



Special Board of Directors
Meeting Minutes
April 3, 2024

Board of Directors:

X	Vera LaPorte, Barton	P	Jonathan Elwell, Lyndon
X	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
P	Mike Sullivan, Hardwick	X	Stephen Fitzhugh, Northfield
P	James Weber, Jacksonville	X	John Morley, Orleans
	Erik Bailey, Johnson	X	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 (X)	

Others present:

Ken Nolan, VPPSA (X)	Sarah Braese, VPPSA (P)	Grace Sawyer, VPPSA (X)
Drew Clayson, VPPSA (P)	Steve Farman, VPPSA (P)	Amy Parah, VPPSA (X)
Josh Bancroft, VPPSA (P)	Lance Woods, VPPSA (P)	Amber O'Neill, VPPSA (P)
Amanda Simard, VPPSA (P)	Steve Veroff, VeroffCPA (P)	Jackie Pratt, Stowe (P)
Kim Harris, VPPSA (P)		

Numbers in bold type correspond with agenda item numbers:

- Chairman Fitzhugh called the meeting to order at 9:33 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 Sheets made a motion to accept the minutes of the Board of Directors meeting held March 13, 2024. The motion was seconded by Director Dasaro. The motion was approved.
- Director Morley made a motion to approve the Monthly Financial report for the period ending February 29, 2024. The motion was seconded by Director Johnstone.

Ms. Sawyer, VPPSA's Controller provided a summary of the operational revenue vs expenses for the period ending February 29th, 2024. Ms. Sawyer summarized the budget to actual variance of the various projects.



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There was a brief discussion on the financial results.

The motion was approved.

6. Director Morley made a motion to approve resolution 2024-02 as presented to accept the 2023 Audit and Financial Report. The motion was seconded by Director Johnstone.

Steve Veroff of VeroffCPA, PC presented the findings of the VPPSA 2023 Audit including his Independent Auditor's Report, Communication Letter to the Board, and his Communication Letter on Internal Controls. He gave a summary and overview of VPPSA's 2023 financial results. Steve Veroff indicated that to prepare for the Single Audit that would be required for 2024 he suggested putting more internal controls in place in for the Federal Grant operations which he would expect to include a separate presentation to the Board of the grant activity on a monthly basis.

A brief discussion ensued.

Director Johnstone made a motion to enter Executive Session, under the provisions of 1 V.S.A. §313(a) to discuss the audit process. The motion was seconded by Director Morley. The motion was approved. The Board requested that staff leave the executive session and join again after the executive session finished.

The Board entered Executive Session at 10:14 a.m.

Director Morley made a motion to return to Regular Session, seconded by Director Johnston. The motion was approved.

The Board returned to Regular Session at 10:19 a.m.

The motion was approved.

7. The General Manager provided an overview of the USDA Rural Energy Access for America (REAP) program. Mr. Nolan noted that Director Bailey is looking into this as an option for one of his customers. Now that VPPSA is considered an eligible borrower there is a question on whether VPPSA might be a better recipient of the loan funding in order to make it available to all the members. VPPSA is looking to the Board for guidance on if there is enough interest to dedicate staff resources toward developing a structure to acquire REAP funds and design the contractual documents to adequately assign any risks to the member utilizing the funds. There was discussion on the eligible usage of the loan funds and the expected administration costs. Director Morley, Director Sullivan, and Director Johnstone expressed various concerns about the program. Director Sheets indicated that they were also looking into the program for Swanton. There was continued discussion around the program and how it would work. Several Directors expressed concern with VPPSA being the loan recipient, while agreeing that providing administrative support to members seeking their own loans might be appropriate. The Chair asked if there was sufficient interest in proceeding to warrant a motion.

Consideration died for lack of a motion.

8. The General Manager overviewed the traditional process for the annual strategic retreat as well as the new process, steps and timeline going forward. Mr. Nolan gave a brief presentation to the Board of Directors regarding the Strategic Planning Project for 2024. A timeline of the phases of the process was provided which will culminate in the annual Strategic Planning retreat on July 15th 2024. A brief discussion ensued.

9. 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 by member. Mr. Clayson presented an overview by Member of the new ISO-NE winter fuel program (Inventoried Energy Program)

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where members saw a charge or credit as an incentive for plants to keep their fuel tanks full. 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. There was a brief discussion about VPPSA's 5 year purchased power position and when the next negotiation will occur.

10. Sarah Braese, VPPSA's Assistant General Manager briefed the Board on regulatory proceedings of interest. The General Manager noted that the PUC has been spending most of its time on the Clean Heat Standard. Ms. Braese gave a brief overview of the proposed changes to the Efficiency Utilities' 3-year budgets expenditures and Director Gibbons provided some additional details around what the PUC has requested for changes and the negotiations. Director Morley asked for some additional information on the status of Clean Heat Standard. The General Manager weighed in and provided more clarity on the situation and the committees associated with this bill. The Flexible Load Management working group met and a schedule has been put in place with the expected output. The EV/EVSE docket responses have been submitted and no questions have been received by VPPSA at this time. The RES compliance for 2023 was filed and VPPSA exceeded the requirement, but by less than we had done in the past. Director Gibbons mentioned that the low-income PILOT rate structure process did not play out as easily as it looked initially. Director Gibbons also recommends that regular meetings with high-level regulatory representatives (such as Jim Porter) have been beneficial for BED during this process. The General Manager noted that the DPS staff person who has been overseeing rate cases for 30 years is retiring and the DPS does not appear to be hiring to replace the position. With new DPS staff entering Cases it has been generally noted that discovery questions have become excessive and, in some cases, unanswerable as written. At present it is impacting IRP's more than rate cases. Continued discussion ensued. The General Manager noted that VPPSA is now in the permitting process for the Orleans solar project, part of the ACRE program, the project is located within the SHEI constraint area, so the PUC joined GMP & VEC to the case. Last week VPPSA received 15 discovery questions that are due on Friday. Continued discussion ensued.

11. Sarah Braese, VPPSA's Assistant General Manager also provided a brief legislative update to the Board. VPPSA joined with the other utilities who had filed concerns about the data privacy bill. The General Manager noted that Ed McNamara is going through his formal confirmation process. A brief discussion ensued. The General Manager noted that Senate bill 305 - Miscellaneous PUC bill, has become this year's Christmas Tree. There is a data privacy item in the bill that has carve outs for specific types of customer data and the utilities as a group are seeking a utility carve out but are getting some push back. There is a proposed low-income process that may be added to the bill. The original language was such that PUC was supposed to set up and develop a statewide program with assistance from the DPS and EVT. A new draft has been crafted by several stakeholders that would be less skewed towards EVT, but would also lean it more into a study. Bill H.668 may get pulled in instead which rate-sensitizes the electric rates based upon income. The RES bill got out of the House and now has to go through the Senate. VPPSA is also keeping a close eye on the dam safety bill. Discussion ensued.

12. The General Manager gave the GM update summarizing the status of various projects including the various Federal Grants, Pecos Wind project, the AMI project, the GIS project, VPPSA's staffing, multiple Power Projects, and DeltaClimateVT.

The 2022 Sander's Congressionally Directed Spending \$1 million grant was approved on January 23rd and VPPSA staff has begun working with DOE on implementing the project. VPPSA is submitting a request for a no cost time extension. Initial conversations with the lenders who may act as underwriters and customers are ongoing.

VPPSA will be coordinating with Swanton to define a lease structure and Bill Ellis is drafting both PPA and lease documents for the project.

The AMI project is now up and running and moving forward. Allen Stamp is holding weekly project meetings to push forward, and Jackie Lemmerhirt is actively engaged with Aclara on the meter configuration. An all-utility meeting on the configuration is on the calendar. Aclara is also reviewing the DCU locations and

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identifying any necessary make ready work. On the regulatory front, Testimony is complete and the DPS has recommended approval. We are still waiting for the PUC to issue its final order and on March 26th VPPSA submitted a letter notifying the PUC that absent approval or further direction the project risked going into a holding pattern.

VPPSA continues to work with mPower to convert GIS operations and has almost completed the first round of on-site Member training. The General Manager noted that he will be redoubling efforts with both mPower and Dave DeSimone to build out a more formal project plan. Chairman Fitzhugh noted some issues Northfield had been having with the GIS system. Director Morley provided his input on the process. A discussion ensued. During the 2024 cohort for DeltClimeVT, which started in March, VPPSA began a discussion with one participant that provides truck mounted video camera technology combined with AI which can gather pole information (including GPS and pictures) usable in GIS. Director Gibbons gave some additional insight into what this technology appears to be capable of.

Interviews are ongoing for the Information Systems Analyst position and references are being checked on the Legislative Analyst position candidates. The Legislative applicants are being screened for potentially filling the Regulatory Analyst position recently vacated. The Power Analyst position remains on hold pending Ms. D'Arcy's return from maternity leave.

VPPSA continues moving forward with several power projects simultaneously. Both solar and battery storage options are being considered or in various stages of negotiations. All of the projects require PPA's with developers, PSA's with the host members taking the power, and testimony from VPPSA supporting the CPG filings.

The 2024 cohort for DeltClimeVT started in March. There are several other cohort participants that appear interesting and aligned with ongoing VPPSA projects.

13. Board Member Updates: None.

14. 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 Sheets. The motion was approved. The Board requested that BED leave the executive session and join later if requested.

The Board entered Executive Session at 11:57 a.m.

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

The Board returned to Regular Session at 12:15 a.m.

Broke for lunch at 12:16
Reconvened at 12:40

15. Chairman Fitzhugh noted that it was time for the General Manager's review process to begin. Chairman Fitzhugh asked for written comments from the Board to be presented at the May Board meeting.

16. Other Business: Alternate Director Jones thanked Ms. Parah for the home-made lunch provided.

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

The meeting was adjourned at 12:45 p.m.

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Respectfully submitted,



Grace Sawyer, Secretary