



Board of Directors  
Meeting Minutes  
February 7, 2024

**Board of Directors:**

X	Vera LaPorte, Barton	X	Jonathan Elwell, Lyndon
P	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
P	Mike Sullivan, Hardwick	X	Stephen Fitzhugh, Northfield
	Vacant, Jacksonville	X	John Morley, Orleans
P	Erik Bailey, Johnson		Bill Sheets, Swanton
P	Thomas Petraska, Ludlow	X	James Gibbons, BED

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

**Alternate Directors present:**

Abbey Miller, Enosburg (P)	Lynn Paradis, Swanton (X)
Penny Jones, Morrisville (P)	Emily Stebbins-Wheelock, BED (P)

**Others present:**

Ken Nolan, VPPSA (X)	Sarah Braese, VPPSA (X)	Jackie Pratt, Stowe, Guest (P)
Grace Sawyer, VPPSA (X)	Heather D’Arcy, VPPSA (P)	Amy Parah, VPPSA (X)
Drew Clayton, VPPSA (X)	Amanda Simard, VPPSA (P)	Steve Farman, VPPSA (X)
Lance Woods, VPPSA (P)	Amber O’Neill, VPPSA (P)	Apryl McCoy, VPPSA (P)

**Numbers in bold type correspond with agenda item numbers:**

- Chairman Fitzhugh called the meeting to order at 9:30 a.m.
- Chairman Fitzhugh asked if there were requests for changes and or/modifications to the current agenda.
- Chairman Fitzhugh asked if there were public comments and/or individuals who would like to address the Board. There was no public comment.
- Director Johnstone made a motion to accept the minutes of the Board of Directors meeting held January 3, 2024. The motion was seconded by Director Morley. Motion approved.
- Director Morley made a motion to approve the Preliminary Monthly Financial report for the period ending December 31, 2023. The motion was seconded by Director Johnstone.

Ms. Sawyer, VPPSA’s Controller provided a summary of the preliminary operational revenue vs expenses for the period ending December 31st, 2023. It was noted that VPPSA’s Year-to-date (YTD) Net Income is \$2,473,980, which is less than the budget by \$918. VPPSA’s Operational loss is \$102,347, which is less than



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the budget by \$191K Year to date. Ms. Sawyer summarized the budget to actual variance of the various projects.

There was a brief discussion on the financial results.

The motion was approved.

**6.** The General Manager noted that the vote related to the municipal utilities' re-electing their VELCO Independent Public Power Directors was discussed at the January VPPSA Board meeting and staff was asked to work with the elected VELCO Directors to have them attend a future VPPSA meeting. They have agreed to attend the March Board meeting. The NEPPA Board of Directors annual strategic retreat is scheduled to be held on the 6<sup>th</sup> & 7<sup>th</sup> in Rhode Island and the General Manager and several board Members will be attending creating a scheduling conflict.

Director Sullivan made a motion for VPPSA to move the meeting to March 13<sup>th</sup>. The motion was seconded by Director Johnstone.

There was a brief discussion.

The motion was approved.

**7.** Ms. Sawyer, briefed the Board on Project 10's (P10) Reserve & Contingency fund (R&C) annual activity and results. There were no capital additions in 2023, because the three projects started in 2023 are still underway with an anticipated completion in 2024. There were expenses in the amount of \$163K that were outlaid but remain in Construction Work in Progress on December 31, 2023. Due to this the VPPSA staff recommends that the excess R&C balance be moved to the P10 Reserve Fund in anticipation of these project completions.

Director Johnstone made a motion to approve Resolution 2024-01 (Project #10 2023 Reserve & Contingency Fund True-up) as presented, seconded by Director Elwell. The motion was approved.

There was brief discussion about the current projects in process at Project 10 and the balance in the Reserve account for 2023 and projected balance for 2024.

**8.** The General Manager gave a brief overview of VPPSA's historical approach of past due finance charges, particularly post-COVID-19, as well as the status of arrears as of December 31, 2023. VPPSA is actively coordinating with members in arrears to repay outstanding balances. Director Elwell requested a further waiver of Lyndon's finance charges through April 1, 2024 to develop a more detailed, long-term repayment plan and present those option(s) to the Board. Director Johnston asked if an Executive session to further discuss this subject would be beneficial. The Board consensus was that no executive session was needed at this meeting. Director Morley stated that any proposed repayment plan should not impact other members' rate payers.

There was significant discussion around various possible rates and terms.

Director Morley suggested that Lyndon and VPPSA staff should continue working together to develop and present a plan at the next Board Meeting.

Director Sullivan made a motion to waive interest charges on Lyndon's unpaid balance until the March 13th Board meeting, seconded by Treasurer Paradis. The motion was approved.

The General Manger asked if the Board Members had any specific questions that the requests be sent ahead of time so that VPPSA can come prepared for the discussion.

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**9.** The General Manager presented a summary of the \$1 million Congressionally Directed Spending (CDS) award (Sander's Grant Project) and noted that after 2 years of negotiations the grant was Awarded on January 23, 2024. To meet budget period requirements, over the next two months VPPSA will be finding an underwriting partner to help assess applicants, developing the underlying agreements, preparing the outreach materials, and talking to members about potential projects and how to handle repayment through on bill financing. Initially, this is intended to only involve 1-3 customers with the funds being recycled for future loans.

**10.** The General Manager noted that VPPSA's EV Rate proposal is working through the regulatory process with the Public Utility Commission (PUC) and Department of Public Service (PSD). The Public Workshop held in January provided an opportunity to dive deeper into the proposed EV/EVSE Tarif Rider structure with Commissioners and PSD staff. VPPSA is responding to Discovery and Requests for Information delivered by the PUC and PSD and anticipates this proceeding will provide better direction from the PUC as it relates to active, passive, or market-informed load management control mechanisms.

On February 6, 2024, VPPSA executed the Master Services and Initial Scope of Work Agreements with Bellawatt, the third-party software solutions partner. Anticipated Deliverables from the Scope of Work Deliverables will provide clear documentation and analysis to support the regulatory proceeding and strategy for implementation. The first initiative under the SOW will be to conduct stakeholder interviews and pursue a fact-finding exercise related to utility billing system capabilities and structures. Ms. Braese asked the Members to begin considering who at their utility should participate in this exercise.

VPPSA Director Gibbons offered insight into BED's experience to-date around customer experience/expectations as well as various EVSE device manufacturers.

A discussion ensued.

**11.** Drew Clayson, VPPSA's Power Analyst, provided an overview of the power supply markets, the primary driving factors related to power costs, actual and future energy prices, and the budget vs actual for each member. Mr. Clayson presented a detailed review of the Mystic Station costs and what budget variances would be absent the Mystic costs and how the unfavorable rate variance for most members is primarily due to the unbudgeted Mystic Station Cost. It is anticipated that this winter the costs will not be as significant as they were in the prior winter. The General Manager noted that VPPSA is exploring another 5-year purchase in the spring to take advantage of the lower prices. There was a brief discussion around the changing energy markets. ISO-NE has announced that they believe the capacity markets should move to a "seasonal prompt" approach rather than the existing 3-year in advance annual approach. It appears ISO-NE want to move all hedging activities back to the utilities. ISO-NE has a new winter fuel program (Inventoried Energy Program) where members will see a charge or credit as an incentive for plants to keep their tanks full. P10 will receive revenue from this program. Mr. Clayson also gave an overview of the Renewable Energy Credits. He also provided an overview of the forward sales already under contract for 2023-2025.

**12.** Sarah Braese, VPPSA's Assistant General Manager provided an update on the statewide, regional, and national regulatory landscape. Ms. Braese also shared that the Legislative Communications Specialist position has been posted and there has been a great interest in the role to-date. and the. She also provided a brief Legislative update and a highlighted the Renewable Energy Standards 2024 revised Tier III Annual Plan, Flexible Load Management, the EV/EVSE Tariff Rider Program and joint initiatives with Efficiency Vermont. Ms. Braese notified the Board of important upcoming dates & deadlines. There was a brief discussion on the newly formed VPPSA Board of Directors Legislative Committee and brief mention of "Right to Charge" priorities in the House and Senate. The General Manager noted that the RES bill has been voted out of House Environment and Energy committee and provided an update on some other legislative efforts and initiatives moving through Committees. He also noted that Director Johnstone had testified before the Senate Natural Resources committee about proposed changes to make dam safety subject to "strict liability" for dam owners.

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**13.** Apryl McCoy, VPPSA's Regulatory Analyst briefed the Board on regulatory proceedings of interest including the new Rules 5.100 and 5.500. Ms. McCoy noted that the PUC has filed an order on the Disconnect Notices and gave a summary that will be shared with Members. Net Metering Rule 5.100 will be going into effect on March 1, 2024. There are still quite a few moving parts in the Clean Heat Standard with no clear resolution in sight.

**14.** The General Manager gave the GM update summarizing the status of various projects including the IT Cyber review, various Federal Grants, Jacksonville Operations, Barton Operations, Pecos Wind, Transmission Joint Ownership, the AMI project, the GIS project, VPPSA's staffing, multiple Power Projects, State/Federal Reporting, and Financial/CIS Software review.

The State did put in their GRIP grant proposal and VPPSA's share is about \$5 million mostly around the in-home battery storage. The ACRE grant funding has come in and VPPSA is working on the solar development plans.

VPPSA staff continues to manage Jacksonville's office operation. The applicant for Business Manager withdrew so additional interviews have been scheduled. Ms. Parah & Ms. Currier are continuing to work with KBS to finalize the 2022 audit which will allow work to begin on their rate case. The General Manager has been working though preparing a 2024 Budget for them, because Jacksonville has not had one in three years.

Bill Ellis is working on a draft agreement for Barton to hire VPPSA to operate the facility under an "Operating Agreement" that includes provisions for VPPSA to make capital investments in the plant and recoup the funds through the operating fees.

After discussing the pricing and power supply needs with Swanton, the decision was made that Swanton itself does not require the power from the Pecos Wind facility. VPPSA is now looking at an option where Swanton hosts the wind turbine in return for a lease payment, but the power is used either by another member or in a VPPSA sponsored community wind program.

Transmission Joint Ownership proposal that VPPSA has been working on with MMWEC and CMEEC did not make the final hurdle to get included in the states' DOE application.

The AMI project is now up and running and moving forward. Jackie Lemmerhirt's effort to design a proposal for the meter configuration with Aclara is almost complete. On the regulatory front, Rebuttal Testimony was submitted responding to the DPS recommendations and questions. A brief discussion on the timeline to get equipment rolled out ensued.

VPPSA continues to work with mPower to convert GIS operations and have begun on-site Member training.

Effective December 15<sup>th</sup> Ken St. Amour moved to working one day a week focused on P10 security and NERC requirements. Lance Woods became Manager of Information & Security services. The new Information Systems Analyst and Legislative Analyst positions have been advertised and applications have begun to arrive. The Power Analyst position remains on hold pending Ms. D'Arcy's return from maternity leave.

**15.** Board Member Updates: Director Morley noted that he had been contacted by an individual who has been running Hydros and was interested in a new opportunity. He offered to provide the information to any member who would be interested. He also brought up an issue about demand charges and heat pumps/electrification. Director Morley also noted that he was being slammed with make-ready work requests and a brief discussion ensued about present and anticipated future interactions with the CUDs.

**16.** Other Business: None

Broke for lunch @ 12:50 pm

Reconvened @ 1:13 pm

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**17.** Director Johnstone made a motion to enter Executive Session, under the provisions of 1 V.S.A. §313(a) to discuss the McNeil Generating Plant - District Energy. The motion was seconded by Director Morley. The motion was approved. Director Gibbons left the meeting.

The Board entered Executive Session at 1:13 p.m.

Director Sullivan made a motion to return to Regular Session, seconded by Director Johnstone. The motion was approved.

The Board returned to Regular Session at 1:32pm. No action was taken.

Director Morley made a motion to adjourn the meeting. The motion was seconded by Treasurer Paradis. Motion approved.

The meeting was adjourned at 1:33 p.m.

Respectfully submitted,



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Grace Sawyer, Secretary