



Regular Board of Directors Meeting Minutes

June 1, 2022

Board of Directors:

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

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

Alternates present:

Lynn Paradis, Swanton (P)	Abbey Miller, Enosburg (P)

Others present:

Ken Nolan, VPPSA (X)	Crystal Currier, VPPSA (X)	Amy Parah, VPPSA (X)
Grace Sawyer, VPPSA (X)	Shawn Enterline, VPPSA (X)	Heather D'Arcy, VPPSA (P)
Sarah Braese, VPPSA (P)	Julia Leopold, VPPSA (X)	
Amanda Simard VPPSA (P)	Ken St. Amour, VPPSA (P)	Alex Nicholson, VPPSA (P)
James Gibbons, BED (P)	Troy Dolan, Johnson (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. The General Manager requested a brief discussion related to changing the date/time of the July BOD meeting, under other business. No other 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 Fitzhugh made a motion to accept the minutes of the Regular Board of Directors meeting held on May 4, 2022. The motion was seconded by Director Jones. Motion approved.



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5. Director Fitzhugh made a motion to accept the minutes of the Special Board of Directors meeting held on May 18, 2022. The motion was seconded by Director Jones. Motion approved.
6. Director Jones made a motion to approve the Monthly Financial report for the period ending April 30, 2022. The motion was seconded by Director Fitzhugh.

The Controller provided a review of the 2022 operational revenue vs expenses and noted that expenses exceed revenues by approx. \$82K; which is greater than the budgeted expectation of \$51K. Non-member revenues are under-budget by approximately \$101K or 52% which is primarily driven by the loss of revenue within the budgeted standard offer projects. Payroll and overheads are underbudget by 6.1% or approximately \$42K and office supplies and expenses were underbudget by 6% or \$23K.

The motion was approved.

7. The Manager of Information Technology and Security Services and the General Manager provided a brief update on the status of the AMI project. Progress on activities continue to be slow but steady - they include:
 - Aclara has expressed a desire to reopen the discussion on pricing and VPPSA staff has started those efforts to complete the contract negotiations. There was a brief discussion regarding supply chain issues and the Board's desire to lock in the contract to avoid cost increases.
 - Financing continues to work with TD Bank on a financing structure - negotiating the term and fixed interest rate (with a potential swap to ensure the fixed rate). Staff is on schedule to finalize a loan option within the next month.
 - The VPPSA/Member AMI contract, Aclara contract and PUC filing will all come to closure within the next few weeks.
 - The State budget as approved included language that approves \$8 million with up to a 70% reimbursable grant. VPPSA staff is working with the DPS to begin discussing the grant process.
8. Julia Leopold, VPPSA's Director of Public Affairs, provided a brief report on Legislative activities. They include:
 1. Legislative session adjourned on Thursday May 12th.
 2. The Legislature will see significant turnover in the next year so VPPSA will be planning events to reach out to those Legislators in the fall.
 3. FY23 Budget - Includes \$8 million in funding for AMI appropriations with reimbursement of up to 70% of project cost.
 4. H.715-Clean Heat Standard - creates a program similar to Tier 3 for fuel dealers who are currently unregulated by the PUC. Passed the House and Senate but vetoed by the Governor.
 5. S.161- Ryegate - Passed by the House and Senate and sent to the Governor. This version extends the obligation to 2032.
 6. H 518 Municipal Fuel Switching Program -a grant program that helps municipalities convert their buildings to more efficient heating systems that reduce fossil fuels use. This program will be administered by the Building and General Services administration in conjunction with Efficiency Vermont. Passed the House and Senate and sent to the Governor for consideration.
 7. S.269- Energy Savings Account - Passed the House and Senate and sent to the Governor for consideration.

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Sarah Braese, VPPSA's Manager of Government & Member Relations, provided a brief report on Regulatory activities. They include:

- **Case #19-0085 Net Metering Rule** - The PUC issued an order for comments due on May 27th and VPPSA staff provided comments as requested.
 - **Case #20-0203 Low Income Rates** - The PUC has issued an order requesting information as it relates to a state-wide or utility specific low-income rate with responses due May 27th; however, the PUC subsequently extended the deadline to Friday, June 10th. VPPSA staff has been analyzing the data - the result indicates that member have a combine average of 27% of customers at or below the 185% Federal Poverty Level compared to the 24% State-wide average. Based on the feedback at the Special BOD meeting on May 18th, VPPSA staff filed a motion to Amend on Monday, May 24th challenging the Orders presumed and interpreted authority to establish a statewide program. The General Manager provided additional background information on VPPSA's Motion to Amend and the rationale for the filing.
 - **Case # 21-3883 Energy Storage** - Stakeholders await a PUC response to the comments and workshops held in December/January.
 - **Case # 22-0334-INV Net Metering Biennial Update** - VPPSA filed comments on April 25th, recommending modest, "downward adjustments to net-metering compensation" along with pursuing lower-cost alternatives. No additional updates have been filed by the PUC. Director Jones asked what the next steps are related to this case. It was noted that everyone is awaiting comments from the DPS.
9. Julia Leopold, VPPSA's Director of Public Affairs provided an update on RES activities, including the 2021 Tier 3 program efforts, an update on the 2022 program activities and the start of the 2023 Tier 3 program planning.

2021 Program:

- Compliance was filed on March 15, 2022
- The DPS has verified 100% of VPPSA's savings claim.

2022 Program:

- The 2022 obligation is 13,907 MWhe.
- To date, custom and prescriptive programs have led to 1,711 MWhe or 12% of the obligation.

There was a brief discussion related to the 2023 T3 program and planning efforts that will be starting soon.

10. Shawn Enterline, VPPSA's Senior Power Analyst provided an overview of the power supply markets, the primary driving factors related to power costs, and the budget vs actual for each member. There was a discussion regarding forward prices, existing contracts that are expiring and the plan for coverage moving forward.
11. Alex Nicholson, VPPSA's GIS Administrator, provided an update on the GIS project. The task of updating and standardizing the member's data sets has been the primary focus and that effort is now near its final stages. Other efforts include assisting with the IRP reports and the analysis for the low-income docket. There has been no activity related to the CUDs.

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12. The General Manager provided a brief report on operational activities at Project 10. They include:

- Furniture was delivered on May 25th. Dave's office is now furnished and there are five work-stations available.
- The overhaul of unit #2 is near completion and the overhaul of unit #1 is delayed due to the availability of needed parts.

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

- 1) Winter Reliability -VELCO continues to convene the Winter Readiness Task Force and is updating its operating procedures to reflect discussions.
- 2) Cyber Security - The convened the utility group meeting on May 19th and the group shared a broad array of information. They decided to meet quarterly rather than annually.
- 3) WRAP - Reminder to those that want to participate in the VHFA WRAP program to contact either Ken Nolan or Steve Farman. There has been a slight delay in the timeline due to questions raised by the DPS related to various enabling documents.
- 4) Payment Plans - Staff continues to work with two members related to requests to defer payment of their power bills. Staff will keep the Board informed as to how the payments progress.
- 5) The General Manager will be attending the APPA National Conference from June 11th-June 15th.
- 6) A request from Ilseboro Maine has been received related to obtaining a time-of-use wholesale rate for their customers. VPPSA staff is evaluating how they might assist in this request.
- 7) Montpelier Mayor Ann Watson recently spoke with Julia regarding how Montpelier could issue a bond similar to BED's net-zero bond and VPPSA's interest in undertaking this effort including looking at municipalization in Montpelier. This brought up the issue of VPPSA expanding its offerings to work with other municipalities on energy plans beyond those that already have electric departments.
- 8) VPPSA has received recommendations from Momentum Communications related to the survey they conducted of the Directors and Trustees. These recommendations will be discussed at the June Strategic retreat and July board meeting.
- 9) The annual Board retreat will be held at the West Hill House B&B on June 27th.

14. The General Manager updated the Board on the proposed sale of Barton. On May 10th, the Barton Village voters decided not to sell the utility by a 67% to 33% margin. VEC has given notice that they will stop line maintenance and the Barton Village Trustees are seeking a third-party consultant to assist with developing a path forward. In addition, VPPSA received notice of Barton's withdrawal effective April 29th, which means that absent a rescission of that notice Barton will leave VPPSA in April 2024. Input was requested from the Board as to how VPPSA and the VPPSA members can provide service to ensure Barton customers are not left unserved during this transition.

The Board discussed Barton's short and long-term needs related to their electric department and how the VPPSA members could assist in meeting those needs. The General Manager was asked to work with Crystal, and eventually the consultant Barton hires, to identify specific needs Barton may have and to poll VPPSA members regarding capabilities available to meet the specific needs.

15. Board Member Updates:

- Director Jones noted that Morrisville has hired a new General Manager - he will be starting in June.



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16. Executive Session: NONE

17. Other Business

- The General Manager indicated that the next Board meeting is scheduled for July 6th. Given vacation schedules around the July 4th holiday the Board might want to consider moving the meeting to the second week of July. Director Jones made a motion to move the July Board meeting to July 13th. The motion was seconded by Director Fitzhugh. The motion was approved.

The meeting was adjourned at 2:15 p.m.

Respectfully submitted,

Crystal Currier, Secretary