

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, March 10, 2021, 5:30 pm

The regular meeting of the Burlington Electric Commission was convened at 5:34 pm on Wednesday, March 10, 2021 via Microsoft Teams Video Meeting.

Channel 17 was present via Microsoft Teams Video to record this meeting.

Commissioners Chagnon, Herendeen, Stebbins and Whitaker participated via Microsoft Teams at the start of the meeting. Commissioner Moody joined the meeting at 5:55 pm.

Staff members present via Microsoft Teams included Darren Springer, Paul Alexander, James Gibbons, Mike Kanarick, Munir Kasti, Laurie Lemieux (Board Clerk), Dave MacDonnell, Paul Pikna, and Emily Stebbins-Wheelock.

1. Agenda

There were no changes to the Agenda.

2. February 10, 2021 Meeting Minutes

Commissioner Herendeen asked for clarification in the minutes, under section *General Manager's Update*. Commissioner Herendeen asked that the minutes be amended to clearly explain the carbon fee of \$100 per ton. The following clarification was added to the minutes:

If they (new buildings) did not meet these requirements, they could pay a carbon dioxide compliance fee of \$100 per ton which would be based on 10 years after which time this fee would renew.

Commissioner Herendeen made a motion to approve the minutes of the February 10, 2021 Commission Meeting as amended; the motion was seconded by Commissioner Whitaker.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Abstained as he was not present at the February 10, 2021 meeting
Commissioner Herendeen. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

Results: 3 Ayes with 0 Nays, the motion carries.

3. Public Forum

There were no members of the public present.

4. Commissioners' Corner

Commissioner Herendeen thanked Mr. Gibbons for sending his request for information regarding HULA and the ground source heat pump. The information was very clear and helpful.

Commissioner Herendeen noticed in the monthly report that the January solar capacity factors for the two solar installations (Pine Street and Airport) were very low and assumes that was due to snow cover and asked for verification. Mr. Gibbons stated that weather (clouds and snow) was the driving factor in the low-capacity data, and we shouldn't expect any improvement in the February data due to the amount of snow we experienced last month. Mr. Springer stated that his personal residential solar capacity factor during the months of January and February were extremely low and that even on a sunny day, if the panels are covered with snow, they will not produce much.

Commissioner Herendeen would be interested in knowing what a typical reduction in residential energy use is when one of the weatherization projects is complete. Commissioner Herendeen also would like to know the cost effectiveness of the 75% rebate for heat pumps. Mr. Gibbons will respond to Commissioner Herendeen before the next meeting.

5. GM Update

Mr. Springer stated that, as of March 1, 2021, BED is offering a new residential leaf blower incentive of \$40 for Burlingtonians. The Department is looking at offering a modest rebate or discount on electric snow blowers later this year for the next winter season.

Chris Burns compiled a helpful list that was included in the monthly report of BED's low- and moderate-income customer enhanced incentives and programs, and information on participation in those programs.

The Department's final tiering packet is heading to Board of Finance and City Council later in March, completing our work under the current IBEW contract to create career ladder/tier positions across BED. We are ahead of schedule by more than one year in finishing this work, with many thanks to Munir Kasti, Lynn Reagan, and Duke Dutra for their efforts, and all of the employees and supervisors who participated in the process.

Mr. Springer stated that he and Betsy Lesnikoski published a commentary in VT Digger regarding McNeil's sustainability and economics.

Next month, we are expecting to have a much busier agenda which may include a FY22 draft budget, a potential power supply MOU, and to have the completed 2019 and 2020 Roadmap data updates from Synapse.

Mr. Springer thanked Commissioner Moody for joining the Executive Team in the selection of the second annual Jim Reardon Public Service Award recipient. We will be setting a date this week; Jim Reardon's family will be joining us for the virtual award presentation. Once a date is set, we will let the Commissioners know so they may join the presentation, as long as it does not trigger a public meeting requirement.

Financials

Ms. Stebbins-Wheelock reviewed the January FY21 financial results.

Ms. Stebbins-Wheelock informed the Commission that the technical event of default on BED's revenue bonds was cured as of February 8, 2021 by the Department's and City's new Bond Trustee, Zions Bank. The supplemental resolution to the General Bond Resolution that the Commission and the City Council passed last spring is now on file with Electronic Municipal Market Access (EMMA), the official source for municipal securities data and disclosure, and Zions Bank posted notice to bondholders that the event of default has been cured.

Ms. Stebbins-Wheelock showed a graph indicating the monthly impacts of COVID-19 on BED loads through the end of February 2021. In January 2021, overall system energy was down by 2.2% with residential usage higher and commercial usage lower than budgeted. For February 2021, residential usage was even higher, and commercial sales also improved, resulting in overall system energy that was just 0.5% below budget.

Ms. Stebbins-Wheelock reviewed the budget-versus-actual results for the month of January FY21. The Department reports a net loss for the month of \$320K compared to a budgeted net loss of \$253K, \$67K worse than budget. Specifically, the unfavorable variance in the January results is due to: continued decreased sales to customers due to COVID-19, reduced customer contributions to capital projects due to COVID-19, and variation in timing of billable work orders. Power supply expenses for January were favorable by \$150K, mainly driven by reduced fuel expenses due to decreased McNeil production (36% less than budget) offset by higher purchased power expenses. Favorable variances to budget included timing of outside services purchases and timing of gain/loss on disposition of plant. The Department continues to be careful and proactive in limiting any unnecessary expenditures.

FY21 year-to-date the Department reports an actual net income of \$262K compared to budget of almost \$700K, which is \$428K worse than budget.

As of January the Department has spent 53% of the capital budget, with Production and Transmission projects largely complete and Distribution and General projects underspent compared to budget due to timing of various projects. The Department will kick off the meter data management system implementation project next week so the IT Forward capital budget will see increased expenditures between now and June 30 on license purchases and professional services fees.

As of the 12 months ending January 2021 the Department has 109 days cash on hand, the debt

service coverage ratio is well above target, and the adjusted debt service coverage ratio remains below target at 0.86. Days cash on hand increased by four days from December to January due to receiving almost \$500K from the Local Government Emergency Relief grant, which reimbursed the Department for some of our COVID related labor expenses.

6. Commissioners' Check-In

There were no Commissioner check-ins.

Commissioner Herendeen made a motion to adjourn; the motion was seconded by Commissioner Chagnon.

The Board Clerk, Laurie Lemieux, conducted a roll call vote by calling on the following Commissioners:

Commissioner Chagnon. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker. Aye

Results: 5 Ayes with 0 Nays, the motion carries.

The meeting of the Burlington Electric Commission adjourned at 6:13 p.m.

Attest:



Laurie Lemieux, Board Clerk