

Minutes:

Stowe Electric Commissioners' Meeting

October 29, 2019 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

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

STAFF: Ellen Burt, General Manager; David Kresock, Director of Operations; Robert Vogel, Controller; Matt Rutherford, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

Larry called the meeting to order at 8:05 a.m.

Approval of the September 19th, 2019 Meeting Minutes

On motion made and seconded, the minutes of September 19, 2019 were approved.

Regulatory Update

Investigation of Net-Metering Program: As mentioned previously, the PUC opened an investigation into Vermont's net-metering program to evaluate its effectiveness and balance. The replies to the information request are now due on November 1st. With the help of Energy New England (ENE) and SED's in-house billing staff, Matt put together a reply detailing what the power supply costs and benefits are, as well as the cost to administer the program. SED's comments are not yet finalized, but below are some of the highlights discovered:

Roughly 2.6% of SED customers currently participate in the net-metering program in some way, with a total of 92 systems that are interconnected. A few customers have applied for a Certificate of Public Good (CPG), but have not concluded the process yet or submitted a Service Connection to SED. Based upon recent years, SED can expect to see 12 - 13 new net-metering systems per year, with a total capacity of roughly 287kW. The more traditional, residential new net-metering systems account for a total of about 81kW of that capacity (with an average size of 7.5kW per NM system). These are usually installed behind the customer's consumption meter (also referred to as Behind-The-Meter or BTM). The remaining 205kW is made up of large, commercial systems that are directly interconnected (DI) with SED's distribution system.

Under the current net-metering rates, each kW of new BTM capacity results in an annual cost shift of \$91.33. Each kW of new DI capacity results in a cost shift of \$121. On balance, the costs and benefits result in a cost shift for each assumed new annual 287kW block of about \$32,000, which will need to be borne by the other ratepayers, or an annual revenue deficiency of 0.25%. This rate is lower than typical for Vermont as most Distribution Utilities (DUs) have seen a larger proliferation of net-metering in their territories.

SED's administrative burden, preparing net-metering bills and monitoring these accounts and the net-metering credit balances for future use, amounts to about \$14,000 annually. In comparison, the largest VT utility has 4 full-time employees in charge of the net-metering program, plus additional staff just working on billing for the group net-metering customers. Heidi asked that SED recalculate this annual increase in net-metering customers with a capacity of 287kW, with its inherent cost-shift, quantifying the cost per ratepayer, and with a long-term view.

Operations Report

SED now has three new underground conductors at Shaw Hill. The final outage took place on October 24th during the early morning hours, and crew finished reconfiguring the new risers and now have all four conductors in their final place. The work on the transmission line going up the Mountain is completed. The new metering transformers have been installed on the Mountain line above Lodge Substation. Crews found cracked bushings on two of the old units last year, and ordered the replacements, which had a lengthy manufacturing and delivery time of 6-8 months. It seems that one unit was actually hit by lighting.

The downtown work is slowing down, as line crews are wrapping up what work they can before the cold weather sets in. They have completed most of the aerial work: new poles, new aerial three phase conductors, new transformers, etc. on Park Street and are removing the conductors and hardware heading towards Main Street that will no longer be needed. This section over to School Street is now ready for when they pull in the new underground primary conductors in the spring. The new bank and church switches have arrived, three months earlier than anticipated. They will be installed in spring.

The 5-Year Capital Plan, as approved by the Commissioners in November 2018, was discussed. Some distribution projects had to be deferred until 2020, since SED had much work in the community this year. The 2020 projects will subsequently move to 2021. David gave a quick update on the status of the Distribution System Study.

The purchase of a new bucket truck was also part of the approved capital plan. This purchase was originally planned for 2021, however, with the continuous and expensive issues with the 2011 bucket truck, it has now become clear that for safety reasons, SED needs to purchase a new bucket truck as soon as possible. The delivery time is about 9 months, once ordered.

Dick Marron made a motion to transfer the amount of \$256,000 into a restricted account for the purchase of a bucket truck in 2020, Heidi Scheuermann seconded the motion, and the motion was approved.

SED has not had to use its Line of Credit in the past year. It is expiring at the end of this month, and needs to be renewed.

Dick Marron made a motion to Allonge the current Line of Credit with Union Bank, Heidi Scheuermann seconded the motion, and the motion was approved.

Personnel Matter (Executive Session)

The Board moved to go into Executive Session at 8:42 a.m. to discuss a personnel matter. The Board made a motion to come out of Executive Session at 8:53 a.m. and the motion carried.

No action was taken or motion made.

Other Business

Heidi mentioned the upcoming Connectivity Forum scheduled for November 18th, organized by the Public Service Department. This informational forum will discuss cell phone coverage, and broadband fiber internet in Vermont. SED, Stowe Cable, Stowe Access, Consolidated Communications, EC Fiber, AT&T, T-Mobil, the Vermont Planning Commission have already committed to attending.

The Board scheduled the next Commissioners' meeting for Wednesday, November 20th at 8:00 a.m.

There being no further business, the meeting was adjourned at 8:55 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board