



DRAFT

McNeil Station Joint Ownership Operating Committee Meeting Minutes

The meeting of the McNeil station Joint Ownership Operating Committee convened at 12:38 p.m. on Monday, September 9, 2024. Present; Darren Springer, BED, Munir Kasti, BED, Doug Smith, GMP, Ken Nolan, VPPSA, Rodney Dollar, BED, Betsy Lesnikoski, BED, Emily Stebbins-Wheelock, BED, James Gibbons, BED, and Ying Liu, BED. On Teams, Amanda Hulburt, BED and Pike Porter, Public.

Others Present: Colleen Rouille, BED.

1. Agenda

There were no changes to the agenda.

2. Review of Joint Owner Operating Committee Meeting Minutes of June 10, 2024.

There were no changes to the minutes. M. Kasti, BED, moved a motion to approve the Joint Owner meeting minutes for June 10, 2024; D. Smith, GMP, seconded the motion and it was approved by K. Nolan, VPPSA and all members present.

3. Public Forum

Pike Porter was present from the public. Pike said that last quarter GMP represented and advised that they did some calculations and found that without McNeil they would have had to spend more money on electric generated power. BED makes the same claim on their website. He asked BED to provide documentation of this claim that there would be a twenty percent increase in costs to ratepayers if McNeil was not running. Pike received a screenshot of a excel spreadsheet that indicated that BED was pricing replacement energy at three hundred dollars per megawatt hours. He thinks this is ridiculous. He asked if GMP could provide a more detailed explanation about how they concluded that without McNeil they would need to increase costs especially since they just signed a contract to purchase six hundred megawatt hours of clean power for about 47.00 dollars per megawatt hour. Why is McNeil so much more? Pike was also wondering if the three power producers at the table have had any discussions about banding together along with the State of Vermont to purchase wind power from offshore facilities in the future. D. Smith, GMP, said that he did not think Pike quite caught the essence of his comment at the last meeting. What he was trying to convey is on one of the pages of that BED shared, it was a comparison of expenses and revenue and his point was that revenue for the power, as expressed on that sheet is a credible way to look at it but also another impact of having McNeil energy available to GMP in their portfolio is that it offsets the need for them to purchase ahead of time. Lately, purchases ahead of time have been quite a bit more costly than the day ahead and real time

revenues depicted on the table. It is just another way to look at it and he was not trying to make any representations of the total economics of McNeil. Pike asked if additional long term power purchase agreements also alleviate that problem. Smith, GMP, said that that is beyond the scope of this meeting but yes, other power sources could provide that role of mitigating or reducing the volume we need to purchase ahead of time from other market sources. D. Springer, BED, noted that Mr. Porter is one of two litigants in the BED IRP case and BED is not going to be responding in this forum or any other forum items that are under discussion in that docket.

4. Summary of Operating and Generating Reports for June, July, and August 2024.

R. Dollar, BED, summarized the operating reports for the months of June, July, and August 2024.

In June 2024, McNeil produced 12434 net MWH for a capacity factor of 34.54 percent. The plant operated for 70.90% of the total hours in June. There was 2137 MCF gas burned in the McNeil boiler during the month of June. There was no oil burned during this month. There were some reductions and limitations that included turbine controls and the circulating water pump. This month at McNeil they completed miscellaneous repairs, preventative maintenance, and process improvements. McNeil concluded the turbine controls upgrade and the annual overhaul activities. In the month of July 2024, McNeil produced 10031 net MWH for a capacity factor of 26.97 percent. The plant operated for 62.25 percent of the total hours in July. There was 1101 MCF of gas burned in the McNeil boiler during the month of July. There was no oil burned during this month. There were some reductions and limitations that included the circulating water pump, VFD and boiler grates. This month at McNeil, we conducted miscellaneous repairs, preventative maintenance, and process improvements. The vacant yard worker position was awarded to Corey Walters. In the month of August 2024, McNeil produced 17,654 net MWH for a capacity factor of 47.46 percent. The plant operated for 77.04 percent of the total hours in August. There were 509 MCF of gas burned in the McNeil boiler during the month of August. There was no oil burned during this month. There were some reductions and limitations that included the circulating water pump VFD and grates. This month at McNeil, we conducted routine maintenance, preventative maintenance, and process improvements projects. There was a fuel tank inspection, grate repairs, and cooling water pump variable frequency drive replacement. D. Smith, GMP, asked about the status of the VFD circulating water pump. R. Dollar, BED, answered by saying that it has been repaired and that McNeil is back to full load.

5. Fuel Procurement Update.

B. Lesnikoski, BED, updated the Joint Owners by saying that the summer was more wet than expected and that impacted wood deliveries. In June of 2023 to August of 2024 Burlington Vermont was 11.78 inches of rain above normal. There was significant flooding in places, and we did get some grinding of wood from the river in Starksboro, VT. Because of the VFD issue and running at half capacity McNeil managed to keep the inventories stable. McNeil brought in, through the summer the wood that we used. Now that McNeil is at full load, we can turn over some of the wood piles and refill them so that we can start the winter full. The suppliers have been notified that we are looking for wood and need to replace what we are using. There have been a few other things in the forest business world that have not helped McNeil. Several sawmills have closed. Without a sawmill market, loggers are not inclined to do work and we get limited chip production if they are not selling saw logs. This has slowed things down because the production is down. McNeil is working with three potential new suppliers trying to encourage them to get into the business and bring in some more wood from sources we have not seen before. McNeil is required to bring in 75 percent of wood by rail and that has been good recently.

6. Plant Status Operating and Maintenance Concerns.

R. Dollar, BED, updated the Joint Owners on the plant status saying that the turbine controls have been completed to a point where they are useful with a few fixes that must be worked through. ESP controls have been fully implemented and are doing well. The VFD has been replaced. The grate issue is being addressed and R. Dollar is working with the vendor on material quality. McNeil is back to full availability for full capacity. McNeil has environmental testing coming up at the end of September. After that, we will be offline to build some more wood inventory for the winter and to do some maintenance work. D. Springer, BED, wanted to thank the McNeil team for their work to get things accomplished this summer.

7. Financial Review.

Y. Liu, BED, said that she would be reviewing the McNeil June 30, 2024, calendar year- to- date budget. The total operating expenses on the calendar year- to- date budget through June 30, 2024 were \$12,332,434. This was \$3,350,250 below budget. The favorable variance was driven by generation expenses. The fuel expense had a favorable variance of \$2,532,816 because of lower production and a lower wood chip price. Boiler plant maintenance had a favorable variance of \$353,481 and Electric plant maintenance had a favorable variance of \$202,040. The total generating expenses had a favorable variance of \$136,058. The disposition of plant had an unfavorable variance of \$133,747. The total calendar-year-to-date expense budget through June 30, 2024, was \$5,313,757 which was underspent by \$817,434.

8. McNeil Operating Statement.

Y. Liu, BED, presented the McNeil operating statement with McNeil revenue and expense for fiscal year to date through June 30, 2024. Also included is the calendar year-to-date through June 30, 2024. In the June 30, 2024, fiscal year-to-date numbers, the total generation megawatt hours were 180,046 compared to June 30, 2023, fiscal year-to- date total generation megawatt hours of 214,065. The station generated (34,019) less megawatt hours in fiscal year 2024 compared to fiscal year 2023. In the June 30, 2024, fiscal year-to-date numbers, the total revenue was \$15,504,007 compared to \$25,989,155 in the June 30, 2023, fiscal year-to-date numbers. Revenue in fiscal year 2023 was down by (\$10,485,148) because of reduced energy revenue. The total fuel expenses were \$13,595,519 in the June 30, 2024, fiscal year-to-date numbers compared to \$16,783,173 in the June 30, 2023, fiscal year- to-date number. The fuel expense was down by (\$3,187,654). The total other expenses including depreciation were \$11,704,717 in the June 30, 2024, fiscal year- to-date number compared to \$11,114,267 in the June 30, 2023, fiscal year- to-date number. The net loss in the June 30, 2024, fiscal year-to-date was (\$9,796,229) compared to a net loss of (\$1,908,285) in the January 31, 2023, fiscal year-to-date number. The net loss increased by (\$7,887,944) in fiscal year 2024 compared to fiscal year 2023.

In the June 30, 2024, calendar year-to-date numbers, McNeil generated 92,544 megawatt hours compared to 97,296 megawatt hours in the June 30, 2023, calendar year-to-date number. The total revenue in the June 30, 2024, calendar year-to- date number was \$7,547,763 compared to \$10,028,002 in the June 30, 2023, calendar year - to- date number. The revenue was \$2,480,239 less in calendar year 2023.

In the June 30, 2024, calendar year-to- date numbers, the total fuel expense was \$7,018,677 compared to \$8,029,766 calendar year- to-date June 30, 2023, number. In the June 30, 2024, calendar year-to-date numbers, the total other expenses were \$6,181,778 compared to \$5,768,812 in the June 30, 2023, calendar year-to-date number. The June 30, 2024, calendar year-to- date net loss was (\$5,652,692) compared to a net loss of (\$3,770,575) in the June 30, 2023, calendar year-to-date number.

9. BED – G.M. Update.

D. Springer, BED, updated the Joint Owners by saying that there are two RFPs that stem from November 2023 District Energy resolution. The first is on opportunities for efficiency, innovation, environmental footprint improvement, and stack emissions reductions at McNeil. This would also assess the types and scale of renewables and storage that would be needed if McNeil was not in service. The second RFP is related to the forestry procedures and practices and the wood supply side of McNeil. The RFPs were reviewed in a joint meeting by the Electric Commission and the Transportation Utility and Energy Committee. The Electric Commission voted unanimously, and the Transportation Utility and Energy Commission voted three to one too recommend to the City Council. These are on the City Council agenda to be voted on and approved. If so, BED will move forward to issue the RFPs and seek respondents. The scope of work with the ultimate respondent also goes through the same process before it is agreed too, so there is some significant additional process before any studies get underway. BED will engage with the Joint Owners with both respondents for the studies and keep them informed of the progress. There is a separate provision that in November of 2024, the General Manager reports on several issues, some of which overlap with items in the RFPs with separate language. This would include a report from Darren Springer, BED, that he would present and answer several questions and items related to McNeil.

10. Other Business.

There was no other business.

11. Schedule for Next Meeting.

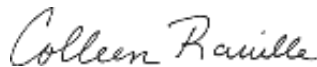
The next Joint Owner meeting is scheduled at the McNeil farmhouse on Monday December 2, 2024, at noon.

12. Adjourn.

M. Kasti, BED, moved a motion to adjourn the meeting at 12:38 p.m.

D. Springer, BED, seconded the motion and it was approved by K. Nolan, VPPSA.

Respectfully Submitted,



Colleen Rouille
Business Coordinator Generation