

**MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION**

Wednesday, March 11, 2026

The regular meeting of the Burlington Electric Commission was convened at 5:06 pm on Wednesday, March 11, 2026, 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, Andy Vota, and Brian Williams were present at 585 Pine Street.
- Commissioner Scott Moody was present via Microsoft Teams.
- Staff members Paul Alexander, Xander Briggs, Jen Green, Mike Kanarick, Katie Morris, Lincoln Sprague, Darren Springer, and Emily Stebbins-Wheelock were present at 585 Pine Street.
- Staff members Munir Kasti and Erica Ferland were present via Microsoft Teams.

1. Agenda

There were no proposed changes to the agenda.

2.M eeting Minutes

Commissioner Kenney moved to accept February 11, 2026 minutes as presented. Commissioner Williams seconded the motion. Vote: 3 ayes 0 nays. Commissioner Vota abstained from voting as he was absent from the February 11, 2026 meeting.

3.P ublic Forum

There were no members of the public present.

4.M onthly Impact Minute

Jennifer Green, Director of Sustainability and Workforce Development, presented an introduction to the Burlington 2030 district, which is one of 29 2030 districts around the US. Founded in 2017, the 2030 district is a movement to reduce energy use emissions from transportation, water use, and buildings. BED works with our 2030 executive director, Jenna Antino Deari, to partner with Vermont Gas Systems to visit property owners and give them whole-building data to help them make informed decisions about how they can reduce their energy load.

One unique aspect of the Burlington 2030 district is a tool called a property energy plan (PEP), developed to give information about energy use intensity in a building and identify goals on how to continue reducing load. This tool assists BED in identifying commercial properties that can be invited to participate in our rebate programs. This strong partnership between BED and VGS help to support the district financially through work with commercial property owners. Over 10 million

square feet in Burlington have been committed to the district, including over 300 unique buildings and 49 property owners.

Commissioner Kenney asked how this work overlaps with energy efficiency efforts. Jennifer Green responded that the 2030 district is a volunteer membership and greatly assists BED and VGS in connecting with commercial partners and offering energy use insights and communicating rebate offerings that are beneficial to property owners. Commissioner Kenney asked if there was any additional added benefit for those that elect to join; Ms. Green responded that there is an annual event for members, in addition to trainings.

Commissioner Kenney asked where funding for 2030 district comes from. Ms. Green responded that VGS has received some outside funding and recently BED received a D Grant through the American Public Power Association to help draft a template for the PEP.

General Manager Springer commented that it is a helpful group for BED the department is working on any policy initiatives.

Commissioner Bonn noted that there is added benefit of having a cohort to share lessons learned in furthering their energy efficiency work. Ms. Green responded that there is a steering committee meeting once a month that helps to connect 2030 district members.

5. Commissioners' Corner

Commissioner Kenney asked what drove the lower generation REC revenue for McNeil and how BED is considering the capital needs of the plant's aging infrastructure.

General Manager Springer commented that BED develops a 5-year capital plan for generation assets. McNeil goes through a major overhaul around every seven to eight years. The next major overhaul for McNeil is planned for roughly a 2028 timeframe. Per the last budget discussion, BED is trying to phase some of those costs in to leave optionality for the department because results from the RFI are due soon about different technologies identified in the report. BED is investing in regular plant maintenance in the most prudent way possible while also thinking about innovation opportunities.

Commissioner Kenney asked if we had a draft calendar for the commission and at what point does the commission check in on generation assets.

Mr. Springer responded that the department is happy to provide updates whenever it's helpful. The plant planned on less than typical production due to the heat sink issue, causing the plant to run at 45 MWh instead of 50 MWh since the last outage. The plan is to complete the necessary repairs in the April outage which should bring generation back to the 50 MWh level.

Commissioner Williams asked if there was a way to track generation daily versus the ISO grid.

Due to audio issues on the Microsoft Teams meeting Commissioner Vota made a motion for a recess at 5:22 p.m. Commissioner Kenney seconded the motion. Vote: 3 ayes 0 nay.

Commissioner Bonn declared the recess was over at 5:27 p.m.

Mr. Springer responded that BED has not only seen underproduction at the McNeil plant but periodically on the hydro and the wind power as well. When REC revenue is discussed in the financial section it is a combination of items. When ISO prices spike McNeil tries to run as much as possible to generate enough renewable energy to meet BED and joint owner's needs.

6. General Manager's Update

General Manager Springer shared the following:

- FY26 rate case – the PUC approved the FY26 rate case at 4.33% (versus a request of 4.5%), reflecting agreement amongst parties to reduce the rate request slightly to account for inclusion of one-time costs in prior rate case that should have been excluded. Given surcharge at 4.5% has been in effect since late summer 2025, BED will refund difference to customers.
- Efficiency pilot extension is part of a committee bill in House Energy & Digital Infrastructure Committee, for consideration week of March 9, 2026.
- The Rocky Mountain Institute published a new case study focused on affordability and used BED as an example, highlighting our efficiency efforts and diverse renewable generation sources.

7. January 2026 Financial Review

Emily Stebbins-Wheelock, CFO and Manager of Strategy & Innovation, presented financial results for January 2026.

- The Department recorded a net loss of \$314,000 compared to a budgeted net income of \$139,000, resulting in a negative variance of \$453,000.
- Sales to customers were favorable to budget by nearly \$130,000.
- Other miscellaneous revenues were \$46,000 positive to budget. There were no power supply revenues budgeted or received this month.
- Net power supply was \$264,000 over budget with transmission being unfavorable. Fuel was favorable with McNeil being under budget. The GT was called into commission often due to high energy prices resulting in GT fuel being over budget. BED had budgeted to be selling power net energy back to the grid and instead were purchasing due to the underperformance of McNeil and hydro projects. The First Light hydro contract expired at the end of December and the replacement contract was not yet executed.
- Other operating and maintenance expenses were \$346,000 over budget for January.
- Year-to-date net income was just over \$2 million, compared to a budgeted net income of just over \$1.3 million, resulting in a \$770,000 positive variance.

- Capital spending is at 30% of the fiscal year budget, with January spend being \$4.6 million, well under the budgeted value of \$10.5 million. The distribution plant is 41% of budget and the generation plant is 23%.
- Cash for January was close to budget with total operating cash of \$13.2 million versus a budgeted \$13.7 million.
- The debt service coverage ratio (DSCR) was 4.27 and the adjusted debt service coverage ratio (ADSCR) was 1.04, with 140 days cash on hand.
- The Vermont Bond Bank priced their winter pool last week. The interest rate is 4.1% which is close to what was modeled.
- The Burlington City Council approved the amendments to the general bond resolution that the Burlington Electric Commission approved in February.

8. BED Budget Overview

Emily Stebbins-Wheelock, CFO and Manager of Strategy & Innovation, presented a FY26 budget overview:

- Sales to customers makes up the main operating revenue source of over 80% of budget.
- REC sale revenue is 13% of budget at \$9.4 million.
- Miscellaneous revenues, which is largely EEU reimbursement, is where miscellaneous service fees, conduit rentals, pole attachment fees, would make up 6% of the budget.
- The system hit an energy peak in 2025 of just under 370,000 MW hours. As of calendar FY25, sales are 323,000 MW hours.
- FY REC sale revenue has started to come back up since FY19 and 20. FYY26 RED revenues were budgeted to be higher. The actuals will be lower, but not because of the price per REC, because of lower volume of RECs to sell.
- 54% of operating expenses is power supply, about one third is all other operation and maintenance, 8% being depreciation and amortization, and 5% being property taxes and/or payment in lieu of taxes.
- Historically, fuel expense has been a function of both the capacity factor of McNeil as well as the price paid per ton for wood.
- Purchases power expenses have fluctuated based on energy prices and the performance of our resources. The power supply from FY14 and after is comprised of a 100% renewable portfolio.
- Transmission expenses is an uncontrollable expense and has steadily risen over time and is a major pressure point in the budget. This expense is mostly driven up by capital reinvestment, either replacement of infrastructure or new transmission lines and new transmission facilities.
- About half of the other operations and maintenance section of the total FY26 operating expense budget is wages and benefits.
- For each month of the fiscal year there are non-operating income deductions and interest expenses, as noted in the budget as 'below the line' items. VELCO dividends from our equity investment and Transco are the greatest of those, around \$4.5 million in FY26.

- The interest income line varies with interest rates.
- Grants and capital contributions is highly variable depending on major construction projects in the city, such as the Champlain Parkway or the Great Streets projects.
- The interest expense line, at just over \$3 million is BED's debt service.
- For the budget an income statement and a cash flow statement are prepared to make sure there is sufficient cash flow over the course of the year and to ensure that sources and uses are balanced so there is sufficient cash at the end of the fiscal year to be in line with the Moody's metric target.
- The sources of cash are comprised of 77% from total operating revenues (with 81% of that being sales to customers), 5% VELCO equity, a small portion of grant income, and the rest from the annual general obligation bond and revenue bonds.
- In FY26 there was \$107 million budgeted for sources of funds, with \$93.8 million budgeted for uses of cash. The budgeted use of cash includes operating expenses, Tier 1 REC purchases, Tier 3 rebates, the McNeil turbine overhaul, taxes/PILOT, capital projects, and debt service.
- When creating the next fiscal year budget the Moody's metrics, days cash on hand, and the debt service coverage will be balanced together.

9. Commissioners Check-In

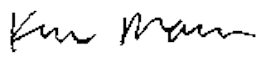
No topics discussed.

Adjourn

Commissioner Williams made a motion to adjourn; the motion was seconded by Commissioner Vota. Motion passes, 3 ayes 0 nays.

The meeting of the Burlington Electric Commission adjourned at 6:32 p.m.

Microsoft Teams transcript used to draft minutes prepared by Katie Morris.

Attest: 

Katie Morris