

Minutes:

Stowe Electric Commissioners' Meeting

July 25, 2019 at 8:00 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; Robert Vogel, Controller; Matthew Rutherford, Manager of Regulatory Compliance; Patricia Waugh, Interim Clerk of the Board

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

Approval of the June 18th, 2019 Meeting Minutes

On motion made and seconded, the minutes of June 18th, 2019 were approved.

Approval of the June 25th, 2019 Special Meeting Minutes

On motion made and seconded, the minutes of June 25th, 2019 were approved.

Financial Report: 1st Quarter 2019 Financials

While reviewing the budget model that was presented in October 2018, Rob discovered errors in some of the formulas used in the creation of the model. Additionally, Rob stated that the expected final Lamoille County Project arbitrage dividend for Q1 2019 was not included in the 2019 budget. The original Q1 2019 budget showed a net loss of \$192,489, however Q1 2019 ended with an actual gain of \$685,041. The other two big drivers for the variance were the increase in revenues due to significant new construction in Stowe as well as the very cold winter which resulted in a good ski season. A third driver was an overall decrease in power costs. Ellen elaborated on the details of the Lamoille County Project case before FERC and the settlement that was ultimately reached with VELCO in 2009. SED expects an overall increase in revenue for 2019, as again there are a lot of new service applications. Heidi inquired about the pass-through surcharges that SED collects on behalf of Efficiency Vermont. SED forwards the amounts collected in their entirety on a monthly basis to Efficiency Vermont. These amounts collected and paid to Efficiency Vermont are audited on a regular basis. SED's rebates and Efficiency Vermont's incentive for the cold climate heat pump (ccHP) program were discussed, as well as the already pre-bated LED lightbulbs available in Vermont.

Regulatory Update

Net-Metering Installations: As mentioned in Dave's Operations Report, SED received a significant number of new net-metering (NM) applications and CPGs in June. The context behind this is that on July 1st the statewide rate for NM generation was to drop by \$0.01, or 1/3 of the total value applied to every kWh that a NM system generates. In total, SED has seen 18 new NM service applications for 2019, 13 of which were received between June 1st and July 1st. Also taking effect on July 1st, the Public Utility Commission (PUC) implemented an in-state generation application fee of \$100 for projects of 50kW or less, rooftop projects, and hydroelectric NM projects. All other projects would be subject to a fee of \$5 per kW. Considering the cost of those projects, the fees are very reasonable.

PUC Investigation - All Fuels Efficiency Program: The PUC has opened an investigation into an all-fuels energy efficiency program. This emerged from Act 62, the same act that encouraged VLITE to invest some of its resources into home weatherization. These programs might include efficiency, conservation and other related programs for all the different categories of fuels. It will also explore the expansion of efficiency programs and services, including storage, demand response, reducing fossil fuel use through electrification, and the use of renewable fuels like biofuels. No workshops have been scheduled yet.

PUC Investigation - Potential Fees Associated with EV Charging: The PUC has announced a new investigation into potential fees for electric vehicle (EV) charging and concluded that at least a transportation infrastructure charge should be levied on EV drivers. The report would furthermore address whether VT Distribution Utilities (DU) should also collect "a per-kWh transportation efficiency fee". The design of EV-specific charging tariffs would be for DUs with more than 17,000 customers. Another issue addressed in the report will be the cost of EV charging and whether there is an inherent cost to other ratepayers as well. The first workshop is scheduled for August 22nd. The intent of the proposed fees would be to capture additional money for the transportation fund, however, conversely in the Comprehensive Energy Plan, the Governor set a goal of 50,000 electric vehicles by 2025.

Heidi elaborated on an EV program proposal in Israel, where EV drivers would stop at a gas station and exchange their battery for a fully charged battery, instead of having to wait for their battery to charge. Matt stated that Tesla was considering a similar service specifically for their customers. However, Tesla abandoned the idea when they realized that with the current design and current size of these batteries, it would be more of a mechanic's pit stop than simply pulling the battery out.

Larry inquired about the current status of the incentives issued by SED and Efficiency Vermont for EVs and heat pumps. Matt said that SED is continuing to receive incentive rebate forms. Matt will be meeting with Tommy Gardner from the Stowe Reporter this week as Efficiency Vermont and SED have prepared a joint press release about the rebate program that will hopefully will be published in the paper next week.

Operations Report

Although the Operations Report was part of the Commissioners' Meeting Packet it was not discussed in full detail since David was not present at the meeting. However, those present did briefly discuss the continuing negotiations with Consolidated Communications (Fairpoint) to allow SED to purchase all poles in its service territory for a reasonable price to clean up the many old and unused double poles in town. Larry stated and Heidi confirmed that the "one-touch make ready" rule in the new Pole Attachment Rules allows electric utilities to complete necessary jobs that are not completed within a certain time period on behalf of Consolidated and then bill back Consolidated Communications. Ellen added that SED can only work on telephone poles, but not broadband cable poles.

Other Business

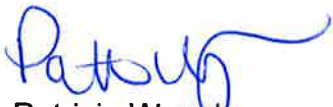
Heidi asked how the Village Undergrounding project is progressing. Ellen responded that the project is going well, and communication with the Town is working well. Work on the downtown underground project has picked back up after the holiday. SED personnel have been assisting Percy's night crews having to hold poles with SED digger trucks on several nights while Percy's was digging the trenches near them and SED linemen have been conducting conduit inspections at night as well. These new conduits, new services and lamp posts were discussed in detail.

Heidi asked about the storm event in October 2017 that ultimately cost SED almost \$500,000. She commented that it was very impressive that SED was able to recover all but \$10,000 from FEMA and from the State. Ellen stated that she was very proud of SED staff during and after the storm.

The Board scheduled the next Commissioners' meeting for Friday, August 23rd at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:10 a.m.

Respectfully Submitted,



Patricia Waugh
Interim Clerk of the Board