

**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, Emily Stebbins-Wheelock, and Amber Widmayer.

Channel 17 was present to record this meeting.

1. Agenda

There were no changes to the Agenda.

2. December 11, 2019 Meeting Minutes

Commissioner Stebbins stated that due to scheduling conflicts and illness, there was no January Commission Meeting.

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.

3. Public Forum

Present for the meeting were the students from Commissioner Herendeen's UVM class: Ryan Buckley, Alex Van Raal, and Vivian Karins. These students are UVM Community Partner Capstone students working on a project that includes a land use assessment of Burlington's Net Zero Energy Roadmap.

4. Commissioners' Corner

Commissioner Whitaker expressed her excitement regarding the roll out of the new E-buses and asked what BED brought to the partnership with Green Mountain Transit (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 the project his UVM students are working on will also focus on gas, not just electricity, and asked if BED could supply him with a contact person for the students 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. Commissioner Herendeen asked if BED had anything to do with the dashboard in this building. 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 \$35,000 and asked how much BED spends to achieve this savings. Mr. Springer stated that each non-profit recipient receives \$1,000 for a total of approximately \$4,000-\$5,000 contribution per year (to the four or five non-profits selected) and that the Department returns much more than that amount to the rate payers.

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 supply this information when he returns.

Commissioner Stebbins asked, now that the Neighborhood Planning Assembly (NPA) meetings and the additional meeting with Lake Champlain Regional Chamber of Commerce (LCRCC) are complete, 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 it wants to use, 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, with Mr. Springer stating that BED is 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 the question would be better answered by Mike Leach and that Mr. Springer would ask Mr. Leach to respond to the Commission.

5. General Manager’s Update

Mr. Springer stated that 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, which 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 Committee unanimously. It now heads to the Senate Finance Committee before a full vote by the Senate. BED will continue to track proposals involving EV charging fees, amendments to 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 for which BED qualifies.

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

BED joined the Mayor, Governor, GMT, 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. The E-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 IRS Form W-9 completion so we can process 1099 Forms. We learned as part of administering the state EV rebate that it is possible that 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 that will eliminate the need to issue customers 1099s in those cases.

Financials

Ms. Stebbins-Wheelock, Manager of Strategy and Innovation, reviewed 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 by an increase in power supply expenses. The McNeil Generating Station's production was greater than budgeted, increasing fuel costs, and purchased power was also over budget due to increased production by BED's contracted wind energy sources 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 due to timing. The budgeted upgrade of Winooski One control systems will occur in FY20, but later in the fiscal year than was originally scheduled; similarly, the Gas Turbine overhaul has been deferred to May/June. Also, IT Forward spending to-date has been primarily internal 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, cash on hand increased to 118 days. Also, our cash position does not include a budgeted drawdown of \$1.1M from our renewal and replacement fund that we expect to occur in the next couple of months. The adjusted debt service coverage ratio is still below target as it is calculated on a 12-month average which includes the leaner months of 2019. Ms. Stebbins-Wheelock stated that net income is projected to be above \$1.0M by the end of this fiscal year, assuming current assumptions hold.

6. Street Lighting Policy Update

Andy Elliston, Director of Engineering and Technical Services, asked the Commission to approve proposed updates to the current Street Lighting Policy, adopted on June 12, 2017. The updates came about due to feedback the Department received from customers in the south end regarding a proposed lighting design. Concern also was raised about 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-foot 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 is proposing a couple changes in the policy that would allow BED to reduce pole height to 22 feet. Mr. Elliston explained that studies have shown that, by reducing the height to 22 feet, 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.

7. 5-Year Solar Contract

Mr. Springer introduced Amber Widmayer, Regulatory Specialist, and stated that there are some customers who 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; would result in 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 PPAs 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 would have capacities 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. Rather, we would be able to keep them and possibly use them for Tier III requirements.

Commissioners Stebbins and Moody expressed concerns that they have not had the opportunity to review the contract language. Mr. Springer stated that any future contracts 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 five (5) years and at no greater 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.

8. Commissioners' Check-In

Commissioner Whitaker asked if BED had explored the possibility in Burlington of charging EVs at street light poles where the wires are underground and going up to the light. Mr. Springer stated that he has seen this technology for Level 1 charging plugs at a few locations outside of BED's service territory, but that this plug only works when the light is on and therefore only for 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 that he brought to the Commission at the December meeting and asked for 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 BTVStat presentations. Mr. Springer stated that BED only presents twice per year and was pretty sure that Mr. Kanarick sent the last BED BTVStat presentation from October 2019 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 for presentation to the Commission, which will be more in depth going forward, as well as more current than the BTVStat 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 that she has a proposal to take to the Leadership team that will focus on one or two topics at every meeting and allow for a deeper dive into those topics. Topics would rotate each month as we work our way 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.

9. 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