

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

Wednesday, January 10, 2024

The regular meeting of the Burlington Electric Commission was convened at 5:32 pm on Wednesday, January 10, 2024 at Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Channel 17 was present to record this meeting.

Commissioners Beth Anderson, Jim Chagnon, and Scott Moody were presented at 585 Pine Street. Commissioner Bethany Whitaker was present via Microsoft Teams. Commissioner Bonn was absent from the meeting.

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

Staff members present via Microsoft Teams included Rodney Dollar, Erica Ferland, and James Gibbons

1. Agenda

There were no changes to the agenda.

2. December 13, 2023 Meeting Minutes

Commissioner Anderson made a motion to approve the minutes of the December 13, 2023 Commission Meeting; the motion was seconded by Commissioner Whitaker.

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

Commissioner Anderson. Aye

Commissioner Chagnon. Abstained as he was not present for the December 13, 2023 meeting

Commissioner Moody. Aye

Commissioner Whitaker. Aye

Results: 3 Ayes with 0 Nays, and 1 abstention, the motion carries

3. Public Forum

Mr. Alan Bjerke was present for the meeting at 585 Pine Street.

4. Commissioners' Corner

There were no Commissioner comments at this time.

5. GM Update

Mr. Springer stated that our credit line increase charter change was unanimously approved by the City Council and will be part of several public hearings prior to being placed on the Town Meeting Day ballot. BED will work to create an updated term for the credit line renewal that better fits credit rating metric criteria.

Mr. Springer stated that beginning tomorrow, the House Energy Environment Committee will be taking testimony on the framework for updating the renewable energy standard. BED was part of a legislative work group that crafted pieces of this framework that hopefully will be the basis for legislation. We expect testimony in Committee before mid-January, and plan to outline our position further.

Mr. Springer stated that typically we change our incentives in January, but we're waiting on the Public Utility Commission (PUC) proposal for decision on Act 44.

Among the new programs that we've proposed is one that's called the *Super User Incentive*. The idea is, if you drive more miles, we want to help you get an EV even more and get customers off of gasoline. Our team proposed adding a \$250 additional bonus incentive to our EV incentives if you drive 17,700 miles a year, if you drive 25,300, you will get a bonus incentive of \$500. Mr. Springer had a conversation with the New York Times about this program concept. They are looking to do a story on this concept, so this is something where we may be the leader in the country who are doing this type of program. We hope to have incentive announcements in the spring.

Mr. Springer stated that we will be getting under way on the Net Zero data update with Synapse with a goal of having the data by April.

BED has its first Ford F150 Lightning in its fleet fully operating and was featured on our social media this month. This new Lightning will include a unique McNeil logo.

Mr. Springer stated that in December Moody's affirmed BED's A3 rating with a stable outlook.

Subsequent to enactment of the carbon fee ordinance, Councilor Bergman brought a proposal to place a new question on the Town Meeting Day ballot that could immediately impact the just passed ordinance which focuses on new construction and large existing buildings over 50,000 sq ft. The

new ballot question could change compliance options, add buildings as small as 25,000 sq ft, and increase the carbon fee substantially. BED has raised concerns about this, as has UVM, UVM Medical Center, and Burlington Business Association. UVM Medical Center sent a note to the Council stating it is pausing all district energy work with BED and the City while this is pending, given its potential to impact their work in Burlington. The TEUC Committee held a hearing on it in December and again on January 9. The full Council could consider this proposal as early as January 16.

6. FY24 November Financials

Ms. Stebbins-Wheelock presented the November 2023 financial results.

The Department's net income for the month of November was \$388K compared to a budgeted net income of \$595K, which is \$207K worse than budget.

Sales to customers were better than budget by \$76K or 1.9%. Other revenues, primarily EEU, were less than budget by \$77K for the month. REC revenues were \$300K below budget. Year-to-date REC revenues are \$389K below budget.

Net power supply expense was unfavorable to budget by \$440K in November. Fuel expense was favorable to budget by \$183K. Production down 40% in November. Purchased power expense was \$210K worse than budget due to a combination of low energy prices, lower wind production, and lower Mystic charges partially offset by increased ISO-NE exchange expenses. Ms. Stebbins-Wheelock noted that underproduction from McNeil and wind contracts will result in decreased REC revenues during the second half of the fiscal year.

Other operating and maintenance expenses were favorable to budget by \$54K. Other income was favorable to budget by \$14K.

For FY24 to date, net income was \$2.5M compared to a budgeted net income of \$478K or \$2.1M better than budget.

Capital spending for November YTD was \$2.7M or 25% of the budget for the year.

Operating cash at the end of November was \$9M compared to a budget of \$8M.

The debt service coverage ratio is 4.64, the adjusted debt service coverage ratio is 1.48, and the days cash on hand is 111.

7. Miscellaneous Fees

Ms. Stebbins-Wheelock stated that what is being presented this evening is information that has been gathered thus far based on our analysis of what our costs are now for these standard fees. We are not requesting a decision or vote by the Commission at this time, this presentation is informational only.

These fees require the same approval as all of BED's other tariffs which include the Commission, City Council, and the PUC. The current miscellaneous fees went into effect on July 1, 2010 and were based on costs from FY2009, which was prior to BED's deployment of the Advanced Meter Infrastructure (AMI). Prior to the AMI deployment, BED had all analog meters that had to be read, required manual disconnection, and manual reconnections. This required someone from BED to go out to the customer location to perform these services.

For the past several months the department has reviewed all the business processes for all the services associated with miscellaneous fees, including the degree and nature of AMI involvement. We have reviewed an updated all time and personnel involvement with each service, updated labor rates and overhead rates to FY2023. We have also updated the minimum call and overtime rates per our current IBEW contract.

Ms. Stebbins-Wheelock stated that we have not updated any rates associated with the use of the vehicle. These rates haven't been looked at in a while and every one of our fleet vehicles has a certain hourly rate associated with it based on insurance costs, maintenance costs, and the depreciation of that vehicle. Ms. Stebbins-Wheelock stated that the vehicle rates we are using are from the last time they were updated and this would affect these fees being presented this evening and would also affect any outside billing.

Ms. Stebbins-Wheelock presented the results of the analysis of fees and stated that the first column listed the fees, the second column is the description of what the fee entails, the third column is the cost basis as of FY09, and the 4th column is the rate that was set July 1, 2010. The next column in is the current calculated cost as of April 2023 based on all of the labor rate updates. The next column shows the percent cost change, along with notes and what we currently are thinking in terms of a recommendation to the Commission about what we should do with each fee.

At this time Ms. Stebbins-Wheelock presented each fee cost as of FY09, current rate as of July 1, 2010, costs as of FY23 and the department recommendations. This included the following fees:

Initial Service Fee
Initial Service Fee – After Hours
Reconnection
Reconnection – After Hours
Temporary Service
Return Check Fee

Meter Removal/Replacement for Siding
Collection
Customer Assistance Call
Customer Assistance Cal – After Hours

Ms. Stebbins-Wheelock stated that if the fees were changed, the potential review impact would be approximately a \$154K decrease in revenue from initial service fees which would be partially offset by increased in other fees, with a net decrease estimated to be \$125K-\$135K.

Ms. Stebbins-Wheelock review the Vermont Utility Fee Comparison which included Green Mountain Power (GMP), Vermont Electric Cooperative (VEC), and Washington Electric Cooperative (WEC).

Commissioner Chagnon asked how these fees would be applied to customers who opt out of the AMI meters.

Ms. Stebbins-Wheelock stated that per PUC rule, we are not allowed to charge customers who opt out of the AMI meter differently, so these fees would also apply.

It was decided that the department would do some communications about the new fee structure and would put on an agenda item next month and invite anyone who has feedback to join the Commission at public forum and then the Commission would take action in March. In the meantime Mr. Kanarick will put out the information in the North Avenue News, Front Porch Forum and the BED Website and let customers know that these fees are under review and are welcome to join the Commission meeting to give their feedback.

At this time Mr. Alan Bjerke joined the discussion and thanked the department and the Commission for taking this issue seriously and taking a look at the fee. Mr. Bjerke stated that there is still a distinction between a customer that comes from Massachusetts and signs up for a new account and you don't have any information, there is an evaluation to include if they've been a previous customer and left an unpaid bill which they have to pay before they can have service put in their name, so there are still some steps that are being required to open a new account. Mr. Bjerke stated that these steps are not necessary when transferring power to an existing customer pursuant to a standing order and these cost would be less. Mr. Bjerke stated that he is ok with a \$5.00 or \$6.00 fee but would like the department to consider that there is a public benefit to electrification. In 2009/2010, there were some policy decisions stating that the cost basis is \$30.00, but we're only going to charge \$20 for reconnection for non-payment, so the cost basis was something larger and the department made it smaller for collection at a customer's location. So it is certainly within the realm of what the department has previously done. Mr. Bjerke stated that there are six utilities that charge an initial customer fee to turn on power, two of the six have an initial service fee, but no fee for transferring pursuant to a standing order. If you were to eliminate the fee pursuant to a standing order, you would be in line with other utilities in Vermont. Mr. Bjerke stated that two of the six Vermont utilities have an initial service fee, but no fee for transferring pursuant to a standing order and BED would cross the threshold of being 50% of the utilities that charge nothing

pursuant to a standing order, even though they also charge even though they also charge for initial service. Mr. Bjerke stated that he appreciates the 83% fee decrease but setting policy for the next decade if electrification is in fact a public good, and having standing orders in place is something that you want to encourage, it doesn't look like it would cost very much to do so. Mr. Bjerke stated that he was going to review the information more closely and will be back at the February Commission Meeting for further discussion.

Commissioner Moody stated that between now and the next meeting we will get information out to customers regarding these fee changes and see if we can get more engagement from customer and contractors and look to have action on this item at the March Commission Meeting.

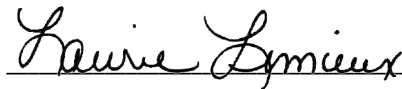
8. Commissioners' Check-In

There were no Commissioner Check-ins.

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

The meeting of the Burlington Electric Commission adjourned at 6:47 p.m.

Attest:



Laurie Lemieux, Board Clerk