BURLINGTON
BOARD OF ELECTRIC COMMISSIONERS

585 Pine Street
Burlington, Vermont 05401

To be held at Burlington Electric Department (and)
Via Microsoft Teams
+1 802-489-6254
Conference ID: 636 059 465#

LARA BONN
MICHELLE HOBBS
SCOTT MOODY, CHAIR
ANDY VOTA
BETHANY WHITAKER, VICE CHAIR

AGENDA
Regular Meeting of the Board of Electric Commissioners
Wednesday, November 13, 2024 – 5:00 PM

1. Agenda
2. Minutes of the October 16, 2024 Meeting
3. Public Forum
4. Commissioners' Corner (Discussion)
5. GM Update
6. Financial review (Discussion) – Emily Stebbins-Wheelock
7. FY2024 Audited Financials (Discussion) – Emly Stebbins-Wheelock and Amanda Hurlbut
8. BED's 2024-2025 Property/B&M Insurance renewal (discussion and vote) – Paul Alexander
9. Commissioners' Check-In

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.

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, October 16, 2024

The regular meeting of the Burlington Electric Commission was convened at 5:05 pm on Wednesday, October 16, 2024, at Burlington Electric Department, 585 Pine Street, Burlington, Vermont, and on Microsoft Teams.

Channel 17 was present to record this meeting.

Commissioners Lara Bonn, Michelle Hobbs, Scott Moody, Andy Vota, and Bethany Whitaker were present.

Staff members Elena Alexander, Paul Alexander, Paul Charbonneau, Erica Ferland, Amanda Hurlbut, Mike Kanarick, Munir Kasti, Betsey Lesnikoski, Darren Springer, and Emily Stebbins-Wheelock were present.

Staff members Rodney Dollar and James Gibbons were present via Microsoft Teams.

KPMG Auditors Heather Kuney and Renee Bourget-Place were present via Microsoft Teams.

Members of the Public Nick Persampieri, Ashley Adams, Andre Oyagas and Greg Hancock were present via Microsoft Teams.

Agenda
No changes to the Agenda.

Meeting Minutes

- Commissioner Vota made a motion to approve the minutes of the September 11, 2024, Commission Meeting; Commissioner Bonn seconded the motion. Vote: 4 ayes 0 nays (Commissioner Whitaker was not present for this vote).

Public Forum
No members of the public requested to speak.
Mr. Persampieri submitted written comments (Exhibit A) attached hereto.

Commissioners' Corner
No items presented.

General Manager's Update
No verbal update provided.

FY25 July Financials

CFO and Manager of Strategy & Innovation Emily Stebbins-Wheelock presented the August FY2025 financial results.

- The Department's net income for the month of August was $1.685 million compared to a budgeted net income of $1.965 million. A negative variance of $280k.
- Sales to customers compared to budget were down $174k for the month. Other revenues had a positive variance of $14k to budget, due mostly to a variance in EEU revenues. Power supply revenues were at a negative variance of $20k to budget.
- August's net power supply expense had a favorable variance of $120k to budget that included a positive variance on fuel offset by an unfavorable variance on purchased power. Both wind and McNeil production were under budget. The FirstLight contract that was signed in July was not budgeted for, causing an unfavorable variance between now and December. Transmission had a slight positive variance.
- Other operations and maintenance expense had a negative variance of $387k. This larger delta was due to $211k in uncollectible expense from an estimate that we gave to a customer for service work that was inadvertently billed and never recognized as revenue. This bill will be cancelled to correct the variance.
- Other income had a positive variance of $150k.
- Capital spending for August fiscal year-to-date was $909k or 8% of budget.
- Operating cash at the end of August was $9.2 million, $400k better than budget.
- The most-recent-12-months Debt Service Coverage Ratio was 6.22 and the Adjusted Debt Service Coverage Ratio was 1.41.

FY2024 Audit Presentation

BED's Controller Amanda Hurlbut presented the FY2024 Draft Audit with KPMG representatives Renee Bourget-Place and Heather Kuney. These are preliminary audit findings due to one outstanding audit item, an actuary report for GASB 75 disclosure. That will require one final adjustment to the financial records which should be completed by the end of the week. BED anticipates having all documentation to KPMG by mid next week. KPMG will need 3-4 days to complete their review process before the audit is finalized and the FY24 financial statements are issued along with the auditors' opinions.

Ms. Bourget-Place and Ms. Kuney stated the line items that they are required to share with the Commission as part of their audit are listed in Exhibit B attached hereto.

Commissioner Vota asked what kind of audit findings have come up in past years. Ms. Bourget-Place shared that in previous years, there have been some control deficiencies surrounding inventory. There were a couple of years where controls over inventory were not strong enough but that was remediated. Ms. Kuney added that for the proposed audit entries, oftentimes these have involved non-GAAP (generally accepted accounting principles) policies that the Department has and the difference between recording something in accordance with GAAP versus the Department's policy.

It wasn't something that rose to the level that KPMG would have requested to be reported, but it was high enough that we needed to report it to the Commission.

Commissioner Hobbs asked for clarification of required communications. Are they specific to Burlington Electric Department or just standard practice? Ms. Bourget-Place confirmed that these required communications are part of the professional audit standards and not just for Burlington Electric Department. All audits require auditors to communicate those things to the governing board.

Commissioner Bonn asked what the next steps are in the audit process for addressing significant risks. Ms. Bourget-Place explained that this is also is part of standard auditing practices, in which auditors always presume that there is a fraud risk related to management override. It requires that the auditors design specific procedures to alleviate that risk and satisfy themselves that there is not material misstatement due to fraud. Once the auditors have done all of these things and have satisfied themselves, there's nothing further to be done. Ms. Bourget-Place stated that as far back as she can remember, there has been no findings related to fraud at Burlington Electric Department.

KPMG - Executive Session

Commissioner Hobbs made the motion that premature general public knowledge regarding KPMG's evaluation of BED's management with the Commission would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes; Commissioner Bonn seconded motion. Commission vote; 5 ayes 0 nays.

Commissioner Bonn made a motion to enter into Executive Session at 5:39pm to discuss the KPMG information with the auditors under the provisions of Title 1, Section 313(a) (1)(A) of the Vermont Statutes; Commissioner Whitaker seconded the motion. Commission vote; 5 ayes 0 nays.

Commission Moody made a motion to exit Executive Session at 6:01pm; Commission Bonn seconded the motion. Commission vote; 5 ayes 0 nays

IT Forward Update and CIS Contract Approval

Ms. Emily Stebbins-Wheelock and IT Director Erica Ferland presented the Commission with a background of the Department's "IT Forward" initiative and how BED has come to the decision to enter a contract with SpryPoint to implement a new CIS, a new customer portal replacing the SilverBlaze portal, and a new mobile workforce management solution.

Ms. Stebbins-Wheelock explained that the IT Forward initiative dates back to 2017, when BED identified the need to replace its core business systems, including its customer portal and customer, financial, and meter data management systems. Initially, the Department hoped to contract with a single vendor for all of these solutions, but due to changes in the utility software market, is now pursuing a multi-vendor, “best fit” solution.

The Department implemented its new Meter Data Management system, SmartWorks Compass, in April 2023 and its new customer web portal, SilverBlaze, in August 2023. The Department is also planning to implement an Outage Management System as phase 3 of its SCADA/ADMS project. The current recommendation to the Commission is to approve a contract with SpryPoint for a Customer Information system, Mobile Workforce Management system, and a new customer portal. Future RFPs are planned for a Financial Information system, a Work and Asset Management system, a Payment Processor, and an Integrated Voice Response system.

The vendor selection process for CIS/Portal/Mobile Work Management began in April 2023. A cross-functional team 13 BED employees from Customer Care, Billing, Communications, IT, Energy Services, Policy & Planning, and Finance viewed introductory vendor demos and updated requirements before issuing an RFP in December 2023. The Department received responses from 6 vendors. The team invited 5 vendors for day-long on-site demos and selected 3 finalists for follow-up demos and reference checks.

The team has selected SpryPoint, a relatively new, privately held SaaS-based company that has been growing rapidly and gaining new customers. SpryPoint was selected based on the following criteria:
Ability to handle BED’s functional requirements, including a strong rates/billing engine, account management, and rebate processing.
Modern SaaS platform and agile approach aligned with BED’s strategic vision for Innovation.
Growing customer base reflective of BED peers (including many smaller municipal utilities) and references.
Pricing/10-year cost of ownership
Availability of companion mobile fieldwork management and work order/asset management solutions

The key terms of the proposed SpryPoint contract are as follows.
The Software-as-a-Service (SaaS) subscription agreement:
Covers license/use, hosting/infrastructure, all updates and upgrades, and ongoing support/maintenance of CIS, portal, and mobile work management.
Auto-renews annually unless either party gives notice.
Annual subscription fee, $145,250, subject to annual budget appropriations, with annual increases = to CPI x 1.25
Termination for convenience clause
An attached statement of work includes:
Fixed fee pricing for implementation, $940,800 (revenue bond-funded).

Milestone-based payment structure.
Cites BED's requirements.

The contract has additional exhibits for insurance, service levels, customer data protection.

Commission Chair Moody asked why the Department's current payment processor, Paymentus, is listed as "planning rebid for pricing." Ms. Ferland explained that once the customer web portal has been switched to SpryPoint, BED will evaluate its payment processing needs to see what best fits for our customers. Is Paymentus providing the appropriate service for the cost? Are there other market options that would be more favorable on a cost standpoint?

Commissioner Whitaker asked if the rebid cycle for the Paymentus contract seemed longer than normal since it was signed in 2012. Ms. Stebbins-Wheelock stated that generally speaking, most IT systems useful life is roughly 10 years. That said, there are current contracts that would benefit from more frequent rebidding.

Commissioner Vota asked what the cost will be to implement the new SpryPoint solutions and what is the breakdown of outage management and customer information? Ms. Stebbins-Wheelock stated that both the SilverBlaze portal and the SpryPoint portal are full cloud SaaS solutions. The Department is currently paying approximately $48k/year in annual fees for SilverBlaze and the SaaS fee for the SpryPoint portal would be less than half of that. There will be approximately $50k of implementation fees for the set up but BED would be saving 50% annually in operating expense. The SilverBlaze implementation ended up taking about 2 years instead of the expected 6-9 months, the cost was higher after factoring in internal labor.

Commissioner Whitaker asked if SpryPoint was still venture capital funded or if they have their own revenue stream. How long have they been around? Ms. Stebbins-Wheelock did not know the answer to their funding source but noted that SpryPoint has been in business since 2011.

Commissioner Vota asked what the CPI x 1.25 means and what percentage that would be for an average year. Ms. Stebbins-Wheelock stated that each year the annual fee will be increased by a factor composed of the consumer price index plus 1.25 to cover inflation and infrastructure costs.

Commissioner Vota asked if the $50k portal implementation cost is included in the $940,800k. Ms. Stebbins-Wheelock confirmed that yes, the $50k is included in that figure.

Commissioner Bonn asked that if SpryPoint is a Canadian company, how do they consider the differences? Do they have customers in both US and Canada? Ms. Stebbins-Wheelock confirmed that SpryPoint does have customers in US and Canada. All the references provided were US-based companies and BED does not see any underlying issues as we have used Canadian companies in the past. Commissioner Bonn asked if the references SpryPoint provided were companies that were trying to integrate multipurpose services. Ms. Ferland confirmed that BED asked the references who their existing providers were, and how well SpryPoint integrated with other applications. BED felt that the reference companies were trying to do the same things we are trying to do and have had success.

Commissioner Whitaker asked if the funding would come from the existing or new revenue bond. Ms. Stebbins-Wheelock stated that it would be a combination of the two bonds should the November vote pass and the new bond is issued. Ms. Stebbins-Wheelock emphasized how important the new CIS is to BED and even if the November bond vote does not pass, BED would try to figure out a way to move forward with the contract.

Commissioner Hobbs made the motion that the Board of Commissioners recommend to the Burlington City Board of Finance to approve a one-year auto-renewing software-as-a-service contract for $145,250 with SpryPoint for CIS services with an implementation cost of $940,800, subject to City Council approval. Commissioner Bonn seconded the motion. Commission vote; 5 ayes 0 nays.

Bank of America Credit Card Update
Mr. Alexander and Mr. Charbonneau presented to the commission members:
We use the BOA credit card(s) for many transactions (in-store purchases, online orders, maintenance service agreements, etc.)
We have used the BOA credit cards since at least 2001.
We had a change in the Director of Purchasing & Facilities position here at BED (JT to PC) effective 1/25/24.
As such, the BOA reached out to us via phone in the last few weeks and requested a formal transfer of the cardholder's name on this account with approval from at least 2 board members, as we are listed as a "Non-profit business account", not a "Corporate account", and to then forward on to them such meeting and approval minutes.

Commissioner Moody asked if the Mr. Charbonneau's purchasing ability falls under the auditors guidelines as stated earlier. Mr. Alexander confirmed that there are processes in place, and they will continue to follow those.

Commissioner Vota made the motion to (unless otherwise notified in writing) for the BED Board of Electric Commissioners to authorize Paul Charbonneau, Director of Purchasing & Facilities at the Burlington Electric Department, to be formally listed/named as BED's main point of contact and primary cardholder for the related Bank of America's credit card(s) program and to at the same time, remove the name of the prior Director (Jeff Turner), effective immediately. Commissioner Bonn seconded the motion. Commission vote; 5 ayes 0 nays.

McNeil Economics IRP Rebuttal Testimony
Mr. Springer addressed Mr. Persampieri's written comments by stating that the chart (Exhibit A) attached hereto refers to fiscal years 2014 through 2023 for the IRP that was filed in 2023. It includes the last 10 fiscal years for which we have audited financials; we do not have audited financials for FY24 yet.

The top section of the chart shows values associated with McNeil that appear on BED's financial statements as well as additional values that do not. The bottom section of the chart is the same, but uses more conservative assumptions and excludes certain elements. For example, the PILOT payment from McNeil to the City General Fund is a benefit to City taxpayers, not BED, but we are being a little more conservative by excluding it in the second chart because we are looking at the ratepayer value only.

The key point being, the intervenors' testimony was based on plant profit and loss statements that are provided at McNeil joint owners' meetings. McNeil is managed as a joint asset with two other utilities, which is different from BED's other 100%-owned facilities. The financial impacts on BED, however, are subsumed within BED's financials. The McNeil profit and loss statements are not audited, and they include language indicating that they are based on certain assumptions. For example, we do not know the revenues that the joint owners get from their share of McNeil's RECs, so we simply double BED's McNeil REC revenues as an assumption. Similarly, BED does not know what the other joint owners book for depreciation on their ownership share of the plant. The profit & loss statements therefore are not necessarily the right metrics by which to judge the financials of the plant. Not only are they not audited, but they also do not include any other values to BED that are important and directly connected to McNeil. BED's rebuttal testimony referenced fiscal years 2014 through 2023. The numbers in Mr. Persampieri's e-mail referenced 2024 non-audited financials and excluded the 2014 more favorable financials.

As shown, in the bottom half of the chart, a more conservative valuation of McNeil's benefit to BED over the last 10 years is estimated at $7.3 million. Even if you included half of the FY24 profit and loss statement, BED would still, over these eleven years, have a net cumulative positive benefit from its ownership of McNeil. If you exclude any of the 2024 value streams, BED still has a net positive benefit over the 11-year period.

James Gibbons walked through the calculations for each column of the rebuttal testimony document (Exhibit C) attached hereto in the IRP docket, including both value streams that are included in BED's financial statements and those that do not. Mr. Gibbons noted that values that are not included in BED's financial statements generally take the form of an avoided cost, which is a cost that you did not pay because you owned an asset. The only way you could record a value for that avoided cost would be to over-inflate the expense (to reflect what you would have paid) that would then be offset by a positive value stream (reflecting what you saved) and we don't typically do that in our financial statements.

The expenses are audited and the chart indicates BED's share of McNeil's expenses. This includes depreciation and amortization, which is a non-cash expense, as well as cash expenses such as fuel O&M, insurance, and things of that nature. The value streams that occur through the ISO markets are the ones that appear on our income statements. Energy revenues specific to McNeil, however, are not an audited value. BED's audited financial statements show aggregate energy receipts from ISO-NE, but do not break down energy sales by resource. Capacity revenues are payments for a generating unit that has the ability to generate, regardless of whether it is producing energy at a given time or not. Capacity revenues in aggregate are audited and tested on BED's financial statements. Ancillary revenues are relatively de minimis but do appear in aggregate on BED's financial statements.

Mr. Gibbons explained that the green-shaded columns represent values (or avoided cost) to BED that are not reflected in our audited financial statements.

First is Ryegate Savings. Any utility in Vermont that receives 1/3 of its energy from woody biomass generation is not assigned a portion of the Ryegate energy contract with the State. If BED did not have McNeil and acquired a chunk of another biomass plant, our share would probably be 6 to 7%. Then we would have a partial offset because we did not take 25 megawatts of biomass off, you took 25 megawatts of biomass off and then added a few megawatts back on. That is the "above-market" value of Ryegate that BED avoids by having McNeil.

Commissioner Whitaker asked why Ryegate is showing a positive under BED when it is not something BED uses. Mr. Gibbons explained that if McNeil was removed from our costs, BED would save all of the expenses under the first blue "Expenses" column, but immediately incur Ryegate costs equal to what is shown in column H. One cannot claim the full savings of taking McNeil out of BED's portfolio without recognizing that BED would acquire Ryegate costs in return. Column H represents the above-market costs of Ryegate that BED would incur if we did not have McNeil; it is either an offset to any savings of not having McNeil or it is a value stream to having McNeil.

Commissioner Vota asked what are the components of the above-value costs? Mr. Gibbons explained that they are all components that you are seeing in blue and a couple of the ones you are seeing in green. For example, if we removed the McNeil expense column, that would be a savings. Then you would lose all of the revenues in the blue columns but at the same time acquire an assignment of Ryegate power because of that. When you take the cost of the power and subtract the revenues from the power is above-market. BED's share of the above-market Ryegate costs that we would have to bear is $208k in the first year.

Second, IGAP Credit. Under the 1991 VELCO Transmission Agreement, referred to as the 91 VTA,in-state generation that is connected at sub-transmission voltage and in an area that has sufficient load to absorb that generation receives a transmission credit based on the unit's seasonal claim capability rating (ISO New England capacity value), which reduces your VELCO transmission bills. Without McNeil, BED would have paid higher VELCO bills by the amounts shown on the chart.

Third, Standard Offer. BED avoids costs from having to take higher-priced power under standard offer contracts. We have assigned 30% of our savings from standard offer to McNeil as a rough estimate. Mr. Springer added that the standard offer exemption is generation-based. One of the assertions made in Mr. Persampieri's e-mail stated that BED could get a standard offer exemption by having a different renewable contract; that is a hypothetical. These numbers are based on the actual renewability that BED had during each of these years, and this is the attributable portion for MC Neil.

Fourth, Tier 3. BED runs strategic electrification programs under Tier 3 of the Renewable Energy Standard, and the amount of credit a utility receives under those programs is a function of how renewable the utility's resource mix is. We have assigned some portion of the renewability each historical year to the units that provided that renewability, which for McNeil is about 30%.

Fifth, Tier 2. BED qualifies for an exemption from having to build new in-state renewable generators of five megawatts or less by being 100% renewable in each year. Again, we have assigned some portion of the renewability each historical year to the units that provided that renewability, which for McNeil is about 30%.

Sixth, Long-term contract premium. This is a conceptual value that the PUC ascribed in the standard offer program to the value of having stable long-term prices. In many ways, McNeil acts like an insurance policy in years without a market disruption. McNeil's prices are not linked to the natural gas markets in New England, they are linked to wood prices and to a lesser extent to oil to diesel prices for transportation. This is not a calculable value, but the PUC ascribed a value of 2% in the docket.

Finally, Payment in lieu of taxes. McNeil does not pay property taxes, but does make a payment in lieu of taxes (PILOT) to the City of Burlington general fund. All things being equal, BED believes that an injection to the City general fund is better than not having an injection to the general fund. And in this case, half of the injection is paid for by non-Burlington entities, Green Mountain Power and Vermont Public Power Supply Authority. We have chosen to ascribe half of the payment lieu of taxes as a benefit to the City of Burlington.

Commissioner Whitaker asked for clarification on how the values were calculated. Mr. Gibbons explained that the chart does not show the formulas for the calculations but the rebuttal testimony submitted describes the calculations in detail. Commissioner Whitaker stated that she did not want to vote on something she could not see calculations on. Mr. Springer explained to the Commission that this is an informative agenda item only and requires no vote. Commissioner Whitaker understood and wanted to clarify that the Commission is not responsible for the calculations submitted and would like to better understand how the formulas were calculated. This information can be found in the rebuttal testimony in the IRP docket.

Commercial Negotiations – Executive Session
Mr. Springer shared that he and the Mayor held a meeting discuss the idea of trying to transfer 100% of the plant and site at McNeil to BED and the reasons why we were pursuing that. There is a letter agreement that says that we are going to enter into negotiations with the joint owners for up to a six-month period to have those discussions.
Commissioner Bonn made a motion to find that premature general public knowledge of the commercial negotiations would clearly place the Burlington Electric Department at a substantial disadvantage per Title 1, Section 313 (a)(1) of the Vermont Statutes. Commissioner Vota seconded the motion. Commission vote; 5 ayes 0 nays

Commissioner Bonn mad a motion that the Commission enter into executive session at 7:40 with BED Staff to discuss the commercial negotiations under the provisions of Title 1, Section 313(a) (1) (A) of the Vermont Statutes. Commissioner Vota seconded the motion. Commission vote; 5 ayes 0 nays.

Commissioner Vota made the motion to come out of executive session at 8:06. Commissioner Hobbs seconded the motion. Commission vote; 5 ayes 0 nays

Commissioners' Check-In
No check-in topics presented.

Adjourn
Commissioner Whitaker made a motion to adjourn at ; the motion was seconded by Commissioner Bonn, Commission vote; 5 ayes 0 nays.

The meeting of the Burlington Electric Commission adjourned at 8:17p.m.

Attest: ________________________________

Elena Alexander, Board Clerk

To: Burlington Board of Electric Commissioners

From: Darren Springer, General Manager

Date: November 8, 2024

Subject: **October 2024 Highlights of Department Activities**

General Manager

- **NZE and Grid Reliability Revenue Bond –** The BED team is grateful to our community for the approval of the Net Zero Energy and Grid Reliability Revenue Bond on November 5th. With 79.6% voting in favor, it is an even stronger show of support than our first Net Zero Energy Revenue Bond vote during the special election in December of 2021. BED will work with our financial advisors to look at timing of an issuance and the interest rate environment while keeping an eye on the drawdown of our current revenue bond as well. This bond approval will ensure we have the resources needed through the end of the decade to fund our capital program. We appreciate the community's support for this financially responsible approach to investing in our climate and reliability needs in Burlington.
- **Energy Benchmarking Ordinance –** The TEUC reviewed and approved an energy benchmarking ordinance proposed by BED and DPI as a first step towards tracking energy use in space heating under the building emission reduction ordinance concept. The full Council will act on the Ordinance on Dec. 9th, and in the interim BED is seeking stakeholder input and members of the community can also provide public input at the next regularly scheduled TEUC meeting.
- **Calendar Contest –** The annual BED calendar contest celebration is happening Nov. 21, and we look forward to sharing the new 2025 NZE Calendars with our community and appreciate the continued support of our 4th grade classes and teachers and school administrators in participating in this great community initiative!

Center for Innovation – Emily Stebbins-Wheelock

- Coordinating efforts to track and respond to federal and state funding opportunities, negotiating award agreement for Charging & Fueling Infrastructure grant and continuing to work with FEMA on grants for July 2023 and July 2024 flood damage at Winooski One.
- Continued sponsorship of IT Forward implementations; concluded contracting with selected CIS vendor, SpryPoint.

Finance & Billing

- Audited financial statements for Burlington Electric Department were issued by KPMG on 10/28/2024. KPMG issued an unmodified (clean) audit opinion.

- Audited special-purpose financial statements for Joseph C. McNeil Generating Station were issued by KPMG on 10/28/2024. KPMG issued an unmodified (clean) audit opinion.
- Filed audited financial statements with bond trustee and ISO-NE.
- PUC held public hearing on 2024 rate filing; no BED customers attended.
- Continuing work on Energy Efficiency Utility Fiscal Agent FY24 audit.
- Reviewed McNeil calendar year 2025 budget.
- Continued work on updating vehicle rates for charging to work orders.
- Continued work on RFP development for a new financial information system.
- Reviewed responses to PUC questions re 2025 Energy Efficiency Charge rate calculation.
- Continued work on the close-out of DPS Electric Vehicle Supply Equipment Grant.
- Continued work on updating credit card policy and an RFP for procurement card program.
- Review and revamp of travel policy.

Information Services
- Survalent SCADA/ADMS project: Milestones on track. Cybersecurity work continues.
- Fit-up of new dispatch room: IT installed business systems in new Pine St. room; Lake St. fit-up to commence once existing room is prepared.
- Customer Information System: Vendor contract approved by Electric Commission, Board of Finance, and Burlington City Council and signed by GM. Expect delivery timeline and kick-off in November.
- Financial Information System RFP: work continues to document and develop requirements ahead of a fall RFP release.
- Distributed Energy Resource Management System (DERMS): The project team, with VPPSA and WEC, is developing technical requirements and scheduling pre-RFP demonstrations with select vendors.
- Phase two rollout of zero-trust platform continues.
- Continued participation on the State of Vermont's Cybersecurity Advisory Board.
- Ongoing phishing and security testing of our users.

Policy & Planning
- Continued work on Winooski One FERC Relicensing and Winooski bridge replacement coordination
- Filed Tier III plan update for 2025 with PUC on 11/1/2024
- Site meeting with Pecos Wind at 585 Pine Street.
- IRP PUC docket continues.
- Attended 3rd of three DPS meetings on Act 179 report on replacement program for affordable housing solar.
- Attended DPS planning meeting on Solar for All.
- Submitted comments for PUC's annual EV rates report in 24-3023-INV.
- Building GIANTS GRIP grant official kicked off with U.S. Dept of Energy.
- DPS grants for distributed energy resource management (DERMS) and battery storage kicked off with VPPSA and WEC.
- Contract reviews for Winooski One dam replacement.

- Statewide Flexible Load Management Working Group meetings.
- 2025 EEU Rate update filings.

Sustainability & Workforce Development

- Hosted women-focused EV Ride and Drive event with partners VT Clean Cities Coalition, Association of Africans Living in Vermont, and others.
- Initiated planning with Mayor's office on the creation and management of a City climate and sustainability team.
- Continued brainstorming with VGS re possible joint activities and future collaboration in residential sector, commercial sector, and "storytelling."
- American Public Power Association DEED contract executed; worked to finalize draft for weatherization video.
- Completed VLITE contract to advance the electrification of CarShare VT's fleet and expand public-level charging.
- Launched efforts to conduct equity mapping using BED rebate data and with support from the City of Burlington's GIS specialist.
- Organized October's Lunch and Learn with FBI Senior Intelligence Analyst on cybersecurity threats facing U.S. utilities and other critical infrastructure.
- In conjunction with Communications & Technology Specialist Adam Rabin, recorded several new NZE podcast episodes, including with BED's Bill Parizo, Director of System Operations on Bill's several decades of work at BED, from Moran to McNeil and beyond and with Amanda Sachs, data specialist, Rewiring America.
- Participated in the monthly Transformative Justice Fellowship meeting.
- Attended the Urban Sustainability Directors Network Summit in Minneapolis and presented on storytelling, public engagement, and community outreach with colleagues from San Luis Obispo and Denver.
- Planning to host the bi-annual New England Municipal Sustainability Network meeting in Burlington, including speakers, tours, and agenda-setting for 30 colleagues from the New England region.
- Presented at Chittenden Area Transportation Management Association annual summit on the role of the Burlington 2030 District in reducing vehicles miles travelled by District members.
- Attended REV annual conference.
- Supported the Fletcher Free Library in their EPA Climate Communities Change Grant including information on resiliency, NZE, and sustainability.
- In conjunction with other BED colleagues, honed BED's superusers program designed to support high-mileage drivers including meeting with non-profit Coltura about outreach and marketing to advance program uptick.
- Attended State of Vermont's Racial Equity Office's <u>2024 Movement Builder's Conference</u>.
- Participated in City REIB mission and vision rebrand meeting.
- Attended the UVM Community Coalition meeting.
- Accompanied VEEP to all Burlington 4th grades for a lesson on electricity and sharing about BED's 2025 calendar contest.

<u>Center for Safety and Risk Management – Paul Alexander</u>

Safety

- Conducted weekly operational safety/ops meeting.
- Conducted monthly Generation Safety Committee meeting.
- Conducted inspections of fire extinguishers.

- Conducted demonstrated proficiency in Pole Top & Bucket Rescue
- Performed Sling & Climbing gear inspections
- Performed safety orientation for new Meter Technician
- Participated in monthly BED Safety Committee meeting.
- Participated in quarterly WC claim review with Travelers.
- Provided operations/generation supervisors weekly safety summary.
- Completed weekly OSHA 300 reporting.

Environmental

- Conducted Biweekly Environmental/Operations meetings.
- Conducted monthly wastewater sampling
- Participated in R99 Biodiesel Gas Turbine Test Pilot meeting with Vermont Clean Cities coalition.
- Completed the quarterly emissions report
- Worked with the state to obtain testing permission for R99 fuel at the GT
- Conducted the annual stormwater walkthrough for the McNeil facility
- Oversaw the hazardous waste disposal for the McNeil, GT, and Pine St. facilities

Risk Management

- New Claims Investigations (3 total: 2 pole accidents and theft of power).
- Hold 1 new employee Workers' Compensation/Accidents/Loss Control orientation.
- Attended Net Zero Energy (NZE) debrief meeting.
- Review City's revised Purchasing Policy and BED's Travel policy.
- Review T&C's on Cormetech agreement
- Send out shared file for BED's ECL (Emergency Contact List)
- Reply to DHS on their *Security Assessment at First Entry* (SAFE) recs.
- Research UVM solar project invoice with Finance.
- Respond to NERC's/ISO-NE GADS request and EOP-011-4 standard
- Chair monthly BED Safety Committee (BSC) meeting.
- Attend meeting on VW grant app for next All electric line truck.
- Work with Travelers auditor on WC data/submittal
- Create Release for Harvest Run event at Farmhouse.
- Pay dues for CUSP AMF, PRIMA and CPCU organizations
- Attend VT CPCU Chapter Meeting (Cyber security)
- Attend L&L webinar (Cyber risks via DHS/CISA)
- Create BEC resolution for Bank of America credit card name transfer
- Review of McNeil T&C's for rubber bladder contractor
- Meet on cameras for new Dispatch area
- Meet with Travelers on their quarterly WC claim review
- Extensive work preparing for Property/B&M Insurance renewal and presentations
- Meet with City rep on election Day security measures
- Attend COB's Wellness fair
- Review Digger truck agreement for Distribution

Purchasing/General Services

- Walk Through with Bill Morris for Polling Place Site Security
- Slated Roof repaired Farmhouse
- Started work on VW grant to replace C-3 with a new electric truck

- Ordered camera for new dispatch room
- Worked last stages of getting Winooski 1 bladder delivered to McNeil

<u>Center for Operations & Reliability – Munir Kasti</u>

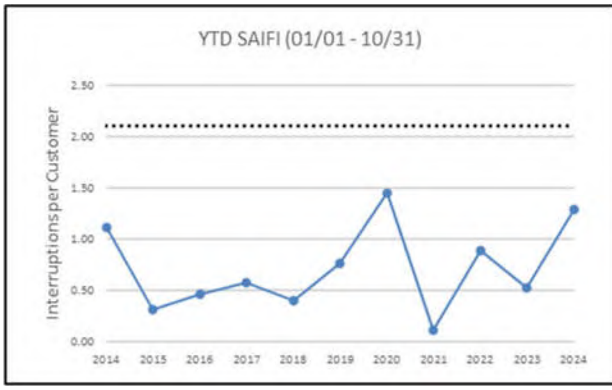
Engineering, Grid Services & Operations

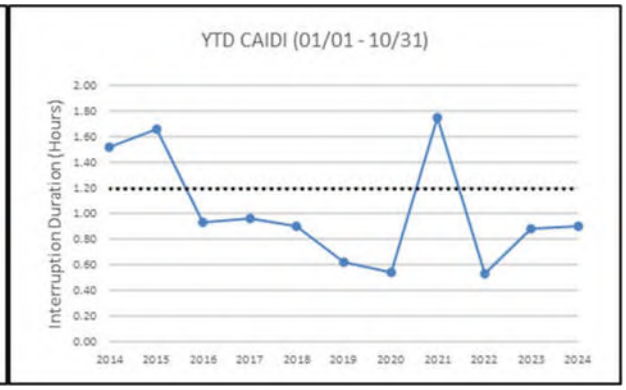
- Assisted the Department of Public Works and contractors with temporary relocation work associated with the Great Streets-Main Street project.
- Completed replacement of fixtures on Pine Street related to the Champlain Parkway project.
- Participated in design meetings for a new EV bus charging project at the Green Mountain Transit (GMTA) bus terminal on Industrial Avenue.
- Continued rebuild work of the underground system on Summit Ridge.
- Issued a work order related to the relocation of a primary metering package for the backup feed to the McNeil plant.
- Issued estimates for customer service upgrades at 1200 Airport Drive.
- Released work orders for customer service upgrades at 40 Kingsland Terrace.
- Submitted estimates to VTrans for engineering related to the Winooski Bridge Upgrade project.
- Completed service upgrade at 165 Shelburne Street.
- Submitted work orders for replacement of 8 condemned poles.
- Submitted a work order for the replacement of an overloaded distribution transformer on Colchester Avenue.
- Continued the installation, testing, and commissioning of the new SCADA/ADMS system with Survalent. The testing and commissioning will continue into December when we plan to go live with the new system and new Dispatch Center.
- All BED's Power System Operators attended a training session on the new Survalent SCADA system.
- Developed a detailed SCADA training Program for all Operators to go through prior to go live with the new SCADA system.
- Completed an Admin training session on the new Survalent SCADA system.
- Completed Civil Work related to the installation of a Level 3 EVSE at the Parks Department's Pease Lot on the Waterfront and issued workorder for field crews.
- Started replacement of underground cables and transformers on Lake Forest Drive.
- Continue to transfer the primary and secondary wires on North Street to new poles.
- Our crews participated in our annual pole top and bucket rescue safety day.
- Filled the Line Extension Right of Way Coordinator position.
- Filled the Underground Cable Locator position.

SAIFI & CAIDI Outage Metrics:

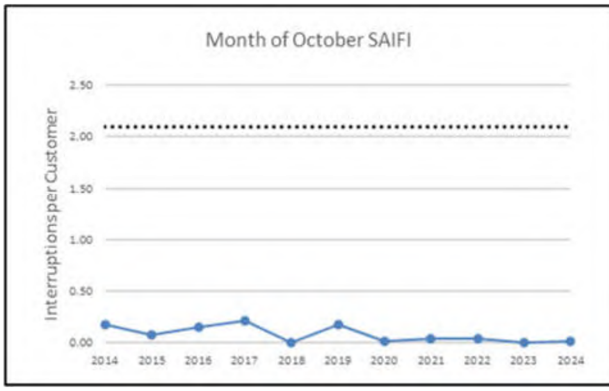
BED's distribution system experienced 14 outages in October 2024 (6 unscheduled and 8 scheduled). BED's SAIFI for the Month of October was 0.02 interruptions per customer and CAIDI was 0.72 hours per interruption. BED's YTD SAIFI is 1.29 interruptions per customer and YTD CAIDI is 0.9 hours per interruption.

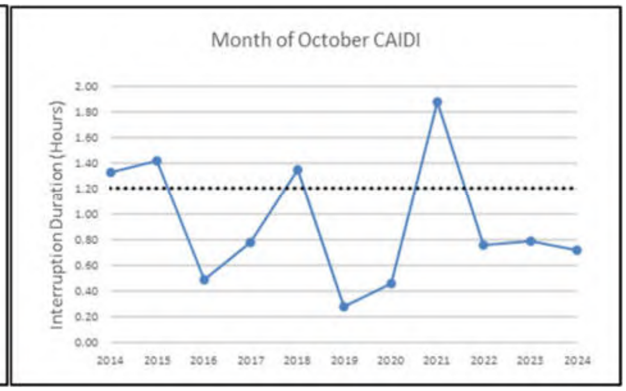
The following figure shows BED’s historical YTD SAIFI and CAIDI:



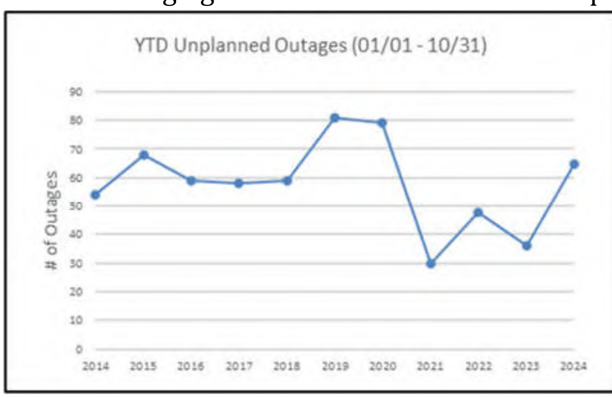


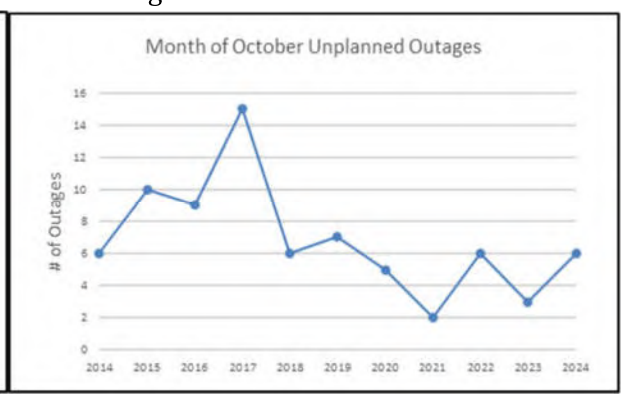
The following figure shows BED’s historical October SAIFI and CAIDI:





The following figure shows BED’s historical Unplanned Outages:





Generation

McNeil Generating Station

Month Generation:	0 MWh
YTD Generation:	148,276 MWh
Month Capacity Factor:	0%
Month Availability:	47.04%
Hours of Operation:	0 hours

Routine maintenance, preventative maintenance, and process improvements were conducted at McNeil in October. The plant is building fuel supply for the winter run and completed major maintenance repairs while offline which consisted of grates repairs, boiler feed pump seal repairs, reclaimer maintenance, and preventative maintenance activities.

Winooski One Hydroelectric Station

Monthly Generation:	1,031.12 MWh (50.44% of average)
YTD Generation:	26,813.23 MWh (110.70% of average)
Month Capacity Factor:	18.72%
Annual Capacity Factor:	49.66%
Month Availability:	98%

Routine maintenance, preventative maintenance, and process improvement projects were conducted at Winooski One in October. The annual outage at the facility occurred which consisted or seal replacements, cleaning, and calibrations. The dam replacement project has started and is progressing.

Burlington Gas Turbine

Month Generation:	17.96 MWh
YTD Generation:	307.66 MWh
Month Capacity Factor:	0.001%
Month Availability:	98%
Hours of Operation Unit A:	1.1
Hours of Operation Unit B:	1.1

Training, an operational run, and preventative maintenance checks were conducted at the Gas Turbine in October.

Solar (Pine Street 107 kW)

Month Generation:	8 MWh (+35% from previous year)
YTD Generation:	106 MWh
Month Capacity Factor:	10.2%
Month Availability:	100%

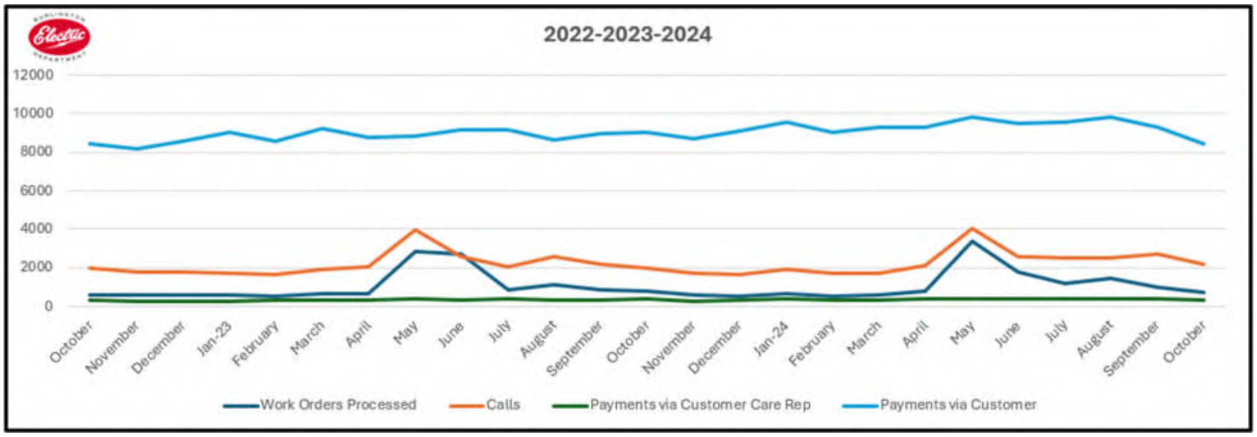
Solar (Airport 499 kW)

Month Generation:	44 MWh (+39% from previous year)
YTD Generation:	563 MWh
Month Capacity Factor:	11.9%
Month Availability:	100%

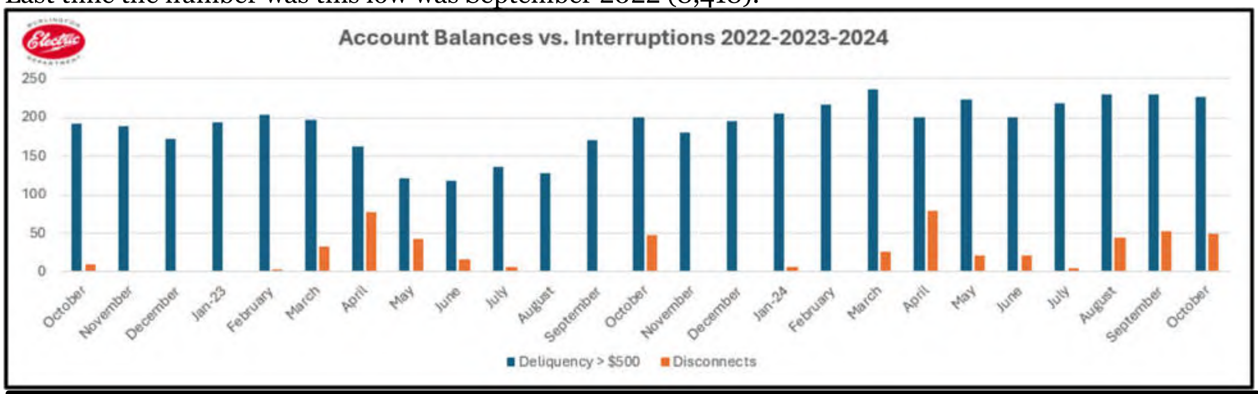
<u>Center for Customer Care & Energy Services</u> – Mike Kanarick

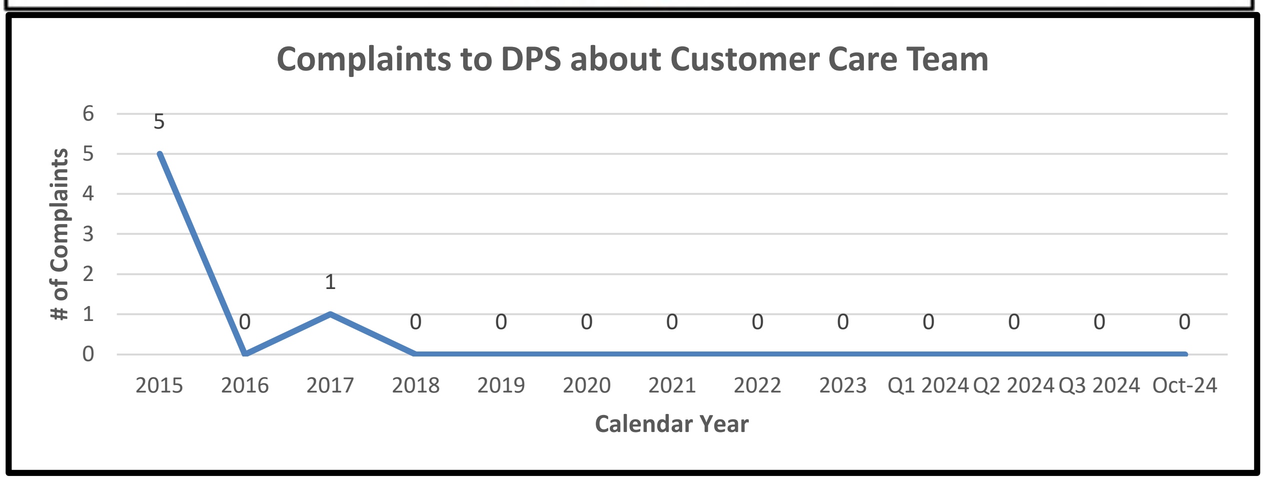
Customer Care

- **Call Answer Time (75% in 20 seconds):** October 2024 80.6%, September 75.2%, August 83.0%, July 76.5%, June 74.6%, May 69.2%. October 2023 84.8%, September 76.2%, August 77.0%, July 77.3%, June 79.5%, May 70.9%.
- **October 2024 Stats:** please see dashboard for additional metrics categories.



*Payments by customer (8,427) dropped significantly in September and October as a result of our having the customers pay a $3.50 processing fee to use autopay from a checking account or with a credit card. Last time the number was this low was September 2022 (8,418).



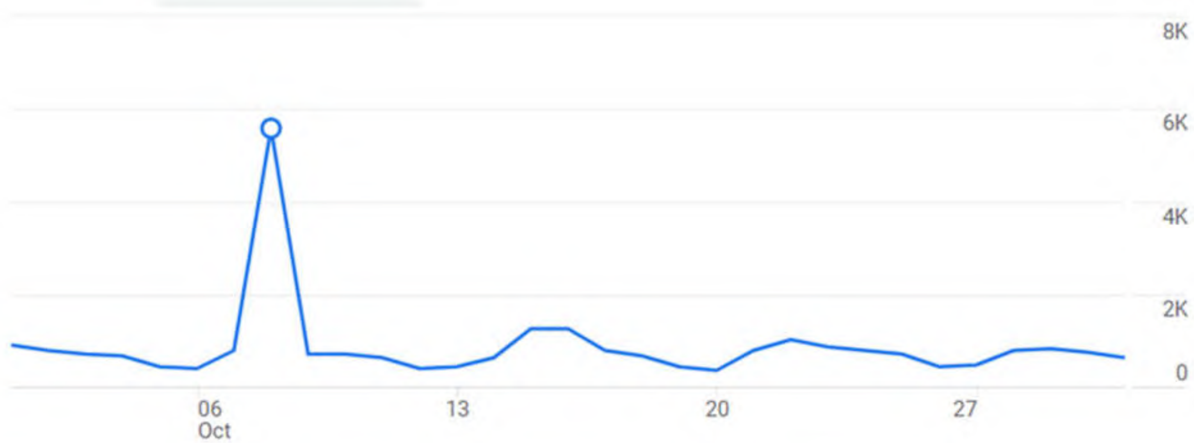


Communications and Marketing

- The Morning Drive with Kurt & Anthony: on Monday, October 21, GM Springer and CFO Stebbins-Wheelock were on WVMT 620's The Morning Drive discussing the Net Zero Energy Revenue and Grid Reliability Revenue Bond.
- Annual Net Zero Energy Calendar Contest: Ita Meno and Vermont Energy Education Project (VEEP) Executive Director Sophia Donforth, visited the 4th graders in all six Burlington public elementary schools during the month of October, engaging in a presentation and conversation about energy. We invited the students to submit artwork that represents their visions of Net Zero Energy, energy efficiency, renewable energy, and sustainability. We judged the student artwork and selected 14 winners for the 2025 calendar. Our in-person celebration will be held at BED on Thursday, November

21 for the winners, their families, teachers, and principals, complete with pizza, cake, certificates, and goodie bags, along with appearances by the Mayor and Lake Monsters' mascot CHAMP.

- Net Zero Energy Podcast: we invite you to take a listen at burlingtonelectric.com/podcast. Our latest episodes feature: George D. Martin, President of LN Consulting, which provides building design solutions focused on health and sustainability; Krystina Kattermann, Engineer at Cx Associates, who serves as the district engineer for the Burlington 2030 District; and Sandy Thibault, Executive Director of Chittenden Area Transportation Management Association (CATMA).
- North Avenue News: our November column covers the Net Zero Energy and Grid Reliability Revenue Bond, heat pump rebates, and CVOEO's Warmth program. Our ad promotes the Warmth program.
  - Website and Facebook Highlights
  - Overall site-wide pageviews for October 2024 = 26,469
    - September = 29,558
    - August = 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
  - Unique homepage pageviews for October 2024 = 5,248
    - September = 5,183
    - August = 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
    - Defeat the Peak email notification list = 813 (as of November 5, 2024)
    - Full site visits for October 2024



*As with September 13, it appears that on October 8, 2024, a bot or some other fake traffic hit our site 1,000s of times. Our cybersecurity team is investigating possible causes.

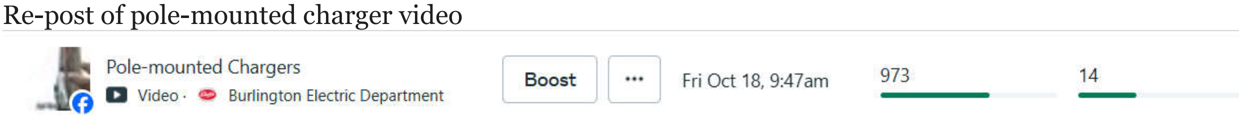
- Visitors by website page

page title	Oct 2024	Sep 2024	Aug 2024	Jul 2024	June 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023
Burlington Electric Department	8405	8508	9615	8949	10321	10317	7349	19583	7431	8218	6780	7431	8029
Careers	285	263	245	242	214	218	184	318	271	295	192	271	262
Commercial | Ways to Save	32	13	34	47	30	20	22	30	31	22	19	31	20
Contact Us	705	763	797	783	762	1486	604	908	531	561	497	531	648
Defeat The Peak	2	5	25	265	133	10	3	151	3	2	5	3	16
E-Bikes	102	154	328	263	291	300	211	167	89	83	64	89	112
E-billing	282	374	266	310	287	181	160	276	228	183	219	228	367
Electric Vehicles	253	278	320	301	328	305	356	392	288	404	303	288	388
EV Chargers	121	126	111	144	128	158	227	227	197	206	158	197	172
Heat Pumps	331	216	263	374	397	369	315	366	285	330	218	285	318
How To Pay My Bill	2075	1997	1986	1792	1849	1429	1259	149	2363	1782	2309	2363	2457
Lawn Care	75	79	106	140	126	205	138	65	60	38	53	60	65
Leadership Team	269	225	240	251	225	226	249	236	191	280	168	191	224
McNeil Generating Station	617	450	586	517	553	611	686	876	990	501	559	990	761
Net Zero Energy News	10	5	16	9	13	2	2	16	5	15	11	5	34
Net Zero Energy Podcast	24	19	41	13	33	44	48	55	30	49	61	30	96
Rates & Fees	401	254	230	239	281	225	188	239	232	177	192	232	210
Our Energy Portfolio	64	72	60	61	95	59	93	100	100	70	58	100	52
Rates & Fees	401	254	230	239	281	225	188	239	232	177	192	232	210
Rebate Center	559	524	568	682	617	615	683	728	589	672	493	589	569
Rebates	511	463	545	613	569	602	590	674	564	609	472	564	636
Report A Problem	180	740	1631	633	1556	1320	152	445	97	283	105	97	159
Residential | Ways to Save	141	158	191	167	145	183	121	216	138	137	143	138	145
RFP	365	379	355	587	341	378	431	407	522	498	531	522	442
RFP Detail	387	334	185	699	111	904	846	478	1602	841	1493	1602	440
Stop or Start Service	393	313	777	690	825	2145	607	400	273	255	264	273	372
Waste Wood Yard	1280	878	1357	1250	1218	1758	1479	970	1484	478	614	1484	1137

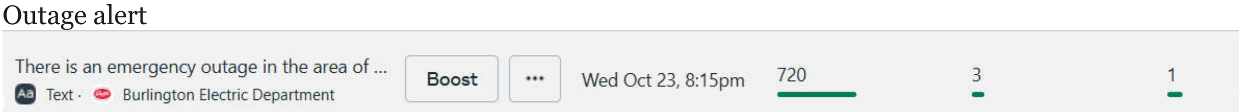
- Top-performing Facebook & Instagram posts (note logo in lower right corner of each photo)

Top Facebook & Instagram posts

Re-post of pole-mounted charger video



Outage alert



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 of this year, to improve reliability and reduce energy and maintenance costs. BED previously completed a site visit to verify the completion of the project. A meeting was held last month with UVM and the engineering firm involved with the project, to discuss detailed energy savings calculations. This month BED received the energy savings report. Once this is reviewed and agreed to, we will be able to develop a final rebate offer and close out the project.

- UVM Central Plant / Boilers #1 and #2 Combustion Air Fan VFD Control - This controls upgrade was recently fully completed, delayed due to component availability issues. Inlet vanes were the previous air flow control strategy for these boilers. Similar modifications were completed on Boilers #3, #4 and #5 last year and the energy savings were calculated based on data from this earlier project. The project was closed out this month, with a rebate paid and savings entered into the DSM database. VGS partnered in this project as there were also significant gas savings.
- UVM Howe Library / Building Envelope Improvements – BED has been discussing this project with UVM in conjunction with VGS. We are developing a strategy for pre- and post-project data collection that will allow any heating and cooling energy savings to be quantified, so that incentives can be provided for the project.
- UVM Fleming Museum Chiller Replacement – BED made a site visit this month to view the removal of the existing air-cooled chiller and discuss the schedule for the installation of a new chiller. Other energy efficiency features of the project have been identified and quantified by BED. Installation of the new chiller is expected to be completed during the Christmas break.
- UVM - Health Science Research / Absorption Chiller Replacement – One of two natural gas, steam absorption chillers in this research building are planned to be replaced with an electric chiller. DDC trending data was used to calculate the steam / natural gas offset from the absorption chiller. Final offset calculations have been completed and BED is developing a Tier 3 offer for this project.

UVMMC

- UVM Medical Center (UHC Building) / Heat Pump Installation – BED has been in discussion with the hospital over several months, concerning a custom Tier 3 measure involving four new heat pumps to be installed in the Arnold Wing, 4th Floor, at 1 South Prospect St. The total tonnage is 14 tons, and the design intent is to offset a major portion of the natural gas heat for these spaces with electric heat pump space heat. BED completed a final walkthrough of the space this month. The project is nearly complete, with occupancy to begin in early November.
- UVM Medical Center / NICU HVAC and Dish room Retrofits – Preliminary technical information has been received from the Medical Center concerning (1) HVAC AHU replacement in the newborn ICU and (2) Major upgrade to the dish room equipment, including replacement of the central dishwasher on Shephard 3. BED is determining if incentives could be offered for these two significant upgrades.

Other Services

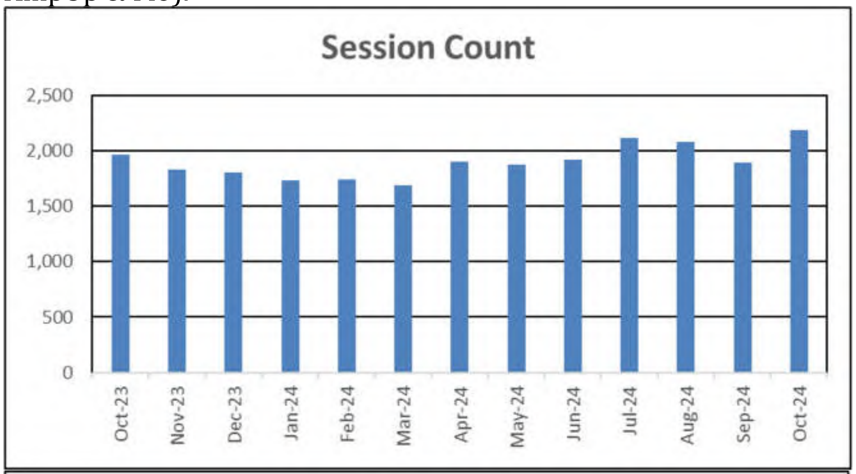
- 100 Bank St. Office Building / Water-cooled Chiller Replacement – The owner of this building confirmed that they will be replacing an existing failing chiller with a new 60-ton modular chiller. The existing chiller is highly oversized for the application, and the new chiller is designed to provide much better turn-down efficiency. This month BED provided a firm incentive offer to the owner for this HVAC upgrade.

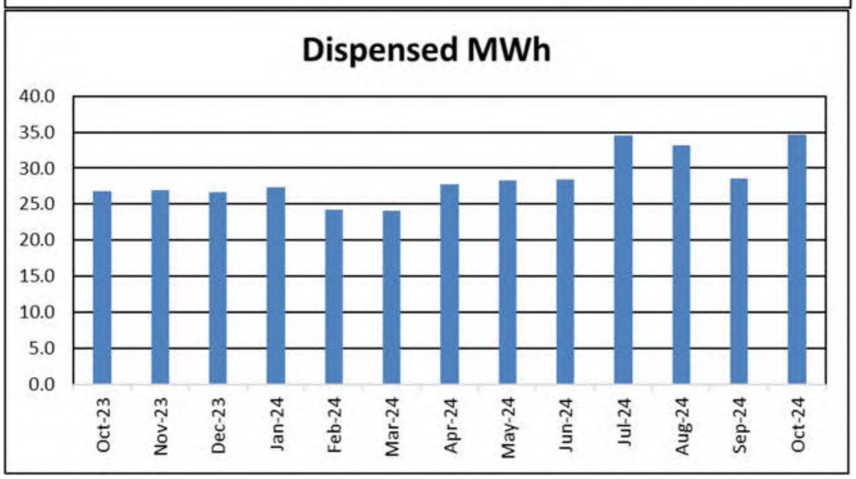
- Pathways VT / Soteria House Renovation – BED has been in contact with the Director of Property Development concerning this renovation, which includes significant envelope improvements and the addition of cooling to the client bedroom spaces. This latest discussion is focused on the most economical strategy for space cooling the eight separate bedroom living spaces, which likely will be a type of window A/C unit. We are also discussing a second building location, which Pathways is now leasing. The installation of interior storm windows is an option, to provide better occupant comfort over the next two winters.
- 20 - 22 Poirier St. / Renovation – The owner is planning on renovating this 2-unit apartment building into four units. The intention is for at least two of these units to be available to low / moderate income tenants. They have approached BED to determine if any financial assistance could be available through our efficiency programs. We responded with detailed BED information and suggested connecting with VGS for additional assistance.
- 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. BED received the 'for construction' documents. The blower door tests results were impressive, reaching passive house standards. BED completed a baseline and proposed energy model for this building this month. A rebate offer was delivered to the owner at the end of this month. A final site visit is pending.
- 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. This month, BED provided incentive commitment letters to the two separate financial entities that are developing these new properties.
- City Place South and North – BED is in discussion with the design team concerning finer points in the development of energy modeling for these two buildings. The most important focus is on the details of what constitutes the HVAC systems in a 'baseline' building. Baseline and proposed building energy modeling is key to determining energy savings and incentives for these two projects.

Electric Vehicles

- The EVSE (ChargePoint, Flo & AmpUp) dispensed a total of 34.7MWh and supported 2,189 sessions.
- The top 3 sales were 93, 94, and 97kWh and occurred at UVM Carrigan Dr. and the DCFC.
- The ChargePoint EVSE served 909 unique drivers.
- Approximately 20.6% of the energy sold (7.12MWh) is attributed to the Pine St. DCFC.
- Commissioning of the Marketplace Garage DCFC began Oct. 18. The installer is addressing issues that were identified in the commissioning report.
- Station BE01 remains inaccessible due to Main St. construction.
- The BE04 Port 1 breaker will be replaced the week of 11/4.
- Utilization of the pole mounted stations has increased. Since June, the session count has increased 2.5x and the energy dispensed 3.5x. The average session duration for these stations is 5h9min. while the average for stations on the ChargePoint network is 2h8min. The pole mounted stations don't impose an occupancy fee for stays >4hrs.
- BED will compensate Burlington Parks, Recreation and Waterfront for the energy dispensed from the Oakledge Park station after a BED meter is added.

- Session Count and Dispensed Energy plots from the public charging network (ChargePoint, AmpUp & Flo).





- Number of EV and PHEV rebates to date – 892 (of this 211 LMI rebates to date as shown below)
  - New All Electric Vehicle – 393
  - New All Electric Vehicle (LMI) – 110
  - New PHEV – 182
  - New PHEV (LMI) – 54
  - Used All Electric Vehicle – 73
  - Used All Electric Vehicle (LMI) – 33
  - Used PHEV- 33
  - Used PHEV (LMI) – 14
  - New All Electric Vehicle ($60K plus) – 26
  - 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- 327
- Number of E-Motorcycle rebates to date – 2

Electric Vehicle Charging Stations

- Number of home EV charging stations rebates to date – 251
- 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 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 – 794 (11 commercial & 783 residential)
- Number of e-leaf blowers to date – 99
- Number of Residential e-Trimmers – 111
- Number of Residential e-chainsaws – 25

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 –
  - 2,475 installations

Installations since the September 2019 NZEC announcement
Number of Heat Pump Technology rebates to date- 1,354 (of this 179 LMI rebates to date as shown below)
  - Number of ductless heat pumps to date – 784
  - Number of LMI eligible ductless heat pumps to date – 148
  - Number of centrally ducted heat pumps to date – 290
  - 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 – 95
  - 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 – 710

Electric Induction Stovetops to Date (new offering in Jan 2021)
- Number of induction Stovetops rebates to date – 87

Electric Snow Blowers to Date (new offering in Jan 2022)
- Number of snow blower rebates to date – 25

BED 2024-2025
Strategic Direction Dashboard

	Assigned	October 2024 Actuals	September 2024 Actuals	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	Andi	81%	75%	83%	77%	75%	69%	86%	88%	88%	87%	avg 82%	avg 82%	avg 82%	avg 81%	
Delinquent accounts >$500	Andi	227	230	230	219	201	224	201	237	216	206	avg 168	avg 188	avg 529	avg 201	
Disconnects for non-payment	Andi	49	52	44	4	22	21	79	26	2	6	224	12	0	45	
Energy Assistance Program Customers (program lifetime)	Andi	821	803	794	294	275	267	263	259	251	246	234				
Energy Assistance Program Customers (currently enrolled)	Andi	762	748	757	259	241	237	238	237	232	227	219				
# of residential weatherization completions	Chris	0	0	0	1	0	1	0	1	1	2	11	5	5	3	11
Weatherization completions in rental properties	Chris	0	0	0	0	1	0	0	1	0	1	8	6	0	0	TBD
# or % of homes or SF weatherized	Chris	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	0
# of commercial building with improved thermal envelopes	Chris	0	0	1	1	0	0	0	1	1	1	6	4	5	5	0
Total annual mWh saved via the EE programs (annual goal)	Chris	913	780	647	464	433	390	377	347	325	193	2,940	4053			3057
Total residential annual mWh saved via the EE programs (cumulative for year)	Chris	286	257	142	241	220	120	115	105	80	50	494	862			917
Total commercial sector annual mWh saved via the EE programs (cumulative for year)	Chris	627	523	505	142	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)	Chris	$ 124,467	$ 109,498	$ 98,558	$ 89,711	$ 78,738	$ 60,576	$ 33,024	$ 28,609	$ 20,951	$ 9,160	$ 504,942	$ 335,234	TBD	TBD	TBD
Strengthen Reliability																
SAIFI (AVG interruptions/customer) (annual target)	Munir	0.02	0.25	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)	Munir	0.72	0.45	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)	Munir	6	7	16	8	8	1	5	10	4	2	39	61	44	90	98
McNeil Forced Outages	Munir	0	0	1	1	3	0	0	2	1	1	5	14	5	21	TBD
W1H Forced Outages	Munir	0	0	2	1	0	0	0	0	0	0	2	6	9	2	TBD
GT Forced Outages	Munir	0	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	Emily	307	343	293	251	241	260	210	198	219	191	219	100	68	179	
# of budgeted positions vacant	Emily	11	11	10	9	10	11	11	14	15	14	avg 12	avg 9	avg 9	6	NA

BED 2024-2025
Strategic Direction Dashboard

	Assigned	October 2024 Actuals	September 2024 Actuals	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	Chris	18	13	7	31	19	17	10	6	11	13	186	255	315	203	10
# of commercial heat pump installs	Chris	1	0	0	0	0	1	0	1	1	0	8	4	4	13	0
# of residential hot water heat pump installs	Chris	2	14	0	1	2	0	0	0	0	1	31	26	14	6	4
# of commercial hot water heat pump installs	Chris	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Heat pump rebates	Chris	19	13	7	31	21	18	11	7	12	13	206	271	328	212	0
Heat pump hot water heater rebates	Chris	2	14	0	1	2	0	0	0	0	1	47	18	15	3	0
LMI heat pump rebates	Chris	0	4	4	0	6	4	2	5	3	1	21	43	28	6	4
Heat pump technology installs in rental properties	Chris	0	0	0	1	0	0	1	0	1	0	8	10	14	9	TBD
LMI heat pump hot water heater rebates	Chris	0	0	0	0	0	1	0	1	0	0	6	1	2	0	1
EV rebates - new	Chris	16	15	10	4	5	12	10	8	9	7	103	53	67	14	36
EV rebates - pre-owned	Chris	3	3	0	3	2	3	2	0	3	1	16	18	7	8	2
LMI EV rebates	Chris	6	6	2	5	2	11	3	0	12	1	26	9	11	7	7
PHEV rebates - new	Chris	8	5	7	1	2	5	2	1	2	3	25	27	41	10	17
PHEV rebates - preowned	Chris	0	1	1	0	1	2	2	0	0	1	6	12	6	5	3
LMI PHEV rebates	Chris	1	4	0	0	0	0	1	1	0	2	5	15	13	6	2
Public EV chargers in BTV (total)	Chris	32 ports	32 ports	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)	Chris	34,700	28,600	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	Chris	11	3	7	6	2	14	5	1	10	7	72	70	32	20	12
EV charging rate customers (total)	Chris	327	317	310	301	291	288	278	272	267	260	246	157	40	40	28
Level 2 charger rebates	Chris	0	0	0	0	2	0	0	0	0	4	10	11	10	0	1
Level 1 charger rebates	Chris	0	0	0	0	0	0	0	0	0	0	0	-	0	1	0
E-bike rebates	Chris	6	19	19	18	32	24	15	0	4	6	147	152	88	36	65
E-mower rebates	Chris	6	8	7	17	20	35	11	0	1	0	135	159	154	95	142
E-forklift rebates	Chris	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
MWE of Tier 3 measures installed	James	2,009	2,149	1,456	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	James	93%	84%	74%	67%	60%	55%	29%	24%	19%	12%	117%	131%	159%	283%	31%
Net Zero Energy Roadmap Goals																
# of solar net metering projects installed	Chris	1	1	1	0	0	3	0	1	0	3	32	33	29	24	33
No. of homes receiving NZE Home Roadmaps	Chris	0	0	0	0	0	0	0	0	0	0	-	7	10	7	
Residential heat pumps for space heating (no. of homes)	Emily	NA	NA	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)	Emily	NA	NA	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)	Emily	NA	NA	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)	Emily	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	0	0	0	-
EV registrations in BTV (light-duty)	Emily	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	829, 22% of goal	699	549	361	296
Greenhouse gas emissions (1000 metric tons CO2)	Emily	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	191, 127% of goal	191	188	185	214
Fossil fuel consumption (billion BTU)	Emily	NA	NA	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

	Assigned	October 2024 Actuals	September 2024 Actuals	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																
Manage Budget and Risks Responsibly																
Safety & Environmental																
No. of workers' compensation/accidents per month	Paul	0	1	0	1	0	2	0	0	1	1	8	16	4	8	
Total Paid losses for workers' compensation accidents (for the month)	Paul	$10,778	$56,420	$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)	Paul	N/A	N/A	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)	Paul	N/A	N/A	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	Paul	0	0	0	0	0	0	28	31	29	31	avg 12	avg 9	0.0	45	
NOx reporting levels to EPA (Quarterly) (lbs/mmbtu)	Paul	0.000	0.069	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)	Paul	0	0	0	0	1	0	0	0	1	1	2	6	4	4	
Phosphorus levels to DEC in lbs (monthly/yearly total)	Paul	0/1.851	0.074/1.76	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)	Paul	0	0	0	0	1	0	1	2	1	1	3	5	7	4	
# of new auto/property/other liability claims reported (monthly)	Paul	3	1	1	4	1	3	3	0	2	0	36	27	18	27	
Purchasing & Facilities																
# of Purchase Orders for Inventory (Target: avg for winter months)	Paul	67	67	66	96	48	51	81	61	46	52	541	636	644	593	
$ value of Purchase Orders for Inv. (Target: avg dollars spent during winter)	Paul	$415,700	$1,790,084	$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)	Paul	720	534	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)	Paul	$ 141,778	$ 97,720	$ 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)	Paul	0	98	18	0	105	0	57	0	0	0	592	900	2,728	627	
# of Spark Space and Auditorium setup/breakdowns monthly (Target: Covid impact)	Paul	21	16	17	10	15	18	17	21	14	24	207	132	88	87	
Finance																
Debt service coverage ratio (avg of previous 12-months)	Emily		4.86	6.22	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)	Emily		1.30	1.41	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)	Emily		160	160	146	149	120	111	108	119	122	93 FY23	120 FY22	121 FY21	120 FY20	109 FY19
Arrearages >60 days	Emily	$ 421,214	$ 380,532	$ 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%)	Munir	-	28,057	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	Munir	47%	99%	53%	53%	39%	0%	70%	73%	71%	90%	84%	67%	80%		
McNeil capacity factor	Munir	0%	78%	47%	27%	34.5%	0%	47%	28.1%	65.6%	80.2%	42.3%	52.4%	62.4%		
Winooski One generation (MWH)	Munir	1,031	1,054	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	Munir	98%	98%	98%	97%	97%	99%	99%	99%	99.0%	99.0%	97.2%	98.3%	97%		
Winooski One capacity factor	Munir	19%	20%	51%	58%	59%	50%	76%	76%	58%	65%	56%	41.7%	37%		
Gas Turbine generation (MWH)	Munir	17.96	0.0	56.2	51.9	181.6	11	16	47.5	5.6	45.6	475	356	373	441	
Gas Turbine availability factor	Munir	98%	98%	99%	98%	100%	89%	100%	98%	98%	100%	46.7%	54.5%	96%		
Gas Turbine capacity factor	Munir	0%	0.0%	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)	James	459	538	528	675	585	607	452	403	322	82	4,681	5,260	5,015	5,182	
Cost of power supply - gross ($000)	James		$3,117	$3,039	$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)	James		$3,117	$809	$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	James		$0.11	$0.10	$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	James		$0.11	$0.03	$0.09	$0.11	$0.01	$0.12	$0.11	$0.12	$0.06	$0.07	$0.08	$0.07	$0.08	

BURLINGTON Electric DEPARTMENT

FY 2025
Financial Review
September

November 4, 2024

Burlington Electric Department
Financial Review

<u>FY 2025</u>

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FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of September 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	4,741	5,021	280	15,445	15,640	195
Other Revenues	3,881	302	279	(23)	915	827	(88)
Power Supply Revenues	7,631	0	0	0	2,249	2,229	(20)
Total Operating Revenues	67,602	5,044	5,300	257	18,609	18,696	87
Power Supply Expense (Net)	35,540	2,964	3,117	(153)	9,278	9,264	15
Operating Expense	22,912	1,821	1,443	378	5,601	5,412	190
Depreciation & Amortization	5,832	486	495	(9)	1,458	1,467	(9)
Taxes	3,615	298	287	12	920	875	45
Sub-Total Expenses	67,899	5,570	5,342	228	17,257	17,017	240
Operating Income	(298)	(526)	(42)	484	1,352	1,679	327
Other Income & Deductions	6,855	1,131	544	(586)	2,423	1,342	(1,082)
Interest Expense	3,204	275	264	11	826	793	34
Net Income (Loss)	**3,354**	**329**	**238**	**(91)**	**2,949**	**2,228**	**(721)**

Year-to-Date Results:

- **Sales to Customers** up $195,000 (1.3%). Residential Sales up $202,200 and Non-Residential Sales down $6,900.

- **Other Revenues** down $88,000 (9.7%)
  a. DSM billable (customer driven).

- **Power Supply Revenues** down $20,000 (0.9%)

- **Power Supply Expenses (Net)** down $15,000 (within budget)
  a. Fuel down $94,000.
  b. Purchased Power down $123,000.
  c. Transmission up $202,000.

- **Taxes** down $45,000 (4.8%)
  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** up $190,000 (3.4%)
  a. Various spending categories are less than budget including materials & supplies ($52,100), DSM rebates and outside services ($25,900), maintenance contracts ($43,400), and RES Tier 3 Compliance ($43,800).

- **Other Income & Deductions** down $1,082,000 (44.6%)
  a. Timing of customer contribution/grant proceeds unfavorable ($1,219,000).
  b. Timing of jobbing unfavorable ($153,400).
  c. Offset by unrealized gain on investment $67,800.

FINANCIAL HIGHLIGHTS – BUDGET VS ACTUAL as of September FY25

Capital Spending – September YTD ($000s)				
Plant Type	**Full Yr. Budget**	**Budget**	**Actual**	**% Spent**
Production	$2,446	$810	$331	14%
Other	369	90	85	23%
Transmission	577	577	577	100%
Distribution	5,797	1,934	758	13%
General	2,478	568	59	2%
Total	**$11,667**	**$3,979**	**$1,810**	**16%**

(1) **Production –** Timing; YTD budget includes replacement rail cars ($50,000) and catalyst replacement for NOx system ($67,500) at the McNeil Plant. Also, timing of large inflatable dam replacement at Winooski One hydro.

(2) **Distribution –** Timing of various projects.

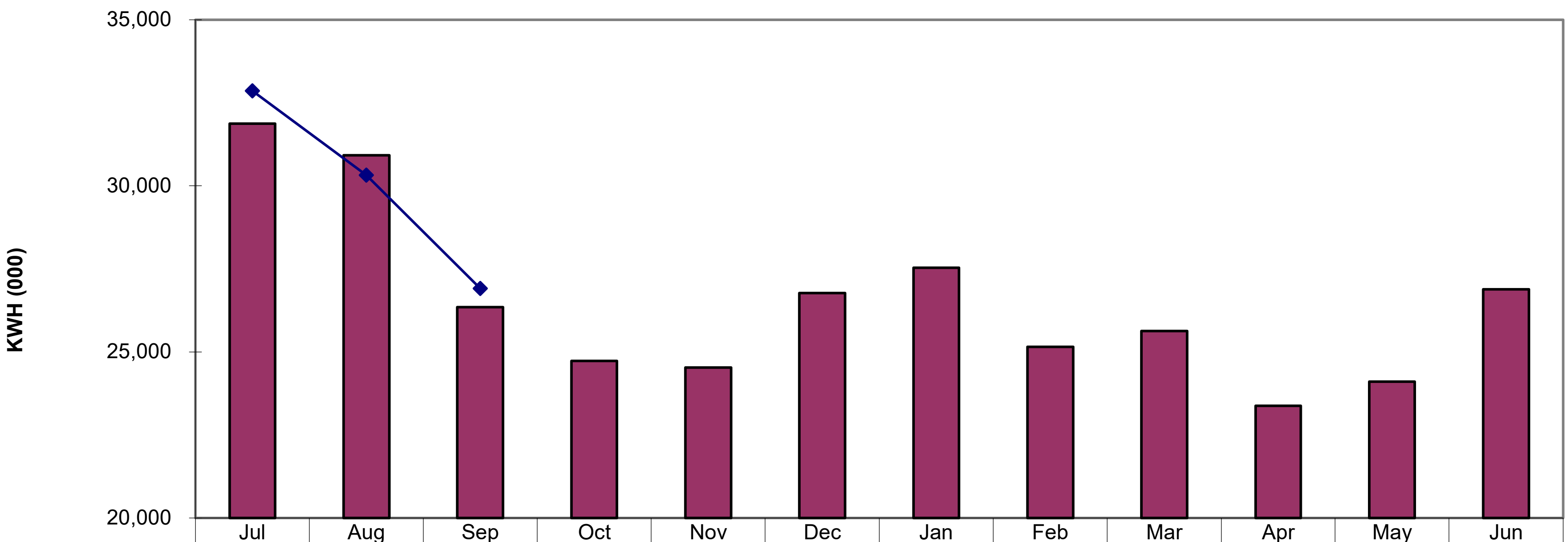
(3) **General** – Budget includes IT Forward CIS implementation $286,300, key fob system replacement, $68,200 and new SCADA room, $64,800.

As of September 30, 2024 Operating Cash and Investments	
Operating Funds	$8,272,400
Operating Fund – CDs	$981,700
Total Operating Cash	$9,254,100

Credit Rating Factors – September 2024				
	"A"	**"Baa"**	**Current**	**3 Year Average**
Debt Service Coverage Ratio	1.25	1.25	4.86	4.16
Adjusted Debt Service Coverage Ratio	1.50	1.10	1.30	1.24
Cash Coverage - Days Cash on Hand	90	30		
- With $10M Line of Credit			160	126
- Without Line of Credit			96	
- $5M Line of Credit			128	

Burlington Electric Department
Fiscal Year Ending June 30, 2025

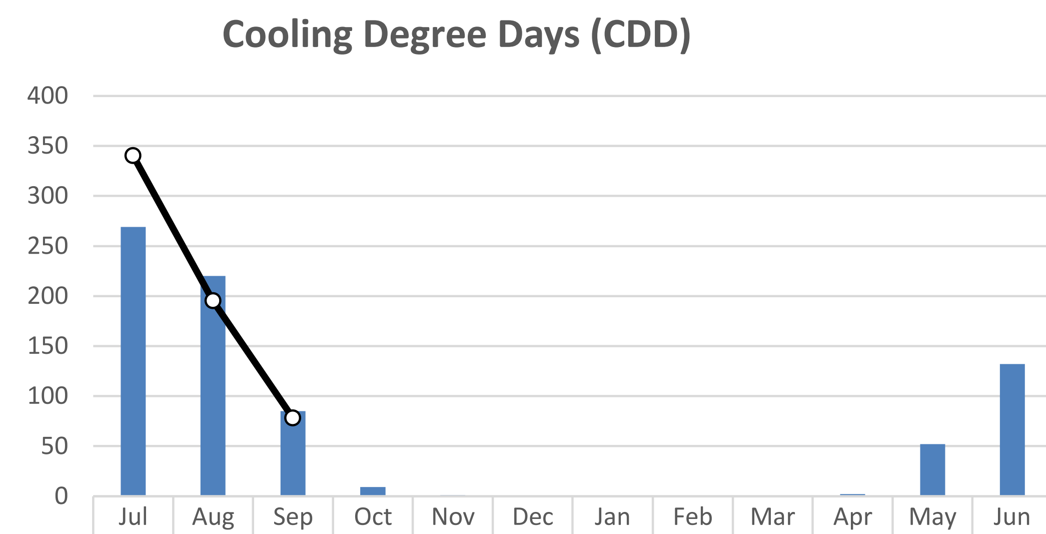
Total Sales to Customers - KWH
Monthly



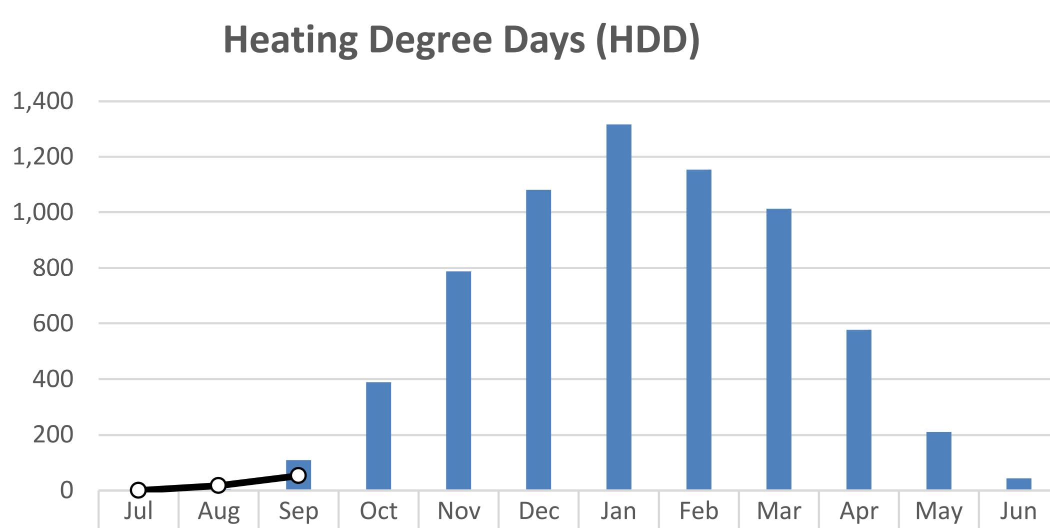
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	31,875	30,916	26,348	24,728	24,527	26,775	27,534	25,154	25,632	23,380	24,109	26,888
Actual	32,858	30,322	26,906									

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	63,180	90,086									

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	195	78									



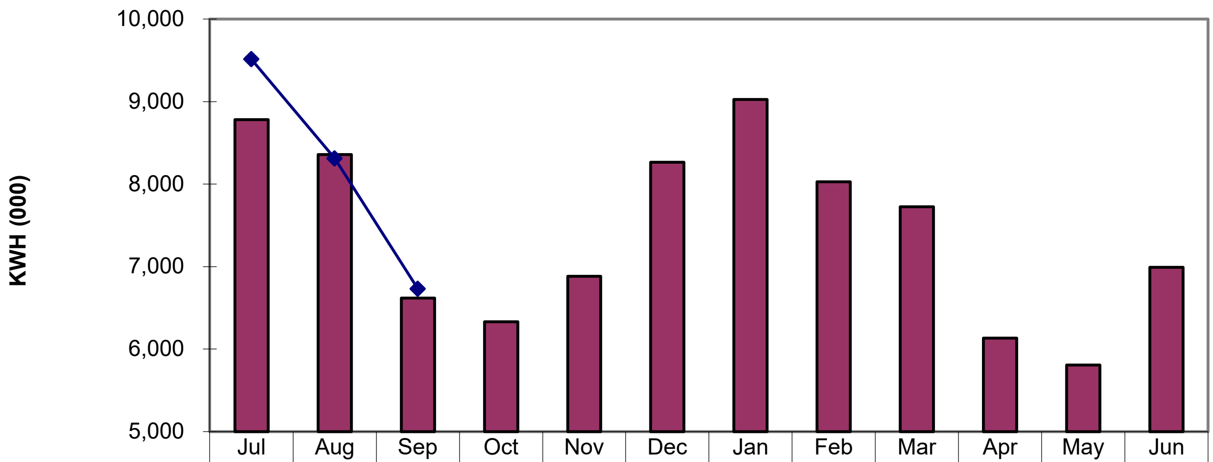
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget HDD	2	6	109	388	787	1,081	1,316	1,154	1,013	577	211	44
Actual HDD	0	17	53									

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	70	66									

***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.*

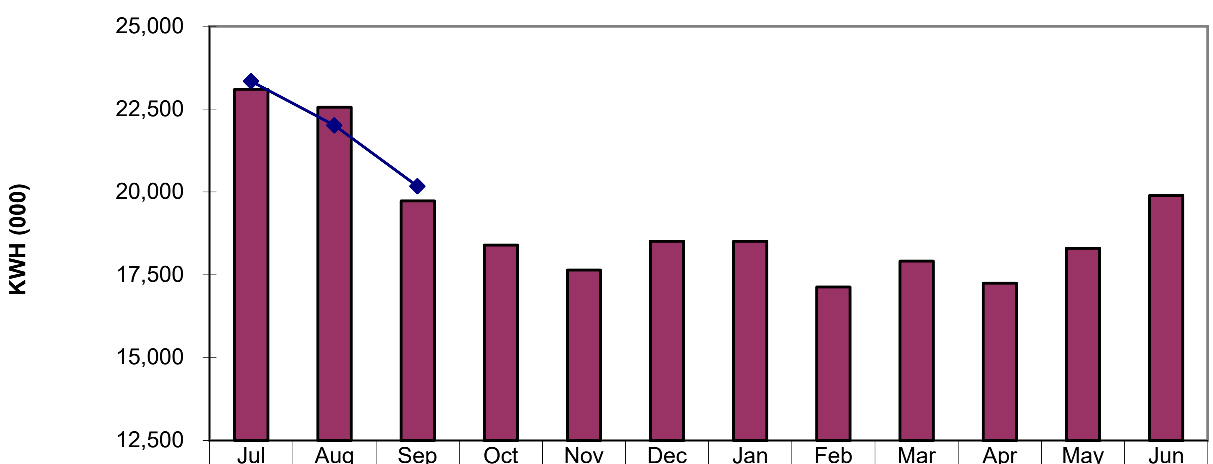
Burlington Electric Department
Fiscal Year Ending June 30, 2025
KWH Sales

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	8,313	6,733									

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	22,009	20,173									

Street Lighting is included with Commercial & Industrial Customers.

Net Power Supply Costs
September - FY 2025

	($000)							
	Current Month				Year-to-Date			
	Budget	Actual	Variance		Budget	Actual	Variance	
Expenses:								
Fuel *(p. 7)*	$476	$1,014	($538)	*(1)*	$2,265	$2,171	$94	*(1)*
Purchased Power *(p.11)*	1,593	1,150	443	*(2)*	4,322	4,200	123	*(2)*
Purchased Power Adjustment (p 11)	43	43	(0)		130	130	(0)	
Transmission Fees - ISO	735	759	(24)	*(3)*	2,166	2,318	(152)	*(3)*
Transmission Fees - Velco	52	78	(26)	*(4)*	184	257	(73)	*(4)*
Transmission Fees - Other	66	74	(8)		210	188	23	*(5)*
Total Expenses	2,965	3,117	(152)		9,279	9,264	15	
Revenues:								
Renewable Energy Certificates - McNeil	0	0	0		1,038	1,222	184	
Renewable Energy Certificates - Wind	0	0	0		920	731	(189)	
Renewable Energy Certificates - Hydro	0	0	0		290	276	(14)	
Renewable Energy Certificates - Other	0	0	0		0	0	0	
Total Revenues	0	0	0		2,249	2,229	(19)	*(6)*
Net Power Supply Costs	$2,965	$3,117	($152)		$7,030	$7,034	($4)	
Load (MWh)	27,058	27,657	599		91,462	92,359	896	
$/MWh	$109.57	$112.71	$3.14		$76.86	$76.16	($0.70)	

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.

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.
(6) REC Sales under Budget due to lower McNeil and Wind production in Calendar Year 2024.

Net Power Supply Costs
September - FY 2025

	($000)							
	Current Month				Year-to-Date			
	Budget	Actual	Variance		Budget	Actual	Variance	
FUEL:								
McNeil:								
Fuel Consumed	204	721	(516)	*(1)*	1,416	1,478	(62)	*(1)*
Swanton Yard	51	93	(42)	*(1)*	154	190	(36)	*(1)*
Train Deliveries	111	136	(25)	*(1)*	333	280	54	*(1)*
Labor & Other Expenses	93	63	30	*(2)*	308	175	133	*(2)*
Total McNeil Fuel	460	1,014	(554)		2,211	2,123	89	
Gas Turbine	16	0	16	*(3)*	54	48	5	
Total Fuel	476	1,014	(538)		2,265	2,171	94	

Current Month:

(1) McNeil production 273% over 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.

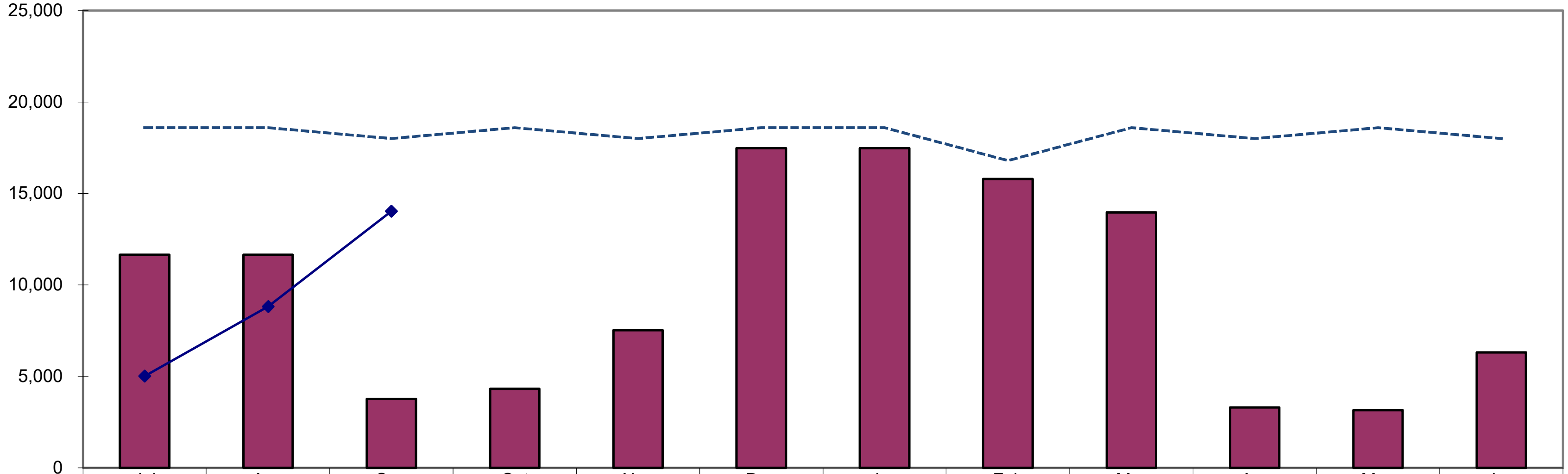
(3) No GT Production.

YTD:

(1) McNeil production 3% over Budget. Wood Price per Ton 2% under Budget. (p. 8)

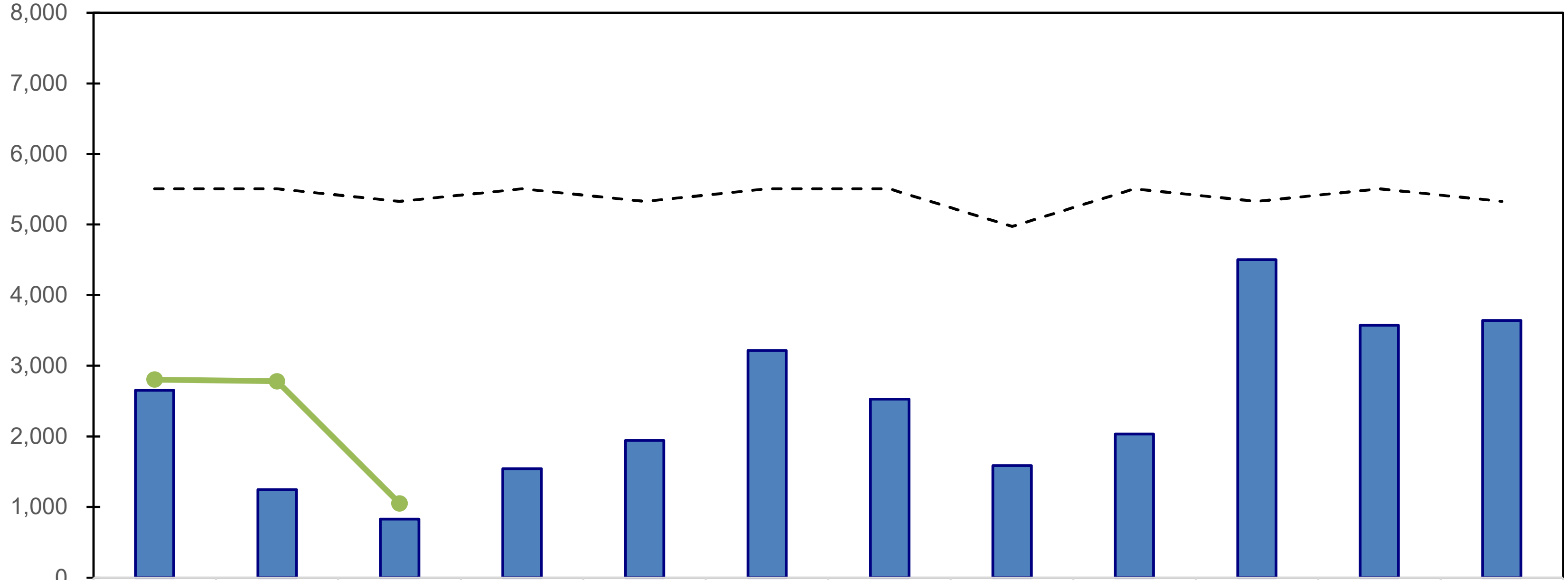
(2) Actual labor is based on tonnage consumed by McNeil; budgeted labor is based on personnel/days in the month, thus timing issues for comparative purposes.

Burlington Electric Department
McNeil Plant - MWH Production (50%)
FY 2025



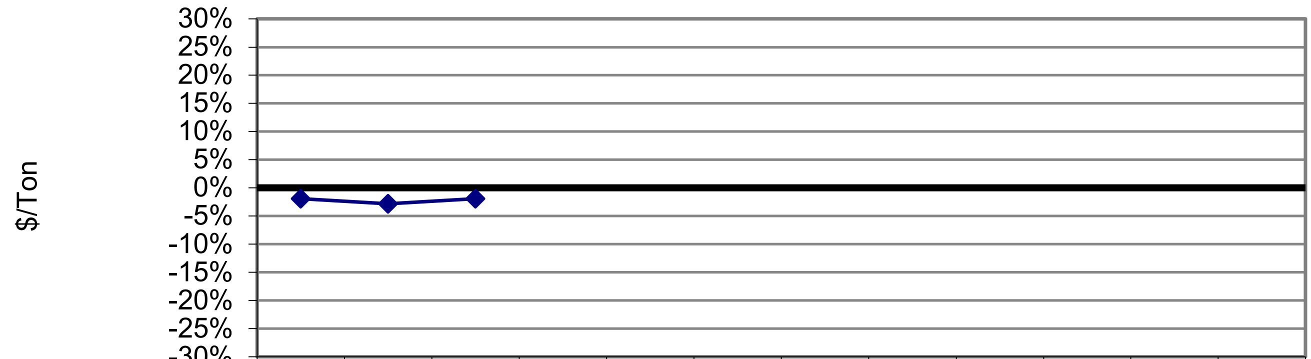
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	11,656	11,656	3,760	4,324	7,520	17,484	17,484	15,792	13,968	3,300	3,150	6,317
Actual	5,016	8,822	14,029									
Maximum	18,600	18,600	18,000	18,600	18,000	18,600	18,600	16,800	18,600	18,000	18,600	18,000

Burlington Electric Department
Winooski One - MWH Production
FY 2025

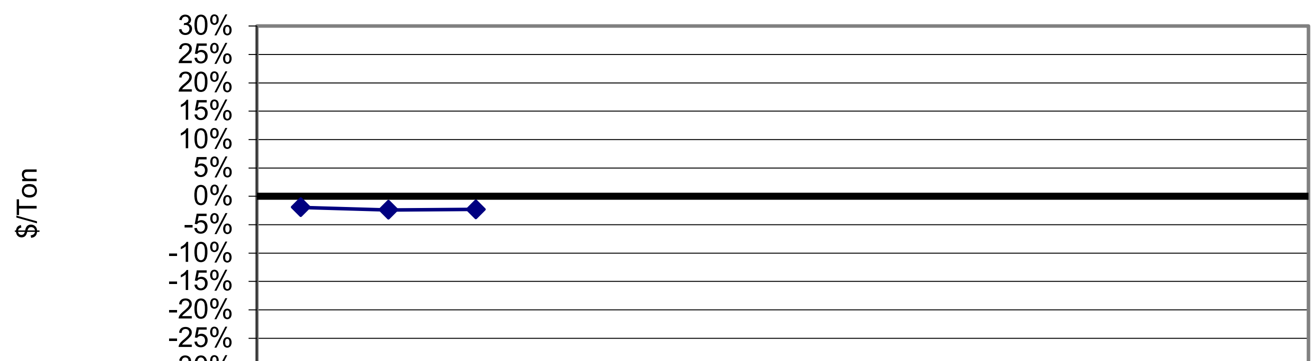


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget	2,650	1,246	832	1,541	1,942	3,216	2,531	1,587	2,032	4,503	3,575	3,643
Actual	2,803	2,784	1,054									
Maximum	5,506	5,506	5,328	5,506	5,328	5,506	5,506	4,973	5,506	5,328	5,506	5,328

Burlington Electric Depatment
Fiscal Year 2025



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	-2%	-3%	-2%									



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	-2%	-2%	-2%									

** Wood only. Does not include other costs.*

Net Power Supply Costs
September - FY 2025

	($000)							
	Current Month				Year-to-Date			
	Budget	Actual	Variance		Budget	Actual	Variance	
PURCHASED POWER:								
Non-Energy (capacity)	80	60	19		239	223	16	
Energy:								
Georgia Mountain Wind	252	208	44	*(1)*	673	528	144	*(1)*
Hancock Wind	184	120	64	*(2)*	453	326	127	*(2)*
VT Wind	153	136	17	*(3)*	401	468	(67)	*(3)*
Hydro Quebec	301	301	0		924	924	0	
Great River Hydro	173	173	0		532	555	(24)	*(4)*
In City Solar Generators	80	91	(11)	*(4)*	295	291	4	
NYPA	6	7	(2)		18	22	(4)	
ISO Exchange	272	(86)	358	*(5)*	495	506	(11)	
ISO Exchange Adjustment	43	43	(0)	*(**)*	130	130	(0)	*(**)*
FirstLight	0	24	(24)	*(6)*	0	161	(161)	*(5)*
Velco Exchange	0	(0)	0		0	(0)	0	
Total Energy	1,466	1,019	447		3,921	3,911	9	
Ancillary Charges	(13)	(30)	17		(34)	(77)	43	
VT RES Tier 1 Compliance Expense	54	79	(25)	*(7)*	163	79	84	*(6)*
Miscellaneous-Other	50	65	(15)		165	194	(29)	
Total Purchased Power Expense	1,637	1,194	443		4,452	4,330	123	

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 18% under Budget.
(2) Production 35% under Budget.
(3) Production 11% under Budget.
(4) Production over budget.
(5) Production (McNeil (273%) and Winooski One (27%)) over budget.
(6) FirstLight contract not in Budget.
(7) VT RES Tier 1 Compliance budgeted monthly, expensed quarterly.

YTD:

(1) Production 21% under Budget.
(2) Production 28% under Budget.
(3) Production 1% over Budget. Includes additional congestion relief charge not in Budget.
(4) Associated RECs not Budgeted under Energy.
(5) FirstLight contract not in Budget.
(6) Price under budget due to additional low cost REC purchases.

Burlington Electric Department
Operating and Maintenance Expense by Spending Category
FY 2025 - September YTD

	Budget	Actual	Variance	% Variance	*
Labor-Regular	2,200,107	2,251,784	(51,677)	2%	(a)
Labor-Overtime	114,106	146,323	(32,217)	28%	(b)
Labor-Temporary	200	160	40	20%	
Labor-Overhead	951,138	1,057,376	(106,238)	11%	(c)
Outside Services	728,506	527,049	201,457	28%	(d)
DSM (rebates & outside services)	508,874	482,981	25,893	5%	(e)
Materials & Supplies	283,769	231,661	52,108	18%	(f)
Insurance	190,669	201,810	(11,141)	6%	
A & G Clearing	(292,478)	(133,332)	(159,146)	54%	(g)
Other - RES Tier 3 Compliance	256,275	212,436	43,839	17%	
Other	659,575	433,750	225,825	34%	(h)
Operating & Maintenance Expense	5,600,740	5,411,998	188,742	3%	

(a) Labor is impacted by the amount of capital (vs. expense) work.

(b) Areas higher than planned include Distribution, $14,100 and McNeil Plant, $20,900.

(c) See page 13.

(d) Timing of various areas.

(e) 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.

(f) Timing of various areas.

(g) The credit for A&G ("Admin and General Expenses") charged to Capital projects was less than planned.

(h) Timing; various areas are less than budget including, Maintenance Contracts ($43,400), Education & Training ($7,200), Transportation Clearing ($65,200), and Uncollectible Accounts ($51,900).

Burlington Electric Department
Budget vs Actual Spending Analysis
FY 2025 - September YTD

	(000's)				
Labor - Overhead	**Budget**	**Actual**	**Variance**	**%**	
Pension	$483	$438	$45	9%	*(a)*
Medical Insurance	520	645	(125)	-24%	*(b)*
Social Security Taxes	264	242	22	8%	*(c)*
Workers Compensation Ins.	104	81	23	22%	*(b)*
Dental Insurance	24	22	2	9%	*(b)*
Life Insurance	5	5	(0)	0%	*(b)*
Childcare Contribution Tax	15	10	6	37%	*(d)*
	$1,415	**$1,443**	**($28)**	**-2%**	

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.

Net Income
FY 2025 - September ($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*	4,741	5,021	280		15,445	15,640	195	
Other Revenues		302	279	(23)	*(a)*	915	827	(88)	*(a)*
Power Supply Revenues	*p.6*	0	0	0		2,249	2,229	(20)	
Total Operating Revenues		5,044	5,300	257		18,609	18,696	87	
Operating Expenses									
Fuel	*p.6*	476	1,014	(538)		2,265	2,171	94	
Purchased Power	*p.6*	1,636	1,193	444		4,452	4,330	122	
Transmission	*p.6*	852	910	(58)		2,561	2,763	(202)	
Operating and Maintenance	*p.12*	1,821	1,443	378		5,601	5,412	190	
Depreciation & Amortization		486	495	(9)		1,458	1,467	(9)	
Revenue Taxes		50	54	(4)		175	177	(2)	
Property Taxes Winooski One		45	26	19	*(b)*	134	77	57	*(b)*
Payment In Lieu of Taxes		203	207	(4)	*(c)*	610	620	(10)	*(c)*
Total Operating Expenses		5,570	5,342	229		17,257	17,017	240	
Other Income and Deductions									
Interest/Investment Income		38	65	27		125	186	61	
Dividends		373	386	14		1,118	1,132	14	
Customer Contributions/Grant Proceeds		715	71	(644)	*(d)*	1,320	101	(1,219)	*(d)*
Gain/(Loss) on Disp of Plant		0	0	0		(160)	0	160	
Other		5	23	18	*(e)*	20	(78)	(98)	*(e)*
Total Other Income & Deductions		1,131	544	(586)		2,423	1,342	(1,082)	
Interest Expense		275	264	11		826	793	34	
Net Income		329	238	(91)		2,949	2,228	(721)	

Current Month:

(a) Energy Efficiency Program cost reimbursement was lower than planned, $14,100.
(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 ($634,500), and other customer contributions for Champlain Parkway ($29,400), Winooski bridge rebuild ($8,700) and other overhead and underground billable. Also, grant income for "Building Giants" (Federal 50% share) ($24,100). Actual includes overhead & underground billable and various grant income.
(e) Timing of jobbing unfavorable ($17,100); offset by unrealized gain on investment, $34,100.

Year - To - Date:

(a) Energy Efficiency Program cost reimbursement was lower than planned, $120,700.
(b) See current month.
(c) See current month.
(d) Budget includes Winooski One FEMA reimbursement (75%) for inflatable dam ($1,057,500), and other customer contributions for Champlain Parkway ($29,400), Winooski bridge rebuild ($26,100) and other overhead and underground billable. Also, grant income for "Building Giants" (Federal 50% share) ($24,100). Actual includes overhead & underground billable and various grant income.
(e) Timing of jobbing unfavorable ($153,500); offset by unrealized gain on investment, 67,800.

Burlington Electric Department
Capital Projects - FY25

	$000				
	Full Year Budget	Budget	September Actual	Variance	
McNeil (BED 50% Share)					
Ash Silo Pug Mill/Auger Upgrade (312)	25			0	
Catalyst Replacement for Nox System (312)	450	225	0.5	225	
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	75	38	37	
Safety Valve Replacements (312)	13			0	
Station Tools & Tool Boxes (312)	8	2		2	
Turbine Control System Upgrade/Insurance (314)	0		21	(21)	
Woodchip Dryer (1 of 2) (312)	38		0.3	(0)	
Loader repair	0		(25)	25	
Other	16	7		7	*(a)*
Total McNeil Plant	1,209	360	35	325	

(a) Budget includes perimeter fence upgrade, rigging equipment, portable radios upgrade, energy efficiency improvements and furniture.

Hydro Production	980	316	293	23	

(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	134	3	131	*(a)*

(a) Timing; budget assumed roof replacement in August, $97,600, delayed until spring.

Total Production Plant	2,446	810	331	479
Other				
Direct Current Fast Chargers (Level 3)	171	34	45	(11)
Distributed Energy Resources	33	10		10
EV Charger Installations (Level 2)	127	25	40	(15)
EV Chargers/Staging Plan	13	13		13
P&P R&D	26	8		8
Total Other	369	90	85	5

Burlington Electric Department
Capital Projects - FY25

	$000			
	Full Year Budget	Budget	September 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	66		66
Dunder Road Rebuild	58			0
Killarney Drive Rebuild	0		(3)	3
North St Rebuild P1577-1486	0		48	(48)
Replace 2L5 Circuit from P2349-913S	0		21	(21)
Replace Condemned Poles	110	33	18	15
South Cove Road East Rebuild	145	43	4	39
South Cove Road West Rebuild	184	55	2	53
Total Aerial	563	198	90	108
Underground				
Battery St Phase II Replace UG Cable	517	103		103
Cathedral Square Rebuild	41	41	33	8
College St (Pine - St Paul St) Replace UG Cable	148		60	(60)
Fern Hill UG Rebuild	0		4	(4)
Replace 2L5 Cable 913s to UH248	0		34	(34)
Summit Ridge Rebuild	63	63	122	(59)
Switch 305S/325S/326S (Main St Reservoir)	258			0
Switch 322/323/324S (Main St and Univ Hts)	242	242		242
Switch 817S/912S/913S (Main St Reservoir)	151	151	76	75
Total Underground	1,421	601	330	271
Customer Driven/City Projects				
Champlain Parkway-Billable	345	35	(2)	37
Champlain Parkway (CAFC)	(294)	(29)	(327)	297
City Place Streetlighting	306			0
City Place Streetlighting (CAFC)	(197)			0
Great Street Initiative	0		0	(0)
Great Street-Main Street	23	2	2	0
Great Street-Main Street (CAFC)	(23)	(2)		(2)
Winooski Bridge Rebuild	35	26		26
Winooski Bridge Rebuild (CAFC)	(35)	(26)		(26)
Total Underground	161	5	(327)	332

Burlington Electric Department
Capital Projects - FY25

	$000				
	Full Year Budget	Budget	September Actual	Variance	
Other					
College St Breaker Racking Device	25	25		25	
Distribution Transformers-Purchase	1,590	636	29	607	
Distribution Transformers-Install	6	1	1	0	
Communication Equipment Emergency Repair	15			0	
ADMS SCADA Upgrade (Phase I/11)	617	216	109	107	
ADMS SCADA Upgrade (Phase III/IV)	542			0	
SCADA Servers PC's and Monitors	0		30	(30)	
SCADA Video Display	0		0	(0)	
SCADA Equipment	128	115		115	
Other				0	
Total Other	2,922	993	169	824	
Total Distribution Plant-General	5,066	1,797	262	1,535	
Distribution Plant - Blanket					
Aerial	146	9	28	(19)	
Aerial (CAFC)	(64)	(5)	(26)	22	
Underground	321	75	397	(323)	*(a)*
Underground (CAFC)	(132)	(26)	0	(26)	
Meters	178	62	12	50	
Lighting	223	17	85	(69)	
Tools & Equipment - Distribution/Technicians	30	6		6	
Replaces Failed SCADA Field Equipment	11			0	
Substation Maintenance	18			0	
Total Distribution Plant - Blanket	731	138	496	(359)	

(a) Actual includes prior year progress billing that was reversed, $277,368 in September (wf 36863 - City Place).

Total Distribution Plant	5,797	1,934	758	1,176

Burlington Electric Department
Capital Projects - FY25

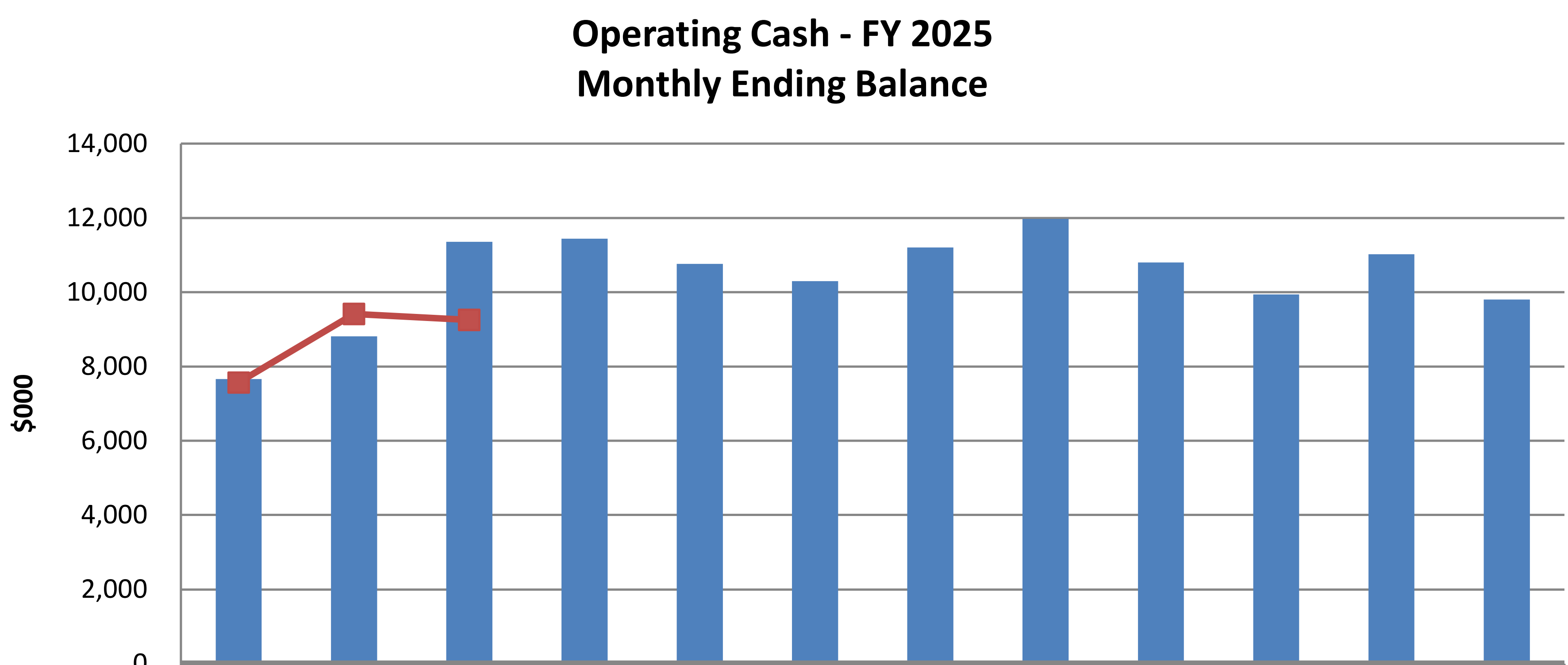
	$000				
	Full Year Budget	Budget	September Actual	Variance	
General Plant					
Computer Equipment/Software	2,127	408	23	385	*(a)*
Vehicle Replacement	191			0	
Buildings & Grounds	155	155	36	119	*(b)*
Gas Detectors	5	5		5	
Total General Plant	2,478	568	59	509	

(a) Budget includes IT Forward, $330,800 and other various projects (desktop/laptop replacements, iPads replacements for line crew and engineering plotter).

(b) Budget includes Key Fob Replacement, New SCADA Room, Storage racks for red warehouse and Ice Machine (breezeway).

Sub-Total Plant	$11,667	$3,979	$1,810	$2,169
Add: CAFC* reclass to "Other Income"	1,803	455	80	375
Total Plant	$13,470	$4,434	$1,890	$2,544

** 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	9,413	9,254									

BED Property/B&M Insurance Renewal 2024-2025

(11/4/24 - BOF Meeting)
(11/12/24 - CC Meeting)
(11/13/24 - BEC Meeting)

RECOMMENDATION:
That the Burlington Electric Commission, Finance Board and City Council authorize the Electric Department to renew our Property/Boiler and Machinery (B&M) Insurance with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024–11/20/2025 for a **not to exceed premium of $715,989.**

THE "HANDOUTS":

1) H&B Cover letter dated 10/27/2024
2) BED Property/B&M Premium/TIV history exhibit and related line chart dated 10/27/2024 (2 tabs)
3) H&B Property/B&M Quota Share Program Structure Chart as of 10/26/2024
4) BED cover letter dated 10/27/2024 to BEC/BOF/CC

DISCUSSION:
Commercial Property/B&M insurance covers BED's **physical assets** from perils such as fire, lighting, smoke, explosions, storms, burst pipes, theft and vandalism. It is designed to protect our **tangible property;** namely buildings, boilers, transformers and property inside and outside (furniture, computers, fences, office equipment, inventory, etc.)

Our current Property/B&M Insurance coverage with AIG/Starr Tech/Zurich/AEGIS is scheduled to expire on 11/20/2024 for which we pay an annual premium of **$679,814.70.**

Worth mentioning is that last year, the BEC/BOF/CC approved this line item with a "not-to-exceed" premium amount of $778,683.70. We ultimately bound coverage for $679,814.70, a decrease in premium of $98,869 due mainly to the fact that we increased our deductibles at the McNeil Station ($1M to $2M) as well as at the GT & W1H (each from $500k to $1M).

- Our insurance agent (Hickok & Boardman: H&B "Acrisure") has worked diligently with our existing 4 carriers and is still in negotiations with them to finalize "capacity" (the largest amount of insurance that a company or the market is able to write), Total Insurable Value (TIV)'s, deductibles and premium.

- The renewal premium is anticipated to increase from last year's amount of **$679,814.70** to **a not to exceed $715,989** (which is **2.6% lower** than our estimated renewal premium at 11/20/24 in the FY'25 budget of **$735,220**). Please note our insurance agent (H&B) has shared there is the possibility of achieving a lower renewal premium using deductible options and last-minute pricing negotiations (still to be finalized).

- Our **Total Insurable Value (TIV)** will be capped at $200,000,000 of property (same as last year) vs. our current fully scheduled TIV of $342,784,000. The McNeil Station's TIV is listed at $252,902,000 with a ratable TIV of $230,000,000.

H&B CONSIDERATIONS/OPTIONS/ACTION STEPS:

- ❖ Last year, as an alternative to the in-force property insurance program, BED and Acrisure reviewed the property captive options available to single cell captive and rent-a-captives. FM Global offers both a rent-a-captive, and guaranteed cost premium option. FM Global's guaranteed cost premium indication last year was $975,285, which was higher than the expiring and current insurance program's cost. Given this premium difference, BED/City did not pursue the captive option this year.

- ❖ Last year, AFTER the "*Not-to Exceed*" approval for $778,683.70, BED increased the deductibles at the McNeil from $1M to $2M and at the Hydro as well as the Gas Turbine from $500,000 to $1M to offset premium increases and by doing so, successfully saved $98,869 in premium for a final premium of $679,814.70.

- ❖ To help offset the increase in TIV's, H&B asked the current carriers to use a ratable TIV at McNeil of $230M, rather than $252M.

- ❖ In addition, to support BED's efforts to get as close to possible from the budget perspective, H&B is reviewing/pursuing the following:

  - Optional deductible changes at McNeil (forthcoming)
  - Optional deductible changes at W1H and the GT (forthcoming)
  - Review of the insured asset values to identify any errors or options to separately insure an asset (such as the railroad cars; they are currently the only BED asset valued at ACV vs. RC)

- ❖ H&B looked at moving the Workers' Compensation and Auto lines from Travelers to Liberty Mutual in July, but Liberty Mutual's energy program was undergoing a restructuring that was deemed not favorable at the time to BED to consider (higher auto deductibles, etc.) They continue to review these each year.

- ❖ H&B looked at combining BED and the COB's cyber insurance policies to provide premium savings to BED. Due to the terms of the policies, it was in BED's benefit to maintain a separate policy.

IMPACT ON BUDGET:
Our FY'25 budgeted amount of $712,134 (produced in January 2024 and adopted in June 2024) was calculated using 5 months at the "current/known" premium amount ($679,815) and 7 months at the projected amount ($735,220). Note this projected renewal amount of $735,220 was derived by assuming an estimated 5% straight rate increase from H&B as well as an estimated 3% increase in our TIV's.

- ❖ Thus, using the "not to exceed" premium of $715,989 would amount to a **2.6% reduction** in our estimated renewal within the FY'25 budget and a **5.32%** increase over our expiring premium of $679,815. Again, please note in our insurance agent's (H&B) cover letter, there is a possibility of a lower **estimated** renewal premium, which is still to be finalized.
- ❖ The "not to exceed" premium of $715,989 would amount to a **1.57 decrease in our total FY'25 budget for this line of business (from $712,134 to $700,916).**

BED's Property/B&M Insurance Motions:

Board of Finance:

> "To approve and recommend that the City Council authorize the General Manager of the Burlington Electric Department or their designee, to execute the Property, Boiler & Machinery insurance coverage renewal contract with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024 through 11/20/2025 with a not to exceed premium of $715,989, as outlined in this memo, subject to review and approval of the City Attorney's Office and the CAO".

City Council:

> "To authorize the General Manager of the Burlington Electric Department or their designee, to execute the Property, Boiler & Machinery insurance coverage renewal contract with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024 through 11/20/2024 with a not to exceed premium of $715,989, as outlined in this memo, subject to review and approval of the City Attorney's Office and the Board of Finance".

Board of Electric Commissioners:

> "To authorize the General Manager of the Burlington Electric Department or their designee, to execute the Property, Boiler & Machinery insurance coverage renewal contract with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024 through 11/20/2025 with a not to exceed premium of $715,989, as outlined in this memo, subject to review and approval of the City Attorney's office, the City's CAO, Board of Finance and the City Council".

ACRISURE

MEMO

Date: 10/27/2024

To: Paul Alexander, CPCU, ARM-PE
Manager of Safety and Risk Management
City of Burlington Electric Department
585 Pine Street
Burlington, VT 05401

RE: Property Insurance Renewal effective 11/20/2024 (for policy period 11/20/2024-2025)

Per our most recent conversation, I am sending this brief memo to summarize the state of the energy property insurance marketplace and its implications regarding Burlington Electric Department (BED) property insurance renewal effective 11/20/2024.

Energy related asset replacement cost value adequacy is an emerging concern for the insurers given pandemic driven supply chain issues and global inflationary pressures. Certain energy destroyed assets have exceeded scheduled asset values by more than 60%. BED's asset valuation this year aligns with this trend: total TIV reported to us by BED was $342M (compared to $319M last year), with McNeil's assets increasing from $235M to $252M. BED utilizes the Handy Whitman index (the industry standard) to value its assets.

Alternative Insurance Options:

- Captive Model and FM Global:
  Last year, as an alternative to the in-force property insurance program, BED and Acrisure reviewed the property captive options available to single cell captive and rent-a-captives. FM Global offers both a rent-a-captive, and guaranteed cost premium option. FM Global' s guaranteed cost premium indication last year was $975,285, which was higher than the expiring and current insurance program's cost. Given this premium difference, BED/City did not pursue the captive option this year.

Last Year's Program Change Made to Reduce Premium/Improve Coverage:

- BED increased the deductibles at the McNeil Station from $1M to $2M and at Hydro/Gas Turbine from $500,000 to $1M to offset premium increase and successfully saved $98,869.70 in premium.
- Policy Limit: A $200M limit was secured with AIG/Zurich/Starr Tech without any additional premium cost to BED.

BED's FY' 25 suggested budgeted renewal premium of $713,805.44 (5% above the current expiring policy rate) is a challenge to achieve with the reported TIV. Like last year, to offset the increase in TIV, we've asked the current carriers to use a ratable TIV at McNeil of 230M, rather than 252M, which reduces the overall TIV increase to 7.7%. The lower TIV is acceptable to the carriers based on their own calculations of PML (probable maximum loss) at the location and reduces the premium cost to BED.

In addition, to support BED's efforts to get as close to possible from a budget perspective, we will present the following:

1) Optional deductible changes at McNeil (forthcoming)
2) Optional deductible changes at W1H and GT (forthcoming)
3) Review of the insured asset values to identify any errors or options to separately insure an asset (such as the railroad cars; they are currently the only BED asset valued at ACV vs RC.)

Program Consolidation or Separation Options:

1. We looked at moving the Workers' compensation and Auto lines from Travelers to Liberty Mutual in July, but Liberty Mutual's energy program was undergoing a restructuring that was deemed not favorable at the time to BED to consider (higher auto deductibles, etc.) We continue to review these each year.
2. Combining BED and the COB cyber insurance policies to provide a premium savings to BED. Due to the terms of the policies, it is in BED's benefit to maintain a separate policy.

In summary, we anticipate we can secure the property insurance renewal with policy limits terms and conditions to the current in-force program (see attached slide) at an estimated annual premium of a "not to exceed" premium of $715,989.

MEMORANDUM

TO: Board of Electric Commission (BEC), Burlington Board of Finance (BOF), Burlington City Council (BCC)
FROM: Paul G. Alexander, Manager of Safety & Risk Management
DATE: October 27th, 2024
SUBJECT: **B.E.D.'s Property/Boiler and Machinery (B&M) 2024-2025 Insurance renewal**

RECOMMENDATION:
That the Burlington Electric Commission, Finance Board and City Council authorize the Electric Department to renew our Property/Boiler and Machinery (B&M) Insurance with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024–11/20/2025 for a **not to exceed premium of $715,989.**

DISCUSSION:
Commercial Property/B&M insurance covers BED's **physical assets** from perils such as fire, lighting, smoke, explosions, storms, burst pipes, theft and vandalism. It is designed to protect our **tangible property;** namely buildings, boilers, transformers and property inside and outside (furniture, computers, fences, office equipment, inventory, etc.)

Our current Property/B&M Insurance coverage with AIG/Starr Tech/Zurich/AEGIS is scheduled to expire on 11/20/2024 for which we pay an annual premium of **$679,814.70.**

Worth mentioning is that last year, the BEC/BOF/CC approved this line item with a "not-to-exceed" premium amount of $778,683.70. We ultimately bound coverage for $679,814.70, a decrease in premium of $98,869 due mainly to the fact that we increased our deductibles at the McNeil Station ($1M to $2M) as well as at the GT & W1H (each from $500k to $1M).

- Our insurance agent (Hickok & Boardman: H&B "Acrisure") has worked diligently with our existing 4 carriers and is still in negotiations with them to finalize "capacity" (the largest amount of insurance that a company or the market is able to write), Total Insurable Value (TIV)'s, deductibles and premium.

- The renewal premium is anticipated to increase from last year's amount of **$679,814.70** to **a not to exceed $715,989** (which is **2.6% lower** than our estimated renewal premium at 11/20/24 in the FY'25 budget of **$735,220**). Please note our insurance agent (H&B) has shared there is the possibility of achieving a lower renewal premium using deductible options and last-minute pricing negotiations (still to be finalized).

- Our **Total Insurable Value (TIV)** will be capped at $200,000,000 of property (same as last year) vs. our current fully scheduled TIV of $342,784,000. The McNeil Station's TIV is listed at $252,902,000 with a ratable TIV of $230,000,000.

H&B CONSIDERATIONS/OPTIONS/ACTION STEPS:

- Last year, as an alternative to the in-force property insurance program, BED and Acrisure reviewed the property captive options available to single cell captive and rent-a-captives. FM Global offers both a rent-a-captive, and guaranteed cost premium option. FM Global's guaranteed cost premium indication last year was $975,285, which was higher than the expiring and current insurance program's cost. Given this premium difference, BED/City did not pursue the captive option this year.

- Last year, AFTER the "*Not-to Exceed*" approval for $778,683.70, BED increased the deductibles at the McNeil from $1M to $2M and at the Hydro as well as the Gas Turbine from $500,000 to $1M to offset premium increases and by doing so, successfully saved $98,869 in premium for a final premium of $679,814.70.

- To help offset the increase in TIV's, H&B asked the current carriers to use a ratable TIV at McNeil of $230M, rather than $252M.

- In addition, to support BED's efforts to get as close to possible from the budget perspective, H&B is reviewing/pursuing the following:

  - Optional deductible changes at McNeil (forthcoming)
  - Optional deductible changes at W1H and the GT (forthcoming)
  - Review of the insured asset values to identify any errors or options to separately insure an asset (such as the railroad cars; they are currently the only BED asset valued at ACV vs. RC)

- H&B looked at moving the Workers' Compensation and Auto lines from Travelers to Liberty Mutual in July, but Liberty Mutual's energy program was undergoing a restructuring that was deemed not favorable at the time to BED to consider (higher auto deductibles, etc.) They continue to review these each year.

- H&B looked at combining BED and the COB's cyber insurance policies to provide premium savings to BED. Due to the terms of the policies, it was in BED's benefit to maintain a separate policy.

IMPACT ON BUDGET:

Our FY'25 budgeted amount of $712,134 (produced in January 2024 and adopted in June 2024) was calculated using 5 months at the "current/known" premium amount ($679,815) and 7 months at the projected amount ($735,220). Note this projected renewal amount of $735,220 was derived by assuming an estimated 5% straight rate increase from H&B as well as an estimated 3% increase in our TIV's.

- Thus, using the "not to exceed" premium of $715,989 would amount to a **2.6% reduction** in our estimated renewal within the FY'25 budget and a **5.32%** increase over our expiring premium of $679,815. Again, please note in our insurance agent's (H&B) cover letter, there is a possibility of a lower **estimated** renewal premium, which is still to be finalized.
- The "not to exceed" premium of $715,989 would amount to a **1.57 decrease in our total FY'25 budget for this line of business (from $712,134 to $700,916).**

MOTIONS:

Board of Finance:

"To approve and recommend that the City Council authorize the General Manager of the Burlington Electric Department or their designee, to execute the Property, Boiler & Machinery insurance coverage renewal contract with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024 through 11/20/2025 with a not to exceed premium of $715,989, as outlined in this memo, subject to review and approval of the City Attorney's Office and the CAO".

City Council:

"To authorize the General Manager of the Burlington Electric Department or their designee, to execute the Property, Boiler & Machinery insurance coverage renewal contract with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024 through 11/20/2024 with a not to exceed premium of $715,989, as outlined in this memo, subject to review and approval of the City Attorney's Office and the Board of Finance".

Board of Electric Commissioners:

"To authorize the General Manager of the Burlington Electric Department or their designee, to execute the Property, Boiler & Machinery insurance coverage renewal contract with AIG/ZURICH/STARR TECH/AEGIS for the policy period 11/20/2024 through 11/20/2025 with a not to exceed premium of $715,989, as outlined in this memo, subject to review and approval of the City Attorney's office, the City's CAO, Board of Finance and the City Council".

Respectfully submitted,

Paul G. Alexander, CPCU, ARM-PE, CUSP
Manager of Safety & Risk Management

c: Darren Springer, General Manager

City of Burlington Electric
Property Quota Share Program Structure
Current as of 10/26/2024

	November 20, 2024 through November 20, 2025		
	Assets other than McNeil	McNeil	
Total Values	$89,882,000	$230,508,520	
Policy Limit	89MM	200MM	
Carrier	AEGIS	Zurich	
Quota Share %	75%	35%	
Share	$67,411,500	$70,000,000	
Premium	$128,670	$234,119	
Rate	0.1909	0.306	
		Starr Tech	Carrier
		40%	Quota Share %
		$80,000,000	Share
		$221,203.00	Premium
		0.252	Rate
Carrier	AIG	AIG	
Quota Share %	25%	25%	
Share	$22,470,500	$50,000,000	
Premium	$38,321.22	$93,675.78	
Rate	0.171	0.171	
			McNeil & Other
Total Premium	$166,991.37	$548,997.63	$715,989.00

BURLINGTON ELECTRIC DEPARTMENT
Property/B&M Insurance Policies
Premium/TIV History
10/27/2024

#:	Carrier	Broker/ Agent	POLICY PERIOD: From mm	dd	yyyy	To mm	dd	yyyy	Actual **** Premium	Annual Premium	Annual % Chg	TIV *** (Excl W1H)	(Excl. W1H) Change	TIV (W1H)	W1H Change	(Excl. W1H) Price per $100 TIV	W1H Price per $100 TIV	TOTAL TIV	TOTAL TIV % Chg
1	AIG/Starr Tech/Zurich/AEGIS (TBF)	H&B	11	20	2024	11	20	2025	$715,989	$715,989	5.32%	$314,127,000	7.68%	$28,657,000	5.06%	"n/a"	"n/a"	$342,784,000	7.45%
2	AIG/Starr Tech/Zurich/AEGIS (TBF)	H&B	11	20	2023	11	20	2024	$679,815	$679,815	-0.48%	$291,733,000	21.51%	$27,276,000	17.20%	"n/a"	"n/a"	$319,009,000	21.13%
3	AIG/Starr Tech/Zurich/AEGIS (TBF)	H&B	11	20	2022	11	20	2023	$683,117	$683,117	2.96%	$240,093,000	-0.49%	$23,273,000	0.99%	"n/a"	"n/a"	$263,366,000	-0.36%
4	AIG/Starr Tech/Zurich/AEGIS (TBF)	H&B	11	20	2021	11	20	2022	$663,508	$663,508	2.95%	$241,268,000	2.03%	$23,044,000	3.79%	"n/a"	"n/a"	$264,312,000	2.18%
5	AIG/Starr Tech/Zurich/AEGIS	H&B	11	20	2020	11	20	2021	$644,506	$644,506	11.25%	$236,462,000	-1.67%	$22,203,000	2.83%	"n/a"	"n/a"	$258,665,000	-1.30%
6	AIG/Starr Tech/Zurich/AEGIS	H&B	11	20	2019	11	20	2020	$579,330	$579,330	153.25%	$240,473,000	-2.83%	$21,591,000	4.19%	"n/a"	"n/a"	$262,064,000	-2.29%
7	NU/Chartis/AIG	H&B	10	1	2018	10 (**)	1	2019	$228,762	$228,762	-5.94%	$247,487,000	-5.95%	$20,722,000	-8.17%	$0.07962	$0.148761	$268,209,000	-6.13%
8	NU/Chartis/AIG	H&B	10	1	2017	10	1	2018*	$243,200	$243,200	-5.67%	$263,146,000	-0.09%	$22,565,000	0.69%	$0.07962	$0.148761	$285,711,000	-0.03%
9	NU/Chartis/AIG	H&B	10	1	2016	10	1	2017	$257,812	$257,812	-4.64%	$263,396,000	0.70%	$22,410,000	0.95%	$0.08522	$0.148761	$285,806,000	0.72%
10	NU/Chartis/AIG	H&B	10	1	2015	10	1	2016	$270,355	$270,355	8.42%	$261,570,000	6.11%	$22,198,774	36.73%	$0.09003	$0.157	$283,768,774	8.01%
11	NU/Chartis/AIG [5]	H&B	10	1	2014	10	1	2015	$249,354	$249,354	10.53%	$246,501,000	-0.79%	$16,235,108	n/a	$0.09082	$0.157	$262,736,108	
12	NU/Chartis/AIG	H&B	10	1	2013	10	1	2014	$225,600	$225,600	11.68%	$248,460,000	8.00%			$0.0908		AVG 5 years	4.47%
13	NU/Chartis/AIG	H&B	10	1	2012	10	1	2013	$202,000	$202,000	11.13%	$230,060,000	3.55%			$0.0878		AVG 3 years	7.60%
14	NU/Chartis [3] [4]	H&B	9	25	2011	10	1	2012	$184,750	$181,762	2.69%	$222,183,000	5.14%			$0.082			
15	NU/Chartis/AIG [2]	GRA	8	25	2010	9	25	2011	$191,750	$177,000	-6.8%	$211,323,000	0.47%			$0.084			
16	NU/Chartis/AIG [1]	GRA	8	25	2009	8	25	2010	$190,000	$190,000	18.4%	$210,339,000	18.66%			$0.090			
17	HS&B/AIG	GRA	8	25	2008	8	25	2009	$160,420	$160,420	-8.3%	$177,259,000	7.66%			$0.091			
18	HS&B/AIG	GRA	8	25	2007	8	25	2008	$175,000	$175,000	-2.5%	$164,645,000	7.05%			$0.106			
19	HS&B/AIG	GRA	8	25	2006	8	25	2007	$179,500	$179,500	-13.3%	$153,799,000	6.29%			$0.117			
20	Starr Tech/HS&B/AIG	GRA	8	25	2005	8	25	2006	$207,000	$207,000	-8.0%	$144,695,000	0.86%			$0.143			
21	Starr Tech/HS&B/AIG	GRA	8	25	2004	8	25	2005	$225,000	$225,000	-4.3%	$143,460,000	3.55%			$0.157			
22	Starr Tech/HS&B/AIG	GRA	8	25	2003	8	25	2004	$235,000	$235,000	27.0%	$138,539,000	n/a			$0.170			
23	Starr Tech/HS&B/AIG	GRA	8	25	2002	8	25	2003	$185,000	$185,000	5.7%								
24	FM Global	GRA	8	25	2001	8	25	2002	$175,000	$175,000	146.1%								
25	CIGNA/ACE USA	GRA	8	25	1998	8	25	2001	$213,353	$71,118	-24.2%								
26	CIGNA	GRA	8	25	1995	8	25	1998	$281,291	$93,764	-6.9%								
27	HS&B	SS	1	20	1995	1	20	1996	$100,720	$100,720	10.4%								
28	HS&B	SS	1	20	1994	1	20	1995	$91,244	$91,244	n/a								

Note: AIG sold HS&B to Munich Re in December, 2008
AIG renamed P/C business as "Chartis" on July 27, 2009

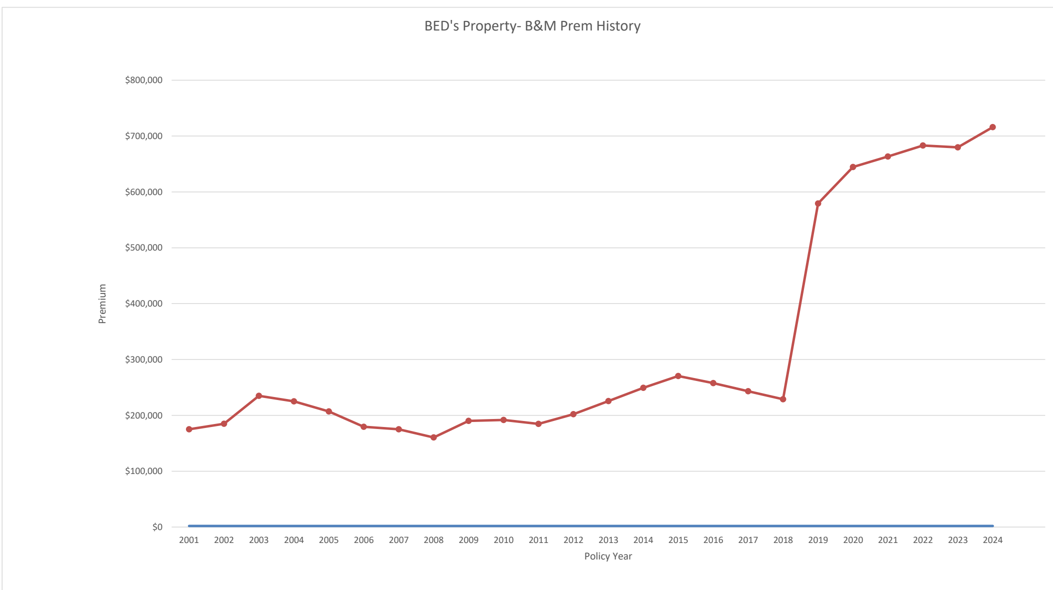
GRA=Global Risk Associates
SS=Starkweather & Shepley: NEPPA
H&B=Hickok & Boardman, Inc.

[1] TIV was limited to $200,000,000 coverage on 8/25/09
[2] Policy period extended to 13 months at same rate (now expires on 9/25/11)
[3] Policy period extended by 6 days to 10/1 (now expires on 10/1/12)
[4] TIV back to full limits ($222,183,000 on 9/25/11)
[5] TIV "bid" limited at $246,501,000 but expected to be raised to full $262,736,108 (for Winooski One)
Rate of $0.09082 is for all property except Hydro (W1) = $0.157
* AIG's quote comes with a rate-lock through the following policy period 10/1/18-19
Reflecting AIG's rate lock for 10/1/18-19
** Policy expiration extended from 10/1/19 to 11/1/19 and then 11/20/19
*** TIV capped at $175M

**** Not to excced Premium eff 11/20/2024 of $715,989

BURLINGTON ELECTRIC DEPARTMENT
Property/B&M Insurance Policies
Premium History
########

#	PY	Property Premium	
1	2001	$175,000	
2	2002	$185,000	
3	2003	$235,000	
4	2004	$225,000	
5	2005	$207,000	
6	2006	$179,500	
7	2007	$175,000	
8	2008	$160,420	
9	2009	$190,000	
10	2010	$191,750	
11	2011	$184,750	
12	2012	$202,000	
13	2013	$225,600	
14	2014	$249,354	
15	2015	$270,355	
16	2016	$257,812	
17	2017	$243,200	
18	2018	$228,762	
19	2019	$579,330	
20	2020	$644,506	
21	2021	$663,508	
21	2022	$683,117	
22	2023	$679,815	Deductible at McNeil raised from $1M to $2M , $500k to $1M at GT and W1H (reduced preium from "NTE" $778,683.70 to $679,814.7
23	2024	$715,989	Note: Final premium still TBD. NTE = $715,989
			FY'25 budget used an estimated 5% budgeted **rate** increase at renewal along with a 3% **TIV** impact)



Board of Finance and City Council Submission Checklist

Department: BED Submitter: Darren Springer and Paul Alexander

Title/Subject: BED Property/B&M Insurance Renewal 11-20-2024

	Approval:	Meeting Date:
☒	Board of Finance	11/4/2024
☒	City Council	11/12/2024
☐	Concurrent	Click or tap to enter a date.

This form must be completed by the person submitting the materials, and sent with the final submission. Please do not indicate that a signoff was received until it has actually been obtained.

Signoffs Received

Signoff Needed	Received	Date Received	Note
Department Head	Yes	10/27/2024	Click or tap here to enter text.
Mayor's Office informed and approved memo	Yes	10/27/2024	Click or tap here to enter text.
Board/Commission, if required	Yes	10/27/2024	Meeting on 11/13/24
City Attorney's Office has approved contract and/or legal documents, -Identify attorney in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
City Attorney's Office has approved memo and motion(s) or resolution(s) -Identify attorney in note	Choose an item.	10/27/2024	Pending
CAO has reviewed budget, financing, and memo	Choose an item.	10/27/2024	Pending
Human Resources, if personnel action -Identify HR Manager in note	N/A	Click or tap to enter a date.	Click or tap here to enter text.
CIO, if an IT-related investment/purchase	N/A	Click or tap to enter a date.	Click or tap here to enter text.

Materials Included

	Included?	Note
Final Memo Attached?	Yes	Click or tap here to enter text.
Contract Attached, if applicable?	N/A	Click or tap here to enter text.
Additional Materials, if necessary	Yes	H&B Cover memo, BED Premium History, H&B Quota Share chart, BED Cover memo
Draft Resolution or Motion?	Yes	Motions in memo
If for submission to Council, are sponsors identified?	Yes	BOF