

**DRAFT MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, April 9, 2025

The regular meeting of the Burlington Electric Commission was convened at 5:03 pm on Wednesday, April 9, 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, Scott Moody, Andy Vota and Bethany Whitaker were present.
- Staff members Elena Alexander, Paul Alexander, Mike Kanarick, Munir Kasti, Darren Springer, and Emily Stebbins-Wheelock were present at 585 Pine St.
- Staff members James Gibbons and Amber Widmayer were present via Microsoft Teams.

Agenda

- There were no changes to the Agenda.

Meeting Minutes

- Commissioner Vota made a motion to approve the minutes of the March 12, 2025, Commission Meeting; Commissioner Whitaker seconded the motion. Vote: 4 ayes 0 nays.

Public Forum

- No members of the public were present.

Commissioners Corner

- No items stated.

General Manager's Update

General Manager Springer shared that staff along with Commission Chair Moody presented the 2025 Jim Reardon Public Service Award to Ita Meno, BED's Project and Equity Analyst. We appreciate all the amazing outreach work Ita is doing in our community, making people aware of our programs, taking good feedback that we can learn from as we design new programs, and ensuring all of our customers have access to everything that we offer, as well as all the community service that Ita does on boards and other ventures outside of BED.

The McNeil RFPs have been approved by the TEUC and will go to City Council on Monday along with the 2024 Net Zero Roadmap update.

The federal DoT EV charging grant is a dynamic situation; we'll continue to advocate and are not giving up on it. In the meantime, we'll continue to invest and are pleased to announce that there is a new fast charger located at the waterfront. This now makes three fast chargers in our network: Pease lot, 585 Pine, and Marketplace Garage.

We're doing a battery storage pilot with a company called Viridi that is based in Buffalo, New York. I was able to talk with their team a couple weeks ago based on a mutual connection about the testing of 250kWh mobile batteries at Green Mountain Power and, instead of bringing them back to Buffalo, they offered to bring them here. BED connected them on Tuesday and they are now up and running. Policy & Planning staff will be using the interface and seeing how it works. The batteries can be used for discharge events against peak. If they work out well, BED is interested in whether we might be able to bring in a larger mobile storage unit, maybe 1.2 MWh that we can connect here at 585 for the summertime. As we'll touch on in the budget presentation, transmission costs continue to be an unacceptably large driver of our cost increases and one we have almost no control over. The one piece of control we do have is if we can reduce our peak demand, which will help reduce transmission costs in the next year's budget. It won't necessarily help with this year's budget, but it will help us for next year and we know the annual peak will be sometime this summer. We'll run our Defeat the Peak events, but if we had a mobile battery, too, that could be a real help and a nice interim step between now and when we ultimately deploy a battery or batteries around the city as a result of our RFP that we recently issued and are reviewing results from. We'll see how this works out over the next couple weeks and will then look into whether there's an option economically to have a larger battery on-site to demo for the summer.

A couple of items that we covered in the press release today, but that aren't really part of the Net Zero Roadmap are (1) we announced that we plan to file this summer a pilot tariff for the heat pump pilot program with the Public Utility Commission pending some vendor negotiations. The Commission has already reviewed that, but we need to bring it to the PUC and we are waiting to make sure that we have as long a runway as possible on our 18-month pilot once they approve it. Once approved, we'll be able to sign up customers for the Building GIANTS program and get them enrolled. We also announced that we're going to be piloting a process for certain rebate programs (including induction stoves) to provide a bill credit instead of a paper check in the mail, making it a smoother process. These smaller rebate bill credits will be rolled out this summer. Another program offering that went live today is the Moduly residential battery storage pilot program. Customers can express their interest and sign up to be part of that pilot. The 10 pilot batteries are due to arrive in the next month or so. BED is looking for a mix of customers, including rental properties and single-family homes in different locations.

BED also announced a Dynamic EV Charging Rate Option for EV rate customers. BED has dramatically expanded the number of hours where somebody with an EV or a plug-in hybrid can charge at the most affordable beneficial rate without contributing to peak demand. BED will proactively alert you and then interrupt you during the peaks only. This could be around five to ten times a month and typically three to five hours per duration. This option is available online for all customers.

On Monday evening BED received a nice shout out in the Mayor's State of the City address for the work we're doing around the revenue bond, electrification incentives, and making McNeil more efficient and reducing the environmental footprint. Climate continues to be among the top three priorities for the Mayor, as she said today during the press conference here on the Net Zero Roadmap.

Commissioner Vota asked General Manager Springer to talk a little bit more about how the electric charging grant has been impacted by recent federal actions. General Manager Springer shared that BED won a competitive EV charging grant for just under \$5 million through the Department of Transportation's Charging & Fueling Infrastructure program. BED's was the only Vermont entity to be selected for an award. The BED team worked right up until the change in administration to try to get the award obligated, including completing NEPA review, but it was not obligated prior to the transition to the new administration. That only has some relevance, however, because even grants that were obligated were also frozen. An executive order and an Office of Management & Budget memo have been issued essentially freezing these grants and establishing review periods. The terms "EV" or "EV charging" have been identified by the administration as triggering review. There was litigation and there was an injunction at one point from the district court to unfreeze these types of grants. The latest that we know is that there was a memo from the administration saying that they were pausing these grants for 90 days while they reviewed to see if they needed to change any of the criteria related to the grants to match administration priorities. We are currently in that 90-day window. From a pure legal standpoint, it's not clear to me they can simply rescind grants that were awarded under Congressional appropriations legislation, absent the Supreme Court ruling that, which hasn't happened. Whether you could say an EV charging grant can't be used for EV charging is questionable in my mind. Narrowing the parameters or making it more difficult to administer might be something that they'll look to do.

Commissioner Vota asked for an update on the energy efficiency charge and related legislative activity. General Manager Springer explained that the S65 bill in the legislature is tabled in the Senate and was complicated because there was a Clean Heat Standard repeal attached to it. The bill went through various committees with some consternation, not over our piece of it, but over broader aspects and it's been pulled back into the Senate committee. I don't know if anything will happen with it this year or whether a study will emerge, but it does not seem to be moving forward at this point. Separate from that, we've had a PUC proceeding related to the deficit in the energy efficiency charge account related to an under-collection based on rates dating back to the 2020 pandemic timeframe. Ms Stebbins-Wheelock shared that in that PUC proceeding, the Department provided an initial set of documents to the PUC and the Public Service Department, there was a workshop scheduled three weeks later to answer any questions, and that went well. The Department of Public Service did not have any questions for us,

but the PUC hearing officer handling the case had some questions, which we talked through, and we agreed to supplement the record with some additional information and analysis which we just filed last Friday. At this point, the schedule that remains in the docket is that the PSD has three weeks to review and comment, and BED has two weeks to comment on the PSD's comments. At this point, that's all that's scheduled or contemplated in terms of process. It's going well in terms of providing

the information requested and answering all the questions. If we have done all of that satisfactorily, I think the Commission will be able to resolve the docket in whatever way it sees fit.

FY25 February Financials

Ms. Stebbins-Wheelock presented the February financial results.

In February, we had a net loss of \$2,000 compared to a budgeted net income of \$846,000, a variance of \$848,000 compared to budget.

Sales to customers had a positive variance of \$214,000 this month. Other revenues were down modestly, by \$111k, most of which is EEU reimbursement. The biggest revenue variance is power supply revenues or REC revenues, which were not delivered when budgeted resulting in a 100% negative variance for the month. We expect that variance to be resolved or made up later in the fiscal year.

Net power supply expense had a modest positive variance of \$38,000, with fuel expense favorable because McNeil production was 19% under budget, transmission slightly favorable, and purchased power was modestly over budget. Energy prices were higher than budget and higher production from some of our wind resources helped to offset lower McNeil production.

Other operating and maintenance expense had a positive variance of \$221,000. There was a favorable variance of \$290,000 in other income and deductions due to the timing of grant proceeds and customer contributions to capital projects.

Overall, for the year to date, as of February, the Department has an actual net income of \$3 million as compared to the budget of \$4 million at this point in the year. Capital spending as of February was \$5.8 million, which is about 50% of the full-year budget. We are seeing some distribution projects start to get installed this spring, and McNeil is currently performing their annual maintenance outage.

Total operating cash was \$11.2 million as of the end of February, \$800,000 less than budget. The debt service coverage ratio was at 5.14, the adjusted debt service ratio was 1.34, and there were 156 days cash on hand, including the line of credit.

Commissioner Vota asked if it's a good sign that the capital budget is catching up and how projected final net income for the year compares to the budgeted net income of \$3.3 million. Ms. Stebbins-Wheelock stated that the current year-end forecast is showing that we'll be slightly under budget for total net income, but probably not as large a variance as exists as of February results. The REC revenues will settle out and we are also starting to see the FEMA grant reimbursement come in for the Winooski Dam replacement, which currently is contributing to a large variance in other income and deductions. We received the first FEMA payment of about \$900,000 a couple weeks ago, and there'll be another \$300,000 payment coming in the next couple of weeks. .

FY26 Draft Budget Presentation

General Manager Springer and Ms. Stebbins-Wheelock presented the following:

The Department is still in the budget development process but we wanted to provide the Commission with an update of where we started, where we are, and the work we still have to do to get to a sustainable budget.

We're seeing significant purchase power and transmission cost increases for next fiscal year, a cost of living adjustment of 3% per the IBEW contract, and increases in health insurance and benefits costs, as are most organizations in Vermont. Our Renewable Energy Standard (RES) obligations are becoming more expensive by design. Our Tier 3 obligation grows each year and FY26 will be the first year that the revisions to the RES that were passed last legislative session come into effect and we will have to comply with being 100% renewable for load growth over a baseline. There will be new expenses associated with what is called "Tier 5" in the statute, which consists of obtaining or retiring RECs for new renewables to cover that load growth segment.

There are positives tied to this upward budget pressure. For example, the FY26 budget contains funds to cover 50% of the expenses of the Building GIANTS program, with the other 50% grant funded. We are in our first year of paying for new software systems that are 100% BED-funded, but we will be paying for the old systems as well during the transition.

The Customer Information System, Distributed Energy Resources Management System, and Outage Management System are all new maintenance contracts budgeted in FY26. Because of the additional federal grant income we have received in recent years, we anticipate being over the threshold in FY25 for requiring a "single audit" our Uniform Guidance audit of our grant program activity, which is also an added expense.

BED plans to issue the Net Zero Energy & Grid Reliability Revenue Bond in FY26 and has included those issuance costs in the budget as an expense.

We have materials, supplies, and other expenses that are subject to inflation. Luckily, we are not seeing high rates of inflation like we saw three years ago, but there are still inflationary pressures in the budget.

Commissioner Whitaker asked about the retirement fund and pension investments and with the current stock market status whether there will be enough money in the fund. Ms. Stebbins-Wheelock explained that BED's contribution to the pension fund is based on an actuarial valuation that was done as of last June 30th and is based on a 5-year average so what's happening in the stock market right now won't affect us until a year from now. The City also has lowered its assumptions around pension investment returns over the past several years to make up for previously higher assumptions, although there is still a gap between the pension liability and plan's funding. To address the stock market volatility, we assume a year-end pension expense adjustment equal to the previous three-year average.

Commissioner Bonn asked what is being done to plan for future tariff impacts. Ms. Stebbins-Wheelock stated that BED has seen the first invoices listing “shipping tariffs” as a line item, but there haven't been many and expenses from new tariffs have not been budgeted for in any specific way.

Ms. Stebbins-Wheelock continued with the presentation, stating that another line item helping the budget, albeit modestly, is growth in kilowatt hour sales of about 1.5%, which translates to a 1.4% revenue increase. REC markets are strong right now, which also increases budgeted FY26 revenue.

All together, we had an initial budget gap of about \$5.5 million to get to a net income that gives us healthy Moody's rating metrics.

Ms. Stebbins-Wheelock then reviewed highlights from the preliminary FY26 capital budget. Distribution system investments to support reliability and Net Zero Energy, fleet electrification, and replacing essential vehicles continue to be part of the capital budget. One of the largest new capital items is the FERC relicensing of Winooski One, which we can capitalize because the license is good for 30 years and the costs of relicensing can be amortized over the period. We've been working on this project for about 18 months, with BED staff, lawyers, and consulting engineers preparing FERC filings and planning for relicensing. We are now in the stage of conducting FERC-ordered natural resource studies, for example on eels and other fish species, which will be the biggest capital expenditure. This is a major project consisting of two study seasons, the first beginning this spring and the other to follow next summer.

The second significant new item is the wood chip dryer at McNeil. The first phase in FY26 will consist of design and engineering, the second phase is the installation, which is planned for FY27.

In FY26 the customer information system, portal, outage management system, and distribution management system IT Forward projects will be completed and the plan is to also begin replacing the financial system in FY26. The CIS, FIS, and Work Asset Management system replacements need to happen close together because they're replacing a unified legacy system.

Two uncertainties affecting the capital budget are the status of federal EV charging grant funds and timing of issuance of the next revenue bond.

Ms. Stebbins-Wheelock then presented key assumptions in the preliminary FY26 budget:

- Currently, the Department is projecting a 4.5% rate increase to support the FY26 budget. We had hoped to limit the increase to 3%, but with the \$5.5 million gap, we needed to move to the 4.5%.
- Energy price assumptions are higher than FY25.
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- Modest increase in the price per ton of wood fuel
- 3% cost of living adjustment
- Tier 3 electrification above our compliance requirement by 20%
- \$222,000 investment in VELCO Equity

- continued capital investments using the remaining proceeds of the 2022 revenue bond, proceeds from the new 2025 Revenue Bond, as well as our annual \$3 million general obligation bond.

Ms. Stebbins-Wheelock then reviewed preliminary line-item changes from the 2025 budget:

- Sales to customers, between the load growth and a 4.5% rate increase, would increase by 5% or \$2.8 million.
- REC revenues are budgeted to be up 19% from last year.
- Fuel, a modest increase of around 5%.
- Transmission expense is budgeted to increase even more than last year, by 14%.
- Purchased power is also up significantly at 14%. \$360,000 of the \$2.2 million purchased power expense increase is related to load growth. Tier 1 VT RES compliance is up \$400,000 due to the cost of the VT Tier 1 replacement RECs that we purchase for arbitrage. The Hydro Quebec contract price is up, adding just over \$250,000 of expense. (Hydro Quebec has an index to the wholesale electric prices which have increased 27%.) In the forward reserve market, we are budgeting conservatively for a brand-new set of market rules that Took effect on March 1. The new market rules do open up the possibility for additional revenues for McNeil. Capacity charges are also up, and the new Tier 5 compliance requirement is adding \$120,000 of cost. Our First Light contract that we signed last summer will expire at the end of December 2025, which means BED will have to enter a new power supply contract to replace that renewable energy. As you saw, energy prices are quite high. If we simply replaced that contract for the rest of a budget year we would expect no savings compared to market price because the seller and BED are aware of those market prices and there is not a lot of motivation for differentiating them. If we can do something creative like signing a longer-term contract or switching to another supplier we might improve the budget but not drastically. BED has reached out to potential renewable energy suppliers, but has not had a lot of response.
- Labor and labor and overhead (benefits & pension) is up a combined 9%.
- Maintenance contracts are up 34%, in part due to the new software systems.
- Materials and supplies are up 21%.
- Tier 3/tier 5 compliance are increasing by \$191k.
- Revenue bond issuance costs of \$150k.
- Interest rates have fallen, which means we're going to make less on our interest on investments in the bank.
- Grants and capital contributions are projected to be \$346k less than FY25.
- Interest expense is predicted to drop by 4%.

Commissioner Bonn asked if BED has done a deep dive into where costs can be cut. Ms. Stebbins-Wheelock responded that since March 17, the management team has made adjustments and cuts to reduce the \$5.5 million gap to a \$2 million gap. The team will continue to review this week to see what additional cost savings can be found.

Ms. Stebbins-Wheelock then summarized that the current budget draft shows an operating loss of \$3.2 million with net income of only \$500k. Net income should be closer to \$2.5 million to achieve

our targeted Moody's metrics. FY26 year-ending operating cash is currently projected at \$12 million. The Department is continuing to refine the capital budget. The non-revenue bond funded portion is just under \$3 million, which with the funding of our Tier 3 incentives uses the \$3 million general obligation bond that we receive annually. The revenue bond-funded amount is high and even higher than our FY25 budget. The BED team has had conversations about how much of this spending is supported by internal labor versus how much involves consultants – such as the Winooski One environmental studies, which are a capital outlay, but not necessarily expending a lot of resources internally.

As would be expected, the current draft budget does not support adequate Moody's metrics. Days cash on hand is okay at 125 and the debt service coverage ratio is okay at 4.17, but the adjusted debt service coverage ratio is way too low at 0.97. The Department needs to close the \$2 million net income gap to get the ADSCR in the 1.2 range. Commissioner Whitaker asked if BED needed to have the 1.2 ADSCR in order to issue the new revenue bond or finance projects. General Manager Springer confirmed that, no, we do not. The ADSCR is related to our Moody's A rating. The only bond covenant item is that the debt service coverage ratio has to be at least 1.25.

Commissioner Whitaker asked if it would be beneficial for BED to save money by delaying capital projects and whether that has been assessed. General Manager Springer explained that the challenge of delaying or cutting capital projects is that they are typically labor-intensive. If you defer them, that capitalized labor expense comes back to the operating budget. The other piece is that if something is revenue-bond funded, we can be a little bit agnostic as to the timing of it. If the total non-revenue bond funded projects exceed the annual \$3 million GO bond, then you would start to eat into cash. The bigger concern is whether we can move that much capital work through our system, even if some projects involve vendor and external partners. BED has typically underspent its capital budget so we may have the ambition to do that level of work and budget for it but then realize during the year that something doesn't advance as quickly as we want it to and it does not get done.

Commissioner Whitaker asked if it would help to issue the bond later or postpone projects? General Manager Springer responded that no, it would not, from the operating cash or operating expense standpoint.

Commissioner Vota asked if the prior bonds still have money left on them; Ms. Stebbins-Wheelock responded that no, funds from all prior bonds except the 2022 revenue bond have been expended. Commissioner Vota asked, when a new bond is issued, how does a bond show up in the financials? Ms. Stebbins-Wheelock explained that the bond is a liability, like an outstanding mortgage that you still have to pay off. All of the previously issued bonds are listed on the balance sheet under long-term liabilities, which shows the total outstanding debt we are paying off. The interest owed on the debt appears as interest expense on the income statement. The principal on the bonds appears on the cash flow statement.

Commissioner Vota asked how the bond funds are issued. Ms. Stebbins-Wheelock explained that after the bonds are issued, the monies go to the bond trustee, Zions Bancorp, who holds the money in a construction fund. As the Department spends money on projects designated for the revenue bond, we issue a requisition with an itemized list of projects and expenditures to the bond trustee

once a month and they transfer money from the construction fund to BED to cover those expenses that have already been paid. Mr. Gibbons added that when we file a cost of service for a rate increase, we file to recover our expenses, which include the interest but not the principal payment. We recover principal expenses through having depreciation expense.

Ms. Stebbins-Wheelock stated that the slides will be shared with the Commission and by the full FY26 proposed budget in detail, including the income statement, cash flow statement, and supporting detail will be included in the Commission packet for the May meeting.

Commissioner Vota inquired if the BED team is doing any budgeting scenarios around tariff increases. It seems prudent to do some level of analysis of what a bad tariff scenario could look like and whether there are areas of risk in BED purchasing where tariffs are imposed. Ms. Stebbins-Wheelock stated that while one could do scenario analysis around the specific tariff issue, one could also approach it by building in a contingency for unknowns. It could be tariffs, energy prices, or some other thing that happens, so ideally you would budget for the net income you need with a contingency, which would help deal with the unexpected. The trade off, however, is that the contingency would not meet the test to be included in a cost of service for a rate request and we are already stripping out everything that we can in order to keep the requested rate increase to a minimum. Mr. Springer added that we have done analysis on the potential impacts to our Hydro Quebec purchased power contract if a tariff applied and was passed through appropriately. We have not put a contingency in the budget based on that, but we do know the parameters. BED does import some materials from China; it is not the bulk of what we typically import, but may affect certain purchases such as battery storage systems.

Commissioner Bonn stated that if BED could rank risks or uncertainties such as Hydro Quebec, semiconductors, battery storage, or even reliance on anticipated load growth based on heat pump installations, we could plan what we might need to do to buffer against them. General Manager Springer stated that if tariffs end up impacting us in a significant way, it's not that it's anticipated or unanticipated; it's not fully knowable right now. If it became more concrete, we would likely adjust our plans because we meet every month to review the progress on the budget, the current projections, and we manage it actively during the year, adjusting and prioritizing as needed.

FY26 Projected Rate Change

Ms. Stebbins-Wheelock stated that the Department is currently projecting a 4.5% rate change in FY26 to take effect on bills rendered September 1, 2025. She presented a slide showing all BED rate changes since 1980 as well as historical rate changes by a few other Vermont utilities.

Mr. Springer added that this is BED's second-lowest rate increase since the pandemic and that the Department has shared the 4.5% estimate with large customers (including UVM, UVMMC, and the Water Department) whose budgets are significantly affected by these rate changes and need to do budget planning in advance of when our budgets are completed.

Ms. Stebbins-Wheelock then showed the requested rate changes for the past five years versus the rate change we believe we could have justified assuming a net income equal to twice our interest expense. In 2024 we asked for essentially what we needed, but in 2023, 2022, and 2021 we asked

for significantly less than what we could have justified. The accounting and policy and planning teams are working now on developing the cost of service for 2025.

Wholesale energy prices, as you saw in our budget, are projected to be higher for FY26 not only in Vermont and New England but everywhere around the country. An EIA projection from this January, shows that the Southwest and California are looking at 30-35% increases in wholesale power. New England's projected increase is 16% compared to last year.

General Manager Springer discussed some recent news articles reporting increased energy prices and electric bill for utilities in Rhode Island and Massachusetts, where they are more subject to the volatility of the natural gas markets, and saw natural gas and electric prices rising over 30% over a two-year period. BED is not seeing that kind of volatility due to our 100% renewable portfolio, including McNeil. Mr. Springer stated that while the Department is not happy to have a 4.5% rate increase, cost pressures in the electric utility space are broader than BED. Because Vermont is a fully vertically integrated and regulated state versus deregulated, the utilities have long-term power planning, and stably priced contracts that protect us against some of these market spikes and we also have our own resources that we can rely on to some extent. The context doesn't make it any easier for anybody in Burlington who's seeing any type of cost increase to bear the rate change, but we are trying to keep rate changes to the low single digits and as stable and predictable as possible, without dramatic spikes that nobody can afford or manage. Vermont's mandates for the diversification of energy sources and long-term, stably priced renewable energy contracts or owned resources may sometimes look like we're not saving as much money as other states, but when prices spike, we have a lot of upside protection relative to what you would see when you are more exposed. McNeil is a big part of that for BED because we can control when it operates. The plant ran pretty steadily in December, January, and February this past winter, insulating us from the impacts that southern New England experienced and earning BED money for being available and producing power during that period. In addition, BED is in the market for hydro resources and have found it hard to come by.

Mr. Gibbons made the point that, if the energy prices are up 27%, our energy cost costs aren't up 27% because of our resource portfolio. Some contracts, like Hydro Quebec, do move up. It's not perfect insulation and none of our resources insulate us against transmission, which is very hard to control unless you can reduce your coincident peak and do so at a cost less than paying for your coincident peak.

Mr. Springer stated that apart from this power supply dynamic, larger entities in New England are proposing some very expensive projects that they say are needed for reliability or to connect resources. BED is only 4% of the region, so we're not the big player. There are some larger utilities that are significantly resourced that can earn a significant return on building transmission, some of which is going to be looked at on a national regulatory level more than a state regulatory level if it's interstate transmission. The amount of leverage or control that individual states or even a group of states have over that buildout can be limited. There's a guaranteed rate of return on those transmission projects if they're done under certain provisions, and the difference between that buildout and what we build in Vermont and receive from the region is driving the \$1.5 million increase in transmission expense this year. We have no control over it because we have to be connected to the grid and BED is paying a lot as a relatively small utility. That raises the challenge

for VELCO to determine what projects need to be done and how will they be covered, which in turn drives equity calls by VELCO because they need to finance those projects a mix of equity and debt. The equity is good, contributing \$4.5 million annually to our net income in dividends, but the ability to come up with the cash to pay for that equity in order to get that return has become a significant challenge. We are working with VPPSA and looking at a variety of financing options. Battery storage, if it's cost effective, could also help mitigate it. VELCO is aware of the regional challenge and to some extent the state is looking at these issues as well. We'd love to see aggressive advocacy from Vermont at the regional level to scrutinize these costs and make sure that we're not overbuilding multibillion dollar projects that are adding cost to all of our customers. Motivation is critical here, which is if you're a transmission company, you must make investments.

Ms. Stebbins-Wheelock showed graphs, comparing BED rates including the projected increase as compared to the change in housing prices, core inflation, and health care costs. BED is continuing to track below inflation since 2010. The next slide showed BED's residential rate compared to New England, And Vermont (as represented by GMP and Vermont Electric Coop). The next slide showed BED's commercial rates as being higher than the rest of Vermont but still well below the rest of New England. BED's total cost to serve is still lower than New England and the rest of Vermont. Ms. Stebbins-Wheelock shared that for the average residential customer who uses 419 kilowatt hours a month, a 4.5% across-the-board rate increase would increase their bill by \$3.78 per month. A small general service commercial customer would see an increase of \$4.81 per month. Energy assistance program customers would see an estimated bill impact of \$3.74 a month on average.

Also in May, the Department anticipates proposing to the Commission a revision to the Energy Assistance Program tariff that would allow nonprofit residential shelters to qualify for the rate as well as certain nonprofit housing providers that have low-income tenants who would otherwise qualify, if the housing provider pays the electric bill but promises to pass the savings to the tenants. Commissioner Whitaker asked how many providers there are who would qualify for this proposed change and Ms. Stebbins-Wheelock replied that BED is in the process of gathering this information and will have it for the May meeting. Mr. Springer stated that the impetus for this that one of the shelter providers was facing a fairly significant demand charge as a large general service customer. This proposal is one of the ways BED could help without changing our rate structure.

Commissioner Bonn asked if BED attended the Better Buildings by Design event. General Manager Springer responded that Director of Energy Services Chris Burns was in attendance and was able to bring back some useful information. Commissioner Bonn stated that she could put BED in touch with Dr. Hansen, a Columbia professor who has been studying energy burden and brand design to provide more information and serve as a great resource.

General Manager noted that the finalized FY26 budget and rate proposal will be presented to the Commission in May where it will be voted on and then presented to the Board of Finance. Due to scheduling, the Department will be giving its initial presentation to the Board of Finance on May 7, which is ahead of our next Commission meeting. The Electric Commission will vote first, however, to approve and recommend the budget as well as the rate case, after which both items will go to the Board of Finance later that month and then to the City Council in June.

Net Zero Road Map Update

Commissioners' Check-In

No topics discussed.

Executive Session - McNeil Commercial Items

Commissioner Whitaker 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 Vota seconded motion. Commission vote; 4 ayes 0 nays.

Commissioner Whitaker made a motion to enter into Executive Session at 6:45pm 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; Commissioner Vota seconded the motion. Commission vote; 4 ayes 0 nays

Commissioner Vota made a motion to exit Executive Session at 7:25pm; Commissioner Whitaker seconded the motion. Commission vote; 4 ayes 0 nays

Executive Session - Personnel Matters

Commissioner Whitaker made the motion that premature general public knowledge regarding personnel matters 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 Whitaker made a motion to enter into Executive Session at 7:25pm to discuss personnel matters 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 Vota made a motion to exit Executive Session at 7:42pm; Commissioner Whitaker 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 7:42p.m.

Microsoft Teams transcript used to create minutes drafted by Elena Alexander, Board Clerk, edited by Emily Stebbins-Wheelock, CFO & Manager of Strategy and Innovation.

Attest:  _____
Elena Alexander, Board Clerk