

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, December 10, 2025

The regular meeting of the Burlington Electric Commission was convened at 5:01 pm on Wednesday, December 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, and Brian Williams were present.
- Commissioner Scott Moody was present via Microsoft Teams.
- Staff members Elena Alexander, Paul Alexander, Seth Clifford, Erica Ferland, Mike Kanarick, Munir Kasti, Lincoln Sprague, Darren Springer, Emily Stebbins-Wheelock, and UVM Fellow Caroline Catlin were present at 585 Pine Street.
- Staff member Michael Harron was present via Microsoft Teams.
- Public member Nick Persampiaro was present at 585 Pine Street.
- Public member Pike Porter was present via Microsoft Teams.

Agenda

There were no proposed changes to the agenda.

Meeting Minutes

Commissioner Williams requested clarification regarding the reporting periods for the 3rd and 4th bullet points under the financial review section. Ms. Stebbins-Wheelock explained that the two bullets refer to separate reporting periods. The following changes were proposed as amendments to the November 12, 2025 minutes:

- Power supply revenues for the year to date are below budget because of lower McNeil production **in prior months**, resulting in fewer renewable energy credits to sell than expected.
- Net power supply expense had a favorable variance of \$122k: higher fuel costs from increased McNeil production **in the current month** and gas turbine R99 testing were offset by reduced purchased power and transmission costs.

Commissioner Kenney moved to accept the minutes as amended. Commissioner Williams seconded the motion. Vote: 4 ayes 0 nays.

Public Forum

Nick Persampiaro, a Burlington resident and ratepayer, addressed the board regarding the Velerity report, which evaluates options for improving efficiency and reducing stack emissions at the McNeil

station. He requested that a comprehensive assessment be performed before investing potentially billions into repowering the facility, including the considerations of whether McNeil should continue operating and alternative energy sources including hydropower, wind, solar, battery storage, and even non-renewable options, rather than solely focusing on renewables. Mr. Persampiarì criticized the Velerity report for not examining natural gas repowering, arguing that while natural gas combustion emits greenhouse gases, it has significantly lower emissions than wood. He pointed out that the existing plant can already accommodate natural gas, and bypassing this option could result in missing opportunities for greater emission reductions.

Mr. Persampiarì also expressed concerns regarding the report's potential biases, specifically its financial assumptions. Mr. Persampiarì found the report's assertion that replacing McNeil's output with wholesale market power would burden the Electric Department financially unreasonable because it is based on data from only one month.

Lastly, Mr. Persampiarì cautioned against the notion that wood pyrolysis offers a clean, low-carbon alternative. He argued that pyrolysis still generates emissions and pollutants and fails to address the detrimental effects of wood harvesting on local forests.

Monthly Impact Minute

Caroline Catlin, a post-graduate MBA fellow from the University of Vermont, has been working on analyzing BED's customer segments and supporting the Department of Permitting & Inspections in implementation of the rental weatherization ordinance. The objective of Ms. Catlin's customer segmentation project was to identify distinct BED customer categories to inform a strategic marketing and outreach plan to improve participation in net-zero energy and efficiency programs. Ms. Catlin and BED staff identified four commercial and eight residential customer segments. Analysis of these segments revealed gaps in the initial customer satisfaction survey, indicating that some customer groups were underrepresented. This analysis also pointed out opportunities to enhance survey comprehension across all segments to ensure full representation. Ms. Catlin's findings suggest significant potential for targeted outreach and improved engagement strategies.

Commissioners' Corner

Commissioner Williams stated that the new commission SharePoint folder that was created for quick reference has been helpful.

General Manager's Update

General Manager Springer shared the following:

- Regulatory developments included a filing submitted last Friday regarding the District Energy docket at the Public Utility Commission.
- Comments regarding the scope of work proposed by the Department of Public Service for a Business Process Review RFP are due this coming Friday, December 12th.
- Requested approval for the second five years of the ten-year Relevate hydro contract is going to the Board of Finance on December 15th; formal presentation to the City Council is set for January 2026.
- BED will propose converting a vacant staff position to a new staff position titled PUC Counsel and Compliance Officer to the Board of Finance on December 15th and the City

Council on January 12th as part of a broader effort to enhance regulatory operations. If approved, this position will report directly to Mr. Springer, augmenting the team's capacity for regulatory responsibilities and ensuring efficient management of ongoing and future proceedings.

- General Manager Springer expressed gratitude to Commission Chair Bonn for participating in a recent hybrid webinar hosted with Sun Common. The webinar focused on commercial solar initiatives and attracted a diverse audience, leading to several project opportunities for local entities keen on solar energy solutions. The webinar highlighted updates on solar tax incentives and federal law implications.

October 2025 Financial Review

Emily Stebbins-Wheelock, CFO and Manager of Strategy & Innovation, presented financial results for October 2025.

- Net income for October was \$32,000 compared to a budgeted net loss of \$940,000, resulting in a positive variance of \$972,000.
- Revenues from sales to customers were under budget by \$64,000 and other revenues (mostly EEU reimbursements) were under budget by \$101,000.
- Net power supply expenses were significantly lower than budget by \$729,000, largely owing to the McNeil plant being offline for maintenance throughout October, which led to \$565,000 in fuel savings. Purchased power was \$220,000 higher than budget due to McNeil being offline, offset by nearly \$350,000 in favorable variances in transmission expenses.
- Other operating and maintenance expenses were under budget by \$132,000.
- Non-operating income was higher than budget largely due to the timing of a \$275,000 reimbursement from FEMA for the Winooski 1 dam bladder.
- Ms. Stebbins-Wheelock answered questions from Commissioner Kenney about the costs of the McNeil plant, explaining that BED's monthly and annual financial statements reflect BED's 50% joint ownership share of McNeil. Operational decisions for the plant are made by the department and BED's finance team conducts and records all financial transactions for McNeil, but budgets and other major decisions are subject to approval by all three joint owners.
- In terms of capital spending, only 16% of the fiscal year budget was used by the end of October due to timing variances in project expenditures.
- Operating cash fell to \$9.8 million, below the budget level of \$13.4 million, due to the timing of November 1 debt service payments on general obligation (GO) bonds and the issuance of the \$3 million 2026 GO bond in December instead of September as budgeted.
- Commissioner Williams requested more information pertaining to bonds. Ms. Stebbins-Wheelock explained the department's two types of debt: GO bonds, backed by the full faith and credit of the city, of up to \$3 million per year for electric plant enhancements per City charter; and revenue bonds, backed solely by BED's revenues, issued pursuant to City charter and a General Bond Resolution adopted by the Electric Commission in 1981.
- October financial metrics: debt service coverage ratio of 4.69, an adjusted debt service coverage ratio of 1.19, and 127 days cash on hand including the \$10 million line of credit.
- Ms. Stebbins-Wheelock acknowledged Cheryl Mitchell, BED's former Financial Analyst who recently retired after almost four decades of service, and her significant contributions in preparing the Commission's monthly financial reports. Ms. Stebbins-Wheelock suggested

that it may be an opportune time to refresh the report's format and invited feedback from the Commission over the coming months.

McNeil Joint Owners' CY2026 Budget

Seth Clifford introduced himself as the new Chief Forester.

Lincoln Sprague, the new Director of Generation, Engineering, and Maintenance at McNeil, presented the proposed calendar year McNeil joint owners' budget as follows:

- The 2026 budget memorandum that was approved by the joint owners includes budgeted capital expenditures versus actual results for years 2023 and 2024, as well as 2025 year-to-date figures.
- The 2026 budget is divided into two parts: (1) an expense budget of \$30,389,000, reflecting an increase of \$216,000 from the previous year due to vacancy replacements, new insurance requirements, and rising service costs and (2) a capital budget of \$3,096,000, up \$736,000 from last year, mainly due to a delayed \$620,000 project for RSCR catalyst replacement aimed at reducing nitrous oxide emissions.
- Mr. Sprague addressed additional capital needs, specifically the possible replacement of the heatsink for the NOX catalyst system, initially installed in 2008, which may cost just under a million dollars and increase capacity by five megawatts.
- The discussion covered revenue forecasting based on market rates rather than fixed contracts, the implications of operational decisions based on cost versus market price, and the plant's purpose as a financial hedge against energy price increases. McNeil's estimated net income for 2025 has shown improvement, suggesting a more favorable financial outlook with better energy prices anticipated.

Commissioner Williams made the motion to approve the McNeil CY2026 Budget as presented.

Commissioner Moody seconded the motion. Motion passes, 4 ayes 0 nays

Proposed Cybersecurity Scorecard

Erica Ferland, Director of IT, presented for discussion and feedback a proposed format for a cybersecurity scorecard based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework and a proposed set of key cybersecurity performance indicators.

- The scorecard summarizes the five key areas of the NIST Cybersecurity Framework: identify, protect, detect, respond, and recover.
- Ms. Ferland agreed to clarify the definition of specific metrics, particularly Recovery Time Objective (RTO) and Recovery Point Objective (RPO), which are crucial for understanding recovery planning aligned with the organization's backup strategy.
- Some Commissioners liked the proposed scorecard format.
- Others emphasized the importance of presenting the information in a concise manner and suggested that detailed data should be reserved for an appendix.
- All agreed on an iterative refinement of the reporting process due to the changing threat landscape.
- Commissioner Williams suggested that the Commission should focus on controls and oversight that processes are being followed.
- Ms. Ferland will revise the presentation for further discussion in January.

Velerity Report

General Manager Springer shared key findings from an independent report by Velerity, following a November 2023 City Council resolution regarding district energy and concerns surrounding McNeil and its environmental impact. The report focused on the commitment to achieving 100% renewable energy, in alignment with state law, while maintaining reasonable rates to support customers' affordability. It addressed the emissions profile of the McNeil facility, analyzing a five-year baseline of stack emissions and proposing various initiatives for reduction of emissions. The Velerity report examined twelve potential options designed to mitigate emissions, some of which included alternative fuels and efficiency improvements.

- Ammonia and renewable natural gas (RNG) blending both showed significant emissions reductions but came with high costs that would be burdensome for ratepayers, leading to their dismissal.
- The potential for a wood chip dryer was explored but deemed unviable due to high capital costs against limited efficiency gains.
- Organic Rankine cycle (ORC) turbines to capture waste heat could enhance facility efficiency and reduce emissions. This option appears promising and will be further reviewed by the department.
- The report also considered carbon capture technology, with varying levels of emissions reductions (25% and 50%) and a projected total cost near \$13 million over 20 years. Potential revenue of over \$2 million annually could materialize from captured carbon sales in the New England carbon market, but regulatory challenges exist.
- Another innovative approach discussed was wood pyrolysis, which produces sustainable byproducts including biochar and syngas. Although syngas could be utilized in a combined cycle turbine for electricity, there may be safety and feasibility issues.
- Considering scenarios where McNeil might not be operational while still needing to maintain 100% renewable energy, the report suggested options such as utilizing wood pyrolysis alongside utility-scale energy storage and expanding solar portfolios.

BED plans to issue a request for information (RFI) to gather more specific details from vendors on ORC, wood pyrolysis, and carbon capture technologies. Engaging vendors will help to gain a clearer understanding of cost and operational feasibility. The RFI will not require Commission approval and has no cost associated with it. It will be posted publicly for vendor response over three months. The department seeks to ensure that they are not pursuing untested technologies, emphasizing the need for data on successful operational cases.

General Manager Springer also shared that evaluation of proposals for a 5 megawatt battery storage facility will resume in the new year after securing additional purchased power contracts. BED is open to innovations in battery technology and plans to collaborate with the Joint Owners regarding battery storage proposals.

Input from the Commissioners included the importance of risk assessment and understanding emerging technologies. The team will keep the Commission updated during the RFI process and address any outstanding questions related to revenue forecasts.

Commissioners' Check-In

Commissioner Williams inquired about the potential for installing solar panels on streetlights and other city facilities, inspired by a recent observation in New Jersey where solar panels were mounted on telephone poles. General Manager Springer noted that while the idea is appealing, local conditions, such as significant tree cover, may hinder effective implementation in this area. There has not been a study to-date exploring solar panel installations on streetlights, but the city is investigating solar energy options, specifically utilizing the landfill and the Water Resources Department's roof for potential projects that could generate several megawatts of power.

Mr. Springer further explained that the landfill site is owned by the City and under the purview of the Department of Public Works (DPW). DPW has issued an RFP for solar installation proposals and once a developer is identified, they could seek to establish a power purchase agreement with BED for solar energy, which could bring financial benefits to the city while making productive use of the land.

Adjourn

Commissioner Moody made a motion to adjourn; the motion was seconded by Commissioner Williams. Motion passes, 4 ayes 0 nays

The meeting of the Burlington Electric Commission adjourned at 6:38p.m.

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

Attest: _____
Elena Alexander, Board Clerk