

# Vermont Public Power Supply Authority

## Board of Directors Meeting

June 5, 2019

9:30 a.m.

VPPSA Office

5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont

**CALL IN NUMBER: 1-773-231-9226 MEETING ID: 802 244 7678#**

### **DIRECTORS**

Vacant, Barton	Jonathan Elwell, Enosburg	Mike Sullivan, Hardwick
Carol Robertson, Hyde Park	Pamela Moore, Jacksonville	Meredith Birkett, Johnson
James Pallotta, Ludlow	Bill Humphrey, Lyndonville	Craig Myotte, Morrisville
Steve Fitzhugh, Northfield	John Morley III, Orleans	Reginald Beliveau, Swanton

### **AGENDA**

*Allotted number of minutes set forth in bold type after each item*

1. Call to Order
2. Consideration of changes/modifications to agenda (**3**)
3. Public Comment (**2**)

#### **Action Items**

4. Minutes of the Regular Board of Directors Meeting – April 3, 2019 (**2**)
5. Treasurer's Report through April 30, 2019 (**10**)
6. Resolution 2019-03 Investment Policy Statement (**15**)
7. Project #10 2012-2020 FY Budget (**10**)
8. Solar Power Purchase Agreement (**10**)

#### **Discussion Items**

9. EVT Reports (**30**)
10. AMI RFI (**30**)
11. RES Program 2019 Rebate Review (**15**)
12. Communications & Social Media Plans (**15**)
13. Barton Village Inc. Status (**30**)

#### **Reports**

14. Generation & Assets Committee (**5**)
15. Legislative Committee (**10**)
16. VELCO Board and Operating Committee (**10**)
17. Staff Reports (**10**)

#### **Executive Session**

18. Possible Executive Session for relevant Discussion Items

#### **Other**

19. Other Business (**5**)

#### **Workshop (anticipated 2:00 start)**

20. Invited Guests-Tangent Energy (**90**)

CC:

Tin Barton-Caplin, Barton	Clayton O. Bailey, Lyndonville
Gary Denton, Enosburg	Penny Jones, Morrisville
Frederika French, Hyde Park	Jeff Schulz, Northfield
Mac Butova, Jacksonville	Marilyn Prue, Orleans
Phil Wilson, Johnson	Lynn Paradis, Swanton
Vacant, Ludlow	

# Vermont **Public Power** Supply Authority

## MINUTES OF THE BOARD OF DIRECTORS MEETING

April 3, 2019

*Directors present (X indicates attendance in person, P indicates attendance by phone):*

	Evan Riordan, Barton		James Pallotta, Ludlow
X	Jonathan Elwell, Enosburg	X	Bill Humphrey, Lyndonville
X	Mike Sullivan, Hardwick	X	Craig Myotte, Morrisville
P	Carol Robertson, Hyde Park (9:40 am)	X	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	X	John Morley, Orleans
X	Meredith Birkett, Johnson	X	Reginald Beliveau, Swanton

*Alternates present:*

Lynn Paradis, Swanton	Penny Jones, Morrisville

*Others present:*

Ken Nolan, VPPSA	Crystal Currier, VPPSA	Amy Parah, VPPSA
James Gibbons, BED	Jeff Graham, Graham & Graham	

(numbers in bold type correspond with agenda item numbers)

- (1) The meeting was called to order at 9:32 a.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- (2) Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda.
- (3) Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public presence and therefore no comments were made.
- (4) Director Fitzhugh made a motion to accept the minutes of the Regular Board of Director's meeting held on February 6, 2019. The motion was seconded by Director Humphrey. Motion approved.
- (5) Director Humphrey made a motion to accept the minutes of the Special Board of Director's meeting held on March 28, 2019. The motion was seconded by Director Fitzhugh. Motion approved.
- (6) Director Morley made a motion to accept the Treasurer's report as of February 28, 2019 as presented. Director Humphrey seconded the motion.



**DRAFT**

VPPSA staff provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs. The financial results for the period ending February 28, 2019 indicate operational expenses being under-budget by approximately 4.6%.

This includes payroll and overheads that are under-budget by 9.1% and office supplies and expenses are over-budget by approximately 5.4%. Expenses exceeded revenues by approximately \$97K for the year (less than the budget expectation of \$112K).

The motion was approved.

(7) Director Morley made a motion to approve Resolution 2019-04 (Audit Report and Acceptance) as presented. The motion was seconded by Director Humphrey.

Jeff Graham, of Graham & Graham PC was in attendance to present the 2018 audit report. Mr. Graham provided a brief report on the Authority's net position, all of which he indicated was positive. It was noted that all debt covenants were met. A review of the new accounting pronouncements (pension, debt, lease) were reviewed and it was noted that they don't necessarily apply to VPPSA, and for those that do, they are not required until 2019.

Directly Morley asked if there was a list of debt in the report. The tables of existing debt and future maturities were reviewed. Directly Morley also asked Mr. Graham if he had any concerns with the report. It was noted that the only concern may be Hyde Park's membership withdrawal (not necessarily a concern related to this report but may have a future effect).

The motion was approved.

(8) The General Manager and Director Fitzhugh informed the Board that Vermont Electric Cooperative (VEC) and VELCO have been working with Northview Weather LLC to develop and implement weather forecasts for use in storm conditions. At the March VELCO Operating Committee meeting, VEC brought forward a proposal to have all of the Vermont distribution utilities participate in a contract with Northview Weather that would be managed by VELCO. Information from VELCO's legal counsel was provided that identified the estimated cost if all utilities participated and the cost was billed under the VELCO's current transmission cost share structure. Director Fitzhugh mentioned that each member would need to understand the benefits this program would offer in order to determine if they would like to participate.

There was a brief discussion regarding the value and the cost of participating in the program. The Board discussed this new program, the potential benefits and how it compares to the previous UTOPIUS program. The general consensus was that VPPSA members did not see the value from this type of program for small compact distribution utilities, and therefore they could not justify participation based on the information provided to date. Director Fitzhugh and Director Myotte indicated they would convey this to the Operating Committee.

(9) The General Manager explained that as he recently visited the individual utilities, he specifically asked Jacksonville and Ludlow if there was anything VPPSA could do to facilitate more participation in Board meetings. Director Moore indicated that while she would like to physically attend more meetings, Jacksonville's small staff and the 3-hour drive make it difficult.





**DRAFT**

The General Manager requested feedback regarding a proposal for VPPSA to hold at least one meeting (potentially October) per year at a more southerly location, potentially off the I-91 corridor, south of White River Jct. The Board was very open to moving one or more meetings to a southerly location or even other member locations.

(10) The General Manger provided a brief overview of the discussions from the Generation & Other Assets committee meeting held on March 13, 2019. They include: a review of Project #10 activities, an update on VPPSA's solar RFP projects (projects in Morrisville, Hardwick, Northfield, Johnson), updates on the Standard Offer Projects, and the benefits of the Load Reducing Resources.

(11) The Legislative and Regulatory Affairs committee met on March 13<sup>th</sup>. The General Manager provided a brief report on the discussions from that meeting and related to current legislative activities. Those include: Electric vehicles, EV charging stations, VPPSA's proposed Section 108 revisions, and language in the Governor's budget bill. Director Morley requested an update on the issue/concern with Broadband. The General Manager indicated that it is expected that the legislature will require a study over the summer to determine the potential hurdles and benefits of electric utilities installing broadband in their territories. The Board had a brief discussion regarding broadband and there was a consensus that the municipal utilities need to ensure they have representation at these future discussions.

(12) The VELCO Board meetings (regular, annual strategic planning meetings) will be held on Thursday, April 4<sup>th</sup>. Re-election of Officers will take place, the regular meeting will follow, and a strategic planning session will occur in the afternoon.

Director Fitzhugh reported on the VELCO Operating committee meeting activities. This includes: a visit from EVT, an update on Emerald Ash borer, discussions on cyber security, discussion on Northview Weather and SHEI activities.

A motion was made by Director Morley to suspend the regular meeting to hold the VPPSA annual meeting. The motion was seconded by Director Sullivan and was approved. The meeting was suspended at 11:20 a.m.

The Regular Board meeting reconvened at 12:40 p.m.

(13) Staff Reports – No other staff reports were provided.

(14) Director Elwell made a motion to enter Executive Session under the provisions of 1 V.S.A. §313(a)(3) to discuss personnel issues and to provide an evaluation of the General Manager. The motion was seconded by Director Birkett. The motion was approved.

The Board entered Executive Session at 12:40 p.m.  
The Board returned to Regular Session at 1:05p.m.

**DRAFT**

Director Elwell made a motion to accept the employee evaluation for the General Manager and to implement a 3% increase in pay effective with the next pay period. The motion was seconded by Director Sullivan. The motion was approved.

(15) Other Business: None.

The meeting was adjourned at 1:08 p.m.

Respectfully submitted,

*Crystal L Currier*

Crystal Currier, Secretary

# Vermont **Public Power** Supply Authority



## *Monthly Financial Report* April 30, 2019

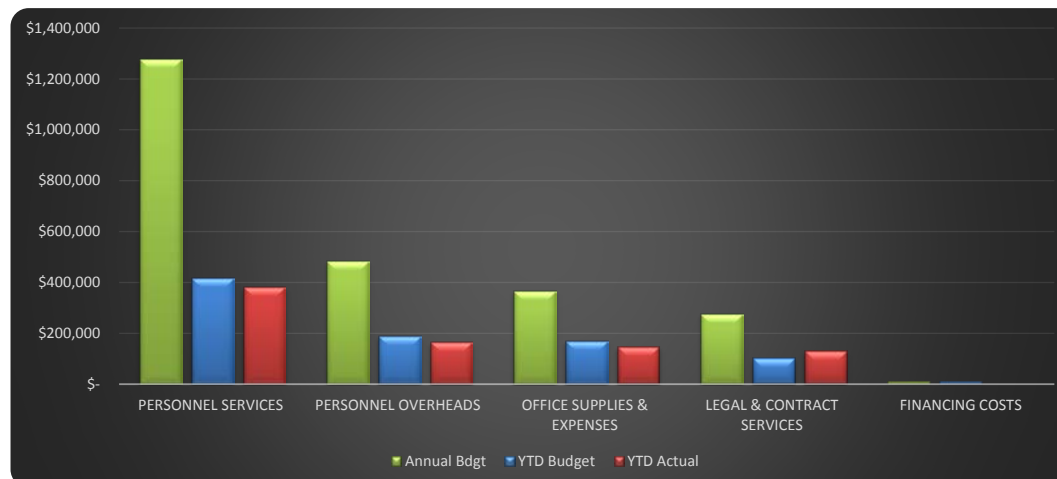
(Unaudited)

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<b>VERMONT PUBLIC POWER SUPPLY AUTHORITY</b> <b>OPERATIONAL REVENUE &amp; EXPENSE SUMMARY</b> <b>2019 YTD ACTUAL VS. BUDGET</b>							
Reconciliation Month <b>April-2019</b>							
		<b>2019</b> <b>YTD Budget</b>	<b>2019</b> <b>YTD Actual</b>	Variance <b>Act vs. Bdgt</b> \$	Variance <b>Act vs. Bdgt</b> %	<b>2019</b> <b>Annual Bdgt</b>	<b>YTD Act %</b> <b>of Annual</b> <b>Bdgt</b>
<b>REVENUES:</b>							
	MCNEIL PROJECT #2	\$ 30,830	\$ 30,830	\$ (0)	0.0%	\$ 92,491	33%
	HIGHGATE PROJECT #3	\$ -	\$ -	\$ -	0.0%	\$ -	0%
	CENTRAL COMPUTER PRJ #4	\$ 15,415	\$ 15,415	\$ -	0.0%	\$ 46,246	33%
	SWANTON PEAKER PRJ #10	\$ 67,890	\$ 64,667	\$ (3,223)	-4.7%	\$ 195,076	33%
	RES PROJECT	\$ 15,415	\$ 15,415	\$ 0	0.0%	\$ 46,246	33%
	NET METERING PROJECT	\$ 23,123	\$ 23,123	\$ (0)	0.0%	\$ 69,368	33%
	MEMBER REVENUES	\$ 579,916	\$ 579,916	\$ (0)	0.0%	\$ 1,739,749	33%
	NON-MEMBER REVENUES	\$ 44,300	\$ 32,695	\$ (11,604)	-26.2%	\$ 225,688	14%
	<b>TOTAL REVENUES</b>	<b>\$ 776,890</b>	<b>\$ 762,062</b>	<b>\$ (14,827)</b>	<b>-1.9%</b>	<b>\$ 2,414,863</b>	<b>32%</b>
<b>BILLABLE EXPENSES:</b>							
	PERSONNEL SERVICES	\$ 415,410	\$ 380,303	\$ (35,106)	-8.5%	\$ 1,279,811	30%
	PERSONNEL OVERHEADS	\$ 188,633	\$ 163,849	\$ (24,784)	-13.1%	\$ 484,100	34%
	OFFICE SUPPLIES & EXPENSES	\$ 171,227	\$ 147,675	\$ (23,552)	-13.8%	\$ 367,453	40%
	LEGAL & CONTRACT SERVICES	\$ 100,667	\$ 129,334	\$ 28,667	28.5%	\$ 277,000	47%
	FINANCING COSTS	\$ 6,500	\$ -	\$ (6,500)	0.0%	\$ 6,500	0%
	<b>TOTAL BILLABLE EXPENSES</b>	<b>\$ 882,436</b>	<b>\$ 821,161</b>	<b>\$ (61,275)</b>	<b>-6.9%</b>	<b>\$ 2,414,863</b>	<b>34%</b>
	<b>Net Income(Loss)</b>	<b>\$ (105,547)</b>	<b>\$ (59,099)</b>	<b>\$ 46,447</b>			

- ↔ between 31% and 36%
- ↑ greater than 36%
- ↓ less than 31%



**Monthly Financial Report-Variance Analysis**  
**April 30, 2019**

**NON PROJECT OPERATIONS:**

	Actual					Budget	Var (\$)	Var (%)
	Operational (*)	Power Supply	Transco Activities	Other	Total			
Member/NonMember Revenues	\$ 621,001	\$ 11,202,144	\$ -		\$ 11,823,145			
Other Revenue Sources	\$ 172,967	\$ 666,038	\$ 1,276,661	\$ 12,580	\$ 2,128,246			
Total Revenues	\$ 793,968	\$ 11,868,182	\$ 1,276,661	\$ 12,580	\$ 13,951,392	\$ 14,101,569	\$ (150,177)	-1%
Operational Expenses	\$ (832,006)	\$ (11,649,061)	\$ -	\$ (5,179)	\$ (12,486,246)			
Transco Activities	\$ (21,062)	\$ -	\$ (830,609)	\$ -	\$ (851,671)			
Other Expenses	\$ -	\$ -	\$ -	\$ (12,522)	\$ (12,522)			
Total Expenses	\$ (853,068)	\$ (11,649,061)	\$ (830,609)	\$ (17,700)	\$ (13,350,438)	\$ (13,865,845)	\$ 515,407	-4%
Net Cash Flow	\$ (59,099)	\$ 219,121	\$ 446,053	\$ (5,120)	\$ 600,954			
Transco Principal (VPPSA)	\$ 44,167	\$ -	\$ -	\$ -	\$ 44,167			
Net Income (Loss)	\$ (14,933)	\$ 219,121	\$ 446,053	\$ (5,120)	\$ 645,120	\$ 235,724	\$ 365,230	155%
Primary Drivers	PR & OH's underbudget 9.9% or (\$60K) OS & E underbudget .5% or (\$1K) -cont/travel, outside svcs, computer; offset by LOC, dues,insurance, legal Net Excess (Deficit) Collected to Cover Costs: (\$59,099) (*) - Reconciles to Operational Revenue & Expense Summary							

**MCNEIL:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 1,376,778	\$ 2,179,689	\$ (802,911)	-37%
Oper Expenses	\$ (1,545,286)	\$ (2,348,198)	\$ 802,911	-34%
Non-Oper Rev/Exp	\$ 15,292	\$ 10,000	\$ 5,292	53%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ (153,216)	\$ (158,508)	\$ 5,292	-3%
Primary Drivers	Expenses overall under-bdgt (\$802,911 or 34%) or 33% Wood Fuel under-bdgt (\$459,078) or 35% Generation 33% under-budget, (7,140,253 kwh less than budget) Interest Income 53% or \$5,292 over-budget			

**HIGHGATE:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ -	\$ -	\$ -	0%
Oper Expenses	\$ -	\$ -	\$ -	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ -	\$ -	\$ -	0%
Primary Drivers	Sale of Asset finalized in 2017-NO activity in 2019			

**CENTRAL COMPUTER:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 40,439	\$ 40,439	\$ 0	0%
Oper Expenses	\$ (40,439)	\$ (40,439)	\$ 0	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 0	\$ -	\$ 0	0%
Primary Drivers	On-Budget			

**Renewable Energy Standards:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 89,667	\$ 89,667	\$ (0)	0%
Oper Expenses	\$ (62,430)	\$ (89,667)	\$ 27,237	-30%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 27,237	\$ (0)	\$ 27,237	#####
Primary Drivers	Budgeted Expenses - Annualized (Less Rebates than bdt'd) REC purchase incurred in January Broker Fees on REC purchases in January			

**PROJECT 10:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 1,042,335	\$ 1,042,335	\$ 0	0%
Oper Expenses	\$ (709,319)	\$ (777,644)	\$ 68,325	-9%
Non-Oper Rev/Exp	\$ 45,611	\$ 16,000	\$ 29,611	185%
Financing	\$ (132,234)	\$ (132,234)	\$ -	0%
Net Income (Loss)	\$ 246,394	\$ 148,458	\$ 97,936	66%
Primary Drivers	Labor & OH - Underbdgt (\$3,223) or 9% Outside Labor - Underbdgt (\$6,649) or 95% Fuel Expense - Underbdgt (\$10,462) or 34% Materials - Underbdgt (1,267) or 49% Minimal electric, grounds, training, RME, training			

**Net Metering Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 23,123	\$ 23,123	\$ (0)	0%
Oper Expenses	\$ (23,430)	\$ (23,123)	\$ (307)	1%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ (307)	\$ 0	\$ (307)	-768600%
Primary Drivers	Mileage Expense of \$307 not budgeted			

**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**April 30, 2019**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	Total
<b>ASSETS</b>								
<b>Fixed Assets</b>								
<b>Production Plant</b>								
Land & Land Rights	0.00	79,273.96	0.00	0.00	0.00	0.00	0.00	79,273.96
Structures & Improvements	0.00	4,899,772.82	0.00	0.00	3,600,854.92	0.00	0.00	8,500,627.74
Equipment	0.00	17,307,617.12	0.00	0.00	18,676,931.84	0.00	0.00	35,984,548.96
<b>Total Production Plant</b>	<b>0.00</b>	<b>22,286,663.90</b>	<b>0.00</b>	<b>0.00</b>	<b>22,277,786.76</b>	<b>0.00</b>	<b>0.00</b>	<b>44,564,450.66</b>
<b>Transmission Plant</b>								
Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures & Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00	1,457,299.54	0.00	0.00	1,457,299.54
<b>Total Transmission Plant</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,457,299.54</b>	<b>0.00</b>	<b>0.00</b>	<b>1,457,299.54</b>
<b>Regional Transmission &amp; Market Plant</b>								
Computer Hardware/Software	0.00	0.00	0.00	0.00	138,367.70	0.00	0.00	138,367.70
Communication Equipment	0.00	0.00	0.00	0.00	19,074.23	0.00	0.00	19,074.23
<b>Total Regional Transm &amp; Mkt Plant</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>157,441.93</b>	<b>0.00</b>	<b>0.00</b>	<b>157,441.93</b>
<b>General Plant</b>								
Land & Land Rights	141,098.99	0.00	0.00	0.00	0.00	0.00	0.00	141,098.99
Structures & Improvements	704,881.55	0.00	0.00	0.00	562.11	0.00	0.00	705,443.66
Meters	91,454.48	0.00	0.00	0.00	0.00	0.00	0.00	91,454.48
Equipment	462,333.19	122,767.04	0.00	0.00	5,561.44	0.00	0.00	590,661.67
<b>Total General Plant</b>	<b>1,399,768.21</b>	<b>122,767.04</b>	<b>0.00</b>	<b>0.00</b>	<b>6,123.55</b>	<b>0.00</b>	<b>0.00</b>	<b>1,528,658.80</b>
<b>Total Fixed Assets</b>	<b>1,399,768.21</b>	<b>22,409,430.94</b>	<b>0.00</b>	<b>0.00</b>	<b>23,898,651.78</b>	<b>0.00</b>	<b>0.00</b>	<b>47,707,850.93</b>
<b>CWIP</b>	<b>0.00</b>	<b>20,919.61</b>	<b>0.00</b>	<b>0.00</b>	<b>9,256.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,175.61</b>
Intangible Plant-Net of Amort.	0.00	977.88	0.00	0.00	0.00	0.00	0.00	977.88
Accumulated Depreciation	(1,071,467.24)	(19,953,117.58)	0.00	0.00	(9,985,608.71)	0.00	0.00	(31,010,193.53)
<b>Net Utility Plant In Service</b>	<b>328,300.97</b>	<b>2,478,210.85</b>	<b>0.00</b>	<b>0.00</b>	<b>13,922,299.07</b>	<b>0.00</b>	<b>0.00</b>	<b>16,728,810.89</b>

**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**April 30, 2019**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	Total
<b>Investments:</b>								
Bond Fund Investments	0.00	0.00	0.00	0.00	3,392,976.98	0.00	0.00	3,392,976.98
Vt. Transco Investments	41,888,780.00	0.00	0.00	0.00	0.00	0.00	0.00	41,888,780.00
Other Investments	265,000.00	0.00	0.00	0.00	0.00	0.00	0.00	265,000.00
<b>Total Investments</b>	<b>42,153,780.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,392,976.98</b>	<b>0.00</b>	<b>0.00</b>	<b>45,546,756.98</b>
<b>Current Assets:</b>								
Project Revenue Funds	0.00	87,547.73	0.22	0.00	235,370.33	0.00	0.00	322,918.28
Project Construction Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and Working Funds	2,856,019.93	0.00	0.00	(13,040.53)	0.00	131,657.65	3,445.79	2,978,082.84
Cash-Special Deposits-PEX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash - VEV Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary Investments	418,781.44	2,068,437.24	0.00	0.00	3,558,063.49	0.00	0.00	6,045,282.17
Accounts Receivable	4,672,500.42	425,973.66	0.00	0.00	0.00	0.00	0.00	5,098,474.08
Amounts Due From Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Notes Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest/Distributions Receivable	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.10
Inventory	515.00	1,159,282.58	0.00	0.00	231,239.05	0.00	0.00	1,391,036.63
Prepayments	20,176.86	0.00	0.00	0.00	152,614.79	0.00	0.00	172,791.65
<b>Total Current Assets</b>	<b>7,967,993.75</b>	<b>3,741,241.21</b>	<b>0.22</b>	<b>(13,040.53)</b>	<b>4,177,287.66</b>	<b>131,657.65</b>	<b>3,445.79</b>	<b>16,008,585.75</b>
<b>Other Assets:</b>								
Deferred Debits	107,656.12	161,024.25	0.00	13,042.44	0.00	0.00	0.00	281,722.81
Derivative Instrument Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UnAmortized Debt Issue Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Assets</b>	<b>107,656.12</b>	<b>161,024.25</b>	<b>0.00</b>	<b>13,042.44</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>281,722.81</b>
<b>Total Assets</b>	<b>\$ 50,557,730.84</b>	<b>6,380,476.31</b>	<b>0.22</b>	<b>1.91</b>	<b>21,492,563.71</b>	<b>131,657.65</b>	<b>3,445.79</b>	<b>78,565,876.43</b>



**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**April 30, 2019**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	Total
<b>LIABILITIES AND CAPITAL</b>								
<b>Current Liabilities:</b>								
Accounts Payable	2,389,892.81	116,090.56	0.00	0.00	20,486.89	0.00	0.00	2,526,470.26
Security Deposits	1,576.75	0.00	0.00	0.00	0.00	0.00	0.00	1,576.75
Amounts due Members	368,138.94	0.00	0.00	0.00	0.00	0.00	0.00	368,138.94
Short-term Bank Notes Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Maturities on L/T Debt	10,218,727.72	0.00	0.00	0.00	1,140,000.00	0.00	0.00	11,358,727.72
Derivative Instrument Liability	49,221.20	0.00	0.00	0.00	0.00	0.00	0.00	49,221.20
Accrued Interest	0.00	0.00	0.00	0.00	230,741.60	0.00	0.00	230,741.60
Accrued Taxes Payable	4,766.68	19,828.82	0.00	0.00	0.00	0.00	0.00	24,595.50
Accrued Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Pension Contributions	22,149.47	0.00	0.00	0.00	0.00	0.00	0.00	22,149.47
Accrued Payroll Liabilities	3,050.14	0.00	0.00	0.00	0.00	0.00	0.00	3,050.14
Other Misc. Accrued Liabilities	10,488.59	0.00	0.00	0.00	0.00	0.00	0.00	10,488.59
<b>Total Current Liabilities</b>	<b>13,068,012.30</b>	<b>135,919.38</b>	<b>0.00</b>	<b>0.00</b>	<b>1,391,228.49</b>	<b>0.00</b>	<b>0.00</b>	<b>14,595,160.17</b>
<b>Long-Term Debt:</b>								
LTD-Bonds	0.00	0.00	0.00	0.00	14,450,000.00	0.00	0.00	14,450,000.00
LTD-Other-HG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Other-P10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-Members	16,225,007.75	0.00	0.00	0.00	0.00	0.00	0.00	16,225,007.75
LTD-Transco-HG	1,273,160.08	0.00	0.00	0.00	0.00	0.00	0.00	1,273,160.08
LTD-Transco-VEC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LCSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LED	2,194,000.00	0.00	0.00	0.00	0.00	0.00	0.00	2,194,000.00
Unamortized Bond Premium	0.00	0.00	0.00	0.00	259,639.48	0.00	0.00	259,639.48
Unamortized Loss of Reaq. Debt	0.00	0.00	0.00	0.00	(185,758.48)	0.00	0.00	(185,758.48)
<b>Net Long-Term Debt</b>	<b>19,692,167.83</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14,523,881.00</b>	<b>0.00</b>	<b>0.00</b>	<b>34,216,048.83</b>
<b>Other Liabilities</b>								
Deferred Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Def. Revenues - Members	0.00	0.00	0.00	0.00	0.00	104,420.25	3,753.21	108,173.46
Deferred Vacation Wages	83,666.21	0.00	0.00	0.00	0.00	0.00	0.00	83,666.21
Deferred Contract Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Deferred Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Credits</b>	<b>83,666.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>104,420.25</b>	<b>3,753.21</b>	<b>191,839.67</b>
Interfund-Project Allocations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Capital Equity</b>								
Unappropriated Retained Earnings	6,224,594.65	6,244,556.94	1,193,836.70	1.92	5,590,647.19	27,237.40	(307.42)	19,280,567.38
Unappropriated Earnings-Distributed	0.00	0.00	(1,193,836.48)	0.00	0.00	0.00	0.00	(1,193,836.48)
Appropriated Retained Earnings	11,538,511.03	0.00	0.00	0.00	0.00	0.00	0.00	11,538,511.03
Other Comprehensive Income	(49,221.20)	0.00	0.00	0.00	(13,192.97)	0.00	0.00	(62,414.17)
<b>Total Retained Earnings</b>	<b>17,713,884.48</b>	<b>6,244,556.94</b>	<b>0.22</b>	<b>1.92</b>	<b>5,577,454.22</b>	<b>27,237.40</b>	<b>(307.42)</b>	<b>29,562,827.76</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$ 50,557,730.82</b>	<b>6,380,476.32</b>	<b>0.22</b>	<b>1.92</b>	<b>21,492,563.71</b>	<b>131,657.65</b>	<b>3,445.79</b>	<b>78,565,876.43</b>

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**April 30, 2019**

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	NetMet	Total
<b>REVENUES &amp; OTHER INCOME</b>								
Sales for ReSale	11,239,666.79	1,376,778.03	0.00	0.00	1,042,334.91	0.00	0.00	13,658,779.73
Service Revenues	0.00	0.00	0.00	40,439.24	0.00	89,666.88	23,122.76	153,228.88
CDA & Affiliate Revenues	621,000.94	0.00	0.00	0.00	0.00	0.00	0.00	621,000.94
Project Revenues	149,450.28	0.00	0.00	0.00	0.00	0.00	0.00	149,450.28
REC Revenues	666,037.68	0.00	0.00	0.00	0.00	0.00	0.00	666,037.68
VELCO Directorship	4,750.00	0.00	0.00	0.00	0.00	0.00	0.00	4,750.00
Misc. Revenues	11,984.37	0.00	0.00	0.00	0.00	0.00	0.00	11,984.37
<b>Total Operating Revenues</b>	<b>12,692,890.06</b>	<b>1,376,778.03</b>	<b>0.00</b>	<b>40,439.24</b>	<b>1,042,334.91</b>	<b>89,666.88</b>	<b>23,122.76</b>	<b>15,265,231.88</b>
<b>EXPENSES</b>								
<b>POWER PRODUCTION</b>								
<b>STEAM POWER PRODUCTION</b>								
Operations	0.00	1,097,975.06	0.00	0.00	0.00	0.00	0.00	1,097,975.06
Maintenance	0.00	83,448.14	0.00	0.00	0.00	0.00	0.00	83,448.14
Total Steam Power Production	0.00	1,181,423.20	0.00	0.00	0.00	0.00	0.00	1,181,423.20
<b>OTHER POWER PRODUCTION</b>								
Operations	0.00	0.00	0.00	0.00	85,112.13	0.00	0.00	85,112.13
Maintenance	0.00	0.00	0.00	0.00	15,678.73	0.00	0.00	15,678.73
Total Other Power Production	0.00	0.00	0.00	0.00	100,790.86	0.00	0.00	100,790.86
<b>TRANSMISSION</b>								
Operations	4,283,050.23	1,272.02	0.00	0.00	0.00	0.00	0.00	4,284,322.25
Maintenance	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.30
Total Transmission Expense	4,283,050.23	1,272.02	0.00	0.00	0.30	0.00	0.00	4,284,322.55
<b>OTHER POWER SUPPLY</b>								
Purchase Power	7,392,500.51	0.00	0.00	0.00	0.00	0.00	0.00	7,392,500.51
System Control & Load Dispatch	0.00	2,427.95	0.00	0.00	3,087.39	0.00	0.00	5,515.34
REC Purchases	0.00	0.00	0.00	0.00	0.00	38,812.50	0.00	38,812.50
Total Other PS Expense	7,392,500.51	2,427.95	0.00	0.00	3,087.39	38,812.50	0.00	7,436,828.35

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**April 30, 2019**

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	NetMet	Total
<b>REGIONAL MARKET EXPENSES</b>								
RME-Market Monitor/Compl-Gen	0.00	0.00	0.00	0.00	120.81	0.00	0.00	120.81
RME-Market Monitor/Compl-L&O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Reg. Market Expense	0.00	0.00	0.00	0.00	120.81	0.00	0.00	120.81
<b>CUSTOMER SVS &amp; INFORMATION ADV</b>								
Cust Svs & Info-Cust Assist.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cust Svs & Info-Info Adv Exp	0.00	5,734.36	0.00	0.00	0.00	0.00	0.00	5,734.36
Cust Svs & Infor Adv	0.00	5,734.36	0.00	0.00	0.00	0.00	0.00	5,734.36
Cust Svs & Info Adv-RES	0.00	0.00	0.00	0.00	0.00	2,013.75	0.00	2,013.75
Total Cust Svs & Info Adv.	0.00	5,734.36	0.00	0.00	0.00	2,013.75	0.00	7,748.11
<b>SALES EXPENSE</b>								
Sales Expense	4,250.00	0.00	0.00	0.00	0.00	6,047.40	0.00	10,297.40
Total Sales Expense	4,250.00	0.00	0.00	0.00	0.00	6,047.40	0.00	10,297.40
<b>ADMINISTRATIVE &amp; GENERAL</b>								
Operations	825,472.40	101,655.33	0.00	40,439.16	226,211.78	15,556.00	23,430.16	1,232,764.83
Maintenance	0.00	247.16	0.00	0.00	0.00	0.00	0.00	247.16
Total A&G Expense	825,472.40	101,902.49	0.00	40,439.16	226,211.78	15,556.00	23,430.16	1,233,011.99
<b>OTHER</b>								
Taxes- In Lieu of Property Taxes	4,766.68	84,018.00	0.00	0.00	0.00	0.00	0.00	88,784.68
Depreciation Expense	14,288.32	168,508.32	0.00	0.00	379,107.76	0.00	0.00	561,904.40
Amortization Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	19,055.00	252,526.32	0.00	0.00	379,107.76	0.00	0.00	650,689.08
<b>Total Operating Expenses</b>	<b>12,524,328.14</b>	<b>1,545,286.34</b>	<b>0.00</b>	<b>40,439.16</b>	<b>709,318.90</b>	<b>62,429.65</b>	<b>23,430.16</b>	<b>14,905,232.35</b>
<b>Net OPERATING Earnings(Loss)</b>	<b>\$ 168,561.92</b>	<b>(\$ 168,508.31)</b>	<b>0.00</b>	<b>0.08</b>	<b>333,016.01</b>	<b>27,237.23</b>	<b>(307.40)</b>	<b>359,999.53</b>

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**April 30, 2019**

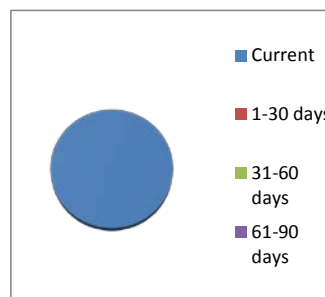
	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	NetMet	Total
<b>NON-OPERATING (INCOME) EXPENSES</b>								
<b>OTHER NON-OPERATING (INCOME) EXPENSES</b>								
Interest/Finance Chg Income	(9,162.65)	(15,292.13)	0.00	0.00	(45,611.38)	0.00	0.00	(70,066.16)
TRANSCO Distribution/Income	(1,309,861.89)	0.00	0.00	0.00	0.00	0.00	0.00	(1,309,861.89)
Transco "Net Settlement" Expense	390,115.83	0.00	0.00	0.00	0.00	0.00	0.00	390,115.83
Misc. Non-Operating Inc-Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Income	(3,417.32)	0.00	0.00	0.00	0.00	0.00	0.00	(3,417.32)
Misc. Non-Operating Exp-DOE Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Expenses	5,178.82	0.00	0.00	0.00	0.00	0.00	0.00	5,178.82
Total Other Non-Operating (Inc) Exp	(927,147.21)	(15,292.13)	0.00	0.00	(45,611.38)	0.00	0.00	(988,050.72)
<b>FINANCING COSTS</b>								
Interest on LTD-Bonds	0.00	0.00	0.00	0.00	230,741.64	0.00	0.00	230,741.64
Interest on LTD-Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Transco Debt	444,786.90	0.00	0.00	0.00	0.00	0.00	0.00	444,786.90
Interest on Short-term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Costs on LTD-Swp Rel.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization of DIE-Letter of Crdt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortization of Debt Issue Exp.	5,801.95	0.00	0.00	0.00	0.00	0.00	0.00	5,801.95
Amortization of Loss on Reaq.Debt.	0.00	0.00	0.00	0.00	247,677.92	0.00	0.00	247,677.92
Amortization of Bond Premium	0.00	0.00	0.00	0.00	(346,186.04)	0.00	0.00	(346,186.04)
Net Financing Expenses	450,588.85	0.00	0.00	0.00	132,233.52	0.00	0.00	582,822.37
<b>Total Non-Operating (Inc) Exp</b>	<b>(476,558.36)</b>	<b>(15,292.13)</b>	<b>0.00</b>	<b>0.00</b>	<b>86,622.14</b>	<b>0.00</b>	<b>0.00</b>	<b>(405,228.35)</b>
<b>TOTAL Net Earnings(Loss)</b>	<b>\$ 645,120.28</b>	<b>(\$ 153,216.18)</b>	<b>0.00</b>	<b>0.08</b>	<b>246,393.87</b>	<b>27,237.23</b>	<b>(307.40)</b>	<b>765,227.88</b>

**Vt. Public Power Supply Authority**  
**Consolidated Balance Sheet**  
**April 30, 2019**

	2019	2018
<b>ASSETS</b>		
Electric Utility Plant	47,707,850.93	47,394,761.93
Accumulated Depreciation	(31,010,193.53)	(29,412,083.31)
Utility Plant in Service	16,697,657.40	17,982,678.62
 CWIP-McNeil	 20,919.61	 32,970.85
CWIP-Highgate	0.00	0.00
CWIP-P10	9,256.00	0.00
 Net Electric Plant	 16,727,833.01	 18,015,649.47
 Intangible Plant-Net of Amort.	 977.88	 8,115.74
<u>Current Assets:</u>		
Special Funds	3,715,895.26	4,010,868.61
Cash and Working Funds	1,179,610.11	1,456,631.96
Cash - REC's	0.00	0.00
Cash - Vt. Transco	1,798,472.73	1,305,968.99
Cash - VEV Proceeds	0.00	315,658.87
Special Deposits-Collateral	0.00	0.00
Temporary Investments	6,045,282.17	4,927,440.01
Investment in Associated Co.	265,000.00	265,000.00
Investment in Vt. Transco	41,888,780.00	40,641,060.00
Accounts Receivable	5,098,474.08	6,797,856.60
Amounts Due From Members	0.00	0.00
Notes Receivable	0.00	0.00
Interest/Distributions Receivable	0.10	0.46
McNeil Inventory	1,159,282.58	809,301.05
P10 Inventory	231,239.05	213,098.45
Meter Inventory	515.00	515.00
Other Current Assets	172,791.65	176,871.97
 Total Current Assets	 61,555,342.73	 60,920,271.97
<u>Other Assets:</u>		
Deferred Debits	281,722.81	709,142.90
Derivative Instrument Asset	0.00	0.00
Unamortized Dbt Iss Exp-LetCrd	0.00	0.00
Unamort Debt Issue Exp-McN	0.00	0.00
Unamort Debt Issue Exp-HG	0.00	0.00
Unamortiz Debt Issue Exp-P10	0.00	0.00
 Total Other Assets	 281,722.81	 709,142.90
 <b>Total Assets</b>	 <b>\$ 78,565,876.43</b>	 <b>\$ 79,653,180.08</b>

**A/R Aging Analysis**

Current	100%
1-30 days	0%
31-60 days	0%
61-90 days	0%
91-120 days	0%
>120 days	0%
Total	100%



Vt. Public Power Supply Authority  
Consolidated Balance Sheet  
April 30, 2019

	2019	2018
<b>LIABILITIES AND CAPITAL</b>		
Unappropriated Retained Earnings	19,280,567.38	19,152,067.32
Unappropriated Earnings-Distributed	(1,193,836.48)	(1,193,836.48)
Appropriated Retained Earnings	11,538,511.03	9,500,618.37
Other Comprehensive Income	(62,414.17)	(113,627.13)
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Total Retained Earnings	29,562,827.76	27,345,222.08
<u>Long-Term Debt:</u>		
LTD-P10 Bonds - Series A	13,655,000.00	14,730,000.00
LTD-P10 Bonds - Series B	795,000.00	860,000.00
LTD-Other - HG	0.00	0.00
LTD-Transco 2011 Consolid Refi	9,048,323.31	10,179,363.73
LTD-Transco 2012-2014 Members	3,164,870.44	3,560,479.20
LTD-Vt Transco "16 Members	1,310,290.00	1,520,290.00
LTD-Vt Transco Financing-HG	1,273,160.08	1,432,305.08
LTD-Vt Transco '17 Members	1,578,576.00	1,775,898.00
LTD-Vt Transco '18 Members	1,054,926.00	0.00
LTD-Vt Transco '18 VPPSA	68,022.00	0.00
LTD-Vt. Transco Financing-LCSF	0.00	8,746,500.00
LTD-LED SFTransco 2010-2020	2,194,000.00	2,194,000.00
Unamortized Premium-P10 Bonds	259,639.48	1,298,197.60
Unamortiz Loss-Reaqc Debt-P10	(185,758.48)	(928,792.24)
	<hr/>	<hr/>
Net Long-Term Debt	34,216,048.83	45,368,241.37
Def. Revenues - Members	108,173.46	0.00
Def. Credits-Accrued Vac Liab.	83,666.21	76,126.56
Def Credits-LT Salaries Payabl	0.00	0.00
	<hr/>	<hr/>
Total Deferred Revenues/Credits	191,839.67	76,126.56
<u>Current Liabilities:</u>		
Accounts Payable	2,526,470.26	3,232,882.18
Amounts due Members	368,138.94	347,275.02
Security Deposits	1,576.75	40,154.27
Short-term Bank Notes Payable	0.00	0.00
Current Maturities on L/T Debt	11,358,727.72	2,843,648.70
Derivative Instrument Liability	49,221.20	65,521.66
Accrued Interest	230,741.60	245,625.00
Accrued Taxes Payable	24,595.50	38,828.98
Accrued Salaries	0.00	0.00
Accrued Pension Contributions	22,149.47	20,917.93
Accrued Payroll Liabilities	3,050.14	7,818.53
Other Misc. Accrued Liabilities	10,488.59	20,917.80
	<hr/>	<hr/>
Total Current Liabilities	14,595,160.17	6,863,590.07
	<hr/>	<hr/>
<b>Total Liabilities &amp; Capital</b>	<b>\$ 78,565,876.43</b>	<b>\$ 79,653,180.08</b>

**Vermont Public Power Supply Authority**  
**Non-Project Operations - Profit & Loss Statement**  
**April 30, 2019**

	<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Actual as % of Budget</b>	<b>Annual Budget</b>
<b><u>Operating Revenues</u></b>				
Sales for Resales	11,239,666.79	11,585,587.94	97%	31,355,645.75
Serv. Fees, Members & Affiliates	621,000.94	620,416.36	100%	1,862,249.08
Admin Fees Allocated to Projects	115,613.92	115,614.00	100%	346,842.00
Project 10 Labor & OH Revenue	33,836.36	37,059.52	91%	102,584.84
VELCO Directorship	4,750.00	4,500.00	106%	18,000.00
Renewable Energy Certificates	666,037.68	443,008.00	150%	2,052,689.00
Misc. Revenues	11,984.37	0.00	0%	0.00
<b>Total Operating Revenues</b>	<b>12,692,890.06</b>	<b>12,806,185.82</b>	<b>99%</b>	<b>35,738,010.67</b>
<b><u>Operating Expenses</u></b>				
<b>Other Power Supply Expense</b>				
OPSE-Purchased Power	7,361,760.80	7,936,624.75	93%	21,863,408.67
OPSE-REC Purchase Exp.	0.00	0.00	0%	0.00
OPSE-Purchase Pwr-'15 SO	30,739.71	50,968.70		194,143.49
OPSE-Purchase Pwr-'17 SO	0.00	0.00	0%	0.00
<b>Total Other Power Supply Expense</b>	<b>7,392,500.51</b>	<b>7,987,593.45</b>	<b>93%</b>	<b>22,057,552.16</b>
<b>Transmission Expense</b>				
TRSM-Oper-Transm by Others	4,279,246.88	4,134,877.56	103%	11,270,566.93
TRSM-Oper-Misc Transm Exp	3,803.35	2,600.00	146%	7,800.00
<b>Total Transmission Expense</b>	<b>4,283,050.23</b>	<b>4,137,477.56</b>	<b>104%</b>	<b>11,278,366.93</b>
<b>Sales Expense</b>				
REC Sales Expenses	4,250.00	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>4,250.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Admin &amp; General Expense</b>				
Salaries	380,303.37	415,409.52	92%	1,279,811.00
Payroll Overheads	33,531.59	38,171.14	88%	99,362.07
Office Supplies & Expense	67,441.88	71,922.68	94%	188,568.00
Outside Services	129,334.15	100,666.68	128%	277,000.00
Insurances	38,422.14	44,322.68	87%	57,091.00
Employee Benefits	130,317.46	150,461.90	87%	384,737.88
Memberships/Dues	32,957.53	23,033.36	143%	25,950.00
Conference & Travel Expenses	12,095.78	24,248.32	50%	72,745.00
Rents	0.00	0.00	0%	0.00
Transportation Expenses	1,068.50	1,166.64	92%	3,500.00
A & G Transferred Credit	0.00	0.00	0%	0.00
<b>Total A &amp; G Expenses</b>	<b>825,472.40</b>	<b>869,402.92</b>	<b>95%</b>	<b>2,388,764.95</b>

**Vermont Public Power Supply Authority**  
**Non-Project Operations - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Other Operating Expenses</b>				
Property Taxes	4,766.68	4,766.64	100%	14,300.00
Depreciation Expense	14,288.32	14,288.32	100%	42,865.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Operating Expenses</b>	<b>19,055.00</b>	<b>19,054.96</b>	<b>100%</b>	<b>57,165.00</b>
<b>Total Operating Expenses</b>	<b>12,524,328.14</b>	<b>13,013,528.89</b>	<b>96%</b>	<b>35,781,849.04</b>
<b>Total Operating Income (Loss)</b>	<b>168,561.92</b>	<b>(207,343.07)</b>	<b>-81%</b>	<b>(43,838.37)</b>
<b><u>Non-Operating (Income) Expenses</u></b>				
Interest/Finance Chg Income	(9,162.65)	(10,666.68)	86%	(32,000.00)
Vt. Transco Income	(1,309,861.89)	(1,284,716.50)	102%	(5,138,866.00)
Non-Operating Income-Member Purch.	(3,417.32)	0.00	0%	0.00
Non-Operating Inc-Gain on Disp of Plant	0.00	0.00	0%	0.00
Misc. Non-Operating Income	0.00	0.00	0%	0.00
Non-Operating Expenses-Member Purchases	5,178.82	0.00	0%	0.00
Misc. Non-Operating Expenses	0.00	0.00	0%	0.00
<b>Net Other Non-Operating (Inc) Exp</b>	<b>(1,317,263.04)</b>	<b>(1,295,383.18)</b>	<b>102%</b>	<b>(5,170,866.00)</b>
<b>Financing Costs</b>				
Other Interest Expense	0.00	6,500.00	0%	6,500.00
Other Interest Expense-Transco	0.00	0.00	0%	0.00
Interest on LTD-Transco	444,786.90	458,548.62	97%	1,392,266.49
Amort. of Debt Issue Exp-Transco	5,801.95	5,000.00	116%	5,000.00
Transco Net Settlement Exp.	390,115.83	382,267.37	102%	1,563,155.55
Interest on LTD	0.00	0.00	0%	0.00
Amortiz of Debt Iss. Exp-LtrCr	0.00	0.00	0%	0.00
<b>Net Financing Costs</b>	<b>840,704.68</b>	<b>852,315.99</b>	<b>99%</b>	<b>2,966,922.04</b>
<b>Total Non-Operating (Inc) Exp</b>	<b>(476,558.36)</b>	<b>(443,067.19)</b>	<b>108%</b>	<b>(2,203,943.96)</b>
<b>Total Net Earnings (Loss)</b>	<b>\$ 645,120.28</b>	<b>\$ 235,724.12</b>	<b>274%</b>	<b>\$ 2,160,105.59</b>



**Vermont Public Power Supply Authority**  
**McNeil Project #2 - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b><u>OPERATING REVENUES &amp; INCOME</u></b>				
Sales for ReSale	1,376,778.03	2,179,689.47	63%	5,398,038.38
REC Sales	0.00	0.00	0%	0.00
<b>Total Operating Revenues &amp; Income</b>	<b>1,376,778.03</b>	<b>2,179,689.47</b>	<b>63%</b>	<b>5,398,038.38</b>
<b><u>OPERATING EXPENSES</u></b>				
<b>STEAM PWR GENERATION-OPERATIONS</b>				
SPG-Oper- Misc. Steam Power Expenses	33,360.40	44,514.08	75%	133,542.24
SPG-Oper-Supv&Engineering	31,784.14	28,102.00	113%	84,306.00
SPG-Oper-Steam Exp-Fuel Oil	7,285.81	1,146.08	636%	1,146.08
SPG-Oper-Wood Fuel Expense	854,282.41	1,313,360.44	65%	2,800,828.78
SPG-Oper-Cap Rel Wood Ene Cost	17,809.65	30,073.32	59%	90,219.96
SPG-Oper-Natural Gas Fuel Exp.	5,382.69	7,318.20	74%	21,969.28
SPG-Oper-Steam Expenses	106,829.90	126,198.12	85%	378,594.36
SPG-Oper-Electric Expenses	41,240.06	49,312.28	84%	147,936.84
Total SPG-Operations Expense	1,097,975.06	1,600,024.52	69%	3,658,543.54
<b>STEAM PWR GENERATION-MAINTENANCE</b>				
SPG-Maint-Supv. & Engineering	5,575.63	6,283.76	89%	18,851.28
SPG-Maint-Structures	4,416.50	8,809.56	50%	26,428.68
SPG-Maint-Boiler	45,284.33	124,076.52	36%	372,229.56
SPG-Maint-Electric Plt	25,538.62	217,398.52	12%	652,195.56
SPG-Maint-Steam Plant	2,633.06	5,040.88	52%	15,122.64
Total SPG Maintenance Expense	83,448.14	361,609.24	23%	1,084,827.72
<b>TRANSMISSION-OPERATIONS</b>				
TRSM-Oper-Station Equipment	0.00	5,035.00	0%	15,105.00
TRSM-Oper-Rent	1,272.02	934.80	136%	2,804.40
Total TRSM Operation Expense	1,272.02	5,969.80	21%	17,909.40
<b>TRANSMISSION-MAINTENANCE</b>				
TRSM-Maint-Station Equipment	0.00	380.00	0%	1,140.00
Total TRSM Maintenance Expense	0.00	380.00	0%	1,140.00
<b>OTHER POWER SUPPLY</b>				
OPSE-Syst. Ctrl & Load Dispa	2,427.95	2,855.20	85%	8,565.60
OPSE-Purchased Power-McN	0.00	0.00	0%	0.00
OPSE-McN REC Purch Exp	0.00	0.00	0%	0.00
Total Other PS Expense	2,427.95	2,855.20	85%	8,565.60
<b>CUSTOMER SVS &amp; INFORMATION</b>				
Cust Svs & Info-Cust Assist.	0.00	0.00	0%	0.00
Cust Svs & Info-Info Adv Exp	5,734.36	5,293.20	108%	15,879.60
Total Cust Svs & Info Expense	5,734.36	5,293.20	108%	15,879.60
<b>SALES EXPENSES</b>				
A&G - Sales Expense-REC's-McN	0.00	500.00	0%	2,000.00
Total Sales Expense	0.00	500.00	0%	2,000.00
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-McN	54,295.52	53,786.56	101%	161,359.68
A&G-Office Supplies & Exp-McN	10,251.79	12,648.40	81%	37,945.20

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
A&G-Outside Services-McN	12,029.12	15,549.68	77%	46,649.04
A&G-Property Insurance-McN	1,868.48	13,516.24	14%	40,548.72
A&G-Injuries & Damages-McN	8,486.12	13,165.92	64%	39,497.76
A&G-Safety Meetings&Equip-McN	6,795.95	0.00	0%	0.00
A&G-Environmental Compl.-McN	0.00	0.00	0%	0.00
A&G-Employee Ben Alloc-McN	6,111.80	6,111.80	100%	18,335.40
A&G-Employee Ben-Pension-McN	35,997.25	0.00	0%	0.00
A&G-Employee Ben-McN Health	41,223.62	0.00	0%	0.00
A&G-Employee Benefits-Sick-McN	0.00	0.00	0%	0.00
A&G-Employee Ben-Physical-McN	0.00	0.00	0%	0.00
A&G-Employee Ben-Life Ins-McN	214.99	0.00	0%	0.00
A&G-Employee Ben-Unempl Comp	0.00	0.00	0%	0.00
A&G-P/R Ovhd's Alloc-McN	(92,600.05)	0.00	0%	0.00
A & G - Employee Ben-McN Taxes	16,619.89	0.00	0%	0.00
A&G-Misc General Expense-McN	360.85	3,241.20	11%	9,723.60
A&G-Misc. - McN	0.00	0.00	0%	0.00
A&G-Maint of General Plant	247.16	1,019.68	24%	3,059.04
Total Administrative Expense	101,902.49	119,039.48	86%	357,118.44
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	84,018.00	84,018.00	100%	252,054.00
Depreciation Expense	168,508.32	168,508.32	100%	505,524.96
Amortization Expense	0.00	0.00	0%	0.00
Total Other Expenses	252,526.32	252,526.32	100%	757,578.96
<b>Total Operating Expenses</b>	<b>1,545,286.34</b>	<b>2,348,197.76</b>	<b>66%</b>	<b>5,903,563.26</b>
<b>Total Operating Income (Loss)</b>	<b>(168,508.31)</b>	<b>(168,508.29)</b>	<b>100%</b>	<b>(505,524.88)</b>
<b><u>NON-OPERATING (INCOME) &amp; EXPENSES</u></b>				
Interest Income-McN	(15,292.13)	(10,000.00)	153%	(30,000.00)
Gain/Loss -Disp of Utility Plt	0.00	0.00	0%	0.00
Misc. Non-Oper. Income-McN	0.00	0.00	0%	0.00
Gain-Disposition of Property	0.00	0.00	0%	0.00
Misc Non-Oper Inc-Realiz Gain	0.00	0.00	0%	0.00
Misc. Non-Operating Exp-McN	0.00	0.00	0%	0.00
Misc Non Oper Exp-McN Realiz L	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>(15,292.13)</b>	<b>(10,000.00)</b>	<b>153%</b>	<b>(30,000.00)</b>
<b>FINANCING COSTS</b>				
Interest on LTD-McN Bonds	0.00	0.00	0%	0.00
Interest on LTD-McN Other	0.00	0.00	0%	0.00
Amortiz. of Debt Issue Exp-McN	0.00	0.00	0%	0.00
Amortiz. of Loss on Req. Debt	0.00	0.00	0%	0.00
Amort. of Premium-McN	0.00	0.00	0%	0.00
<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Non-Operating (Income) &amp; Expen</b>	<b>(15,292.13)</b>	<b>(10,000.00)</b>	<b>153%</b>	<b>(30,000.00)</b>
<b>Total Net Income (Loss)</b>	<b>(\$ 153,216.18)</b>	<b>(\$ 158,508.29)</b>	<b>97%</b>	<b>(\$ 475,524.88)</b>

**Vermont Public Power Supply Authority**  
**Highgate Project #3 - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Sales for Resale-HG	\$ 0.00	\$ 0.00	0%	0.00
<b>Total Highgate Operating Revenue</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Expenses</b>				
TRSM-Oper-Supv&Engineer	0.00	0.00	0%	0.00
TRSM-Oper-Load Distance	0.00	0.00	0%	0.00
TRSM-Oper-Station Expense	0.00	0.00	0%	0.00
TRSM-Oper-Overhead Line Exp	0.00	0.00	0%	0.00
TRSM-Oper-Misc Transm Exp	0.00	0.00	0%	0.00
TRSM-Oper-HG RR Lease	0.00	0.00	0%	0.00
<b>Transmission Operating Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
TRSM-Maint-Supv. & Engineer	0.00	0.00	0%	0.00
TRSM-Maint-Structures	0.00	0.00	0%	0.00
TRSM-Maint-Station Equip.	0.00	0.00	0%	0.00
TRSM-Maint-Overhead Lines	0.00	0.00	0%	0.00
TRSM-Maint-Misc Transm Plt	0.00	0.00	0%	0.00
<b>Transmission Maintenance Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
A&G-Salaries-HG	0.00	0.00	0%	0.00
A&G-Office Supplies & Exp-HG	0.00	0.00	0%	0.00
A&G-Office Sup&Exp-HG Adm Allo	0.00	0.00	0%	0.00
A&G-Outside Services-HG	0.00	0.00	0%	0.00
A&G-Outside Svs-HG Admin Alloc	0.00	0.00	0%	0.00
A&G-Property Insurance-HG	0.00	0.00	0%	0.00
A&G-Injuries & Damages-HG	0.00	0.00	0%	0.00
A&G-Employee Benefits Alloc-HG	0.00	0.00	0%	0.00
A&G-Miscellaneous-HG	0.00	0.00	0%	0.00
A&G-Rents-HG	0.00	0.00	0%	0.00
A&G-Maint of General Plt-HG	0.00	0.00	0%	0.00
<b>Administrative &amp; General Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Property Taxes-HG	0.00	0.00	0%	0.00
Depreciation Expense-HG	0.00	0.00	0%	0.00
<b>Other Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Income (Loss)</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Interest Income-HG	0.00	0.00	0%	0.00
Gain/Loss on Disp of Plt-HG	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Other Interest Expense-HG	0.00	0.00	0%	0.00
Interest on LTD-HG Other	0.00	0.00	0%	0.00
Misc Financing Costs-Swp Rel	0.00	0.00	0%	0.00
<b>Total Financing Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Net Earnings (Loss)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>0%</b>	<b>\$ 0.00</b>

**Vermont Public Power Supply Authority**  
**Central Computer Project #4 - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Bdgt	Annual Budget
<b>Revenues</b>				
<b>Total Project 4 Revenue</b>	<b>40,439.24</b>	<b>40,439.20</b>	100%	<b>121,317.60</b>
<b>Operating Expenses</b>				
A&G-C.Comp-Non Budgeted Exp.	0.00	0.00	0%	0.00
A&G-Computer/Printer Sup.-CC	400.00	400.00	100%	1,200.00
A&G-Comp Hard/Soft Maint.-CC	24,020.96	24,021.00	100%	72,063.00
A&G-Online Charges-CComp	603.00	603.00	100%	1,809.00
Computer Software/Hardware Pur	0.00	0.00	0%	0.00
A&G-Direct Charges Bdgt-C.Comp	0.00	0.00	0%	0.00
A&G-C.Computer Admin Expense	15,415.20	15,415.20	100%	46,245.60
Depreciation Expense-CC	0.00	0.00	0%	0.00
<b>Total Operating Expenses</b>	<b>40,439.16</b>	<b>40,439.20</b>	100%	<b>121,317.60</b>
<b>Financing Costs</b>				
Amortiz. of Debt Issue Exp.-CC	0.00	0.00	0.00	0.00
Other Interest Expense-CComp	0.00	0.00	0.00	0.00
<b>Total Financing Costs</b>	<b>0.00</b>	<b>0.00</b>	0%	<b>0.00</b>
<b>Total Project 4 Expense</b>	<b>40,439.16</b>	<b>40,439.20</b>	100%	<b>121,317.60</b>
<b>Net Earnings (Loss)</b>	<b>\$ 0.08</b>	<b>\$ 0.00</b>	0%	<b>\$ 0.00</b>

**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>REVENUES &amp; OTHER OPERATING INCOME</b>				
Sales for ReSale	1,042,334.91	1,042,334.90	100%	3,293,894.13
Other Revenues	0.00	0.00	0%	0.00

<b>Total Revenues &amp; Operating Income</b>	<b>1,042,334.91</b>	<b>1,042,334.90</b>	<b>100%</b>	<b>3,293,894.13</b>
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**OPERATING EXPENSES****OTHER PWR GENERATION-OPERATIONS**

OPG-Oper-Superv & Engineer Exp	0.00	0.00	0%	0.00
OPG-Oper-Fuel Oil Exp.	20,172.52	30,635.30	66%	262,556.61
OPG-Oper-Fuel Biodiesel Exp.	0.00	0.00	0%	0.00
OPG-Oper-Fuel-Dem Wtr-P10	0.00	0.00	0%	0.00
OPG-Fuel-Starting Diesel	0.00	200.00	0%	600.00
OPG-Oper-Generation Exp-Direct Lbr	13,750.62	15,965.32	86%	46,122.00
OPG-Oper-Generation Exp-Lbr	351.00	1,000.00	35%	3,000.00
OPG-Oper-Generation Exp-EngLbr	0.00	4,000.00	0%	12,000.00
OPG-Oper-Generation Exp-Materi	763.99	200.00	382%	600.00
OPG-Oper-Generation Exp-OH	4,870.11	6,270.39	78%	15,428.86
OPG-Oper-Misc & Other Gen	0.00	0.00	0%	0.00
OPG-Oper-Misc & Oth Gen-Materi	105.52	400.00	26%	1,200.00
OPG-Oper-Misc & Oth Gen-Tools	59.59	400.00	15%	1,200.00
OPG-Oper-Misc Gen-Comp. Har/So	71.99	900.00	8%	6,996.00
OPG-Oper-Misc Gen-Permits	936.40	975.00	96%	1,375.00
OPG-Oper-Misc Gen-Electric	34,169.61	37,300.00	92%	93,800.00
OPG-Oper-Misc Gen-Ben/Incident	0.00	200.00	0%	600.00
OPG-Oper-Misc Gen-Tel/Internet	2,583.40	1,920.00	135%	5,760.00
OPG-Oper-Misc Gen-Groundskeep	1,000.00	1,850.00	54%	4,200.00
OPG-Oper-Misc Gen-Transp Exp	0.00	200.00	0%	600.00
OPG-Oper-Misc Gen-Trash Rem	282.52	300.00	94%	900.00
OPG-Oper-Misc Gen-Water	761.48	760.00	100%	2,280.00
OPG-Oper-Misc Gen-Waste Tax	0.00	0.00	0%	0.00
OPG-Oper-Misc Gen-Waste Rem	0.00	800.00	0%	2,400.00
OPG-Oper-Misc Gen-CO2 System	3,457.24	4,300.00	80%	9,000.00
OPG-Oper-Misc & Oth Gen-Train	0.00	5,000.00	0%	15,000.00
OPG-Oper-Misc Gen-Security Sys	690.12	1,400.00	49%	3,600.00
OPG-Oper-Misc Gen-Mileage	220.98	400.00	55%	1,200.00
OPG-Oper-Misc Gen-Admin Supplies	0.00	200.00	0%	600.00
OPG-Rents-P10	360.00	600.00	60%	1,800.00
OPG-Rents-Land Lease-P10	505.04	505.04	100%	1,515.12

Total OPG-Operations Expense	85,112.13	116,681.05	73%	494,333.59
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**OTHER PWR GENERATION-MAINTENANCE**

OPG-Maint-Superv & Eng Exp.	0.00	0.00	0%	0.00
OPG-Maint-Structures	0.00	600.00	0%	1,800.00
OPG-Maint-Gen&Elec Eq-Dir Lbr	11,081.23	10,643.54	104%	30,748.00
OPG-Maint-Gen & Elec Eq-Labor	0.00	2,000.00	0%	8,200.00
OPG-Maint-Gen & Elec Eq-Materi	463.10	2,000.00	23%	6,000.00
OPG-Maint-Gen & Elec Eq-OH	4,134.40	4,180.26	99%	10,285.93
OPG-Maint-Misc. Oth Pwr Gen Pl	0.00	200.00	0%	600.00

Total OPG Maintenance Expense	15,678.73	19,623.80	80%	57,633.93
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**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>TRANSMISSION-OPERATIONS</b>				
Transm-Oper-Superv. & Eng.	0.00	0.00	0%	0.00
Transm-Oper-Station Exp.	0.00	200.00	0%	600.00
Transm-Oper-Ovhd Lines Exp	0.00	100.00	0%	300.00
Transm-Oper-Transm. by Others	0.00	80.00	0%	240.00
Transm-Oper-Misc Transm Exp	0.00	0.00	0%	0.00
Total TRSM Operation Expense	0.00	380.00	0%	1,140.00
<b>TRANSMISSION-MAINTENANCE</b>				
Transm-Maint-Structures	0.00	200.00	0%	600.00
Transm-Maint-Station Equip.	0.30	200.00	0%	28,600.00
Transm-Maint-Overhead Lines	0.00	200.00	0%	600.00
Transm-Maint-Undergrd Lines	0.00	0.00	0%	0.00
Transm-Maint-Misc. Transm.	0.00	0.00	0%	0.00
Total TRSM Maintenance Expense	0.30	600.00	0%	29,800.00
<b>OTHER POWER SUPPLY</b>				
OPSE-Power Supply - P10	0.00	0.00	0%	0.00
OPSE-Sys Cntrl & Ld Disp - P10	3,087.39	2,960.00	104%	8,880.00
Total Other PS Expense	3,087.39	2,960.00	104%	8,880.00
<b>REGIONAL MARKET EXPENSES</b>				
RME-Market Monitor/Compl-Gen	120.81	8,333.32	1%	25,000.00
RME-Market Monitor/Compl-L&O	0.00	0.00	0%	0.00
Total Reg. Market Expense	120.81	8,333.32	1%	25,000.00
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A & G - Salaries - P10	16,039.20	16,039.20	100%	48,117.60
A & G - Bank Fees - P10	0.00	0.00	0%	0.00
A & G-General Office Supp- P10	0.00	0.00	0%	0.00
A&G-Local Mileage Exp-P10	20.88	200.00	10%	600.00
A&G-Local Meals Exp-P10	0.00	100.00	0%	300.00
A & G-Utilities- P10	0.00	0.00	0%	0.00
A & G-Telephone- P10	0.00	40.00	0%	120.00
A&G-Groundskpg/Snow Rem-P10	0.00	0.00	0%	0.00
A&G-Online Charges-P10	0.00	0.00	0%	0.00
A&G-Comp Soft/Hardware-P10	(70.01)	0.00	0%	0.00
A&G-Office Supp&Exp - P10 Alloc	4,986.04	4,986.04	100%	14,958.12
A&G-Outside Svs Legal-P10	1,014.00	2,000.00	51%	6,000.00
A&G-Outside Svs Other-P10	12,770.00	10,400.00	123%	47,300.00
A&G-Outside Svs-P10 Admin	3,693.32	3,693.32	100%	11,079.96
A&G-Property Insurance-P10	138,192.60	156,792.96	88%	136,765.56
A&G-Prop Insurance-P10 Admin	0.00	0.00	0%	0.00
A&G-Pollution Insurance-P10	0.00	7,892.23	0%	7,892.23
A&G-General Liability Ins-P10	21,368.50	22,348.74	96%	19,992.58
A&G-Injuries & Damages-P10	15,111.37	15,142.62	100%	13,546.32
A&G-P10 W/C Insurance	6,974.08	3,410.91	204%	2,538.03
A&G-P10 Safety Mtg & WC Related	0.00	800.00	0%	2,400.00
A&G-Employee Benefits-P10	6,111.80	6,111.80	100%	18,335.40
A&G-Misc Gen Exp-P10	0.00	0.00	0%	0.00
A&G - Conferences/Training-P10	0.00	0.00	0%	0.00
A&G Misc - P10	0.00	0.00	0%	0.00
Total Administrative Expense	226,211.78	249,957.82	90%	329,945.80

**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>OTHER OPERATING EXPENSES</b>				
Property Taxes	0.00	0.00	0%	21,000.00
Depreciation Expense	379,107.76	379,107.76	100%	1,137,323.28
Amortization Expense	0.00	0.00	0%	0.00
Total Other Operating Expenses	379,107.76	379,107.76	100%	1,158,323.28
<b>Total Operating Expenses</b>	<b>709,318.90</b>	<b>777,643.75</b>	<b>91%</b>	<b>2,105,056.60</b>
<b>Net Operating Income (Loss)</b>	<b>333,016.01</b>	<b>264,691.15</b>	<b>126%</b>	<b>1,188,837.53</b>
<b>NON-OPERATING INCOME/EXPENSES</b>				
<b>OTHER NON-OPERATING (INCOME) EXPENSE</b>				
Insurance Settlement (net)	0.00	0.00	0%	0.00
Net Realized (Gain)Loss on Investments	0.00	0.00	0%	0.00
Interest Income-P10	(45,611.38)	(16,000.00)	285%	(48,000.00)
Net Other Non-Operating (Inc) Exp	(45,611.38)	(16,000.00)	285%	(48,000.00)
<b>FINANCING COSTS</b>				
Interest on LTD-P10 Bonds	230,741.64	230,741.64	100%	674,840.58
Interest on LTD-P10 Other	0.00	0.00	0%	0.00
Other Interest Expense-P10	0.00	0.00	0%	0.00
Amortiz of Debt Issue Exp	0.00	0.00	0%	0.00
Amortiz of Loss on Req Debt	247,677.92	247,677.92	100%	743,033.76
Amortiz. of Premium-P10	(346,186.04)	(346,186.04)	100%	(1,038,558.12)
Net Financing Expenses	132,233.52	132,233.52	100%	379,316.22
<b>Total Non-Operating (Inc) Exp</b>	<b>86,622.14</b>	<b>116,233.52</b>	<b>75%</b>	<b>331,316.22</b>
<b>TOTAL P10 INCOME (LOSS)</b>	<b>\$ 246,393.87</b>	<b>\$ 148,457.63</b>	<b>166%</b>	<b>\$ 857,521.31</b>

**Vermont Public Power Supply Authority**  
**Renewable Energy Standards Project - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-RES Tier 1	\$ 40,352.96	\$ 40,353.00	100%	121,059.00
Service Revenue-RES Tier 2	2,360.84	2,360.88	100%	7,082.64
Service Revenue-RES Tier 3	46,953.08	46,953.08	100%	140,859.24
<b>Total RES Operating Revenue</b>	<b>89,666.88</b>	<b>89,666.96</b>	<b>100%</b>	<b>269,000.88</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>				
OPSE-REC Purchase Exp-Tier 1	0.00	33,415.68	0%	100,247.04
OPSE-REC Purchase Exp-Tier 2	38,812.50	1,955.00	1985%	5,865.00
OPSE-REC Purchase Exp-Tier 3	0.00	0.00	0%	0.00
<b>Total Other Power Supply Expense</b>	<b>38,812.50</b>	<b>35,370.68</b>	<b>110%</b>	<b>106,112.04</b>
<b>TRANSMISSION EXPENSE</b>				
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>				
Cust Svs & Info-RES I&A-T1	0.00	0.00	0%	0.00
Cust Svs & Info-RES I&A-T2	0.00	0.00	0%	0.00
Cust Svs & Info-RES I&A-T3	2,013.75	2,500.00	81%	7,500.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>2,013.75</b>	<b>2,500.00</b>	<b>81%</b>	<b>7,500.00</b>
<b>SALES EXPENES</b>				
Sales-Misc Sales Exp-RES T1	2,847.40	0.00	0%	0.00
Sales-Misc Sales Exp-RES T2	0.00	0.00	0%	0.00
Sales-Misc Sales Exp-RES T3	3,200.00	35,547.68	9%	106,643.04
<b>Total Sales Expense</b>	<b>6,047.40</b>	<b>35,547.68</b>	<b>17%</b>	<b>106,643.04</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-AdminAlloc-RES T1	3,609.08	3,609.08	100%	10,827.24
A&G-Salaries-AdminAlloc-RES T2	211.16	211.16	100%	633.48
A&G-Salaries-AdminAlloc-RES T3	4,199.36	4,199.36	100%	12,598.08
A&G-O S&E-AdminAlloc-RES T1	1,121.92	1,121.92	100%	3,365.76
A&G-O S&E-AdminAlloc-RES T2	65.64	65.64	100%	196.92
A&G-O S&E-AdminAlloc-RES T3	1,305.44	1,305.44	100%	3,916.32
A&G-Outside Svs-Legal RES-T1	0.00	0.00	0%	0.00
A&G-Outside Svs-Legal RES-T2	0.00	0.00	0%	0.00
A&G-Outside Svs-Legal RES-T3	140.76	833.32	17%	2,499.96
A&G-Outside Svs-RES T1 Admin	831.08	831.12	100%	2,493.28
A&G-Outside Svs-RES T2 Admin	48.64	48.64	100%	145.92



**Vermont Public Power Supply Authority**  
**Renewable Energy Standards Project - Profit & Loss Statement**  
**April 30, 2019**

A&G-Outside Svs-RES T3 Admin	967.00	967.00	100%	2,901.00
A&G-Employee Ben Alloc-RES T1	1,375.24	1,375.24	100%	4,125.72
A&G-Employee Ben Alloc-RES T2	80.48	80.48	100%	241.44
A&G-Employee Ben Alloc-RES T3	1,600.20	1,600.20	100%	4,800.60

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<b>Total Administrative Expense</b>	<b>15,556.00</b>	<b>16,248.60</b>	<b>96%</b>	<b>48,745.72</b>
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**OTHER**

Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00

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<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Operating Expenses</b>	<b>62,429.65</b>	<b>89,666.96</b>	<b>70%</b>	<b>269,000.80</b>
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<b>Total Operating Income (Loss)</b>	<b>27,237.23</b>	<b>0.00</b>	<b>0%</b>	<b>0.08</b>
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**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

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<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

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<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expen</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 27,237.23</b>	<b>\$ 0.00</b>	<b>0%</b>	<b>\$ 0.08</b>
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**Vermont Public Power Supply Authority**  
**Net Metering Project - Profit & Loss Statement**  
**April 30, 2019**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-Net Metering	\$ 23,122.76	\$ 23,122.80	100%	69,368.40
<b>Total Net Metering Operating Revenue</b>	<b>23,122.76</b>	<b>23,122.80</b>	<b>100%</b>	<b>69,368.40</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>	0.00	0.00	0%	0.00
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>TRANSMISSION EXPENSE</b>	0.00	0.00	0%	0.00
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>	0.00	0.00	0%	0.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>SALES EXPENES</b>	0.00	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-Admin Alloc-NM	12,029.40	12,029.40	100%	36,088.20
A&G-OS&E-Amin Alloc-NM	3,739.52	3,739.52	100%	11,218.56
A&G-Outside Services-Legal-NM	0.00	0.00	0%	0.00
A&G-Outside Svs-Other-NM	0.00	0.00	0%	0.00
A&G-Outside Svs-NM Admin	2,770.00	2,770.00	100%	8,310.00
A&G-Employee Benefits Alloc-NM	4,583.84	4,583.84	100%	13,751.52
A&G-Misc - NM	307.40	0.00	0%	0.00
<b>Total Administrative Expense</b>	<b>23,430.16</b>	<b>23,122.76</b>	<b>101%</b>	<b>69,368.28</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>23,430.16</b>	<b>23,122.76</b>	<b>101%</b>	<b>69,368.28</b>
<b>Total Operating Income (Loss)</b>	<b>(307.40)</b>	<b>0.04</b>	<b>-768500%</b>	<b>0.12</b>

**Vermont Public Power Supply Authority**  
**Net Metering Project - Profit & Loss Statement**  
**April 30, 2019**

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expen</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>(\$ 307.40)</b>	<b>\$ 0.04</b>	<b>-768500%</b>	<b>\$ 0.12</b>
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To: Board of Directors  
From: Crystal Currier, Controller  
Date: May 31, 2019  
Subject: **Agenda Item #6** – Resolution 2019-03 Investment Policy Statement

The Investment Policy Statement (Resolution 2019-03) is a document that primarily identifies VPPSA's retirement plans, fiduciary roles and provides guidance for certain fiduciary responsibilities. This document is typically reviewed on an annual basis to ensure the plan is current with changes in capital markets, plan participant objectives or other factors relevant to the plan. During our initial review, it became evident that it would be helpful to put together a presentation to review the components of the Statement along with annual information that is being provided to the Board.

At the Advisory and Risk Management Committee meeting, VPPSA staff provided a presentation (attached) that includes an overview of the following:

Overview – provided a brief review of VPPSA's current retirement plans (page 2 of presentation).

Resolution 201-03- Investment Policy Statement – the Statement is found on pages 3 -6 (of the presentation). A few minor changes were made and noted in the “track changes” within the document. ***It is requested that the Board review and approve this Resolution.***

Fee Disclosures – the fee disclosures are prepared annually by the third-party vendor. The purpose is to “disclose” plan fees and investment information to Plan Sponsors (VPPSA) at least annually. These disclosures are on pages 15 -34 of the presentation and are ***informational only.***

Plan Options – As part of the Investment Policy Statement, the Board is responsible for reviewing the existing plan options that are offered to employees, at least annually. The existing plan options are located on pages 35 – 36 of the presentation.

The Chairman of the Board and the General Manager are responsible for selecting and recommending changes to the plan options. After request from staff and seeking guidance from Poulos Advisors, the Chair and General Manager reviewed six plan options and are recommending that VPPSA add three of those options to the portfolio of options available to employees (page 36 of presentation).

**Proposed Motion:**

The Board moves to approve Resolution 2019-03 – Investment Policy Statement as presented.

# VPPSA Retirement/457

## Investment Policy Statement

## Fee Disclosure

## Review



# Contents

- ▶ General Overview of Plans
- ▶ Overview of Investment Policy Statement
- ▶ Review Fee Disclosure Reports
- ▶ Review Existing Plan Investment Options
- ▶ New Investment Recommendation



# General Overview of VPPSA Plans

- ▶ **General**
  - ▶ **Trustee - Appointed by the Board of Directors**
    - ▶ Currently - Chair of the Board
  - ▶ **Administrator - Appointed by the Board of Directors**
    - ▶ Currently - The General Manager
  - ▶ **Employer (VPPSA) - provides the tools, information and investment options**
  - ▶ Employees make personal elections
- ▶ **Retirement Plan**
  - ▶ Employer Contributions
  - ▶ 5% of Gross Salary
  - ▶ 3% Match to 457 plan contributions
- ▶ **457 Plan**
  - ▶ Employee Contributions





# Investment Policy Statement

The Investment Policy Statement includes the following:

- ▶ The Plan and its Purpose
- ▶ Purpose of the Investment Policy Statement
- ▶ Investment Objectives
- ▶ Roles and Responsibilities
- ▶ Selection of Investments
- ▶ Monitoring and Reporting
- ▶ Participant Education and Communication



# The Plan and Purpose of Investment Policy Statement

- ▶ The Plan(s):
  - ▶ As an employer, VPPSA sponsors a Retirement and a 457 Plan for the benefit of its employees, so they can benefit from the long-term accumulation of retirement savings (both employer and employee contributions)
- ▶ The Purpose of the Investment Policy Statement:
  - ▶ Identifies fiduciary roles
    - ▶ Affirmation of the Investment Policy Statement “reaffirms” the fiduciary roles of “Trustee” and “Administrator”
  - ▶ Provides guidance for certain fiduciary responsibilities and to assist the Plan’s fiduciaries by ensuring that they make investment-related decisions in a prudent manner
  - ▶ Reviewed annually to ensure the plan is current with changes in capital markets, plan participant objectives, or other factors relevant to the plan



# Objectives & Roles and Responsibilities

## ▶ Objectives:

- ▶ The Plan should offer a balanced portfolio of investment funds (cash, equity, fixed income, etc.)

## ▶ Roles and Responsibilities:

- ▶ Board of Directors
  - ▶ Adopts the Investment Policy Statement (annually)
    - ▶ Affirms the Trustee and Administrator
  - ▶ Annual Review of Plan investment offerings
- ▶ Trustee & Administrator
  - ▶ Hires Investment Manager (Poulos Investment Advisors)
  - ▶ Hires Recordkeeper (Future Planning Associates)
  - ▶ Management and Administration of the Plan's investments
  - ▶ Selecting Plan Options
- ▶ Participants
  - ▶ Responsible for individual investment decisions
  - ▶ Provides participants with capabilities to make investment decisions



# Managers, Monitoring, Reporting and Education

- ▶ Selection of Investments and Managers
  - ▶ Provides minimum criteria for selection of Investment Manager
- ▶ Investment Monitoring and Reporting
  - ▶ Administrator - annual review of Investment Manager
  - ▶ **Board** - annual review of Plan investment offerings
- ▶ Participant Education and Communication (Employer responsibility)
  - ▶ Communicate to Employees
    - ▶ How to control their investments
    - ▶ Make Investment Changes
    - ▶ Education materials to make informed decisions



# Fee Disclosures

- ▶ Purpose - To ensure Service Providers (FPA, Poulos) “disclose” plan fees and investment information to Plan Sponsors (VPPSA) at least annually
  - ▶ Disclosure Summary
  - ▶ Service Provider Expenses
  - ▶ Internal Investment Fund Expenses
    - ▶ Internal expenses are NOT paid by VPPSA



# Existing Investment Plan Options

- ▶ The plans offer cash, fixed income and equity investment options, as well as risk-based asset allocation funds (based on risk tolerance)
  - ▶ See attachment, page 35



# Board of Directors Requested Action

- ▶ Approve Resolution 2019-03 Investment Policy Statement
  - ▶ Reaffirms the Chair of the Board as Trustee
  - ▶ Reaffirms the General Manager as Administrator



# Questions

**Ken Nolan**

General Manager

(802) 882-8500

**Crystal Carrier**

Controller

(802) 882-8501





## BOARD RESOLUTION 2019-03

### Investment Policy Statement

The Board of Directors (“Board”) hereby affirms that the Chairman of the Board (“Chairman”) acting in its capacity as Trustee and the General Manager acting in its capacity as Administrator (“Administrator”) of the Vermont Public Power Supply Authority (“VPPSA”) Retirement Plan and 457 Plan (“Plan”), hereby adopt these guidelines for the selection and monitoring of appropriate Plan investment options so that participants may accumulate assets to provide for their retirement.

#### Part I. THE PLAN

VPPSA sponsors the Plan for the benefit of its employees. It is intended to provide eligible employees with the long-term accumulation of retirement savings through a combination of employee and employer contributions to individual participant accounts and the earnings thereon. It is the intent of this policy to provide a range of investment options that will enable participants to invest according to varying risk tolerance, savings time horizon, and other financial goals.

The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. The Plan is intended to comply with ERISA Section 404c and the choice disclosure required by the regulations will be met.

The Plan’s participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of investment results from the options and assets mixes that they select.

#### Part II. THE PURPOSE OF THE INVESTMENT POLICY STATEMENT

The purpose of the document is to provide guidance in discharging certain fiduciary responsibilities. It creates no obligation to act in any way. The Trustee and Administrator will monitor all of the evaluation criteria as well as any other material issues when making decisions concerning the Plan’s investment funds. This investment policy statement is intended to assist the Plan’s fiduciaries by ensuring that they make investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options and investment managers utilized by the Plan. Specifically, this Investment Policy Statement:

- Defines the Plan’s investment objectives.
- Defines the roles of those responsible for the Plan’s investments.
- Describes the criteria and procedures for selecting investment options and investment managers.
- Establishes investment procedures, measurement standards and monitoring procedures.
- Describes ways to address investment options and investment managers that fail to satisfy established objectives.
- Provides appropriate diversification within investment vehicles.

The Investment Policy Statement will be reviewed at least annually, and, if appropriate, can be amended to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plan.

### Part III. INVESTMENT OBJECTIVES

To maximize diversification and lessen risk to the extent possible, the Plan offers a balanced portfolio of investment funds composed of equity, fixed income, and cash equivalent securities, and, as such, is intended to be more aggressive than fixed income portfolios and less aggressive than purely equity-oriented portfolios.

The Plan's investment options will be selected to offer a broad range of diversified investments that will enable a participant to construct a portfolio with aggregate risk and return characteristics at any point within the participant's desired range. Adherence to the specific investment objectives and criteria contained herein will be evaluated over a full-market cycle, which historically has been five to seven years. Upon approval of the Board, the Trustee and/or Administrator ~~The Committee~~ may, from time to time as warranted, modify these objectives and criteria according to the Trustee and/or Administrator's ~~Committee's~~ discretion in consultation with such financial advisors as ~~they~~ deems appropriate.

### Part IV. ROLES AND RESPONSIBILITIES

Because participants in the Plan ultimately are responsible for their own investment decisions, the policy aims to provide participants with the following capabilities:

- To choose from a minimum of five diverse alternative investment fund categories, each with materially different risk and return characteristics, at least one of which will provide for a high degree of safety and capital preservation.
- Make investment decisions at least quarterly.
- Receive or have access to the following information in accordance with ERISA Section 404(c) (Please refer to ERISA Section 404(c) for a complete list of information that participants will receive), as updated:
  - A description of the investment alternatives available under the Plan including a general description of the investment objectives, risk and return characteristics, and type and diversification of assets comprising each alternative;
  - A description of any transaction fees or expenses charged to the participant's account, and information on fund costs and fees that reduce the rate of return to participants (expense ratios); and
  - Fund prospectuses, annual reports, and semiannual reports.
- A description of how, when and to whom participants may give investment instructions or identification of designated investment managers.
- Protection of capital gains to obtain a positive return over a given market-cycle.
- Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation to preserve purchasing power.
- Obtain stable and consistent returns.

The ~~Chairman-Trustee~~ and Administrator are responsible for the management and administration of the Plan's investments, including:

- Establishing and maintaining the Investment Policy Statement.
- Periodically evaluating the Plan's investment performance and recommending investment option changes.
- Providing Plan participant investment education and communication.

Upon affirmation from the Board, the ~~Chairman-Trustee~~ and/or Administrator shall be responsible for:

- ~~Appointing the Plan's trustee(s), which is responsible for H~~holding and investing plan assets in accordance with the terms of the Trust Agreement.

- Hiring the investment managers, which are responsible for making reasonable investment decisions consistent with the stated approach of the Plan, and reporting investment results on a regular basis.
- Hiring the recordkeeper, which is responsible for maintaining and updating individual account balances as well as information regarding plan contributions, withdrawals and distributions.
- Selecting investment options.

## Part V. SELECTION OF INVESTMENTS AND MANAGERS

The Investment Manager must meet certain minimum criteria:

1. They must be a bank, insurance company or investment management company or an investment adviser under the Registered Investment Advisers Act of 1940.
2. They must be operating in good standing with regulators and clients, with no material pending or concluded legal actions.
3. They must provide detailed additional information on the history of the firm, its investment philosophy and approach, and its principals, clients, locations, fee schedules and other relevant information.

The investment manager will review the investment objectives and risk characteristics, historical performance, and expenses related to each available Plan investment option and choose a specific option based on these procedures and objectives. It is understood that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of risk is warranted and encouraged to allow the opportunity to achieve satisfactory long-term results consistent with these procedures and objectives. The investment manager shall determine the investment options that best meet the objectives and recommend those to be included and/or removed from the investment options to the [Chair-Trustee](#) and/or Administrator.

## VI. INVESTMENT MONITORING AND REPORTING

The on-going monitoring of investments must be a regular and disciplined process. It is the mechanism for revisiting the investment option selection process and confirming that the criteria originally satisfied remain so and that an investment option continues to be a valid offering. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a regular basis (e.g., quarterly) and utilize the same criteria that were the basis of the investment selection decision. It will include a formal review annually. Further, unusual, notable or extraordinary events should be communicated by the investment manager immediately to the Chair and the Administrator. Examples of such events include portfolio manager or team departure, violation of investment guidelines, material litigation against the firm, or material changes in firm ownership structure, or announcements thereof.

The Administrator will review periodically the investment managers' progress in meeting the Plan's investment objectives on at least a quarterly basis and the Board will review the Plan's investment offerings at least once per year.

If overall satisfaction with the investment options are acceptable, no further action is required. If areas of dissatisfaction exist, the investment manager, the [Chair-Trustee](#) and the Administrator must take steps to remedy the deficiency. If over a reasonable period the manager is unable to resolve the issue, termination may result.

## VII. INVESTMENT OPTION AND/OR MANAGER TERMINATION

Generally, all investment options are expected to perform as well as or better than their prescribed performance standards, net of fees. In any case, once the decision to terminate an investment option is made, asset transfer and liquidation should be handled to the best advantage of the plan using one of the following approaches:

- Remove and replace (map assets) with an alternative option.
- Freeze the assets and direct new assets to a replacement option.

The Board shall have full discretion and reserves the right to terminate the Investment Manager, for any reason. Once the decision to terminate is made, the manager shall be removed in one of the following manners:

- Phase out the manger over a specific time period.
- Continue the manager but add a competing manager.
- Remove the manager and provide a replacement manager.

Replacement of a terminated manger would follow the criteria outlined in Part V, Selection of Investments and Managers.

## Part VIII. PARTICIPANT EDUCATION AND COMMUNICATION

The Plan will communicate to employees that they control their own investments; permit investment changes at least quarterly; and, provide effective educational materials allowing employees to make informed decisions.

In developing a continual participant investment education program, the Plan will select funds and provide supporting material with consideration for the following:

- The number of funds offered should be limited to promote participant understanding without sacrificing the objectives set forth in this policy.
- The Plan Sponsor should provide general information relating to the economy and capital markets as part of the investment education program.
- Participants should be encouraged to select an appropriate asset allocation (based on their risk tolerance, their time until retirement and other factors relating to their personal financial status) and avoid attempts to time the market.
- The Plan Sponsor should educate participants on the relative risk and return of investing in different asset classes and how diversified investing can reduce the risk of investing.

## Part IX. COORDINATION WITH THE PLAN DOCUMENT

Notwithstanding the foregoing, if any term or condition of this investment policy conflicts with any term or condition in the Plan, the terms and conditions of the Plan shall control.

Adopted this 57th day of February~~June~~, 20189.

Certified By:

Crystal Currier  
Secretary of the Board of Directors

VPPSA RETIREMENT PLAN  
AS OF OCTOBER 17, 2018

Sponsor: Vermont Public Power Supply Authority  
Primary contact: Administrator Plan



This report contains information regarding the investments and fees in your plan.

Fees are based on current funds, balances, number of participants and other estimates. As such, your fees may vary from the enclosed values.

If any of the enclosed information is incorrect, or should you wish to discuss further, please contact your representative.

## Fee Disclosure Overview

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Under the new U.S. Department of Labor (DOL) regulations, referred to as Section 408(b)(2), covered service providers are now required to disclose plan fee and investment information to plan sponsors at least annually. Additionally, plan sponsors and fiduciaries are required to review the fees assessed to the plan and determine if they are reasonable. The enclosed reports are designed to address both of these needs.

### What's Included

In this report package, you will find the following reports:

- Summary of all investment and plan fees
- Investment Expenses details
- Plan Administration Expenses details
- Additional Notes to discuss
- Glossary of Terms to help clarify technical phrases
- Disclaimer related to third-party data sources

### Calculation of Fees

Fees in your plan can be calculated in four ways:.

- Asset-based, meaning the plan balance determines the amount of the fee, generally reported as a percentage or basis points (bps).
- Base fee, meaning that the plan is charged a flat fee for that particular service.
- Per-participant, meaning that the fee is charged for each participant in the plan.
- Per transaction, meaning that the fee is only charged when a transaction occurs (e.g. distribution, loan distribution, etc.)

Additionally, fees can be calculated in step rates:

- Step rate, meaning fees are charged incrementally for each rate band (e.g. \$25 for first 50 participants, \$20 for each additional).
- Exclusive, meaning based on a certain value, fees will all be charged based on that rate band.

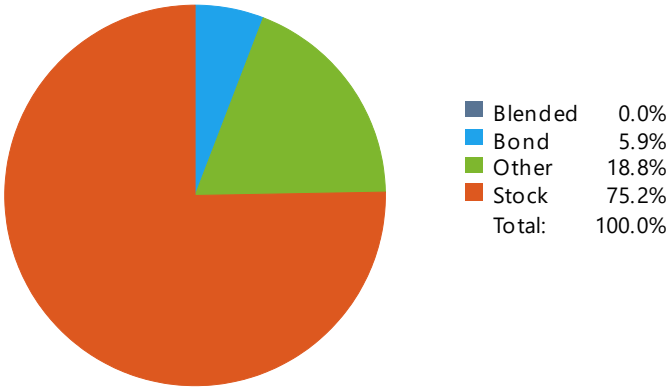
### What's Next?

- Review this packet to ensure the information provided is consistent with other statements and fee schedules you've received.
- Should you have any questions regarding the contents of this report, please contact your representative.
- Also under 408(b)(2), plan fiduciaries are required to compare fees charged by other service providers. This report package will help you accomplish this goal.

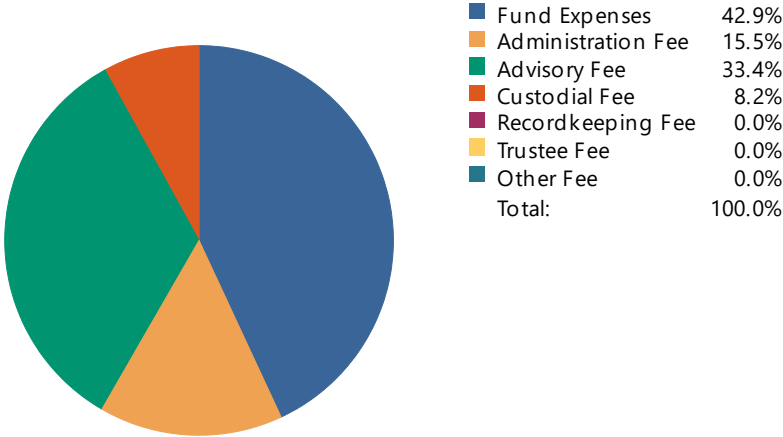
Fee Disclosure Summary

Summary of Plan Assets	
As of date	10-17-2018
Total plan assets	\$1,804,902.71
Number of participants	14
Average participant balance	\$128,921.62
Trading platform	Charles Schwab Bank
Summary of Plan Expenses (annualized)	
Investment expenses	\$9,281.06
Fund expenses	\$12,932.48
Revenue sharing*	(\$3,651.43)
Sub-TA*	\$0.00
12b-1*	\$0.00
*Included in Fund expenses	
Advisory **	\$7,219.61
Administration **	\$3,355.00
Custodial **	\$1,763.43
Recordkeeping **	\$0.00
Trustee **	\$0.00
Other **	\$0.00
Estimated Annual Totals:	\$21,619.10
**May include revenue sharing, 12b-1s and/or sub-ta fees received from investments as detailed above. A detailed breakdown is provided on the next page.	
Cost as % of assets	1.20%
Average cost / participant	\$1,544.22

Plan Asset Allocation



Plan Expense Allocation



## Service Provider Expenses

Fee Type	Description	Method	Amount (\$ or bps)	Number of Participants	Number of Units	Fee Basis	Estimated Annual Total	Paid By
<b>Charles Schwab Bank</b>								
Custodian	Base Fee	Base fee	\$500.00				\$500.00	Sponsor
Custodian	MV Fee	Basis points	7.00			\$1,804,902.71	\$1,263.43	Sponsor
<b>Subtotal</b>							<b>\$1,763.43</b>	
<b>Future Planning Associates, Inc.</b>								
TPA	Base Fee	Base fee	\$3,000.00				\$3,000.00	Sponsor
TPA	Distribution Fee	Per unit	\$75.00		1		\$75.00	Sponsor
TPA	Participant Fee	Per participant	\$20.00	14			\$280.00	Sponsor
<b>Subtotal</b>							<b>\$3,355.00</b>	
<b>Poulos Advisors, Inc.</b>								
Advisor	Investment Advisory	Basis points	40.00			\$1,804,902.71	\$7,219.61	Sponsor
<b>Subtotal</b>							<b>\$7,219.61</b>	
<b>Revenue Sharing</b>								
Revenue sharing	offsets Custody & TPA fees	Calculated from plan assets					\$(3,651.43)	
<b>Subtotal</b>							<b>\$(3,651.43)</b>	
<b>Total Estimated Fees</b>							<b>\$8,686.61</b>	



## Investment Expenses

Ticker	Fund Name	Market Value \$	% of Plan Assets	Net Expense Ratio %	Fund Expense Totals	Revenue Sharing*	12b-1*	Sub-TA *	Total*	Sub-TA** (\$ per head)	Fund Rebate Totals
<b>Stock</b>											
<b>Diversified Emerging Mkts</b>											
ODMAX	Oppenheimer Developing Markets A	\$121,381.13	6.73%	1.32%	<b>\$1,602.23</b>	0.48%	0.00%	0.00%	0.48%	\$0.00	<b>\$582.63</b>
<b>Foreign Large Blend</b>											
OAKIX	Oakmark International Investor	\$0.00	0.00%	0.95%	<b>\$0.00</b>	0.33%	0.00%	0.00%	0.33%	\$0.00	<b>\$0.00</b>
TIVRX	Thornburg International Value R5	\$137,390.15	7.61%	0.99%	<b>\$1,360.16</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$522.08</b>
<b>Foreign Large Growth</b>											
OIGYX	Oppenheimer International Growth Y	\$85,432.46	4.73%	0.85%	<b>\$726.18</b>	0.23%	0.00%	0.00%	0.23%	\$0.00	<b>\$196.49</b>
<b>Global Real Estate</b>											
IGLAX	Voya Global Real Estate A	\$72,770.71	4.03%	1.30%	<b>\$946.02</b>	0.48%	0.00%	0.00%	0.48%	\$0.00	<b>\$349.30</b>
<b>Health</b>											
PRHSX	T. Rowe Price Health Sciences	\$35,283.02	1.95%	0.77%	<b>\$271.68</b>	0.13%	0.00%	0.00%	0.13%	\$0.00	<b>\$45.87</b>
<b>Large Blend</b>											
AMEIX	American Century Equity Growth I	\$106,248.30	5.89%	0.47%	<b>\$499.37</b>	0.03%	0.00%	0.00%	0.03%	\$0.00	<b>\$31.87</b>
JPIEX	JPMorgan US Research Enhanced Equity L	\$366,900.65	20.33%	0.45%	<b>\$1,651.05</b>	0.08%	0.00%	0.00%	0.08%	\$0.00	<b>\$293.52</b>
<b>Large Growth</b>											
JAMRX	Janus Henderson Research T	\$110,358.04	6.11%	0.83%	<b>\$915.97</b>	0.33%	0.00%	0.00%	0.33%	\$0.00	<b>\$364.18</b>
JENSX	Jensen Quality Growth J	\$7,187.08	0.40%	0.88%	<b>\$63.25</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$27.31</b>
TIGRX	TIAA-CREF Growth & Income Instl	\$106,624.64	5.91%	0.41%	<b>\$437.16</b>	0.00%	0.00%	0.00%	0.00%	\$0.00	<b>\$0.00</b>
<b>Mid-Cap Blend</b>											
HIMDX	Hennessy Cornerstone Mid Cap 30 Instl	\$88,947.06	4.93%	0.97%	<b>\$862.79</b>	0.08%	0.00%	0.00%	0.08%	\$0.00	<b>\$71.16</b>
<b>Mid-Cap Growth</b>											
ACRNX	Columbia Acorn Inst	\$119,570.89	6.62%	0.86%	<b>\$1,028.31</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$454.37</b>

Investment Expenses

Ticker	Fund Name	Market Value \$	% of Plan Assets	Net Expense Ratio %	Fund Expense Totals	Revenue Sharing*	12b-1*	Sub-TA *	Total*	Sub-TA** (\$ per head)	Fund Rebate Totals
<b>Bond</b>											
<b>Bank Loan</b>											
EVBLX	Eaton Vance Floating Rate A	\$44,414.73	2.46%	1.04%	\$461.91	0.38%	0.00%	0.00%	0.38%	\$0.00	\$168.78
<b>Emerging Markets Bond</b>											
PEBIX	PIMCO Emerging Markets Bond Instl	\$10,104.09	0.56%	0.84%	\$84.87	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00
<b>High Yield Bond</b>											
MHCAX	MainStay MacKay High Yield Corp Bd A	\$40,334.44	2.23%	0.98%	\$395.28	0.48%	0.00%	0.00%	0.48%	\$0.00	\$193.61
<b>Intermediate-Term Bond</b>											
LIGRX	Loomis Sayles Investment Grade Bond A	\$0.00	0.00%	0.78%	\$0.00	0.43%	0.00%	0.00%	0.43%	\$0.00	\$0.00
<b>Ultrashort Bond</b>											
SNGVX	Sit US Government Securities	\$21,970.75	1.22%	0.80%	\$175.77	0.36%	0.00%	0.00%	0.36%	\$0.00	\$79.09
<b>World Bond</b>											
PFORX	PIMCO International Bond (USD-Hdg) Instl	\$9,957.57	0.55%	0.56%	\$55.76	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00
TPINX	Templeton Global Bond A	\$24,101.46	1.34%	0.96%	\$231.37	0.38%	0.00%	0.00%	0.38%	\$0.00	\$91.59
<b>Other</b>											
<b>Commodities Broad Basket</b>											
PCRRX	PIMCO Commodity Real Ret Strat Admin	\$78,077.37	4.33%	1.49%	\$1,163.35	0.23%	0.00%	0.00%	0.23%	\$0.00	\$179.58
<b>Not Available</b>											
WGI35	Galliard Retirement Income Fund 35	\$217,848.17	12.07%	0.00%	\$0.00	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00
<b>Totals:</b>		<b>\$1,804,902.71</b>		<b>0.72%</b>	<b>\$12,932.48</b>	<b>0.20%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.20%</b>	<b>\$0.00</b>	<b>\$3,651.43</b>

\*Included in the Net Expense Ratio of the fund.  
\*\*Based upon the number of participants in the fund and not included in the above calculations.

Additional Notes

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## Glossary of Terms

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### 12b-1 Fee

Included in the net expense ratio, fees charged to the shareholders related to servicing, distribution and marketing expenses.

### Administration Fees

Fees paid to a third party administrator (TPA) for required compliance testing and government filings.

### Advisory Fees

Fees paid to a plan advisor, often an investment advisor, for services related to advising the plan sponsor(s) on investment lineups, plan document setup, etc.

### Covered Service Provider

Generally, persons and companies that can reasonably expect to receive \$1,000 or more in compensation for providing services for the plan.

### Custodial Fees

Fees paid to an institution for holding the plan investments on behalf of the plan.

### Net Expense Ratio

Generally reported as a percentage of assets, the annualized amount paid to a fund for operational expenses incurred by the fund company, such as fund manager fees.

### Recordkeeping Fees

Fees paid to a company for maintaining plan records, including calculating eligibility and balances, processing transactions and providing participant services (e.g. participant website, call center support, etc.).

### Revenue Sharing

Monies that are paid to a broker/dealer by a fund affiliate to compensate for expenses incurred in selling the shares. Revenue sharing can either be collected as income or reinvested back into the plan.

### Trustee Fees

Fees paid to an individual or company for serving as the plan trustee; in return, some fiduciary responsibility may shift from the plan sponsor to the trustee(s).

## Disclaimer

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## Morningstar Rating

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Rating is for this share class only; other classes may have different performance characteristics.

## ETFs

The Morningstar Rating™ is provided for those exchange-traded funds ("ETFs") with at least a three-year history. Ratings are based on the ETF's Morningstar Risk-Adjusted Return measure which accounts for variation in monthly performance, placing more emphasis on downward variations and rewarding consistent performance. An ETF's risk-adjusted return includes a brokerage commission estimate. This estimate is intended to reflect what an average investor would pay when buying or selling an ETF. PLEASE NOTE, this estimate is subject to change and the actual brokerage commission an investor pays may be higher or lower than this estimate. Morningstar compares each ETF's risk-adjusted return to the open-end mutual fund rating breakpoints for that category. Consistent with the open-end mutual fund ratings, the top 10% of ETFs in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The overall rating for an ETF is based on a weighted average of the time-period ratings (e.g., the ETF's 3, 5, and 10 year rating).. The determination of an ETF's rating does not affect the retail open end mutual fund data published by Morningstar.

## Morningstar Rating for Load-Waived A-Shares

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance after adjusting for sales loads (except for load-waived A shares) redemption fees, and the risk-free rate, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the ratings for the three-, five- and ten-year (if applicable) time periods. Load- waived A share star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms (e.g., plan participants of a defined contribution plan). Not all A share mutual funds for which Morningstar calculates a load-waived A share star rating may actually waive their front-end sales load. Therefore, Morningstar strongly encourages investors to contact their investment professional to determine whether they are eligible to purchase the A share without paying the front load . The Morningstar Rating may differ among share classes of a mutual fund as a result of different sales loads and/or expense structure.

## Morningstar Rating based on Extended Performance

Please note, some of the Morningstar proprietary calculations, including the Morningstar Rating™, are not customarily calculated based on adjusted historical returns. The evaluation of this investment does not affect the retail mutual fund data published by Morningstar . For each retail mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a retail mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. This investment's independent Morningstar Rating metric is then compared against the retail mutual fund universe breakpoints to determine its hypothetical rating.

## Disclaimer

The Morningstar Rating for separate accounts, commonly called the star rating, is a measure of a separate account's risk-adjusted return, relative to other separate accounts in the same Morningstar Category. Separate accounts are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving 1 star. Separate accounts are rated for up to three periods (three, five, and 10 years), and ratings are recalculated each quarter. The Morningstar Rating for separate accounts uses an enhanced risk-adjusted return measure, which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Separate accounts are ranked against others in the same category and stars are assigned as follows: Top 10% 5 stars, Next 22.5% 4 stars, Middle 35% 3 stars, Next 22.5% 2 stars, Bottom 10% 1 star. Fees for separate accounts can vary widely and are negotiated between the asset manager, the separate account program sponsor or advisor, and the investor. Morningstar has chosen to employ the AIMR-approved standard of gross-of-fees performance (before fees have been taken out) to compare separate accounts. Net-of-fees calculations often deduct the highest theoretical fees that an investor may pay. The Morningstar Rating uses an enhanced risk-adjusted return measure based on "expected utility theory," which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Morningstar will not calculate ratings for categories or time periods that contain fewer than five separate accounts. Each investor in the same separate account can experience slightly different total returns, because investors have different account preferences and restrictions. Therefore, all separate account performance data is reported to Morningstar as a "composite" of similarly managed portfolios. Separate accounts that do not have ratings can be divided into two groups: those that do not qualify to be rated and those that did not participate. A separate account will not get a Morningstar Rating if: It is less than three years old, the firm is not AIMR-compliant, the category contains fewer than five separate accounts that are eligible for a rating.

### Morningstar Rating for Group Variable Annuities

The Morningstar Rating™ is provided for those group variable annuities with at least a three-year history. Ratings are based on the group variable annuity's Morningstar Risk-Adjusted Return measure which accounts for variation in monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Morningstar compares each group variable annuity's risk-adjusted return to the open-end mutual fund rating breakpoints for that category. The group variable annuity Morningstar Rating does not affect the retail mutual fund data published by Morningstar. Consistent with the open-end mutual fund ratings, the top 10% of group variable annuities in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for each group variable annuity is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

### Morningstar Style Box™

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

### Morningstar Ownership Zone™

The Morningstar Ownership Zone™ provides detail about a portfolio's equity investment style by showing the range of stock sizes and styles. A portfolio's Ownership Zone™ is derived by plotting each stock in the fund's portfolio within the proprietary Morningstar Style Box™. The shaded area represents the center 75% of the fund's assets, and it provides an intuitive visual representation of the area of the market in which the fund invests. A "centroid" plot in the middle of the Ownership Zone represents the weighted average of all the fund's holdings. A fund that is concentrated will have a small ownership zone relative to the area of the style box, and broadly diversified fund will have an ownership zone that stretches across many sizes and style. Over a period of time, the shape and location of a fund's ownership zone may vary.

VPPSA 457 PLAN  
AS OF OCTOBER 17, 2018

Sponsor: Vermont Public Power Supply Authority



This report contains information regarding the investments and fees in your plan.

Fees are based on current funds, balances, number of participants and other estimates. As such, your fees may vary from the enclosed values.

If any of the enclosed information is incorrect, or should you wish to discuss further, please contact your representative.

## Fee Disclosure Overview

Under the new U.S. Department of Labor (DOL) regulations, referred to as Section 408(b)(2), covered service providers are now required to disclose plan fee and investment information to plan sponsors at least annually. Additionally, plan sponsors and fiduciaries are required to review the fees assessed to the plan and determine if they are reasonable. The enclosed reports are designed to address both of these needs.

### What's Included

In this report package, you will find the following reports:

- Summary of all investment and plan fees
- Investment Expenses details
- Plan Administration Expenses details
- Additional Notes to discuss
- Glossary of Terms to help clarify technical phrases
- Disclaimer related to third-party data sources

### Calculation of Fees

Fees in your plan can be calculated in four ways:

- Asset-based, meaning the plan balance determines the amount of the fee, generally reported as a percentage or basis points (bps).
- Base fee, meaning that the plan is charged a flat fee for that particular service.
- Per-participant, meaning that the fee is charged for each participant in the plan.
- Per transaction, meaning that the fee is only charged when a transaction occurs (e.g. distribution, loan distribution, etc.)

Additionally, fees can be calculated in step rates:

- Step rate, meaning fees are charged incrementally for each rate band (e.g. \$25 for first 50 participants, \$20 for each additional).
- Exclusive, meaning based on a certain value, fees will all be charged based on that rate band.

### What's Next?

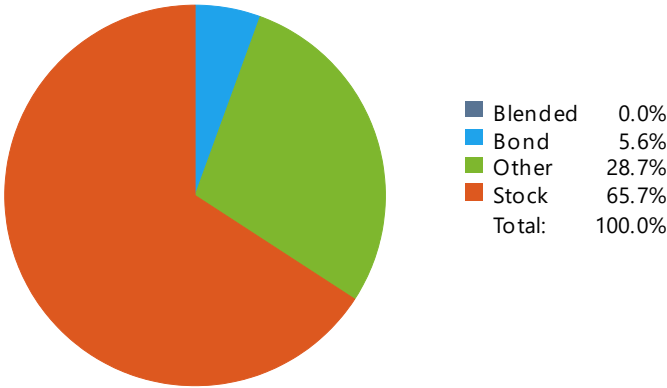
- Review this packet to ensure the information provided is consistent with other statements and fee schedules you've received.
- Should you have any questions regarding the contents of this report, please contact your representative.
- Also under 408(b)(2), plan fiduciaries are required to compare fees charged by other service providers. This report package will help you accomplish this goal.



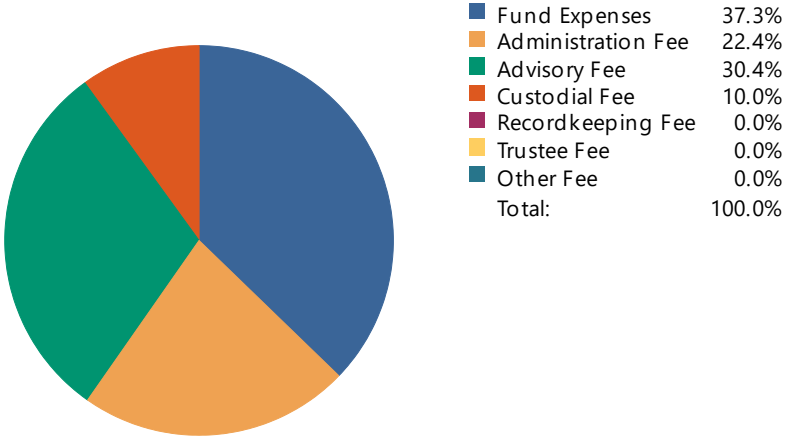
Fee Disclosure Summary

Summary of Plan Assets	
As of date	10-17-2018
Total plan assets	\$977,865.50
Number of participants	13
Average participant balance	\$75,220.42
Trading platform	Charles Schwab Bank
Summary of Plan Expenses (annualized)	
Investment expenses	\$4,792.72
Fund expenses	\$6,680.66
Revenue sharing*	(\$1,887.94)
Sub-TA*	\$0.00
12b-1*	\$0.00
*Included in Fund expenses	
Advisory **	\$3,911.46
Administration **	\$2,875.00
Custodial **	\$1,282.29
Recordkeeping **	\$0.00
Trustee **	\$0.00
Other **	\$0.00
Estimated Annual Totals:	\$12,861.47
**May include revenue sharing, 12b-1s and/or sub-ta fees received from investments as detailed above. A detailed breakdown is provided on the next page.	
Cost as % of assets	1.32%
Average cost / participant	\$989.34

Plan Asset Allocation



Plan Expense Allocation



Service Provider Expenses

Fee Type	Description	Method	Amount (\$ or bps)	Number of Participants	Number of Units	Fee Basis	Estimated Annual Total	Paid By
<b>Charles Schwab Bank</b>								
Custodian	Base Fee	Base fee	\$500.00				\$500.00	Sponsor
Custodian	MV Fee	Basis points	8.00			\$977,865.50	\$782.29	Sponsor
<b>Subtotal</b>							<b>\$1,282.29</b>	
<b>Future Planning Associates, Inc.</b>								
TPA	Base Fee	Base fee	\$2,800.00				\$2,800.00	Sponsor
TPA	Distribution Fee	Per unit	\$75.00		1		\$75.00	Sponsor
<b>Subtotal</b>							<b>\$2,875.00</b>	
<b>Mutual Fund Revenue Sharing</b>								
Revenue sharing	offsets Custody & TPA fees	Calculated from plan assets					\$(1,887.94)	
<b>Subtotal</b>							<b>\$(1,887.94)</b>	
<b>Poulos Advisors, Inc.</b>								
Advisor	Investment Advisory	Basis points	40.00			\$977,865.50	\$3,911.46	Sponsor
<b>Subtotal</b>							<b>\$3,911.46</b>	
<b>Total Estimated Fees</b>							<b>\$6,180.81</b>	

## Investment Expenses

Ticker	Fund Name	Market Value \$	% of Plan Assets	Net Expense Ratio %	Fund Expense Totals	Revenue Sharing*	12b-1*	Sub-TA *	Total*	Sub-TA** (\$ per head)	Fund Rebate Totals
<b>Stock</b>											
<b>Diversified Emerging Mkts</b>											
ODMAX	Oppenheimer Developing Markets A	\$73,136.00	7.48%	1.32%	<b>\$965.40</b>	0.48%	0.00%	0.00%	0.48%	\$0.00	<b>\$351.05</b>
<b>Foreign Large Blend</b>											
TIVRX	Thornburg International Value R5	\$80,069.22	8.19%	0.99%	<b>\$792.69</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$304.26</b>
<b>Foreign Large Growth</b>											
OIGYX	Oppenheimer International Growth Y	\$51,588.50	5.28%	0.85%	<b>\$438.50</b>	0.23%	0.00%	0.00%	0.23%	\$0.00	<b>\$118.65</b>
<b>Global Real Estate</b>											
IGLAX	Voya Global Real Estate A	\$43,675.73	4.47%	1.30%	<b>\$567.78</b>	0.48%	0.00%	0.00%	0.48%	\$0.00	<b>\$209.64</b>
<b>Health</b>											
PRHSX	T. Rowe Price Health Sciences	\$21,427.81	2.19%	0.77%	<b>\$164.99</b>	0.13%	0.00%	0.00%	0.13%	\$0.00	<b>\$27.86</b>
<b>Large Blend</b>											
AMEIX	American Century Equity Growth I	\$64,686.93	6.62%	0.47%	<b>\$304.03</b>	0.03%	0.00%	0.00%	0.03%	\$0.00	<b>\$19.41</b>
JPIEX	JPMorgan US Research Enhanced Equity L	\$87,161.08	8.91%	0.45%	<b>\$392.22</b>	0.08%	0.00%	0.00%	0.08%	\$0.00	<b>\$69.73</b>
<b>Large Growth</b>											
JAMRX	Janus Henderson Research T	\$46,164.52	4.72%	0.83%	<b>\$383.17</b>	0.33%	0.00%	0.00%	0.33%	\$0.00	<b>\$152.34</b>
JENSX	Jensen Quality Growth J	\$3,123.15	0.32%	0.88%	<b>\$27.48</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$11.87</b>
TIGRX	TIAA-CREF Growth & Income Instl	\$64,915.14	6.64%	0.41%	<b>\$266.15</b>	0.00%	0.00%	0.00%	0.00%	\$0.00	<b>\$0.00</b>
<b>Mid-Cap Blend</b>											
HIMDX	Hennessy Cornerstone Mid Cap 30 Instl	\$53,111.91	5.43%	0.97%	<b>\$515.19</b>	0.08%	0.00%	0.00%	0.08%	\$0.00	<b>\$42.49</b>
<b>Mid-Cap Growth</b>											
ACRNX	Columbia Acorn Inst	\$53,373.44	5.46%	0.86%	<b>\$459.01</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$202.82</b>
<b>Bond</b>											
<b>Bank Loan</b>											
EVBLX	Eaton Vance Floating Rate A	\$21,828.13	2.23%	1.04%	<b>\$227.01</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$82.95</b>
<b>Emerging Markets Bond</b>											
PEBIX	PIMCO Emerging Markets Bond Instl	\$5,125.70	0.52%	0.84%	<b>\$43.06</b>	0.00%	0.00%	0.00%	0.00%	\$0.00	<b>\$0.00</b>
<b>High Yield Bond</b>											
MHCAX	MainStay MacKay High Yield Corp Bd A	\$20,622.55	2.11%	0.98%	<b>\$202.10</b>	0.48%	0.00%	0.00%	0.48%	\$0.00	<b>\$98.99</b>
<b>Intermediate-Term Bond</b>											
LIGRX	Loomis Sayles Investment Grade Bond A	\$0.00	0.00%	0.78%	<b>\$0.00</b>	0.43%	0.00%	0.00%	0.43%	\$0.00	<b>\$0.00</b>
<b>Ultrashort Bond</b>											
SNGVX	Sit US Government Securities	\$12,123.75	1.24%	0.80%	<b>\$96.99</b>	0.36%	0.00%	0.00%	0.36%	\$0.00	<b>\$43.65</b>
<b>World Bond</b>											
PFORX	PIMCO International Bond (USD-Hdg) Instl	\$5,051.15	0.52%	0.56%	<b>\$28.29</b>	0.00%	0.00%	0.00%	0.00%	\$0.00	<b>\$0.00</b>
TPINX	Templeton Global Bond A	\$11,962.41	1.22%	0.96%	<b>\$114.84</b>	0.38%	0.00%	0.00%	0.38%	\$0.00	<b>\$45.46</b>

Investment Expenses

Ticker	Fund Name	Market Value \$	% of Plan Assets	Net Expense Ratio %	Fund Expense Totals	Revenue Sharing*	12b-1*	Sub-TA *	Total*	Sub-TA** (\$ per head)	Fund Rebate Totals
Other											
Commodities Broad Basket											
PCRRX	PIMCO Commodity Real Ret Strat Admin	\$46,426.98	4.75%	1.49%	\$691.76	0.23%	0.00%	0.00%	0.23%	\$0.00	\$106.78
Not Available											
WGI35	Galliard Retirement Income Fund 35	\$212,291.40	21.71%	0.00%	\$0.00	0.00%	0.00%	0.00%	0.00%	\$0.00	\$0.00
Totals:		\$977,865.50		0.68%	\$6,680.66	0.19%	0.00%	0.00%	0.19%	\$0.00	\$1,887.94

\*Included in the Net Expense Ratio of the fund.  
\*\*Based upon the number of participants in the fund and not included in the above calculations.

Additional Notes

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VPPSA 457 PLAN  
AS OF OCTOBER 17, 2018

## Glossary of Terms

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### 12b-1 Fee

Included in the net expense ratio, fees charged to the shareholders related to servicing, distribution and marketing expenses.

### Administration Fees

Fees paid to a third party administrator (TPA) for required compliance testing and government filings.

### Advisory Fees

Fees paid to a plan advisor, often an investment advisor, for services related to advising the plan sponsor(s) on investment lineups, plan document setup, etc.

### Covered Service Provider

Generally, persons and companies that can reasonably expect to receive \$1,000 or more in compensation for providing services for the plan.

### Custodial Fees

Fees paid to an institution for holding the plan investments on behalf of the plan.

### Net Expense Ratio

Generally reported as a percentage of assets, the annualized amount paid to a fund for operational expenses incurred by the fund company, such as fund manager fees.

### Recordkeeping Fees

Fees paid to a company for maintaining plan records, including calculating eligibility and balances, processing transactions and providing participant services (e.g. participant website, call center support, etc.).

### Revenue Sharing

Monies that are paid to a broker/dealer by a fund affiliate to compensate for expenses incurred in selling the shares. Revenue sharing can either be collected as income or reinvested back into the plan.

### Trustee Fees

Fees paid to an individual or company for serving as the plan trustee; in return, some fiduciary responsibility may shift from the plan sponsor to the trustee(s).

## Disclaimer

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## Morningstar Rating

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Rating is for this share class only; other classes may have different performance characteristics.

## ETFs

The Morningstar Rating™ is provided for those exchange-traded funds ("ETFs") with at least a three-year history. Ratings are based on the ETF's Morningstar Risk-Adjusted Return measure which accounts for variation in monthly performance, placing more emphasis on downward variations and rewarding consistent performance. An ETF's risk-adjusted return includes a brokerage commission estimate. This estimate is intended to reflect what an average investor would pay when buying or selling an ETF. PLEASE NOTE, this estimate is subject to change and the actual brokerage commission an investor pays may be higher or lower than this estimate. Morningstar compares each ETF's risk-adjusted return to the open-end mutual fund rating breakpoints for that category. Consistent with the open-end mutual fund ratings, the top 10% of ETFs in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The overall rating for an ETF is based on a weighted average of the time-period ratings (e.g., the ETF's 3, 5, and 10 year rating).. The determination of an ETF's rating does not affect the retail open end mutual fund data published by Morningstar.

## Morningstar Rating for Load-Waived A-Shares

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance after adjusting for sales loads (except for load-waived A shares) redemption fees, and the risk-free rate, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the ratings for the three-, five- and ten-year (if applicable) time periods. Load- waived A share star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms (e.g., plan participants of a defined contribution plan). Not all A share mutual funds for which Morningstar calculates a load-waived A share star rating may actually waive their front-end sales load. Therefore, Morningstar strongly encourages investors to contact their investment professional to determine whether they are eligible to purchase the A share without paying the front load . The Morningstar Rating may differ among share classes of a mutual fund as a result of different sales loads and/or expense structure.

## Morningstar Rating based on Extended Performance

Please note, some of the Morningstar proprietary calculations, including the Morningstar Rating™, are not customarily calculated based on adjusted historical returns. The evaluation of this investment does not affect the retail mutual fund data published by Morningstar . For each retail mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a retail mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. This investment's independent Morningstar Rating metric is then compared against the retail mutual fund universe breakpoints to determine its hypothetical rating.

## Disclaimer

The Morningstar Rating for separate accounts, commonly called the star rating, is a measure of a separate account's risk-adjusted return, relative to other separate accounts in the same Morningstar Category. Separate accounts are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving 1 star. Separate accounts are rated for up to three periods (three, five, and 10 years), and ratings are recalculated each quarter. The Morningstar Rating for separate accounts uses an enhanced risk-adjusted return measure, which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Separate accounts are ranked against others in the same category and stars are assigned as follows: Top 10% 5 stars, Next 22.5% 4 stars, Middle 35% 3 stars, Next 22.5% 2 stars, Bottom 10% 1 star. Fees for separate accounts can vary widely and are negotiated between the asset manager, the separate account program sponsor or advisor, and the investor. Morningstar has chosen to employ the AIMR-approved standard of gross-of-fees performance (before fees have been taken out) to compare separate accounts. Net-of-fees calculations often deduct the highest theoretical fees that an investor may pay. The Morningstar Rating uses an enhanced risk-adjusted return measure based on "expected utility theory," which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Morningstar will not calculate ratings for categories or time periods that contain fewer than five separate accounts. Each investor in the same separate account can experience slightly different total returns, because investors have different account preferences and restrictions. Therefore, all separate account performance data is reported to Morningstar as a "composite" of similarly managed portfolios. Separate accounts that do not have ratings can be divided into two groups: those that do not qualify to be rated and those that did not participate. A separate account will not get a Morningstar Rating if: It is less than three years old, the firm is not AIMR-compliant, the category contains fewer than five separate accounts that are eligible for a rating.

### Morningstar Rating for Group Variable Annuities

The Morningstar Rating™ is provided for those group variable annuities with at least a three-year history. Ratings are based on the group variable annuity's Morningstar Risk-Adjusted Return measure which accounts for variation in monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Morningstar compares each group variable annuity's risk-adjusted return to the open-end mutual fund rating breakpoints for that category. The group variable annuity Morningstar Rating does not affect the retail mutual fund data published by Morningstar. Consistent with the open-end mutual fund ratings, the top 10% of group variable annuities in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for each group variable annuity is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics.

### Morningstar Style Box™

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

### Morningstar Ownership Zone™

The Morningstar Ownership Zone™ provides detail about a portfolio's equity investment style by showing the range of stock sizes and styles. A portfolio's Ownership Zone™ is derived by plotting each stock in the fund's portfolio within the proprietary Morningstar Style Box™. The shaded area represents the center 75% of the fund's assets, and it provides an intuitive visual representation of the area of the market in which the fund invests. A "centroid" plot in the middle of the Ownership Zone represents the weighted average of all the fund's holdings. A fund that is concentrated will have a small ownership zone relative to the area of the style box, and broadly diversified fund will have an ownership zone that stretches across many sizes and style. Over a period of time, the shape and location of a fund's ownership zone may vary.



# Vermont Public Power Supply Authority

## Retirement Plan/457 Plan Fund Options

Ticker	Name	Asset Class	Return % Ending 3/31/19					Net Exp Ratio %
			YTD	1 Yr	3 Yr	5 Yr	10 Yr	
Cash Alternatives								
SWRXX	Schwab Investor Money Fund®	Prime Money Market	0.56	2.00	1.06	0.64	0.33	0.35
Fixed Income								
BGNMX	American Century Ginnie Mae Inv	Interm Government Bond	2.07	3.78	1.05	1.78	2.70	0.55
LIGRX	Loomis Sayles Investment Grade Bond	Interm Term Bond	3.29	2.63	3.76	2.13	6.73	0.78
EVBLX	Eaton Vance Floating Rate	Bank Loan	3.44	2.48	5.63	3.30	7.13	1.02
MHCAX	MainStay MacKay High Yield Corp Bd	High Yield Bond	6.00	4.54	7.67	4.39	9.42	0.99
TPINX	Templeton Global Bond	World Bond	1.91	1.80	3.90	1.64	5.37	0.96
FCVSX	Fidelity® Convertible Securities	Convertibles	11.56	9.54	9.24	4.36	13.07	0.46
Equities								
PABGX	T. Rowe Price Blue Chip Growth Advisor	Large Growth	16.08	11.79	19.69	14.63	18.61	0.97
JENSX	Jensen Quality Growth	Large Growth	14.39	17.06	15.01	12.78	15.84	0.88
JAMRX	Janus Henderson Research	Large Growth	16.74	11.91	14.12	11.45	17.03	0.83
CVFCX	Pioneer Disciplined Value	Large Value	13.53	0.09	10.84	6.67	12.18	1.13
HIMDX	Hennessy Cornerstone Mid Cap 30	Mid-Cap Blend	12.06	-6.74	2.44	4.21	13.68	0.95
ACRNX	Columbia Acorn Inst	Mid-Cap Growth	16.56	6.82	16.27	8.71	15.79	0.86
TGVAX	Thornburg International Value	Foreign Large Blend	15.54	-5.35	5.48	3.34	8.04	1.27
JAOSX	Janus Henderson Overseas	Foreign Large Blend	10.71	-7.82	8.20	-1.80	4.59	0.77
ODMAX	Oppenheimer Developing Markets	Diversified Emerging Mkts	12.31	-4.14	11.34	3.44	11.19	1.29
Source: Morningstar								
Risk-Based Asset Allocation Funds		Equity/Bond Mix						
NA	Conservative Asset Allocation	20/80						
NA	Moderate Conservative Asset Allocation	35/65						
NA	Balanced Asset Allocation	50/50						
NA	Moderate Asset Allocation	65/35						
NA	Growth Asset Allocation	80/20						

# Vermont Public Power Supply Authority

## Retirement Plan/457 Plan Requested Fund Options

Ticker	Name	Asset Class	Return % Ending 3/31/19					Net Exp Ratio %
			YTD	1 Yr	3 Yr	5 Yr	10 Yr	
Reccomended								
SWPPX	SCHWAB S&P 500 INDEX	LARGE BLEND	13.63	9.45	13.45	10.82	15.81	0.02
SWMCX	SCHWAB US MID-CAP INDEX	MID-CAP BLEND	16.51	6.38	NA	NA	NA	0.04
SWISX	SCHWAB INTERNATIONAL INDEX	FOREIGN LARGE BLEND	9.98	-3.95	7.47	2.32	8.88	0.06

### Notes

The above funds are all index funds and offer a low cost, passive investment alternative for participants looking to simply match market performance at a minimal expense.

### Not Reccomended

SNXFX	SCHWAB 1000 INDEX	LARGE BLEND	13.97	9.07	13.36	10.4	15.69	0.05
SWLVX	SCHWAB US LARGE-CAP VALUE INDEX	LARGE VALUE	11.89	5.53	NA	NA	NA	0.04
SWSXX	Schwab Cash Reserves	CASH	Liquidated 4/11/19					

### Notes

SNXFX	This fund represents more than one asset class so I think we are better off going with funds with more clearly defined asset classes which we can do through the above funds.							
SWLVX	This fund would be repetitive and is not necessary.							
SWSXX	This is a cash reserves fund which was liquidated and cannot be added to the plan.							

To: Board of Directors  
From: Crystal Carrier, Controller  
Date: May 31, 2019  
Subject: **Agenda Item #7** – P10 FY Budget

A fiscal year budget for Project 10 is required per the Power Sales Agreement (PSA). As you know, a calendar year budget is prepared and that budget is included in the member's calendar year power supply budgets.

The fiscal year budget is attached for your review as required per the PSA. The only change from the 2019 calendar year budget is a decrease in fuel oil of approximately \$61K.

The Generation and Other Assets committee reviewed the proposed FY Budget and had no objections to the budget as presented.

If you have any questions on the fiscal year budget, please do not hesitate to contact me anytime.

Proposed Motion:

Move to approve the Project 10 Fiscal Year Budget as proposed.

# Vermont Public Power Supply Authority

## 2019-2020 - PROJECT #10 FY OPERATING BUDGET SUMMARY

	2019-2020 FY BUDGET
<b>REVENUES:</b>	
Project Participants	\$ 3,141,096
Reserves	
	<b>\$ 3,141,096</b>
<b>EXPENSES:</b>	
DEBT SERVICE	
Principal - Series A & B	\$ 1,170,000
Interest - Series A & B	\$ 657,456
Reserve & Contingency (5%)	\$ 91,373
Reserve & Contingency Refund	\$ -
Other Debt	\$ -
Interest on Other Debt	\$ -
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,918,829</b>
Reserve Fund	\$ 350,000
OPERATIONS	\$ 228,924
MAINTENANCE	\$ 87,095
OTHER POWER SUPPLY	\$ 9,090
REGIONAL MARKETS EXPENSE	\$ 25,000
ADMINISTRATIVE & GENERAL	\$ 146,811
INSURANCE	\$ 168,750
IN LIEU OF PROPERTY TAXES	\$ 21,046
<b>TOTAL ANNUAL FIXED COSTS</b>	<b>\$ 686,716</b>
<b>TOTAL DEMAND CHARGES</b>	<b>\$ 2,955,545</b>
ENERGY CHARGES	
Oil Fuel	\$ 184,951
Starting Diesel	\$ 600
Other	\$ -
<b>TOTAL ENERGY COSTS</b>	<b>\$ 185,551</b>
<b>TOTAL SWANTON PEAKER COSTS</b>	<b>\$ 3,141,096</b>
% Increase(Decrease) vs. Prev.FY Budget	<b>-5.8%</b>
Increase(Decrease) vs. Prev.CY Budget	<b>-4.6%</b>
Estimated kWh Generation	\$ 640,200
Estimated Capacity Factor	0.18%
<b>UNIT CHARGE (\$/KW-MO) ENERGY</b>	<b>\$ 0.02</b>
<b>UNIT CHARGE (\$/KW-MO) DEMAND</b>	<b>\$ 6.16</b>
<b>UNIT CHARGE (\$/KW-MO) MEMBER RESOURCE CREDITS</b>	<b>\$ (9.19)</b>

<b>Vermont Public Power Supply Authority</b> <b>BUDGET - PROJECT NO. 10, SWANTON PEAKER OPERATING BUDGET</b> <b>2019-2020 FY CALCULATION OF PARTICIPANTS SUPPORT PAYMENTS</b>											
%											
	<u>PARTICIPANT</u>						<u>Prior Yr</u>	<u>Reserve</u>	<u>PARTICIPANT</u>	<u>MEMBER Mkt</u>	<u>MEMBER</u>
	<u>SHARE</u>	<u>DEBT SERVICE</u>	<u>Reserve Fund</u>	<u>DEMAND</u>	<u>ENERGY</u>	<u>TOTAL</u>	<u>True-Up Credits</u>	<u>Credits</u>	<u>SUPPORT PMTS</u>	<u>Resource Credits</u>	<u>Net Cost</u>
Barton Village	2.16%	\$ 41,152	\$ 7,560	\$ 14,833	\$ 4,008	\$ 67,553	\$ -	\$ -	\$ 67,553	\$ (95,276)	\$ (27,723)
Enosburg Falls	4.70%	\$ 89,543	\$ 16,450	\$ 32,276	\$ 8,721	\$ 146,990	\$ -	\$ -	\$ 146,990	\$ (207,313)	\$ (60,324)
Town of Hardwick	9.70%	\$ 184,802	\$ 33,950	\$ 66,611	\$ 17,998	\$ 303,362	\$ -	\$ -	\$ 303,362	\$ (427,859)	\$ (124,497)
Village of Jacksonville	2.40%	\$ 45,724	\$ 8,400	\$ 16,481	\$ 4,453	\$ 75,059	\$ -	\$ -	\$ 75,059	\$ (105,862)	\$ (30,803)
Village of Johnson	7.20%	\$ 137,173	\$ 25,200	\$ 49,444	\$ 13,360	\$ 225,176	\$ -	\$ -	\$ 225,176	\$ (317,586)	\$ (92,410)
Village of Ludlow	10.00%	\$ 190,517	\$ 35,000	\$ 68,672	\$ 18,555	\$ 312,744	\$ -	\$ -	\$ 312,744	\$ (441,092)	\$ (128,348)
Village of Lyndonville	19.60%	\$ 373,414	\$ 68,600	\$ 134,596	\$ 36,368	\$ 612,978	\$ -	\$ -	\$ 612,978	\$ (864,540)	\$ (251,562)
Village of Morrisville	9.00%	\$ 171,466	\$ 31,500	\$ 61,804	\$ 16,700	\$ 281,470	\$ -	\$ -	\$ 281,470	\$ (396,983)	\$ (115,513)
Village of Northfield	12.00%	\$ 228,621	\$ 42,000	\$ 82,406	\$ 22,266	\$ 375,293	\$ -	\$ -	\$ 375,293	\$ (529,310)	\$ (154,017)
Village of Orleans	7.10%	\$ 135,267	\$ 24,850	\$ 48,757	\$ 13,174	\$ 222,048	\$ -	\$ -	\$ 222,048	\$ (313,175)	\$ (91,127)
Village of Swanton	7.30%	\$ 139,078	\$ 25,550	\$ 50,130	\$ 13,545	\$ 228,303	\$ -	\$ -	\$ 228,303	\$ (321,997)	\$ (93,694)
VEC	8.84%	\$ 182,072	\$ 30,940	\$ 60,706	\$ 16,403	\$ 290,121	\$ -	\$ -	\$ 290,121	\$ (389,925)	\$ (99,805)
	100.000%	\$ 1,918,829	\$ 350,000	\$ 686,716	\$ 185,551	\$ 3,141,096	\$ -	\$ -	\$ 3,141,096	\$ (4,410,920)	\$ (1,269,824)

Prior FY Budget	\$ 3,333,361	\$ (5,792,789)	\$ (2,459,428)
\$ Change	\$ (192,265)	\$ 1,381,869	\$ 1,189,604
% Change	-5.77%	-23.85%	-48.37%

## Swanton Peaker-Project #10 - 2019-2020 FY Budget Detail

Account Description	07/31/2019	08/31/2019	09/30/2019	10/31/2019	11/30/2019	12/31/2019	01/30/2020	02/28/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	YTD Total
<b>DEBT SERVICE COST</b>													
Debt Service Principal-Bonds	97,500	97,500	97,500	97,500	97,500	97,500	97,500	97,500	97,500	97,500	97,500	97,500	1,170,000
Debt Service Principal-Interest	54,788	54,788	54,788	54,788	54,788	54,788	54,788	54,788	54,788	54,788	54,788	54,788	657,456
Debt Service R & C	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614	91,373
Debt Service Principal-Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Principal-Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Debt Service</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>159,902</b>	<b>1,918,829</b>
<b>Reserve Fund</b>	<b>33,333</b>	<b>33,333</b>	<b>33,333</b>	<b>33,333</b>	<b>33,333</b>	<b>33,333</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>350,000</b>
<b>O &amp; M EXPENSES</b>													
OPG-Oper-Fuel Oil Exp.	\$19,232	\$48,287	\$44,936	\$8,557	\$6,249	\$8,567	\$7,152	\$10,146	\$7,658	\$3,021	\$17,741	\$3,407	184,951
OPG-Oper-Fuel Biodiesel Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0
OPG-Oper-Fuel-Demin Wtr	0	0	0	0	0	0	0	0	0	0	0	0	0
OPG-Oper-Fuel-Starting Diesel	50	50	50	50	50	50	50	50	50	50	50	50	600
OPG-Oper-Superv & Engineer Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
OPG-Oper-Generation Exp- Direct Lbr	3,548	5,322	3,548	3,548	3,548	3,548	5,474	3,649	3,649	3,649	3,649	3,649	46,782
OPG-Oper-Generation Exp-Lbr	250	250	250	250	250	250	250	250	250	250	250	250	3,000
OPG-Oper-Generation Exp-Eng. Lbr	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
OPG-Oper-Generation Exp-Materials	50	50	50	50	50	50	50	50	50	50	50	50	600
OPG-Oper-Generation Exp-OH	1,090	1,528	1,090	1,090	1,090	1,090	2,586	939	939	939	939	939	14,261
OPG-Oper-Generation-Gen Lbr	0	0	0	0	0	0	0	0	0	0	0	0	0
OPG-Oper-Misc. & Other Pwr Gen	100	100	100	100	100	100	100	100	100	100	100	100	1,200
OPG-Oper-Misc Gen-Tools	100	100	100	100	100	100	100	100	100	100	100	100	1,200
OPG-Oper-Misc Gen-Comp. Har/So	315	225	225	4,325	225	225	225	225	225	225	225	331	6,996
OPG-Oper-Misc Gen-Permits	50	50	50	50	50	50	50	325	550	50	50	50	1,375
OPG-Oper-Misc Gen-Electric	6,000	6,000	6,500	6,500	8,500	10,000	9,000	9,000	9,000	8,800	7,000	6,000	92,300
OPG-Oper-Misc Gen-Ben/Incident	50	50	50	50	50	50	50	50	50	50	50	50	600
OPG-Oper-Misc Gen-Tel/Internet	480	480	480	480	480	480	480	480	480	480	480	480	5,760
OPG-Oper-Misc Gen-Groundskeep	50	50	50	400	500	800	800	500	500	50	250	250	4,200
OPG-Oper-Misc Gen-Transp Exp	50	50	50	50	50	50	50	50	50	50	50	50	600
OPG-Oper-Misc Gen-Trash Rem	75	75	75	75	75	75	75	75	75	75	75	75	900
OPG-Oper-Misc Gen-Village Wtr	190	190	190	190	190	190	190	190	190	190	190	190	2,280
OPG-Oper-Misc Gen-Waste Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
OPG-Oper-Misc Gen-Waste Rem	200	200	200	200	200	200	200	200	200	200	200	200	2,400
OPG-Oper-Misc Gen-CO2	4,000	100	100	100	100	100	4,000	100	100	100	100	100	9,000
OPG-Oper-Misc Gen-Training	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
OPG-Oper-Misc-Security System	800	200	200	200	200	200	900	200	200	200	200	200	3,700
OPG-Oper-Misc-Mileage Expense	100	100	100	100	100	100	100	100	100	100	100	100	1,200
OPG-Oper-Misc Gen - Station Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
OPG-Rents-P10	150	150	150	150	150	150	150	150	150	150	150	150	1,800
<b>Transm-Oper-Superv. &amp; Eng.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transm-Oper-Station Exp.	50	50	50	50	50	50	50	50	50	50	50	50	600
Transm-Oper-Ovhd Lines Exp	25	25	25	25	25	25	25	25	25	25	25	25	300
Transm-Oper-Transm. by Others	20	20	20	20	20	20	25	25	25	25	25	25	270
Transm-Oper-Misc Transm Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>OPG-Maint-Superv &amp; Eng Exp.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
OPG-Maint-Structures	150	150	150	150	150	150	150	150	150	150	150	150	1,800

## Swanton Peaker-Project #10 - 2019-2020 FY Budget Detail

Account Description	07/31/2019	08/31/2019	09/30/2019	10/31/2019	11/30/2019	12/31/2019	01/30/2020	02/28/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	YTD Total
OPG-Maint-Generating & Elec Eq-Labor	2,365	3,548	2,365	2,365	2,365	2,365	3,649	2,433	2,433	2,433	2,433	2,433	31,188
OPG-Maint-Generating & Elec Eq-Labor	500	500	500	2,700	500	500	500	500	500	500	500	500	8,200
OPG-Maint-Generating & Elec Eq-Materials	500	500	500	500	500	500	500	500	500	500	500	500	6,000
OPG-Maint-Generation & Elec Equ-OH	727	1,019	727	727	727	727	1,724	626	626	626	626	626	9,507
OPG-Maint-Misc. Oth Pwr Gen Pl	50	50	50	50	50	50	50	50	50	50	50	50	600
Transm-Maint-Supv. & Eng.	0	0	0	0	0	0	0	0	0	0	0	0	0
Transm-Maint-Structures	50	50	50	50	50	50	50	50	50	50	50	50	600
Transm-Maint-Station Equip.	50	50	50	28,050	50	50	50	50	50	50	50	50	28,600
Transm-Maint-Overhead Lines	50	50	50	50	50	50	50	50	50	50	50	50	600
Transm-Maint-Undergrd Lines	0	0	0	0	0	0	0	0	0	0	0	0	0
Transm-Maint-Misc. Transm.	0	0	0	0	0	0	0	0	0	0	0	0	0
OPSE-Power Supply - P10	0	0	0	0	0	0	0	0	0	0	0	0	0
OPSE-Sys Cntrl & Ld Disp - P10	740	740	740	740	740	740	775	775	775	775	775	775	9,090
RME-Mrkt Adm, Monitoring & Compl-Gen	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
RME-Mrkt Adm, Monitoring & Compl- Lbr	0	0	0	0	0	0	0	0	0	0	0	0	0
A & G - Salaries - P10	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	4,010	48,118
A & G - Bank Fees - P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A & G-General Office Supp- P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G-Local Mileage Exp-P10	50	50	50	50	50	50	50	50	50	50	50	50	600
A&G-Local Meals Exp-P10	25	25	25	25	25	25	25	25	25	25	25	25	300
A & G-Utilities- P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A & G-Telephone- P10	10	10	10	10	10	10	10	10	10	10	10	10	120
A&G-Groundskpg/Snow Rem-P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G-Online Charges-P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G-Comp Soft/Hardware-P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G-Office Supp&Exp - P10 Alloc	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	14,958
A&G-Outside Svs Legal-P10	500	500	500	500	500	500	500	500	500	500	500	500	6,000
A&G-Outside Svs Other-P10	12,600	6,600	4,700	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	47,300
A&G-Outside Svs-P10 Admin	923	923	923	923	923	923	923	923	923	923	923	923	11,080
A&G-Employee Benefits-Admin	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528	18,335
A&G-Misc Gen Exp-P10	0	0	0	0	0	0	0	0	0	0	0	0	0
A&G-Property Insurance-P10	11,417	11,417	11,417	11,417	11,417	11,417	8,817	8,817	8,817	8,817	8,817	8,817	121,400
A&G-Gen Liability Insurance-P10	1,667	1,667	1,667	1,667	1,667	1,667	1,625	1,625	1,625	1,625	1,625	1,625	19,750
A&G-Pollution Insurance	720	720	720	720	720	720	480	480	480	480	480	480	7,200
A&G-Injuries & Damages-P10 Umbrella	1,132	1,132	1,132	1,132	1,132	1,132	1,160	1,160	1,160	1,160	1,160	1,160	13,750
A&G-Injuries & Damages-P10 WC	225	225	225	225	225	225	483	483	483	483	483	483	4,250
A&G-Injuries & Damages-P10 WC Related	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Property Taxes-P10	1,826	1,826	1,826	1,826	1,826	1,826	1,682	1,682	1,682	1,682	1,682	1,682	21,046
Other Interest Expense-P10	0	0	0	0	0	0	0	0	0	0	0	0	0
Total O & M Expenses	84,668	106,819	98,382	94,553	60,045	64,163	69,353	61,937	59,674	53,887	67,006	51,779	872,267
Total Revenue Requirement	277,904	300,055	291,618	287,789	253,281	257,399	254,255	246,839	244,576	238,789	251,909	236,682	3,141,096

**P10 Amended 2019 CY Net Cost**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Billed to Participants	268,575	260,677	260,571	252,511	272,855	250,593	\$ 277,904	\$ 300,055	\$ 291,618	\$ 287,789	\$ 253,281	\$ 257,399	\$ 3,233,830
Market Credits	\$ (476,585)	\$ (442,827)	\$ (438,135)	\$ (473,745)	\$ (489,431)	\$ (336,008)	\$ (354,805)	\$ (359,112)	\$ (352,748)	\$ (345,468)	\$ (368,031)	\$ (311,197)	\$ (4,748,092)
Net Cost (Credit)	\$ (208,010)	\$ (182,150)	\$ (177,564)	\$ (221,234)	\$ (216,576)	\$ (85,415)	\$ (76,901)	\$ (59,057)	\$ (61,130)	\$ (57,679)	\$ (114,750)	\$ (53,798)	\$ (1,514,262)

-----actual cost (credits)-----	--based on CY bdgt --	-----based on FY budget information-----
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2019 CY Bdgt  
 Cost \$ 3,293,894.00  
 Credits \$ (4,887,260.00)  
 Net \$ (1,593,366)

Variance  
 Cost \$ (60,064)  
 Credits \$ 139,168  
 Net \$ 79,104



To: Board of Directors  
From: Ken Nolan, General Manager  
Date: May 31, 2019  
Subject: **Agenda Item #8** – Solar Power Purchase Agreement

VPPSA has been working for some time with Encore Redevelopment and Morrisville Water & Light (MWL) to develop the ER Lawrence Brook solar project. This is a 2.2 MW solar array located in MWL's service territory that resulted from the RFP VPPSA issued in 2017.

Under the proposed arrangements, Encore will develop and own the solar array. VPPSA will enter a 25-year Power Purchase Agreement (PPA) to acquire all of the output (capacity, energy, RECs, and any future products) of the facility. VPPSA and MWL will in turn enter a Power Sales Agreement (PSA) whereby MWL will acquire all of the products from the facility from VPPSA. The arrangement is a straight pass through agreement with VPPSA facilitating MWL's purchase.

The arrangement allows VPPSA to act as the collateral party for Encore Renewable's financing partner to point to in evaluating credit exposure, but through the PSA assigns all of the contract benefits and risks to MWL. This structure is similar to long term agreements VPPSA has entered in the past and is one that we envision being used for future solar projects with Encore.

Under VPPSA Policy P3 (Power Supply Authorities) the General Manager has the authority to enter a PSA with MWL to effectuate the contemplated transaction. However, the Board did not delegate authority to enter long-term PPA's between VPPSA and third party providers, so a Board Motion authorizing VPPSA to enter the PPA is required.

Proposed Motion:

I move that the Board authorize the General Manager to take all action necessary to consummate a Power Purchase Agreement with ER Lawrence Brook LLC.

**CONFIDENTIAL AND PROPRIETARY**

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**GENERAL TERMS AND CONDITIONS OF  
SOLAR POWER & SERVICES AGREEMENT**

**[NTD: Draft remains subject to review and negotiation of underlying VPPSA power purchase agreement with its member utility.]**

*These General Terms and Conditions ("General Conditions") are dated as of this [●] day of [●], 2019 and are witnessed and acknowledged by ER Lawrence Brook, LLC ("Provider") and Vermont Public Power Supply Authority ("Purchaser"), as evidenced by their signature on the last page of this document. These General Conditions are intended to be incorporated by reference into each Special Conditions to Solar Power & Services Agreement entered into between Provider and Purchaser or between their respective Affiliates. Except to the extent Provider or Purchaser (or their respective Affiliates) becomes a party to a Solar Power & Services Agreement that incorporates these General Conditions, these General Conditions shall have no binding effect upon Provider or Purchaser.*

## 1. DEFINITIONS.

1.1 **Definitions.** In addition to other terms specifically defined elsewhere in the Agreement, including the Schedules to the Special Conditions, where capitalized, the following words and phrases shall be defined as follows:

**"Actual Monthly Production"** means the amount of energy recorded by Provider's metering equipment during each calendar month of the Term, pursuant to Section 4.2.

**"Affiliate"** means, with respect to any specified Person, any other Person controlling, controlled by or under common control with such specified Person.

**"Agreement"** means, together, the Special Conditions (including the Schedules and Exhibits attached thereto) and these General Conditions (including the Exhibits attached hereto).

**"Applicable Law"** means, with respect to any Person, any constitutional provision, law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, certificate, holding, injunction, registration, license, franchise, permit, authorization, guideline, Governmental Approval, consent or requirement of any Governmental Authority having jurisdiction over such Person or its property, enforceable at law or in equity, including the interpretation and administration thereof by such Governmental Authority.

**"Assignment"** has the meaning set forth in Section 13.1.

**"Bankruptcy Event"** means with respect to a Party, that either:

(i) such Party has (A) applied for or consented to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property; (B) admitted in writing its inability, or be generally unable, to pay its debts as such debts become due; (C) made a general assignment for the benefit of its creditors; (D) commenced a voluntary case under any bankruptcy law; (E) filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or readjustment of debts; (F) failed to controvert in a timely and appropriate manner, or acquiesced in writing to, any petition filed against such Party in an involuntary case under any bankruptcy law; or (G) taken any corporate or other action for the purpose of effecting any of the foregoing; or

(ii) a proceeding or case has been commenced without the application or consent of such Party in any court of competent jurisdiction seeking (A) its liquidation, reorganization, dissolution or winding-up or the composition or readjustment of debts or, (B) the appointment of a trustee, receiver, custodian, liquidator or the like of such Party under any bankruptcy law, and such proceeding or case has continued undefended, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect for a period of sixty (60) days.

**"Business Day"** means any day other than Saturday, Sunday or any other day on which banking institutions in New York, NY are required or authorized by Applicable Law to be closed for business, unless such term is being used in relation to meeting any requirement or order of the Commission proceeding in which case Business Day shall have the meaning as defined by the Commission.

**"Calendar Year"** means any period of twelve (12) consecutive months starting on January 1 and ending on December 31.

**"Commercial Operation Date"** has the meaning set forth in Section 3.3(b).

**"Commercially Reasonable Efforts"** means efforts that are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, a transaction, activity or undertaking contemplated by this Agreement and that do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities that are reasonable in nature and amount in the context of the transaction, activity or undertaking contemplated by this Agreement.

**"Commission"** means the Vermont Public Utility Commission.

**"Confidential Information"** has the meaning set forth in Section 15.1.

**"Collateral Assignment"** has the meaning set forth in Section 11.2(a)(vi).

**"Covenants, Conditions and Restrictions"** or **"CCR"** means those requirements or limitations related to the Premises as may be set forth in the applicable lease or easement agreement.

**"Delivery Point"** means the point where the Solar Services are delivered to Purchaser, which is where the

System is interconnected to the Local Electric Utility's electric grid, as set forth in the Interconnection Agreement.

**"Early Termination Fee"** means the Provider Early Termination Fee.

**"Effective Date"** has the meaning set forth in the Special Conditions.

**"Environmental Attributes"** shall mean, without limitation, carbon trading credits, renewable energy credits or certificates, emissions reduction credits, emissions allowances, green tags, tradable renewable credits, or Green-e® products, but excluding Solar Incentives.

**"Expiration Date"** means the date on which the Agreement terminates by reason of expiration of the Term.

**"Financing Party"** means, as applicable: (i) any Person (or its agent) from whom Provider (or an Affiliate of Provider) leases the System, or (ii) any Person (or its agent) who has made or will make a loan to or otherwise provides financing to Provider (or an Affiliate of Provider).

**"Force Majeure Event"** has the meaning set forth in Section 10.1.

**"General Conditions"** has the meaning set forth in the preamble hereof.

**"Good Engineering and Operating Practices"** means any of the practices, methods and activities adopted by a significant portion of the North American electric utility industry as good practices applicable to the design, building, and operation of generating facilities of similar type, size and capacity or any of the practices, methods or activities that, in the exercise of skill, diligence, prudence, foresight and reasonable judgment by a prudent generator of electricity in light of the facts known at the time the decision was made, reasonably could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and laws and regulations.

**"Governmental Approval"** means any approval, consent, franchise, permit, certificate, resolution, concession, license, or authorization issued by or on behalf of any applicable Governmental Authority.

**"Governmental Authority"** means any federal, state, regional, county, town, city, or municipal government, whether domestic or foreign, or any department, agency, bureau, or other administrative, regulatory or judicial body of, or any agent or representative acting on behalf of, any such government with jurisdiction over a Party or its property, enforceable at law or in equity.

**"Guaranteed Energy Amount"** has the meaning set forth in Section 5.2.

**"Indemnified Persons"** means the Purchaser Indemnified Parties or the Provider Indemnified Parties, as the context requires.

**"Independent Engineer"** means a qualified engineering firm acceptable to both Purchaser and Provider.

**"Initial Term"** has the meaning set forth in Section 2.1.

**"Installation Work"** means the construction and installation of the System and the start-up, testing and acceptance (but not the operation and maintenance) thereof, all performed by or at the direction of Provider at the Premises.

**"Interconnection Agreement"** means any agreement or series of agreements between the Provider and the Local Electric Utility that provides for the System to be interconnected with the Local Electric Utility's electric distribution system.

**"Interconnection Work"** means the construction and installation of the Local Electric Utility electric distribution and interconnection services that affect the physical transfer of Solar Services from the System to the Purchaser at the Delivery Point.

**"Interest Rate"** means a rate per annum equal to the lesser of (a) the **"prime rate"** (as reported in The Wall Street Journal, or if it ceases publication, reasonably acceptable replacement) plus two percent (2%) or (b) the maximum rate allowed by Applicable Law.

**"Invoice Date"** has the meaning set forth in Section 6.2.

**"ISO-NE"** means the Independent System Operator-New England, or its successor.

**"kWh Rate"** means the price per kWh set forth in Schedule 2 of the Special Conditions.

**"Lien"** means any mortgage, pledge, lien (including mechanics', labor or materialman's lien), charge, security interest, encumbrance or claim of any nature.

**"Local Electric Utility"** means the local electric distribution owner and operator providing electric distribution and interconnection services to the System at the Premises.

**"Losses"** means all losses, liabilities, claims, demands, suits, causes of action, judgments, awards, damages, cleanup and remedial obligations, interest, fines, fees, penalties, costs and expenses (including all attorneys' fees and other costs and expenses incurred in defending any such claims or other matters or in asserting or enforcing any indemnity obligation).

**"Market Price"** means, in respect of the applicable three (3) Calendar Year period measured, the average real time locational marginal price (in kWh) for ISO-NE zone 4003 for such three (3) Calendar Year period, plus \$0.05/kWh, minus the kWh rate identified in Schedule 2 of the Special Conditions.

**"Meter"** has the meaning set forth in Section 4.2(a).

**"New Lenders"** has the meaning set forth in Exhibit A.

**"Option Price"** has the meaning set forth in Section 2.3.

**"Party"** or **"Parties"** has the meaning set forth in the preamble to the Special Conditions.

**"Person"** means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, firm, or other entity, or a Governmental Authority.

**"Potential Purchase Date"** means the expiration date of the Initial Term or any Renewal Term.

**"Premises"** means the Premises described in Schedule 1 of the Special Conditions. For the avoidance of doubt, the Premises includes the entirety of any structures and underlying real property at the location described in Schedule 1 of the Special Conditions.

**"Provider"** has the meaning set forth in the preamble to these General Conditions.

**"Provider Default"** has the meaning set forth in Section 11.1(a).

**"Provider Early Termination Fee"** means the amount identified as the "Provider Early Termination Fee" on Schedule 3 of the Special Conditions.

**"Provider Indemnified Parties"** has the meaning set forth in Section 16.2.

**"Purchase Option"** has the meaning set forth in Section 2.3.

**"Purchaser"** has the meaning set forth in the preamble to these General Conditions.

**"Purchaser Default"** has the meaning set forth in Section 11.2(a).

**"Purchaser Indemnified Parties"** has the meaning set forth in Section 16.1.

**"Renewal Term"** has the meaning set forth in Section 2.1.

**"Replacement PPA"** has the meaning set forth in Exhibit A.

**"Representatives"** has the meaning set forth in Section 15.1.

**"Security Interest"** has the meaning set forth in Section 8.2.

**"Solar Incentives"** means any accelerated depreciation, installation or production-based incentives, investment Tax credits, grants, allowances, benefits, and subsidies arising as a result of the purchase, installation, or operation of the System, including but not limited to the subsidies associated therewith, described in Schedule 1 of the Special Conditions. For the avoidance of doubt, Solar Incentives does not include Solar Services.

**"Solar Insolation"** or **"Insolation"** means the amount of solar kWh per square meter falling on a particular location, as specified by Provider.

**"Solar Services"** means (i) the electrical energy output from the System, and (ii) any transferable commodity, in addition to energy, that is directly attributable to the generation of electricity from the System, including Environmental Attributes, regardless of how that commodity may be monetized. For the avoidance of doubt, Solar Services does not include Solar Incentives.

**"Solar Services Payment"** has the meaning set forth in Section 6.1.

"**Special Conditions**" means the Solar Power & Services Agreement, dated as of the date hereof, between Provider and Purchaser.

"**Specified Power Purchase Agreement**" means that certain [Power Sales Agreement], to be dated on or about [●], 2019, between Purchaser and the Specified Purchaser, in connection with Purchaser's resale of the Solar Services to the Specified Purchaser.

"**Specified Purchaser**" means [●].

"**Substantial Capability**" has the meaning set forth in Section 3.3(b).

"**System**" means the integrated assembly of photovoltaic panels, mounting assemblies, inverters, converters, metering, lighting fixtures, transformers, ballasts, disconnects, combiners, switches, wiring devices and wiring, major components of which shall remain under the exclusive dominion and control of Provider and maintain their identity as tangible personal property and are more specifically described in Schedule 1 of the Special Conditions. For the avoidance of doubt, System specifically excludes any improvements to real property owned by Purchaser and any part of the site electrical system owned or controlled by the Local Electric Utility.

"**System Operations**" means the Provider's operation, maintenance and repair of the System performed in accordance with the requirements herein.

"**Tax**" means any present or future tax, levy, imposts, duty, charge, assessment, fee or similar imposition of any nature (including interest, penalties and additions thereto) that is imposed by or for the benefit of any Governmental Authority.

"**Term**" has the meaning set forth in Section 2.1.

"**Transfer Tax**" means any sales, use, excise, gross receipts, value added, goods and services and similar transaction-based Tax imposed on the transaction contemplated by this Agreement (but not including any Tax imposed on Provider's general business operations, overall gross receipts or modified overall gross receipts (except such gross receipts Tax that are in the nature of a sales or excise Tax), corporate franchise, capital stock, or net income).

1.2 **Interpretation.** The captions or headings in these General Conditions are strictly for convenience and shall not be considered in interpreting the Agreement. Words in the Agreement that impart

the singular connotation shall be interpreted as plural, and words that impart the plural connotation shall be interpreted as singular, as the identity of the parties or objects referred to may require. Except as the context otherwise indicates: (i) the words "include", "includes", and "including" mean "including without limitation" and "without limitation by specification," (ii) the words "hereof", "herein", and "hereunder" and words of similar import refer to the Agreement as a whole and not to any particular provision of the Agreement, (iii) all references to "Articles" and "Sections" refer to Articles and Sections of these General Conditions or Special Conditions, as the context suggests, and (iv) a reference to an agreement or instrument will be to the agreement or instrument as amended or modified through the date as of which the reference is made.

## 2. TERM AND TERMINATION.

2.1 **Term.** The term of the Agreement shall commence on the Effective Date and shall continue for twenty-five (25) years from the Commercial Operation Date ("**Initial Term**"), unless and until terminated earlier pursuant to the provisions of the Agreement. After the Initial Term, the Agreement may be renewed for three (3) additional five (5) year terms (each, a "**Renewal Term**") upon the mutual agreement of the Parties. The Initial Term and the subsequent Renewal Term, if any, are referred to collectively as the "**Term**."

### 2.2 Reserved.

2.3 **Purchase Option.** At any time during the six (6) month period starting on a Potential Purchase Date and provided that Purchaser has given Provider at least one (1) year's advance written notice, Purchaser shall have the option to buy the System from Provider, under which title and ownership of the System will transfer from Provider to Purchaser, at the Option Price plus any applicable Transfer Taxes (the "**Purchase Option**"). The "**Option Price**" shall be the fair market value of the System. The Parties shall use good faith efforts to negotiate a fair market value of the System. If, after such good faith efforts, agreement has not been reached, then the Parties shall share equally the cost of hiring a mutually satisfactory independent appraiser with sufficient experience as determined by the Parties in performing valuations or appraisals on solar photovoltaic assets. In addition, the Parties shall hire, sharing equally in the cost and subject to the Parties mutual satisfaction, a qualified engineer to inspect the System for material defects. Based on the result of the appraisal and the inspection, the Parties will work in good faith to agree to the fair market value of the System. In the event an agreement is not reached,



the dispute resolution process described in Section 18.17 will be utilized to determine a purchase price. For purposes of calculating the fair market value of the System under this Section 2.3, the System shall be deemed to include all Governmental Approvals, interconnection rights and agreements, assignable warranties, real property rights and leases held by Provider and used in or necessary for the operation and maintenance of the System, as well as all of Provider's rights under the Special Conditions and these General Conditions, as though such agreements would survive and continue in effect until the end of their respective terms.

2.4 **Reserved.**

2.5 **Reserved.**

2.6 **Conditions of the Agreement Prior to Installation.** In the event that any of the following events or circumstances occur prior to the Commercial Operation Date and were not, to Provider's knowledge, readily apparent nor reasonably expected to occur as of the Effective Date, Provider may (at its sole discretion after discussion of such events and circumstances, and their impacts on the viability of the System with Purchaser) terminate the Agreement by providing reasonable notification but in no event less than ten (10) days written notice to Purchaser, in which case neither Party shall have any liability to the other except for any such liabilities that may have accrued prior to such termination:

(a) Site conditions (including environmental conditions), construction requirements or conditions of Governmental Approvals exist or arise and that could reasonably be expected to materially increase the cost of Installation Work or the cost of Interconnection Work or would adversely affect the electricity production from the System as designed or materially adversely affect the economics of the installation for Provider or its investors.

(b) There is a material adverse change in the federal or state Tax code (including the expiration of any investment Tax credit or depreciation benefits in effect as of the Effective Date) or any Applicable Law that could reasonably be expected to materially adversely affect the economics of the installation for Provider and its investors.

(c) Provider is unable to obtain financing for the System on terms and conditions reasonably satisfactory to Provider.

(d) Provider is unable, following Commercially Reasonable Efforts, to obtain or comply with all necessary Governmental Approvals for the System on terms and conditions reasonably satisfactory to Provider, and without undue delay or unreasonable expense (including expenses of complying with permitting conditions) that is unsatisfactory to Provider; or Provider's efforts to obtain any necessary Governmental Approvals are contested or appealed by any Governmental Authority or third-party and such contest, appeal and/or subsequent litigation or proceeding is expected to place unreasonable expense on Provider.

(e) Provider has not received a fully executed (i) lease or easement in form and substance reasonably satisfactory to Provider from the owner of the Premises, and (ii) release or acknowledgement from any mortgagee of the Premise, if required by Provider's Financing Party, to establish the priority of its security interest in the System.

(f) There has been a material adverse change in the rights of Provider to occupy the Premises or to construct the System on the Premises.

(g) In instances where Purchaser is responsible for Interconnection Work, Purchaser has not delivered evidence reasonably satisfactory to Provider that interconnection services will be available with respect to energy generated by the System.

(h) There has been a material adverse change in Purchaser's credit-worthiness.

The Parties acknowledge and agree that if Provider terminates this Agreement pursuant to this Section 2.6, Provider shall have no liability to Purchaser pursuant to this Agreement, including no obligation to pay the Provider Early Termination Fee.

### 3. **CONSTRUCTION, INSTALLATION AND TESTING OF SYSTEM.**

3.1 **Installation Work.** Subject to Section 2.6, Provider will cause the System to be designed, engineered, installed and constructed substantially in accordance with Schedule 1 of the Special Conditions, Applicable Law and Good Engineering and Operating Practices. Provider and Purchaser intend that the System and each of its component parts will retain its identity as tangible personal property after its installation.

3.2 **Approvals; Permits.** Subject to Section 2.6, Provider shall endeavor in good faith and using Commercially Reasonable Efforts to obtain all necessary approvals and permits required to construct, install and operate the System, including but not limited to those related to any Governmental Authority, and any waivers, approvals or releases required pursuant to any applicable CCR. Purchaser shall provide reasonable assistance to Provider in obtaining all such approvals and permits.

### 3.3 **System Testing; Commercial Operation Date**

(a) Prior to the Commercial Operation Date, Provider shall conduct testing of the System in accordance with such methods, acts, guidelines, standards and criteria reasonably accepted or followed by photovoltaic solar system integrators in the United States. The System testing shall confirm that the System is operating consistent with Good Engineering and Operating Practices. If the System has not achieved this standard, the Commercial Operation Date shall not have been achieved.

(b) The "**Commercial Operation Date**" shall be the date on which (i) the System is complete and has demonstrated Substantial Capability of providing electric energy to the Delivery Point ("**Substantial Capability**" means the System is capable of delivering electric energy in an amount equal to at least ninety percent (90%) of AC capacity stated in Schedule 1 of the Special Conditions), and (ii) all permits and licenses required to be obtained under Applicable Law in connection with the operation of the System have been obtained and are in full force and effect. Provider shall provide written notice of the Commercial Operation Date within ten (10) days of its achievement.

## 4. **SYSTEM OPERATIONS.**

4.1 **Provider as Owner and Operator.** The System will be owned, controlled, and possessed, legally and beneficially, by Provider or, upon exercise of its rights or remedies under the applicable financing document(s), Provider's Financing Party, and will be operated and maintained and, as necessary, repaired and/or replaced by Provider at its sole discretion, cost and expense; provided, that any repair or maintenance costs incurred by Provider to the extent resulting from Purchaser's sole negligence, willful misconduct or breach of its obligations hereunder shall be promptly reimbursed by Purchaser following delivery of an invoice for such costs by Provider. This subsection only relates to Provider's decision on whether to repair

or replace the System and does not relate to Provider's liability to Purchaser pursuant to this Agreement.

### 4.2 **Metering.**

(a) **Meter.** Provider shall install, maintain, and calibrate as specified in the Interconnection Agreement a revenue grade kilowatt-hour (kWh) meter (the "**Meter**") for the measurement of electrical energy provided by the System and Provider may, at its election, install a utility grade kilowatt-hour (kWh) meter for the measurement of electrical energy delivered by the Local Electric Utility and consumed at the Premises. The Meter shall be tested and calibrated at least annually consistent with Good Engineering and Operating Practices. Purchaser shall receive reasonable advance notice of any Meter test and shall have the right to have a representative present at all Meter tests.

(b) **Audits.** Purchaser shall have the right to audit the Meter data once per calendar year, at Purchaser's sole cost and upon reasonable advance notice to Provider, or more frequently if there is reason to believe that the metering is inaccurate. If, pursuant to audit, metering is found to be inaccurate, then Provider shall be responsible for the cost of the audit. If, pursuant to the audit, metering is found to be accurate, then Purchaser shall be responsible for the cost of the audit.

(c) **Repair and Replacement.** If any test of the Meter indicates that the Meter is inaccurate, then (i) if the error is less than two percent (2%), Provider shall repair the Meter as soon as reasonably possible for it to measure accurately within the limits prescribed by the manufacturer, and (ii) if the error is greater than two percent (2%), Provider shall replace the meter as soon as reasonably practicable.

(d) **Adjustments.** If any test reveals an inaccuracy greater than two percent (2%), Provider shall make an adjustment to the records of the amount of energy generated by the System based on such test results for (i) the actual period of time when such error caused inaccurate Meter readings, or (ii) if the Parties cannot agree on the period in which the Meter readings were inaccurate, a period equal to one-half of the period from the later of (A) the date of the last previous test confirming accurate Meter readings and (B) the date the Meter was placed into service (but in no event, longer than two (2) years). If the adjustment requires an additional payment by Purchaser, the amount of such adjustment will be added to the Solar Services Payment on the next Invoice Date. If the adjustment requires a credit to Purchaser, the amount of such adjustment will



be credited by Provider to Purchaser against the Solar Services Payment on the next Invoice Date.

4.3 **Standard of Operation.** Provider shall (or shall arrange to) design, install, operate and maintain the System in accordance with (a) Good Engineering and Operating Practices and (b) all laws, regulations, permits and authorizations including this Agreement and the Interconnection Agreement, in each case, unless otherwise agreed. Such activities shall be at Provider's sole discretion and expense. Before or within the first (1<sup>st</sup>) year following the Commercial Operation Date, Provider shall develop an operation and maintenance plan for the System that is consistent with Good Engineering and Operating Practices. Purchaser shall have the opportunity to provide Provider with guidance as to the ideal timeframes at which to perform any scheduled maintenance that could affect production, and Provider will make Commercially Reasonable Efforts to follow any such guidance.

## 5. DELIVERY OF SOLAR SERVICES.

5.1 **Purchase Requirement.** Purchaser agrees to purchase one hundred percent (100%) of the Solar Services generated by the System during each relevant month of the Term at the kWh Rate set forth on Schedule 2 of the Special Conditions. While the Solar Services are calculated and billed on a per kWh basis as set forth in Schedule 2 of the Special Conditions, they represent a package of services and benefits. For avoidance of doubt, the payment in Schedule 2 is for all Solar Services.

5.2 **Guaranteed Energy Amount; Shortfalls.** Commencing on the Commercial Operation Date and subject to other provisions of this Agreement, Provider shall deliver to the Delivery Point a minimum of eighty-five percent (85%) of the kilowatt hours of (P50) energy set forth in Schedule 4 of the Special Conditions for within an applicable three (3) Calendar Year period, excluding periods of Force Majeure occurring within such three (3) Calendar Year period (the "**Guaranteed Energy Amount**"). For purposes of this Section 5.2, the amount of energy delivered by Provider shall be measured once every three (3) Calendar Years, in arrears on a cumulative three (3) Calendar Year basis, the first opportunity commencing at the end of the third (3<sup>rd</sup>) full Calendar Year following the Commercial Operation Date. If a shortfall should be determined under this Section 5.2 for such three (3) Calendar Year period, then Purchaser may, as its sole and exclusive remedy, deduct from amounts due from Purchaser to Provider an amount equal to the amount of the shortfall (in kWh as

Guaranteed Energy Amount minus the amount of actual energy delivered) multiplied by the Market Price for the applicable three (3) Calendar Year period. If the Market Price is negative, then Purchaser shall not deduct any sum from the amounts due to Provider.

5.3 **Environmental Attributes and Solar Incentives.** Purchaser's purchase of Solar Services includes Environmental Attributes but excludes Solar Incentives, which shall be owned by Provider or, upon exercise of its rights or remedies under the applicable financing document(s), Provider's Financing Party for the duration of the System's operating life. Purchaser disclaims any right to Solar Incentives based upon the installation of the System at the Premises, and shall, at the request of Provider, execute any document or agreement reasonably necessary to fulfill the intent of this Section 5.3.

5.4 **Title to System.** Throughout the duration of the Agreement, Provider or, upon exercise of its rights or remedies under the applicable financing document(s), Provider's Financing Party shall be the legal and beneficial owner of the System at all times, which the Parties acknowledge and agree shall, subject to Purchaser's Purchase Option pursuant to Section 2.3, remain under the exclusive dominion and control of Provider and maintain its identity as tangible personal property.

5.5 **Risk of Loss.** Risk of loss related to the Solar Services produced by the System shall pass from Provider to Purchaser upon delivery at the Delivery Point.

## 6. PRICE AND PAYMENT.

6.1 **Consideration.** Purchaser shall pay to Provider a monthly payment (the "**Solar Services Payment**") for the Solar Services generated by the System during each calendar month of the Term equal to the product of (x) Actual Monthly Production for the System for the relevant month multiplied by (y) the kWh Rate, plus any and all Transfer Tax thereon. The Solar Services Payment shall be the sole payment for all Solar Services.

6.2 **Invoice.** Provider shall invoice Purchaser on or about the first (1<sup>st</sup>) Business Day of each month (each, an "**Invoice Date**"), commencing on the first (1<sup>st</sup>) Invoice Date to occur after the Commercial Operation Date, for the Solar Services Payment in respect of the immediately preceding month. The last invoice shall include production only through the Expiration Date of this Agreement.

6.3 **Time of Payment.** Purchaser shall pay all undisputed amounts due hereunder within fifteen (15) days after the date of the applicable Invoice Date.

6.4 **Method of Payment.** Purchaser shall make all payments under the Agreement by electronic funds transfer in immediately available funds to the account designated by Provider from time to time. All payments that are not paid when due shall bear interest accruing from the date becoming past due until paid in full at a rate equal to the Interest Rate. All payments made hereunder shall be made free and clear of any Tax, levy, assessment, duties or other charges and not subject to reduction, withholding, set-off, or adjustment of any kind with the exception of Purchaser's rights pursuant to Section 5.2.

6.5 **Disputed Payments.** If a *bona fide* dispute arises with respect to any invoice, Purchaser shall not be deemed in default under the Agreement and the Parties shall not suspend the performance of their respective obligations hereunder, including payment of undisputed amounts owed hereunder. If an amount disputed by Purchaser is subsequently deemed to have been due pursuant to the applicable invoice, interest shall accrue at the Interest Rate on such amount from the date becoming past due under such invoice until the date paid.

## 7. GENERAL COVENANTS.

7.1 **Provider's Covenants.** Provider covenants and agrees to the following:

(a) **Notice of Damage or Emergency.** Provider shall (i) promptly notify Purchaser if it becomes aware of any damage to or loss of the use of the System or that could reasonably be expected to adversely affect the System, (ii) immediately notify Purchaser if it becomes aware of any event or circumstance that poses an imminent risk to human health, the environment, the System or the Premises, and (iii) estimate the expected duration of (i) or (ii).

(b) **Reserved.**

(c) **Governmental Approvals.** Subject to Section 2.6, while providing the Installation Work, Solar Services, and System Operations, Provider shall obtain and maintain, at Provider's sole expense, all Governmental Approvals required to be obtained and maintained by Provider and to enable Provider to perform such obligations. Provider shall at all times during the Term hold, maintain, and comply with all Governmental Approvals necessary or required for

Provider to perform its obligations under the Special Conditions and these General Conditions.

(d) **Health and Safety.** Provider shall take all necessary and reasonable safety precautions with respect to providing the Installation Work, Solar Services, and System Operations that shall comply with all Applicable Laws pertaining to the health and safety of persons and real and personal property and to be consistent with Good Engineering and Operating Practices.

7.2 **Purchaser's Covenants.** Purchaser covenants and agrees as follows:

(a) **Notice of Damage or Emergency.** Purchaser shall (i) promptly notify Provider if it receives a direct written notice regarding any damage to or loss of the use of the System or that could reasonably be expected to adversely affect the System, and (ii) promptly notify Provider if it receives a direct written notice regarding any event or circumstance related to the System or the Premises that poses an imminent risk to human health, the environment, the System or the Premises.

(b) **Liens.** Purchaser shall not directly or indirectly cause, create, incur, assume or suffer to exist any Liens on or with respect to the System or any interest therein. If Purchaser breaches its obligations under this Section, it shall immediately notify Provider in writing, shall promptly cause such Lien to be discharged and released of record without cost to Provider, and shall indemnify Provider against all costs and expenses (including reasonable attorneys' fees and court costs at trial and on appeal) incurred in discharging and releasing such Lien.

(c) **Consents and Approvals.** Purchaser shall ensure that any authorizations required of Purchaser under this Agreement are provided in a timely manner. To the extent that only Purchaser is authorized to request, obtain or issue any necessary approvals, permits, rebates or other financial incentives, Purchaser shall cooperate with Provider to obtain such approvals, permits, rebates or other financial incentives. Purchaser shall at all times during the Term hold, maintain and comply with all Governmental Approvals necessary or required for Purchaser to perform its obligations under the Special Conditions and these General Conditions.

(d) **Use of System.** Purchaser will not use electrical energy generated by the System for the purposes of heating a swimming pool within the meaning of Section 48 of the Internal Revenue Code.

## 8. REPRESENTATIONS & WARRANTIES.

**8.1 Representations and Warranties Relating to Agreement Validity.** In addition to any other representations and warranties contained in the Agreement, each Party represents and warrants to the other as of the Effective Date that:

(a) it is duly organized and validly existing and in good standing in the jurisdiction of its organization;

(b) it has the full right and authority to enter into, execute, deliver, and perform its obligations under the Agreement, subject to any Required Approvals as defined in Schedule 7 of the Special Conditions;

(c) it has taken all requisite corporate or other action to approve the execution, delivery, and performance of the Agreement;

(d) the Agreement constitutes its legal, valid and binding obligation enforceable against such Party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws now or hereafter in effect relating to creditors' rights generally;

(e) there is no litigation, action, proceeding or investigation pending or, to its knowledge, threatened before any court or other Governmental Authority by, against, affecting or involving any of its business or assets that could reasonably be expected to adversely affect its ability to carry out the transactions contemplated herein, other than actions and proceedings by the Provider to obtain Governmental Approvals for the construction and operation of the System; and

(f) its execution and performance of the Agreement and the transactions contemplated hereby do not constitute a breach of any term or provision of, or a default under, (i) any contract or agreement to which it or any of its Affiliates is a party or by which it or any of its Affiliates or its or their property is bound, (ii) its organizational documents, or (iii) any Applicable Laws, except to the extent under clause (i) or (iii), as would not reasonably be expected to have a material adverse effect on its ability to carry out the transactions contemplated herein.

**8.2 Representations Regarding Security Interest.** Purchaser has been advised that part of the collateral securing the financial arrangements for

the System may be the granting of a first priority perfected security interest (the "**Security Interest**") in the System to a Financing Party. In connection therewith and without limitation of Purchaser's acknowledgements in Section 13.2, Purchaser represents and warrants as follows:

(a) **Reserved.**

(b) **Reserved.**

(c) To Purchaser's knowledge, there exists no event or condition which constitutes a default, or would, with the giving of notice or lapse of time, constitute a default under this Agreement.

Any Financing Party shall be an intended third-party beneficiary of this Section 8.2.

**8.3 EXCLUSION OF WARRANTIES.** EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 3.1, 4.1, 5.2 AND 7.1 AND THIS SECTION 8, THE INSTALLATION WORK, SYSTEM OPERATIONS, AND SOLAR SERVICES PROVIDED BY PROVIDER TO PURCHASER PURSUANT TO THIS AGREEMENT SHALL BE "AS-IS WHERE-IS." NO OTHER WARRANTY TO PURCHASER OR ANY OTHER PERSON, WHETHER EXPRESS, IMPLIED, CONTRACTUAL OR STATUTORY, IS MADE AS TO THE INSTALLATION, DESIGN, DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS, USEFUL LIFE, FUTURE ECONOMIC VIABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE SYSTEM, THE SOLAR SERVICES OR ANY OTHER SERVICE PROVIDED HEREUNDER OR DESCRIBED HEREIN, OR AS TO ANY OTHER MATTER, ALL OF WHICH ARE EXPRESSLY DISCLAIMED BY PROVIDER.

## 9. TAXES AND GOVERNMENTAL FEES.

**9.1 Purchaser Obligations.** Purchaser shall be liable for and pay to Provider or the relevant Governmental Authority all Transfer Taxes. Provider shall undertake Commercially Reasonable Efforts to identify, separately state, and notify Purchaser in writing of all Transfer Taxes owing hereunder; provided, however, that the failure of Provider to identify, separately state, and/or notify Purchaser in writing of any Transfer Taxes owing hereunder shall not alter or otherwise diminish the liability of Purchaser for all Transfer Taxes; provided further that Purchaser shall not be liable for any Transfer Taxes if Provider has not notified Purchaser of such tax on or before

ninety (90) days after the expiration of the period for assessment and collection of such tax.

**9.2 Provider Obligations.** Provider shall be responsible for all income, gross receipts, ad valorem, personal property or other similar Taxes and any and all franchise fees or similar fees assessed against it due to or arising from or with respect to its ownership of the System, including the Solar Energy Capacity Tax levied on the System in accordance with 32 V.S.A. § 8701, and the Vermont municipal solar tax levied on the System in accordance with 32 V.S.A. § 3481(1)(D). Provider shall not be obligated for any Taxes payable by or assessed against Purchaser based on or related to Purchaser's overall income or revenues.

## **10. FORCE MAJEURE.**

**10.1 Definition. "Force Majeure Event"** means any act or event that prevents the affected Party from performing its obligations in accordance with the Agreement, if such act or event is beyond the reasonable control, and not the result of the fault or negligence, of the affected Party and such Party had been unable to overcome such act or event with the exercise of due diligence (including the expenditure of reasonable sums). Subject to the foregoing conditions, "Force Majeure Event" shall include without limitation the following acts or events: (i) natural phenomena, such as storms, hurricanes, floods, lightning, snow, ice, volcanic eruptions and earthquakes; (ii) explosions or fires arising from lightning or other causes unrelated to the acts or omissions of the Party seeking to be excused from performance; (iii) acts of war or public disorders, civil disturbances, riots, insurrection, sabotage, epidemic, terrorist acts, or rebellion; (iv) strikes or labor disputes (except strikes or labor disputes caused solely by the Provider or employees of the Provider or as a result of such Party's failure to comply with a collective bargaining agreement); and (v) action by a Governmental Authority, including any change in Applicable Law, that unreasonably increases Provider's costs of, or otherwise prohibits Provider from, constructing or operating the System or prohibits Purchaser from accepting the energy generated by the System. A Force Majeure Event shall not be based on the economic hardship of either Party, including the inability of Purchaser to pay for the Solar Services or the ability of Provider to sell Solar Services at a price higher than provided for in this Agreement.

**10.2 Excused Performance.** Except as otherwise specifically provided in the Agreement, neither Party shall be considered in breach of the Agreement or liable for any delay or failure to comply with the Agreement (other than the failure to pay

amounts due hereunder), if and to the extent that such delay or failure is attributable to the occurrence of a Force Majeure Event; provided that the Party claiming relief under this Section 10 shall (i) notify the other Party orally immediately, followed by a written description within 48 hours, of the existence of the Force Majeure Event, (ii) exercise all reasonable efforts necessary to minimize delay caused by such Force Majeure Event, (iii) notify the other Party in writing of the cessation or termination of said Force Majeure Event and (iv) resume performance of its obligations hereunder as soon as practicable thereafter; provided, however, that Purchaser shall not be excused from making any payments and paying any unpaid amounts due in respect of Solar Services delivered to Purchaser prior to the Force Majeure Event performance interruption.

**10.3 Termination in Consequence of Force Majeure Event.** If a Force Majeure Event shall have occurred that has affected either Party's performance of its obligations hereunder, a Party may suspend its obligations under this Agreement for a period of up to one hundred and eighty (180) days. The Party seeking to invoke this Force Majeure provision shall provide prompt notification of such Force Majeure Event to the other Party. If the one hundred and eighty (180) day period of suspended obligations has expired, then: (a) if Purchaser is the Party that suspended the performance of its obligations under this Agreement, Provider may terminate this Agreement by delivering written notice thereof to Purchaser; or (b) if Provider is the Party that suspended the performance of its obligations under this Agreement, and the Specified Power Purchase Agreement has terminated as a result of such suspension by Provider, then Purchaser may terminate this Agreement by delivering written notice thereof to Provider. Upon such termination for a Force Majeure Event, neither Party shall have any liability to the other (other than any such liabilities that have accrued prior to such termination); provided that in the case of a termination of this Agreement following a Force Majeure Event described in clause (a) above, Provider may seek to enforce the Collateral Assignment of the Specified Power Purchase Agreement, if applicable.

## **11. DEFAULT.**

### **11.1 Provider Defaults and Purchaser Remedies.**

(a) **Provider Defaults.** The following events shall be defaults with respect to Provider (each, a "Provider Default"):



(i) A Bankruptcy Event shall have occurred with respect to Provider;

(ii) Provider fails to pay Purchaser any undisputed amount owed under the Agreement within ten (10) days from receipt of notice from Purchaser of such past due amount;

(iii) Provider breaches any material term of the Agreement and if such breach can be cured within thirty (30) days after Purchaser's written notice of such breach, Provider fails to so cure. Parties acknowledge that breaches may impact the Specified Power Purchase Agreement, and that these General Conditions in no way extend any cure period for Provider beyond that which is allowed under the Specified Power Purchase Agreement. If a cure period longer than thirty (30) days is reasonably needed, Purchaser agrees to petition the Specified Purchaser for an extension of the cure period, and such extension if granted will apply to Provider. Notwithstanding the foregoing, in the event of a material breach by Provider that cannot reasonably be expected to cause a material breach or violation of Purchaser's obligations under the Specified Power Purchase Agreement, the applicable cure period shall be (A) thirty (30) days or (B) ninety (90) days, if a longer cure period is reasonably needed and Provider has, within thirty (30) days of Purchaser's initial notice of such breach, commenced efforts to cure;

(iv) Provider fails to deliver at least twenty-five percent (25%) of the estimated Annual Production described in Schedule 4 of the Special Conditions from the System for a period of twelve (12) consecutive months at any time after the Commercial Operation Date, excluding failure to deliver due to Force Majeure;

(v) Provider ceases to hold any required approvals or permits, or fails to comply with applicable statutory requirements or Commission rules or orders, after the Commercial Operation Date, the failure or cessation of which results in a lack of legal right on the part of Provider to continue to operate the System and which is not cured within thirty (30) days. Parties acknowledge that breaches may impact the Specified Power Purchase Agreement, and that these General Conditions in no way extend any cure period for Provider beyond that which is allowed under the Specified Power Purchase Agreement. If a cure period longer than thirty (30) days is reasonably needed, Purchaser agrees to petition the Specified Purchaser for an extension of the cure period, and such extension if granted will apply to Provider;

(vi) Provider fails or ceases to comply with Good Engineering and Operating Practices in any material respect, and which is not cured within thirty (30) days. Parties acknowledge that breaches may impact the Specified Power Purchase Agreement, and that these General Conditions in no way extend any cure period for Provider beyond that which is allowed under the Specified Power Purchase Agreement. If a cure period longer than thirty (30) days is reasonably needed, Purchaser agrees to petition the Specified Purchaser for an extension of the cure period, and such extension if granted will apply to Provider. Notwithstanding the foregoing, in the event Provider fails or ceases to comply with Good Engineering and Operating Practices in any material respect and such failure or cessation cannot reasonably be expected to cause a material breach or violation of Purchaser's obligations under the Specified Power Purchase Agreement, the applicable cure period shall be (A) thirty (30) days or (B) ninety (90) days, if a longer cure period is reasonably needed and Provider has, within thirty (30) days of Purchaser's initial notice of such failure, commenced efforts to cure;

(vii) Provider fails to meet any Critical Milestones that are Provider's responsibility as set forth in Schedule 8 of Special Conditions; and

(viii) Any representation made by Provider pursuant to Section 8 of this Agreement shall have been false in any material respect when made unless Provider cures the misrepresentation within thirty (30) days after notice from Purchaser of the misrepresentation.

(b) **Purchaser's Remedies.** Subject to Purchaser's agreements set forth in Exhibit A hereto, if a Provider Default described in Section 11.1(a) has occurred and is continuing, Purchaser may terminate the Agreement (immediately for a Provider Default described in Section 11.1(a)(i) and upon ten (10) days prior written notice for a Provider Default described in the other clauses of Section 11.1(a)) and upon such termination, Purchaser shall be entitled to receive from Provider, as its sole and exclusive remedy, the Provider Early Termination Fee.

## 11.2 **Purchaser Defaults and Provider's Remedies.**

(a) **Purchaser Default.** The following events shall be defaults with respect to Purchaser (each, a "**Purchaser Default**"):

(i) A Bankruptcy Event shall have occurred with respect to Purchaser;

(ii) Other than as described in clause (iii) and clause (iv) below, Purchaser breaches any material term of the Agreement and (A) if such breach can be cured within thirty (30) days after Provider's notice of such breach and Purchaser fails to so cure, or (B) if a cure period longer than thirty (30) days is reasonably needed, Purchaser fails to commence and pursue said cure within thirty (30) days after Provider's notice of such breach and such breach has not been cured within ninety (90) days after Provider's notice of such breach;

(iii) Purchaser fails to pay Provider any undisputed amount due Provider under the Agreement within ten (10) days from receipt of notice from Provider of such past due amount;

(iv) Any representation made by Purchaser pursuant to Section 8 of this Agreement shall have been false in any material respect when made unless Purchaser cures the misrepresentation within thirty (30) days after notice from Provider of the misrepresentation;

(v) Purchaser fails to meet any Critical Milestones that are Purchaser's responsibility as set forth in Schedule 8 of Special Conditions; and

(vi) At any time on or after the date hereof, the Specified Power Purchase Agreement shall have been duly executed by the parties thereto and at such time Purchaser shall have failed to deliver to Provider customary collateral assignment documentation with respect to the Specified Power Purchase Agreement (the "**Collateral Assignment**"), duly executed by Purchaser and the Specified Purchaser.

(b) **Provider's Remedies.** If a Purchaser Default described in Section 11.2(a) has occurred and is continuing, as its sole and exclusive remedy, Provider may terminate this Agreement (immediately for a Purchaser Default described in Section 11.2(a)(i) and upon ten (10) days prior written notice for a Purchaser Default described in the other clauses of Section 11.2(a)) and upon such termination, all of Purchaser's rights and duties under the Specified Power Purchase Agreement shall be automatically assigned to Provider, pursuant to and in accordance with the Collateral Assignment; provided, however, if a Purchaser Default has occurred and is continuing during any period in which the Specified Power Purchase Agreement is not in full force and effect, Provider shall have the right to terminate this Agreement and pursue any and all remedies available to Provider at law or in equity, including recovery of

any lost tax benefits (including depreciation and/or any recaptured tax credits) demonstrated to have been available to Provider or its direct or indirect equity owners but for such Purchaser Default, subject to Section 12 and Section 18.17.

## 12. LIMITATIONS OF LIABILITY.

12.1 Except as expressly provided herein, neither Party shall be liable to the other Party or its Indemnified Persons for any special, punitive, exemplary, indirect, or consequential damages, losses or damages for lost revenue or lost profits, whether foreseeable or not, arising out of, or in connection with the Agreement; provided, however, that nothing herein shall limit Purchaser's liability for any lost tax benefits (including depreciation and/or any recaptured tax credits) to the extent recoverable by Provider in accordance with Section 11.2(b).

12.2 For the avoidance of doubt, Provider's maximum liability to Purchaser under the Agreement related to shortfalls from the Guaranteed Energy Amount shall be the payment associated with such shortfalls as described in Section 5.2.

## 13. ASSIGNMENT.

13.1 **Assignment by Provider.** Provider shall not sell, transfer or assign (collectively, an "**Assignment**") the Agreement or any interest therein, without the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that Provider may, without the prior written consent of Purchaser, (a) directly or indirectly assign the Agreement to an Affiliate of Provider, (b) assign the Agreement to any person succeeding to all or substantially all of the assets of Provider, or (c) assign the Agreement to any Financing Party (by direct or collateral assignment). Any Financing Party shall be an intended third-party beneficiary of this Section 13.1. Any assignment by Provider without any required prior written consent of Purchaser shall not release Provider of its obligations hereunder. Any assignee (other than a collateral assignee which has not exercised foreclosure rights) shall agree in writing to be bound by the terms and conditions of this Agreement and shall possess the technical and financial capability to perform the assignor's obligations and have equivalent or better creditworthiness as the assigning Party.

13.2 **Acknowledgment of Collateral Assignment.** The Parties acknowledge that Provider intends to finance the System with a combination of construction and/or permanent financing facilities,

including without limitation structured tax equity and/or securitization financing. In the event that Provider identifies a secured Financing Party in Schedule 5 of the Special Conditions, or in a subsequent notice to Purchaser, then Purchaser hereby acknowledges:

(a) the direct or collateral assignment by Provider to the Financing Party, of Provider's right, title and interest in, to and under the Agreement, as consented to under Section 13.1 of the Agreement;

(b) that the Financing Party as such collateral assignee shall be entitled to exercise any and all rights of lenders generally with respect to the Provider's interests in this Agreement;

(c) that it has been advised that Provider has granted a first priority perfected security interest in the System to the Financing Party and that the Financing Party has relied upon the characterization of the System as personal property, as agreed in this Agreement in accepting such security interest as collateral for its financing of the System; and

(d) that it shall comply with the provisions set forth in Exhibit A of these General Conditions,

In addition to the foregoing, (i) Purchaser agrees to provide such estoppels, consents and agreements or consents to assignment as Provider may reasonably request from time to time and (ii) the Parties agree in good faith to consider and negotiate any changes or additions to the Agreement reasonably requested by any Financing Party.

Any Financing Party shall be an intended third-party beneficiary of this Section 13.2.

**13.3 Assignment by Purchaser.** Purchaser shall not assign the Agreement or any interest therein without Provider's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, however, the Parties acknowledge and agree that Provider may withhold its consent if (a) the long-term unsecured debt of the assignee does not have an equivalent or better credit rating as the long-term unsecured debt of Purchaser (measured as of the Effective Date) and (b) the Specified Power Purchase Agreement has not been assigned or novated to such assignee. Notwithstanding the foregoing, Purchaser may assign this Agreement or any interest herein to the Specified Purchaser upon prior written notice to Provider. Any assignment by Purchaser without the prior written consent of Provider shall not release

Purchaser of its obligations hereunder and shall be null and void.

## 14. NOTICES.

**14.1 Notice Addresses.** Unless otherwise provided in the Agreement, all notices and communications concerning the Agreement shall be in writing and addressed to the other Party (or Financing Party, as the case may be) at the addresses set forth in Schedule 5 of the Special Conditions, or at such other address as may be designated in writing to the other Party from time to time.

**14.2 Notice.** Unless otherwise provided herein, any notice provided for in the Agreement shall be hand delivered, sent by registered or certified U.S. Mail, postage prepaid, or by commercial overnight delivery service, or transmitted by facsimile or e-mail and shall be deemed delivered to the addressee or its office when received at the address for notice specified above when hand delivered, upon confirmation of sending when sent by facsimile or e-mail (if sent during normal business hours or the next Business Day if sent at any other time), on the Business Day after being sent when sent by overnight delivery service (Saturdays, Sundays and legal holidays excluded), or five (5) Business Days after deposit in the mail when sent by U.S. mail.

**14.3 Address for Invoices.** All invoices under the Agreement shall be sent to the e-mail or physical address provided by Purchaser. If sent to a physical address, invoices shall be sent by regular first class mail postage prepaid.

## 15. CONFIDENTIALITY.

**15.1 Confidentiality Obligation.** If either Party provides confidential information, including business plans, strategies, financial information, proprietary, patented, licensed, copyrighted or trademarked information, and/or technical information regarding the financing, design, operation and maintenance of the System or of Purchaser's business ("**Confidential Information**") to the other, the receiving Party shall (a) protect the Confidential Information from disclosure to third-parties with the same degree of care accorded its own confidential and proprietary information, and (b) refrain from using such Confidential Information, except in the negotiation and performance of the Agreement. Notwithstanding the above, a Party may provide such Confidential Information to its officers, directors, members, managers, employees, agents, contractors, consultants, Affiliates, lenders, attorneys

and potential assignees of the Agreement or acquirers of Provider or its Affiliates (provided and on condition that such potential assignees be bound by a written agreement restricting use and disclosure of Confidential Information) (collectively, "**Representatives**"), in each case whose access is reasonably necessary. Each such recipient of Confidential Information shall be informed by the Party disclosing Confidential Information of its confidential nature at the time of transfer and shall be directed to treat such information confidentially and shall agree to abide by these provisions. In any event, each Party shall be liable (with respect to the other Party) for any breach of this provision by any entity to whom that Party improperly discloses Confidential Information. All Confidential Information shall remain the property of the disclosing Party and shall be returned to the disclosing Party or destroyed after the receiving Party's need for it has expired or upon the request of the disclosing Party. Should a request be made for disclosure of Confidential information, including a request pursuant to Vermont's Public Records Act, 1 V.S.A. § 315 *et seq.*, Purchaser shall provide notice of such request to Provider. If Provider claims or asserts that a particular document falls under any of the exemptions, Provider shall provide Purchaser with sufficient information to demonstrate its compliance therewith within three (3) days of notice of the request, and Purchaser shall assert that such exemption applies in response to the request at the Provider's sole expense, and Provider shall be responsible for demonstrating at Provider's sole expense that such exemption applies.

#### 15.2 Permitted Disclosures.

Notwithstanding any other provision herein, neither Party shall be required to hold confidential any information that:

(a) becomes publicly available other than through the receiving Party;

(b) is required to be disclosed by FERC, ISO-NE, transmission providers, the Commission, or any other Governmental Authority, under Applicable Law or pursuant to a validly issued subpoena or required filing in litigation or regulatory proceedings, provided, however, any Party releasing Confidential Information pursuant to this Section 15.2

(i) shall take reasonable steps to obtain an appropriate protective order prior to doing so; and

(ii) to the extent permissible by law notify the other Party of such disclosure at least three (3) Business Days in advance of such disclosure;

(c) is independently developed by the receiving Party without use of or reference to the Confidential Information;

(d) becomes available to the receiving Party without restriction from a third-party under no obligation of confidentiality;

(e) was previously known by the receiving Party without any obligation to hold it in confidence;

(f) is provided to its investors in connection with customary investor reports and communications; or

(g) is provided to any Financing Party or to any third-party in connection with the acquisition or potential acquisition of the System or all or substantially all of the assets or equity interests of a Party if such third-party is subject to an obligation to keep such information confidential.

**15.3 Public Agencies.** Provider agrees that Purchaser is a "public agency" and subject to the Vermont Open Meeting law, 1 V.S.A. §310-314, and the Access to Public Records law, 1 V.S.A. §315-320. As a public agency, Board and/or Commission meetings are open to the public unless there is statutory justification for entering an executive session, 1 V.S.A. §313. Any records in Purchaser's possession must be disclosed to the public unless the document is exempt from the disclosure requirement. Exemptions include, but are not limited to, protections for "trade secrets . . . which gives its user or owner an opportunity to obtain business advantage over competitors" and records related to the "negotiation of contracts". 1 V.S.A. §317

**15.4 Goodwill and Publicity.** Neither Party shall use the name, trade name, service mark, or trademark of the other Party in any promotional or advertising material without the prior written consent of such other Party. The Parties shall coordinate and cooperate with each other when making public announcements related to the execution and existence of the Agreement, and each Party shall have the right to promptly review, comment upon, and approve any publicity materials, press releases, or other public statements by the other Party that refer to, or that describe any aspect of, the Agreement; provided that no such publicity releases or other public statements (except for filings or other statements or releases as may be required by Applicable Law) shall be made by either Party without the prior written consent of the other Party. At no time will either Party acquire any rights whatsoever to any trademark, trade name, service mark,



logo or other intellectual property right belonging to the other Party. Notwithstanding the foregoing, Purchaser agrees that Provider may, at its sole discretion, take photographs of the installation process of the System and/or the completed System, and Provider shall be permitted to use such images (regardless of media) in its marketing efforts, including but not limited to use in brochures, advertisements, websites and news outlet or press release articles. The images shall not include any identifying information of Purchaser without Purchaser's permission and the installation site shall not be disclosed beyond the type of establishment (such as "Retail Store," "Distribution Center," or such other general terms), the city and state.

**15.5 Enforcement of Confidentiality Obligation.** Each Party agrees that the disclosing Party would be irreparably injured by a breach of this Article 15 by the receiving Party or its Representatives or other Person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Article. To the fullest extent permitted by Applicable Law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Article, but shall be in addition to all other remedies available at law or in equity.

## 16. INDEMNITY.

**16.1 Provider's Indemnity.** Provider agrees that it shall indemnify and hold harmless Purchaser, its permitted successors and assigns and their respective directors, officers, members, shareholders and employees (collectively, the "**Purchaser Indemnified Parties**") from and against any and all Losses incurred by the Purchaser Indemnified Parties to the extent arising from or out of the following: (a) any claim for or arising out of any injury to or death of any Person or loss or damage to property of any Person to the extent arising out of the negligence or willful misconduct of Provider or any of its affiliates, contractors, agents, employees or invitees or (b) any infringement of patents or the improper use of other proprietary rights by Provider or its employees or representatives that may occur in connection with the performance of the Installation Work, System Operations or delivery of Solar Services and the ownership and use of the System. Provider shall not, however, be required to reimburse or indemnify any Purchaser Indemnified Party for any Loss to the extent such Loss is due to the sole negligence or willful misconduct of any Purchaser Indemnified Party.

**16.2 Purchaser's Indemnity.** Purchaser agrees that it shall indemnify and hold harmless Provider, its permitted successors and assigns and their respective directors, officers, members, shareholders, and employees (collectively, the "**Provider Indemnified Parties**") from and against any and all Losses incurred by the Provider Indemnified Parties to the extent arising from or out of any claim for or arising out of any injury to or death of any Person or loss or damage to property of any Person to the extent arising out of the negligence or willful misconduct of Purchaser, or any of its affiliates, contractors, agents, employees or invitees. Purchaser shall not, however, be required to reimburse or indemnify any Provider Indemnified Party for any Loss to the extent such Loss is due to the sole negligence or willful misconduct of any Provider Indemnified Party.

## 17. INSURANCE.

**17.1 Generally.** Provider shall maintain the following insurance coverages in full force and effect throughout the Term either through insurance policies or acceptable self-insured retentions: (a) Workers' Compensation Insurance as may be from time to time required under applicable federal and state law, (b) Commercial General Liability Insurance with limits of not less than \$2,000,000 general aggregate, \$1,000,000 per occurrence, and (c) automobile insurance with commercially reasonable coverages and limits. Additionally, Provider shall carry adequate property loss insurance on the System. The amount and terms of insurance coverage will be determined at Provider's sole discretion.

**17.2 Certificates of Insurance.** Provider, upon request, shall furnish current certificates evidencing that the insurance required under Section 17.1 is being maintained. Provider's insurance policy provided hereunder shall contain a provision whereby the insured agrees to give the other Party thirty (30) days' written notice before the insurance is cancelled or materially altered.

**17.3 Additional Insureds.** Provider's insurance policy shall be written on an occurrence basis and shall include Purchaser as an additional insured as its interest may appear.

**17.4 Insurer Qualifications.** All insurance maintained hereunder shall be maintained with companies either rated no less than A- as to Policy Holder's Rating in the current edition of Best's Insurance Guide (or with an association of companies each of the members of which are so rated) or having a

parent company's debt to policyholder surplus ratio of 1:1.

## 18. MISCELLANEOUS.

**18.1 Integration; Exhibits.** The Agreement, together with the Exhibits and Schedules attached thereto and hereto, constitute the entire agreement and understanding between Provider and Purchaser with respect to the subject matter thereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits and Schedules attached thereto and hereto are integral parts hereof and are made a part of the Agreement by reference. In the event of a conflict between the provisions of these General Conditions and any applicable Special Conditions, the provisions of the Special Conditions shall prevail.

**18.2 Amendments.** This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Provider and Purchaser.

**18.3 Industry Standards.** Except as otherwise set forth herein, for the purpose of the Agreement the normal standards of performance within the solar photovoltaic power generation industry in the relevant market shall be the measure of whether a Party's performance is reasonable and timely. Unless expressly defined herein, words having well-known technical or trade meanings shall be so construed.

**18.4 Cumulative Remedies.** Except as set forth to the contrary herein, any right or remedy of Provider or Purchaser shall be cumulative and without prejudice to any other right or remedy, whether contained herein or not.

**18.5 Sovereign Immunity.** To the extent permitted by Applicable Law, Purchaser hereby waives any defense of sovereign immunity that Purchaser might otherwise have in connection with any action taken by Provider to enforce its rights against Purchaser under this Agreement.

**18.6 Limited Effect of Waiver.** The failure of Provider or Purchaser to enforce any of the provisions of the Agreement, or the waiver thereof, shall not be construed as a general waiver or relinquishment on its part of any such provision, in any other instance or of any other provision in any instance.

**18.7 Survival.** The obligations under Section 8.3 (Exclusion of Warranties), Article 9 (Taxes and Governmental Fees), Article 12 (Limitation of

Liability), Article 14 (Notices), Article 15 (Confidentiality), Article 18 (Miscellaneous), Exhibit A (Certain Agreements for the Benefit of Financing Parties) or pursuant to other provisions of this Agreement that, by their sense and context, are intended to survive termination of this Agreement, shall survive the expiration or termination of this Agreement for any reason.

**18.8 Governing Law.** This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Vermont without reference to any choice of law principles. Subject to Section 18.17, the Parties agree that the courts of the State of Vermont and the Federal Courts sitting therein shall have jurisdiction over any action or proceeding arising under the Agreement to the fullest extent permitted by Applicable Law. Subject to Section 18.17, the Parties waive to the fullest extent permitted by Applicable Law any objection it may have to the laying of venue of any action or proceeding under this Agreement in any courts described in this Section 18.8.

**18.9 Severability.** If any term, covenant or condition in the Agreement shall, to any extent, be invalid or unenforceable in any respect under Applicable Law, the remainder of the Agreement shall not be affected thereby, and each term, covenant or condition of the Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law and, if appropriate, such invalid or unenforceable provision shall be modified or replaced to give effect to the underlying intent of the Parties and to the intended economic benefits of the Parties.

**18.10 Relation of the Parties.** The relationship between Provider and Purchaser shall not be that of partners, agents, or joint ventures for one another, and nothing contained in the Agreement shall be deemed to constitute a partnership or agency agreement between them for any purposes, including federal income tax purposes. Provider and Purchaser, in performing any of their obligations hereunder, shall be independent contractors or independent parties and shall discharge their contractual obligations at their own risk.

**18.11 Successors and Assigns.** This Agreement and the rights and obligations under the Agreement shall be binding upon and shall inure to the benefit of Provider and Purchaser and their respective successors and permitted assigns.

**18.12 Counterparts.** This Agreement may be executed in one or more counterparts, all of which

taken together shall constitute one and the same instrument.

**18.13 Facsimile Delivery.** This Agreement may be duly executed and delivered by a Party by execution and facsimile or electronic, "**pdf**" delivery of the signature page of a counterpart to the other Party.

**18.14 Attorneys' Fees.** If any legal action, arbitration, or other proceeding is brought for the enforcement of the Agreement or because of an alleged dispute, default, misrepresentation, or breach in connection with any of the provisions of the Agreement, except as expressly excluded in the Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorneys' fees, expenses expert witness fees, and other costs incurred in that action or proceeding in addition to any other relief to which it may be entitled.

**18.15 Liquidated Damages Not Penalty.** The Parties acknowledge that the Early Termination Fee constitutes liquidated damages, and not penalties, in lieu of actual damages resulting from the early termination of the Agreement. The Parties further acknowledge that actual damages may be impractical and difficult to accurately ascertain, and in accordance with the Parties' rights and obligations under the Agreement, the Early Termination Fee constitutes fair and reasonable damages to be borne by the terminating Party in lieu of its actual damages.

**18.16 Service Contract.** The Parties intend this Agreement to be a "**service contract**" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser will not take the position on any Tax return or in any other filings suggesting that it is anything other than a purchase of Solar Services from the System.

**18.17 Dispute Resolution.** The Parties shall attempt in good faith to resolve all disputes arising under or with respect to this Agreement promptly by negotiation, as follows. A Party may give the other Party written notice of any dispute not resolved in the normal course of business. If applicable, executives of both Parties at levels one level above the personnel previously involved in the dispute shall meet at a mutually acceptable time and place within fifteen (15) Business Days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and attempt to resolve the dispute. If the Parties cannot resolve the dispute in this manner within thirty (30) days of delivery of the notice of dispute, they or either of them shall refer the

dispute to an impartial mediator within three (3) Business Days. If the designated executives and mediation fail to resolve the dispute within sixty (60) days after the delivery of notice of dispute, then either Party may initiate arbitration as provided below. Arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Arbitration shall take place before a single arbitrator in Montpelier, Vermont at a place of the Parties' choosing. Notice of a demand for arbitration must be delivered to the other Party to this Agreement within one hundred twenty (120) days after the delivery of the notice of dispute. Notwithstanding the above, arbitration shall not be initiated if, on the date of the demand for arbitration, the institution of legal or equitable proceedings based on the controversy is barred by the applicable statute of limitations. **THE PARTIES UNDERSTAND THAT THIS AGREEMENT CONTAINS AN AGREEMENT TO ARBITRATE. AFTER SIGNING THIS AGREEMENT, THE PARTIES WILL NOT BE ABLE TO BRING A LAWSUIT CONCERNING ANY DISPUTE WHICH MAY ARISE WHICH IS COVERED BY THE ARBITRATION AGREEMENT, UNLESS IT INVOLVES A QUESTION OF CONSTITUTIONAL OR CIVIL RIGHTS. INSTEAD, THE PARTIES AGREE TO SUBMIT ANY SUCH DISPUTE TO AN IMPARTIAL ARBITRATOR.**

*[Remainder of page intentionally left blank.]*

These General Terms and Conditions are witnessed and acknowledged by Provider and Purchaser below.

**ACKNOWLEDGMENT OF ARBITRATION. This Agreement contains an agreement to arbitrate. After signing this document, I understand that I will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the arbitration agreement, unless it involves a question of constitutional or civil rights. Instead, I agree to submit any such dispute to an impartial arbitrator.**

"PROVIDER": ER Lawrence Brook, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

"PURCHASER": Vermont Public Power Supply Authority

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit A**  
**of General Conditions**

**Certain Agreements for the Benefit of the Financing Parties**

Purchaser acknowledges that Provider will be financing the installation of the System either through a lessor, lender or with financing accommodations from one or more financial institutions and that the Provider may sell or assign the System and/or may secure the Provider's obligations by, among other collateral, a pledge or collateral assignment of this Agreement and a first security interest in the System. In order to facilitate such necessary sale, conveyance, or financing, and with respect to any such financial institutions of which Provider has notified Purchaser in writing Purchaser agrees as follows:

(a) **Consent to Collateral Assignment.** Purchaser consents to either the sale or conveyance to a lessor or the collateral assignment by Provider to a lender that has provided financing of the System, of the Provider's right, title and interest in and to this Agreement.

(b) **Notices of Default.** Purchaser will deliver to the Financing Party, concurrently with delivery thereof to Provider, a copy of each notice of default given by Purchaser under the Agreement. No such notice will be effective absent delivery to the Financing Party. Purchaser will not mutually agree with Provider to terminate the Agreement without the written consent of the Financing Party.

(c) **Rights Upon Event of Default.** Notwithstanding any contrary term of this Agreement:

i. The Financing Party, as collateral assignee, shall be entitled to exercise, in the place and stead of Provider, any and all rights and remedies of Provider under this Agreement in accordance with the terms of this Agreement and only in the event of Provider's or Purchaser's default. The Financing Party shall also be entitled to exercise all rights and remedies of secured parties generally with respect to this Agreement and the System.

ii. The Financing Party shall have the right, but not the obligation, to pay all sums due under this Agreement and to perform any other act, duty or obligation required of Provider thereunder or cause to be cured any default of Provider thereunder in the time and manner provided by the terms of this Agreement. Nothing herein requires the Financing Party to cure any default of Provider under this Agreement or (unless the Financing Party has succeeded to Provider's interests under this Agreement) to perform any act, duty or obligation of Provider under this Agreement, but Purchaser hereby gives it the option to do so.

iii. Upon the exercise of remedies under its security interest in the System, including any sale thereof by the Financing Party, whether by judicial proceeding or under any power of sale contained therein, or any conveyance from Provider to the Financing Party (or any assignee of the Financing Party) in lieu thereof, the Financing Party shall give notice to Purchaser of the transferee or assignee of this Agreement. Any such exercise of remedies shall not constitute a default under this Agreement.

iv. Upon any rejection or other termination of this Agreement pursuant to any process undertaken with respect to Provider under the United States Bankruptcy Code, at the request of the Financing Party made within ninety (90) days of such termination or rejection, Purchaser shall enter into a new agreement with the Financing Party or its assignee having the same terms and conditions as this Agreement.

(d) **Right to Cure.** Notwithstanding any contrary term of this Agreement:

i. Purchaser will not exercise any right to terminate or suspend this Agreement unless it shall have given the Financing Party prior written notice by sending notice to the Financing Party (at the address provided by Provider) of its intent to terminate or suspend this Agreement, specifying the condition giving rise to such right, and the Financing Party shall not have caused to be cured the condition giving rise to the right of termination or suspension within thirty (30) days after such notice or (if longer) Provider's specified cure period provided for in this Agreement. The Parties respective obligations will otherwise remain in effect during any cure period; provided that if such Provider default reasonably cannot be cured by the Financing Party within such period and the Financing Party commences

and continuously pursues cure of such default within such period, such period for cure will be extended for a reasonable period of time under the circumstances, such period not to exceed an additional ninety (90) days.

ii. If the Financing Party (including any purchaser or transferee), pursuant to an exercise of remedies by the Financing Party, shall acquire title to or control of Provider's assets and shall, within the time periods described in Sub-section (d)(i) above, cure all defaults, if any, under this Agreement existing as of the date of such change in title or control in the manner required by this Agreement and which are capable of cure by a third person or entity, then such person or entity shall no longer be in default under this Agreement, and this Agreement shall continue in full force and effect.

(e) Replacement PPA. In the event that either the Agreement (1) is rejected or terminated by a trustee or debtor-in-possession or (2) is deemed to be in whole or in part a contract to extend "financial accommodations" within the meaning of Section 365 of the United States Bankruptcy Code, 11 U.S.C. §365, in any bankruptcy or insolvency proceeding, the collateral agent on behalf of the Financing Parties, or designee or assignee thereof, may, within ninety (90) days following the occurrence of the event referred to in clause (1) or (2), request in writing that Purchaser execute and deliver a new contract (the "**Replacement PPA**"), which Replacement PPA shall be for the balance of the obligations and services remaining to be performed under this Agreement before giving effect to the occurrence of the event referred to in clause (1) or (2) above, and shall contain the identical conditions, agreements, terms, provisions and limitations as the Agreement. Purchaser shall, within ninety (90) days after such request, enter into the Replacement PPA; provided, however, if the approval of any such trustee or debtor-in-possession or other approvals are necessary in order for Purchaser to enter into or perform under any such Replacement PPA, Purchaser shall cooperate with the collateral agent, on behalf of the Financing Parties, or designee or assignee thereof, in obtaining such approvals as rapidly as possible.

(f) Refinancing. In the event that the loans advanced by the Financing Parties are refinanced or replaced by other credit facilities, the terms of this Agreement, including this Exhibit A, shall continue in effect for the benefit of Provider and the providers of such new credit facilities (the "**New Lenders**"). Following the closing of such refinancing, the New Lenders, or any agent or representative thereof, shall notify Purchaser in writing of such refinancing, and shall provide all applicable substitute addresses for notices. Thereafter, the term "Financing Parties" shall refer to such New Lenders, and any references to financing documents shall refer to the financing documents applicable to such new credit facilities and security documents pursuant to which this Agreement is assigned as collateral to secure performance of the obligations of the Provider under such new credit facilities.

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## **SOLAR POWER & SERVICES AGREEMENT**

This Solar Power & Services Agreement is made and entered into as of this [●] day of [●], 2019 (the “Effective Date”), between ER Lawrence Brook, LLC, a Vermont limited liability company (“Provider”), and Vermont Public Power Supply Authority (“Purchaser”; and, together with Provider, each, a “Party” and together, the “Parties”).

### **WITNESSETH:**

WHEREAS, Purchaser desires that Provider install and operate a solar photovoltaic system at the Premises (as hereafter defined), which shall remain under the exclusive dominion and control of Provider and maintain its identity as tangible personal property, for the purpose of providing Solar Services (as hereafter defined), and Provider is willing to do the same;

WHEREAS, Provider and Purchaser acknowledged those certain General Terms and Conditions of Solar Power & Services Agreement dated as of the date hereof (“General Conditions”), which are incorporated by reference as set forth herein;

WHEREAS, the terms and conditions of this Solar Power & Services Agreement, excluding the General Conditions incorporated herein, constitute the “Special Conditions” referred to in the General Conditions; and

WHEREAS, Provider and Purchaser agree that they will take all Commercially Reasonable Efforts pursuant to the terms of this Agreement to enable Purchaser to obtain all the Solar Services produced by the System and for Provider to operate the project consistent with Applicable Law and any applicable Commission orders.

NOW THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Incorporation of General Conditions. The General Conditions are incorporated herein as if set forth in their entirety. Capitalized terms used and not defined herein shall have the meaning assigned to such terms in the General Conditions.

2. Schedules. The following Schedules hereto are the respective Schedules to the Special Conditions referenced in the General Conditions and are incorporated herein:

Schedule 1	Description of the Premises & System
Schedule 2	kWh Rate
Schedule 3	Provider Early Termination Fee
Schedule 4	Estimated Annual Production
Schedule 5	Notice Information
Schedule 6	[Reserved]
Schedule 7	Required Approvals
Schedule 8	Critical Milestones
Schedule 9	Incorporation of Specified Power Purchase Agreement

IN WITNESS WHEREOF and in confirmation of their consent to the terms and conditions contained in this Agreement and intending to be legally bound hereby, Provider and Purchaser have executed this Agreement as of the Effective Date.

ER Lawrence Brook, LLC

Vermont Public Power Supply Authority

By Encore Redevelopment, LLC, its  
managing member

By: \_\_\_\_\_  
Name: Charles R. "Chad" Farrell  
Title: President, Chief Executive Officer  
and Authorized Representative of ER  
Lawrence Brook, LLC

By: \_\_\_\_\_  
Name: Kenneth A. Nolan  
Title: General Manager



**SCHEDULES****Schedule 1: Description of Premises and System**

<b>Solar System Size:</b>	2788.5 kW DC, 2200 kW AC, or equivalent
<b>Scope:</b>	Design and supply grid-interconnected, ground mounted solar electric (PV) system
<b>Module:</b>	Trina TSM-DE14A(II) 375W, or equivalent
<b>Inverters:</b>	CPS SCH100KTL-DO/US-600, or equivalent
<b>Racking</b>	RBI, or equivalent
<b>SCADA</b>	Also/Locus 360 cellular DAS, or equivalent

### **Schedule 2: kWh Rate**

The kWh Rate with respect to the System under the Agreement shall be in accordance with the following schedule:

<b>Year</b>  <b>(Year 1 commences on the Commercial Operation Date; each subsequent Year begins on the following anniversary of the Commercial Operation Date)</b>	<b>kWh Rate* (\$/kWh)</b>
1	\$0.0901
2	\$0.0901
3	\$0.0901
4	\$0.0901
5	\$0.0901
6	\$0.0901
7	\$0.0901
8	\$0.0901
9	\$0.0901
10	\$0.0901
11	\$0.0901
12	\$0.0901
13	\$0.0901
14	\$0.0901
15	\$0.0901
16	\$0.0901
17	\$0.0901
18	\$0.0901
19	\$0.0901
20	\$0.0901
21	\$0.0901
22	\$0.0901
23	\$0.0901
24	\$0.0901
25	\$0.0901

Prior to the commencement of each Renewal Term, Purchaser and Provider shall mutually agree to the kWh Rate applicable to such Renewal Term. Failure of the Parties to agree to a kWh Rate prior to such Renewal Term shall constitute a mutual decision not to renew this Agreement.

\* The kWh Rate in this Schedule 2 includes costs for interconnection, required to be paid by the Provider to the Local Electric Utility (the “Interconnection Costs”), which are calculated at no more than \$47,000. If the actual Interconnection Costs are 15% greater than the amount described in the preceding sentence, then the Parties shall discuss in good faith the magnitude of costs associated with the project relative to projections, and whether the kWh Rate needs to be modified.

**Schedule 3 – Provider Early Termination Fee<sup>1</sup>**

<b>Year</b>  <b>(Year 1 commences on the Commercial Operation Date; each subsequent Year begins on the following anniversary of the Commercial Operation Date)</b>	<b>Provider Early Termination Fee (Purchaser does <u>not</u> take title to the System)</b>
1	<b>\$1,386,000</b>
2	<b>\$1,470,000</b>
3	<b>\$1,506,000</b>
4	<b>\$1,525,000</b>
5	<b>\$1,536,000</b>
6	<b>\$1,534,000</b>
7	<b>\$1,515,000</b>
8	<b>\$1,486,000</b>
9	<b>\$1,452,000</b>
10	<b>\$1,408,000</b>
11	<b>\$1,358,000</b>
12	<b>\$1,300,000</b>
13	<b>\$1,238,000</b>
14	<b>\$1,163,000</b>
15	<b>\$1,078,000</b>
16	<b>\$986,000</b>
17	<b>\$884,000</b>
18	<b>\$772,000</b>
19	<b>\$652,000</b>
20	<b>\$526,000</b>
21	<b>\$391,000</b>
22	<b>\$246,000</b>
23	<b>\$196,000</b>
24	<b>\$138,000</b>
25	<b>\$73,000</b>

Prior to the commencement of each Renewal Term, Purchaser and Provider shall mutually agree to the Provider Early Termination Fee applicable to such Renewal Term. Failure of the Parties to agree to the Provider Early Termination Fee prior to such Renewal Term shall constitute a mutual decision not to renew this Agreement.

The values contained in this Schedule 3 are based, in part, on the estimated annual production in Schedule 4. If, following the Commercial Operation Date, updates to Schedule 4 are made that modify the total production by more than 15%, then the Parties shall update this Schedule 3 values by a percentage equal to such modification or otherwise as the Parties may mutually agree.

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<sup>1</sup> **NTD:** VPPSA to advise once determined.

**Schedule 4: Estimated Annual Production**

Estimated Annual Production commencing on the Commercial Operation Date with respect to the System under the Agreement shall be as follows:

<b>Year</b>  <b>(Year 1 commences on the Commercial Operation Date; each subsequent Year begins on the following anniversary of the Commercial Operation Date)</b>	<b>Estimated Annual P50 Production (kWh)</b>
1	3,410,336
2	3,393,284
3	3,376,317
4	3,359,436
5	3,342,639
6	3,325,925
7	3,309,296
8	3,292,749
9	3,276,286
10	3,259,904
11	3,243,605
12	3,227,387
13	3,211,250
14	3,195,193
15	3,179,217
16	3,163,321
17	3,147,505
18	3,131,767
19	3,116,108
20	3,100,528
21	3,085,025
22	3,069,600
23	3,054,252
24	3,038,981
25	3,023,786

The values set forth in the table above are estimates (and not guarantees), of approximately how many kWhs are expected to be generated annually by the System. This table will be updated promptly following the Commercial Operation Date with values provided by an Independent Engineer based on the as-built configuration.

**Schedule 5: Notice Information**

**Purchaser:**

Vermont Public Power Supply Authority  
ATTN: General Manager, Controller  
5195 Waterbury-Stowe Rd.  
Waterbury Center, VT 05677  
Email: [knolan@vppsa.com](mailto:knolan@vppsa.com); [ccurrier@vppsa.com](mailto:ccurrier@vppsa.com)  
Telephone: 802.844.7678

**Provider:**

ER Lawrence Brook, LLC  
c/o Goldman Sachs Asset Management, L.P.  
200 West St., 3rd Floor  
New York, NY 10282  
Attn: GSAM Renewable Power Group  
Telephone: 917-343-7317  
Email: [gs-GSAM-SOLAR@gs.com](mailto:gs-GSAM-SOLAR@gs.com)

*with a copy to*

Encore Renewable Energy  
c/o Encore Redevelopment, LLC  
110 Main Street, Suite 2E  
Burlington, VT 05401  
Attn: Legal  
Telephone: 802.861.3023  
Email: [phillip@encorerenewableenergy.com](mailto:phillip@encorerenewableenergy.com)

**Financing Party:**

*To be provided by Provider when known*

**Schedule 6: [RESERVED]**

### **Schedule 7: Required Approvals**

- 
- .Purchaser has obtained all Required Approvals<sup>2</sup>; <sup>3</sup>
  - VPPSA Board of Director's Approval
- Specified Purchaser has obtained all Required Approvals; and
  - Specified Purchaser Board of Trustees approval of the Specified Power Purchase Agreement
  - Rule 5.200 Notice filing provided to the Vermont Public Utility Commission
- Purchaser and Specified Purchaser have entered into the Specified Power Purchase Agreement.

Purchaser shall seek all Required Approvals using good faith and Commercially Reasonable Efforts.

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<sup>2</sup> *Note to VPPSA: Please incorporate final definition of Required Approvals.*

<sup>3</sup> *Note to VPPSA: Please confirm if Board approval is required and/or has been obtained.*

**Schedule 8: Critical Milestones**

**Responsibility of Purchaser:**

1. None.

**Responsibility of Provider:**

2. None.



### **Schedule 9: Incorporation of Specified Power Purchase Agreement**

Provider acknowledges that the Solar Services sold and delivered under this Agreement are expected to be used to satisfy Purchaser's obligations under the Specified Power Purchase Agreement. This Schedule 9 does not purport to make Provider a party to the Specified Power Purchase Agreement or to relieve Purchaser of any of its obligations set forth therein. In accordance with the foregoing, Provider and Purchaser hereby agree as follows:

#### **1. Execution and Delivery.**

(a) Purchaser shall give Provider a reasonable opportunity to review and comment on the Specified Power Purchase Agreement and Collateral Assignment prior to execution thereof by the parties thereto.

(b) The Specified Power Purchase Agreement and Collateral Assignment shall be in form and substance reasonably acceptable to Provider, including, with respect to the Specified Power Purchase Agreement, (i) a term no shorter than the Term of this Agreement, (ii) reasonable representations and/or covenants with respect to creditworthiness of the Specified Purchaser and (iii) customary provisions consistent with the terms of Section 13.2 of the General Conditions permitting Provider to finance the System and to grant, in connection with such financing, a direct or collateral assignment to a Financing Party of Provider's right, title and interest in, to and under this Agreement.

(c) Purchaser shall deliver to Provider duly executed copies of the Specified Power Purchase Agreement and Collateral Assignment promptly following execution thereof by the parties thereto.

(d) (i) In the event of a conflict between the Specified Power Purchase Agreement and this Agreement, the provisions of the Specified Power Purchase Agreement shall govern; *provided that* Purchaser shall notify Provider promptly after it becomes aware of any such conflict and shall negotiate with Provider in good faith to amend, supplement or modify this Agreement as reasonably necessary to resolve such conflict and (ii) upon Purchaser's written request, Provider shall negotiate with Purchaser in good faith to amend, supplement or modify this Agreement as reasonably necessary to reallocate among the Parties any rights or obligations arising from the Specified Power Purchase Agreement. The Parties agree, further, that any amendments, supplements or modifications entered into pursuant to this paragraph shall be in form and substance reasonably acceptable to the Parties.

**2. Termination.** This Agreement shall terminate if the Specified Power Purchase Agreement is terminated for any reason, except as a result of any of the following:

(a) the termination of the Specified Power Purchase Agreement occurs as a result of Purchaser's failure to perform its obligations under this Agreement or the Specified Power Purchase Agreement, so long as Purchaser's failure to perform its obligations under the Specified Power Purchase Agreement is not a result of a Provider Default;

(b) the termination of the Specified Power Purchase Agreement occurs as a result of the failure of the Specified Purchaser to perform its obligations under the Specified Power Purchase Agreement;

(c) the Specified Power Purchase Agreement is terminated by the mutual agreement of the parties thereto; or

(d) the unilateral termination of the Specified Power Purchase Agreement by either party thereto for any reason other than a default by one of the parties thereto.

In the event that the Agreement is terminated pursuant to this provision and the Provider is not in breach of any of its obligations under the Agreement, Purchaser agrees to negotiate with Provider in good faith to execute and deliver, within ninety (90) days of such termination, a Replacement PPA with Provider, as such term is defined on Exhibit A of the General Conditions.

3. **Payments.** Purchaser shall bear the risk of the Specified Purchaser not making required payments pursuant to the Specified Power Purchase Agreement, unless such failure is caused by Provider.

4. **Indemnification.** Provider agrees to indemnify and save harmless Purchaser from and against any and all liabilities, damages, claims, suits, costs (including court costs, reasonable attorneys' fees and costs of investigation) and actions for which Purchaser is held liable under the Specified Power Purchase Agreement, to the extent caused by Provider's failure to comply with its obligations under this Agreement and not arising as a result of Purchaser's or its Representatives' acts or omissions under the Agreement or the Specified Power Purchase Agreement. In the event there is any proceeding at the Commission that Purchaser becomes aware of in which the termination of the Specified Power Purchase Agreement is being considered, Purchaser shall notify Provider so that Provider has the opportunity to participate.

5. **Cooperation.** Provider agrees to cooperate with Purchaser in the discharge of Purchaser's obligations under the Specified Power Purchase Agreement upon reasonable request. Upon Provider's request, Purchaser agrees to, and shall use Commercially Reasonable Efforts to cause the Specified Purchaser to, negotiate, execute and deliver to Provider a reasonable acknowledgement and agreement or other customary collateral assignment documentation with the Specified Purchaser in connection with any construction and/or permanent financing facilities used to finance the System, in accordance with Section 13.2 of the General Conditions and the applicable provisions of the Specified Power Purchase Agreement.

6. **Amendments.** Following execution thereof, Purchaser agrees not to enter into or to seek or negotiate any amendment, waiver, modification or supplement to the Specified Power Purchase Agreement without Provider's prior written consent, except for any amendment, waiver, modification or supplement that in no way affects the rights or obligations of Provider.

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: May 31, 2019  
Subject: **Agenda Item #9** – EVT Reports

VPPSA has been working with EVT for over a year to develop reporting that provides greater context into how member EEC funds are expended and the value produced. The result is the member reports attached.

After sharing these first versions with members VPPSA received several comments highlighting concerns with their accuracy and questioning the presentation of some items.

Rather than act as a conduit for comments VPPSA has asked EVT staff to attend the June Board meeting to discuss member concerns directly with the Directors. The hope is that EVT can then make further refinements that will address concerns raised.

# Distribution Utility Quarterly Report

Barton Village Electric Department

January 1 - March 31, 2019

Agenda #9a

Efficiency  
Vermont

## Overview

**EEC Collected \$43,535**

Electric Incentives **\$5,350**

Thermal Incentives **\$1,419**

Non-Incentive **\$38,185**

**Total Service Delivery \$44,954**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$4,122**

**26 MWh**

Thermal

**\$646**

**28 MMBtu**

**Lifetime Savings**

Electric

**\$32,308**

**13.1** Average Measure Life (years)

Thermal

**\$9,749**

**10.5** Average Measure Life (years)

## Projects Completed

**25**

Residential Customers Served

### RESIDENTIAL PROJECTS

HPw ES Customers	1
Appliances	7
Heating and Cooling	12
Hot Water Efficiency	5
Lighting	330

**3**

Low Income Customers Served

### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**4**

Commercial & Industrial  
Customers Served

### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	0
Hot Water Efficiency	0
Lighting	36

## Customer Engagement

**Customer**

**Support Contacts 3**

Residential 3

Commercial 0

**Digital Engagement \***

Annual Website Visits 556

Facebook Followers 108

**E-Newsletter**

**Subscriptions \***

Residential 82

Commercial 8

# Distribution Utility Quarterly Report

## Enosburg Falls Inc. Water & Light Department

January 1 - March 31, 2019

### Overview

**EEC Collected** **\$80,404**

Electric Incentives **\$7,492**

Thermal Incentives **\$800**

Non-Incentive **\$72,912**

**Total Service Delivery** **\$81,204**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$8,251**

**53** MWh

Thermal

**\$1,275**

**55** MMBtu

**Lifetime Savings**

Electric

**\$68,412**

**13.0** Average Measure Life (years)

Thermal

**\$21,878**

**14.0** Average Measure Life (years)

### Projects Completed

**19**

Residential Customers Served

**3**

Low Income Customers Served

**7**

Commercial & Industrial  
Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	0
Appliances	8
Heating and Cooling	5
Hot Water Efficiency	1
Lighting	603

#### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

#### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	1
Hot Water Efficiency	0
Lighting	152

### Customer Engagement

**Customer**

**Support Contacts** **4**

**Digital Engagement \***

**E-Newsletter**

**Subscriptions \***

Residential 3

Annual Website Visits 434

Residential 64

Commercial 1

Facebook Followers 84

Commercial 6

# Distribution Utility Quarterly Report

## Hardwick Electric Department

January 1 - March 31, 2019

Agenda #9c

Efficiency  
Vermont

### Overview

**EEC Collected** **\$107,536**

Electric Incentives **\$18,451**

Thermal Incentives **\$14,543**

Non-Incentive **\$89,085**

**Total Service Delivery** **\$122,079**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric  
**\$16,750**

**106** MWh

Thermal  
**\$3,968**

**201** MMBtu

**Lifetime Savings**

Electric  
**\$108,719**

**13.5** Average Measure Life (years)

Thermal  
**\$71,146**

**10.4** Average Measure Life (years)

### Projects Completed

**95**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	1
Appliances	7
Heating and Cooling	22
Hot Water Efficiency	25
Lighting	1,495

**13**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	4

**18**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	1
Hot Water Efficiency	0
Lighting	234

### Customer Engagement

#### Customer

**Support Contacts** **21**

Residential 19

Commercial 2

#### Digital Engagement \*

Annual Website Visits 1,146

Facebook Followers 223

#### E-Newsletter

**Subscriptions \***

Residential 170

Commercial 16

# Distribution Utility Quarterly Report

## Village of Hyde Park

January 1 - March 31, 2019

Agenda #9d

Efficiency  
Vermont

### Overview

**EEC Collected** **\$40,760**

Electric Incentives **\$6,834**

Thermal Incentives **\$875**

Non-Incentive **\$33,926**

**Total Service Delivery** **\$41,635**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$12,335**

**80** MWh

Thermal

**\$240**

**13** MMBtu

**Lifetime Savings**

Electric

**\$80,203**

**13.3** Average Measure Life (years)

Thermal

**\$5,645**

**11.3** Average Measure Life (years)

### Projects Completed

**62**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	1
Appliances	5
Heating and Cooling	18
Hot Water Efficiency	9
Lighting	753

**8**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**11**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	0
Hot Water Efficiency	0
Lighting	260

### Customer Engagement

**Customer**

**Support Contacts** **9**

Residential 8

Commercial 1

**Digital Engagement \***

Annual Website Visits 334

Facebook Followers 65

**E-Newsletter**

**Subscriptions \***

Residential 49

Commercial 5

# Distribution Utility Quarterly Report

## Village of Jacksonville Electric Department

January 1 - March 31, 2019

### Overview

**EEC Collected** **\$18,394**

Electric Incentives **\$531**

Thermal Incentives **\$200**

Non-Incentive **\$17,863**

**Total Service Delivery** **\$18,594**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$439**

**3** MWh

Thermal

**\$196**

**9** MMBtu

**Lifetime Savings**

Electric

**\$4,184**

**15.3** Average Measure Life (years)

Thermal

**\$1,958**

**10.0** Average Measure Life (years)

### Projects Completed

**6**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	0
Appliances	1
Heating and Cooling	3
Hot Water Efficiency	0
Lighting	33

**0**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	0
WX Add-On Participants	0
Multi-Family Units or Customers	0

**0**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	0
Hot Water Efficiency	0
Lighting	0

### Customer Engagement

**Customer**

**Support Contacts** **10**

Residential 10

Commercial 0

**Digital Engagement \***

Annual Website Visits 186

Facebook Followers 36

**E-Newsletter**

**Subscriptions \***

Residential 28

Commercial 2



# Distribution Utility Quarterly Report

## Village of Johnson Electric Department

January 1 - March 31, 2019

Agenda #9f

Efficiency  
Vermont

### Overview

**EEC Collected** **\$40,405**

Electric Incentives **\$3,363**

Thermal Incentives **\$8,166**

Non-Incentive **\$37,042**

**Total Service Delivery** **\$48,571**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$3,806**

**23** MWh

Thermal

**\$1,517**

**72** MMBtu

**Lifetime Savings**

Electric

**\$23,124**

**12.6** Average Measure Life (years)

Thermal

**\$32,964**

**9.2** Average Measure Life (years)

### Projects Completed

**38**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	7
Appliances	3
Heating and Cooling	51
Hot Water Efficiency	3
Lighting	381

**5**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**6**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	0
Hot Water Efficiency	0
Lighting	61

### Customer Engagement

**Customer**

**Support Contacts** **7**

Residential 6

Commercial 1

**Digital Engagement \***

Annual Website Visits 225

Facebook Followers 44

**E-Newsletter**

**Subscriptions \***

Residential 33

Commercial 4

# Distribution Utility Quarterly Report

## Ludlow Electric Light Department

January 1 - March 31, 2019

Agenda #9g

Efficiency  
Vermont

### Overview

**EEC Collected** **\$191,328**

Electric Incentives **\$10,121**

Thermal Incentives **\$7,456**

Non-Incentive **\$181,207**

**Total Service Delivery** **\$198,784**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric  
**\$24,906**  
**163** MWh

Thermal  
**\$3,247**  
**144** MMBtu

**Lifetime Savings**

Electric  
**\$136,813**  
**12.9** Average Measure Life (years)

Thermal  
**\$60,551**  
**10.5** Average Measure Life (years)

### Projects Completed

**48**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	3
Appliances	19
Heating and Cooling	24
Hot Water Efficiency	3
Lighting	1,649

**0**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	0
WX Add-On Participants	0
Multi-Family Units or Customers	0

**20**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	1
Heating and Cooling	11
Hot Water Efficiency	0
Lighting	546

### Customer Engagement

#### Customer

**Support Contacts** **14**

Residential 13

Commercial 1

**Digital Engagement \***

Annual Website Visits 865

Facebook Followers 168

#### E-Newsletter

**Subscriptions \***

Residential 128

Commercial 29

# Distribution Utility Quarterly Report

Lyndonville Electric Department

January 1 - March 31, 2019

Agenda #9h

Efficiency  
Vermont

## Overview

**EEC Collected** **\$189,126**

Electric Incentives **\$28,409**

Thermal Incentives **\$12,218**

Non-Incentive **\$160,717**

**Total Service Delivery** **\$201,344**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric  
**\$32,154**

**240** MWh

Thermal  
**\$6,222**

**279** MMBtu

**Lifetime Savings**

Electric  
**\$288,402**

**13.4** Average Measure Life (years)

Thermal  
**\$110,111**

**12.9** Average Measure Life (years)

## Projects Completed

**81**

Residential Customers Served

### RESIDENTIAL PROJECTS

HPw ES Customers	2
Appliances	14
Heating and Cooling	34
Hot Water Efficiency	51
Lighting	1,088

**11**

Low Income Customers Served

### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**34**

Commercial & Industrial  
Customers Served

### C&I PROJECTS

Commercial Process Efficiency	2
Heating and Cooling	4
Hot Water Efficiency	1
Lighting	1,693

## Customer Engagement

**Customer**

**Support Contacts** **24**

Residential 16

Commercial 8

**Digital Engagement \***

Annual Website Visits 1,376

Facebook Followers 268

**E-Newsletter**

**Subscriptions \***

Residential 204

Commercial 35

# Distribution Utility Quarterly Report

## Village of Morrisville Water & Light Department

January 1 - March 31, 2019

### Overview

**EEC Collected** **\$128,653**

Electric Incentives **\$54,294**

Thermal Incentives **\$4,481**

Non-Incentive **\$74,359**

**Total Service Delivery** **\$133,134**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric  
**\$72,989**  
**514 MWh**

Thermal  
**\$4,665**  
**204 MMBtu**

**Lifetime Savings**

Electric  
**\$844,232**  
**13.7** Average Measure Life (years)

Thermal  
**\$77,360**  
**12.6** Average Measure Life (years)

### Projects Completed

**159**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	0
Appliances	15
Heating and Cooling	37
Hot Water Efficiency	18
Lighting	2,325

**13**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**34**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	5
Hot Water Efficiency	0
Lighting	705

### Customer Engagement

**Customer**

**Support Contacts** **18**

Residential 17

Commercial 1

**Digital Engagement \***

Annual Website Visits 988

Facebook Followers 192

**E-Newsletter**

**Subscriptions \***

Residential 146

Commercial 26

# Distribution Utility Quarterly Report

Town of Northfield Electric Department

January 1 - March 31, 2019

Agenda #9j



## Overview

**EEC Collected** **\$72,279**

Electric Incentives **\$38,615**

Thermal Incentives **\$68,162**

Non-Incentive **\$33,664**

**Total Service Delivery** **\$140,441**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$9,014**

**58** MWh

Thermal

**\$2,206**

**99** MMBtu

**Lifetime Savings**

Electric

**\$55,040**

**12.5** Average Measure Life (years)

Thermal

**\$45,460**

**7.6** Average Measure Life (years)

## Projects Completed

**50**

Residential Customers Served

### RESIDENTIAL PROJECTS

HPw ES Customers	1
Appliances	9
Heating and Cooling	20
Hot Water Efficiency	10
Lighting	716

**9**

Low Income Customers Served

### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	5

**10**

Commercial & Industrial  
Customers Served

### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	2
Hot Water Efficiency	0
Lighting	161

## Customer Engagement

**Customer**

**Support Contacts** **47**

Residential 41

Commercial 6

**Digital Engagement \***

Annual Website Visits 457

Facebook Followers 89

**E-Newsletter**

**Subscriptions \***

Residential 68

Commercial 7

# Distribution Utility Quarterly Report

Village of Orleans

January 1 - March 31, 2019

Agenda #9k

Efficiency  
Vermont

## Overview

**EEC Collected \$39,764**

Electric Incentives **\$14,543**

Thermal Incentives

Non-Incentive **\$25,221**

**Total Service Delivery \$39,764**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric

**\$5,607**

**36 MWh**

Thermal

MMBtu

**Lifetime Savings**

Electric

**\$51,086**

**13.6** Average Measure Life (years)

Thermal

Average Measure Life (years)

## Projects Completed

**10**

Residential Customers Served

### RESIDENTIAL PROJECTS

HPw ES Customers	0
Appliances	6
Heating and Cooling	5
Hot Water Efficiency	3
Lighting	179

**2**

Low Income Customers Served

### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**12**

Commercial & Industrial  
Customers Served

### C&I PROJECTS

Commercial Process Efficiency	0
Heating and Cooling	0
Hot Water Efficiency	0
Lighting	160

## Customer Engagement

**Customer**

**Support Contacts 3**

Residential 3

Commercial 0

**Digital Engagement \***

Annual Website Visits 166

Facebook Followers 32

**E-Newsletter**

**Subscriptions \***

Residential 25

Commercial 3

# Distribution Utility Quarterly Report

## Swanton Village Electric Department

January 1 - March 31, 2019

Agenda #91

Efficiency  
Vermont

### Overview

**EEC Collected** **\$157,469**

Electric Incentives **\$22,290**

Thermal Incentives **\$3,536**

Non-Incentive **\$135,179**

**Total Service Delivery** **\$161,005**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric  
**\$30,554**  
**197** MWh

Thermal  
**\$2,334**  
**170** MMBtu

**Lifetime Savings**

Electric  
**\$280,756**  
**12.0** Average Measure Life (years)

Thermal  
**\$32,828**  
**11.0** Average Measure Life (years)

### Projects Completed

**62**

Residential Customers Served

#### RESIDENTIAL PROJECTS

HPw ES Customers	0
Appliances	15
Heating and Cooling	12
Hot Water Efficiency	8
Lighting	2,168

**5**

Low Income Customers Served

#### LOW INCOME PROJECTS

THU Program Participants	1
WX Add-On Participants	1
Multi-Family Units or Customers	0

**18**

Commercial & Industrial  
Customers Served

#### C&I PROJECTS

Commercial Process Efficiency	1
Heating and Cooling	2
Hot Water Efficiency	0
Lighting	373

### Customer Engagement

#### Customer

**Support Contacts** **29**

Residential 9

Commercial 20

**Digital Engagement \***

Annual Website Visits 931

Facebook Followers 181

#### E-Newsletter

**Subscriptions \***

Residential 138

Commercial 16

# Distribution Utility Quarterly Report

VPPSA

January 1 - March 31, 2019

Agenda #9m

Efficiency  
Vermont

## Overview

**EEC Collected**      **\$1,109,653**

Electric Incentives      **\$210,295**

Thermal Incentives      **\$121,856**

Non-Incentive      **\$899,358**

**Total Service Delivery**      **\$1,231,509**

This section includes actuals and projections.  
All savings data is subject to Savings Verification.

**Annual Savings**

Electric  
**\$220,926**  
**1,498 MWh**

Thermal  
**\$26,516**  
**1,275 MMBtu**

**Lifetime Savings**

Electric  
**\$1,973,281**  
**13.2** Average Measure Life (years)

Thermal  
**\$469,653**  
**10.9** Average Measure Life (years)

## Projects Completed

**655**

Residential Customers Served

### RESIDENTIAL PROJECTS

HPw ES Customers	16
Appliances	109
Heating and Cooling	243
Hot Water Efficiency	136
Lighting	11,720

**72**

Low Income Customers Served

### LOW INCOME PROJECTS

THU Program Participants	10
WX Add-On Participants	10
Multi-Family Units or Customers	9

**174**

Commercial & Industrial  
Customers Served

### C&I PROJECTS

Commercial Process Efficiency	4
Heating and Cooling	26
Hot Water Efficiency	1
Lighting	4,381

## Customer Engagement

**Customer**

**Support Contacts**      **189**

Residential      148

Commercial      41

**Digital Engagement \***

Annual Website Visits      7,664

Facebook Followers      1,490

**E-Newsletter**

**Subscriptions \***

Residential      1,135

Commercial      157

\*Proportional estimate based on the number of households and businesses in utility territory.



To: Board of Directors  
From: Ken Nolan, General Manager  
Date: May 31, 2019  
Subject: **Agenda Item #10** – AMI RFI

Coming out of the Board workshop on AMI, staff was instructed to move toward a Request For Information (RFI) seeking information about possible AMI systems that could meet member needs. The internal AMI team, led by Ken St. Amour, has been working with Lemmerhirt Consulting to develop the RFI questions that would be posed to potential vendors.

The RFI is structured to seek information on how potential solutions would work for individual members, groups of members, and VPPSA as a whole. It is also designed to differentiate solutions that could work for electric & water systems as well as stand-alone electric systems.

Staff wanted to provide one final opportunity for discussion if the Board has any last minute concerns before the RFI is sent to vendors. Jackie Lemerhirt will be available at the Board meeting to address any questions and provide a high-level timeline for the process from here.

The latest draft of questions, with feedback provided to Jackie's team for incorporation into the final document is attached.

### Instructions

Vendors may provide responses for more than one AMI solution. Each solution must be clearly differentiated. Technical responses and solutions must be provided; marketing brochures may be provided as supplemental material.

Responses to the RFI will be used to downselect which vendors receive the RFP.

Timeline for the RFI, RFP and project implementation

No.	Questions - General
1	Does your company provide an electric and water AMI solution?
2	Describe the AMI solution options your company provides. Include all software solutions and partner solutions available, e.g. MDM.
3	Describe your company's background and experience with AMI.
4	If you have more than one AMI solution, which solution(s) are you suggesting/recommending for VPPSA and its members?
5	Do you have an AMI solution that could be shared by all VPPSA members and centrally operated?

No.

**Question - Electric Meter**

- 
- 1 Provide details of meters available with your AMI solution, e.g. meter type, manufacturer, etc.
  - 2 List all of the meters and manufacturers that your AMI solution will support?
  - 3 Does your solution support meters from more than one manufacturer in an AMI solution?
  - 4 What compliance standards do your meters meet, e.g. ANSI, UL, IEC, etc
- Meters will be installed in Vermont and be subject to a wide range of weather (ice, heat, snow, temperature) and environment considerations. Please provide details on the performance of meters given these details. This includes compliance with an outdoor installation. This includes UV resistance.
- 5 What is the service life of the electric endpoint, including internal batteries, given weather/environment
  - 6 considerations.
  - 7 Please provide details on the failure rate of metering technology.
  - 8 Please provide details on the alerts, alarms, and configurations, i.e. tamper, temperature, reverse energy, voltage etc.
  - 9 Describe the meter's disconnect capability including support for remote disconnect, load limiting, disconnect security, etc.
  - 10 Provide details on meter identification including barcode, labeling, meter security keys. Describe implementation of meter identification if one central AMI system is used.
  - 11 Describe the measurements available on all meter types, e.g. energy, demand, voltage, power factor, including interval data measurements
  - 12 Describe the meter data storage capacity.
- 13 Provide details on the meter's ability to support Time-of-Use, Critical Peak Pricing and other rate designs
  - 14 Describe the meter display and any visual indicators, e.g. disconnect indicator
  - 15 Describe the meter's ability to support net metering installations.
  - 16 Provide details on the metering security and associated hardware considerations for back-office systems including encryption, decryption
  - 17 Explain how security keys are managed. Include scenarios for a central solution and individual member solutions.
  - 18 Describe the processes available to access data from the meter (OTA, drive-by, manual, WiFi)
  - 19 Describe the process for meter upgrades or configuration changes.
  - 20 Describe any other functionality available in the meter.

No.

## Questions - Water Meter

- 
- 1 Describe features proposed system has for water meters:
  - 2 Connection & mounting options. Address solutions for existing 6-digit touch read meters located in the basement with touchpad on the outside wall. There are a few meters in pits with a touchpad through the lid.
  - 3 Alarm and tamper alert features, e.g. reverse flow, tamper, battery life, etc.
  - 4 Read data and interval operations; describe the measurements available for each type of meter
  - 5 Provide a list of compatible water meters and registers.
  - 6 Explain power output and two-way communication functionality. Does the meter interface unit have the ability to "hop" information to/from the electric meters or other water meters?
  - 7 Explain process of installation and commissioning of meter and interface unit. Include any issues or concerns associated with communication devices. Address any issues of access to indoor meters. Most will be replacement of touch-pad that is mounted on outside wall of the structure.
  - 8 What compliance standards do your meter interface units meet, e.g. ANSI, UL, IEC, etc
  - 9 What is the service life of the meter interface unit, including internal batteries, given weather/environment considerations.
  - 10 Please provide details on the failure rate of metering, register and interface unit technologies.
  - 11 Describe the capability of the system, meter interface unit and meter to support for remote disconnect, disconnect security, etc.
  - 12 Provide details of meter identification including barcode, labeling, meter security keys. Describe implementation of meter identification/disconnection if one central AMI system is used for several member utilities.
  - 13 Describe the meter data storage capacity within the endpoint.
  - 14 Provide details regarding security of meters, interface unit and associated hardware considerations for back-office systems including encryption, decryption
  - 15 Explain how security keys are managed. Include scenarios for a central solution and individual member solutions.
  - 16 Describe the processes available to access data from the meter (OTA, drive-by, manual, WiFi)
  - 17 Describe the process for MIU firmware upgrades or configuration changes.
  - 18 Describe any other functionality available in the meter.
  - 19 Provide description of clock/calendar in the MIU including drift limits and synchronization intervals.

No.	Questions - AMI Network
1	Describe the types of communications available with your AMI solution, e.g. RF, PLC. Include options for a mixed communication AMI solution.
2	Provide details on the metering communication network including types of equipment and backhaul options. Explain the network solution if cellular service is unavailable.
3	Explain the latency of your system and for all communication and backhaul options available.
4	Explain the installation requirements for the network equipment, e.g. locations, mounting, height, power, protection from surges/lightning
5	Describe the network architecture. Include the option of a shared AMI system for all members. Does the configurations support common collection devices across members, e.g. neighboring members?
6	Discuss the capacity of your AMI network, e.g. bandwidth, meters per network device
7	Describe the network security e.g encryption, breach identification
8	Provide an overview of how meters communicate with the collection device
9	Provide details on how electric and water meters can be read at the same time.
10	Describe how the solution reaches hard-to-read meters or geographically dispersed meters.
11	Describe how the solution is managed over time, e.g. resource skill, training, remote management and maintenance, replacement process.
12	What service level agreement is provided with your solution? Can the solution provide 99% of all daily reads every day?
13	What is the success rate of last gasp messages for outages?
14	What is the success rate of on-demand meter interrogations or pings?
15	Provide a preliminary network solution for VPPSA members as a group and with each member as an individual network.
16	Describe the procedure for AMI network upgrades.
17	Explain network disaster recovery processes with your solution. Provide details on redundancy and failover of collection devices.

No.

## Questions - Software

- 
- Describe the software required to operate the AMI system. Provide product names of all software required for the solution. Include a MDM in your solution; third party solutions are acceptable.
  - Provide an architectural overview of the software solution provided with the AMI system.
  - Identify the software required to operate and troubleshoot the network.
  - Identify the software required to retrieve and manage all meter data.
  - Does your company offer Meter Data Management software?
  - Describe the following functionality and identify the software product:
    - Meter Data Interrogation
    - Meter Disconnect/Connect, Pinging
    - Meter Data Validation, Estimation and Editing
    - Reports
    - Analytics
  - Describe how meter reads can be transferred to billing systems, included manual and automated processes.
  - Describe the options for software delivery including on-premise, hosted, managed services or others  
Can there be one central system for all members but have the data segregated and accessed by the member owning the data, i.e. multi-tenant database
  - Can each VPPSA member have their own separate system?  
Provide the advantages and disadvantages of a single central system versus separate systems for each member.
  - Have your system been integrated to the following systems and describe how:
    - SEDC
    - NEMRC
    - Harris Northtar
    - Harris Spectrum
    - Harris Select
    - Munis
    - Cogsdale
    - Creative Technologies
    - mPower
  - Does your company offer software for customer engagement such as a web portal? If not, what are your recommendations for a customer portal solution?
  - Does your company offer software for data analytics?
  - Does your software provide any mapping or GIS functionality? If so, describe any 3rd party products.  
Provide a list of 3rd party products used in your AMI solution. Identify any product that requires a separate license.
  - What tools or software are available for field programming, data download and troubleshooting.

No.

**Questions - Other Electric Capabilities**

---

- 1 Describe your company's offerings for Demand Side Management.
- 2 Describe the AMI solution's capability to support Demand Response Programs.
- 3 Describe your AMI solution support for Home Area Networks (HAN).
- 4 What protocols are available to support DSM or HAN technologies, e.g. OpenADR, Zigbee, Multispeak
- 5 What support does your AMI solution offer for outage management?
- 6 Describe the AMI solution's support for voltage reduction programs, e.g. CVR, VVR.
- 7 What support does your AMI solution offer for transformer sizing or transformer load management?
- 8 Describe the AMI solution's ability to support Distribution Automation.
- 9 Describe the AMI solution's support for net metering?
- 10 How does the AMI solution support new customer electric technologies, e.g. electric vehicles, power walls, etc.
- 11 Describe methods of exporting data from your system.
- 12 Are there other functions available and supported by your AMI network e.g. streetlight control, security cameras, active shooter, propane tank monitoring
- 13 Is there a customer pre-pay solution integrated with the AMI solution?



No.

**Questions - Water System and Leak Detection**

- 
- 1 Describe leak detection features of the meter interface unit using existing meters
  - 2 Describe distribution leak detection device, capabilities, and requirements.
  - 3 Describe system capabilities for district (zone) metering
  - 4 Are there other features available for use with the proposed AMI system?
  - 5 Pressure loggers
  - 6 Water quality monitoring
  - 7 Other water system monitoring features

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No.	Questions - Experience
-----	------------------------

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- |    |   |
|----|---|
| 1  | Describe your company's experience in delivering AMI solutions to:  |
| 2  | Utility Groups and their members  |
| 3  | Municipal utilities   |
| 4  | Utilities with Geographic challenges similar to VPPSA members   |
| 5  | Electric and Water Utilities  |
| 6  | Describe your company's product evolution over the last 5 years.  |
| 7  | Has your company made any acquisitions of products or companies in the last 5 years? If so, describe how this has been integrated into your AMI solution. |
| 8  | Please share your AMI solution product roadmap for the next 5 years.  |
| 9  | What is the expected life of your proposed AMI solution? Please specify each component of the solution.   |
| 10 | Describe the project management and professional services available with your AMI solution.   |
| 11 | Describe the utility support required to implement the AMI solution.  |
| 12 | Describe your company's ability to support a pilot project or a field trial.  |

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: May 31, 2019  
Subject: **Agenda Item #11** – RES Program 2019 Rebates

There has been a lot of confusion among members regarding what VPPSA is offering for rebates in the RES program. As a result, Melissa and Julia will walk the members through VPPSA's present offerings and our future plans.

Julia has been working diligently to make the VPPSA website more customer friendly in detailing what VPPSA offers, and we would highly recommend that you link your websites or other RES communications to VPPSA RES website page. Again, Julia will describe the page in this presentation.

The goal in this conversation is to bring everyone to the same level of understanding, make sure you know where to look if you have future questions, and articulate VPPSA vision for future improvements (to the extent they are known).

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: May 31, 2019  
Subject: **Agenda Item #12** – Communications and Social Media Plans

VPPSA's new Communications Specialist, Julia Leopold, started work on April 22<sup>nd</sup> and I can't begin to describe what a difference she has already made in our capabilities.

Those watching the VPPSA website will now see a constant stream of news stories highlighting all of the activities being undertaken. The website is undergoing constant change as Julia works to make it more customer friendly and readable.

VPPSA's rebate forms have been redesigned to be more consistent and user friendly, and a style guide is under development that will help push us toward a similar look and feel for all VPPSA communications activities.

VPPSA internal and external newsletter templates are under development to facilitate both communications with members and with external entities (ie. legislators and regulators), and formal plans for launch of VPPSA Facebook and Twitter accounts have been developed.

Julia will walk the Board through some of these concepts and begin the discussion of how VPPSA can mesh its efforts with member media activities. One of the key areas of discussion will be how to maximize the power of the VPPSA and member social media accounts.

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: May 31, 2019  
Subject: **Agenda Item #13** – Barton Village Inc. Status

The Board should be aware that Barton Village Inc. is going through a very difficult time at the moment. Their entire field staff has resigned, as has Evan Riordan. Barton's Trustees have had to take over much closer control of operations.

This has had two impacts on the utility. In the near term they have contracted with VEC to manage field operations to stabilize the situation and ensure they can meet service requirements. The Trustees have split oversight of utility operations among themselves in addition to the VEC contract and hiring temporary staff to manage tree trimming and hydroelectric operations. They have also reorganized the office staff to provide management continuity.

In the longer term it has prompted the Trustees to consider all options for future operation, including sale of the utility.

This latter conversation has raised questions about VEC's posture as it relates to neighboring municipal utilities. I am aware that the new VEC CEO also met with Morrisville's Trustees following Craig Myotte's retirement announcement.

In my discussions with the Barton Trustees, one of the challenges they cited was the ability of a small utility to attract and retain line workers. They posed the question as to whether a consolidated contract through VPPSA might alleviate some of this strain.

Director Morley requested that this conversation start at the Board meeting although it will likely continue into the Board retreat on the 18<sup>th</sup>.

I have attached a Barton Trustee communication to the DPS that went out today, for your information in framing the conversation.

***BARTON VILLAGE, INC.***

17 VILLAGE SQUARE, SUITE A  
P.O. BOX 519  
BARTON, VT 05822  
(802) 525-4747  
FAX 802-525-4707

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May 30, 2019

June Tierney, Commissioner  
Department of Public Service  
112 State Street, Third Floor  
Montpelier, VT 05620

Re: Barton Village Electric Department Status & Contingency Plans

Commissioner Tierney:

In the spirit of transparency, the Barton Village, Inc. Board of Trustees wish to make you aware of critical staffing issues in our Electric Department that have the potential to affect the operations of our utility as well as the Trustees' plans for addressing these concerns: Barton Village has finalized a Continuity of Operations Plan (COOP) and has contracted with Vermont Electric Coop (VEC) to provide interim coverage of field operations. Mutual aid agreements with neighboring utilities have been reaffirmed. VPPSA is providing ongoing support to the Board of Trustees related to policy, compliance, and power purchasing. The Barton Village Board of Trustees are confident that these interim steps will provide rate payers with consistent and quality service through our staffing situation.

**Background:**

In late winter 2019, Barton Village, Inc. (BVI) received notice that one of its first class line maintainers was resigning his position. During the recruitment process to replace this first class line maintainer, BVI sought mutual assistance from our neighboring utilities (the Village of Orleans Electric Department and Lyndonville Electric Department) to ensure we had adequate line worker coverage in the interim.

Early in the recruitment process BVI became aware that its most recently negotiated collective bargaining agreement (effective January 1, 2018 to December 31, 2020) with the International Brotherhood of Electric Workers (IBEW) contained a pay scale that incentivized experience and inadvertently put BVI at a competitive disadvantage for recruiting line maintainers in comparison to other Vermont utilities.

In February, 2019, BVI started the process to re-negotiate the pay scale with IBEW by notifying IBEW of the desire to re-open the specific article related to salary and compensation (i.e. Article



5) specific to field Electric Department Employees (i.e. line maintainers, line maintainer foremen, head line maintainers, and apprentices whose salaries were based on the 1<sup>st</sup> class line maintainer salaries). IBEW responded positively to the request and asked for a proposal for the new salaries.

Before a proposal could be presented to IBEW, the last full-time first class line maintainer gave notice of his resignation from the utility effective early May 2019. BVI was then left with just a part-time first class line maintainer, a ground utility worker (whose main job duties are related to meter reading), and the Electric Department Manager.

Given this limited staffing level, BVI's Electric Manager determined that a higher level of outside support was required and was able to successfully negotiate a short term contingency plan with Vermont Electric Cooperative (VEC) to provide short-term coverage for outages—the Trustees felt this was imperative to ensure continuity of operations given these levels of staffing.

Unfortunately, the staffing challenges have continued to worsen in recent weeks. On May 1st, 2019, the BVI Board of Trustees received notification from the Electric Department Manager of his resignation effective May 17th, 2019. On May 22, 2019, the BVI Board of Trustees received notification from Utility Worker/Meter Reader of his resignation effective June 5, 2019.

#### **Continuity of Operations Planning (COOP):**

The BVI Board of Trustees convened a Special Meeting of the Trustees on May 2nd, 2019 to discuss the precarious staffing situation facing our utility. At this meeting, the Board set in place plans to more directly manage BVI operations until the immediate concerns were addressed. The Board authorized the BVI Chairman, Nathan Sicard, to investigate alternatives for field operations. The immediate plan included Orleans Electric providing emergency coverage starting on May 4, 2019.

Mr. Sicard was able to communicate with VEC CEO, Rebecca Town, on May 8, 2019 to discuss the current VEC on call contract and a need for additional service. Following the initial discussion, Mr. Sicard was able to communicate with VEC's COO on May 13, 2019 to discuss detailed options that VEC might be able to provide for continuity of operations plan (COOP). Following the initial contact, the Village Trustees met again on the 13<sup>th</sup> and authorized the chairman to negotiate up to \$5000 per week for field operation services. The understanding was that Barton Village needed to spend approximately \$4,500 per week to maintain a flat or positive cash flow until longer term plans could be developed. During the coming week, a plan was developed with VEC senior management to provide 24-7 coverage starting on May 20, 2019. This plan was to provide both critical infrastructure support (i.e. capacity to address power outages and ongoing infrastructure needs of the distribution network) and interim operations management for field operations. Components of this plan included general expectations, questions and requests. During the ensuing days Barton began transferring customer data, critical need customers, generator sites, service locations, maps of lines and poles, inventory and facility keys. In preparation of a May 20 initiation, Orleans emergency on-call service was to end on May 19, 2019.

Mr. Sicard also held All Staff meetings on May 10<sup>th</sup> and May 17<sup>th</sup>. Following the meeting on the 17<sup>th</sup>, field operation questions arose and Mr. Sicard coordinated with VEC to hold a joint staff meeting on May 21<sup>st</sup>, 2019. This meeting included all remaining BVI electric staff and senior VEC staff including the manager of line operations, Operations Supervisor – Newport District, Manager of System Operations and a Head Lineman. The meeting included discussions about on-call 24/7, phone, service orders, meters, electrician appointments, new service requests, work load, response times, 2019 vegetation management and capital projects that needed to be completed in 2019.

Additionally, neighboring utilities (i.e. Village of Orleans Electric and Village of Lyndonville Electric) have been apprised of our latest staffing challenges. Mutual aid agreements were reaffirmed, and each utility has offered to continue helping however they can.

BVI retains the employment of a part-time first class line maintainer with years of regional municipal experience. Our part time line maintainer will oversee a critical Delta to Y phase conversion during a scheduled outage. Also, as part of this interim plan, this position will provide oversight for tree trimming contracts—a preventative maintenance need that has been prioritized for our distribution network. IBEW is being appraised of the current situation and BVI will work with IBEW to assure that any labor relation concerns are addressed during this interim period. Mr. Nathan Sicard, Chairman of BVI Board of Trustees, will serve as the primary Board Liaison to remaining BVI Electric Department field staff and will leverage his experience as a business owner of a small professional engineering firm and experience with project management of large heavy construction projects. Additionally, our Department of Public Works Foreman, is certified in Bucket Truck & Pole Top Rescue and can provide appropriate field support as needed.

BVI has also delegated supervision and support of the Utility Billing Clerk positions (BVI has two of these positions) to the staff person who is currently our Lead Accountant / Human Resources Administrator and has been with BVI since 2015. Under this new arrangement, the Lead Accountant / Human Resources Administrator role will be converted to the role of Business Manager. The Utility Billing Clerks previously reported to the Electric Department Manager. Moving forward, these positions will report to Business Manager. The Business Manager is receiving ongoing training and support related to her new role of supervising utility employees. Board Trustee, Mr. Tin (Justin) Barton-Caplin, will serve as her primary liaison in this regard. Mr. Barton-Caplin currently works as the Public Health Services District Director for the State of Vermont, Department of Health, and has significant experience in staff management and labor relations. Mr. Barton-Caplin has also been designated as the primary liaison for communications with state regulators.

Additionally, the BVI Board of Trustees held a Special Meeting on May 20<sup>th</sup>, 2019, to discuss and approve an employment offer for a part-time Hydrogeneration Facility Manager. An employment offer dated May 22, 2019 was accepted, and this position is now filled by an individual with a strong employment background in power plant operations: operating both the Ryegate Biomass Plant and Coventry Methane facility, and 25 years as a merchant marine operating power plants on overseas container ships along with engineering and supporting credentials. The Hydrogeneration Facility Manager is responsible for ensuring continued



operations of the Charleston hydrogeneration plan. This position will implement a short term and long term facility maintenance plan as well as ensure that the power generation facility provides maximum energy yield during peak operations. This position, being part-time and being a management position reporting directly to the Board of Trustees, will be outside of the collective bargaining unit and thus does not need additional consultation with IBEW.

Ratepayers will receive notice of the current situation in their May 2019 bills, in particular highlighting that VEC staff may be performing essential functions including connections and disconnections. Any customer concerns or questions will be directed to BVI staff. BVI staff will be provided accurate talking points. Any media inquiries will be directed to the Board of Trustees.

Finally, BVI is coordinating closely with VPPSA and its other members. Board Trustee, Ms. Cathy Swain, who has a strong professional background in financial management and investment, has been designated as the Board Trustee liaison to VPPSA for power purchase agreements. Mr. Barton-Caplin is in contact with Mr. Ken Nolan, CEO of VPPSA, for policy and regulatory updates. Mr. Sicard is in contact with VPPSA, Village of Orleans Electric Department, Village of Lyndonville Electric Department, and VEC for mutual aid agreements and other continuity of operations concerns. VPPSA, through Mr. Nolan, has also expressed its commitment to provide support as needed both directly through its staff and through coordination of support from other members.

The BVI Board of Trustees is confident that this plan will ensure continued operations for the near term—and anticipate that there will be little impact on rate payers within our network.

### **Long Term Planning:**

BVI believes that the Board of Trustees is adequately addressing the acute challenges facing our utility and will continue to act with diligence to address evolving staffing concerns. However, BVI also recognizes that concerns around long term operations—and the challenges of operating a small utility – must also be addressed.

As the Department of Public Service (DPS) is aware, based on previous filings with the Public Service Board (now known as the Public Utility Commission), BVI has a significant amount of debt related to past financial management practices. This long-term debt has hampered our efforts to make significant distribution system improvements. Because our service area is low density, our distribution system is extensive for the number of rate payers served—which adds additional operational and capital cost pressure. Even with these financial challenges, the Board of Trustees just approved its 2018 financial audit which reported an improved net position for the Electric Department with positive cash flow—so the Board believes its oversight is making a difference in improving the utility.

However, as the Board of Trustees struggles with ongoing operational needs, it becomes more evident that a specific critical mass of field staff (i.e. 1<sup>st</sup> class line maintainers) is needed to safely address both preventative maintenance and outage service needs—and to meet Vermont OSHA standards. The BVI Electric Manager and the Board of Trustees have found that

field operations with 2.5 FTEs of line maintainers has presented significant challenges—concerns range from on-call functions to contingency planning if a line maintainer is on leave. BVI has not expanded the number of line maintainers due to the significant impact on rates that doing so would entail.

Given the significant debt obligations that BVI maintains, the constraints of agreements negotiated with the IBEW collective bargaining unit, and the revenue received based on the current rate structure, the BVI Board of Trustees has started the process to explore long term strategies for more sustainable operations that would continue to provide high quality utility services to ratepayers—particularly given the increasing pressures of a more and more complex regulatory environment that includes evolving net metering requirements.

To ensure that BVI is acting in the best interest of rate payers, the Board of Trustees has initiated an asset appraisal with George Silver and Associates. This appraisal will focus on the hydrogeneration facility and the distribution system (with sub-appraisals of the system divided into two components). Once this appraisal is finalized and considered in the context of the long term debt carried by BVI, the Board of Trustees will evaluate which options are best for both Barton Village and its rate payers: continued operations as a municipal utility, sale of all components to another utility, and/or sale of components of the utility to multiple utilities. Unfortunately, it appears that knowledge about these exploratory conversations triggered a lot of uncertainty among the Electric Department employees and at least partly led to the acute staffing situation we are currently facing. The appraisal is on schedule for an end of August delivery to the Board of Trustees.

It is important to note that BVI is not unique in these challenges---as the regulatory environment and as safety standards become increasingly complex, more and more utilities are faced with increasing pressures that make sustainable and affordable operations challenging at best particularly when operating on a smaller scale. BVI has relied heavily on VPPSA in addressing the regulatory and back office aspects of this complexity but remains concerned that it may not be financially positioned to address the field operations aspects of the changing utility environment. BVI is committed to providing high quality service to electric utility ratepayers at the lowest cost possible—even if this represents selling the utility to another entity. The conversations are still formative at best, however, BVI felt it was important to keep the Department of Public Service (DPS) apprised.

If you have any questions, please feel to reach out to me at 802.272.3990 or at [trusteebartonvillagevt@gmail.com](mailto:trusteebartonvillagevt@gmail.com).



Tin (Justin) Barton-Caplin  
Barton Village Trustee

Cc: Ken Nolan, VPPSA  
Rebecca Towne, VEC