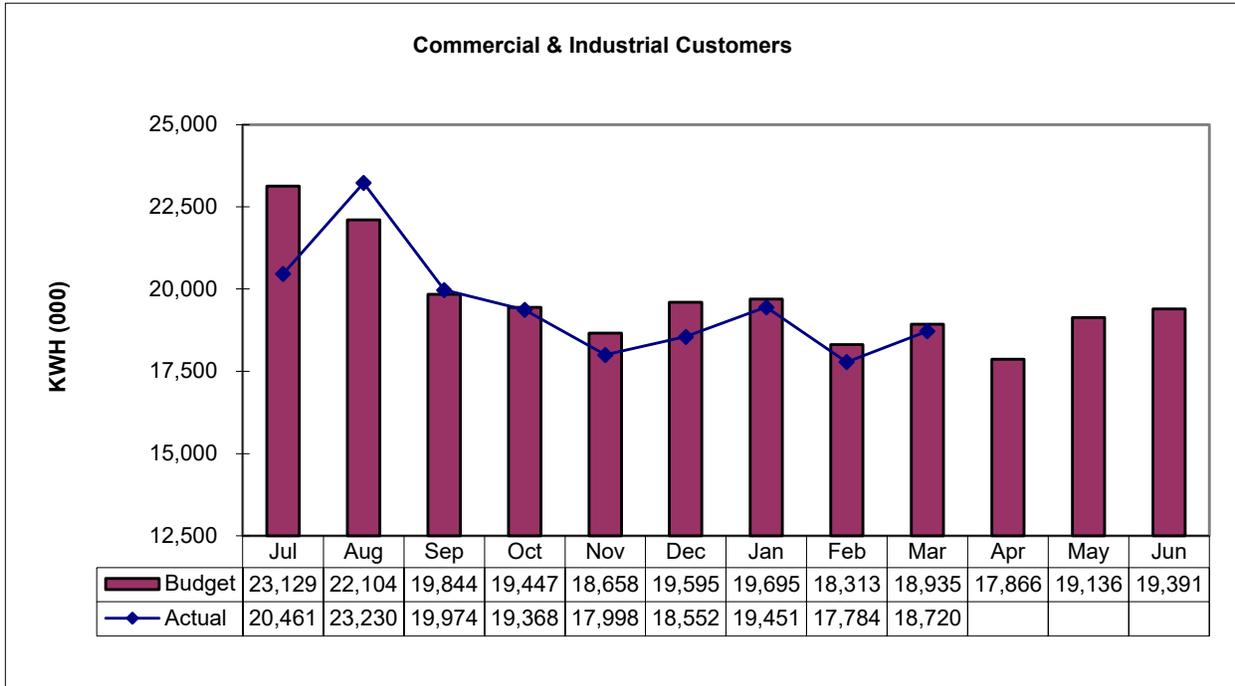
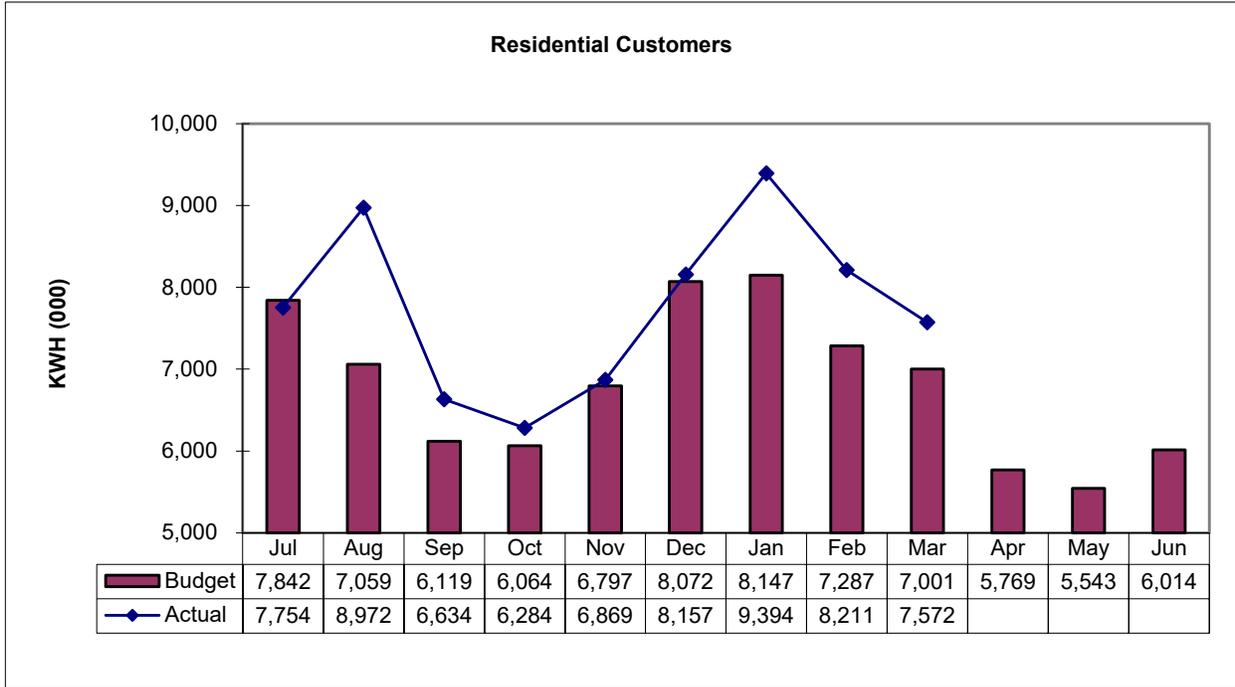
FY 2022



Average Monthly Temperature												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	72	70	63	50	39	27	21	22	32	45	58	67
Actual	70	74	56	56	38	32	14	23	35			

CDD/HDD definition per National Weather Service: Degree days are based on the assumption that when the outside temperature is 65°F, we don't need heating or cooling to be comfortable. Degree days are the difference between the daily temperature mean (high temperature plus low temperature divided by two) and 65°F. If the temperature mean is above 65°F, we subtract 65 from the mean and the result is Cooling Degree Days. If the temperature mean is below 65°F, we subtract the mean from 65 and the result is Heating Degree Days.

**Burlington Electric Department
Fiscal Year Ending June 30, 2022
KWH Sales**



Street Lighting is included with Commercial & Industrial Customers.

**Net Power Supply Costs
March - FY 2022**

	(\$000)						
	Current Month			Year-to-Date			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Expenses:							
Fuel (p. 7)	\$1,023	\$799	\$224 (1)	\$7,255	\$6,953	\$302 (1)	
Purchased Power (p.11)	1,218	1,118	100 (2)	10,521	9,109	1,413 (2)	
Transmission Fees - ISO	575	567	8	5,057	5,407	(351) (3)	
Transmission Fees - Velco	171	119	52 (3)	1,062	412	650 (4)	
Transmission Fees - Other	67	115	(47) (4)	523	671	(148) (5)	
Total Expenses	<u>3,053</u>	<u>2,718</u>	<u>335</u>	<u>24,418</u>	<u>22,552</u>	<u>1,866</u>	
Revenues:							
Renewable Energy Certificates - McNeil	0	0	0	3,030	3,442	412	
Renewable Energy Certificates - Wind	0	0	0	2,277	1,987	(290)	
Renewable Energy Certificates - Hydro	0	0	0	585	459	(126)	
Renewable Energy Certificates - Other	0	0	0	167	122	(45)	
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,058</u>	<u>6,009</u>	<u>(49)</u> (6)	
Net Power Supply Costs	<u><u>\$3,053</u></u>	<u><u>\$2,718</u></u>	<u><u>\$335</u></u>	<u><u>\$18,360</u></u>	<u><u>\$16,542</u></u>	<u><u>\$1,818</u></u>	
Load (MWh)	25,951	26,809	858	247,896	251,824	3,928	
\$/MWh	\$117.66	\$101.38	(\$16.28)	\$74.06	\$65.69	(\$8.37)	

Current Month:

- (1) See detail on page 7.
- (2) See detail on page 11.
- (3) VELCO Transmission under Budget due to lower Common charges.
- (4) NYPA Transmission (NYISO charges) over Budget.

YTD:

- (1) See detail on page 7.
- (2) See detail on page 11.
- (3) ISO-NE Transmission over Budget due to higher ISO-NE Transmission rates.
- (4) VELCO Transmission under Budget due to lower 91 VTA Common charges, including a reduction for the return of accumulated deferred income tax for 2020 and 2021.
- (5) NYPA Transmission over Budget.
- (6) RECs expected to come in 6% under Budget due to under budget Wind and Hydro Production

**Net Power Supply Costs
March - FY 2022**

	(\$000)					
	Current Month			Year-to-Date		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>FUEL:</u>						
McNeil:						
Fuel Consumed	751	561	190 (1)	5,126	4,920	206
Swanton Yard	65	61	4 (1)	453	564	(112) (1)
Train Deliveries	132	90	42 (1)	919	853	66
Labor & Other Expenses	70	43	27 (2)	671	490	180 (2)
Total McNeil Fuel	<u>1,018</u>	<u>755</u>	<u>263</u>	<u>7,169</u>	<u>6,828</u>	<u>341</u>
Gas Turbine	5	44	(39) (3)	87	126	(39) (3)
Total Fuel	<u><u>1,023</u></u>	<u><u>799</u></u>	<u><u>224</u></u>	<u><u>7,255</u></u>	<u><u>6,953</u></u>	<u><u>302</u></u>

Current Month:

(1) McNeil produced 12,671 MWh (27% under Budget). Woodchip costs (per ton) were 7% over Budget. (p. 9)

(2) Actual labor is based on tonnage consumed by McNeil; budgeted labor is based on personnel/days in the month, thus timing issues for comparative purposes.

(3) GT produced 138 MWh (672% over Budget) due to high wholesale prices on March 29th.

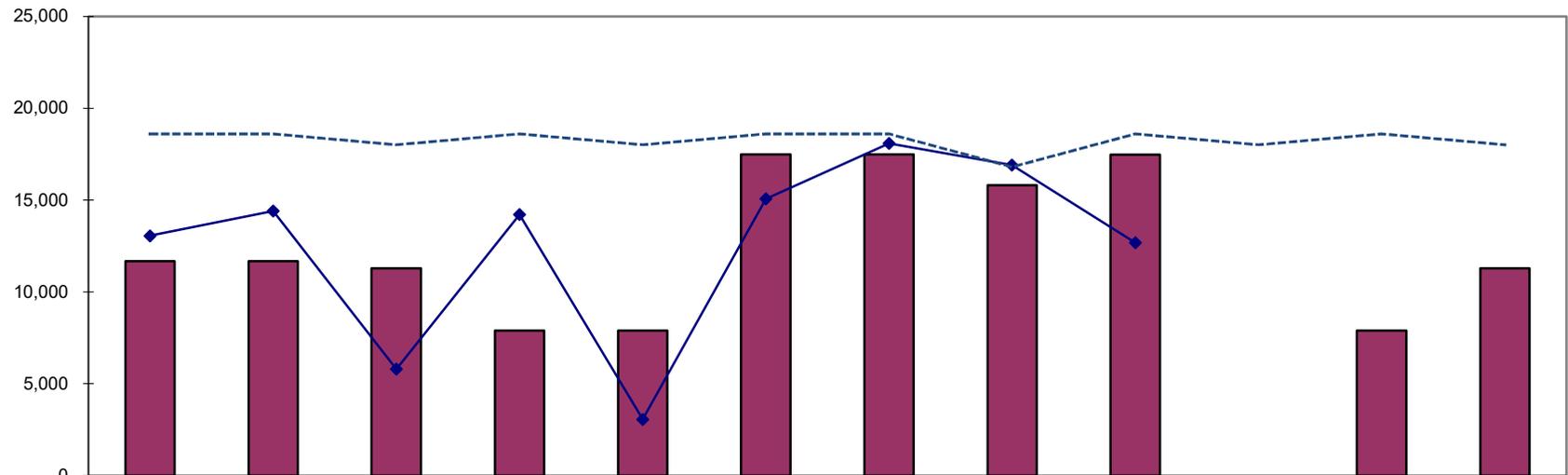
YTD:

(1) McNeil produced 5% under Budget. Woodchip costs (per ton) 1% under Budget. (p. 9)

(2) See Current Month.

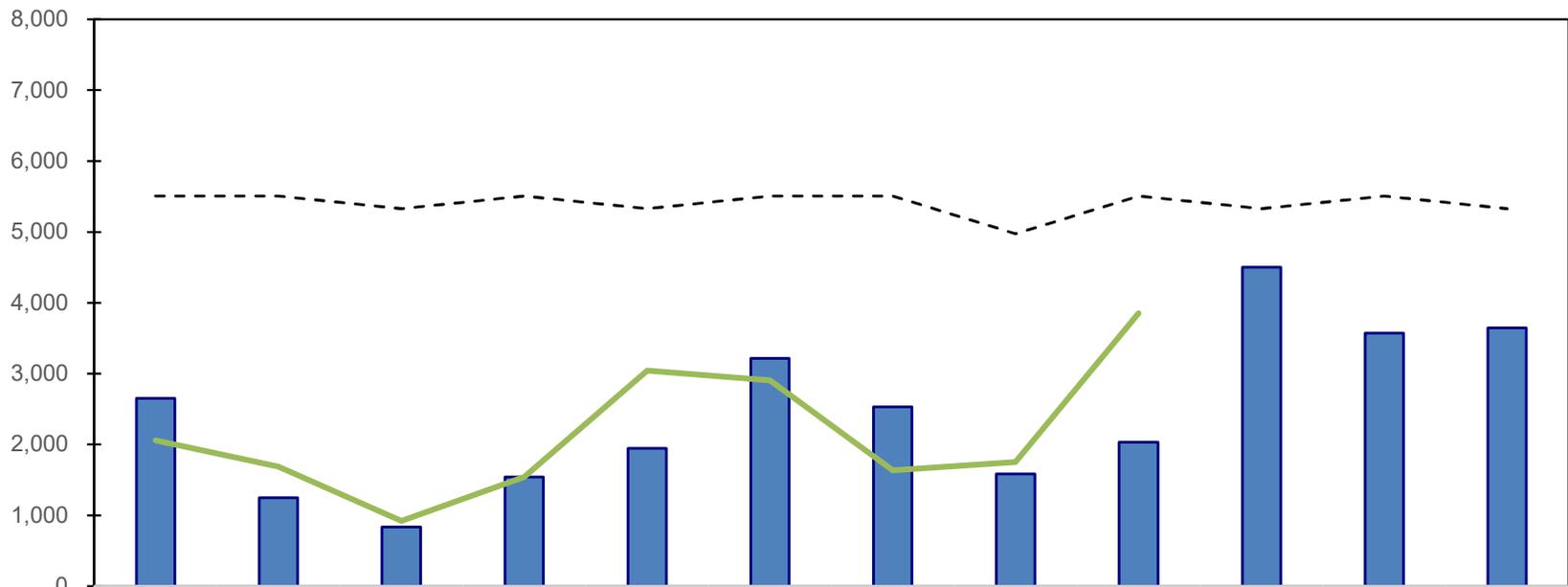
(3) GT produced 411 MWh (43% over Budget).

**Burlington Electric Department
McNeil Plant - MWH Production (50%)
FY 2022**



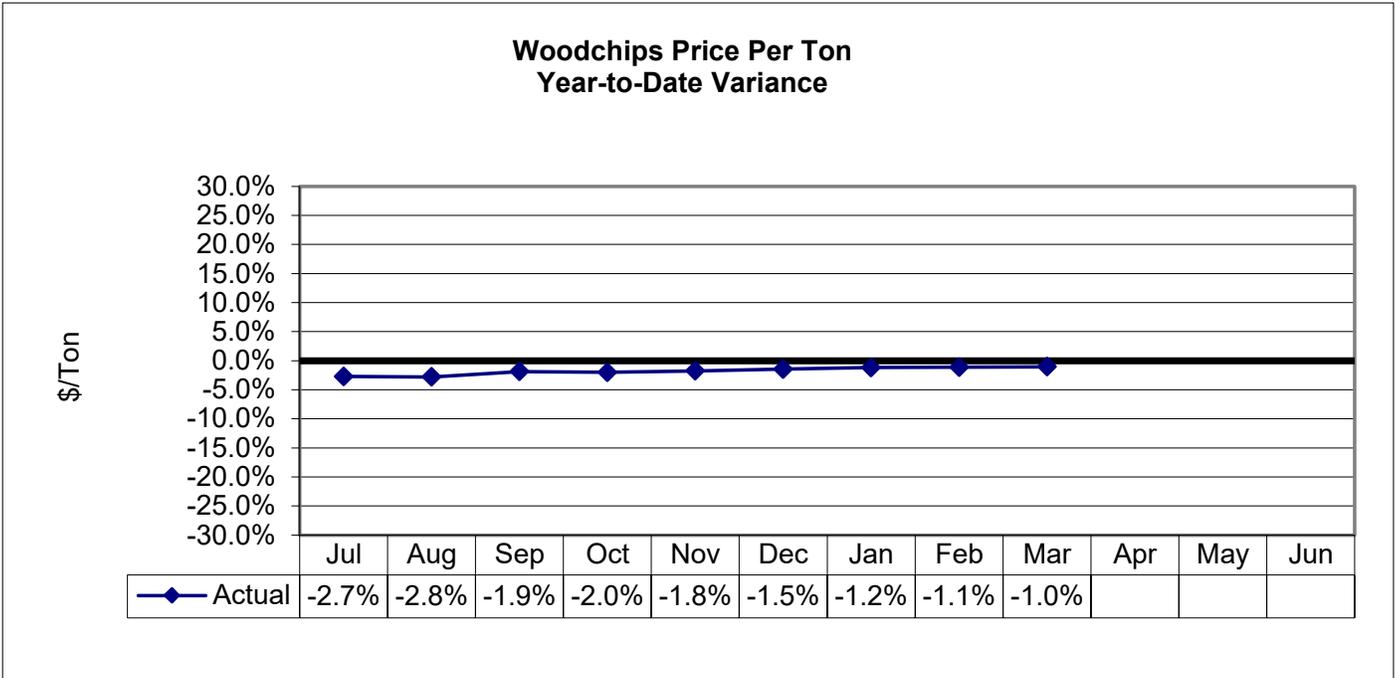
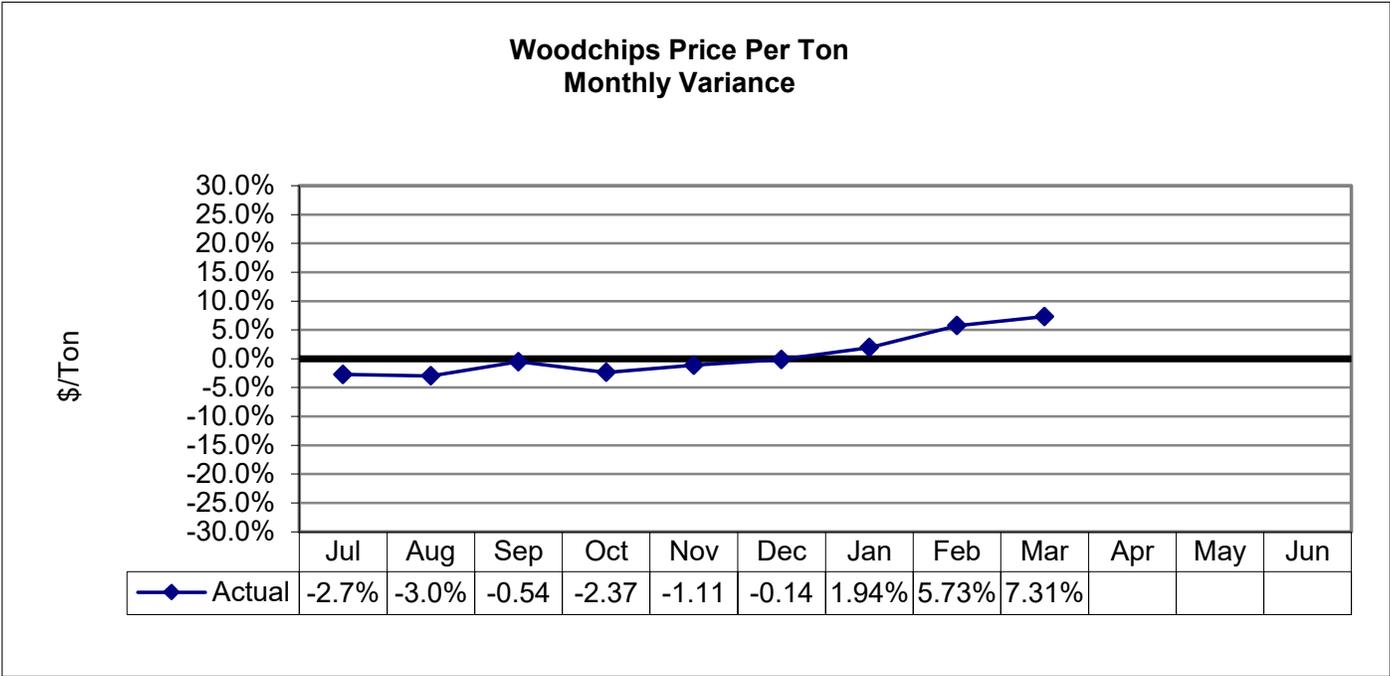
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	11,656	11,656	11,280	7,896	7,896	17,484	17,484	15,792	17,461	0	7,896	11,280
Actual	13,047	14,396	5,794	14,209	3,057	15,066	18,083	16,913	12,671			
Maximum	18,600	18,600	18,000	18,600	18,000	18,600	18,600	16,800	18,600	18,000	18,600	18,000

**Burlington Electric Department
Winooski One - MWH Production
FY 2022**



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	2,650	1,246	832	1,541	1,942	3,216	2,531	1,587	2,032	4,503	3,575	3,643
Actual	2,054	1,687	921	1,541	3,044	2,903	1,635	1,751	3,849			
Maximum	5,506	5,506	5,328	5,506	5,328	5,506	5,506	4,973	5,506	5,328	5,506	5,328

Burlington Electric Department Fiscal Year 2022



* Wood only. Does not include other costs.

**Net Power Supply Costs
March - FY 2022**

	(\$000)						
	Current Month			Year-to-Date			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
<u>PURCHASED POWER:</u>							
Non-Energy (capacity)	100	120	(21)	987	1,159	(172)	
Energy:							
Georgia Mountain Wind	305	371	(66)	(1)	2,512	2,297	215 (1)
Hancock Wind	370	240	130	(2)	2,646	1,804	841 (2)
VT Wind	304	335	(31)	(3)	2,004	2,001	3
Hydro Quebec	245	254	(10)	(4)	2,088	2,137	(48) (3)
Great River Hydro	173	172	0		1,504	1,502	2
In City Solar Generators	84	67	17		571	539	32
NYPA	7	8	(2)		56	76	(20)
VEPPI	0	0	0		0	0	0
ISO Exchange	(417)	(522)	106	(5)	(2,358)	(2,909)	551 (4)
Velco Exchange	0	(1)	1		0	(8)	8
Total Energy	<u>1,070</u>	<u>924</u>	<u>145</u>		<u>9,023</u>	<u>7,439</u>	<u>1,584</u>
Ancillary Charges	2	2	(0)		38	(8)	46
Miscellaneous	46	71	(25)		474	519	(45)
Total Purchased Power Expense	<u><u>1,218</u></u>	<u><u>1,118</u></u>	<u><u>100</u></u>		<u><u>10,521</u></u>	<u><u>9,109</u></u>	<u><u>1,413</u></u>

Current Month:

- (1) Production 22% over Budget.
- (2) Production 16% under Budget. Rate 19% under Budget due to Financial Adjustment.
- (3) Production 10% over Budget.
- (4) Rate 4% over Budget.
- (5) Energy Prices and Winooski One (89%) over Budget.

YTD:

- (1) Production 9% under Budget. Lower CY21 production will result in lower REC revenues in FY22. (Fourth turbine back on line 11/18)
- (2) Production 16% under Budget. Rate 18% under Budget due to Financial Adjustment. Lower CY21 production will result in lower REC revenues later in FY22.
- (3) Rate 2% over Budget.
- (4) Energy Prices and Winooski One (10%) over Budget.

Burlington Electric Department
Operating and Maintenance Expense by Spending Category
FY 2022-March

Description	Budget	Actual	Variance	% Variance	*
Labor-Regular	6,165,885	5,860,109	305,776	5%	
Labor-Overtime	384,206	413,500	(29,294)	8%	a
Labor-Temporary	6,500	0	6,500	100%	b
Labor-Overhead	2,355,393	2,244,181	111,212	5%	c
Outside Svcs	1,691,210	1,197,761	493,449	29%	d
DSM (rebates & outside services)	1,483,768	1,377,104	106,664	7%	e
Materials & Supplies	631,531	504,334	127,197	20%	f
Insurance	546,761	511,909	34,852	6%	
A & G Clearing	(614,956)	(296,296)	(318,660)	52%	g
Other - RPS Compliance	507,220	729,305	(222,085)	44%	
Other	1,962,823	1,300,338	662,485	34%	h
Operating and Maintenance Expense	15,120,340	13,842,245	1,278,095	8%	

(a) System Operations is higher than budget \$101,900; offset by areas lower than planned; Distribution (\$34,000), McNeil Plant (\$24,400), Generation (\$8,200) & Customer Care (\$7,500).

(b) Policy & Planning assumed intern positions in July, December & January.

(c) See page 13.

(d) Timing of various items; GT & W1 (\$73,000), McNeil Plant (\$30,000), tree trimming (\$73,000) and REC Broker commission fees (\$62,500). Actual DPS billback expenses for rate case less than projected (\$148,600).

(e) Projects are driven almost entirely by customer decisions. The budget is based on information on specific projects or seasonal variations; otherwise the amount is spread evenly across the year.

(f) Timing; McNeil Plant (\$65,200) & Safety (\$16,400).

(g) The credit for A&G ("Admin and General Expenses") charged to Capital projects was less than planned.

(h) Timing: various areas are less than budget including; Training (\$59,100), Transportation Clearing (\$60,700), Building Clearing, (\$52,900), Dues & Fees (\$18,600), Utilities (\$44,100) and Uncollectible Accounts (\$81,500).

**Burlington Electric Department
Budget vs Actual Spending Analysis
FY 2022 - March YTD**

Labor - Overhead	(000's)			%	
	Budget	Actual	Variance		
Pension	\$1,139	\$1,044	\$95	8%	(a)
Medical Insurance	1,127	1,101	26	2%	(b)
Social Security Taxes	707	628	79	11%	(a)
Workers Compensation Ins.	258	247	11	4%	(b)
Dental Insurance	69	64	6	8%	(b)
Life Insurance	16	14	2	11%	(b)
	\$3,316	\$3,098	\$218	7%	

Rates Table:	Budget
<i>Pension</i>	13.11%
<i>Social Security</i>	7.65%

(a) Function of labor cost.

Pension amount for the year provided by the City during budget development.

(b) Budget provided by the City during budget development.

Net Income
FY 2022 - March (\$000)

	Ref	Current Month			Year - To - Date		
		Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues							
Sales to Customers	p.3	4,157	4,272	115	37,265	37,402	136
Other Revenues		295	235	(61) (a)	2,808	2,253	(555) (a)
Total Operating Revenues		4,452	4,506	54	40,074	39,655	(419)
Net Power Supply							
	p.6	3,053	2,718	335	18,360	16,542	1,818
Operating Expenses							
Operating and Maintenance	p.12	1,653	1,579	74	15,120	13,842	1,278
Depreciation & Amortization		501	503	(3)	4,506	4,586	(81)
Gain/Loss on Disp of Plant		0	(8)	8	291	233	58
Revenue Taxes		44	43	1	429	424	4
Property Taxes Winooski One		42	41	1	379	371	8
Payment In Lieu of Taxes		239	192	47 (b)	2,153	1,700	453 (b)
Total Operating Expenses		2,479	2,350	128	22,877	21,157	1,720
Other Income and Deductions							
Interest/Investment Income		5	6	2	41	47	7
Dividends		372	364	(8)	3,277	3,249	(29)
Customer Contributions/Grant Proceeds		31	1	(30) (c)	1,821	187	(1,634) (c)
Other		5	(17)	(22)	32	(33)	(65)
Total Other Income & Deductions		413	354	(59)	5,170	3,450	(1,720)
Interest Expense							
		201	189	12	1,794	1,730	63
Net Income							
		(868)	(397)	471	2,213	3,675	1,462

Current Month:

- (a) Energy Efficiency Program cost reimbursement was less than planned, \$65,500.
- (b) Actual includes city reappraisal.
- (c) Budget assumed customer contributions for Champlain Pkwy, \$30,400.

Year - To - Date:

- (a) Energy Efficiency Program cost reimbursement was less than planned, \$487,500.
- (b) See current month.
- (c) Budget assumed \$750,000 of ARPA funds in July and customer contributions for Shelburne Road roundabout relocation, \$616,700, UVM LCOM project, \$116,200, and Champlain Pkwy, \$334,200. Actual includes other billable and grant proceeds of \$127,600.

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	March Actual	Variance
McNeil (BED 50% Share)				
ESP Mechanical Field Rebuild	225		46	(46)
Routine Station Improvements	107	64	3	62
Backup Boiler Feed Pump/Insurance	103	103	132	(29)
Turbine Control System Upgrade/Insurance	37	19		19
Augers Replaced	30	30		30
Elevator Geared Equipment & Controls	25			0
Turbine Extraction Valve Actuators	20	20		20
Belt Fire Suppression/Insurance	17	17		17
Cooling Tower Fill Drift Eliminators	15			0
Disc Screen	15			0
Chemical Feed Pump Replacement/Upgrade	15			0
ESP Wire Replacement	13		1	(1)
Safety Valve Replacements	12			0
GSU Transformer	11	11		11
Analyzer Upgrades for Chemical Treatment	9	9	11	(2)
Char Ash Conveyor	10	10		10
Station Tools & Tool Boxes	7	4		4
DC Lube Oil Pump Contractor Upgrade/Insurance			2	(2)
Other	24	23	5	18 (a)
Total McNeil Plant	<u>697</u>	<u>310</u>	<u>200</u>	<u>111</u>
 <i>(a) Budget includes energy efficiency improvements, farmhouse repair, probe ladder, perimeter fence upgrade, radio upgrades, rigging equipment and office equipment. Actual includes computer replacement and farmhouse repair.</i>				
Hydro Production	<u>221</u>	<u>212</u>	<u>13</u>	<u>199 (a)</u>
 <i>(a) Budget assumed Unit #3 bearing replacement, \$125,000. Project will not happen in this FY.</i>				
Gas Turbine	<u>98</u>	<u>98</u>	<u>14</u>	<u>85</u>
Total Production Plant	<u>1,017</u>	<u>621</u>	<u>226</u>	<u>395</u>
 Other				
Direct Current Fast Charger (Level 3)	85	73		73
Packetized Energy	52	44		44
Public Level 2 EV Charge	33	28		28
Policy & Planning Research & Dev	21	18		18
Total Other	<u>192</u>	<u>163</u>	<u>0</u>	<u>163</u>
 Transmission Plant				
VT Transco Investment	1,150	1,150		1,150 (a)
Total Transmission Plant	<u>1,150</u>	<u>1,150</u>	<u>0</u>	<u>1,150</u>

(a) Deferred.

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	March Actual	Variance
Distribution Plant-General				
Aerial				
Scarff Avenue Rebuild	701	595	626	(30)
Appletree Point Rebuild	258	258	5	253
1L4 P3149 to P3169 Reconductor	162	162	82	80 (a)
1L4 P3132 to P3149 Reconductor	140	140	94	46 (a)
Replace Condemned Poles	118	53	3	51
Replace Recloser 252R	48	48	0	47 (b)
227S Automation	47	47	33	14
Ferguson Ave, Wells St			39	(39) (c)
Rebuild 3L4 Long Spans			32	(32) (c)
Rebuild 1L4 Long Spans PH2			10	(10) (d)
3L1 Circ P396 to P404			6	(6)
3L1 Circ-Neu P156 to P1563			51	(51)
Total Aerial	1,474	1,304	981	323

- (a) Final work completed in April under budget.
 (b) Revenue bond project, changed to 234R-North Avenue.
 (c) FY21 project that was delayed. Work is now complete.
 (d) FY21 project that was delayed. Estimated total is \$36K.

Underground

Replace Switch (756,757,758,730-Battery/Pearl St)	204		5	(5)
Replace Switch (303,307,308,309-Main/S Prospect)	137		2	(2)
Replace UG Switch (821,401,727,349,233)			53	(53) (a)
Replace UG Switch (731,736,760,761)			16	(16) (a)
Shelburne St-Rep Sec p323-328			19	(19) (b)
Starr Farm Beach-Conv 2 ph			13	(13) (b)
Replace 234R - North Avenue			46	(46) (c)
Total Underground	341	0	154	(154)

- (a) Additional work from FY21 project due to issues with new switch.
 (b) New project added. Work is complete.
 (c) Revenue bond project, changed from 252R. Project is complete.

Customer Driven/City Projects

Champlain Parkway C6	644	354		354 (a)
Champlain Parkway C6 (CAFC)	(608)	(334)		(334) (a)
UVM LCOM Project (Larner College of Medicine)	391	391	366	24
UVM LCOM Project (CAFC)	(116)	(116)		(116)
UVM Athletic Facility	101	101	17	84
Shelburne St Roundabout Relocation	630	630	36	594
Shelburne St Roundabout Relocation (CAFC)	(617)	(617)		(617)
Total Underground	425	409	420	(11)

- (a) Project is delayed and not anticipated to impact FY22.

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	March Actual	Variance
Other				
SCADA Networking Upgrade/Firewall Replacement	296	296	143	152
Distribution Transformers	194	118	324	(206)
SCADA Network Switches Replacement	98	59		59
Field Device Network Upgrades	67	67	14	53
Communication Equipment Emergency Repair	27	24	2	22
SCADA Servers Virtualization	0		6	(6)
Other			22	(22)
Total Other	682	564	512	52
Total Distribution Plant-General	2,922	2,276	2,067	209
Distribution Plant - Blanket				
Lighting	159	105	171	(67)
Lighting (Rebate)	(6)	(4)		(4)
Underground	194	129	175	(46)
Underground (CAFC)			(42)	42
Aerial	106	79	54	25
Aerial (CAFC)			(17)	17
Meters	125	119	17	102
Gas Detectors	4	4	4	(0)
Tools & Equipment - Distribution/Technicians	30	23	20	2
Substation Maintenance	16	14		14
Replace Corroded Vista CT's/PT's	20	17	5	12
Substation-Temperature Alarms	8	8		8
Total Distribution Plant - Blanket	655	494	389	105
Total Distribution Plant	3,577	2,770	2,456	315

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	March Actual	Variance
General Plant				
Computer Equipment/Software	1,806	1,295	693	603 (a)
Vehicle Replacement	165	83	0	83 (b)
Buildings & Grounds	55	69	31	38 (c)
Other	8	8	0	8 (d)
Total General Plant	<u>2,034</u>	<u>1,454</u>	<u>724</u>	<u>730</u>

(a) Budget includes IT Forward, \$1,085,600, Lake Street Network switch replacement, \$37,000, OpenWay upgrade, \$24,600 and Pole Mount Routers, \$101,3000. Actual includes IT Forward, \$639,900, Shared Data Center, \$9,400 and Pole Mount Routers, \$13,700.

(b) Budget assumed new electric bucket truck with a large portion covered by a grant. Periodic payments were assumed in July, January, March and May. Delivery has been delayed until FY24.

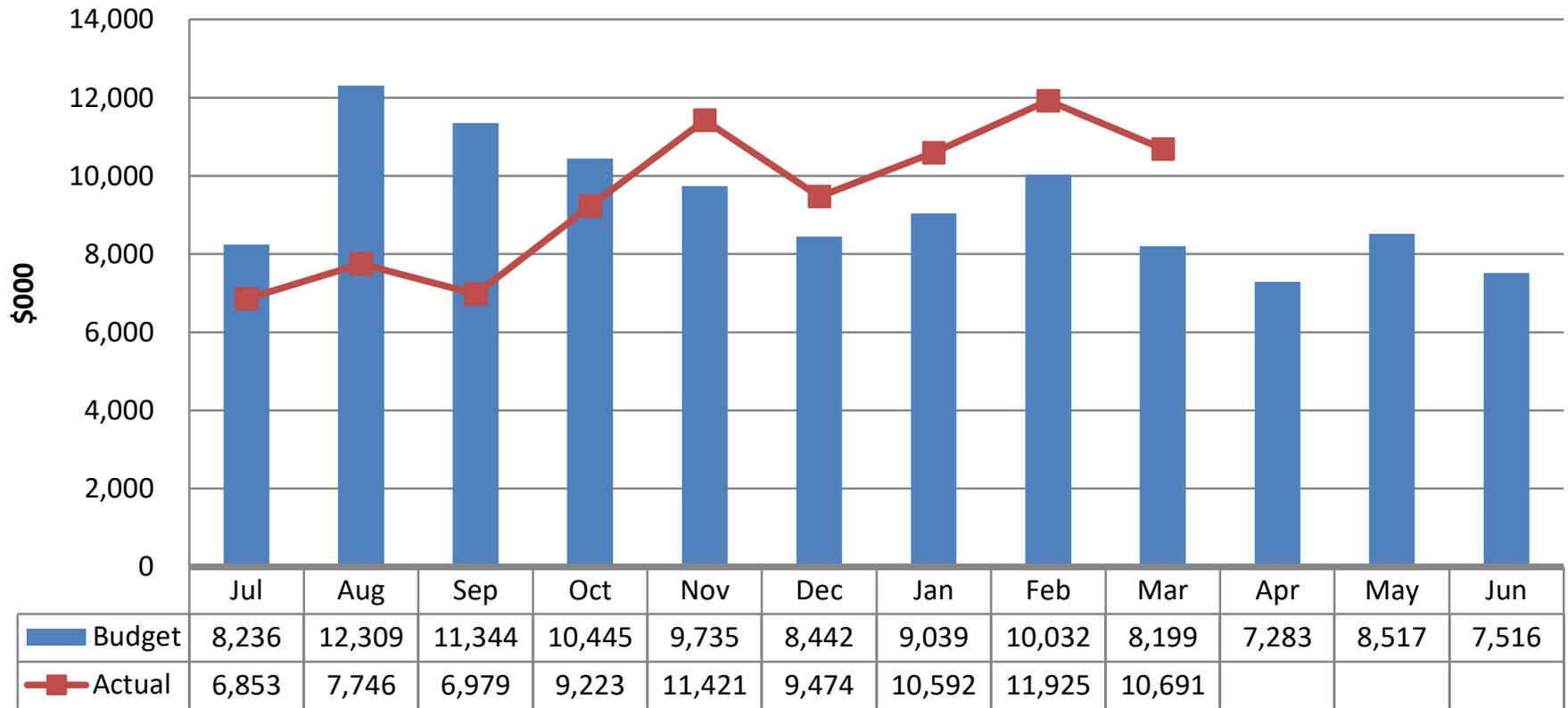
(c) Budget includes fence for solar array, \$19,000, Dispatch AC, \$14,000, security cameras, \$13,000, sign replacements, \$5,000 and ID printer, \$4,000. Actual includes dispatch AC relocation, new heat pump at GT for dispatch, ID printer replacement and chair for system operations. Fence for solar array has been delayed to FY23.

(d) Budget includes training yard materials & AED purchase for Pine Street.

Sub-Total Plant	<u>\$7,970</u>	<u>\$6,159</u>	<u>\$3,405</u>	<u>\$2,753</u>
Add: CAFC* reclass to "Other Income"	1,346	1,071	59	1,011
Total Plant	<u><u>\$9,316</u></u>	<u><u>\$7,229</u></u>	<u><u>\$3,465</u></u>	<u><u>\$3,765</u></u>

* Customer Advances (Contributions) for Construction.

Operating Cash - FY 2022 Monthly Ending Balance





Proposed Budget

Fiscal Year 2023

July 1, 2022 to June 30, 2023

Draft – BEC Meeting 5/18/22

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Burlington Electric Department
Budget for the Year Ending June 30, 2023

Summary

Revenues

- Rate increase of 3.95%, effective service rendered August 1, 2022
- Total sales to customers up \$3.4 million
- 6.6 kWh sales increase as the effects of COVID diminish
- Sales of Renewable Energy Credits (RECs)
 - McNeil RECs -\$4.3 million (FY22 - \$4.1 million)
 - Wind RECs - \$3.2 million (FY22 - \$3.4 million)

Expenses

- Labor assumes COLA, merit increases, and tiering adjustments
- Assumes year-end pension liability adjustment of \$1.2 million
- Assumes normal workforce costs
- Investments in key strategic initiatives
- Transmission costs up \$869K compared to FY22
- Includes increased costs of wood fuel driven by higher diesel prices for suppliers
- \$2.6 million reduction in purchased power expenses due to anticipated high energy forward market prices
- City indirect allocation increased by \$134K
- Increase in interest expense due to 2022 NZE revenue bond

Capital

- Total capital budget of \$9.1 million (net of \$800 thousand of anticipated customer contribution)
 - VT Transco investment of \$632,000
 - Distribution capital of \$4.5 million
 - \$1.4 million for MDMS, Portal, and CIS IT Forward projects
 - McNeil Plant projects, \$1 million
 - \$1.5 million for general plant and other generation

Cash/Financing

- Beginning cash balance of \$8.5 million
- \$3 million General Obligation bond/bond anticipation note (BAN)
- \$5.7 million revenue bond
- Key Bank capital lease of \$100,000 for MDMS project

Credit Rating Indicators

- 3.91 Revenue Debt Service Coverage Ratio
 - Target is >1.25
- 1.26 Adjusted Debt Service Coverage Ratio
 - 1.06 for FY22
- 104 Days Cash on Hand, including \$5 million Line of Credit

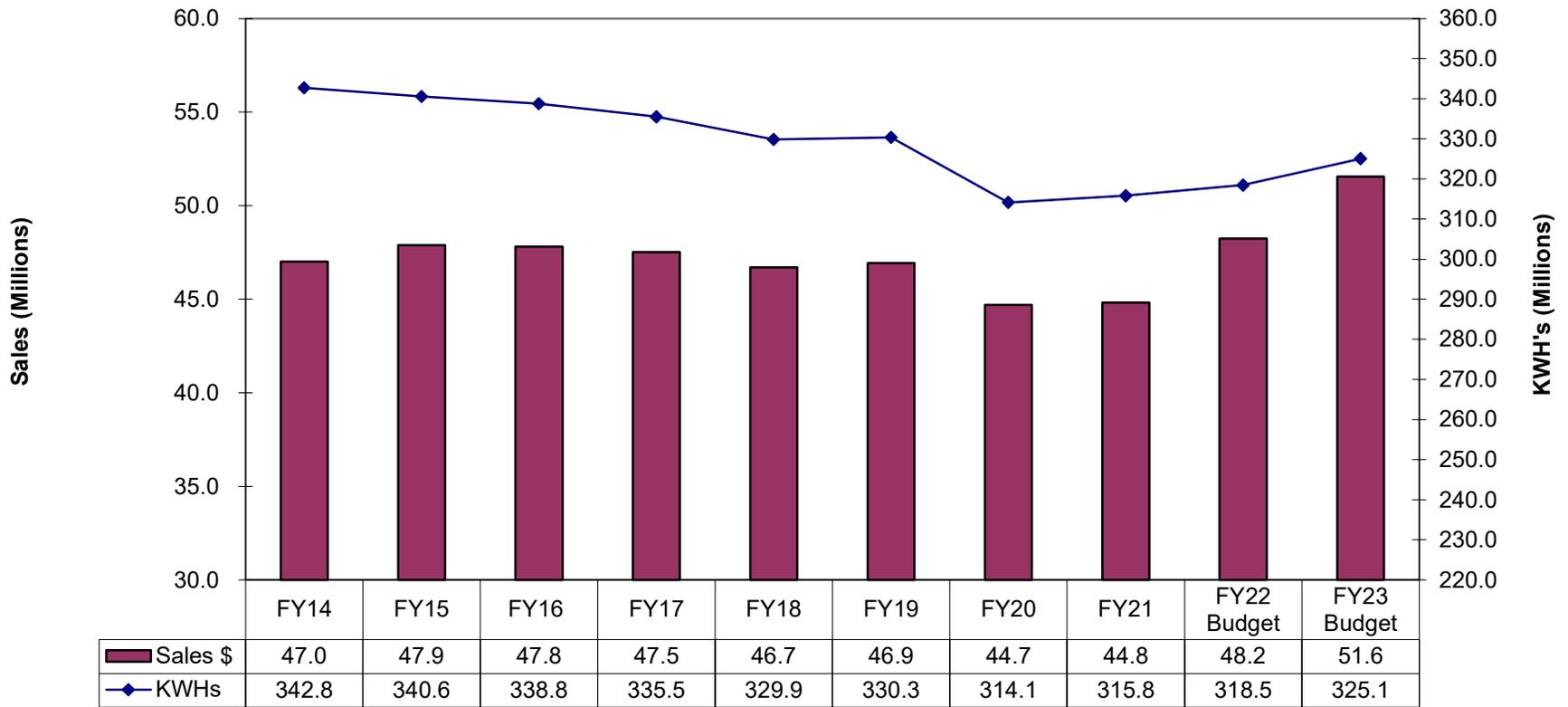
**Burlington Electric Department
Budget for the Year Ending June 30, 2023
Sales to Customers**

(000s)	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
Dollars:					
Residential	\$13,301	\$13,292	\$14,194	\$13,803	\$15,445
Commercial / Industrial	33,054	30,813	29,908	33,795	35,296
Streetlights	579	595	606	645	680
Private Area Lighting			114		131
Subtotal Sales to Customers	46,935	44,700	44,823	48,243	51,553
Low Income Energy Assistance Program Credit				(71)	0
Total Sales to Customers	\$46,935	\$44,700	\$44,823	\$48,172	\$51,553
KWH:					
Residential	84,269	84,176	90,304	81,715	87,928
Commercial / Industrial	243,926	227,826	223,412	234,018	234,458
Streetlights	2,133	2,137	2,128	2,094	2,056
Private Area Lighting				668	647
Total Sales to Customers - KWH	330,327	314,138	315,844	318,495	325,090
Revenue Per KWH:					
Residential	\$0.16	\$0.16	\$0.16	\$0.17	\$0.18
Commercial / Industrial	0.15	0.14	0.13	0.15	0.15
Streetlights	0.27	0.28	0.28	0.31	0.33
Private Area Lighting					
Total Sales to Customers - Revenue Per KWH	0.14	0.14	0.14	0.15	0.16

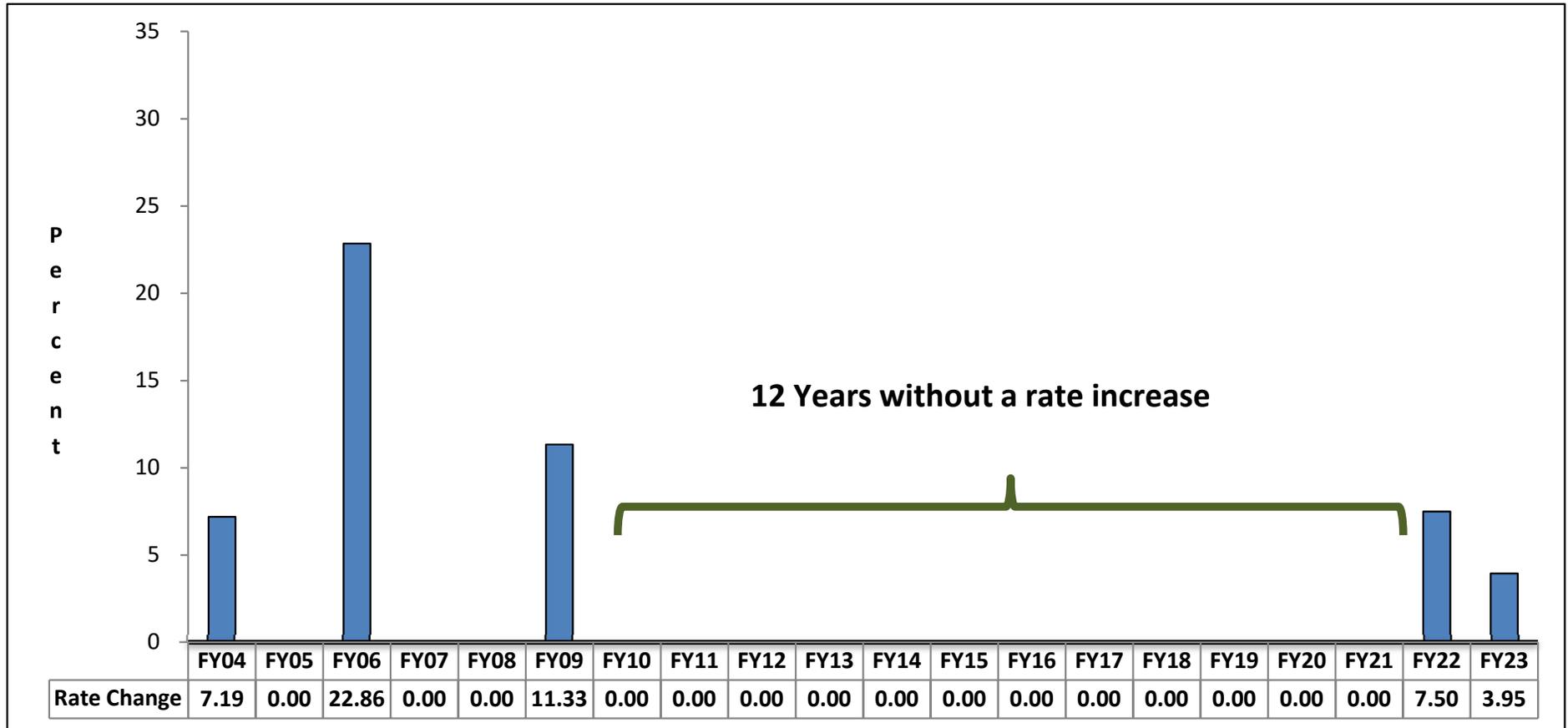
Assumptions:

- Rate increase of 3.95%, effective service rendered August 1, 2022.
- Some continuing effects of COVID-19 pandemic.
- UVM's LCOM project (2 million kWh) assumed to be completed by Fall 2023, and Tarrant Center (2.5 million kWh) complete by Fall 2024.
- New commercial load at Burlington City Place was not assumed to come online in the 5-year horizon.
- "Average" weather conditions based on average of last 10 year of actuals.
- Private Area Lighting previously included under miscellaneous revenues as Leased Lights.

Burlington Electric Department Total Sales to Customers



**Burlington Electric Department
Rate Filing History**



- 7.19% January 2004; 22.86% May 2006; 11.33% June 2009; 7.5% August 2021 ; 3.95% August 2022

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Miscellaneous Electric Revenues	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
Forfeited Discounts					
Late Payment Fees	\$37,172	\$27,258	\$0	\$39,700	\$39,700
Service Revenues					
Initial Fees	205,575	203,459	197,535	206,400	206,400
Other Service Fees (1)	45,265	12,905	13,560	35,400	35,300
Total Service Revenues	250,840	216,364	211,095	241,800	241,700
Rent from Electric Property					
Leased Lights (2)	117,035	115,025	0	116,900	0
Pole Attachments (3)	110,756	111,277	85,542	77,100	70,400
Conduit Rental (4)	27,195	27,195	26,739	26,900	26,300
Total Rent from Electric Property	254,986	253,497	112,281	220,900	96,700

* Note, a three-year average is used for most revenue projections. FY21 was impacted by COVID.

(1) Includes reconnects, collections, temporary service, and other fees.

(2) FY21 Leased Lights were reclassified to Sales to Customers as "Private Area Lighting".

(3) Budget is based on current billing. New rates effective as of 10/1/2020.

(4) Budget based on current billing. Fees from VELCO and Burlington Telecom, per Agreements.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Miscellaneous Electric Revenues	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
Electric Revenues - Other					
Miscellaneous (1)	13,105	23,302	2,021	17,200	17,200
EEU Program Cost Reimbursement (2)	2,485,082	2,977,008	2,900,080	3,449,300	3,223,500
Winooski One Hydro - Fish Passage/Water Sales	32,709	10,285	14,616	9,000	12,000
Total Electric Revenues - Other	2,530,896	3,010,595	2,916,717	3,475,500	3,252,700
Electric Revenues - Power Supply					
Highgate Transmission Credit/Phase I Transmission	386,322	269			
Renewable Energy Credits - McNeil (3)	4,041,581	3,521,592	3,943,923	4,058,600	4,299,100
Renewable Energy Credits - Wind (4)	2,670,884	3,025,853	3,280,049	3,382,000	3,110,500
Renewable Energy Credits - Hydro (5)	647,350	818,359	630,000	767,100	786,700
Renewable Energy Credits - Standard Offer/Solar (6)		158,650	197,844	196,400	188,300
Total Electric Revenues - Power Supply	7,746,137	7,524,723	8,051,816	8,404,100	8,384,600
Total	\$10,820,031	\$11,032,437	\$11,291,909	\$12,382,000	\$12,015,400

(1) Includes reimbursement for scrap metal.

(2) Energy Efficiency Charge funded for State energy efficiency programs effective January 2003.

(3) FY23 assumes \$32/MWh; FY22 assumed \$31/MWh.

(4) FY23 assumes \$33/MWh; FY22 assumed \$37/MWh.

(5) FY23 assumes \$28/MWh; FY22 assumed \$27/MWh.

(6) FY23 assumes \$38/MWh; FY22 assumed \$40 MWh.

**BURLINGTON ELECTRIC DEPARTMENT
FY 2023
BUDGET SOURCES OF POWER**

PURCHASED POWER

Source	Contract Expires	Nominal MW (1)	Market MW (2)	MWH	% of Total MWh	Type of Generation	Delivery Point	Comments
Vermont Wind	2026	16.000	2.905	30,756	9.2%	wind	Northeast VT	Began operation in October 2011 Contract extended for 5 years in 2019
ISO Exchange	n/a	n/a	21.17	(35,705)	-10.7%	exchange	VT Zone	Net purchases from (sales to) ISO-NE
GMC Wind	2037	10.000	2.243	26,790	8.0%	wind	Milton/Georgia	Production began 12/31/12
NYPA - St. Law.	2032	0.059	0.054	336	0.1%	lg hydro	NY-NE Border	Low cost contract through the Vermont Dpt of Public Svc
NYPA - Niagara	2025	2.558	2.340	14,574	4.4%	lg hydro	NY-NE Border	Low cost contract through the Vermont Dpt of Public Svc
Great River	2024	7.500	0.000	43,800	13.1%	lg hydro	Bellows Falls	Purchase of energy & RECs from Connecticut River hydro plants
BED Solar	n/a	3.413	(3)	4,956	1.5%	solar	Burlington	BTV parking garage began production February, 2015. BED garage production began October 2015. South 40 Solar began January 2018.
Hancock Wind	2025	13.500	0.000	35,978	10.8%	wind	VT Zone	The 10 year contract began December 2016
Hydro-Québec	2038	9.000	0.000	52,560	15.7%	lg hydro	Highgate	Deliveries commenced November 2015 Entitlement increased to 9 MW in November 2020

GENERATION

Source	Contract Expires	Nominal MW (1)	Market MW (2)	MWH	% of Total MWh	Type of Generation	Delivery Point	Comments
McNeil	N/A	25.000	26.000	130,391	39.0%	wood	McNeil Sub	Projected to continue operation for forecast period
BED Gas Turbine (4)	N/A	25.000	18.870	336	0.1%	oil	Burlington	Projected to continue operation for forecast period
Winooski One	N/A	7.400	2.611	29,297	8.8%	small hydro	Burlington	Projected to continue operation for forecast period

GRAND TOTAL SOURCES

76.190 369,775

SOURCES - NET OF SALES TO ISO-NE

334,069

(1) Nominal MW represents the nameplate of or entitlement to the resource

(2) Market MW represents the average monthly MW for the resource in the Forward Capacity Market (allowing for rating, reliability, partial periods and intermittent resource adjustment)

(3) BED Solar does not have a market capacity rating. It reduces BED's load at peak hours.



**Financial Forecast (FY23)
Net Power Cost – Key Assumptions**

OVERALL COMMENTS AND NOTES

The most significant changes between the FY23 Budget and the Budget prepared one year ago are:

- Large increase in wholesale energy prices.
- Load changes related to COVID-19 continue to be anticipated. Prices in the low value New England REC markets have increased.
- Increased Wood Fuel costs.

ENERGY MARKETS & RESOURCES

Spot Market Energy Prices

- BED has revised its wholesale energy price projection in all periods covered by the five-year budget to reflect current market expectations.
- Expected base load (around-the-clock) power price forecasts:

	<u>FY22 Budget</u>	<u>FY23 Budget</u>
○ FY23	\$32.62	\$118.48
○ FY24	\$32.82	\$73.87
○ FY25	\$34.12	\$62.03
○ FY26	\$35.38	\$56.68
○ FY27		\$59.13

Hedge (Planned) Purchases

- There are currently no hedge contracts due to market exposure being minimal through the forecast period (based on assumed resource production).
-
- Additional hedge purchases can be made if needed.

- Based on McNeil’s assumed operation at a 60% capacity factor, existing resources, and already executed contracts, BED expects to have contracted resources to meet the following percentages of BED’s projected loads:

	<u>FY22 Budget</u>	<u>FY23 Budget</u>
○ FY23	116.2%	110.7%
○ FY24	115.9%	113.2%
○ FY25	109.0%	104.7%
○ FY26	94.8%	89.2%
○ FY27		81.1%

McNeil

- 50% Ownership – 25 MW
- McNeil is assumed to operate at a 60% capacity factor for FY23 (and at a similar level in subsequent years). Energy prices combined with REC revenues are higher than projected variable costs in many hours. Significant drops in either energy or REC markets could warrant revisiting the capacity factor assumption.
- McNeil is projected to provide energy equal to approximately 39% of BED’s load in FY23.
- Wood prices are assumed to be \$33.49 per ton in FY23, with +3% escalation per year thereafter.
- McNeil qualifies for the Vermont Tier 1 and Connecticut Class 1 REC markets.
- Residual RECs priced at \$36.75 for FY23.
- Average Energy Prices received by McNeil are budgeted to be 16% greater than those paid for Load.
- **REC sales are assumed for budget period.**

BED Gas Turbine

- Not a significant energy source. BED’s Gas Turbine is expected to provide energy equal to 0.1% of Burlington Electric’s load for FY23 and this energy is expected to be excess to BED’s needs.
- This unit provides significant value in non-energy markets (capacity and reserves). This value increased materially with the increase in wholesale capacity prices in June 2017 but has declined with a falling capacity market since May 2019.
- Average Energy Prices received by the BED’s Gas Turbine are budgeted to be 17% greater than those paid for Load.

NYPA

- Contracts continue through 2032 (St Lawrence) and 2025 (Niagara).
- Niagara is by far the larger resource.
- 65% capacity factor (i.e. no non-firm deliveries) assumed.
- NYPA is expected to provide energy equal to 4.5% of Burlington Electric's load for FY23.
- This resource qualifies for VT Renewable Energy Standard Tier 1.
- Average Energy Prices received under the NYPA contract are budgeted to be 7% less than those paid for Load.
- BED pays transmission fees to VELCO and NYPA to access this resource.

Vermont Wind

- Vermont Wind became commercial on October 19, 2011. The original contract would have expired October 18, 2021. The contract now expires October 18, 2026.
- BED is entitled to 16 MW (40%) of 40 MW project.
- Vermont Wind is budgeted to operate at a 22% capacity factor for FY23.
- Vermont Wind is expected to provide energy equal to 9.2% of Burlington Electric's load for FY23.
- Vermont Wind qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.
- Average Energy Prices received under the Vermont Wind contract are budgeted to be 14% less than those paid for Load.
- **REC sales assumed for budget period.**

Great River Hydro

- Great River Hydro has a 7.5 MW unit-contingent contract from January 2018 through December 2024 from hydro facilities on the Connecticut River. Energy deliveries are projected to be 7x16 subject to the units producing at least the contract energy in each hour.
- Great River Hydro is expected to provide energy equal to 13.1% of Burlington Electric's load for FY23.
- This resource qualifies for VT Renewable Energy Standard Tier 1.
- Average Energy Prices received under the Great River contract are budgeted to be 9% more than those paid for Load.

- The RECs from this resource will be retained by Burlington Electric for renewability purposes.

Solar Generation

- Currently, BED contracts to purchase 2,913 kW of output from seven solar generators around the city of Burlington.
- BED increased the amount of solar generation by 499 kW by adding the BED-owned array on the Burlington International Airport parking garage which began commercial operations in February 2015.
- BED further increased the amount of solar generation by 107 kW with a project on the roof of BED. This project began commercial operations in October 2015.
- BED most recently increased the amount of solar generation by another 2,500 kW to reflect the South Forty Solar project. This project was in production by December 2017.
- Solar Generation is projected to provide energy equal to 1.5% of Burlington Electric's load for FY23.
- Solar qualifies for all major REC markets. In addition, Pine Street Solar and South Forty Solar qualify as a Tier 2 resource in Vermont.
- Average Energy Prices received by BED's Solar Generation are budgeted to be 9% less than those paid for Load.
- **REC sales assumed for budget period.**

Georgia Mountain Community Wind (GMCW)

- GMCW began commercial output on December 31, 2012.
- GMCW is budgeted to operate at a 30.6% capacity factor.
- GMCW is projected to provide energy equal to 8.0% of Burlington Electric's load for FY23.
- GMCW qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.
- Average Energy Prices received by GMCW are budgeted to be 5% less than those paid for Load.
- **REC sales assumed for budget period.**

Winooski One

- The Winooski One VEPP contract ended on March 31, 2013.

- BED attained full ownership of the facility beginning September 1, 2014.
- Winooski One is projected to provide energy equal to 8.8% of Burlington Electric's load for FY23.
- Winooski One qualifies to sell Massachusetts Class II (non-waste) RECs and as a VT Tier 1 resource.
- Average Energy Prices received by Winooski One are budgeted to be 9% less than those paid for Load.
- **REC sales assumed for budget period.**

Hydro-Québec

- The 5 MW BED portion of the Hydro-Québec contract began in November 2015. An additional 4MW has been delivered starting in November 2020.
- Hydro-Québec is expected to provide energy equal to 15.7% of Burlington Electric's load for FY23.
- 99%+ of this resource is expected to qualify for VT Renewable Energy Standard Tier 1.
- Average Energy Prices received under the Hydro-Québec contract are budgeted to be 3% more than those paid for Load.

Hancock Wind

- Commercial operations began in December 2016.
- BED is entitled to 13.5 MW of the project.
- Capacity factor has been estimated at 30.4%.
- Hancock Wind is expected to provide energy equal to 10.8% of Burlington Electric's load for FY23.
- Hancock qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets
- Average Energy Prices received under the Hancock contract are budgeted to be 4% more than those paid for Load.
- **REC sales assumed for budget period**

CAPACITY MARKET

Capacity Market Prices

- New market rules changed BED's capacity position beginning June 1, 2010.
- BED's capacity obligation may be charged a different price than its resources receive.
- The projected capacity rate for each kW-month for the period are:

Fiscal Year	\$/kW-month	Notes
FY23	3.67	Known
FY24	2.04	Known
FY25	2.44	Known
FY26	2.07	11 Month Known & 1 Month F'cast
FY27	2.12	FY23 F'cast

- BED is a net purchaser of capacity (i.e. total charges for load exceed resource payments) – see capacity position below

Projected Capacity Position

BED expects to be buying 20-35% of its capacity needs from the ISO-NE market over the next five fiscal years:

	FY23	FY24	FY25	FY26	FY27
McNeil	26.0	26.0	26.0	26.0	26.0
BED Gas Turbine	18.9	18.5	18.2	18.2	18.2
NYPA	2.4	2.4	2.4	2.4	2.4
Vermont Wind	2.9	3.2	3.1	0.7	0.0
GMCW	2.2	2.4	2.2	2.2	2.2
Winooski One	2.7	2.6	2.8	2.8	2.8
HQICC	2.8	2.8	2.8	2.8	2.8
Market Purchase	21.1	17.9	20.1	25.0	25.0
MW REQUIREMENT	79.0	75.8	77.6	80.1	79.4
Hedged	73.3%	76.4%	74.1%	68.8%	78.6%

RENEWABLE ENERGY CREDITS

FY23 benefits from a relatively strong REC market. REC Revenues are forecasted to remain a significant offset to BED's power costs over the forecast period. Historical and projected values are as follows:

	Avg. \$/REC	Actual REC Revenues	FY22 Budget	FY23 Budget	Notes
FY08		0			
FY09	23	1,648,484			Partial Year - McNeil Qualified Q4-2008
FY10	23	1,624,454			** See Note Below
FY11	22	3,211,612			McNeil Only - VT Wind Delayed
FY12	24	3,555,352			REC Value Falls, VT Wind Partial Year
FY13	42	7,123,448			Recovery in REC Prices - Full Year VT Wind
FY14	51	11,237,165			Increased REC Prices
FY15	46	10,968,226			Winooski One Partial Year
FY16	49	11,912,108			Winooski One Full Year
FY17	36	8,766,988			REC Price Drop, Hancock Partial Year
FY18	35	7,903,446			Hancock Full Year, No Standard Offer RECs
FY19	29	7,359,815			Full Year South Forty; REC Value Falls
FY20	30	7,524,454			REC Value Increased
FY21		8,051,813			Continued high REC prices
FY22	33		8,404,099		
FY23	32		8,571,284	8,384,619	
FY24	32		8,234,871	8,366,658	
FY25	31		7,797,828	8,358,021	
FY26	28		6,854,312	7,336,847	
FY27	26			6,056,268	

** A change from recording REC revenues from when the power is generated to when the REC is delivered caused a one-time loss of REC income (but did not change cash flow). The change is estimated to have resulted in \$1,200,000 of REC revenue that would have been record in FY10 on a REC delivery basis being recorded in FY09

TRANSMISSION

Transmission charges, particularly ISO-NE transmission charges for use of the New England transmission system, continue to be a significant expense (though this is by no means unique to BED). The Budget also includes a VELCO specific facilities transmission costs for a reactor upgrade starting in January 2019.

Past and projected transmission charges in this forecast (and the values from last year's budget runs) are:

	<u>ISO-NE</u>	<u>VELCO</u>	<u>GMP</u>	<u>Other</u>	<u>Total</u>	<u>Notes</u>
FY05	\$1,354,865	\$329,616	\$333,696	\$55,606	\$2,073,783	Actual
FY06	\$1,317,881	\$438,484	\$333,696	\$67,746	\$2,157,806	Actual
FY07	\$1,492,208	\$165,659	\$333,696	\$69,383	\$2,060,946	Actual
FY08	\$1,727,499	\$1,138,279	\$259,589	\$68,569	\$3,193,937	Actual
FY09	\$2,513,582	\$584,002	\$329,270	\$49,406	\$3,476,260	Actual
FY10	\$3,220,858	\$838,421	\$277,204	\$58,268	\$4,394,751	Actual
FY11	\$3,584,512	\$108,169	\$1,351	\$54,108	\$3,748,140	Actual
FY12	\$3,341,192	\$1,340,648	\$16,630	\$4,940	\$3,748,140	Actual
FY13	\$3,990,748	\$758,461	\$125,710	\$5,233	\$4,880,153	Actual
FY14	\$4,621,302	\$1,626,381	\$316,841	\$431	\$6,564,955	Actual
FY15	\$4,810,330	\$1,172,223	\$291,645	\$26,052	\$6,300,250	Actual
FY16	\$5,077,900	\$1,042,605	\$301,783	\$246,245	\$6,668,533	Actual
FY17	\$5,328,860	\$1,249,872	\$321,998	\$289,639	\$7,190,369	Actual
FY18	\$5,673,053	\$757,542	\$335,364	\$296,026	\$7,061,985	Actual
FY19	\$5,668,802	\$1,899,717	\$336,125	\$358,390	\$8,263,034	Actual
FY20	\$5,339,679	\$1,840,447	\$338,314	\$370,774	\$7,889,213	Actual
FY21	\$6,299,655	\$983,078	\$361,375	\$378,025	\$8,022,133	Actual
FY22	\$7,003,913	\$1,065,175	\$349,732	\$497,537	\$8,916,356	9 months Actual & 3 months Forecast
FY23	\$7,359,370	\$1,794,844	\$366,650	\$383,869	\$9,904,734	FY23 Forecast
FY24	\$7,972,929	\$2,012,250	\$375,817	\$407,610	\$10,768,606	FY23 Forecast
FY25	\$8,662,133	\$1,938,810	\$385,212	\$408,326	\$11,394,481	FY23 Forecast
FY26	\$9,374,733	\$1,791,057	\$394,842	\$404,787	\$11,965,420	FY23 Forecast
FY27	\$9,881,301	\$1,694,051	\$404,713	\$404,166	\$12,384,231	FY23 Forecast

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Production Fuel Expense	Budget FY 19	Budget FY 20	Budget FY 21	Budget FY 22	Budget FY 23
COST OF FUEL (McNeil @ 50%)					
McNeil - Fuel Purchases					
Wood (1)	\$6,046,600	\$5,631,900	\$5,543,540	\$5,862,216	\$6,658,440
Gas for Start-up (2)	40,400	57,910	58,070	58,074	81,846
Gas for NOx Reduction (2)	4,830	5,810	2,900	5,808	9,450
Oil for Start-up (3)	56,630	65,220	38,890	40,820	86,544
Sub-Total	6,148,460	5,760,840	5,643,400	5,966,918	6,836,280
McNeil - Other Costs					
Labor - Yardworkers	238,810	239,790	292,240	367,680	290,133
Labor - Foresters	259,370	274,200	275,700	281,842	285,389
Swanton Yard/NECRR (train deliveries)	1,749,960	1,508,290	1,606,720	1,603,805	1,686,786
Wood Ash Removal	24,840	39,450	39,450	46,200	32,250
Other (4)	252,510	202,420	213,460	231,016	375,235
Total Other Costs	2,525,490	2,264,150	2,427,570	2,530,542	2,669,794
Total McNeil Fuel	8,673,950	8,024,990	8,070,970	8,497,460	9,506,074
Gas Turbine (Oil) (3)	119,330	116,460	117,410	101,924	153,748
Total Production Fuel Expense	\$8,793,290	\$8,141,450	\$8,188,380	\$8,599,385	\$9,659,822
(1) Wood					
# Tons:	210,317	204,796	199,050	210,115	198,846
Average Price/Ton \$:	\$28.75	\$27.50	\$27.85	\$27.90	\$33.49
(2) Gas (includes Gas for Generation)					
# MCF:	8,500	7,500	7,500	7,500	7,501
Price \$:	\$4.83	\$5.83	\$5.83	\$5.83	\$9.00
(3) Oil (per gallon)	\$2.52	\$2.90	\$1.75	\$1.97	\$3.50

(4) Includes fuel assessment, oil tank integrity testing, aerial survey, general maintenance, unloading trestle lease, railcar storage, RR switching/repair, and emission fees.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Purchased Power	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
Energy Charges					
Hancock Wind	\$3,245,514	\$3,239,336	\$2,875,209	\$3,379,666	\$3,274,009
Georgia Mountain Wind	2,897,752	2,886,128	3,135,607	3,370,219	3,201,214
Hydro Quebec	1,582,970	1,608,240	2,302,368	2,806,267	3,294,448
VT Wind	3,954,145	2,125,083	2,065,131	2,663,693	2,537,382
Great River Hydro	2,088,657	1,954,435	1,964,094	2,010,468	2,052,512
In City Solar Generators	839,412	872,039	875,237	838,795	838,758
NYPA	100,583	98,784	103,037	73,569	73,357
Brookfield		376,960		0	0
VELCO Exchange (NYPA)	(11,620)	(4,489)	(5,353)	0	0
VEPPI	193,479	162,406	36,247	0	0
ISO Exchange	230,163	(402,596)	(704,167)	(2,553,857)	(5,904,769)
Subtotal Energy Charges	15,121,055	12,916,326	12,647,410	12,588,820	9,366,913
Capacity Charges					
ISO Settlement	2,576,946	3,069,356	1,638,280	1,151,475	922,019
NYPA	113,294	127,795	127,795	133,439	127,788
VEPPI	35,182	32,161	7,971	0	0
VT Wind	(278,711)	(218,571)	(174,920)	0	0
Hancock Wind	(9,115)			0	0
Subtotal Capacity Charges	2,437,596	3,010,741	1,599,126	1,284,915	1,049,807
Net Ancillary Services	(38,524)	(64,491)	(99,101)	19,831	28,083
Miscellaneous (1)	1,604,077	997,733	615,518	626,404	1,413,270
	<u>\$19,123,119</u>	<u>\$16,859,365</u>	<u>\$14,762,501</u>	<u>\$14,519,970</u>	<u>\$11,858,073</u>

(1) Includes Renewable Energy Credit purchases, ISO-NE dispatch, administration, and misc/other charges.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Net Power Supply Costs (000s)	FY 19	FY 20	FY 21	Budget FY 22	Budget FY 23
<u>Expenses:</u>					
Fuel (p. 18)	\$6,537	\$7,092	\$7,767	\$8,599	\$9,660
Purchased Power (p. 19)	19,123	16,859	14,763	14,520	11,858
Transmission Fees	8,249	7,873	8,032	9,036	9,905
Highgate (1)	54	0	0	0	0
Total Power Supply - Expenses	33,963	31,825	30,562	32,155	31,423
<u>Revenues:</u>					
Transmission Contracts (2)	386	0	0	0	0
Renewable Energy Credits - McNeil (3)	4,042	3,522	3,944	4,059	4,299
Renewable Energy Credits - Wind (4)	2,671	3,026	3,280	3,382	3,111
Renewable Energy Credits - Hydro (5)	647	818	630	767	787
Renewable Energy Credits - Standard Offer/Solar (6)	0	159	198	196	188
Total Power Supply - Revenues	7,746	7,525	8,052	8,404	8,385
Net Power Supply Costs	\$26,217	\$24,300	\$22,510	\$23,751	\$23,038

(1) Includes Operations & Maintenance expenses and Property Taxes. Sale of Highgate happened in FY19.

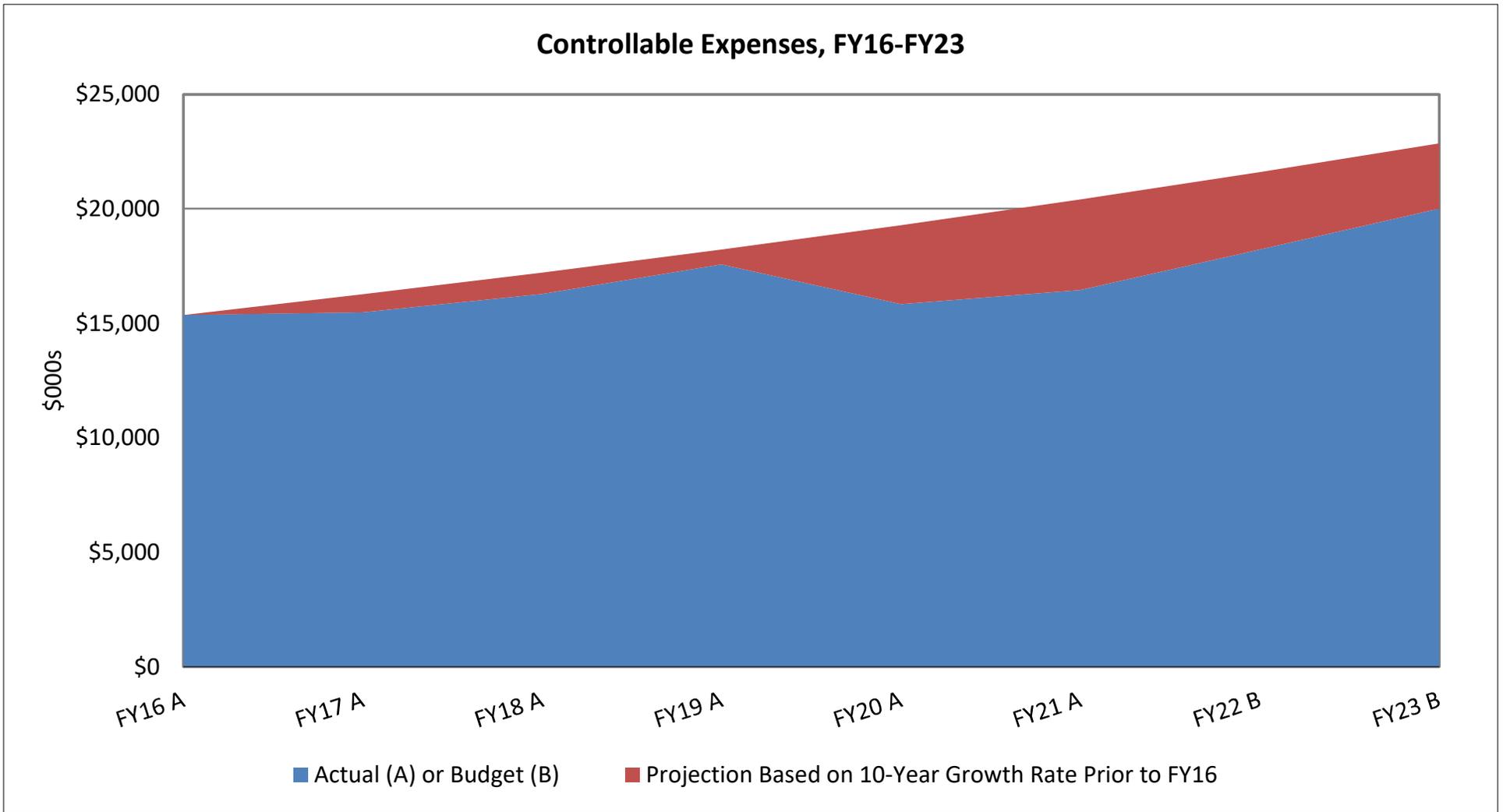
(2) Includes Highgate Transmission from ISO-NE. Sale of Highgate happened in FY19.

(3) FY23 assumes \$32/MWh; FY22 assumed \$31/MWh.

(4) FY23 assumes \$33/MWh; FY22 assumed \$37/MWh.

(5) FY23 assumes \$28/MWh; FY22 assumed \$27/MWh.

(6) FY23 assumes \$38/MWh; FY22 assumed \$40 MWh.



Continued fiscal discipline since FY16 has moderated annual increases in controllable expenses to 4.89% on average, compared to 5.84% between FY07-FY16.

Burlington Electric Department
Budget for the Year Ending June 30, 2023
Operational Expense

	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23	
Labor Expense						
Labor-Regular	\$7,145,699	\$7,692,570	\$7,835,403	\$8,227,800	\$8,758,900	(1)
Labor-Overtime	374,952	382,561	382,567	508,100	598,200	
Labor-Temporary	21,144	5,894	4,348	6,500	8,500	(2)
Sub-Total Labor	7,541,795	8,081,025	8,222,318	8,742,400	9,365,600	
Labor-Overhead	4,531,417	4,094,222	4,235,699	4,341,400	4,755,700	(3)
Total Labor w/ Overhead	12,073,212	12,175,247	12,458,017	13,083,800	14,121,300	
Non-Labor Expense						
Office Supplies	14,027	8,515	3,372	10,400	10,200	
Materials & Supplies	1,123,834	656,156	709,009	868,900	956,300	
Publications	2,615	9,205	1,112	4,100	10,600	
Training	115,596	29,436	23,878	115,600	154,200	(4)
Education	22,887	28,433	18,435	27,400	55,100	(5)
Business Meetings	10,985	11,987	451	19,400	21,000	
Phones	32,860	33,536	34,212	51,800	55,900	(6)
Maintenance Contracts	485,674	494,399	528,749	800,000	858,100	
Dues and Fees	164,266	117,894	132,061	136,000	137,600	
Advertising	25,562	35,069	16,234	44,300	44,000	
Building Clearing	244,219	251,168	239,419	344,800	322,700	
Transportation Clearing	222,604	285,146	274,492	314,000	355,000	(7)
Admin & General Capitalized	(483,771)	(374,772)	(356,352)	(795,800)	(863,900)	(8)
Allocations to McNeil	(11,754)	(16,056)	(13,752)	(21,500)	(21,500)	(9)
Outside Services (p. 24)	3,402,422	2,588,173	2,355,427	2,666,400	2,781,000	
Transmission	8,248,726	7,873,281	8,031,992	9,035,500	9,904,700	
Rentals & Leases	97,269	84,790	91,252	98,200	99,900	
Group Insurance	429,170	477,872	632,923	733,400	746,700	(10)
Printing and Forms	10,360	13,206	7,934	18,200	18,400	
Computer Supplies	14,007	12,571	10,031	22,000	24,100	
Computer Software	3,015	5,329	2,151	6,200	8,100	
Postage	80,092	79,564	59,780	77,400	61,400	
Utilities	140,067	150,349	121,014	187,600	227,800	
Highgate Billing	25,992	0	0	0	0	(11)
DSM Rebates	1,049,772	1,340,439	1,497,512	1,712,700	1,604,100	(12)
Uncollectible Accounts	192,076	146,164	87,060	108,000	108,000	
Claims Settlements	4,488	344	0	1,300	1,300	
OPEB	85,824	(11,260)	49,999	0	0	
Other - RPS Compliance	133,749	326,480	681,181	676,800	658,300	
Other	16,791	(196,149)	10,408	231,500	396,800	(13)
Total Non-Labor Expense	15,903,424	14,461,269	15,249,984	17,494,600	18,735,900	
Total Operational Expense	\$27,976,636	\$26,636,516	\$27,708,001	\$30,578,400	\$32,857,200	
Less EEC Expenses (reimbursed)	(2,485,082)	(2,977,008)	(2,900,080)	(3,449,330)	(3,150,500)	
Less Power Supply - Transmission	(8,248,726)	(7,873,281)	(8,031,992)	(9,035,500)	(9,904,700)	
Less Power Supply - Highgate	(25,992)	0	0	0	0	
Less Tier 3 (RPS Compliance)	(133,749)	(326,480)	(681,181)	(676,800)	(658,300)	
Less Admin & General Capitalized	483,771	374,772	356,352	795,800	863,900	
Controllable Cost	\$17,566,858	\$15,834,519	\$16,451,100	\$18,212,570	\$20,007,600	

See analysis page 23

Budget for the Year Ending June 30, 2023
Operational Expense Notes

- (1) **Labor – Regular** – FY23 includes cost-of-living adjustment and merit pay assumptions. Also, labor is impacted by the amount of capital (vs. expense) work. FY22 assumed 9.3% of labor allocated to Capital and FY23 assumes 9.1%.
- (2) **Labor – Temporary** – FY23 includes intern positions in Policy & Planning.
- (3) **Labor-Overhead** – FY23 assumes year-end adjustment for pension liability of \$1,200,000.
- (4) **Training** - includes personnel development for all areas of the department as well as specific safety and skills training.
- (5) **Education** – The Department’s Qualified Degree Program and Apprentice Lineworker Program costs.
- (6) **Phones** – Includes all phone-related charges (local, long distance & conference calls). Also includes all cell phones (usage, new cell phones & accessories).
- (7) **Transportation Clearing** – Vehicle maintenance and gasoline provided by the Department of Public Works. Impacted by the amount of capital (vs. expense) work and by the amount of work we use contractors for.
- (8) **Admin & General Capitalized** – Contingent on capital projects.
- (9) **Allocations to McNeil** – Certain incidental BED administrative costs are allocated to McNeil joint owners. (Most costs are charged directly).
- (10) **Group Insurance** – Property Boiler & Machinery insurance increased significantly in FY22.
- (11) **Highgate Billing** – Sale of Highgate happened in December 2018.
- (12) **DSM Rebates** – FY23 includes \$3,150,500 in “Other Revenues” to cover these and other costs.
- (13) **Other** – Includes Department contingencies. FY20 includes year-end accounting adjustment for regulatory asset (\$231,768).

**Burlington Electric Department
 Budget for the Year Ending June 30, 2023
 Operational Expense**

Outside Services	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23	
Equipment Maintenance	\$1,299,847	\$236,869	\$320,560	\$443,100	\$493,300	(1)
Legal Services	53,926	61,646	85,497	51,000	51,000	
Temporary Help	33,235	1,001	0	0	0	(2)
Technical	609,962	702,391	334,674	632,500	684,200	
City of Burlington	325,094	327,229	331,476	311,300	445,300	(3)
Buildings & Grounds	87,717	37,890	35,878	46,800	51,400	
Financial Audit	116,225	112,625	115,529	118,400	122,500	
Financial/Banking	330,276	401,360	362,352	350,000	362,000	
Energy Efficiency Utility	402,845	471,972	644,189	293,100	301,100	(4)
Other	143,295	235,190	125,272	420,200	270,200	
Total Outside Services	\$3,402,422	\$2,588,173	\$2,355,427	\$2,666,400	\$2,781,000	

(1) FY19 included McNeil major turbine overhaul.

(2) FY19 - FY20 was coverage for Customer Care coverage.

(3) Indirect cost allocation for general government, city attorney and human resources.

(4) Offsetting revenues are included in "Other Revenues" to cover these and other related costs.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Depreciation & Amortization	Actual FY19	Actual FY20	Actual FY21	Budget FY22	Budget FY23
Depreciation:					
Distribution	\$2,480,974	\$2,530,455	\$2,583,262	\$2,562,200	\$2,635,896
General	492,474	449,162	446,427	443,700	451,205
Transmission	69,797	72,026	72,652	71,700	72,755
Gas Turbine, Wind & Solar	267,120	251,946	294,809	272,200	289,887
McNeil	786,216	793,979	808,451	793,300	814,356
Highgate	56,942	0	0	0	0
Winooski One Hydro	330,255	341,567	363,967	359,300	370,983
Subtotal	4,483,778	4,439,135	4,569,568	4,502,400	4,635,082
Deferred Depreciation Adjustment (1)	423,444	145,921	208,298	945,500	1,181,957
Total Depreciation	4,907,222	4,585,056	4,777,866	5,447,900	5,817,040

(1) Sinking fund amortization varies based on principal payments.

Amortization:

Intangible Assets (Software)	97,091	80,272	67,785	67,600	57,428
Winooski One Hydro (1)	469,410	476,910	484,410	491,900	496,910
Regulatory Asset (2)					19,694
Total Amortization	566,501	557,182	552,195	559,500	574,033
Total Depreciation & Amortization	\$5,473,723	\$5,142,238	\$5,330,061	\$6,007,400	\$6,391,072
(Gain)/Loss on Disposition of Plant (3)	(\$1,274,924)	\$289,526	\$248,260	\$291,000	\$297,000

(1) Plant acquisition adjustment (\$12M) for the life of the bond. This represents market value (paid) over book value.

(2) Uncapitalized labor due to COVID19; per PUC accounting order

(3) FY19 includes gain on sale of Highgate, \$1,570,903.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Taxes (000's)	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
Property Taxes					
Payment in Lieu of Taxes - BED	\$1,794	\$1,899	\$1,956	\$2,093	\$1,492
Payment in Lieu of Taxes - McNeil	676	704	740	778	864
Property Taxes - Highgate Station	28	0	0	0	0
Property Taxes - Winooski One (1)	434	455	479	505	519
Subtotal - Property Taxes	2,932	3,057	3,176	3,376	2,875
PILOT Tax Rates (2)	\$2.81	\$2.93	\$3.08	\$3.24	\$2.31
Revenue Taxes					
Gross Revenue Tax (.525%) (3)	289	292	295	318	334
Gross Receipts Tax (.5%) (4)	232	219	221	241	258
Subtotal - Revenue Taxes	521	511	516	559	592
Over/Under Allocation of Social Security Taxes	1	18	6	0	0
Total Taxes	\$3,453	\$3,587	\$3,698	\$3,935	\$3,466

(1) Based on \$15.5M value.

(2) FY23 assumes updated values for City grand list and an estimated increase of 1.05% .

(3) Tax to finance operations of Public Service Department and Public Utility Commission. Effective for all utilities (electric, phone, gas, water, and cable). Tax applies to total revenues less resales. Increased to .525% effective FY20.

(4) Effective July 1, 1990 for deposit to State of VT "Home Weatherization Assistance Fund." Charged to sellers of heating oil, electricity, gas, and coal (phone, cable, and water excluded). Tax applies to "Sales to Customers" revenue only.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023
Dividend Income**

	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
VT TRANSCO LLC (1)	\$ 3,992,209	\$ 4,095,008	\$ 4,087,046	\$ 4,226,178	\$ 4,223,392
VELCO (2)	165,945	170,695	165,945	166,224	166,224
VELCO VETCO (3)	1,194	1,194	1,194	1,200	1,200
Other (4)	123,319	2,047	72,422	0	0
Total Dividend Income	<u>\$ 4,282,667</u>	<u>\$ 4,268,944</u>	<u>\$ 4,326,607</u>	<u>\$ 4,393,602</u>	<u>\$ 4,390,816</u>

(1) Assumes investment at 7/1/22 is \$14,612,040 @ 11.5% (A units) and \$18,597,130 @ 13.3% (B units) and 7/31/22 increase of \$253,880 (A units) and \$323,120(B units). Also, 12/31/22 increase of \$24,200 (A units) and \$30,800 (B units). Dividend payments are made the month following end of each CY quarter.

(2) Assumes quarterly dividend of \$2.88/share on 14,038 share of Class B and 392 share of Class C Common Stock.

(3) VELCO Class C Preferred Stock, dividend \$0.04 on 7,464 shares

(4) Cash distributed to VT Transco, LLC members related to Utopus sale.

Burlington Electric Department
Budget for the Year Ending June 30, 2023

Other Income, Deductions & Capital Contributions	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
Interest Income - Operating					
Checking Accounts	\$78,563	\$92,619	\$63,464	\$45,700	\$56,900
Debt Service Reserve Fund	44,778	47,090	4,059	1,800	1,200
Debt Service Funds	18,485	6,145	0	0	0
Renewal & Replacement Fund	39,493	30,716	658	200	600
Investments	28,369	27,159	3,739	1,300	1,000
Customer Loans/Other	9,809	17,633	10,844	1,800	600
Total Interest Income - Operating (1)	219,497	221,362	82,764	50,800	60,300

(1) FY22 reduced due to lower interest rates and lower balances.

Other Income

Miscellaneous Non-Operating Income

CSWD (Waste Wood Yard) (1)	30,000	26,394	30,000	30,000	30,000
City Franchise Fee Admin Billing (2)	11,613		25,460	12,000	12,500
VELCO Director	15,217	14,250	14,250	19,000	19,000
VPPSA Staff Sharing		23,998	18,450	12,000	12,000
Winooski River Water Rights - Sugarbush	1,325	1,452			
Sub-total Misc. Non-Operating Income	58,155	66,094	88,160	73,000	73,500

Other Deductions (-)

BED Donation - BTV Ignite Inc	(3,000)				
BED Donation - Leahy Center					
BED Donation - Warmth Program (3)	(20,000)	(10,000)	(10,000)	(10,000)	(10,000)
BED Donation - Defeat the Peak	(6,000)	(3,000)	(3,000)	(6,000)	(6,000)
BED Donation - VT Sust. Jobs Fund	(10,000)	(10,000)	(10,000)	(10,000)	0
Sub-total Other Deductions	(39,000)	(23,000)	(23,000)	(26,000)	(16,000)

Total Other Income, Net

19,155	43,094	65,160	47,000	57,500
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(1) Agreement with Chittenden Solid Waste District, effective 1/1/21 through 12/31/23. (Annual payments to BED in consideration of BED's operation and maintenance of the site).

(2) City contribution to BED for the cost of processing the franchise fee.

(3) This is BED's donation (in addition to us forwarding customer donations on billing payments).

Capital Contributions/Grants

Customer Contribution (1)	300,883	968,295	647,678	1,340,500	792,800
Street Light - LED Rebate	25,000			5,600	5,700
UVM Chiller	15,937				
City ARPA Funds for COVID Relief				750,000	0
Total Capital Contributions/Grants	341,820	968,295	647,678	2,096,100	798,500

(1) FY23 includes Champlain Parkway and Underground and Overhead blanket billable construction projects. FY22 includes Champlain Parkway, UVM LCOM Project, Shelburne St. roundabout and Street Lighting rebate.

Burlington Electric Department
Budget for the Year Ending June 30, 2023
Interest Expense

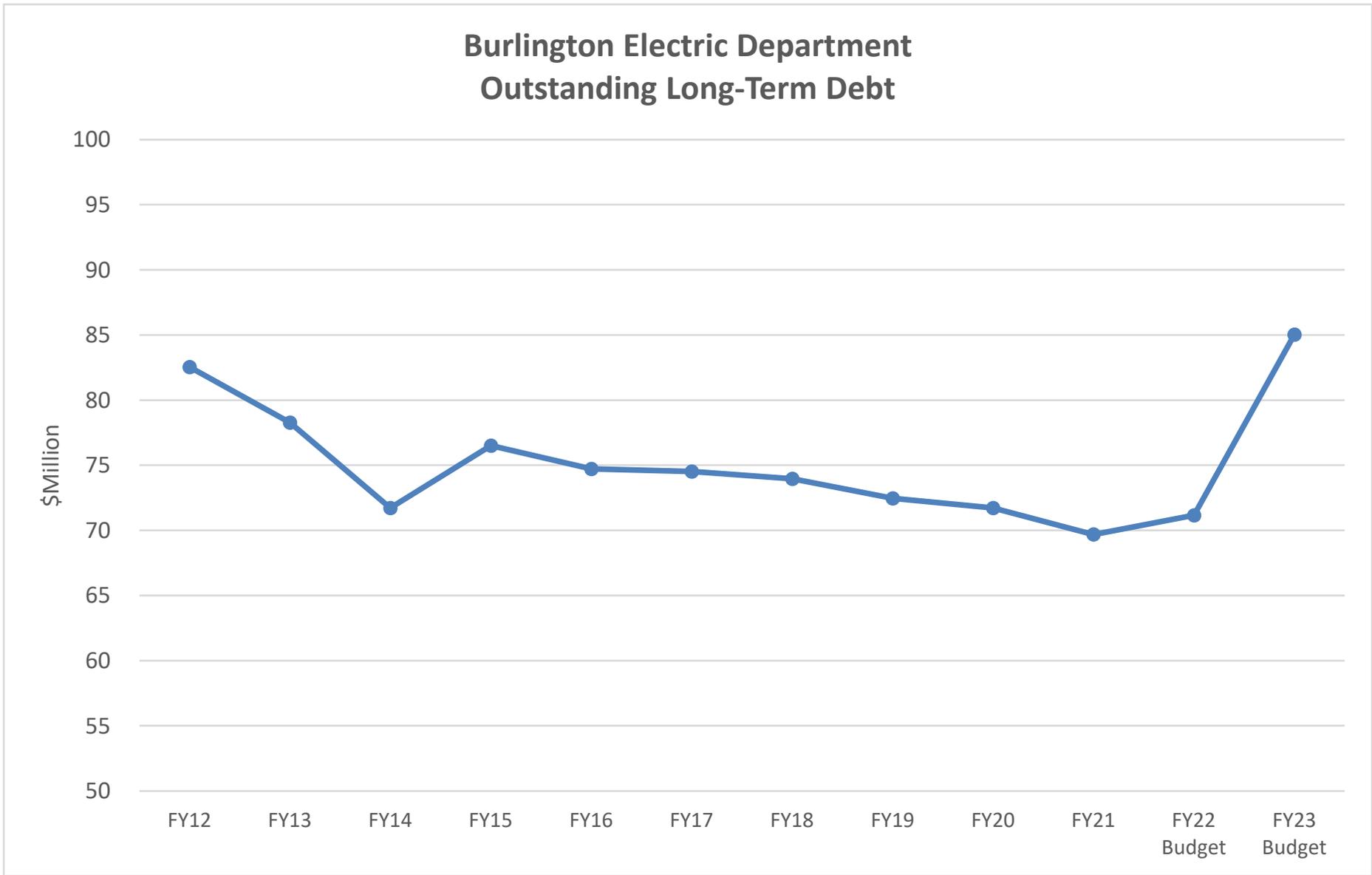
	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
General Obligation Bonds (1)	\$1,997,801	\$1,898,879	\$1,848,186	\$1,858,262	\$1,715,946
Revenue Bonds	935,544	876,876	815,189	753,139	1,618,940
Total Long Term Debt Interest	2,933,345	2,775,755	2,663,375	2,611,401	3,334,886
Amortization of Debt Discount	12,932	60,907	70,141	74,466	74,063
Amortization of Deferred Debt Costs	13,523	38,433	39,382	41,043	43,415
Amortization of Debt Premium	(142,754)	(293,752)	(317,417)	(330,927)	(342,580)
Other Interest (2)	21,194			6,352	4,668
Total Interest Expense	\$2,838,240	\$2,581,343	\$2,455,481	\$2,402,335	\$3,114,452
<u>Debt Outstanding Long Term - Y/E</u>					
General Obligation Bonds (1)	\$48,045,714	\$48,995,000	\$48,705,000	\$48,285,000	\$47,710,000
Revenue Bonds (3)	\$24,410,000	\$22,730,000	\$20,985,000	\$22,875,000	\$37,325,000

(1) Assumes \$3M annual GOB/BAN.

(2) FY22 & FY23 assumed Capital Lease from Key Bank for MDMS. FY19 actual was for \$1.4M short-term loan from VELCO.

(3) FY22 & FY23 includes \$20M Net Zero Revenue Bond.

Burlington Electric Department Outstanding Long-Term Debt



- (1) FY13 forward includes \$3M annual GOB. (Voters approved March 2012).
- (2) At the end of FY14 all Revenue Bonds and GOB's issued prior to 2004 are paid off.
- (3) FY15 includes \$12M Revenue Bond for Winooski One Hydro.
- (4) FY22-FY23 includes \$20M Net Zero Energy Revenue Bond.

**Burlington Electric Department
Budget - FY2023**

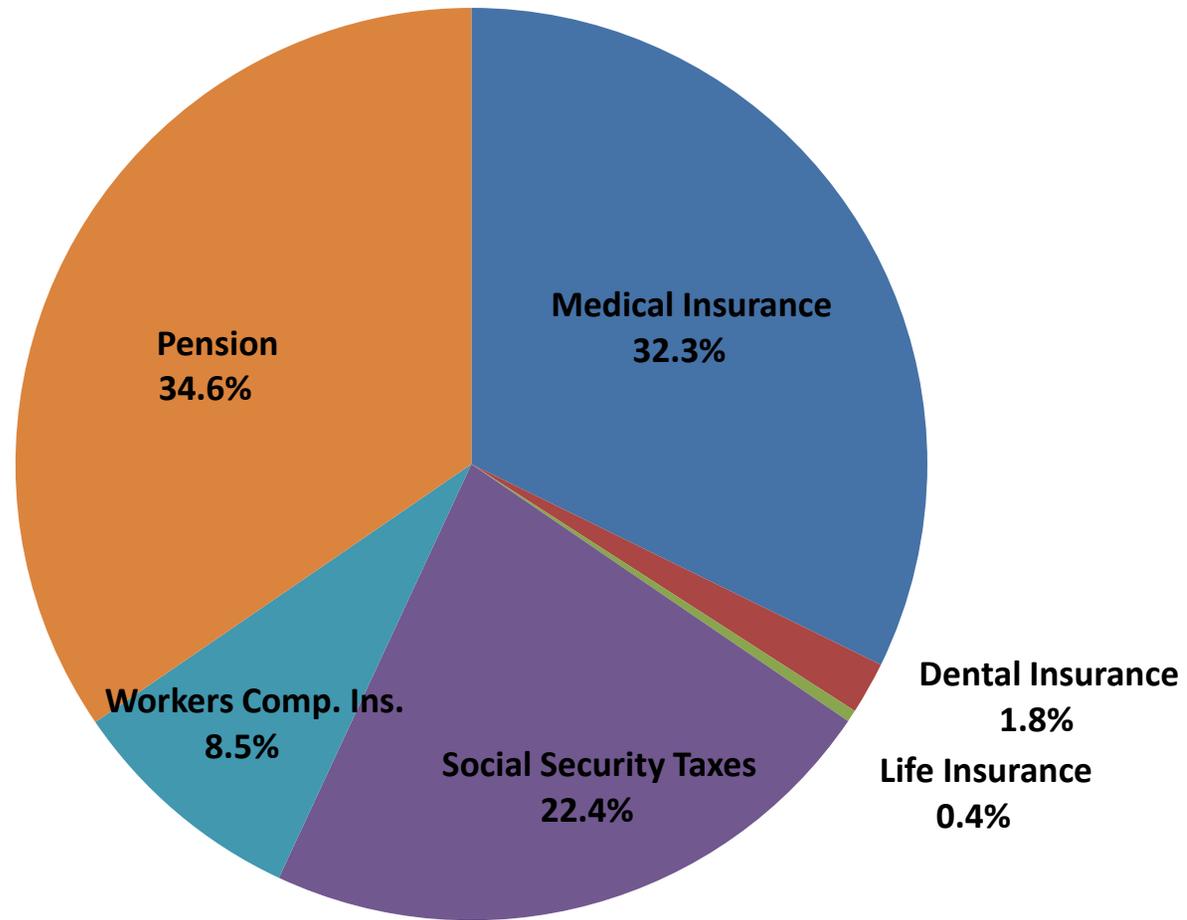
Labor Overhead	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY22	Budget FY23
TOTAL LABOR (1)	\$10,698,955	\$10,886,526	\$11,539,673	\$12,320,300	\$12,979,400
LABOR OVERHEAD					
Medical Insurance (2)	1,832,271	1,731,658	1,498,449	1,502,300	1,418,600
Dental Insurance (2)	74,314	74,245	85,446	92,400	81,500
Life Insurance (2)	10,626	11,695	12,352	21,500	18,900
Social Security Taxes	775,521	804,352	831,915	942,500	992,900
Workers Compensation Ins. (2)	408,168	377,607	351,615	343,400	377,000
Pension (2)	1,423,486	1,168,543	1,244,678	1,518,900	1,530,800
Sub-total Labor Overhead	4,524,386	4,168,100	4,024,455	4,421,000	4,419,700
Health Care Buyout (3)	9,115	10,442	10,846	9,000	10,000
Total Labor Overhead	\$4,533,501	\$4,178,542	\$4,035,301	\$4,430,000	\$4,429,700
Labor Overhead Rate	42.37%	38.38%	34.97%	35.96%	34.13%
Pension Rate	13.30%	10.73%	10.79%	13.11%	12.49%

(1) Includes Overtime and McNeil @ 100%.

(2) FY23 per City assumptions.

(3) \$1,000 for IBEW and non-union employees.

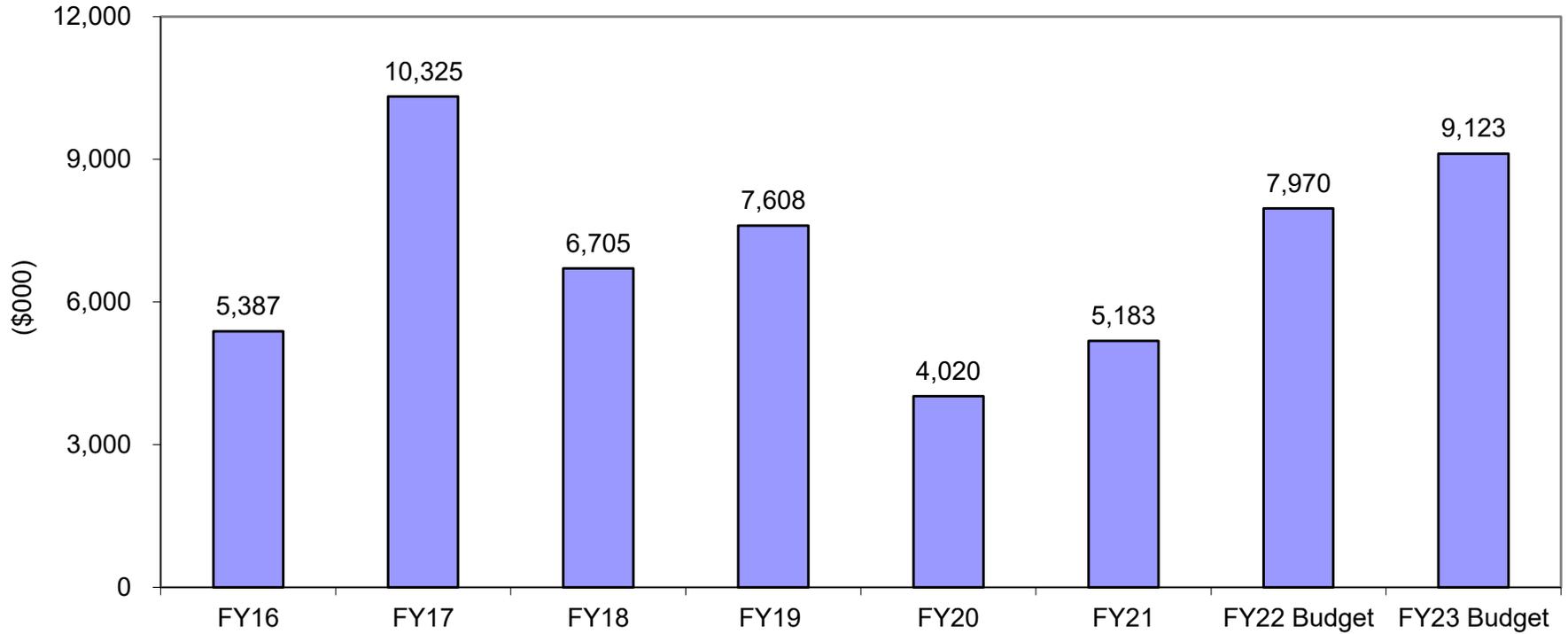
**Burlington Electric Department
Budget for the Year Ending June 30, 2023
\$4,429,700 Labor Overhead**



Burlington Electric Department
Budget for the Year Ending June 30, 2023
Income Statement (000s)

	Actual FY 19	Actual FY 20	Actual FY 21	Budget FY 22	Budget FY 23
OPERATING REVENUES:					
Sales to Customers	\$46,935	\$44,700	\$44,823	\$48,172	\$51,553
Misc Revenues - Power Supply	7,746	7,525	8,052	8,404	8,385
Misc Revenues - Other	3,074	3,508	3,240	3,978	3,631
Total Operating Revenues	<u>57,755</u>	<u>55,733</u>	<u>56,115</u>	<u>60,554</u>	<u>63,569</u>
OPERATING EXPENSES:					
Fuel	6,537	7,092	7,767	8,599	9,660
Purchased Power	19,123	16,859	14,763	14,520	11,858
Transmission Expense	8,249	7,873	8,032	9,036	9,905
Operation and Maintenance	19,728	18,763	19,676	21,543	22,952
Depreciation & Amortization	5,474	5,142	5,330	6,007	6,391
Gain/Loss on Disp of Plant	296	290	248	291	297
Taxes	3,453	3,587	3,698	3,935	3,466
Total Operating Expenses	<u>61,289</u>	<u>59,606</u>	<u>59,514</u>	<u>63,932</u>	<u>64,529</u>
NET OPERATING INCOME	(3,534)	(3,873)	(3,399)	(3,378)	(961)
OTHER INCOME & DEDUCTIONS:					
Dividends	4,283	4,269	4,327	4,394	4,391
Interest Income	219	221	83	51	60
Grants/Capital Contributions	342	1,003	1,318	2,096	798
Other Income, Net	170	(11)	84	47	57
Total Other Income/Deductions	<u>5,014</u>	<u>5,483</u>	<u>5,811</u>	<u>6,588</u>	<u>5,306</u>
INCOME BEFORE INTEREST EXPENSE	<u>1,480</u>	<u>1,610</u>	<u>2,412</u>	<u>3,210</u>	<u>4,346</u>
INTEREST EXPENSE	2,838	2,581	2,455	2,402	3,114
NET INCOME (LOSS)	<u>(\$1,358)</u>	<u>(\$972)</u>	<u>(\$43)</u>	<u>\$808</u>	<u>\$1,231</u>

**Burlington Electric Department
Capital Spending -
Net of Capital Contributions**



Plant Type	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	Budget FY22	Budget FY 23
Production	1,630	1,363	778	928	1,156	1,816	1,017	1,637
Other					51	53	192	267
Distribution	3,088	3,390	1,873	2,791	1,670	1,413	3,577	4,460
Transmission	0	3,012	3,020	2,696	671	1,074	1,150	632
General	669	2,560	1,034	1,193	471	827	2,034	2,127
Total	\$5,387	\$10,325	\$6,705	\$7,608	\$4,020	\$5,183	\$7,970	\$9,123

**Burlington Electric Department
Capital Projects - FY2023**

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
McNeil Plant (BED 50% Share)			
A-Belt Belt Replacement (312)	30,000		30,000
Augers Replaced (312)	30,000		30,000
Boiler Grate Overhaul West	200,000		200,000
Continuous Emissions Monitoring Replacement/Upgrade	145,956		145,956
Demi/Service Water Pump	15,000		15,000
Energy Efficiency Improvements	2,500		2,500
Equipment Cameras	1,500		1,500
ESP Mechanical Field Rebuild (312)	244,645		244,645
Furniture-McNeil (391)	1,250		1,250
Perimeter Fence Upgrades (311)	5,000		5,000
Portable Radios Upgrades	1,000		1,000
Replacement Rail Cars	75,000		75,000
Rigging Equipment (316)	5,000		5,000
Routine Station Improvements ¹	167,250		167,250
Safety Valve Replacements (312)	12,500		12,500
Shelving Footings	12,500		12,500
Station Tools & Tool Boxes	7,500		7,500
Switchyard 3321 Breaker Replacement	70,000		70,000
Turbine Control System Upgrade/Insurance (314)	48,981		48,981
Total McNeil Plant	1,075,581	0	1,075,581

**Burlington Electric Department
Capital Projects - FY2023**

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
Transmission Plant			
VT Transco	632,000		632,000
Total Transmission Plant	632,000	0	632,000
Hydro Production Plant (no Stores Clearing)			
W1H Rigging Equipment (335)	2,500		2,500
W1H Routine Station Improvements* (311-335)	29,002		29,002
W1H Station Tools and Tool Boxes (335)	2,001		2,001
W1H Control Room Fire Suppression	70,001		70,001
W1H Rake Hydraulic Pump Replaced	40,001		40,001
W1H Turbine Painting	15,001		15,001
Rail Replacement at W1	35,000		35,000
Repair Walking Area at Winooski 1	12,000		12,000
Replace Stairs at Winooski 1	18,000		18,000
Total Hydro Production Plant	223,504	0	223,504
Gas Turbine Plant			
GT Biodiesel Conversion Phase 1	175,001		175,001
GT Outlet Bucket Replacement Phase 1 of 3	50,000		50,000
GT Rigging Equipment	2,499		2,499
GT Routine Station Improvements	16,001		16,001
GT Painting Outside the GT	9,000		9,000
Roof at GT	85,000		85,000
Total Gas Turbine Plant	337,501	0	337,501
Other			
Direct Current Fast Chargers (new locations)	161,506		161,506
EV Charger Installations (Level 2)	39,200		39,200
Distributed Energy Resources	37,019		37,019
P&P R&D	29,109		29,109
Total Other	266,834	0	266,834

**Burlington Electric Department
Capital Projects - FY2023**

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
Distribution Plant			
<u>Aerial</u>			
Ethan Allen Pkwy - Conv to 2ph P2942-2959	73,029		73,029
Heineberg Rd Reconductor	185,557		185,557
Pole Inspection & Replacement	117,758		117,758
Total Aerial	376,345	0	376,345
<u>Underground</u>			
1L2/2L5 Cable Replacement Pt1	293,626		293,626
2L5/2L2 Cable Replacement Pt2	223,380		223,380
2L5 Cable Replacement Pt3	573,337		573,337
Appletree Point Rebuild (Electrical Work)	106,762		106,762
Edgemoor Drive Rebuild - Phase 3	91,565		91,565
Lyman Avenue Rebuild	669,245		669,245
Replace 910S/911S (Votey)	59,168		59,168
Replace 322/323/324S (Main St and Univ Hts)	137,904		137,904
Replace 724S/725S (Milot - College St)	70,527		70,527
Sunset Cliff Rebuild	454,655		454,655
Total Underground	2,680,170	0	2,680,170
<u>Other</u>			
Metering CF-33 Toughbook	9,569		9,569
Communication Equipment Emergency Repair	28,534		28,534
Distribution Transformers-Install	4,659		4,659
Distribution Transformers-Purchase	225,000		225,000
SCADA Field Device Upgrades	182,447		182,447
SCADA Network Switches Replacement	41,711		41,711
SCADA Backup Server UPS Replacement	19,936		19,936
Total Other	511,857	0	511,857
<u>Customer Driven/City Projects</u>			
Champlain Parkway (CAFC)	735,519		735,519
Champlain Parkway (CAFC)	0	(573,703)	(573,703)
UVM New Athletic Facility	18,240		18,240
Total Customer Driven/City Projects	753,759	(573,703)	180,056
Total Distribution Plant - General	4,322,130	(573,703)	3,748,427

**Burlington Electric Department
Capital Projects - FY2023**

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
Distribution Plant - Blanket			
<u>Meters</u>			
Single Phase Meter Purchase	60,000		60,000
Three Phase Meter Installation	13,841		13,841
Three Phase Meter Purchase	10,000		10,000
Single Phase Meter Installation	7,987		7,987
Total Meters	91,828	0	91,828
<u>Underground</u>			
UG Replacement	92,726		92,726
Replace Utility Holes and Handholes	72,623		72,623
UG Construction - New	29,270		29,270
UG Construction - Billable	151,893		151,893
UG Construction (CAFC)	0	(151,893)	(151,893)
Total Underground	346,511	(151,893)	194,618
<u>Aerial</u>			
Overhead Replacement	79,879		79,879
Overhead Construction - New	22,526		22,526
Overhead Construction - Billable	67,159		67,159
Overhead Construction (CAFC)		(67,159)	(67,159)
Total Aerial	169,563	(67,159)	102,404
<u>Lighting</u>			
Street Lighting	236,706		236,706
Street Lighting (LED Rebate)	0	(5,695)	(5,695)
Leased Lighting	14,578		14,578
Total Lighting	251,283	(5,695)	245,588
<u>Other</u>			
Gas Detectors	4,000		4,000
Replaces Failed SCADA Equip -Corroded Vista CT's / PT's	21,760		21,760
Substation Maintenance	16,287		16,287
Tools & Equipment - Distribution/Technicians	35,000		35,000
Total Other	77,047	0	77,047
Total Distribution Plant - Blanket	936,232	(224,747)	711,485
Total Distribution Plant	5,258,363	(798,450)	4,459,913

**Burlington Electric Department
Capital Projects - FY2023**

Project Description	Project Total	Customer Contribution/ Grants	Net Cost
General Plant			
<u>Vehicle Replacements</u>			
Chevy Silverado (Veh#C-17) Replacement	47,000		47,000
Chevy Silverado (Veh#C-28) Replacement	47,000		47,000
Total Vehicle Replacements	94,000	0	94,000
<u>Computer Equipment/Software</u>			
Desktop/Laptop Purchases	31,369		31,369
IT Forward - CIS Infinity Implementation (WF0034608)	1,298,134		1,298,134
IT Forward - SilverBlaze Customer Portal (WF0034603)	19,619		19,619
IT Forward - SmartWorks MDMS Phase 1 (WF0034590)	118,084		118,084
Itron Field Collection System (FCS)	16,057		16,057
Network Infrastructure	25,719		25,719
OpenWay Upgrade	24,747		24,747
Pole Mount Routers	213,360		213,360
Replacement Wireless Network Hardware	31,369		31,369
UPS Replacement_annual	14,419		14,419
Virtualized Hardware Refresh Pine	109,497		109,497
Total Computer Equipment/Software	1,902,373	0	1,902,373
<u>Buildings & Grounds</u>			
Paving Projects at 585 Pine Street	6,000		6,000
Replace Signs	5,481		5,481
Upgrade HVAC Software	7,000		7,000
Rebuild Storm Water Drain	8,000		8,000
Upgrade Camera System Software	15,000		15,000
Heater for Stockroom	8,193		8,193
Seal Scada Room Building C	17,000		17,000
Fence for Solar Array	19,000		19,000
Replace/Repair Wire Reel Lift	10,000		10,000
Extend Pole Pole	24,000		24,000
Total Buildings & Grounds	119,673	0	119,673
<u>Other Equipment</u>			
Training Yard Material for Build	5,850		5,850
AED Purchase (585 Pine St)	5,538		5,538
Total Other Equipment	11,388	0	11,388
Total General Plant	2,127,434	0	2,127,434
Total Plant	\$9,921,217	(\$798,450)	\$9,122,767

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Debt Coverage (\$000)	FY19	FY20	FY21	Budget FY22	Budget FY23
Total Operating Revenues	57,755	55,733	56,115	60,554	63,569
Total Operating Expenses	59,803	58,408	58,177	62,624	63,221
Less: Depreciation & Amortization (1)	(5,474)	(5,142)	(5,330)	(6,007)	(6,391)
Less: Gain/Loss	1,275	(290)	(248)	(291)	(297)
Less: Payment in Lieu of Taxes	(2,469)	(2,602)	(2,696)	(2,870)	(2,355)
Total Operating Expenses - Adjusted	53,135	50,374	49,902	53,455	54,178
Net Operating Income - Adjusted	4,620	5,359	6,212	7,099	9,391
Total Other Income	5,014	5,483	5,811	6,588	5,306
(Less) Grant/Customer Income	(317)	(968)	(1,318)	(2,096)	(798)
Net Income Available for Revenue Debt Service	9,317	9,873	10,706	11,591	13,899
Debt Service on Revenue Bonds	2,616	2,622	2,625	2,603	3,554
Revenue Debt Service Coverage Ratio (2)	3.56	3.77	4.08	4.45	3.91
Net Income Available for Other Debt Service	9,317	9,873	10,706	11,591	13,899
Deduct: Payment in Lieu of Taxes	(2,469)	(2,602)	(2,696)	(2,870)	(2,355)
Adjusted Net Income Available for Other Debt Service	6,848	7,271	8,010	8,720	11,543
Debt Service					
Revenue Bonds	2,616	2,622	2,625	2,603	3,554
General Obligation Bonds	4,973	5,189	5,268	5,408	5,438
Other				204	201
Total Debt Service	7,588	7,811	7,893	8,215	9,193
Adjusted Debt Service Coverage Ratio	0.90	0.93	1.01	1.06	1.26

(1) Deduct as non-cash expense.

(2) Revenue bond covenants require a minimum debt ratio of 1.25.

**Burlington Electric Department
Budget for the Year Ending June 30, 2023
Cash Flow (000s)**

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Budget FY 23
BEGINNING BALANCE	\$8,531	\$7,805	\$8,897	\$7,521	\$7,199	\$9,124	\$8,861	\$10,698	\$12,098	\$10,881	\$9,792	\$9,978	\$8,531
SOURCES OF FUNDS:													
Total Operating Revenues	5,149	8,058	4,645	4,219	5,745	4,799	4,993	6,253	4,706	3,959	6,256	4,788	63,569
Other Income													
Dividends	1,038	0	42	1,050	0	42	1,056	0	42	1,058	0	42	4,371
Interest and Other Income	27	5	9	2	2	10	15	5	10	15	5	10	117
Customer Contribution/Grant Income	68	79	91	80	40	40	40	40	80	80	80	80	798
Total Other Income	1,134	84	142	1,133	42	92	1,112	45	132	1,154	85	131	5,287
Other Sources of Funds													
GOB Annual/BAN					3,000								3,000
Revenue Bond 2022	367	558	632	752	602	371	430	199	232	758	705	143	5,749
Capital Lease-Key Bank		100											100
Total Other Sources of Funds	367	658	632	752	3,602	371	430	199	232	758	705	143	8,849
TOTAL SOURCES OF FUNDS	15,181	16,606	14,315	13,624	16,588	14,386	15,395	17,195	17,168	16,753	16,838	15,041	86,235
USES OF FUNDS:													
Total Operating Expenses	5,038	4,833	4,772	4,370	4,781	4,054	3,126	3,397	4,377	4,684	4,537	4,473	52,443
Tier 3	89	90	96	99	100	96	85	91	90	95	93	89	1,112
Tier 1 - REC Purchase	0	321	0	0	321	0	0	321	0	0	321	0	1,285
Taxes - Gross	24	743	22	20	738	22	24	151	611	352	149	611	3,466
Net Operations Expenses	5,152	5,987	4,890	4,489	5,940	4,172	3,234	3,960	5,078	5,131	5,101	5,173	58,306
Capital Spending													
BED	748	947	973	1,079	743	517	602	352	442	805	719	287	8,214
McNeil	125	0	157	80	1	0	112	36	9	266	281	8	1,076
VT Transco, LLC	577	0	0	0	0	55	0	0	0	0	0	0	632
Total Capital Spending	1,450	947	1,130	1,160	744	572	713	388	450	1,072	1,000	294	9,921
Debt Service													
G.O. Bonds	446	446	446	449	452	452	452	452	461	461	461	461	5,438
Revenue Bonds	312	312	312	312	312	312	281	281	281	281	281	281	3,554
Capital Lease - Key Bank	17	17	17	17	17	17	17	17	17	17	17	17	201
Total Debt Service	774	774	774	777	781	781	750	750	758	758	758	758	9,193
TOTAL USES OF FUNDS	7,376	7,709	6,794	6,425	7,464	5,525	4,697	5,098	6,286	6,961	6,859	6,226	77,420
ENDING BALANCE - OPERATING	\$7,805	\$8,897	\$7,521	\$7,199	\$9,124	\$8,861	\$10,698	\$12,098	\$10,881	\$9,792	\$9,978	\$8,815	\$8,815

**Burlington Electric Department
Budget for the Year Ending June 30, 2023**

Cash Coverage	FY19	FY20	FY21	Budget FY22	Budget FY23
Cash Accounts - Operating	10,275,752	11,500,987	9,658,797	8,700,457	9,998,715
Cash Accounts - McNeil (1)	542,529	115,479	201,191	440,722	380,839
(Plus) Line-of-Credit Available	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Unrestricted Cash and Investments	15,818,281	16,616,466	14,859,988	14,141,179	15,379,554
Total Operating Expenses	59,802,973	58,408,205	58,176,831	62,623,564	63,221,232
(less) Depreciation/Amortization Exp	(5,473,722)	(5,142,238)	(5,330,060)	(6,007,428)	(6,391,072)
(less) Gain/Loss	1,274,924	(289,526)	(248,260)	(291,000)	(297,000)
(less) PILOT	(2,469,340)	(2,602,203)	(2,696,172)	(2,870,300)	(2,355,200)
Adjusted Operating Expenses	53,134,835	50,374,238	49,902,339	53,454,836	54,177,960
Days Cash on Hand (with LOC)	109	120	109	97	104

(1) McNeil FY23 budget based on 4 year average actual balances.



MEMORANDUM

To: Burlington Board of Electric Commissioners

From: Darren Springer, General Manager

Date: May 18, 2022

Subject: **General Obligation Bond Anticipation Note FY 2023**

Discussion:

In March 2012 Burlington voters approved a City Charter change to allow \$3,000,000 of General Obligation Bonds to be issued by the City annually for capital improvements on behalf of the Burlington Electric Department. As part of our budget review and approval each year, we include a line item for this \$3,000,000 General Obligation Bond. Bond Counsel of the City requires a formal approval by the Electric Commission before forwarding to the City.

As in FY21 and FY22, the City is again planning to seek City Council approval to issue a Bond Anticipation Note (BAN) for FY23. The FY23 BAN will be converted to a General Obligation bond in FY24.

Recommendation:

We are asking the Board of Electric Commissioners to *“recommend to the Board of Finance and the City Council to authorize and direct the Chief Administrative Officer to pledge the credit of the City by issuing a bond anticipation note (BAN) or bonds in an amount of three million dollars (\$3,000,000) for the 2023 fiscal year for electric capital improvements.”*

Burlington Electric Department
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