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, December 1, 2025. Present; Darren Springer, BED, Doug Smith, GMP, Ken Nolan, VPPSA, Munir Kasti, BED, Seth Clifford, BED, Michael Harron, BED, Lincoln Sprague, BED, Ying Liu, BED, James Gibbons, BED, Kevin Fink, BED, Don Tobi, BED, and Emily Stebbins-Wheelock, BED.
Others Present: Pike Porter, Public and Colleen Rouille, BED.

1. Agenda

There were no changes to the agenda.

2. Review of Joint Owner Operating Committee Meeting Minutes of September 8, 2025.

There were no changes to the minutes. M. Kasti, BED, moved a motion to approve the Joint Owner meeting minutes for September 8, 2025; D. Springer, BED, seconded the motion, and it was approved by K. Nolan, VPPSA, and all members present.

3. Public Forum

Pike Porter was present from the public. He had no comments today.

4. Summary of Operating and Generating Reports for August, September and October.

M. Harron, BED, summarized the operating reports for the months of August, September and October 2025.
In August 2025, McNeil produced 29,433 net MWH for a capacity factor of 79.12 percent.
The plant operated for 87.54% of the total hours in August. 918 MCF of gas was burned in the McNeil boiler during the month of August. There was one reduction and limitation in August. There was an economizer tube leak from August 1 through August 4th. This month at McNeil we Hired a Yardworker.
In September 2025, McNeil produced 22,687 net MWH for a capacity factor of 63.02 percent. The plant operated 73.29 percent of the total hours in September. There was 647 MCF of gas burned in the McNeil boiler during the month of September. There were three reductions and limitations that included East boiler grate, front end loader mechanical issues and stack testing. This month at McNeil, a new Yardworker was hired.
In October 2025, McNeil produced 0 net MWH for a capacity factor of 0percent. The plant operated 0 percent of the total hours in October. There was 0 MCF of gas burned in the McNeil boiler during the month of October. There was one reduction and limitation that included a planned outage. McNeil's planned fall outage commenced and started on October 18, 2025.

5. Plant Status Operating and Maintenance Concerns

L. Sprague, BED, updated the Joint Owners saying that the major event was the planned fall outage. The first of two major projects was the timber replacement in the cooling tower. After inspecting those timbers there was a need to replace them to prevent any failure of the structure. McNeil replaced half of all the timbers there selectively choosing the ones that looked in the worst condition and replacing them with new pressure treated lumber. This project proceeded according to schedule and was completed successfully. The second half of that project will be done in the next two years depending on priorities in the budget. The other major project was the live bottom. This project involves the receptacle that holds all the wood just before it is fed into the boiler and it has large pistons that move the bottom in a controlled manner to feed the chips into the augers that put them into the boiler. The bottom needed a total rebuild because over time the metal rods driving it become distorted. These are 40-foot rods. This project went according to plan and both sides are in good shape. There were a few other minor projects, repairs and preventative maintenance that were completed. Now that McNeil is back online for the winter run, maintenance employees are doing their routine preventative maintenance on equipment and procedures that can be done while the plant is online. Preparation for the spring outage in 2026 is beginning.

6. Fuel Procurement Update.

S. Clifford, BED, began by introducing himself to the Joint Owners and the new Chief Forester who is replacing Betsy Lesnikoski who retired in November. Seth has worked at BED for thirteen years. Prior to starting at BED, Seth had a 20-year consulting career working in New England. He is very familiar with the process of managing forests. He began his position a few weeks prior to the meeting. The wood inventory is on target for the winter run at McNeil with an inventory of over 63,000 tons. Some past issues that influenced our ability to procure wood last winter in the pulp market are good this year. The pulp markets are well supplied and the competition for wood should not be bad and in McNeil's favor. The railroad contract was extended this year with a three-year contract with the existing terms of the previous contract.

7. Financial Review.

Y. Liu, BED, said that she would be reviewing the McNeil October 31, 2025, calendar year-to- date budget. The total operating expenses on the calendar year- to- date budget through October 31,2025 were $21,644,395. This was ($3,610,504) under budget. The favorable variance was driven by generation expenses that had a favorable variance of $2,766,000. Fuel expense had a favorable variance of $1,738,410 because McNeil was offline in October. Boiler plant had a favorable variance of $486,031 and electric plant had a favorable variance of $391,442. Another notable item is the disposal of plant assets that had a favorable variance of $433,336. McNeil will continue to monitor the budget for the fiscal and calendar years.

8. McNeil Operating Statement.

Y. Liu, BED, presented the McNeil operating statement with McNeil estimated revenue and expense for the fiscal year to date through October 31, 2025. Also included is the calendar year-to-date through October 31, 2025. On October 31, 2025, fiscal year 2026-to-date numbers, the total generation megawatt hours were 78,130 compared to October 31, 2024, fiscal year 2025-to-date total generation megawatt hours of 55,732. The station generated 22,398 more megawatt hours in fiscal year 2026 compared to fiscal year 2025. On October 31, 2025, fiscal year 2026-to-date numbers, the total estimated revenue was $7,318,744 compared to $4,909,736 on October 31,2024, fiscal year 2025-to-date numbers. The estimated revenue in fiscal year 2026 was up by $2,409,008.
On October 31, 2025, fiscal year-2026 to date numbers, the total fuel expenses were $5,610,665 compared to $4,365,183 on October 31, 2024, fiscal year 2025-to-date numbers. The fuel expense was up by $1,356,483 in fiscal year 2026. The higher fuel expense was driven by the higher generation in the current fiscal year. On October 31, 2025, fiscal year 2026-to date numbers, the total other expenses including estimated depreciation were $3.930,631 compared to $3,952,295 in the October 31, 2025, fiscal year 2025 -to-date number. On October 31, 2025, fiscal year 2026-to-date numbers, the estimated net loss was, ($2,222,553) compared to an estimated net loss of ($3,296,741) on October 31, 2024, fiscal year 2025-to-date number. The estimated net loss decreased by ($1,074,189) in fiscal year 2026 compared to fiscal year 2025.
On October 31, 2025, calendar year 2025-to-date numbers, the total generation megawatt hours were 179,405 compared to October 31, 2024, calendar year 2024-to-date total generation megawatt hours of 148,276. The station generated 31,129 more megawatt hours in the calendar year 2025 compared to the calendar year 2024. On October 31, 2025, calendar year 2025-to-date numbers, the total estimated revenue was $22,557,817 compared to $12,457,500 on October 31,2024, calendar year 2024-to-date numbers. The estimated revenue in calendar year 2025 was up by $10,100,317. On October 31, 2025, calendar year-2025-to-date numbers, the total fuel expenses were $13,071,165 compared to $11,272,860 on October 31, 2024, calendar year 2024-to-date numbers. The fuel expense was up by $1,798,306 in calendar year 2025. On October 31, 2025, calendar year 2025-to date numbers, the total other expenses including estimated depreciation were $10,054,998 compared to $10,134,072 on October 31, 2024, calendar year 2024 -to-date number. On October 31, 2025, calendar year 2025-to-date numbers, the estimated net loss was ($568,347) compared to an estimated net loss of ($8,949,432) on October 31, 2024, calendar year 2024-to-date number. The estimated net loss decreased by ($8,381,085) in calendar year 2025 compared to calendar year 2024.

9. Approval of the Calendar Year 2026 Joint Owner Budget

L. Sprague said the draft calendar year 2026 expense budget is $30,389,256 as compared to $30,173,188 for the calendar year 2025 budget. The calendar year 2026 budget is $216,068 more than the approved calendar year 2025 budget. The increase can be attributed to vacancies filled with multiple staff positions, new requirements imposed by insurers of the McNeil station, increased fees for regular services including railcar maintenance, power transmission and IT licenses. The increases could also be attributed to increased rates for all contractor services and materials. The capital budget for calendar year 2026 is $3,096,602 as compared to $2,360,748 for calendar year 2025. This is an increase of $735,854. The primary reason for this increase is the 620,000 RSCR catalyst replacement project that was originally planned for calendar year 2025 but was delayed until calendar year 2026 where it coincides with other essential projects. We did try to keep this budget as close as possible to the previous year. Included in this capital budget is a new wood handling front end loader, a rebuild of the electrostatic precipitator fields, a new well to replace an existing well and the RSCR catalyst replacement project.
D. Springer, BED added that McNeil had done cleaning to the heat sync related to the RSCR catalyst which has had some positive impact, but we anticipate if we want to have a full positive impact during the catalyst replacement during the April 2026 outage. McNeil would

likely need additional capital funds to support the heat replacement. We are not asking for this in the current budget that is being voted on but it might have to be considered and voted on in the February Joint Owner meeting.
M. Kasti, BED, moved a motion to approve the 2026 Joint Owner calendar year budget; D. Springer, BED, seconded the motion, and it was approved by K. Nolan, VPPSA, and all members present.

10. BED – G.M. Update.

D. Springer, BED, updated the Joint Owners telling them that BED is continuing to review results from the RFP for battery storage. In the early part of the new year, we will be looking at advancing that project. As a reminder he added that there is an agreement to advance up to five megawatts at McNeil and the Joint Owners can join in or not. Once BED has something that is tangible, it will be shared with the Joint owners so they can decide if they want to be included or if BED would proceed on its own.
D. Springer reported that because of the 2023 district energy resolution there was a third-party report generated by a firm called Polarity Inc. that was released last week to the Tuke committee of our city council. Their presentation outlined various outlines to reduce CO_2 at the stack and improve efficiency at McNeil. They analyzed twelve different items, some of which came in at two high of a cost. For example, green ammonia or blending renewable gas. Some items came in as already being done by the McNeil team such as pre-heating the air in the combustion chamber. Some came in as things we have tried and will not try again like gasification. A couple of suggestions came in as being both cost effective and potentially achieving significant benefits for the stack emissions and efficiency at the plant. One of the suggestions was carbon capture which they characterized at a high level as being cost effective if you can take advantage of the market in New England for CO_2 in a liquified form. The other suggestion was wood pyrolysis, which is the super heating of wood in an oxygen free chamber where you produce both a gas that can be used like renewable natural gas for energy production and then a biochar component that can be reused for agriculture purposes. BED is still reviewing the report and options, getting more detailed information on the two options. There will be more discussion on this at the next commission meeting in December. K. Nolan, VPPSA, has some concerns about the costs of these options and asked to keep them informed.

11. Other Business

There was no other business

12. Schedule for the Next Meeting.

The next Joint Owner meeting is scheduled at the McNeil farmhouse on Monday February 2, 2026, at noon.

13. Adjourn.

M. Kasti, BED, moved a motion to adjourn the meeting at 12:47 p.m.
D. Springer, BED, seconded the motion and it was approved by K Nolan, VPPSA.

Respectfully Submitted,

Colleen Rouille

Colleen Rouille
Business Coordinator Generation