



## Regular Board of Directors Meeting Minutes

September 1, 2021

### Board of Directors:

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

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

### Alternates present:

Lynn Paradis, Swanton (P)	

### Others present:

Ken Nolan, VPPSA ( <b>P</b> )	Crystal Currier, VPPSA ( <b>X</b> )	Amy Parah, VPPSA ( <b>X</b> )
Kim Lyon, VPPSA ( <b>P</b> )	Melissa Bailey, VPPSA ( <b>X</b> )	Julia Leopold, VPPSA ( <b>X</b> )
Amanda Simard, VPPSA ( <b>P</b> )	Ken St. Amour, VPPSA ( <b>X</b> )	Shawn Enterline, VPPSA ( <b>P</b> )
Steve Farman, VPPSA ( <b>P</b> )	Dave Gagne, VPPSA ( <b>P</b> )	Alex Nicholson, VPPSA ( <b>P</b> )
Allen Stamp ( <b>P</b> )	Jackie Lemmerhirt ( <b>P</b> )	

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

1. Chairman Beliveau called the meeting to order at 9:35a.m.
2. Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. No changes were made.
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 Humphrey made a motion to accept the minutes of the Regular Board of Directors meeting held on August 4, 2021. The motion was seconded by Director Jones. Motion approved.

## APPROVED

5. Director Humphrey made a motion to accept the Treasurer's report as of July 31, 2021. 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 July 31, 2021. Overall, VPPSA has collected approximately \$19K in excess of expenditures - this includes payroll and overheads being overbudget by 1.65% or \$19K and office supplies and expenses are underbudget by 25% or \$131K. The primary driver in revenues being underbudget are the two standard offer projects that have not come online (\$104K) and the primary driver in expenses being underbudget is VPPSA's travel/conference budget (lack of training/travel).

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

6. The Controller presented the McNeil Reserve True-up for the period ending June 30, 2021. The Controller reminded the Board that the monthly participant invoices typically include a charge for capital improvements and the reserve fund is trued-up at the end of each year ending June 30th. A summary of capital improvements for the period was presented and it was noted that there are sufficient funds in the reserve to pay for the cost of improvements [\$429,223.66] with a remaining balance of \$267,977.03. Due to the McNeil budget for capital improvements for the remainder of CY 2021 [approx. \$264,505], VPPSA staff recommends retaining the remaining fund balance for the purpose of paying for future capital expenditures related to the McNeil generating facility.

Director Jones made a motion to retain the remaining fund balance "available for refund to participants" in the amount of \$276,977.03 for the purpose of paying for future capital expenditures related to the McNeil Generating Facility. The motion was seconded by Director Humphrey. Motion approved.

7. The Controller presented the Project 10 PSA True-up for the period ending June 30, 2021. The Board was reminded that VPPSA invoices the participants based on the annual budget with the budget vs. actual costs trued up at the end of the PSA year [June 30<sup>th</sup>]. The true-up for this period resulted in an excess of \$248,268.28. A short review of the Project 10 reserve fund was reviewed, and it was noted that the CY 2022 budget was to include \$300,000 for the purpose of the capital reserve fund additions. Therefore, VPPSA staff recommends that the excess funds be retained and transferred to the reserve fund and that the 2022 budget be decreased accordingly.

Director Humphrey made a motion to transfer the excess funds related to the Project #10 annual true-up to the capital reserve fund and that VPPSA staff adjusts the 2022 budget to reflect this addition. The motion was seconded by Director Jones. The motion was approved.

8. The General Manager presented the final 2022 strategic plan for approval. It was noted that the feedback received at the August Board meeting was incorporated and that the attached version is considered complete. The General Manager provided a brief review of the strategic plan elements and changes that were made. Director Fitzhugh made a motion to approve the 2022 strategic plan. The motion was seconded by Director Petraska. The motion was approved.
9. Shawn Enterline, VPPSA's Senior Power Analyst reminded the Board that VPPSA began an RFP process last year to find a strategic partner in developing battery storage within the member system territories. There were several rounds with the final round being in-person interviews with the three who made it to the final stage. It was noted that based on the interviews, VPPSA staff is considering two remaining firms. The pros and cons of the two firms were reviewed and the Board was asked for feedback before VPPSA enters the final RFP phase. There was a short discussion regarding the costs and terms with each of the two potential counterparties. It was noted that VPPSA staff intends to use this feedback to choose the lead vendor (as discussed) and begin developing project budgets and contract for each of the test sites.

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- 10.** Ken St. Amour, VPPSA's Manager of Technology and Security Services, provided a brief update on the AMI project activities and turned the discussion over to Jackie Lemmerhirt of Lemmerhirt Consulting to provide a cash flow document that was developed for the Village of Orleans. The cash flow was reviewed and it was noted that this same type of analysis can be provided to each member if it is something they are interested in. Director Morley mentioned that he felt it was beneficial for his Board to see when the project becomes net "positive" given that this is a substantial investment.

In addition, it was noted that Allen Stamp continues to work on the Terms and Conditions of the contract with the goal that the contract will be ready for attorney review within the next couple of weeks. The Statement of Work, that will accompany the Terms and Conditions is still being developed and it is hoped that this document will be available for the Board's review at the October Board meeting.

Next steps include finalizing the vendor contracts, the member contracts with VPPSA, and the cost benefit analysis; then subsequently, reviewing all documents with the AMI committee and obtaining member commitment.

- 11.** Melissa Bailey, VPPSA's Manager of Government Relations, provided a brief report on Legislative activities. It was noted that there is a focus on the upcoming legislative session with a specific attention on the comprehensive energy plan and the climate action plan. The Board discussed the 100% energy plan, how existing renewables fit into that plan and the overall water quality rules surrounding existing hydro resources.

Ms. Bailey provided an update on Regulatory activities, highlighting the following rules/cases/dockets:

Net metering [Rule 5.100]  
Interconnection [Rule 5.500]  
Low income rates [Case#20-0703]  
Disconnect moratorium [Case#20-0703]  
EVT reporting [Docket 8316]  
Rate Flexibility [Case #21-2642]

- 12.** Julia Leopold, VPPSA's Communication Specialist, provided a detailed update on RES activities, including the 2020 RES compliance filing, the 2021 Tier 3 program highlights, the 2022 program planning and the Key Accounts program.

- 13.** Alex Nicholson, VPPSA's GIS Administrator provided an update on the GIS project. It was noted that VPPSA has been in discussions with several Communications Utility Districts (CUD's) regarding the State and Federal funding that has been earmarked for those districts. The CUD deployment can be a significant opportunity for the members without data to acquire funding for GIS data collection and updates; however, there are significant requirements and deadlines that VPPSA would need to work within.

- 14.** Dave Gagne VPPSA's plant operator provided a brief report on operational activities at the plant. It was noted that the summer claim capability audits for 2022 were complete with no issues; the units have run several times over the last month [Unit 1 ran once, Unit 2 ran five times] with one minor issue that has been rectified. On the capital side, the backup generator was installed at the end of August and is now complete. The building addition continues to proceed and is expected to be complete in October.

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The General Manager noted that the discussions with MD&A continue, and they have recommended the addition of an unplanned borescope for this year and specific strategies that can be implemented during the borescope process. It is expected that recommendations, and pricing for different scenarios will be ready for the Board in October.

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

- 1) NEPPA - The General Manager provided an update on his attendance at the NEPPA Conference and it was noted that he was elected to the NEPPA Board of Directors and Bill Humphrey was re-elected.
- 2) Barton/Jacksonville - A brief update related to staff's interaction with Barton and Jacksonville was provided to the Board. It was noted that the General Manager attended an Orleans Study Committee meeting in August to discuss the combined Barton and Orleans power supply, as well as issues around the Project 10 bonds, Barton's hydro plant and how the PUC has treated previous sales with regard to customer protections. The committee was very interested in the information and a lengthy discussion ensued.

Jacksonville has now hired an office manager and VPPSA continues to provide support and training to both the new hire and existing staff.

- 3) McNeil District Energy - Discussions continue with BED relative to the District Energy Project. VGS has now joined the discussion with the joint owners and negotiations have begun in earnest with tension between the contract term and commitment levels of the joint owners. Discussions have focused on the sharing of risk and associated pricing.
- 4) 5-year shaped purchase - VPPSA staff [primarily Shawn] continues to develop the quantities needed for the next 5-year purchase. The analysis is being reviewed in-house and it is expected that over the next several months staff will be redefining quantities, pricing, structures and beginning the approval discussions with individual members.
- 5) FERC Order 2222 and Advance Notice of Proposed Rulemaking - FERC Order 2222 requiring all ISO's to incorporate distributed generation into the markets continues to receive focus at ISO-NE. It was noted that while potential implementation will be well into the future, the PUC will need to decide if Vermont will participate.

FERC recently issued an Advance Notice of Proposed Rulemaking around transmission policy and they are asking numerous questions about how FERC should change its management of transmission issues to promote faster development of renewable energy. VPPSA staff is preparing responses to the ANOPR at numerous levels (VPPSA, NEPPA, TAPS, APPA).

- 6) Hydro Issues - VPPSA filed comments to the Vermont Agency of natural Resources on revision to Vermont's Water Quality Standards; however, given recent activities on the national level those comments may be mute as Federal changes may take effect reverting back to rules under the Obama administration.

### 16. Board Member Updates None

### 17. Executive Session None

### 18. Other Business None



## APPROVED

Director Elwell motioned to adjourn, seconded by Director Humphrey. The meeting was adjourned at 12:23 p.m.

Respectfully submitted,

*Crystal Currier*

Crystal Currier, Secretary