MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION

Wednesday, March 12, 2025

The regular meeting of the Burlington Electric Commission was convened at 5:05 pm on Wednesday, March 12, 2025, at Burlington Electric Department, 585 Pine Street, Burlington, Vermont, and on Microsoft Teams.

Attendance

- Channel 17 was present to record this meeting.
- Commissioners Lara Bonn, Michelle Hobbs, Scott Moody and Andy Vota were present.
- Staff members Elena Alexander, Paul Alexander, Mike Kanarick, Paul Nadeau, Darren Springer, and Emily Stebbins-Wheelock were present at 585 Pine St.
- Staff members Yvon Edades, James Gibbons, Munir Kasti, Betsy Lesnikoski, and Amber Widmayer were present via Microsoft Teams.
- One anonymous member of the public was present via Microsoft Teams.

Agenda

- There were no changes to the Agenda.

Meeting Minutes

- Commissioner Bonn made a motion to approve the minutes of the February 12, 2025, Commission Meeting; Commissioner Hobbs seconded the motion. Vote: 3 ayes 0 nays. Commissioner Vota abstained from voting as he was not present at the February meeting.

Public Forum

- No members of the public were present at this time.

Commissioners Corner

- No items stated.

General Manager’s Update

- General Manager Springer shared an update on the proposed 10% energy tariff (separate from the broader potential 25% tariff that may apply to other goods) and how it may affect Hydro Quebec Power's energy supplies to New England, especially Vermont. There is ambiguity about whether the 10% energy tariff would apply to Vermont's contracts. Ontario has proposed a 25% surcharge on its energy exports to states like Minnesota, New York, and Michigan. Vermont and BED do not obtain any energy from Ontario, but media reports have suggested that Hydro Quebec may cancel projects in Massachusetts and New York City and/or not sell energy in the spot market, which could exert price pressures and negatively impact New England's emissions profile, an outcome that stakeholders want to prevent. Vermont's situation is somewhat distinct due to its long-term power supply contracts. Currently, there is an active proceeding at FERC concerning the implementation of any tariffs by ISO New England, with entities like GMP, VPPSA, and others filing as intervenors. BED has joined VPPSA's intervention as a strategic partner and joined other VT utilities on a letter supporting GMP's filing. Although there are concerns about potential bill impacts stemming from these tariffs, BED's power portfolio relies moderately on Hydro Quebec (16%), and any repercussions on bills would be analyzed in conjunction with a rate case for fiscal year 2026, meaning there would be no immediate changes for customers. General Manager Springer is hopeful of gaining more knowledge by April and will provide updates as they arise.

- Commission Chair Moody asked about the impact of changing federal policy on BED's electrification projects and incentives. General Manager Springer stated that the BED's initiatives are not directly affected by federal policy; however, if federal incentives were to roll back, BED may be able to temporarily enhance EV incentives. The absence of certain federal components could affect adoption rates in Vermont, but most of BED's grant funding relationships with the federal government have not been impacted so far, including with FEMA for the Winooski dam replacement, $5 million in congressionally directed spending to support District Energy, as well as the Building GIANTS GRIP grant through Department of Energy which we have received reimbursement for already. The grant impacted the most by the federal funding freeze is the CFI EV Charging Grant for $4.85 million. BED continues to be in contact with their counterparts in FHWA, but this agreement has not yet been signed. There has been some indication that the funds should be unfrozen for awards, whether or not obligated, if the appropriations were made by Congress; this is a broader litigation question that many entities are awaiting clarity on. BED's revenue bond that was approved in November has been unaffected by federal matters, leaving its capital program positioned favorably for the next few years.
- The main energy bill in the State legislature this year (S.65), aimed at increasing flexibility in energy efficiency funds, is currently under discussion in the Senate and could be voted on by the Natural Resources and Energy Committee this week.
- The contract for the McNeil efficiency study that was approved in February will be going to the Council Transportation, Energy & Utilities Committee and the full City Council later this month as well as the contract for the forestry study being presented tonight, should it pass.
- BED is currently working with Synapse on the annual update of the Net Zero Energy Roadmap data, which we anticipate presenting by April. We are closing in on 1,000 lifetime EV/plug-in hybrid rebates and about 3,000 heat pump rebates. We will reflect on the progress in the new Net Zero Roadmap and see where we land with thermal and ground transportation. Commissioner Hobbs asked how extensively the Roadmap annual data will be shared publicly. General Manager Springer stated that historically, BED has presented the data to the Commission, City Council, and the public, and it aims to release this year's updates in a timely manner by April, although past reports have faced delays.

FY25 January Financials

Ms. Stebbins-Wheelock presented the January results:

- January had an actual net income of $355,000 compared to a budgeted net loss of $97,000, resulting in a favorable variance of $453,000.
- Year-to-date, actual net income exceeds $3 million, just $132,000 short of the budgeted expectation of $3.147 million.
- Sales to customers revenue in January was $200,000 higher than budgeted.
- Net power supply expenses were approximately $300,000 better than expected. This improvement is the net effect of wind production exceeding budget, high energy prices for sales of excess energy, modestly lower fuel costs, and transmission costs lower than budget by $118,000.
- Other operating & maintenance expenses was close to budget with a minor negative variance of $40,000.
- Non-operating income showed a positive variance of $36,000, due to the timing of grant proceeds and external billings.
- In capital spending, the year-to-date expenditure stands at 46% of the full-year budget; the distribution and general plant categories have experienced delays but projects are progressing in both areas.
- As of January 31st, operating cash is at $11.4 million, slightly above the budget of $11.2 million. The debt service coverage ratio for the last 12 months is 4.95, the adjusted debt service coverage ratio is 1.29, and days cash on hand is 153 (including the line of credit).

SCADA Update

- Paul Nadeau and Yvon Edades explained the significant upgrade to the SCADA (Supervisory Control and Data Acquisition) system. The existing Schneider SCADA system, which had reached its end of life, necessitated improvements in reliability and security due to increasing software vulnerabilities. The new system includes an Advanced Distribution Management System (ADMS), improving load management, outage management, and contingency handling capabilities, and was chosen through the RFP process that concluded with the selection of Survalent for their suitable and cost-effective solution.
- The old system was limited to a simple one-line diagram, mainly designed for dispatchers to access necessary operational information. In contrast, the new SCADA system is customizable and integrates seamlessly with the existing Geographic Information System (GIS), providing enhanced operational efficiency. This integration allows dispatchers to streamline their communication with field teams and access real-time data directly to expedite operational responses to outages.
- The new system features an Outage Management System (OMS) that improves customer communication regarding restoration timelines and enhances the overall customer experience. It also boasts an advanced architecture with real-time backup capabilities, allowing for rapid recovery in case of system failure, significantly reducing downtime compared to the manual switch-over required by the old system.
- The project highlighted extensive collaboration across multiple departments, including engineering, IT, and dispatch, with management oversight ensuring smooth execution. Phases one and two of the SCADA and GIS implementation were completed in early 2025 alongside the opening of a new dispatch center. Future plans include the rollout of the Distribution Management System (DMS) in August 2025, followed by the OMS in February 2026, all aimed at ensuring improved efficiency and reliability in operations.

McNeil Forestry Study RFP

- General Manager Springer shared that the Department made three attempts to secure competitive bids for forestry consulting services that were within the budget and aligned with the City Council's objectives. The latest bid, submitted by K2QC Consulting, has been reviewed and found to be acceptable. K2QC is willing to undertake the project for a maximum cost of $22,850, within the $25,000 budget.
- Despite initial unfamiliarity with K2QC, both General Manager Springer and Chief Forester Betsy Lesnikoski reached out to industry experts, who provided positive endorsements for the firm. They possess the expertise to conduct a thorough review of forestry practices, validate public communications, and propose recommendations to enhance public engagement during hearings. Commission Chair Moody expressed some concerns regarding minor typographical errors in the proposal and asked General Manager Springer's opinion on that. It was determined that the proposal's overall advantages were worth pursuing. The Council resolution mandates that this process be conducted in a specific manner and subsequently reviewed by the Council Transportation, Energy & Utilities Committee as well as the full City Council. Rejecting the proposal would hinder progress towards the established objectives.
- Chief Forester Lesnikoski corroborated General Manager Springer's thoughts, noting that the typos were concerning but outweighed by the strong recommendations for K2QC. She mentioned her connection with John Bryant from K2QC, a well-regarded professional with extensive experience in both industry and private consulting. Their prior acquaintance from college and shared involvement in forestry organizations added to her confidence in the proposal's value.
- Commissioner Hobbs inquired about the challenges faced in finding local candidates for the project. General Manager Springer explained that previous bids were well above budget, with some proposals being excessively comprehensive, leading to increased costs. Feedback from industry sources validated that the budget was reasonable for the requested work, and it was only on the third attempt that K2QC submitted a responsive bid.
- Commissioner Vota asked for clarification on the budgeted amount. General Manager Springer confirmed that the proposal outlines six specific deliverables at a firm cost not to exceed the budgeted amount of $22,850.
- Commissioner Bonn made the motion to approve and recommend the Transportation, Energy and Utilities Committee and the City Council approve the proposed contract with K2QC Consulting to provide forestry assessment and analysis services for the McNeil Generating Station. Commissioner Hobbs seconded the motion. Vote: 4 ayes 0 nays.

Commissioners' Check-In

- Commissioner Hobbs inquired about the upward trend of residential delinquencies shown in the monthly report. Mike Kanarick, Manager of Customer Care, Communications and Energy Services, explained to the Commission that this uptick was a result of Vermont Public Utility Commission rules that prohibit disconnections in cold weather. As the weather starts to get nicer and there is an ability to disconnect customers, the delinquencies tend to decrease.

- Commissioner Vota requested that, going forward, the Commission packets are more contextualized per project status and have a similar format to the General Manager's update. General Manager Springer acknowledged Commissioner Vota's request.

Executive Session- McNeil Commercial Items

Commissioner Vota made the motion that premature general public knowledge regarding McNeil commercial items 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; 4 ayes 0 nays.

Commissioner Vota made a motion to enter into Executive Session at 5:54pm to discuss the McNeil commercial items under the provisions of Title 1, Section 313(a) (1)(A) of the Vermont Statutes; Commissioner Bonn seconded the motion. Commission vote; 4 ayes 0 nays.

Commissioner Hobbs made a motion to exit Executive Session at 6:05pm; Commission Vota seconded the motion. Commission vote; 4 ayes 0 nays

Adjourn

Commissioner Vota made a motion to adjourn; the motion was seconded by Commissioner Hobbs, Commission vote; 4 ayes 0 nays.

The meeting of the Burlington Electric Commission adjourned at 6:05p.m.

Minutes drafted by Elena Alexander, Board Clerk, edited by Emily Stebbins-Wheelock, CFO & Manager of Strategy and Innovation

Attest: ____________________
Elena Alexander, Board Clerk