

Minutes:

Stowe Electric Commissioners' Meeting
June 22, 2022 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; Brent Lilley, Director of Operations; Sarah Juzek, Controller; Michael Lazorchak, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

GUEST: Beth Gilpin, Beth Gilpin Consulting, LLC

Dick called the meeting to order at 8:29 a.m.

Approval of the May 26, 2022 Meeting Minutes

On motion made by Larry Lackey and seconded by Heidi Scheuermann, the minutes of May 26th were approved.

Approval of the June 2, 2022 Special Meeting Minutes

On motion made by Larry Lackey and seconded by Heidi Scheuermann, the minutes of June 2nd were approved.

Financial Report

April 2022 Financial Results: Sarah reported that SED ended April with a \$731,802 loss, which is \$399,982 more than the 2022 budgeted loss of \$331,820 year to date. The 2022 budget is spread seasonally. The overall Operating Revenue was \$304K favorable to the budget. Electric Sales were \$267K above the budget, with Residential Sales being \$74K up from the budget and combined Commercial Sales being \$185K favorable to the budget.

Contract Work Fees were \$37K favorable to the budget. The overall Operating Expense was \$705K unfavorable to the budget. Purchased Power costs were \$612K over the budget due to the increase in electric sales, RES Compliance and the overall cost of electricity and transmission. Other Operating Expenses were \$93K over the budget, mainly caused by the increase in materials, fuel, credit card fees and travel.

SED purchased RECs for \$250K for Tier I. Additional RECs were purchased due to lower prices on the market, and these extra RECs will be carried forward.

Bond Financing: Staff is working on the 248(j) filing with the PUC for approval on the Wilkins Substation Upgrade. The funds will be available to SED by mid-August.

Forecast Update: ENE provided an updated forecast for Purchase Power costs. The projected overall costs of \$10.2M from last month has lowered to \$9.9M. The previous forecast had SED's portion of the Ryegate contract for November & December on the open market instead, however, VEPPI has now extended its contract with Ryegate until November 2024, which is favorable to SED.

July's forecast now shows a net loss of \$800K. This is due to the timing of RECs sold, however, this will be recovered in September.

The Year-End Forecast now shows SED ending the fiscal year with a total net loss of \$300K; this includes the 13.0% rate increase starting on August 1st and also is due to the Ryegate contract being extended until November 2024.

Operations Report

Brent reported that for this month's safety training, operations employees completed the flagger training refresher course. SED received a total of 63 new service orders in May and energized 39 brand new services. Along with other projects, SED linecrew replaced the scoreboard structure at the Stowe High School, installed primary underground at the Villas and was working on Weeks Hill converting the voltage from 2.4kV to 7.2kV. SED initiated 44 work orders and crews completed 25 work orders during the month of May. Two new CPGs were issued for Net-Metering, but no new systems were energized. SED received 86 dig safes during the month of May. So far, SED received 209 dig safe requests compared to 226 requests last year.

Regulatory Report

Michael stated that the previous month, the distribution utilities, the Public Utility Commission (PUC) and Department of Public Service (DPS) completed several workshops on the net-metering rule and biennial updates, the Federal spending package, the Transportation Bill, and the Community Renewable Energy Program. The PUC is still working on the Petition of GMP to modify their service territory to accommodate Global Foundries. VEIC held the second meeting for the Tier III Technical Assistance Group. Staff continue to respond to informational requests from the PUC on net-metering rulemaking, biennial net-metering reporting, and the low-income rate. Mike continues to support the Stowe Energy Committee.

The 2023 Program rebate program has slowed down as compared to 2022.

Investigations are ongoing to establish reduced rates for low-income residential ratepayers. The PUC approved the Moscow Dam stabilization plan and requested regular updates from SED. The DPS filed a determination supporting SED's bond request.

Executive Session (Personnel Matter)

The Board moved to go into Executive Session at 9:00 a.m. to discuss a personnel matter and invited Beth Gilpin to stay.

The Board made a motion to come out of Executive Session at 10:40 a.m. and the motion carried.

No action was taken or motion made.

Other Business

Press Release: The Press Release regarding the rate increase was prepared by the General Manager and SED staff, reviewed and approved by the Commissioners before submitting it to the Stowe Reporter. A condensed version will also be included as a customer notice with all utility bills in July.

Continuing Expansion of Stowe Electric Distribution System: Ellen reported that as of the end of the year 2021, SED received a total of 160 service applications. As of June 20th of this year, SED has already received 85 brand new service applications, and Ellen is expecting the new service applications by the end of this year to be well over 200. By this time last year, SED had only received 36 new service applications. This is just an estimation, but Ellen does believe the community will continue to grow at a fast pace this year. SED's engineers have forecasted for growth and SED has the capacity to serve the additional load. The upgrade of the Wilkins Substation will be the next step in ensuring continued capacity for this load growth.

The Board scheduled the next Commissioners' meeting for Thursday, July 21st at 8:30 a.m., which was later rescheduled for Wednesday, July 20th at 3:00 p.m.

There being no further business, the meeting was adjourned at 10:45 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board