

**MINUTES OF SPECIAL MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, August 12, 2020 – 3:00 pm

The regular meeting of the Burlington Electric Commission was convened at 3:03 pm on Wednesday, August 12, 2020 via Microsoft Teams Video Meeting.

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

Commissioners Chagnon, Herendeen, Moody, Stebbins and Whitaker participated via Microsoft Teams at 3:03 pm.

Staff members present via Microsoft Teams included Darren Springer, Paul Alexander, James Gibbons, Mike Kanarick, Munir Kasti, Casey Lamont, Laurie Lemieux (Board Clerk), Tom Lyle, Andrea McNeil, Paul Pikna, and Emily Stebbins-Wheelock.

1. Agenda

There were no changes to the Agenda.

2. Public Forum

No one from the public was present via Microsoft Teams.

3. July 8, 2020 Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the July 8, 2020 Commission Meeting; 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. Aye
Commissioner Herendeen. Aye
Commissioner Moody. Aye
Commissioner Stebbins. Aye
Commissioner Whitaker

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

4. Commissioners' Corner

Commissioner Herendeen asked if there was an update on time of day metering and smart meters.

Mr. Springer stated that the Department is working on the development consistent with the Strategic Direction. The Department also is working on additional end use rates that would help further manage loads from strategic electrification. Once this is put together, it will be brought to the Commission for review and input.

Also, Commissioner Herendeen stated that the monthly report indicated that there were seven (7) new solar installations, and asked where the arrays are located. Ms. Stebbins-Wheelock replied with the following: 120 kW array at the new YMCA building; 80 kW and 50-60 kW arrays at 208 Flynn Avenue; and 30 kW array at the airport.

5. General Manager's Update

Mr. Springer stated that the BED team responded quickly to the outage caused by the storm that passed through last night. Mr. Springer stated that he is incredibly proud of the work by the BED team to respond quickly to the widespread outage and restore power safely. At our peak, there were approximately 4,400 customers without power in part due to a pole and several trees down. Most of the customers were back on within hours, as teams worked into the evening and early morning hours to respond.

Mr. Springer thanked dispatch/grid services, the line crew, distribution team, engineering, technicians, field crew, operations, Center for Safety, McNeil/Generation, Customer Care and Communications, and everyone who contributed to this effort. The Department received numerous compliments and thank you notes from customers directly. The Mayor heard from constituents about their appreciation for our response at his weekly virtual coffee meeting.

Mr. Springer also thanked the McNeil team for their hard work to get the turbine spinning free again after the outage, much quicker than expected.

Mr. Springer stated that the Department continues to work on closing out FY20 and Ms. McNeil will present some preliminary results during the financial portion of this meeting. There are still some moving pieces related to the closeout, but we anticipate that our ratings metrics will be improved from FY19, despite our COVID-19 challenges. While a less productive result than we were on track for in March 2020 prior to the pandemic, we have managed the impacts reasonably well.

As part of our efforts to mitigate the COVID-19 impacts on our budget and ratings metrics, we are seeking an accounting order from the Public Utility Commission (PUC) to cover the impact of labor costs that would have been capitalized, but were not due to deferral of capital projects during the pandemic. If granted, this order would mitigate those impacts in

FY20 and into FY21, and act as a smoothing mechanism. Public utilities have thus far been ineligible for CARES Act programs, such as the Paycheck Protection Program, for which investor-owned utilities and cooperatives have been eligible, so the accounting order would be one way to mitigate some COVID-19 impacts.

The Department is working with Department of Public Service to obtain state CARES Act funds that will be allocated to help utility customers with arrearages. We do not expect the funding approved by the Legislature initially to fully clear our customer arrearages based on the criteria developed, but it will be significantly helpful.

Mr. Springer stated that BED has submitted the first portion of FEMA eligible reimbursements for COVID-19, which is a little under \$40,000. The Department expects to receive 75% cost reimbursement.

Mr. Springer stated that work continues on Phase II of district energy between BED, VGS, and Ever-Green. The plan is to bring UVMMC back into the discussion more fully in September as its schedule allows and anticipates our working to finalize Phase II work in the fall.

As was reported in the news recently, two GMP lineworkers were seriously injured while working in the field. One had more severe injuries, and a GoFundMe site was set up to support him and his family during his treatment and recovery. BED employees collected and contributed over \$1,100 directly to his family as part of the community effort.

Mr. Springer stated that the Department is seeing an uptick in cold climate heat pump installations, driven in part by the new Green Stimulus incentives. Installers have indicated that they are booked for summer and booking into the fall. We have seen about 25 new heat pump installs over the last month, compared to less than 50 total between September 2019 and June 2020.

As part of continued efforts to attract and retain a diverse and skilled workforce, BED and Vermont Works for Women are partnering to share open positions with interested applicants. Paul Pikna participated in a Vermont Works for Women job fair event recently to discuss open McNeil positions as part of this effort.

We now have had three successful Defeat the Peak events this summer. Our non-profit partners have been the Ronald McDonald House Charities, Lund, and most recently My Brother's/Sister's Keeper, which supports BIPOC youth in Burlington with internship programs and career networking events.

After another successful partnership with the DeltaClima (formerly AccelVT) clean energy business accelerator, BED has selected new start-up energy companies to partner with on pilot projects. One is MedleyThermal, which installs an electric boiler alongside an existing gas boiler and uses energy market pricing to ensure that the electric boiler runs at the most optimal times. BED anticipates piloting this at 585 Pine Street. A second company, WexEnergy, has created an easy-to-install window insert that is intended to reduce thermal loss through windows and aimed at multi-family rental and affordable housing. We anticipate piloting this program with a local affordable housing partner. As a third pilot, the McNeil Joint Owners collectively agreed to work with ThermoAI, a company that uses artificial intelligence to optimize combustion efficiency for power plants. We are interested whether their product could improve efficiency even modestly at McNeil.

Financials

Ms. McNeil, Director of Finance, reviewed the preliminary June 2020 year-to-date financial results.

Ms. McNeil started with an update on loads and reviewed several charts showing how loads are looking through August 8. Residential sales continue to track above forecast, with the warm weather causing an additional increase. Commercial sales are continuing to trend significantly lower than forecast. Total system load for June was approximately 6% lower than expected due to COVID-19, with the decline in the commercial sales more than offsetting the slight uptick in residential sales. Total system load for July was approximately 3% lower than expected.

Ms. McNeil reviewed the preliminary budget-versus-actual results for the month of June FY20. The Department reports a net loss of \$1.4M which is \$1.6M less than budget, due largely to a pension-related adjustment and the effects of COVID-19. Specifically, the variance in the preliminary June results is due to: a \$1.1M pension adjustment made after receiving the year-end actuarial reports, increased expenses due to labor budgeted for capital projects that have been deferred or delayed hitting operations; an increase in the compensated absence reserve due to less vacation being taken during the year (in large part due to COVID-19); and loss of revenue from customer contributions to delayed/deferred capital projects.

The Department's preliminary FY20 year-end results presented include a net loss for the year of \$1.25M. Ms. McNeil noted that these results are unaudited and there are at least two additional entries that still need to be made for which BED is waiting on additional information. Ms. McNeil further noted that the FY20 fiscal year was significantly impacted by COVID-19 and, but for COVID-19, the Company's financial results would likely be in-line or very close to budgeted net income.

Capital spending through June 2020 is 49% or \$3.9M less than the FY20 budget. This is driven by less spending on the IT Forward project as well as less spending on capital work due to COVID-19.

Ms. McNeil noted that the credit rating metrics usually included in the financial results would be presented once FY20 results are finalized.

6. IRP Presentation

Mr. Gibbons stated that there have been several internal meetings regarding the September 1, 2020 IRP filing deadline. To meet this deadline, the Department has decided to work on an abbreviated filing process so that BED is not in any risk of not being compliant.

Mr. Gibbons stated that, when you file an IRP, the only approval that is received is an approval of the decision-making process. No proposed course of action that is included in an IRP is approved as a result of an IRP.

BED decided to modify the chapters of the IRP and to ensure that the requirements that resulted from the last MOU are all addressed and documented. The Department has discussed this conceptual proposal with the PSD staff, and they have expressed no concerns.

Mr. Gibbons then reviewed the Chapters, explaining in detail the differences between the 2016 IRP Sections versus the 2020 IRP Sections. A couple major differences between the two are the addition of a Financial Forecast chapter (including Rate Path on a base case only, Key variables, and Tornado Charts). Also, Chapter 7 will include the overall Decision Process (portfolio versus single decisions) and sample decision review of a storage proposal in Burlington.

Mr. Gibbons is proposing sharing with the IRP Committee and the Commission the drafts of Chapters, and suggested that focusing on the financial forecast, decision process, Net Zero Energy, and next steps portions would be the most helpful. This will need to have a quick turnaround, as the Department has only three weeks left to file.

Mr. Gibbons will send out the chapters related to these topics and asked the Commission for any feedback as soon as possible, pursuant to a reply format that Mr. Gibbons will indicate in those communications. Commissioner Stebbins asked that the earlier chapters, that Mr. Gibbons indicated were complete, be shared as well. BED will do so after checking to see what form of file sharing would be most useful.

6. Commissioners' Check-In

Commissioner Moody asked what the load noise was at the McNeil Plant during the storm. Mr. Pikna stated that the plant experienced a full load trip during the lightning storm and lost the GMP system. Mr. Pikna stated that the load noise heard was the safety blowing off, which means that when the plant tripped off-line, the steam then was released.

Commissioner Moody made a motion to adjourn; the motion was seconded by Commissioner Herendeen. 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 4:49 p.m.

Attest:



Laurie Lemieux, Board Clerk