BURLINGTON ELECTRIC COMMISSION

To be held at Burlington Electric Department
585 Pine Street
Burlington, Vermont 05401
And
Via Microsoft Teams
1 (802) 489-6254 - Phone ID: 636 059 465#
Teams ID: 213 826 577 224 - Passcode: jRNekk

BURLINGTON ELECTRIC COMMISSION
SCOTT MOODY, CHAIR
BETHANY WHITAKER, VICE CHAIR
LARA BONN
MICHELLE HOBBS
ANDY VOTA
ELENA ALEXANDER, CLERK

AGENDA
Meeting of the Burlington Electric Commission
Thursday, September 11, 2024 – 5:00 p.m.

1. Agenda
2. Review and approval of Meeting Minutes:
    a. July 10, 2024 - Regular meeting
    b. August 1, 2024 - Special Meeting - Net Zero Energy & Grid Reliability Revenue Bond ballot item for November 2024
    c. August 22, 2024 - Special Meeting of the Burlington Electric Commission and the Burlington City Council Transportation, Energy and Utilities Committee - McNeil Emissions Reduction Assessment RFP and McNeil Forestry Assessment RFP
3. Public Forum
4. General Manager Update
5. Financials - August FY25
6. Charging & Fueling Infrastructure grant (discussion) - Emily Stebbins-Wheelock.
7. Expected Executive Session, Cybersecurity update – Erica Ferland and Emily Stebbins-Wheelock
8. Commissioner's Corner (Discussion)
9. Commissioner's Check-in
10. Adjourn

Attest:

Elena Alexander, Board Clerk

If anyone from the public wishes to speak during the public forum portion of the Commission Meeting and/or wishes to be present for the Meeting of the Board of Electric Commission via Microsoft Teams, please email ealexander@burlingtonelectric.com to receive a link to the meeting, or dial into the call with the credentials listed above.

Note: Members of the public may speak during the Public Forum, or when recognized by the Chair during consideration of a specific agenda item.

DRAFT MINUTES OF REGULAR MEETING BURLINGTON ELECTRIC COMMISSION

Wednesday, July 10, 2024, 5:00 pm

The regular meeting of the Burlington Electric Commission was convened at 5:00 pm on Wednesday, July 10, 2024, at Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Channel 17 was present to record this meeting.

Commissioners Hobbs, Moody, Vota, and Whitaker were present in person.

Commissioner Bonn was present via Microsoft Teams.

Staff members present at 585 Pine Street included Paul Alexander, Katie Morris, Mike Kanarick, Munir Kasti, Darren Springer, Emily Stebbins- Wheelock, and Elena Alexander (Board Clerk, Temporary Board Clerk at start of meeting)

Staff members present via Microsoft Teams included Erica Ferland, James Gibbons, and Rodney Dollar.

1. Election of Officers

Temporary Board Clerk, Elena Alexander, called the meeting to order at 5:00 p.m. The first meeting of the new fiscal year is the Burlington Electric Commission's organizational meeting. The first order of business is to elect officers. The Temporary Board Clerk, Ms. Alexander, opened the floor for nominations for Chair of the Commission.

Commissioner Whitaker made a motion to nominate Commissioner Moody as Chair of the Burlington Electric Commission; the nomination was seconded by Commissioner Vota. Temporary Board Clerk Alexander asked if there were any other nominations. Hearing none, the Temporary Board Clerk Alexander asked the Commission to indicate support for Commissioner Moody by a show of hands. Of the 5 members present, 4 votes were cast in support of Commissioner Moody (Commissioner Moody abstained from voting. Commissioner Moody was elected Chair of the Commission. At this time, Temporary Board Clerk Alexander turned the meeting over to Chair Moody.

Commission Chair Moody opened the floor for nominations for Vice Chair of the Burlington Electric Commission. Commissioner Vota made a motion to nominate Commissioner Whitaker; the nomination was seconded by Commissioner Bonn. Commission Chair Moody asked if there were any other nominations. Hearing none, Commission Chair Moody asked the Commission to indicate support for Commissioner Whitaker by a show of hands. Of the 5 members present, 4 votes were cast in support of Commissioner Whitaker (Commissioner Whitaker abstained from voting) Commissioner Whitaker was elected Vice Chair of the Commission.

Commissioner Whitaker nominated Elena Alexander as Board Clerk for the Burlington Electric Commission: the nomination was seconded by Commissioner Vota and approved by all Commissioners present.

2. Agenda

There were no changes to the agenda.

3. June 12, 2024, Meeting Minutes

Commissioner Vota made a motion to approve the minutes of the June 12, 2024, Commission Meeting; the motion was seconded by Commissioner Bonn and approved by Commissioners Moody, Bonn and Vota. Commissioners Hobbs and Whitaker abstained as they were not present at the June 12 meeting.

4. Public Forum

No one from the public was present at that time.

5. Commissioners' Corner

Commissioner Vota asked General Manager Springer about the variable rate for electric car charging outside of designated hours and losing the monthly rate. Mr. Springer confirmed that this issue has come up with the way BED structured the current EV charging rate. If users charge during off-peak hours only, they get the credit benefit, and it resets monthly. If users charge during any peak hours, customers are not penalized in that they still pay the residential rate, however, they do not get the benefit of the less expensive EV charging rate for that month.

Mr. Springer indicated that there have been instances with one charging company, where a draw registers as a charge even if it was not scheduled or set up that way. BED has been working with customers and that company to rectify this issue. If the charging happens when it is not supposed to, users should contact the charging company vendor, as well as the BED Customer Care team to make sure all equipment is functioning correctly.

BED's long-term vision is to implement a more dynamic function that would allow users to charge anytime they want, and still get the benefit of the credit. There would be dedicated hours of charging interruption, but users would have the option to override and charge during that time, but in that case, they would lose the EV rate benefit. This would allow users to charge for more hours with off-peak rates.

6. GM Update

Mr. Springer proposed that the Commission forgo the August 14, 2024, Burlington Electric Commission meeting, as typically there has not been an August meeting. All present members of the

Commission agreed to cancel the August meeting.

Mr. Springer proposed that the Burlington Electric Commission hold a joint Special Meeting with the Transportation Energy Utilities Committee (TEUC) of the City Council on August 22, 2024, at 5:30. This meeting purpose would be to discuss the RFPs prescribed in the District Energy Resolution. Discussions would include the two drafted RFPs, one for a third-party study on forestry, and one on future opportunities to reduce the environmental footprint and increase innovation at McNeil Generating Station. All present members of the Commission agreed to the proposed meeting. The meeting will be held at 585 Pine Street, Burlington, Vermont. CCTV will be attending this meeting if available.

Mr. Springer shared information on the following:

BED is beginning to consider future bonding for the second tranche of the Net Zero Energy Revenue Bond, with hopes to bring an item to the Commission and City Council sometime in late summer or early fall to get on the November ballot. BED will try to ensure that the current revenue bond concluding in FY25 stretches for the duration of the current fiscal year to support projects. BED anticipates the additional revenue bond would be available for Net Zero Energy and grid-related upgrade projects for FY26 and beyond.

TEUC is looking at how to improve compliance around the Rental Weatherization Ordinance, building emissions, and reduction policies that could come into play. BED will be looking at TEUC to provide guidance on research areas, as well as utilizing the Building Electrification Institute to help with research.

BED was proud to join with the Mayor, Green Mountain Transit (GMT), Vermont Agency of Transportation, and Burlington High School City and Lake students in the unveiling of 5 new electric transit buses. Ten percent of GMT's fleet is now electric, with the opportunity to electrify more buses in the future. BED is supporting these with incentives, and they will charge on off-peak hours in Burlington. The buses will be running routes throughout Chittenden County and beyond.

This September, BED will be transitioning the processing fee to customers who choose to use a credit or debit card to pay their electric bill. This will change the current practice whereby all ratepayers absorb those fees. Fees are roughly $300k/year, up from $5K/year when they first started. BED will research to see if there are fees associated with payments made via ACH.

Third Annual Net Zero Energy Festival – Please save the date of September 21, 2024, 10am-2pm (rain date September 22) for the NZE Festival. We have several exciting new aspects to the event this year.

BED closed on the new $10 million Line of Credit (LOC) on June 25. This LOC has more favorable terms than last year's, which is a positive financial development and should help support our Moody's rating. Moody's typically does its rating review post-audit, but it can vary from year to year.

BED and other utilities joined a call with Senator Sanders about the Solar For All program, which was part of the Inflation Reduction Act. There is an opportunity to have subsidized solar built in Vermont. This will flow through the electric utilities and be made available to low-income customers. If BED can participate, we potentially could use our Energy Assistance Program as the vehicle through which these benefits would be provided. Vermont is getting significant resources, and a variety of partners, along with Senator Sanders who helped obtain the funding, are coordinating the effort. It is too early to tell how much funding BED will get, but it is expected that BED will get a pro rata share of whatever the benefit flow is from the subsidized solar. On a load basis BED would be 6% of the state. This program would be set up in a way similar to the Group Net Metering program. There are three categories; single family, multifamily, and rental property subsidized programs.

7. May FY24 Financials

Ms. Stebbins-Wheelock presented the May 2024 financial results. In May the Department had a net income of $2,000,000 compared to a budgeted net income of $1.47 million, just over half a million better than budget. The favorable variance was due primarily to a combination of higher sales to customers and favorable net power supply expenses offset by a shortfall in REC revenues compared to budget.

Sales to customers were $238,000 better than budget, with residential sales up modestly by $48,000 and commercial sales up $189,000 (but a substantial portion of that, $134,000, was due to a one-time billing adjustment).

Other revenues, mostly EEU revenues, were favorable to budget by $107,000.

As previously forecast, REC revenues in May were unfavorable to budget by $550,000.

Ms. Stebbins-Wheelock then reviewed operating expenses. Net power supply expense was favorable to budget by $700,000. Within net power supply expense, both fuel and purchased power expense were favorable to budget. McNeil was offline for the outage which caused a favorable fuel variance of $414,000. Purchased power was under budget, mostly due to lower wind production compared to budget. Other operating & maintenance expense had a small variance unfavorable variance of $73,000 against a $1.7 million budget for the month.

Non-operating income was favorable to budget by $78,000 due to higher interest income and customer contributions than budgeted, offset by some losses on disposition of plant.

For FY24 to-date, net income was $3.6M vs a budgeted net income of $1.2M ($2.4M better than budget).

Commissioner Whitaker asked if the Department has made up for all the prior losses at this point in the year because we were previously were showing a net loss, but are now showing a net income. Ms. Stebbins-Wheelock confirmed that REC revenues were $1.5 million below budget for the year due to the lower than budgeted wind resource production and lower than budgeted McNeil production.

Energy prices were lower this winter because the winter was relatively mild. BED was not running McNeil as much, however, causing the Department to save on fuel, while paying more than budget for energy through the ISO-NE Exchange, but since energy prices were low, the negative variance in ISO-Exchange energy expense was not severe. Net income has been tracking better than budget in FY24 for several months, although actuals for some months have been worse than budget and some months better than budget. There is a six-month delay between the renewable energy production under our contracts or owned resources and the RECs from that production being available for sale. Therefore, when the FY25 budget was done, the Department knew actual production through December 2023 and could budget for the first half of FY25, but did not know what the production would be for the first six months of 2024. Therefore, REC revenues for the last six months of FY25 may be off if we continue to see production lower than budget.

Commissioner Whitaker questioned why there would be rate increases if we finished the year $2.5 million in the black. Mr. Springer explained that we still needed one more month of data to get the correct numbers, but BED is expecting to finish the year with a positive net income in the seven-figure range. That "year-end cash" will roll into the "starting cash" for the new year, but there is a difference between net income and the unrestricted cash balance. Mr. Springer stated that the 5.5% rate increase built into the FY25 budget includes all expenses and operational aspects to ensure BED not only has sufficient net income but also will end the year with sufficient days cash on hand to maintain its Moody's metrics. Ms. Stebbins-Wheelock also stated that the adjusted debt service coverage ratio is also taken into account. Operating expenses should be in line with the operating revenues so that there is sufficient operating income to cover debt service. Ms. Whitaker expressed concern for Burlington residents having a rate increase as it is already expensive to live here. Mr. Springer agreed and stated that the Department has requested a 5.5% increase this year, but for future planning, as a result of new legislation passed this session, the Department now has the ability to submit a rate change of 3% or less without necessarily having to go through a fully litigated case, which will save staff time and resources. Mr. Springer assured the Commission that if there is a possibility of getting the rate increase to 3% or lower next time around, BED certainly will go that route. Until then, the Department will aim towards lower rate increases and continue to do so until it reaches 3% or less.

Ms. Stebbins-Wheelock continued to report that cumulative capital spending for FY24 reached $6.3 million by the end of May compared to a budgeted amount of $10.3 million. This equates to roughly 58% of the FY24 capital budget.

Operating cash was at $7.8 million, which equates to 120 days cash on hand; the debt service coverage ratio (DSCR) was 4.95; and the adjusted DSCR was 1.56.

Ms. Stebbins-Wheelock noted that the preliminary cash numbers for June show $7.8 million, which is very close to budget projections. Final days cash on hand for FY24 cannot be determined until operating expenses are finalized and audited, but it is nice to have the cash position end up nominally on budget.

Commissioner Vota asked why the capital budget is relatively unexplained. Ms. Stebbins-Wheelock explained that one variance of $640,000 is tied to a project that has not happened yet at McNeil. The capital budget for converting the gas turbine to biodiesel was not needed because BED did not need to make any capital investments or adjustments to the plant to run on B20. In addition, Ms. Stebbins-Wheelock that while the Department has received new EV chargers and is working with Burlington DPRW to install several at the waterfront, discussions on the installation and location are still ongoing. Forecasting distribution capital expenditures has been the most challenging, mostly due to the supply chain backlog that is a nationwide issue. The Department currently has over $1 million worth of transformer orders waiting for delivery.

4. Public Forum (Revisit)

Going back to the Public Forum, Commission Chair Moody informed us that a member of the public who arrived after the public comment portion of the agenda would like to speak. Commissioner Moody invited Pike Porter to state his business.

Mr. Porter of Burlington thanked the Commission for allowing him the opportunity to be heard. He questioned the accuracy of the 100% renewability of Burlington Electric on an annualized basis. Stating that McNeil is eligible not because it meets the renewability definition, but because the Public Utility Commission (PUC) decided that McNeil and Ryegate Power Station qualify due to the amount of money Utility programs already invested in the two plants. In that issuance, it was stated that these plants had to look at the renewability of wood. Mr. Porter said that BED dropped the ball, and it was never addressed. Mr. Porter expressed how he, along with twelve States Attorneys throughout the country, feel that this Renewable Energy Credit system that BED is claiming as 100% renewable is deceptive. Twelve Attorneys General told the Federal Trade Commission (FTC) that rate payers and the general public were being deceived. While BED has claimed to be 100% renewable on paper since 2014, there are these two large caveats. Mr. Porter informed us that he has made significant personal changes since 2014, including an electric car and solar panels. But since 2018, BED has not invested in any new clean energy systems (no new wind, or solar). Mr. Porter thinks that it is time to move away from McNeil, the largest generator of greenhouse gases in the state (stationary source) and move toward clean energy systems. Although he is pleased to hear about the new renewable energy system outlined in the agenda today, he asked the Commission to not only look at the economics of McNeil (because McNeil loses millions of dollars and continues to do so) but also to look at the environmental costs. The statement "renewable and carbon free" is based on a lot of loopholes, accounting tricks, and caveats.

8. 2024-25 Strategic Direction

Commission Chair Moody asked Mr. Springer to share the 2024-25 Strategic Direction document that was up for review. Mr. Springer explained that both the Commission and BED have been working collectively on the Strategic Direction by using feedback and suggestions from different divisions within BED. BED requests that the Commission adopt the following changes and/or updates.

Update the year 2023-24 to 2024-25.

Redefine #3 of Engage Customers and Community to encompass not just programs but services, language about being fully accessible, and emphasis on all Burlingtonians receiving the benefits from the Net Zero Energy initiatives.

Redefine #2 of People Process and Technology, by adding cyber awareness, a key focus for the team. BED's IT department has spent a lot of time working with the broader organization to raise cyber awareness, through a variety of campaigns and doing so very successfully. This change reflects the prize BED received from the Department of Energy for their cyber security and technical assistance work.

Redefine the Manage Risks and Responsibility section.

#3 - Strengthen internal policies and procedures to ensure timely and diligent compliance.

#5 - Strengthen cybersecurity by investing in advanced technologies, improving threat response processes, providing continuous staff training to protect our infrastructure and customer data.

Commissioner Whitaker asked if this was the 2030 Strategic Direction. Mr. Springer explained that this is the 2024-25 Strategic Direction, which falls in line with our vision of becoming a Net Zero Energy city by the year 2030. BED continues to track and will update strategies, such as in the ground transportation and thermal sectors, as we strive towards our 2030 goals.

Commissioner Vota asked if the Strategic Direction was brought to the Commission as a guiding and awareness document. Mr. Springer explained that BED would like feedback from the Commission. Even though the Commission votes on it each year, Commissioners can suggest items to be added and/or updated if they feel something is not reflected appropriately. Commission Chair Moody stated that the Commission had a large part in developing the Strategic Direction when it was first created, and that Commission input is always welcome.

Commissioner Hobbs asked if the Strategic Direction was in line with the Dashboard. Mr. Springer confirmed that they are very much in line with each other.

Commission Chair Moody asked if there were any suggested changes or if they wanted to move to a vote today. Commissioners Whitaker, Hobbs, and Vota agreed they did not have any changes. Commissioner Bonn (present virtually on Teams) was having technical difficulties and did not comment. Commissioner Vota made the motion to adopt the Strategic Direction as edited. Commissioner Whitaker seconded the motion. Commission Chair Moody asked if there were any discussions on the topic. Hearing none, Commission Chair Moody asked the Commission to indicate support of the motion by a show of hands. Of the 5 members present, 5 votes were cast in support of the motion. Motion passed.

9. Commissioners' Check-In

Commissioner Whitaker reflected on the public comments, asking if there were any compromises that BED and the public could agree upon for the McNeil plant to try to get away from "right and wrong." For example: keep using McNeil for the useful life of the facility. Is there a way to find a middle ground and begin to have discussions in relation to the 2030 vision or, are both sides going to continue to state their case to do something different? Mr. Springer commented by saying that there will always be opposition to something. Looking at the carbon footprint from McNeil on a lifecycle basis, it is better than fossil fuels, but not as good as wind. In hearing from the head of ISO New England at the recent VELCO meeting, BED learned about the efforts being made to bring more offshore wind to the region and to connect with Canada to have more two-way flow of hydro. The question is, how do we balance this responsibly? There are not a lot of new renewables or existing renewables that are currently available in the region, making it difficult. The broader regional question is, how do we get more renewables online? BED supported the legislation to update the Renewable Energy Standard, as well as commitments stating that, if our load grows, we will meet a big chunk of it with new renewables. We will continue to support the region by growing more wind and solar. In the last five years, BED has added more solar, purchased hydro, and renewed wind contracts. The idea that BED is not constantly in the market of trying to support renewables is not accurate. BED is interested in innovation at McNeil that improves the environmental footprint. BED is hopeful that there will be a consensus among critics and proponents, to focus more on reliability and affordability and not the individual economics of a particular plant. BED hopes that anyone, who is concerned environmentally and does not want to rely more on fossil fuels, would be interested in improving the footprint of that plant and using the McNeil site in a more innovative way.

Commissioner Whitaker summarized by saying that the portfolio is constantly changing, and BED is always trying to move towards something that is more renewable and more sustainable, looking at ways to make McNeil more efficient and more diverse. Mr. Springer concluded by stating that BED is always interested in ways to improve efficiency, reduce the environmental footprint, and provide benefit from a climate standpoint. BED does not want to move away from the current resources and rely on more fossil fuels or nuclear. BED supports innovation, more renewables, and better environmental footprints.

Commissioner Vota asked about the McNeil site and the amount of storage available. As the systems evolve, is there land around the site that could be utilized should it come to that point? Mr. Springer confirmed that the McNeil site is an existing site, so it is permitted, and it has connection to the BED, GMP, and VELCO systems. It is a 50 MW generation facility and now has some solar, so yes, there is storage there and that would be very useful. It would not balance out the City's needs but could be used for things such as reducing the peak needs, and reducing the need for more expensive, higher polluting generators within the region. BED wants to use the site in a way that is environmentally and economically beneficial.

Commissioner Vota requested that, when preparing the meeting packets, contributors be cognizant of acronyms. If an acronym is going to be used, explain it the first time it is used. When working on the summaries, it would be helpful if to include enough information and context for people who are not in the industry. Mr. Springer confirmed that the team would try to boil it down to the key essentials as well as to explain the acronyms.

Commissioner Whitaker made the motion to adjourn; the motion was seconded by Commissioner Hobbs and approved by all Commissioners present.

The meeting of the Burlington Electric Commission adjourned at 6:07 p.m.

Attest:
Elena Alexander, Board Clerk

DRAFT MINUTES OF SPECIAL MEETING
BURLINGTON ELECTRIC COMMISSION

Thursday, August 1, 2024 1:00 pm

The special meeting of the Burlington Electric Commission was convened at 1:01 pm on Thursday, August 1, 2024, at Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Commissioners Moody, Vota, and Whitaker were present in person.

Commissioner Hobbs was present via Microsoft Teams.

Commissioner Bonn was absent.

Staff members present at 585 Pine Street included Paul Alexander, Mike Kanarick, Darren Springer, Emily Stebbins-Wheelock, Rodney Dollar and Elena Alexander.

1. Agenda

There were no changes to the agenda.

2. Public Forum

No one from the public was present.

3. Net Zero Energy & Grid Reliability Revenue Bond ballot item for November 2024 Discussion & Vote

Commission Chair Moody invited General Manager Springer and Ms. Stebbins-Wheelock to explain why this special meeting was called to order. Mr. Springer thanked the Commission for meeting on such short notice to discuss and vote on the Net Zero Energy & Grid Reliability Revenue Bond ballot item for the November ballot. This vote would be the first step in the ballot item approval process, followed by Board of Finance and City Council approvals to be completed and submitted to the Secretary of State by the end of August.

Mr. Springer reminded the Commission that in 2022, following unanimous Electric Commission and City Council support and overwhelming approval by Burlington voters, BED issued its first $20 million Net Zero Energy Revenue Bond, the first of its kind nationwide for a public power utility, to invest in grid, generation, technology, and NZE infrastructure upgrades that would accelerate progress toward Burlington's bold climate goals, while reducing upward rate pressure for BED customers. As of June 24, 2024, BED had expended $11.7M of the $20M construction fund provided by the bond. BED expects to invest the remaining funding from the 2022 Net Zero Energy Revenue Bond on capital projects planned for FY25. Mr. Springer shared slides showing the status of the 2022 NZE Revenue Bond funds, key areas of investment over the past three years, and plans for spending the remainder of the bond proceeds.

2022 NZE Revenue Bond Projects	**Investment as of 6/24/24**	
Grid/Distribution	$	7,753,551
Generation	$	1,624,676
Technology	$	1,497,092
Fleet EVs	$	414,995
Public EV chargers, other NZE	$	408,347
Total	**$**	**11,698,661**

To prepare for a NZE future of higher electricity demand resulting from greater strategic electrification and to continue to improve grid reliability, BED has invested $7.8M of the 2022 NZE Revenue Bond to date in distribution system upgrades. These upgrades included new transformers, switches, and reclosers, as well as the upgrade, rebuilding, and/or reconductoring of lines and circuits. The 2022 NZE Revenue Bond also has funded critical upgrades to our supervisory control and data acquisition (SCADA) system used by grid operators, including new field devices, switches and other network enhancements, servers, video displays, and the initial stages of a major software upgrade to an advanced distribution management system (ADMS).

BED's FY25 distribution capital budget includes an additional $5.1M of 2022 Revenue Bond-funded projects to replace switches and underground cables, rebuild infrastructure on several streets, fund new transformer purchases, and complete the first two phases of the ADMS project to replace BED's SCADA system and implement a distribution management system.

With the funding from the 2022 NZE Revenue Bond, BED has made several important upgrades to technology systems. As part our IT Forward program, in 2023 we successfully implemented our new meter data management system (MDMS) and our new customer portal, which now gives customers detailed usage information and online payment and bill-viewing functionality in a single platform. In spring 2024, we implemented MDMS grid analytics modules, adding new capabilities for transformer loading, line loss analysis, and voltage analysis that have already provided tremendous value and efficiency to BED's engineering and billing teams. The 2022 Revenue Bond also has funded necessary upgrades to BED's advanced metering infrastructure, disaster recovery, and backup systems.

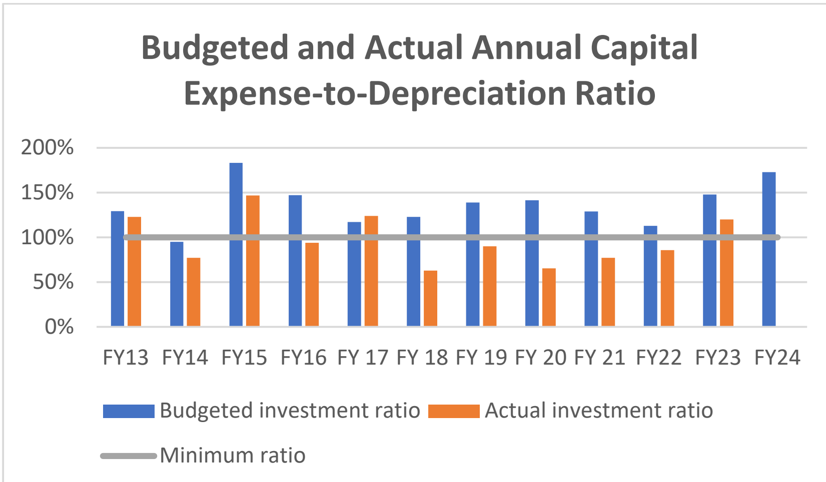
BED's FY25 IT capital budget includes an additional $1.3M of 2022 Revenue Bond funding associated with a new customer information system (CIS) that will give BED additional capabilities to offer innovative rates and enhanced service for customers in support of NZE, such as new dynamic rates and expanded end-use rates (such as our current electric vehicle charging rate) to other technologies such as cold-climate heat pumps. Smart rate designs will help save customers money and encourage more customers to switch from fossil fuel to electricity. The FY25 IT capital budget also includes $533,000 in 2022 Revenue Bond funding for the early stages of a new financial system implementation.

The 2022 Revenue Bond has funded $1.6M of capital improvements at the Winooski One hydro facility and the McNeil Generating Station. Converting BED's gas turbine peaking plant located on the waterfront to renewable fuel is in progress—the GT is now running on B20 biodiesel, with plans to convert to B100 or R99, but to date these operational changes have not required capital improvements to the facility and have not drawn on Revenue Bond funding. The NZE Revenue Bond also has funded over $340,000 of investment in public EV charging infrastructure, including Burlington's first modern DC fast charger located at 585 Pine Street, a level 2 charger at Oakledge Park, and a new DC fast charger in the Marketplace Garage. Finally, the 2022 Revenue Bond has funded over $400,000 of BED electric fleet vehicle purchases, including matching funds (with a state grant) for the first all-electric bucket truck in the State of Vermont and funds to purchase five light-duty EVs (including Ford F-150 Lightning pick-up trucks to replace fossil fuel trucks).

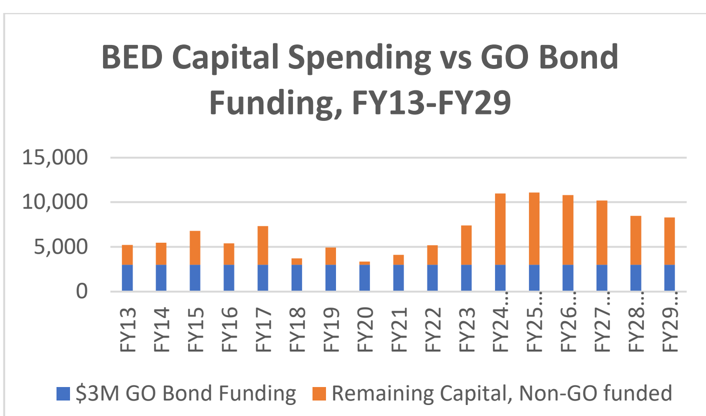
The FY25 capital budget includes approximately $400,000 in funding from the 2022 NZE Revenue Bond for replacement of Winooski One's rubber dam. (Due to damage sustained in the July 2023 flood, BED expects approximately 75 percent of the dam replacement costs to be funded through a FEMA public assistance grant.) The FY25 capital budget also includes 2022 NZE Revenue Bond funding for a second all-electric bucket truck and investments in electric fleet charging infrastructure at BED's 585 Pine Street headquarters.

BED's customers benefit from our robust capital program, which supports high reliability, customer service, and innovation toward our NZE goal by keeping our distribution system and generation plants in good working order, supporting and retaining knowledgeable employees with safe and modern tools and equipment, and investing in new technologies.

Ms. Stebbins-Wheelock stated that as a rule of thumb, a company's annual capital expenditures should be greater than its annual depreciation expense because (a) depreciation expense is based on the actual cost of past investments, and future replacement costs are likely to be higher, and (b) if an organization is growing (in scope, scale, complexity, etc.), additional capital investment will be needed above historical levels to meet new demands. As of FY23, BED's annual depreciation and amortization expense was just over $6M. Ms. Stebbins-Wheelock presented the following chart showing that over the past 12 years BED typically has *budgeted* for annual capital expense in excess of annual depreciation expense, but in only four of those years has *actual* capital investment exceeded depreciation expense.



Looking forward, Ms. Stebbins-Wheelock stated that BED's most recent update of its five-year capital plan indicates growing capital needs as labor, materials, and other expenses have increased due to rising and persistent inflation over the past few years and the deferral of some expenditures in prior years to preserve cash balances. Ms. Stebbins-Wheelock showed another chart indicating that for many years, BED's annual general obligation (GO) borrowing, set in City Charter at $3 million in 2012, covered a substantial portion of BED's capital needs. As capital costs increase, however, the annual $3 million GO bond is projected to fund only 27-36 percent of total annual capital needs for FY25 and beyond, not counting other demands on cash reserves such as strategic electrification incentive funding. In 2021, when BED proposed its first NZE Revenue Bond, Department management noted that the gap between the size of BED's annual capital program (net of customer contributions) and BED's $3 million annual GO bond allocation would result in "pressure on BED's annual budget, retail rates, and cash position to fully fund capital projects and Net Zero Energy initiatives" without new financing capacity. We also noted that the 2022 NZE Revenue Bond would help address this gap over the next several years, but that we would need to explore additional financing options to support our capital needs and NZE progress beyond FY25. Thus, we present the current proposal for an additional $20M in revenue bond funding to support capital needs through FY29.



Mr. Stebbins-Wheelock stated that the NZE and Grid Reliability Revenue Bond, if approved, would fund similar key areas of investment as the 2022 NZE Revenue Bond, all of which are expected to qualify for tax-exempt revenue bond financing based on our review with bond counsel. Ms. Stebbins-Wheelock shared the following summary of project categories proposed to be funded by the new bond.

Proposed NZE & Grid Reliability Revenue Bond Projects	**FY26**	**FY27**	**FY28**	**FY29**	**Total**
Generation	$1,215,858	$535,383	$150,972	$122,500	$2,024,713
Distribution	$4,015,675	$5,075,901	$4,580,873	$5,056,103	$18,728,551
General Plant/Fleet EVs	$432,580	$230,000	$97,000	$160,000	$919,580
IT	$1,535,069	$0	$165,000	$0	$1,700,069
Other-Demand Response, Flexible Load Mgmt, etc.	$132,536	$62,461	$64,022	$65,623	$324,642
Total	**$7,331,718**	**$5,903,744**	**$5,057,867**	**$5,404,226**	**$23,697,555**

Mr. Springer stated that the primary investment proposed from the new NZE Revenue Bond is to continue to upgrade and maintain a reliable electric grid distribution system. Approximately $12.3 million of the planned projects primarily support BED grid reliability through investment in our distribution and SCADA/ADMS systems. The Revenue Bond proposal includes funding for approximately $5.4 million of NZE-related grid upgrades to increase BED's distribution system capacity, a new outage management system as the final phase of the new ADMS, and new switches, transformers, and line rebuilds necessary for continued reliability of our current distribution system. These investments will help ensure that we continue to have capacity on the grid to add more EVs, heat pumps, geothermal systems, electric buses, and other strategic electrification measures as more customers adopt these technologies. The grid capacity prior to the first NZE Revenue Bond was approximately 77 megawatts. With projects already implemented, it is now above 80 megawatts, and with the upcoming planned projects the grid capacity would reach 90 megawatts (against a current peak of approximately 65 megawatts, leaving room for new electrification as well as growth in demand due to new construction projects). The new Revenue Bond also would fund cost-share for a pending Department of Energy grant application, were BED to be selected for an award.

Mr. Springer continued to say that approximately $2 million of the proposed Revenue Bond would fund technology upgrades, including new dynamic rate and load control capabilities. Specifically, the bond would fund the final stages of new CIS implementation, the majority of new financial information system (FIS) implementation costs, replacement of critical data center hardware, and cost-share for a new distributed resource management system (DERMS) for which BED received grant funding from the State of Vermont. These new systems will give BED additional capabilities to offer innovative rates and enhanced service for customers in support of Net Zero Energy, including new dynamic pricing options and expansion of our end-use rates (such as our current electric vehicle charging rate) to other technologies such as cold-climate heat pumps. Smart rate designs will help save customers money and encourage more customers to switch from fossil fuel to electricity. We also plan to include aspects of load control in future dynamic rates to help mitigate grid and peak demand impacts as we move toward strategic electrification. Our current systems rely too heavily on manual processes, and the new systems will help us automate and innovate our rate designs and service delivery for the future.

Mr. Springer stated that approximately $2 million would be invested in BED's generation plants, including the FERC relicensing of Winooski One, a wood chip dryer and NoX catalyst replacement at McNeil to improve efficiency and support continued air emissions reduction, and EVs for our forestry team. Maintaining and upgrading existing renewable generating assets will be critical for achieving NZE (as will efforts in the future to secure additional renewable generation to meet growing loads from strategic electrification). Approximately $2.7 million of bond proceeds would be designated for the expansion of public EV charging in Burlington and be available to provide cost-share funds for two pending EV charging grant applications. Finally, about $1 million would be dedicated toward continued electrification of BED's vehicle fleet, including a second all-electric bucket truck, a new electric forklift, and other fleet replacements.

The investments above include tangible climate action, including:

- Adding 10 new EVs to BED's fleet;
- Adding a new all-electric bucket truck to replace a fossil fuel bucket truck;
- Adding a new all-electric forklift to replace a fossil fuel forklift;
- Adding 50 new level 2 public EV charging stations; and
- Adding 38 new modern DC fast charge public EV charging stations in Burlington.

In addition, the grid investments will ensure capacity for continued strategic electrification and continued reliability as customers use the electric grid for their transportation and heating/thermal needs. The technology system investments will enable dynamic rates, to help lower the cost for customers using electricity for transportation and heating and reduce peak demand impacts. The funds will support potential match for federal grants, expanding the reach of the $20 million from the Revenue Bond to achieve even more.

The list of proposed Revenue Bond projects has a weighted average expected asset life of approximately 30 years, well beyond the 20-year period during which BED would pay the associated debt service on a new bond issuance.

The Department proposes to ask voters to approve a revenue bond borrowing of up to $20 million, with timing and number of issuances to be determined. BED will consider factors including the interest rate environment, FY24 and FY25 financial performance and projected financial metrics, closing costs, and other factors in determining whether to pursue a single $20 million issuance or two $10 million issuances a few years apart. Ms. Stebbins-Wheelock presented a ten-year pro forma debt service schedules for each of these scenarios as shown in the table below.

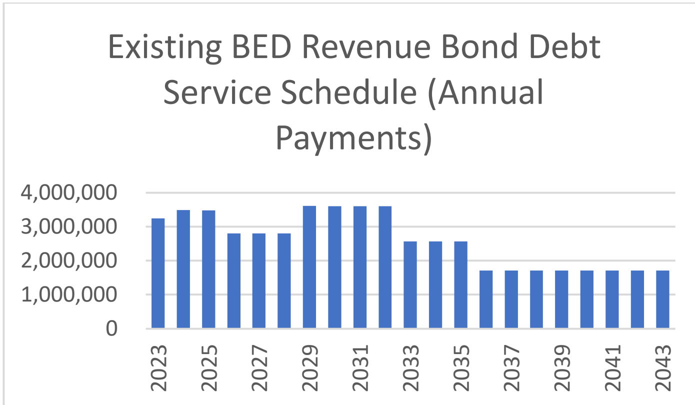
10-Year Pro Forma Debt Service Schedules for Proposed Revenue Bond

	Single $20M Issuance (FY26)			Two $10M Issuances (FY26 and FY29)		
Fiscal Year	**Principal***	**Interest****	**Total Payment**	**Principal***	**Interest*****	**Total Payment**
2026	$0	$400,000	$400,000	$0	$200,000	$200,000
2027	$0	$800,000	$800,000	$0	$400,000	$400,000
2028	$0	$800,000	$800,000	$0	$400,000	$400,000
2029	$0	$800,000	$800,000	$0	$575,000	$575,000
2030	$0	$800,000	$800,000	$0	$750,000	$750,000
2031	$0	$800,000	$800,000	$0	$750,000	$750,000
2032	$998,822	$780,024	$1,778,846	$499,411	$740,012	$1,239,423
2033	$1,038,775	$739,272	$1,778,047	$519,387	$719,636	$1,239,023
2034	$1,080,326	$696,890	$1,777,215	$540,163	$698,445	$1,238,608
2035	$1,123,539	$652,812	$1,776,351	$1,080,020	$667,337	$1,747,357
10-Year Total	**$4,241,462**	**$7,268,997**	**$11,510,459**	**2,638,982**	**5,900,429**	**$8,539,411**

* Principal payments would be deferred for 5 years.
** Assumes interest rate of 4.00%. Actual interest rate to be determined upon bond issuance.
***Assumes interest rate of 4.00% for first issuance and 3.50% for second issuance. Actual interest rate to be determined upon bond issuance.

Ms. Stebbins-Wheelock shared that in terms of existing Revenue Bond debt service, BED's 2014B Revenue Bond, which has had average annual debt service payments of approximately $684,000, will mature in 2025. Principal payments on the 2022 Revenue Bond, which were deferred for five years, begin in FY29. In FY32, both the

2017A and 2017B Revenue Bonds, with combined annual payments of approximately $1 million, will mature, followed by the 2014A Revenue Bond in FY35.



On December 12, 2023, Moody's Investors Service affirmed BED's A3 credit rating, with a stable outlook. BED targets A-range values for its credit rating financial metrics, which include days cash on hand, debt ratio, and adjusted debt service coverage ratio. BED also monitors compliance with its revenue bond covenant 1.25 debt service coverage ratio, which we consistently exceed and expect to continue to do so. By design, the Moody's metrics check and balance each other (for example, liquidity can be improved with borrowing, but increased borrowing will negatively affect the debt ratio and adjusted debt service coverage ratio), so that the financial management challenge becomes maintaining all three metrics at satisfactory levels. After 12 years without a rate increase, BED's days cash on hand and adjusted debt service coverage ratios have been challenged in recent years as expenses increased, sales to customers have been flat to declining, and cash reserves were depleted without offsetting revenue increases.

BED's rate changes over the past four years have improved the adjusted debt service coverage ratio, while helping to maintain at least 90 days cash on hand, including our line of credit at its former $5 million level. The 2022 NZE Revenue Bond has been a critically important source of financing for BED's capital investments that mitigated what otherwise would have been significant upward rate pressure if the same projects had to have been funded from operating cash sources. To continue to maintain adequate cash reserves while also continuing to fund needed capital projects, strategic electrification incentives, and other activities, additional financing will be necessary. Without the proposed NZE and Grid Reliability Revenue Bond as a financing source, BED would face a choice of either dramatically reducing capital investment and curtailing incentive funding or needing much larger rate increases in the near term to fund our projects while maintaining A rating metrics for days cash on hand.

For FY26, as an illustrative example, absent new revenue bond funding and assuming we still attempted to fund both our capital needs (including Net Zero Energy grid and technology upgrades) and strategic electrification incentives above the level required by State law, BED would be faced with implementing a 12.8 percent rate increase to maintain 120 days cash on hand (including the $10 million line of credit). BED does not believe this level of rate increase would be justifiable or support affordability for customers. By contrast, current estimates show that, with the financing from the proposed Net Zero Energy & Grid Reliability Revenue Bond, we would achieve 120 days cash on hand in FY26 with only 2.9 percent of upward rate pressure.

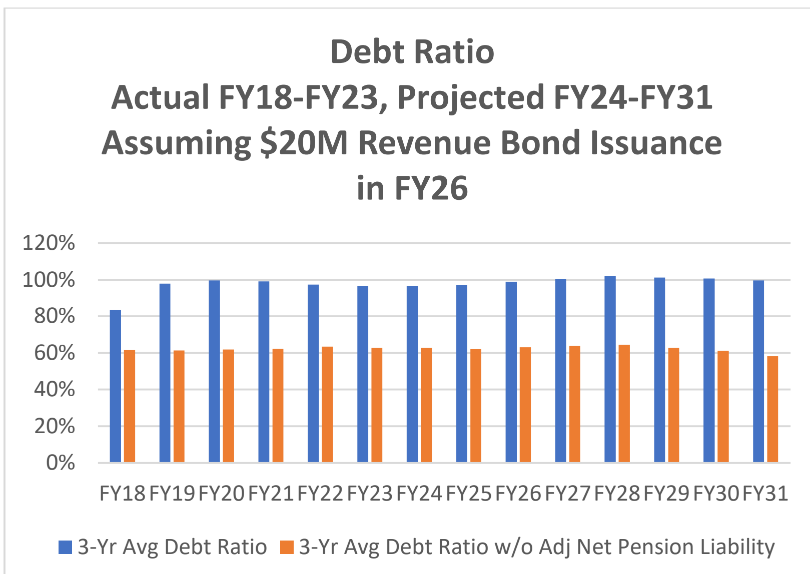
FY26 Projected Rate Pressure to Reach 120 Days Cash On Hand
(assuming full funding of capital projects and including $10M line of credit)

Financing	**Rate Pressure FY23**
Without Revenue Bond	+12.8%
With Revenue Bond	+2.0%

Again, this scenario demonstrates how much rate pressure would exist without the Net Zero Energy & Grid

Reliability Revenue Bond if we still sought to fund the same projects based on current forecasts and operating revenues. It is not an actual rate case proposal for any of the fiscal years mentioned. Such a proposal would include consideration of many other factors. However, in this context, the proposed Revenue Bond offers a way to invest in our system and free up cash reserves for our strategic electrification programs while significantly reducing upward rate pressure compared to alternate funding mechanisms and maintaining strong credit rating metrics, a true win-win scenario for our customers and community.

A new Revenue Bond would put pressure on BED's adjusted debt service coverage ratio (because debt service would increase in the short-term, before older revenue bonds mature) and debt ratio. Moody's A-rating range for the debt ratio (in simplest terms, debt+pension liability/assets) is 60 to 80 percent. In 2019, Moody's changed its methodology to include net pension liability in the debt ratio calculation. With this methodology change, BED's debt ratio jumped from 61 percent to 92 percent in a single year. The chart below shows BED's actual debt ratio (3-year running average) through FY23, with projections for the 3-year running average for FY24 and beyond, assuming a single $20 million revenue bond issuance in FY26. The 3-year running average not including the adjusted net pension liability is shown for comparison purposes. The chart shows that BED's debt ratio is not dramatically affected by the new revenue bond issuance. Including the net pension liability, the 3-year running average of the debt ratio is projected to peak at 102.3 percent in FY28 and then slowly decline (assuming no other borrowings). (Omitting the net pension liability, the 3-year running average is projected to peak at 64.6 percent in FY28 before declining.)



BED believes the Net Zero Energy & Grid Reliability Revenue Bond proposal is a fiscally responsible and innovative means of financing needed capital improvements and providing access to liquidity to support additional incentives for accelerating strategic electrification and our community's progress toward our NZE climate goal. The proposed Revenue Bond would support BED's capital needs and ensure BED's continued efficient and economical operations. Burlington's precedent-setting issuance of a revenue bond for energy efficiency in 1990 and the first NZE Revenue Bond in 2022 provides a strong foundation upon which to pursue this new Net Zero Energy & Grid Reliability Revenue Bond. Given our ambitious 2030 goal and our desire to maintain strong financial metrics and affordable rates for our customers, this financing option provides the best avenue moving forward.

BED respectfully requests that the Commission recommend that the City Council approve placing a question on the November 2024 special election ballot for voters to consider authorizing BED to issue $20 million in revenue bonds for the purposes we just outlined.

Commission Chair Moody opened the floor for questions. Commissioner Whitaker asked if the Department planned a cycle of continually issuing these revenue bonds. General Manager Springer responded that the

Department has no plans to continue to issue these bonds every 3 to 4 years. Some of the work that BED envisions will be completed in that the grid will have higher capacity. BED probably would not invest in additional grid capacity until the revenues from the electrification are catching up. The BED capital budget without revenue bonds typically has been in the $6 to $8 million a year range. BED gets $3 million from the GO Bond. If additional revenues from electrification have materialized, the Department might have sufficient cash reserves on top of the GO bond to fund a reasonable capital program, but that is down the road. There have been discussions with the City about increasing the GO Bond, but the City's debt policy and the new high school bond come into play. Mr. Springer stated that another option is to moderate capital expenditures for a few years to while waiting for additional revenues to fully materialize. and monitoring the Department's debt capacity going forward.

Commissioner Whitaker stated the importance of growing responsibly and being able to support the infrastructure BED is building, and not getting into a situation where the assets are not being maintained. General Manager Springer responded that BED is monitoring to make sure that the revenues from new construction and electrification can be supported by the capital budget. Ms. Stebbins-Wheelock added that the capital projects being contemplated are mostly not expansion work, but rather work to upgrade existing infrastructure, such as replacing old lines with new lines, upgrading switches to meet new requirements etc. The exceptions to this would be additions to the fleet or new EV charging expansions. Commissioner Vota asked what the useful lifetime of these investments is, such as the line reconductoring, new vehicles, or installing new switches. Ms. Stebbins-Wheelock confirmed that BED has estimated the weighted average useful life of the proposed projects to be funded by the new bond at 30 years, with some being longer and some shorter.

Commissioner Whitaker thought that November might be a good time for the Department to explain what has been done in the past, what will be done with the new Revenue Bond, and to reiterate that peoples' property taxes will not be affected by this. Commissioner Whitaker thought information that can be shared with the community on Net Zero and community investment would be highly beneficial. General Manager Springer agreed and thought it would be a great opportunity to explain how this bond will make things better by increasing the grid without increasing property taxes.

Commissioner Whitaker asked if BED had any control on how the ballot question will be written. General Manager Springer advised that the ballot question is prepared by bond counsel and read the question as it will be printed on the ballot.

"Shall the City be authorized to issue revenue bonds or notes in one or more series on behalf of the Electric Light Department in an amount not to exceed $20,000,000 in the aggregate to be issued pursuant to City Charter, as may be determined by the City Council and payable in the net revenues would be electric system for the purposes of paying for capital additions and improvements to the City's electric system, energy transformation and energy efficiency projects in furtherance of the City's Net Zero Energy goals including capital improvements for the distribution system, grid demand management and battery storage opportunities, generation plant upgrades, IT system and technology system upgrades, acquisition of municipal electric vehicles, support of EV charging infrastructure and funding a debt service reserve fund and paying costs of issuance."

General Manager Springer informed the Commission that the language of the actual ballot item will further be explained, which will help people better understand the question when the November ballot is in hand. Commission Chair Moody emphasized how important it will be to explain where these funds will be coming from and that they do not affect property taxes.

Commissioner Hobbs asked for clarification on dynamic pricing and how ratepayers can adjust their rate according to certain actions or investments they make, asking how specific this particular bond is in terms of engaging ratepayers and perception. Example "what steps do I need to make to get my rates lower". General Manager Springer responded with two ways that can help lower bills.

1. Like the Energy Assistance Program, if customers are income-qualified, they will get a discounted rate regardless of what they are doing, using heat pumps, EVs, or charging.
2. Ratepayers who are working with BED to pursue an energy efficient project and/or lowering their usage or peak demand by using the dynamic rate structure. BED will continue to work with customers

who are doing all the correct steps, but are being charged higher rates due to technical difficulties. BED will ensure that these customers will not be penalized. Customers will get bill credits as well for the installation of eligible devices along with allowing BED to moderate usage during peak hours.

BED's goal is to allow customers to choose if they want to save money on their bill. If customers do not wish to take the extra steps that lead to lower rates or credits, they will not be penalized, they just will not get the lower rate or credit.

Commissioner Hobbs requested some background on the GO Bond. Ms. Stebbins-Wheelock explained that the GO Bond stands for General Obligation Bond. It is a general obligation of the City backed by the full faith and credit of the City, like the bonds the City issues for the Department of Public Works' capital program for streets and sidewalks. The City Charter contains a provision that says the City may issue up to $3,000,000 in GO bonds annually for the purpose of maintaining and improving the electric plant. When the City issues its annual general obligation bonds, it borrows a portion for themselves, a portion for the schools, and a portion for BED. Commissioner Vota asked how long the terms of the bonds are. Ms. Stebbins-Wheelock shared that each bond has a term of 20 years, with new GO bonds are being issued as others are maturing. The GO bonds designated for BED are not tied to property taxes; rather BED pays off those bonds. BED benefits from the City's higher credit rating for the GO bonds, but is responsible for paying that debt service.

Commissioner Vota asked if the five-year capital plan represents a substantial increase compared to prior capital spending. If capital spending has been about $5 million to $7 million over the past few years, is this a realistic plan? Ms. Stebbins-Wheelock explained that BED initially planned to spend the 2022 Revenue Bond in 3 years, but the funding is going to last at least 4 years, maybe more. Supply chain constraints have caused significant project delays. Engineering is postponing some projects and substituting projects with materials on hand. If there's an overestimation, it is on the number of projects that can be completed, not necessarily the cost of each project. Costs per project have gone up due to increased cost in materials, shipping and labor.

Mr. Springer added that these are significant investments in infrastructure and there will be opportunity for additional revenues tied to them. Things like new EV chargers and other opportunities coming online will have additional incentives that are partly funded at the same level or even the higher level through different state legislation. These opportunities have allowed BED to free up some of the efficiency monies to support electrification. Large benefits on the automation and technology side will result in labor and time savings. BED does not envision cutting positions, but becoming more productive and efficient, increasing reliability. Ms. Stebbins-Wheelock stated that in terms of demand for cash, Tier 3 strategic electrification rebates are significant and increase each year per state law. Ms. Stebbins-Wheelock stated that ideally sufficient cash from operating activities would be generated to both cover operating expenses and generate a surplus that could be used for capital investments.

Commissioner Vota inquired about how long this "bond headroom" would give BED. General Manager Springer shared with the Commission that this would depend on peak demand and how peak demand changes with more heat pumps, electric vehicles, federal incentives, and other market dynamics. The Department believes the grid upgrades currently contemplated will support peak demand into the 2030s. Burlington would need to see at least 10,000 to 15,000 heat pumps installed before BED sees a significant increase. Conservatively, this should get us through this decade, and especially as commercial customers move to electrify, sales to customers revenues will increase. BED wants to build the infrastructure so people are comfortable purchasing EVs and heat pumps knowing they will be able to use them at a reasonable cost. Having fast charging stations at centralized locations so travelers know they can charge while shopping will increase use of EVs. Having multiple stations at one location will be very important to customers traveling.

Commission Chair Moody asked where the power is coming from here in Vermont. General Manager Springer explained that the McNeil Plant is not enough to power all of Vermont; we import power from out of state and Canada. Our team will continue to be scouring for opportunities in and out of the City to produce more power for the community's usage.

Commission Chair Moody asked if we are at risk of our Moody's credit rating dropping? General Manager Springer explained that Moody's is aware of the Department's plans to issue another revenue bond. Based on previous reviews, Moody's appears to be focused on the Department's ability to successfully raise rates, which has been demonstrated over a number of years. The Department's adjusted debt service coverage ratio has risen in recent years, but is still not quite at the preferred level. The liquidity metric, days cash on hand, has had a favorable development with the increase in the line of credit. The days cash on hand and the Adjusted Debt Service Coverage Ratio (ADSCR) are the two focal points in their rating.

Commissioner Hobbs asked about federal funding and the existing legislation. Is there a threat around access or longevity, not knowing how long that will last? General Manager Springer explained the items that are key to BED to keep our funding, like the Infrastructure Investment & Jobs Act and the Inflation Reduction Act. There are some risks of change based on the November elections but for the most part, the Revnue Bond proposal does not depend on matching funds. BED can do all the things laid out with the revenues obtained. It provides for some matching funds if we are successful in any categories, and we already have received some federal grants. Because it is already underway, BED does not expect those to be jeopardized. Future funding opportunities may be at risk depending on the Presidential election.

Commissioner Vota made the motion to recommend that the Board of Finance and the City Council place a question on the ballot of the November 5t 2024 special meeting of the City to authorize that the City issue up to $20 million in revenue bonds on behalf of Burlington Electric Department in one or more issuances consistent with the purposes and as further set forth in the materials provided at today's Electric Commission meeting. Commission Chair Moody asked for a second and any discussion on the motion. Commissioner Whitaker seconded the motion. Commission Chair Moody, Commissioner Whitaker, Commissioner Vota, and Commissioner Hobbs all voted aye. The motion passes 4 ayes to 0 nays.

Commissioner Whitaker made the motion to adjourn; the motion was seconded by Commissioner Vota. Commission Chair Moody, Commissioner Whitaker, Commissioner Vota, and Commissioner Hobbs all voted aye. The motion passes 4 ayes to 0 nays.

The meeting of the Burlington Electric Commission adjourned at 2:19 p.m.

Attest:
Elena Alexander, Board Clerk

DRAFT MINUTES OF JOINT SPECIAL MEETING OF THE

BURLINGTON ELECTRIC COMMISSION
AND
BURLINGTON CITY COUNCIL TRANSPORTATION, ENERGY AND UTILITIES COMMITTEE

Thursday, August 22, 2024 5:30 pm

The special joint meeting of the Burlington Electric Commission and the Burlington City Council, Transportation, Energy and Utilities Committee was convened at 5:36 pm on Thursday, August 22, 2024, at Burlington Electric Department at 585 Pine Street, Burlington, Vermont and virtually through Microsoft Teams.

Commissioners Moody, Bonn, Vota, and Whitaker were present in person.
Councilors Barlow, Bergman, Litwin, and Broderick were present in person.

Burlington Electric Department staff members present at 585 Pine Street included Paul Alexander, Mike Kanarick, Darren Springer, Betsey Lesnikoski, Rodney Dollar and Elena Alexander. James Gibbons was present via Teams.

Public Attendees: Ashley Adams, Bob Atchinson, Bob Warrington, Elena Isabella Fasullo, Peter Duval, Pike Porter, Sean Morrissy, Peter McFarnum, Nick Persampieri, Greg Hancock, Steve Goodkind, Nolan Rogers, and Chris Gish.

1. Agenda

There were no changes to the agenda.

2. McNeil Emissions Reduction Assessment RFP and McNeil Forestry Assessment RFP discussion.

Commission Chair Moody invited General Manager Springer to state the reason for this special meeting. Mr. Springer outlined the two RFPs and presented all information outlining the following:

Background
Burlington Electric Department (BED) is Vermont's largest municipally-owned electric utility serving over 21,000 customers. BED is the exclusive provider of electric service to the City of Burlington, an area of approximately 16 square miles, and the Burlington International Airport in South Burlington. As a public utility, BED is an expression of the community's energy desires and beliefs.

In 1990, Burlington voters approved an $11.3 million bond to fund energy efficiency programs that supported successful activities through 2002. Since 2003, BED customers have been paying a small monthly charge that supports these continued "Energy Efficiency Utility" programs, which BED staff delivers on behalf of its customers under an Order of Appointment from Vermont's Public Utility Commission (PUC).

Burlington first experimented with wood chip generation by co-firing the Moran coal plant with wood in the 1970s. Following successful pilots there, the McNeil Generating Station ("McNeil"), a 50-megawatt wood-chip electric generating plant was built and started operating in 1984. The McNeil plant is jointly owned by BED (50%), Green Mountain Power (31%), and Vermont Public Power Supply Authority (19%), collectively referred to as the Joint Owners. The Joint Owners made a $12 million investment in a Regenerative Selective Catalytic Reduction (RSCR) system to significantly reduce NOX emissions in 2008. McNeil has been qualified as a renewable generator for the purpose of selling renewable energy certificates (RECs), including Connecticut Class 1 RECs. Unique among BED's renewable energy generators, McNeil is dispatchable and can store fuel on-site and run when prices are advantageous, with operations adjusted upwards or downwards based on market economics.

McNeil includes approximately 35 full-time employee positions (FTE), including four professional licensed foresters who work to sustainably procure wood chips for the plant. Wood chips are delivered from Vermont and, via the Swanton wood yard rail, upstate New York. McNeil's wood procurement contract requires that no wood be harvested solely for energy production, rather McNeil will accept wood residues (tops and limbs), diseased or damaged trees, and non-commercial wood left over from harvest operations. McNeil also accepts mill residues and wood from the Waste Wood Yard operated to keep clean. untreated wood from being landfilled. McNeil uses a very small volume of low-value roundwood, kept on-site for fuel security purposes. For more on McNeil and McNeil Forestry, visit burlingtonelectric.com/mcneil and burlingtonelectric.com/forestry.

With the 2014 purchase of the Winooski One Hydroelectric Facility (a 7.4-megawatt plant located on the Winooski River), Burlington became the first city in the United States to source 100 percent of its electricity from renewable generation. BED, based on local and state policy objectives, does not contract for energy from nuclear or fossil fuel resources. Having achieved this renewable energy goal, BED and the City announced in 2019 a strategic plan to make Burlington a Net Zero Energy (NZE) city and launched the NZE Roadmap (burlingtonelectric.com/nze). The NZE strategy is focused on reducing and eliminating fossil fuel use and associated greenhouse gas emissions in the thermal and ground transportation sectors.

BED currently sources electric power locally and from New England and adjoining states and territories, with a strong preference for generation closest to Burlington. BED recognizes that carbon accounting for energy production from wood/bio-based resources is more complex than other resources, and that there are various ways to look at emissions including lifecycle (such as done by National Renewable Energy Laboratory), at the stack, and based on wood source using the debt and dividend approach. Through this RFP and recognizing the commitment Burlington and BED have to addressing the climate emergency, BED endeavors to learn more about how to reduce the environmental footprint of McNeil, including reduction in stack greenhouse gas emissions and other greenhouse gas emissions, while retaining the energy production benefits from the plant. BED recognizes that the Joint Owners ultimately have decisional authority, not BED or Burlington unilaterally, as it relates to the McNeil plant.

Current Data and Documents

For the benefit of respondents, below are several relevant documents or prior studies related to the McNeil Generating Station:

• November 2023 District Energy City Council Resolution ("Resolution") (specifically review lines 126-165 for context on this RFP) - https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/2027

• 2022 VEIC analysis on lifecycle greenhouse gas emissions at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/VEIC-Final-Memo-toBED-LCA-of-GHG-

emissions-4.29.22-.pdf
• 2023 Economic Analysis by Innovative Natural Resource Solutions (a "refresh" of a similar study from 2020 performed at the request of the Vermont Department
of Public Service) - https://www.burlingtonelectric.com/wpcontent/uploads/McNeil-Economic-Impact-26-June-2023.pdf
• 2023 Carbon and Forestry Analysis by Innovative Natural Resource Solutions - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Carbon-6.2023.pdf
• 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil - https://www.cctv.org/watch-tv/programs/burlington-transportation-energyand-utilities-committee-mcneil-symposium
• 2023 First Environment Carbon Score GREET analysis for proposed district energy system at McNeil - https://www.burlingtonelectric.com/wpcontent/uploads/CI-Model-Letter-Report-draft-ver-3.pdf

Emissions Assessment and Reduction Analysis For McNeil

RFP Objectives/Scope of Work
The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:
• Analyzing the impacts, both negative and positive, of the current wood chip based energy production at McNeil;
• Analyzing opportunities to reduce stack-related carbon dioxide emissions and other greenhouse gas emissions from McNeil;
• Analyzing the opportunity to repower McNeil, including with different fuels that would significantly reduce greenhouse gas emissions at the stack as bridge to a period where wind, solar and storage can reliably and affordably meet the needs of Burlington ratepayers, including low and moderate-income ratepayers;
• Analyzing technologies that would significantly reduce greenhouse gas emissions in the future, including more efficient combustion;
• Analyzing the possible utilization of the McNeil Site for additional energy needs including energy storage and/or thermal energy provision;
• Analyzing the opportunities for expansion of innovative partnerships at McNeil such as the UVM solar research center newly located at the McNeil site; and
• Analyzing the scale and types of renewable energy generation and energy storage needed if McNeil was not in service and Burlington still needed lowest-carbon emissions renewable generation that is both reliable and affordable particularly for low and moderate-income ratepayers. Factors to consider and include as the above analysis is conducted, again based on the Resolution, include:
• Ensuring consideration of the need for reliable and cost-effective electric and thermal power for the City now and into the future;
• Considering how any changes at McNeil might impact the ISO-New England system reliance on fossil fuels for generation;
• Including carbon accounting, timeframes, and assessment of the comparative practicality and cost and rate impacts over the short, medium and long term to Burlington electric and heating customers of any proposed alternatives;
• Understanding any changes in BED's power cost risk stability and risk profile of considered alternatives.

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future energy initiatives at McNeil.

Request for Proposals
BED is requesting proposals for an Emissions Assessment and Reduction Analysis for McNeil from a third-party firm that has the analytical capability and energy/environmental expertise to produce such a Report. As noted in the Resolution, the firm shall have experience analyzing emissions reduction and renewable energy technologies.

As noted in the Resolution, BED has provided this RFP for review to the Burlington Electric Light Commission, TEUC, and City Council prior to issuance. Each entity's meetings included public comment. The McNeil Joint Owners also have been consulted prior to issuance. The scope of work/contract for a selected respondent also is subject to review by the Commission, TEUC, and Council, and again subject to consultation by the Joint Owners.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on renewable energy generation alternatives, analyzing energy/efficiency and economic and greenhouse gas emissions reduction scenarios from power plants (with specific preference for experience analyzing wood generators), and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Forestry Assessment and Analysis For McNeil

RFP Objectives/Scope of Work
The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:
• Assessing the number and volume of whole trees procured for fuel at McNeil compared to limbs/ends/residues procured for fuel at McNeil;
• Assessing for whole trees, what portion were low-value roundwood and diseased or damaged trees;
• Providing quantitative and qualitative assessment of afforestation/deforestation outcomes in areas where wood is harvested for McNeil and the market factors that affect such outcomes;
• Providing assessment of current wood chip procurement and forestry management practices at McNeil and offer BED ideas for further improvement including reviewing the Harvest Guidelines in Appendix A and suggested audit areas for confirmation.

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future forestry practices at McNeil.

Request for Proposals
BED is requesting proposals for a Forestry Assessment and Analysis for McNeil from a third-party firm that has the analytical capability and sustainable forestry practice expertise to produce such a Report.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on conducting forestry practice audits or assessments, analyzing carbon accounting outcomes for forestry practices and experience with economics/markets for wood products, and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Proposals will be reviewed using the following **RFP Evaluation Criteria**
• Has the necessary analytical capabilities to conduct energy/environmental/economic analyses to provide BED and Burlington with analysis of emission reduction opportunities and economic and energy impacts of such opportunities;
• Has a sufficient understanding of renewable energy generation to credibly examine alternatives for repowering the McNeil station.
• Has conducted relevant work in the past for municipal or state governments or utilities;
• Demonstrates the ability to take complex data and information and provide it in a way that is useful, and transparent, for a variety of audiences including policymakers, regulators, BED staff, and the general public;
• Provides outline of a project plan that meets BED's targeted timeline for an interim report (end of 2024) and final report (by Spring 2025);
• Demonstrates relevant experience presenting similar materials to policymakers, regulators, and the general public;
• Has other relevant expertise in utility and power sector analysis.
• Understands of electric utility business and financial structures, as well as general utility rate economics.

Confidentiality Requirements
If portions of the submitted proposal are to remain confidential, information must be included clearly describing which portions of the package the proposer considers confidential along with justification as to why the information would be considered confidential under Vermont Access to Public Records law (see Public Records Section below) and PUC rules. BED is subject to public disclosure laws, so any RFP responses including proprietary/confidential materials should have those materials clearly marked and include specific justifications as to why the identified materials must remain confidential. In the event the proposer requests that part or parts of the submitted proposal remain confidential, a second copy of the proposal with all confidential portions redacted must be provided.

Selection Process
During the evaluation process, BED reserves the right, where it may serve its best interest, to request additional information or clarifications. BED also reserves the right to terminate the process following RFP response review if no viable responses are received.

BED recognizes that this request is unique in scope, and that further clarity is likely to be required as various options are developed/explored. Interested parties are urged to make responses as detailed as possible, while identifying areas where further detail is required or risks may exist. Questions should be directed to BED Purchasing, and responses to any such requests/questions will be made available to all interested parties.

Submittal and Timeline
All RFPs must be submitted through our RFP portal website by 5:00 PM EST, October 30, 2024. All RFPs are date and time sensitive, and we cannot accept any submissions after the specified date and time. Please do not email the RFP to anyone at BED. If you do, such action will cause your submission to be invalid, and your response will not be accepted. BED will contact those entities to whom BED, following consultation laid out in the Resolution with the Burlington Electric Commission, TEUC, and City Council, would like to extend a formal invitation and provide a program agreement for BED and the selected partner to sign.

Amendment or Cancellation of RFP

BED reserves the right to amend or cancel this RFP at any time if the best interest of BED requires such action. BED also reserves the right to award all or a part of the RFP to any or several contractors or whatever is in the best interest of BED.

Proposal Modifications
No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by BED.

Proposal Expenses
BED assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

Acceptance or Rejection of Proposals
BED reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part, and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of BED will be served. BED further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of BED. BED also reserves the right to award all or partial parts of the RFP to any or several contractors that are in the best interest of BED.

Ownership of Proposals
All proposals submitted in response to this RFP shall become the sole property of BED.

Oral Agreements and Arrangements
Any alleged oral agreement or arrangement made by a vendor with BED or any BED employee will be disregarded in any BED proposal evaluation or associated award.

Vendor Presentation of Supporting Evidence/Surety
Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that BED deems necessary to fully establish the performance capabilities represented in their proposals.

Vendor Misrepresentation or Default
BED reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any BED contract.

Erroneous Awards
BED reserves the right to correct inaccurate awards resulting from its clerical errors.

Public Records
Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government. It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of

the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Between a vendor and BED, the final administrative authority to release or exempt any or all material so identified, rests with BED. All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL" and as noted above, non-confidential/redacted versions of any such documents must be provided as well.
It shall be the responsibility of any submitter seeking to maintain confidentiality to do so at their sole expense.

Offer of Gratuities
The vendor warrants, represents and certifies that no elected or appointed official or employee of BED has or will benefit financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by BED if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the vendor, the vendor's agent of the vendor's employees.

Collusion
By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

Contract Provisions
The contract to be entered into between BED and the successful proposer shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful proposer's treatment thereof as contained in this proposal, as well as general BED contract provisions. The final award of this contract will be subject to your firm's execution of such a contract and the contract's execution by BED and the issuance of a formal Purchase Order (P.O.) by BED's Purchasing Office. Proposals should include an acknowledgment that the standard provisions included in BED contracts are comprehended by your firm.

BURLINGTON ELECTRIC DEPARTMENT (BED)
MINIMUM INSURANCE REQUIREMENTS: TYPE 1A

Contractor's Order
1.1 Contractor shall purchase and maintain insurance coverage for not less than the following limits:
COVERAGE MINIMUM LIMIT
a. **Professional Liability:**
Professional Services
$1,000,000 each claim $1,000,000 in aggregate
b. **Commercial General Liability:**
Bodily Injury and Property Damage $500,000 each occurrence $500,000 in aggregate
c. **Automobile Liability:**
Bodily Injury and Property Damage $500,000 combined single limit
d. **Workers' Compensation and Employers Liability:**
WC: Statutory coverage EL: $100,000 each accident $100,000 each employee $500,000 policy limit
e. **Cyber Liability:**
Each Claim/Event Aggregate limit $2,000,000 each claim $2,000,000 each event
1.2 Contractor shall purchase and maintain such comprehensive general liability and other

insurance as set forth above which will provide protection from claims arising from the result of Contractor's performance and furnishing of services outlined in the awarded Purchase Order and/or Contract, whether it is performed or furnished by Contractor or by anyone directly or indirectly employed by the Contractor to perform or furnish any of the work outlined in the Purchase Order and/or Contract. The Contractor shall hold B.E.D. harmless for any and all damages/claims (including but not limited to bodily/personal injury, property damage, loss of income, business interruption, or wrongful death), while performing or as a result of, work assigned/related to the awarded contract.

1.3 Contractor shall provide B.E.D. with a certificate of insurance for coverages set forth above which shall not be subject to cancellation without at least thirty (30) days advance written notice to B.E.D. Such evidence of insurance shall be received at B.E.D. before the commencement of work, or Purchase Order and/or Contract is awarded, whichever is sooner, and such insurance shall be maintained throughout the duration of awarded contract. Forward certificate of insurance to Burlington Electric Department, 585 Pine St., Burlington, VT 05401, Attention: Director of Purchasing & Facilities.

1.4 Any claim in excess of limits set forth above or which are not covered by the Contractor's comprehensive general liability, automobile liability, or worker's compensation insurance are the sole responsibility of the Contractor.

1.5 B.E.D. and/or any affiliated or subsidiary companies shall be recognized as additional insureds with respect to insurance. Coverage provided by the contractor shall be primary to any other valid and collectible insurance available with respect to B.E.D. as additional insured.

Termination

The contract to be entered into between BED and the successful proposer shall contain the following provisions dealing with termination. If the Contractor fails to fulfill any of the terms of the agreement on time, BED shall have the right to terminate the said agreement immediately and award a new contract to another Proposer and the Contractor may be responsible for damages and for additional costs incurred in relenting the contract.

Disclaimer

BED is not liable for any costs incurred by proposers in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection

Upon selection, BED and the successful proposer will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made a part of the final contract. Should negotiations fail to result in agreement within two weeks from the commencement of negotiations, BED reserves the right to terminate negotiations and select another proposal, issue a new RFP, or take other action consistent with the best interest of BED. By issuing this RFP, BED is not obligated to award a contract.

Delivery of Proposals

There will be no formal RFP opening. As noted above, all RFPs are to be submitted through our RFP portal website only.

RFP Opening

All Proposals will be opened only in the presence of BED personnel. There will be no formal RFP opening. All information in the RFPs will not be released until award by BED and acceptance by the winning contractor. If you would like to receive the RFP overview results after the award, you may do so only in writing to our Purchasing Department. If you would like to review the RFPs that were submitted, you must submit a letter to our Purchasing Department requesting a meeting to review the file.

Right to Submit a Proposal on BED Projects
Any contractor that is in a good standing with all city departments within the City of Burlington, Vermont may submit a proposal for work described above. If a contractor is found to owe funds or has been removed from any RFP lists within any city department, its RFP will not be considered. Contractor must comply with all provisions as outlined in this RFP in order to be considered.

BED Rights
BED reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of BED. BED reserves the right to negotiate separately with any source to serve the best interest of BED. Exceptions to this RFP shall be by written notification on the awarded P.O. to be binding. All submitted bids become the property of BED. After the award of the contract to the successful bidder, all bids are open for public viewing.

Councilor Bergman questioned why the harvest guidelines were referenced in the RFP and not the Resolution. Mr. Springer explained that the harvest guidelines were referenced as an appendix in the forestry resolution so that third parties could compare and confirm current practices are following the existing guidelines.

Commissioner Vota questioned if the reporting timeframe,e was adequate. Mr. Springer stated that the time frames listed in the resolution are aggressive, yet flexible. The goal was to have the initial reporting done by the end of calendar year, followed by an interim report with the final report completed by spring 2025.

Commissioner Vota asked if the program agreement to be signed by BED and the selected partner is part of the contracting process and asked for more information on how that works. Mr. Springer explained that, once the RFP has been presented to the full City Council for review, responses have been viewed, and an appropriate vendor has been selected, the scope of work then will be presented to the same bodies for review and approval. This process is made clear to the chosen vendor, that more approvals will need to happen after their scope of work is presented. Once approved, the program agreements would be signed for work completion.

Commissioner Whitaker suggested setting up an advisory committee to include different stake holders who would work directly with the consultant on findings, data and progress. Mr. Springer stated that the resolution states that BED, TEUC, BED Commission, and City Council would update stakeholders via meetings or convenings as the process moves forward. These would include opportunities for public input.

Commissioner Whitaker asked Mr. Springer if the plan is to include any of the public comments in the RFP. Mr. Springer stated that all public comments will be reviewed and considered. Comments or changes that modify the current terms and conditions will not be added, but if there are areas that were missed, BED would want to capture those.

Commissioner Whitaker asked if the consultant panel selection will include a variety of folks. Mr. Springer explained that panel selection was not called for in the resolution. Mr. Springer confirmed that all processes would include the consultant's scope of work ideas prior to submitting for the final approval.

TEUC Chair Councilor Barlow asked how BED is going to advertise the RFPs with the consultant community. Mr. Springer confirmed that RFPs will be posted on the public website and that BED would be in communication with existing vendors of this nature. BED will look to vendors and associations that are familiar with this scope of work and welcomes any and all consultants that can provide useful feedback.

3. Public Forum

Commission Chair Moody invited the public who were present to comment:

Peter McFarnum from Burlington stated that he opposes the long-term operation of the McNeil Plant and would like to see BED pursue solar options.

Nick Persampieri from Burlington submitted written comments (Exhibit A) attached hereto. Mr. Persampieri would like to see a feasibility study to consider whether the McNeil Plant should continue to operate or be replaced with alternatives prior to spending money on other studies or non-critical plant improvements. Mr. Persampieri thinks that the resolution is broad enough to encompass the feasibility study and would like to see this completed prior to the other two studies or at least concurrently with them. If the two RFPs are approved today, Mr. Persampieri would like to see the modifications he made including his two main concerns of, referring to the conclusions of the studies, as well as making the studies be fuel neutral to include all fuel options.

Greg Hancock from Burlington stated that he is opposed to the McNeil Plant continuing to operate and thinks that these studies are a waste of time, energy, and money and does not support them. Mr. Hancock received his highest electric bill ever and attributes that to the McNeil Plant losing money.

Steve Goodkind from Burlington wanted to share three points. One, Mr. Goodkind agrees with Commissioner Whitaker on defining the RFPs in terms of who will be reviewing it and who has the final say in the approval process. Defining that will help the consultants better understand what we are asking of them. Two, Mr. Goodkind agreed with Mr. Persampieri on getting all the studies done and completed at the same time rather than one after another. Three, Mr. Goodkind would like to see the public process laid out and made clear from the beginning, not negotiated later.

Nolan Rogers from Burlington would like to see battery storage as an additional grid resource and would like to see these batteries used in conjunction with McNeil as a start to try to phase out the McNeil Plant. Mr. Rogers would like to see the studies include battery storage and the benefits it could have to reduce the carbon footprint.

Chris Gish from Burlington shared that he would like to see the McNeil Plant retired. Mr. Gish would like to see an independent financial and environmental feasibility study done on the McNeil Plant prior to doing any other study. Mr. Gish provided a study packet (Exhibit B) attached hereto. Mr. Gish is concerned with rate increases that he states are due to the McNeil Plant losing money.

Commission Chair Moody invited the public who were attending via Teams to share their comments:

Bob Warrington from Burlington shared that BED should not be burning wood any longer and would like to see a feasibility study done on the McNeil Plant.

Peter Duval from Underhill, a Green Mountain Power customer, stated that the public bodies have failed to do their jobs and thinks the McNeil Plant should be shut down because it hurts all rate payers. Mr. Duval would like to know how the cuts are monitored outside of Vermont and know where the woodchips are coming from, as well as if the forestry studies include the non-harvested areas. Mr. Duval also would like to know why BED has not considered selling the McNeil Plant and wants to find out what the plant is worth.

Elena Isabella Fasullo from Burlington asked for the City to commission an independent third party financial and environmental feasibility study on the McNeil Plant, as well as a analyzing the possibility of retiring the McNeil Plant. Ms. Fasullo also requested a study on alternative energy sources for Burlington's portfolio. Ms. Fasullo wants these studies done prior to the district energy steampipe to the hospital or any other repairs to the McNeil Plant.

Pike Porter from Burlington submitted a redline of the RFPs including proposed changes he would like to see, (Exhibit C) attached hereto. Mr. Porter also stated that he would like to see an independent financial and environmental feasibility study done on the McNeil Plant prior to doing any other studies. Mr. Porter would like language added to the RFPs that indicates that other energy sources such as hydro, nuclear, grid power and fossil fuels will be considered.

Ashley Adams from Burlington wants the McNeil Plant shut down immediately to eliminate pollution the plant is putting into the environment. Closing the plant would also save the rate payers millions of dollars. Continuing to invest money in the largest stationary source of climate pollution in the state in defiance of science is climate denialism. Continuing to invest money into a plant that is bleeding red ink is a scandal. Ms. Adams wants to see an independent third party study to retire the McNeil Plant, analyzing the financial viability of the plant, investigating low carbon cost competitive alternatives for Burlington's energy portfolio before more money is put into the plant. The RFP process should be directed by the TEUC with public input on the contractors considered, including their qualifications and client lists to prevent bias. Ms. Adams wants the public to know that BED lobbied city councilors to vote for the steam pipe to the hospital knowing about its financial losses and without considering other lower carbon and lower cost alternatives for Burlington's portfolio. BED continues to pedal the myth that EPA recorded carbon pollution from McNeil does not contribute to the climate crisis. BED cannot be relied on to perform an independent study based on past false claims listed on its website. Ms. Adams would like the Committee to consider Mr. Persampieri's RFP mark ups as well as edits made by Pike Porter and Chris Gish.

Bob Atchinson, an engineer and energy coordinator for the town of Plainfield spoke, indicating that he believes in the climate change in our own backyards, evidenced by the bridges that have been wiped out due to flooding. It is time to make a change and shut down the McNeil Plant. Battery storage seems to be a more viable source seeing as the infrastructure is already in place.

David Webster submitted a written Testimonial (Exhibit D) attached hereto.

Commission Chair Moody opened the floor for the councilors and commissioners to discuss, Councilor Bergman shared that he supports the two studies presented. This includes a cost-effective study to obtain the information we need. Councilor Bergman stated that he did agree with Mr. Persampieri on the fact that everything should be very well outlined, particularly that the comment on the exercise of independent judgement should be included in the RFPs. The language pertaining to bridge measures and hydro also should be included in the studies as well. Councilor Bergman agrees that an economic feasibility study should be included if the resolution will allow and, if not, it should be included in plans for this study in upcoming TEUC and BED Commission meetings.

Councilor Broderick stated that he does not support moving forward with these studies and agrees on the need for more information first that would be included in the proposed feasibility study.

Commission Chair Moody confirmed that there were no other comments from the Commissioners or Councilors and opened the floor to GM Springer for comments.

Mr. Springer provided comments on the following points:

- BED is in full agreement on the use of battery storage and has been pursuing this option as part of this analysis. Burlington has been a little slower in moving toward battery storage due to the non-multi-day outages where people do not have a generator that could be replaced with battery storage. In the past, BED investigated pricing, which did not prove to be cost effective. Variables have changed since then, and pricing has continued to become more favorable which will provide more options. The McNeil Plant could be an option as a host for utility scale battery storage in the future.
- Mr. Springer agreed with Mr. Goodkind on expectations for public engagement for the consultants and will work that scope of work into the language.
- Around the economics and timing of the Integrated Resource Plan (IRP) Docket, BED's deadline to lay out the facts and findings for the rebuttal testimony is October 11, 2024. BED currently is serving discovery on the interveners' experts and learning what their viewpoints are. Mr. Springer reminded everyone that BED is only a 50% owner of McNeil, an important fact of which to be aware when referring to ownership. Burlington ratepayers also receive value streams that are not accounted for in a simple profit and loss statements about the plant. BED is a distribution utility company, being one resource among a number of resources, and there are value streams outside of that profit and loss statement that need to be taken into account during these studies.
- BED's financial performance as an entity is strong and is performing strongly for rate payers. BED has avoided the double- and triple-digit rate increases that some utilities in our region who rely on natural gas and rely on the market and are not protected have seen.
- BED does not support moving to fossil fuels or nuclear power. BED just signed a 1.5-year contract for new hydro in Connecticut and will continue looking for ways to utilize hydro power in our portfolio.
- BED wants and is relying on the third-party consultant to exercise independent judgement. They will be paid to share their analysis and BED will make it very clear in the RFPs.
- Stack emissions fall under the GM's study. BED has researched ways to reduce stack emissions:
  - woodchip dryer
  - district energy could make the plant more efficient
  - a plan that is not yet shareable at this point but as soon as it is, it will be part of the November report. This plan will include innovations and creativity for immediate and future needs. BED supports reducing emissions at the stack and will continue to provide ideas on ways to improve that.

Commissioner Vota had a point of order, asking Councilor Bergman if he suggested making an amendment to the language around the analyst being an independent and the bridge fuels.

Councilor Berman confirmed that he did not ask for an amendment to the language. Mr. Springer confirmed that the RFPs would include language to make sure the following edits and additions are included:

- Add provision that makes it clear that the 3rd party is expected to exercise independent judgement.
- Add hydro to the list of wind, solar, and battery storage.
- Add that the consultant will be expected to participate in relevant public processes for the interim and final report.
- Add bridge measure and hydro to line 139.
- Add language stating that the studies are not uniformly agreed upon, resulting in different opinions.

Mr. Springer will make these edits and additions for presentation to the full City Council on September 9, 2024, where Councilor Bergman will have a chance to review them.

Commissioner Whitaker presented the motion for the Burlington Electric Commission, "I move that the Burlington Electric Commission approves and recommends to the City Council the 2 RFPs related to Forestry and the McNeil emissions reduction to include additions and edits as stated in this meeting.". Commissioner Vota seconded the motion. Hearing no discussions on the motion, the commission moved to a vote. Commissioners Moody, Whittaker, Bonn, and Vota all voted yes. Motion passed.

Councilor Bergman presented the motion for the Burlington City Council, Transportation, Energy and Utility Committee, "I move that the Burlington City Council, Transportation, Energy and Utility Committee approves and recommends to the Full City Council the 2 RFPs related to Forestry and the McNeil emissions reduction to include additions and edits as stated in this meeting.". Councilor Litwin seconded the motion. Hearing no discussions on the motion, the committee moved to a vote. Councilors Barlow, Bergman, and Litwin voted yes. Councilor Broderick voted no. Motion passed.

Commissioner Whitaker made the motion to adjourn; the motion was seconded by Councilor Barlow. All in favor of the motion to adjourn; Commissioners Moody, Whitaker, Bonn, and Vota, voted all in favor. Councilors Barlow, Bergman, Litwin, and Broderick all voted, all in favor, the motion to adjourn passes.

The meeting of the Burlington Electric Commission and Burlington City Council Transportation, Energy and Utilities Committee adjourned at 6.53p.m.

Attest:
Elena Alexander, Board Clerk

EXHIBIT A

Formatted: Font: 72 pt

Formatted: Centered

BURLINGTON ELECTRIC DEPARTMENT
REQUEST FOR PROPOSAL

Emissions Assessment and Reduction Analysis For McNeil

Background:

The Burlington Electric Department (BED) is Vermont's largest municipally owned electric utility serving over 21,000 customers. BED is the exclusive provider of electric service to the city of Burlington, an area of approximately 16 square miles, and the Burlington International Airport in South Burlington.

As a public utility, BED is an expression of the community's energy desires and beliefs. In 1990 Burlington voters approved an $11.3 million bond to fund energy efficiency programs that supported successful activities through 2002. Since 2003, BED customers have been paying a small monthly charge that supports these continued "Energy Efficiency Utility" programs, which BED staff delivers on behalf of its customers under an Order of Appointment from Vermont's Public Utility Commission (PUC).

Burlington first experimented with wood chip generation by co-firing the Moran coal plant with wood in the 1970's. Following successful pilots there, the McNeil Generating Station ("McNeil"), a 50 megawatt wood-chip electric generating plant was built and started operating in 1984. The McNeil plant is jointly owned by BED (50%), Green Mountain Power (31%), and Vermont Public Power Supply Authority (19%), collectively referred to as the Joint Owners. The Joint Owners made a $12 million investment in a Regenerative Selective Catalytic Reduction (RSCR) system to significantly reduce NOX emissions in 2008. McNeil has been qualified as a renewable generator for purpose of selling renewable energy certificates (REC), including Connecticut Class 1 RECs. Unique among BED's renewable energy generators, McNeil is dispatchable and can store fuel on-site and run when prices are advantageous, with operations adjusted upwards or downwards based on market economics.

McNeil includes approximately 35 full time employee positions (FTE), including four professional licensed foresters who work to sustainably procure wood chips for the plant. Wood chips are delivered from Vermont and, via Swanton wood yard rail, upstate

New York. McNeil's wood procurement contract requires that no wood be harvested solely for energy production, rather McNeil will accept wood residues (tops and limbs), diseased or damaged trees, and non-commercial wood left over from harvest operations. McNeil also accepts mill residues, and wood from the Waste Wood Yard operated to keep clean untreated wood from being landfilled. McNeil uses a very small volume of low-value roundwood, kept on-site for fuel security purposes. For more on McNeil and McNeil Forestry see www.burlingtonelectric.com/mcneil and https://www.burlingtonelectric.com/forestry.[1]

With the purchase of the Winooski One Hydroelectric Facility in 2014 (a 7.4 megawatt plant located on the Winooski River), Burlington became the first city in the United States to source 100 percent of its electricity from renewable sources. ~~BED, based on local and state policy objectives, does not contract for energy from nuclear or fossil fuel resources.~~ Having achieved this renewable energy goal BED and the City announced in 2019 a strategic plan to make Burlington a "net zero energy (NZE)" and launched the NZE Roadmap (www.burlingtonelectric.com/nze). The NZE strategy is focused on reducing and eliminating fossil fuel use ~~and associated greenhouse gas emissions~~ in the thermal and ground transportation sectors.

BED currently sources electric power locally, and from New England and adjoining states and territories, with a strong preference for generation closest to Burlington.

BED recognizes carbon accounting for energy production from wood/bio-based resources is more complex than other resources, and that there are various ways to look at emissions including lifecycle (such as done by National Renewable Energy Laboratory), at the stack, and based on wood source using the debt and dividend approach.

Through this RFP and recognizing the commitment Burlington and BED have to addressing the climate emergency, BED endeavors to learn more about possibilities for replacing McNeil with lower-carbon emissions renewable generation that is both reliable and affordable, and about how to reduce the environmental footprint of McNeil for so long as it continues to operate, including reduction in stack greenhouse gas emissions and other greenhouse gas emissions.~~, while retaining the energy production benefits from the plant.~~ BED recognizes the Joint Owners ultimately have decisional- authority, not BED or Burlington unilaterally, as it relates to the McNeil plant.

Current Data and Documents

For the benefit of respondents, below are several relevant documents or prior studies related to the McNeil Generating Station:

Commented [NP1]: If it is not in the very short term possible to replace McNeil with low carbon, renewables at reasonable cost to ratepayers then non-renewable options need to be on the table.

Commented [NP2]: The Roadmap states: "The City's Net Zero Energy by 2030 (NZE by 2030) goal is defined as reducing and eventually eliminating fossil fuel use from the heating and ground transportation sectors." It is misleading to suggest that it is focused on reducing greenhouse gas emissions.

[1]

- November 2023 District Energy City Council Resolution ("Resolution") (specifically review lines 126-165 for context on this RFP) - https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/2027

- 2022 VEIC analysis on lifecycle greenhouse gas emissions at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/VEIC-Final-Memo-to-BED-LCA-of-GHG-emissions-4.29.22-.pdf
- 2023 Economic Analysis by Innovative Natural Resource Solutions (a "refresh" of a similar study from 2020 performed at the request of the Vermont Department of Public Service) - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Economic-Impact-26-June-2023.pdf
- 2023 Carbon and Forestry Analysis by Innovative Natural Resource Solutions - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Carbon-6.2023.pdf
- 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil - https://www.cctv.org/watch-tv/programs/burlington-transportation-energy-and-utilities-committee-mcneil-symposium
- 2023 First Environment Carbon Score GREET analysis for proposed district energy system at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/CI-Model-Letter-Report-draft-ver-3.pdf

Members of the public have been critical of the studies referenced above, and have claimed that the studies wrongfully fail to properly take into account McNeil's stack carbon dioxide emissions and that the studies wrongfully claim that Burlington Electric's harvesting practices make the impacts of McNeil carbon neutral. Members of the public submitted detailed information supporting their claims and two climate scientists spoke in support of their claims during the 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil referenced above. The selected contractor should exercise independent judgment, should not feel bound by anything stated in the studies referenced above, and should evaluate and consider measures to reduce stack carbon dioxide and other greenhouse gas emissions from McNeil notwithstanding anything stated in any of the above-referenced studies or other materials posted on Burlington Electric's website.

RFP Objectives/Scope of Work

The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:

- Analyzing the impacts, both negative and positive, of the current wood chip-based energy production at McNeil;
- Analyzing opportunities to reduce stack-related carbon dioxide emissions and other greenhouse gas emissions from McNeil;
- Analyze the opportunity to repower McNeil, including with different fuels, including but not limited to natural gas, that would significantly reduce greenhouse gas emissions at the stack as a bridge measure until truly low carbon sources of electricity such as ~~to a period where~~ hydropower, wind, solar

Formatted: Font: 12 pt

Formatted: Font: Not Bold

Formatted: Indent: Left: 0.57", No bullets or numbering

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Commented [NP3]: This is important language from the Resolution.

and storage can reliably and affordably meet the needs of Burlington ratepayers, including low and moderate-income ratepayers;

- Analyzing technologies that would significantly reduce greenhouse gas emissions in the future, including more efficient combustion;
- Analyzing the possible utilization of the McNeil Site for additional energy needs including energy storage and/or thermal energy provision;
- Analyzing the opportunities for expansion of innovative partnerships at McNeil such as the UVM solar research center newly located at the McNeil site; and
- Analyzing the scale and types of renewable energy generation and energy storage needed if McNeil was not in service and Burlington still needed lowest-carbon emissions renewable generation that is both reliable and affordable particularly for low and moderate-income ratepayers. Such analysis should include an analysis of the relative costs and benefits of Burlington Electric's continued reliance on McNeil for 32-40% of Burlington Electric's power needs and of alternatives, including alternative power generation at the McNeil Site and/or purchase of power. While the ultimate goal is to provide the lowest-carbon renewable power that is reliable and affordable, non-renewable power should be considered in the analysis as a bridge measure in the event that sufficient low carbon renewable power is not available in the short term.

Factors to consider and include as the above analysis is conducted, again based on the Resolution, include:

- Ensuring consideration of the need for reliable and cost-effective electric and thermal power for the City now and into the future;
- Considering how any changes at McNeil might impact the ISO-New England system reliance on fossil fuels for generation;
- Including carbon accounting, timeframes, and assessment of the comparative practicality and cost and rate impacts over the short, medium and long term to Burlington electric and heating customers of any proposed alternatives;
- Understanding any changes in BED's power cost risk stability and risk profile of considered alternatives.

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future energy initiatives at McNeil.

Request for Proposals:

BED is requesting proposals for an Emissions Assessment and Reduction Analysis for McNeil from a third-party firm that has the analytical capability and energy/environmental expertise to produce such a Report. As noted in the Resolution, the firm shall have experience analyzing emissions reduction and renewable energy technologies.

As noted in the Resolution, BED has provided this RFP for review to the Burlington Electric Light Commission, TEUC and City Council prior to issuance. Each entity's meetings included public comment. The McNeil Joint Owners have also been consulted prior to issuance. The scope of work/contract for a selected respondent is also subject to review by the Commission, TEUC and Council, and again subject to consultation by the Joint Owners.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on renewable energy generation alternatives, analyzing energy/efficiency and economic and greenhouse gas emissions reduction scenarios from power plants (with specific preference for experience analyzing wood generators), and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Proposals will be reviewed using the following **RFP Evaluation Criteria**:

- Has the necessary analytical capabilities to conduct energy/environmental/economic analyses to provide BED and Burlington with analysis of emission reduction opportunities and economic and energy impacts of such opportunities;
- Has a sufficient understanding of renewable energy generation to credibly examine alternatives for repowering the McNeil station.
- Has conducted relevant work in the past for municipal or state governments or utilities;
- Demonstrates the ability to take complex data and information and provide it in a way that is useful, and transparent, for a variety of audiences including policymakers, regulators, BED staff, and the general public;
- Outline of a project plan that meets BED's targeted timeline for an interim report (end of 2024) and final report (by Spring 2025);
- Demonstrates relevant experience presenting similar materials to policymakers, regulators, and the general public;
- Has other relevant expertise in utility and power sector analysis.
- Understanding of electric utility business and financial structures, as well as general utility rate economics.

Confidentiality Requirements:

If portions of the submitted proposal are to remain confidential, information must be included clearly describing which portions of the package the proposer considers confidential along with justification as to why the information would be considered confidential under Vermont Access to Public Records law (see Public Records Section below) and PUC rules. BED is subject to public disclosure laws, so any RFP responses including proprietary/confidential materials should have those materials clearly marked and , and include specific justifications as to why the identified materials must remain confidential. In the event the proposer requests that part or parts of the submitted proposal remain confidential, a second copy of the proposal with all confidential portions redacted must be provided

Selection Process:

During the evaluation process, BED reserves the right, where it may serve its best interest, to request additional information or clarifications. BED also reserves the right to terminate the process following RFP response review if no viable responses are received.

BED recognizes that this request is unique in scope, and that further clarity is likely to be required as various options are developed/explored. Interested parties are urged to make responses as detailed as possible, while identifying areas where further detail is required or risks may exist. Questions should be directed to BED Purchasing, and responses to any such requests/questions will be made available to all interested parties.

Submittal and Timeline:

All RFP's must be submitted through our RFP portal website by 5:00 PM EST, October 30th, 2024. All RFP's are date and time sensitive and we cannot accept any submissions after the specified date and time. Please do not email the RFP to anyone at BED. If you do, such action will cause your submission to be invalid, and your response will not be accepted. BED will contact those entities to whom BED, following consultation laid out in the Resolution with the Burlington Electric Commission, TEUC and City Council, would like to extend a formal invitation and provide a program agreement for BED and the selected partner to sign.

Amendment or Cancellation of RFP:

BED reserves the right to amend or cancel this RFP at any time if the best interest of BED requires such action. BED also reserves the right to award all or a part of the RFP to any or several contractors or whatever is in the best interest of BED.

Proposal Modifications:

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by BED.

Proposal Expenses:

BED assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

Acceptance or Rejection of Proposals:

BED reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part; and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of BED will be served. BED further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of BED. BED also reserves the right to award all or partial parts of the RFP to any or several contractors that are in the best interest of BED.

Ownership of Proposals:

All proposals submitted in response to this RFP shall become the sole property of BED.

Oral Agreements and Arrangements:

Any alleged oral agreement or arrangement made by a vendor with BED or any BED employee will be disregarded in any BED proposal evaluation or associated award.

Vendor Presentation of Supporting Evidence/Surety:

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that BED deems necessary to fully establish the performance capabilities represented in their proposals.

Vendor Misrepresentation or Default:

BED reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any BED contract.

Erroneous Awards:

BED reserves the right to correct inaccurate awards resulting from its clerical errors.

Public Records:

Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must

be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Between a vendor and BED, the final administrative authority to release or exempt any or all material so identified, rests with BED. All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL" and as noted above, non-confidential/redacted versions of any such documents must be provided as well..

It shall be the responsibility of any submitter seeking to maintain confidentiality to do so at their sole expense.

Offer of Gratuities:

The vendor warrants, represents and certifies that no elected or appointed official or employee of BED has or will benefit financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by BED if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent of the vendor's employees.

Collusion:

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

Contract Provisions:

The contract to be entered into between BED and the successful proposer shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful proposer's treatment thereof as contained in this proposal, as well as general BED contract provisions.

The final award of this contract will be subject to your firm's execution of such a contract and the contract's execution by BED and the issuance of a formal Purchase Order (P.O.) by BED’s Purchasing Office. Proposals should include an acknowledgment that the standard provisions included in BED contracts are comprehended by your firm.

MINIMUM INSURANCE REQUIREMENTS: TYPE 1A

Contractor's Order

1.1 Contractor shall purchase and maintain insurance coverage for not less than the following limits:

COVERAGE	MINIMUM LIMIT
a. **Professional Liability:**	
Professional Services	$1,000,000 each claim $1,000,000 in aggregate
b. **Commercial General Liability:**	
Bodily Injury and Property Damage	$500,000 each occurrence $500,000 in aggregate
c. **Automobile Liability:**	
Bodily Injury and Property Damage	$500,000 combined single limit
d. **Workers' Compensation and Employers Liability:**	
WC: Statutory coverage	
EL: $100,000 each accident $100,000 each employee $500,000 policy limit	
e. **Cyber Liability:**	
Each Claim/Event Aggregate limit	$2,000,000 each claim

$2,000,000 each event

1.2 Contractor shall purchase and maintain such comprehensive general liability and other insurance as set forth above which will provide protection from claims arising from the result of Contractor's performance and furnishing of services outlined in the awarded Purchase Order and/or Contract, whether it is performed or furnished by Contractor or by anyone directly or indirectly employed by the Contractor to perform or furnish any of the work outlined in the Purchase Order and/or Contract. The Contractor shall hold B.E.D. harmless for any and all damages/claims (including but not limited to bodily/personal injury, property damage, loss of income, business interruption, or wrongful death), while performing or as a result of, work assigned/related to the awarded contract.

1.3 Contractor shall provide B.E.D. with a certificate of insurance for coverages set forth above which shall not be subject to cancellation without at least thirty (30) days advance written notice to B.E.D. Such evidence of insurance shall be received at B.E.D. before the commencement of work, or Purchase Order and/or Contract is awarded, whichever is sooner, and such insurance shall be maintained throughout the duration of awarded contract. Forward certificate of insurance to Burlington Electric Department, 585 Pine St., Burlington, VT 05401, Attention: Director of Purchasing & Facilities.

1.4 Any claim in excess of limits set forth above or which are not covered by the Contractor's comprehensive general liability, automobile liability, or worker's compensation insurance are the sole responsibility of the Contractor.

1.5 B.E.D. and/or any affiliated or subsidiary companies shall be recognized as additional insureds with respect to insurance. Coverage provided by the contractor shall be primary to any other valid and collectible insurance available with respect to B.E.D. as additional insured.

Termination:

The contract to be entered into between BED and the successful proposer shall contain the following provisions dealing with termination. If the Contractor fails to fulfill any of the terms of the agreement on time, BED shall have the right to terminate the said agreement immediately and award a new contract to another Proposer and the Contractor may be responsible for damages and for additional costs incurred in relenting the contract.

Disclaimer:

BED is not liable for any costs incurred by proposers in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection:

Upon selection, BED and the successful proposer will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made a part of the final contract. Should negotiations fail to result in agreement within two weeks from the commencement of negotiations, BED reserves the right to terminate negotiations and select another proposal, issue a new RFP, or take other action consistent with the best interest of BED. By issuing this RFP, BED is not obligated to award a contract.

Delivery of Proposals:

There will be no formal RFP opening. As noted above, all RFPs are to be submitted through our RFP portal website only.

RFP Opening:

All Proposals will be opened only in the presences of BED personnel. There will be no formal RFP opening. All information in the RFPs will not be released until award by BED and acceptance by the winning contractor. If you would like to receive the RFP overview results after the award, you may do so only in writing to our Purchasing Department. If you would like to review the RFPs that were submitted, you must submit a letter to our Purchasing Department requesting a meeting to review the file.

Right to Submit a Proposal on BED Projects:

Any contractor that is in a good standing with all city departments within the City of Burlington, Vermont may submit a proposal for work described above. If a contractor is found to owe funds or has been removed from any RFP lists within any city department, its RFP will not be considered. Contractor must comply with all provisions as outlined in this RFP in order to be considered.

BED Rights:

BED reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of BED. BED reserves the right to negotiate separately with any source to serve the best interest of BED. Exceptions to this RFP shall be by written notification on the awarded P.O. to be binding. All submitted bids become the property of BED. After the award of the contract to the successful bidder, all bids are open for public viewing.

BURLINGTON ELECTRIC DEPARTMENT
REQUEST FOR PROPOSAL

Forestry Assessment and Analysis For McNeil

Background:

The Burlington Electric Department (BED) is Vermont's largest municipally owned electric utility serving over 21,000 customers. BED is the exclusive provider of electric service to the city of Burlington, an area of approximately 16 square miles, and the Burlington International Airport in South Burlington.

As a public utility, BED is an expression of the community's energy desires and beliefs. In 1990 Burlington voters approved an $11.3 million bond to fund energy efficiency programs that supported successful activities through 2002. Since 2003, BED customers have been paying a small monthly charge that supports these continued "Energy Efficiency Utility" programs, which BED staff delivers on behalf of its customers under an Order of Appointment from Vermont's Public Utility Commission (PUC).

Burlington first experimented with wood chip generation by co-firing the Moran coal plant with wood in the 1970's. Following successful pilots there, the McNeil Generating Station ("McNeil"), a 50 megawatt wood-chip electric generating plant was built and started operating in 1984. The McNeil plant is jointly owned by BED (50%), Green Mountain Power (31%), and Vermont Public Power Supply Authority (19%), collectively referred to as the Joint Owners. The Joint Owners made a $12 million investment in a Regenerative Selective Catalytic Reduction (RSCR) system to significantly reduce NOX emissions in 2008. McNeil has been qualified as a renewable generator for purpose of selling renewable energy certificates (REC), including Connecticut Class 1 RECs. Unique among BED's renewable energy generators, McNeil is dispatchable and can store fuel on-site and run when prices are advantageous, with operations adjusted upwards or downwards based on market economics.

McNeil includes approximately 35 full time employee positions (FTE), including four professional licensed foresters who work to sustainably procure wood chips for the plant. Wood chips are delivered from Vermont and, via Swanton wood yard rail, upstate

New York. McNeil's wood procurement contract requires that no wood be harvested solely for energy production, rather McNeil will accept wood residues (tops and limbs), diseased or damaged trees, and non-commercial wood left over from harvest operations. McNeil also accepts mill residues, and wood from the Waste Wood Yard operated to keep clean untreated wood from being landfilled. McNeil uses a very small volume of low-value roundwood, kept on-site for fuel security purposes. For more on McNeil and McNeil Forestry see www.burlingtonelectric.com/mcneil and https://www.burlingtonelectric.com/forestry.

With the purchase of the Winooski One Hydroelectric Facility in 2014 (a 7.4 megawatt plant located on the Winooski River), Burlington became the first city in the United States to source 100 percent of its electricity from renewable sources. ~~BED, based on local and state policy objectives, does not contract for energy from nuclear or fossil fuel resources.~~ Having achieved this renewable energy goal BED and the City announced in 2019 a strategic plan to make Burlington a "net zero energy (NZE)" and launched the NZE Roadmap (www.burlingtonelectric.com/nze). The NZE strategy is focused on reducing and eliminating fossil fuel use ~~and associated greenhouse gas emissions~~ in the thermal and ground transportation sectors.

BED currently sources electric power locally, and from New England and adjoining states and territories, with a strong preference for generation closest to Burlington.

BED recognizes carbon accounting for energy production from wood/bio-based resources is more complex than other resources, and that there are various ways to look at emissions including lifecycle (such as done by National Renewable Energy Laboratory), at the stack, and based on wood source using the debt and dividend approach. Through this RFP and recognizing the commitment Burlington and BED have to addressing the climate emergency, BED endeavors to learn more about how to reduce the environmental footprint of McNeil, while retaining the energy production benefits from the plant. BED recognizes the Joint Owners ultimately have decisional-authority, not BED or Burlington unilaterally, as it relates to the McNeil plant.

Current Data and Documents

For the benefit of respondents, below are several relevant documents or prior studies related to the McNeil Generating Station:

- November 2023 District Energy City Council Resolution ("Resolution") (specifically review lines 126-165 for context on this RFP) - https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/2027

- 2022 VEIC analysis on lifecycle greenhouse gas emissions at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/VEIC-Final-Memo-to-BED-LCA-of-GHG-emissions-4.29.22-.pdf
- 2023 Economic Analysis by Innovative Natural Resource Solutions (a "refresh" of a similar study from 2020 performed at the request of the Vermont Department of Public Service) - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Economic-Impact-26-June-2023.pdf
- 2023 Carbon and Forestry Analysis by Innovative Natural Resource Solutions - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Carbon-6.2023.pdf
- 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil - https://www.cctv.org/watch-tv/programs/burlington-transportation-energy-and-utilities-committee-mcneil-symposium
- 2023 First Environment Carbon Score GREET analysis for proposed district energy system at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/CI-Model-Letter-Report-draft-ver-3.pdf

  Members of the public have been critical of the studies referenced above, and have claimed that the studies wrongfully fail to properly take into account McNeil's stack carbon dioxide emissions and that the studies wrongfully claim that Burlington Electric's harvesting practices make the impacts of McNeil carbon neutral. Members of the public submitted detailed information supporting their claims and two climate scientists spoke in support of their claims during the 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil referenced above. The selected contractor should exercise independent judgment, and should not feel bound by anything stated in the studies referenced above or other materials posted on Burlington Electric's website.

RFP Objectives/Scope of Work

The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:

- Assessing the number and volume of whole trees procured for fuel at McNeil compared to limbs/ends/residues procured for fuel at McNeil;
- Assessing for whole trees, what portion were low-value roundwood and diseased or damaged trees;
- Providing quantitative and qualitative assessment of afforestation/deforestation outcomes in areas where wood is harvested for McNeil and the market factors that affect such outcomes;
- Providing assessment of current wood chip procurement and forestry management practices at McNeil and offer BED ideas for further improvement including reviewing the Harvest Guidelines in Appendix A and suggested audit

areas for confirmation.

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future forestry practices at McNeil.

Request for Proposals:

BED is requesting proposals for a Forestry Assessment and Analysis for McNeil from a third-party firm that has the analytical capability and sustainable forestry practice expertise to produce such a Report.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on conducting forestry practice audits or assessments, analyzing carbon accounting outcomes for forestry practices and experience with economics/markets for wood products, and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Proposals will be reviewed using the following **RFP Evaluation Criteria**:

- Has the necessary analytical capabilities and expert staff to conduct forestry analyses to provide BED and Burlington with an assessment of current practices and ideas for further improvement;
- Has a sufficient understanding of forestry practices in Vermont, New York and New England and the market for wood products to credibly outline impacts of McNeil's forestry practices on the areas where wood is harvested for the plant.
- Has conducted relevant work in the past for municipal or state governments or utilities;
- Demonstrates the ability to take complex data and information and provide it in a way that is useful, and transparent, for a variety of audiences including policymakers, regulators, BED staff, and the general public;
- Outline of a project plan that meets BED's targeted timeline for an interim report (end of 2024) and final report (by Spring 2025);
- Demonstrates relevant experience presenting similar materials to policymakers, regulators, and the general public;
- Has other relevant expertise in forestry/wood products/carbon accounting areas, and has licensed professional Vermont or New England foresters or Certified Society of American Foresters either on-staff or accessible via consulting agreements.

Confidentiality Requirements:

If portions of the submitted proposal are to remain confidential, information must be included clearly describing which portions of the package the proposer considers confidential along with justification as to why the information would be considered confidential under Vermont Access to Public Records law (see Public Records Section below) and PUC rules. BED is subject to public disclosure laws, so any RFP responses including proprietary/confidential materials should have those materials clearly marked and , and include specific justifications as to why the identified materials must remain confidential. In the event the proposer requests that part or parts of the submitted proposal remain confidential, a second copy of the proposal with all confidential portions redacted must be provided

Selection Process:

During the evaluation process, BED reserves the right, where it may serve its best interest, to request additional information or clarifications. BED also reserves the right to terminate the process following RFP response review if no viable responses are received.

BED recognizes that this request is unique in scope, and that further clarity is likely to be required as various options are developed/explored. Interested parties are urged to make responses as detailed as possible, while identifying areas where further detail is required or risks may exist. Questions should be directed to BED Purchasing, and responses to any such requests/questions will be made available to all interested parties.

Submittal and Timeline:

All RFP's must be submitted through our RFP portal website by 5:00 PM EST, October 30th, 2024. All RFP's are date and time sensitive and we cannot accept any submissions after the specified date and time. Please do not email the RFP to anyone at BED. If you do, such action will cause your submission to be invalid, and your response will not be accepted. BED will contact those entities to whom BED, following consultation with the Burlington Electric Commission, and TEUC committee of the City Council, would like to extend a formal invitation and provide a program agreement for BED and the selected partner to sign.

Amendment or Cancellation of RFP:

BED reserves the right to amend or cancel this RFP at any time if the best interest of BED requires such action. BED also reserves the right to award all or a part of the RFP to any or several contractors or whatever is in the best interest of BED.

Proposal Modifications:

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by BED.

Proposal Expenses:

BED assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

Acceptance or Rejection of Proposals:

BED reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part; and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of BED will be served. BED further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of BED. BED also reserves the right to award all or partial parts of the RFP to any or several contractors that are in the best interest of BED.

Ownership of Proposals:

All proposals submitted in response to this RFP shall become the sole property of BED.

Oral Agreements and Arrangements:

Any alleged oral agreement or arrangement made by a vendor with BED or any BED employee will be disregarded in any BED proposal evaluation or associated award.

Vendor Presentation of Supporting Evidence/Surety:

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that BED deems necessary to fully establish the performance capabilities represented in their proposals.

Vendor Misrepresentation or Default:

BED reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any BED contract.

Erroneous Awards:

BED reserves the right to correct inaccurate awards resulting from its clerical errors.

Public Records:

Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Between a vendor and BED, the final administrative authority to release or exempt any or all material so identified, rests with BED. All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL" and as noted above, non-confidential/redacted versions of any such documents must be provided as well..

It shall be the responsibility of any submitter seeking to maintain confidentiality to do so at their sole expense.

Offer of Gratuities:

The vendor warrants, represents and certifies that no elected or appointed official or employee of BED has or will benefit financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by BED if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent of the vendor's employees.

Collusion:

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

Contract Provisions:

The contract to be entered into between BED and the successful proposer shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful proposer's treatment thereof as contained in this proposal, as well as general BED contract provisions.

The final award of this contract will be subject to your firm's execution of such a contract and the contract's execution by BED and the issuance of a formal Purchase Order (P.O.) by BED's Purchasing Office. Proposals should include an acknowledgment that the standard provisions included in BED contracts are comprehended by your firm.

BURLINGTON ELECTRIC DEPARTMENT (B.E.D.)

MINIMUM INSURANCE REQUIREMENTS: TYPE 1A

Contractor's Order

1.1 Contractor shall purchase and maintain insurance coverage for not less than the following limits:

COVERAGE	MINIMUM LIMIT
a. **Professional Liability:**	
Professional Services	$1,000,000 each claim $1,000,000 in aggregate
b. **Commercial General Liability:**	
Bodily Injury and Property Damage	$500,000 each occurrence $500,000 in aggregate
c. **Automobile Liability:**	
Bodily Injury and Property Damage	$500,000 combined single limit

d. **Workers' Compensation and Employers Liability:**

WC: Statutory coverage

EL: $100,000 each accident

$100,000 each employee

$500,000 policy limit

e. **Cyber Liability:**

Each Claim/Event Aggregate limit $2,000,000 each claim

$2,000,000 each event

1.2 Contractor shall purchase and maintain such comprehensive general liability and other insurance as set forth above which will provide protection from claims arising from the result of Contractor's performance and furnishing of services outlined in the awarded Purchase Order and/or Contract, whether it is performed or furnished by Contractor or by anyone directly or indirectly employed by the Contractor to perform or furnish any of the work outlined in the Purchase Order and/or Contract. The Contractor shall hold B.E.D. harmless for any and all damages/claims (including but not limited to bodily/personal injury, property damage, loss of income, business interruption, or wrongful death), while performing or as a result of, work assigned/related to the awarded contract.

1.3 Contractor shall provide B.E.D. with a certificate of insurance for coverages set forth above which shall not be subject to cancellation without at least thirty (30) days advance written notice to B.E.D. Such evidence of insurance shall be received at B.E.D. before the commencement of work, or Purchase Order and/or Contract is awarded, whichever is sooner, and such insurance shall be maintained throughout the duration of awarded contract. Forward certificate of insurance to Burlington Electric Department, 585 Pine St., Burlington, VT 05401, Attention: Director of Purchasing & Facilities.

1.4 Any claim in excess of limits set forth above or which are not covered by the Contractor's comprehensive general liability, automobile liability, or worker's compensation insurance are the sole responsibility of the Contractor.

1.5 B.E.D. and/or any affiliated or subsidiary companies shall be recognized as additional insureds with respect to insurance. Coverage provided by the contractor shall be primary to any other valid and collectible insurance available with respect to B.E.D. as additional insured.

Termination:

The contract to be entered into between BED and the successful proposer shall contain the following provisions dealing with termination. If the Contractor fails to fulfill any of the terms of the agreement on time, BED shall have the right to terminate the said agreement immediately and award a new contract to another Proposer and the Contractor may be responsible for damages and for additional costs incurred in relenting the contract.

Disclaimer:

BED is not liable for any costs incurred by proposers in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection:

Upon selection, BED and the successful proposer will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made a part of the final contract. Should negotiations fail to result in agreement within two weeks from the commencement of negotiations, BED reserves the right to terminate negotiations and select another proposal, issue a new RFP, or take other action consistent with the best interest of BED. By issuing this RFP, BED is not obligated to award a contract.

Delivery of Proposals:

There will be no formal RFP opening. As noted above, all RFPs are to be submitted through our RFP portal website only.

RFP Opening:

All Proposals will be opened only in the presences of BED personnel. There will be no formal RFP opening. All information in the RFPs will not be released until award by BED and acceptance by the winning contractor. If you would like to receive the RFP overview results after the award, you may do so only in writing to our Purchasing Department. If you would like to review the RFPs that were submitted, you must submit a letter to our Purchasing Department requesting a meeting to review the file.

Right to Submit a Proposal on BED Projects:

Any contractor that is in a good standing with all city departments within the City of Burlington, Vermont may submit a proposal for work described above. If a contractor is found to owe funds or has been removed from any RFP lists within any city department, its RFP will not be considered. Contractor must comply with all provisions as outlined in this RFP in order to be considered.

BED Rights:

BED reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of BED. BED reserves the right to negotiate separately with any source to serve the best interest of BED. Exceptions to this RFP shall be by written notification on the awarded P.O. to be binding. All submitted bids become the property of BED. After the award of the contract to the successful bidder, all bids are open for public viewing.

Appendix A

BED Harvest Policy & CPG Audit Standards:

Harvest Policy:

Preamble:

It will be the policy of Burlington Electric Department to accept delivery of whole tree chips only from harvesting operations in Vermont certified by a professional forester as meeting the criteria of "good forestry practice" as outlined below. Burlington Electric Department foresters or their authorized agents will conduct periodic on-site inspections to insure compliance with the following practices. Unresolved violations of these practices will result in the termination of chip purchase from the offending producer.

Possible Audit Standards. Evaluate whether (1) harvest sites are periodically inspected, (2) identified issues reach a resolution, and (3) whether unresolved violations result in termination of chip purchasing.

Paragraph 1

The use of necessary and applicable erosion and sedimentation control practices will be required. Every harvesting contractor will become familiar with the publication Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont. Contractors will be required to implement procedures outlined in the guide to the satisfaction of Burlington Electric Department foresters.

Possible Audit Standards. Evaluate whether the AMPs are implemented on jobs.

<u>Paragraph 2</u>

Consideration for visual quality will be required:

a. *All refuse will be removed from the landing/logging site prior to termination of the operation. Wood waste will be removed or buried and brush piles leveled to the extent possible.*
b. *Appropriate techniques will be used adjacent to major hiking trails to the protect the integrity of the trail and the hiking experience. Trail treadways will be kept clear of logging debris. Crossing of the trails by logging vehicles will be at right angles and kept to the minimum number necessary. Cutting within 50 feet of either side of major trails will be limited to the removal of high risk trees or the removal of less than 30% of the basal area of existing trees greater than 5 inches DBH, whichever is less.*
c. *Landings will be laid out so as to reduce the adverse visual impact. Newly constructed landings along public highways will be screened by a strip of undisturbed vegetation at least 25 feet wide when such vegetation exists. Where open areas or abandoned landings are suitable for use as landings, they will be so used in spite of the lack of a buffer strip, so as to reduce the amount of area cleared for such use.*

Possible Audit Standards: (a) Confirm that closeout includes removal of debris and appropriate treatment of woody waste.

<u>Paragraph 3</u>

Wildlife and fisheries will be given consideration in harvest planning:

a. *Landowners will be made aware of any negative impacts to wildlife or fisheries relating to a proposed chip harvest operation on their property.*

Possible Audit Standard: Demonstrate harvest plan modifications to protect and enhance wildlife and fish habitats.

b. *For all sites within Vermont from which wood fuel will be purchased by Burlington Electric, a Burlington Electric forester will visit the site with the landowner and/or harvesting contractor and confer in developing a harvesting procedure which meets the forester's approval. In turn, the forester will develop a "Whole Tree Chip Harvest Notification" to be sent to the appropriate Vermont Department of Fish and Wildlife habitat biologist. This notification will include: a map showing the location of the proposed operation; information regarding the nature of the harvest (including type of cut and acreage); name of* *prospective contractors and approximate dates during which the harvest will be conducted. The habitat biologist will have fifteen days in which to respond to the BED forester with an approval or modification of the proposed operation. If the habitat biologist determines that a modification of the harvest plan will be necessary in order to protect deer wintering areas, wetlands or the habitat of rare and endangered species, such modification will be included in the response to the BED forester within the fifteen day time period. No harvesting operation will begin before approval by the district habitat biologist or the Vermont Public Service Board.*

Possible Audit Standard: Ensure Harvest Notifications include the pertinent information and protection of Deer Wintering Area, Wetlands and Habitats of Rare and Endangered species.

c. *When landowner goals require silvicultural manipulation for wildlife management purposes, guidance may be sought from the Vermont Department of Fish and Wildlife or other qualified source as well as the publication A Landowner's Guide to Wildlife Habitat Management for Vermont Woodlands by the Vermont Department of Fish and Wildlife.*

Possible Audit Standard: Demonstrate cooperation between BED foresters and VT Fish and Wildlife biologists.

d. *Protection of fisheries resources will be provided through the use of acceptable erosion and sedimentation control practices including the use of filter strips and protection of streamside shade. Harvesting contractors will be required to implement applicable procedures outlined in the publication Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont to the extent specified by Burlington Electric Department foresters.*

Possible Audit Standards: Ensure water quality through the implementation of AMPs on all harvests sites.

<u>Paragraph 4</u>

Burlington Electric Department foresters will seek guidance in protecting significant archeological sites. Such guidance will be provided by the Vermont Division for Historic Preservation in the form of State-sponsored training to aid in on-the-ground identification of such sites and/or in the form of guidance from the Division of Historic Preservation in the determination of the likelihood of occurrence of significant archeological deposits within areas scheduled for harvesting. Burlington Electric Department will require the modification or termination of harvesting in areas thought to be archeologically significant by the Division of Historic Preservation until such time as examination of the area has been completed. Burlington Electric will also *make the landowner aware of significant archeological sites on his property and aid him in adjusting his management decisions to protect such sites*

Possible Audit Standard: Ensure significant archaeological sites are not disturbed by BED harvesting practices.

Paragraph 5

a. *The development of management goals will involve consideration of:*
   i. The objectives of the landowner and alternatives available to him or her.
   ii. The characteristics of the site and forest stand.
   iii. The impacts on related resources (water quality, wildlife, scenic quality, recreation).

Possible Audit Standard: Demonstrate that Harvest Plans meet the above goals.

b. *The landowner or land manager and/or the harvesting contractor will confer with a professional forester representing Burlington Electric Department in developing a harvesting procedure which meets the forester's approval. In all cases, harvesting will incorporate, to the extent reasonably possible, the protection of residual trees, minimization of waste and assurance of rapid and adequate regeneration. Every effort will be made to put harvested products to their most valuable use. In developing specific silvicultural techniques for meeting management goals, reliance will be placed on a combination of the forester's professional judgement and recognized silvicultural guides, including, but not limited to:*
   i. A Silvicultural Guide for Northern Hardwood Types in the Northeast by Leak, Solomon and DeBald.
   ii. A Silvicultural Guide to White Pine in the Northeast by Lancaster and Leak.
   iii. A Silvicultural Guide for Spruce-Fir in the Northeast by Frank and Bjorkhom.
   iv. A Silvicultural Guide for Developing a Sugarbush by Lancaster, Walters, Laing and Foulds.
   v. Uneven-Aged Management of Northern Hardwoods in New England by Leak and Filip.
   vi. A Landowners Guide to Wildlife Habitat Management for Vermont Woodlands by Vermont Fish and Game Department.
   vii. Manager's Handbook for Red Pine in the North Central States by North Central Forest Experiment Station, USDA Forest Service.
   viii. A Guide to Hardwood Timber Stand Improvement by USDA Forest Service, Northeastern Area State and Private Forestry.

ix. Establishing Even-aged Northern Hardwood Regeneration by the Shelterwood Method – A Preliminary Guide by North Central Forest Experiment Station, USDA Forest Service

Possible Audit Standard: (1) Residual stand damage is minimized on BED harvests; (2) Wood on harvests is efficiently utilized; (3) Silvicultural practices meet accepted standards to establish adequate regeneration.

c. *Specific types of cutting will include, but not be limited to:*
i. The Selection System – A silvicultural system involving the removal of trees of all sizes singly or in groups, at regular intervals resulting in an uneven-aged stand. This system involves a continuous forest cover and favors shade-tolerant species.
ii. The Seed Tree System – A silvicultural system involving the retention of a very light stocking of selected trees after an initial cut. The role of the residual trees is to furnish seed for the next crop. This system results in an even-aged stand.
iii. The Shelterwood System – A silvicultural system that involves the removal of the overstory in several stages. The partial overstory removal provides favorable conditions for the establishment of regeneration. The residual overstory is removed after the new stand is well-established. Shelterwood cutting also results in an even-aged stand.
iv. The Clearcutting System – A silvicultural system that involves the harvesting in one cut of all trees larger than 2 inches in diameter on an area and results in an even-aged stand. The size and configuration of the cut area is variable (even to as small as a fraction of an acre). Clearcutting is recognized to be useful in certain silvicultural and wildlife management situations. However, due to public sensitivity, only modified forms of clearcutting will be allowed by BED (narrow progressive strips and small blocks up to 25 acres in size). Land clearing operations involving land use conversions may employ larger clearcut openings. However, the objective in such cases is not future timber production. For land use conversion clearing operations, the landowner must submit a letter of intent to BED stating number of acres to be cleared, name of harvesting contractor and the purpose of the clearing.
v. Improvement Cut – An improvement cut is an intermediate cut which can be prescribed by a forester as part of either of the previously mentioned silvicultural systems and can be carried out at various times during the rotation (in even-aged stands) or as part of the regeneration cut (in the Selection System). The objective of an improvement cut is the reduction of low-value stand components through the removal of poorly formed stems and less valuable species.
vi. Thinning – Thinning is an intermediate cut prescribed by a forester to reduce the level of tree stocking to a recommended level in order to

concentrate tree growth on fewer but selected stems.
It should be noted that due to variability in forest stands as a result of site conditions and past treatment, it will often be necessary to incorporate more than
one of the above-mentioned types of cutting within a single woodlot. In addition,
dependent upon the intensity of past high-grading, it will often be necessary to leave numerous poor quality trees uncut in order to maintain recommended stocking levels.

Possible Audit Standard: Demonstrate that all BED forestry (i.e., non-development/land conversion) harvests rely on a sound silvicultural system that is appropriate to the site.

Paragraph 6

Harvesting contractors will be expected to abide by all applicable local, State and federal
regulations including but not limited to:
a. Occupational safety and insurance coverage.
b. Forest fire prevention and control.
c. Protection of property of others.
d. Water quality protection.
e. Harvesting and transportation of forest products

Possible Audit Standard: (1) BED requires and maintains proof of appropriate insurance from suppliers. (2) BED requires suppliers to meet applicable transportation safety and load requirements; (3) BED does not procure wood from contractors who have a record of timber theft or other property destruction or damage.

Paragraph 7

Landowners will be made aware of the desirability of having a stumpage sale contract outlining the details of the harvest operation. If the landowner elects to utilize such a document, the harvesting contractor will be required to meet the terms of that contract in
addition to the above harvesting policy.

Possible Audit Standard: BED appropriately handles landowner interactions and advises landowners of their interests in being adequately protected during a timber sale. BED does not retain suppliers who are known to fail to abide by stumpage contracts.

Exhibit 1

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 23-3799-PET

Petition of City of Burlington Electric	)
Department for approval of its 2023	)
Integrated Resource Plan	)

SUPPLEMENTAL RESPONSE TO INTERVENORS' FIRST INTERROGATORIES TO CITY OF BURLINGTON ELECTRIC DEPARTMENT

NOW COMES City of Burlington Electric Department ("BED") and pursuant to Vt. P.U.C. Rules 2.214 and 2.230, hereby responds to Intervenors Nicholas Persampieri and Pike Porter's ("Intervenors"") First Interrogatories to City of Burlington Electric Department dated March 29, 2024 ("Requests") as follows:

GENERAL OBJECTIONS

The following General Objections of BED are incorporated by reference in each of its responses and objections below to each interrogatory, request to admit, or request to produce, whether or not an objection is stated in any particular response. Any response provided below is given without waiver of any objection, whether or not an objection is stated.

1. BED objects to each Request on the grounds and to the extent that they seek responses that are subject to the attorney-client privilege, constitute work product, are protected under state or federal law or are proprietary, competitively sensitive or confidential, constitute draft and/or non-final documents and/or communications containing or concerning same.

2. BED objects to the Requests to the extent that they (a) are overbroad and unduly burdensome; (b) are cumulative; (c) call for production of documents not in the possession, custody or control of BED; (d) call for the review, compilation, or production of publicly-available documents that could be obtained by Intervenors in a less burdensome manner; (e) are vague and/or ambiguous; (f) seek information that is neither relevant nor proportional to the needs of the case; or (g) call for the

Interrogatory No. 1.

Page 63 of the IRP states that "[a]s in previous IRPs, approximately 40% of BED's energy supply is generated by the McNeil station. BED does not expect this situation to materially change during the IRP planning period." Please describe how You have considered the possibility of retiring or decommissioning McNeil during the 20-year IRP planning period. Please include in your answer a discussion of how You have considered:

(a) whether McNeil is needed to meet power supply or capacity requirements, or to enhance reliability, and, if so, how long it is needed for these purposes;
(b) whether other renewable power supply resources can meet any such needs;
(c) whether any nonrenewable power supply resources can meet any such needs;
(d) the relative costs of McNeil and possible alternatives, including but not limited to costs of operation and maintenance, environmental and economic costs, including the costs of emissions of greenhouse gases and other harmful pollutants, and costs of harm to forest ecosystems resulting from procurement of forest biomass to fuel McNeil; and
(e) how BED could comply with the Renewable Energy Standard if McNeil were retired or decommissioned.

Objection: This interrogatory is beyond the scope of Intervenors' limited intervention in this matter as it is inquiring about the possible retirement or decommissioning of McNeil, rendering the interrogatory irrelevant, unlikely to lead to the discovery of admissible evidence, overbroad, unduly burdensome and not proportional to the needs of this IRP proceeding. Without waiving the foregoing or any other objection, BED responds as follows:

Response:

BED has not modelled the impact of retiring or decommissioning McNeil during the 20-year planning period in the 2023 IRP.

Supplemental Response:

Present staff is unaware of BED having considered the possibility of retiring or decommissioning McNeil during the 20-year IRP planning period since 2008.

Prepared by: James L. Gibbons, Director
Administrative unit: Policy & Planning
Date of response: 04/29/2024

Date of Supplemental Response: 07/12/24

Interrogatory No. 8.

Please describe any analysis You have performed of the relative costs and benefits of utilizing the alternative RES Tier 2 requirement versus foregoing the alternative requirement and either meeting the required amounts of distributed renewable energy generation (30 V.S.A. § 8005(a)(2)(C)) or making an alternative compliance payment.

Objection: This interrogatory is beyond the scope of Intervenors' limited intervention in this matter. It is also unduly burdensome given the needs of this IRP proceeding as it would require BED to perform an analysis not previously conducted. Without waiving the foregoing or any other objection, BED responds as follows:

BED Response:

BED has not performed the described analysis for meeting its Tier 2 requirement.

Prepared by: James L. Gibbons, Director
Administrative unit: Policy & Planning
Date of response: 04/29/2024

Interrogatory No. 9.

Page 57 of the IRP states that BED expects to continue to meet the requirements of an exemption from purchasing Standard Offer energy for the IRP period. The exemption is available to a retail electricity provider who meets 100% renewable requirements set forth in 30 V.S.A. § 8005a(k)(2)(B). Please state whether BED could remain eligible for this exemption without McNeil. Please describe any analysis You have performed of the costs and benefits of claiming the Standard Offer exemption, including foregone greenhouse gas emission reductions and other environmental benefits that could be realized through participating in the Standard Offer program.

Objection: This interrogatory is beyond the scope of Intervenors' limited intervention in this matter as it is inquiring about the possible retirement or decommissioning of McNeil and McNeil's greenhouse gas emissions, rendering the interrogatory irrelevant, unlikely to lead to the discovery of admissible evidence, overbroad, unduly burdensome and not proportional to the needs of this IRP proceeding. Without waiving the foregoing or any other objection, BED responds as follows:

BED Response:

BED could remain able to meet the Standard Offer requirement under 30 V.S.A. § 8005a(k)(2)(B) with any power purchase agreement (PPA) for renewable energy.

BED has not recently performed a cost benefit analysis of its participation in the Standard Offer program. As part of its presentation for a Moody's credit review in 2022, BED determined that not participating in the Standard Offer program results in an approximately $0.5 million net benefit annually at that time, but that value will change with changes in wholesale market values and changes in the cost of energy under the Standard Offer program.

Prepared by: James L. Gibbons, Director
Administrative unit: Policy & Planning
Date of response: 04/29/2024

Interrogatory No. 10.

Pages 55-56 of the IRP state that in accordance with 30 V.S.A. § 8009(g), BED must take an assignment of Ryegate Energy if it does not generate at least one-third of its annual energy needs with McNeil biomass generation. Please describe any analysis You have performed of the cost of taking an assignment of Ryegate Energy that would be incurred if BED did not generate at least one-third of its annual energy needs with McNeil biomass generation.

Objection: This interrogatory is beyond the scope of Intervenors' limited intervention in this matter as it is inquiring about the possible retirement or decommissioning of McNeil and McNeil's greenhouse gas emissions, rendering the interrogatory irrelevant, unlikely to lead to the discovery of admissible evidence, overbroad, unduly burdensome and not proportional to the needs of this IRP proceeding. Without waiving the foregoing or any other objection, BED responds as follows:

BED Response:

BED has not conducted any recent analysis related to Ryegate. BED did conduct a preliminary high-level estimate in 2019, for internal purposes, of the cost associated with accepting its share of Ryegate energy. That internally estimated net cost at that time amounted to roughly $0.5 million that would be recoverable from BED's ratepayers (but that value would vary based on changes in market prices and contract rates).

Prepared by: James L. Gibbons, Director
Administrative unit: Policy & Planning
Date of response: 04/29/2024

Exhibit 2

Exhibit PM-1

McNeil Net Income/Loss- FY 2016 – Present

	4/30/24[1]	6/30/23[2]	6/30/22[3]	6/30/21[4]	6/30/20[5]	6/30/19[6]	6/30/18[7]	6/30/17[8]	6/30/16[9]
Revenues									
ISO-NE Mkt. Energy	7,347,426	16,409,452	19,034,113	9,882,523	6,161,064	9,257,972	12,920,069	9,456,980	9,484,018
ISO-NE Capacity	1,163,624	2,413,264	3,116,739	3,449,390	4,353,743	5,687,054	4,850,966	2,048,027	2,005,222
Ancillary	19,623	24,452	24,386	24,457	24,903	16,722	-		
Total Revenue (Excluding RECs)	8,530,313	18,847,168	22,175,238	13,356,370	10,539,710	14,961,748	17,771,035	11,505,007	11,489,240
REC Revenue	4,515,956	7,141,987	8,533,615	7,887,846	7,043,184	8,083,161	8,656,706	10,697,574	12,062,600
Total Revenue	13,046,269	25,989,155	30,708,853	21,244,215	17,582,894	23,044,909	26,427,741	22,202,581	23,551,840
Expenses									
Fuel	12,454,383	16,783,173	15,139,872	15,291,371	14,090,574	12,895,040	15,527,466	15,676,576	21,305,228
Other	9,136,357	11,114,267	11,020,199	10,917,592	9,980,281	12,195,336	9,533,861	10,061,086	9,835,621
Total Expenses	21,590,740	27,897,440	26,160,071	26,208,963	24,070,855	25,090,376	25,061,327	25,737,662	31,140,849
Net Income/ (Loss) Excluding RECs*	(13,060,427)	(9,050,272)	(3,984,833)	(12,852,593)	(13,531,145)	(10,128,628)	(7,290,292)	(14,232,655)	(19,651,609)
Net Income /(Loss) Including RECs*	(8,544,472)	(1,908,285)	4,548,782	(4,964,748)	(6,487,961)	(2,045,467)	1,366,414	(3,535,081)	(7,589,009)

*Net income (loss) figures are before interest/ including depreciation.

[1] Joint Owners Committee Meeting Materials, 6/10/24 Spreadsheet; This shows year to date- FY ends 6/30/24.
[2] From Joint Owners Committee Meeting Materials 9/11/23 Spreadsheet
[3] *Id.*
[4] McNeil P & L 2022
[5] McNeil P & L June 2020; Joint Owners Minutes 9/15/20
[6] McNeil P & L June 2020; Joint Owners Minutes 9/15/20
[7] McNeil P & L June 2019; Joint Owners Minutes 10/21/19
[8] McNeil P & L, June 2017
[9] *Id.*

McNeil Generation Station
Revenue/Expense
Fiscal Year 2024 YTD April 30, 2024
Fiscal Year 2023 YTD April 30, 2023
Calendar Years YTD Ended April 30, 2024 and 2023

		Fiscal Year To Date					**Calendar Year To Date**				
		2024		**2023**			**2024**		**2023**		
		30-Apr-24	**Per Unit**	**30-Apr-23**	**Per Unit**	Inc/(Dec)	**30-Apr-24**		**30-Apr-23**		Inc/(Dec)
Generation (MWH) - Energy		167,612		198,716		(31,104)	80,110		81,947		(1,837)
Market Capacity		528,000		529,540			214,000		213,724		
Generation (MWH) - Prior CY for RECs		137,038		220,645							
Revenue											
McNeil ISO-NE Market Energy Revenue		$ 7,347,426	$43.84	$ 15,709,316	$79.05	(8,361,890)	$ 3,705,685	$ 46.26	$ 4,568,243	$ 55.75	(862,558)
McNeil ISO-NE Capacity Energy Revenue		1,163,624	$2.20	2,196,434	$4.15	(1,032,810)	469,293	$ 2.19	845,247	$ 3.95	(375,953)
McNeil-REC Revenue	A	4,515,956	$32.95	7,043,076	$31.92	(2,527,120)	908,000		3,586,420		(2,678,420)
McNeil-Ancillary Revenue		19,263		20,380		(1,117)	7,047		8,144		(1,097)
Total Revenue		13,046,269		24,969,206		(11,922,937)	5,090,025		9,008,053		(3,918,028)
Total Fuel		12,454,383	$74.30	15,367,139	$77.33	(2,912,756)	5,877,542	$ 73.37	6,613,732	$ 80.71	(736,190)
						-					-
Revenue Available to Cover Other Expenses		**$ 591,886**		**$ 9,602,066**		(9,010,181)	**$ (787,516)**		**$ 2,394,321**		(3,181,838)
Other Expenses											
Operations		3,272,613		3,399,391		(126,778)	1,394,158		1,434,523		(40,365)
Maintenance		1,388,471		1,566,087		(177,616)	373,272		745,042		(371,770)
Transmission		55,639		58,242		(2,604)	22,909		22,384		525
Administrative and General		1,687,804		1,610,146		77,658	712,444		655,143		57,301
Taxes		1,380,609		1,319,519		61,090	554,687		528,952		25,735
Loss on disposal of equipment		-		-		-	-		-		-
Other and interest income		(96,193)		(77,459)		(18,733)	(43,524)		(38,020)		(5,504)
Depreciation		1,447,415		1,384,106		63,309	591,054		566,550		24,504
Total Other Expenses		9,136,357		9,260,031		(123,674)	3,605,000		3,914,574		(309,574)
Net Income/(Loss) Before Interest Expense		**$ (8,544,472)**		**$ 342,035**		(8,886,507)	**$ (4,392,516)**		**$ (1,520,253)**		(2,872,263)
Net Income/(Loss) Before Interest Expense excluding depreciation		$ (7,097,057)		$ 1,726,141			$ (3,801,462)		$ (953,703)		

Notes

BED recognizes REC Revenue when received (CY17 Generation = FY18 RECS).

BED does not have complete information on Joint Owners REC sales-Total REC sales assumed to be at same average revenue/REC as BED.

Each owner records depreciation expense based on the total costs of its investment in the Station, its depreciation method, and its useful life for rate-making purposes.
BED assumed 100% depreciation to be double the amount BED recorded for the periods above as depreciation for its 50% ownership share.

The McNeil Generating Station produced a total of 167,612 and 198,716 net MWH in fiscal year YTD 2024 and 2023 respectively.
In fiscal year 2024, the Station produced 31,104 MWH less than that in fiscal year 2023.
The McNeil Station produced 80,110 net MWH for calendar year YTD 2024 and 81,947 MWH for calendar year YTD 2023.
The Station produced 1,837 MWH less in calendar year 2024.

A. Lower REC revenue in both FY24 &CY24 is mainly due to timing difference - $1,800,000 REC revenue is recorded in May 2024 which is not included in this presentation.

McNeil Generation Station

Revenue/Expense

Fiscal Year 2023 YTD June 30, 2023

Fiscal Year 2022 YTD June 30, 2022

Calendar Years YTD Ended June 30, 2023 and 2022

	Fiscal Year To Date					Calendar Year To Date				
	2023		2022			2023		2022		
	30-Jun-23	Per Unit	30-Jun-22	Per Unit	Inc/(Dec)	30-Jun-23		30-Jun-22		Inc/(Dec)
Generation (MWH) - Energy	214,065		243,390		(29,325)	97,296		112,212		(14,916)
Market Capacity	633,540		633,540			317,724		317,724		
Generation (MWH) - Prior CY for RECs	228,980		273,353							
Revenue										
McNeil ISO-NE Market Energy Revenue	$ 16,409,452	$76.66	$ 19,034,113	$78.20	(2,624,662)	$ 5,268,379	$ 54.15	$ 12,271,120	$ 109.36	(7,002,741)
McNeil ISO-NE Capacity Energy Revenue	2,413,264	$3.81	3,116,739	$4.92	(703,476)	1,062,076	$ 3.34	1,524,690	$ 4.80	(462,613)
McNeil-REC Revenue	7,141,987	$31.19	8,533,615	$31.22	(1,391,628)	3,685,332		3,712,633		(27,302)
McNeil-Ancillary Revenue	24,452		24,386		66	12,216		12,236		(20)
Total Revenue	25,989,155		30,708,853		(4,719,699)	10,028,002		17,520,678		(7,492,676)
Total Fuel	16,783,173	$78.40	15,139,872	$62.20	1,643,301	8,029,766	$ 82.53	7,261,459	$ 64.71	768,307
					-					-
Revenue Available to Cover Other Expenses	**$ 9,205,982**		**$ 15,568,982**		(6,363,000)	**$ 1,998,236**		**$ 10,259,219**		(8,260,983)
Other Expenses										
Operations	3,952,532		3,852,410		100,122	1,987,664		2,085,045		(97,381)
Maintenance	2,007,675		1,950,027		57,648	1,186,631		1,423,743		(237,112)
Transmission	69,940		93,454		(23,513)	34,082		54,125		(20,044)
Administrative and General	1,924,357		1,793,846		130,510	969,354		960,775		8,579
Taxes	1,577,954		1,634,786		(56,832)	787,387		818,688		(31,301)
Loss on disposal of equipment	-		126,186		(126,186)	-		-		-
Other and interest income	(85,642)		(63,656)		(21,986)	(46,202)		(30,913)		(15,289)
Depreciation	1,667,452		1,633,146		34,306	849,896		817,940		31,956
	-		-		-	-		-		-
Total Other Expenses	11,114,267		11,020,199		94,068	5,768,812		6,129,403		(360,591)
Net Income/(Loss) Before Interest Expense	**$ (1,908,285)**		**$ 4,548,783**		(6,457,068)	**$ (3,770,575)**		**$ 4,129,816**		(7,900,392)
Net Income/(Loss) Before Interest Expense excluding depreciation	$ (240,833)		$ 6,181,929			$ (2,920,679)		$ 4,947,756		

Notes

BED recognizes REC Revenue when received (CY17 Generation = FY18 RECS).

BED does not have complete information on Joint Owners REC sales. Total REC sales assumed to be at same average revenue/REC as BED.

Each owner records depreciation expense based on the total costs of its investment in the Station, its depreciation method, and its useful life for rate-making purposes.
BED assumed 100% depreciation to be double the amount BED recorded for the periods above as depreciation for its 50% ownership share.

The McNeil Generating Station produced a total of 214,065 and 243,390 net MWH in fiscal year YTD 2023 and 2022 respectively.
In fiscal year 2023, the Station produced 29,325 MWH less than that in fiscal year 2022.
The McNeil Station produced 97,296 net MWH for calendar year YTD 2023 and 112,212 MWH for calendar year YTD 2022.
The Station produced 14,916 MWH less in calendar year 2023.

McNeil Generation Station

Revenue/Expense

Fiscal Year 2022 YTD June 30, 2022

Fiscal Year 2021 YTD June 30, 2021

Calendar Years YTD Ended June 30, 2022 and 2021

	Fiscal Year To Date					Calendar Year To Date				
	2022		**2021**			**2022**		**2021**		
	30-Jun-22	**Per Unit**	**30-Jun-21**	**Per Unit**	Inc/(Dec)	**30-Jun-22**		**30-Jun-21**		Inc/(Dec)
Generation (MWH) - Energy	243,390		270,338		(26,948)	112,212		142,177		(29,965)
Market Capacity	633,540		633,145		395	317,724		318,000		(276)
Generation (MWH) - Prior CY for RECs	273,353		229,725		43,628					
Revenue										
McNeil ISO-NE Market Energy Revenue	$ 19,034,113	$78.20	$ 9,882,523	$36.56	9,151,591	$ 12,271,120	$ 109.36	$ 6,186,361	$ 43.51	6,084,758
McNeil ISO-NE Capacity Energy Revenue	3,116,739	$4.92	3,449,390	$5.45	(332,651)	1,524,690	$ 4.80	1,642,176	$ 5.16	(117,486)
McNeil-REC Revenue	8,826,569	$32.29	7,887,846	$34.34	938,724	4,235,636		3,831,043		404,593
McNeil-Ancillary Revenue	24,386		24,457		(71)	12,236		12,150		87
Total Revenue	31,001,808		21,244,215		9,757,592	18,043,681		11,671,730		6,371,951
Total Fuel	15,139,872	$62.20	15,291,371	$56.56	(151,500)	7,261,459	$ 64.71	7,607,945	$ 53.51	(346,486)
					-					-
Revenue Available to Cover Other Expenses	**$ 15,861,936**		**$ 5,952,844**		9,909,092	**$ 10,782,222**		**$ 4,063,785**		6,718,438
Other Expenses										
Operations	3,852,410		3,329,455		522,954	2,085,046		1,697,463		387,583
Maintenance	1,950,027		1,848,770		101,257	1,423,741		855,910		567,831
Transmission	93,454		100,299		(6,845)	54,125		57,751		(3,626)
Administrative and General	1,794,266		1,603,856		190,410	961,194		815,751		145,443
Taxes	1,634,786		1,480,916		153,869	818,688		745,479		73,209
Loss on disposal of equipment	126,186		995,565		(869,379)	-		995,565		(995,565)
Other and interest income	(63,656)		(63,546)		(110)	(30,636)		(31,222)		586
Depreciation	1,633,146		1,618,604		14,542	817,940		824,773		(6,833)
COVID-19-related Expenses	-		3,673		(3,673)	-		(36,961)		36,961
Total Other Expenses	11,020,618		10,917,592		103,027	6,130,098		5,924,509		205,589
Net Income/(Loss) Before Interest Expense	**$ 4,841,317**		**$ (4,964,748)**		9,806,065	**$ 4,652,124**		**$ (1,860,725)**		6,512,849
Net Income/(Loss) Before Interest Expense excluding depreciation	$ 6,474,463		$ (3,346,144)			$ 5,470,064		$ (1,035,951)		

Notes

BED recognizes REC Revenue when received (CY17 Generation = FY18 RECS).

BED does not have complete information on Joint Owners REC sales-Total REC sales assumed to be at same average revenue/REC as BED.

Each owner records depreciation expense based on the total costs of its investment in the Station, its depreciation method, and its useful life for rate-making purposes.
BED assumed 100% depreciation to be double the amount BED recorded for the periods above as depreciation for its 50% ownership share.

The McNeil Generating Station produced a total of 243,390 and 270,338 net MWH in fiscal year YTD 2022 and 2021 respectively.
In fiscal year 2022, the Station produced 26,948 MWH less than that in fiscal year 2021.
The McNeil Station produced 112,212 net MWH for calendar year YTD 2022 and 142,177 MWH for calendar year YTD 2021.
The Station produced 29,965 MWH less in calendar year 2022.

McNeil Generation Station

Revenue/Expense

Fiscal Year 2020 YTD June 30, 2020

Fiscal Year 2019 YTD June 30, 2019

Calendar Years YTD Ended June 30, 2020 and 2019

	Fiscal Year To Date					Calendar Year To Date		
	2020		**2019**			**2020**	**2019**	
	30-Jun-20	**Per Unit**	**30-Jun-19**	**Per Unit**	Inc/(Dec)	**30-Jun-20**	**30-Jun-19**	Inc/(Dec)
Market Capacity	624,000		624,000					
Generation (MWH) - Prior CY for RECs	227,272		245,528					
Generation (MWH) - Energy	239,330		212,976		26,354	101,564	89,481	12,083
Revenue								
McNeil ISO-NE Market Energy Revenue	$ 6,161,064	$25.74	$ 9,257,972	$43.47	(3,096,908)	$ 2,100,910	$ 3,860,951	(1,760,041)
McNeil ISO-NE Capacity Energy Revenue	4,353,743	$6.98	5,687,054	$9.11	(1,333,312)	2,135,566	2,725,981	(590,415)
McNeil-REC Revenue	7,043,184	$30.99	8,083,161	$32.92	(1,039,977)	3,801,870	3,135,576	666,294
McNeil-Ancillary Revenue	24,903		16,722		8,182	12,307	12,596	(289)
Total Revenue	17,582,894		23,044,909		(5,462,015)	8,050,653	9,735,104	(1,684,450)
Total Fuel	14,090,574	$58.88	12,895,040	$60.55	1,195,534	6,070,226	5,394,883	675,342
					-			-
Revenue Available to Cover Other Expenses	**$ 3,492,320**		**$ 10,149,869**		(6,657,549)	**$ 1,980,428**	**$ 4,340,220**	(2,359,793)
Other Expenses								
Operations	3,164,745		3,313,947		(149,202)	1,611,749	1,628,172	(16,423)
Maintenance	1,456,331		4,348,501		(2,892,170)	678,954	3,801,034	(3,122,080)
Transmission	66,424		91,318		(24,894)	37,234	60,808	(23,574)
Administrative and General	1,315,696		1,415,465		(99,768)	689,776	701,443	(11,667)
Taxes	1,407,189		1,352,551		54,638	703,148	675,311	27,837
Loss on disposal of equipment	1,034,820		163,430		871,390	850,893	-	850,893
Other and interest income	(56,953)		(63,020)		6,067	(24,527)	(31,294)	6,767
Depreciation	1,588,551		1,573,144		15,408	793,585	795,143	(1,558)
COVID-19-related Expenses	3,476		-		3,476	3,476	-	3,476
Total Other Expenses	9,980,281		12,195,336		(2,215,055)	5,344,288	7,630,618	(2,286,330)
Net Income/(Loss) Before Interest Expense	**$ (6,487,961)**		**$ (2,045,467)**		(4,442,494)	**$ (3,363,861)**	**$ (3,290,397)**	(73,463)
Net Income/(Loss) Before Interest Expense excluding depreciation	$ (4,899,410)		$ (472,323)			$ (2,570,275)	$ (2,495,254)	

Notes

BED recognizes REC Revenue when received (CY17 Generation = FY18 RECS).

BED does not have complete information on Joint Owners REC sales-Total REC sales assumed to be at same average revenue/REC as BED.

Each owner records depreciation expense based on the total costs of its investment in the Station, its depreciation method, and its useful life for rate-making purposes.
BED assumed 100% depreciation to be double the amount BED recorded for the periods above as depreciation for its 50% ownership share.

The McNeil Generating Station produced a total of 239,330 and 212,976 net MWH in fiscal year YTD 2020 and 2019 respectively.
In fiscal year 2020, the Station produced 26,354 MWH more than that in fiscal year 2019.
The McNeil Station produced 101,564 net MWH for calendar year YTD 2020 and 89,481 MWH for calendar year YTD 2019.
The Station produced 12,083 MWH more in calendar year 2020.

McNeil Generation Station
Revenue/Expense
Fiscal Year 2019 YTD June 30, 2019
Fiscal Year 2018 YTD June 30, 2018
Calendar Years YTD Ended June 30, 2019 and 2018

	Fiscal Year To Date			Calendar Year To Date		
	2019	2018		2019	2018	
	30-Jun-19	30-Jun-18	Inc/(Dec)	30-Jun-19	30-Jun-18	Inc/(Dec)
Revenue						
McNeil ISO-NE Market Energy Revenue	9,257,972	12,920,069	(3,662,096)	3,860,951	7,252,764	(3,391,813)
McNeil ISO-NE Capacity Energy Revenue	5,687,719	4,850,966	836,753	2,725,991	2,467,893	258,098
McNeil-REC Revenue	8,083,161	8,656,706	(573,545)	3,135,576	3,597,297	(461,721)
McNeil-Ancillary Revenue	16,722	-	16,722	12,596	-	12,596
Total Revenue	23,045,574	26,427,741	(3,382,167)	9,735,114	13,317,954	(3,582,840)
Total Fuel	12,895,040	15,527,466	(2,632,426)	5,394,883	7,628,271	(2,233,388)
			-			-
Revenue Available to Cover Other Expenses	**10,150,534**	**10,900,275**	(749,741)	**4,340,231**	**5,689,683**	(1,349,452)
Other Expenses						
Operations	3,313,947	3,277,526	36,421	1,628,172	1,725,439	(97,267)
Maintenance	4,244,798	1,705,756	2,539,042	3,728,059	818,282	2,909,777
Transmission	70,615	61,309	9,307	40,105	36,130	3,975
Administrative and General	1,415,465	1,308,095	107,369	701,443	664,335	37,108
Taxes	1,352,551	1,280,604	71,947	675,311	639,747	35,564
Loss on sale of equipment	163,430	301,471	(138,041)	-	67,133	(67,133)
Other and interest income	(63,020)	(65,583)	2,564	(31,294)	(34,587)	3,293
Depreciation	1,573,144	1,664,682	(91,539)	795,143	772,821	22,323
Total Other Expenses	12,070,930	9,533,861	2,537,069	7,536,939	4,689,300	2,847,640
Net Income/(Loss) Before Interest Expense	**($1,920,396)**	**$1,366,414**	(3,286,810)	**($3,196,709)**	**$1,000,383**	(4,197,092)
Net Income/(Loss) Before Interest Expense excluding depreciation	($347,252)	$3,031,097		($2,401,565)	$1,773,204	

Notes

BED recognizes REC Revenue when received (CY17 Generation = FY18 RECS).

BED does not have complete information on Joint Owners REC sales-Total REC sales assumed to be at same average revenue/REC as BED.

Each owner records depreciation expense based on the total costs of its investment in the Station, its depreciation method, and its useful life for rate-making purposes.
BED assumed 100% depreciation to be double the amount BED recorded for the periods above as depreciation for its 50% ownership share.

The McNeil Generating Station produced a total of 212,976 and 264,313 net MWH in fiscal year 2019 and 2018 respectively. In fiscal year 2019, the Station produced 51,337 MWH less than that in fiscal year 2018.
The McNeil Station produced 89,481 net MWH for calendar year YTD 2019 and 122,005 MWH for calendar year YTD 2018.
The Station produced 32,525 MWH less in calendar year 2019.

McNeil Generation Station
Revenue/Expense
For Fiscal Years
Ended June 30, 2017 and 2016
Fiscal 2018 YTD October 31, 2017
Calendar Year 2018 YTD October 31, 2017

	Fiscal Year 2016	Fiscal Year 2017	FY 2018 YTD 31-Oct-17	CY 2017 YTD 31-Oct-17
Revenue				
McNeil ISO-NE Market Energy Revenue	$9,484,018	$9,456,980	$3,726,444	$8,247,048
McNeil ISO-NE Capacity Energy Revenue	2,005,222	2,048,027	2,970,365	7,364,775
McNeil-REC Revenue	12,062,600	10,697,574	1,585,795	2,719,553
Total Revenue	23,551,840	22,202,581	8,282,604	18,331,376
Total Fuel	21,305,228	15,676,576	5,848,286	13,204,246
Revenue Available to cover Other Expenses	2,246,612	6,526,005	2,434,318	5,127,130
Other Expenses				
Operations	3,272,142	3,315,595	1,008,143	2,688,551
Maintenance	1,831,745	1,552,124	484,986	1,454,700
Transmission	110,884	38,590	15,936	36,632
Administrative and General	1,163,305	1,158,555	413,122	970,104
Taxes	1,226,964	1,252,128	426,462	1,051,364
Loss on sale of equipment	395,944	903,010	0	349,746
Other and interest income	-72,325	-90,748	-16,913	-70,490
Depreciation	1,906,962	1,931,832	640,772	1,612,750
Total Other Expenses	9,835,621	10,061,086	2,972,508	8,093,357
Net loss (before interest expense)	($7,589,009)	($3,535,081)	($538,190)	($2,966,227)

Notes

BED recognizes REC Revenue when received (CY17 Generation = FY18 RECS).

BED does not have complete information on Joint Owners REC sales-Total REC sales assumed to be at same average revenue/REC as BED.

Each owner records depreciation expense based on the total costs of its investment in the

Station, its depreciation method, and its useful life for rate-making purposes. BED assumed 100% depreciation to be double the amount BED recorded for the periods above as depreciation for its 50% ownership share.

Exhibit 3

Exhibit PM-7

← Energy

View an Energy Product

ISO New England Mass Hub 5 MW Peak Calendar-Month Day-Ahead LMP

Futures and Options

GLOBEX CODE	LAST	CHANGE	VOLUME
AU6Q4	–	–	–

WATCHLISTS

Last Updated 26 Jul 2024 10:24:09 AM CT. Market data is delayed by at least 10 minutes

QUOTES SETTLEMENTS VOLUME & OI TIME & SALES SPECS FUTURES OPTIONS

ISO NEW ENGLAND MASS HUB 5 MW PEAK CALENDAR-MONTH DAY-AHEAD LMP FUTURES - QUOTES

VENUE: GLOBEX

AUTO-REFRESH IS OFF

Last Updated 26 Jul 2024 10:23:10 AM CT. Market data is delayed by at least 10 minutes.

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
AUG 2024 AU6Q4	OPT		-	-	54.50	-	-	-	0	18:05:15 CT 25 Jul 2024
SEP 2024 AU6U4	OPT		-	-	42.95	-	-	-	0	18:05:39 CT 25 Jul 2024
OCT 2024 AU6V4	OPT		-	-	39.45	-	-	-	0	18:05:07 CT 25 Jul 2024
NOV 2024 AU6X4	OPT		-	-	54.30	-	-	-	0	18:06:10 CT 25 Jul 2024
DEC 2024 AU6Z4	OPT		-	-	83.65	-	-	-	0	18:06:11 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
JAN 2025 AU6F5	OPT		-	-	114.15	-	-	-	0	18:05:10 CT 25 Jul 2024
FEB 2025 AU6G5	OPT		-	-	105.35	-	-	-	0	18:06:31 CT 25 Jul 2024
MAR 2025 AU6H5	OPT		-	-	63.30	-	-	-	0	18:05:17 CT 25 Jul 2024
APR 2025 AU6J5	OPT		-	-	49.30	-	-	-	0	18:04:51 CT 25 Jul 2024
MAY 2025 AU6K5	OPT		-	-	40.30	-	-	-	0	18:05:42 CT 25 Jul 2024
JUN 2025 AU6M5	OPT		-	-	46.30	-	-	-	0	18:05:40 CT 25 Jul 2024
JUL 2025 AU6N5	OPT		-	-	76.75	-	-	-	0	18:04:53 CT 25 Jul 2024
AUG 2025 AU6Q5	OPT		-	-	63.50	-	-	-	0	18:04:19 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
SEP 2025 AU6U5	OPT		-	-	44.40	-	-	-	0	18:04:50 CT 25 Jul 2024
OCT 2025 AU6V5	OPT		-	-	43.65	-	-	-	0	18:06:17 CT 25 Jul 2024
NOV 2025 AU6X5	OPT		-	-	63.75	-	-	-	0	18:05:45 CT 25 Jul 2024
DEC 2025 AU6Z5	OPT		-	-	90.50	-	-	-	0	18:05:48 CT 25 Jul 2024
JAN 2026 AU6F6	OPT		-	-	119.80	-	-	-	0	18:06:04 CT 25 Jul 2024
FEB 2026 AU6G6	OPT		-	-	112.20	-	-	-	0	18:05:36 CT 25 Jul 2024
MAR 2026 AU6H6	OPT		-	-	71.00	-	-	-	0	18:04:39 CT 25 Jul 2024
APR 2026 AU6J6	OPT		-	-	51.00	-	-	-	0	18:04:23 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
MAY 2026 AU6K6	OPT		-	-	42.00	-	-	-	0	18:04:17 CT 25 Jul 2024
JUN 2026 AU6M6	OPT		-	-	48.25	-	-	-	0	18:05:34 CT 25 Jul 2024
JUL 2026 AU6N6	OPT		-	-	74.70	-	-	-	0	18:05:47 CT 25 Jul 2024
AUG 2026 AU6Q6	OPT		-	-	63.80	-	-	-	0	18:05:12 CT 25 Jul 2024
SEP 2026 AU6U6	OPT		-	-	45.90	-	-	-	0	18:05:47 CT 25 Jul 2024
OCT 2026 AU6V6	OPT		-	-	45.40	-	-	-	0	18:04:39 CT 25 Jul 2024
NOV 2026 AU6X6	OPT		-	-	64.50	-	-	-	0	18:04:46 CT 25 Jul 2024
DEC 2026 AU6Z6	OPT		-	-	83.50	-	-	-	0	18:04:25 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
JAN 2027 AU6F7	OPT		-	-	122.10	-	-	-	0	18:06:17 CT 25 Jul 2024
FEB 2027 AU6G7	OPT		-	-	114.90	-	-	-	0	18:04:29 CT 25 Jul 2024
MAR 2027 AU6H7	OPT		-	-	63.10	-	-	-	0	18:05:04 CT 25 Jul 2024
APR 2027 AU6J7	OPT		-	-	49.20	-	-	-	0	18:06:09 CT 25 Jul 2024
MAY 2027 AU6K7	OPT		-	-	45.30	-	-	-	0	18:06:14 CT 25 Jul 2024
JUN 2027 AU6M7	OPT		-	-	50.55	-	-	-	0	18:05:38 CT 25 Jul 2024
JUL 2027 AU6N7	OPT		-	-	70.30	-	-	-	0	18:05:07 CT 25 Jul 2024
AUG 2027 AU6Q7	OPT		-	-	64.40	-	-	-	0	18:04:34 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
SEP 2027 AU6U7	OPT		-	-	48.00	-	-	-	0	18:05:55 CT 25 Jul 2024
OCT 2027 AU6V7	OPT		-	-	45.85	-	-	-	0	18:05:39 CT 25 Jul 2024
NOV 2027 AU6X7	OPT		-	-	57.45	-	-	-	0	18:04:44 CT 25 Jul 2024
DEC 2027 AU6Z7	OPT		-	-	84.75	-	-	-	0	18:05:32 CT 25 Jul 2024
JAN 2028 AU6F8	OPT		-	-	119.70	-	-	-	0	18:04:33 CT 25 Jul 2024
FEB 2028 AU6G8	OPT		-	-	112.55	-	-	-	0	18:04:30 CT 25 Jul 2024
MAR 2028 AU6H8	OPT		-	-	64.35	-	-	-	0	18:05:01 CT 25 Jul 2024
APR 2028 AU6J8	OPT		-	-	49.95	-	-	-	0	18:06:08 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
MAY 2028 AU6K8	OPT		-	-	46.80	-	-	-	0	18:04:21 CT 25 Jul 2024
JUN 2028 AU6M8	OPT		-	-	51.20	-	-	-	0	18:06:03 CT 25 Jul 2024
JUL 2028 AU6N8	OPT		-	-	71.80	-	-	-	0	18:04:14 CT 25 Jul 2024
AUG 2028 AU6Q8	OPT		-	-	65.95	-	-	-	0	18:04:21 CT 25 Jul 2024
SEP 2028 AU6U8	OPT		-	-	48.90	-	-	-	0	18:04:47 CT 25 Jul 2024
OCT 2028 AU6V8	OPT		-	-	46.15	-	-	-	0	18:05:13 CT 25 Jul 2024
NOV 2028 AU6X8	OPT		-	-	58.90	-	-	-	0	18:04:15 CT 25 Jul 2024
DEC 2028 AU6Z8	OPT		-	-	87.05	-	-	-	0	18:04:47 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
JAN 2029 AU6F9	OPT		-	-	122.15	-	-	-	0	18:05:27 CT 25 Jul 2024
FEB 2029 AU6G9	OPT		-	-	114.80	-	-	-	0	18:05:22 CT 25 Jul 2024
MAR 2029 AU6H9	OPT		-	-	65.65	-	-	-	0	18:05:22 CT 25 Jul 2024
APR 2029 AU6J9	OPT		-	-	50.90	-	-	-	0	18:05:26 CT 25 Jul 2024
MAY 2029 AU6K9	OPT		-	-	47.60	-	-	-	0	18:05:26 CT 25 Jul 2024
JUN 2029 AU6M9	OPT		-	-	52.20	-	-	-	0	18:05:22 CT 25 Jul 2024
JUL 2029 AU6N9	OPT		-	-	73.20	-	-	-	0	18:05:26 CT 25 Jul 2024
AUG 2029 AU6Q9	OPT		-	-	67.30	-	-	-	0	18:05:21 CT 25 Jul 2024

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
SEP 2029 AU6U9	OPT		-	-	49.85	-	-	-	0	18:05:27 CT 25 Jul 2024
OCT 2029 AU6V9	OPT		-	-	47.00	-	-	-	0	18:05:26 CT 25 Jul 2024
NOV 2029 AU6X9	OPT		-	-	60.10	-	-	-	0	18:05:21 CT 25 Jul 2024
DEC 2029 AU6Z9	OPT		-	-	88.80	-	-	-	0	18:05:22 CT 25 Jul 2024

About this Report

Return to top

All market data contained within the CME Group website should be considered as a reference only and should not be used as validation against, nor as a complement to, real-time market data feeds. Settlement prices on instruments without open interest or volume are provided for web users only and are not published on Market Data Platform (MDP). These prices are not based on market activity.

Option Settlement Tools

Analyze settlement values for all CME Group options products, including both settlement prices and implied volatilities.

Open Interest Profile Tool

Analyze open interest and open interest change patterns for each expiration within the selected product.

Looking for more? Explore our additional resources

PRODUCTS

Weekly energy options

Micro WTI Crude Oil futures

Micro Henry Hub Natural Gas

Container Freight futures

RESOURCES

Trading resources

Tools

Research and analysis

Expiration Calendar

NOW TRADING: MONDAY AND WEDNESDAY WTI WEEKLY OPTIONS

COMPANY

About Us

ESG

Media Room

INTERNATIONAL

Global Offices

Partner Exchanges

Latin America

MARKET REGULATION

Overview

Rulebooks

Regulatory Guidance

OUR EXCHANGES

CME

CBOT

NYMEX

Careers

Investor Relations

Contact Us

Europe, Middle East & Africa

Asia-Pacific

Rule Filings

Regulatory Outreach

COMEX

English

FEEDBACK

CME Group is the world's leading derivatives marketplace. The company is comprised of four Designated Contract Markets (DCMs). Further information on each exchange's rules and product listings can be found by clicking on the links to CME, CBOT, NYMEX and COMEX.

Disclaimer | Privacy Notice | Cookie Notice | Terms of Use | Data Terms of Use | Modern Slavery Act Transparency Statement | Report a Security Concern

Exhibit 4

Exhibit PM-8

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 22-3944-PET

VEPP Inc. request for approval to continue the purchase power agreement between Ryegate Associates and VEPP Inc.	

Order entered: 04/04/2023

ORDER AUTHORIZING AMENDING PURCHASE POWER AGREEMENT

In this Order, the Vermont Public Utility Commission ("Commission") adopts the conclusions and recommendations made in the Hearing Officer's proposal for decision.

The proposal for decision was circulated to the parties. The participants' comments and our determinations are addressed in the Commission discussion and conclusions section below.

PROPOSAL FOR DECISION

I. INTRODUCTION

In 2022, Vermont Public Act No. 155 ("Act 155") made several changes to the requirements under 30 V.S.A. § 8009 for the purchase of baseload renewable power by Vermont retail electricity providers.

In this proposal for decision, I recommend the Commission authorize the execution of an amendment to the existing purchase power agreement (the "Contract") between VEPP Inc. and Ryegate Associates consistent with requirements of Section 8009, as amended by Act 155, and the recommendations made in this proposal for decision.

II. BACKGROUND AND PROCEDURAL HISTORY

Pursuant to 30 V.S.A. § 8009, each Vermont retail electricity provider is required to purchase a pro rata share (based on the total Vermont retail kWh sales) of the baseload renewable power generated by the biomass facility located in Ryegate, Vermont (the "Ryegate Plant"). Section 8009 also requires the Commission to determine the price to be paid for the output generated by the Ryegate Plant ("baseload renewable power portfolio requirement").

In an October 29, 2012, Order in Docket 7782, the Commission established a 10-year price schedule for the Ryegate Plant that was represented by a levelized price of $0.100 per kWh and included a fuel pass-through mechanism, by which the price would be adjusted to reflect changes in fuel costs. The price schedule ranged from $0.096 per kWh in year one to $0.106 per kWh in year ten.

In a December 12, 2013, Order, the Commission approved an agreement under which the Ryegate Plant's owner, Ryegate Associates, and the Vermont distribution utilities would share the expected additional renewable energy credit revenues if selective catalytic reduction ("SCR") (to control NOx emissions) was installed at the Ryegate Plant.

On October 24, 2014, at the Commission's direction, VEPP Inc. executed the Contract with Ryegate Associates that reflected the determinations made in the October 29, 2012, and December 12, 2013, Orders. The original term of the Contract ended on November 1, 2022.

In 2022, Act 155 made several changes to the requirements under 30 V.S.A. § 8009. Act 155 revised the purchase term and rate of the baseload renewable power requirement and allows the Ryegate Plant's owner to retain renewable energy credits and attributes, subject to Commission approval.

On August 30, 2022, VEPP Inc. filed a request that the Commission approve an amendment to the Contract to reflect the changes made by Act 155. The proposed amendment makes changes to the Contract term, rate, and renewable energy credit allocation.

Ryegate Associates did not agree with portions of VEPP Inc.'s proposed amendment and requested a six-month extension of the Contract to allow participants to negotiate and identify areas of agreement.

In an October 26, 2022, Order, the Commission authorized VEPP Inc. to extend the Contact for six months at a price of $0.100 per kWh. The six-month extension was subject to a "true up" to reconcile any differences between the price and terms of the extended Contract and any future amendments to reflect changes made by Act 155.

On December 15, 2022, Ryegate Associates filed a memorandum of understanding ("MOU") between itself and Green Mountain Power Corporation ("GMP"), Vermont Electric Cooperative, Inc. ("VEC"), and Wahington Electric Cooperative, Inc. Under the terms of the MOU, the base price for the Contract would be $0.100 per kWh and Ryegate Associates would receive a 10% share of renewable energy credits generated by the plant and the Vermont distribution utilities would receive a 90% share.

On December 15, 2022, the Vermont Department of Public Service ("Department") filed comments recommending that the Commission approve the MOU as consistent with Act 155.

On December 15, 2022, the Stowe Electric Department ("Stowe") filed comments stating that it does not object to the proposed purchase price of $0.100 per kWh and the transfer of 10% of the renewable energy credits to Ryegate Associates. Stowe raised concerns about the Ryegate Plant's Forward Capacity Market obligations under the ISO New England pay-for-performance rules.

On December 15, 2022, the Village of Hyde Park Electric Department ("Hyde Park") filed comments concurring with the comments filed by Stowe.

On December 29, Ryegate Associates filed reply comments in response to the Stowe and Hyde Park comments.

In a January 4, 2023, Order, I issued information requests to Ryegate Associates to help the Commission better understand the Ryegate Plant's participation in the ISO New England markets. Participants were also requested to provide supplemental comments.

On January 20, 2023, Ryegate Associates filed a response to the information requests.

On February 3, 2023, the Department, GMP, Ryegate Associates, Stowe, VEC, and Vermont Public Power Supply Authority ("VPPSA") separately filed supplemental comments.

III. PUBLIC COMMENTS

Several fuel suppliers (i.e., loggers) filed public comments in this proceeding, expressing significant concerns about the state of operations at the Ryegate Plant. The most prominent issues included: (1) payment and contracting practices, with some commenters reporting that they are not being paid for deliveries or are owed substantial sums; (2) lack of a certified scale to weigh incoming deliveries; (3) lack of qualified forestry staff; and (4) the impacts of ongoing bankruptcy proceedings associated with Solar Enterprises, Series LLC, Ryegate Associates' owner.

The Department represented that it engaged with Ryegate Associates since learning of these comments, to express its concern and underline the importance of addressing the issues fully and transparently, without delay.[1]

[1] Department 12/15/22 Comments at 5-6.

On November 21, 2022, Ryegate Associates filed a response to the public comments. Ryegate Associates acknowledged that it had been behind on payments, and faced difficulties with its payment schedules, but reported that it was current on its outstanding obligations through November 13, 2022. Ryegate Associates also expressed a willingness to enter contracts with suppliers, which had been a standard practice in the past. As to equipment and staff, Ryegate Associates stated that its broken truck scale was scheduled to be repaired and recertified on November 29, 2022, and confirmed that it has contracted with a Vermont-licensed forester. In addition, Ryegate Associates represented that it is not directly involved in the bankruptcy case, although the proceeding has indirectly affected its operations. Ryegate Associates also affirmed its commitment to continue resolving issues.[2]

Based on the response provided by Ryegate Associates and the efforts taken by the Department, I recommend the Commission take no additional action with respect to the issues raised in the public comments. As discussed below, the terms of the MOU and some of my recommendations also address some of the raised concerns about plant operations.

IV. Discussion

Term of Contract

Under Act 155, the obligation of each Vermont retail electricity provider to purchase the provider's pro rata share of the baseload renewable power portfolio requirement is extended until November 1, 2032, unless terminated earlier pursuant to the collocation and efficiency requirements of 30 V.S.A. § 8009(k). Under Section 8009(k), Ryegate Associates must increase the plant's overall efficiency by at least 50%, relative to the 12-month period preceding July 1, 2022. Sections 8009(k)(2) and (3) establish a schedule for Ryegate Associates to demonstrate that the plant will meet the efficiency requirements by November 2026.

Section 8009(k)(2) requires that, on or before July 1, 2023, Ryegate Associates must sign a contract for the construction of a facility that uses the Ryegate Plant's excess thermal heat for a beneficial purpose and provide a certification by a qualified professional engineer that the construction of the facility will meet the efficiency requirement. Section 8009(k)(3) requires Ryegate Associates to file by October 1, 2024, a certification that the main components of the

[2] See Department 12/15/23 Comments at 5-6.

facility have been completed. If Ryegate Associates fails to meet the milestones established in Sections 8009(k)(2) and (3), then the obligation under Section 8009 for each Vermont retail electricity provider to purchase a pro rata share of the baseload renewable power portfolio requirement will cease on November 1, 2024.[3]

Assuming Ryegate Associates meets the milestones described above, then on or before September 1, 2025, the Department is required to investigate and submit a recommendation to the Commission on whether the plant has achieved the efficiency requirement of Section 8009(k)(1). If the Department recommends that the plant has not achieved the requirement, the obligation under Section 8009 will cease on November 1, 2025.[4] After November 1, 2026, Ryegate Associates must report annually to the Department and the Department must verify the overall efficiency of the plant for the prior 12-month period. If the overall efficiency of the plant falls below the requirement in Section 8009(k)(1), the report must include a plan to return the plant to the required efficiency within one year. If, after implementing the plan, the plant does not achieve the efficiency requirements, the Department must request that the Commission commence a proceeding to terminate the purchase obligation under Section 8009.

I recommend that the Commission authorize amending the term of the Contract to end on November 1, 2032, subject to earlier termination if Ryegate Associates fails to meet the requirements of Section 8009(k), described above. VEPP Inc.'s petition included proposed amendment language addressing the term of the Contract and the requirements of Section 8009(k). I recommend that the Commission adopt VEPP Inc.'s proposed amendment language, subject to minor revisions for clarity that are described in the attachment to this proposal for decision.

Purchase Price

Section 2 of Act 155 states that for the "years 2023, 2024, and 2025 and the period from January 1, 2026, to October 31, 2026, the purchase price shall be the levelized value determined in Docket No. 7782." In an October 29, 2012, Order in Docket 7782, the Commission established a standard-offer price schedule over a 10-year period that was represented by a

[3] 30 V.S.A. § 8009(k)(4).
[4] 30 V.S.A. § 8009(k)(5).

levelized price of $0.100 per kWh.[5] Thus, a plain reading of Section 2 of Act 155 and the October 29 Order indicates that the purchase price for years 2023 through October 31, 2026, should be $0.100 per kWh.

Under the terms of the MOU, the parties agree, through October 31, 2026, the purchase price should be $0.100 per kWh. The parties to the MOU also agree that the purchase price should include the fuel adjustment mechanism approved in Docket No. 7782. The Department, Stowe Electric, and Hyde Park support this approach.

I recommend the Commission authorize amending the Contract at to reflect a price of $0.100 per kWh through October 31, 2026. I also recommend that the Contract should include the fuel adjustment mechanism approved in Docket No. 7782. Therefore, I recommend that the Commission adopt VEPP Inc.'s proposed amendments, subject to the revisions described in the attachment to this proposal for decision.

Renewable Energy Credits ("RECs")

Section 8009(f)(2), as amended by Act 155, addresses the ownership of RECs generated by the Ryegate Plant:

> Any tradeable renewable energy credits and attributes that are attributable to the electricity purchased shall be transferred to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (1) of this subsection unless the Commission approves the plant owner retaining renewable energy credits and attributes or other ISO New England revenue streams. If the Commission approves the plant owner retaining renewable energy credits and attributes, or other ISO New England revenue streams, the price paid by the Vermont retail electricity providers pursuant to this section may be reduced by the Commission to reflect the value of those credits, attributes, products, or services.

During the initial ten-year term of the Contract, the Commission approved a stipulation between Ryegate Associates and the Vermont distribution utilities that shared the expected additional REC revenues if an SCR system was installed and operated at the plant.[6] Any RECs generated by the plant, after the installation and during operation of the SCR system, were distributed in the following proportions: (1) for years 0 through 2, Ryegate Associates received a

[5] *See* Docket 7782, Order of 10/29/12 at 33-34.
[6] *See* Docket 7782, Order of 12/12/13 at 12.

90% share and the utilities received a 10% share; (2) for years 3 through 7, Ryegate Associates and the utilities each received a 50% share; and (3) for years 8 through end of the agreement, Ryegate Associates received a 10% share and the utilities received a 90% share.[7] The Commission found that the price schedule itself (represented by the levelized price of $0.100 per kWh) did not account for the installation of an SCR and its financial implications, and that the REC revenue sharing provided an incentive for Ryegate Associates to invest in the SCR by recovering the costs associated with its installation and operation.[8] The Commission also found that the REC-sharing agreement provided benefits to Vermont ratepayers by effectively reducing the costs paid by the distribution utilities under the Contract because the operation of the SCR allowed the plant to qualify for higher value RECs.[9]

Under the terms of the MOU, Ryegate Associates agrees to operate the SCR system at the plant during the term of the Contract, and the MOU parties agree that the sharing of REC revenues should continue until October 31, 2026. The parties support amending the Contract to allow Ryegate Associates to receive a 10% share and the utilities to receive a 90% share of the RECs.[10] Allowing Ryegate Associates to retain a 10% portion of the RECs will help offset its operations and maintenance costs associated with the SCR system, while the 90% share of RECs retained by the utilities provides a benefit to Vermont electrical customers.[11]

The Department supports the continuation of the REC-sharing agreement and maintains that the agreement is consistent with Act 155 and will help ensure that an amended Contract continues to benefit both ratepayers and Vermont.[12] The Department notes that Act 155 states that all decisions and orders of the Commission in Docket 7782 "shall remain in full force and effect through October 31, 2026," and that Section 8009(f)(2) allows the Commission to approve "the plant owner retaining renewable energy credits." The Department maintains that this language supports Ryegate Associates retaining a 10% share of the RECs.[13] The Department also contends that the operation of the SCR system allows the plant to qualify for higher-value

[7] *See* Docket 7782, Order of 12/12/13 at 9.
[8] *See* Docket 7782, Order of 12/12/13 at 9.
[9] *See* Docket 7782, Order of 12/12/13 at 9.
[10] MOU at 3.
[11] MOU at 3.
[12] Department 12/15/22 Comments at 3.
[13] Department 12/15/22 Comments at 3.

RECs, thereby reducing the cost paid by the distribution utilities.[14] In addition, the Department notes that the proposed contract amendment will use the levelized price of $0.100 per kWh, which does not account for the costs of the installation and operation of the SCR system. Based on its information review, the Department maintains that the value of the 10% REC share retained by Ryegate Associates will serve to mitigate the operating and maintenance costs of the SCR system that will be the responsibility of Ryegate Associates.[15]

I recommend the Commission authorize amending the Contract to allow Ryegate Associates to receive a 10% share of the RECs and the distribution utilities to receive a 90% share through October 31, 2026. The REC-sharing agreement is consistent with Section 8009(f)(2) and the Commission's determinations in Docket 7782. The 10% REC share retained serves to mitigate the operating and maintenance costs of the SCR system that will be the responsibility of Ryegate Associates. The REC-sharing agreement also helps ensure the operation of the SCR at the plant, which provides benefits to Vermont ratepayers by reducing the costs paid by the distribution utilities under the Contract.

Therefore, I have proposed revisions to the amendment document proposed by VEPP Inc. that would permit Ryegate Associates to retain 10% of the RECs generated by the Ryegate Plant. These revisions are described in the attachment to this proposal for decision.

Plant Operations and Market Participation

The Contract contains provisions that define the rights and obligations, and allocate risks, with respect to plant operation, power delivery, and compliance with ISO New England rules and regulations.[16] Currently, VEPP Inc. serves as the lead market participant contact and Vermont Electric Power Company ("VELCO") serves as lead market participant, which allows the Ryegate Plant to participate in the ISO New England energy and capacity markets.[17] Under this arrangement, VEPP Inc. administers the Ryegate Plant's participation in the markets and VELCO maintains the ISO New England financial assurance obligation.[18] All capacity and

[14] Department 12/15/22 Comments at 3-4.
[15] Department 12/15/22 Comments at 4.
[16] *See* Purchase Power Agreement §§ 3 (Delivery of Electricity), 8 (Project Operation), 13 (Dispatch), and 21 (Indemnification).
[17] Ryegate 1/20/23 Comments at 1.
[18] Ryegate 1/20/23 Comments at 1-2.

energy revenues are transferred to the Vermont retail electricity providers in accordance with their pro rata share of total Vermont retail kWh sales.[19]

The pay-for-performance rules were implemented in 2018, after the Contract was executed in 2014. Credits or charges can be assessed based on the Ryegate Plant's performance during capacity scarcity events on the ISO New England system. On September 3, 2018, and December 24, 2022, the New England system experienced capacity shortage conditions under the pay-for-performance market rules and the Ryegate Plant was operating during both events. Credit payments of $23,682.14 and $23,682 under the pay-for-performance rules were passed along to the Vermont distribution utilities as the result of the plant's performance during the scarcity events.[20]

Under the terms of the MOU, Ryegate Associates acknowledges that operation of the plant at a high-capacity factor during the peak winter months provides the greatest potential benefit to the distribution utilities' customers and that Ryegate Associates' satisfactory payment of fuel suppliers in a timely manner is important to those suppliers, the local economy in which they operate, and the forest products industry.[21] Consistent with its rights and obligations under the Contract including Section 8, Ryegate Associates agrees that it will use commercially reasonable efforts in accordance with good engineering and operating practices (each as defined in the Contract) to maintain sufficient fuel supply for continued operation of the plant.[22] In addition, Ryegate Associates will use commercially reasonable efforts to manage any potential fuel shortage that may develop to dispatch the plant at levels and at times that would maximize the value of the output for Vermont customers.[23]

The Department, GMP, and VEC maintain that the MOU provides an acceptable assignment of risks and benefits with respect to the Ryegate Plant's operation. The Department and GMP maintain that the terms of the MOU obligate Ryegate Associates to operate the plant with the greatest possible output when its value in the market is high, and to manage the plant to avoid penalties under the pay-for-performance rules.[24] VEC maintains that Ryegate Associates has an economic incentive to operate the plant at a high-capacity factor to enhance its revenue

---

[19] Ryegate 1/20/23 Comments at 2.
[20] Ryegate 1/20/23 Comments at 3.
[21] MOU at 3.
[22] MOU at 4.
[23] MOU at 4.
[24] GMP 2/3/23 Comments at 2; Department 2/3/23 Comments at 2.

and the risk to incur penalties under the pay-for-performance rules is low. VEC notes that the Ryegate Plant operations have not been assessed any penalties to date.[25] The Department and VEC suggest that the appropriate assignment of risks associated with the pay-for-performance rules be considered when the Commission undertakes a new avoided cost determination required by Act 155.[26]

Despite the commitments made by Ryegate Associates under the terms of the MOU, several distribution utilities maintain that the MOU terms do not adequately address the Ryegate Plant operations. The utilities are concerned about the Ryegate Plant's recent performance, including recent outages caused by the failure of Ryegate Associates to timely pay fuel suppliers, and argue that the plant operations have not met the baseload renewable power requirements under Section 8009(a)(1) to produce "electricity essentially continuously at a constant rate."[27] In addition, Stowe is concerned that the proposed contract amendments in the MOU do not appropriately assign the risks associated with the ISO New England Forward Capacity Market pay-for-performance rules among Ryegate Associates, VELCO, VEPP Inc., and the Vermont distribution utilities. Specifically, Stowe argued that Ryegate Associates should bear the risk for obligations under the Forward Capacity Market because Ryegate Associates is the plant operator.[28] Stowe further contends that Ryegate Associates is insulated from market volatility that can affect resource supply availability and plant operations because Ryegate Associates is not directly allocated any market settlements.[29] Stowe maintains that Ryegate Associates should post financial assurances to VELCO and remain responsible for any pay-for-performance penalty to increase the likelihood of the Ryegate Plant operating during a scarcity event.[30]

I recommend that the amendment to the Contract include the terms of the MOU under which Ryegate Associates agrees to use commercially reasonable efforts in accordance with good engineering and operating practices to maintain sufficient fuel supply for continued operation of the plant and to use commercially reasonable efforts to manage any potential fuel shortage that may develop to dispatch the plant at levels and at times that would maximize the

---

[25] VEC 2/3/23 Comments at 1.
[26] VEC 2/3/23 Comments at 1; Department 2/3/23 Comments at 2.
[27] *See* VPPSA 2/3/23 Comments; Stowe 2/3/23 Comments; and Hyde Park 12/15/22 Comments.
[28] Stowe 2/3/23 Comments at 1.
[29] Stowe 2/3/23 Comments at 1.
[30] Stowe 2/3/23 Comments at 1-2.

value of the output for Vermont customers. These terms place additional obligations on Ryegate Associates with respect to fuel supply, operations, and managing potential shortages and are intended to reduce the risk of outages. By reducing the likelihood of outages, the terms should also help avoid a plant outage during a scarcity event on the ISO New England system and an assessment of penalties under the pay-for-performance rules.

With respect to the pay-for-performance rules, participants disagree on who bears the responsibility for any charges assessed by ISO New England. As discussed above, Stowe, Hyde Park, and VPPSA support Ryegate Associates bearing the responsibility for market penalties. The Department, GMP, and VEC suggest that the distribution utilities incur credits and charges under capacity market rules, in part because Section 8009(f)(3) transfers all capacity rights attributable to the plant associated with the electricity purchased by the distribution utilities.[31] Ryegate Associates maintains that the terms under Section 8 of the Contract govern the parties' obligations when scarcity conditions occur under ISO New England's pay-for-performance rules.[32]

Section 8 of the Contract subjects all plant operations and deliveries to the rules and regulations of ISO New England, and Ryegate Associates, as producer, is responsible for payment of any costs, sanctions, or charges assessed by ISO New England arising from actions or inactions of the producer.[33] While the language of the Contract does not specifically address pay-for-performance rules, the plain reading of the Contract is that the producer is responsible for all penalties assessed by ISO New England under the market rules that are in effect during the Contract term, which would include those under the pay-for-performance rules. Act 155, the MOU, and the fact that VEPP Inc. and VELCO act as the agents for market participation does not change this requirement. If any penalties are charged to the plant under the pay-for-performance rules, VEPP Inc. should reduce the payment to Ryegate Associates to reflect the penalties.

---

[31] GMP 2/3/23 Comments at 2; Department 2/3/23 Comments at 2; VEC 2/3/23 Comments at 1.

[32] Ryegate 12/29/22 Comments at 3.

[33] Purchase Power Agreement at ¶ 8 "All operations and deliveries shall be subject to the rules and regulations of the ISO-NE bulk power system in effect during the Term of this Agreement, and Producer shall be responsible for payment of any costs, sanctions or charges assessed by ISO-NE arising from actions or inactions of Producer."

Accordingly, at this time, I recommend that that the Commission not make any additional amendments to the Contract to address the risks associated with the pay-for-performance rules. As noted by some of the parties in this proceeding, the appropriate assignment of risks associated with the pay-for-performance rules can be further considered when the Commission undertakes a new avoided cost determination required by Act 155.

Further, Stowe requests that Ryegate Associates provide VELCO and the Vermont distribution utilities regular updates regarding their operating information, fuel supply, and other relevant data. Stowe contends that regular insight into the Ryegate Plant's operation will allow distribution utilities to make better decisions with respect to their ISO New England market obligations, which in turn better protects Vermont ratepayers from unwarranted financial exposure.[34] The Department also recommends that Ryegate Associates adopt a more forthcoming and transparent approach in its conduct with suppliers, customers, and regulators.[35]

I agree that the distribution utilities would benefit from regular information regarding the plant's operation, fuel supply, and other relevant data. This information would benefit Vermont ratepayers by helping the distribution utilities to reduce their financial exposure and make better decisions with respect to their ISO New England market obligations. VEPP Inc. most likely receives this information to allow it to act as agent for the Ryegate Plant's participation in the energy and capacity markets. I recommend that the Commission direct VEPP Inc. to work with Ryegate Associates and the distribution utilities to develop a system to provide regular report on the plant's operating information, fuel supply, and other relevant data.

<u>Monthly Facilitator Fee</u>

Section 6 of the Contract includes a table establishing the monthly facilitator fee paid to VEPP Inc. throughout the Contract term. VEPP Inc. has proposed an update for the extended term required by Act 155.

I recommend that the amendment to the Contract include the following table to be added in Section 6.

Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
$2,822	$2,907	$2,994	$3,084	$3,177	$3,272	$3,370	$3,471	$3,575	$3,682

[34] Stowe 2/3/23 Comments at 2.
[35] Department 12/15/22 Comments at 6.

Interconnection Agreement

Ryegate Associates has an interconnection agreement with GMP that will need updates under the purchase obligation extension required by Act 155. VEPP Inc. has proposed amended language to Attachment D of the Contract to reflect the needed updates. I recommend the Commission adopt these amendments.

Annual Reporting

Act 155 requires that beginning on August 1, 2023, Ryegate Associates report annually to the House Committee on Energy and Technology and Senate Committee on Finance, the Commissioner of Forests, Parks and Recreation, and the Secretary of Commerce and Community Development, with a copy to the Facilitator, on the wood fuel purchases for the Ryegate Plant. The report should include the average monthly price paid for the wood fuel and the source of the wood fuel, including location, number, types, and sources of non-forest-derived wood.

I recommend the amendment to the Contract include this requirement.

V. CONCLUSION

I recommend the Commission authorize VEPP Inc. to execute an amendment to the Contract between VEPP Inc. and Ryegate Associates consistent with requirements of 30 V.S.A § 8009, as amended by Act 155, and the recommendations made in this proposal for decision. A copy of the revised amendment document is attached to this proposal for decision.

This proposal for decision is being served on all parties to this proceeding in accordance with 3 V.S.A. § 811.

Dated at Montpelier, Vermont, this 1st day of March, 2023 .

.

Mary Jo Krolewski

Mary Jo Krolewski
Hearing Officer

VI. Commission Discussion and Conclusion

The Department and GMP separately filed comments stating that they had no objections to the proposal for decision. VEC filed comments stating that it supported the proposal for decision.

Ryegate Associates filed comments stating that it supports the proposal for decision insofar as it adopts the terms of the MOU between Ryegate Associates and GMP, VEC, and WEC. With respect to the plant operations and market participation section of the proposal for decision, Ryegate Associates contends that the allocation of risks and benefits under ISO New England's pay-for-performance rules will need to be revisited in accordance with Act 155 when the Commission establishes the new rates for the Ryegate Plant that will take effect in 2026.

Based on our review of the proposal for decision and the participants' comments, we adopt the recommendations and conclusions of the Hearing Officer. With regard to the pay-for-performance rules, we agree with the Hearing Officer that the plain reading of the Contract is that the producer is responsible for all penalties assessed by ISO New England under the market rules that are in effect during the Contract term, which would include those under the pay-for-performance rules. In addition, as noted in the proposal for decision, the appropriate assignment of risks associated with the pay-for-performance rules will be considered when the Commission undertakes a new avoided-cost determination required by Act 155.

VII. Order

It is Hereby Ordered, Adjudged, and Decreed by the Vermont Public Utility Commission ("Commission") that:

1. VEPP Inc. is authorized to execute an amendment to the purchase power agreement between VEPP Inc. and Ryegate Associates consistent with requirements of 30 V.S.A. § 8009, as amended by Vermont Public Act No. 155, and the determinations made in this Order.

2. Within two weeks of the executed agreement, VEPP Inc. must file in this proceeding a copy of the executed amendment to the purchase power agreement.

3. VEPP Inc. is directed to work with Ryegate Associates and the Vermont distribution utilities to develop a system to provide regular reports on the Ryegate Plant's operation, fuel supply, and other relevant data.

4. The December 15, 2022, Memorandum of Understanding among Ryegate Associates, Green Mountain Power Corporation, Vermont Electric Cooperative, Inc., and Washington Electric Cooperative is accepted. The parties shall comply with all the terms of the Memorandum of Understanding.

Dated at Montpelier, Vermont, this 4th day of April, 2023.

Anthony Z. Roisman	)	PUBLIC UTILITY
	)	
	)	COMMISSION
Margaret Cheney	)	
	)	OF VERMONT
J. Riley Allen	)	

OFFICE OF THE CLERK

Filed: April 4, 2023

Attest: ______________________
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

Exhibit 5

RFP Response Comparison Exhibit PM-10

Firm/Proposal #	Proposal Date	Product	Rating/ Amount	Term	Price/MWh	Estimated REC Value/MWH	Net Cost/MWH
1	12/2/2022	Power from hydro plus VT Tier I RECs	5 MW (2025-2026); 12 MW (2027-2034)	10 years	$80.07 with 2.5% annual escalation	$4[i]	$76.07 with 2.5% annual escalation
1A[ii]	12/2/2022	Power from hydro plus VT Tier I RECS	5 MW (2025-2026); 12 MW (2027-2039)	15 years	$78.07 with 2.5% annual escalation	$4	$74.07 with 2.5% annual escalation
2	12/1/2022	Power from solar;[iii] plus battery energy storage	5MW power; storage rated at 4.995MW with 22MWh capacity	25 years	Power: $73.50 with 3% annual escalation, or $95.50 with no escalation Battery storage: $10.40 per kW-month with 3% annual escalation, or $13.45 per kW-month with no escalation	We assume RECs are not included as they are not mentioned in proposal	Same as Price/MWH
2A	12/1/2022	Battery Energy Storage	4.995 MW with 22MWh capacity	20 years	$10.85 per kW-month with 3% annual escalation, or $13.85 per kw-	We assume RECs are not included	Same as Price

					month with no escalation		
3	October 2022	Power from hydro plus CT Class I RECs	8.4MW	10 years	$115.56	$33[iv]	$82.56
4	4/11/2024	Power from solar plus RECs	Up to 57 MW from up to 8 facilities of either 6.5 MW or 7.5 MW	20 years	$102.50 from 1 facility; $106.50 from the others	$33[v]	$70.50 from 1 facility; $74.50 from others
4A	10/21/2022	Power from solar plus RECs	116 MW from 9 facilities of from 5MW to 20MW[vi]	15 years	$65	$33	$32
5	10/21/2022	Power from solar plus RECs (VT Tier II, also MA Class I eligible)	25 MW	25 years	$85	$33[vii]	$52
6	4/11/2024	Power from wind plus RECs (MA Class I compliant)	Lesser of 60% of project generation delivered to delivery point or 60% of 55.4 MW Project Capability (33.24 MW)	5 years	$90; or $85 with 2.5% annual escalation[viii]	$33[ix]	$58; or $53 with 2.5% annual escalation
6A	12/2/2022	Power from wind plus RECs	Lesser of 40% of project generation delivered to	5 years	$85, with 1% annual escalation, including MA	$33	$53 with 1% annual escalation, including

			delivery point or 40% of 55.4 MW Project Capability (22.16 MW)		Class I compliant RECs, or $75, with 1% annual escalation, including ME Class II RECs[x]	$5[xi]	MA Class I compliant RECs, or $70 with 1% annual escalation including ME Class II RECs

---

[i] This value was derived from a Department of Public Services estimate that the "low case" anticipated price for Tier I RECs will range from $4 in 2023 and escalate to $4.75 in 2033. See https://publicservice.vermont.gov/sites/dps/files/documents/Appendix%20B_2024%20Renewable%20Energy%20Standard%20Report%20FINAL.pdf P.13.

[ii] This proposal is an alternative to the immediately preceding one.

[iii] The proposal does not specify whether it includes RECs.

[iv] This value corresponds to the price for McNeil REC sales (which are in the CT Class I market) listed for FY 2024 at Page 2 of Exhibit PM-1, and at Page 2 of Exhibit PM-12.

[v] I assume that solar would qualify for CT Class I and MA Class I RECs and so have used the $33 price used for those sales. See endnotes iv and vii.

[vi] It is unclear if the proposal allows purchase of power from fewer than all 9 of the facilities.

[vii] MA Class I RECs have generally tracked the price of CT Class I RECs. Further, the Department of Public Service has estimated a base case for VT Tier II RECs starting at $35.76 in 2023 with the low case being 10% lower than the base case starting in 2027. See https://publicservice.vermont.gov/sites/dps/files/documents/Appendix%20B_2024%20Renewable%20Energy%20Standard%20Report%20FINAL.pdf P. 14. I have therefore used a value of $33 for these RECs.

[viii] Both prices are subject to a "Basis Adjustment."

[ix] As MA Class I REC prices have generally tracked CT Class I prices, I have used the CT Class I figure described in the preceding endnotes here. See https://www.seadvantage.com/blog-post/dont-be-rec-less

[x] Both prices are subject to a "Basis Adjustment."

[xi] I have used the $5/MWH alternative compliance figure for Maine Class II RECs described at Pages 26 and 29 of this report, https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-files/Maine-RPS-Impacts-and-Procurement-Policy-Options-Report-Master-FINAL.pdf. This was set after the price had spiked to $15/MWH.

Exhibit 6 Exhibit PM-12

Draft Budget

Fiscal Year 2025
July 1, 2024 to June 30, 2025

Burlington Electric Commission
May 8, 2024

Burlington Electric Department
Budget for the Year Ending June 30, 2025

Miscellaneous Electric Revenues	Actual FY 21	Actual FY 22	Actual FY 23	Budget FY 24	Budget FY 25
Electric Revenues - Other					
Miscellaneous *(1)*	2,021	26,843	68,687	17,200	32,500
EEU Program Cost Reimbursement *(2)*	2,900,080	2,887,447	4,516,180	3,376,200	3,423,700
Winooski One Hydro - Fish Passage/Water Sales	14,616	10,773	0	12,000	12,000
Total Electric Revenues - Other	2,916,717	2,925,063	4,584,867	3,405,400	3,468,200
Electric Revenues - Power Supply					
Renewable Energy Credits - McNeil *(3)*	3,943,923	4,266,808	3,570,994	4,196,700	3,331,701
Renewable Energy Credits - Wind *(4)*	3,280,049	2,780,505	3,017,739	3,003,000	3,195,639
Renewable Energy Credits - Hydro *(5)*	630,000	670,140	696,657	861,100	910,901
Renewable Energy Credits - Standard Offer/Solar *(6)*	197,844	178,252	184,939	183,400	192,466
Total Electric Revenues - Power Supply	8,051,816	7,895,705	7,470,329	8,244,200	7,630,707
Total	$11,291,909	$11,118,906	$12,403,931	$12,019,838	$11,511,837

(1) Includes reimbursement for scrap metal.
(2) Energy Efficiency Charge funded for State energy efficiency programs effective January 2003.
(3) FY25 assumes $33/MWh; FY24 assumed $ 33/MWh.
(4) FY25 assumes $35/MWh; FY24 assumed $ 34/MWh.
(5) FY25 assumes $28/MWh; FY24 assumed $28/MWh.
(6) FY25 assumes $39/MWh; FY24 assumed $37/MWh.

BURLINGTON ELECTRIC DEPARTMENT
FY 2025 BUDGET
SOURCES OF POWER

PURCHASED POWER

Source	Contract Expires	Nominal MW (1)	Market MW (2)	MWH	% of Total MWh	Type of Generation	Delivery Point	Comments
Vermont Wind	2026	16.000	3.106	30,406	9.3%	wind	Northeast VT	Began operation in October 2011 Contract extended for 5 years in 2019
ISO Exchange	n/a	n/a	23.41	(5,754)	-1.8%	exchange	VT Zone	Net purchases from (sales to) ISO-NE
GMC Wind	2037	10.000	2.216	26,832	8.2%	wind	Milton/Georgia	Production began 12/31/12
NYPA - St. Law.	2032	0.059	0.054	338	0.1%	lg hydro	NY-NE Border	Low-cost contract through the Vermont Dpt of Public Svc
NYPA - Niagara	2025	2.558	2.340	14,636	4.5%	lg hydro	NY-NE Border	Low-cost contract through the Vermont Dpt of Public Svc
Great River Hydro	2024	7.500	0.000	22,080	6.8%	lg hydro	Bellows Falls	Purchase of energy & RECs from Connecticut River hydro plants
BED Solar (3)	n/a	3.413	n/a	4,958	1.5%	solar	Burlington	BTV parking garage began production February, 2015 BED garage production began October 2015 South 40 Solar began January 2018
Hancock Wind	2025	13.500	0.000	34,403	10.5%	wind	VT Zone	The 10-year contract began December 2016
Hydro-Québec	2038	9.000	0.000	52,560	16.1%	lg hydro	Highgate	Deliveries commenced November 2015 Entitlement increased to 9 MW in November 2020
HQ Interconnection Credit	n/a	2.826	2.594	0	0.0%	n/a	n/a	

GENERATION

Source	Contract Expires	Nominal MW (1)	Market MW (2)	MWH	% of Total MWh	Type of Generation	Delivery Point	Comments
McNeil Generating Station	N/A	25.000	26.000	116,411	35.7%	wood	McNeil Sub	Projected to continue operation for forecast period
BED Gas Turbine (4)	N/A	25.000	18.164	303	0.1%	oil	Burlington	Projected to continue operation for forecast period
Winooski One Hydro	N/A	7.400	2.769	29,297	9.0%	small hydro	Burlington	Projected to continue operation for forecast period

	Market MW	MWH
GRAND TOTAL SOURCES	**80.653**	**332,224**
SOURCES - NET OF SALES TO ISO-NE		**326,470**

(1) Nominal MW represents the nameplate of or entitlement to the resource
(2) Market MW represents the average monthly MW for the resource in the Forward Capacity Market (allowing for rating, reliability, partial periods and intermittent resource adjustments).
(3) BED Solar does not have a market capacity rating. It reduces BED's load at peak hours.
(4) GT output will be excess to BED’s own needs

OVERALL COMMENTS AND NOTES

The most significant changes between the FY25 budget and the FY24 budget are:

- Decline in budgeted wholesale energy prices for FY25, most significantly in the winter months.
- Increase in Transmission charges.
- Decreased wood fuel costs due to lower production estimate.
- End of Great River Hydro contract.
- End of Mystic reliability contract.

ENERGY MARKETS & RESOURCES

Spot Market Energy Prices

- BED has revised its wholesale energy price projection in all periods covered by the five-year budget to reflect current market expectations.

- Expected base load (around-the-clock) power price forecasts:

	FY24 Budget	FY25 Budget
FY25	$63.04	$57.02
FY26	$59.35	$63.40
FY27	$58.59	$62.37
FY28	$58.76	$61.92
FY29		$64.21

Hedge (Planned) Purchases

- Potential replacement contracts (for expiring contracts) are not included in the budget.

- There are currently no hedge contracts due to market exposure being minimal through the forecast period (based on assumed resource production).

- Additional hedge purchases can be made if needed.

- Based on McNeil's assumed operation at a 53% capacity factor, existing resources, and already executed contracts, BED expects to have contracted resources to meet the following percentages of BED's projected loads:

	FY24 Budget	FY25 Budget
FY25	110.4%	101.8%
FY26	94.2%	93.6%
FY27	85.7%	79.7%
FY28	81.2%	73.4%
FY29		72.5%

McNeil Generating Station

- 50% Ownership – 25 MW

- McNeil is assumed to operate at a 53% capacity factor for FY25 (and at a similar level in subsequent years).

- McNeil is projected to provide energy equal to approximately 36% of BED's load in FY25.

- Wood prices are assumed to be $33.37 per ton in FY25, with +3% escalation per year thereafter.

- McNeil qualifies for the Vermont Tier 1 and Connecticut Class 1 REC markets in FY25.

- Residual RECs priced at $38.75 for FY25.

- Average ISO-NE payments received for McNeil energy are budgeted to be 19% greater than those paid for load.

- *REC sales are assumed for budget period.*

BED Gas Turbine

- Not a significant energy source. BED's Gas Turbine is expected to provide energy equal to 0.1% of BED's load for FY25 and this energy is expected to be excess to BED's needs.

- This unit provides significant value in non-energy markets (capacity and reserves).

- Average ISO-NE payments received for the Gas Turbine's energy are budgeted to be 11% greater than those paid for load.

NYPA

- Contracts continue through 2032 (St Lawrence) and September 1, 2025 (Niagara).

- Niagara is by far the larger resource.

- 65% capacity factor (i.e., no non-firm deliveries) assumed.

- NYPA is expected to provide energy equal to 4.5% of Burlington Electric's load for FY25.

- This resource qualifies for VT Renewable Energy Standard Tier 1.

- Average ISO-NE payments received for the NYPA energy are budgeted to be 8% less than those paid for load.

- BED pays transmission fees to VELCO and NYPA to access this resource.

Vermont Wind

- Vermont Wind became commercial on October 19, 2011. The original contract would have expired October 18, 2021. The contract now expires October 18, 2026.

- BED is entitled to 16 MW (40%) of 40 MW project.

- Vermont Wind is budgeted to operate at a 22% capacity factor for FY25.

- Vermont Wind is expected to provide energy equal to 9.3% of Burlington Electric's load for FY25.

- Vermont Wind qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.

- Average ISO-NE payments received for Vermont Wind energy are budgeted to be 16% less than those paid for load.

- *REC sales assumed for budget period.*

Great River Hydro

- Great River Hydro has a 7.5 MW unit-contingent contract from January 2018 through December 2024 from hydro facilities on the Connecticut River. Energy deliveries are projected to be 7x16 subject to the units producing at least the contract energy in each hour.

- Great River Hydro is expected to provide energy equal to 6.8% of Burlington Electric's load for FY25 (for the ½ year until contact expiration).

- This resource qualifies for VT Renewable Energy Standard Tier 1.

- Average ISO-NE payments received for the Great River energy are budgeted to be 5% less than those paid for Load.

- The RECs from this resource will be retained by Burlington Electric for renewability purposes.

Solar Generation

- Currently, BED contracts to purchase 2,913 kW of output from seven solar generators around the city of Burlington.
- The solar generation owned by BED totals 606 kW (499 kW on the airport garage roof and 107 kW at BED's Pine Street offices).
- Solar generation is projected to provide energy equal to 1.5% of Burlington Electric's load for FY25.
- Solar qualifies for all major REC markets. In addition, Pine Street Solar and South Forty Solar qualify as Tier 2 resources in Vermont.
- Average ISO-NE payments received for BED's Solar energy are budgeted to be 5% less than those paid for load.
- *REC sales assumed for budget period.*

Georgia Mountain Community Wind (GMCW)

- GMCW began commercial output on December 31, 2012.
- GMCW is budgeted to operate at a 30.6% capacity factor.
- GMCW is projected to provide energy equal to 8.2% of Burlington Electric's load for FY25.
- GMCW qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.
- Average ISO-NE payments received for GMCW energy are budgeted to be 7% less than those paid for load.
- *REC sales assumed for budget period.*

Winooski One Hydro

- The Winooski One VEPPI contract ended on March 31, 2013.
- BED attained full ownership of the facility beginning September 1, 2014.
- Winooski One is projected to provide energy equal to 9.0% of Burlington Electric's load for FY25.
- Winooski One qualifies to sell Massachusetts Class II (non-waste) RECs and as a VT Tier 1 resource.

- Average ISO-NE payments received for Winooski One energy are budgeted to be 4% less than those paid for load.

- *REC sales assumed for budget period.*

Hydro-Québec

- The 5 MW BED portion of the Hydro-Québec contract began in November 2015. An additional 4MW has been delivered starting in November 2020.

- At 9 MW, Hydro-Québec is expected to provide energy equal to 16.1% of Burlington Electric's load for FY25.

- 99%+ of this resource is expected to qualify for VT Renewable Energy Standard Tier 1.

- Average ISO-NE payments received for the Hydro-Québec energy are budgeted to be 4% less than those paid for load.

- The renewability attributes from this resource will be retained by Burlington Electric for renewability purposes.

Hancock Wind

- Commercial operations began in December 2016. The contract expires on December 10, 2026.

- BED is entitled to 13.5 MW of the project.

- Capacity factor has been estimated at 29.1%.

- Hancock Wind is expected to provide energy equal to 10.5% of Burlington Electric's load for FY25.

- Hancock qualifies for VT Tier 1 and CT, MA, and RI Class 1 REC markets.

- Average ISO-NE payments received for Hancock energy are budgeted to be 3% more than those paid for load.

- *REC sales assumed for budget period.*

CAPACITY MARKET

Capacity Market Prices

- New market rules changed BED's capacity position beginning June 1, 2010.

- BED's capacity obligation may be charged a different price than its resources receive.

- The projected capacity rate for each kW-month for the period are:

Fiscal Year	$/kW-month	Notes
FY25	2.48	Known
FY26	2.54	Known
FY27	2.67	Known
FY28	3.46	11 months known & 1 month forecast
FY29	2.23	FY25 forecast

- BED is a net purchaser of capacity (i.e., total charges for load exceed resource payments) – see capacity position below.

Projected Capacity Position

BED expects to be buying 20-30% of its capacity needs from the ISO-NE market over the next five fiscal years:

	FY25	FY26	FY27	FY28	FY29
McNeil	26.0	26.0	26.0	26.0	26.0
BED Gas Turbine	18.2	18.3	18.2	18.2	18.2
NYPA	2.4	2.4	2.4	2.4	2.4
Vermont Wind	3.1	2.8	0.2	0.0	0.0
GMCW	2.2	2.0	1.8	1.8	1.8
Winooski One	2.8	3.1	2.9	2.9	2.9
HQICC	2.6	2.7	3.0	3.0	3.0
Market Purchase	23.4	26.0	29.0	29.7	30.4
MW REQUIREMENT	80.7	83.3	83.4	84.0	84.8
Hedged	71.0%	68.8%	65.3%	64.7%	64.1%

Burlington Electric Department
Budget for the Year Ending June 30, 2025

Purchased Power	Actual FY 21	Actual FY 22	Actual FY 23	Budget FY 24	Budget FY 25
Energy Charges					
Hancock Wind	$2,875,209	$2,253,659	$2,939,428	$3,285,400	$3,130,671
Georgia Mountain Wind	3,135,607	3,151,366	3,106,777	3,275,846	3,340,352
Hydro Quebec	2,302,368	2,883,974	3,294,744	3,677,455	3,587,677
VT Wind	2,065,131	2,679,228	1,981,978	2,516,551	2,508,527
Great River Hydro	1,964,094	2,007,847	2,162,389	2,101,234	1,063,594
In City Solar Generators	875,237	841,790	875,802	840,308	839,076
NYPA	103,037	94,159	83,627	73,555	73,672
VELCO Exchange (NYPA)	(5,353)	(14,818)	(3,360)	0	0
VEPPI	36,247			0	0
ISO Exchange	(704,167)	(1,901,061)	(5,211,966)	(4,424,020)	(972,072)
ISO Exchange - Accounting Order *(1)*			520,279	520,279	520,279
Subtotal Energy Charges	12,647,410	11,996,144	9,749,698	11,866,608	14,091,775
Capacity Charges					
ISO Settlement	1,638,280	1,519,893	2,411,945	353,240	697,586
NYPA	127,795	127,795	127,795	127,788	127,788
VEPPI	7,971			0	0
VT Wind	(174,920)	(155,335)	(119,357)	0	0
Mystic				758,703	0
Subtotal Capacity Charges	1,599,126	1,492,353	2,420,383	1,239,731	825,374
Net Ancillary Services	(99,101)	(49,738)	188,163	(251,603)	(120,180)
Miscellaneous					
VT RES Tier 1 Compliance Expense	87,480	751,195	629,597	1,172,788	650,060
Miscellaneous-Other	528,038	555,105	596,859	590,160	624,813
Miscellaneous *(2)*	615,518	1,306,300	1,226,456	1,762,948	1,274,873
VEPPI MOU Settlement Rebates	(452)				
Total Credits	(452)	0	0	0	0
	$14,762,501	$14,745,059	$13,584,700	$14,617,683	$16,071,842

(1) PUC-approved regulatory accounting treatment to amortize over 8 years the shortfall between the winter 2022-23 forward energy prices and the actual winter 2022-23 energy prices.

(2) Includes Tier 1 Renewable Energy Standard compliance expense, ISO-NE dispatch, administration, and misc/other charges.

Exhibit 7

Exhibit PM-13

Burlington Electric Existing Purchased Power

Resource	**Type**	**Capacity (MW)**	**Energy (MWH)**	**PPA Cost ($)**	**Cost ($/MWH)**	**Estimated REC Value ($/MWH)**	**Net Cost ($/MWH)**	
Hancock Wind	Wind	13.50	34,403	3,130,671	91.00	35.00	56.00	
Vermont Wind (Sheffield)	Wind	16.00	30,406	2,508,527	82.50	35.00	47.50	
Georgia Mountain Community Wind	Wind	10.00	26,832	3,340,352	124.49	35.00	89.49	
Hydro-Quebec	Hydro	9.00	52,560	3,587,677	68.26	Retained/retired		
NYPA-Niagra	Hydro	2.56	14,636					
NYPA-St. Lawrence	Hydro	0.06	338					
NYPA (Niagra & St. Lawrence)	Hydro	2.62	14,974	73,672	4.92	Retained/Retired		
Great River Hydro	Hydro	7.50	22,080	1,063,594	48.17	Retained/Retired		
Burlington within City Solar	Solar	3.41	4,958	839,076	169.24	39.00	130.24	

Information in this chart is pulled from Exhibit PM-12, which contains excerpts from BED's Draft Budget for FY 2025. The PPA Cost column reflects Purchased Power costs listed in the Draft Budget for "Budget FY 25." The Estimated REC Value column includes assumptions for REC revenues from wind and "Standard Offer/Solar" RECs for FY25 listed in the Draft Budget.

Exhibit 8

Exhibit PM-14

New England Power Grid 2023–2024 Profile

The region's wholesale electricity marketplace is securing reliable electricity at competitive prices and helping usher in a cleaner, greener grid.

ISO new england

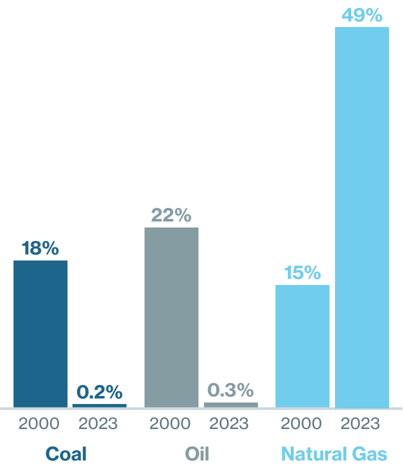
A Major Energy Transformation Is Underway

New England has shifted away from older coal- and oil-fired generation to cleaner burning natural gas.

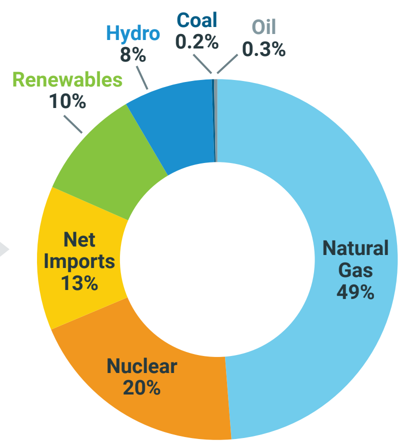
Most of today's electricity production comes from lower-emitting energy resources.

The region is transitioning to large-scale clean and renewable energy.

YESTERDAY VS. TODAY



2023 ENERGY RESOURCES



LOOKING TO THE FUTURE

Wind power new resource proposals continue to account for nearly half of the interconnection request queue: nearly 17,600 MW

Solar power is growing rapidly: ISO-NE forecasts nearly 12,000 MW within a decade

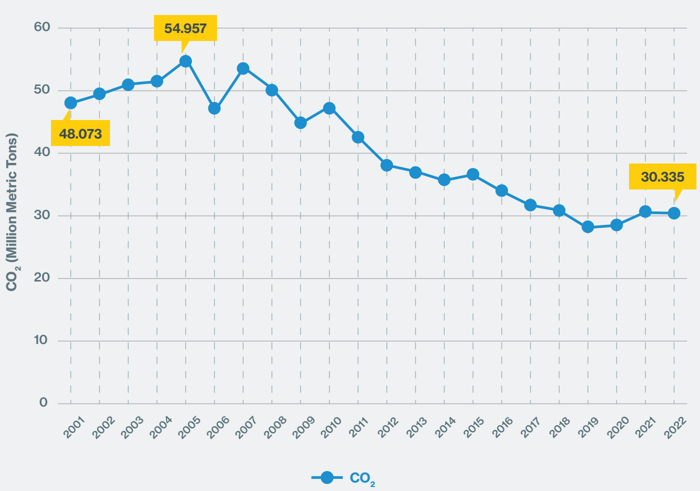
Battery storage technologies dominate new resource proposals: more than 18,000 MW proposed

New transmission proposals would provide access to additional clean or renewable energy in New England or Eastern Canada

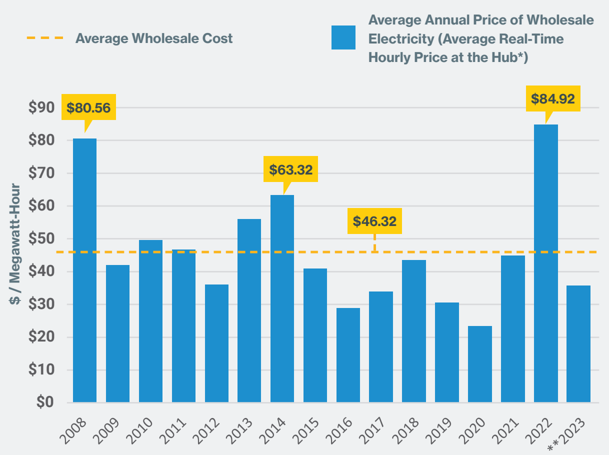
The amount of electricity produced by generators in New England and imported from other regions to satisfy all residential, commercial, and industrial customer demand in New England. This is called Net Energy for Load (NEL).

Major Emissions Reductions

CO_2 emissions declined with shift from coal and oil to natural gas generation



Wholesale Prices Drop Sharply After Historic High



* The Hub is a collection of 32 locations in New England used to represent an uncongested price for electric energy.

** 2023 data are subject to adjustments.

Electrification Will Drive Electricity Demand

In New England, demand for electricity peaks in the summer; a smaller peak occurs in the winter. Records: 28,100 MW in summer and 22,800 MW in winter.

While state-sponsored energy-efficiency (EE) and behind-the-meter solar photovoltaic (PV) programs are slowing growth, the ISO forecasts that both energy usage and peak demand will increase slightly in New England over the next 10 years. The primary factors for this increase are the new electrification forecasts for electric vehicles and air-source heat pumps.

Forecasted annual growth rates for New England through 2032

	Without EE & PV	With EE & PV
PEAK DEMAND (50/50 SUMMER PEAK):	1.2%	1.10%
OVERALL DEMAND:	2.4%	2.3%

New England has nearly **31,000 megawatts (MW)** of installed electricity generating capacity

The power generation resource mix is transitioning to a fleet powered by natural gas, and renewable energy.

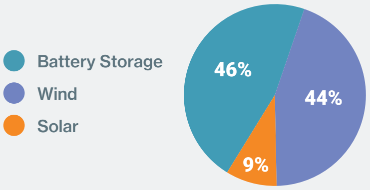
Generation Retirements

Coal- and oil-fired power plants make up 22% of the region's electricity generating capacity, but tend to be used only during peak demand periods and are retiring.

More than 7,000 MW of generation have retired since 2013 or may retire in the next few years.

Proposed Generation

Developers have proposed 39,863 MW of new generating resources as of January 2024.



About 9,000 miles of high-voltage transmission lines span the six states. The ISO is working with the New England states to evaluate potential future transmission needs to identify, at a high-level, transmission infrastructure necessary to meet the New England states' energy policies, mandates, or legal requirements.

Imported Power

On an annual basis, New England is generally a net importer of electricity via interconnections with neighboring power systems in New York, Quebec, and New Brunswick.

Percentage of net energy from imports

2019	2020	2021	2022	2023
19%	21%	16%	14%	13%

Merchant transmission companies, electric utilities, and renewable energy developers are proposing several projects to deliver low- or non-carbon-emitting resources into the New England market, totaling approximately 13,000 MW.

Wind Power

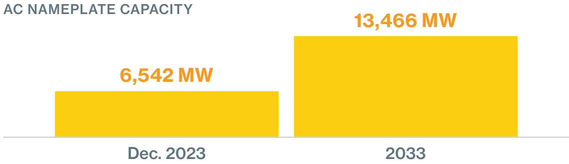
Roughly 1,400 MW of wind power is operational in the region. Developers are proposing nearly 18,000 MW of additional wind power, primarily offshore in southern New England.

Solar Power

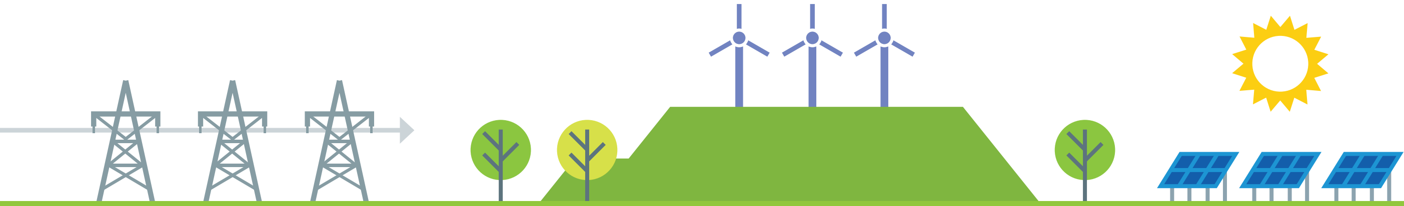
State policies are promoting development of behind-the-meter distributed resources, specifically solar PV resources.

ISO-NE Draft 2024 Solar PV Forecast

AC NAMEPLATE CAPACITY



Adding renewable resources will displace fossil-fueled resources and help achieve state policy objectives. This will require fast-responding resources like grid-scale energy storage to help balance the variability of renewables.



APRIL 2024

ISO new england

About ISO New England

Created in 1997, ISO New England is the independent, not-for-profit corporation responsible for the reliable operation of New England's electric power generation and transmission system, overseeing and ensuring the fair administration of the region's wholesale electricity markets, and managing comprehensive regional electric power planning.

iso-ne.com | isoexpress.iso-ne.com | @isonewengland | isonewswire.com | iso-ne.com/isotogo

Nicholas F. Persampieri
18 Clarke St., Apt. 1
Burlington, VT 05401
(802) 552-8410
nickpersamp@yahoo.com

Dear Councilors and Commissioners:

I submit these comments on the Requests for Proposals for Emissions Assessment and Reduction Analysis for McNeil and Forestry Assessment and Analysis for McNeil, which the TEUC and the Burlington Electric Commission plan to consider at the joint meeting on August 22, 2024. Along with these comments, I am also submitting a set of exhibits and a markup showing requested changes to the RFPs. I have copied Elena Alexander and Robert Goulding and request that the comments, exhibits and markup be included in the online materials for the meeting.

Burlington Electric has recently stated that its staff is unaware of BED having considered the possibility of retiring or decommissioning McNeil since 2008. See Exhibit 1, P. 3 of PDF. It would have been prudent business practice to examine whether the 40-year-old McNeil plant should continue to operate or should be replaced by alternatives before approving the Resolution approving District Energy. Burlington Electric did no such analysis. Further, in response to concerns of some Councilors that proceeding with District Energy would tend to lock in long-term operation of McNeil and its high greenhouse gas emissions, Burlington Electric represented that continuing operation of McNeil would help protect ratepayers from rate increases.

Recently, financial statements prepared for the McNeil Joint Owners' Operating Committee going back to FY 2016 have been made public. The poor past and current financial performance reflected in these documents along with dismal future prospects attributable to anticipated low future natural gas and market electricity prices paint an entirely different picture than the information about McNeil's finances disseminated by Burlington Electric prior to the November 20, 2023 City Council vote approving District Energy- the same Resolution that calls for the studies you are now considering. This information compels the City to now require what should have been done before the November 20, 2023 vote- an assessment of whether McNeil should continue to operate or should be replaced with alternative sources of power. No funds should be invested in other studies- including those that you are now considering- or in non-time-critical McNeil plant improvements until such a study is completed.

The recently disclosed financial statements show that McNeil's operation and related wood-fuel procurement activities in New York and Vermont generated net losses for McNeil's owners in 7 of the last 9 fiscal years, totaling over $29 million.

See Exhibit 2, Page 8 of PDF. The largest loss was during the recently completed fiscal year- $8,544,472 for Fiscal Year 2024 to date through April 30, 2024. As 50% owner of McNeil, Burlington Electric incurs half of the losses. Furthermore, it is likely that McNeil will continue to lose money for the foreseeable future, as wholesale energy prices are predicted to remain low for many years. See Exhibit 3, Page 16 of PDF.

Burlington Electric has asserted that McNeil provides ratepayers "savings and avoided costs [which] do not appear in the plant's financial statements." BED asserts that "by operating McNeil and maintaining its 100% renewable portfolio," BED avoids having to participate in: (1) the Standard Offer program; (2) the Ryegate contract; and (3) Tier 2 of Vermont's Renewable Energy standard.[1] However, BED has not presented analysis showing that the alleged savings from avoiding participation in these programs fully offset McNeil's typical multi-million dollar annual loses.

BED recently disclosed that in 2022 it determined that not participating in the Standard Offer program resulted in net benefits of approximately $500,000 per year[2]; and that in 2019 it performed a "preliminary high-level estimate," which estimated that accepting its share of energy from the Ryegate contract would result in a net cost of roughly $500,000. See Exhibit 1, Pages 5-7 of PDF. Further, BED has recently stated that it has performed no analysis of savings from the Tier II Program. *Id.,* Page 4 of PDF.

BED has also claimed that McNeil results in unspecified savings on transmission costs, and noted that McNeil makes a payment in lieu of taxes to the City, which in 2022 totaled $1.6 million. See fn. 1. The payment in lieu of taxes does not affect rates or otherwise directly benefit ratepayers.

Even accepting BED's claims of savings at face value they do not appear to fully offset McNeil's loses to BED. Further, BED does not need McNeil to qualify for either the alleged savings from avoiding the Standard Offer program or the Tier II program. Replacement of McNeil's output with one or more contracts for renewable power would suffice for the Standard Offer exemption, and would also suffice for the Tier II exemption provided that BED continues to meet REC retirement requirements. See Ex. 1, P. 5 of PDF; 30 V.S.A. § 8005(b). Further, any

---

[1] See https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Economics-QA-2023-08-31.pdf, P. 1 of PDF.

[2] The Standard Offer program, from which BED claims an exemption, involves purchase of power from small, in-state sources, many of which are solar. Unlike power from the highly polluting McNeil plant, this is the type of power that we might justify paying a premium for.

savings from avoiding the Ryegate contract may not be as large as claimed. From McNeil's financial statements one can calculate a cost of approximately $129-130 per MWH to generate power from McNeil in Fiscal Years 2023 and 2024. The cost to utilities to purchase power under the Ryegate contract is $100 MWH subject to a fuel cost adjustment. Exhibit 4, Page 33 of PDF. Both McNeil and Ryegate qualify for CT Class I RECS and Ryegate also qualifies for NH Class III RECs. Under the Ryegate contract, purchasing utilities receive 90% of the REC value. *Id.,* P. 35 of PDF.

Additionally, operating McNeil to provide power for its customers is expensive compared to other potential supply options. The Fiscal Year 2023-2024 data shows revenues in the range of $40-43 per MWH for McNeil from REC sales, capacity payments and payments for ancillary services. Subtracting this from the costs of $129-130 per MWH, yields a net cost of $87-89 per MWH to use McNeil to generate power for the use of BED's customers.[3] A September 2022 BED request for proposals for renewable energy resources resulted in proposals for hydro, wind and solar that compare favorably to the McNeil net cost of $87-89 per MWH. A summary of responses to the request for proposals is attached as Exhibit 5, Page 44 of PDF. (The names of the bidders are confidential). Further, in 2021 Green Mountain Power secured a 30-year agreement to receive hydropower from Great River Hydro (starting at 145,000 MWh in 2023 (enough to supply 20,000 homes) and increasing to 625,000 MWH by 2033 (enough for 86,000 homes) at a price of $45-47 per MWH.[4]

McNeil is also expensive relative to most other sources of supply in BED's current portfolio. From BED's FY 2025 Draft Budget Document (Exhibit 6, Pages 49 and 56 of PDF), one can calculate the costs of Burlington's other supply resources. The results summarized in Exhibit 7 (Page 57 of PDF) show hydropower from three sources at a cost of $4.92, $48.17 and $68.26 per MWH, wind from three sources at a net cost of $47.50, $56.00, and $89.49 per MWH, and solar from within Burlington at $130.24 per MWH. Only the solar appears to be significantly more expensive out-of-pocket than McNeil, and it is a true low carbon, local source. BED's contracts for low-cost hydropower appears to be a primary contributor to preventing or

---

[3] These calculations and the backup for them are described in more detail in the testimony of Paul Messerschmidt filed with the PUC in Case No. 27-3799. https://epuc.vermont.gov/?q=node/64/194030/FV-PFEXAFF-PTL See P. 13 of testimony and Exhibit 1. Mr. Messerschmidt's testimony also provides more detail concerning a number of the other issues discussed in these comments.

[4] https://vtdigger.org/2021/03/14/green-mountain-power-to-buy-power-from-great-river-hydro/

tempering rate increases, along with sale of RECs from BED's contracted wind resources.

The needed study to determine whether BED should continue to operate McNeil or replace it with alternatives may be within the scope of the Resolution's language providing that analysis "include but not be limited to . . . the scale and types of alternative renewable energy technologies and energy storage that would be needed if McNeil was not in service and Burlington desired to have its community provided with the lowest-carbon emissions renewable power generation that is both reliable and affordable particularly for low and moderate-income ratepayers." (Page 5, line 146 through Page 6 line 160). However, if you determine that such a study is not within the scope of the analysis called for by the Resolution, you should request such authority from the City Council, if necessary. The study should include the possibility of relying on some amount of non-renewable power in the short term in the event that it is not clear that adequate low carbon renewable power is immediately available to satisfy all of BED's needs. Power from the grid is less expensive and far cleaner, with respect to both greenhouse gas emissions and other pollutants, than power from McNeil. See Exhibit 8, P. (ISO New England grid profile showing that the grid is approximately 50% natural gas and 50% low carbon sources, including imported power, which is primarily hydropower). Contracts for natural gas or nuclear power would also be lower-carbon options relative to McNeil.

If you determine that Burlington Electric should proceed with the RFPs for the Emissions Assessment and Forestry Practices RFPs, I request that you make the changes indicated in the attached markup of the RFPs, which address the following issues:

1. On Page 2 of the Emissions Assessment RFP delete the statement that BED does not contract for energy from nuclear or fossil fuels. The study should consider such fuels if an adequate supply of low carbon renewable fuels is not immediately available to meet BED's needs.

2. On Page 2 of the Emissions Assessment RFP delete the reference to "and associated greenhouse gas emissions." The NZE Roadmap's goal is defined as "reducing and eliminating fossil fuel use from the hearing and ground transportation sectors."

3. At the bottom of Page 2 of the Emissions Assessment RFP add language making it clear that BED seeks to learn more about the possibilities for replacing McNeil with lower-carbon emissions renewable generation.

4. The RFPs refer to several past studies, which fail to take into account McNeil's stack emissions and make preposterous claims of lower emissions relative to natural gas and meritless claims that sustainable forestry practices render McNeil

carbon neutral.[5] The inclusion of these studies in the RFPs as well as on BED's website threatens to bias the studies in favor of BED's claims. Unless the references to the studies are deleted from the RFPs and removed from BED's website, language should be added to the RFPs indicating that the public has been critical of the studies and that the selected contractor should exercise independent judgment and should not feel bound by them. To address this issue, please add the language that I have proposed on Page 4 of the Emissions Assessment RFP.

5. The Emissions Assessment RFP calls for assessing the possibility of repowering McNeil with alternative fuels. It should be made clear that the alternative fuels to be considered must include natural gas. This seems to be the best option for reducing emissions if the plant continues to operate. I have suggested language at the bottom of Page 4 to address this issue.

6. At the bottom of Page 4 of the Emissions Assessment RFP please revise the last bullet point so that it includes the language "as a bridge measure until truly low carbon sources of electricity." This language was in the Resolution and is an important acknowledgement that McNeil is not a truly low carbon source of electricity. Also, please add a reference to hydropower to this sentence to make it clear that hydropower, which may be the low carbon renewable source that is currently most available, may be considered.

7. On Page 5 of the Emissions Assessment RFP please add language to make clear that the study will include an assessment of the relative costs and benefits of continued operation of McNeil and its replacement with alternatives, and to make clear that non-renewable power should be considered as a bridge measure if sufficient low carbon renewable power is not available.

8. Please make corresponding changes to the Forestry Practices RFP regarding Nos. 1, 2 and 4, above, as suggested in my markup.

Thank you for considering my views and for your service to the City.

Sincerely,

/s/ Nicholas F. Persampieri

---

[5] For a critique of some of these studies See https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/1971

From: Nicholas Persampieri <nickpersamp@yahoo.com>
Sent: Tuesday, August 20, 2024 9:39 PM
To: mbarlow@burlingtonvt.gov; elitwin@burlingtonvt.gov; gbergman@burlingtonvt.gov; mbroderick@burlingtonvt.gov; Scott Moody; Bethany Whitaker; Lara Bonn; Michelle Hobbs; Andy Vota
Cc: Elena Alexander; RGoulding@burlingtonvt.gov
Subject: TEUC-BEC Meeting, August 22, 2024
Attachments: Persampieri Comments.pdf; Nick Persampieri Exhibits.pdf; RFPs Nick Persampieri Markup.docx

Dear Councilors and Commissioners,

I attach a written comment on the two requests for proposals that are on the Agenda for this Thursday's meeting, along with accompanying exhibits and a markup of the requests for proposals. Please include the comments, exhibits and markup in the on-line materials for the meeting.

Thank you for considering my comments and for your service to the City.

Nick Persampieri

EXHIBIT B

BURLINGTON ELECTRIC DEPARTMENT
REQUEST FOR PROPOSAL

Emissions Assessment and Reduction Analysis For McNeil

Background:

The Burlington Electric Department (BED) is Vermont's largest municipally owned electric utility serving over 21,000 customers. BED is the exclusive provider of electric service to the city of Burlington, an area of approximately 16 square miles, and the Burlington International Airport in South Burlington.

As a public utility, BED is an expression of the community's energy desires and beliefs. In 1990 Burlington voters approved an $11.3 million bond to fund energy efficiency programs that supported successful activities through 2002. Since 2003, BED customers have been paying a small monthly charge that supports these continued "Energy Efficiency Utility" programs, which BED staff delivers on behalf of its customers under an Order of Appointment from Vermont's Public Utility Commission (PUC).

Burlington first experimented with wood chip generation by co-firing the Moran coal plant with wood in the 1970's. Following successful pilots there, the McNeil Generating Station ("McNeil"), a 50 megawatt wood-chip electric generating plant was built and started operating in 1984. The McNeil plant is jointly owned by BED (50%), Green Mountain Power (31%), and Vermont Public Power Supply Authority (19%), collectively referred to as the Joint Owners. The Joint Owners made a $12 million investment in a Regenerative Selective Catalytic Reduction (RSCR) system to significantly reduce NOX emissions in 2008. McNeil has been qualified as a renewable generator for purpose of selling renewable energy certificates (REC), including Connecticut Class 1 RECs. Unique among BED's renewable energy generators, McNeil is dispatchable and can store fuel on-site and run when prices are advantageous, with operations adjusted upwards or downwards based on market economics.

McNeil includes approximately 35 full time employee positions (FTE), including four professional licensed foresters who work to sustainably procure wood chips for the plant. Wood chips are delivered from Vermont and, via Swanton wood yard rail, upstate

New York. McNeil's wood procurement contract requires that no wood be harvested solely for energy production, rather McNeil will accept wood residues (tops and limbs), diseased or damaged trees, and non-commercial wood left over from harvest operations. McNeil also accepts mill residues, and wood from the Waste Wood Yard operated to keep clean untreated wood from being landfilled. McNeil uses a very small volume of low-value roundwood, kept on-site for fuel security purposes. For more on McNeil and McNeil Forestry see www.burlingtonelectric.com/mcneil and https://www.burlingtonelectric.com/forestry.

With the purchase of the Winooski One Hydroelectric Facility in 2014 (a 7.4 megawatt plant located on the Winooski River), Burlington became the first city in the United States to source 100 percent of its electricity from renewable sources. BED, based on local and state policy objectives, does not contract for energy from nuclear or fossil fuel resources. Having achieved this renewable energy goal BED and the City announced in 2019 a strategic plan to make Burlington a "net zero energy (NZE)" and launched the NZE Roadmap (www.burlingtonelectric.com/nze). The NZE strategy is focused on reducing and eliminating fossil fuel use and associated greenhouse gas emissions in the thermal and ground transportation sectors.

BED currently sources electric power locally, and from New England and adjoining states and territories, with a strong preference for generation closest to Burlington.

BED recognizes carbon accounting for energy production from wood/bio-based resources is more complex than other resources, and that there are various ways to look at emissions including lifecycle (such as done by National Renewable Energy Laboratory), at the stack, and based on wood source using the debt and dividend approach. Through this RFP and recognizing the commitment Burlington and BED have to addressing the climate emergency, BED endeavors to learn more about how to reduce the environmental footprint of McNeil, including reduction in stack greenhouse gas emissions and other greenhouse gas emissions, while retaining the energy production benefits from the plant. BED recognizes the Joint Owners ultimately have decisional-authority, not BED or Burlington unilaterally, as it relates to the McNeil plant.

Current Data and Documents

For the benefit of respondents, below are several relevant documents or prior studies related to the McNeil Generating Station:

- November 2023 District Energy City Council Resolution ("Resolution") (specifically review lines 126-165 for context on this RFP) - https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/2027

- ~~2022 VEIC analysis on lifecycle greenhouse gas emissions at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/VEIC-Final-Memo-to-BED-LCA-of-GHG-emissions-4.29.22-.pdf~~
- ~~2023 Economic Analysis by Innovative Natural Resource Solutions (a "refresh" of a similar study from 2020 performed at the request of the Vermont Department of Public Service) - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Economic-Impact-26-June-2023.pdf~~
- ~~2023 Carbon and Forestry Analysis by Innovative Natural Resource Solutions - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Carbon-6.2023.pdf~~
- 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil - https://www.cctv.org/watch-tv/programs/burlington-transportation-energy-and-utilities-committee-mcneil-symposium
- ~~2023 First Environment Carbon Score GREET analysis for proposed district energy system at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/CI-Model-Letter-Report-draft-ver-3.pdf~~

RFP Objectives/Scope of Work

The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:

- ~~Analyzing the impacts, both negative and positive, of the current wood chip-based energy production at McNeil~~;
- ~~Analyzing opportunities to reduce stack-related carbon dioxide emissions and other greenhouse gas emissions from McNeil~~;
- ~~Analyze the opportunity to repower McNeil, including with different fuels that would significantly reduce greenhouse gas emissions at the stack as bridge to a period where wind, solar and storage can reliably and affordably meet the needs of Burlington ratepayers, including low and moderate-income ratepayers~~;
- ~~Analyzing technologies that would significantly reduce greenhouse gas emissions in the future, including more efficient combustion~~;
- Analyzing the possible utilization of the McNeil Site for ~~additional~~ energy needs including energy storage ~~and/or thermal energy provision~~;
- ~~Analyzing the opportunities for expansion of innovative partnerships at McNeil such as the UVM solar research center newly located at the McNeil site;~~ and
- Analyzing the scale and types of renewable energy generation and energy storage needed if McNeil was not in service and Burlington ~~still~~ needed lowest-carbon emissions renewable generation that is both reliable and affordable particularly for low and moderate-income ratepayers.

Factors to consider and include as the above analysis is conducted, again based on the Resolution, include:

- Ensuring consideration of the need for reliable and cost-effective electric ~~and thermal~~ power for the City now and into the future;
- Considering how any changes at McNeil might impact the ISO-New England system reliance on fossil fuels for generation;
- Including carbon accounting, timeframes, and assessment of the comparative practicality and cost and rate impacts over the short, medium and long term to Burlington electric ~~and heating~~ customers of any proposed alternatives;
- Understanding any changes in BED's power cost risk stability and risk profile of considered alternatives.

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future energy initiatives at McNeil.

Request for Proposals:

BED is requesting proposals for an Emissions Assessment and Reduction Analysis for McNeil from a third-party firm that has the analytical capability and energy/environmental expertise to produce such a Report. As noted in the Resolution, the firm shall have experience analyzing emissions reduction and renewable energy technologies.

As noted in the Resolution, BED has provided this RFP for review to the Burlington Electric Light Commission, TEUC and City Council prior to issuance. Each entity's meetings included public comment. The McNeil Joint Owners have also been consulted prior to issuance. The scope of work/contract for a selected respondent is also subject to review by the Commission, TEUC and Council, and again subject to consultation by the Joint Owners.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on renewable energy generation alternatives, analyzing energy/efficiency and economic and greenhouse gas emissions reduction scenarios from power plants (with specific preference for experience analyzing wood generators), and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Proposals will be reviewed using the following **RFP Evaluation Criteria**:

- Has the necessary analytical capabilities to conduct energy/environmental/economic analyses to provide BED and Burlington with analysis of emission reduction opportunities and economic and energy impacts of such opportunities;
- Has a sufficient understanding of renewable energy generation to credibly examine alternatives for repowering the McNeil station.
- Has conducted relevant work in the past for municipal or state governments or utilities;
- Demonstrates the ability to take complex data and information and provide it in a way that is useful, and transparent, for a variety of audiences including policymakers, regulators, BED staff, and the general public;
- Outline of a project plan that meets BED's targeted timeline for an interim report (end of 2024) and final report (by Spring 2025);
- Demonstrates relevant experience presenting similar materials to policymakers, regulators, and the general public;
- Has other relevant expertise in utility and power sector analysis.
- Understanding of electric utility business and financial structures, as well as general utility rate economics.

Confidentiality Requirements:

If portions of the submitted proposal are to remain confidential, information must be included clearly describing which portions of the package the proposer considers confidential along with justification as to why the information would be considered confidential under Vermont Access to Public Records law (see Public Records Section below) and PUC rules. BED is subject to public disclosure laws, so any RFP responses including proprietary/confidential materials should have those materials clearly marked and , and include specific justifications as to why the identified materials must remain confidential. In the event the proposer requests that part or parts of the submitted proposal remain confidential, a second copy of the proposal with all confidential portions redacted must be provided

Selection Process:

During the evaluation process, BED reserves the right, where it may serve its best interest, to request additional information or clarifications. BED also reserves the right to terminate the process following RFP response review if no viable responses are received.

BED recognizes that this request is unique in scope, and that further clarity is likely to be required as various options are developed/explored. Interested parties are urged to make responses as detailed as possible, while identifying areas where further detail is required or risks may exist. Questions should be directed to BED Purchasing, and responses to any such requests/questions will be made available to all interested parties.

Submittal and Timeline:

All RFP's must be submitted through our RFP portal website by 5:00 PM EST, October 30th, 2024. All RFP's are date and time sensitive and we cannot accept any submissions after the specified date and time. Please do not email the RFP to anyone at BED. If you do, such action will cause your submission to be invalid, and your response will not be accepted. BED will contact those entities to whom BED, following consultation laid out in the Resolution with the Burlington Electric Commission, TEUC and City Council, would like to extend a formal invitation and provide a program agreement for BED and the selected partner to sign.

Amendment or Cancellation of RFP:

BED reserves the right to amend or cancel this RFP at any time if the best interest of BED requires such action. BED also reserves the right to award all or a part of the RFP to any or several contractors or whatever is in the best interest of BED.

Proposal Modifications:

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by BED.

Proposal Expenses:

BED assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

Acceptance or Rejection of Proposals:

BED reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part; and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of BED will be served. BED further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of BED. BED also reserves the right to award all or partial parts of the RFP to any or several contractors that are in the best interest of BED.

Ownership of Proposals:

All proposals submitted in response to this RFP shall become the sole property of BED.

Oral Agreements and Arrangements:

Any alleged oral agreement or arrangement made by a vendor with BED or any BED employee will be disregarded in any BED proposal evaluation or associated award.

Vendor Presentation of Supporting Evidence/Surety:

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that BED deems necessary to fully establish the performance capabilities represented in their proposals.

Vendor Misrepresentation or Default:

BED reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any BED contract.

Erroneous Awards:

BED reserves the right to correct inaccurate awards resulting from its clerical errors.

Public Records:

Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must

be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Between a vendor and BED, the final administrative authority to release or exempt any or all material so identified, rests with BED. All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL" and as noted above, non-confidential/redacted versions of any such documents must be provided as well..

It shall be the responsibility of any submitter seeking to maintain confidentiality to do so at their sole expense.

Offer of Gratuities:

The vendor warrants, represents and certifies that no elected or appointed official or employee of BED has or will benefit financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by BED if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent of the vendor's employees.

Collusion:

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

Contract Provisions:

The contract to be entered into between BED and the successful proposer shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful proposer's treatment thereof as contained in this proposal, as well as general BED contract provisions.

The final award of this contract will be subject to your firm's execution of such a contract and the contract's execution by BED and the issuance of a formal Purchase Order (P.O.) by BED’s Purchasing Office. Proposals should include an acknowledgment that the standard provisions included in BED contracts are comprehended by your firm.

MINIMUM INSURANCE REQUIREMENTS: TYPE 1A

Contractor's Order

1.1 Contractor shall purchase and maintain insurance coverage for not less than the following limits:

COVERAGE	MINIMUM LIMIT
a. **Professional Liability:**	
Professional Services	$1,000,000 each claim $1,000,000 in aggregate
b. **Commercial General Liability:**	
Bodily Injury and Property Damage	$500,000 each occurrence $500,000 in aggregate
c. **Automobile Liability:**	
Bodily Injury and Property Damage	$500,000 combined single limit
d. **Workers' Compensation and Employers Liability:**	
WC: Statutory coverage	
EL: $100,000 each accident $100,000 each employee $500,000 policy limit	
e. **Cyber Liability:**	
Each Claim/Event Aggregate limit	$2,000,000 each claim

$2,000,000 each event

1.2 Contractor shall purchase and maintain such comprehensive general liability and other insurance as set forth above which will provide protection from claims arising from the result of Contractor's performance and furnishing of services outlined in the awarded Purchase Order and/or Contract, whether it is performed or furnished by Contractor or by anyone directly or indirectly employed by the Contractor to perform or furnish any of the work outlined in the Purchase Order and/or Contract. The Contractor shall hold B.E.D. harmless for any and all damages/claims (including but not limited to bodily/personal injury, property damage, loss of income, business interruption, or wrongful death), while performing or as a result of, work assigned/related to the awarded contract.

1.3 Contractor shall provide B.E.D. with a certificate of insurance for coverages set forth above which shall not be subject to cancellation without at least thirty (30) days advance written notice to B.E.D. Such evidence of insurance shall be received at B.E.D. before the commencement of work, or Purchase Order and/or Contract is awarded, whichever is sooner, and such insurance shall be maintained throughout the duration of awarded contract. Forward certificate of insurance to Burlington Electric Department, 585 Pine St., Burlington, VT 05401, Attention: Director of Purchasing & Facilities.

1.4 Any claim in excess of limits set forth above or which are not covered by the Contractor's comprehensive general liability, automobile liability, or worker's compensation insurance are the sole responsibility of the Contractor.

1.5 B.E.D. and/or any affiliated or subsidiary companies shall be recognized as additional insureds with respect to insurance. Coverage provided by the contractor shall be primary to any other valid and collectible insurance available with respect to B.E.D. as additional insured.

Termination:

The contract to be entered into between BED and the successful proposer shall contain the following provisions dealing with termination. If the Contractor fails to fulfill any of the terms of the agreement on time, BED shall have the right to terminate the said agreement immediately and award a new contract to another Proposer and the Contractor may be responsible for damages and for additional costs incurred in relenting the contract.

Disclaimer:

BED is not liable for any costs incurred by proposers in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection:

Upon selection, BED and the successful proposer will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made a part of the final contract. Should negotiations fail to result in agreement within two weeks from the commencement of negotiations, BED reserves the right to terminate negotiations and select another proposal, issue a new RFP, or take other action consistent with the best interest of BED. By issuing this RFP, BED is not obligated to award a contract.

Delivery of Proposals:

There will be no formal RFP opening. As noted above, all RFPs are to be submitted through our RFP portal website only.

RFP Opening:

All Proposals will be opened only in the presences of BED personnel. There will be no formal RFP opening. All information in the RFPs will not be released until award by BED and acceptance by the winning contractor. If you would like to receive the RFP overview results after the award, you may do so only in writing to our Purchasing Department. If you would like to review the RFPs that were submitted, you must submit a letter to our Purchasing Department requesting a meeting to review the file.

Right to Submit a Proposal on BED Projects:

Any contractor that is in a good standing with all city departments within the City of Burlington, Vermont may submit a proposal for work described above. If a contractor is found to owe funds or has been removed from any RFP lists within any city department, its RFP will not be considered. Contractor must comply with all provisions as outlined in this RFP in order to be considered.

BED Rights:

BED reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of BED. BED reserves the right to negotiate separately with any source to serve the best interest of BED. Exceptions to this RFP shall be by written notification on the awarded P.O. to be binding. All submitted bids become the property of BED. After the award of the contract to the successful bidder, all bids are open for public viewing.

BURLINGTON ELECTRIC DEPARTMENT
REQUEST FOR PROPOSAL

Forestry Assessment and Analysis For McNeil

Background:

The Burlington Electric Department (BED) is Vermont's largest municipally owned electric utility serving over 21,000 customers. BED is the exclusive provider of electric service to the city of Burlington, an area of approximately 16 square miles, and the Burlington International Airport in South Burlington.

As a public utility, BED is an expression of the community's energy desires and beliefs. In 1990 Burlington voters approved an $11.3 million bond to fund energy efficiency programs that supported successful activities through 2002. Since 2003, BED customers have been paying a small monthly charge that supports these continued "Energy Efficiency Utility" programs, which BED staff delivers on behalf of its customers under an Order of Appointment from Vermont's Public Utility Commission (PUC).

Burlington first experimented with wood chip generation by co-firing the Moran coal plant with wood in the 1970's. Following successful pilots there, the McNeil Generating Station ("McNeil"), a 50 megawatt wood-chip electric generating plant was built and started operating in 1984. The McNeil plant is jointly owned by BED (50%), Green Mountain Power (31%), and Vermont Public Power Supply Authority (19%), collectively referred to as the Joint Owners. The Joint Owners made a $12 million investment in a Regenerative Selective Catalytic Reduction (RSCR) system to significantly reduce NOX emissions in 2008. McNeil has been qualified as a renewable generator for purpose of selling renewable energy certificates (REC), including Connecticut Class 1 RECs. Unique among BED's renewable energy generators, McNeil is dispatchable and can store fuel on-site and run when prices are advantageous, with operations adjusted upwards or downwards based on market economics.

McNeil includes approximately 35 full time employee positions (FTE), including four professional licensed foresters who work to sustainably procure wood chips for the plant. Wood chips are delivered from Vermont and, via Swanton wood yard rail, upstate

New York. McNeil's wood procurement contract requires that no wood be harvested solely for energy production, rather McNeil will accept wood residues (tops and limbs), diseased or damaged trees, and non-commercial wood left over from harvest operations. McNeil also accepts mill residues, and wood from the Waste Wood Yard operated to keep clean untreated wood from being landfilled. McNeil uses a very small volume of low-value roundwood, kept on-site for fuel security purposes. For more on McNeil and McNeil Forestry see www.burlingtonelectric.com/mcneil and https://www.burlingtonelectric.com/forestry.

With the purchase of the Winooski One Hydroelectric Facility in 2014 (a 7.4 megawatt plant located on the Winooski River), Burlington became the first city in the United States to source 100 percent of its electricity from renewable sources. BED, based on local and state policy objectives, does not contract for energy from nuclear or fossil fuel resources. Having achieved this renewable energy goal BED and the City announced in 2019 a strategic plan to make Burlington a "net zero energy (NZE)" and launched the NZE Roadmap (www.burlingtonelectric.com/nze). The NZE strategy is focused on reducing and eliminating fossil fuel use and associated greenhouse gas emissions in the thermal and ground transportation sectors.

BED currently sources electric power locally, and from New England and adjoining states and territories, with a strong preference for generation closest to Burlington.

BED recognizes carbon accounting for energy production from wood/bio-based resources is more complex than other resources, and that there are various ways to look at emissions including lifecycle (such as done by National Renewable Energy Laboratory), at the stack, and based on wood source using the debt and dividend approach. Through this RFP and recognizing the commitment Burlington and BED have to addressing the climate emergency, BED endeavors to learn more about how to reduce the environmental footprint of McNeil, while retaining the energy production benefits from the plant. BED recognizes the Joint Owners ultimately have decisional-authority, not BED or Burlington unilaterally, as it relates to the McNeil plant.

Current Data and Documents

For the benefit of respondents, below are several relevant documents or prior studies related to the McNeil Generating Station:

- November 2023 District Energy City Council Resolution ("Resolution") (specifically review lines 126-165 for context on this RFP) - https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/2027

- ~~2022 VEIC analysis on lifecycle greenhouse gas emissions at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/VEIC-Final-Memo-to-BED-LCA-of-GHG-emissions-4.29.22-.pdf~~
- ~~2023 Economic Analysis by Innovative Natural Resource Solutions (a "refresh" of a similar study from 2020 performed at the request of the Vermont Department of Public Service) - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Economic-Impact-26-June-2023.pdf~~
- ~~2023 Carbon and Forestry Analysis by Innovative Natural Resource Solutions - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Carbon-6.2023.pdf~~
- 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil - https://www.cctv.org/watch-tv/programs/burlington-transportation-energy-and-utilities-committee-mcneil-symposium
- ~~2023 First Environment Carbon Score GREET analysis for proposed district energy system at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/CI-Model-Letter-Report-draft-ver-3.pdf~~

RFP Objectives/Scope of Work

The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:

- Assessing the number and volume of whole trees procured for fuel at McNeil compared to limbs/ends/~~residues~~ procured for fuel at McNeil;
- Assessing for whole trees, what portion were low-value roundwood and diseased or damaged trees~~;~~
- ~~Providing quantitative and qualitative assessment of afforestation/deforestation outcomes in areas where wood is harvested for McNeil and the market factors that affect such outcomes;~~
- Providing assessment of current wood chip procurement and forestry management practices at McNeil and ~~offer BED ideas for further improvement including reviewing the Harvest Guidelines in Appendix A and suggested audit areas for confirmation.~~

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future forestry practices at McNeil.

Request for Proposals:

BED is requesting proposals for a Forestry Assessment and Analysis for McNeil from a third-party firm that has the analytical capability and sustainable forestry practice expertise to produce such a Report.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on conducting forestry practice audits or assessments, analyzing carbon accounting outcomes for forestry practices and experience with economics/markets for wood products, and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Proposals will be reviewed using the following **RFP Evaluation Criteria**:

- Has the necessary analytical capabilities and expert staff to conduct forestry analyses to provide BED and Burlington with an assessment of current practices and ideas for further improvement;
- Has a sufficient understanding of forestry practices in Vermont, New York and New England and the market for wood products to credibly outline impacts of McNeil's forestry practices on the areas where wood is harvested for the plant.
- Has conducted relevant work in the past for municipal or state governments or utilities;
- Demonstrates the ability to take complex data and information and provide it in a way that is useful, and transparent, for a variety of audiences including policymakers, regulators, BED staff, and the general public;
- Outline of a project plan that meets BED's targeted timeline for an interim report (end of 2024) and final report (by Spring 2025);
- Demonstrates relevant experience presenting similar materials to policymakers, regulators, and the general public;
- Has other relevant expertise in forestry/wood products/carbon accounting areas, and has licensed professional Vermont or New England foresters or Certified Society of American Foresters either on-staff or accessible via consulting agreements.

Confidentiality Requirements:

If portions of the submitted proposal are to remain confidential, information must be included clearly describing which portions of the package the proposer considers confidential along with justification as to why the information would be considered confidential under Vermont Access to Public Records law (see Public Records Section below) and PUC rules. BED is subject to public disclosure laws, so any RFP responses including proprietary/confidential materials should have those materials clearly marked and , and include specific justifications as to why the identified materials must remain confidential. In the event the proposer requests that part or parts of the submitted proposal remain confidential, a second copy of the proposal with all confidential portions redacted must be provided

Selection Process:

During the evaluation process, BED reserves the right, where it may serve its best interest, to request additional information or clarifications. BED also reserves the right to terminate the process following RFP response review if no viable responses are received.

BED recognizes that this request is unique in scope, and that further clarity is likely to be required as various options are developed/explored. Interested parties are urged to make responses as detailed as possible, while identifying areas where further detail is required or risks may exist. Questions should be directed to BED Purchasing, and responses to any such requests/questions will be made available to all interested parties.

Submittal and Timeline:

All RFP's must be submitted through our RFP portal website by 5:00 PM EST, October 30th, 2024. All RFP's are date and time sensitive and we cannot accept any submissions after the specified date and time. Please do not email the RFP to anyone at BED. If you do, such action will cause your submission to be invalid, and your response will not be accepted. BED will contact those entities to whom BED, following consultation with the Burlington Electric Commission, and TEUC committee of the City Council, would like to extend a formal invitation and provide a program agreement for BED and the selected partner to sign.

Amendment or Cancellation of RFP:

BED reserves the right to amend or cancel this RFP at any time if the best interest of BED requires such action. BED also reserves the right to award all or a part of the RFP to any or several contractors or whatever is in the best interest of BED.

Proposal Modifications:

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by BED.

Proposal Expenses:

BED assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

Acceptance or Rejection of Proposals:

BED reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part; and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of BED will be served. BED further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of BED. BED also reserves the right to award all or partial parts of the RFP to any or several contractors that are in the best interest of BED.

Ownership of Proposals:

All proposals submitted in response to this RFP shall become the sole property of BED.

Oral Agreements and Arrangements:

Any alleged oral agreement or arrangement made by a vendor with BED or any BED employee will be disregarded in any BED proposal evaluation or associated award.

Vendor Presentation of Supporting Evidence/Surety:

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that BED deems necessary to fully establish the performance capabilities represented in their proposals.

Vendor Misrepresentation or Default:

BED reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any BED contract.

Erroneous Awards:

BED reserves the right to correct inaccurate awards resulting from its clerical errors.

Public Records:

Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Between a vendor and BED, the final administrative authority to release or exempt any or all material so identified, rests with BED. All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL" and as noted above, non-confidential/redacted versions of any such documents must be provided as well..

It shall be the responsibility of any submitter seeking to maintain confidentiality to do so at their sole expense.

Offer of Gratuities:

The vendor warrants, represents and certifies that no elected or appointed official or employee of BED has or will benefit financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by BED if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent of the vendor's employees.

Collusion:

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

Contract Provisions:

The contract to be entered into between BED and the successful proposer shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful proposer's treatment thereof as contained in this proposal, as well as general BED contract provisions.

The final award of this contract will be subject to your firm's execution of such a contract and the contract's execution by BED and the issuance of a formal Purchase Order (P.O.) by BED's Purchasing Office. Proposals should include an acknowledgment that the standard provisions included in BED contracts are comprehended by your firm.

BURLINGTON ELECTRIC DEPARTMENT (B.E.D.)

MINIMUM INSURANCE REQUIREMENTS: TYPE 1A

Contractor's Order

1.1 Contractor shall purchase and maintain insurance coverage for not less than the following limits:

COVERAGE		MINIMUM LIMIT
a.	**Professional Liability:**	
	Professional Services	$1,000,000 each claim
		$1,000,000 in aggregate
b.	**Commercial General Liability:**	
	Bodily Injury and Property Damage	$500,000 each occurrence
		$500,000 in aggregate
c.	**Automobile Liability:**	
	Bodily Injury and Property Damage	$500,000 combined single limit

d. **Workers' Compensation and Employers Liability:**

WC: Statutory coverage

EL: $100,000 each accident

$100,000 each employee

$500,000 policy limit

e. **Cyber Liability:**

Each Claim/Event Aggregate limit $2,000,000 each claim

$2,000,000 each event

1.2 Contractor shall purchase and maintain such comprehensive general liability and other insurance as set forth above which will provide protection from claims arising from the result of Contractor's performance and furnishing of services outlined in the awarded Purchase Order and/or Contract, whether it is performed or furnished by Contractor or by anyone directly or indirectly employed by the Contractor to perform or furnish any of the work outlined in the Purchase Order and/or Contract. The Contractor shall hold B.E.D. harmless for any and all damages/claims (including but not limited to bodily/personal injury, property damage, loss of income, business interruption, or wrongful death), while performing or as a result of, work assigned/related to the awarded contract.

1.3 Contractor shall provide B.E.D. with a certificate of insurance for coverages set forth above which shall not be subject to cancellation without at least thirty (30) days advance written notice to B.E.D. Such evidence of insurance shall be received at B.E.D. before the commencement of work, or Purchase Order and/or Contract is awarded, whichever is sooner, and such insurance shall be maintained throughout the duration of awarded contract. Forward certificate of insurance to Burlington Electric Department, 585 Pine St., Burlington, VT 05401, Attention: Director of Purchasing & Facilities.

1.4 Any claim in excess of limits set forth above or which are not covered by the Contractor's comprehensive general liability, automobile liability, or worker's compensation insurance are the sole responsibility of the Contractor.

1.5 B.E.D. and/or any affiliated or subsidiary companies shall be recognized as additional insureds with respect to insurance. Coverage provided by the contractor shall be primary to any other valid and collectible insurance available with respect to B.E.D. as additional insured.

Termination:

The contract to be entered into between BED and the successful proposer shall contain the following provisions dealing with termination. If the Contractor fails to fulfill any of the terms of the agreement on time, BED shall have the right to terminate the said agreement immediately and award a new contract to another Proposer and the Contractor may be responsible for damages and for additional costs incurred in relenting the contract.

Disclaimer:

BED is not liable for any costs incurred by proposers in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection:

Upon selection, BED and the successful proposer will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made a part of the final contract. Should negotiations fail to result in agreement within two weeks from the commencement of negotiations, BED reserves the right to terminate negotiations and select another proposal, issue a new RFP, or take other action consistent with the best interest of BED. By issuing this RFP, BED is not obligated to award a contract.

Delivery of Proposals:

There will be no formal RFP opening. As noted above, all RFPs are to be submitted through our RFP portal website only.

RFP Opening:

All Proposals will be opened only in the presences of BED personnel. There will be no formal RFP opening. All information in the RFPs will not be released until award by BED and acceptance by the winning contractor. If you would like to receive the RFP overview results after the award, you may do so only in writing to our Purchasing Department. If you would like to review the RFPs that were submitted, you must submit a letter to our Purchasing Department requesting a meeting to review the file.

Right to Submit a Proposal on BED Projects:

Any contractor that is in a good standing with all city departments within the City of Burlington, Vermont may submit a proposal for work described above. If a contractor is found to owe funds or has been removed from any RFP lists within any city department, its RFP will not be considered. Contractor must comply with all provisions as outlined in this RFP in order to be considered.

BED Rights:

BED reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of BED. BED reserves the right to negotiate separately with any source to serve the best interest of BED. Exceptions to this RFP shall be by written notification on the awarded P.O. to be binding. All submitted bids become the property of BED. After the award of the contract to the successful bidder, all bids are open for public viewing.

Appendix A

BED Harvest Policy & CPG Audit Standards:

Harvest Policy:

Preamble:

It will be the policy of Burlington Electric Department to accept delivery of whole tree chips only from harvesting operations in Vermont certified by a professional forester as meeting the criteria of "good forestry practice" as outlined below. Burlington Electric Department foresters or their authorized agents will conduct periodic on-site inspections to insure compliance with the following practices. Unresolved violations of these practices will result in the termination of chip purchase from the offending producer.

Possible Audit Standards. Evaluate whether (1) harvest sites are periodically inspected, (2) identified issues reach a resolution, and (3) whether unresolved violations result in termination of chip purchasing.

Paragraph 1

The use of necessary and applicable erosion and sedimentation control practices will be required. Every harvesting contractor will become familiar with the publication Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont. Contractors will be required to implement procedures outlined in the guide to the satisfaction of Burlington Electric Department foresters.

Possible Audit Standards. Evaluate whether the AMPs are implemented on jobs.

<u>Paragraph 2</u>

Consideration for visual quality will be required:

a. *All refuse will be removed from the landing/logging site prior to termination of the operation. Wood waste will be removed or buried and brush piles leveled to the extent possible.*
b. *Appropriate techniques will be used adjacent to major hiking trails to the protect the integrity of the trail and the hiking experience. Trail treadways will be kept clear of logging debris. Crossing of the trails by logging vehicles will be at right angles and kept to the minimum number necessary. Cutting within 50 feet of either side of major trails will be limited to the removal of high risk trees or the removal of less than 30% of the basal area of existing trees greater than 5 inches DBH, whichever is less.*
c. *Landings will be laid out so as to reduce the adverse visual impact. Newly constructed landings along public highways will be screened by a strip of undisturbed vegetation at least 25 feet wide when such vegetation exists. Where open areas or abandoned landings are suitable for use as landings, they will be so used in spite of the lack of a buffer strip, so as to reduce the amount of area cleared for such use.*

Possible Audit Standards: (a) Confirm that closeout includes removal of debris and appropriate treatment of woody waste.

<u>Paragraph 3</u>

Wildlife and fisheries will be given consideration in harvest planning:

a. *Landowners will be made aware of any negative impacts to wildlife or fisheries relating to a proposed chip harvest operation on their property.*

Possible Audit Standard: Demonstrate harvest plan modifications to protect and enhance wildlife and fish habitats.

b. *For all sites within Vermont from which wood fuel will be purchased by Burlington Electric, a Burlington Electric forester will visit the site with the landowner and/or harvesting contractor and confer in developing a harvesting procedure which meets the forester's approval. In turn, the forester will develop a "Whole Tree Chip Harvest Notification" to be sent to the appropriate Vermont Department of Fish and Wildlife habitat biologist. This notification will include: a map showing the location of the proposed operation; information regarding the nature of the harvest (including type of cut and acreage); name of* *prospective contractors and approximate dates during which the harvest will be conducted. The habitat biologist will have fifteen days in which to respond to the BED forester with an approval or modification of the proposed operation. If the habitat biologist determines that a modification of the harvest plan will be necessary in order to protect deer wintering areas, wetlands or the habitat of rare and endangered species, such modification will be included in the response to the BED forester within the fifteen day time period. No harvesting operation will begin before approval by the district habitat biologist or the Vermont Public Service Board.*

Possible Audit Standard: Ensure Harvest Notifications include the pertinent information and protection of Deer Wintering Area, Wetlands and Habitats of Rare and Endangered species.

c. *When landowner goals require silvicultural manipulation for wildlife management purposes, guidance may be sought from the Vermont Department of Fish and Wildlife or other qualified source as well as the publication A Landowner's Guide to Wildlife Habitat Management for Vermont Woodlands by the Vermont Department of Fish and Wildlife.*

Possible Audit Standard: Demonstrate cooperation between BED foresters and VT Fish and Wildlife biologists.

d. *Protection of fisheries resources will be provided through the use of acceptable erosion and sedimentation control practices including the use of filter strips and protection of streamside shade. Harvesting contractors will be required to implement applicable procedures outlined in the publication Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont to the extent specified by Burlington Electric Department foresters.*

Possible Audit Standards: Ensure water quality through the implementation of AMPs on all harvests sites.

<u>Paragraph 4</u>

Burlington Electric Department foresters will seek guidance in protecting significant archeological sites. Such guidance will be provided by the Vermont Division for Historic Preservation in the form of State-sponsored training to aid in on-the-ground identification of such sites and/or in the form of guidance from the Division of Historic Preservation in the determination of the likelihood of occurrence of significant archeological deposits within areas scheduled for harvesting. Burlington Electric Department will require the modification or termination of harvesting in areas thought to be archeologically significant by the Division of Historic Preservation until such time as examination of the area has been completed. Burlington Electric will also *make the landowner aware of significant archeological sites on his property and aid him in adjusting his management decisions to protect such sites*

Possible Audit Standard: Ensure significant archaeological sites are not disturbed by BED harvesting practices.

Paragraph 5

a. *The development of management goals will involve consideration of:*
   i. The objectives of the landowner and alternatives available to him or her.
   ii. The characteristics of the site and forest stand.
   iii. The impacts on related resources (water quality, wildlife, scenic quality, recreation).

Possible Audit Standard: Demonstrate that Harvest Plans meet the above goals.

b. *The landowner or land manager and/or the harvesting contractor will confer with a professional forester representing Burlington Electric Department in developing a harvesting procedure which meets the forester's approval. In all cases, harvesting will incorporate, to the extent reasonably possible, the protection of residual trees, minimization of waste and assurance of rapid and adequate regeneration. Every effort will be made to put harvested products to their most valuable use. In developing specific silvicultural techniques for meeting management goals, reliance will be placed on a combination of the forester's professional judgement and recognized silvicultural guides, including, but not limited to:*
   i. A Silvicultural Guide for Northern Hardwood Types in the Northeast by Leak, Solomon and DeBald.
   ii. A Silvicultural Guide to White Pine in the Northeast by Lancaster and Leak.
   iii. A Silvicultural Guide for Spruce-Fir in the Northeast by Frank and Bjorkhom.
   iv. A Silvicultural Guide for Developing a Sugarbush by Lancaster, Walters, Laing and Foulds.
   v. Uneven-Aged Management of Northern Hardwoods in New England by Leak and Filip.
   vi. A Landowners Guide to Wildlife Habitat Management for Vermont Woodlands by Vermont Fish and Game Department.
   vii. Manager's Handbook for Red Pine in the North Central States by North Central Forest Experiment Station, USDA Forest Service.
   viii. A Guide to Hardwood Timber Stand Improvement by USDA Forest Service, Northeastern Area State and Private Forestry.

ix. Establishing Even-aged Northern Hardwood Regeneration by the Shelterwood Method – A Preliminary Guide by North Central Forest Experiment Station, USDA Forest Service

Possible Audit Standard: (1) Residual stand damage is minimized on BED harvests; (2) Wood on harvests is efficiently utilized; (3) Silvicultural practices meet accepted standards to establish adequate regeneration.

c. *Specific types of cutting will include, but not be limited to:*
i. The Selection System – A silvicultural system involving the removal of trees of all sizes singly or in groups, at regular intervals resulting in an uneven-aged stand. This system involves a continuous forest cover and favors shade-tolerant species.
ii. The Seed Tree System – A silvicultural system involving the retention of a very light stocking of selected trees after an initial cut. The role of the residual trees is to furnish seed for the next crop. This system results in an even-aged stand.
iii. The Shelterwood System – A silvicultural system that involves the removal of the overstory in several stages. The partial overstory removal provides favorable conditions for the establishment of regeneration. The residual overstory is removed after the new stand is well-established. Shelterwood cutting also results in an even-aged stand.
iv. The Clearcutting System – A silvicultural system that involves the harvesting in one cut of all trees larger than 2 inches in diameter on an area and results in an even-aged stand. The size and configuration of the cut area is variable (even to as small as a fraction of an acre). Clearcutting is recognized to be useful in certain silvicultural and wildlife management situations. However, due to public sensitivity, only modified forms of clearcutting will be allowed by BED (narrow progressive strips and small blocks up to 25 acres in size). Land clearing operations involving land use conversions may employ larger clearcut openings. However, the objective in such cases is not future timber production. For land use conversion clearing operations, the landowner must submit a letter of intent to BED stating number of acres to be cleared, name of harvesting contractor and the purpose of the clearing.
v. Improvement Cut – An improvement cut is an intermediate cut which can be prescribed by a forester as part of either of the previously mentioned silvicultural systems and can be carried out at various times during the rotation (in even-aged stands) or as part of the regeneration cut (in the Selection System). The objective of an improvement cut is the reduction of low-value stand components through the removal of poorly formed stems and less valuable species.
vi. Thinning – Thinning is an intermediate cut prescribed by a forester to reduce the level of tree stocking to a recommended level in order to

concentrate tree growth on fewer but selected stems.
It should be noted that due to variability in forest stands as a result of site conditions and past treatment, it will often be necessary to incorporate more than
one of the above-mentioned types of cutting within a single woodlot. In addition,
dependent upon the intensity of past high-grading, it will often be necessary to leave numerous poor quality trees uncut in order to maintain recommended stocking levels.

Possible Audit Standard: Demonstrate that all BED forestry (i.e., non-development/land conversion) harvests rely on a sound silvicultural system that is appropriate to the site.

Paragraph 6

Harvesting contractors will be expected to abide by all applicable local, State and federal
regulations including but not limited to:
a. Occupational safety and insurance coverage.
b. Forest fire prevention and control.
c. Protection of property of others.
d. Water quality protection.
e. Harvesting and transportation of forest products

Possible Audit Standard: (1) BED requires and maintains proof of appropriate insurance from suppliers. (2) BED requires suppliers to meet applicable transportation safety and load requirements; (3) BED does not procure wood from contractors who have a record of timber theft or other property destruction or damage.

Paragraph 7

Landowners will be made aware of the desirability of having a stumpage sale contract outlining the details of the harvest operation. If the landowner elects to utilize such a document, the harvesting contractor will be required to meet the terms of that contract in
addition to the above harvesting policy.

Possible Audit Standard: BED appropriately handles landowner interactions and advises landowners of their interests in being adequately protected during a timber sale. BED does not retain suppliers who are known to fail to abide by stumpage contracts.

Summary of the state of the McNeil Plant

1. McNeil is losing money. Financial statements from the McNeil Joint Owners' Operating Committee show that McNeil's operation and related wood-fuel procurement activities in New York and Vermont generated net losses for McNeil's owners in 7 of the last 9 fiscal years, totalling over $29 million in net losses. The highest loss came during this past fiscal year- $8,544,472 for fiscal year 2024 to date through April 30, 2024. As 50% owner of McNeil, Burlington Electric incurs half of the losses.

   McNeil is expected to continue to lose money for the foreseeable future, as wholesale energy prices remain low, operating and maintenance costs increase, and favorable markets for Renewable Energy Credits (RECs) generated by McNeil become less available. According to testimony filed to the PUC by energy economist Paul Messerschmidt regarding BED's IRP case: "McNeil's financial outlook for the future is dismal due in part to relatively low prices for natural gas and wholesale electricity in the ISO-New England market which are projected to persist for many years, its high operating costs, [and] its dependence on REC revenue for financial viability."

McNeil Net Income/Loss- FY 2016 – Present

Exhibit PM-1

	4/30/24[1]	6/30/23[2]	6/30/22[3]	6/30/21[4]	6/30/20[5]	6/30/19[6]	6/30/18[7]	6/30/17[8]	6/30/16[9]
Revenues									
ISO-NE Mkt. Energy	7,347,426	16,409,452	19,034,113	9,882,523	6,161,064	9,257,972	12,920,069	9,456,980	9,484,018
ISO-NE Capacity	1,163,624	2,413,264	3,116,739	3,449,390	4,353,743	5,687,054	4,850,966	2,048,027	2,005,222
Ancillary	19,623	24,452	24,386	24,457	24,903	16,722	-		
Total Revenue (Excluding RECs)	8,530,313	18,847,168	22,175,238	13,356,370	10,539,710	14,961,748	17,771,035	11,505,007	11,489,240
REC Revenue	4,515,956	7,141,987	8,533,615	7,887,846	7,043,184	8,083,161	8,656,706	10,697,574	12,062,600
Total Revenue	13,046,269	25,989,155	30,708,853	21,244,215	17,582,894	23,044,909	26,427,741	22,202,581	23,551,840
Expenses									
Fuel	12,454,383	16,783,173	15,139,872	15,291,371	14,090,574	12,895,040	15,527,466	15,676,576	21,305,228
Other	9,136,357	11,114,267	11,020,199	10,917,592	9,980,281	12,195,336	9,533,861	10,061,086	9,835,621
Total Expenses	21,590,740	27,897,440	26,160,071	26,208,963	24,070,855	25,090,376	25,061,327	25,737,662	31,140,849
Net Income/ (Loss) Excluding RECs*	(13,060,427)	(9,050,272)	(3,984,833)	(12,852,593)	(13,531,145)	(10,128,628)	(7,290,292)	(14,232,655)	(19,651,609)
Net Income /(Loss) Including RECs*	(8,544,472)	(1,908,285)	4,548,782	(4,964,748)	(6,487,961)	(2,045,467)	1,366,414	(3,535,081)	(7,589,009)

*Net income (loss) figures are before interest/ including depreciation.

[1] Joint Owners Committee Meeting Materials, 6/10/24 Spreadsheet; This shows year to date- FY ends 6/30/24.
[2] From Joint Owners Committee Meeting Materials 9/11/23 Spreadsheet
[3] *Id.*
[4] McNeil P & L 2022
[5] McNeil P & L June 2020; Joint Owners Minutes 9/15/20
[6] McNeil P & L June 2020; Joint Owners Minutes 9/15/20
[7] McNeil P & L June 2019; Joint Owners Minutes 10/21/19
[8] McNeil P & L, June 2017
[9] *Id.*

2. McNeil is costing ratepayers. Burlington Electric is in the process of requesting the fourth straight year of rate increases, for a total cumulative rate increase of over 24% since Fiscal Year 2022. When asked by public officials, BED insists that McNeil is not the cause of these rate increases, but then points to drivers that are directly related to McNeil. In their FY 2025 budget presentation (see slides 13 & 14), BED cites "flat/declining REC revenues due to relatively stable prices and variation in production across the portfolio, higher purchased power costs due to lower forward prices for sale of excess winter energy," and "continued inflationary pressures in other O&M expenses," which are attributable in large part to McNeil. Burlington Electric secured votes in support of the District Energy Resolution by telling Councilors that McNeil is needed to protect ratepayers, when in fact, McNeil is helping to drive rate increases. While prior to Fiscal Year 2022, Burlington Electric had avoided rate increases for more than 10 years, this was likely primarily attributable to the low-cost hydropower in BED's power-mix (comprising 40% of the mix in 2022) and the fact that as a municipal utility, BED does not need to provide a return to investors.
3. McNeil is expensive relative to other power supply options. In September 2022, Burlington Electric issued a Request for Proposals for renewable energy supply resources. In response BED received proposals to supply hydropower, wind and solar at lower cost per MWH than the cost of operating McNeil. To the extent that it is not possible to replace all of McNeil's output with hydropower, wind, solar, and battery storage in the very short term, BED could contract to receive power from the grid, which would be less expensive and less polluting than operating McNeil. The current ISO New England grid mix is approximately 50% low carbon. See https://www.iso-ne.com/static-assets/documents/100010/new-england-power-grid-regional-profile.pdf. To the extent, BED wishes to maintain its 100% renewability, it could buy low cost RECs to cover its use of non-renewable power, as it currently does after selling the RECs generated by McNeil.
4. McNeil is not a reliable source of power. In addition to not being affordable, McNeil also has serious reliability constraints. McNeil operates very irregularly (use the drop-down menu on this website to select "J C McNeil" and see for yourself), but the lights always stay on in Burlington, because

we don't actually get our power from McNeil. Burlington's power comes from the regional grid. McNeil Joint Owners meeting minutes show that the plant has serious and ongoing maintenance issues and routinely has to idle to address these. We can only expect these to worsen as the 40-year-old plant continues to age and BED continues to ramp it up and down as a dispatchable generator rather than operate it steadily as baseload like it was designed to be used. Furthermore, there is increasing unreliability with sourcing fuel for McNeil. This past winter, discussion at the Burlington Electric Commission revealed that McNeil operated less than planned because the weather was so warm and wet that wood could not be harvested to be burned at McNeil: " McNeil production being 47 percent less than budget. McNeil was offline for part of December due to unfavorable economics (low energy prices) and to conserve wood." Conversation not recorded in the minutes stated clearly that they needed to conserve wood because loggers could not cut more due to the wet and warm winter weather. This trend continued for much of the rest of the winter, and with northwestern Vermont warming faster during the winter than basically anywhere else in the country, we can expect this trend to worsen.

5. Biomass plants are closing around the region — we need to assess whether it is feasible to keep McNeil operating before investing in other studies or improvements to the plant. The republican governor of New Hampshire pulled the plug last year on the Burgess biomass plant in Berlin, the largest biomass plant in the region, citing $200 million in subsidies from New Hampshire ratepayers to prop up the plant. The 60 MW Black River biomass plant in northern New York also closed in 2023 after having no financially viable way forward. Like these other plants, McNeil is also expensive to operate and depends on some unreliable combination of public and ratepayer subsidies to keep operating.
6. McNeil is damaging to our environment and climate. McNeil emits roughly 400,000 tons of CO_2 / yr, making it the largest single polluter in Vermont. McNeil is the largest consumer of wood in Vermont, burning the equivalent of 8-10% of Vermont's *entire* annual forest growth at this single, relatively low-output plant. According to the state-commissioned 2022 Pathways 2.0 report, Vermont will have a total electricity demand of about 6,182 GWh in 2025. In a high production year, McNeil produces about 273,000 MWh, or 273 GWh, or 4.41% of Vt's total electricity consumption (use the

drop-down menu at the link to select “J C McNeil” to see McNeil’s production). That means that if Vermont got all of its power from plant’s like McNeil, we would have to burn the equivalent of double (182%-227%) our state’s total annual forest growth — that is how impactful and inefficient McNeil is. McNeil is also a primary driver of degraded forests which store less carbon, do less to buffer floods, and are less resilient to climate impacts, pests, and other disturbances.

Regarding the “Emissions Assessment and Reduction” Analysis RFP

- This study should be put on hold until a feasibility study for the plant is conducted
- This feasibility analysis must be included in BED’s IRP that is currently before the PUC.
- If TEUC decides to proceed with the emissions assessment and reduction analysis, the RFP should nevertheless call for the feasibility analysis of the plant and alternatives to the plant to be conducted in parallel. The requested feasibility analysis is within the scope of the Resoultion’s direction (Page 5, line 146 through Page 6 line 160) that the analysis “include but not be limited to . . . the scale and types of alternative renewable energy technologies and energy storage that would be needed if McNeil was not in service and Burlington desired to have its community provided with the lowest-carbon emissions renewable power generation that is both reliable and affordable particularly for low and moderate-income ratepayers.” If the TEUC determines that such analysis is not within the scope of the analysis called for by the Resolution, it should request such authority from the City Council, if necessary.
- The RFP refers to a number of past studies prepared at BED’s request, which fail to take into account McNeil’s stack emissions and based on this and other deficiencies make inaccurate claims of lower emissions relative to natural gas as well as erroneous claims that sustainable forestry renders McNeil carbon neutral. The inclusion of these studies in the RFPs as well as a selective addition and deletion of language to and from the Resolution language threaten to bias the study in favor of BED’s position. **All reference to the previous, BED-commissioned studies should be removed from the RFPs and the studies should be removed from BED’s website**.

Regarding the "Forestry" Study FRP

- This study does not need to be done - we need a feasibility study for whether BED should be operating McNeil at all
- As with the other RFP, the forestry study RFP contains references to past studies which should be deleted
- If the TEUC, BEC, and BED insist on proceeding with this study before a feasibility study, the forestry study must include the following:
    - Discuss BED's use of the term "residue," and whether claims of using "residues" change the global warming potential of the wood fuel in line with greenhouse gas reductions needed to stay below 1.5ºC of global heating. Provide dimensional descriptions and relative amounts of the types of wood burned at McNeil - e.g. trunks greater than 8'' in diameter, branches smaller than 1'' in diameter, etc.
    - Quantify the carbon lost from the region's forests annually due to BED harvests and estimate the increased carbon storage that would result if BED ceased accepting harvests for McNeil. Discuss long term impacts to nutrient cycling, species diversity and ecosystem productivity caused by harvests of McNeil fuel.
    - Quantify the tonnage of wood and acreage harvested for McNeil that is permanently cleared (e.g. for development). BED has suggested that up to 10% of their harvests come from such sites.
    - Discuss the impact of McNeil's harvests on Vermont State policy goals, including goals to mitigate flood risk and the mandate to have at least 10% of Vermont's forests in old growth condition. See the Vermont Conservation Design's discussion of old forests (p. 24) and rare natural communities for background on the 10% figure, as well as the Climate Action Plan (p. 196) and Act 59 of 2023, which both reference the goals of VCD. According to VCD (p. 24), "old forests with large trees, abundant dead and downed wood, and natural canopy gaps, are essentially absent on the landscape" today, due to past and ongoing logging and land clearing.
    - Discuss and quantify the impacts of McNeil's harvests on flooding, water quality, rare/threatened/endangered species, above and below-ground biodiversity, and forest resilience to climate events, pests, and other disturbances.

- Discuss whether our region's forests would be best served by ceasing harvests for the McNeil station.

Elena Alexander

From: Chris Gish <christop.gish@gmail.com>
Sent: Tuesday, August 20, 2024 6:00 PM
To: mbarlow@burlingtonvt.gov; mbroderick@burlingtonvt.gov; elitwin@burlingtonvt.gov; Gene Bergman; Scott Moody; Bethany Whitaker; Lara Bonn; Michelle Hobbs; Andy Vota
Cc: Elena Alexander; RGoulding@burlingtonvt.gov
Subject: We Need a Feasibility Study for McNeil
Attachments: 8-22 RFPs edits.pdf; Gish_TEUC_Comments_8.22.24.pdf

Dear members of the TEUC and Burlington Electric Commission,

I write to you to urge you to support a substantive, independent, third-party feasibility study for the McNeil plant before pursuing either of the two studies outlined in the draft RFPs to be discussed on 8/22. This feasibility study should examine the financial feasibility of continuing to operate McNeil, as well as how operating the plant compares, economically and environmentally, to alternatives over various time-frames. As I outline in the attached document, McNeil is a serious financial liability that costs ratepayers, as well as an enormous burden on our climate and regional environment. McNeil is Vermont's largest single source of climate-heating gases, has lost its joint owners a total of over $29 million over the last nine years, and has been a significant driver of the four consecutive rate increases we are currently experiencing.

As Burlington considers further investments to study and expand McNeil's operations, it would be negligent not to first carefully analyze whether the plant should be operating at all. Neither BED's current draft Integrated Resource Plan (IRP), nor any other publicly-available BED document, analyzes the possibility of retiring McNeil, or the financial losses associated with its continued operation. We need a feasibility study before undertaking any of the other studies presented in the District Energy Resolution, or moving forward with the District Energy project.

Please review the information I have attached regarding the troubled financial and environmental outlook for McNeil, as well as specific suggestions for each draft RFP, should the TEUC and BEC insist on moving forward with these studies. I have also included a mark-up of the proposed RFPs as a separate attachment. Please include this email and its attachments as part of the public record for the 8/22 joint TEUC/BEC meeting.

Thank you for taking the time to understand this issue and for your service to the city.

Best regards,
Chris Gish
Burlington, Ward 8

EXHIBIT C

BURLINGTON ELECTRIC DEPARTMENT REQUEST FOR PROPOSAL

Emissions Assessment and Reduction Analysis For McNeil

Background:

The Burlington Electric Department (BED) is Vermont's largest municipally owned electric utility serving over 21,000 customers. BED is the exclusive provider of electric service to the city of Burlington, an area of approximately 16 square miles, and the Burlington International Airport in South Burlington.

As a public utility, BED is an expression of the community's energy desires and beliefs, and the community wants to see BED move quickly to zero-carbon energy sources. In 1990 Burlington voters approved an $11.3 million bond to fund energy efficiency programs that supported successful activities through 2002. Since 2003, BED customers have been paying a small monthly charge that supports these continued "Energy Efficiency Utility" programs, which BED staff delivers on behalf of its customers under an Order of Appointment from Vermont's Public Utility Commission (PUC).

Burlington first experimented with wood chip generation by co-firing the Moran coal plant with wood in the 1970's. Following successful pilots there, the McNeil Generating Station ("McNeil"), a 50 megawatt wood-chip electric generating plant was built and started operating in 1984. McNeil is the largest single source of greenhouse gasses in Vermont. The McNeil plant, which is managed by BED, is jointly owned by BED (50%), Green Mountain Power (31%), and Vermont Public Power Supply Authority (19%), collectively referred to as the Joint Owners. The Joint Owners made a $12 million investment in a Regenerative Selective Catalytic Reduction (RSCR) system to significantly reduce NOX emissions in 2008. McNeil has been qualified as a renewable generator for purpose of selling renewable energy certificates (REC), including Connecticut Class 1 RECs. Unique among

BED's renewable energy generators, McNeil is dispatchable and can store fuel on-site and run when prices are advantageous, with operations adjusted upwards or downwards based on market economics.

McNeil is expensive to run because its fixed costs include~~s~~ approximately 35 full time employee positions (FTE), including four professional licensed foresters who work to sustainably procure wood chips for the plant. Wood chips are delivered from Vermont and, via Swanton wood yard rail, upstate New York. McNeil's wood procurement contract requires that no wood be harvested solely for energy production, rather McNeil will accept wood residues ~~(~~such as tops and limbs~~)~~, diseased or damaged trees, and non-commercial wood left over from harvest operations. McNeil also accepts mill residues, and wood from the Waste Wood Yard operated to keep clean untreated wood from being landfilled. ~~McNeil uses a very small volume of low-value roundwood, kept on-site for fuel security purposes.~~ For more on McNeil and McNeil Forestry see www.burlingtonelectric.com/mcneil and https://www.burlingtonelectric.com/forestry.

With the purchase of the Winooski One Hydroelectric Facility in 2014 (a 7.4 megawatt plant located on the Winooski River), Burlington became the first city in the United States to source 100 percent of its electricity from renewable sources. BED, based on ~~local and state~~ internal policy objectives, does not contract for energy from nuclear or fossil fuel resources. Having achieved this renewable energy goal BED and the City announced in 2019 a strategic plan to make Burlington a "net zero energy (NZE)" and launched the NZE Roadmap (www.burlingtonelectric.com/nze). The NZE strategy is focused on reducing and eliminating fossil fuel use and associated greenhouse gas emissions in the thermal and ground transportation sectors.

BED currently sources electric power locally, and from New England and adjoining states and territories, with a strong preference for generation closest to Burlington.

BED recognizes carbon accounting for energy production from wood/bio-based resources is more complex than other resources, and that there are various ways to look at emissions including lifecycle (such as done by National Renewable Energy Laboratory), at the stack, and based on wood source using the debt and dividend approach, and currently treats wood-combustion as carbon-neutral. Through this RFP and recognizing the commitment Burlington and BED have to addressing the climate emergency, BED endeavors to learn more about how to reduce the environmental footprint of McNeil, including, a more accurate greenhouse gas accounting system than the current "carbon-neutral" assumption, reduction in stack greenhouse gas emissions and other greenhouse gas emissions, ~~while retaining the energy production benefits from the plant~~and lower cost, lower greenhouse gas polluting alternatives. BED recognizes the Joint Owners ultimately have decisional-authority, not BED or Burlington unilaterally, as it relates to the McNeil plant.

Current Data and Documents

For the benefit of respondents, below are several relevant documents or prior studies related to the McNeil Generating Station. Please note that, unlike some of the past documents, Respondents should not assume wood-combustion is carbon-neutral:

- November 2023 District Energy City Council Resolution ("Resolution") (specifically review lines 126-165 for context on this RFP) -https://burlingtonvt.portal.civicclerk.com/event/6667/files/attachment/2027
- 2022 VEIC analysis on lifecycle greenhouse gas emissions at McNeil -https://www.burlingtonelectric.com/wp-content/uploads/VEIC-Final-Memo-to-BED-LCA-of-GHG-emissions-4.29.22-.pdf
- 2023 Economic Analysis by Innovative Natural Resource Solutions (a "refresh" of a similar study from 2020 performed at the request of the Vermont Department of Public Service) - https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Economic-Impact-26-June-2023.pdf
- 2023 Carbon and Forestry Analysis by Innovative Natural Resource Solutions -https://www.burlingtonelectric.com/wp-content/uploads/McNeil-Carbon-6.2023.pdf
- 2023 City Council Transportation, Energy and Utilities (TEUC) Forum on McNeil - https://www.cctv.org/watch-tv/programs/burlington-transportation-energy-and-utilities-committee-mcneil-symposium
- 2023 First Environment Carbon Score GREET analysis for proposed district energy system at McNeil - https://www.burlingtonelectric.com/wp-content/uploads/CI-Model-Letter-Report-draft-ver-3.pdf

RFP Objectives/Scope of Work

The RFP objectives are outlined in the Resolution linked to above and the scope of work is as follows:

- Analyze the timeframes to transition away from woodchip combustion as a significant source of power source for the City of Burlington including but not limited to the possibilities of repowering the McNeil plant with different fuels and for this study to be completed and presented to the Burlington City Council at its first November, 2024 meeting.

- Analyze, generate, and implement a plan to reduce the greenhouse gas emissions from the McNeil plant by at least 25% in the next five years and 50% over the next 10 years with a 2024 baseline while continuing to operate the plant for the benefit of ratepayers and with regular reporting and review to the TEUC.
- Analyzing the impacts, both negative and positive, of the current wood chip-based energy production at McNeil;
- Analyzing opportunities to reduce stack-related carbon dioxide emissions and other greenhouse gas emissions from McNeil;
- Analyze the opportunity to repower McNeil, including with different fuels that would significantly reduce greenhouse gas emissions at the stack as bridge to a period where run-of-river hydro, wind, solar and storage can reliably and affordably meet the needs of Burlington ratepayers, including low and moderate-income ratepayers;
- Analyzing technologies that would significantly reduce costs and greenhouse gas emissions in the future, including more efficient combustion and an annual capacity factor of under 10%;
- Analyzing the possible utilization of the McNeil Site for additional energy needs including energy storage and/or thermal energy provision;
- Analyzing the opportunities for expansion of innovative partnerships at McNeil such as the UVM solar research center newly located at the McNeil site; and
- Analyzing the scale and types of renewable energy procurement, generation and energy storage needed if McNeil was not in service and Burlington still needed lowest-carbon emissions renewable generation that is both reliable and affordable particularly for low and moderate-income ratepayers.

Factors to consider and include as the above analysis is conducted, again based on the Resolution, include:

- Ensuring consideration of the need for zero-emission, reliable and cost-effective electric and thermal power for the City now and into the future;

- Considering how any changes at McNeil might impact the ISO-New England system reliance on wind and fossil fuels for power generation and how that reliance impacts greenhouse gas production;
- Including carbon accounting, timeframes, and assessment of the comparative practicality and cost and rate impacts over the short, medium and long term to Burlington electric and heating customers of any proposed alternatives;
- Understanding any changes in BED's power cost risk stability and risk profile of considered alternatives.

BED is looking to select a well-qualified firm to conduct this analysis and deliver a written report that will help shape future energy initiatives at ~~McNeil~~ BED.

Request for Proposals:

BED is requesting proposals for a financial and Emissions Assessment and Reduction Analysis for McNeil from a third-party firm that has the analytical capability and energy/environmental expertise to produce such a Report. As noted in the Resolution, the firm shall have experience analyzing emissions reduction and renewable energy technologies.

As noted in the Resolution, BED has provided this RFP for review to the Burlington Electric Light Commission, TEUC and City Council prior to issuance. Each entity's meetings included public comment. The McNeil Joint Owners have also been consulted prior to issuance. The scope of work/contract for a selected respondent is also subject to review by the Commission, TEUC and Council, and again subject to consultation by the Joint Owners.

Proposals should be no more than eight pages (not including appendices) and include, in addition to information on analytical capabilities, experience on renewable energy generation alternatives, analyzing energy/efficiency and economic and greenhouse gas emissions reduction scenarios from power plants (with specific preference for experience analyzing wood generators), and relevant expertise of the organization and the key staff for this project (including projected staff hours), address the criteria below.

Proposals will be reviewed using the following **RFP Evaluation Criteria**:

- Has the necessary analytical capabilities to conduct energy/environmental/economic analyses to provide BED and

Burlington with analysis of emission reduction opportunities and economic and energy impacts of such opportunities;

- Has a sufficient understanding of ISO-NE and regional renewable energy generation opportunities to credibly examine alternatives for repowering the McNeil station.
- Has conducted relevant work in the past for municipal or state governments or utilities;
- Demonstrates the ability to take complex data and information and provide it in a way that is useful, and transparent, for a variety of audiences including policymakers, regulators, BED staff, and the general public;
- Outline of a project plan that meets BED's targeted timeline for an interim report (end of 2024) and final report (by Spring 2025);
- Demonstrates relevant experience presenting similar materials to policymakers, regulators, and the general public;
- Has other relevant expertise in utility and power sector analysis.
- Understanding of electric utility business and financial structures, as well as general utility rate economics.

Confidentiality Requirements:

~~If portions of the submitted proposal are to remain confidential, information must be included clearly describing which portions of the package the proposer considers confidential along with justification as to why the information would be considered confidential under Vermont Access to Public Records law (see Public Records Section below) and PUC rules. BED is subject to public disclosure laws, so any RFP responses including proprietary/confidential materials should have those materials clearly marked and , and include specific justifications as to why the identified materials must remain confidential. In the event the proposer requests that part or parts of the submitted proposal remain confidential, a second copy of the proposal with all confidential portions redacted must be provided.~~ Respondents should understand that all responses will be reviewed by the public and respondents should not consider any part of the responses confidential.

Selection Process:

During the evaluation process, BED reserves the right, where it may serve its best interest, to request additional information or clarifications. BED also reserves the right to terminate the process following RFP response review if no viable responses are received.

BED recognizes that this request is unique in scope, and that further clarity is likely to be required as various options are developed/explored. Interested parties are urged to make responses as detailed as possible, while identifying areas where further detail is required or risks may exist. Questions should be directed to BED Purchasing, and responses to any such requests/questions will be made available to all interested parties and provided to TEUC for dissemination to the public.

Submittal and Timeline:

All RFP's must be submitted through our RFP portal website by 5:00 PM EST, October 30th, 2024. All RFP's are date and time sensitive and we cannot accept any submissions after the specified date and time. Please do not email the RFP to anyone at BED. If you do, such action will cause your submission to be invalid, and your response will not be accepted. BED will contact those entities to whom BED, following consultation laid out in the Resolution with the Burlington Electric Commission, TEUC and City Council, would like to extend a formal invitation and provide a program agreement for BED and the selected partner to sign.

Amendment or Cancellation of RFP:

BED reserves the right to amend or cancel this RFP at any time if the best interest of BED requires such action. BED also reserves the right to award all or a part of the RFP to any or several contractors or whatever is in the best interest of BED.

Proposal Modifications:

No additions or changes to any vendor's proposal will be allowed after the proposal due date unless such modification is specifically requested by BED.

Proposal Expenses:

BED assumes no liability for payment of any expenses incurred by any vendor in responding to this RFP.

Acceptance or Rejection of Proposals:

BED reserves the right to accept or reject any or all proposals submitted for consideration in whole or in part; and to waive technical defects, irregularities or omissions, if in its sole judgment, the best interests of BED will be served. BED further reserves the right to accept a proposal for a contract other than that with the lowest cost, and to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of BED and its rate-payers. BED also reserves the right to award all or partial parts of the RFP to any or several contractors that are in the best interest of BED.

Ownership of Proposals:

All proposals submitted in response to this RFP shall become the sole property of BED.

Oral Agreements and Arrangements:

Any alleged oral agreement or arrangement made by a vendor with BED or any BED employee will be disregarded in any BED proposal evaluation or associated award.

Vendor Presentation of Supporting Evidence/Surety:

Vendors must be prepared to provide any evidence of experience, performance ability, and/or financial surety that BED deems necessary to fully establish the performance capabilities represented in their proposals.

Vendor Misrepresentation or Default:

BED reserves the right to reject the proposal of any vendor and void any award resulting from this RFP to a vendor who materially misrepresents any product or defaults on any BED contract.

Erroneous Awards:

BED reserves the right to correct inaccurate awards resulting from its clerical errors.

Public Records:

Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with the procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions regarding access to the records of government.

It will not be sufficient for vendors to merely state generally that the proposal is proprietary in nature and not therefore subject to release to third parties. Those particular pages or sections which a vendor believes to be proprietary and of a trade secret nature must be specifically identified as such and must be separated from other sections or pages of their proposal. Convincing explanation and rationale sufficient to justify each exemption from release consistent with Section 316 of Title 1 of the Vermont Statutes Annotated must accompany the proposal. The rationale and explanation must
be stated in terms of the prospective harm to the competitive position of the vendor that would result if the material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute. Between a vendor and BED, the final administrative authority to release or exempt any or all material so identified, rests with BED. All such materials should be submitted in a separate sealed envelope and marked "CONFIDENTIAL" and as noted above, non-confidential/redacted versions of any such documents must be provided as well.~~.~~

It shall be the responsibility of any submitter seeking to maintain confidentiality to do so at their sole expense.

Offer of Gratuities:

The vendor warrants, represents and certifies that no elected or appointed official or employee of BED has or will benefit financially or materially from this procurement. Any Contract and/or award arising from this RFP may be terminated by BED if it is determined that gratuities of any kind were either offered to, or received by any of the aforementioned officials or employees from the vendor, the vendor's agent of the vendor's employees.

Collusion:

By responding, the vendors implicitly state that the proposal is not made in conjunction with any competing vendor submitting a separate response to this RFP and that it is in all respects fair and without collusion or fraud.

Contract Provisions:

The contract to be entered into between BED and the successful proposer shall contain negotiated provisions based on the specific requirements set forth in this RFP and the successful proposer's treatment thereof as contained in this proposal, as well as general BED contract provisions.

The final award of this contract will be subject to your firm's execution of such a contract and the contract's execution by BED and the issuance of a formal Purchase Order (P.O.) by BED’s Purchasing Office. Proposals should include an acknowledgment that the standard provisions included in BED contracts are comprehended by your firm.

BURLINGTON ELECTRIC DEPARTMENT (B.E.D.)

MINIMUM INSURANCE REQUIREMENTS: TYPE 1A

Contractor's Order

1.1 Contractor shall purchase and maintain insurance coverage for not less than the following limits:

COVERAGE		MINIMUM LIMIT
a.	**Professional Liability:**	
	Professional Services	$1,000,000 each claim $1,000,000 in aggregate
b.	**Commercial General Liability:**	
	Bodily Injury and Property Damage	$500,000 each occurrence $500,000 in aggregate
c.	**Automobile Liability:**	
	Bodily Injury and Property Damage	$500,000 combined single limit
d.	**Workers' Compensation and Employers Liability:**	
	WC: Statutory coverage	
	EL: $100,000 each accident $100,000 each employee $500,000 policy limit	
e.	**Cyber Liability:**	
	Each Claim/Event Aggregate limit	$2,000,000 each claim 2,000,000 each event

1.2 Contractor shall purchase and maintain such comprehensive general liability and other insurance as set forth above which will provide protection from claims arising from the result of Contractor's performance and furnishing of services outlined in the awarded Purchase Order and/or Contract, whether it is performed or furnished by Contractor or by anyone directly or indirectly employed by the Contractor to perform or furnish any of the work outlined in the Purchase Order and/or Contract. The Contractor shall hold B.E.D. harmless for any and all damages/claims (including but not limited to bodily/personal injury, property damage, loss of income, business interruption, or wrongful death), while performing or as a result of, work assigned/related to the awarded contract.

1.3 Contractor shall provide B.E.D. with a certificate of insurance for coverages set forth above which shall not be subject to cancellation without at least thirty (30) days advance written notice to B.E.D. Such evidence of insurance shall be received at B.E.D. before the commencement of work, or Purchase Order and/or Contract is awarded, whichever is sooner, and such insurance shall be maintained throughout the duration of awarded contract. Forward certificate of insurance to Burlington Electric Department, 585 Pine St., Burlington, VT 05401, Attention: Director of Purchasing & Facilities.

1.4 Any claim in excess of limits set forth above or which are not covered by the Contractor's comprehensive general liability, automobile liability, or worker's compensation insurance are the sole responsibility of the Contractor.

1.5 B.E.D. and/or any affiliated or subsidiary companies shall be recognized as additional insureds with respect to insurance. Coverage provided by the contractor shall be primary to any other valid and collectible insurance available with respect to B.E.D. as additional insured.

Termination:

The contract to be entered into between BED and the successful proposer shall contain the following provisions dealing with termination. If the Contractor fails to fulfill any of the terms of the agreement on time, BED shall have the right to terminate the said agreement immediately and award a new contract to another Proposer and the Contractor may be responsible for damages and for additional costs incurred in relenting the contract.

Disclaimer:

BED is not liable for any costs incurred by proposers in the preparation of proposals or for any work performed prior to the approval of an executed contract.

Notification of Selection:

Upon selection, BED and the successful proposer will negotiate a contract. The selected proposal in whole or in part as well as content from this RFP may be incorporated into and made a part of the final contract. Should negotiations fail to result in agreement within two weeks from the commencement of negotiations, BED reserves the right to terminate negotiations and select another proposal, issue a new RFP, or take other action consistent with the best interest of BED. By issuing this RFP, BED is not obligated to award a contract.

Delivery of Proposals:

There will be no formal RFP opening. As noted above, all RFPs are to be submitted through our RFP portal website only.

RFP Opening:

All Proposals will be opened only in the presence~~s~~ of BED personnel. There will be no formal RFP opening. ~~All information in the RFPs will not be released until award by BED and acceptance by the winning contractor.~~ All RFPs will be made available for public review and comment prior to an award by BED. If you would like to receive the RFP overview results after the award, you may do so only in writing to our Purchasing Department. If you would like to review the RFPs that were submitted, you must submit a letter to our Purchasing Department requesting a meeting to review the file.

Right to Submit a Proposal on BED Projects:

Any contractor that is in a good standing with all city departments within the City of Burlington, Vermont may submit a proposal for work described above. If a contractor is found to owe funds or has been removed from any RFP lists within any city department, its RFP will not be considered. Contractor must comply with all provisions as outlined in this RFP in order to be considered.

BED Rights:

BED reserves the right to accept or reject any or all proposals received in response to this RFP or to take other action consistent with the best interest of BED. BED reserves the right to negotiate separately with any source to serve the best interest of BED. Exceptions to this RFP shall be by written notification on the awarded P.O. to be binding. All submitted bids become the property of BED. After the award of the contract to the successful bidder, all bids are open for public viewing.

Elena Alexander

From: Pike Porter <pikeporter@gmail.com>
Sent: Monday, August 19, 2024 9:40 PM
To: Marek Broderick; Gene Bergman; Evan Litwin; Mark Barlow; Andy Vota; Bethany Whitaker; Lara Bonn; Michelle Hobbs; Scott Moody; rgoulding@burlingtonvt.gov; Elena Alexander; Carter Neubieser
Subject: redlined RFP attached -- please include for the Aug 22 meeting
Attachments: redline BURLINGTON ELECTRIC DEPARTMENT REQUEST FOR PROPOSAL (2).pdf

Hi all,

please include and consider the attached redlined RFP and this email in the record for the Aug 22 meeting. As you read in the recent *Seven Days* article discussing the financial losses from McNeil, the Department of Public Service (DPS):

> recommend[s] that BED prepare an economic evaluation of the costs and benefits to the utility of each available resource, including both existing resources (e.g. McNeil) and future potential resources. The evaluation should include all direct monetary benefits and costs to the utility over the term of the next IRP, with the value of the resources to be tested under reasonable scenarios that may be relevant to the revenues or the costs of the resources (e.g. RECs, operational changes such as those that may occur from investments that affect the plant). For existing resources, if the valuation shows less revenue than cost, BED should also describe its decision-making framework related to either continuing to maintain the resource or decommissioning the resource.

This DPS required evaluation should occur now, and should be incorporated into the RFP you will discuss on August 22. DPS, which suggests this study should be in the next IRP, has not considered that BED plans to spend millions of dollars on McNeil in the very short term. The city council just agreed to a bond that will fund millions in repairs at McNeil, for example. No money should be spent until an economic evaluation is finalized. For this reason and another, I ask that you postpone spending money on the forestry study until after the financial evaluation is complete. Given the forestry study should be postponed, I did not provide a redlined version of the RFP, but many of my suggestions in the attached RFP should be incorporated into the forestry RFP as well, should you choose to move ahead and waste rate-payer money. The second reason that forestry study should be postponed--even eliminated--is that the sustainability of the wood McNeil uses is irrelevant to the greenhouse gasses the wood produces. As climate scientists Moomaw and Rooney-Vargas made clear at the symposium, burning wood, any wood regardless of the sustainability of the source, creates atmospheric warming that subsequent recapture of the CO_2 molecules does not lower. I've sent most of you the letter signed by hundreds of climate scientists that makes this very same claim. You can find this letter here: https://www.woodwellclimate.org/letter-regarding-use-of-forests-for-bioenergy/. We need to stop burning wood at McNeil. BED must be directed to find replacement hydropower, which is cleaner and cheaper dipatchable power than produced at McNeil.

Paltering: telling the truth with the intent to deceive. The tobacco industry used this form of deceit, the fossil fuel industry used this form of deceit, and BED uses this form of deceit. Please direct BED to remove misleading statements on its website, direct BED to stop promoting the VEIC report and the VGS report that rely on the assumption of carbon neutrality and make false claims about lowering greenhouse gasses.

This from the BED website:

> **Fact – The most prominent visible phenomenon at the facility is water vapor** from the cooling towers that is visible when the plant is operating. This is not smoke but moisture suspended in the air which is a result of cooling water. To the extent that "smoke" is visible coming from the stack, the majority of the visible stack discharge is, in fact, steam. Thanks to McNeil's pollution control equipment, installed in 2008, emissions are far below what federal and state permits require.

It is shameful that this statement and others on the McNeil FAQs page are allowed to confuse and deceive rate-payers. Of course, the over six tons of harmful pollutants McNeil spews onto the most diverse communities in Vermont are invisible, just like your tailpipe emissions. One of you spoke about environmental justice at a recent city council meeting. If you are serious about environmental justice, you must recognize that McNeil is at the epicenter of the worst asthma cases in Vermont and it affects lower income communities of the ONE and Winooski. Visit the EPA site: https://ejscreen.epa.gov/mapper/, choose asthma from the health drop-down and find the Vermont epicenter. Use "05401" to drill into the map.

This from the BED website:

> **Fact** – McNeil has insulated Vermont ratepayers from past volatile and high energy prices on the regional grid in New England, particularly during the summer and winter peak times. **Without McNeil's operation in fiscal year 2023 alone, BED would have been required to seek an approximate 20% rate increase** to compensate for the higher power costs (this would have been in addition to the 3.95% rate increase that year).

I asked for documentation supporting how BED arrived at this "fact," and received a screenshot of an excel spreadsheet that indicated that BED was pricing replacement energy at around $300/MWh. That is about 3 times what BED pays for its most expensive energy currently and five times the average energy rate for grid power. The "fact" is deceitful and needs to be removed. McNeil is inextricably linked to the volatile energy prices, which are very low, not high. Long-term power purchase agreements protect rate-payers. McNeil, which will reliably lose money each year for the next six year at least, does not protect us.

Links to studies that assume carbon-neutrality need to be removed from the website. There is no accounting protocol that allows for BED, or any organization, to claim the carbon storage benefits of others unless it is responsible for those benefits. BED is misapplying EPA and IPCC guidelines, and it is deceitful.

Thanks for considering these thoughts. After all, "as a public utility, BED is an expression of the community's energy desires and beliefs." I think we all believe BED should not be deceiving us.

Pike Porter
Burlington resident and BED rate-payer.

EXHIBIT D

Elena Alexander

From: websterdavid3 <websterdavid3@protonmail.com>
Sent: Tuesday, August 20, 2024 2:16 PM
To: Elena Alexander; RGoulding@burlingtonvt.gov
Subject: Written testimony for 8/22/25 TEUC/Electric Commissioners meeting

Dear Elena Alexander and Robert Goulding,

I would like to submit brief written testimony for the Burlington City Council's Transportation Energy and Utilities Committee (TEUC) and its Board of Electric Commissioners. I will be out of the country on Thursday, so cannot attend.

As a ratepayer and citizen in Burlington I feel very strongly that we need a clear-headed look at the plusses and minuses of expanding, shrinking, or keeping as is the McNEil Plant.
I was very alarmed by the Seven Days description this week of it losing $8 million or more every year.

I am also aware of the dangers of particulate matter from wood burning and the huge inefficiency of this method of electricity production. I truly wish that McNeil was green and clean. Sadly it is not.

I ask the TEUC and the electric commission to please be prudent and not simply wedded to the past-- look carefully at all costs and factors before making further decisions.

With many thanks to all of your hard work,

David Webster
1 Lake Forest Dr.
Burlington VT 05401

websterdavid3@protomail.com

To: Burlington Board of Electric Commissioners

From: Darren Springer, General Manager

Date: September 6, 2024

Subject: **August 2024 Highlights of Department Activities**

General Manager

- **Net Zero Energy and Grid Reliability Revenue Bond –** The Board of Finance and City Council unanimously approved placing the bond question on the November ballot. BED has reached out to all NPAs to schedule time to discuss the bond and answer questions. We also included a column about the bond in the North Ave. News this month. We welcome Commissioners' assistance in sharing information about the bond proposal with the community.

- **Major EV charging grant –** As was shared in a press release with the congressional delegation and the Mayor, BED is pleased to be the sole Vermont recipient of funding from the Department of Transportation latest EV charging grant round, made possible by the Infrastructure Investment and Jobs Act. We will receive nearly $4.9 million in federal funds, supporting (with matching funds) 200 new chargers in the City including 47 new fast chargers. The grant has a major equity component regarding investing over 40% of funds in the two census tracts considered to be disadvantaged under federal economic justice criteria (areas of the ONE, downtown and parts of south end). This will be a significant benefit for our entire community and will help renters access more charging as well. BED had a great team working across divisions and disciplines to collaborate on the grant proposal. This generational investment will support our Net Zero Energy EV adoptions goals. https://www.burlingtonelectric.com/burlington-electric-department-awarded-4-89-million-grant-by-u-s-department-of-transportation-to-deploy-publicly-accessible-electric-vehicle-chargers-throughout-burlington/

- **McNeil RFPs –** The RFPs are at City Council on 9/9 for consideration.

- **Defeat the Peak –** BED celebrated two successful defeat the peak events with our non-profit partners, Scout Troop 658 (selected by our 2024 Jim Reardon Award winner Ciaran Canavan), and Cathedral Square.

- **Processing Fees –** Consistent with other City Departments as part of the FY25 budget process, BED is going to cease covering processing fees for customers using the Paymentus payment processing system. The fee costs were originally relatively small but have increased to approximately $300,000 annually. Given the payment processing system is utilized by some but not all customers, these fees should be paid individually rather than be covered in rates paid by all customers. We have communicated through multiple mediums about this change, and more details are available here - https://www.burlingtonelectric.com/avoidfee/

- **Energy Assistance Program auto-enrollment –** In August BED added 482 customers to the EAP program through the new auto-enroll provision. Previously we had fewer than 300 total customers on the program, this one change approximately tripled enrollment.

Center for Innovation – Emily Stebbins-Wheelock

- Coordinating efforts to track and respond to federal and state funding opportunities; received notice of selection for award of $4.89 million under U.S. Department of Transportation Charging & Fueling Infrastructure program.
- Continued sponsorship of IT Forward implementations.

Finance & Billing

- Continued work on updating vehicle rates for charging to work orders.
- Continued work on RFP development for a new financial information system.
- Continued work on preparing deliverables and requests for the FY24 audit.
- Continued work on planning for enrollment of additional customers income-qualified for Energy Assistance Program.
- Updating 5-year budget forecast and capital plan.
- Obtained Commission and Council approval of November 2024 ballot item for potential $20 million Net Zero Energy and Grid Reliability revenue bond.
- Continued work on Energy Efficiency Charge rate calculation for calendar year 2025.
- Continued work on the close-out of DPS Electric Vehicle Supply Equipment Grant.
- Developing a credit card use policy and an RFP for procurement card program.

Information Services

- Survalent SCADA/ADMS project: Project milestones on track. SCADA virtualized environment builds underway. Cybersecurity work continues.
- Fit-up of new dispatch room: IT is working to install physical terminals and screens ahead of September on-site dispatcher training.
- Customer Information System: Continuing contract and statement of work negotiations.
- Financial Information System: Work continues to document and develop requirements ahead of a fall RFP release.
- Continued implementation of a new zero-trust platform. Phase one was successfully completed in mid-August; phase two implementation is complete, currently testing with select users. Estimate the remainder of phase two roll-out in mid-late September.
- Disaster recovery hardware environment configuration is complete. The team continues to work on playbook development.

- Erica continues participation on the State of Vermont's Cybersecurity Advisory Board.
- Ongoing phishing and security testing of our users.

Policy & Planning

- Received discovery questions from PSD in 2024 rate filing.
- Filed Revised Study Proposal in WinooskiOne FERC relicensing proceeding.
- Developing CY2025 Tier III plan for review (due 11/1/2024 at PUC).
- Discovery process in 2023 IRP continuing (preparing second round questions).
- Exploring potential BED thin film solar pilot location.
- Filed quarterly DES grant report.
- Reviewed CIS vendor contracts.
- Reviewed drafts of McNeil studies for joint Commission-TEUC meeting.
- Filed 2023 RES report with PUC.
- Continued work on Building GIANTS award negotiations (Proj Mgmnt Plan, Cybersecurity Plan).
- Executed agreement for DPS ESAP grant for DERMS; planning kickoff.
- Recurring resource replacement and storage option meetings.
- Dialogue with PSD re pole-mount charger grant closeout.
- Noticed customers of proposed pilot rate for community EV charging (rate proposed to take effect 12/1/24).
- Reviewing potential revisions to Tier 3 EV programs.
- Pecos wind site prep continues.
- Nathan Gunesch, DOE Clean Energy Innovation Fellow, started September 3rd, assisting on Building GIANTS project.

Sustainability & Workforce Development

- Organized Summer Energy Clinic, targeting New North End gardens at the Ethan Allen Homestead in conjunction with EVT, VGS, Clean Cities, CarShare VT, Local Motion, Legal Aid, Family Room, and AALV. Three interpreters were present.
- Met with CVOEO's Community Ambassadors to discuss ACEEE-created weatherization infographic and the interplay between the infographic and DEED-funded weatherization video.
- Tabled at Summervale, distributing information on BED rebates and EAP sign-up; met with resident at South Meadow to suggest some energy saving opportunities.
- Met with Rewiring America to plan September 17 "Why Electrify Burlington" webinar. Began outreach to prospective participants.
- Assisted with coordination of Municipal Energy Resiliency Plan (MERP)-funded assessment of Burlington Wastewater Treatment facility with City and CX Associates staff.
- Through conversations with Green Mountain Power and Drive Electric, and based on BED's rebate process experience, orchestrated leadership level meeting resulting in prospective changes to EV rebate process and future terms and conditions.
- In conjunction with Communications & Technology Specialist, Adam Rabin, recorded several new NZE podcast episodes, including with CX Associates Engineer Krystina Katterman on building science and CX's role in the Burlington 2030 District, and Alison Seager, Founder and

Director of the Vermont Language Justice Project.
- Joined Energy Services colleagues at Technical Review Committee and provided input on extensive South End development project proposed by Ride Your Bike LLC.
- Continued NZE Festival planning, including outreach to local car dealerships for EV displays, ride-and-drives, and NZE Award.
- Participated in monthly Transformative Justice Fellowship meeting.
- Prepped for October's Urban Sustainability Directors Network Summit presentation on storytelling with panel colleagues from Colorado and California.
- Worked with Ward 1 residents and UVM's OSCR to stuff "welcome" bags that will be distributed to residents in student-dense neighborhoods.

Center for Safety and Risk Management – Paul Alexander

Safety
- Conducted weekly operational safety/ops meeting.
- Conducted monthly Generation Safety Committee Meeting.
- Conducted inspections of fire extinguishers.
- Completed Safety Orientation for McNeil Employee.
- Qualified Apprentice Lineworker for level 1b on the Operation Switching & Tagging List.
- Provided General Manager safety briefing.
- Conducted annual testing of PPE Hot Sticks & Personal Grounds.
- Provided operations/generation supervisors weekly safety summary.
- Completed weekly OSHA 300 reporting.
- Attended meeting with Traveler's representative in regard to Safety/Risk Management program at BED.

Environmental
- Conducted Biweekly Environmental/Operations meetings.
- Conducted monthly wastewater sampling
- Participated in Citywide contaminated soils Standard Operating Procedures meeting.
- Conducted Barge Canal superfund soil test boring meeting with Wind Energy company in regard to wind turbine in backlot of 585 Pines Street.
- Conducted meeting with VT DEC to plan Test Pilot for use of R99 renewable fuel at the Gas Turbine.
- Conducted maintenance activities on Continuous Monitoring Emissions System (CEMS).
- Conducted daily water chemistry testing while McNeil Plant online.
- Emailed EPA & VT DEC to begin discussions and approval process to perform work within Barge Canal boundaries.

Risk Management
- New Claims Investigations (1 total: 2 abandoned vehicles in lot).
- Hold 1 new employee Workers' Compensation/Accidents/Loss Control orientation.
- Oversee physical security at Summerville event with protester
- Attended Net Zero Energy (NZE) planning meetings.
- Review City's revised Purchasing Policy.

- Send out prosed Property/B&M insurance dates to agent (H&B) for meeting dates/commissioners.
- Attend NPCC webinar on their agenda/role.
- Review BED's Wind Turbine history for proposed repair/replacement.
- Attend BED credit card proposal meeting.
- Coordinate Department of Homeland Security (DHS) De-escalation presentation and *Security Assessment at First Entry* (SAFE) visit on 8/6.
- Meet with Travelers re: BED's Safety/RM program/practice.
- Attend meeting on McNeil/BED inventory process and recommendations.
- Correspond with VELCO and U.S.I on regulatory standard NPCC EOP-011-4 (Emergency Operations and UFSL plan sharing)
- Chair monthly BED Safety Committee (BSC) meeting.
- Review W1H rubber dam bladder insurance section.

Purchasing/General Services

- Worked on New Credit Card Procedure with finance
- Met & did walkthrough with Department of Homeland Security (DHS) for Security Assessment of First Entry (SAFE)
- Replaced cameras @ GT, Transformer Pad & East Ave Substation
- RFP Awarded SCADA, Winooski One Bladder Replacement
- Worked with team for the next steps need to see what we have to do to possible replacement of the Wind Turbine at 585 Pine St
- Worked with team about a test site for more solar panels at 585 Pine St

<u>Center for Operations & Reliability – Munir Kasti</u>

Engineering, Grid Services & Operations

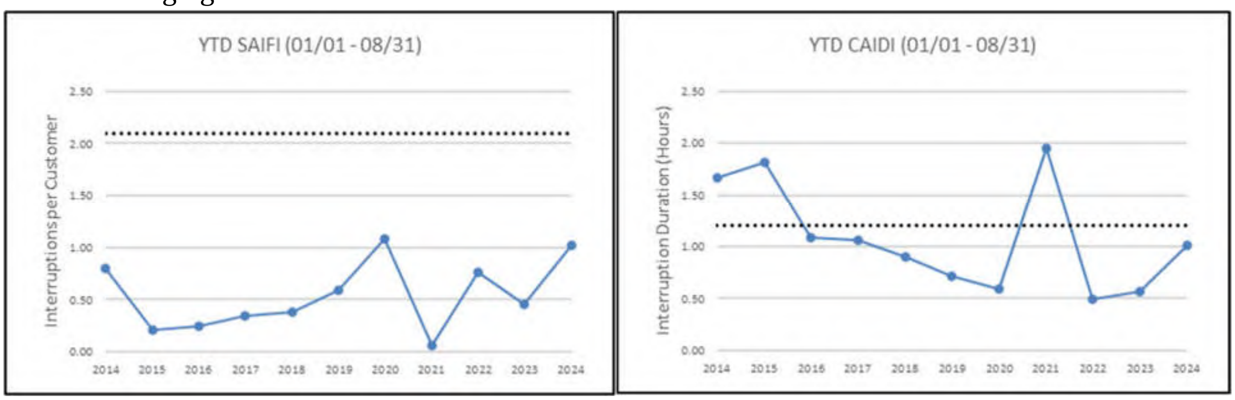
- Removed several lights and poles for the Great Streets-Main Street project to accommodate the digging contractor.
- Assisted the Department of Public Works and contractors with temporary relocation work associated with Great Streets-Main Street project.
- Participated in design meetings for a new EV bus charging project at the Green Mountain Transit (GMTA) bus terminal on Industrial Avenue.
- Issued work orders for a new service at GMTA Bus Depot to serve installation of electric bus charging.
- Continued rebuild work of the underground system on Summit Ridge.
- Completed the removal of underground cable on the 2L5 project from the East Avenue Substation to South Winooski Street and Main Street.
- Issued estimates for a customer service upgrade at 405 Pine Street for Burlington City Arts.
- Released work orders for customer service upgrades at 61 Lakeview Terrace, 74 Lakeview Terrace, 245 Appletree Point Road, and 6 Archibald Street.
- Released work orders for three overloaded transformer replacements.
- Released work orders for a condemned pole replacement on North Union Street.
- Issued a work order for streetlight replacements on Elmwood Avenue between Grant Street and Pearl Street.

- Participated in meetings with the contractor for the upgrade of the existing SCADA system. The new system will start to be installed in mid-September.
- Issued a work order for the replacement of underground cables on College Street between Saint Paul Street and Pine Street.
- Continued to replace condemned poles on North Street.
- Started work to reconductor the underground cable on College Street.
- Started installing the new service for Burlington High School.
- Completed the ERUV project.
- Completed 26 disconnect/reconnect appointments for service upgrades.

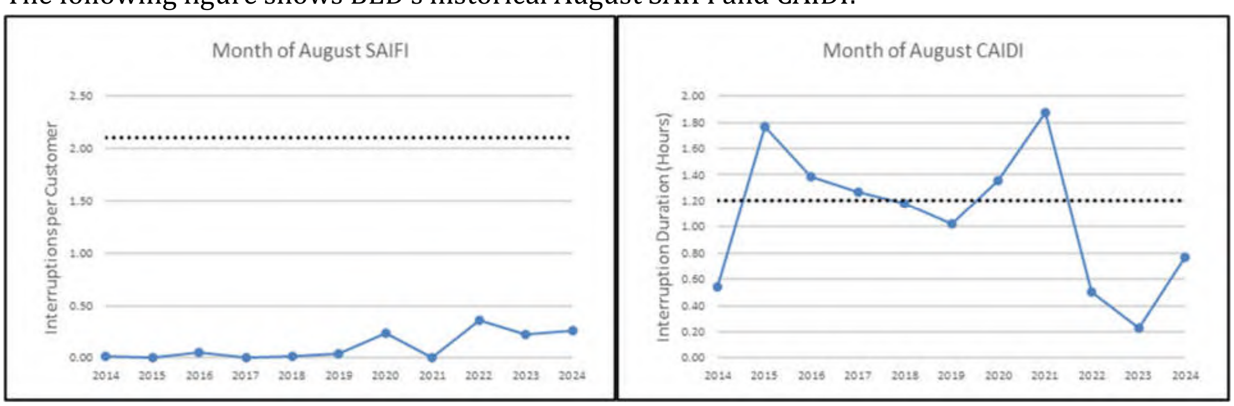
SAIFI & CAIDI Outage Metrics:

BED's distribution system experienced 23 outages in August 2024 (16 unscheduled and 7 scheduled). BED's SAIFI for the Month of August was 0.26 interruptions per customer and CAIDI was 0.77 hours per interruption. BED's YTD SAIFI is 1.02 interruptions per customer and YTD CAIDI is 1.01 hours per interruption.

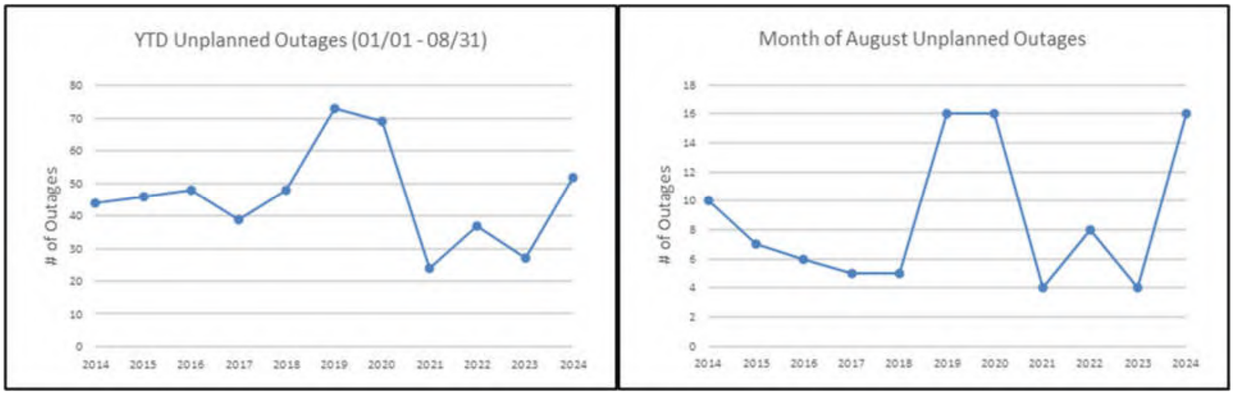
The following figure shows BED's historical YTD SAIFI and CAIDI:



The following figure shows BED's historical August SAIFI and CAIDI:



The following figure shows BED's historical Unplanned Outages:



Generation

McNeil Generating Station

Month Generation:	17,654 MWh
YTD Generation:	120,229 MWh
Month Capacity Factor:	47.46%
Month Availability:	53%
Hours of Operation:	573.18 hours

This month at McNeil routine maintenance, preventative maintenance, and process improvement projects were conducted. Projects included inspection of the fuel tank and other miscellaneous projects. A Yard Worker position was filled.

Winooski One Hydroelectric Station

Monthly Generation:	2,784.4 MWH (201.62% of average)
YTD Generation:	24,728.09 MWH (116.752% of average)
Month Capacity Factor:	50.57%
Annual Capacity Factor:	57.298%
Month Availability:	98%

This month at Winooski One routine maintenance, preventative maintenance, and process improvement projects were conducted. The dive team inspected racks, conducted parking area repairs, and completed other miscellaneous projects.

Burlington Gas Turbine

Month Generation:	56.19 MWh
YTD Generation:	289.7 MWh
Month Capacity Factor:	0.004%
Month Availability:	99%
Hours of Operation Unit A:	4.6 hours
Hours of Operation Unit B:	4.6 hours

During the month of August, routine operations and training were conducted.

August 2024

Solar (Pine Street 107 kW*)*
Month Generation: 12 MWh (-3% from previous year)
YTD Generation: 85 MWh
Month Capacity Factor: 15.5%
Month Availability: 100%

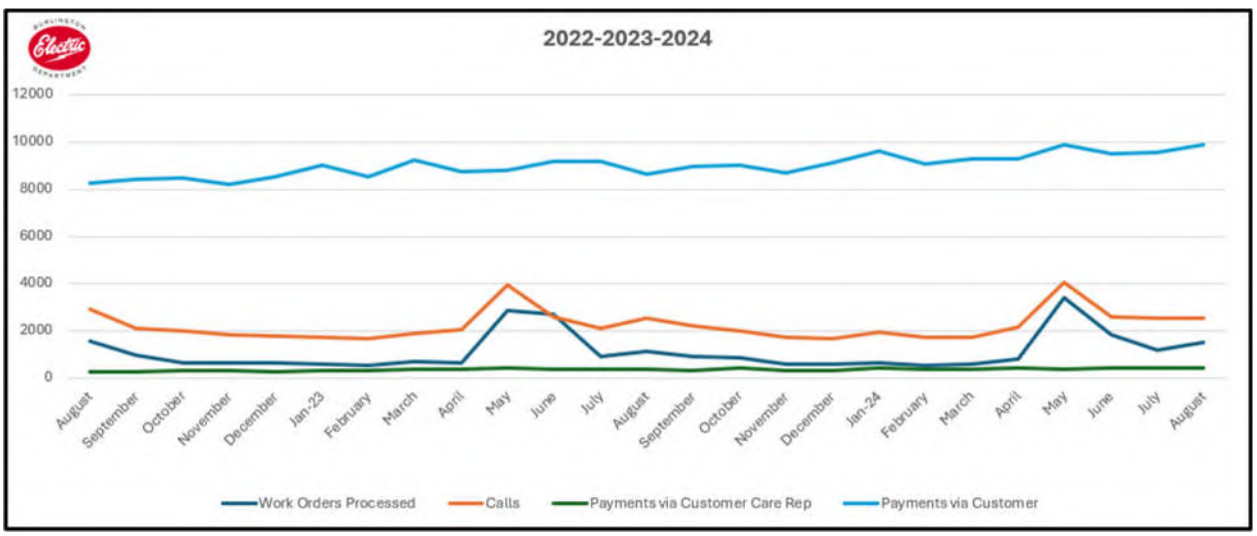
Solar (Airport 499 kW*)*
Month Generation: 66 MWh (-4% from previous year)
YTD Generation: 459 MWh
Month Capacity Factor: 17.7%
Month Availability: 100%

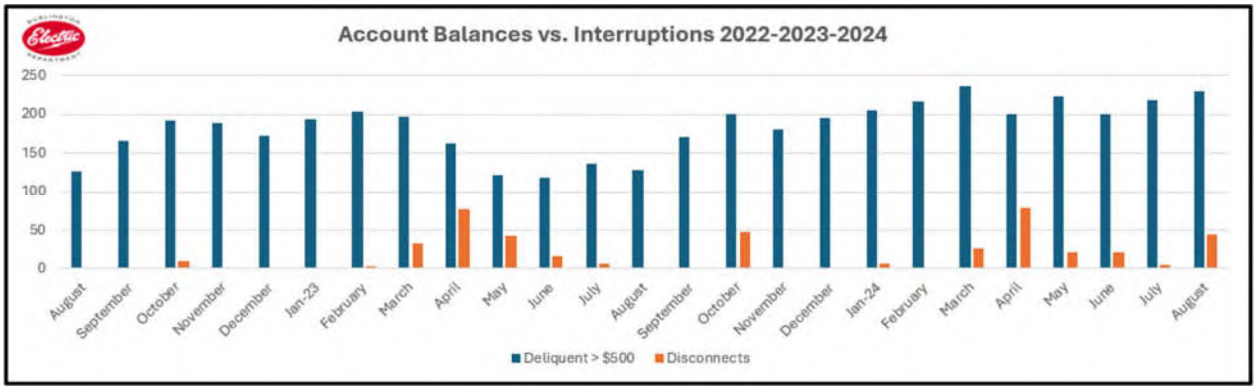
<u>Center for Customer Care & Energy Services</u> – Mike Kanarick

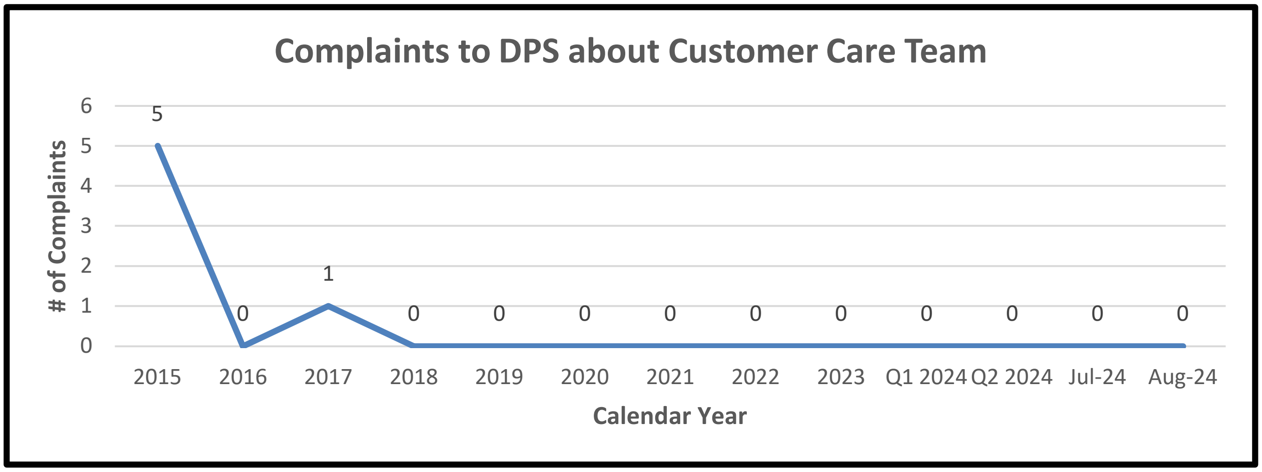
Customer Care

- **Call Answer Time (75% in 20 seconds):** August 2024 83.0%, July 76.5%, June 74.6%, May 69.2%, April 85.8%, March 87.7%. August 2023 77.0%, July 77.3%, June 79.5%, May 70.9%, April 85.3%, March 87.9%. **Six percent increase year over year.**

- **August 2024 Stats:** please see dashboard for additional metrics categories.







Communications and Marketing

- Art Hop sponsorship: by the time most of you read this, Art Hop weekend will have come and gone. BED once again partnered with our friends at SEABA to sponsor Art Hop, September 6-8. Similar to the past three years, BED's 585 Pine Street building was part of "Light Hop," with SEABA having installed LED lighting on the building at night, in addition to lighting on our neighbors at the Innovation Center and on other Pine Street buildings. BED provided activity books, lineworker pens, and grocery store bags for Kids Hop. BED also has an ad in the Art Hop program book promoting our 3rd Annual Net Zero Energy Festival on Saturday, September 21.

- Rewiring America "Why Electrify" webinar: on Tuesday, September 17 from 12noon to 1pm, our partners from Rewiring America will present a free one-hour online course titled "Why Electrify," that will explore what electrification means to Vermonters. This event is geared to help grow participation in our 3rd Annual Net Zero Energy Festival on Saturday, September 21 (see details below). To register for the Rewiring America webinar, please visit events.rewiringamerica.org/whyelectrifyburlington.

- 3rd Annual Net Zero Energy Festival – A Supercharged Day of Family Fun: Please mark your calendars for Saturday, September 21, 2024 (rain date September 22), from 10:00am to 2:00pm at BED. To further our progress along the path to Net Zero Energy, we will have activities for people of all ages focused on reducing fossil fuel use and electrifying everything, including: food trucks; raffles; E-bike test rides; EV test-drives; mobile bike repair unit; bike parking; local vendors that provide heat pump, solar, and electric lawn care products; carshare and biking partners; BED energy experts; a special visit by our favorite, friendly, furry mascot CHAMP; and more. Further, we will enjoy live music with both Antara antaragatch.bandcamp.com and Ryan Sweezey ryansweezeymusic.com and, new this year, we will be joined by STAR 92.9 radio talent Mike & Mary, who will broadcast live from our Festival. Also, new this year, our partners from Rewiring America rewiringamerica.org will join us with a jumbo screen demonstrating their electrification savings calculator that will help you determine how much money you can save through rebates and tax credits when you go electric. Please visit burlingtonelectric.com/festival for the most up-to-date information.

- Net Zero Energy Podcast: we invite you to take a listen at burlingtonelectric.com/podcast.

- North Avenue News: our September column was co-authored by GM Darren Springer and CFO Emily Stebbins-Wheelock and discussed the Net Zero Energy Revenue and Grid Reliability Bond. We placed a full-page ad in the September issue promoting the Rewiring America webinar and our NZE Festival.

- Website and Facebook Highlights

  - Overall site-wide pageviews for August 2024 = 24,904
    - July = 23,183
    - June = 30,133
    - May = 27,971
    - April = 20,221
    - March = 17,841
    - February = 20,104
    - January = 28,240
    - December = 18,224
    - November = 23,720
    - October = 23,493
    - September = 39,590
    - August = 74,791
  - Unique homepage pageviews for August 2024 = 5,795
    - July = 5,541
    - June = 11,531
    - May = 6,428
    - April = 4,753
    - March = 4,747
    - February = 4,750
    - January = 5,273
    - December = 4,596
    - November = 4,846
    - October = 5,206
    - September = 19,583
    - August = 56,889

  - Defeat the Peak email notification list = 815 (as of September 3, 2024)

- Full site visits for August 2024

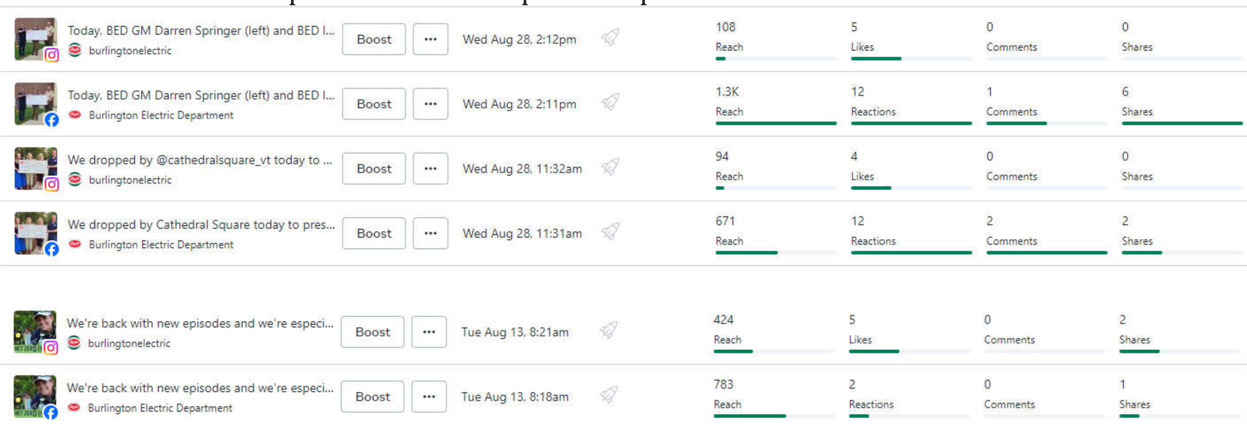
*Spike on August 9 due to outage.

- Visitors by website page

page title	Aug 2024	Jul 2024	June 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023
Burlington Electric Department	9615	8949	10321	10317	7349	19583	7431	8218	6780	7431	8029	19583	56889
Careers	245	242	214	218	184	318	271	295	192	271	262	318	335
Commercial | Ways to Save	34	47	30	20	22	30	31	22	19	31	20	30	36
Contact Us	797	783	762	1486	604	908	531	561	497	531	648	908	944
Defeat The Peak	25	265	133	10	3	151	3	2	5	3	16	151	31
E-Bikes	328	263	291	300	211	167	89	83	64	89	112	167	235
E-billing	266	310	287	181	160	276	228	183	219	228	367	276	401
Electric Vehicles	320	301	328	305	356	392	288	404	303	288	388	392	430
EV Chargers	111	144	128	158	227	227	197	206	158	197	172	227	289
Heat Pumps	263	374	397	369	315	366	285	330	218	285	318	366	413
How To Pay My Bill	1986	1792	1849	1429	1259	149	2363	1782	2309	2363	2457	n/a	n/a
Lawn Care	106	140	126	205	138	65	60	38	53	60	65	65	126
Leadership Team	240	251	225	226	249	236	191	280	168	191	224	236	251
McNeil Generating Station	586	517	553	611	686	876	990	501	559	990	761	876	559
Net Zero Energy News	16	9	13	2	2	16	5	15	11	5	34	16	12
Net Zero Energy Podcast	41	13	33	44	48	55	30	49	61	30	96	55	43
Rates & Fees	230	239	281	225	188	239	232	177	192	232	210	239	213
Our Energy Portfolio	60	61	95	59	93	100	100	70	58	100	52	100	55
Rates & Fees	230	239	281	225	188	239	232	177	192	232	210	239	213
Rebate Center	568	682	617	615	683	728	589	672	493	589	569	728	713
Rebates	545	613	569	602	590	674	564	609	472	564	636	674	715
Report A Problem	1631	633	1556	1320	152	445	97	283	105	97	159	445	295
Residential | Ways to Save	191	167	145	183	121	216	138	137	143	138	145	216	157
RFP	355	587	341	378	431	407	522	498	531	522	442	407	626
RFP Detail	185	699	111	904	846	478	1602	841	1493	1602	440	478	1464
Stop or Start Service	777	690	825	2145	607	400	273	255	264	273	372	400	713
Waste Wood Yard	1357	1250	1218	1758	1479	970	1484	478	614	1484	1137	970	1040

- Top-performing Facebook & Instagram posts (note logo in lower right corner of each photo)

Defeat The Peak check presentations and podcast episodes



			Reach		Comments	Shares
Today, BED GM Darren Springer (left) and BED I...	burlingtonelectric	Wed Aug 28, 2:12pm	108 Reach	5 Likes	0 Comments	0 Shares
Today, BED GM Darren Springer (left) and BED I...	Burlington Electric Department	Wed Aug 28, 2:11pm	1.3K Reach	12 Reactions	1 Comments	6 Shares
We dropped by @cathedralsquare_vt today to ...	burlingtonelectric	Wed Aug 28, 11:32am	94 Reach	4 Likes	0 Comments	0 Shares
We dropped by Cathedral Square today to pres...	Burlington Electric Department	Wed Aug 28, 11:31am	671 Reach	12 Reactions	2 Comments	2 Shares
We're back with new episodes and we're especi...	burlingtonelectric	Tue Aug 13, 8:21am	424 Reach	5 Likes	0 Comments	2 Shares
We're back with new episodes and we're especi...	Burlington Electric Department	Tue Aug 13, 8:18am	783 Reach	2 Reactions	0 Comments	1 Shares

Energy Services

UVM

- Stafford Hall Chilled Water Upgrade – This lab-hood intensive research building has been cooled with four air-to-water DX Air Handler Units since its construction in the mid-1990's. A project to connect the cooling system to the central plant chilled water system was completed in late Spring, to improve reliability and reduce energy and maintenance costs. BED completed a site visit this month to verify the completion of the project and is now confirming energy savings using trending data from UVM and the BED billing meter AMI data.
- Terrill Hall / Lab Hood Controls Upgrade – This re-design of the operation of the ventilation system for QTY=11 lab fume hoods was completed several months ago. New laboratory-grade air valves were installed, and flow rates adjusted to represent the latest lab safety standards, which resulted in a reduction in hood face velocity. The plenum static pressure was also reduced, which resulted in significant fan energy savings. Final documentation on the project was received this month and the savings are now entered into the BED DSM database.

UVMMC

- UHC Building / Heat Pump Installation – BED has been in discussion with the hospital over several months, concerning a custom Tier3 measure involving three new heat pumps to be installed in the Arnold Wing, 4th Floor, at 1 South Prospect St. The total tonnage is twelve tons, and the intent is to offset a portion of the natural gas heat for these spaces with electric heat pump space heat. A BED custom energy model for this measure has been completed for this project, and an incentive offer was delivered to the customer. This month updated information on changes in equipment was supplied to BED, and we are now evaluating the impact on the savings and incentive. It has been confirmed that the project is now moving ahead, with completion expected in mid-October of this year.

Other Services

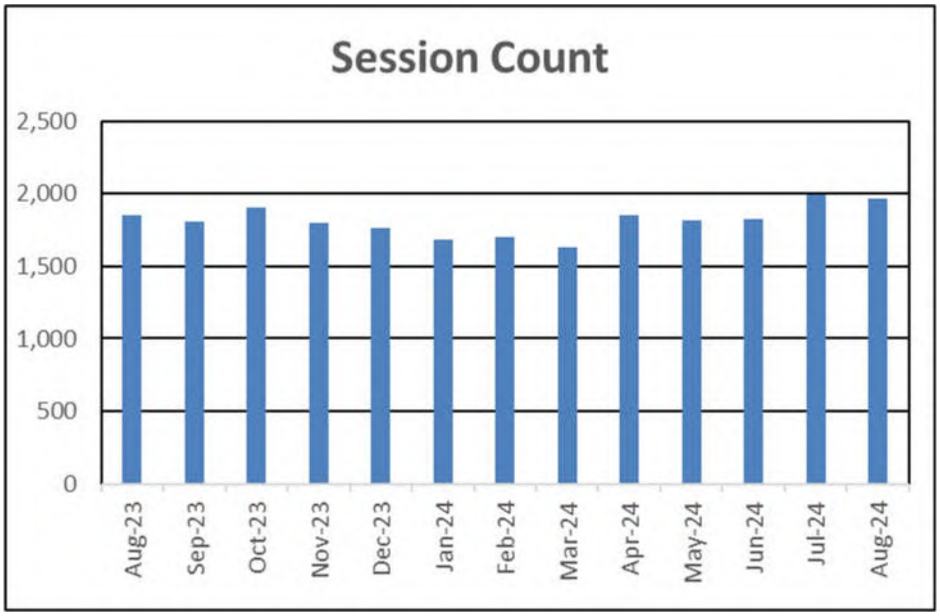
- 101 Park St. / Low Income Multifamily Renovation – BED made a site visit several months ago to this 6-unit apartment building in the Old North End. The visit was made along with a VT weatherization contractor and VGS. The contractor has developed a comprehensive weatherization plan, as well as other suggested energy improvements for the building. Weatherization funds are available to help in this work. The weatherization contractor has now developed a detailed scope of work, and this month BED provided feedback on their report, and more detail on EEU incentives that are available for this work.
- Mater Christi School / Gym Lighting Retrofit – BED completed a site visit this month at this private school where the gym lighting fixtures were upgraded from T5HO to LED technology. QTY=18 high-bay fixtures were involved in the retrofit. The project is now complete, and the committed incentive has been paid out.
- Mater Christi School / Library Lighting Retro-fit – The electrical contractor proposing this work has approached BED with preliminary information on a T8 to LED fixture retrofit involving QTY=54 fixtures. BED has delivered a savings and rebate estimate for the work and the contractor will be discussing the proposal with the owner concerning feasibility.
- St Johns Club – Building owner has been experiencing numerous AC unit failures and a large cost to keep the equipment running. BED agreed to attend a walk-thru with their preferred contractor to assess conditions and provide guidance on scope. Due to failed external ductwork and the huge cost to repair and bring up to code, BED contacted the contractor and asked that ASHP that utilize 4-way and wall terminals should be considered.
- 476 St Paul – Building owner experienced a catastrophic failure of multiple gas-fired heating appliances. The heating system was also in the middle of being reconfigured from multiple small appliances to a standard small commercial central plant design. This may provide an opportunity to utilize an air to water heat pump as the second "boiler" in the plant which will produce all building space heat and domestic hot water. Currently researching options.
- Champlain College McDonald Hall – Final model calibration of project completed. Project consisted of a involved a complete renovation to an existing large home that had been converted to a dorm. This was a total electrification of all HVAC and domestic hot water.
- Fern Hill Apartments (60 units) – Owner is now considering a reduced scope which consists primarily of central plant and DDC upgrades. 3 specific fuel switching, and efficiency measures were identified. BED is collaborating with VGS and 3-E Thermal to arrive at the best outcome for this customer.
- Cambrian Rise / Building "C" – Sunset House NC – This is a 160,000 SF market rate apartment building (92 units on 5 floors) overlooking Lake Champlain. The owner has approached BED to investigate possible electrical efficiency incentives for the project. Last month BED received the 'for construction' documents. BED is in the process of developing a baseline and proposed energy model for this building. The blower door tests results were impressive, reaching passive house standards. BED expects the energy modeling to be complete sometime during September.
- Cambrian Rise / Buildings 100 & 154 Low Income MF – BED was approached by the design team for this project, providing the initial design documentation and inquiring about the incentive process. These two attached buildings are being developed through a partnership

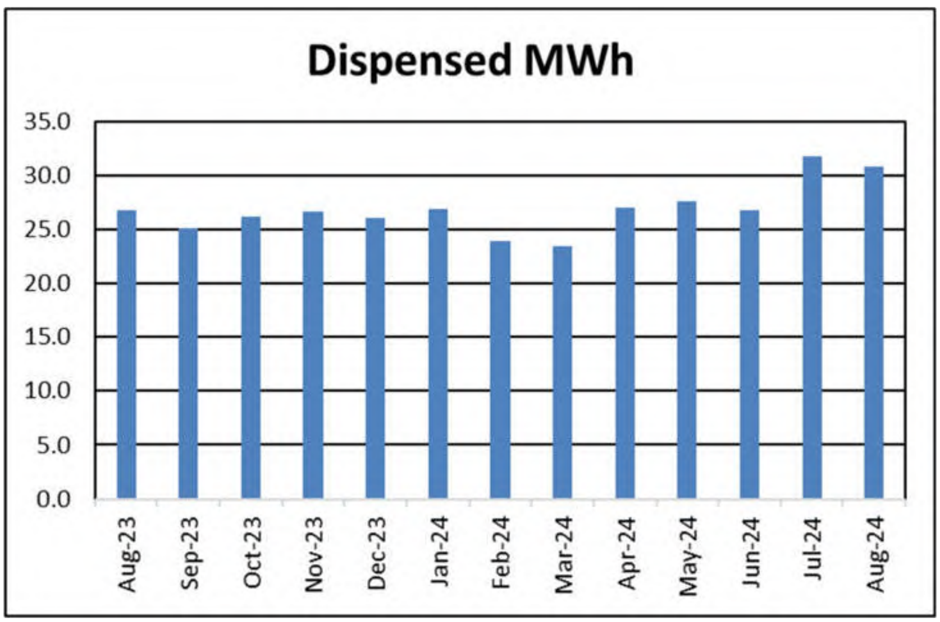
between Champlain Housing Trust and EverNorth. It includes QTY=40 rental apartments and QTY=30 apartments for sale. BED has arranged for the owners to bring this through the standard EVT/BED/VGS High Performance Tier program for incentives.

- Cambrian Rise / Building M – BED has been waiting for an updated energy model for this 117 unit new apartment building. Last month BED received preliminary energy modeling results for the proposed building. We next need a more complete modeling report so that energy savings can be estimated. A virtual meeting is being scheduled with the energy modeler to develop next steps for the work.
- Mater Christi / Early Education Center New Construction – This private school is developing a design for a 4,780 SF addition to be built to house a new Pre-school. The addition is to be added to an existing building of 2,900 SF on the school grounds which was previously a nunnery. The designers are considering a geothermal field for the building, which might eventually be used to also service the existing elementary and middle schools that are located nearby.
- City Place Phase 1B / NC Apartments and Hotel – BED is discussing with the design team several finer points associated with complying with CBES 2020 in relation to hotel guest room temperature and ventilation control. A meeting was held with the design team this month, and their control strategy has been outlined to BED in detail. Certain aspects of the design may need a CBES exception from the Dept. of Public Service, and BED has communicated that request to the DPS.
- South End Coordinated Redevelopment (SECORD) Technical Review Meeting – BED attended this meeting which was intended as an introductory presentation to City planners as to the philosophy and development strategies for this multi-family build-out on 13 acres in the South End of Burlington. Due to its complexity, this ambitious project will necessarily be phased out over several years.
- When completed, the SECORD development will likely contain the following components:
  - Gross Floor Area (SF): 1,310,100
  - Housing Units: range between 1,100-1,400 DU
  - 20% of housing units (220-280 DU) – Affordable per Article 9 of the Burlington CDO, and Vermont
  - "Priority Housing Project" affordability requirements
  - 80% to be market rate (880-1120 DU)

Electric Vehicles

- The EVSE (ChargePoint, Flo & ampUp) dispensed a total of 33.2MWh and supported 2,079 sessions.
- The top 3 sales were 107, 118, and 132kWh and occurred at the DCFC and Cherry St. garage.
- The ChargePoint EVSE served 1042 unique drivers.
- Approximately 24.7% of the energy sold (8.2MWh) is attributed to the Pine St. DCFC.
- The Marketplace Garage DCFC installation is still on hold.
- BED will be compensating Burlington Parks, Recreation and Waterfront for the energy dispensed from the Oakledge Park station after a BED meter is added.
- The BE04 (Pine St.) Port 1breaker has been tripping. Metering is monitoring.
- *Session Count* and *Dispensed Energy* plots from the public charging network (ChargePoint, AmpUp & Flo).





- Number of EV and PHEV rebates to date – 846 (of this 187 LMI rebates to date as shown below)
    - New All Electric Vehicle – 362
    - New All Electric Vehicle (LMI) – 98
    - New PHEV – 169
    - New PHEV (LMI) – 50
    - Used All Electric Vehicle – 67
    - Used All Electric Vehicle (LMI) – 28
    - Used PHEV- 32
    - Used PHEV (LMI) – 11
    - New All Electric Vehicle ($60K plus) – 25
    - New PHEV ($60K plus) – 4

- Number of customer loans with lending partners to date – 5
- Number of customers currently participating in the new EV Charging Rate- 310
- Number of E-Motorcycle rebates to date – 2

Electric Vehicle Charging Stations

- Number of home EV charging stations rebates to date – 237
- Number of Multi-family EV charging stations rebates to date – 1
- Number of Multi-family Non-EVmatch-LMI charging stations rebates to date (LMI) – 3
- Number of Multi-family EVmatch Public charging stations rebates to date – 2
- Number of Multifamily EVmatch Non-Public – 9
- Number of Multi-family Non-EVmatch charging stations rebates to date – 3
- Number of Multifamily EVmatch Non-Public – LMI – 1
- Number of Multifamily Non-EVmatch Non-Public – LMI – 8
- Number of Level 2 Workplace charging stations rebates to date – 18

Electric Lawn Equipment to Date

- Number of e-mower rebates to date – 780 (11 11commercial & 769 residential)
- Number of e-leaf blowers to date – 92
- Number of Residential e-Trimmers – 107
- Number of Residential e-chainsaws – 22

Heat Pump Installations to Date

Total Heat Pump Installations including Multi-Family New Construction Projects & Installations in existing buildings since the September 2019 NZEC announcement –

- **2,426 installations**

Installations since the September 2019 NZEC announcement
Number of Heat Pump Technology rebates to date- 1,305 (of this 178 LMI rebates to date as shown below)

  - Number of ductless heat pumps to date – 761
  - Number of LMI eligible ductless heat pumps to date – 147
  - Number of centrally ducted heat pumps to date – 281
  - Number of LMI eligible centrally ducted heat pumps to date – 18
  - Number of air-to-water heat pumps to date – 3
  - Number of commercial VRF heat pump systems to date – 2
  - Number of geo-thermal heat pump systems to date – 1
  - Number of heat pump hot water heaters to date – 79
  - Number of LMI eligible heat pump hot water heaters participants to date – 13

Electric E-Bikes to Date

- Number of e-bike rebates to date – 685

Electric Induction Stovetops to Date (new offering in Jan 2021)

- Number of induction Stovetops rebates to date – 81

Electric Snow Blowers to Date (new offering in Jan 2022)

- Number of snow blower rebates to date – 23

FY 2025
Financial Review
July

September 4, 2024

Burlington Electric Department
Financial Review

FY 2025

Table of Contents:

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of July FY25

($000)	Full Yr Budget	CURRENT MONTH Budget	CURRENT MONTH Actual	CURRENT MONTH Variance	YEAR TO DATE Budget	YEAR TO DATE Actual	YEAR TO DATE Variance
Sales to Customers	56,090	5,489	5,578	89	5,489	5,578	89
Other Revenues	3,881	316	236	(79)	316	236	(79)
Power Supply Revenues	7,631	0	0	0	0	0	0
Total Operating Revenues	67,602	5,804	5,814	10	5,804	5,814	10
Power Supply Expense (Net)	35,540	3,155	3,108	47	3,155	3,108	47
Operating Expense	22,912	1,915	1,717	199	1,915	1,717	199
Depreciation & Amortization	5,832	486	476	10	486	476	10
Taxes	3,615	306	288	19	306	288	19
Sub-Total Expenses	67,899	5,863	5,589	274	5,863	5,589	274
Operating Income	(298)	(59)	225	284	(59)	225	284
Other Income & Deductions	6,855	989	344	(645)	989	344	(645)
Interest Expense	3,204	275	264	11	275	264	11
Net Income (Loss)	**3,354**	**655**	**305**	**(350)**	**655**	**305**	**(350)**

Year-to-Date Results:

- **Sales to Customers** up $89,000 (1.6%). Residential Sales up $144,100 and Non-Residential Sales down $58,600.

- **Other Revenues** down $79,300 (25%)
  a. DSM billable (customer driven).

- **Power Supply Expenses (Net)** down $49,000 (2%)
  a. Fuel down $484,000.
  b. Purchased Power up $273,000.
  c. Transmission up, $162,000.

- **Taxes**
  a. Actual Winooski One Property Tax is $228,300 lower than budget assumption for the year.
  b. Actual Payment in Lieu of Tax (PILOT) is $63,500 higher than budget assumption for the year.

- **Operating Expenses** down $199,000 (10.4%)
  a. Various items are less than budget including labor ($30,000), materials & supplies ($19,000), DSM rebates and outside services ($41,700) maintenance contracts ($31,700) and RPS Compliance ($26,000).

- **Other Income & Deductions** lower $645,000 (65%)
  a. Timing of customer contribution/grant proceeds less than planned ($541,000).
  b. Timing of jobbing unfavorable ($126,600).
  c. Offset by unrealized gain on investment $40,300.

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of July FY25

Capital Spending – July YTD ($000s)				
Plant Type	**Full Yr. Budget**	**Budget**	**Actual**	**% Spent**
Production	$2,446	$297	$49	2%
Other	369	19	40	11%
Transmission	577	577	577	100%
Distribution	5,797	538	237	4%
General	2,478	287	5	0%
Total	**$11,667**	**$1,717**	**$909**	**8%**

(1) **Production –** Budget includes replacement rail cars at the McNeil plant in July, $50,000. Also, timing large inflatable dam project at Winooski One Hydro.

(2) **Other** – Timing of EV Charger Installations (Level 2).

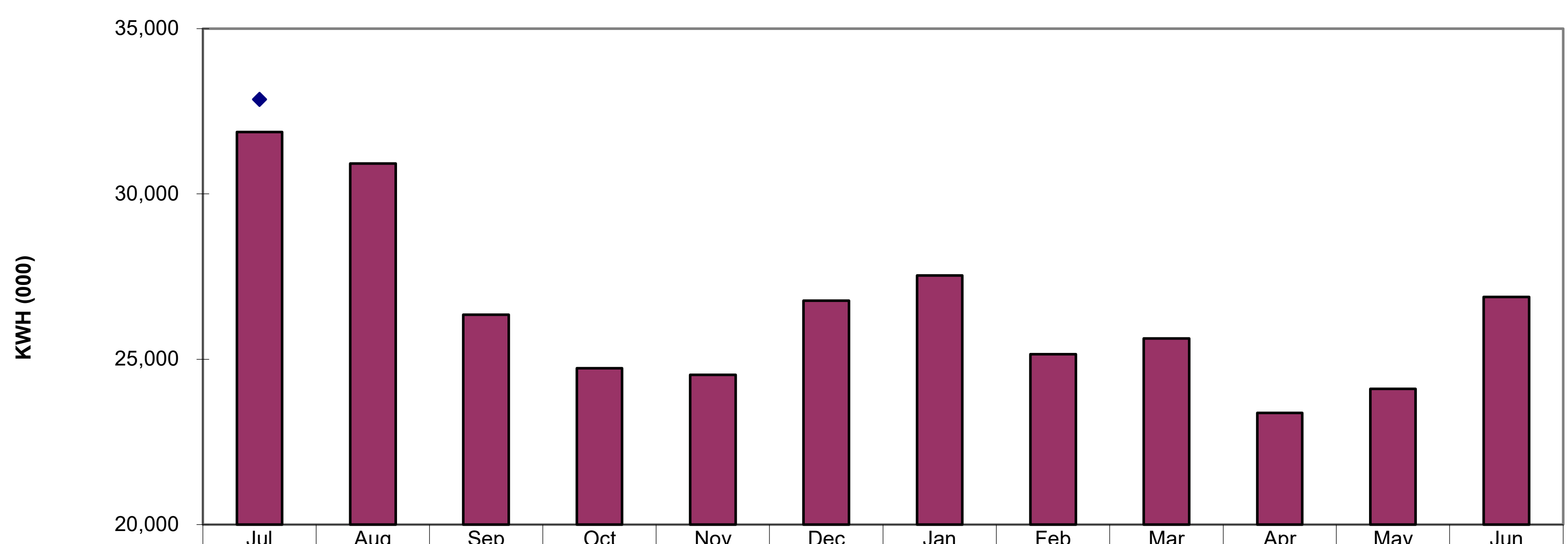
(3) **Distribution –** Timing of various projects.

(4) **General** – Budget includes IT Forward CIS Implementation $95,400, Key Fob System replacement, $68,200 and New SCADA Room, $64,800.

As of July 31, 2024 Operating Cash and Investments	
Operating Funds	$6,586,800
Operating Fund – CDs	$982,000
Total Operating Cash	$7,568,800

Credit Rating Factors – July 2024				
	"A"	**"Baa"**	**Current**	**3 Year Average**
Debt Service Coverage Ratio	1.25	1.25	4.73	4.12
Adjusted Debt Service Coverage Ratio	1.50	1.10	1.25	1.22
Cash Coverage - Days Cash on Hand	90	30		
- $5M Line of Credit			113	111
- $10M Line of Credit			146	124
- Without Line of Credit			81	77

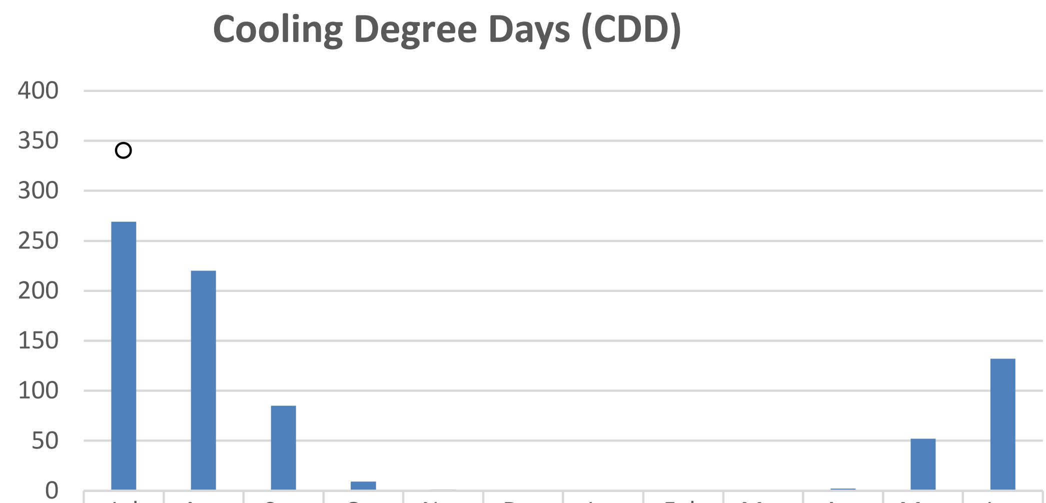
Burlington Electric Department
Fiscal Year Ending June 30, 2025



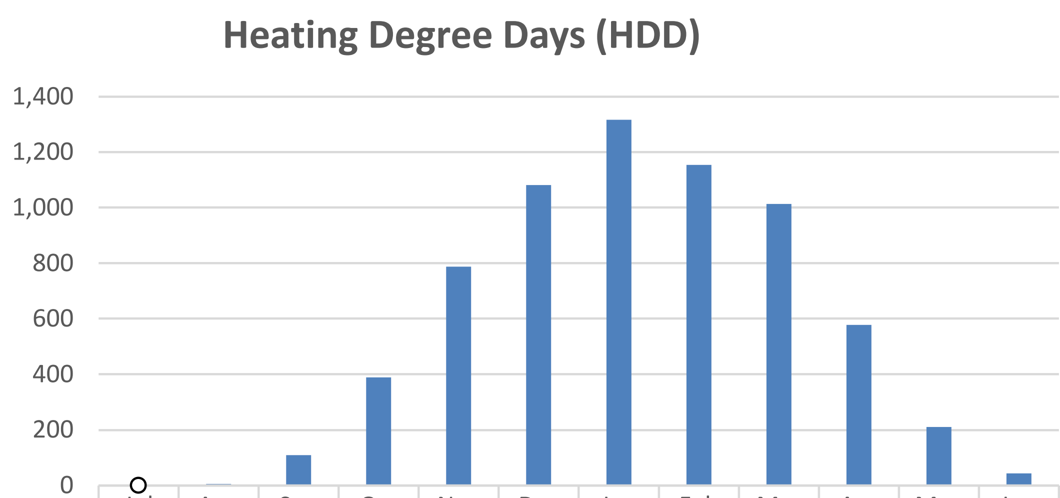
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	31,875	30,916	26,348	24,728	24,527	26,775	27,534	25,154	25,632	23,380	24,109	26,888
Actual	32,858											

KWH Sales to Customers (YTD)												
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Budget	31,875	62,791	89,139	113,867	138,394	165,169	192,703	217,857	243,489	266,869	290,978	317,865
Actual	32,858											

FY 2025



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget CDD	269	220	85	9	1	0	0	0	0	2	52	132
Actual CDD	340											



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget HDD	2	6	109	388	787	1,081	1,316	1,154	1,013	577	211	44
Actual HDD	0											

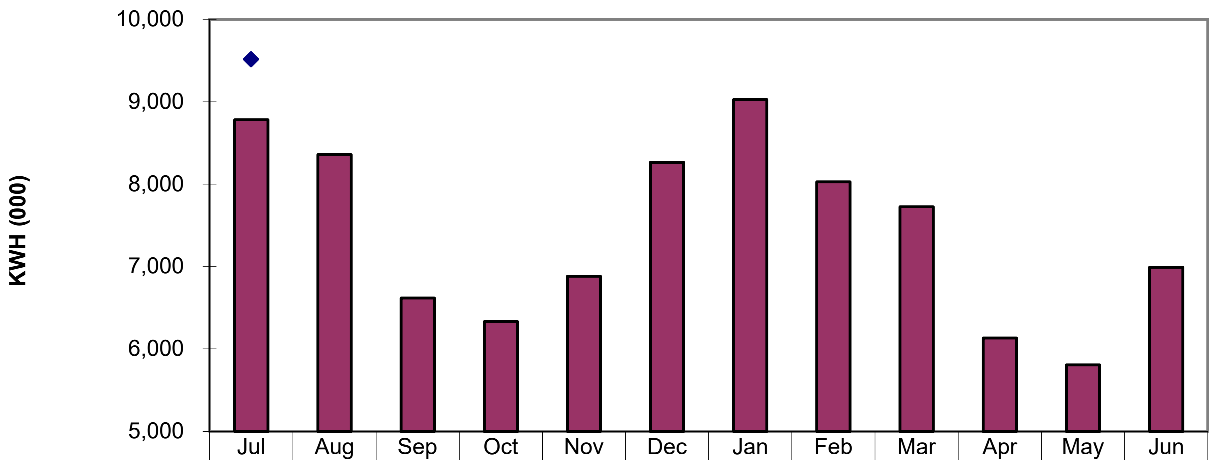
Average Monthly Temperature

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	73	72	64	53	39	30	22	24	32	46	60	68
Actual	76											

***CDD/HDD definition per National Weather Service** : Degree days are based on the assumption that when the outside temperature is 65°F, we don't need heating or cooling to be comfortable. Degree days are the difference between the daily temperature mean (high temperature plus low temperature divided by two) and 65°F. If the temperature mean is above 65°F, we subtract 65 from the mean and the result is Cooling Degree Days. If the temperature mean is below 65°F, we subtract the mean from 65 and the result is Heating Degree Days.*

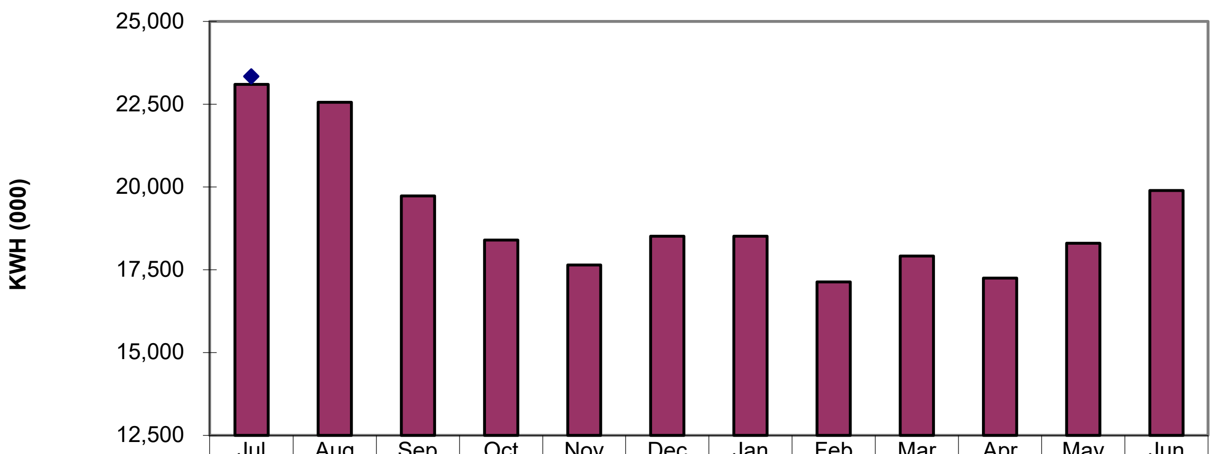
Burlington Electric Department
Fiscal Year Ending June 30, 2025
KWH Sales

Residential Customers



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	8,781	8,358	6,618	6,333	6,882	8,264	9,026	8,027	7,724	6,132	5,808	6,992
Actual	9,514											

Commercial & Industrial Customers



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	23,095	22,558	19,730	18,395	17,645	18,511	18,508	17,127	17,908	17,248	18,300	19,895
Actual	23,344											

Street Lighting is included with Commercial & Industrial Customers.

Net Power Supply Costs
July - FY 2025

	($000)							
	Current Month				Year-to-Date			
	Budget	Actual	Variance		Budget	Actual	Variance	
Expenses:								
Fuel *(p. 7)*	$916	$432	$484	*(1)*	$916	$432	$484	*(1)*
Purchased Power *(p.11)*	1,356	1,630	(273)	*(2)*	1,356	1,630	(273)	*(2)*
Purchased Power Adjustment (p 11)	43	43	(0)		43	43	(0)	
Transmission Fees - ISO	653	775	(122)	*(3)*	653	775	(122)	*(3)*
Transmission Fees - Velco	113	167	(54)	*(4)*	113	167	(54)	*(4)*
Transmission Fees - Other	74	60	14	*(5)*	74	60	14	*(5)*
Total Expenses	3,156	3,108	49		3,156	3,108	49	
Revenues:								
Renewable Energy Certificates - McNeil	0	0	0		0	0	0	
Renewable Energy Certificates - Wind	0	0	0		0	0	0	
Renewable Energy Certificates - Hydro	0	0	0		0	0	0	
Renewable Energy Certificates - Other	0	0	0		0	0	0	
Total Revenues	0	0	0		0	0	0	
Net Power Supply Costs	$3,156	$3,108	$49		$3,156	$3,108	$49	
Load (MWh)	32,692	33,697	1,006		32,692	33,697	1,006	
$/MWh	$96.55	$92.23	($4.32)		$96.55	$92.23	($4.33)	

Current Month:

(1) See detail on page 7.
(2) See detail on page 11.
(3) ISO-NE Peak Load over Budget.
(4) VELCO Common charges and BED Share of Common Charges over Budget.
(5) NYPA NYISO Transmission charges under Budget.

YTD:

(1) See detail on page 7.
(2) See detail on page 11.
(3) ISO-NE Peak Load over Budget.
(4) VELCO Common charges and BED Share of Common Charges over Budget.
(5) NYPA NYISO Transmission charges under Budget.

Net Power Supply Costs
July - FY 2025

	($000)							
	Current Month				Year-to-Date			
	Budget	Actual	Variance		Budget	Actual	Variance	
FUEL:								
McNeil:								
Fuel Consumed	606	285	321	*(1)*	606	285	321	*(1)*
Swanton Yard	51	35	16	*(1)*	51	35	16	*(1)*
Train Deliveries	111	52	59	*(1)*	111	52	59	*(1)*
Labor & Other Expenses	131	35	95	*(2)*	131	35	95	*(2)*
Total McNeil Fuel	899	408	491		899	408	491	
Gas Turbine	18	24	(7)	*(3)*	18	24	(7)	*(3)*
Total Fuel	916	432	484		916	432	484	

Current Month:

(1) McNeil production 57% under Budget. Wood Price per Ton 2% under Budget. (p. 8)

(2) Actual labor is based on tonnage consumed by McNeil; budgeted labor is based on personnel/days in the month, thus timing issues for comparative purposes.

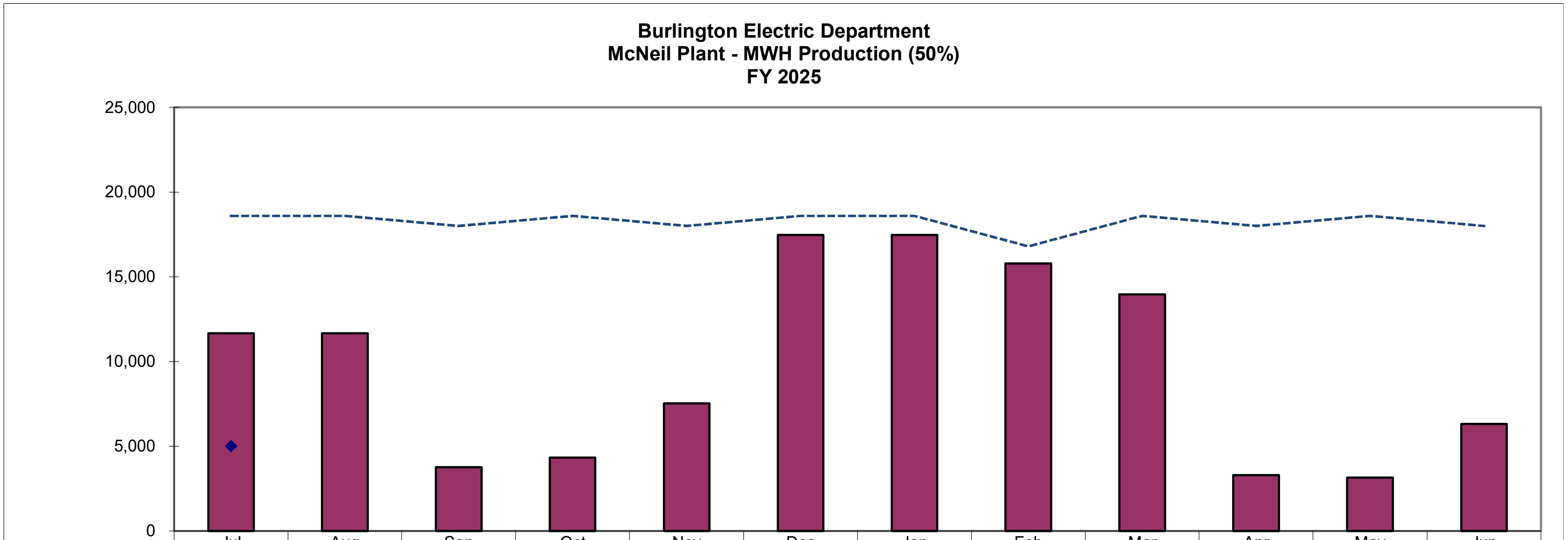
(3) GT production (52 MWh) 46% over Budget.

YTD:

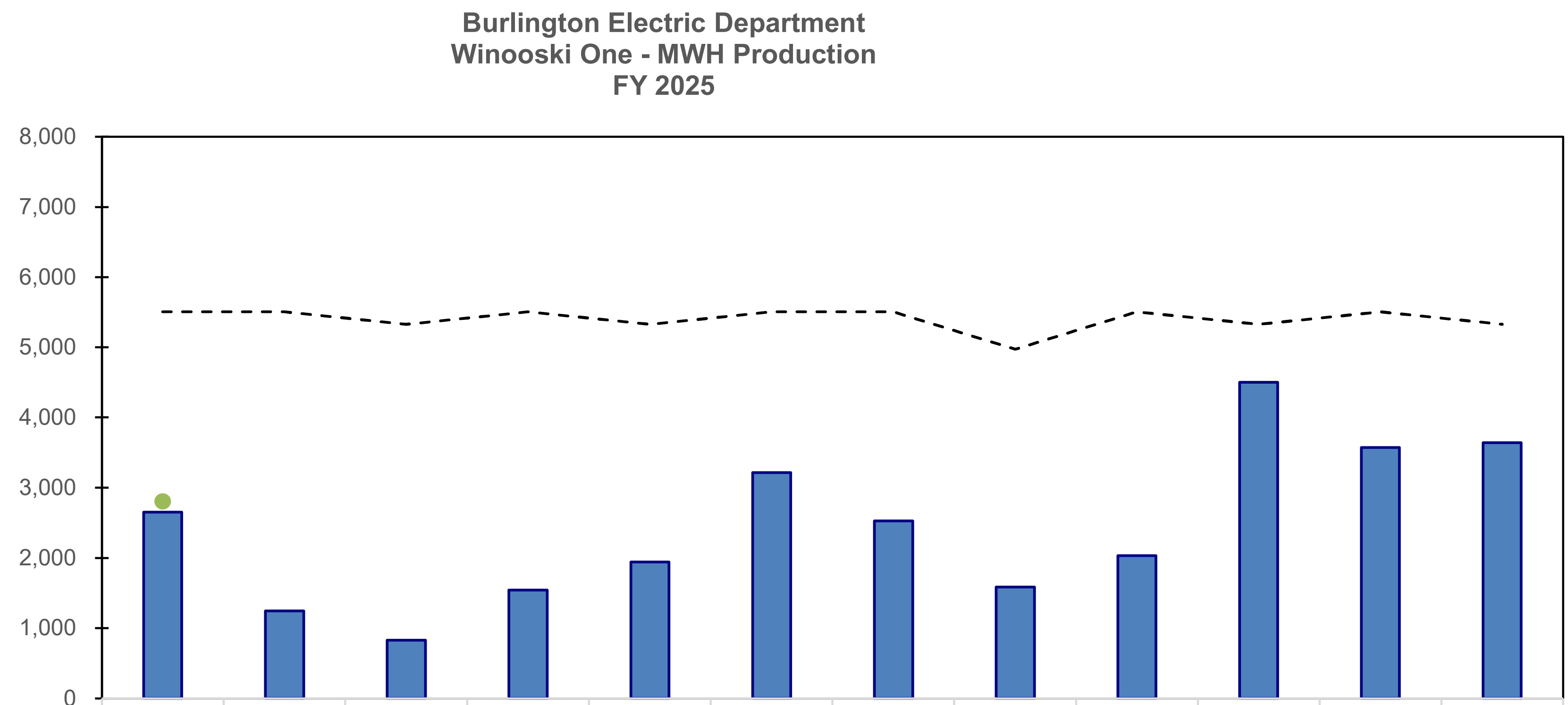
(1) McNeil production 57% under Budget. Wood Price per Ton 2% under Budget. (p. 8)

(2) Actual labor is based on tonnage consumed by McNeil; budgeted labor is based on personnel/days in the month, thus timing issues for comparative purposes.

(3) GT production (52 MWh) 46% over Budget.

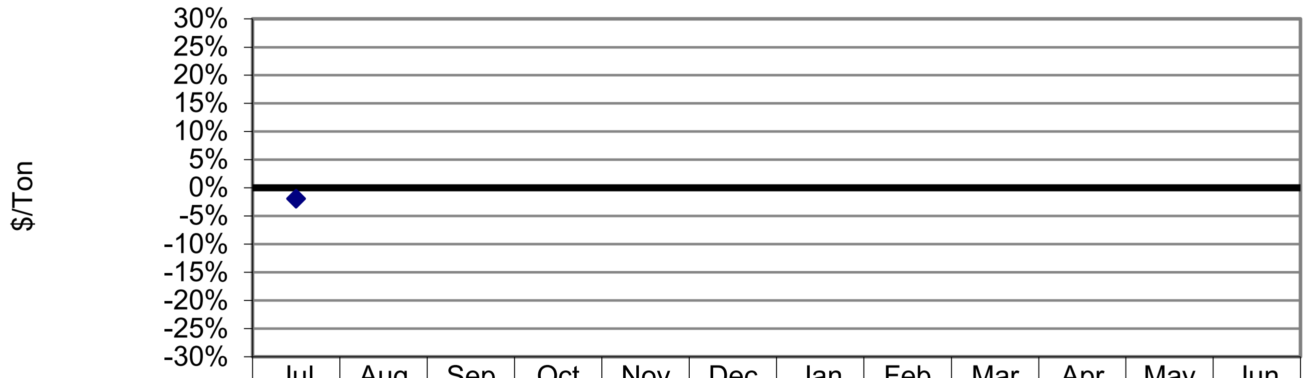


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	11,656	11,656	3,760	4,324	7,520	17,484	17,484	15,792	13,968	3,300	3,150	6,317
Actual	5,016											
Maximum	18,600	18,600	18,000	18,600	18,000	18,600	18,600	16,800	18,600	18,000	18,600	18,000

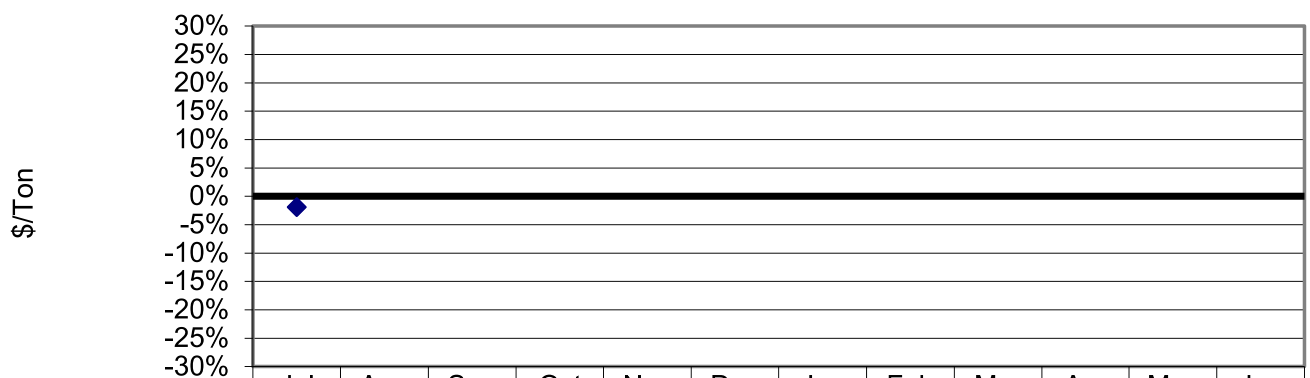


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	2,650	1,246	832	1,541	1,942	3,216	2,531	1,587	2,032	4,503	3,575	3,643
Actual	2,803											
Maximum	5,506	5,506	5,328	5,506	5,328	5,506	5,506	4,973	5,506	5,328	5,506	5,328

Burlington Electric Depatment
Fiscal Year 2025



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	-2%											



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	-2%											

** Wood only. Does not include other costs.*

Net Power Supply Costs
July - FY 2025

	($000)							
	Current Month				Year-to-Date			
	Budget	Actual	Variance		Budget	Actual	Variance	
PURCHASED POWER:								
Non-Energy (capacity)	80	65	14		80	65	14	
Energy:								
Georgia Mountain Wind	200	155	45	*(1)*	200	155	45	*(1)*
Hancock Wind	134	112	22	*(2)*	134	112	22	*(2)*
VT Wind	125	102	23	*(3)*	125	102	23	*(3)*
Hydro Quebec	311	311	0		311	311	0	
Great River Hydro	179	203	(24)		179	203	(24)	
In City Solar Generators	114	112	3		114	112	3	
NYPA	6	8	(2)		6	8	(2)	
ISO Exchange	114	421	(307)	*(4)*	114	421	(307)	*(4)*
ISO Exchange Adjustment	43	43	(0)	*(**)*	43	43	(0)	*(**)*
FirstLight	0	106	(106)	*(5)*	0	106	(106)	*(5)*
Velco Exchange	0	0	0		0	(0)	0	
Total Energy	1,227	1,572	(346)		1,227	1,572	(346)	
Ancillary Charges	(18)	(27)	9		(18)	(27)	9	
VT RES Tier 1 Compliance Expense	54	0	54	*(6)*	54	0	54	*(6)*
Miscellaneous-Other	58	63	(5)		58	63	(5)	
Total Purchased Power Expense	1,400	1,673	(273)		1,400	1,673	(273)	

Special Note (**)
Adjustment to reduce expense and create regulatory asset by amount of ISO Exchange excess winter energy revenue shortfall ($4,162,233) and record one-eighth ($520,279) as amortization in FY24.

Current Month:
(1) Production 23% under Budget.
(2) Production 17% under Budget.
(3) Production 18% under Budget.
(4) Production (McNeil (57%) and Wind (19%)) under budget.
(5) FirstLight contract not in Budget.
(6) VT RES Tier 1 Compliance bugdted monthly, expensed quarterly.

YTD:
(1) Production 23% under Budget.
(2) Production 17% under Budget.
(3) Production 18% under Budget.
(4) Production (McNeil (57%) and Wind (19%)) under budget.
(5) FirstLight contract not in Budget.
(6) VT RES Tier 1 Compliance bugdted monthly, expensed quarterly.

Burlington Electric Department
Operating and Maintenance Expense by Spending Category
FY 2025 - July YTD

	Budget	Actual	Variance	% Variance	*
Labor-Regular	743,545	713,600	29,945	4%	
Labor-Overtime	38,675	46,776	(8,101)	21%	
Labor-Temporary	200	160	40	20%	
Labor-Overhead	321,491	336,601	(15,110)	5%	a
Outside Services	180,666	184,914	(4,248)	2%	
DSM (rebates & outside services)	179,152	137,494	41,658	23%	b
Materials & Supplies	142,176	123,159	19,017	13%	c
Insurance	63,556	67,270	(3,714)	6%	
A & G Clearing	(86,374)	(30,200)	(56,174)	65%	d
Other - RPS Tier 3 Compliance	91,642	65,686	25,956	28%	
Other	239,298	71,598	167,700	70%	e
Operating & Maintenance Expense	1,914,028	1,717,058	196,970	10%	

(a) See page 13.

(b) Projects are driven almost entirely by customer decisions. The budget is based on information on specific projects or seasonal variations; otherwise the amount is spread evenly across the year.

(c) Timing of various areas.

(d) The credit for A&G ("Admin and General Expenses") charged to Capital projects was less than planned.

(e) Timing; various areas are less than budget including, Maintenance Contracts ($31,700), Education & Training ($9,000), Transportation Clearing ($37,400), and Uncollectible Accounts ($75,600).

Burlington Electric Department
Budget vs Actual Spending Analysis
FY 2025 - July YTD

	(000's)				
Labor - Overhead	**Budget**	**Actual**	**Variance**	**%**	
Pension	$161	$166	($5)	-3%	*(a)*
Medical Insurance	173	244	(71)	-41%	*(b)*
Social Security Taxes	88	94	(6)	-7%	*(c)*
Workers Compensation Ins.	35	27	8	22%	*(b)*
Dental Insurance	8	8	(1)	-7%	*(b)*
Life Insurance	2	2	(0)	-16%	*(b)*
Childcare Contribution Tax	5		5	100%	*(d)*
	$472	**$541**	**($70)**	**-15%**	

Rates Table:	***Budget***
Pension (a)	*14.13%*
Social Security (c)	*7.65%*
Childcare Payroll Tax	*0.44%*

(a) Function of labor cost.

Includes pension per Actuarially Determined Employer Contribution (ADEC), $1,843,800 and amortization of IBEW Pension back payment, $87,041.

(b) Budget provided by the City during budget development.

(d) New tax as of July 1, 2024 is 0.44% of wages. Budget had assumed .33% of wages. Amount for July will be reflected in August.

Net Income
FY 2025 - July ($000)

	Ref	Current Month Budget	Current Month Actual	Current Month Variance		Year - To - Date Budget	Year - To - Date Actual	Year - To - Date Variance	
Operating Revenues									
Sales to Customers	*p.3*	5,489	5,578	89		2	5,578	5,576	
Other Revenues		316	236	(79)	*(a)*	316	236	(79)	*(a)*
Power Supply Revenues	*p.6*	0	0	0		0	0	0	
Total Operating Revenues		5,804	5,814	10		318	5,814	5,496	
Operating Expenses									
Fuel	*p.6*	916	432	484		916	432	484	
Purchased Power	*p.6*	1,399	1,673	(273)		1,399	1,673	(274)	
Transmission	*p.6*	840	1,003	(163)		840	1,003	(163)	
Operating and Maintenance	*p.12*	1,915	1,717	199		1,915	1,717	199	
Depreciation & Amortization		486	476	10		486	476	10	
Revenue Taxes		58	56	2		58	56	2	
Property Taxes Winooski One		45	26	19	*(b)*	45	26	19	*(b)*
Payment In Lieu of Taxes		203	206	(2)	*(c)*	203	206	(2)	*(c)*
Total Operating Expenses		5,863	5,589	275		5,863	5,589	274	
Other Income and Deductions									
Interest/Investment Income		38	30	(8)		38	30	(8)	
Dividends		373	373	0		373	373	0	
Customer Contributions/Grant Proceeds		564	24	(541)	*(d)*	564	24	(541)	*(d)*
Gain/(Loss) on Dips of Plant		(3)	0	3		(3)	0	3	
Other		17	(83)	(100)	*(e)*	17	(83)	(100)	*(e)*
Total Other Income & Deductions		989	344	(645)		989	344	(645)	
Interest Expense		275	264	11		275	264	11	
Net Income		655	305	(350)		(4,831)	305	5,136	

Current Month:

(a) Energy Efficiency Program cost reimbursement was lower than planned, $85,500.
(b) Actual Winooski One tax bill is lower than budget assumption by $228,300 for the year.
(c) Actual Payment in Lieu of Tax (PILOT) is higher than budget assumption by $63,500 for the year.
(d) Budget includes Winooski One FEMA reimbursement (75%) for inflatable dam, bridge rebuild & underground billable. Also, grant income for "Building Giants" (Federal 50% share) and FEMA reimbursement for July 23' flooding and Winooski One. Actual includes overhead & underground billable and various grant income.
(e) Timing of jobbing unfavorable, $126,600 offset by unrealized gain on investment, $40,300.

Year - To - Date:

(a) See current month.
(b) See current month.
(c) See current month.
(d) See current month.
(e) See current month.

Burlington Electric Department
Capital Projects - FY25

	$000				
	Full Year Budget	July Budget	July Actual	Variance	
McNeil (BED 50% Share)					
Ash Silo Pug Mill/Auger Upgrade (312)	25			0	
Catalyst Replacement for Nox System (312)	450	68		68	
Condensate Motor (314)	10			0	
Condensate Pump (314)	15			0	
Cooling Tower Make-Up Pumps Replaced (314)	8			0	
ESP Mechanical Field Rebuild	284			0	
Farmhouse Improvements (311)	10			0	
McNeil - IT Forward FIS	38			0	
Reclaimer Rebuild (312)	30			0	
Replace Water & Sewer Lines at the Farmhouse (311)	28			0	
Replacement Rail Cars (312)	50	50		50	
Routine Station Improvements [1]	188	38	15	22	
Safety Valve Replacements (312)	13			0	
Station Tools & Tool Boxes (312)	8	1		1	
Turbine Control System Upgrade/Insurance (314)	0		21	(21)	
Woodchip Dryer (1 of 2) (312)	38			0	
Other	16	2		2	*(a)*
Total McNeil Plant	1,209	158	36	122	

(a) Budget includes perimter fence upgrade, rigging equipment, portable radios upgrade, energy efficiency improvements and furniture.

Hydro Production	980	130	12	118

(a) Full year budget assumes inflatable dam project at a cost of $1.3M with 75% reimbursement from FEMA of $1.1M.

Gas Turbine	257	8	0	8
Total Production Plant	2,446	297	49	248
Other				
Direct Current Fast Chargers (Level 3)	171	0	0	(0)
Distributed Energy Resources	33	3		3
EV Charger Installations (Level 2)	127	0	40	(40)
EV Chargers/Staging Plan	13	13		13
P&P R&D	26	3		3
Total Other	369	19	40	(21)

Burlington Electric Department
Capital Projects - FY25

	$000			
	Full Year Budget	July Budget	July Actual	Variance
Transmission Plant				
VT Transco Investment	577	577	577	0
Total Transmission Plant	577	577	577	0
Distribution Plant-General				
Aerial				
Archibald St Rebuild	66	33		33
Dunder Road Rebuild	58			0
Killarney Drive Rebuild	0		(3)	3
North St Rebuild P1577-1486	0		0	(0)
Replace 2L5 Circuit from P2349-913S	0		2	(2)
Replace Condemned Poles	110		0	(0)
South Cove Road East Rebuild	145			0
South Cove Road West Rebuild	184			0
Total Aerial	563	33	(1)	34
Underground				
Battery St Phase II Replace UG Cable	517			0
Cathedral Square Rebuild	41	20		20
College St (Pine - St Paul St) Replace UG Cable	148			0
Fern Hill UG Rebuild	0		4	(4)
Replace 2L5 Cable 913s to UH248	0		20	(20)
Summit Ridge Rebuild	63	31	96	(65)
Switch 305S/325S/326S (Main St Reservoir)	258			0
Switch 322/323/324S (Main St and Univ Hts)	242			0
Switch 817S/912S/913S (Main St Reservoir)	151			0
Total Underground	1,421	52	121	(69)
Customer Driven/City Projects				
Champlain Parkway-Billable	345		(2)	2
Champlain Parkway (CAFC)	(294)			0
City Place Streetlighting	306			0
City Place Streetlighting (CAFC)	(197)			0
Great Street Initiative	0		0	(0)
Great Street-Main Street	23		0	(0)
Great Street-Main Street (CAFC)	(23)			0
Winooski Bridge Rebuild	35	9		9
Winooski Bridge Rebuild (CAFC)	(35)	(9)		(9)
Total Underground	161	0	(2)	2

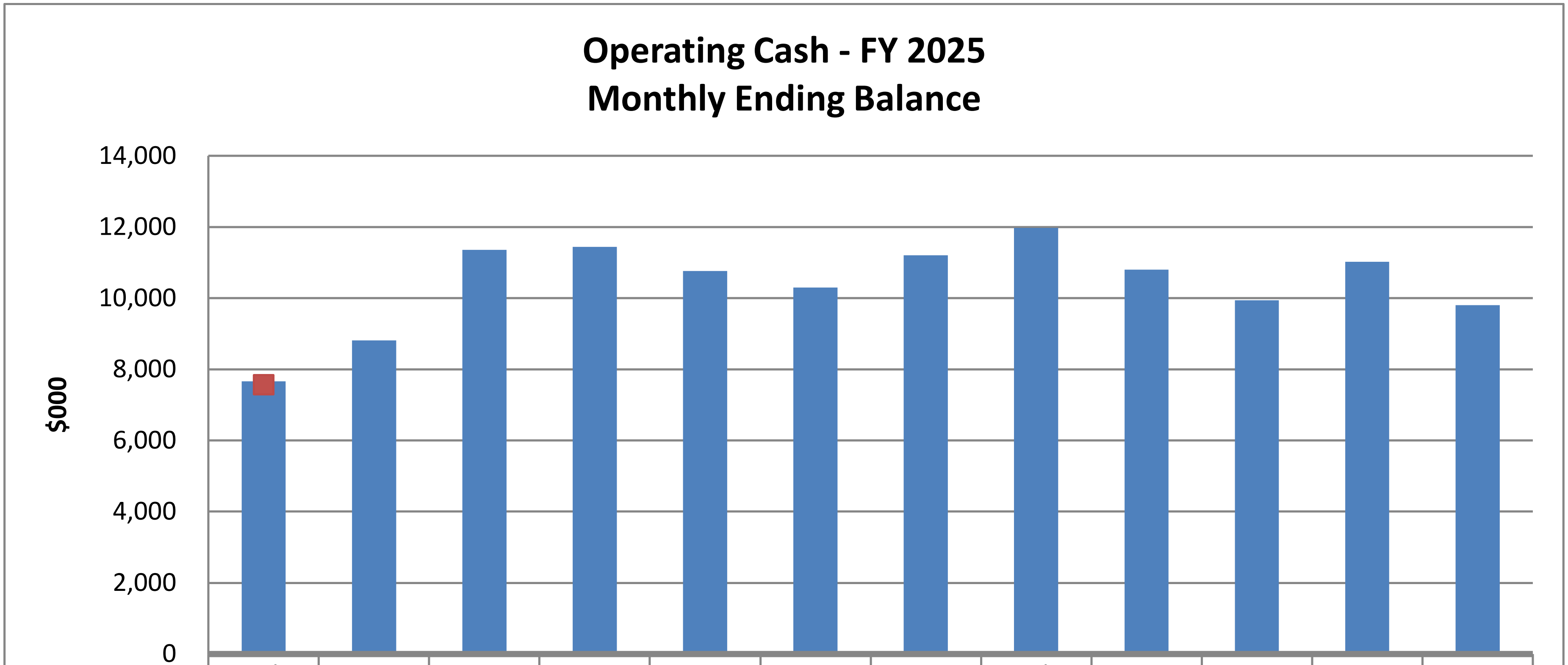
Burlington Electric Department
Capital Projects - FY25

	$000				
	Full Year Budget	Budget	July Actual	Variance	
Other					
College St Breaker Racking Device	25			0	
Distribution Transformers-Purchase	1,590	318	29	289	
Distribution Transformers-Install	6		1	(1)	
Communication Equipment Emergency Repair	15			0	
ADMS SCADA Upgrade (Phase I/11)	617	62	19	43	
ADMS SCADA Upgrade (Phase III/IV)	542			0	
SCADA Servers PC's and Monitors	0		5	(5)	
SCADA Video Display	0		0	(0)	
SCADA Equipment	128	64		64	
Other				0	
Total Other	2,922	444	53	390	
Total Distribution Plant-General	5,066	529	172	356	
Distribution Plant - Blanket					
Aerial	146	2	(3)	5	
Aerial (CAFC)	(64)		(11)	11	
Underground	321	12	60	(48)	
Underground (CAFC)	(132)	(7)	(4)	(2)	
Meters	178	2	2	(1)	
Lighting	223	1	22	(21)	
Tools & Equipment - Distribution/Technicians	30			0	
Replaces Failed SCADA Field Equipment	11			0	
Substation Maintenance	18			0	
Total Distribution Plant - Blanket	731	9	65	(56)	
Total Distribution Plant	5,797	538	237	301	
General Plant					
Computer Equipment/Software	2,127	147	5	142	*(a)*
Vehicle Replacement	191			0	
Buildings & Grounds	155	139		139	*(b)*
Gas Detectors	5			0	
Total General Plant	2,478	287	5	282	

(a) Budget includes IT Forward, $95,400 and other various projects (desktop/laptop replacements, iPads replacements for line crew and engineering plotter).
(b) Budget includes Key Fob Replacement, New SCADA Room and Ice Machine (breezeway).

	Full Year Budget	Budget	July Actual	Variance
Sub-Total Plant	$11,667	$1,717	$908	$808
Add: CAFC* reclass to "Other Income"	1,803	438	16	423
Total Plant	$13,470	$2,155	$924	$1,231

** Customer Advances (Contributions) for Construction.*



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	7,664	8,809	11,355	11,436	10,765	10,299	11,208	11,973	10,795	9,939	11,027	9,803
Actual	7,569											

BED 2024-2025
Strategic Direction Dashboard

9	Target	August 2024 Actuals	July 2024 Actuals	June 2024 Actuals	May 2024 Actuals	April 2024 Actuals	March 2024 Actuals	Feb 2024 Actuals	Jan 2024 Actuals	2023 Yearly Actual	2022 Yearly Actual	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual
Engage Customers and Community														
Call answer time 75% within 20 seconds	75%	83%	77%	75%	69%	86%	88%	88%	87%	avg 82%	avg 82%	avg 82%	avg 81%	
Delinquent accounts >$500	0	230	219	201	224	201	237	216	206	avg 168	avg 188	avg 529	avg 201	
Disconnects for non-payment	0	44	4	22	21	79	26	2	6	224	12	0	45	
Energy Assistance Program Customers (program lifetime)	NA	794	294	275	267	263	259	251	246	234				
Energy Assistance Program Customers (currently enrolled)	300	757	259	241	237	238	237	232	227	219				
# of residential weatherization completions	10	0	1	0	1	0	1	1	2	11	5	5	3	11
Weatherization completions in rental properties		0	0	1	0	0	1	0	1	8	6	0	0	TBD
# or % of homes or SF weatherized		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	0
# of commercial building with improved thermal envelopes		1	1	0	0	0	1	1	1	6	4	5	5	0
Total annual mWh saved via the EE programs (annual goal)	4,099	789	464	433	390	377	347	325	193	2,940	4053			3057
Total residential annual mWh saved via the EE programs (cumulative for year)	743		241	220	120	115	105	80	50	494	862			917
Total commercial sector annual mWh saved via the EE programs (cumulative for year)	3,356	505	284	213	270	262	242	245	143	2,447	3191			2140
% of EEU charge from LMI customers spent on EE services for LMI customers (cumulative for 2024- 2026 3-year EEU performance period)	$ 297,026	$ 98,558	$ 89,711	$ 78,738	$ 60,576	$ 33,024	$ 28,609	$ 20,951	$ 9,160	$ 504,942	$ 335,234	TBD	TBD	TBD
# of customers enrolled in DtP mailing list	TBD	815	815	803	797	NA	NA	NA	NA	800	738	689	698	523
# of large customers participating in DtP		NA	12	12	NA	NA	NA	NA	NA	12	11			
Strengthen Reliability														
SAIFI (AVG interruptions/customer) (annual target)	< 2.1	0.26	0.24	0.24	0.36	0.13	0.02	0.02	0.07	0.56	1.05	0.17	1.48	1.01
CAIDI (AVG time in hrs to restore service) (annual target)	< 1.2	0.77	1.27	1.27	0.47	1.75	1.82	0.8	1.90	0.94	0.67	1.49	0.55	0.75
Distribution System Unplanned Outages (annual target)	82	16	8	8	1	5	10	4	2	39	61	44	90	98
McNeil Forced Outages	0	1	1	3	0	0	2	1	1	5	14	5	21	TBD
W1H Forced Outages	0	2	1	0	0	0	0	0	0	2	6	9	2	TBD
GT Forced Outages	0	0	1	0	0	0	0	1	0	9	6	2	3	TBD
Invest in Our People, Processes, and Technology														
Avg. # of days to fill positions under recruitment	120	293	251	241	260	210	198	219	191	219	100	68	179	
# of budgeted positions vacant	0	10	9	10	11	11	14	15	14	avg 12	avg 9	avg 9	6	NA

BED 2024-2025
Strategic Direction Dashboard

9	Target	August 2024 Actuals	July 2024 Actuals	June 2024 Actuals	May 2024 Actuals	April 2024 Actuals	March 2024 Actuals	Feb 2024 Actuals	Jan 2024 Actuals	2023 Yearly Actual	2022 Yearly Actual	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual
Innovate to Reach Net Zero Energy														
Tier 3 Program														
# of residential heat pump installs		7	31	19	17	10	6	11	13	186	255	315	203	10
# of commercial heat pump installs		0	0	0	1	0	1	1	0	8	4	4	13	0
# of residential hot water heat pump installs		0	1	2	0	0	0	0	1	31	26	14	6	4
# of commercial hot water heat pump installs		0	0	0	0	0	0	0	0	0	0	0	0	0
Heat pump rebates		7	31	21	18	11	7	12	13	206	271	328	212	0
Heat pump hot water heater rebates		0	1	2	0	0	0	0	1	47	18	15	3	0
LMI heat pump rebates		4	0	6	4	2	5	3	1	21	43	28	6	4
Heat pump technology installs in rental properties		0	1	0	0	1	0	1	0	8	10	14	9	TBD
LMI heat pump hot water heater rebates		0	0	0	1	0	1	0	0	6	1	2	0	1
EV rebates - new		10	4	5	12	10	8	9	7	103	53	67	14	36
EV rebates - pre-owned	See NZE Roadmap Goals below	0	3	2	3	2	0	3	1	16	18	7	8	2
LMI EV rebates		2	5	2	11	3	0	12	1	26	9	11	7	7
PHEV rebates - new		7	1	2	5	2	1	2	3	25	27	41	10	17
PHEV rebates - preowned		1	0	1	2	2	0	0	1	6	12	6	5	3
LMI PHEV rebates		0	0	0	0	1	1	0	2	5	15	13	6	2
Public EV chargers in BTV (total)		32 ports	32 ports	32 ports	32 ports	32 ports	32 ports	32 ports	32 ports	32 ports	30 ports	27 ports	27 ports	14
Public EV charger energy dispensed (kWh)		33,200	34,600	28,400	27,600	26,600	21,200	23,900	26,800	244,300	151,360	86,570	35,690	78,000
Home EV charging station rebates		7	6	2	14	5	1	10	7	72	70	32	20	12
EV charging rate customers (total)		310	301	291	288	278	272	267	260	246	157	40	40	28
Level 2 charger rebates		0	0	2	0	0	0	0	4	10	11	10	0	1
Level 1 charger rebates		0	0	0	0	0	0	0	0	0	-	0	1	0
E-bike rebates		19	18	32	24	15	0	4	6	147	152	88	36	65
E-mower rebates		7	17	20	35	11	0	1	0	135	159	154	95	142
E-forklift rebates		0	0	0	0	0	0	0	0	0	1	0	0	0
MWE of Tier 3 measures installed		1,420	1,409	1,184	5,439	1,163	1,102	1,477	2,483	22,374	22,837	23,763	35,112	3,342
% Tier 3 obligation met with program measures	100%	73%	67%	60%	55%	29%	24%	19%	12%	117%	131%	159%	283%	31%
Net Zero Energy Roadmap Goals														
# of solar net metering projects installed		1	0	0	3	0	1	0	3	32	33	29	24	33
No. of homes receiving NZE Home Roadmaps		0	0	0	0	0	0	0	0	-	7	10	7	
Residential heat pumps for space heating (no. of homes)	2022: 8615	NA	NA	NA	NA	NA	NA	NA	NA	1,952, 18% of goal	1,749	1,448	1,112	925
Commercial heat pumps for space heating (1000 SF floor space served)	2022: 5397	NA	NA	NA	NA	NA	NA	NA	NA	431, 7% of goal	411	405	374	374
Residential heat pumps for water heating (no. of homes)	2022: 4365	NA	NA	NA	NA	NA	NA	NA	NA	289, 7% of goal	243	224	208	203
Commercial heat pumps for water heating (1000 SF floor space served)	2022: 1019	NA	NA	NA	NA	NA	NA	NA	NA	0	0	0	0	-
EV registrations in BTV (light-duty)	2022: 2294	NA	NA	NA	NA	NA	NA	NA	NA	829, 22% of goal	699	549	361	296
Greenhouse gas emissions (1000 metric tons CO2)	2022: 150	NA	NA	NA	NA	NA	NA	NA	NA	191, 127% of goal	191	188	185	214
Fossil fuel consumption (billion BTU)	2022: 2418	NA	NA	NA	NA	NA	NA	NA	NA	2,983, 136% of goal	3,285	3,171	3,182	3,660

BED 2024-2025
Strategic Direction Dashboard

9	Target	August 2024 Actuals	July 2024 Actuals	June 2024 Actuals	May 2024 Actuals	April 2024 Actuals	March 2024 Actuals	Feb 2024 Actuals	Jan 2024 Actuals	2023 Yearly Actual	2022 Yearly Actual	2021 Yearly Actual	2020 Yearly Actual	2019 Yearly Actual
Demand Response														
# of Defeat the Peak events called		0	1	1	0	0	0	0	0	3	3	5	3	4
Average kW savings per DtP event		NA	371	313	NA	NA	NA	NA	NA	372	463	419.5	261	242
Manage Budget and Risks Responsibly														
Safety & Environmental														
No. of workers' compensation/accidents per month	0	0	1	0	2	0	0	1	1	8	16	4	8	
Total Paid losses for workers' compensation accidents (for the month)	$225,000	$7,474	$19,547	$5,762	$9,707	$17,106	$18,267	$63,890	$49,251	$98,393	$ 145,102	$ 93,612	$ 165,402	$38,288
Lost Time Incident Rate (days/year) (Dec numbers reflect annual results)	<= 3.5 annual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.0	1.99	0.0	0.93	0.89
Lost Time Severity Rate (days/year) (Dec numbers reflect annual results)	<= 71 annual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	107.4	112.63	0.0	41.71	78.2
Lost work days per month	0	0	0	0	0	28	31	29	31	avg 12	avg 9	0.0	45	
NOx reporting levels to EPA (Quarterly) (lbs/mmbtu)	<0.075	0.069	0.067	0.070	0.0	0.068	0.068	0.068	0.067	0.06	0.06	0.07	0.07	
# of reported spills, waste water incidents (monthly)	0	0	0	1	0	0	0	1	1	2	6	4	4	
Phosphorus levels to DEC in lbs (monthly/yearly total)	<0.8/37	0.072/1.758	0.048/1.76	0.001/1.761	1.072/1.792	0.078/0.769	0.181/0.984	.144/.84	0.058/0.746	0.705	0.688	2.028		1.169
# of new power outage claims reported (monthly)	1	0	0	1	0	1	2	1	1	3	5	7	4	
# of new auto/property/other liability claims reported (monthly)	2	1	4	1	3	3	0	2	0	36	27	18	27	
Purchasing & Facilities														
# of Purchase Orders for Inventory (Target: avg for winter months)	42	66	96	48	51	81	61	46	52	541	636	644	593	
$ value of Purchase Orders for Inv. (Target: avg dollars spent during winter)	$78,000	$1,108,085	$1,126,954	$240,018	$117,867	$247,432	$531,018	$79,778	$728,624	$2,481,531	$ 4,861,023	$ 3,278,620	975,531	
# of stock issued for Inventory (Target: avg during winter months)	320	571	482	692	598	760	655	679	518	6,777	6,187	4,402	4,545	
$ value of stock issued for Inventory (Target: avg. during winter)	$ 65,000	$ 65,751	$ 161,492	$ 237,512	$ 510,425	$ 327,594	$ 349,677	$ 113,948	$ 222,270	$ 1,925,781	$ 2,200,233	855,456	1,086,478	
# of posters pulled from poles monthly (Taget: goal to remove each month)	58	18	0	105	0	57	0	0	0	592	900	2,728	627	
# of Spark Space and Auditorium setup/breakdowns monthly (Target: Covid impact)	3	17	10	15	18	17	21	14	24	207	132	88	87	
Finance														
Debt service coverage ratio (avg of previous 12-months)	1.25		4.73	4.47	4.95	4.34	4.78	4.49	5.04	3.81 FY23	4.61 FY22	4.26 FY21	3.77 FY20	3.56 FY19
Adjusted debt service coverage ratio (avg of previous 12-months)	1.5		1.25	1.37	1.56	1.35	1.51	1.41	1.61	1.29 FY23	1.22 FY22	1.08 FY21	0.93 FY20	0.90 FY19
Days unrestricted cash on hand (incl line of credit)	>90		146	149	120	111	108	119	122	93 FY23	120 FY22	121 FY21	120 FY20	109 FY19
Arrearages >60 days		$ 409,006	$ 390,295	$ 413,803	$ 390,164	$ 380,953	$ 410,127	$ 381,759	$ 381,652	$ 392,196	$ 408,903	$ 1,087,769	$ 749,054	
Power Supply														
McNeil generation (MWH) (100%)	per budget	17,654	10,031	12,434	0	16,986	10,442	22,834	29,848	184,798	228,981	273,355	192,696	
McNeil availability factor	100%	53%	53%	39%	0%	70%	73%	71%	90%	84%	67%	80%		
McNeil capacity factor	per budget	47%	27%	34.5%	0%	47%	28.1%	65.6%	80.2%	42.3%	52.4%	62.4%		
Winooski One generation (MWH)	per budget	2,784	2,803	1,990	2,758	4,033	4,182	2,627	3,565	36,318	25,350	24,752	21,194	
Winooski One availability factor	100%	98%	97%	97%	99%	99%	99%	99.0%	99.0%	97.2%	98.3%	97%		
Winooski One capacity factor	per budget	51%	58%	59%	50%	76%	76%	58%	65%	56%	41.7%	37%		
Gas Turbine generation (MWH)	NA	56.2	51.9	181.6	11	16	47.5	5.6	45.6	475	356	373	441	
Gas Turbine availability factor	100%	99%	98%	100%	89%	100%	98%	98%	100%	46.7%	54.5%	96%		
Gas Turbine capacity factor	NA	0.0%	0.4%	0.4%	0%	0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.21%		
BTV solar PV production (mWh)		528	675	585	607	452	403	322	82	4,681	5,260	5,015	5,182	
Cost of power supply - gross ($000)			$3,108	$3,130	$2,182	$3,026	$2,924	$3,004	$2,830	$30,002	$36,755	$30,285	$31,081	
Cost of power supply - net ($000)			$3,108	$3,130	$255	$3,026	$2,924	$3,004	$1,625	$22,710	$27,487	$22,134	$23,388	
Average cost of power supply - gross $/KWH			$0.09	$0.11	$0.08	$0.12	$0.11	$0.12	$0.10	$0.09	$0.11	$0.09	$0.10	
Average cost of power supply - net $/KWH			$0.09	$0.11	$0.01	$0.12	$0.11	$0.12	$0.06	$0.07	$0.08	$0.07	$0.08	