

Minutes:

Stowe Electric Commissioners' Meeting

September 22, 2016 at 7:30 a.m. at Town of Stowe Electric Conference Room

Present:

BOARD MEMBERS: Richard ("Dick") Marron, Chairman; Larry Lackey, Vice-Chairman; Denise Gutstein, Commissioner

STAFF: Ellen Burt, General Manager; Kevin Weishaar, Controller; Matthew Rutherford, Manager of Regulatory Compliance; David Kresock, Director of Operations; Lily Burgess, Clerk of the Board

Dick called the meeting to order at 7:30 a.m.

Approval of the August 25th, 2016 Meeting Minutes

On motion made and seconded, the minutes of August 25, 2016 were approved.

IT Report

The IT Report was part of the Commissioners' Meeting Packet but was not discussed in further detail.

Regulatory Update (incl. Solar Project and VLITE Project)

Moscow Road Project - 500kW: The developers sent out their 45 Day Notice to the statutorily required parties. The developers appeared before the Stowe Planning Commission on Monday evening to present the project to the Commission. The neighbors in the area attended as well, and the general conclusion was that since the town plan is generally in support of well sited solar and the neighbors were generally okay with the solar project as long as their aesthetic concerns were addressed the Planning Commission would not oppose the project. The next step is the presentation by the developers before the Selectboard next Monday. SED is the process of completing the system impact study.

Nebraska Valley Solar Update: As of Thursday, September 15th, Namaste reported that they have full DSL connectivity to the data acquisition system. Namaste needs to perform final configurations and then they will provide SED staff with a walkthrough of the features and capabilities of the system tomorrow. SED also has final hand-off of all of the manuals, the wiring diagrams and so forth scheduled for next Wednesday. SED has one year of Operations & Management coverage.

VLITE Project Update: The DC EV fast-charging station at Alchemist is installed and uploaded in the Plugshare and ChargePoint networks. SED will install signage soon.

PSB Amendment to Net Metering Rule: The Public Service Board received a multitude of comments on the new net metering rule and filed an amendment upon reconsideration on August 29th that contains some clarifications of their reasoning behind the rule as filed in June as well as some subsequent changes.

The new rule eliminates the 4% annual cap on new projects. The Board explained that they were swayed by comments that this restriction would lead to market disruptions and a “rush to the door” by applicants seeking to secure space within the annual quota. They explained that they will keep track of the rate of development of net metering projects and will exercise their authority to open an investigation which may result in a rule change if they feel it is warranted. This will also likely be a point of discussion when the Public Service Board holds their first Biennial Update in 2018.

The Public Service Board also stated explicitly that they designed the rule with the intention of only allowing the development of projects from 150kW up to 500kW on “preferred sites.” The reason they provide is that they find it appropriate to “encourage the development of larger renewable energy systems that are not located in preferred sites through more cost-effective state renewable energy programs...” This should have a chilling effect on the development of larger net metered projects that are not sited in locations that minimize the environmental impact from construction and to site them closer to the loads they serve.

A “preferred site” is a new or existing structure, a parking lot canopy over a paved lot; a tract of land previously developed for use other than siting a renewable plant; brownfield sites; sanitary landfills; disturbed and reclaimed portions of gravel pits or other mineral resources; specific locations designated in a municipal plan; Superfund sites; or on the same parcel as, or directly adjacent to, a customer that has been allocated more than 50 percent of the systems electrical output.

The rule also institutes non-bypassable charges, such as the customer charge, and the Efficiency Vermont charge. They furthermore changed the language to ensure that current net metering systems are grandfathered from paying for those charges until ten years after the date of installation of the net metering system.

Financial Update

The auditors will be in-house September 27th and 28th to perform the June 30th audit. Auditor options were discussed.

SED is closing in on 30 days of having had access to the new accounting system, which is requiring considerable quality control. Kevin has thus not been able to complete the July financial statements. He reported that revenues through July are slightly above budget. He furthermore reported that the two projects in progress (the EV charging stations project and the Nebraska Valley solar project) are both expected to come in under budget.

Operations Report

David elaborated on the great job the line crews did completing the installation of replacement URD primary cable on Bingham Lane. Much of the cable installed in the late 70s is starting to fail. The old transformers and transclosers on Bingham Lane were replaced and a new junction cabinet installed. The new cable is now in conduit (instead of direct burial) and any segment can be easily replaced in the future, if needed.

Work started on the EV fast charger at Alchemist last week. Both conduits for the services have been installed from the pole to the charger location. The concrete charger base has been poured and bollards installed. The transformers for the 480V service have been installed and the line crews will finish pulling in the service wires for installing the unit the week of 9/19.

Oil sampling from all our substation equipment was done and sent out for lab testing to determine the state of the equipment. Results were received and are being evaluated. The flammable gas test for the circuit 2 power transformer at Houston Sub came back high indicating there may be a hot spot within the transformer. The transformer manufacturer and the test lab both recommend a re-test to verify the results as a first step.

Combined Ribbon Cutting / Press EVENT in October

The Event is scheduled for Wednesday, October 5th, starting late morning at the Alchemist. Invited guests will then move to Stowe Kitchen & Bath for a Meet & Greet event with photo and video displays, where beverages and light appetizers will be also be available. Governor Peter Shumlin, Deb Markowitz (Secretary of ANS), as well as the Deputy Commissioner Jon Copans will be present and speaking.

Moscow Mills Property

Anderson Leveille sent a Purchase and Sales Agreement and SED is working out the details and the logistics of that Agreement. SED has contacted Charles Safford, informing him SED sold the Kirchner property, and made an offer on the Moscow Mills property. No long-term borrowing would be needed. Construction would start late 2017 at the earliest, and SED is planning on vacating the garage on Dump Street, freeing the building for use by the LRSWMD.

VELCO Equity Purchase and Capital Bond Issuance (Executive Session)

The Board moved to go into Executive Session at 8:17 a.m. to discuss a potential VELCO Equity Purchase and Capital Bond Issuance and invited Ellen Burt and Kevin Weishaar to stay. The Board made a motion to come out of Executive Session at 8:40 a.m. and the motion carried. No actions or motions resulted from the Executive Session.

Other Business

The Board scheduled the next Commissioners' meeting for Thursday October 20th at 7:30 a.m.

There being no further business, the meeting was adjourned at 8:46 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board