

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, January 13, 2021, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:37 pm on Wednesday, January 13, 2021 via Microsoft Teams Video Meeting.

Channel 17 was present via Microsoft Teams Video to record this meeting.

Commissioners Chagnon, Herendeen, Moody, Stebbins and Whitaker participated via Microsoft Teams, while Commissioner Whitaker joined the Microsoft Teams meeting at 6:00 pm.

Staff members present via Microsoft Teams included Darren Springer, Paul Alexander, James Gibbons, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Dave MacDonnell, Paul Pikna, Andrea McNeil, and Emily Stebbins-Wheelock.

1. Agenda

There were no changes to the Agenda.

2. December 9, 2020 Meeting Minutes

Commissioner Chagnon made a motion to approve the minutes of the December 9, 2020 Commission Meeting; the motion was seconded by Commissioner Herendeen.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye

Results: 4 Ayes with 0 Nays, the motion carries.

3. Public Forum

Ms. Sharyl Green and Mr. Don Schramm were present via Microsoft Teams.

Ms. Green, a resident of Burlington Co-housing explained that the Burlington Co-housing is a 32-unit housing development located off East Avenue. Approximately one year ago the Co-housing community, after much research, chose to install Level 2 Juice Box Pro electric vehicle (EV)

chargers. This particular commercial model was chosen because of the software package that tracks usage and allows the community to analyze their own usage patterns. Presently, four EV owners and one plug-in hybrid electric vehicle (PHEV) owner all have access to the full software, and each activates the charging of their own vehicle via a phone application or the software itself. The chargers run off the development's common meter, which covers all the electric use on the site with the exception of individual use within each apartment and townhouse. For the past year, Co-housing has worked out the car charging billing among themselves, which runs approximately \$0.17 per kWh.

Ms. Green stated that they appreciate the EV incentives BED has offered but noticed that residential charger owners have benefited in terms of BED rate reduction incentives, whereas common meter charging owners have not. The Co-housing common meter rate falls under the small general (SG) service plan restrictions, which state that energy consumption cannot exceed 3,000 kWh per month or equal to an average of 100 kWh per day for any three consecutive months during the previous 12 months. Last year, Co-housing missed being billed at the higher rate by 3 kWh. Presently, they have logged 2,484 kWh with eight days remaining in the billing cycle, forcing them to charge off-site.

Ms. Green stated that Co-housing was asking BED to look at their dilemma and investigate a way to incentivize common meter housing groups.

Mr. Gibbons stated that BED is cognizant of the issue in the SG rate, and BED is looking at a couple ideas to resolve this issue. BED has looked at two difference possibilities. One is to change the cut-offs where the SG and the large general (LG) rate change over, which would mean changing them all across the board or changing them such that charging at night is not included. The other option is to offer the EV charging credit to the SG accounts and ignore that usage for the purpose of determining the SG/LG changeover and the demand charge. Challenges come with both scenarios, one being the fact that a rate change of this type that will affect customers differently may be put into effect only after the Public Utility Commission approves the changes. Mr. Gibbons stated that the possible change Co-housing is asking to be investigated is clear, be and BED is looking at some ideas to correct the issue.

Mr. Gibbons stated that he and his team are working on a way to resolve these issues, will continue to meet, and will follow up with Ms. Green and Mr. Schramm.

4. Commissioners' Corner

Commissioner Herendeen stated that he requested dotted lines in certain graphs in our output of Winooski One and McNeil and noticed that they are included and are very helpful.

Commissioner Herendeen likes to keep track of solar since the solar farm in Burlington is close and realized that in December our local solar put out about 1/8th of what it put out at the height of the summer. Commissioner Herendeen stated that he did not realize it was so extreme.

Commissioner Herendeen stated that our Hula geothermal project has satisfied all of our Tier 3 requirements and inquired if doing geothermal right on the lakeshore makes all of this much easier by tapping into lake water by going into the ground.

Mr. Springer stated that he is not aware that Hula is tapping into the lake water for that system. Mr. Gibbons stated that the Department has talked with a couple of firms about the possibility of using the lake for a heating/cooling source, but that, as far as we know, this is a fairly standard drilled ground source heat pump. Mr. Gibbons stated that he can follow up on that specific question of whether the proximity to the lake has any benefit for the project and will reach out to Commissioner Herendeen about what he has learned.

Commissioner Herendeen stated that we have a dashboard that shows all kinds of progress on EVs and heat pumps. If you look into the total picture of the City, he is wondering about the overall growth. Specifically, since we are now working with VGS, he wonders if we are able to find out how many more gas hookups have happened since the increase in heat pumps.

Mr. Springer stated that we could coordinate between VGS and the Permitting and Inspection Department to try to get more granular information on the actual hookups based on new development. The bigger question is where our fossil fuel use and emissions are when we present our incentive numbers. When we present our incentive numbers, they represent a bottom-up picture of the growth in certain technologies, but not the broader picture of where fossil fuel use and emissions are in the City. Mr. Springer stated that we have contracted with Synapse to update the 2019 and 2020 fossil fuel and emission data for the City, so we will have a good picture of where things have gone since the initial 2018 Roadmap Project. This information will be published as part of the Performance Measures Report this coming spring so we should have more information that would be relevant as to overall fossil fuel use. This will be broken down by natural gas use, residential and commercial, as well as by gasoline, diesel, and other fuel use.

Commissioner Whitaker stated that there are several states in the Northeast signing on to the Transportation Climate Initiative (TCI), and Vermont has not advanced it and asked Mr. Springer if he had any insight or update on this item.

Mr. Springer stated that he is aware of the TCI and that the Governor's administration has been at the table developing the TCI agreement, but is acting in the status of observer. They will continue to engage in the conversation, but they are not recommending that Vermont join as a binding participant, but this does not preclude Vermont from joining later. Mr. Springer stated that the Regional Greenhouse Gas Initiative (RGGI) model for power plants has allowed states to join subsequent to the initial agreement and, in some cases, states have left and then returned based on policy changes.

Commissioner Whitaker asked if Mr. Springer knew why Vermont was not participating, given that the State does quite well with RGGI.

Mr. Springer stated that Vermont does well with RGGI because we have very few fossil fuel

generators that are subject to the RGGI requirements and, as a participating state, we receive a portion of revenue from the auctions that result from RGGI. Also, as an efficiency utility, BED receives a portion of our thermal energy process funds through RGGI auction revenues, as well as the bidding of energy efficiency to ISO forward capacity markets. Although RGGI has been positive, the question remains, if this program is put in place, and enough larger states participate, it is possible that the upstream fuel providers are going to impose the fee on that fuel. If a fee is imposed, then Vermont may see an increase in fuel price. If we do not participate, then there is some risk that we would lose out on some of the associated revenues. Mr. Springer is sure there will be more discussion on this topic.

Commissioner Stebbins stated that she would be interested at a future meeting to hear an update as to whether or not there is any discussion regarding reassessing our current use of buildings within the Burlington area. In reviewing the monthly reports, she noticed many great projects that are moving forward that include multi-family units. Given COVID, Ms. Stebbins asked if there is an opportunity to play a role in reassessing some of our larger scale commercial sites to more of a mixed-use approach. Of particular interest is whether there is an opportunity to save energy when these building are reassessed for their current use and how this connects to our Net Zero Energy city goal by 2030.

5. GM Update

Mr. Springer stated that the Department was reminded by the City Attorney to make sure that all of the substantive emails that we are exchanging related to Commission business come from and to Burlington Electric Department email addresses. Going forward, the Board Clerk will send all Commission information to those email addresses only. Any commissioner having difficulty logging into those accounts should reach out to the Board Clerk, who will arrange for the IT Department to assist in setting up emails.

Mr. Springer stated that we were very pleased that on January 4, 2021, BED received a unanimous approval from the Board of Finance and City Council for the IT Forward project. Mr. Springer expressed appreciation to the many BED'ers who have worked on this project over the course of several years, starting with the IT Technology Roadmap in the 2017 timeframe, which included an RFI to seek vendor information and presentations, followed by an RFP that was incredibly rigorous. This is a great example of collaboration across divisions, management, non-management, union, and non-union.

Mr. Springer stated that BED has received confirmation that our LGER grant request of over \$500,000 was successful, drawing on CARES Act funds available via the State of Vermont. This supports reimbursement of COVID-19 related expenses and helps to mitigate some of the budget challenges we are seeing due to continued lower sales to customers, delays in capital projects, and larger than typical customer arrearages. We also ended the year with the Vermont COVID-19 Arrearage Assistance Program (VCAAP), which brought in approximately \$350,000 in arrearage assistance for eligible BED customers. Many thanks to the Customer Care and Finance Teams for helping to successfully manage that program.

We still have financial challenges due to COVID; we still have capital disruptions and delays due to supply chain issues and customer contribution capital projects that are delayed along with arrearages that are approximately 150% above what we would typically see at this time of year. The utilities are collectively engaged in sharing updated information with the Department of Public Service and the Legislature, and BED will be supporting efforts to secure additional arrearage assistance.

Mr. Springer stated that for the first time we have met the entire Tier 3 obligation under Vermont's Renewable Energy Standard. This was accomplished thanks in part to a significant geothermal heat pump project reaching completion. Therefore, we will not need to cover any portion of the obligation with renewable energy certificates. This is the first year since we launched our Tier 3 programs in 2017 that we have achieved our full obligation through our customer programs (EV incentives, heat pump incentives, E-bikes, E-mowers, etc.). Mr. Springer offered much appreciation to the Policy & Planning and Energy Services Teams for their work to advance these important programs and deliver them to our customers.

On January 12, BED will be announcing the continuation of the Green Stimulus level heat pump incentives for 2021. We also are working on extending certain other Green Stimulus programs, some of which are dependent on the outcome of our proceeding related to Act 151 and some of which we can move forward with independently.

The Department has opened nominations for the second annual Jim Reardon Public Service Award. The awardee's name is added to a plaque that hangs in the BED lobby, and the awardee receives a gift card to City Market paid for by the GM and gets to select the first nonprofit partner for our annual Defeat the Peak program this summer. Last year, our award winner was Andi Higbee, who selected Ronald McDonald House Charities to support families in need.

Financials

Ms. McNeil reviewed the November FY 2021 financial results.

Ms. McNeil reviewed the budget-versus-actual results for the month of November FY21. The Department reports net income of \$0.5M which is \$0.4M less than budget. Specifically, the unfavorable variance in the November results is due to: decreased sales to customers due to COVID-19, increased fuel expense due to increased McNeil production, and increased transmission expense offset by less purchased power. Year to date, the Department reports net income of \$1.3M, which is \$0.1M less than budget.

Commissioner Stebbins asked the team about expected year-end results for FY21. Ms. McNeil responded that the Department's continuing forecasting of year-end results shows several areas of risk, including COVID-19 impacts on sales to customers and lower customer contributions to capital projects. Mr. Springer noted that the Department is continuing to reduce expenditures within its control, while investing in important areas of the business. Mr. Springer noted that the Department will continue to monitor financial results throughout the rest of the year as well as looking forward to FY 2022.

Capital spending as of November is 28% or \$1.1M less than the November YTD FY2021 budget. This is driven primarily by the IT Forward project, timing of the Data Center upgrade, and timing of distribution projects.

As of the 12 months ending November 2020 the Department has 125 days cash on hand, the debt service coverage ratio is well above target, and the adjusted debt service coverage ratio remains below target.

6. District Energy

Mr. Springer stated that the discussion we would like to provide will need to be in executive session due to sensitive commercial terms and ongoing negotiations.

Commissioner Herendeen made a motion that premature general public knowledge of BED's District Energy System would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes; this motion was seconded by Commissioner Chagnon.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

Commissioner Herendeen made a motion to enter into Executive Session with Burlington Electric Department Staff at 6:39 p.m. to discuss BED's District Energy System, under the provisions of Title 1, Section 313(a) (1)(A) of the Vermont Statutes; this motion was seconded by Commissioner Chagnon.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

Commissioner Moody made a motion to exit executive session at 7:19 pm.; the motion was seconded by Commissioner Chagnon.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

7. Commissioners' Check-In

There were no Commissioner check-ins.

Commissioner Moody made a motion to adjourn; the motion was seconded by Commissioner Herendeen.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

The meeting of the Burlington Electric Commission adjourned at 7:22 p.m.

Attest:



Laurie Lemieux, Board Clerk