



McNeil Station Joint Ownership Operating Committee Meeting Minutes

The meeting of the McNeil station Joint Ownership Operating Committee convened at 12:05 p.m. on Monday, June 12, 2023. Present; Munir Kasti, BED, Seth Clifford, BED, Paul Pikna, BED, Ying Liu, BED, Darren Springer, BED, and Rodney Dollar, BED. On Teams, James Gibbons, BED, and Ken Nolan, VPPSA.

Others Present: Colleen Rouille, BED.

1. Agenda

There were no changes made to the agenda.

2. Review of Joint Owner Operating Committee Meeting Minutes of March 13, 2023.

There were no changes to the minutes. M. Kasti, BED, made a motion to approve the Joint Owner meeting minutes for March 13, 2023; D. Springer, BED, moved the motion; K. Nolan, VPPSA, seconded the motion and it was approved by all Joint Owners present.

3. Public Forum

There was no one present from the public.

4. Summary of Operating and Generating Reports for March, April, and May 2023.

R. Dollar, BED, summarized the operating reports for the months of March, April, and May 2023. In March 2023, McNeil produced 22,522 net MWH for a capacity factor of 60.54 percent. There were no reductions and limitations during the month. This month at McNeil, miscellaneous repairs, preventative maintenance, and routine improvements we conducted. In the month of April 2023, McNeil produced zero net MWH for a capacity factor of zero percent. This month at McNeil, the annual spring outage happened. The project completed during this time were cyclone refractory work, conveyor rebuilds, ESP field rebuild, ID fan hydraulic coupling overhaul, well reclaiming, trestle retaining wall work, turbine minor overhaul, switchyard maintenance, inspections, preventative maintenance, miscellaneous repairs, gas burner upgrades and cooling tower structural work. McNeil posted two positions with interviews scheduled. In May 2023, McNeil produced 1360 net MWH for a capacity factor of 3.7 percent. There was a reduction which was caused by the Ash System. This month McNeil conducted miscellaneous repairs, preventative maintenance, and process improvements. McNeil started interviewing for a few vacant positions and hopeful to fill those soon.

5. Fuel Procurement Update

S. Clifford, BED, updated the Joint Owners saying that he was filling in for Betsy Lesnikoski. He stated that McNeil wood yards were built this past winter so we could run 24/7 until March of 2023. Since the we have been offline due to low pricing. During that period, McNeil has slowly been working on price reductions in chip wood. McNeil has been actively collaborating with suppliers to encourage them to minimize the deliveries here and to work with others so they will stay in production for when McNeil needs them later in the year. On site at McNeil, we have 50,000 tons in inventory and Swanton has around 9,000 tons for a total of 59,000 tons of wood supply. Betsy Lesnikoski, BED is currently working on FY24 co24 contracts which will be in effect starting July. The plan is to have full wood yards going into the winter. K. Nolan, VPPSA asked if there was any concern about going over on the expiration date of the wood. R. Dollar, BED, said that McNeil would run up against that in the near term and McNeil would have to run to use that wood that is about to expire when the prices are good.

6. Plant Status and Maintenance Concerns

P. Pikna, BED, began by saying that McNeil is in decent shape right now. There was a great amount of maintenance activity done when the plant was not running in the month after the overhaul. The ESP conveyor belts were rebuilt this overhaul and there was a slight issue where some metal work needed to be done to fix this. Something that just came up last week was an issue with Vermont Gas's main pipelines, so McNeil no longer has interruptible natural gas for light off. McNeil is still available to run. J. Gibbons, BED, asked what McNeil will be using to light off. P. Pikna answered by stating McNeil would use firm natural gas in the same pipeline that comes from a Burlington distribution station with different pressure. We can get this Firm gas supply from the Burlington center.

7. Financial Review

Y. Liu, BED, said that she would be reviewing the McNeil April 30, 2023, calendar year-to-date, total expenses, against the budget. The total McNeil expenses on the calendar year-to-date budget through April 30, 2023, was \$9,969,776. The year-to-date budget was underspent by \$2,582,631. There were favorable variances in all expense categories. The notable favorable variance is fuel expense which was underspent by \$1,497,444. McNeil did not produce in April due to the spring overhaul. The expenses will continue to be monitored.

8. McNeil Operating Statement

Y. Liu, BED, presented the McNeil operating statement with McNeil revenue and expense for fiscal year to date through April 30, 2023. Also included is the calendar year-to-date through April 30, 2023. In the April 30, 2023, fiscal year-to-date numbers, the total generation megawatt hours were 198,716 compared to April 30, 2022, fiscal year-to-date 2022 total generation megawatt hours of 226,510. The station generated (27,794) less megawatt hours in fiscal year 2023 compared to fiscal year 2022. In the April 30, 2023, fiscal year-to-date numbers, the total revenue was \$24,969,206 compared to \$27,416,339 in the April 30, 2022, fiscal year-to-date numbers. Revenue in fiscal year 2023 was down by (\$2,447,134) The total fuel expenses were \$15,367,139 in the April 30, 2023, fiscal year-to-date numbers compared to \$13,714,104 in the April 30, 2022, fiscal year-to-date number. The fuel expense was up by \$1,653,035. The total other expenses including depreciation were \$9,260,031 in the April 30, 2023, fiscal year- to-date number compared to \$8,307,577 in the April 30, 2023, fiscal year-to-date number. The operating expense was up by \$295,107 and that was driven by steam expense. The maintenance expense was up by \$625,083 and this was driven the timing that the spring outage invoices were paid. In fiscal year 2023, all the expenses were captured in April because the annual outage was done early, but in fiscal year 2022 the expenses were captured in May. The administrative and general expenses were up by \$201,640 and this was because of labor overhead, outside services, and insurance costs. The net income in the April 30,2023 fiscal year-to-date was \$342,035 compared to a net income of \$5,394,658 in the April 30,2022 fiscal year-to-date number. The net income decreased (\$5,052,623) in fiscal year 2023 compared to fiscal year 2022. In the April 30, 2023, calendar year-to-date numbers, McNeil generated 81,947 megawatt hours compared to 95,332 megawatt hours in the April 30, 2022, calendar year-to-date number. The total revenue in the April 30, 2023, calendar year-to- date number was \$9,008,053 compared to \$14,228,164 in the April 30, 2022, year -to- date number. The revenue was down (\$5,220,111) in calendar year 2023. In the April 30, 2023, calendar year-to-date numbers, the total fuel expense was \$6,613,732 compared to \$5,835,691 calendar year-to-date April 30, 2022 number. In the April 30, 2023, calendar year-to-date numbers, the total other expenses were \$3,914,574 compared to \$3,416,780 in the April 30, 2022, calendar year-to-date number. Maintenance expense was up because the spring outage was captured in April instead of May like the previous year. April 30, 2023, calendar year-to- date net loss was (\$1,520,253) compared to a net income of \$4,975,693 in the April 30, 2022, calendar year-to-date number. The net loss was (\$6,495,945) in calendar year 2023.

9. BED – G.M. Update

D. Springer, BED, provided an update on the City Council two committee that is holding a forum on McNeil and District heat this week. D. Springer, BED, has prepared a slide presentation for panelists that are both skeptical of wood energy and local panelists that are more familiar with the plant and with Vermont's approach to forestry and wood energy. It will be a three-hour forum, there will be public comment and questions. This is ahead of a potential vote by the city council to authorize District Energy later this summer if we reach all the necessary agreements between the plant, the customers, Vermont Gas System, and the District Energy non-profit. D. Springer said he would let the joint owners know any major information that comes from the forum. Two and a third new analysis are being posted on

the McNeil page on the website. One is from First Environment and was commissioned by Vermont Gas system to look specifically at the carbon score for the District Heat project at McNeil using the GREET model from Argonne National labs that is specifically referenced in the clean heat standard bill as being appropriate for submitting to the Public Utility Commission. The carbon score compares the McNeil district heat and the electric boiler supplementary steam to natural gas. Natural gas would be a seventy-nine with the lower the score the better and District Heat at McNeil with the electric boiler would be a 3.6 so it would have a ninety-five plus percent reduction according to the analysis in greenhouse gas emissions relative too the natural gas use that is currently taking place in the city. This is a positive development for McNeil District Energy. Two other analyses by a different group Innovative Natural Resources Solutions that worked with Burlington Electric on the 2020 I.R.P., one being the McNeil economic impact that is pending publication and the other one on the carbon values at McNeil and the related forest lands where we harvest. This one demonstrates that we are adding over 24,000,000 tons of CO2 in the areas where we harvest in net live tree additions between 2007 and 2020. It annualizes this information and compares it to the stack emissions at McNeil because our practices, the practices of our foresters, our forest management plans, our economic values are providing some support for that net addition of carbon. On an annualized basis the McNeil stack emissions are limited compared to the annualized forest auditions of carbon. This is a helpful take on the carbon questions people may have. Look on the McNeil website under new report 2023 for more information. D. Springer, BED, mentioned that there have been a few organizational changes at McNeil. Effective 6/6/2023, P. Pikna and R. Dollar have new director titles. Paul Pikna is Director of Maintenance and Rodney Dollar is Director of Operations and will report to Munir. Also reporting to Munir is B. Lesnikoski and C. Rouille. The structure is to have multiple leaders at McNeil and eliminate the Director of Generation position. There will be a Shift Supervisor position added.

10. Other Business

P. Pikna stated that there is a storm water notice of intent to apply for. As the owner operator McNeil has always signed off on the permit as the owner being Burlington Electric Department understanding that the plant is joint owned. McNeil's consultant VHB is ok with this as well as the State of Vermont. There is also a name change that only includes Burlington Electric. P. Pikna, BED, asked if the Joint Owners were good with the way this is being done and the name change. K. Nolan was in favor.

J. Gibbons, BED, said that the Solar Test Center would need to change the deeded footprint since the Joint Owners authorized the area at a previous meeting. In the old plan, there was a gas pipeline with an easement running through the Solar Test Center. J. Gibbons, BED, shared a map showing the current plan, an updated plan and a third plan that would have different boundaries. Vermont Gas Systems has agreed to let us redesign the solar array to rotate it and align with the pipeline. Racks also needed to be relocated causing a third plan to be done. The west boundaries were extended. J. Gibbons, BED, asked the Joint Owners to amend the sit license to allow U.V.M to use the revised footprint. A final version of the plan will be signed by each Joint Owner. K. Nolan, VPPSA, made a motion to accept the changes as described, D. Springer, BED, seconded the motion.

11. Schedule for Next Meeting

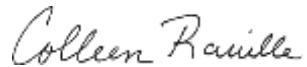
The next Joint Owner meeting is scheduled at the McNeil farmhouse on Monday September 11, 2023, at noon.

12. Adjourn

M. Kasti, BED, made a motion to adjourn the meeting at 12:40 p.m.

K. Nolan, VPPSA, moved the motion; D. Springer, BED, seconded the motion.

Respectfully Submitted,



Colleen Rouille
Business Coordinator Generation