

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

**Wednesday, July 13, 2022, 5:30 pm**

The regular meeting of the Burlington Electric Commission was convened at 5:32 pm on Wednesday, July 13, 2022 at the Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Channel 17 was present to record this meeting.

Commissioners Chagnon, Stebbins, and Whitaker were present. Commissioner Herendeen participated via Microsoft Teams. Commissioner Moody was absent.

Staff members present at 585 Pine Street included Paul Alexander, Emily Byrne, Erica Ferland, James Gibbons, Laurie Lemieux (Board Clerk), Paul Pikna, Darren Springer, and Emily Stebbins-Wheelock.

Staff members present via Microsoft Teams included Rodney Dollar.

**1. Election of Officers**

Board Clerk Laurie Lemieux called the meeting to order at 5:32 p.m. The first meeting of the new fiscal year is the Burlington Electric Commission's organizational meeting. The first order of business is to elect officers. The Board Clerk opened the floor for nominations for Chair of the Commission.

Commissioner Chagnon made a motion to nominate Commissioner Stebbins as Chair of the Burlington Electric Commission; the nomination was seconded by Commissioner Whitaker. The Board Clerk asked if there were any other nominations. Hearing none, the Board Clerk asked the Commission to indicate support for Gabrielle Stebbins by a show of hands. Of the 4 members present, 3 votes were cast in support of Commissioner Stebbins, with Commissioner Stebbins abstaining. Commissioner Stebbins was elected Chair of the Commission. At this time Ms. Lemieux turned the meeting over to the Chair.

Commissioner Stebbins opened the floor for nominations for Vice Chair of the Burlington Electric Commission. Commissioner Chagnon made a motion to nominate Commissioner Moody; the nomination was seconded by Commissioner Whitaker. Commissioner Stebbins asked if there were any other nominations. Hearing none, Commissioner Stebbins asked the Commission to indicate support for Scott Moody by a show of hands. Of the 4 members, 4 votes were cast in support of were cast in support of Commissioner Moody. Commissioner Moody was elected Vice Chair of the Commission.

Commissioner Whitaker nominated Laurie Lemieux as the Board Clerk for the Burlington Electric Commission; the nomination was seconded by Commissioner Chagnon and approved by all Commissioners present.

## **2. Agenda**

There were no changes to the Agenda.

## **3. June 9, 2022 Meeting Minutes**

Commissioner Herendeen made a motion to approve the minutes of the June 9, 2022 Commission Meeting; the motion was seconded by Commissioner Whitaker and approved by 3 of the 4 Commissioners present. Commissioner Chagnon abstained as he was not present for the June 9, 2022 meeting.

## **4. Public Forum**

No one from the public was present for the meeting.

## **5. Commissioners' Corner**

Commissioner Stebbins stated that in years past the Commission did not meet for an August meeting and asked if the staff were aware of any pressing matters, such as the budget or any critical votes that would be required.

Mr. Springer stated that the staff have planned their work around not having an August meeting and as such added any important issues to the July agenda and do not have any planned items or votes for August.

Commissioner Stebbins has some thoughts regarding street lighting and stated that the Commission has heard from some Burlington residents about the amount of new street lighting being installed. Commissioner Stebbins stated that back in January/February the Commission asked the BED team to reach out to the Illuminating Engineering Society (IES) to inquire if the lighting standards had been updated or when they anticipated they would be updated but did not receive much information back. At the last meeting, Mr. Elliston stated that a new set of sidewalk standards had been published and the BED team would review the updates and report back to the Commission at the September meeting. In the meantime, we had a couple City Councilors reach out to Mr. Springer due to some lighting complaints and concerns from residents. At this time Commissioner Stebbins and Herendeen, along with Mr. Springer, Mr. Elliston, and Mr. Alexander met with City Councilors Shannon and Traverse to discuss what jurisdiction the Burlington Electric Commission has concerning our Street Lighting Policy. Currently our Street Lighting Policy follows the IES Standards and during the meeting with the City Councilor it was indicated that we, as a

Commission, have the authority to modify the policy. As an example, if a residential street that has had the same lighting for many years with no lighting complaints, the Commission has the authority to change the policy to indicate that this residential street does not have to be updated to IES Standards. At this meeting Commissioner Stebbins understood that we would have our city attorney, Mr. Ellis look at the language. Commissioner Herendeen stated that this was also his understanding and volunteered at that time to do some research on other communities that have backed away from the IES recommendations.

Mr. Springer stated that he recalls the suggestion during the meeting with the councilors that the Commission has the authority to look at changing the Street Lighting Standard. Subsequent to that meeting Mr. Elliston and his team have finished reviewing the updated IES Standards and found that the sidewalk standards are lesser now than the past standards. One of the communities where we had concerns, Scarff Avenue, we were able to reduce the number of fixtures from 23 fixtures down to 14 fixtures as a result of the standard changes. With this being said, Mr. Springer is not 100% certain that a policy change is necessary to accomplish the goal of reducing the lighting that was affecting some of the residents. In terms of advice from the Mr. Ellis, Mr. Springer believes the advice would continue to be, if the Department is tasked with doing street lighting, we need to follow a standard and have a process for implementing it, which we currently do. Mr. Springer stated that he is reluctant to move ahead with a policy change, at least prior to implementing the new IES Standards at places like Scarff Avenue to see if it addresses the concerns. Mr. Springer recommended that if the Commission is considering any kind of policy change at the September meeting or any subsequent meeting, that we invite our attorney, Mr. Ellis for this discussion. Commissioner Stebbins concurred that this would be sensible.

Commission Stebbins stated that although the residents of Scarff Avenue would feel better about 14 fixtures versus 23, it's still much more than the original 2 fixtures that had been there for many years. At the meeting with the City Councilors, it was discussed that if there were no lighting complaints on a residential street, could we grandfather this street. Commissioner Stebbins asked if there were any other streets currently being reviewed for lighting and if so, will these streets be evaluated with the new lighting standards?

Mr. Elliston stated that the next lighting project in the queue is Lyman Avenue. Construction is starting on this street, but lighting would not be installed until spring or winter at the earliest.

Commissioner Stebbins stated that the Commission received concerns last year in the areas of Home Avenue and Richardson Street and asked if these streets would be evaluated with the new standards.

Mr. Elliston stated that the department is in the process of reevaluating Home Avenue and Richardson Street with the new standards to see if we can reduce the output of the fixtures, and in some cases, even remove fixtures.

Mr. Elliston stated that going forward the new standards will be used to evaluate lighting in

residential areas.

Commissioner Herendeen asked Mr. Elliston that since the lights on Lyman Avenue would not be installed until spring would the department install poles before that?

Mr. Elliston stated that the department would only be installing underground conduit where the lights would be installed at a later date. This conduit needs to be installed regardless of how many lights will be installed.

Commissioner Stebbins asked that the Street Lighting Policy be forwarded to the Commission and asked Mr. Elliston to highlight the section in the policy that says the City will be following the IES Standards. Also, could the department ask Mr. Ellis to draft up something to indicate what it would be like to grandfather existing streets regarding street lighting.

Mr. Springer stated that the Board Clerk will forward to the Commission the requested IES Standard but felt Mr. Ellis would probably not be in favor of drafting something that would not uphold the department's Street Lighting Policy, at least without having a conversation with the Commission first. Mr. Springer will tentatively put the September Commission meeting on Mr. Ellis' calendar just in case street lighting is on the September Agenda, if not, we can always let him know to postpone.

Commissioner Whitaker asked if there is any public engagement that is required when installing fixtures, poles, etc.

Mr. Elliston stated that the department send letters to the resident before the project begins, we provide BED contact information if they have questions, concerns, or feedback.

Commissioner Whitaker stated that you give residents a timeframe for input, and you don't receive many comments until after the fixtures are installed can be frustrating. This puts the department in a very precarious situation. Commissioner Whitaker acknowledges that it's probably extremely dramatic if there were 2 poles and now there are 23 poles.

Mr. Elliston stated that not all feedback has universally been negative, we did receive positive feedback.

Mr. Springer stated that if the department was unable under the new IES Standards to do something to address the challenge, then I think we would be forced to look at a policy change if we wanted to do something. It's fortunate that we now have flexibility so we can at least demonstrate to resident that we have heard them, that we can make changes in the infrastructure and see if it addresses the concerns.

Commissioner Whitaker stated that if it is possible to grandfather in old streets, then we might want to get the entire street to weigh in. These are questions we need to address.

Commissioner Stebbins asked Commissioner Herendenen that if he found any information pertaining to public outreach support it would be helpful.

Commissioner Stebbins asked the Board Clerk to forward this portion of the meeting minutes to City Councilors Shannon and Traverse.

## **5. GM Update**

Mr. Springer stated that we are working on creating a report for the City Council for July 18 meeting which will outline some initial recommendations and thoughts regarding the Charter Change authority, with a focus on new construction, major renovations, city buildings, and large existing commercial buildings, per the Council's Resolution. BED has worked with Building Electrification Institute to study examples of policy in other cities, Boston, New York, and Denver and has also begun some initial stakeholder outreach with UVM and UVMCMC, with more to follow. Mr. Springer stated that we are conscious that it's only been a couple of months since the Charter Change passed and there will be significant additional public process and policy research prior to making any final recommendations to the City Council.

BED has a number of community events, including two customer nights at the Ballpark with the Lake Monsters and VGS, a Summervale sponsorship on July 14, a table at the ONE Farmer's Market, and planning for our September NZE Festival from 9:00 am-1:00 pm on September 17. At this event we will have eBike and EV test rides, vendors from our heat pump partners, CHAMP will be making an appearance. We will also have live music, a DJ, fossil free food and drink cart and a variety of kids activities.

The City Council has approved the City's FY23 budget, including BED's budget, and we have continued work to prepare our FY23 rate case and engage with the PUC on our updated energy assistance program. In addition BED/The City have reached agreement with IBEW on a new four-year contract, and the contract was ratified by IBEW members and by the City Council in June. A signing event with the Mayor and Jeffrey Wimette, IBEW Business Manager will take place at BED on July 27 at 10:30am.

Mr. Springer stated that all partners have signed a letter agreement guiding the development work of the DES for the remainder of 2022, including UVM, UVMCMC, The Intervale Center, the City, BED, VGS, and Ever-Green. We are working as well on the preparation of files necessary to receive the funding from the Department of Energy that Senator Leahy secured and engaging on the additional engineering/design work needed to get updated construction pricing later this year. Mr. Gibbons will also be working on updated fuel related pricing as well. We are hoping that by the end of the year some of the impacts of rising rates and inflation on construction are able to be addressed in a favorable way.

Commissioner Stebbins asked about the multifamily EV Charger project and what were the results of the soft launch.

Mr. Springer stated that we have approved from the PUC to do the 50-60 additional through the EV match program. We are using this soft launch to reach out to customers. We presently have 14 installed already and the software is great because it allows you to set it for certain times a day for residents, certain times for the public, and set the charge. This shows up on the plug share website, so when people are searching for an EV Charger, they know when it's available.

Mr. Springer stated that we just signed the grant agreement for the State of Vermont, we can now put in the five (5) level 2 street light EV chargers. These will be installed in areas that we have identified as being a higher percentage of low income and higher percentage of renters.

Mr. Gibbons will forward the results of the soft launch along with a map of where these chargers will be installed.

Commissioner Stebbins asked if BED is involved in working with the new Burlington High School to make this new project as Net Zero Energy as possible. Chris Burns and his team are working on this and are looking a geothermal.

Commission Whitaker stated that transportation is also important for the new high school. When looking at the last plans it appears very suburban style and assume that preference is given to cars over busses.

Mr. Springer stated that Jen Green has offered feedback on transportation. BED has less to do from an incentive standpoint unless they are looking at EV Chargers.

## **6. FY22 May Financials**

Ms. Byrne presented the budget-vs-actual results for the month of May, FY22. Ms. Byrne noted that there is a change in the accounting treatment of Renewable Energy Credits (RECs) that was not implemented in the May financial statements but will be accounted for in the June/Final FY 2022 statements. Historically, the department has expensed the purchase of RECs at the time of purchase. The new accounting treatment will treat the RECs as inventory upon purchase, as they retain value for more than one year. Annually, the department will only expense the number of RECs needed for compliance in each fiscal year. In May, the department purchased additional RECs, and the cost was expensed. In June, there will be an accounting adjustment to move approximately \$500,000 to inventory and expenses will be reduced accordingly.

In May, the department had a net income of \$274K in May compared to a budgeted net income of \$1.345M. On the revenue side, actual sales to customers were favorable compared to budget by \$123K. Residential sales were up \$103K, and commercial sales were up \$19K. Other revenues were down \$91K, primarily due to lower than budgeted EEU receipts. REC revenue was under budget by \$28K.

Power supply expenses were \$983K less than budget. The primary driver was due to the purchase of RECs that were fully expensed but will be adjusted in the year end financials. The ISO exchange expense was \$581K over budget due to under production at McNeil, Winooski One, and in wind contracts. Fuel was under budget by \$365K due to underproduction at McNeil. Operating expenses were \$58K over budget. Other income was under budget due to lower than anticipated customer contributions to date.

For FY22 year-to-date, actual net income is (\$173K) as compared to budget (not adjusting for the REC accounting change). Sales to Customers is \$65K over budget. Other revenues are down due to lower than anticipated EEU receipts and customer billings. Power supply revenues are down by \$77K or less 1 % for the year. On the expense side, power supply is under budget by \$706K, driven by purchase power, transmission, and fuel costs all coming in under budget. Operating expenses are running below budget by \$1.110M.

As of May, the department has spent 55% of the FY22 capital budget. Capital spending continues to be impacted by the timing of McNeil overhaul invoices (they continued to be paid in June). At the end of May, the department had an operating cash balance of \$11.066M with 140 days cash on hand. The debt service coverage ratio is 4.93 and the adjusted debt service coverage ratio is 1.33.

## **7. 2022-23 Draft Strategic Direction**

The Commission reviewed the updated Draft Strategic Direction, asked questions regarding adding other technologies other than heat pump. Mr. Burns explained that building electrification is tricky with heat pumps. In this climate, going against natural gas, we felt a dedicated tool just to deal with the heat pump issue would be more helpful to customers and for that reason, we stay with that technology. The Commission was comfortable at this time to vote to adopt the 2022-2023 Strategic Direction.

Commissioner Whitaker made a motion to adopt the 2022-2023 Strategic Direction as presented; the motion was seconded by Commissioner Chagnon and approved by all Commissioners present.

## **8. Weatherization Repayment Assistance Program (WRAP)**

Ms. Stebbins-Wheelock stated that this program is being presented to the Commission because it may end up taking the form of a tariff filed with the PUC. If that becomes the case, the Department will need Commission approval along with City Council approval. Mr. Burns has been the person primarily engaged with VHFA in developing this program and can answer any programmatic questions. Mr. Gibbons is here because it may become a PUC filing.

Ms. Stebbins-Wheelock stated that WRAP is an on-bill financing pilot program that will help low- and moderate-income customers pay for weatherization improvements. The financing could also cover heat pump or electrification improvements if bundled with weatherization. Financing will be provided by the Vermont Housing Finance Agency (VHFA) using \$9M in State appropriations. VHFA

is hoping to make this a statewide program and to have several utilities file to offer the program before the end of the calendar year, BED among them.

Ms. Stebbins-Wheelock stated that the loan would follow the meter, so that a subsequent homeowner or tenant would pick up the loan obligation, and there would be no disconnection for non-payment of the loan component of the bill.

BED's EEU would vet the project from an energy savings perspective and VHFA would set the loan terms. VHFA has indicated that the financing rate should be no more than 2%. VHFA would provide BED's billing and finance department information including customer, loan amount, payment amount, and length of the loan in order for BED to put the on-bill financing charge on the bill. After the customer pays their bill, BED will set aside the loan payment portion and send it to VHFA, acting as their payment collector and processor. BED would be compensated for this service by VHFA with a one-time setup fee as well as by the customer through a monthly fee as part of the loan payment to cover BED's expenses for payment collections and processing. The program will be filed for PUC approval as a two-year pilot, but the loans made during the pilot period could last up to 15 years, so the Department could be servicing these loans for some time, even if the pilot program is not extended or made permanent.

The Commission asked questions and felt comfortable at this time making a motion to recommend this program.

Commissioner Whitaker made a motion to recommend to the Board of Finance and City Council to approve the Weatherization Repayment Assistance Program (WRAP) Public Utility Commission filing and the Distribution Utility Services Agreement between BED and VHFA, subject to legal review; the motion was seconded by Commissioner Chagnon and approved by all Commissioners present.

## **9. Airport ARC Wind Turbine Contract**

Mr. Gibbons stated that the Department has spoken to the Commission in the past regarding the ARC Wind Turbine project and at that time the Commission approved advancing this project. We are back before the Commission because there have been some minor changes since then and thought it prudent to bring this back to make sure that the Commission didn't have any issues with the revised proposal.

As a reminder, the ARC industries were a company out of the 2021 Delta Climb Mentoring Cohort. It was one of the pilots selected by BED for a pilot project and is a roof mounted wind turbine. This turbine is approximately 8 ft. tall, and we liked it because it was a chance to deploy something else alongside solar panels and potentially could share inverters if the two items were not producing at the same time.

We are now looking at locating this turbine at the airport and the airport has been extremely



helpful and very engaged. We are currently authorized to enter a contract to deploy on of the ARC wind turbine bur to locate it at the airport we are going to need to amend the MOU that we have with the airport that allows us to use the garage roof. The reason we need to amend the MOU is due to coming outside of the footprint of the airport solar array and the original MOU is extremely specific to solar equipment, but the airport is willing to consider an amendment.

Since we originally received approval from the Commission, we have determined that a power supply contract would be better for the actual second phase ARC agreement itself because what we get out of this is the energy, RECS, and related products from the plant while it's in operation as well as information on small scale rooftop wind production. Also, BED will have the right to buy the plant/unit out at the end of the contract.

What we did was split the original approved contract into two agreements. We have a preparation agreement with a one year less term that has been executed and will not exceed \$4,000. We are proposing a second operation and installation agreement that would take over from when we are ready to install the unit, with BED responsible for obtaining the Certificate of Public Good for the array. At that point, we would be moving into the operation/installation contract.

The project options are still what was approved the first time. It would either be decommissioned or could be extended, or it could be bought out. The way we have drafted the contract also allows an extension of up to five years which matches the Commission's ability to approve power contracts.

What we are asking of the Commission is a motion to authorize the General Manager to enter into a contract with the commercial terms described at this meeting and to seek modification of the MOU with the airport.

The Commission asked several questions. Commissioner Herendeen questioned the location at the airport and stated that it seems to be a little chancy to assume that 3 kW will translate into 1 kWh of energy production. Commission Herendeen stated that he would be voting no, stating that they are not talking about scaling this up to size and cannot imagine a lot of these around in a congested area such as Burlington.

Commissioner Whitaker made a motion to authorize the General Manager to enter into a contract with ARC, containing the commercial terms described at this meeting, to install and receive power from one ARC wind turbine at the airport, and to seek supporting modifications of the MOU with the airport as needed; this motion was seconded by Commissioner Chagnon. Commissioner Herendeen did not feel comfortable voting in favor of this contract, at this time the Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye  
Commissioner Herendeen. Nay  
Commissioner Stebbins. Aye

Commissioner Whitaker. Aye

Results: 3 Ayes with 1 Nay, the motion carries.

## **10. IT Forward Project Update**

Ms. Stebbins-Wheelock stated that it has been some time since the Commission has been given a detailed update on the IT Forward Project. Erica Ferland has been with BED for six months as IT Director and together we felt it was a good time to let the Commission know how these projects are going.

As a reminder about what IT Forward means, it's an internal label that BED has used for what is a collection of projects to replace the Department's core business systems.

Ms. Stebbins-Wheelock reviewed the four (4) systems being replaced along with the vendors associated with each system and stated that all the vendors listed are part Harris Utilities.

The four systems include:

Meter Data Management System (MDMS)

Customer Web Portal

Customer Information System (CIS)

Financial Information System (FIS), including Payroll and Work and Asset Management (WMS)

Ms. Stebbins-Wheelock stated that since the Commission recommended in December 2020 to execute the contract with Harris Utilities, the overall timeline for the sequencing of these implementations has changed by mutual agreement between BED and Harris. Unchanged is that the MDMS and the Portal are first as they remain the highest priority. After talking with Harris, however, we have changed the plan to implement the CIS next after the MDMS and Portal, instead of the FIS. This sequencing allows us to complete the final stages of the MDMS and Portal, which involve integration with the new CIS, and meet the Department's need for a more sophisticated billing system in a shorter period of time.

Ms. Stebbins-Wheelock then reviewed in more detail the status of the MDMS, Customer Portal, and CIS projects. The MDMS implementation is in progress; it kicked off in March 2021 and has a go-live target of October 2022. The project is approximately a year behind schedule for a few reasons, primarily substantial BED IT staff turnover last fall, third-party vendor integrations, and internal staff resource constraints as we have not backfilled any positions to support the project. Everyone involved is supporting the project in addition to their regular job duties. Ms. Stebbins-Wheelock stated that SmartWorks has been a good partner in managing the project flexibly to maintain forward progress and adapt as challenges have arisen.

The SilverBlaze Portal project kicked off in April 2021 and has a go-live target of October 2022. Ms.

Stebbins-Wheelock stated that the Department has had concerns related to product capabilities and vendor engagement that we believe have now been addressed.

The CIS Infinity Project is still in the scoping and planning stage, and we have not executed a notice to proceed or committed to a kick-off date. We have recently begun conversations with Harris to finalize the statement of work. We have engaged our project management consultants to map all of the business processes that relate to the CIS. It is hoped that a clear understanding of what we need the system to do, will translate into clear requirements for the statement of work, and provide Harris with a clear understanding about what they need to deliver to meet our expectations.

Commissioner Stebbins stated that Item #10 is an update on contractual items and vendor negotiations related to BED's IT Forward Project and will be held in Executive Session. Also, Item #11 regarding BED's Cybersecurity Update is also to be held in Executive Session due to proprietary information. Commissioner Stebbins suggested that the Commission make a motion to enter Executive Session for both items at this time instead of separately.

Commissioner Chagnon made a motion that premature general public knowledge regarding the contractual items and vendor negotiations related to BED's IT Forward Project would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes; this motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

## **11. Cybersecurity Update**

Commissioner Chagnon made a motion that disclosure of proprietary information related to BED's Cybersecurity plan could jeopardize public safety per Title 1, Section 313 (a)(10) of the Vermont Statutes; this motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

Commissioner Chagnon made a motion to enter into Executive Session with Burlington Electric Department Staff at 7:24 pm to discuss contractual items and vendor negotiations related to BED's IT Forward Project and to discuss BED's proprietary Cybersecurity Plan; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

Commissioner Chagnon made a motion to exit Executive Session at 8:02 pm; the motion was seconded by Commissioner Whitaker and approved by all Commissioners present.

## 12. Commissioners' Check-In

There were no Commissioner check-ins.

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

The meeting of the Burlington Electric Commission adjourned at 8:02 p.m.

Attest:

A handwritten signature in cursive script, reading "Laurie Lemieux", is written over a horizontal line.

Laurie Lemieux, Board Clerk