

DRAFT

McNeil Station Joint Ownership Operating Committee Meeting Minutes

The meeting of the McNeil Station Joint Ownership Operating Committee convened at 12:15

P.M. on Tuesday March 26, 2019 at the McNeil Generating Station Farmhouse.

Present:, David MacDonnell, BED, Paul Pikna, BED, Betsy Lesnikoski, BED, James Gibbons, BED, Ying Liu, BED, Chris Cole, GMP, Kenneth Nolan, VPPSA, James Reardon, BED, Munir Kasti, BED Darren Springer, BED via phone.

Others Present: Colleen Rouille, BED

# Agenda

K. Nolan made a motion to approve the agenda; the motion was seconded by D. Springer and approved by all Joint Owners present.

# Review of Joint Owner Operating Committee Meeting Minutes of December 4, 2018

K. Nolan made a motion to approve the Joint Owner committee meeting Minutes of December 4, 2018; the motion was seconded by D. Springer and approved by all Joint Owners present.

# Public Forum

# There was no one present from the public.

# Overview of Operating and Generating Reports for November 2018, December 2018, January 2019 and February 2019.

Mr. MacDonnell summarized the reduction and limitations and news for the months of November and December 2018, and January and February 2019. In November 2018, McNeil ran approximately 43.3 percent of the time. There was a plugged ash hopper as a reduction and limitation. November was a pretty quiet month. The Waste Wood Yard Operator job was advertised. In the month of December, 2018 McNeil ran approximately 54.9 percent of the time. There was an economizer and water wall tube leak that lasted for fourteen days and into January, 2019. The fourth quarter REC’S ended and the NOX emissions were low enough to qualify for Connecticut RECS for the quarter. During January, 2019 the economizer and water wall tube leaks were finished by January 5th, 2019. There was also a small pinhole leak on the water wall tube when the plant came up that caused the plant to shut down for a few more days. The plant ran for 75.9 percent of the time. A Wood Yard Operator, Ryan Duprat, was hired in January. In February of 2019, the plant ran for 71.9 percent of the time. No relevant reductions and limitations happened during the month.

# Fuel Procurement Update

B. Lesnikoski updated the Joint Owners on the current wood supply. She said McNeil is trying to balance usage and deliveries so McNeil does not have too much inventory going into the extended outage. This winter McNeil has more wood on site than last year in case there are high prices in April. Currently the total inventory is 42, 200 tons with the bulk of that at the McNeil plant so it is available if it is needed. There are 9,000 tons in Swanton and some round wood in Altona. The spring time conditions now mean deliveries will drop off. The foresters at McNeil are very busy with the warmer weather checking on erosion control to make sure the water is kept clean. An incentive was run for three weeks in February were the suppliers were given a base number and if they made above that they got paid a bonus. Prior to the incentive the average price for wood was running close to the same price but it did get McNeil a little more wood in the month February. New Hampshire markets have slowed down because they have not received their incentive from the state. With energy and REC prices low it is hard to compete.

# Financial Review

Ms. Liu said that the total expenses on the calendar year to date budget through January are $2,308,969. This is $567,517 below budget. The favorable variance is mostly driven by underspending in fuel expenses. The fuel usage in January was lower than planned.

# McNeil Operating Statement

Y. Liu presented the McNeil operating statement with McNeil revenue and expense for fiscal year to date through January 31, 2018 and January 31, 2019. Also included is calendar year to date through January 31, 2018 and calendar year to date January 31, 2019. In the January fiscal year to date 2019 numbers, the total revenue was $15,554,652 compared to 17,560,504 in January fiscal year 2018. The total fuel expenses were $9,210,822 in fiscal year 2019 compared to 9,923,248 in fiscal year 2018, and the total other expenses were $5,295,289 in fiscal year 2019 compared to 5,596,441 in fiscal year 2018. The net income before interest expense including depreciation was $1,048,540 in fiscal year 2019 compared to a net income of $2,040,814 in 2018. In terms of revenue and fuel costs and other expenses there are no notable fluctuations from year to year. In the September calendar year to date 2019 numbers, the total revenue was $2,244,068 compared to 4,450,717 in 2018, the total fuel expenses were $1,710,665 compared to 2,024,053 in 2018 and the total other expenses were $730,569 in 2019 compared to 750,760 in 2018. The net loss before interest expense including depreciation was $-197,166. This is compared to a net income of $1,675,903 in the January calendar year to date 2018 number. For calendar year 2019, REC revenues were not included in the total because they were received in February. If the REC revenues were included in January 2019 the net income for the calendar year to date would have been around 2,100,000.

# BED – GM Update

D. Springer, General Manager for Burlington Electric, gave the update on the back taxes owed to the City of Burlington for the gasifier equipment at the McNeil plant that is not owned by McNeil. The company that owned this equipment is no longer in existence. Sometime this summer, Darren will be asking for an abatement for the back taxes owed. Burlington Electric and the Joint Owners should not be responsible for this cost and it is hoped that this will be resolved soon. D. Springer then said that he talked to DPW about road improvements on the interval road to improve safety and pedestrian access. There was a sub-committee at the city council which approved a road design. DPW is now looking on how to fund this project. D. Springer will report back at a future Joint Owners meeting.

D. Springer then updated the Joint Owners on District Energy. The legislature has passed a bill in the house saying that a portion of Burlington Electric’s thermal efficiency funds could be used to support the next phase of work around engineering and design for District Energy project. The house passed this unanimously and there is hope that there will be support in the senate also. If that bill is passed, the intention would be to reopen the letter of intent discussion for the next phase of work that needs to happen. Corix has submitted an invoice for the pervious phase of work which closes the first phase out. The hope is to reopen discussions once the legislation has passed in the Senate. D. Springer then brought up that Burlington Electric has had discussions with the Solar Regional Technical Center in Williston that is currently hosted by Global Foundries and is one of 5 national solar test centers in the country run by the Department of Energy. Global Foundries is selling the land that the regional test center sits on and because of that, they need to decommission the solar equipment at that facility. There have been discussions between Burlington Electric Department, Sandia, UVM and Vermont Technical Center. These discussions are happing to have a smaller test center located on a one half acre site at the McNeil station. The project would be accessible for tours and visitors at the plant. The site would benefit Vermont Technical Center because they would use it as a workforce training site and UVM would use it for researchers who are interested in solar integration work. D. Springer asked the Joint Owners if this was of interest to them since the immediate next step would be that McNeil would host some stored materials from the decommissioned site in pallets and crates at the plant and then Burlington Electric Department could have a permitting process go forward after that. K. Nolan mentioned that he was concerned about the permit. J. Gibbons said it would be a separate solar array permit and not included in the McNeil 248 permit. K. Nolan wanted to make sure this is not one permit. D. Springer also said that in exchange for hosting the site, the small amount of power produced would come back to the Joint Owners at no cost to them. K. Nolan said the public relations would be good for McNeil. D. Springer said they would go forward with hosting the equipment on site if all parties are on board and he will update everyone at the next meeting.

#  Plant Status, Operating/ Maintenance Concerns

D. MacDonnell reported that the major overhaul is scheduled in 7 weeks. It will be 35 days long. The big projects are the turbine being taken apart to inspect it and do some maintenance, install new circulating water pumps, inspect the stack and reseal it, cement work around the cooling tower basin and mapping of the water wall tubes. P. Pikna said this water wall project is a low frequency electromagnetic technique that is done inside the boiler top to bottom, bottom to top audit to find any defects that are at least 1/8 of an inch to evaluate repairs going forward. If there are a lot of defects found, it will not be cost effective to repair them all this outage. If there is a low amount of defects they will be repaired. D. MacDonnell said the last tube leak was in January and there have been 10 or so turbine starts since then. Turbine starts are when the tube leaks usually happen and there have been none. Some procedures have been changed and this may have helped. Dave MacDonnell talked about the McNeil succession training plan. A Generation Generalist has been hired and is working with the Mechanic to learn his position. There is a second Generation Generalist being hired to work with the Senior Engineering Technician. D. MacDonnell then mentioned the Triannual report and said that there were nine recommendations that were mentioned and that none of these were too unusual or unexpected. This report is done to make sure McNeil is following proper procedures.

# Schedule for next Meeting

The next Joint Owner meeting is scheduled for July 16, 2019 at noon at the McNeil farmhouse.

# Meeting Adjourned

Mr. Nolan made a motion to adjourn the meeting at 12:50pm; the motion was seconded by Mr. Cole and approved by all Joint Owners present.