

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, June 8, 2022, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:31 pm on Wednesday, June 8, 2022 at the Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Channel 17 was present to record this meeting.

Commissioners Herendeen, Moody, Stebbins, and Whitaker were present. Commissioner Chagnon was absent.

Staff members present at 585 Pine Street included Paul Alexander, Emily Byrne, Rodney Dollar, Andy Elliston, James Gibbons, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Paul Pikna, Darren Springer, and Emily Stebbins-Wheelock.

Staff members present via Microsoft Teams included Dave MacDonnell.

1. Agenda

There were no changes to the Agenda.

2. May 18, 2022 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the May 18, 2022 Commission Meeting; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

3. Public Forum

Mr. Bill Ellis, Esq., from the McNeil Leddy, and Sheehan law firm was present via Microsoft Teams for the meeting.

4. Commissioners' Corner

Commissioner Herendeen stated at the last meeting that he looked at the BED website and did not see BED's 2021 Performance Measures Report (PMR). At that time, Mr. Kanarick stated that the team was working on completing it and that it should be published soon. Commissioner Herendeen stated that he looked on the BED website today, saw that the 2021 PMR was published, and thanked Mr. Kanarick.

5. GM Update

Mr. Springer stated that the BED Rate Change was approved unanimously by the Board of Finance and City Council on Monday and will be filed with the PUC in mid-June, so that surcharges would start appearing on customer bills in August.

BED also had unanimous approval for two District Energy System items, including a resolution supporting the creation of a 501(c)(3) run by Evergreen Energy to manage further district energy development work, and ultimately to finance, permit, and construct the system if the decision is made to move forward as of the end of 2022. We also brought formal acceptance of the \$5.16 million in federal funds secured by Senator Leahy to the Council. Work proceeds on a letter agreement with all the partners to guide additional project development work to be completed in 2022, and to keep us on schedule for construction in 2023 and operation in 2024 if the financial terms are acceptable. Updated financial terms will be provided by the end of 2022, including for interest rates on the debt financing, updated construction pricing, and updated fuel costs for steam.

Mr. Springer stated that BED is working on policy development and working with different stakeholders on having additional building policies under the Charter Change that was recently passed. The department had a good meeting with UVM, and we are scheduling a meeting with UVMMC. We are working with the Building Electrification Institute, which is looking at policies that are in place in areas such as Denver and New York that have a similar cold climate. We are looking at the large existing commercial buildings because that is where developing policy will be the most challenging. It is much easier to set policy for new construction, therefore, if we are going to set policies for existing buildings, we want to be thoughtful about how that will work for the building owners and how they will manage what is expected of them. Our first report back will be an initial report on July 18 with a final report in the future.

Mr. Springer stated that BED plans to update two currently vacant positions in Sustainability and Energy Services to add Net Zero Energy capacity, while also creating a new business project management position in IT.

BED is working to create our first-ever Net Zero Energy festival at 585 Pine Street, on Saturday, September 17 from 9am-1pm, with a rain date of September 24. Our team is in the planning stages and planning to include live music, kids art and activities, technology demonstrations such as EV test drives and E-bike test rides, EV auto dealer and heat pump installer booths/tables, bike tune-ups, a visit from the Lake Monsters' CHAMP, zero fossil fuel food and drink carts, and many other activities.

6. FY22 April Financials

Ms. Byrne presented the budget-vs-actual results for the month of April FY22. The Department had a net income of \$(1,671K) in March compared to a budgeted net income of (\$1,108K). On the

revenue side, actual sales to customers were unfavorable compared to budget by \$194K. Residential sales were up \$69K, and commercial sales were down \$263K. Other revenues were up \$18K, partially due to higher than budgeted EEU receipts. There were no REC receipts in April.

Power supply expenses were \$177K over budget. Transmission fees were under budget for the month. The Policy and Planning team continues to research the budget variance. Operating expenses were over \$110K compared to budget. This was primarily due to \$342K of 2022 revenue bond issuance costs incurred in April that were not included in the budget. This expense was offset by lower than budgeted operating expenses, including labor, materials, and outside services. Other income was under budget due to lower than anticipated customer contributions. Interest expense was under budget by \$12K.

For FY22 year-to-date, actual net income is \$898K better than budget. Sales to Customers is \$58K under budget. Other revenues are down due to lower than anticipated EEU receipts and customer billings. Power supply revenues are down by \$48K or less 1% for the year. On the expense side, power supply is under budget by \$1,689K, driven by purchase power, transmission, and fuel costs all coming in under budget. Operating expenses are running below budget by \$1.168M.

As of April, the Department has spent 49% of the FY22 capital budget. Capital spending will see an increase in May due to the receipt and payment of invoices associated with the McNeil overhaul. At the end of April, the Department has an operating cash balance of \$11.26M with 139 days cash on hand. The debt service coverage ratio is 4.59 and the adjusted debt service coverage ratio is 1.21.

7. 2022-23 Draft Strategic Direction

Mr. Springer reviewed the changes made to the draft Strategic Direction and stated that the focus of the edits was on updating the different initiatives.

Following are the changes that are proposed:

Section “Engage Customers and Community”

Add initiative *“Provide website tools so that customers can evaluate both cost and carbon saving from heat pump technology installations.”*

Section “Manage Budget and Risks Responsibility”

Add *“Mitigate cybersecurity risk through awareness, assessment, policy, and practices.”*

Mr. Springer stated that this Strategic Direction is a little more specific than what we have had in the past and stated that a lot of the initiatives are ongoing with work that is current and continuing.

Commissioner Whitaker stated that this document seems like a lot of information and is complicated. Mr. Springer stated that, in the past years, the department had more of a work plan in

the initiatives, and has moved away from that approach to set initiatives that are more durable and reflect the kind of ongoing work that the department is doing. One of the goals is that everyone in the company can see a piece of their work reflected in this document.

Commissioner Stebbins stated that it is helpful to look at the dashboard in tandem with this document because it helps to see the actual progress and helps connect the dots and suggested that an asterisk be placed on the document with a link to the dashboard.

Mr. Springer made note of the feedback from the Commission and stated that these edits will be brought back to the BED team.

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

8. Addition of Emily Byrne to the Signatory List for BED Accounts

Mr. Springer stated that he and Ms. Stebbins-Wheelock are presently signatories on the BED accounts, and Mr. Springer, Ms. Stebbins-Wheelock, and Mr. Kasti are signatories on the McNeil accounts. Mr. Springer stated that in the past we have asked the Commission to approve the addition of actual employees instead of positions. We are now asking the Commission to approve whichever employees are serving in the positions of General Manager, Manager of Strategy and Innovation, COO and Manager of Utility Services and Engineering, and Director Finance. This approach will alleviate coming back to the Commissioner if there is a staffing change in the future.

Commissioner Whitaker made a motion that the Burlington Electric Commission authorize signers of treasury, banking, and other asset management accounts for the Burlington Electric Department shall be the employees in the following positions:

For Department Accounts: General Manager, Manager of Strategy and Innovation, and Director of Finance.

For McNeil Generating Station Accounts: General Manager, Manager of Strategy and Innovation, COO and Manager of Utility Services and Engineering, and Director of Finance.

This motion was seconded by Commissioner Stebbins and approved by all Commissioners present.

9. Street Lighting Primer

Commissioner Stebbins stated that the next item is the Street Lighting Primer with the potential for an Executive Session. The next item regarding the Moran MOU is also in Executive Session and the Commission should make the motion to enter Executive Session for both items instead of separately. It was agreed that, after the Street Lighting presentation, the Commission and staff

would enter Executive Session.

Commissioner Stebbins stated that there were street lights that have been replaced or updated, and that the Commission has heard from a number of residents asking if the streetlighting work is necessary and from where do the lighting standards come. The BED team spent time in the field talking to customers to identify areas where either the lighting could be angled differently or addressed but ultimately staying with the IES Standards.

The Commission wanted to review the street lighting in more detail and update the new Commissioners.

Andy Elliston, Director of Engineering and Technical Services, presented a PowerPoint presentation and explained that BED has the responsibility of lighting the accepted streets of the City of Burlington and that BED follows the Street Lighting Policy adopted by the Commission. Mr. Elliston explained that street lighting in Burlington is designed to conform to the Illuminating Engineering Society (IES) recommendations for lighting levels and fixtures are modeled using a road template, and light levels on the street and sidewalk are evaluated. The department's goals are energy efficiency and providing adequate lighting on the street and sidewalk while minimizing spill beyond the sidewalks.

Mr. Elliston provided a quick overview of lighting level definitions and street classifications and stated that street classifications are based on expected traffic volume, with higher levels of traffic requiring higher levels of lighting. Sidewalk levels also follow a classification of high, medium, and low. In Burlington we would use Low Conflict-Medium Density for the majority of the residential areas.

Mr. Elliston provided a graph showing the lighting design criteria for streets, a sidewalk graph showing recommended values for medium pedestrian conflict areas, and a graph showing illumination for intersections.

Mr. Elliston explained how street lighting designs are completed and the process and steps taken to ensure that the levels meet the standards, and stated that the department strives to choose the lowest output level fixtures that allow BED to meet all minimum criteria.

New solutions were made possible in the 2020 revision to the Street Lighting Policy. These changes included shorter arms and shorter poles.

Due to recent feedback from customers and at the request of the Commission, BED is investigating the feasibility of reducing lighting levels in certain areas of the City, primarily the residential areas.

In January, the Department reached out to IES for clarification on two items, Section 11.6.3 "When Residential Street Lighting may not be needed" and Section 11.6.3.1 "Streets with travel speed below 30 mph" which states that streetlights may not be necessary for driver vision, but also

specifically states that it doesn't address lighting for pedestrian needs. We also asked if there was a venue where we can ask questions. To date, we have not gotten a response from the IES. We did, however, purchase the new version of the RP-8 Handbook, and currently are evaluating it to see what, if anything, has changed.

Commissioner Stebbins stated that, while the Commission does not receive a lot of public comment on items, one of the few times has been on street lighting issues. Commissioner Stebbins believes it would be helpful for the public to know that there has been some legal precedent and legal guidance around this issue. Commissioner Stebbins asked Paul Alexander, Manager of Safety and Risk Management, to talk about the guidance the department has received.

Mr. Alexander stated that, in the legal, insurance, and risk management world, no one is more risk averse than this group. When the topic of lowering lighting levels comes up, as long as we are meeting the standards/guidelines that IES puts out, we are generally good. When we receive a claim or there is an accident, that is when the lighting issue is going to be scrutinized, and we would not want to be below those IES standards.

Commissioner Stebbins asked if the Commission would like to look into this issue further. We do have a couple of the Commissioners who feel strongly that we stay with the IES Standards, or we could discuss more about this when all the Commissioners are present for the meeting.

The Commission decided to give Mr. Elliston and his team some time to review the new version of the RP-8 Handbook, and Commissioner Herendeen has volunteered to research any changes made in other communities/cities. This subject will be addressed again at the September Commission Meeting.

10. Moran Frame Update

Mr. Springer stated that Mr. Bill Ellis, BED's longstanding regulatory attorney, is in attendance and will join the Commission in Executive Session. Mr. Springer stated that this agenda item related to BED and its potential liability with the Moran site and the construction of the Moran Frame Project and that he would like to discuss this topic in Executive Session.

At this time the Commission will enter into Executive Session to discuss Street Lighting and BED's Memorandum of Understanding regarding the Moran Plant.

Commissioner Moody made a motion that premature general public knowledge of BED's history, background, and legal cases relating to street lighting and premature general public knowledge of BED's Memorandum and Understanding regarding the Moran Plant 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 and approved by all Commissioners present.

Commissioner Moody made a motion to enter into Executive Session at 6:49 pm with Burlington Electric Department Staff to discuss S BED's history, background, and legal cases relating to street lighting and BED's Memorandum of Understanding regarding the Moran Plant, under the provisions of Title 1, Section 313(a) (1)(A) of the Vermont Statutes; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

Commissioner Moody made a motion to exit Executive Session at 7:18 pm; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

11. Commissioners' Check-In

There were no Commissioner check-ins.

Commissioner Moody made a motion to adjourn; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

The meeting of the Burlington Electric Commission adjourned at 7:22 p.m.

Attest:



Laurie Lemieux, Board Clerk