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## FINAL

**TO:** All Attending

**FROM:** Colleen Rouille

**DATE:** June 15, 2016

**SUBJECT:** McNeil Station Joint Ownership Operating Committee Meeting Notes

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 10:05 a.m. on Wednesday, June 15, 2016 at the McNeil Generating Station Farmhouse.

<b>PRESENT:</b>	N. Lunderville, BED	J. Gibbons, BED
	D. Mullett, VPPSA	B. Lesnikoski, BED
	K. Nolan, BED	P. Pikna, BED
	C. Cole, GMP	A. Parah, BED
	D. MacDonnell, BED	C. Rouille, BED

### 1. Agenda

N. Lunderville made an addition to the agenda to add an executive session, item 8.5.

### 2. Review of Joint Owner Operating Committee Meeting Notes of March 16, 2016

No changes were made to the minutes. D. Mullett, VPPSA moved to approve the Joint Owner Committee Meeting minutes of March 16, 2016. The motion was seconded by N. Lunderville and approved by all Joint Owners present.

### 3. Public Forum

There was no one present from the public.

### 4. Overview of Operating Reports for March, April and May 2016

D. MacDonnell summarized the reports for the last three months.

In March 2016, the McNeil Generating Station produced a total of 28,943.0 net MWH of power for a Capacity Factor of 77.8%. The plant operated for a total of 694.1 hours or 93.3% of the total hours in March. The McNeil Station had an equivalent availability of 92.8%. As of March 31<sup>st</sup>, our total MWH produced for calendar year 2016 to date was 93,760.0 MW. A few notable reductions in March were the Silo Ash Conveyor Failure and the PLC Fault. There were an estimated 44,435.8 tons of wood consumed in March. The Fuel Procurement Plan anticipated an end of the month total inventory of 13,000 tons. A total of 979 MCF of gas was burned in the McNeil boiler in March, all for startup purposes. The first quarter REC's for 2016 ended on March 31<sup>st</sup>. McNeil's average NOx emissions for the quarter were .071 lb./MMBtu which are low enough to qualify for

Connecticut class 1 REC's. In April, 2016 the McNeil Generating Station produced a total of 12,640.0 net MWH of power for a Capacity Factor of 35.1%. The plant operated for a total of 312.7 hours or 43.4% of the total hours in April. The McNeil Station had an equivalent availability of 33.9%. As of April 30th, our total MWH produced for calendar year 2016 to date was 106,400.0 MW hours. There were a few reductions and limitations in April caused by Ash System Problems. From April 14 to April 30<sup>th</sup> the plant was shut down for the annual overhaul. During overhaul a number of repairs and maintenance projects were completed. A problem with the ID fan extended the overhaul to May 7<sup>th</sup>. There were an estimated 19,480.5 tons of wood consumed in April. The Fuel Procurement Plan anticipated an end of the month total inventory of 13,000 tons. There was no gas and no oil burned in the main boiler during the month of April. In May 2016, the McNeil Generating Station produced a total of 23,969.0 net MWH of power in May for a Capacity Factor of 64.4%. The plant operated for a total of 518.0 hours or 69.6% of the total hours in May. The McNeil Station had an equivalent availability of 68.8%. As of May 31<sup>st</sup>, our total MWH produced for calendar year 2016 to date was 130,369.0 MW hours. There were a few restrictions and limitations in May including the I.D. Fan Alignment and some PLC issues. There were an estimated 36,195.1 tons of wood consumed in May. The Fuel Procurement Plan anticipated an end of the month total inventory of 30,000 tons. A total of 1778 MCF of gas was burned in the McNeil boiler in May, all for startup purposes. No oil was burned in the main boiler this month. Cadoux Dzingou, who was the McNeil 100 day temporary worker, decided to leave the plant after 80 days of work.

#### **5. Fuel Procurement Update**

Chief Forester, B. Lesnikoski reported that at the end of May there were 34,406 tons of wood which is slightly over what was planned. The inventory is subject to change because of an aerial survey that will be done soon by UVM with a drone. McNeil will start to build the inventory so that usage will match the woodchips delivered in the summer and slowly build the inventory for the winter months. McNeil has lowered the price we pay for woodchips since the April overhaul and have dropped the incentive for the special chippers used for getting wood out of the quarantine area in New York. McNeil is well under budget relating to wood price. The state has put traps up around the wood yard at McNeil and in Swanton to check for the Emerald Ash Borer bug and other insects. Focus will be in the northwest corner of the state. The northern long eared bat has been listed as a federally threatened species which impacts harvesting. McNeil is working with the state biologists on how to manage harvesting with these bats. This will be an ongoing process with the state. Legislation that happened in Montpelier this year on forestry has little to no effect on McNeil except a required forestry license. The wood piles at the McNeil plant are being well managed and rotated to avoid fires.

#### **6. Financial Review**

Ms. Parah reported that the calendar year to date budget is under budget. There were some invoices that have not come in for the outage so in May McNeil will be close to being on budget.

#### **7. BED – G.M. Update**

N. Lunderville reported that he has been doing meetings with the McNeil plant staff and is pleased how well they are going. The energy is good and employees like the changes that D. MacDonnell has made. N. Lunderville has nothing other than good news to report with these meetings.

K. Nolan reported on district heating. There was a partnership meeting with the U.V.M. Medical Center and U.V.M. which resulted in a request for information from a variety of organizations. There were 5 expressions of interest being looked at and narrowed down to the top two by the power resources group. There have been a couple of themes in these documents that refer to focusing on efficiency's in the building before you design your district heat so you can figure what the right heating load is and a real interest to look at natural gas versus McNeil. Getting more efficient natural gas systems involved can be beneficial to this process because of the low energy cost. K. Nolan noted that the question has been posed about using McNeil waste heat to produce energy in various ways versus using the turbine for heat and how waste heat would be more beneficial. N. Lunderville said District Heat has been talked about for a long time and the discussion is moving forward in a positive way.

#### **8. Plant Status, Operating/ Maintenance Concerns**

D. MacDonnell informed the joint owners that the plant has been running extremely well and the work that is done during overhaul is necessary for this to happen. The last time McNeil had a lost time accident was July 3<sup>rd</sup> of 2014. This is a major accomplishment due to the staff being diligent in safety procedures and a daily briefing that is done each morning by D. MacDonnell. The truck scale had an inspection and is going to need to be replaced sooner than expected. The truck scale repair is not in the current budget but some other projects will be put on hold to accomplish this project.

#### **8.5 Executive Session**

N. Lunderville moved a finding that the conversation we will have will put McNeil Joint Owners in a substantial disadvantage in the marketplace per 1VSA313A1. D. Mullett seconded the motion. All were in favor of the finding. N. Lunderville moved that because of the finding they move to executive session per 1VSA313A1A. with staff present. D. Mullett seconded the motion. All Joint Owners present were in favor.

#### **9. Schedule for next Meeting**

The next Joint Owner meeting is scheduled for September 14, 2016, 10 a.m. at the McNeil farmhouse.

#### **12. Meeting Adjourned**

Mr. Mullett moved to adjourn the meeting at 11:05 a.m. The motion was seconded by Mr. Lunderville and approved by all Joint Owners present.