

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, September 10, 2025

The regular meeting of the Burlington Electric Commission was convened at 5:01 pm on Wednesday, September 10, 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, Ali Kenney, Scott Moody, Andy Vota, and Bethany Whitaker were present.
- Staff members Elena Alexander, Paul Alexander, Chris Burns, Mike Kanarick, Munir Kasti, Lincoln Sprague, Darren Springer, and Emily Stebbins-Wheelock were present at 585 Pine Street, and James Gibbons was present via Microsoft Teams.
- Public member Alan Bjerke was present at 585 Pine Street.

Agenda

There were no proposed changes to the agenda.

Meeting Minutes

Commissioner Moody made a motion to approve the minutes of the July 23, 2025, Commission Meeting; Commissioner Vota seconded the motion. Vote: 5 ayes 0 nays.

Public Forum

Alan Bjerke, Burlington resident: Spoke about miscellaneous service fees, particularly the initial service fee, stating that in March 2024, the City Council approved new fees, such as an initial service fee of \$6 to replace the current \$30 fee. Mr. Bjerke, noting that BED was in the process of seeking a second round (due to correction of calculation errors and to adjust fees to align with current wages and vehicle costs) of regulatory approval to implement the fees, expressed concern about the delay and requested that the Electric Commission help ensure that BED implements the changes by December 15, 2025.

Commissioners' Corner

Commissioners welcomed Ali Kenney to the Commission, expressing enthusiasm for her valuable experience and strategic thinking. The Commission also thanked Commissioner Whitaker for her service and insightful contributions as both a Commissioner and Vice Chair.

Commissioner Vota inquired about the vacancy that will be left by Commissioner Whitaker's resignation, noting that it was not yet posted on the City of Burlington's website, which lists current openings for boards and commissions. Commissioner Vota sought clarity on when the vacancy would be announced. General Manager Springer explained that the next step is for Commissioner Whitaker to formally submit her resignation, triggering the vacancy posting process by the City Clerk's office.

General Manager's Update

General Manager Springer started by reading a communication from Ms. Stebbins-Wheelock to Mr. Bjerke concerning miscellaneous service fees filed on September 3, 2025. Initially, the fees were intended to be pursued, pending PUC approval, but a subsequent withdrawal of the tariff filing occurred after identifying calculation errors, acknowledged by the BED team. Given the elapsed time since the last cost update, a revision based on the latest rates for labor, fringe benefits, and vehicles is necessary. An updated proposal is planned for the October 8, 2025 Commission meeting and subsequently will go to the Board of Finance and City Council for approval before being refiled with the PUC. This thorough revision aims to ensure accuracy and to facilitate a smoother approval process.

Next, GM Springer focused on the August 29, 2025 Department of Public Service (DPS) response to a July 31, 2025 PUC letter. The Department recommended a third-party audit of BED's business and regulatory processes. GM Springer acknowledged past performance issues, including the McNeil REC error, and stated that the team is taking steps to enhance accountability and communication through regular meetings with the Department. GM Springer stated that a comprehensive review of the REC process has been conducted with interdisciplinary meetings that led to a detailed memo to guide future REC reporting activity. GM Springer also acknowledged that energy efficiency programs are under scrutiny and that BED has been closely analyzing its processes in this area, incorporating DPS feedback as BED aims for revised and corrected processes in the coming weeks.

There are two vacancies in the Policy and Planning department that BED seeks to fill to bolster regulatory and power supply efforts. Changes to incentive programs will be paused to concentrate on the successful implementation of existing projects. A new internal regulatory review structure has been introduced to regularly exchange information on deadlines, filings, and responsibilities, with GM Springer directly overseeing all PUC filings to ensure accuracy during this critical period.

GM Springer emphasized that the third-party review will provide valuable recommendations that will be incorporated into BED's efforts to create better processes that will help BED restore regulatory credibility. The third-party firm will not be a traditional auditor (BED's annual financial statements are already audited by an external firm); rather, it is likely to be a consulting firm specializing in municipal utility operations.

Commissioner Vota asked GM Springer his thoughts on staffing, maybe to include a regulatory supervisor. GM Springer noted that, while regulatory tasks currently are handled by a small segment of the team, creating a regulatory supervisor role may be helpful and that any staffing decisions will be postponed until the third-party consultants have completed their review. GM Springer stated that BED is undertaking root cause analyses concerning REC issues and challenges within the energy efficiency program.

Commissioner Vota asked about concerns raised by Mr. Bjerke regarding fee errors. GM Springer clarified that ratepayers were not overcharged, but rather that current fees have complied with the Department's approved fee tariff. GM Springer stated that revised fees are based on recent evaluations. The updated fee structure will be prepared for the October Commission meeting, and GM Springer will advocate for a swift review process from the Board of Finance and City Council.

GM Springer shared plans to test the use of 99 percent renewable diesel at the gas turbine, and plans for an enhanced EV incentives announcement on September 22, 2025 at 1pm.

Financial Review

Ms. Stebbins-Wheelock first presented an update on the preliminary, unaudited financial results for FY25, which show an actual net income of \$2.3 million as compared to the budgeted target of \$3.3 million. A post-closing adjustment to sales to customers related to unbilled revenue improved sales revenue, but the annual adjustment related to pension liability increased expense by \$1.4 million, affecting net income but not the Moody's metric for evaluating revenues available for debt service. Without the pension adjustment, net income would have been approximately \$3.7 million, exceeding budget expectations. Preliminary financial metrics for June show a debt service coverage ratio of 5.03 and an adjusted debt service coverage ratio of 1.29.

For July FY26, the Department reported an actual net loss of \$52,000 compared to a budgeted loss of \$279,000, an outperformance of \$227,000. Sales to customers were \$296,000 higher than budget. Other revenues, mostly energy efficiency utility reimbursement, experienced a negative variance of \$84,000. Net power supply expenses were \$107,000 higher than budgeted, primarily due to higher transmission and purchased power costs offset by fuel savings and capacity and ancillary market revenues. Other operating and maintenance expenses were favorable by \$155,000.

July FY26 capital expenditures were \$240,000 or 2% of the fiscal year budget. Unrestricted cash as of July 31 was \$11.713 million as compared to a budget of \$11.8 million. The debt service coverage ratio for the most recent 12 months is 4.92, the adjusted debt service coverage ratio is 1.24, and days cash on hand were 141 including the \$10 million line of credit.

Commissioner Kenney asked about transmission fees. Mr. Gibbons explained that the transmission cost structure is complex. Variables driving these costs include the ISO New England peak load,

Vermont's peak load, and BED's peak load, and the transmission rate. The Department updates its year-end forecast monthly based on year-to-date information.

Efficiency Programs Update

Director of Energy Services Chris Burns presented an update on the performance and challenges of BED's major energy efficiency programs that are part of BED's energy efficiency utility (EEU) designation, with an emphasis on the 2024-26 program period. Mr. Burns outlined how the EEU energy efficiency charge (EEC) allocations mirror customer sales, with 75 percent distributed to the commercial sector and 25 percent to residential clients, reflecting their respective contributions to overall energy savings.

Mr. Burns highlighted the importance of proactive engagement with businesses to identify energy-saving opportunities, particularly in the HVAC sector, which has seen a shift from simpler retrofitting efforts—like replacing incandescent lights with LEDs—to more complex systems that can last decades.

Engagement with customers has been balanced between those seeking assistance and those proactively contacted by the EEU, with many long-term partnerships formed within the design and contracting communities. Increased customer inquiries regarding high bills during economic challenges demonstrate a growing need for managing operational costs. Additionally, new commercial construction now adheres to stringent energy efficiency standards set by the state, which complicates the claim for savings.

Mr. Burns emphasized that traditional checklist approaches are yielding to energy modeling for measuring the impact of construction programs, as building performance needs monitoring over an extended period to ensure optimal efficiency. In the residential sector, collaborative efforts with VGS are improving energy use in both low-income and market-rate homes, especially through dual-fuel systems and weatherization strategies. Commissioner Moody asked about the effectiveness of window replacement and, in response, Mr. Burns shared that attic insulation and overall air-sealing were much more cost-effective.

The presentation also reviewed the role of heat pumps in enhancing energy efficiency, particularly the integration of ductless systems and the potential for air-to-water heat pumps in homes previously reliant on hydronic systems. The dedication to steering residential consumers toward energy-efficient appliances is evident, as is the commitment to high-performance residential construction exceeding existing codes.

Despite sluggish progress in 2024, particularly in the commercial sector, promising projects are anticipated to invigorate efforts towards achieving performance goals by 2026, including notable progress at Burlington Square and the new Burlington High School. The EEU aims to meet

approximately 80 to 90 percent of its performance targets, while unspent funds may be returned to ratepayers if goals are not met.

Overall, the collaborative policies and initiatives spearheaded by the EEU have led to a significant reduction in energy consumption since 1989, marking a noteworthy achievement in light of Burlington's growth.

Street Lighting Tariff

GM Springer shared that the Burlington Police Department has proposed the installation of security cameras on utility poles to enhance public safety. The Department needed to identify a billing mechanism for the cameras' electricity use, as individually metering each camera would be impractical and costly due to their minimal energy consumption. To address this, the Department is proposing an update to its street lighting tariff that will set flat monthly rates per camera. One camera will be metered to monitor the accuracy of the flat rate. The tariff contains a similar revision to address City-operated parking ban lights. The energy usage and therefore the expected revenue from the cameras and parking ban lights are minor -- approximately \$250 annually for the cameras and \$1,300 annually for the parking ban lights -- leading to the decision to use a streamlined billing strategy. At the same time, the Department is proposing other updates to the tariff to align with current technology and practices.

Commissioner Vota made the motion "I move to approve and recommend that the City Council authorize the Burlington Electric Department to file the updated street lighting tariff with the Vermont Public Utility Commission for approval." Commissioner Whitaker seconded the motion.
Vote: 5 ayes 0 nays

Relevate Power Contract

In public session, Mr. Gibbons asked that the Commission enter into executive session to discuss the terms and pricing of a new hydropower proposal to replace the contract with FirstLight that expires on December 31, 2025. Contracting for replacement energy is essential to maintain the Department's 100 percent renewability and associated statutory exemptions.

Commissioner Moody made the motion "I move that the Commission enter into executive session with BED Staff to discuss the Relevate Power contract terms under the provisions of Title 1, Section 313(a) (1) (A) of the Vermont Statutes." Commissioner Whitaker seconded the motion. Vote: 5 ayes 0 nays

Executive Session start time: 7:06pm

Executive Session end time: 7:38pm

Commissioner Kenney made the motion "I move that the Burlington Electric Commission authorizes the General Manager or his delegee to enter a contract for up to 50,000 MWH of energy and RECs and capacity (i.e. renewable energy) with Relevate Power for a term of up to five years,

beginning no earlier than January 1, 2026, with a cost structure not to exceed that discussed in executive session.” Commissioner Moody seconded the motion. Vote 4 ayes 0 nays (Commissioner Whitaker abstained from the vote)

Commissioner Kenney made the motion “I move that the Burlington Electric Commission further authorizes the General Manager or his delegee to seek approval from the Burlington City Council to extend the just described contract for an additional five-year term (for a total of ten years from its start date) commencing at the end of the initial five-year term, at the same price.” Commissioner Moody seconded the motion. Vote 4 ayes 0 nays (Commissioner Whitaker abstained from the vote)

Commissioners’ Check-In

Commissioner Moody thanked Commissioner Whitaker for her dedication over the last 4 years as Commission Vice Chair and wished her the best in her future endeavors.

Adjourn

Commissioner Moody made a motion to adjourn; the motion was seconded by Commissioner Vota; Commission vote; 4 ayes 0 nays (Commissioner Whitaker was not present for the vote)

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, and edited by Mike Kanarick, Manager of Customer Care, Communications & Energy Services and Emily Stebbins-Wheelock CFO & Manager of Strategy and Innovation.

Attest:  _____
Elena Alexander, Board Clerk