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MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION

Wednesday, February 12, 2020 – 5:30 p.m.

The regular meeting of the Burlington Electric Commission was convened at 5:30 p.m. on Wednesday, February 12, 2020 at the Burlington Electric Department, 585 Pine Street, Burlington, Vermont.

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

Staff members present included Paul Alexander, Andy Elliston, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Paul Pikna, Darren Springer, Amber Widmayer, and Emily Stebbins-Wheelock.

Channel 17 was present to record this meeting.

1. Agenda

There were no changes to the Agenda.

2. December 11, 2019 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the December 11, 2019 meeting; the motion was seconded by Commissioner Chagnon and approved by Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker.

Public Forum

Present for the meeting were the students from Commissioner Herendeen's UVM class, Ryan Buckley, Alex Van Raalte, and Vivian Karins. These students are working on a project to quantify and display where our energy comes from (electric and natural gas) and will be paying attention to BED's anticipated 65% electricity increase in the NZE goal.

3. Commissioners' Corner

Commissioner Whitaker expressed her excitement regarding the roll out of the new Ebuses and asked what BED has brought to the partnership with GMT. Mr. Springer stated that part of his GM report would focus on the partnership with GMT and BED's role.

Commissioner Herendeen stated that as part of the project the students are working on will also focusing on gas, not just electricity. BED has a partnership with VGS and asked if BED could supply

him with a contact person for the student's to call for information. Mr. Springer stated that we would email VGS contact information to Commissioner Herendeen.

Commissioner Herendeen stated that BED is performing work on the Aiken building at UVM. There is a dashboard in this building and wondered if BED had anything to do with this dashboard. Mr. Springer will check with Energy Services and let him know.

Commissioner Herendeen stated that the "Monthly Highlights" indicated that the Defeat the Peak estimate is approximately \$35K and asked what the end result is of this benefit. Mr. Springer stated that the non-profit recipient receives \$1000 for a total of approximately \$5,000-\$6000 contribution per year and the Department returns much more than that to the rate payer.

Commissioner Stebbins stated that the IRP has been filed and asked if there was a timeframe as to when the group would reconvene. Mr. Springer stated that Mr. Gibbons is on vacation and will get this information when he returns.

Now that the NPA meetings are completed along with the additional meetings with Lake Champlain Regional Chamber of Commerce (LCRCC) and wondered if there was any qualitative sense on the feedback. Mr. Springer stated that much of the feedback focused on transit with discussion around incentivizing smaller electric buses. Although it's GMT's decision as to what size buses they want to have, the BED has made it clear that we are willing to incentivize electric buses of any size. There were also questions around heat pumps in older homes and BED is looking into producing a video of one of these conversions to share with our customers and show that it is possible to install a heat pump in a historic home under the right circumstances. Also discussed were rebates, along with general support for where the Department is heading. The LCRCC discussion centered on the economics of what BED is trying to do. In this discussion the Department stressed the local economic benefits of keeping money in the community by moving to electric transportation and heat pumps.

Commissioner Stebbins asked if there were any unusual results from the 2019 hourly load shapes and monthly characteristics. Mr. Springer stated that question would be better answered by Mr. Gibbons and would ask him to reach out upon his return from vacation.

4. General Manager's Update

Mr. Springer stated the Finance Director position was posted as of February 5 and will remain open for approximately one month with the hope that interviews can begin in March.

The energy efficiency modernization bill that would allow BED to dedicate a portion of our electric efficiency funds for new programs that support Net Zero Energy initiatives passed the Senate Natural Resources unanimously. It now heads to Senate Finance before a full vote by the Senate. BED will continue to track proposals around EV charging fees, and also proposals to amend Vermont's Renewable Energy Standard and the requirement that utilities purchase energy from Ryegate biomass plant to ensure continued viability of exemptions in current law that BED qualifies for.

BED anticipates bringing forward another round of tiering in the near future, primarily focused on the line crew.

BED joined the Mayor, Governor, Green Mountain Transit, a representative from Senator Leahy's Office, and other key partners to announce the arrival of two new electric transit buses to serve Burlington and the surrounding communities. BED provided Tier 3 incentives and helped secure additional grant funds to support the E-Bus procurement and the buses will charge in Burlington on a time of use rate.

The Department issued letters on January 31 to all 2019 EV rebate customers and heat pump rebate customers who use oil/propane to request W9 completion so we can process 1099 forms. We learned as part of administering the state EV rebate that it is possible the federal exemption that ensures many public utility incentives are not treated as taxable income may not apply to direct EV rebates and certain other rebates such as the heat pump incentive for oil/propane customers. We have updated our rebate forms for 2020, and with our new EV Preferred Dealer network now launched, BED customers can receive rebates at the point of sale which will eliminate the need to issue customers a 1099 in that case.

Financials

Ms. Stebbins-Wheelock, Manager of Strategy and Innovation presented a brief review of the December 2019 year-to-date financial results.

Ms. Stebbins-Wheelock stated that December was a net income loss month as projected. Most of the \$235,000 variance can be explained in increase power supply expenses. Two major contributors were increased fuel costs and running McNeil longer than we budgeted to run McNeil. Purchase Power was also over budget due to the wind blowing more in Vermont and Maine, which is more expensive per KWH. Ms. Stebbins-Wheelock noted that year-to-date net income is still above the budgeted level and continuing to outperform the budget.

Capital spending is approximately 35% of budget for the year which is due to timing. The budget included the Winooski One control upgrade. This upgrade is going to happen, just not when it was originally scheduled along with the Gas Turbine overhaul being deferred to May/June. Also, IT Forward spending has been primarily labor time with little to no vendor costs being incurred due to continued negotiations with vendors.

The \$3.5M general obligation bond proceeds were received in December therefore the cash on hand went up to 118 days. The adjusted debt service coverage ratio is well below the target. This is calculated on a 12 month average and the leaner months of 2019 are still included in this amount. Ms. Stebbins-Wheelock stated that a better net income will be achieved as we move through the year and will continue to rise and be above \$1.0M by the end of this fiscal year, assuming projections stay on track. Also, our cash position does not include a drawdown of \$1.1M that was budgeted from our renewal and replacement fund, and we expect that drawdown to happen in the next couple of months.

5. Street Lighting Policy Update

Andy Elliston, Director of Engineering and Technical Services is asking the Commission to approve proposed updates to the current Street Lighting Policy adopted on June 12, 2017. This review was due to feedback the Department received from customers in the south end regarding a proposed lighting design. There was also concern raised regarding a project that was completed last year on Ferguson Avenue that required the street to be upgraded to lighting specifications. To accomplish this upgrade BED had to install a number of poles. Based on the present policy the Department installed 35 ft. poles which are fairly tall for that area and the residents felt that the height was excessive. Due to this concern the Engineering Department took another look at the lighting design and are proposing a couple of changes in the policy that would allow BED to reduce the height to 22 ft. poles. Mr. Elliston explained that studies have shown that by reducing the height to 22 ft. significantly reduces the light shining on and in the houses.

Mr. Elliston reviewed the proposed changes with the Commission and answered questions and concerns.

Commissioner Herendeen asked that a sentence in the section covering Street Lighting Standard be added to clarify that that when projects are designed, BED will refer to the current edition of RP-08.

The following sentence will be added to the end of the paragraph:

Street Lighting in Burlington, Vermont, conforms to the Illuminating Engineering Society (IES) recommendations for lighting levels as defined in the Roadway Lighting Design Handbook (RP-08). As projects are designed, BED will refer to the current edition of RP-08.

Commissioner Moody made a motion to adopt the updated Street Lighting Policy with inclusion of the recommendation; the motion was seconded by Commissioner Chagnon and approved by Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker.

6. 5 Year Solar Contract

Mr. Springer introduced Amber Widmayer, Regulatory Specialist and stated that there are some customers that want to install solar but can't take advantage of net metering the way it's designed. This is due to the inability to install solar that is larger than what they can consume on site and may not be in a good position to have a group system. The option being presented tonight would provide an avenue for those customers to be able to install solar and have a Power Purchase Agreement (PPA) with BED directly that mimics net metering and would have a modest cost reduction and would support solar in the City.

Ms. Widmayer stated that we are asking the Commission for authorization to enter into a Power Purchase Agreements for small solar facilities. These contracts would be limited to no more than five (5) years with a compensation rate no greater than 95% of the applicable net metering rate set by

Vermont Public Utility Commission Rule 5.10. Facilities with capacity equal to or less than 15 kW for ground-mounted and equal to or less than 500 kW for rooftop and all producers and BED must obtain all applicable regulatory approvals required to construct and operate the project under this agreement.

Ms. Widmayer stated that this agreement would be beneficial to BED because unlike net metering we would not be required to retire the RECs, we would be able to keep them and possibly use them for Tier III requirements.

Commissioner Stebbins and Moony expressed concerns that they have not had the opportunity to review the contract language. It was agreed going forward, that any contacts in the future would be presented to the Commission for review prior to the vote. Mr. Springer stated that the final language in the contract would be sent to the Commission.

Commissioner Chagnon made a motion to authorize the General Manager, or his designee the authority to enter into PPA contracts for solar of no longer than 5 years and at no great than 95% of the applicable net metering rates, based on the criteria discussed at tonight's meeting; this motion was seconded by Commissioner Whitaker and approved by Commissioners Chagnon, Herendeen, Stebbins, and Whitaker. Commissioner Moody voted nay.

Commissioner Stebbins stated that the next item will be the Commissioners' Check-In which will allow staff to leave before the Executive Session.

7. Commissioners' Check-In

Commissioner Whitaker stated that it is her understanding that you can charge an EV at street lights, especially if the wires are underground and going up to the light and wondered if BED has looked into this. Mr. Springer stated that he has seen a few locations outside of BED service territory where they have a street lamp and you can plug into a level 1 plug, but this plug only works when the light is on so it's only overnight charging. Mr. Springer stated that we can look into this.

Commissioner Stebbins stated that she has had a few email exchanges with Josh Laware regarding his concerns he brought to the Commission at the December meeting and wondered if there was an update. Mr. Springer stated that an extensive amount of work has been done looking at ways to redraft our process around these contracts and expects to have something for the March meeting.

Commissioner Herendeen stated that at the last meeting access it was agreed to give the Commission access to BTV Stat presentations. Mr. Springer stated that BED only presents twice year and was pretty sure that Mr. Kanarick sent the last BED BTV Stat presentation to the Commission. Mr. Kanarick assured the Commission that he would resend this information.

Mr. Springer stated that Ms. Stebbins-Wheelock has been working on integrating more granular updates into the dashboard which will be more in depth going forward along with the dashboard

being more current than the BTV Stat presentations.

Commissioner Stebbins stated that there is still a lot of information on the dashboard and wondered if there was a way to prioritize the meaningful information. Ms. Stebbins-Wheelock stated that this is an area that will need to evolve and she has a proposal to take to the Leadership team that will focus on one or two topics at every meeting and would allow for a deep dive into a particular area and rotating through all the focus areas in the dashboard. The Commission would continue to receive the data every month and then have an opportunity to engage and see why these areas are important.

8. District Energy Update

Mr. Springer stated that due to negotiations with partners which involves specific terms of the District Energy project, we are unable to disclose this information publicly at this time which requires the briefing of the Commission to be in Executive Session.

Commissioner Herendeen moved to find that premature general public knowledge regarding an update on District Energy 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 Moody and approved by Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker.

Commissioner Herendeen moved that the Commission enter into executive session at 6:43 pm with BED Staff to discuss the update under the provisions of Title 1, Section 313(a) (1) (A) of the Vermont Statutes; this motion was seconded by Commissioner Chagnon and approved by Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker.

Commissioner Moody made a motion to exit executive session at 7:17 pm; the motion was seconded by Commissioner Herendeen and approved by Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker.

Commissioner Herendeen moved to adjourn the meeting at 7:17 p.m. This motion was seconded by Commissioner Chagnon and approved by Commissioners Chagnon, Herendeen, Moody, Stebbins, and Whitaker.

Attest:



Laurie Lemieux, Board Clerk