

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

Wednesday, January 11, 2023

The regular meeting of the Burlington Electric Commission was convened at 5:35 pm on Wednesday, January 11, 2023 at Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Channel 17 was present to record this meeting.

Commissioners Lara Bonn, Jim Chagnon, Robert Herendeen, Scott Moody, and Bethany Whitaker were present.

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

Staff members present via Microsoft Teams included Erica Ferland, Betsy Lesnikoski, and Amber Widmayer.

1. Election of Officers

Board Clerk Laurie Lemieux called the meeting to order at 5:35 p.m. and stated that, due to the resignation of Commission Chair Gabrielle Stebbins effective December 2022, the first order of business will be to elect a new Commission Chair. The Board Clerk opened the floor for nominations for Chair of the Commission.

Commissioner Chagnon made a motion to nominate Commissioner Moody to serve as Chair of the Burlington Electric Commission; the nomination was seconded by Commissioner Herendeen. The Board Clerk asked if there were any other nominations. Hearing none, the Board Clerk asked the Commission to indicate support for Commissioner Moody by way of roll call.

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

Commissioner Bonn. Aye
Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Whitaker. Aye

Results: 4 Ayes with 0 Nays and 1 abstention, the motion carries.

Of the 5 members, 4 votes were cast in support of Commissioner Moody, with Commissioner Moody abstaining. Commissioner Moody was elected Chair of the Commission. At this time Ms. Lemieux turned the meeting over to Chair Moody.

Commissioner Moody opened the floor for nominations for Vice Chair of the Burlington Electric Commission. Commissioner Chagnon made a motion to nominate Commissioner Whitaker to serve as Vice Chair of the Burlington Electric Commission; the nomination was seconded by Commissioner Herendeen. Commissioner Moody asked if there were any other nominations. Hearing none, the Board Clerk asked the Commission to indicate support for Commissioner Whitaker by way of roll call.

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

Commissioner Bonn. Aye
Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye

Results: 4 Ayes with 0 Nays and 1 abstention, the motion carries.

Of the 5 members, 4 votes were cast in support of Commissioner Whitaker, with Commissioner Whitaker abstaining. Commissioner Whitaker was elected Vice Chair of the Commission.

2. Agenda

There were no changes to the agenda.

Commissioner Moody welcomed Commissioner Lara Bonn to the Commission and stated that we are excited to work with her.

3. December 14, 2022 Meeting Minutes

Commissioner Herendeen asked that the minutes be amended to change the word "*pulled*" to "*requested*" in the following sentence:

We proposed that, if a permit were *requested* for a heating or water heating system, then they would use a renewable replacement, or they would have the option to pay the carbon fee.

Commissioner Chagnon made a motion to approve the minutes of the December 14, 2022 Commission Meeting as amended; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

4. Public Forum

No one from the public was present for the meeting.

5. Commissioners' Corner

Commissioner Herendeen thanked Mr. Gibbons for sending a memo to him clarifying the connection between diesel prices and fuel prices.

Commissioner Moody stated that BED replaced the lights on his street and that he has a light directly in front of his home that is making an incredible difference on his street and around his home. Commissioner Moody continued by stating that the light color and level are much more tolerable than the orange lights and reflect well on the street and on the sidewalk, and that he is happy with the change.

Mr. Springer stated that he was happy to hear. There was a post on Front Porch Forum regarding the lighting on Deforest Heights that complained that the lights in that location were orange and provided extremely poor visibility. The poster also stated that he had difficulty riding his bike in that area due to the light level. Mr. Kasti and his team worked quickly to replace these lights with new LED fixtures that have more of a soft color temperature and do a better job of lighting.

Mr. Springer stated that we had followed up with our former Chair, Gabrielle Stebbins, who remains interested in introducing a local lighting expert that may have tips that could be beneficial in interpreting the Illuminating Engineering Society (IES) recommendations. Mr. Kasti has been in touch with Ms. Stebbins and has offered dates that may work for a meeting.

We have hired a new Director of Engineering, Mr. Paul Nadeau, who comes to us from Green Mountain Power. He does not have a background in street lighting; therefore, for now, Mr. Kasti and Mr. Sehovic will take the lead in this meeting.

Mr. Springer stated that, if this street light meeting has taken place before the next Commission Meeting, we will report back on what we have learned.

Commissioner Herendeen stated that he was interested in attending this meeting, and Mr. Kasti stated that, once a date was set, he would reach out to Commissioner Herendeen.

5. GM Update

Mr. Springer stated that, along with hiring the new Director of Engineering, the department also has hired a new Energy Equity Analyst, Ita Meno. Ita comes to us from the City of Burlington's Department of Permitting and Inspections and will be working with Jen Green and our Sustainability team.

BED has submitted and will be submitting, either individually at BED or as part of a group, seven concept papers in response to Department of Energy (DOE) funding solicitations under the infrastructure bill that passed during the last Congress. These are concept papers primarily focusing on grid upgrades and investments that would compliment our Net Zero Energy Revenue Bond investments and also on items such as energy storage. Mr. Springer stated that our hope is to have one or more of our papers accepted to advance to a full application. Most of the papers compliment the work from the Revenue Bond and adding additional capacity to the grid. Our Net Zero Energy Roadmap had identified a series of pathways, and our 2020 Integrated Resource Plan (IRP) had analysis suggesting that in 2019 the dollars we needed were \$19-\$24M of grid upgrades to get to 102.8 megawatts. We have done additional analysis that would result in a total upgrade to 120-140 megawatts and some of this is being submitted as part of the paper with the idea that this could compliment our current Revenue Bond funding.

Mr. Springer stated that, in the BED truck bay earlier that day, we held a press conference with the Mayor and other partners announcing BED's updated 2023 incentives for strategic electrification. This announcement also highlighted available federal rebates and incentives as part of the Inflation Reduction Act (IRA) and touched on the new Weatherization Repayment Assistance Program (WRAP) tariff. Every year, we review our programs and try to boost some of the incentives along with adding new programs. This year, we highlighted the federal IRA programs that will compliment our local incentives. Along with Mayor Weinberger, we had a representative from the Vermont Housing Finance Agency (VHFA) who described a program that, if approved, would allow us to do on-bill financing for heat pumps and weatherization. It is an income-qualified program, aimed at low- and moderate-income customers. Not only are the interest rates reasonable, but also the partnership with VHFA can break through the split incentive issue that we have where the tenant is paying the energy bill and the property owner has to pay for the improvements. With this program, the property owner does not have to make the investment and the improvement, and the savings stay with the meter. Not only is this program available to renters, it also is available to homeowners. Other announcements included heat pump and EV incentives that include significant tax credits that, when coupled with BEDs incentives, will make things more affordable.

Mr. Springer stated that, through the Net Zero Energy Revenue Bond, BED has invested in two 62.5 kW level 3 fast chargers. BED issued an RFP for electrical contractors to install the chargers and anticipates project work happening in January. One will be located at 585 Pine Street to replace the outdated 25 kW Fuji charger, and one at the Marketplace garage downtown.

Mr. Springer stated that, at the City Council meeting on January 9, BED received unanimous approval from the City Council on the resolution regarding thermal heating policy and carbon fees. This means that, on Town Meeting Day on March 7, this item will be included on the ballot. If it passes, the City will have the authority to charge a carbon pollution impact fee of up to \$150 per ton of carbon for new construction and large existing building above 50,000 sq. ft.

Mr. Springer, Betsy Lesnikoski, and Paul Pikna will be in Montpelier tomorrow to meet with Legislators to talk about the McNeil Plant and the sustainability of our forestry operations.

Hopefully, towards the end of January, we will have discussions about extending Act 151 which allows us, as an efficiency utility, to use a portion of our funding on emissions reduction projects and not just on electric efficiency.

Mr. Springer stated that BED crews helped GMP during the recent winter storm outage event, and helped Washington Electric during the storm on December 23, working through the holidays to help restore power for WEC customers.

Commissioner Moody asked where in the IRP process the department is..

Mr. Springer stated that the IRP is due in September and that our team presently is working on it and performing the normal analysis with some focus areas. Mr. Springer stated that we will brief the Commission as we get closer to having a work product to share, which may be in the spring. The Commission agreed that its members would like the opportunity to review. The Board Clerk took note that this would be on the agenda in the spring.

6. November FY23 Financials

Ms. Stebbins-Wheelock presented the November FY2023 financial results.

The Department's net income for the month of November was \$28K compared to a budgeted net income of \$13K, which is \$15K better than budget.

Sales to customers were \$150K below budget for November and \$244K or 1.1% below budget for the fiscal year to-date. Commercial sales overall for the year so far are under budget and residential sales are slightly above budget.

Other revenues, primarily EEU, were higher than budget by \$297K for the month. REC revenues in November were \$417K below budget. Year-to-date REC revenues are \$675K below budget.

Power supply expenses were favorable to budget by \$417K in November. This is due to a combination of increased fuel expense offset by decreased purchased power and transmission expense. The Department continues to experience unbudgeted capacity charges related to the Mystic, MA power plant, which were \$35K in November.

Non-power supply operating expenses for November were \$177K higher than budget and \$175K higher for the fiscal year to date, largely due to timing variances.

Other income was \$42K higher than budget due to increased interest income and unrealized gain on investments in the construction fund offset by customer contributions to customer lower than budgeted.

For FY23 to date, the Department has an actual net loss of \$143K compared to a budgeted net

income of \$278K. Exclusive of any volatility in the energy markets, which could be considerable, the Department is currently forecasting to end the fiscal year with a net income of approximately \$0, or \$1.1M less than budget.

As of November 30, the Department's capital spending was \$4.1M versus the \$5.1M budgeted, or 45% of the total FY23 capital budget.

Cash as of November 30 was \$5.6M compared to a budget of \$9.1M, or 81 days cash on hand. Department management will continue to monitor the cash position closely over the remainder of the fiscal year.

For the 12 months ended November 2022, the Department's debt service coverage ratio is 3.14 and the adjusted debt service coverage ratio is 0.89.

7. Commissioners' Check-In

Commissioner Herendeen asked Mr. Springer for an update on District Energy.

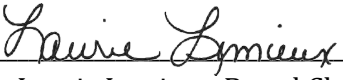
Mr. Springer stated that the Burlington District Energy non-profit received bids for construction pricing and is in the process of reviewing these bids. We were hoping we would be prepared to make our Act 250 filing in December, but due to the holidays this was delayed. We anticipate filing within the next week or two. Mr. Springer stated that we are trying to get updated pricing for the steam from McNeil and updated term sheets to review and will continue discussion with the joint owners. We are also working on what options might be available at the state level for financing at a lower rate than market rate and possible opportunities at the state level for programs to help with either a portion or all of the funding.

Commissioner Moody again welcomed Commissioner Bonn and suggested that she take advantage of a tour of McNeil, Winooski One, substations, etc. as doing so had helped him immensely when he was first on the Commission.

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

The meeting of the Burlington Electric Commission adjourned at 6:36 p.m.

Attest:



Laurie Lemieux, Board Clerk