

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

Wednesday, September 13, 2023

The regular meeting of the Burlington Electric Commission was convened at 5:35 pm on Wednesday, September 13, 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 Jim Chagnon, Robert Herendeen, Scott Moody, and Bethany Whitaker were present. Commissioner Lara Bond was absent.

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

Staff members present via Microsoft Teams included James Gibbons, David Cressy, and Amber Widmayer

1. Agenda

The agenda was updated to reflect the following changes:

Added Item 6a. June Preliminary Financials
Cybersecurity Update was moved to Executive Session
Item 10. IRP Update was removed
Commissioner's Check-in was moved to immediately follow Item 9. Cybersecurity Update

2. July 12, 2023 Meeting Minutes

Commissioner Chagnon made a motion to approve the minutes of the July 12, 2023 Commission Meeting; the motion was seconded by Commissioner Whitaker and approved by all Commissioners present.

3. Public Forum

Mr. Peter MacAusland was present for the meeting.

4. Commissioners' Corner

Commissioner Herendeen stated that in the monthly report there was reference made to battery storage and asked Mr. Springer to elaborate.

Mr. Springer stated that there is interest at the South Forty Solar Project to look at adding battery storage and evaluate what the economics would look like. In the past we have had a few different opportunities where we have tried to consider utility scale, battery storage around the city and this proposal was brought to us and could be a good opportunity.

We'll definitely be interested, but our kind of continued pitch for battery storage is that it has to align for us in terms of production opportunities, unless it's part of a microgrid and there's some resiliency component which I don't know that there would be in this case, we'll get some value from other services with peak production being the main one. It's possible with some of the inflation reduction credits that there will be some economics that are favorable.

5. GM Update

Mr. Springer stated that BED has proudly put in service the state's first electric bucket truck, which is now operating as part of our fleet for our line crew. The truck has been out in the community and we are working through a couple little issues with the chargers and getting those kind of squared away, but it is able to charge. The truck will be popular at a number of events, including our Net Zero Energy Festival and the REV Conference.

Ciaran Canavan, one of our line workers did a great job at the press event explaining how the truck operates. He also conducted a demo in the bucket, went up about 60 feet and was able to talk through how that mechanics work. One of the things he shared at the press event was that there's separate batteries for the bucket system compared to the propulsion system and there's even a backup battery within the bucket that if somehow you were ignoring charging the bucket and you got stuck up there, there's a backup battery that can bring it back down.

Our Net Zero Energy Festival 2023 is coming up on September 23 with a rain date of September 24. We are excited to host this second annual event for the community, with fossil-fuel free food trucks, City Departments and the City EV fleet, touch-a-truck with our new electric bucket truck, EV test drives and e-bike test rides, solar and heat pump and other technology partner vendors, CHAMP from the Lake Monsters, the VEEP education program, an e-bike giveaway sponsored by VSECU, a e-lawn trimmer giveaway sponsored by Ace, DJ and live music, and our first-ever NZE award.

Mr. Springer stated that the carbon fee ordinance advanced from TEUC Committee on August 15. We are waiting for the Carbon Fee Ordinance to have an Ordinance Committee Meeting. This meeting could happen as early as next week but we are not sure if it will be one in a series of meetings or if they're going to try to resolve everything at one meeting. Once this is completed it then goes to the full council, after which the goal is to have it implemented for 2024.

We have had two successful defeat the peak runs so far this summer, with partners Old Spokes

Home and Intervale Center, and a third upcoming with Age Well.

Mr. Springer stated that you'll see a FY23 and an FY24 line-item surcharge on the bill. The issue that's been holding us up is a resolution on the Moran frame payments.

The Department of Public Service has been reasonably supportive of our position and the Council at the PUC had raised concerns about prior negotiations around the Moran frame and how those impacted on this current arrangement.

At the oral argument, Bill Ellis represented Burlington Electric and we're now waiting to get resolution in order to make the FY23 rate case part of our rates as opposed to a line-item surcharge.

Typically you would only have one line-item surcharge on a bill at a given time, but the FY23 rate case is still pending based on the oral arguments took place on September 7. Mr. Springer will keep the Commission updated.

Mr. Springer stated that the panels are going in today at the McNeil solar test center and we're looking at trying to establish a commissioning date. Once the date has been decided, Mike Kanarick will let the Commission know.

6a. Preliminary FY23 June Financials

Ms. Stebbins-Wheelock presented the preliminary FY23 June Financials.

Ms. Stebbins-Wheelock stated that she wanted to review the June FY23 unaudited preliminary results which were included in the packet that the Commission received in their August packet.

It's important to note that these numbers are subject to change as we do a few year-end adjustments.

Due to the adjustment in purchase power, we're seeking a rate case to amortize \$2M of lost revenue due to excess sales of energy from last winter which will be amortized over 8 years.

We ended the year about 88% spent through the capital budget and we went over a little on production due to gas turbine repairs that were unanticipated, also timing affected some of the other projects.

As was reported at our June meeting, we ended with \$4.463M in operating cash which was about \$217K less than we had budgeted to begin FY24 with.

The preliminary Moody's rating factors for June 2023 would be an adjusted debt service coverage ratio of 1.28- and 93-days cash on hand. The cash on hand number improved so much because the operating expense number decreased due to the adjustment for the winter energy revenues.

6. FY24 July Financials

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

The Department's net income for the month of July was \$284K compared to a budgeted net loss of 312K, which is \$596K better than budget.

Sales to customers was better than budget by \$67K or 1.3%. Other revenues were unfavorable with a variance of \$204K for the month.

Power supply expenses were favorable to budget by \$289 in July. Fuel was unfavorable by \$296K. McNeil production was 29% over budget. Purchased Power was \$488K better than budget. Transmission was \$96K favorable to budget.

Operating and Maintenance expenses were favorable to budget by \$425K. Favorable items for this were labor and overhead due to vacancies, materials and supplies due to timing and EEU rebates due to timing.

Capital spending for July was \$1.1M or 10% for the year.

Operating cash at the end of July was \$4.7M compared to a budget of \$4.9M.

The debt service coverage ratio was 4.25, the adjusted debt service coverage ratio is 1.48 and the days cash on hand is 102. The operating cash balance as of July 30, 2023, is \$4.749M.

7. District Heat Update

Mr. Springer stated that we had originally planned to potentially have a work session at the City Council as early as September but we've asked to move that back to October 10. This will allow us more time to conclude the discussions around the potential terms, the project, the economics, and the financials with the UVM Medical Center.

We have been visiting with some of the NPAs where there's been a request for us to come and talk about district heat.

We also had a webinar yesterday that included Rob Thorton, President of the International District Energy Association, Marcus Paulson, Lund Sweden, Peter Cherry from Dalhousie University in Halifax, Nova Scotia, and Ken Smith from St. Paul, Minnesota. The event was hosted by Linda McGinnis, who is a South Burlington resident and has done work for both the Governor's Shumlin and Scott on Energy, and also the Obama administration.

It was interesting to hear what other systems are like although they are not identical to what we're looking at, but they all use biomass with a district heat and in some cases a combined heat and power application.

We've posted three Q&A documents, which are also on our website that are cited and researched and we have responded to things that we've heard in the community and try to provide some additional information. There is one on the McNeil economics, one on district energy itself, and one on climate and forestry related to McNeil.

We are looking at having potential City Council work sessions kick off on October 10 and if we do reach a point in the next several weeks where we get a "project go" we will try to move the project forward through the process with the City Council. Mr. Springer stated that we are anticipating that at our October Commission meeting, we would have an agenda item with a full proposal and a potential vote prior to it moving all the way through the Council process.

Commissioner Whitaker stated that this is a complex topic and agrees that most of the community is not engaged on this topic despite BED's efforts. Not everyone attends an NPA meeting and not everyone is going to attend a webinar and unfortunately a lot of people in the community aren't even aware we're really looking at this or that there's any potential debate around it, good or bad.

Mr. Springer stated that he feels if it moves to the Council, that BED will have a unique opportunity to focus on the discussion and try to present the project in as clear and concise way as possible.

Mr. Springer stated that in preparation for the NPA presentations, he has developed 10 slides and will share this presentation with the Commission.

8. Public EV Charger Deployment Plan

Ms. Stebbins-Wheelock and Mr. Nadeau presented a PowerPoint presentation on Public EV Charger Deployment based on the results of month-long review of a team of BED employees. The committee, comprised of several employees researched data to figure out where the best locations would be to install Public EV Chargers.

BED has been deploying EV Chargers since 2013, but with the adoption of the Net Zero Plan along with the issuance and approval of the FY22 revenue bond, the Department determined that we needed to increase EV charging deployment. Since the department didn't have a long-term plan for locations or for how many were needed to support charging over time, this group was formed and the following presentation is the results of their research.

It's important to note that this data was also the basis for the application we submitted for a Department of Transportation grant to fund EV charging.

The process that was followed included:

- Projecting the number of EV chargers needed over the next 5-7 years;
- Developing a criteria for ranking and prioritizing the installation sites;
- Utilizing the criteria to rank and score the City's major neighborhoods;
- Brainstorm a list of possible EV charger locations;
- List the preferred locations on a map;
- Utilize the map to identify gaps, considering income by census tract, locations of current chargers, housing density, commercial property density, and locations of subsidized multifamily housing.

The next slide showed the results of Mr. Hall's regression model, which assumes growth of EVs of approximately 25% per year and indicates the percentages of Level 2 and Level 3 chargers in the commercial and residential areas and the number of ports the department will install each year.

The group then looked at site selection based on the following criteria:

Commercial Locations (DCFC/Level)

- Number of visits per year
- Multimodal transportation proximity
- Amenities/Touristy
- High load factor
- Ability for expansion
- Cost

Residential/Community Locations (Level 2/Level 1 by exception)

- Housing density proximity
- Justice40/DAC census tracts/BIPOC
- Partnerships with location organizations
- Multimodal transportation proximity
- Community preference
- Lighting
- No site access limits – no fees/permits required

The next slide showed the results of this research. This included the top sites in the following areas:

- Downtown area
- Waterfront area,
- Old North End
- New North End
- East End/Student Neighborhood
- South End

Ms. Stebbins-Wheelock closed the presentation by stating that BED is seeking funding for this plan through 2030 which include a total of 200 ports at a cost of \$6.6M. If we are awarded the grant, BED will be responsible for 20%, approximately \$1.3M.

8a. Commissioners' Check-In

Commissioner Whitaker asked if the department know what streets they will be changing the lighting next year?

It makes sense for to be proactive if we know now what streets are going to have lighting updates that we plan out a community engagement conversation about the lighting upgrades and we can be in front of the conversation instead of behind?

Commissioner Whitaker suggested that at the November or December Commission meeting it would be beneficial to talk about a plan for community engagement in March or April before installations in June and July.

Based on upcoming agenda items in October, this would be an agenda item in November or December.

9. Cybersecurity Update

Mr. Springer stated that it's good practice for the department to regularly update the Commission on cyber security practices, issues, and items and to let the Commission know what our team is working on to be proactive.

Mr. Springer applaud Mr. Ferland's leadership and her team on this cybersecurity issue and they have been incredibly dedicated and proactive.

Due to the sensitive nature of this topic, we recommend that this discussion take place in Executive Session.

At this time, the Commission will enter into Executive Session to discuss updates on BED's Cybersecurity plan.

Commissioner Whitaker made a motion that premature general public knowledge regarding Burlington Electric Department's BED's Cybersecurity update would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes; motion was seconded by Commissioner Chagnon and approved by all Commissioners present.

Commissioner Chagnon made a motion to enter into Executive Session with Burlington Electric Department Staff to discuss BED's Cybersecurity update, under the provisions of Title 1, Section

313(a) (1)(A) of the Vermont Statutes; the motion was seconded by Commissioner Herendeen and approved by all Commissioners present.

Commissioner Herendeen made a motion to enter into Executive at 6:49 pm with Burlington Electric Department staff to discuss BED's Cybersecurity update; the motion was seconded by Commissioner Chagnon and approved by all Commissions present.

Commission Herendeen made a motion to exit Executive Session at 7:15 pm; the motion was seconded by Commission Whitaker and approved by all Commissioners present.

Commissioner Herendeen 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 7:15 p.m.

Attest:



Laurie Lemieux, Board Clerk