



585 Pine Street • Burlington, VT 05401-4891
802/658-0300 • 802/865-7386 (TTY/Voice) • Fax: 802/865-7400

FINAL

TO: All Attending

FROM: Colleen Rouille

DATE: December 16, 2015

SUBJECT: McNeil Station Joint Ownership Operating Committee Meeting Notes

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 9:05 a.m. on Wednesday, December 16, 2015 at the McNeil Generating Station Farmhouse.

PRESENT:	N. Lunderville, BED	A. Parah, BED
	D. Mullett, VPPSA	B. Lesnikoski, BED
	C. Anderson, GMP	K. Nolan, BED
	P. Pikna, BED	C. Rouille, BED
	D. MacDonnell, BED	

1. Agenda

Agenda item number 6, budget approval, was moved to agenda item number 7 so the financial review could be given first.

2. Review of Joint Owner Operating Committee Meeting Notes of October 13, 2015

Mr. Mullett moved to correct the spelling of his name on the October 13, 2015 minutes. N. Lunderville 2nd the motion. No other changes were made.

3. Public Forum

There was no one present from the public.

4. Overview of Operating and Generating Reports October and November, 2015

Mr. MacDonnell introduced Paul Pikna, Senior Generation Engineer as second in command at the plant. Mr. MacDonnell summarized the reports for the last three months. In October, the McNeil Generating Station produced a total of 30,372 net MWH of power for a Capacity Factor of 81.6%. The plant operated for a total of 744 hours or 100% of the total hours in October. The McNeil Station had an equivalent availability of 98.9%. As of October 31st, our total MWH produced for calendar year 2015 to date was 236,804.2 MW. Reductions and limitations were limited. The annual stack testing was done by an outside company to verify that our meters are working properly. There were 12 applicants for the Station Operator position at McNeil. Interviews were conducted and the person who was selected will start in January. In November, McNeil Generating Station produced a total of 25,549.0 net MWH of power for a Capacity Factor of 68.2%. The plant operated for a total of 568.6 hours or 78.9% of the total hours in November. The McNeil Station had an

equivalent availability of 95.2%. As of November 30th, our total MWH produced for calendar year 2015 to date was 261,353.2 MW hours. There were a few reductions and limitations in November. There was a limitation causing the plant to go offline at the end of the month. During Thanksgiving weekend, the plant cycled on and off to build up wood supply. There was a problem coming back online with a control valve, and that has been corrected. In November, Arthur Blakesley was hired as the new Waste Wood Yard Operator. His first day of employment was November 17th.

5. Fuel Procurement Update

Chief Forester, Ms. Lesnikoski reported that the weather this fall has been ideal for building up our wood inventory. The McNeil Station alone has built their inventory to over 41,000 tons. Swanton has 18,000 tons and a round wood yard in New York has 1,100 tons. The wood piles at the McNeil Station are being monitored for age. If the plant runs consistently this winter the wood inventory will be sufficient. An update was given by B. Lesnikoski on the Emerald Ash Borer. Vermont has taken down their traps and there weren't any found in the State of Vermont. The surrounding states and southern Canada have all found the Ash Borer bug.

6. Financial Review

Ms. Parah reported that the overall budget was under budget. The employee buyout was not anticipated in the calendar year budget so it made us go over budget in that area, but the overall budget is good. There were no unexpected expenses related to the buyout. Ms. Parah said the FY2015 audit report has been completed and there were two findings for McNeil. One was related to an inventory discrepancy which is currently being worked on to resolve the issue. Cycle counting has been put into place on a regular basis. P. Pikna said that purchasing is starting to write off obsolete parts to make things current.

7. Budget Approval for CY2016

D. MacDonnell went over the three sections of the budget. The fuel budget was up around 18,000. The operating expenses have dropped 206,000 and the capital budget was close to the same comparing to the CY2015 budget. Two things in the fuel budget were mentioned. McNeil budgeted 25,000 less for oil for NOX reduction and 140,000 less for gas for NOX reduction. By using less gas and oil it has reduced the cost significantly. D. Mullett brought up the fact that the cost of property insurance is generally going up and noted that this budget did not reflect that increase. N. Lunderville said our insurer, Hickock and Boardman and Burlington Electric have a great relationship fostered by Paul Alexander. P. Alexander has been able to keep costs down and is actually working with the city to help them with his experience in this area. D. MacDonnell brought up that there were 9 people from McNeil that took the buyout and only 6 were replaced saving money on the payroll budget. D. Mullett made the motion that the CY2016 budget be passed. It was seconded by C. Anderson. All voted in favor of passing the CY2016 budget.

8. BED – G.M. Update

N. Lunderville discussed that there has been a lot of media attention about Burlington Electric Department being 100% renewable and that the McNeil Station plays a big part in that. He thanked the staff of McNeil for giving tours to the public and the press. N. Lunderville brought up that the quarterly labor management sub-committee meetings at McNeil have been going very well with the last meeting being open and relaxed. Progress is being made and issues are being talked about and resolved through this process. He also thanked the stewards for their openness and willingness to change things and listen. D. Mullett introduced the new topic of FERC connected entities notice of proposed rulemaking and asked if BED was aware of this. N. Lunderville was not familiar with this and referred any questions to Ken Nolan. D. Mullett said this could have some potential impact on McNeil and would discuss this with our power planning and resources department.

9. Plant Status

D. MacDonnell mentioned that there will be an overabundance of wood if the plant does not run. It is an issue that needs to be monitored. The plant has been running consistently so the wood abundance should not be a problem unless the plant shuts down for a period of time. N. Lunderville brought up that there are now monthly meetings between McNeil operations, wood procurement and our market people to determine bidding strategy. These meetings are helpful and informative so that the plant is being optimized. D. MacDonnell mentioned that the plant needed to shut down last week because of a reclaimers breaking and then the second one breaking the next day. There was one in stock that was used to replace the first one and the second one is being ordered and will be replaced soon. D. MacDonnell brought up the Tri-annual report and wanted to discuss this at the next meeting.

10. New Business

D. Mullett suggested that new business be taken off the agenda.

11. Schedule for next Meeting

The next Joint Owner meeting is scheduled for March 16, 2016. It will be held at the Pine Street building at 10 a.m. Other meetings for the CY2016 were discussed. The dates for these meetings are scheduled for June 15, September 14th and December 21st. All these meetings are scheduled for 10 a.m. at McNeil.

12. Meeting Adjourned

Mr. Mullett moved to adjourn the meeting at 10:05 a.m. The motion was seconded by C. Anderson and approved by all Joint Owners present.