

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 (or)
Via Microsoft Teams
[+1 802-489-6254](tel:+18024896254)
Conference ID: 154 453 814#

AGENDA
Regular Meeting of the Board of Electric Commissioners
Wednesday, March 9, 2022– 5:30 p.m.

- | | |
|---|----------------|
| 1. Agenda | 5:30 (5 min.) |
| 2. Minutes of the February 9, 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 January (Discussion):
E. Byrne | 6:00 (10 min.) |
| 7. McNeil Side Track Lease: (Discussion and Vote):
B. Lesnikoski | 6:10 (10 min.) |
| 8. Low Income Rate: (Discussion): J. Gibbons
J. Gibbons | 6:20 (15 min.) |
| 9. Commissioners' Check-In | 6:35 (5 min.) |

Attest:



Laurie Lemieux, Board Clerk

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

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#

TABLE OF CONTENTS (for 03/09/22 meeting)

***** FYI *****

- Minutes of the February 9, 2022 Meeting
- February Monthly Report
- Dashboard
- FY22 January Financials
- McNeil Side Track Lease Documents

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



MEMORANDUM

To: Burlington Board of Electric Commissioners
From: Darren Springer, General Manager
Date: March 4, 2022
Subject: **February 2022 Highlights of Department Activities**

General Manager

- **Historic January for McNeil:** As noted below in the generation section, McNeil had an historic run in January, with 24/7 production during one of the most expensive periods in ISO-New England history. This created a positive economic impact for BED which is part of the January financial update, and also helped reduce the region's reliance on fossil fuel generation during the winter. Our appreciation to the McNeil operations teams for their great work this Winter, and to our foresters for keeping the plant well-supplied with wood.
- **Moody's Rating for Net Zero Energy Revenue Bonds:** On March 2, 2022, Moody's announced that BED's forthcoming Net Zero Energy Revenue Bonds have received an A3 rating, with a stable outlook. As with our A3 rating on existing revenue bonds announced last year, Moody's has credited the recovery in the local economy following the pandemic, BED's forward looking renewable energy and climate mitigation strategies, and our financial management and rate plans in making the A3 rating determination. This is positive news as we move towards issuing the bonds this Spring.
- **Arrearage Assistance and Disconnection Policy:** Customers will receive a letter soon outlining BED's plans to support customers who still have arrearages with application of the \$1.3 million in city ARPA funds to address arrearages from the pandemic as of February 28, 2022. Customers who have past due balances from the pandemic will see the application of ARPA funds when they receive their March or April bills. Going forward, BED will resume our regular policy of disconnection for nonpayment starting May 1. We will continue to work with customers who need assistance via our temporary energy assistance program, our budget payment plans, and available state assistance programs for renters and homeowners.
- **Legislative Activity:** BED testified multiple times in support of the Burlington Charter Change related to thermal energy, and it has passed House Government Operations, House Appropriations, and the full House. It will now move to the Senate for consideration. In addition, I am engaged as co-chair with Linda McGinnis of an EAN steering committee advocating for \$5 million in federal or flexible funds to support a program to help lower-income Vermonters switch to heat pump water heaters, and that program has received preliminary support from the House Energy & Technology Committee and will be considered by House Appropriations soon.
- **District Energy:** BED, Ever-Green and VGS had a productive meeting with UVMMC in late February and have a meeting with UVM scheduled for March 10th. We work diligently to try to

bring Phase 3 to a conclusion. We are also in the process of applying for additional competitive federal funds which would enable expansion of the project to include additional Intervale Center buildings and help lower the overall cost.

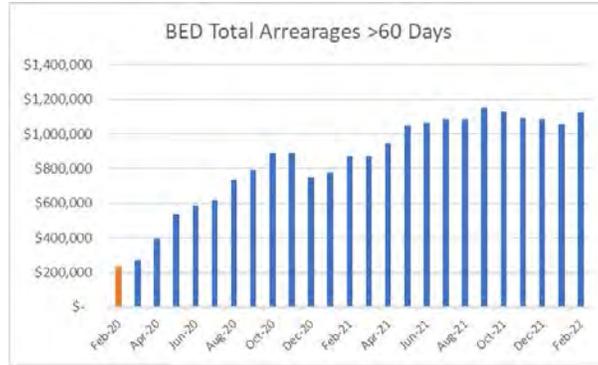
- **Low-Income Rate:** The Policy & Planning team will present on ideas for a permanent BED low-income rate, to replace in FY23 our temporary energy assistance program which is available in FY22. Our goal is to have a low-income rate ready in FY23, to support customers in need for the long-term. This will be important as we will face some additional upward rate pressure in the next several years, although we've moderated that upward pressure through the Revenue Bond strategy. The Commission can expect to have a proposal for a vote in April, along with several other key financial items including renewal of our KeyBank line of credit, and presentation of a draft budget.
- **Level 3 Fast Chargers:** BED is currently considering a proposal from Chargepoint to replace our two outdated 25 kW CHADEMO chargers (at marketplace garage and 585 Pine St.) with new, 62.5 kW fast chargers that are compatible with CCS and CHADEMO charging. These would be the first modern fast chargers located in the City, and some of the fastest anywhere in the state currently. They would be funded through the Revenue Bond, and funding was included in our FY22 budget. We'll have more to report on this at the April meeting, and if necessary, may bring approvals for multi-year agreement with Chargepoint to support the chargers to the Commission at that meeting as well.
- **Roadmap Update:** Also in April, we expect to have the updated Synapse Net Zero Energy Roadmap data for 2021.

Center for Innovation - Emily Stebbins-Wheelock

- Overseeing 2022 revenue bond issuance process.
- Continued sponsorship of IT Forward implementations.
- Sponsoring internal team reviewing rebate process for efficiencies and effectiveness.

Finance & Accounting

- Continued work on FY2023 budget development.
- Continued work on the 2022 revenue bond issuance, with debt advisors, bond counsel, underwriter, and City finance staff. Participated in Moody's bond rating call with Policy & Planning and senior management. Anticipating taking bonds to market in late March.
- DPS agreed with proposed change to accounting treatment for RECs and Tier 3. With Policy & Planning, working on final documentation for external audit support.
- Continued work on assessing new GASB Standard 87-Leases for implementation in FY22.
- Supporting EEU administrative cost review.
- Posted staff accountant position in anticipation of staff retirement.
- Planning process for applying \$1.3MM of ARPA funds to customer accounts in arrears.
- Meeting with financial institutions to learn about our current holdings and relationships.
- Monitoring receivables in response to COVID19: as of February 28, 2022, BED's total non-current receivables had increased \$131,316 or 9.28% compared to the end of January 2022. Arrearages >60 days were \$1,123,065.



Billing & Analytics

- Continued development of the sales, revenues, peak demand, and energy forecasts for FY2023-2027.
- Functional lead for MDMS replacement and team member on Customer Portal replacement projects, with work on data integrations, data migration, documentation, and data cleanup.

Information Services

- Continued onboarding of new IT staff.
- Promotion of Jeff Clinton to System and Network Engineer I; recruiting for Systems & Support Analyst II position.
- Continued work on IT Forward projects: secure file transfer, AMI integration, data extracts for CIS daily syncs, and MDMS data conversion.
- Successful FIS/CIS upgrade.
- Implemented new security policies and requirements.

Policy and Planning

- BED 2021 rate filing approved by PUC; post-approval updates started.
- FY23-FY27 budget development.
- Held internal kick-off meeting for next IRP (forecasting focus).
- Initial Tier 3 results for 2021 available (147% of statutory goal from prescriptive measures).
- Monitoring of winter prices; VT-level winter readiness meetings.
- Forward Capacity Auction #16 held.
- Pre-bond issuance due diligence and documentation.
- Conducting power supply orientation sessions for new BED team members.
- Work on State of VT Multifamily EVSE grant.
- Work on District Energy Federal Funding Opportunity Announcement.
- DeltaClimeVT cohort for 2022 selected.
- Created forecasting model for Tier 3 load impacts.
- Review of CCHP results and potential program changes.
- Advanced Young Leaders of America and UNH sustainability internships.
- Monitoring 2022 legislative committee activity.
- Work on net metering customer issue with PSD.
- Electric boiler rate structure for DES nearly finalized.

- Submitted biennial net-metering compliance filing.
- Submitted comments in interconnection rulemaking.
- Closed out REC position for 2021 (purchased RECs to cover generation shortfall).

Sustainability & Workforce Development

- Nearing completion of the Ventilation Improvement Program, including installation of 9 ventilation systems for Burlington’s smaller commercial customers and non-profit entities.
- Presented Weatherization in Rental Properties ordinance to members of Middletown, CT’s energy committee and held bi-monthly meetings with Department of Permitting and Inspections leadership on compliance updates and next steps.
- Hosted first project meeting of the Vermont Low Income Trust for Electricity (VLITE)-funded effort to expand EV access for low-income residents through car sharing and enhanced charging infrastructure.
- Invited Customer Care and the Energy Efficiency teams to a call with the Building Electrification Institute (BEI) to learn about the customer economics tool developed by BEI on BED’s behalf and soon to be made available on BED’s website.
- Held a quarterly meeting with CEDO workforce development and housing staff to discuss trends, challenges, and opportunities on achieving NZE and how to support our mutual efforts.
- Participated in the Urban Sustainability Directors Network Gas Transition learning group co-chair meeting; facilitated webinar for ~65 USDN members with guest Neale Lunderville, CEO of VGS, on VGS’s emerging business model.
- Recorded 2 new NZE Podcast episodes: guest Arthur Chukhman on his Old North End passive house project involving embodied carbon in building materials; and Jesse Beck, 2030 District member and private property owner working towards NZE.
- Attended second Burlington High School and Burlington Technical Center Advisory meeting including discussions on LEED versus NE-CHPS (Northeast Collaborative on High Performing Schools) certification. This group, composed of City staff, BHS teachers and administrators, student representatives and others, provides feedback to the architecture and design teams including input on important transportation considerations.
- Joined Burlington City and Lake Semester (BCL) class to talk about energy and BED’s NZE strategy and invite BCL students to consider the sustainability principals that should be integrated into BHS/BTC design.
- Joined 2030 District executive meeting; set agenda and participated in February Steering Committee meeting.
- Participated in monthly Racial Equity Workshop and White Accountability group meeting.

Center for Safety and Risk Management – Paul Alexander

Safety

- Completed “draft” of special safety considerations for the gas turbine.
- Conducted bimonthly safety briefing with senior management and union.
- Performed various COVID-19 mitigation prevention measures throughout the month.

Environmental

- Submitted Gas Turbine Annual Emissions Inventory and McNeil Annual Emissions Inventory to State of VT.
- Conducted monthly wastewater reporting.

Risk Management

- Reviewed city's insurance allocation for finance.
- Assist with OSHA's ITA annual report.
- Review CEDOs shelter pod request.
- Reviewed the city and state no-idling ordinance/law
- Reviewed Moran Frame Agreement.
- Assisted in reviewing/preparing DHS grant(s) application.
- Reviewed PEMS' close out agreement.
- Met with the city attorney on power line issues.
- Reviewed and responded to NERC Alert (Russia-Ukraine Cyber warning).
- Hosted a DHA dependency 1-line diagram meeting.
- Sent out BCP emergency contact list version #5.
- Confirmed ISO-NE's OP-16/NX-9 data request.

Purchasing/General Services

- Attended monthly meeting with the Electric Bucket Truck Vendor.
- Attended meeting with the state on our grant for electric bucket truck.
- Met with the state on DHS grants possibly available to BED.

Center for Operations & Reliability – Munir Kasti

Engineering & Operations

- Completed the rebuild of 1L4 circuit on North Avenue from pole P3132 to P3149.
- Completed the rebuild of 3L3 circuit neutral and secondaries on Pine Street.
- Replaced the temporary 750 KVA transformer for the Beta project at the Airport.
- Pulled the secondary wire for the Airport Terminal Expansion and are waiting to schedule an outage to swap out the transformer.
- Responded to 18 trouble calls and 6 emergency dig safes.
- Completed 10 service requests and numerous street lighting issues.
- The crews completed CPR and First Aid refresher training.
- Performed prep work and configured the motor operator for the 227S project.
- Began preparing and testing of the new 5-way padmounted switch for the UVM LCOM/Firestone project.
- Performed troubleshooting at field devices and at the substations.
- Released the RFP for Appletree Point civil work.
- Released the RFPs for three padmounted switches.
- Released the design and work order for the following projects:
 - Add SCADA-controlled motor operator to 227S switch on Park Street
 - Buell Street Three-Phase Conversion

- Replacement of underground system at Harbor Watch
- Prepared FY23 expense and capital budgets and 5-year capital projection.
- Provided project estimate details for revenue bond projects to the Engineering consultant.
- Reviewed, updated, and issued the SCADA Alarm Technician Callout Procedure.
- 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.

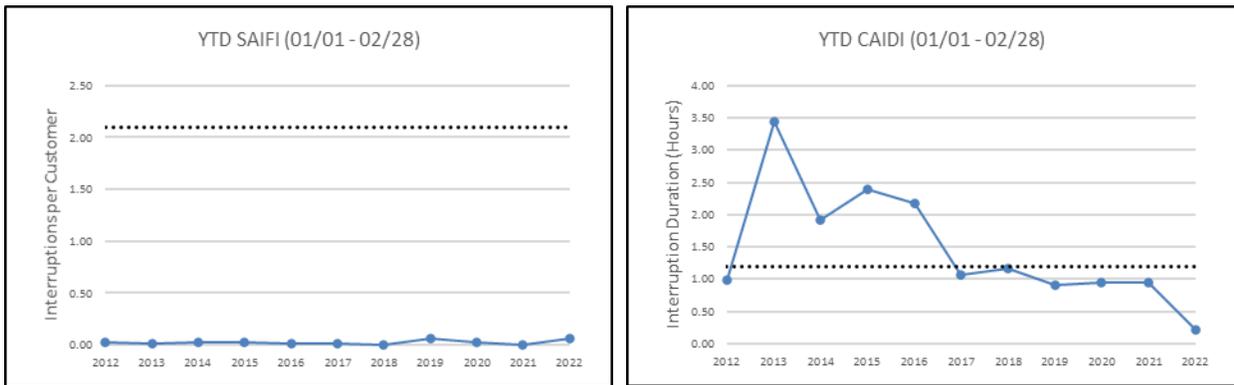
Grid Services

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

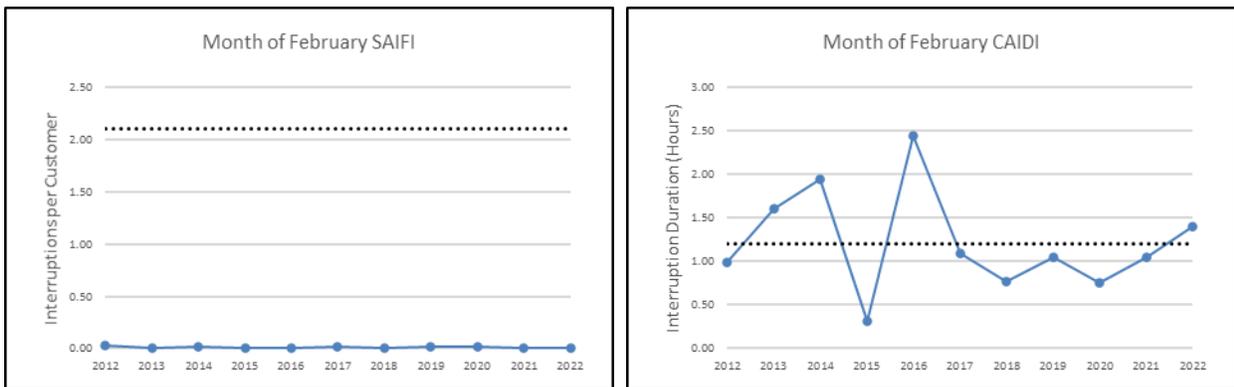
SAIFI & CAIDI Outage Metrics:

BED’s distribution system experienced 15 outages in February 2022 (7 unscheduled and 8 scheduled). BED’s SAIFI for the Month of February was 0.01 interruptions per customer and CAIDI was 1.4 hours per interruption. BED’s YTD SAIFI is 0.06 interruptions per customer and YTD CAIDI is 0.22 hours per interruption.

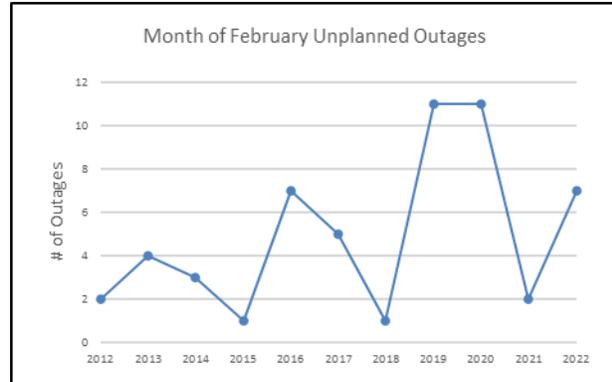
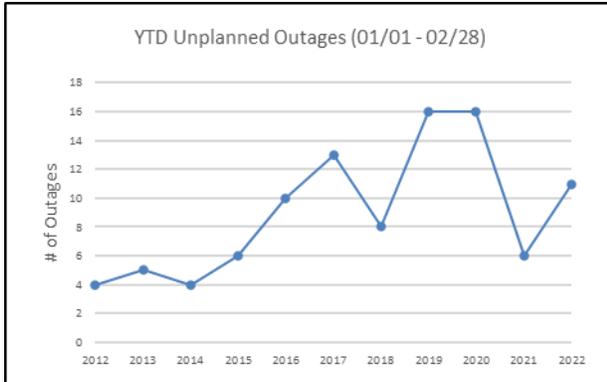
The following figure shows BED’s historical YTD SAIFI and CAIDI:



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



The following figure shows BED’s historical Unplanned Outages:



GENERATION

McNeil Generating Station

Month Generation:	33,825.0 MWh
YTD Generation:	69,990 MWh
Month Capacity Factor:	100.7%
Month Availability:	100%
Hours of Operation:	672 Hours

This month McNeil had its highest capacity factor for a single month. This is the first time we had a capacity factor over 100% in the history of the plant. Our previous highest capacity factor was 99.4% in January of 2018.

Rodney Dollar the new Supervisor of Generation position started at the plant on February 14th.

Winooski One Hydro

Monthly Generation:	1751.157 MWH (83.229% of average)
YTD Generation:	3,386.243 MWH (72.932% of average)
Month Capacity Factor:	35.214%
Annual Capacity Factor:	32.316%
Month Availability:	98%

Burlington Gas Turbine

Month Generation:	13.677 MWh
YTD Generation:	29.807 MWh
Month Capacity Factor:	0.089%
Month Availability:	100%
Hours of Operation Unit A:	1.1
Hours of Operation Unit B:	1.0

There was one self-scheduled operation of the asset for operability confirmation this month which was successful. The asset is fully functional and in service at the end of the month.

Solar (Pine Street 107 kW)

Month Generation: 3.1 MWh (609% from previous year, very snowy in Feb-21)
 YTD Generation: 3.8 MWh
 Month Capacity Factor: 4.3%
 Month Availability: 100%

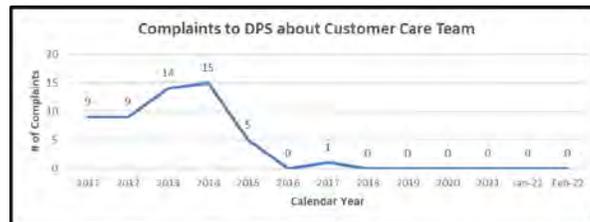
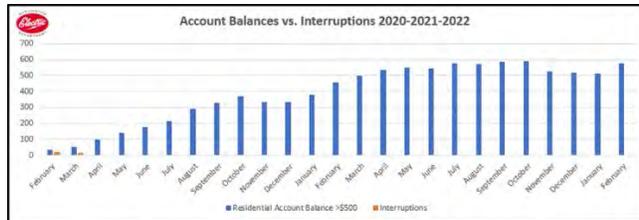
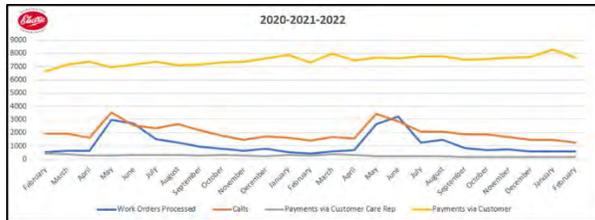
Solar (Airport 499 kW)

Month Generation: 26.9 MWh (3,197% from previous year, very snowy in Feb-21)
 YTD Generation: 45.5 MWh
 Month Capacity Factor: 8%
 Month Availability: 100%

Center for Customer Care & Energy Services – Mike Kanarick

Customer Care

- Call Answer Time (75% in 20 seconds): February 2022 85.2%, January 83.9%, December 2021 84.6%, November 85.2%, October 77.7%, September 82.4%. February 2021 93.1%, January 86.7%, December 2020 84.2%, November 85%, October 84.4%, September 84.3%, August 72.1%. Call answer time up 1.3% from last month.
- February 2022 Stats: please see dashboard for additional metrics categories.



Communications and Marketing

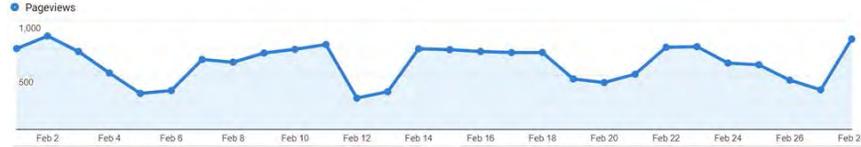
- Community Engagement: on February 22 and 23, BED’s Ciaran Canavan (Lineworker) and Katie Dorey (Innovation Project Specialist and Customer Care Representative) represented us at ECHO, Leahy Center for Lake Champlain’s Circuit Circus where they presented Powertown, our high voltage demonstration model that educates viewers about the hazards of electricity and how the grid operates.
- Temporary Energy Assistance Program to offset 7.5% rate increase: to help offset BED’s first-rate increase in 12 years that began appearing as a surcharge on customer bills in August, we are offering income-qualified customers temporary assistance in the form of a monthly bill credit

through June 2022. So far 79 (up from 75, 69, and 58) customers have applied with 60 approved, 18 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 “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 591 of 866 (up from 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 \$474k (up from \$434k January, \$353k December, \$323k November), of which BED has received \$436k (up from \$388k January, \$263k December, \$212k November).
- 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 published on March 1 about an Old North Ender who built and lives in Burlington’s first passive house.
- BED Annual Report: our yearly update was included in the City of Burlington Annual Financial Report distributed at the polling places on Town Meeting Day and soon to be available on the [City website](#).
- North Avenue News: our March column encourages Burlingtonians to take advantage of our Net Zero energy initiatives and also promotes financial assistance programs, including Vermont’s Homeowner Assistance Program (provides funding through the Vermont Housing Finance Agency including assistance with overdue utilities, mortgage payments, and more), VERAP, and BED’s Temporary Energy Assistance Program.
- February 2022 Website and Facebook Highlights
 - Overall site-wide pageviews for February 2022 = 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 February 2022 = 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

Full site traffic for February 2022



- 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	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
Burlington Electric Department	6657	7237	7353	7246	8186	7845	8464	9164	9085	9667	6884	7234	6550	7571	7130	7071	7497	9277
My Bill	2585	3122	2670	2737	2825	2943	2846	3033	3295	3235	3087	3228	3046	3532	3308	2995	3258	3651
Waste Wood Yard	237	527	804	1649	1069	1045	1082	1212	1160	1569	2034	1110	367	979	761	1756	1545	1393
Report A Problem	70	95	385	93	235	119	79	153	135	93	60	88	80	80	121	76	140	721
Stop or Start Service	202	248	279	306	298	454	867	803	1079	2599	622	337	279	336	277	330	366	502
E-billing	266	340	345	274	276	376	345	522	451	337	380	352	368	495	528	397	394	669
Contact Us	360	445	439	448	460	577	642	638	731	949	468	560	413	417	467	414	436	547
McNeil Generating Station	255	374	379	644	443	347	339	447	429	627	791	517	395	525	507	734	634	548
Heat Pumps	331	382	264	394	477	406	496	567	369	82	40	39	46	30	n/a	18	36	36
Rebates	488	450	377	501	537	566	571	621	795	n/a								
Rebate Center	508	549	419	499	546	530	667	679	319	n/a								
Green Stimulus	49	57	27	49	91	106	113	138	233	255	257	280	504	283	208	158	152	171
Stop or Start Service	202	248	279	306	298	454	867	803	1079	2599	622	337	279	336	277	330	366	502
Leadership Team	237	265	196	222	206	243	276	228	240	212	198	308	218	286	207	193	190	269
Rates & Fees	180	221	203	166	214	178	132	143	247	310	184	212	218	161	140	139	190	190
Usage Tracker Registration	120	156	142	127	114	94	154	177	223	107	118	150	196	185	209	147	154	201
RFP	597	362	152	270	243	452	497	455	158	143	439	393	471	404	258	387	400	383
Residential Ways to Save	146	147	157	164	156	172	191	172	220	217	173	175	163	137	159	137	212	172
Electric Vehicles	296	222	244	296	289	272	265	245	332	247	258	246	218	210	190	208	296	219
E-Bikes	89	78	76	78	161	168	265	207	192	223	242	196	117	106	109	117	131	174
Net Zero Energy News	30	33	26	32	67	204	129	115	178	210	132	187	195	228	179	225	222	241
Electric Vehicles	296	222	244	296	289	272	265	245	332	247	258	246	218	210	190	208	296	219
COVID-19 Updates	11	17	16	22	79	153	166	397	540	335	275	332	301	349	337	323	281	83
Our Energy Portfolio	54	58	48	88	104	96	59	42	n/a	51	110	102	101	49	51	53	84	125
Electric Lawn Mowers & Leaf Blowers	23	49	39	94	117	150	133	184	229	408	312	176	79	131	70	157	101	88
RFP Detail	413	214	n/a	94	49	258	334	185	n/a	23	401	199	414	303	148	293	321	403
Defeat The Peak	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	45	30	43	37	41	98	55	39	62	26	46	59	33	37	41	34	53	33

- Top-performing Facebook posts
 - Promoting new NZE Podcast episodes
 - Promoting the [Energy News Network story](#) about BED’s partnership with EVmatch, the Airbnb for EV charging, helping apartment renters and members of the public gain greater access to EV charging

Energy Services

UVM / UVMCC

- Overall project activity has slowed due to UVM staff focus on pandemic related safety issues.

Other Services

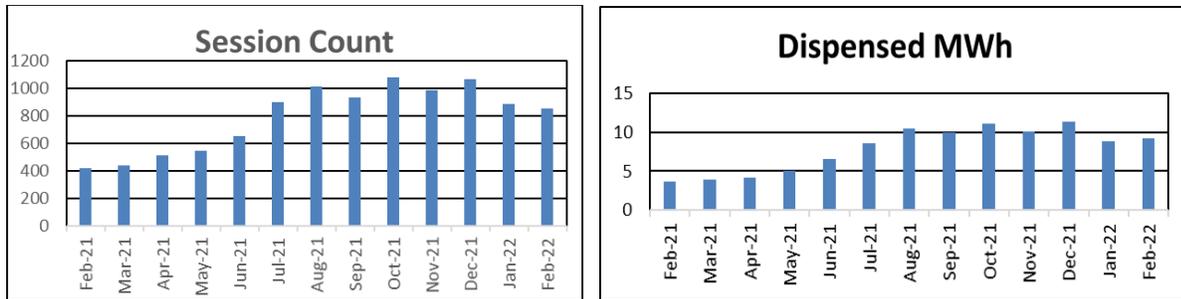
- Burton Corporation / HVAC Upgrade – Burton has engaged an engineering company to undertake a study of their Corporate Headquarters HVAC system to evolve it into a more efficient and environmentally friendly configuration. The possibility of a geothermal solution is being offered as the preferred HVAC system, if feasible. This is envisioned as a long-term project to be developed in stages. VGS has also shown a strong interest in investigating this possibility more thoroughly. Next step is a virtual meeting between design, BED and VGS.
- Hannaford North Ave / Renovation – BED is working with VEIC on energy savings measures associated with this supermarket renovation project. VEIC has a contract with Hannaford’s parent company to handle energy efficiency incentives for all of their stores along the upper east coast. The renovations for this store were largely completed near the end of last year. One more measure is being evaluated by BED which involves fully enclosing the produce prep cooler area to reduce exfiltration of cold air into the store. We are expecting to finalize this entire project early next month.
- Soulshine Power Yoga - 100 Church St / Ceiling Insulation Project – This Yoga Studio utilizes ceiling-mounted far-infrared electric heaters in its main yoga space for keeping the area at the required space temperature. This is typically about 90°F. This has become expensive due to the loss of heat through the ceiling and into the rafters. BED committed an enhanced rebate near the end of last year for this project, and the insulation work has now been completed. A BED walk-through took place this month and initial indications are that heat retention has noticeably improved. Actual pre-and post-billing energy usage will be used to determine the final savings for this measure.
- Hotel Burlington / Facility Lighting Project – The owner of this downtown hotel on Battery St. has accepted a lighting proposal from an out-of-state lighting contractor. 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. BED has updated this month the original rebate proposal offered at the end of last year with an expectation that the project will be completed over the next few months.
- City of Burlington / Fletcher Free Library Renovation – Design for this project is in its very preliminary stages. Progress will depend upon the level of fund-raising that can be sustained going forward. BED participated in an initial meeting with the architect and mechanical design engineer, to discuss available incentives for different aspects of the project. A geothermal HVAC solution is currently being investigated, and it is anticipated that a test well will be drilled within the next few months. In tandem with this will be a building envelope study coupled with blower door testing. It is important to minimize the necessary size of the HVAC system by first minimizing building heating and cooling loads by improving the envelope in as many ways as economically possible.
- Greater Burlington Industrial Corporation – 60 Main St. / Facility Lighting Project - The primary goal of GBIC is the creation and retention of value-added jobs that will strengthen the region’s economy and improve the quality of life for area residents. The lighting in this facility was outdated and in need of replacement. Coupled with this, GBIC was also renovating the building interior to bring it up to today’s office standards. Near the end of last year, GBIC decided to take advantage of enhanced energy efficiency rebates offered by EVT and BED to companies that were severely affected by the Covid lockdown. BED accepted this lighting replacement work as one of those projects. The lighting installation was completed this month as well as the final BED walk-through.

The results are quite impressive, and the new lighting work would not have been financial possible without the enhanced incentive program. The incentive will be paid sometime early next month.

- Cathedral of St. Paul / High Bill Inquiry – This organization has recently joined the Burlington 2030 District which has quantified goals for energy use reductions in different building types throughout the city. An interesting feature of this building is that it is mostly all concrete construction. It has been noted that the monthly electric bill for the building is fairly high. A BED walkthrough was completed this month, mostly focused on the HVAC systems. Further envelope work is also being considered as a high proportion of energy used in the building is for natural gas heating. BED received a blower door test proposal this month and is now in discussion with VGS as to how to best proceed.
- Committee on Temporary Shelter (COTS) Addition at 278 Main St – This project is an addition to an existing building that houses individuals that might otherwise be homeless. The addition will constitute (4) studio, (5) 1-bedroom, (7) 2-bedroom apartments for a total 12,750 sq. ft. of floor area. An initial energy model has been developed for the structure and BED is evaluating the energy savings in order to create a preliminary rebate offer for the energy efficient features of the design.
- 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. It is now time to evaluate the energy use and operation of the building in comparison to the original energy model. This calibration step is now in-progress through the services of the original energy modeling entity. BED is assisting by providing DDC trend data from the facility's building automation system. The process is going smoothly, and it looks as though this calibration step will be complete within a few weeks.
- Weatherization coordination with VGS - VGS requested electrical account usage histories (with customer permission) for 8 SF and 4 MF buildings (representing 13 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 119 SF and 74 MF buildings (representing 244 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.

Electric Vehicles

- The EVSE dispensed a total of 9.2 MWh and supported 855 sessions.
- The top 3 sales were 64, 69 & 69 kWh and occurred at the College St. garage.
- The top 10 sessions (1.1% of total) accounted for 6.6% (608 kWh) of the total monthly sale. The ten sessions ranged from 54 kWh -69 kWh.
- The EVSE served 420 unique drivers.
- Both stations located at Champlain College (Summit St. & Lakeside Ave.) will be replaced. Port 2 at the Summit St. station is not functioning and the Port 1 cord at Lakeside was damaged by plow due to a broken cord management system.
- Session Count and Dispensed Energy plots from the from the public charging network are shown below.



- Number of EV and PHEV rebates to date – 337 (of this 56 LMI rebates to date as shown below)
 - *These numbers have been corrected from the Jan 2022 report due to a miscount last month.
 - New All Electric Vehicle – 143
 - New All Electric Vehicle (LMI) – 26
 - New PHEV – 92
 - New PHEV (LMI) – 28
 - Used All Electric Vehicle – 23
 - Used All Electric Vehicle (LMI) – 1
 - Used PHEV- 13
 - Used PHEV (LMI) – 1
 - All Electric Vehicle (\$50K plus) – 10
- Number of customer loans with lending partners to date – 5
- Number of customers currently participating in the new EV Rate- 106
- Number of EV home charging stations rebates to date – 57

Electric Lawn Equipment to Date

- Number of e-mower rebates to date – 396 (11 commercial & 385 residential)
- Number of e-leaf blowers to date – 33
-

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

- Total Number of Heat Pump Technology rebates to date- 621 (of this 94 LMI rebates to date as shown below)
 - Number of ductless heat pumps to date – 471
 - Number of centrally ducted heat pumps to date – 123
 - 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 income-eligible space conditioning heat pump participants to date – 90
 - Number of heat pump hot water heaters to date – 22
 - Number of income-eligible heat pump hot water heaters participants to date – 4

Electric E-Bikes to Date

- Number of e-bike rebates to date – 275

Electric Induction Stove-tops to Date (new offering in Jan 2021)

Number of induction Stove-tops rebates to date – 12

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

- Number of snow blower rebates to date – 1

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	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%	90%	avg 82%	avg 81%		
Delinquent accounts >\$500	0	571	513	avg 529	avg 201		
Disconnects for non-payment	0	0	0	0	45		
# of residential weatherization completions	10	0	0	5	3	11	11
Weatherization completions in rental properties		0	0	0	0	TBD	TBD
# or % of homes or SF weatherized		TBD	TBD	TBD	TBD	0	0
Champ Challenge weatherization participants		3	3	0	1	TBD	TBD
# of commercial building with improved thermal envelopes		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
Strengthen Reliability							
SAIFI (AVG interruptions/customer) (annual target)	< 2.1	0.01	0.06	0.22	1.50	1.03	0.43
CAIDI (AVG time in hrs to restore service) (annual target)	< 1.2	1.4	0.12		0.55	0.75	0.93
Distribution System Unplanned Outages (annual target)	82	7	4	44	90	98	78
McNeil Forced Outages	0	0	2	5	21	TBD	TBD
W1H Forced Outages	0	0	0	9	2	TBD	TBD
GT Forced Outages	0	0	0	2	3	TBD	TBD
Invest in Our People, Processes, and Technology							
Avg. # of days to fill positions under recruitment	120	102	115	68	179		
# of budgeted positions vacant	0	9	10	avg 9	6	NA	NA

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	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		13	20	315	203	10	0
# of commercial heat pump installs		1	1	4	13	0	0
# of residential hot water heat pump installs		1	0	14	6	4	0
# of commercial hot water heat pump installs		0	0	0	0	0	0
Heat pump rebates		14	21	328	212	0	0
Heat pump hot water heater rebates		1	0	15	3	0	0
LMI heat pump rebates		6	0	28	6	4	0
Heat pump technology installs in rental properties		1	1	14	9	TBD	TBD
LMI heat pump hot water heater rebates		0	0	2	0	1	0
EV rebates - new		2	6	67	14	36	44
EV rebates - pre-owned	See NZE Roadmap Goals below	0	1	7	8	2	0
LMI EV rebates		0	0	11	7	7	0
PHEV rebates - new		0	0	41	10	17	14
PHEV rebates - preowned		0	1	6	5	3	0
LMI PHEV rebates		1	1	13	6	2	1
Public EV chargers in BTV (total)		27 ports	27 ports	27 ports	27 ports	14	14
Public EV charger energy dispensed (kWh)		9,200	8,860	86,570	35,690	78,000	67,931
Home EV charging station rebates		0	1	32	20	12	0
EV rate charging customers (total)		106	102	40	40	28	4
Level 2 charger rebates		0	0	10	0	1	0
Level 1 charger rebates		0	0	0	1	0	0
E-bike rebates		3	4	88	36	65	62
E-mower rebates		1	2	154	95	142	NA
E-forklift rebates		0	0	0	0	0	0
MWE of Tier 3 measures installed		695	1,730	23,763	35,112	3,342	
% Tier 3 obligation met with program measures	100%	14%	10%	159%	283%	31%	30%

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	Feb 2022 Actuals	Jan 2022 Actuals	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual	2018 Yearly Actual
<i>Net Zero Energy Roadmap Goals</i>							
# of solar net metering projects installed		1	4	29	24	33	52
No. of homes receiving NZE Home Roadmaps		1	2	10	7		
Residential heat pumps for space heating (no. of homes)	2020: 3963	NA	NA		891, 22% of goal	572	NA
Commercial heat pumps for space heating (SF floor space served)	2020: 1190	NA	NA		1304, 110% of goal	374	NA
Residential heat pumps for water heating (no. of homes)	2020: 1466	NA	NA		92, 6% of goal	87	NA
Commercial heat pumps for water heating (SF floor space served)	2020: 263	NA	NA		0	-	NA
EV registrations in BTV (light-duty)	2020: 548	NA	NA		356, 65% of goal	291	NA
Greenhouse gas emissions (1000 metric tons CO2)	2020: 190	NA	NA		182, 104% of goal	211	NA
Fossil fuel consumption (billion BTU)	2020: 3207	NA	NA		3142, 102% of goal	3,619	NA
<i>Demand Response</i>							
Manage Budget and Risks Responsibly							
<i>Safety & Environmental</i>							
No. of workers' compensation/accidents per month	0	1	0	4	8		
Total Paid losses for workers' compensation accidents (for the month)	\$225,000 annual	\$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	0.0	0.93	0.89	1.89
Lost Time Severity Rate (days/year) (Dec numbers reflect annual results)	<= 71	N/A	N/A	0.0	41.71	78.2	109.75
Lost work days per month	0	0	0	0.0	45		116
NOx reporting levels to EPA (Quarterly) (lbs/mmbtu)	<0.075	0.070	0.071	0.07	0.07		
# of reported spills, waste water incidents (monthly)	0	0	0	4	4		
Phosphorus levels to DEC in lbs (monthly/yearly total)	<0.8/37	0.067/1.71	0.145/1.83	2.028		1.169	
# of new power outage claims reported (monthly)	1	0	0	7	4		
# of new auto/property/other liability claims reported (monthly)	2	0	0	18	27		

BED 2021-2022 Strategic Direction Dashboard

Metrics by Strategic Initiative	Target	Feb 2022 Actuals	Jan 2022 Actuals	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual	2018 Yearly Actual
<i>Purchasing & Facilities</i>							
# of Purchase Orders for Inventory (Target: avg for winter months)	42	39	70	644	593		
\$ value of Purchase Orders for Inv. (Target: avg dollars spent during winter)	\$78,000	\$231,292	\$566,870	\$ 3,278,620	975,531		
# of stock issued for Inventory (Target: avg during winter months)	320	556	387	4,402	4,545		
\$ value of stock issued for Inventory (Target: avg. during winter)	\$ 65,000	\$ 71,107	\$ 39,432	855,456	1,086,478		
# of posters pulled from poles monthly (Target: goal to remove each month)	58	76	96	2,728	627		
# of Spark Space and Auditorium setup/breakdowns monthly (Target: Covid impact)	3	3	2	88	87		
<i>Finance</i>							
Debt service coverage ratio	1.25		5.15	NA-FY basis	NA-FY basis	NA-FY basis	NA-FY basis
Adjusted debt service coverage ratio	1.5		1.39	NA-FY basis	NA-FY basis	NA-FY basis	NA-FY basis
Days unrestricted cash on hand	>90		142	NA-FY basis	NA-FY basis	NA-FY basis	NA-FY basis
<i>Power Supply</i>							
McNeil generation (MWH) (100%)	per budget	33,825	36,165	273,355	192,696		
McNeil availability factor	100%	100%	96%	80%			
McNeil capacity factor	per budget	100.7%	97.2%	62.4%			
Winooski One generation (MWH)	per budget	1,751	1,635	24,752	21,194		
Winooski One availability factor	100%	98%	98%	97%			
Winooski One capacity factor	per budget	35%	30%	37%			
Gas Turbine generation (MWH)	NA	13.7	16.1	373	441		
Gas Turbine availability factor	100%	100%	93%	96%			
Gas Turbine capacity factor	NA	0.09%	0.09%	0.21%			
BTV solar PV production (mWh)		235	156	5,015	5,182		
Cost of power supply - gross (\$000)			\$2,116	\$30,285	\$31,081		
Cost of power supply - net (\$000)			\$2,116	\$22,134	\$23,388		
Average cost of power supply - gross \$/KWH			\$0.07		\$0.10		
Average cost of power supply - net \$/KWH			\$0.07		\$0.08		

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

Wednesday, February 9, 2022, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:30 pm on Wednesday, February 9, 2022 via Microsoft Teams Video Meeting.

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

Commissioners Chagnon, Herendeen, Moody, Stebbins (arrived at 6:33 pm) and Whitaker participated via Microsoft Teams.

Staff members present included Darren Springer, Paul Alexander, Emily Byrne, Andy Elliston, Erica Ferland, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Paul Pikna, and Emily Stebbins-Wheelock.

1. Agenda

There were no changes to the Agenda.

2. January 12, 2022 Meeting Minutes

Commissioner Herendeen asked that the minutes from the January 12, 2022 be amended to include the following statements in Agenda Item 6 under the Street Lighting Standards discussion:

Commissioner Herendeen drew attention to sovereign immunity and what that meant regarding the responsibility for lighting on the part of the City.

Commissioner Herendeen stated that several communities in Burlington have already reduced the number of lights they had by a large number.

Commissioner Herendeen also requested a change on Page 6 under Agenda item 5, GM Update, regarding rental weatherization standards to state the following:

This ordinance is now fully enacted, and we have identified the first cohort of buildings that will need to comply, properties that use equal to or more than 90,000 BTUs per sq. ft. per year.

Commissioner Herendeen made a motion to approve the minutes of the January 12, 2022 Commission Meeting as amended; 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 Whitaker. Aye

Results: 4 Ayes with 0 Nays, the motion carries. Commissioner Stebbins arrived after the vote was taken.

3. Public Forum

Present for the meeting were Mr. Bill Ellis, Esq., from the McNeil Leddy, and Sheehan law firm, as well as Mr. Thomas Melloni, Esq. and Ms. Kathy Zhou, Esq., both from the Paul, Frank, and Collins law firm.

4. Commissioners' Corner

Commissioner Herendeen stated that, on Page 13 of the monthly highlights, the statistics showed that BED supported one (1) Air to Water Heat Pump and asked if this was a commercial or residential installation? Mr. Springer reached out to Mr. Burns, who confirmed that it was a residential installation.

Commissioner Herendeen stated that Mr. Elliston conducted a presentation on lighting and during this presentation Commissioner Herendeen learned that lighting updates have been implemented over the years per the recommendations from Illuminating Engineering Society (IES). At that meeting Mr. Kasti suggested a possibility of reinstating the lighting committee, which Commissioner Herendeen was part of in 2014. Commissioner Herendeen stated that there have been many updates since 2014, including from the IES. Commissioner Herendeen also wondered what other updates may have come from the consultants that the 2014 Committee reached out to at that time. In 2014, there hadn't been a hard experimental backup, and Commissioner Herendeen suggested that there is some history that BED might check on other than the IES. Commissioner Herendeen asked that he be informed about what BED decides to do about reaching out to others.

At this time, Mr. Springer asked Mr. Elliston for an update on street lighting.

Mr. Elliston stated that, just prior to the January meeting, Engineering had reached out to IES with a number of questions that included BED's interpretation of their guidelines, especially for residential areas. Engineering also asked IES to clarify its statements regarding the reduction of lighting in residential areas, as they are a little vague.

IES immediately acknowledged BED's questions and said they were forwarding these questions to

their Standards Department. After review from the IES Standards Department, they would forward these questions to the appropriate subcommittees within the IES. Mr. Elliston indicated that, after a week, BED hadn't heard anything, so reached back out. IES responded that the subcommittee chair is aware of our questions and will get back to us when they are able. We are still awaiting a response. As soon as Mr. Elliston hears anything from the IES, he will inform the Commission and, in the meantime, he will continue to contact them regarding answers.

Commissioner Herendeen will email Mr. Elliston the names of the consultants who were part of the study in 2014.

5. GM Update

Mr. Springer introduced new members of the BED Team, Ms. Erica Ferland, BED's new Director of IT, and Ms. Emily Byrne, BED's new Director of Finance.

Ms. Ferland and Ms. Byrne each gave a brief history on their background and their excitement to learn more and be a part of the BED Team.

Mr. Springer stated that on January 27 BED announced new and expanded incentives for 2022. These new incentives are made possible because of the Net Zero Energy Revenue Bond providing the funding to support continued and expanded options and creating the liquidity to do that. The incentives also are made possible because of the authority granted under the Renewable Energy Standard and as an efficiency utility under Act 151. Highlights included new programs for electric motorcycles, chainsaws, trimmers, and riding and push lawn mowers, as well as new charging station programs. In addition, we have expanded our EV and PHEV incentives, and heat pump water heater incentives. For our low- and moderate-income customers, we now offer up to \$2,900 in BED rebates combined with state rebates that can run up to \$4,000 along with the federal tax incentives that can run up to \$7,500. One important change is with the residential, off-peak charging rate where you can charge between the hours of 10:00 pm and 12noon and get a very discounted charging rate. We previously have offered rebates of \$400 only to residents who have gotten new electric vehicles. These incentives will now increase to \$900 for customers getting new EVs and also will include up to \$700 for anyone getting a new plug-in hybrid or a pre-owned EV or plug-in hybrid. We've expanded the eligibility for customers to get a rebate on a home charger, get it installed, and get signed up for the off-peak rate.

There will be two Town Hall Meetings, hosted by the Mayor (one co-hosted by VECAN, the state organization that manages town energy committee's and is part of the VNRC). This first Town Hall will be with Rewiring America, a national organization that supports strategic electrification.

Mr. Springer stated that the Legislature has been taking testimony in the House Government Operations Committee on BED's Thermal Energy Charter change. Mr. Springer has joined the committee twice, and other individuals have joined to talk about this issue. Mr. Springer stated that he believes the Committee was considering a potential vote this week and, if successful, it could

come to the House floor in the next week.

Mr. Springer stated that he had a productive meeting with UVMMC, with a follow-up meeting scheduled for later this month and that our goal remains to wrap up the Phase 3 work by the end of the first quarter of 2022. At this time, we are waiting to reschedule with UVM. It is our hope to provide an update to the Commission at the April meeting.

We are engaged with Synapse to provide 2021 updated data for the Net Zero Energy Roadmap. Of interest will be how the transportation sector/vehicles miles traveled changed in 2021 as the economy began to reopen later in the pandemic. We should have the 2021 data to share at the April meeting.

Mr. Springer stated that we are taking a new approach to the Innovation Cup as a result of feedback from the Employee Engagement Committee. Our plan is to recognize employees on a monthly basis who are taking innovative steps to help improve our operations, reduce fossil fuel use, and demonstrate leadership. As an example, one of our lineworkers, Andrew Watson, suggested that BED replace our gasoline powered saws with electric battery powered saws, both for our chainsaws and our telescoping saws as Andrew had taken this step in his own life with the support of our Employee Net Zero Energy Reimbursement Program. BED now has funded part of this initiative this year and has provided new electric saws for the line crew, and we will fund the rest of the saws in the coming year. This is a great opportunity for BED to have ongoing engagement from the entire organization.

6. FY22 December Financials

Ms. Stebbins-Wheelock presented the budget-vs-actual results for the month of December FY22. The Department had a net loss of \$63K in December compared to a budgeted net loss of \$417K. On the revenue side, actual sales to customers were unfavorable to budget by \$90K. Residential sales were up \$11K, and commercial sales were down \$103K. Ms. Stebbins-Wheelock noted that, for the year-to-date, actual sales to customers are within 0.5% of budget. Other revenues, mainly EEU, were down \$53K.

Power supply expenses were \$242K less than budget, as a result of fuel, transmission, and purchased power all being under budget. Other operating expenses were down \$276K compared to budget. Other income was \$113K under budget for December, mostly due to customer contributions not arriving as planned.

For FY22 year-to-date, actual net income is \$198K or 8% below budget.

As of December, the Department has spent 26% of the FY22 capital budget and has an operating cash balance of \$9.5M, or 129 days cash on hand. The debt service coverage ratio is 4.80, and the adjusted debt service coverage ratio is 1.27.

5. Revenue Bond Resolution

Ms. Stebbins-Wheelock shared with the Commission the Net Zero Energy Revenue Bond Resolution that will be presented to the City Council for adoption. Ms. Stebbins-Wheelock stated that this Council Resolution adopts two Supplemental Resolutions to the General Bond Resolution, which is the original instrument adopted by the Board of Electric Commissioners that gives BED the authority to issue revenue bonds. Supplemental Resolution 16 increases the length of time the Department has to file audited financial statements with the bond trustee following the close of the fiscal year. Presently we have a 120-day deadline, which is often challenging to meet; this Resolution seeks to extend that deadline to 180 days. Supplemental Resolution 16 also expands the definition of investment securities to provide more flexibility in how the Department's debt service reserve funds may be invested. These changes would go into effect when 2/3 of the holders of the outstanding bonds approve. Supplemental Resolution 17 gives the General Manager and the Chief Administrative Officer of the City the authority to issue the \$20M of new Net Zero Energy revenue bonds at a price that is reasonable and at interest rates defined within the Resolution.

Mr. Thomas Melloni of the Paul, Frank + Collins law firm stated that there is a two-stage process by which bonded indebtedness can be incurred. First is the Board of Electric Commissioners, and second is the City Council. The Charter grants the City Council the ultimate authority for incurring bonded debt, and this approval is scheduled for the February 22, 2022 City Council meeting. Mr. Melloni stated that, since the Board of Electric Commissioners vote in December to allow project costs to be reimbursed from bond proceeds, work already has taken place in terms of tax analysis and the preparation of the official statement. There is also a meeting with Moody's scheduled to obtain a credit rating for this specific bond issuance.

Mr. Melloni stated that Supplemental Resolution 16, once adopted, requires two approvals to be implemented: one, we need the approval of Assured Guaranty, the insurer of the outstanding bonds; and two, we need approval of 2/3 of the current bond holders. Ms. Kathy Zhou, a colleague of Mr. Melloni, obtained the consent of Assured Guaranty to the change regarding the 180-day deadline for filing the annual audit and the change in the permitted investment securities for debt service reserve funds held by the bond trustee. The approval of 2/3 of the bond holders will be obtained over time. Investors in the new 2022 issuance will be consenting to the terms of Supplemental Resolution 16; because BED has approximately \$19M in previously issued revenue bond debt outstanding, this will mean that just over half of the bondholders will have consented to the changes. In Mr. Melloni's opinion, unless BED engages in some other refunding in the future, we will reach the 2/3 threshold in approximately 2025, after the 2014 bonds mature. The alternative to this approach is reaching out to all of the bondholders to seek a vote, which can be an expensive and time-consuming endeavor.

Mr. Melloni continued that BED, and the City gave careful consideration and weighing of whether to issue the bonds in a single \$20M issuance or in multiple series of bonds to hopefully save interest. After consultation with the City's financial advisor, it's been determined that the best path forward is as one issuance. Interest rates are expected to rise, and each bond issue has associated

transaction costs, so there are cost benefits of issuing the full \$20M now, particularly since the projected capital expenditures are going to be incurred within a three-year time period. The current schedule is to sell the bonds in the middle of March 2022 after the solicitation of bids to determine what the terms and the interest rates will be, with a closing at the end of March.

Supplemental Resolution 17 delegates to the General Manager and the Chief Administrative Officer the authority to determine the final interest rates, the repayment terms, and the debt service scheduled. Mr. Melloni stated that, while the current expectation is that the interest rate will be well under the threshold of 4.25% set by the Resolution, in the event it is higher, ultimate approval would be required from the Board of Finance.

Commissioner Whitaker asked for clarification about certain changes requiring the approval of 2/3 of the bondholders. Mr. Melloni explained that the General Bond Resolution allows for amendments or supplements, with certain changes allowed through action of the Board of Electric Commissioners and approval of the bond trustee, and other changes that are material or significant to investors requiring the approval of the holders of 2/3 of the outstanding bonds on a dollar-weighted basis. The bond resolution, however, also allows these types of changes to be implemented with the caveat that they only become effective once the 2/3 of bondholders' consent has been received.

Commissioner Whitaker stated that her understanding was that the other change in Supplemental Resolution 16 would allow BED more flexibility in investing the \$20M once received. Mr. Melloni responded that her understanding was correct; the bond proceeds will be deposited with Zions Bancorp, the bond trustee, and be held in what's called the Construction Fund. Disbursements from the Construction Fund to BED will be made based upon requisitions from BED management certifying that the monies are to reimburse revenue bond project costs. Additionally, there is a Debt Service Reserve Fund that is held by the bond trustee as additional security. This change provides additional flexibility for the investment of those funds.

Commissioner Whitaker inquired whether the Department's investment policies were in line with its and the City's Net Zero Energy goals, so the funds would not be invested in fossil fuel production, for example. Mr. Melloni stated that the bond resolution adopted in 1981 provides for different categories of allowable investments, and this new addition would allow investment in money market funds that hold government securities, likely to be mostly Treasury bonds. Other investments are allowed, but BED will choose from the categories. Ms. Stebbins-Wheelock added that the Debt Service Reserve Fund currently is invested mostly in U.S. Treasuries.

Commissioner Herendeen stated that he thought he had read 4.5% in the Council Resolution. Mr. Melloni stated that Supplemental Resolution 17 does reference 4.25%, whereas the City Council Resolution designates a 4.5% interest rate. If acceptable to the Commission, Mr. Melloni proposed recognizing the change in Supplemental Resolution 17 to a maximum interest rate of 4.5% and updating the rate in the Resolution before it is presented to the Council.

Commissioner Herendeen asked about the term of repayment and whether that would be negotiated. Mr. Melloni replied that the repayment term is a management decision with an overall limit under City Charter for 40 years. BED has elected a 20-year term, with principal payments deferred for the first five years, and that this choice seems prudent given the long lives of the assets being financed.

Commissioner Herendeen asked whether there were any special risks associated with the bond issuance. Mr. Melloni responded that, as with any bond issue, the greatest risk is the market risk associated with being able to sell the bonds at the interest rate predicted.

Commissioner Chagnon made a motion to adopt Supplemental Resolutions 16 and 17 with the change to a maximum 4.5% interest rate and to recommend adoption of these Resolutions 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. Abstained
Commissioner Whitaker. Aye

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

Commissioner Stebbins arrived late to the presentation, and therefore abstained from the vote.

7. Moran Frame Project

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.

Commissioner Moody made a motion that 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 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.

Commissioner Moody made a motion to enter into Executive Session with Burlington Electric Department Staff to discuss 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 Chagnon.

Commissioner Moody made a motion to exit Executive Session at 7:05; the motion was seconded by Commissioner Herendeen

Commissioner 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.

Commissioner Stebbins stated that, once the Commission votes on the motion regarding the MOU between BED and the City of Burlington that sets forth a negotiated agreement, all documents will be available to the public.

Commissioner Herendeen made a motion to recommend authorizing the General Manager or designee of Burlington Electric Department to sign and participate in the Memorandum of Understanding between the City of Burlington that allows annual settlement payments to the City towards abatement and/or remediation of the Moran Plant commencing in FY2023; 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.

Commissioners' Check-In

Commissioner Herendeen stated that the chart of degree days included in the Financial packet is really useful and asked if an additional calculation could be included. Commissioner Herendeen asked if there could be a row included that shows the deviation of the actual temperature from the budgeted value; i.e., an additional row that shows December, for example, was 4 degrees above budget and January was 6 degrees below.

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

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

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

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

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

Attest:



Laurie Lemieux, Board Clerk



MEMORANDUM

To: Burlington Electric Commission

From: Darren Springer, General Manager
David MacDonnell, Director of Generation

CC: Munir Kasti, Manager of Utility Services and Engineering

Date: March 9, 2022

Subject: New England Central Railroad sidetrack agreement

As part of the required delivery of wood chips to fuel the McNeil Generating Station, Burlington Electric Department (BED) has leased from the New England Central Railroad (NECR) land, track, and switches near the plant. Two outmoded leases from 1983 and 1984 are now being replaced by updated lease to modernize contract terms and provide clarity for party responsibilities and costs. The new terms have been agreed to by BED staff and NECR staff.

BED requests that the Burlington Electric Commission approve the attached Sidetrack Lease agreement and following motion at its meeting on March 9, 2022 and recommend approval by the Board of Finance and City Council at their next meetings on March 21, 2022.

Motion:

To approve and recommend that the City Council authorize the General Manager of the Burlington Electric Department to execute a sidetrack lease with the New England Central Railroad to facilitate the delivery of wood chips to the McNeil Generating Station, subject to review and approval of the City Attorney's Office."

BED staff will be present virtually at the Board of Finance meeting on March 21, 2022, to answer any questions.

Thank you for your consideration.

Burlington Electric Department
585 Pine Street Burlington, VT 05401
burlingtonelectric.com

Phone 802.658.0300

PRIVATE SIDETRACK AND LAND LEASE AGREEMENT

This Private Sidetrack And Land Lease Agreement (hereinafter, "Agreement") is entered into on August 1, 2021, between **New England Central Railroad, Inc.** (hereinafter, "Railroad"), a Delaware company whose address is C/O Genesee & Wyoming Railroad Services, Inc., 13901 Sutton Park Dr. South, Suite 270, Jacksonville, FL 32224 at and **City of Burlington, Vermont acting through its Burlington Electric Department** (hereinafter, "Industry"), a Vermont company with offices located at 585 Pine Street, Burlington, VT 05401.

WITNESSETH:

WHEREAS, Railroad owns and/or operates its right-of-way for the primary purpose of operating a commercial railroad business; and

WHEREAS, Industry desires to maintain and use a privately owned Sidetrack located on property either owned or leased by Industry and adjacent Railroad owned or controlled property (16' x 1,120' under Track from Point "C" to "D" and Point "E" to "F" and 14,250 square feet to maintain fence and gate). The Railroad owned or controlled property is hereinafter referred to as the "Premises" located at or near Railroad Mile Post 1.73, BURLINGTON Subdivision located in BURLINGTON, in the County of CHITTENDEN, State of VT to facilitate the shipment and/or receipt of rail-shipped freight at Industry's facility as reflected on the map attached hereto as Exhibit A (the "Plan"), and incorporated herein by reference and designated as Private Sidetrack No. BED # 1; and

WHEREAS, Railroad agrees to allow Industry to continue to connect its privately owned Sidetrack to Railroad's track and operate over the Sidetrack and to maintain Industry's fence and gate on the Premises subject to the terms and conditions contained in this Agreement;

NOW THEREFORE, in consideration of the mutual promises contained herein the parties, with the intention of being legally bound, hereby agree as follows:

Section 1. LOCATION/DESCRIPTION.

1.1 **RAILROAD PRIORITY**: It is understood that Railroad occupies its right-of-way for the primary purpose of operating a commercial railroad business, and that all private Sidetracks shall, therefore, be designed and constructed so that Railroad's operations and facilities are not interfered with, interrupted or endangered. In addition, the Sidetrack shall be so located to minimize any encumbrance to Railroad's right-of-way so that Railroad has unrestricted use of its property for current and future operations.

1.2. **SIDETRACK**: The term "Sidetrack" shall mean the entire length of track as shown on Exhibit A, comprised of Industry's owned and/or leased land on which the Sidetrack is built and includes the track structure (rails, ties and fastenings), ballast, grading, drainage structure, turnout, crossings, bumping post and other appurtenances, and that portion of Railroad's property in so far as it relates to said Sidetrack.

1.3. LOCATION: Point of Switch (referred to as “POS”) for the Sidetrack is located on Railroad connecting main line track at or near Railroad Mile Post 1.73, near Survey Station 91+77, in BURLINGTON, CHITTENDEN County, State of VT as shown in the Plan. Said POS is located at a point having the Global Positioning System (GPS) coordinates of 44.49128 degrees latitude and -73.21507 degrees longitude, more or less.

Section 2. USE/PURPOSE/OWNERSHIP.

2.1. USE: This Agreement is granted to Industry for the purposes of receipt and shipment of rail freight traffic, maintenance of a portion of Industry track situated on Railroad’s property (as noted below – 16’ x 1,120’ = 17,920 square feet) and the use of 14,250 square feet for maintenance of a gate and fence on the Premises. No other use of the Sidetrack or Premises is permitted.

2.2 SIDETRACK OWNERSHIP:

(a) Railroad shall own that portion of the Sidetrack, as shown on the Plan,

(i) from POS on Railroad’s connecting mainline track at Mile Post 1.73 / Track Station 91+77 / Point “A” to Track Station 93+49 / Point “C” (POC), being a total of 172 feet, and

(ii) from POS on Railroad’s connecting mainline track at Mile Post 2.12 / Track Station 112+31 / Point “H” to Track Station 110+59 / Point “F”, being a total of 172 feet (hereinafter “Railroad’s Segment”).

(b) Industry shall own that portion of the Sidetrack, as shown on the Plan,

(i) from Point “C” to Point “D”, being 1,000 feet of the Sidetrack on Railroad Property, and

(ii) from Point “D” to Point “E”, being 590 feet of the Sidetrack on Industry Property, and

(iii) from Point “E” to Point “F”, being a total of 120 feet of the Sidetrack on Railroad Property (Points C through F are hereinafter collectively “Industry’s Segment”).

(c) Industry, at its sole expense, shall do all grading, drainage requirements, pole line work, signal changes, and any other associated work required to complete or repair the Sidetrack from the POS to the end point.

(d) Industry shall have no right under this Agreement to enter upon the mainline track or any other Railroad property or right-of-way.

(e) This Agreement does not grant or convey to Railroad any real property interest in any property of Industry.

(f) This Agreement does not grant or convey to Industry any real property interest in any property of Railroad. For the avoidance of doubt, where Industry’s Segment is situated on real property owned or controlled by Railroad, Industry’s ownership interest in the Sidetrack is limited to the track materials and its rights as a lessee of Railroad owned or controlled real property.

2.3 PREMISES OWNERSHIP:

- (a) Railroad owns or controls the Premises.

Section 3. RESERVED.

Section 4. TERM/SUSPENSION AND TERMINATION.

(a) This Agreement shall take effect on the date first written above and shall remain in effect until this Agreement is terminated by either party in accordance with the terms contained herein.

(b) Railroad may temporarily suspend its operations over the Sidetrack if, in its sole opinion, the condition of the Sidetrack is unsafe or if such operations would interfere with its common carrier duties. Railroad may impose the suspension orally but shall also provide a written notice to Industry regarding such temporary suspension.

(c) Either party may terminate this Agreement with or without cause at any time by delivering thirty (30) days' written notice to the other party.

(d) This Agreement will terminate, without the necessity of further notice, upon the abandonment of Railroad's connecting mainline track. Notwithstanding anything herein contained to the contrary, there shall be no obligation on the part of Railroad to continue operation of its connecting mainline track in the vicinity of the Sidetrack to prevent the termination of Industry's rights and privileges granted hereunder on account of an abandonment of line or service by Railroad; nor shall there be any obligation upon Railroad to perfect its title in order to perpetuate the rights and privileges granted hereunder after such abandonment of line or service.

(e) Upon the termination of this Agreement, Industry shall remove the portion of the Sidetrack that rests upon Railroad's right-of-way and the fence and gate from the Premises. If not removed within sixty (60) days after such termination date, title to that portion of the Sidetrack and to the fence and gate will pass to Railroad, who may then remove it and restore the underlying right-of-way and Premises at the expense of Industry.

(f) In the event this Agreement is terminated by Railroad pursuant to Section 4(c) hereof, and Industry has complied with all of the terms and conditions of this Agreement, then Railroad shall refund to Industry a prorated portion of any fee paid in advance of performance (prorated on a monthly basis).

Section 5. INDEMNITY/LIABILITY.

5.1 DEFINITIONS:

For purposes of this Section 5, the following definitions shall apply:

(a) "Railroad": Railroad, its parents, affiliates, subsidiaries and each of their respective officers, agents, shareholders and employees;

(b) "Industry": Industry and its officers, agents and employees;

(c) "Party": Railroad or Industry; and

(d) "Loss": Loss of or damage to the property of any third person or Party (including environmental claims), injury or death of any third person or Party, and/or any regulatory charge, fine or penalty. "Loss" shall also include, without limitation, the following expenses incurred by a Party: costs, expenses, the cost of defending litigation or a regulatory proceeding, attorneys' fees, expert witness fees, court costs, arbitration or mediation costs, mediator and/or arbitrator fees, the amounts paid in settlement, the amount of the judgment, pre-judgment and post-judgment interest and costs of response (including analytical, remediation and governmental oversight costs) arising out of any incident involving the release of hazardous substances, hazardous materials or hazardous wastes.

5.2 Except as otherwise specified in this Agreement all Loss related to the construction, operation, maintenance, use, presence or removal of the Sidetrack shall be allocated as follows:

(a) Notwithstanding any other provision of this Agreement, Industry shall indemnify and defend Railroad and CV Properties Incorporated (hereinafter collectively the "Railroad Indemnitees"), from and against any and all claims for Loss arising from, growing out of, incident to, or in any manner resulting from the negligent acts or omissions of Industry.

(b) Notwithstanding any other provision of this Agreement, Industry shall defend and indemnify the Railroad Indemnitees and hold them harmless from and against any Loss arising from, growing out of, incident to, or in any manner resulting from the following (whether or not Railroad or a third person contributes to cause a Loss):

i. any impairment of clearances or intra-plant switching by Industry, regardless of whether it is a breach of this Agreement or has been consented to or waived by Railroad;

ii. any emission, discharge, leak, spill or other form of release, as that term is defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, of hazardous substances, hazardous materials or hazardous wastes shipped, received, or stored by Industry, regardless of whether such shipment, receipt, or storage is a breach of this Agreement or has been consented to or waived by Railroad;

iii. any damage to cargo or commodity stored in railcars on the Sidetrack resulting from any act or event beyond the control of Railroad, including without limitation any act of God and specifically including water damage from whatever source; or

iv. Industry's maintenance of Industry's Segment regardless of any negligence on the part of the Railroad Indemnitees.

v. THE INDEMNITIES PROVIDED IN THIS SECTION 5.2(b) ARE SPECIFICALLY MEANT TO INCLUDE INDEMNITY OF THE RAILROAD INDEMNITEES FOR THEIR OWN ORDINARY NEGLIGENCE, EXCEPT TO THE EXTENT A LOSS IS CAUSED BY THE SOLE NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF THE RAILROAD.

(c) The right to indemnification under this Section will accrue upon the later of the occurrence of the event giving rise to the Loss or the assertion by a third person of a claim for a Loss.

(d) Industry expressly assumes potential liability under this Section for claims or actions brought by Industry's own employees and waives any immunity it may have under workers' compensation or industrial insurance acts to indemnify the Railroad Indemnitees under this Section. Industry acknowledges that this waiver was mutually negotiated by the Parties.

(e) No court or jury findings in any employee's suit under the Federal Employer's Liability Act against the Railroad Indemnitees may be used by Industry in any attempt to assert liability against the Railroad Indemnitees.

(f) No provision of this Agreement with respect to insurance will limit Industry's liability or the scope or extent of the indemnity under this Section.

(g) Regardless of whether Industry has liability for a Loss, Industry shall provide the Railroad Indemnitees with all documents and other information reasonably requested by the Railroad Indemnitees in connection with any Loss, including, without limitation, information on hazardous materials, air quality and other environmental conditions at Industry's property.

(h) Notwithstanding anything to the contrary contained herein, under no circumstances shall the Railroad Indemnitees have any liability for indirect, special, punitive, incidental, or consequential damages.

Section 6. TAXES. As a part of the consideration for this Agreement, Industry covenants and agrees that no assessments, taxes or charges of any kind shall be made against Railroad or its property by reason of the construction of the Sidetrack. Industry further covenants and agrees to pay to Railroad, promptly upon bills rendered therefor, the full amount of any assessments, taxes or charges of any kind that may be levied, charged, assessed or imposed against Railroad or its property by reason of construction and maintenance of the Sidetrack.

Section 7. ANNUAL RENT FOR PREMISES & MAINTENANCE OF RAILROAD'S SEGMENT.

(a) Railroad and Industry, at their own expense, with the exception of Section 7 (b), shall inspect, maintain, and renew their respective Segments of the Sidetrack (i) in accordance with the Federal Railroad Administration Track Safety Standards, (ii) Railroad Worker Safety

Regulations and (iii) in a condition satisfactory to Railroad. Additionally, Industry agrees to keep the Sidetrack free from debris, weeds, potholes, ice or snow, poles, temporary or permanent structures, other obstructions (Example: parked vehicles) and/or excavations. Railroad shall have the right, but not the duty, to inspect Industry's Segment.

(b) Industry shall pay Railroad an annual fee for the use of Premises and the maintenance of Railroad's Segment the sum of Ten Thousand US Dollars (\$10,000.00) per year, payable annually in advance (the "Annual Fee"). Following installation of any switch connection that may be necessary to connect Railroad's mainline track to the Sidetrack, such switch connection shall be considered part of the Railroad's Segment for purposes of this Agreement. The Annual Fee to be paid by Industry is subject to additional review and adjustments on the billing anniversary each year based on the then current Consumer Price Index For All Urban Consumers (CPI-U).

(c) To the extent that Industry's Segment affects the operation and maintenance of Railroad, Industry shall at all times be obligated to promptly maintain, repair and renew Industry's Segment, and shall, upon notice in writing from Railroad and requiring it to do so, promptly make such repairs and renewals thereto as may be required by Railroad.

(d) If Industry fails to perform any of its obligations contained in this Agreement as to the maintenance of safe conditions in and about Industry's Segment or fails to make any necessary repairs to Industry's Segment, or any part thereof as required for safe operation, then Railroad may exercise its rights under Section 4 hereof.

Section 8. INDUSTRY NAME CHANGE, SALE, TRANSFER OR ASSIGNMENT.

(a) Except as provided in paragraph (b) below, this Agreement and all of the provisions herein contained shall be binding upon the parties hereto, their heirs, executors, administrators, successors and permitted assigns, and Industry agrees to supply to Railroad notice in writing of any name change(s) or address change(s) no less than thirty (30) days prior to any name or address change. Should Industry fail to notify Railroad in writing of any upcoming name or address change by Industry with at least the required minimum thirty (30) days' advance notice before any such name or address change are scheduled to occur, then Railroad, at its sole option, may terminate this Agreement by giving Industry not less than thirty (30) days' advance written notice of its intention to do so. For the avoidance of doubt, Railroad shall have the right to freely assign this Agreement.

(b) Industry agrees not to assign this Agreement or any interest therein to any entity that it is not affiliated with or owned by Industry without first obtaining written consent from Railroad. Except as outlined in the previous sentence, any attempted transfer, assignment or re-assignment of this Agreement without the prior written consent by Railroad shall be void *ab initio* and of no effect. In the event of any assignment or re-assignment of this Agreement as authorized by Railroad, Industry (notwithstanding a name change or as assigned in accordance herewith) shall at all times remain fully responsible and liable for the compliance of all of its obligations under the terms, provisions and covenants of this Agreement. Railroad reserves the right to collect an assignment fee, in the amount customarily charged by Railroad at the time of a requested assignment, for the processing, document preparation and engineering review associated with an assignment.

Section 9. HAZARDOUS MATERIALS.

(a) The following provisions apply when the Sidetrack is used for the delivery or tender of any dangerous, flammable, explosive or hazardous commodity (hereinafter "hazardous materials"), as determined by the U.S. Department of Transportation under the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801, et seq.) and the Hazardous Materials Regulations (49 C.F.R. Parts 170-179) issued thereunder, as amended from time to time.

(b) (i) If any hazardous materials will be present on the Sidetrack during the term, Industry shall provide Railroad with prior written notice specifying such hazardous materials and their associated STCC codes (the "HAZMAT Notice"). In no event shall any TIH or PIH be present on the Railroad Segment nor the Sidetrack without Railroad's prior written consent. Upon receipt of such notice, Railroad may perform its internal risk analysis and if necessary, Railroad reserves the right to modify the insurance requirements set forth in Exhibit B annexed hereto to: (x) increase the coverage amounts of the comprehensive general form of insurance covering liability ("CGL"), (y) require an endorsement to the CGL covering sudden or accidental pollution losses, and/or (z) require Pollution Legal Liability Insurance coverage, as deemed necessary by Railroad. If Railroad, in its sole discretion, requires any of the aforementioned insurance modifications, the parties shall work cooperatively to execute an amendment to this Agreement reflecting such insurance modifications. If the parties cannot reach mutual agreement regarding any such insurance modifications, either Party may terminate this Agreement pursuant to Section 4(c) herein.

(ii) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, INDUSTRY SHALL BE STRICTLY LIABLE TO THE RAILROAD INDEMNITEES FOR ANY AND ALL LOSS, COST, EXPENSE, DAMAGE OR OTHER CLAIMS, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES, ASSERTED AGAINST OR INCURRED BY THE RAILROAD INDEMNITEES, ARISING FROM INDUSTRY'S FAILURE OR BREACH TO PROVIDE THE HAZMAT NOTICE SPECIFIED IN SECTION 9(b)(i) HEREIN OR THE PRESENCE OF ANY TIH OR PIH ON THE SIDETRACK WITHOUT RAILROAD'S PRIOR WRITTEN CONSENT IN VIOLATION OF SECTION 9(b)(i) HEREIN. RAILROAD MAY ALSO, IN ITS SOLE OPTION, IMMEDIATELY TERMINATE THIS AGREEMENT IF TIH OR PIH IS PRESENT ON THE SIDETRACK WITHOUT RAILROAD'S PRIOR WRITTEN CONSENT.

(c) No hazardous materials shall be placed on the Sidetrack (except railcar shipments) within the clearance requirements established herein or within one hundred (100) feet of Railroad's connecting main line track.

(d) Industry shall comply with all recommended practices of the Association of American Railroads and all Governmental Requirements regarding the loading, unloading, possession, transfer and/or storage of hazardous materials, including, but not limited to, the installation of pollution abatement and control structures and other equipment that is prudent or required under such practices and/or Governmental Requirements.

(e) In the event of a hazardous materials leak, spill or release, Industry shall immediately notify the appropriate Governmental Response Center and Railroad's Operations Center and, at its sole expense, take all appropriate steps to clean, neutralize and remove the spill.

Section 10. ENVIRONMENTAL.

(a) Notwithstanding any other provision of this Agreement, Industry shall comply with any and all laws, statutes, ordinances, rules, regulations, orders, decisions, including the Resource Conservation and Recovery Act (RCRA), as amended or supplemented, and the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), as amended or supplemented (hereinafter collectively referred to as "Standards"), issued by any federal, state or municipal governmental body or agency established thereby (hereinafter referred to as "Authority"), relating to the use of the Premises by Industry.

(b) Industry, in its use of the Premises, shall not create or permit any condition on the Premises that could present a threat to human health or to the environment. Industry shall at all times be in full compliance with all Standards, present or future, set by any Authority, including but not limited to, Standards concerning air quality, water quality (surface or underground), noise, hazardous substances and hazardous waste(s).

(c) In the event Industry is notified by any Authority of its non-compliance with any Standards, Industry shall, without fail, immediately notify Railroad in writing of such non-compliance or, if Railroad is notified of such non-compliance and, Industry, within thirty (30) days of its receipt of any notice, by Railroad or any Authority, shall take whatever action is necessary in order to bring the Premises into compliance.

(d) Industry shall assume all liability for and shall protect, defend, indemnify and hold harmless the Railroad Indemnitees from and against, any and all claims, costs, fines, judgments, penalties, suits and attorneys' fees growing out of any violation of any Standards, regardless of the nature thereof or the Authority or person asserting such claim, which results from Industry's use of the Premises, whether such claim arises in whole or in part from the negligence or alleged negligence of the Railroad Indemnitees or otherwise.

(e) In the event Railroad incurs any cost in bringing the Premises into compliance, (including but not limited to consulting, engineering, clean-up, disposal and legal costs), in abating a violation of any Standards, in protecting against a threatened violation of any Standards, in defending any claim of violation of any Standards in any proceedings before any Authority or court, and/or in paying any fines or penalties imposed for such violation, then Industry shall reimburse Railroad for any and all said costs.

(f) Industry expressly understands and agrees that the provisions of this section shall remain in full force and effect regardless of whether this Agreement is terminated pursuant to any other provision or whether the Premises are vacated by Industry. Industry agrees that the statutory limitations periods on actions to enforce the provisions of this section shall not be deemed to commence until Railroad discovers or is notified of any violation or alleged violation

of any Standards, and Industry hereby knowingly and voluntarily waives the benefits of any shorter limitation period.

Section 11. RESERVED.

Section 12. RESERVED.

Section 13. RESERVED.

Section 14. INSURANCE. Industry, at its expense, shall obtain the insurance described in Exhibit B hereto attached and hereby made a part hereof.

Section 15. CLEARANCES.

(a) Industry agrees to provide and maintain: (A) lateral clearance requirements of at least fourteen feet (14'0") from either side of the centerline of the Sidetrack, as increased for flat curves, super-elevated curves and approaches thereto; and (B) vertical clearance requirements (at least twenty-seven feet (27'0") above the top of the rail), for the entire length of the Sidetrack. Industry agrees to provide and maintain increased lateral and/or vertical clearances to the extent required by applicable statutes or regulations. Any clearance not in compliance with the foregoing is a "Close Clearance". Lateral and vertical clearances for power poles and lines must also comply with the National Electric Safety Code (NESC).

(b) Notwithstanding the foregoing, Industry may maintain Close Clearances if: (A) Industry obtains a waiver from any conflicting Governmental Requirements (as such term is defined below); and (B) plans for such Close Clearances have been provided to Railroad and are not rejected within sixty (60) days after the date of receipt. Industry agrees to install, maintain and replace (at its sole expense) any warning signs or lighting or make other adjustments regarding such Close Clearances as may be required by Railroad or any Governmental Requirements.

Section 16. RESERVED.

Section 17. RESERVED.

Section 18. GOVERNMENTAL REQUIREMENT(S). Industry agrees, at its sole expense, to comply with all applicable federal, state, local or regulatory body laws and regulations and to obtain all necessary governmental permits, authorizations, orders and approvals (the "Governmental Requirements") necessary for the construction, maintenance and use of the Sidetrack. Industry agrees to indemnify, defend and hold the Railroad Indemnitees harmless from Industry's failure to comply with or to obtain any of the Governmental Requirements.

Section 19. RIGHT-OF-WAY.

(a) Except as provided in paragraph (b) below, Industry is responsible for obtaining all

necessary right-of-way (through ownership, easement, permit or otherwise) for the Sidetrack. The width of such right-of-way must be, at a minimum, sufficient to provide for the Sidetrack and clearances, cuts, fills, drainage ditches, walkways or roads, as determined by Railroad.

(b) Industry may use Railroad's right-of-way for a portion of the Sidetrack to be constructed on, as shown on Exhibit A attached hereto. Such use, not to exceed fourteen feet (14'0") from either side of the centerline of the Sidetrack, is granted only for the term of this Agreement. Industry acknowledges that such use is not adverse to Railroad's title, and does not constitute the granting of any right, title, easement or license to Railroad's right-of-way.

(c) Industry shall not construct or allow the construction of any road (public or private), gate, tunnel, bridge, culvert, pit, gas line, pipeline, wire line or similar items on, over, under or along the entire Sidetrack without the prior written consent of Railroad, which consent may be withheld in Railroad's sole discretion. If Railroad's permission is granted, Industry understands that a separate agreement might be necessary and that Industry shall be responsible for the construction, maintenance, repair and removal costs of the foregoing items and ancillary structures, unless otherwise stated therein.

(d) Industry shall not block or permit the blockage of the sight view area of any road crossing over the Sidetrack.

Section 20. RAIL SERVICE.

(a) Railroad agrees, pursuant to the provisions of this Agreement, its tariffs, circulars, rules, and rail transportation contracts, to operate over the Sidetrack in the delivery, placement and removal of railcars consigned to or ordered by Industry. For the avoidance of doubt, the indemnification and liability provisions set forth in Section 5 herein shall also apply to the provision of any such rail service over the Sidetrack by Railroad to Industry pursuant to this Section 20. Railroad may also use the Sidetrack for its own general or emergency operating purposes so long as such purposes do not materially affect the use of the Sidetrack for rail service to Industry.

(b) Industry shall not permit the use of the Sidetrack by or for the account of third parties without the prior written consent of Railroad, which consent may be withheld in Railroad's sole discretion. If such use occurs without such consent, Railroad shall have the right to terminate this Agreement immediately. Notwithstanding any such consent, Industry assumes the same responsibilities as stated in this Agreement for such use as if for its own account. Railroad shall not be required to provide rail service to such third parties.

(c) Railroad shall be deemed to have delivered any railcar consigned to or ordered by Industry when such railcar has been placed on the Sidetrack, so as to allow access by Industry, and Railroad's locomotive has uncoupled from the railcar. At that time, the Railroad Indemnitees shall be relieved of all liability as a common or contract carrier or as a bailee, and possession of the railcar and its contents shall be transferred to Industry. Similarly, any obligation of Railroad as a common or contract carrier or as a bailee shall not begin until it has coupled its locomotive to the railcar and departed the Sidetrack.

(d) Industry is responsible for all railcars and their contents while in Industry's possession and assumes all responsibility for payment of all damage to any railcar and its contents that may occur during that time, even if caused by third parties.

(e) If Railroad is unable to deliver a railcar on the Sidetrack for loading or unloading due to the acts of Industry or any third party, then such railcar will be considered as constructively placed for demurrage purposes at the time of attempted delivery.

Section 21. LIENS.

(a) LIENS:

(1) Industry shall, when due and before any lien shall be attached to the Premises, if the same may be lawfully asserted, promptly pay any and all charges associated with Industry's use and occupancy of the Premises, including but not limited to, water, light, gas, power, sewer and other utility services; any and all materials joined to or affixed to the Premises or improvements located thereon; any and all taxes or assessments; and, any and all labor costs to persons who perform labor upon the Premises.

(2) Industry agrees that it will not allow, permit, or suffer any mechanics lien, materialman's lien of any kind or nature to be filed or asserted or enforced against the Premises or which in any way may affect Railroad's right, title and interest in and to the Premises. Railroad is hereby authorized to post any notices or take any other action upon or with respect to the Premises that is or may be permitted by law, to prevent the attachment of any such lien(s) to the Premises, PROVIDED HOWEVER, that the failure of Railroad to take any such action shall not relieve Industry of any obligation or liability connected to any such lien(s).

(3) Industry shall cause any such lien to be released within fifteen (15) days from the date such lien is asserted, claimed or filed and failure to do so shall constitute a default hereunder; and Industry agrees to defend, indemnify and hold harmless the Railroad Indemnitees from and against any and all losses, claims, judgments, expenses and damages connected or growing out of such lien(s).

Section 22. MISCELLANEOUS.

(a) Any notice hereunder by or from Railroad to Industry shall be deemed to be properly given if same be sent by facsimile at the number below or deposited in the United States mail, postage prepaid, and addressed to Industry as follows:

City of Burlington, Vermont acting through its Burlington Electric Department
585 Pine Street
Burlington, VT 05401
Attention: Elizabeth Lesnikoski, Chief Forester

Any notice hereunder by or from Industry to Railroad shall be deemed to be properly given if same be sent by facsimile at the number below or deposited in the United States mail, postage prepaid, and addressed to Railroad as follows:

New England Central Railroad, Inc.
c/o Genesee & Wyoming Railroad Services, Inc.
Real Estate Department
13901 Sutton Park Drive, Suite 270
Jacksonville, FL 32224

Copy to:

General Counsel
Genesee & Wyoming Inc.
20 West Avenue
Darien, CT 06820
Legalnotices@gwrr.com

(b) The covenants and agreements herein contained shall inure to the benefit of and be binding upon the successors, heirs, personal representatives and assigns of the parties hereto, subject, however, to Section 8 of this Agreement.

(c) The entire agreement between Railroad and Industry with regard to the subject matter hereof is set forth in this Agreement, and there are no other understandings, agreements or representations of any kind between the parties, verbal or otherwise, other than as set forth in this Agreement. No alteration, change, modification, amendment, supplement or waiver of any provision of this Agreement shall be binding upon either party hereto, unless same is in a writing signed by both Railroad and Industry.

(d) All obligations of Industry hereunder to protect, defend, indemnify and hold harmless Railroad Indemnitees shall survive the expiration or termination of this Agreement along with any other provision(s) which by its nature or context is intended to survive.

(e) This Agreement is made subject to the rights granted by or through Railroad for any surface, subsurface or aerial uses antedating this Agreement, including but not limited to, the construction, maintenance, operation, renewal and/or relocation of fences, pipelines, power lines, communication lines, railroad tracks and signals, and any and all appurtenances applicable thereto. Railroad accepts and reserves the right to grant additional uses of the same or similar nature subsequent to the execution of this Agreement, without payment of any sum for damages so long as such use does not unreasonably interfere with use of the Sidetrack by Industry as permitted hereunder.

(g) Each provision of this Agreement is severable from the other provisions. If any such provision is ruled to be void or unenforceable, the remaining provisions will continue in full force and effect.

(h) The failure of either party to enforce any provision of this Agreement or to prosecute any default will not be considered a waiver of that provision or a bar to prosecution of that default or any subsequent default unless so indicated in writing.

Section 23. SPECIAL PROVISIONS.

23.1 SPECIFICATIONS:

(a) The Sidetrack shall be constructed, installed, used, operated, maintained, repaired, altered, renewed, relocated and ultimately removed in strict accordance with any and all current-day requirements, specifications and side clearances as adopted by the American Railway Engineering & Maintenance of Way Association (AREMA) or as specified by Railroad in the latest version of the *Industrial Track Construction Specifications* and in compliance with all laws, statutes, regulations or orders of any federal, state or municipal governmental body or any agency thereof or created thereby; *provided, however*, that all materials and workmanship used in the construction, installation, use, operation, maintenance, repair, alteration, relocation and ultimate removal of the Sidetrack shall be subject to approval of Railroad, said approval not to be withheld unreasonably.

(b) If applicable, Industry shall be responsible at its sole cost and expense (including fees for permits and similar documents) to obtain all utility services required or desired by Industry, including the installation of meters and sub-meters if none exists. Industry shall be responsible for all charges for utilities consumed by and supplied to Industry by the provider thereof. Industry shall not obtain any utility service from any of Railroad's facilities without first obtaining the consent of Railroad.

23.2 CONSTRUCTION AND ALTERATIONS.

(a) The Sidetrack, fence and gates shall be located and maintained in exact accordance with the construction plans previously approved by Railroad and for the purpose as outlined in Section 2.1 hereof. No departure shall be made at any time therefrom, except upon permission in writing granted by Railroad.

(b) Industry shall supply Railroad with construction plans of any addition, deletion or alteration to the Sidetrack, fence or gate and obtain written consent from Railroad prior to making any additions, deletions or alterations.

(c) Railroad shall have the right but not the duty to oversee and approve the location of any construction work, inspection of the Sidetrack, fence and gate and the materials and methods used in the installation, use, operation, maintenance, repair, alteration, renewal, relocation and removal of the Sidetrack, fence and gate.

(d) The right of supervision over the inspection of the Sidetrack, fence and gate from time-to-time thereafter by Railroad shall extend for an appropriate distance on each side of the property of Railroad as the method of construction and materials used may have an important bearing upon the strength and stability of the Sidetrack over which Railroad will operate.

(e) Industry shall make appropriate arrangements with any person or entity occupying Railroad's property that may be affected by the location of the Sidetrack, fence and gate. The Sidetrack, fence and gate shall not unreasonably interfere with or create any undue hardship to any person or entity occupying said property.

23.3 RIGHT-OF-ENTRY, USE OF FLAGMAN:

(a) Except as otherwise set forth in Section 19, none of Industry, its contractors or any subcontractors may enter Railroad's right-of-way for any reason without first obtaining written permission via a Right-of-Entry Agreement issued by Railroad. All entries shall be limited to a specific project and for a specified period of time. Each and every entity must obtain a separate Right-of-Entry Agreement prior to each occasion that entry to Railroad's right-of-way is required. In order to allow sufficient time for document preparation and scheduling, Industry shall submit its request with no less than ninety-six (96) hours advance notice via direct telephone or personal conversation initiated by Industry to Railroad at Deb Bocash at (802) 527-3444. Telephone voice mail, e-mail messages and fax transmissions will NOT be accepted as notification under any circumstance. All entries are subject to the completion of the Right-of-Entry Agreement in writing and the availability of a Railroad supplied safety flagman.

(b) In addition to, but not in limitation of, any of the foregoing provisions, a Railroad supplied safety flagman must be used to protect Railroad's operations, property, employees, and patrons, and those of Industry, during the work of the construction, installation, maintenance, repair, alteration, renewal, relocation or removal of the Sidetrack, fence and gate. Railroad shall have the right to place such inspectors, flagmen or watchmen at the sole risk, cost and expense of Industry, which covenants and agrees to bear the full cost and expense thereof, and to promptly reimburse Railroad upon demand. The furnishing of or failure to furnish inspectors, flagmen or watchmen by Railroad, however, shall not release Industry from any and all other liabilities assumed by Industry under the terms of this Agreement.

(c) All flagging services are billed at minimum of or not less than \$ 150.00 per hour or any portion thereof with a four hour (\$ 600.00) minimum charge per day. Overtime rate (applied at Railroad's discretion) shall be a minimum of or not less than \$ 225.00 per hour or any portion thereof. Billable time includes the flagman's travel time portal to portal. Rates for flagging services are subject to change at Railroad's discretion.

Section 24. GENERAL.

24.1 THIRD PARTY BENEFICIARY: Except as provided in Sections 5 and 18 herein, nothing contained in this Agreement shall be construed as to confer upon any other party the rights of a third-party beneficiary.

24.2. GOVERNING LAW; JURISDICTION: This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State of Vermont. Each party hereby irrevocably submits to the exclusive jurisdiction of the Federal courts with jurisdiction over CHITTENDEN County, Vermont in respect of any action, suit or proceeding arising in connection with this Agreement.

24.3 QUIET ENJOYMENT: Nothing herein contained shall imply or import a covenant on the part of Railroad for Quiet Enjoyment.

24.4 HEADINGS: The headings of the Sections of this Agreement are inserted for convenience only and are not intended to govern, limit or aid in the construction of any term or provision of this Agreement.

24.5 CONSTRUCTION OF TERMS: The terms of this Agreement have been arrived at after mutual negotiation and, therefore, it is the intention of the Parties that its terms not be construed against any of the Parties by reason of the fact that it was prepared by one of the Parties.

24.6 MERGER: This Agreement and the exhibits attached hereto contain the entire agreement of the parties with respect to the subject matter of this Agreement, and supersede all prior negotiations, agreements and understandings with respect thereto.

24.7 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and counterparts of this Agreement may also be exchanged via electronic facsimile machines and any electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

24.9 PRIOR AGREEMENTS. Execution of this Agreement shall supersede and/or cancel the prior agreement between the parties identified as NECR 10463 and NECR 10685, dated August 29, 1983, and September 1, 1984, respectively, as of the date first above written, any and all previous agreements, if any, related to the Occupancy and Use herein described, which may exist between the parties or their predecessors.

*** Signature Page Follows ***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate as of the day and year first above written.

Witness:

Railroad:

NEW ENGLAND CENTRAL RAILROAD, INC.

By: _____

Print Name: _____

Print Title: _____

Date: _____

Witness:

Industry:

City of Burlington, Vermont acting through
its Burlington Electric Department

By: _____

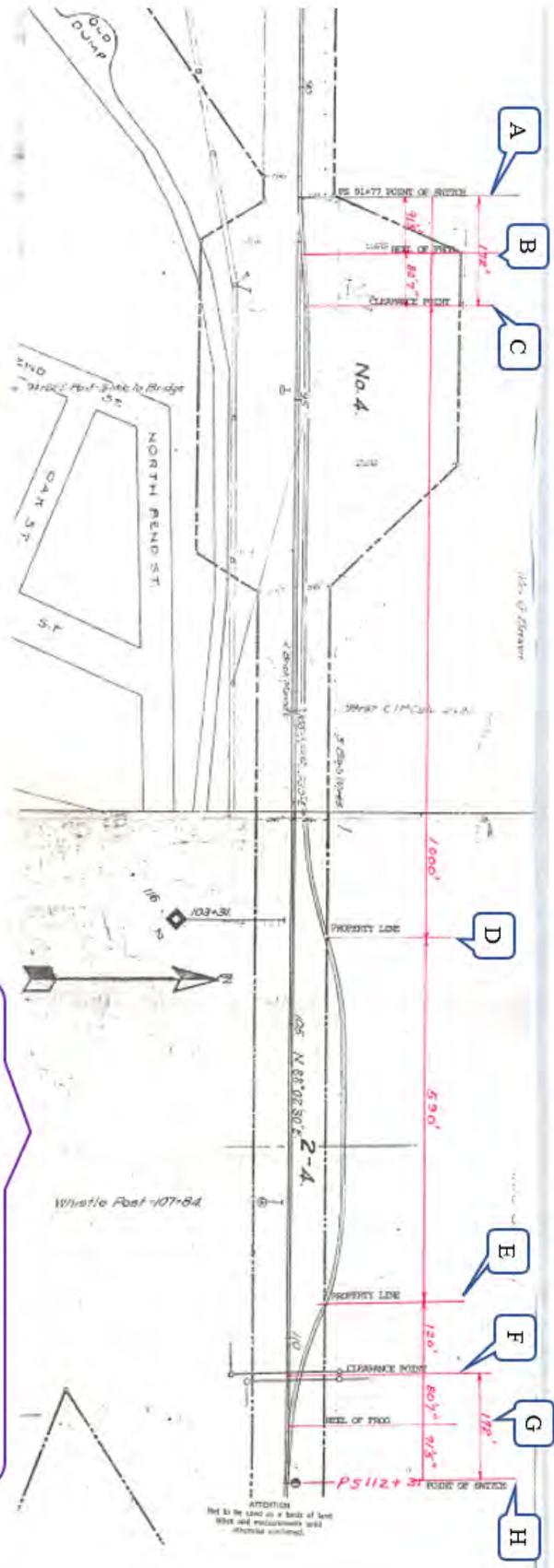
Print Name: _____

Print Title: _____

Date: _____

EXHIBIT A – 1 of 2

Burlington, VT
 NECR – Burlington Sub. – MP 2
 Private Sidetrack Agreement – Burlington Electric



Railroad Segments
 Point A (POS) to Point C (POC) = 172 feet
 Point H (POS) to Point F (POC) = 172 feet

Industry Segments
 Point C to Point D = 1,000 feet on RR land *
 Point D to Point F = 590 feet on Ind Land
 Point E to Point F = 120 feet on RR land *
 * Lease Land under track = 16 feet x 1,120 feet

EXHIBIT A – 2 of 2



EXHIBIT B**PRIVATE SIDETRACK AGREEMENT
INSURANCE REQUIREMENTS**

Industry shall, at its expense, procure and maintain throughout the term of this Agreement, and thereafter until all Rail Cars are removed from the Tracks, a comprehensive general form of insurance covering liability, including, but not limited to, Public Liability, Personal Injury, and Property Damage, as well as Contractual Liability in the amount of \$2,000,000 per occurrence and \$6,000,000 in the aggregate, and with a deductible no greater than \$50,000 of the amount of insurance coverage per occurrence. Such insurance shall contain no exclusion with respect to Rail Cars in the care, custody, or control of Railroad. **Such policies shall be endorsed to provide Waiver of Subrogation in favor of the Railroad Indemnitees and the Railroad Indemnitees shall be named as Additional Insureds and Industry shall provide evidence of endorsement CG 2417 or its equivalent.** An Umbrella policy may be utilized to satisfy the required limits of liability under this section.

(b) Industry shall, at its expense, procure and maintain throughout the term of this Agreement, and thereafter until all Rail Cars are removed from the Tracks, Statutory Workers' Compensation and Employers' Liability Insurance for its employees (if any) with minimum limits of not less than \$1,000,000 Bodily Injury by Accident, Each Accident; \$1,000,000 Bodily Injury by Disease, Policy Limit; \$1,000,000 Bodily Injury by Disease, Each Employee. **Such policy shall be endorsed to provide a Waiver of Subrogation in favor of the Railroad Indemnitees, where applicable.**

(c) Industry shall, at its expense, procure and maintain throughout the term of this Agreement, and thereafter until all Rail Cars are removed from the Tracks, Commercial Automobile Insurance for all owned, non-owned and hired vehicles with a combined single limit of not less than \$1,000,000 for Bodily Injury and Property Damage Liability. **Such policy shall be endorsed to provide Waiver of Subrogation in favor of the Railroad Indemnitees and name the Railroad Indemnitees as Additional Insureds.**

(d) Reserved.

(e) All insurance shall be placed with insurance companies licensed to do business in the state in which the Tracks are located, with a current Best's Insurance Guide Rating of A- and Class VIII, or better. **All coverages shall be primary and non-contributory to any insurance coverages maintained by the Railroad Indemnitees.** Industry shall provide Railroad with, and thereafter maintain in effect, a current Certificate of Insurance, prior to commencement of this Agreement, evidencing such insurance, and such certificate of insurance must be endorsed to provide for coverage of incidents occurring within fifty (50) feet of a railroad track, and any provision in the insurance policy to the contrary must be specifically deleted. Each policy shall provide that it shall not be canceled or materially changed unless at least thirty (30) days' prior written notice of cancellation or change shall have been mailed by the insurance company to Railroad at the address designated herein.

(f) The furnishing of insurance required by this Exhibit B shall in no way limit or diminish the liability or responsibility of Industry as provided under any section of this Agreement.

(g) If any policies providing the required coverages are written on a Claims-Made basis, the following shall apply:

(1) The retroactive date shall be prior to the commencement date of this Agreement and shall not be advanced during the term of this Agreement;

(2) Industry shall maintain such policies on a continuous basis;

(3) If there is a change in insurer or policies are canceled or not renewed, Industry shall purchase an extended reporting period of not less than three (3) years after the termination of this Agreement; and

(4) Industry shall arrange for adequate time for reporting of any loss under this Agreement.

(h) The above indicated insurance coverages shall be enforceable by any legitimate claimant after the termination or cancellation of this Agreement, or any amendment hereto, whether by expiration of time, by operation of law or otherwise, so long as the basis of the claim against the insurance company occurred during the period of time when the Agreement was in effect and the insurance was in force.

(i) Failure to provide the required insurance coverages or endorsements (including contractual liability endorsement) or adequate reporting time shall be at Industry's sole risk.



*FY 2022
Financial Review
January*

March 2, 2022

**Burlington Electric Department
Financial Review**

FY 2022

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FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of January FY22

(\$000)	Full Yr Budget	CURRENT MONTH			YEAR TO DATE		
		Budget	Actual	Variance	Budget	Actual	Variance
Sales to Customers	48,172	4,377	4,572	195	29,112	29,203	90
Other Revenues	3,978	300	264	(36)	2,221	1,822	(399)
Power Supply Revenues	8,404	0	0	0	4,175	4,346	171
Total Operating Revenues	60,554	4,677	4,836	159	35,508	35,370	(138)
Power Supply Expenses	32,155	2,721	2,116	605	18,689	17,425	1,264
Operating Expense	21,543	1,651	1,572	79	11,852	10,899	953
Depreciation & Amortization	6,007	501	502	(1)	3,504	3,573	(69)
Gain/Loss on Disp of Plant	291	0	13	(13)	143	116	27
Taxes	3,935	328	280	48	2,301	1,935	366
Sub-Total Expenses	63,932	5,200	4,483	717	36,490	33,948	2,542
Operating Income	(3,378)	(523)	353	876	(981)	1,422	2,404
Other Income	6,588	388	393	6	4,380	2,633	(1,747)
Interest Expense	2,402	201	189	12	1,392	1,352	39
Net Income (Loss)	808	(337)	557	894	2,006	2,704	698

Year-to-Date Results:

- **Sales to Customers** up \$90,000 (within .31% of budget). Residential Sales up \$661,800 and Non-Residential Sales down, \$558,800.
- **Other Revenues** down \$399,000 (18%)
 - a. DSM billable (customer driven) down \$336,500.
- **Power Supply Revenues** up \$171,000 (4%)
 - a. McNeil REC revenue of \$2,410,000 compared to a budget of \$1,953,000.
 - b. Wind REC revenue of \$1,538,000 compared to a budget of \$1,677,000.
 - c. Hydro REC revenue of \$324,000 compared to a budget of \$447,000.
 - d. Other REC revenue of \$74,000 compared to a budget of \$98,000.
- **Power Supply Expenses** down \$1,265,000 (7%)
 - a. Purchased Power down \$851,000.
 - b. Transmission Fees down \$227,000.
 - c. Fuel down \$187,000.
- **Taxes** down \$366,000 (21%)
 - 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 \$953,000 (8%)
 - a. Various items are less than budget. This includes outside services (\$391,000), materials & supplies (\$133,000), DSM (rebates & outside services) (\$55,000), transportation clearing & building Clearing, (\$95,700) and uncollectible accounts (\$64,600). Offset by higher expense due to the credit for A&G (“Admin and General Expenses”) charged to Capital projects was less than planned, \$296,400.
- **Other Income** down \$1,747,000
 - a. Budget assumed \$750,000 of ARPA. Also, assumed customer contributions for Shelburne Road roundabout relocation, \$616,700, UVM LCOM, \$116,200 & Champlain Pkwy, \$303,800.

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of January FY22

Capital Spending – January YTD				
(\$000's)				
Plant Type	Full Yr. Budget	Budget	Actual	% Spent
Production	\$1,017	\$561	\$212	21%
Other	192	134	0	0%
Transmission	1,150	1,150	0	0%
Distribution	3,577	2,322	1,844	52%
General	2,034	1,087	493	24%
Total	\$7,970	\$5,255	\$2,550	32%

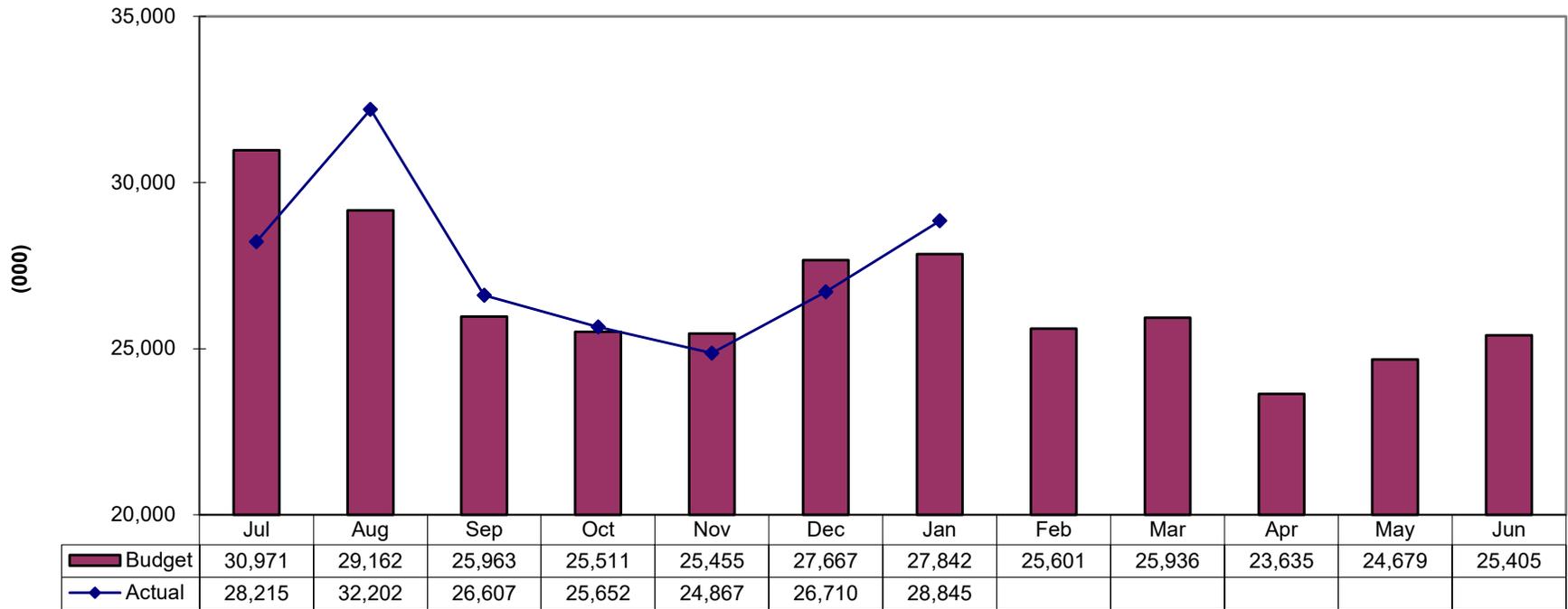
- (1) **Production** – Timing of projects at McNeil, \$59,000 and Gas Turbine, \$85,000. The unit #3 bearing replacement budgeted for Winooski One will not happen this fiscal year, \$125,000.
- (2) **Other** – Timing; budget includes Level 2 & 3 chargers, Packetized Energy, and research & development.
- (3) **Distribution** – Timing of various projects.
- (4) **General** – IT Forward project was budgeted throughout the year; YTD expenses of \$387,600 compared to a budget of \$771,700. 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 July 2022.

As of January 31, 2022	
Cash and Investments	
Operating Funds	\$9,431,600
Operating Fund – CDs	\$1,160,800
Total Operating Fund	\$10,592,400

Credit Rating Factors				
	"A"	"Baa"	Current	3 Year Average
Debt Service Coverage Ratio	1.25	1.25	5.15	3.79
Adjusted Debt Service Coverage Ratio	1.50	1.10	1.39	0.94
Cash Coverage - Days Cash on Hand	90	30	142	126

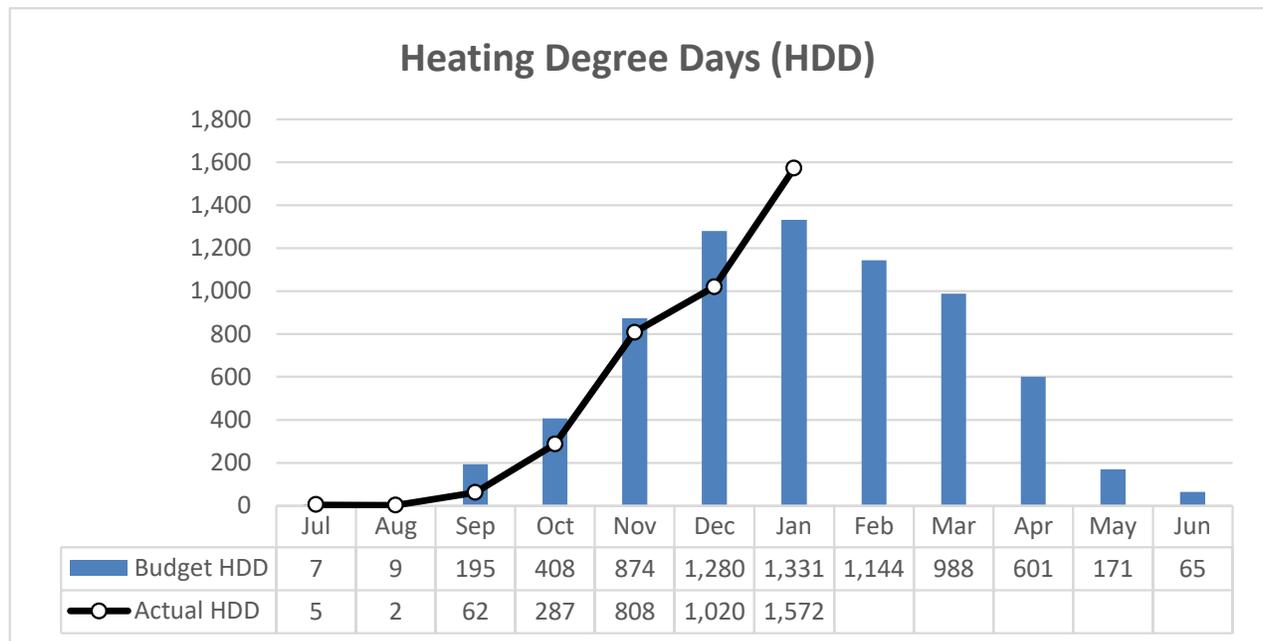
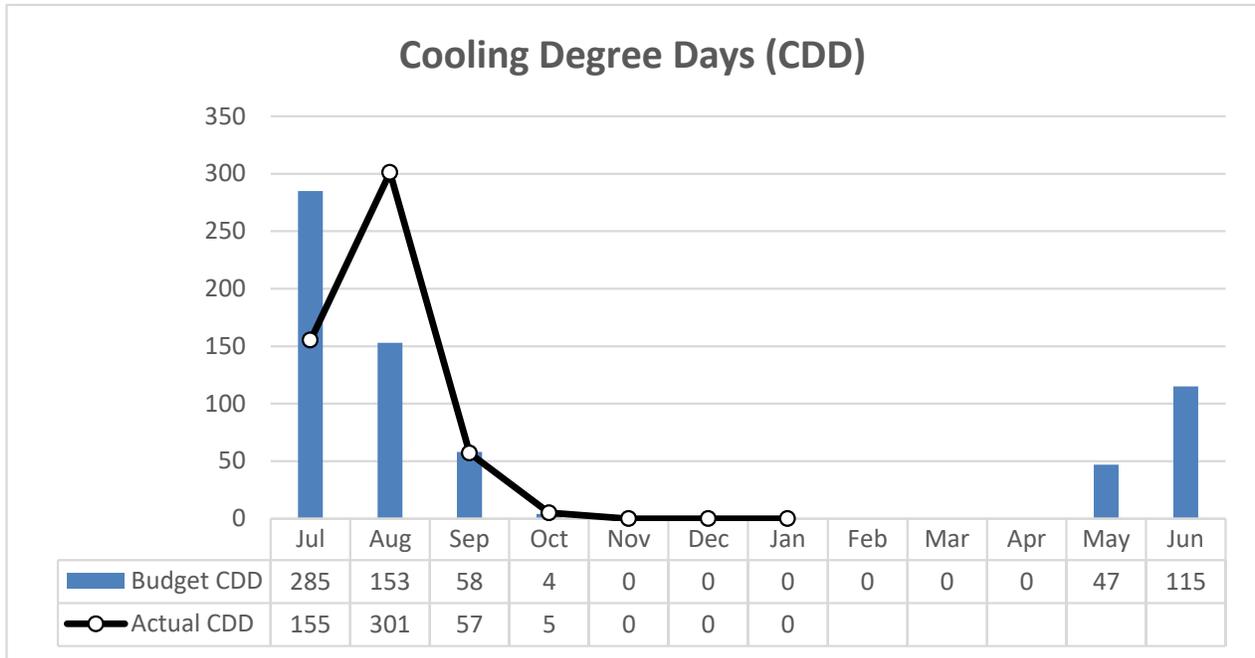
**Burlington Electric Department
Fiscal Year Ending June 30, 2022**

**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					

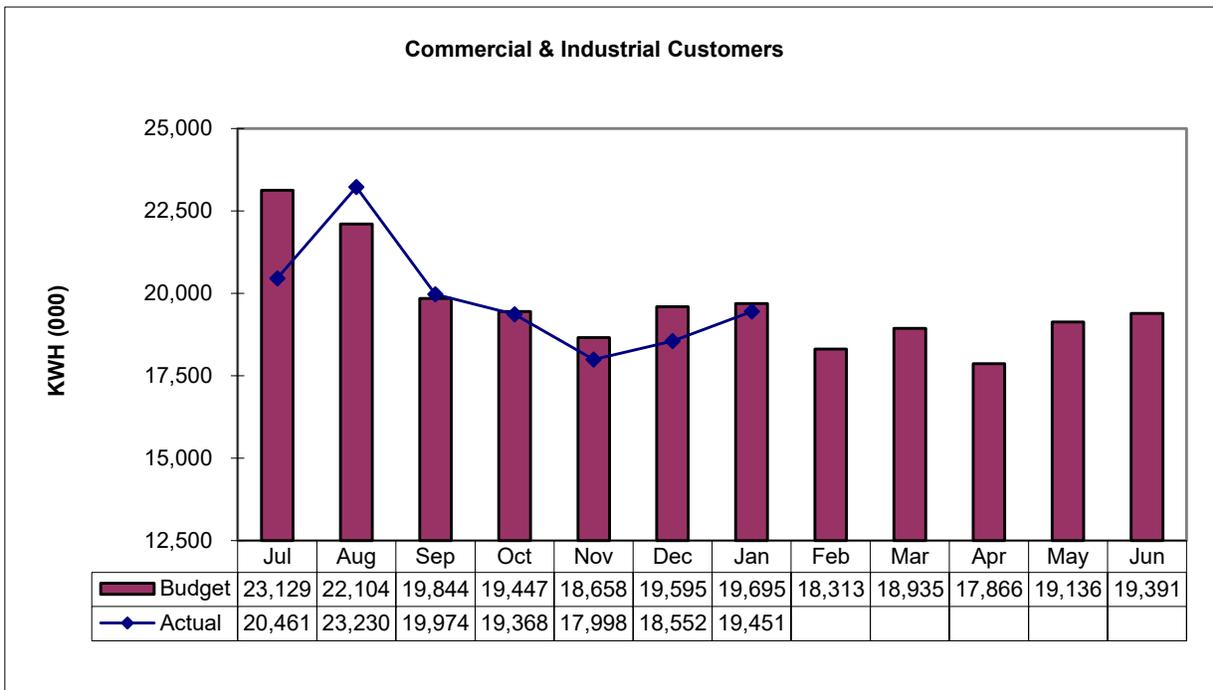
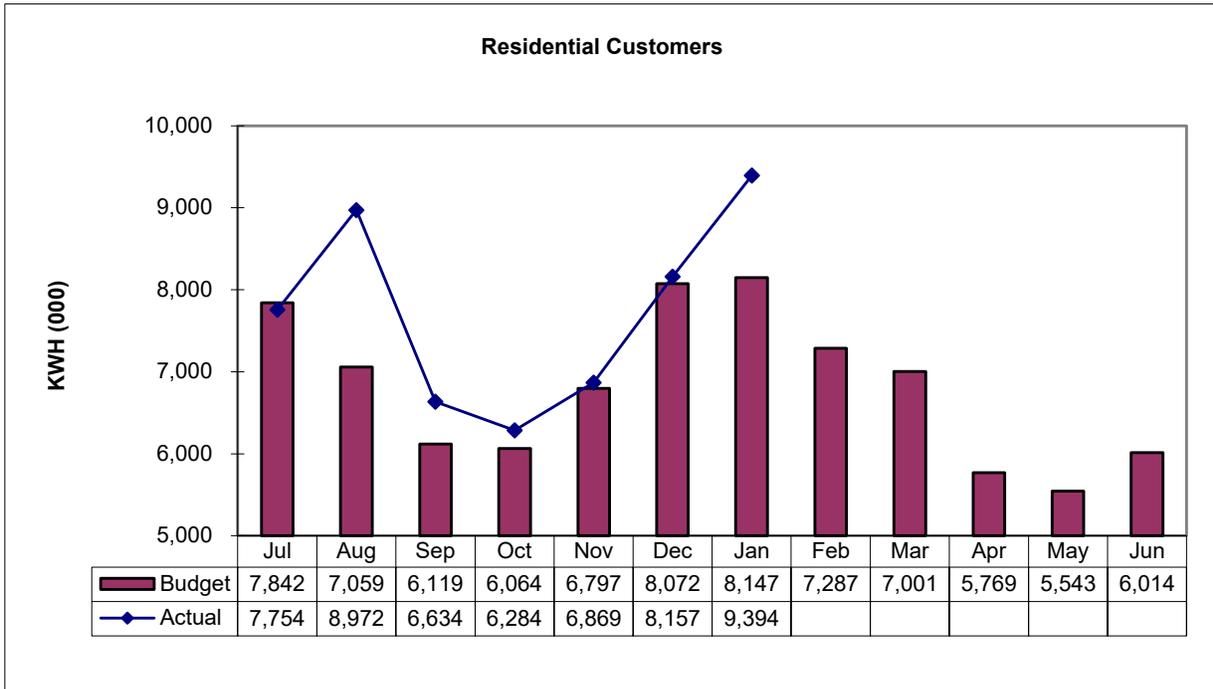
FY 2022



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					

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
January - FY 2022**

	(\$000)							
	Current Month			Year-to-Date				
	Budget	Actual	Variance	Budget	Actual	Variance		
Expenses:								
Fuel (p. 7)	\$1,052	\$1,094	(\$42)	(1)	\$5,292	\$5,105	\$187	(1)
Purchased Power (p.11)	868	252	616	(2)	8,345	7,494	851	(2)
Transmission Fees - ISO	538	506	32	(3)	3,905	4,223	(318)	(3)
Transmission Fees - Velco	191	175	16	(4)	759	191	569	(4)
Transmission Fees - Other	72	89	(18)	(5)	388	412	(23)	(5)
Total Expenses	<u>2,721</u>	<u>2,116</u>	<u>605</u>		<u>18,689</u>	<u>17,425</u>	<u>1,265</u>	
Revenues:								
Renewable Energy Certificates - McNeil	0	0	0		1,953	2,410	457	
Renewable Energy Certificates - Wind	0	0	0		1,677	1,538	(139)	
Renewable Energy Certificates - Hydro	0	0	0		447	324	(123)	
Renewable Energy Certificates - Other	0	0	0		98	74	(24)	
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>		<u>4,175</u>	<u>4,346</u>	<u>171</u>	(6)
Net Power Supply Costs	<u>\$2,721</u>	<u>\$2,116</u>	<u>\$605</u>		<u>\$14,515</u>	<u>\$13,078</u>	<u>\$1,436</u>	
Load (MWh)	28,262	30,057	1,796		195,570	198,640	3,070	
\$/MWh	\$96.27	\$70.39	(\$25.88)		\$74.22	\$65.84	(\$8.38)	

Current Month:

- (1) See detail on page 7.
- (2) See detail on page 11.
- (3) ISO-NE Transmission under Budget (December Peak Load lower).
- (4) VELCO Transmission under Budget due to lower BED Share of Common charges (VELCO set winter peak).
- (5) NYPA Transmission 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
January - 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	753	777	(23) (1)	3,695	3,590	105 (1)
Swanton Yard	68	88	(20) (1)	326	426	(100) (1)
Train Deliveries	137	141	(4) (1)	664	631	33 (1)
Labor & Other Expenses	87	84	3 (2)	536	381	155 (2)
Total McNeil Fuel	<u>1,045</u>	<u>1,089</u>	<u>(44)</u>	<u>5,221</u>	<u>5,028</u>	<u>192</u>
Gas Turbine	8	5	3 (3)	71	77	(6) (3)
Total Fuel	<u><u>1,052</u></u>	<u><u>1,094</u></u>	<u><u>(42)</u></u>	<u><u>5,292</u></u>	<u><u>5,105</u></u>	<u><u>187</u></u>

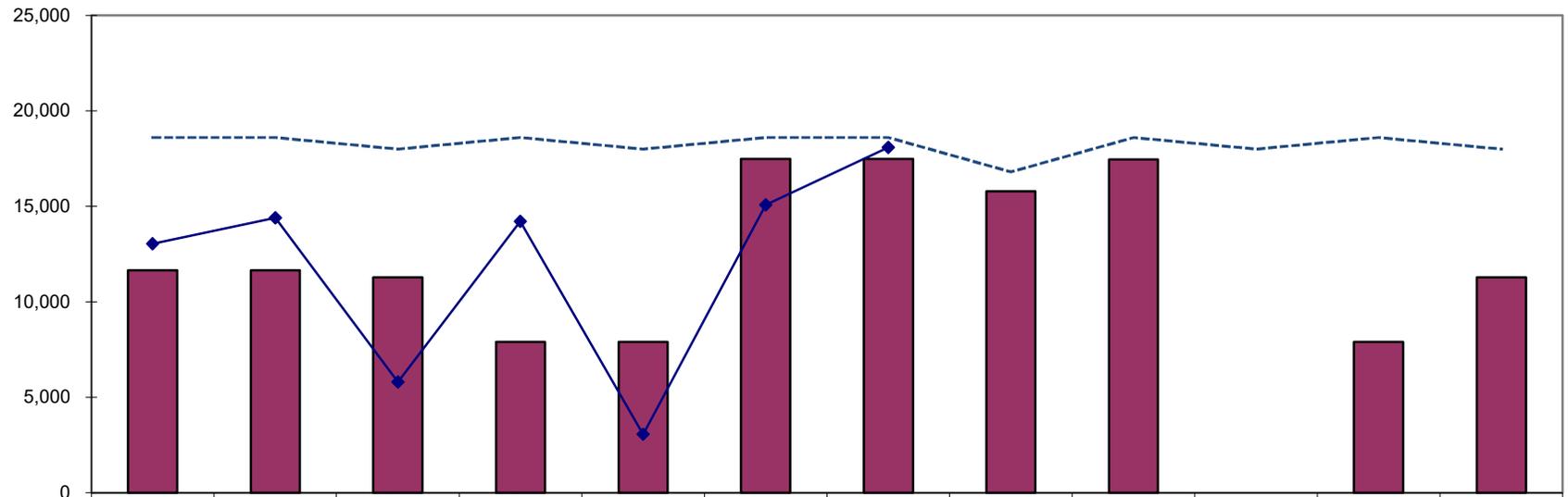
Current Month:

- (1) McNeil produced 18,083 MWh (3% over Budget). Woodchip costs (per ton) were 2% 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 16 MWh (36% under Budget).

YTD:

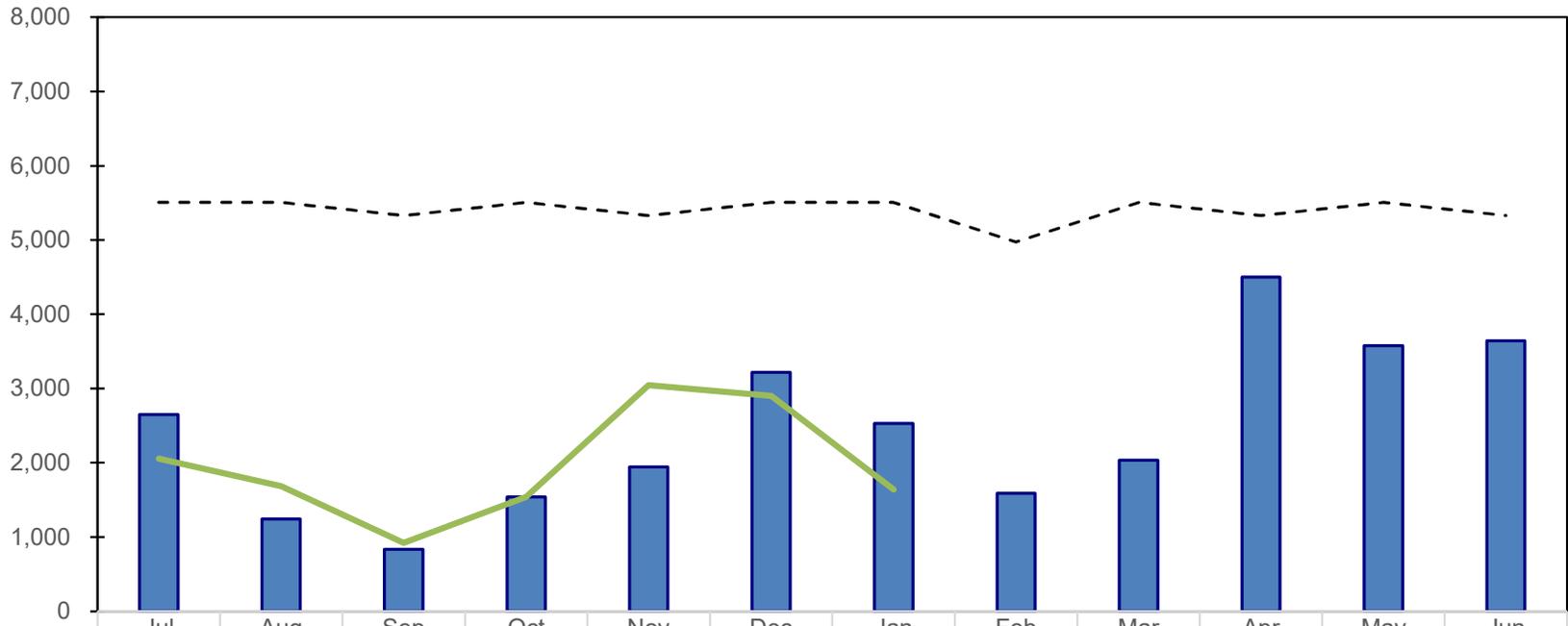
- (1) McNeil production 2% under Budget. Woodchip costs (per ton) were 1% under Budget. (p. 9)
- (2) See Current Month.
- (3) GT produced 243 MWh (15% over Budget).

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



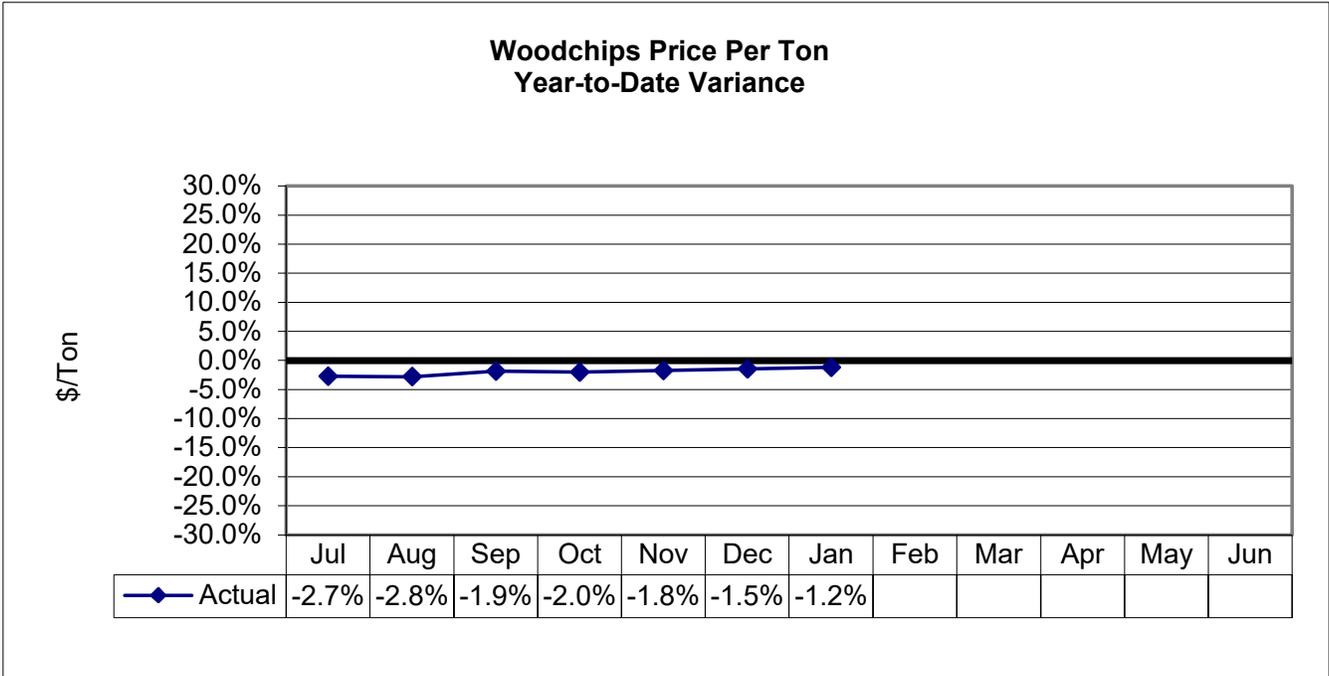
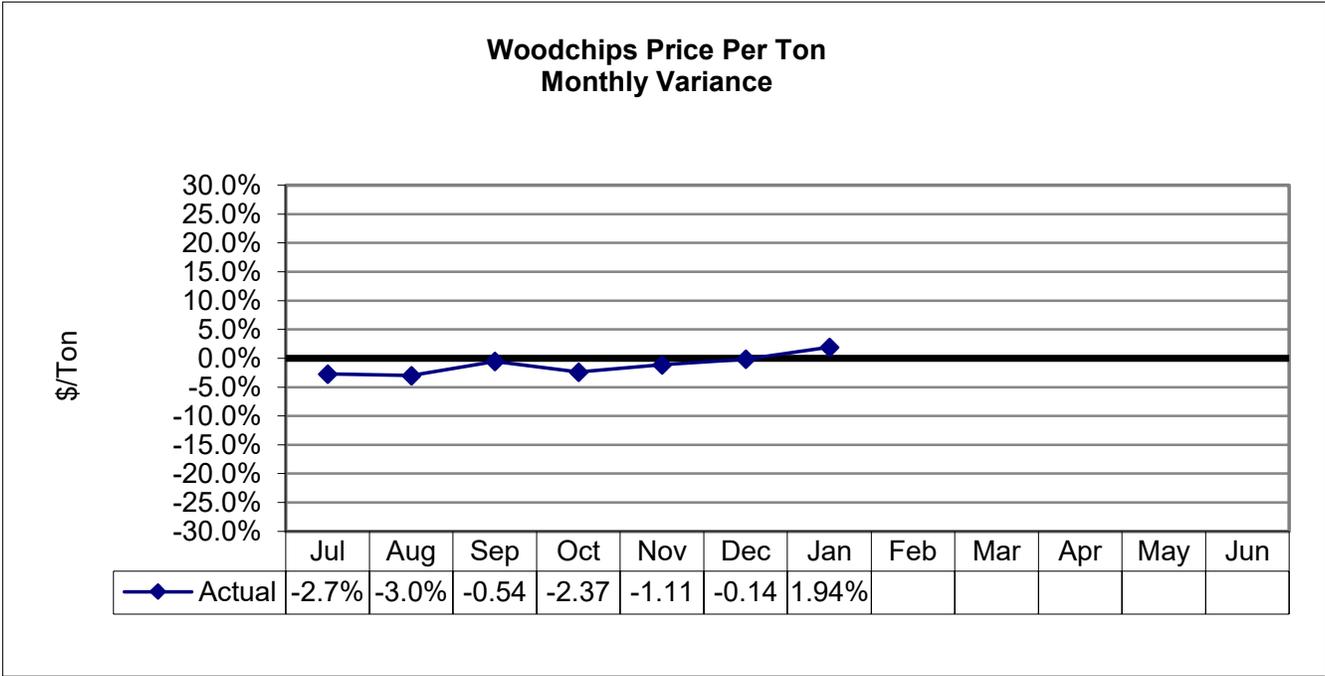
Budget	11,656	11,656	11,280	7,896	7,896	17,484	17,484	15,792	17,461	0	7,896	11,280
Actual	13,047	14,396	5,794	14,209	3,057	15,066	18,083					
Maximum	18,600	18,600	18,000	18,600	18,000	18,600	18,600	16,800	18,600	18,000	18,600	18,000

**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					
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
January - FY 2022**

	(\$000)					
	Current Month			Year-to-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<u>PURCHASED POWER:</u>						
Non-Energy (capacity)	100	115	(15)	787	928	(141)
Energy:						
Georgia Mountain Wind	326	333	(7)	1,956	1,560	396 (1)
Hancock Wind	351	241	110 (1)	1,932	1,259	674 (2)
VT Wind	250	302	(52) (2)	1,455	1,361	93 (3)
Hydro Quebec	245	254	(10) (3)	1,623	1,653	(30) (4)
Great River Hydro	173	172	0	1,176	1,174	1
In City Solar Generators	22	27	(5)	444	432	12
NYPA	6	8	(2)	44	60	(16)
VEPPI	0	0	0	0	0	0
ISO Exchange	(657)	(1,249)	593 (4)	(1,455)	(1,310)	(144) (5)
Velco Exchange	0	(2)	2	0	(6)	6
Total Energy	<u>715</u>	<u>87</u>	<u>628</u>	<u>7,175</u>	<u>6,183</u>	<u>992</u>
Ancillary Charges	6	2	4	27	(9)	36
Miscellaneous	47	48	(0)	356	392	(36)
Total Purchased Power Expense	<u><u>868</u></u>	<u><u>252</u></u>	<u><u>616</u></u>	<u><u>8,345</u></u>	<u><u>7,494</u></u>	<u><u>851</u></u>

Current Month:

- (1) Production 1% over Budget. Rate 32% under Budget due to Financial Adjustment.
- (2) Production 21% over Budget.
- (3) Rate 4% over Budget.
- (4) Energy Prices over Budget. McNeil (3%) and Wind (8%) Production over Budget.

YTD:

- (1) Production 20% under Budget. Lower CY21 production will result in lower REC revenues in FY22. (Fourth turbine back on line 11/18)
- (2) Production 19% under Budget. Rate 19% under Budget due to Financial Adjustment. Lower CY21 production will result in lower REC revenues later in FY22.
- (3) Production 6% under Budget. Lower CY21 production will result in lower REC revenues in FY22.
- (4) Rate 2% over Budget.
- (5) McNeil (3%) and Wind (20%) Production under Budget.

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

Description	Budget	Actual	Variance	% Variance	*
Labor-Regular	4,791,846	4,543,240	248,606	5%	
Labor-Overtime	294,870	317,478	(22,608)	8%	
Labor-Temporary	6,500	0	6,500	100%	a
Labor-Overhead	1,829,169	1,786,799	42,370	2%	b
Outside Services	1,427,734	1,037,118	390,616	27%	c
DSM (rebates & outside services)	1,175,554	1,120,816	54,738	5%	d
Materials & Supplies	496,550	363,536	133,014	27%	e
Insurance	422,322	333,649	88,673	21%	
A & G Clearing	(503,268)	(206,869)	(296,399)	59%	f
Other - RPS Compliance	388,860	588,425	(199,565)	51%	
Other	1,521,524	1,015,316	506,208	33%	g
Operating and Maintenance Expense	11,851,661	10,899,508	952,153	8%	

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

(b) See page 13.

(c) Timing of various items; GT & W1 (\$63,000), McNeil Plant (\$18,000), tree trimming (\$83,500) and REC Broker commission fees (\$43,400). Actual DPS billback expenses for rate case less than projected (\$149,100).

(d) 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.

(e) Timing; Distribution (\$36,600), McNeil Plant (\$24,900) & Safety (\$16,500).

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

(g) Timing: various areas are less than budget including; Training (\$38,700), Transportation Clearing (\$47,900), Building Clearing, (\$47,700), Dues & Fees (\$20,000), Utilities (\$31,800) and Uncollectible Accounts (\$64,600).

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

Labor - Overhead	(000's)			
	Budget	Actual	Variance	%
Pension	\$886	\$841	\$45	5% (a)
Medical Insurance	876	859	17	2% (b)
Social Security Taxes	550	482	68	12% (a)
Workers Compensation Ins.	200	205	(5)	-2% (b)
Dental Insurance	54	50	4	8% (b)
Life Insurance	13	11	1	11% (b)
	\$2,579	\$2,449	\$130	5%

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 - January (\$000)

	Ref	Current Month			Year - To - Date		
		Budget	Actual	Variance	Budget	Actual	Variance
Operating Revenues							
Sales to Customers	p.3	4,377	4,572	195	29,112	29,203	90
Other Revenues		300	264	(36) (a)	2,221	1,822	(399) (a)
Total Operating Revenues		4,677	4,836	159	31,333	31,024	(309)
Net Power Supply							
	p.6	2,721	2,116	605	14,515	13,078	1,437
Operating Expenses							
Operating and Maintenance	p.12	1,651	1,572	79	11,852	10,899	953
Depreciation & Amortization		501	502	(1)	3,504	3,573	(69)
Gain/Loss on Disp of Plant		0	13	(13) (b)	143	116	27 (b)
Revenue Taxes		46	46	0	332	328	4
Property Taxes Winooski One		42	41	1	295	289	6
Payment In Lieu of Taxes		239	193	46 (c)	1,674	1,319	356 (c)
Total Operating Expenses		2,479	2,367	112	17,801	16,523	1,278
Other Income and Deductions							
Interest/Investment Income		5	5	1	32	36	4
Dividends		372	360	(12)	2,533	2,521	(12)
Customer Contributions/Grant Proceeds		0	35	35 (d)	1,789	84	(1,705) (d)
Other		10	(7)	(18)	27	(8)	(35)
Total Other Income & Deductions		388	393	6	4,380	2,633	(1,747)
Interest Expense							
		201	189	12	1,392	1,352	39
Net Income							
		(337)	557	894	2,006	2,704	698

Current Month:

- (a) Energy Efficiency Program cost reimbursement was less than planned, \$32,500.
- (b) Timing; retirements budgeted in August & February.
- (c) Actual includes city reappraisal.
- (d) Actual includes VW grant proceeds, \$31,600.

Year - To - Date:

- (a) Energy Efficiency Program cost reimbursement was less than planned, \$336,500.
- (b) See current month.
- (c) See current month.
- (d) 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, \$303,800. Actual includes other billable and grant proceeds of \$43,400.

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	January Actual	Variance
McNeil (BED 50% Share)				
ESP Mechanical Field Rebuild	225		46	(46)
Routine Station Improvements	107	43	1	42
Backup Boiler Feed Pump/Insurance	103	103	132	(29)
Turbine Control System Upgrade/Insurance	37			0
Augers Replaced	30	30		30
Elevator Geared Equipment & Controls	25			0
Turbine Extraction Valve Actuators	20	20		20
Belt Fire Suppression/Insurance	17			0
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	8	1
Char Ash Conveyor	10	10		10
Station Tools & Tool Boxes	7	4		4
DC Lube Oil Pump Contractor Upgrade/Insurance			2	(2)
Other	24	21	1	20 (a)
Total McNeil Plant	697	251	191	59
Hydro Production	221	212	7	204 (a)
<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.</i>				
Gas Turbine	98	98	14	85
Total Production Plant	1,017	561	212	348
Other				
Direct Current Fast Charger (Level 3)	85	60		60
Packetized Energy	52	37		37
Public Level 2 EV Charge	33	23		23
Policy & Planning Research & Dev	21	15		15
Total Other	192	134	0	134
Transmission Plant				
VT Transco Investment	1,150	1,150		1,150 (a)
Total Transmission Plant	1,150	1,150	0	1,150

(a) Deferred.

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	January Actual	Variance
Distribution Plant-General				
Aerial				
Scarff Avenue Rebuild	701	455	621	(165)
Appletree Point Rebuild	258	258	4	254
1L4 P3149 to P3169 Reconductor	162	73	9	64
1L4 P3132 to P3149 Reconductor	140	140	88	52
Replace Condemned Poles	118	6	3	3
Replace Recloser 252R	48	48		48 (a)
227S Automation	47	47		47
Ferguson Ave, Wells St			39	(39) (b)
Rebuild 3L4 Long Spans			32	(32) (b)
Rebuild 1L4 Long Spans PH2			7	(7) (b)
3L1 Circ P396 to P404			6	(6)
Total Aerial	1,474	1,027	808	220

(a) Revenue bond project, changed to 234R, to be completed in January.

(b) FY21 project that was delayed.

Underground

Replace Switch (756,757,758,730-Battery/Pearl St)	204		3	(3)
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	152	(152)

(a) Additional work from FY21.

(b) New project added.

(c) Revenue bond project, changed from 252R.

Customer Driven/City Projects

Champlain Parkway C6	644	322		322 (a)
Champlain Parkway C6 (CAFC)	(608)	(304)		(304) (a)
UVM LCOM Project (Larner College of Medicine)	391	391	17	374
UVM LCOM Project (CAFC)	(116)	(116)		(116)
UVM Athletic Facility	101	101	17	84
Shelburne St Roundabout Relocation	630	630	16	614
Shelburne St Roundabout Relocation (CAFC)	(617)	(617)		(617)
Total Underground	425	407	50	357

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

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	January Actual	Variance
Other				
SCADA Networking Upgrade/Firewall Replacement	296	296	143	152
Distribution Transformers	194	116	308	(191)
SCADA Network Switches Replacement	98	10		10
Field Device Network Upgrades	67	67	14	53
Communication Equipment Emergency Repair	27	13	2	11
SCADA Servers Virtualization	0		6	(6)
Other			16	(16)
Total Other	682	502	489	12
Total Distribution Plant-General	2,922	1,936	1,499	437
Distribution Plant - Blanket				
Lighting	159	60	155	(95)
Lighting (Rebate)	(6)	(2)		(2)
Underground	194	108	145	(38)
Underground (CAFC)			(23)	23
Aerial	106	62	51	11
Aerial (CAFC)			(17)	17
Meters	125	115	5	111
Gas Detectors	4		4	(4)
Tools & Equipment - Distribution/Technicians	30	18	20	(3)
Substation Maintenance	16	8		8
Replace Corroded Vista CT's/PT's	20	11	5	6
Substation-Temperature Alarms	8	8		8
Total Distribution Plant - Blanket	655	386	345	41
Total Distribution Plant	3,577	2,322	1,844	478

**Burlington Electric Department
Capital Projects - FY22**

	\$000			
	Full Year Budget	Budget	January Actual	Variance
General Plant				
Computer Equipment/Software	1,806	975	462	513 (a)
Vehicle Replacement	165	50	0	50 (b)
Buildings & Grounds	55	55	31	24 (c)
Other	8	8	0	8 (d)
Total General Plant	2,034	1,087	493	594

(a) Budget includes IT Forward, \$771,700, Lake Street Network switch replacement, \$37,000, OpenWay upgrade, \$24,600 and Pole Mount Routers, \$101,3000. Actual includes IT Forward, \$387,600 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 July 2022.

(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.

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

Sub-Total Plant	\$7,970	\$5,255	\$2,550	\$2,705
Add: CAFC* reclass to "Other Income"	1,346	1,039	40	999
Total Plant	\$9,316	\$6,294	\$2,590	\$3,704

* Customer Advances (Contributions) for Construction.

Operating Cash - FY 2022 Monthly Ending Balance

