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TO: All Attending

FROM: Helen Coombs

DATE: April 3, 2015

SUBJECT: McNeil Station Joint Ownership Operating Committee Meeting Notes

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 10:15 a.m. on Wednesday, April 1, 2015 at the McNeil Generating Station Farmhouse.

PRESENT:	N. Lunderville, BED	B. Kropelin, BED
	D. Mullett, VPPSA	D. MacDonnell, BED
	D. Smith, GMP	C. Anderson, GMP
	J. Irving, BED	A. Parah, BED
	K. Nolan, BED	H. Coombs, BED

Agenda

Mr. Lunderville moved to add *Public Forum* to the Agenda as item 1.5.

The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

1. *Review of Joint Owner Operating Committee Meeting Notes of December 19, 2014*

Mr. Smith asked that the third paragraph under Item 4 – *Financial Review* be changed to read: *It was noted that there should be exploration of whether the Joint Owner Agreement should be changed to reflect the consolidation of GMP and CVPS.*

Mr. Irving has checked with Bill Ellis of McNeil, Leddy and Sheahan and it has been determined that it is not necessary to modify the Joint Owner Agreement.

Mr. Mullett, VPPSA, moved to approve the Joint Owner Operating Committee Meeting Notes of December 19, 2014 as amended. The motion was seconded by Mr. Lunderville, BED, and approved by all Joint Owners present.

1.5 *Public Forum*

There was no one present from the public.

2. *Overview of Operating and Generating Reports December 2014, and January and February 2015*

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

The Joint Owners noted their appreciation to Dave MacDonnell, Bill Kropelin, John Irving and others at the McNeil Station for another year of a job well done.

3. *REC Update*

Mr. Nolan updated the Joint Owners regarding the Final Order/Conclusion of the Connecticut Public Utilities Regulatory Authority (PURA). The Authority concluded that there is no conflict between SPEED (Sustainably Priced Energy for Economic Development) and Connecticut through 2016, but declined to rule on the possible status beyond 2016 pending either the Vermont Legislature passing Renewable Portfolio Standard legislation or the PSB creating rules to implement the 2017 Goals in the existing SPEED statutes.

Mr. Irving said that the new Governor of Massachusetts seems more receptive to biomass and will share any new information with the Joint Owners.

4. *Fuel Procurement and Pricing Update (Expected Executive Session)*
Executive Session

Mr. Lunderville moved that premature general public knowledge of McNeil Station's pricing strategy would clearly place the Joint Owners at a substantial disadvantage, per Title 1, Section 313(a)(1) of the Vermont Statutes. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

Mr. Lunderville moved that the Joint Owners enter into Executive Session at 10:25 a.m. to discuss the pricing strategy for the McNeil Station under the provisions of Title 1, Section 313(a)(1)(A) of the Vermont Statutes. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

Others present at the meeting were welcomed to remain during the Executive Session.

Mr. Lunderville moved to exit Executive Session at 11:05 a.m. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.

No action was taken during Executive Session.

Mr. Kropelin, Chief Forester, said that in January Vermont Department of Forests, Parks and Recreation Commissioner Snyder, presented "initial" Voluntary Harvesting Guidelines to the Legislature. The Guidelines are general in nature and not specific to biomass harvesting thanks to input by many stakeholders. Mr. Kropelin said that in his reading of the enabling legislation, the Guidelines will be required of all new biomass electric plants through amendment of Act 248. By extension it would be possible for the PSB to mandate existing facilities to comply if an existing CPG were to be amended and could thereby put individual facilities at a competitive disadvantage by requiring a higher standard of practice than that used by other facilities.

5. *Financial Review*

Ms. Parah reported that as of February 2015 the McNeil Station costs are currently under budget by 16.8%. It was noted that Account 512 – Boiler Plant is over budget due to stack testing that was done in 2014, but the invoice was not received until this year - 2015.

Ms. Parah said that a copy of the *Certificate of Merger* from the State of Vermont, Office of Secretary of State merging GMP and CVPS has been received, and BED (McNeil) records have been adjusted to reflect this change.

Mr. Irving gave credit to Helen Coombs for the exceptional job on budget preparation she has done. The Joint Owners also gave there thanks.

6. *BED Reorganization and Strategic Plan*

Mr. Lunderville explained BED's reorganization and strategic plans for the future including a Voluntary Buy-Out Program. These plans are still in development phase and will need more discussion and approvals. Mr. Lunderville will continue to keep the Joint Owners updated on this issue.

7. *New Business*

McNeil Station

Mr. Irving said that McNeil Station is now the largest generator in the State of Vermont. It is a 30 year old plant and demonstrates levels of operation well over 90% on a monthly basis.

District Heating

A financial model will be provided by Evergreen Energy for District Heating. This model will give BED the tools to know whether District Heating is feasible or not as parameters change.

McNeil Station Annual Outage Revised Dates - April 11, 2015 - May 3, 2015

Mr. MacDonnell, Director of Operations, at McNeil Station reviewed the major projects planned for the outage:

- Superheater tubes replaced
- East boiler grate rebuild
- Ash conveyors rebuild
- Trestle inspection and repairs
- Reclaiming of the wells
- Addressing turbine vibration issues
- Various inspection and oil changes of equipment

Schedule for Next Meeting

The next Joint Owner meeting is scheduled for Tuesday, June 16, 2015 at 10:00 a.m. in the McNeil Station Farmhouse, with an alternate date of Wednesday, June 17, 2015.

Meeting Adjourned

Mr. Lunderville moved to adjourn the meeting at 11:45 a.m. The motion was seconded by Mr. Mullett and approved by all Joint Owners present.