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Regular Board of Directors Meeting Minutes

March 3, 2021

Board of Directors:

	Vacant, Barton	P	Bill Humphrey, Lyndonville
	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)	Shawn Enterline, VPPSA - (P)
Steve Farman, VPPSA - (P)	Dave Gagne, VPPSA - (P)	

Numbers in bold type correspond with agenda item numbers:

- 1.** Chairman Beliveau called the meeting to order at 9:30 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.** Director Jones made a motion to accept the minutes of the Regular Board of Directors meeting held on February 3, 2021. The motion was seconded by Director Fitzhugh. Motion approved.
- 5.** Director Humphrey made a motion to accept the minutes of the Special Board of Directors meeting held on February 19, 2021. The motion was seconded by Director Fitzhugh. Motion approved.

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6. Director Jones made a motion to accept the Treasurer's report as of January 31, 2021. The motion was seconded by Director Humphrey. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending January 31st. The financial results indicate operational expenses being under-budget by approximately 9%. This includes payroll and overheads that are over-budget by 4.3% and office supplies and expenses that are under-budget by approximately 32%. The primary drivers related to the under-budget results include: conferences & travel expenses, legal and interest. These costs are offset by over-budget results in insurance/audit, this will be offset in February when Cyber Security insurance was actually paid. Similar to the under-budget results for expenses, the revenues are also under-budget.

The Controller mentioned that the Audit is primarily done and will be presented at the April board meeting.

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

7. Melissa Bailey, VPPSA's Manager of Government Relations and Steve Farman, VPPSA's Manager of Rates and Planning reminded the board that last fall the PUC issued an Order requiring that the EEC be collected on gross customer usage including energy provided by net metering. All utilities will need to change their billing processes to add net metered energy back to the customer load when calculating the EEC charges. Mr. Farman explained to the board there are multiple ways to calculate the reconstituted load, depending on metering configuration. The key question will be whether billing systems can do the necessary calculations without manual intervention. There was discussion on the challenges that the members will face. Staff wants to make sure all members are clear on this requirement and identify where support may be needed. The change takes effect in July
8. The General Manager reminded the board that FERC recently issued Order 2222 which requires all ISO's to modify their market rules to allow Distributed Energy Resources (DER's) to participate in the wholesale markets. The General Manager reviewed the implications to the ISO and utility operation and while the implications are not imminent and still being defined, this will have a significant impact when fully implemented. ISO-NE is presently designing the rules to be filed with FERC in July. ISO-NE indicated that it could take several years to develop the software needed to implement this change. The board voiced their concern on the cost this could have on the members. This topic will be placed on future agendas.
9. 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. Negotiations continue with Aclara and are reaching the contentious stage with how Aclara wants to do the statement of work and payment structure. Staff has fully engaged Jackie Lemmerhirt and Allen Stamp to assist in the negotiations. Discussions have begun with several members about whether the investment is warranted. Meetings have also been set up with CIS vendors. As the negotiations with Aclara are finalized, these discussions will intensify and the Board will need to make a determination as to whether VPPSA should proceed as a group or if members will move individually. 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).
10. Melissa Bailey, VPPSA's Manager of Government Relations, provided a Legislative and Regulatory update which included the 2021 Legislative session Arrearages and PUC Proceedings. 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. VPPSA has not been able to reach agreement with the DPS on the need for full rate cases to occur on a regular

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schedule There was a lengthy discussion regarding Electric Vehicle charging and language in the Transportation Bill which would require each utility in the state to implement an electric vehicle charging rate by 2024. There is also current discussion in the Legislature on whether a per kWh fee should be assessed on EV charging as the mechanism to replace lost gas tax revenue. The Legislature is expected to allocate federal Covid funds to utility arrearages with the current statewide need at roughly \$15M. On the Regulatory front, Ms. Bailey reminded the Board, the Utilities reported to the PUC on arrearages and payment arrangements on March 1st and responses are due March 15th. The Moratorium continues through March 31st.

- 11.** Julia Leopold, VPPSA's Communication Specialist, provided an overview on the RES Tier 3 Project activities. This includes the approved 2019 RES Compliance filing, 2020 Tier 3 Compliance report due out this month highlighting the increase in uptake of VPPSA's rebates in the Prescriptive and Custom Tier 3 Program; specifically, focused on claims for cold climate heat pump savings. Ms. Leopold reminded the Board that all customers must be notified that their utility is compliant and asked that the notification flyer she sent to each of the members, be included in the next bill cycle. Ms. Leopold further reviewed the custom projects going on in Hardwick, Jacksonville, Johnson and Northfield. She also reviewed the 2021 incentives and reminded the Board to let staff know of any Tier 3 custom projects going on in the member territories. VPPSA has finished the work on the Utility Rebates Handbook for member staff and it is now available.
- 12.** Alex Nicholson, VPPSA's GIS Technician, provided a brief update on the activities of the GIS project. Staff continued discussions with VELCO on potentially 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. In addition, it is not yet clear how this structure might (or might not) work with mPower. VPPSA continues 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. Mr. Nicholson also mentioned that he is still in discussions with ESRI related to modules they offer that appear to be equivalent to mPower, but potentially at a lower cost. More research needs to be done and 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. The General Manager and Mr. Nicholson will be working to formalize the advisory committee and establish a standing meeting schedule. Mr. Nicholson ended his presentation by giving an update on what was happening in each of the member territories, specifically Northfield's AGO Pilot Project, a presentation to Orleans on the mPower system, and a GIS update meeting in Lyndonville. More meetings are scheduled with ESRI and mPower in March.
- 13.** Project #10 Update - Dave Gagne, Project 10 Plant Operator, provided a brief 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 underway. Equipment has been ordered and is anticipated to be delivered in March. The project remains on schedule for Spring 2021 installation.
 - b. Building Addition - The building addition is proceeding with Dave DeSimone leading the work. Dubois & King has designed the concrete pad including the piling system due to soil conditions. Approval was provided to begin building construction as of March 1st. The building is being built off site and then delivered. This project remains on schedule for fall 2021.
 - c. Property Insurance/Overhaul - 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.
- 14.** The General Manager provided a brief update on several topics, including:

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- 1) Barton Status -VPPSA began management of Barton Electric on February 19th. The Controller is focusing efforts on establishing procedures for Barton to streamline operations and addressing issues with Barton's financials. The General Manager will be scheduling a meeting between Barton, VEC and VPPSA to clarify lines of communication. The General Manager and the Controller will be attending the next Barton Trustee meeting to clarify management of the overall village operation vs. Controller duties performed for Electric, Water and Waste Water.
- 2) Assistant Controller position-VPPSA has received seven (7) applications to date with three (3) that appear qualified, staff is proceeding with interviews over the next few weeks while leaving the application period open.
- 3) GMP/Global Foundries - Mari McClure informed VPPSA that GMP is working on an agreement with Global Foundries that could change GMP's relationship with Global Foundries in a way that could affect other utilities. A meeting is scheduled with other muni's to finalize a position and draft an MOU before the VELCO board meeting on March 11th, this 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. The DPS filed comments on the request indicating that VPPSA should only have access to customer data in very restricted instances. Staff is preparing a response for submittal to the PUC.
- 5) APPA and all five FERC Commissioners - the General Manager gave a brief update on his recent meetings including conversion to renewable energy, transmission, resilience, reliability and consumer cost.

15. Other Business.

Director Sullivan made a suggestion to add "For the Good of VPPSA" as an agenda item for future board meetings. This would provide Directors with an opportunity to highlight ideas that could be beneficial to VPPSA, or to include something "good" that someone has done for VPPSA.

The meeting was adjourned at 12:54 p.m.

Respectfully submitted,

Amy Parah

Amy Parah, Assistant Secretary