

Minutes:

Stowe Electric Commissioners' Meeting

January 23, 2019 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

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

STAFF: Ellen Burt, General Manager; Denise Sullivan, Controller; Matthew Rutherford, Manager of Regulatory Compliance; David Kresock, Director of Operations; Lily Burgess, Clerk of the Board

Larry called the meeting to order at 8:03 a.m.

Approval of the December 12th, 2018 Meeting Minutes

On motion made and seconded, the minutes of December 12, 2018 were approved.

Approval of the December 19th, 2018 Special Meeting Minutes

On motion made and seconded, the minutes of December 19, 2018 were approved.

Financial Update: Revenue Report and Cash Outlook as of November 2018

Ellen elaborated on the planned capital projects 2019-2023 and their associated expected costs as approved by the Commissioners at the December 19th meeting. During the December 12th meeting, it was discussed that even though the capital projects are budgeted to total an amount of \$5.5 million, thanks to the funds from the Highgate Transmission Asset Sale, SED is fully funded to pay the 2018 and 2019 capital project costs of \$1.7 million. Since SED already spent significant legal dollars and staff time to prepare the board orders, SED will file for regulatory approval this year and will be ready to ask for voter approval at Town Meeting Day in March of 2020. The Commissioners agreed to postpone for one year incurring debt in the form of general obligations bonds to fund completion of the Capital Plan approved on November 14th, 2018.

SED currently has \$1.6 million set aside in a restricted account, designated for capital projects. Year over Year revenues were positively impacted by the rate increase with effective date August 15th, 2018, showing an overall increase of 2.1%. The primary increase driver is residential revenues, whereas snowmaking revenues are down (due to the fact that there is little need for snowmaking with all the early and abundant snowfall).

Regulatory Update

Stowe's 2019 Tier 3 Plan: The Tier 3 incentives page is up on SED's website at www.StoweElectric.com/energy-programs/rebate-programs with interesting background information and links about the available technology. Matt has been in contact with a few customers and one installer about the cHP incentive. Electric Vehicles incentives are available for new and used vehicles, but not for leased vehicles.

Change to Energy Efficiency Charge: The PUC recently filed to amend the rule that stipulates the way the Energy Efficiency Charge (EEC) is calculated. This is the first change since 2006 and will primarily affect customers that have net-metering systems.

Previously, the EEC for net-metering customers was calculated based upon their Net Usage (which during the high generation summer months might be zero). With the change to the PUC rule, net-metering customers would now be charged the EEC based on the Gross Usage from the grid, since the gross usage equals the stress a customer puts on the grid, regardless how much energy is put back onto the grid at other times. The PUC supported this change to make the application of the EEC more equitable among all customers, especially since net-metering customers are able to benefit from Efficiency Vermont offerings, incentives and benefits. The proposed rule change has been submitted to the VT Legislative Committee of Administrative Rulemaking for their review and approval.

SED has already contacted its billing program vendor, SEDC, to inform them of the upcoming bill format and EEC calculations changes.

Docket 8316 - AMI and Billing Data Transfer: GMP, VEIC, WEC, and SED all filed for an extension to submit their plans to establish a transfer protocol by January 25th, which was granted by the PUC. Denise S. and Matt learned while talking with VEIC that the tool originally proposed would not serve the intended purpose, and the alternative proposal would be cheaper than originally thought. When speaking with SED's billing program vendor SEDC at the end of December, Denise S. and Matt learned that the solution they had previously proposed would not be able to provide an automated reporting feature, meaning that SED staff would have to run a manual report on a daily basis. SEDC proposed generating a new tool specifically for this task. VEIC was made aware of the new development. SED is actively communicating with both SEDC and VEIC to meet the new deadline.

Operations Report

SED and VELCO both finished the installation of the conduits at Wilkins Substation for the 3V0 protection deployment. VELCO also installed the fiber from their hut to the location of the 3V0 protection cabinet. SED anticipates delivery of the cabinet mid-to-late February.

Work installing the new voltage regulators on Circuit 6 at Houston Substation has been completed, and this project can now be closed out. Outage situations on the different circuits and during different seasons, as well as potentially moving loads around during outages was discussed in detail. The system study planned for 2019 will provide additional information on options for moving loads around to create additional reliability.

Legal Matter (Executive Session)

The Board moved to go into Executive Session at 8:58 a.m. to discuss a legal matter and invited Ellen Burt to stay. The Board made a motion to come out of Executive Session at 9:10 a.m. and the motion carried.

Dick moved that the Electric Commissioners rescind their December 19, 2018 approval to incur debt in the form of general obligation bonds issued through the Vermont Municipal Bond Bank in an amount not to exceed Four Million Dollars (\$4,000,000) for the purpose of making specific capital improvements, subject to the approval of the legal voters of the Town at the annual meeting thereof on Tuesday, March 5th, 2019. Denise G. seconded the motion and the motion carried.

Dick moved that the Town of Stowe Electric Department shall undertake to make certain improvements to the municipal electric distribution system, including electrical substation upgrades, at an estimated aggregate cost of Four Million Dollars (\$4,000,000), and incur debt in the form of general obligation bonds issued through the Vermont Municipal Bond Bank in an amount not to exceed Four Million Dollars (\$4,000,000) for the purpose of making such improvements, subject to the approval of the legal voters of the Town at the annual meeting thereof on Tuesday, March 3rd, 2020. Denise G. seconded the motion and the motion carried.

Other Business

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

There being no further business, the meeting was adjourned at 9:15 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board