



Regular Board of Directors Meeting Minutes

October 6, 2021

Board of Directors:

	Vacant, Barton	P	Bill Humphrey, Lyndonville
X	Jonathan Elwell, Enosburg	X	Penny Jones, Morrisville
P	Mike Sullivan, Hardwick		Stephen Fitzhugh, Northfield
	Vacant, Jacksonville	X	John Morley, Orleans
P	Meredith Dolan, Johnson	X	Reginald Beliveau, Swanton
X	Thomas Petraska, Ludlow		

X indicates attendance in person, P indicates attendance by phone.

Alternates present:

Lynn Paradis, Swanton (X)	Jeff Schulz, Northfield (P)
Sheilah Evans, Morrisville (P)	

Others present:

Ken Nolan, VPPSA (X)	Crystal Currier, VPPSA (P)	Amy Parah, VPPSA (X)
Kim Lyon, VPPSA (X)	Melissa Bailey, VPPSA (X)	Julia Leopold, VPPSA (X)
Amanda Simard, VPPSA (P)	Ken St. Amour, VPPSA (X)	Shawn Enterline, VPPSA (X)
Steve Farman, VPPSA (P)	Dave Gagne, VPPSA (P)	Alex Nicholson, VPPSA (P)
Kim Harris, VPPSA (P)	Heather D'Arcy, VPPSA (P)	James Gibbons, BED (P)

Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 9:33a.m.
- 2.** Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were made.
- 3.** Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
- 4.** Director Elwell made a motion to accept the minutes of the Regular Board of Directors meeting held on September 1, 2021. The motion was seconded by Director Jones. Motion approved.

APPROVED

5. Director Elwell made a motion to accept the Treasurer's report as of August 31, 2021. The motion was seconded by Director Jones. The Assistant Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending August 31, 2021. Overall, VPPSA has collected approximately \$58K in excess of expenditures - this includes payroll and overheads being overbudget by 2.2% or \$29K and office supplies and expenses are underbudget by 31% or \$186K. The primary driver in revenues being underbudget are the two standard offer projects that have not come online (\$126K) and the primary drivers in expenses being underbudget are VPPSA's travel/conference budget (lack of training/travel) and lower legal and outside services.

The motion to approve the Treasurer's report for the period ending August 31, 2021, was approved.

6. The General Manager provided a high-level presentation of the 2022 operating budget; including the primary drivers and open items for Board discussion. Some of the primary drivers include: the Assistant Controller position, the level of direct member revenues (specifically Barton/Jacksonville), additional WEC revenues, continued expansion of the Kearsarge generator fleet and increases in marketing and communication efforts. It was also noted that the RES budget is expected to see significant increases in 2022, and the AMI project is pending completion of the Aclara contract discussions. Project 10 is expecting continued significant insurance increases, with hopes to mitigate some of this cost by overhauling P10 in FY22. Dave DeSimone is working on a cost analysis of overhauling P10. There was a short discussion related to the cost of insurance deductibles and the possibility of self-insuring the project.
7. The General Manager and Shawn Enterline, VPPSA's Senior Power Analyst reminded the Board that VPPSA has been making month-to-month market purchases to address the low hydro output this year, while also looking at a potential 5-year purchase for the 2023-2027 period. Over the last month, an increase in winter prices (specifically Jan/Feb having the highest) has developed and it seems that those prices may carry forward to future periods as well. There is also significant confusion around what the RES requirements will look like after the upcoming legislative session and what might be required at the federal level as a result of the Reconciliation Bill in Congress. Due to these concerns, VPPSA staff recommends we manage power supply through the winter on a week-to-week basis, making week ahead purchases based on hydro production and snowmaking load and to delay the 5-year purchase until more information is known and prices settle out. The Board did not express concerns with this approach.
8. The General Manager informed the Board that they should all have received an email notice from Barton seeking interest in acquiring the Barton Electric system and setting up a bidding process. During the same time, VEC informed Barton that they would no longer be able to accommodate the line extension and upgrade work for Barton using internal resources. As a result, VPPSA intends to continue supporting Orleans as their bid is developed, take a position on the Project 10 PSA terms and encourage Barton to consult with VPPSA before finalizing on a purchaser, and work with Barton on provided line extension and upgrade support. There was some discussion on how Barton is doing financially since VPPSA has been managing the utility.
9. The General Manager informed the Board that VELCO has been looking for load shedding data from the VPPSA members but has not received a response from the municipal utilities. Since the request originated from ISO-NE and has NERC implications it is important that VELCO be able to respond to ISO-NE. The General Manager indicated that VPPSA could coordinate the responses and asked the Board if that approach was preferred or if the members would prefer to work directly with VELCO. After some discussion it was decided that the General Manager will respond to VELCO and ask that they bring this to the MEAV committee.

APPROVED

- 10.** Ken St. Amour, VPPSA's Manager of Technology and Security Services, provided a brief update on the AMI project activities. It was noted that Allen Stamp has completed the contract documents with Aclara and those documents were reviewed by Jackie Lemmerhirt and VPPSA internal management just prior to this meeting.

Next steps include site visits to determine communication needs for the backhaul network as focus is shifted to the installation phase of the project.

Melissa Bailey, VPPSA's Manager of Government Relations, provided a brief overview of the Infrastructure funding and whether this could possibly be used for projects such as AMI.

The General Manager mentioned he is scheduled to meet with TD Bank to discuss a Line of Credit to help fund the AMI project.

- 11.** Melissa Bailey, VPPSA's Manager of Government Relations, provided a brief report on Legislative activities.

Climate Council is continuing to meet regularly and has been holding a series of events to gather input, specifically transportation and 100% Renewable Energy Standard. Details to be determined.

Ms. Bailey provided an update on Regulatory activities, highlighting the following rules/cases/dockets:

Low income rates [Case#20-0703] potential funding structures for a statewide low-income rate. Comments are due October 29th.

Net metering [Rule 5.100] changes to the CPG process, Net Metering Compensation and a possible "grid adjustor" for projects in the SHEI.

Energy Storage [Case#21-3883] The PUC has requested comments regarding siting, the role of aggregators, and the treatment of storage. Comments are due by October 22nd.

Rate Flexibility [Case #21-2642] Draft standards and procedures to implement minor rate adjustments have been filed with the PUC. Parties must propose standards and procedures to implement the second portion of the bill by October 19th.

Interconnection [Rule 5.500] The proceeding to update Rule 5.500 to accommodate Distributed Energy Resources remains open. There is overlap with net metering and storage rulemakings.

On-Bill Tariff Update – The coalition working on an on-bill tariff pilot has received feedback from the Department and is moving into phase 2 of program development, which involves drafting DU tariffs.

- 12.** Julia Leopold, VPPSA's Communication Specialist, provided a detailed update on RES activities, including the 2020 RES compliance filing, the 2021 Tier 3 program highlights, the 2022 program planning and the Key Accounts program. Mrs. Leopold reviewed the Prescriptive and Custom projects in more detail and gave an update on the savings comparison.

- 13.** Alex Nicholson, VPPSA's GIS Administrator, provided an update on the GIS project. It was noted that utility data for Barton, Jacksonville, Lyndonville and Orleans has been shared with multiple CUDs and VPPSA's GIS schema is now complete. Mr. Nicholson informed the board that Hardwick has chosen to move forward on their own with the LIDAR collection while also providing data to the Northeast Kingdom CUD for design of their broadband network.

APPROVED

- 14.** Dave Gagne VPPSA's plant operator provided a brief report on operational activities at the plant. It was noted that building addition will be delivered Friday and is proceeding as expected and installation is expected to occur starting the week of October 11th. MD&A conducted borescope testing and will be providing updated pictures and detailed reports with measurements. Dave DeSimone continues to develop various options and the economic impacts of each option for moving forward.

From an operational standpoint, the units continue to operate well and is fully covering VPPSA's reserve commitments. A busy winter is expected as forward prices indicate that the plant may run more than usual.

- 15.** The General Manager provided a brief update on several topics, including:

- 1) WEC - The General Manager informed the Board that with Patty Richard's departure from WEC, WEC has reached out to VPPSA seeking greater support. While the activities will be covered under the existing contract in the short-term, the General Manager intends to discuss membership with WEC once the new General Manager is fully onboard.
- 2) Hyde Park - Carol Robertson has reached out to VPPSA requesting support in filing a rate case for Hyde Park - it is likely that VPPSA will be assisting with this effort under a contractual arrangement.
- 3) McNeil District Energy - Discussions continue with BED relative to the District Energy Project. VGS has now joined the discussion with the joint owners and negotiations have begun in earnest with tension between the contract term and commitment levels of the joint owners. Discussions have focused on the sharing of risk and associated pricing.
- 4) Transmission - VPPSA staff has committed to participating in an effort to begin informal discussion to determine how the NE public power entities can pool resources to participate in future transmission projects.
- 5) Residential Storage - VPPSA has been made aware that VEC has now begun a residential storage program similar to GMP's previous offering. This will likely spur questions from municipal customers. VPPSA will be prepared to answer questions from Member boards or customers as needed.
- 6) Reconciliation Bill - The Reconciliation Bill in Congress includes provisions for a Clean Energy Payment Program that would in essence set up a federal clean energy standard. VPPSA has been working with BED, NEPPA, and APPA to provide input on the program and suggest revisions that would minimize the negative impact on Members. Unfortunately the proposed program would sit beside the Vermont RES requirements, and would in some ways be in conflict with the state requirements.

Director Morley requested an update on the Vt. Transco equity offerings. There was a short discussion regarding Vt. Transco's five-year forecast and the approach that Vt. Transco has used for funding capital projects.

- 16.** Board Member Updates
None.

- 17.** Executive Session

APPROVED

Director Petraska made a motion to enter Executive Session under the provisions of 1 V.S.A. §313(a)(3) to discuss personnel issues. The motion was seconded by Director Elwell. The motion was approved.

The Board entered Executive Session at 2:00 p.m.
The Board returned to Regular Session at 2:23 p.m.

Director Morley made a motion authorizing the General Manager to work with Crystal Currier at his discretion regarding any over-limit leave time for Crystal as of 12/31/2021. The motion was seconded by Director Sullivan. The motion was approved.

18. Other Business

None

Director Jones motioned to adjourn, seconded by Director Morley. The meeting was adjourned at 2:25 p.m.

Respectfully submitted,

Crystal Currier

Crystal Currier, Secretary
Amy Parah, Assistant Secretary