



Regular Board of Directors Meeting

9:30 AM, March 3, 2021

5195 Waterbury-Stowe Road, Waterbury Center, Vermont 05677

CALL IN NUMBER: 1-773-231-9226

MEETING ID: 8022447678#

[HTTPS://MEETINGS.RINGCENTRAL.COM/J/8022447678](https://meetings.ringcentral.com/j/8022447678)

Directors

Vacant, Barton	Jonathan Elwell, Enosburg	Mike Sullivan, Hardwick
Pamela Moore, Jacksonville	Meredith Dolan, Johnson	Thomas Petraska, Ludlow
Bill Humphrey, Lyndonville	Penny Jones, Morrisville	Steve Fitzhugh, Northfield
John Morley III, Orleans	Reg 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 02/03/2021 Regular Board of Directors Meeting **(3)**
5. Minutes of the 02/19/2021 Special Board of Directors Meeting **(3)**
6. Monthly Financial Report for period ending 01/31/2021 (Crystal) **(10)**

Discussion Items

7. EEC Calculation Requirement (Melissa/Steve) **(20)**
8. ISO Distributed Generation Aggregation Rules (Ken N) **(20)**
9. AMI Project Update (Ken S.) **(20)**
10. Legislative/Regulatory (Melissa) **(20)**
11. RES Project Update (Julia) **(20)**
12. GIS Project Update (Alex) **(15)**
13. Project 10 Update (Dave G./Ken N.) **(10)**
14. GM Update - (Ken N.) **(10)**

Executive Session

15. None

Other

16. Other Business **(5)**

CC:

Tin Barton-Caplin, Barton	Vacant, Ludlow
Gary Denton, Enosburg	Sheilah Evans, Morrisville
Vacant, Hardwick	Jeff Schulz, Northfield
Mac Butova, Jacksonville	Marilyn Prue, Orleans
Scott Meyer, Johnson	Lynn Paradis, Swanton
Clayton O. Bailey, Lyndonville	

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Regular Board of Directors Meeting Minutes

February 3, 2021

Board of Directors:

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

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

Alternates present:

Lynn Paradis, Swanton (P)	Sheilah Evans, Morrisville (P)

Others present:

Ken Nolan, VPPSA - (P)	Crystal Currier, VPPSA - (P)	Amy Parah, VPPSA - (P)
Melissa Bailey, VPPSA - (P)	Kim Harris, VPPSA - (P)	Julia Leopold, VPPSA - (P)
Alex Nicholson, VPPSA - (P)	Ken St. Amour, VPPSA - (P)	
Steve Farman, VPPSA-(P)	Dave Gagne, VPPSA -(P)	

Numbers in bold type correspond with agenda item numbers:

- Chairman Beliveau called the meeting to order at 9:30 a.m.
- Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were requested.
- Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
- Director Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on January 6, 2021. The motion was seconded by Director Humphrey. Chairman Beliveau abstained. Motion approved.
- Director Elwell made a motion to accept the Treasurer's report as of December 31, 2020. The motion was seconded by Director Jones. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending



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December 31st. The financial results indicate operational expenses being under-budget by approximately 12.6%. This includes payroll and overheads that are under-budget by 8.4% and office supplies and expenses that are under-budget by approximately 24%. The primary drivers related to the under-budget results include: Payroll and OH's for the GIS Technician and Manager of Field Services position; conferences & travel expenses, and outside services. These costs are offset by over-budget results in bank fees (LOC), and computer hardware/software (specifically cyber security costs). Similar to the under-budget results for expenses, the revenues are also under-budget.

The variance results for each of the projects was also reviewed and it was noted that the annual audit is in progress.

The motion to approve the Treasurer's report for the period ending December 31, 2020 was approved.

- 6.** Director Jones made a motion to accept Resolution 2021-02 (P10 R&C Annual True-up), as presented. The motion was seconded by Director Fitzhugh.

The Controller informed the Board that Resolution 2021-02 relates to the annual true-up of capital expenditures at the P10 plant and the funds collected in the Reserve & Contingency fund for the purpose of paying for those expenses. In 2020, the cost of capital improvements exceeded the funds available in the R & C fund (as expected). The General Bond Resolution typically requires that any shortage be collected from project participants; however, since excess funds from the last several years have been transferred to the P10 reserve fund, VPPSA staff recommends that the shortage be drawn from the reserve fund. Resolution 2020-02 authorizes the use of the available funds within the R & C fund and the shortage being transferred from the P10 reserve fund.

The motion to accept Resolution 2021-02 as presented was approved.

- 7.** Ken St. Amour, VPPSA's Manager of Information Technology & Security Services, provided an update on AMI activities that have occurred since the last Board meeting. The following activities that have or will take place include:
1. VPPSA is analyzing and confirming the numbers from the latest propagation study and next round of pricing from Aclara. Ken reviewed Northfield's preliminary report, and the total project costs and is expecting to get individual reports out to each of the members by the end of the week. There was a brief discussion regarding who would be responsible for meter repairs, how funding/financing would look for the project and what needs to be included with the filing with the PUC.
 2. An internal meeting was held on February 1st to perform the cost accounting exercise necessary to allocate cost across each of the participants.
 3. A contract evaluation committee meeting is scheduled for February 10th to begin the process of negotiating final contract arrangements with Aclara.
 4. VPPSA is proceeding with the development of documents and cost benefit analysis necessary for the regulatory filing of Docket 7307.
- 8.** The General Manager gave an update on the GMP Broadband Make Ready Proposal. Staff has been working with GMP and VELCO in an attempt to find methods to promote greater broadband deployment without affecting electric ratepayers. GMP is in discussions with the DPS about a possible tariff rider that would result in broadband providers receiving a discount to make ready costs. GMP is seeking support from other utilities for their filing and has asked if others would look at a similar approach. VEC is considering joining GMP's approach. Staff discussed the concept with the Board to assist with developing our position. Board members expressed concern with VPPSA making any commitments before anticipated federal funding is resolved. As cost based

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providers, the members were concerned that any discount or credit would be directly passed to customers and would likely have a greater rate impact for municipal utilities than what would be experienced by GMP.

9. Melissa Bailey, VPPSA's Manager of Government Relations, provided an update on recent Legislative and Regulatory activities. The 2021 legislative session is in full swing. The Administration will be working with the legislature on requirements related to rate design and Electric Vehicles. Melissa also noted that the Governor's budget proposal includes significant investments in community solar (\$10M) and weatherization (\$25M) from the General Fund. These are one-time funds and VPPSA will reach out to the DPS to attempt to influence program design. Staff continues to work with stakeholders on VPPSA's proposal for achieving rate flexibility. PUC proceedings include the final report on All-Fuels Energy Efficiency and the Disconnect Moratorium that has been reinstated by the PUC through March 31, 2021. Melissa reminded the board that the reporting requirements on arrearages and outstanding balances are due to the PUC, March 15, 2021. Melissa also gave an update on RES compliance; specifically that the 2019 RES Compliance has been approved and that the notices regarding the members' Power Supply Portfolios and RES compliance will be going out this month.
10. Julia Leopold, VPPSA's Communication Specialist, provided an overview on the RES Tier 3 Project activities. This includes the revised 2021 Tier 3 annual plan, 2021 rebate/incentive offerings, Custom Tier 3 savings/opportunities and ongoing efforts specifically with strategies for managing peak related costs, WEX Energy pilot and the Pay-AS-You-Save financing model. Julia mentioned the informational web meeting that was held for utility staff and appreciated the participation. A rebate handbook is being created for member staff to help answer questions they may have from utility customers. Julia also spoke of the VPPSA and EVT proposal for Tailored Utility Programs in Barton, Jacksonville and Ludlow.
11. Alex Nicholson, VPPSA's GIS Technician, provided a brief update on the activities of the GIS project. It was noted that Alex has begun development of the Hardwick LIDAR pilot and confirmed that GIS data will function with load analysis and is moving forward. Alex also conducted outreach to Ludlow to review field schema and data design and provide login capabilities to their ARCGIS online account. Orleans and Enosburg meetings are pending. Preparations are also underway for the next GIS working group meeting where map symbology will begin to be developed. Alex also had discussions with ESRI personnel which indicated that adding specific ESRI modules to VPPSA's license could provide analytics at a lower cost. Alex is working with ESRI to identify the suite of modules they believe would be needed and what the final cost would be. A significant amount of time was spent in January evaluating whether using VELCO's ESRI license was a viable cost reduction methodology. After several meetings with Andrew Flynn, Alex now understands that the actual structure does not give VPPSA any access to VELCO licenses for our own use and therefore could not identify any cost savings for VPPSA. The General Manager had a meeting on Friday afternoon with the VELCO executive team to discuss whether any changes in structure were possible. Moving forward VPPSA and VELCO will identify granular and specific data collection examples to clarify and alleviate the identified issues.
12. Project #10 Update - Dave Gagne, Project 10 Plant Operator, provided an update on the activities at Project 10. The General Manager also gave an update on capital which included:
 - a. Backup Generator - soil borings have been completed and grounding design is well underway. The project remains on schedule for Spring 2021 installation.
 - b. Building Addition - Dubois & King has been hired to design the concrete pad for the expansion and the original control room manufacturer will construct the expansion. This project remains on schedule for fall 2021.
 - c. Property Insurance - Crystal has been doing some insurance requirement research, staff will be evaluating the flexibility that may exist under the General Bond Resolution. An

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internal review will revisit the borescope reports and determine whether the reports support revisions to the Project 10 Capital Plan with the goal to provide an evaluation of options by fall 2021.

13. The General Manager provided a brief update on several topics, including:

- 1) Barton Status - Kate Kran gave her notice to Barton and will be leaving at the end of February. The Barton Trustees are looking at options and have turned to VPPSA for support. In discussions with the Trustees as well as VEC regarding possible structures. More will be shared in the Executive Session related to personnel.
- 2) Discussions with Rebecca Towne - relative to the VELCO Independent Public Power Directors. While she was supporting the candidates this year, she wanted to have a broader discussion about criteria for selection and whether new Directors should be considered in the future.
- 3) GMP/Global Foundries - Mari McClure informed VPPSA that GMP is working on an agreement with Global Foundries that could result in Global Foundries becoming its own utility and be removed the GMP system. This will be discussed further at the VELCO Board meeting and will likely become a PUC case.
- 4) PUC privacy/security requirements - VPPSA has filed a request with the PUC for a Declaratory Ruling finding that membership in VPPSA creates a de facto contractual relationship in the context of PUC privacy/security requirements, and therefore VPPSA members can share retail customer information with VPPSA to the extent that doing so is required for VPPSA to support its members. The PUC has requested comments on the filing.
- 5) FEMA's emergency declaration rules - Meredith Dolan informed VPPSA of a proposed change that would significantly increase the statewide threshold for declaring an emergency. Comments on the change are due in February and VPPSA is considering submitting comments.

14. Director Humphrey made a motion to find that the premature disclosure of information related to VPPSA's potential contract to provide staff coverage for Barton and the resulting interplay with staff succession planning would put the Authority at a disadvantage. The Motion was seconded by Director Fitzhugh and approved unanimously. Director Humphrey made a Motion to enter executive session to discuss Barton staff Coverage & Succession Planning, as allowed under provisions Title 1, Section 313 (1)(A). The motion was seconded by Director Fitzhugh and approved unanimously.

The Board entered Executive Session at 12:43 p.m.

The Board returned to open session at 1:12 p.m.

No action was taken.

15. Other Business.

Director Morley asked if there was any information related to the Small Annual Report filing and if utilities were going to be required to file those this year. It was noted that there has not been any indication that the reports will be required in 2021; however, the Public Service Department has indicated they are in the process of revising the document and will expect filings in the future. Director Morley also inquired about the Coventry landfill and questioned whether VPPSA might be in a position to get involved with that project given its growth in size. The General Manager noted that Washington Electric Cooperative had rights to the landfill and any project VPPSA pursued would need to be in partnership with WEC; however, this was a possibility that staff would consider and discuss with WEC.

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The meeting was adjourned at 1:18 p.m.

Respectfully submitted,

Amy Parah

Amy Parah, Assistant Secretary



Special Board of Directors Meeting Minutes

February 19, 2021

Board of Directors:

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

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

Alternates present:

Lynn Paradis, Swanton (P)	

Others present:

Ken Nolan, VPPSA - (P)	Crystal Currier, VPPSA - (X)	Amy Parah, VPPSA - (P)
Alex Nicholson, VPPSA - (P)	Amanda Simard, VPPSA - (P)	Steve Farman, VPPSA - (P)

Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 11:00 a.m.
- 2.** Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were requested.
- 3.** Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
- 4.** The General Manager presented the Barton Management Services Contract. It was noted that the Barton Trustees previously met and were in favor of the contract. The Barton trustees requested that language be added to indicate that VPPSA would follow all policies in effect relative to services provided by independent contractors or other Barton policies. That language has been added in Section 4 (d). The Barton Trustees approved the contract contingent upon the addition of the language as requested.



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The Board discussed the contract, the related operations at Barton, obstacles that may arise and the potential sale of the utility to VEC.

Director Fitzhugh made a motion to authorize the General Manager to execute the Barton Management Contract as presented. The motion was seconded by Director Sullivan. The motion was unanimously approved.

The meeting was adjourned at 11:35 a.m.

Respectfully submitted,

Crystal Currier

Crystal Currier, Secretary

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: February 26, 2021

Subject: **Agenda Item #7** - Net Metering Calculation Change

Last fall the PUC reviewed the impacts net metering was having on efficiency efforts, including the fact that as net metering projects get installed they are having a growing impact on the amount of Energy Efficiency Charge (EEC) collected. All of the utilities were requested to calculate the amount of energy provided by net metering projects and to work with EVT to determine the EEC impacts.

Based on that analysis the PUC issued an Order requiring that the EEC be collected on gross customer usage including energy provided by net metering. That change takes effect this summer.

All utilities will need to change their billing processes to add net metered energy back to the customer load when calculating the EEC charges.

Staff wants to make sure all members are clear on this requirement, provide a forum for comparing notes on how everyone will accomplish this change, and identify where support may be needed.

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: February 26, 2021

Subject: **Agenda Item #8** - Distributed Resource Inclusion in ISO Markets

FERC recently issued Order 2222 (commonly known as Order 2x4) which requires all ISO's to modify their market rules to allow Distributed Energy Resources (DER's) to participate in the wholesale markets. This includes generation that is located behind a customer retail meter as well as small generation that could be "aggregated" into larger virtual power plants.

ISO's are now mandated to allow aggregation of small resources (solar, wind, batteries, flexible loads, etc.) in their markets and to provide new rules for managing the market impacts of these resources.

This FERC Order has significant implications on a number of fronts:

- It creates tension between state and federal authority. An individual DER has to choose. It can participate in state sponsored retail programs or the federal wholesale market. Not both.
- It has implications for the ISO operation
 - o Rules must be developed around aggregation, resource qualification, verification of energy production, dispatch, operational management, etc.
 - o These Rules must be filed with FERC by July.
- It has implications for utility operation
 - o Utilities will need to include market access in interconnection studies. Utilities will need to now sign off on DER participation in the markets to verify access exists.
 - o New communications between the utility and ISO will be needed to manage distribution outages where a DER participating in the ISO markets could be affected

- Utilities will need to modify billing procedures to add generation associated with DER's participating in the wholesale market back to customer load for retail billing purposes.

ISO-NE is presently designing the rules to be filed with FERC in July. Most other ISO's have requested an extension of this deadline, but ISO-NE's approach seems to be to file rules by the requested date while asking for an extension related to implementation. ISO-NE is indicating it could take several years to develop the software needed to implement this change.

The FERC Order also provided an "opt-in" requirement for any utility selling less than 4 million MWh per year, meaning that all of Vermont's utilities must officially "opt in" to allowing DER's to participate in the market. However, this opt in authority rests with the utility's "regulatory authority". In most states that means the municipal utility governing body. In Vermont that means the PUC will decide whether the state participates.

The implications for this Order are not imminent and are still being defined. However, when implemented fully this Order will have significant impacts on utility operation. In the near term it could have bearing on your decisions regarding AMI and potential billing system decisions.

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: February 26, 2021
Subject: **Agenda Item #9** - AMI Update

Negotiations continue with Aclara and are reaching the contentious stage. Staff has now fully engaged Jackie Lemmerhirt and Allen Stamp to assist in the negotiations. Aclara has been put on notice that VPPSA fully expects them to honor the commitments made during the RFP process, and we are going to accept changes from those commitments to begin negotiations.

Ashland, NH is moving forward with Selectboard review of their AMI options. They are considering both the VPPSA proposal and a proposal from Eaton (a vendor that VPPSA rejected). The Ashland Public Works Director is now managing the project since the Town Manager left, and VPPSA staff has spent time bringing him up to speed on the implications of the decision. We await the Selectboard decision on whether to proceed.

With the Aclara draft pricing in hand discussions have begun with several members about whether the investment is warranted, and whether the centralized approach is actually providing any savings. As we finalize the negotiations with Aclara these discussions will intensify and the Board will eventually need to make a determination as to whether VPPSA should proceed as a group or whether the members will move individually.

Memorandum

To: VPPSA Board of Directors
From: Melissa Bailey
Date: February 24, 2021
Subject: **Agenda Item #10** - Legislative and Regulatory Update

1) 2021 Legislative Session

In spite of assertions early on the 2021 legislative session would focus exclusively on COVID relief, the committees have taken testimony on a variety of utility and energy related issues. A verbal update will provide current status at the March 2nd Board meeting. Energy topics are:

S. 60 Rate Flexibility - Staff from VPPSA and VEC have provided testimony to the Senate Finance Committee on VPPSA's proposal for achieving rate flexibility for municipal and cooperative electric utilities. We have not been able to reach agreement with the DPS on the need for full rate cases to occur on a regular schedule (e.g. every 7 years).

Electric Vehicle Charging - Interest around EVs remains high. Language included in the **Transportation Bill** would require each utility in the state to implement an electric vehicle charging rate by 2024. There is also current discussion on whether a per kWh fee should be assessed on EV charging as the mechanism to replace lost gas tax revenue.

Arrearage Funding - The Legislature is expected to allocate a portion of the federal COVID funds to utility arrearages. The current statewide need is roughly \$15 M.

Broadband - The proposed section of the Broadband bill requiring leasing "middle mile" fiber at discounted rates that VPPSA found problematic has been removed.

2) Expanding Weatherization and On-bill Tariffs

There has been extensive discussion around expanding weatherization services within Vermont. While VPPSA has firmly maintained its policy stance that electric ratepayers not be required to pay for thermal efficiency services, there may be an optional role for electric utilities to play in supporting weatherization through on bill payment of energy loans. VPPSA has been exploring this option with Efficiency Vermont as a potential component of our Tier 3 offerings.

3) PUC Proceedings

Case #20-0703 Disconnect Moratorium - The Moratorium on involuntary utility is in effect through March 31st. **Utilities reported to the PUC on arrearages and payment arrangements on March 1, 2021 and responses are due March 15.**

Memorandum

To: VPPSA Board of Directors
From: Julia Leopold
Date: February 25, 2021
Subject: **Agenda Item #11** - Renewable Energy Standard

1) Customer Notification

VPPSA's 2019 Renewable Energy Standard Compliance filing has been approved. As required per the PUC, all customers must be notified that their utility is compliant. If you haven't done so already, please include a notification in your next bill cycle addressing that your utility is compliant with the Renewable Energy Standard. Customers can find updated information here: <https://vppsa.com/energy/renewable-energy-standard/>

2) 2020 Tier 3 Compliance

VPPSA will be submitting our 2020 Tier 3 Compliance Report this month. Overall, we saw an increase in uptake of our rebate program compared to 2019 despite the pandemic. Prescriptive programs will make up about 39% of 2020 Tier 3 compliance, surpassing our goal of 30%.

3) 2021 Tier 3 Program

Prescriptive: Our 2021 Tier 3 program continues to move along smoothly. We anticipate cold climate heat pumps will continue to drive our savings claims. Whole building heat pumps will likely have more uptake than in 2020. Efficiency Vermont is administering heat pump technology incentives on our behalf, which is reducing administrative hours.

VPPSA continues to work on a Utility Rebates Handbook for your staff. This should be available ASAP.

Custom: Multiple custom projects have been identified, including a line extension in Hardwick, commercial heat pumps in Jacksonville, a commercial heat pump in Johnson, and a heat recapture project in Northfield. If you are aware of a possible Tier 3 custom project in your territory, please let Melissa, Julia, and Heather know.



Putting the *Public* in *Power*.

Under Vermont's Renewable Energy Standard, which took effect in 2017, electric utilities are required to purchase a certain portion of their electric power supply from renewable resources in general and from small, in-state renewable facilities. Your utility, along with 10 other municipal utilities, is a member of Vermont Public Power Supply Authority (VPPSA). Compliance with the Renewable Energy Standard is met in aggregate with all VPPSA utilities. To learn more, visit: <https://vppsa.com/energy/renewable-energy-standard/>

**Reduce fossil fuel use and
get money back.**

Visit www.vppsa.com
to claim your rebate.



VPPSA Utilities:

Barton Village
Village of Enosburg Falls
Town of Hardwick
Village of Jacksonville
Village of Johnson
Ludlow Electric Light Department
Lyndonville Electric Department
Morrisville Water & Light
Northfield Electric Department
Village of Orleans
Swanton Village

Transportation:

New Electric Vehicle	Up to \$1,400
New Plug-In Hybrid	Up to \$900
Pre-Owned Electric Vehicle	\$500
Pre-Owned Plug-In Hybrid	\$250
Public Charging Station	\$500
E-Bike or Retrofit Kit	\$100

Home Appliances:

Heat Pump Technology	Incentive varies. Visit www.vppsa.com for details.
Heat Pump Water Heater	Incentive varies. Visit www.vppsa.com for details.
Electric Lawn Mower	\$50

For Businesses:

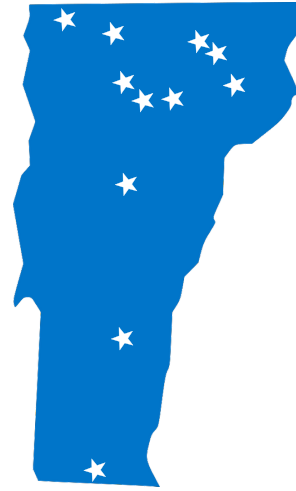
Electric Forklift	\$2,500
Commercial Electric Lawn Mower	\$1,200
Electric Golf Cart	\$100



Putting the *Public in Power.*

2021 Incentives

VPPSA offers a variety of rebates and instant discounts to help you reduce fossil fuel use. Visit www.vppsa.com for details on how to claim your incentive.



VPPSA Municipal Utilities:

Barton Village
Village of Enosburg Falls
Town of Hardwick
Village of Jacksonville
Village of Johnson
Ludlow Electric Light Department
Lyndonville Electric Department
Morrisville Water & Light
Northfield Electric Department
Village of Orleans
Swanton Village

Transportation:

New Electric Vehicle	Up to \$1,400
New Plug-In Hybrid	Up to \$900
Pre-Owned Electric Vehicle	\$500
Pre-Owned Plug-In Hybrid	\$250
Public Charging Station	\$500
E-Bike or Retrofit Kit	\$100

Home Appliances:

Heat Pump Technology	Incentive varies. Visit www.vppsa.com for details.
Heat Pump Water Heater	Incentive varies. Visit www.vppsa.com for details.
Electric Lawn Mower	\$50

For Businesses:

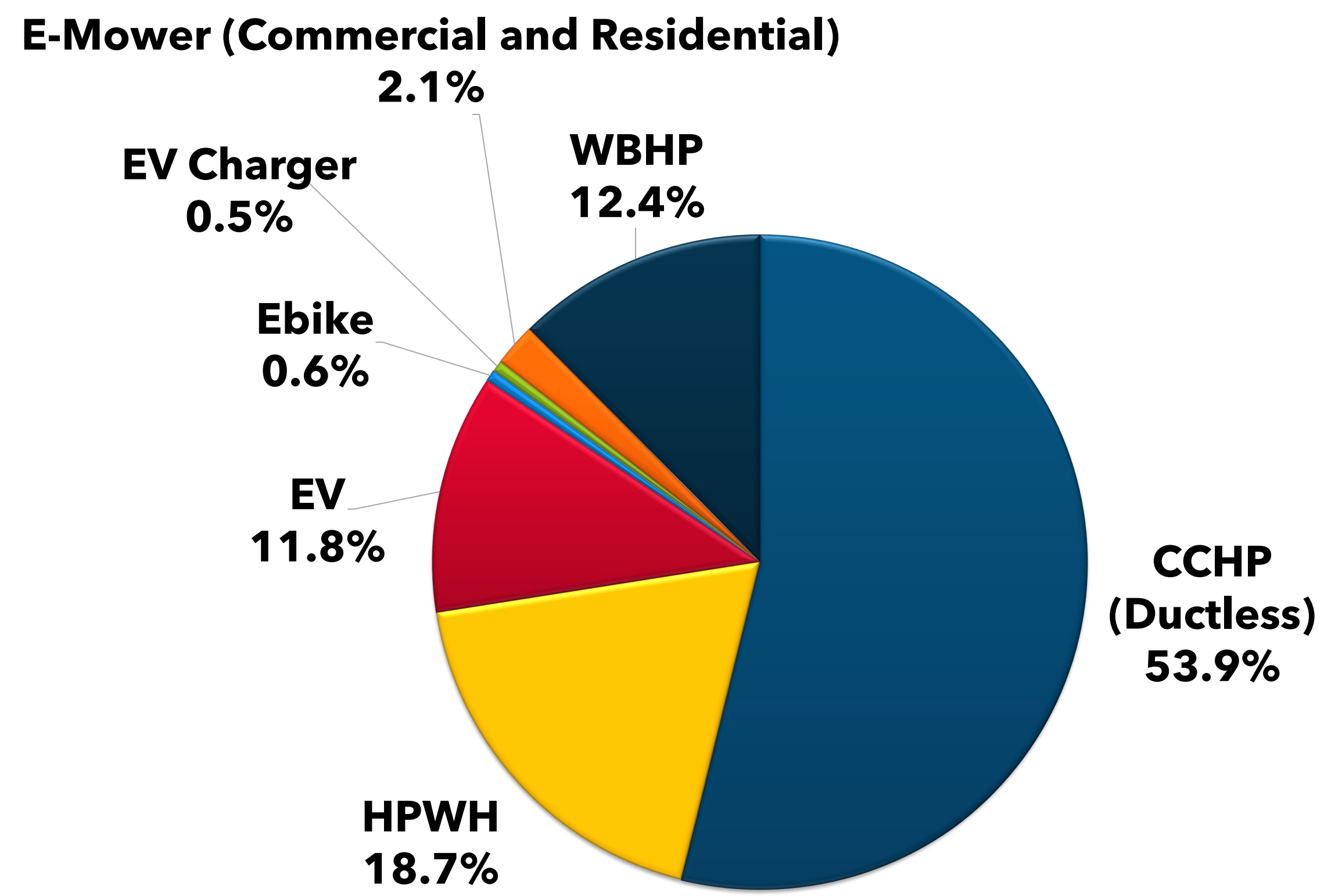
Electric Forklift	\$2,500
Commercial Electric Lawn Mower	\$1,200
Electric Golf Cart	\$100



2021 Tier 3 Update

Looking Back at 2020

2020 Prescriptive Programs



2020 Tier 3 savings requirement: **9,413 MWh**

Savings from prescriptive programs: **3,701 MWh**

39% of 2020 Tier 3 requirements is met by rebate incentive programs.

2020 Prescriptive Program High Points

Doubled cold climate heat pump rebates

- **2019:** 46
- **2020:** 94

Quadrupled heat pump water heater rebates

- **2019:** 10
- **2020:** 39

Nearly Doubled EV rebates

- **2019:** 9
- **2020:** 17

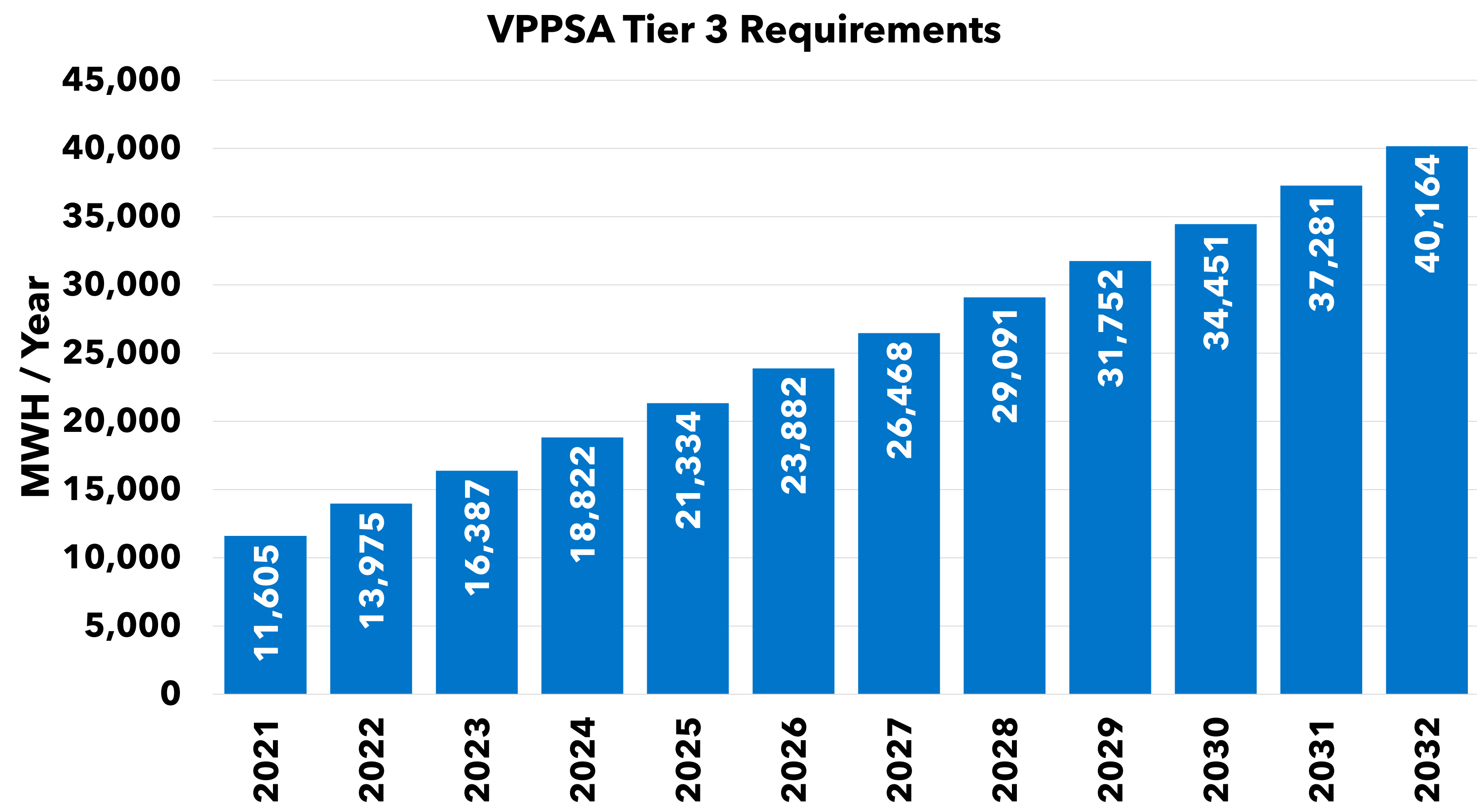
Nearly doubled overall savings claims from prescriptive programs

- **2019:** 1,903 MWh
- **2020:** 3,701 MWh

60% increase of approved rebates

- **2019:** 108 rebates
- **2020:** 173 rebates

Future Tier 3 Requirements (MWh per Year)



2021 Incentives

Measure	Incentive Value	Additional Incentive	MWh Savings
Electric Vehicle	\$1,000	\$400 (Low Income)	33.13
Plug-In Hybrid	\$500	\$400 (Low Income)	25.38
Used Electric Vehicle	\$500		16.57
Used Plug-In Hybrid	\$250		12.69
Level 2 Charger	\$500		20.6
Cold Climate Heat Pump (Ductless)	\$250*	\$200 (Weatherized)	18.97 (23.41 Wx)
Cold Climate Heat Pump (Whole Building)	\$750 - \$1,800*	\$200 (Weatherized)	77.37 - 99.5
Heat Pump Water Heater	\$650		15.03
Forklift	\$2,500*		95.11
Golf Cart	\$100*		3.52
Lawn Mower (Residential)	\$50*		1.58
Lawn Mower (Commercial)	\$1,200*		68.33
E-Bike	\$100		5.36

* Indicates a new measure or an updated incentive value

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: February 26, 2021
Subject: **Agenda Item #12** - GIS Update

Alex will provide a verbal update on GIS status with each member at the Board meeting. A few things are worth noting at a high level:

- Staff continued discussions with VELCO on possibly utilizing VELCO's ESRI licenses for our GIS program. As the discussion has gotten into details it is becoming clear that this approach is not likely to work. Despite VELCO's description of their offer as "helping" VPPSA expand services at a cheaper cost it has become apparent that their corporate structure and security concerns would effectively require us to turn over operation of the GIS program to them. They would house and manage all member data, members would utilize VELCO systems directly to make updates, and VPPSA would become just another user (only able to access/manage data with your explicit authorization. It is not yet clear how this structure might (or might not) work with mPower. We are continuing to develop use cases for review so that a final decision can be made, but this approach is no longer considered promising or a high priority.
- Alex has been in discussions with ESRI related to modules they offer that appear to be equivalent to mPower, but potentially at cheaper cost. Recognizing that members who already heavily utilize mPower may have difficulty converting and that an ESRI approach would likely require more reliance on VPPSA staff for support, we feel obligated to evaluate methods that might reduce overall costs. If staff is able to confirm that the two products are equivalent, and can confirm functionality with an existing ESRI user, this item will be brought forward for further discussion.
- Based on my annual check in meetings with members, several members expressed concern that the GIS program was moving to slowly, and that the advisory committee had not yet been established. I will be working with Alex to formalize the advisory committee and establish a standing meeting schedule. We will also be working to modify the role out plan so that all members feel they are receiving attention and understand next steps.

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: February 26, 2021
Subject: **Agenda Item #13** - Project 10 Update

Capital project work at Project 10 continues:

- The backup generator installation is proceeding. Soil borings have been completed and grounding design is done. Equipment has been ordered and is anticipated to be delivered in March. The project remains on schedule for spring 2021 installation.
- The building addition is proceeding with Dave DeSimone leading work with outside contractors. Dubois & King has designed the concrete pad for the expansion, including the piling system required due to soil conditions. The original control room manufacturer is being utilized to construct the expansion. Approval was provided to begin building construction as of March 1st. The building is anticipated to be delivered in August, and the project remains on target for fall 2021 completion.
- On the insurance/overhaul front, staff continues to formulate plans. Dave DeSimone has now been provided with the historical records and is reviewing them. Staff intends to meet within the next 60-days to develop the work plan. The goal remains to provide the Board with an evaluation of options by fall 2021.

The plant operated well through the cold weather in February. Dave Gagne repaired various minor pump and heater failures, but nothing occurred to reduce plant output. Preparation is underway for the spring thaw.

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: February 26, 2021
Subject: **Agenda Item #14** - GM Update

- VPPSA began management of Barton Electric on February 19th. Crystal is now focusing efforts on establishing procedures for Barton to streamline operations. There have already been a couple of issues with VEC, so I will be scheduling a meeting between Barton, VEC, and VPPSA to clarify lines of communication.
- We have received six (6) applications to date for the Assistant Controller position. Three (3) applicants appear qualified, so staff is proceeding with interviews while leaving the application period open.
- A VELCO Board vote on GMP's Global Foundries proposal was delayed due to concerns I had raised. That vote delay prompted an all utility call in mid-February that has in turn led to the distribution utilities negotiating an MOU among ourselves to be put in place prior to the VELCO vote. The DU MOU is intended to document commitments GMP has made to make sure other DU's are not impacted by any changes they make in their relationship with Global Foundries.
- VPPSA has filed a request with the PUC for a Declaratory Ruling finding that membership in VPPSA creates a de facto contractual relationship in the context of PUC privacy/security requirements. The DPS filed comments on the request indicating that VPPSA should only have access to customer data in very restricted instances. The DPS proposal would effectively undermine our ability to operate Tier 3, the Kay Accounts program, and any centralized systems. Staff is preparing a response for submittal to the PUC.
- I will be attending meetings with APPA and all five FERC Commissioners on March 1 and 2. The outcome of those meetings will be reported at the Board meeting