

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, September 11, 2019– 5:30 p.m.

The regular meeting of the Burlington Electric Commission was convened at 5:30 p.m. on Wednesday, September 11, 2019 at the Burlington Electric Department, 585 Pine Street, Burlington, Vermont.

Commissioners present included Jim Chagnon, Bob Herendeen, Scott Moody, and Gabrielle Stebbins.

Staff members present included Chris Burns, Jen Green, James Gibbons, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Paul Pikna, Jim Reardon, and Darren Springer.

Channel 17 was present to record this meeting.

1. Agenda

There were no changes to the Agenda.

2. July 10, 2019 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the July 10, 2019 Commission meeting; the motion was seconded by Commissioner Chagnon and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

3. Public Forum

Jenn Kallay, Dr. Asa Hopkins from Synapse Energy Economics, Inc. and Jonathan Slason from Resource Systems Group, Inc. (RSG) were present for the meeting.

4. Commissioners' Corner

Commissioner Stebbins congratulated the teams from Synapse Energy Economics, RSG, and the Burlington Electric team for all the work that went into putting together the Net Zero Energy Roadmap.

5. General Manager's Update

Mr. Springer reminded the Commission that the October meeting will be held on October 16.

Mr. Springer stated that it was great to see several Commissioners at the Net Zero Energy Roadmap release on Monday and that he appreciated all the support from employees, partners, and members

of the community. The teams from Synapse and RSG are present this evening to go over the Roadmap in detail.

There are several public events planned to present the Roadmap, including attending the NPA meetings, joining the Mayor for “*Mornings with the Mayor*” at the Bagel Café in October, participating in several energy organization speaking events, and speaking on a panel at the Renewable Energy Vermont Conference.

Mr. Springer stated that BED is pleased to announce and welcome two new hires. Ms. Emily Stebbins-Wheelock will join us on September 23 as the new Manager of Strategy and Innovation. Ms. Stebbins-Wheelock comes from the University of Vermont and has expertise in business process improvement, finance, and complex project management.

Amber Widmayer will start on October 7 as BED’s new Regulatory Specialist. Ms. Widmayer comes from MMR and is an attorney with an LLM degree from Vermont Law School specializing in energy.

The Sheffield Wind contract has been finalized, and Mr. Springer thanked Mr. Gibbons for all the work done to execute this 5-year contract extension.

The IT Forward Demos are complete, and the BED team is engaged in the scoring and evaluation phase of the process. The Committee anticipates recommending the selected vendor to leadership by September 19.

In June 2019, Jen Green and Chris Burns had attended the Mayor’s Housing Summit, which focused on five key policy items. Chris presented on one of those items, the expansion of energy efficiency standards for rental housing. A second Housing Summit meeting was held on September 4. Currently, the effort includes looking at changing the *Time of Sale* requirement to create energy efficiency standards across rental housing independent of the time at which rental units are sold in an effort to speed up the process of making rental properties more efficient.

Finance

Jim Reardon, Director of Finance, presented a brief review of July 2019 financial results.

July Operating Loss is \$33,000, and Net Income is \$108,000.

Sales to Customers were \$129,000 higher than budgeted, while Other Revenues are down \$206,000 due to Energy Efficiency Program costs reimbursements less than planned. The Transmission Phase 1 contract budgeted in Power Supply Revenues was to start in July. Negotiations are in progress.

Power Supply Expenses are \$130,000 above budget. Transmission Fees are \$33,000 above budget as the Phase 1 contract was budgeted to start in July. Fuel expense exceeded budget by \$69,000 due to McNeil production being 13% over budget. Purchased Power was \$29,000 above budget, as Wind and Winooski One production was below budget causing BED to purchase more power from the ISO New England Exchange. Various items in Operating Expenses are below budget. Since this is the first month of the new fiscal year, this should not be seen as a trend or indicative of expectations for the

next eleven months of the fiscal year.

Other Income is \$62,000 below budget due to customer contributions related to capital projects.

Mr. Reardon, then discussed Capital Spending. In total, year-to-date ended August 31st, Capital Spending is 7% (\$593,000) of the \$7,920,000 budgeted in Fiscal Year (FY) 2020. We are underspent relative to the budget by \$150,000 which appears to be related to the timing of projects.

On Cash and Investments, BED closed August with \$9.1 million of unrestricted and reserved operating funds. We are relatively on target with the budgeted cash projection after taking into consideration we have not yet drawn down \$1.1 from the "Renewal & Replacement Fund".

The Adjusted Debt Service Coverage Ratio is a concern and this metric will need to be reviewed carefully during FY 2020.

6. Net Zero Energy Roadmap

Mr. Springer introduced Jenn Kallay and Asa Hopkins from Synapse, and Jonathan Slason from RSG. Mr. Springer stated that, through a very competitive RFP process, BED selected this team to work with the City to help chart a course to achieve our Net Zero Energy goal. Their final product delivered on BED's vision and included analyzing current energy use, meaningful projections, and policy recommendations. BED has enjoyed working with this team and will continue to benefit from this Roadmap.

Ms. Kallay stated that the definition of NZE is to reduce and eventually eliminate fossil fuel use across three sectors: electric, thermal, and ground transportation. The electric sector largely has been dealt with through the sourcing of 100% renewable energy, so the focus of the report is on thermal and ground transportation which include commercial, residential, and industrial buildings.

Ms. Kallay reviewed the graph showing three scenarios which include *Business as Usual*, Net Zero by 2030, and Net Zero by 2040.

Transportation is the largest share of fossil fuel energy use, counting visitor and commuters to Burlington. If you remove non-Burlington transportation, then buildings becomes the largest sector for fossil fuel consumption. This energy mostly is used for space and water heating. The pathway to NZE by 2030 will be achieved mostly through energy reductions in buildings and from electric vehicles. These reduction opportunities break down as follows: 60% efficient energy buildings, 20% electric vehicles, 15% district energy, and 5% alternative transport.

Ms. Kallay reviewed the remainder of the graphs, which covered changes in energy consumption, showing fossil fuel energy use dropping while renewable electric energy use grows. Electricity will grow substantially in coming years, and efficiency is necessary and will control costs by reducing the supply of renewables needed and limiting grid update costs. Mr. Kallay detailed the supporting strategies that will be needed for success highlighting what needs to be done in the next 1-3 years, 4-6 years, and 7-10 years.

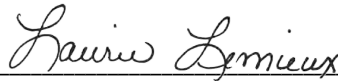
Mr. Kallay, Dr. Hopkins, and Mr. Slason closed the presentation by answering the Commissioners' questions.

7. Commissioners' Check-In

There were no Commissioner check-ins at this time.

Commissioner Moody moved to adjourn the meeting at 6:57 pm; this motion was seconded by Commissioner Chagnon and approved by Commissioners Chagnon, Herendeen, Moody, and Stebbins.

Attest:



Laurie Lemieux, Board Clerk