

Minutes:

Stowe Electric Commissioners' Meeting
May 19, 2021 at 8:30 a.m. at Town of Stowe Electric Conference Room

Present:

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

STAFF: Ellen Burt, General Manager; Patricia ("Trish") Waugh, Business Care Manager; Mike Lazorchak, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

GUESTS: David Reinfeld, SED customer
Adam Houghton and Pam Allen, ControlPoint

Dick called the meeting to order at 8:31 a.m.

Re-Appointment of Commissioner by the Selectboard; Appointment of Clerk of the Board

Dick Marron has been re-appointed as Commissioner by the Selectboard. Heidi Scheuermann made a motion to appoint Dick Marron as Chair, Larry Lackey as Vice-Chair and Lily Burgess as the Clerk of the Board, Larry seconded it and the motion was approved.

Approval of the April 21, 2021 Meeting Minutes

On motion made and seconded, the minutes of April 21st were approved.

ControlPoint Presentation:

Distribution System Study & TGFOV at Houston Substation

Ellen asked ControlPoint for this presentation to explain to the Board and Mr. Reinfeld why circuits 5 & 6 are constrained, the expected costs and priorities of necessary capital improvements and system upgrades, plus the expected costs for upgrades to allow additional net-metering systems onto circuits 5 & 6. Pam started the presentation by stating her credentials and a bit of her work background and experience.

The Stowe system has 3 Substations. Wilkins Substation is adjacent to the VELCO substation, and feeds Circuits 1 and 2. The Wilkins Substation supplies critical infrastructure, including Fire, Police, Rescue, the Health Department, the Water Department, the Town Offices, the High School and Emergency Shelter. This substation serves almost 60% of Stowe Electric customers and the majority of the load of Stowe.

Houston Substation feeds Circuits 5 & 6 and serves about 40% of SED's customers. Lodge Substation feeds circuits 7 and 8, and only serves 110 customers, one of which is the Stowe Ski Resort.

The main purposes of the 2020 Distribution Planning Study were: concerns with loading on the Wilkins Substation; Mountain Line outages since Wilkins is the only backup; to assess Distribution Power Quality and Reliability; to review Distribution Asset conditions, and to identify immediate and long-term distribution upgrades that will allow Stowe to continue to supply reliable and quality power through the year 2030.

ControlPoint weighed the benefits to the system performance, operability, future growth, capacity provided versus scaled cost and ultimately identified 45 options. Some of the project options are middle-of-the-road expensive with big impacts, some are smaller projects with small costs plus some multi-million dollar project. These are all mitigation strategies to address issues and violations uncovered during ControlPoint's analysis. The 45 separate options complement each other, or are add-on benefits, but none of them obviates the others, or makes the other unnecessary.

Mr. Reinfeld asked if there was a separate list for the "Distribution Upgrades - 2020 Planning Study" slide with budgetary amounts as well as ranked priorities. Dick Marron stated he would like a list summarizing the 45 separated options with costs. Heidi would like to receive an updated Capital Plan. All 45 separate options would add to more than \$10 million.

The 2020 Distribution System Planning Study identified Wilkins Substation as the priority upgrade, before any upgrades can be completed to the Houston Substation. Pam discussed the various options and solutions to deal with these various vulnerabilities, including a load transfer, increasing the size of the stepdown transformer, installation/upgrade of reclosers, line fuse coordination, and adding a 3rd circuit. She elaborated on some "smaller" cost upgrades that still would have a big impact. While the fuse coordination is only \$800 per fuse, the Stowe system has well over 100 fuses that would need to be changed out. Adding a new Circuit 3 is estimated to cost about \$3.3M.

The issue with Circuit 5 and 6 out of the Houston Substation is that it is constrained and can not accommodate any additional generation at this time. This is not a traditional concern since the system was originally not built with bi-directional power flow in mind. Stowe is not alone in having to defer connection of Distributed Energy Resource (DER) projects. Transmission Ground-Fault Overvoltage Protection (TGFOV) and other concerns can cause the need for project delays for years at utilities across the U.S. Utilities have an "obligation to serve" and maintain good power quality, cost effective and safe systems for the benefit of ratepayers. TGFOV Protection would require an engineering study to evaluate the best solutions for communications, insulation, high side Potential Transformers (PT) for measuring neutral voltage drift, plus controls and cabling. TGFOV Protection would also require various Substation upgrades, including a PT solution for both Circuits 5 and 6 at an estimated cost of \$370,500. Battery solutions and software were discussed in detail. At this time, there is no battery software that is quick enough to react to overvoltage, which could cause a lengthy outage and would be expensive to fix.

Funding sources for various upgrades were discussed. Heidi stated it is still too early to determine if there are State Funds available from the American Rescue Plan Act.

Items not captured in the study were Supervisory Control & Data Acquisition (SCADA), the Mountain Line 34.5kV Maintenance, Substation Maintenance/Upgrades for non-distribution issues and Pole replacements, which all need to be incorporated into the Capital Planning.

David Reinfeld, Adam Houghton and Pam Allen exited the meeting at 9:38 a.m.

Financial Report

Overall SED budgeted a net income of \$217,324 and the net profit as of February 28, 2021 was \$192,405. The Budget is based on a straight-line 12-month period. Operating revenue in all classes had an overall increase of 1%. That being said, residential revenue was up \$57,062 while commercial revenue was down \$46,617. Sales are pretty much at a breakeven point for the first two months of 2021. The associated Purchase Power costs are also down slightly by \$37,853.

SED received the 2020 final and bound audit report on May 18th, to distribute to the Commissioners and forward to the Selectboard.

Operations Report

There was no Operations Report this month.

Regulatory Report

May 2021 had activity at the PUC and DPS on the energy savings account pilot program, SHEI constraint mitigation investigation, Energy Efficiency charge and Energy Efficiency Utility, and the Petition of GMP to modify their service territory to accommodate Global Foundries becoming a self-managed utility. SED staff continues to monitor these dockets for their impact on Stowe Electric and its customers.

Staff continues to work on net-metering changes and program administration. This includes preparing SED customers for changes in July 2021, working with ControlPoint Technologies on managing and integrating distributed generation technology as well as inverter technology with SED's distribution system, and following Rule 5.100, 5.400, and 5.500 revisions and how changes can improve net-metering administration.

Moscow Mill Project: SED staff submitted an application to Northern Borders Regional Commission and will apply for a line-item earmark with Senator Leahy's Office in June 2021.

Expected Executive Summary (Legal Matters)

The Board moved to go into Executive Session at 9:40 a.m. to discuss a legal matter and invited Ellen Burt and Trish Waugh to stay. Ellen and Trish exited the Executive Session at 10:07 a.m.

The Board made a motion to come out of Executive Session at 10:38 a.m. and the motion carried.

No action was taken or motion made.

Other Business

Union Contract: The three-year Union Contract has been signed by the Union and is ready for the Board of Commissioners' signature.

Larry Lackey made a motion to enter into the agreement between the Town of Stowe Electric Department and the IBEW Local Union 300 that covers a period April 1, 2021 through March 31, 2024, Heidi seconded the motion and the motion was approved.

The Commissioners signed the Union Contract.

The Board scheduled the next Commissioners' meeting for June 30th at 8:30 a.m.

There being no further business, the meeting was adjourned at 11:29 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board