

DRAFT Minutes: Stowe Electric Board of Commissioners' Meeting

February 25, 2025, at 8:30 am at Town of Stowe Electric Department Conference Room with remote participation available via Zoom.

Present:

BOARD MEMBERS: Larry Lackey, Chair; Sarah Teachout, Vice Chair; and Mark Gilkey, Commissioner

STAFF: Jackie Pratt, General Manager, Brent Lilley, Director of Operations; Michael Lazorchak, Manager of Regulatory Compliance; Caroline Klosowski, Business and Communications Manager; Erika Mayo, Accountant & Benefits Administrator; and Amber Ives, Clerk of the Board (via Zoom)

GUESTS via Zoom: Zoe Eckert, Sustainable Energy Program & Policy Senior Manager at Massachusetts Municipal Wholesale Electric Company (MMWEC); and Mayhew Seavey, Principal Engineer at PLM, Inc.

Call to Order: L. Lackey called the meeting to order at 8:39 am.

Agenda Approval:

L. Lackey proposed modifying the warned agenda to move the 'Strategic Plan Revision Discussion' to the General Manager Highlights portion of the warned agenda, thereby bumping the 'Virtual Peaker Presentation & Time of Use Tariff Approval' to Item 3, and the 'Review & Discussion of the Employee Handbook' to Item 4. The motion was seconded by M. Gilkey and all were in favor.

Approval of January 28, 2025, Meeting Minutes:

On a motion made by S. Teachout and seconded by M. Gilkey, the minutes of January 28th were approved.

Virtual Peaker Presentation & Time of Use Tariff Approval:

J. Pratt noted that both Z. Eckert with MMWEC and M. Seavey with PLM would be presenting information on Virtual Peaker and Time of Use (TOU) Rates respectively and that these two programs paired together are going to help Stowe Electric Department (SED) meet the requirements of the Vermont Public Utility Commission(PUC) to implement an electric rate for electric vehicles (EVs) and electric vehicle supply

equipment (EVSE). J. Pratt informed the Board of Commissioners that SED staff determined that the PUC mandate (Section 33(b) of Act 55 as enacted by the Vermont General Assembly (2021)) provided an opportunity to revisit SED's TOU rate through a cost-of-service study conducted by PLM to develop a TOU rate based on current and projected power supply costs. J. Pratt noted that SED would then partner with MMWEC's Connected Homes Program in order to implement a demand-side management program through Virtual Peaker. J. Pratt informed the Board of Commissioners that by implementing new TOU rates along with enrollment in Virtual Peaker, it would allow SED to satisfy the requirements of Section 33(b) of Act 55 and leverage other enrolled devices to curtail peak system demand to benefit all utility customers.

Z. Eckert provided an overview of the Connected Homes program and explained that the program will control Wi-Fi enabled devices that are enrolled in the program by sending a signal to those devices during energy peaks that will curtail usage and allow the utility and the customer to reduce electric load during peak events/time periods on the Vermont Electric Power Company (VELCO) and Independent System Operator-New England (ISO-NE) transmission network.

Z. Eckert explained that MMWEC utilizes multiple data points, such as, forecast models, temperature, humidity, wind speed, historical peak data, radiance, ISO-NE loads, etc., to identify expected peaks, as well as forecast unexpected peaks to help the utility shed demand-side load. Z. Eckert informed the Board of Commissioners that devices enrolled in the Connected Homes program will earn an incentive for allowing MMWEC to turn down the energy usage of that device during forecasted transmission/capacity peaks.

Z. Eckert clarified how a reduction in energy use would function for several types of devices during a peak event:

A. Batteries: Would be pre-charged leading up to the event and then would be utilized to distribute energy to the home during the event.

B. EV & EVSE: The charge would be set at 0 during the event, but a minimum percentage threshold of 20% would be enacted to ensure that there is always at least a 20% charge left in the vehicle in case of an emergency situation in which the vehicle has to be utilized.

C. Hot water heaters, Mini-split controllers & Wi-Fi thermostats: Depending on the Season, pre-cooling, or pre-heating (within three degrees of the device's pre-set temperature) would take place prior to the event in order to get the home to a comfortable temperature during the peak event.

Z. Eckert, The Board of Commissioners and staff also discussed brands that currently are not eligible for enrollment in Connected Homes, the ability of MMWEC and Virtual Peaker to work together in order to lobby manufacturers who may not currently have an

Application Programming Interface (API) to develop an API and integrate with Virtual Peaker, potential rebates/incentives that could be offered to SED customers for the purchase of compatible devices for enrollment in Connected Homes, the marketing and outreach that SED will perform alongside the launch of the Connected Homes program, the cost of the program, and the anticipated Return on Investment (ROI).

M. Seavey presented the parameters for the Time-of-Use Rate design and explained how the allocation of expenses for each rate class, seasonal rate periods, and transmission and capacity expenses were analyzed in order to develop SED's new TOU rate.

SED staff explained that the proposed TOU rates will simplify the existing residential TOU rate, add a new small commercial TOU rate, and that both rates will provide Winter, Summer, and shoulder season on-peak and off-peak rates. In addition, SED staff reiterated that the proposed TOU rate was designed to incentivize customers to change their energy-use behavior in order to offer SED the potential to reduce power supply costs for both the utility and its customers.

L. Lackey offered to entertain a motion to move that The Board of Commissioners authorize the General Manager to enter into a contract with MMWEC for the Connected Homes initiative. The motion was moved by S. Teachout and seconded by M. Gilkey. All were in favor.

L. Lackey offered to entertain a motion for the Board of Commissioners to authorize Stowe Electric staff to file four items that would be effective June 1, 2025: 1. A revised residential time-of-use rate, 2. A new small commercial time-of-use rate, 3. A new demand commercial time-of-use rate, and 4. An Electric Vehicle tariff that would require the customer to participate in a time-of-use rate and enroll in the Virtual Peaker program. The motion was moved by S. Teachout and seconded by M. Gilkey. All were in favor.

10:18 am: Z. Eckert left the meeting.

10:20 am: M. Seavey left the meeting.

10:20 am: E. Mayo joins the meeting.

Stowe Electric Employee Handbook:

The Board of Commissioners and staff discussed the draft versions of the employee handbook for both Union and Non-Union employees.

J. Pratt noted that the employee handbook(s) documented existing policies and benefits and that the only two changes were:

- A. Expansion and clarification of the Wellness Reimbursement benefit.
- B. Clarification and documentation of the EV charging benefit available to employees.

L. Lackey noted the difference between the rate at which Paid Time Off (PTO) is accrued between hourly employees and salaried employees and requested that this policy be discussed in the future.

The Board of Commissioners and staff discussed clarifying who on SED staff has the authority to speak on behalf of the Organization, as well as modifying the handbook to include more staff in the purchase of SED-branded clothing at the discretion of the General Manager. Town Charter states that all SED employees must adhere to the Town of Stowe's ethics policy, however as the Town of Stowe is currently working to revise its Ethics and Fraud Policy to align with the new State of Vermont Municipal Code of Ethics law, the Board of Commissioners and SED staff discussed SED employees following the State's Municipal Code of Ethics until a new policy is adopted by the Stowe Selectboard.

Effective March 1, 2025, S. Teachout moved to adopt the Union and Non-Union employee handbooks as presented with the three modifications that were discussed: temporary adoption of Vermont's Code of Ethics until a new Ethics and Fraud policy is adopted by the Town of Stowe; clarifying who on SED staff has the ability to communicate on SED's behalf ; and including a clothing allowance for all employees at the discretion of the General Manager. M. Gilkey seconded the motion, and all were in favor.

Strategic Plan Revisions:

SED staff and the Board of Commissioners discussed:

- A. That the revised Strategic Plan now specifically linked to the 2022 Vermont Comprehensive Energy plan.
- B. Desire for further modifications to some of the language, goals and tactics as presented in the revised Strategic Plan.
- C. The overall purpose of the Strategic Plan to provide direction to SED staff for future projects, provide a framework for employee reviews, and ensure that the organization is making decisions that align with the Strategic Plan.
- D. That the Strategic Plan would be a living document that would be revisited annually to ensure that the plan is continuing to evolve and represent the overall objectives of the utility.

M. Gilkey moved to adopt the revised Strategic Plan with the revisions that were discussed at today's meeting. S. Teachout seconded the motion; all were in favor and the revised Strategic Plan was adopted.

11:00 am: E. Mayo left the meeting.

General Manager Highlights:

J. Pratt discussed legislative updates, Stowe Electric's upcoming "Capital for a Day" visit, and the VELCO Equity bond vote taking place on March 4, 2025.

There being no further business, S. Teachout moved to adjourn the meeting at 11:14 am.

Respectfully Submitted,

Amber Ives

Clerk of the Board