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## FINAL

**TO:** All Attending

**FROM:** Colleen Rouille

**DATE:** March 16, 2016

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

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 10:00 a.m. on Wednesday, March 16, 2016 at the McNeil Generating Station Farmhouse.

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

### 1. Agenda

No changes were made to the agenda.

### 2. Review of Joint Owner Operating Committee Meeting Notes of December 16, 2015

Mr. Mullett moved to correct the spelling of his name on item 12. No other changes were made. Mr. Lunderville, BED moved to approve the Joint Owner Committee Meeting minutes of December 16, 2015 as amended. The motion was seconded by Mr. Smith and approved by all Joint Owners present.

### 3. Public Forum

There was no one present from the public.

### 4. Overview of Operating and Generating Reports for December, 2015, January and February 2016

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

In December 2015, the McNeil Generating Station produced a total of 29,008.0 net MWH of power for a Capacity Factor of 78.0%. The plant operated for a total of 696 hours or 93.6% of the total hours in December. The McNeil Station had an equivalent availability of 93.4%. As of December 31<sup>st</sup>, our total MWH produced for calendar year 2015 to date was 290,361.2 MW. One notable reduction in December was the Ash Silo repair. The Ash Silo will be worked on during this upcoming overhaul. There was an estimated 44,458.7 tons of wood consumed in December. The fourth quarter REC's for 2015 ended on December 31<sup>st</sup>. McNeil's average NOx emissions for the quarter were low enough to

qualify for Connecticut class 1 REC's. Don Fleming, a 32 year employee, left employment at the plant on December 30<sup>th</sup>, and is the last to leave the plant because of the voluntary buyout. Our capacity factor monthly average for 2015 was 66.3%. Our equivalent availability monthly average for the year 2015 was 82.3%. McNeil burned 426,574 tons of wood in 2015. The McNeil Generating Station produced a total of 33,412.0 net MWH of power in January for a Capacity Factor of 89.8%. The plant operated for a total of 721.9 hours or 97.0% of the total hours in January. The McNeil Station had an equivalent availability of 93.5%. As of January 31st, our total MWH produced for calendar year 2016 to date was 33,412.0 MW hours. There were a number of reductions and limitations in January. The most significant one was caused by the Ash System that overheated. There were an estimated 50,187.5 tons of wood consumed in January. The vacant Business Coordinator position was filled by Colleen Rouille who has worked for Burlington Electric for 29 years. Russell Tolas, who was awarded the vacant operator position, decided not to accept the job. Cadoux Dzingou has been hired as a temporary employee for 100 working days. The McNeil Generating Station produced a total of 31,405.0 net MWH of power in February for a Capacity Factor of 90.2%. The plant operated for a total of 696.0 hours or 100% of the total hours in February. The McNeil Station had an equivalent availability of 98.7%. As of February 29<sup>th</sup>, our total MWH produced for calendar year 2016 to date was 64,817.0 MW hours. There were a very few restrictions and limitations in February. There were an estimated 47,428.2 tons of wood consumed in February. Mr. Smith asked how the plant was adjusting to low energy prices. Mr. MacDonnell said that he meets with Ms. Lesnikoski and Mr. Gibbons monthly to go over this subject and to evaluate the operating times of the plant. Mr. Gibbons explained many factors are looked at and then a plan is developed on how to operate the plant with cycling being one option. The cycling of the plant depends on economic factors, the physical plant status and wood supply. Mr. Smith appreciated this effort among departments. Mr. Smith asked about the possibility of a constrained fuel situation and if we could burn wood, natural gas and oil all at once or a combination if we were short on one source. Mr. MacDonnell said we could use any combination or use all three but that it would affect the REC market.

## **5. Fuel Procurement Update**

Chief Forester, Ms. Lesnikoski reported that we are over our projected inventory in the wood supply. This happened because we ended 2015 with a higher than projected inventory, the new usage schedule to run full time in the winter months caused McNeil to purchase more wood so we would not run out of wood, and it was an ideal winter for the wood chip suppliers to get wood to the plant due to the weather and low diesel fuel prices. Markets like paper and biomass are closing in the surrounding states and this is causing the demand of wood to be lower and the supply in Vermont to be higher. McNeil has an overabundance of suppliers calling the plant to see if they can sell us wood. The current inventory comes from Vermont suppliers and each one supplies a certain number of loads per week. The price is currently being driven down due to the abundance of suppliers. Ms. Lesnikoski said that we keep looking at wood prices and that the suppliers know that we may need to adjust them so our needs are met to keep the plant running. Wood inventory is being reduced because of the plant maintenance shutdown in April. In the summer, the quotas of wood will remain the same. This will provide enough wood over the summer and start to build inventory for next winter. Ms. Lesnikoski said the Ash Borer bug is in the non-flight season or the larval stage so things are very quiet. Traps will be set up in the spring in the wood yards to see if there are any in the State of Vermont.

**6. Financial Review**

Mr. MacDonnell reported that the overall budget was under budget. There were a few areas over budget. There were some payroll charges being charged to the wrong account and it has been fixed moving forward and adjusted for the past charges.

**7. BED – G.M. Update**

Mr. Lunderville discussed district heating and the process of what we can do with waste heat at the plant. The Chittenden Solid Waste District is the focus of a new opportunity to use waste heat to dry the bio-solids to ship out or burn. BED is in discussion with Burlington because of the excess waste and the growing issue of disposal. Chittenden Solid Waste District did an analysis of many different options and narrowed it down to two options of which one option is that Burlington waste could possibly be used to produce revenue for the McNeil plant. Discussions are in the assessment phase. Mr. Lunderville stated that we are working with the community on the issue of district heating but the reality of this is challenged because of factors such as natural gas prices. Mr. Nolan stated that there was a meeting where there was an agreement to issue a request for information to identify partners and have them make proposals to see what they would offer. A document is being put together with the information proposed. The Danish embassy has approached us in an effort to outsource their technology around district heating to the United States and will be discussed as a possibility. All options of district heat are being looked at city wide and sources outside of McNeil are options in the future. Mr. Lunderville mentioned that an agreement was signed with IBEW for a 4 year contract for the period July 1, 2014 to June 30, 2018. The contract was settled without fact finding or arbitration which was the first time in many years that has happened. The contract was ratified by the union, approved by the city council and signed. Wages, health care and retirement were the major issues.

**8. Triennial Report**

Mr. MacDonnell reported that the Triennial Report overall findings were that the facility is in good physical condition being operated and maintained in a safe manner by qualified experienced staff. It was also stated that the equivalent availability of the McNeil station is well above average when ranked against U.S. coal fired generation from 2002 to 2007. McNeil used to burn a supplemental fuel for the RSCR and that is no longer happening and is saving the McNeil plant money. Mr. Smith asked if there were any recommendations that were disagreeable or a surprise. Mr. MacDonnell said there was a recommendation that the fuel handling could be different. It would be difficult with a first in first out wood pile in the wood yard that needs to be rotated to comply with this recommendation. Ms. Lesnikoski also stated that the wood delivery trucks prefer our current system. The report also stated that the plant is 30 years old and McNeil should start replacing equipment which is part of our current ongoing plan. It was mentioned that additional operational training should happen and Mr. MacDonnell said this was happening and that it was put into the budget. The overall report was good and is a reflection on John Irving running the plant.

**9. Plant Status, Operating/ Maintenance Concerns**

Mr. MacDonnell mentioned that in 2015 and the first two months of 2016 there were no lost time accidents at the plant. This is a great accomplishment. The annual safety

training is being held for all employees and is a good preparation for the annual overhaul that is scheduled to take place April 16th through May 1<sup>st</sup>, 2016. Green Mountain Safety along with Mike Flora, the BED safety coordinator, conduct the annual training. McNeil also has its own Safety Committee which is made up of management, operations and maintenance personnel that deal with all safety concerns as they arise. Some of the major jobs being done this year are replacement of the west grate in the boiler, replacement of the bunker floor, a total rebuild in one of the precipitator fields, rebuilding of the shredder and rebuilding 3 ash conveyors. Other maintenance items like inspections, oil changes and greasing will also happen. Mr. MacDonnell mentioned that he is concerned about the ash system. This is a system that operates in a harsh environment and is 30 years old. Mr. MacDonnell said the plant staff is looking into an upgrade of the ash system in 2018.

#### **10. Schedule for next Meeting**

The next Joint Owner meeting is scheduled for June 15, 2016. Other meetings for 2016 were discussed. The dates for these meetings are scheduled for September 14th and December 21<sup>st</sup>. All these meetings are scheduled for 10 a.m. at the McNeil farmhouse.

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

Mr. Lunderville moved to adjourn the meeting at 11:40 a.m. The motion was seconded by Mr. Smith and approved by all Joint Owners present.