MINUTES OF REGULAR MEETING
BURLINGTON ELECTRIC COMMISSION

Wednesday, September 9, 2026

The regular meeting of the Burlington Electric Commission was convened at 5:03 p.m. on Wednesday, September 9, 2026, at Burlington Electric Department, 585 Pine Street, Burlington, Vermont, and on Microsoft Teams.

Attendance

- Channel 17 was present to record this meeting.
- Commissioners Lara Bonn, Paul Dawson, Ali Kenney, and Andy Vota were present at 585 Pine Street.
- Commissioner Brian Williams was present via Microsoft Teams.
- Staff members Paul Alexander, Dan Edson, Mike Kanarick, Munir Kasti, Katie Morris, Darren Springer, and Emily Stebbins-Wheelock were present at 585 Pine Street.
- Staff members Seth Clifford and James Gibbons was present via Microsoft Teams.
- Public members Leendert Huisman and Peter Macausland were present at 585 Pine Street.
- Public member Pike Porter was present via Microsoft Teams.

1. Agenda

There were no changes to the agenda.

2. Meeting Minutes

Commissioner Dawson moved to accept the July 8, 2026 minutes as presented; Commissioner Vota seconded the motion. Vote: 5 ayes 0 nays.

3. Public Forum

Leendert Huisman addressed the commission regarding the Velerity report. Mr. Huisman welcomed what he characterized as BED's acknowledgment that McNeil emits significant greenhouse gases, and expressed hope that BED no longer treats wood-burning emissions as climate-neutral on the theory that they are offset by forest regrowth. Mr. Huisman asked whether carbon capture remains under consideration as an action item from the Velerity Report, alongside pyrolysis.

General Manager Darren Springer clarified he did not agree with Huisman's characterization of BED's position. Following the Velerity Report, BED issued a Request for Information (RFI) in December 2025 covering three technologies highlighted in the report: organic Rankine cycle turbines, carbon capture, and wood pyrolysis.
One proposal was received for organic Rankine cycle technology, but it did not benefit BED at its

operating scale. One proposal was received for wood pyrolysis; BED has since issued an RFP for a demonstration unit (up to 2.2 MW) at the facility. No proposals were received for carbon capture, and BED is not currently pursuing work in that area.

Mr. Huisman noted he has not yet studied pyrolysis in depth but hopes to comment on it next month. The core objection to carbon capture is that it converts gaseous CO2 to liquid form but does not reduce the total amount of CO2 produced. Liquid CO2 has commercial but eventually evaporates back into the atmosphere. From a global perspective Mr. Huisman believes this results in no net change. The CO2 from burning wood is still ultimately vented; it only shifts accounting responsibility from BED's books to another party's. Mr. Huisman raised the question of whether this outcome aligns with the intent of the Burlington City Council's request for greenhouse gas reductions from McNeil and urged the commission to consider this distinction carefully when evaluating carbon capture as a strategy.

Peter Macausland addressed the commission and raised a concern about whether pyrolysis technology, based on the ongoing Lyndonville case, will meet the state's required 60% efficiency standard, and noted the Lyndonville case has been in progress for two years. Mr. Macausland suggested BED should consider using that case as a benchmark rather than conducting its own separate testing, while acknowledging BED's preference to run its own evaluation. Mr. Macausland also raised a second concern regarding wood supply sourced from Bennington County, questioning whether this would adversely impact BED's current relationships or agreements with existing wood chip suppliers.

4. Monthly Impact Minute

Dan Edson is BED's new Manager of Energy Services, noting he has been in the role for approximately two months. He highlighted the BED team's dedication to the community as the most impactful part of his experience so far. Mr. Edson reported renewed engagement from UVM and the hospital over the past month (and generally over the past two months) regarding energy efficiency programs. Both institutions have shown renewed enthusiasm for communicating with BED and investing their own funding in facility efficiency improvements. These include the installation of hybrid heat pump RTUs (rooftop units) at the Miller Center, with the facility being positioned as the city's first net-zero facility, relying primarily on electricity for heating needs. The units do use some natural gas, but this will be offset through the purchase of renewable natural gas credits from Vermont Gas.

Commissioner Dawson asked what drove UVM's renewed interest.

Mr. Edson attributed the change primarily to personnel. UVM's "energy champion" had been on parental leave and has since returned. This employee is responsible for developing efficiency project proposals and securing funding through UVM's revolving fund. With his return, the proposal

and funding process is active again. Mr. Edson noted personal familiarity with this type of process from his prior role as State Energy Manager and expressed enthusiasm about collaborating with UVM's team.

5. Commissioners' Corner
There were no topics discussed.

6. GM Update
General Manager Darren Springer welcomed Dan Edson, noting his background at Efficiency Vermont and with the state, and praised his work leading the energy services team.

The 5th annual Net Zero Festival was held August 22, 2026 at the waterfront (a new location), drawing higher attendance than in past years at 585 Pine Street, based on anecdotal reports. It featured live induction cooking demos, including a battery-powered induction stove (plugs into a standard outlet) and a Bouchard Pierce induction stove (240V outlet). The weather cooperated for the outdoor event; BED plans to meet soon to gather ideas for improving next year's festival.

BED will bring a solar canopy proposal forward later in the meeting, following completion of an RFP process, and a PowerPoint presentation will follow.

The RFP for a wood pyrolysis demonstration unit (up to 2.2 MW) closes September 30, 2026 and is posted on BED's website. This stems from the Velerity report and prior RFI process. The goal is to assess viability of installing the unit at McNeil, evaluate efficiency and environmental benefits, and build internal familiarity with the technology. Referencing Peter Macausland's earlier public comment about the Lyndonville project, Mr. Springer confirmed a 2.2 MW pyrolysis project is planned for Lyndonville but is not yet operational. BED may learn from that project, but direct, on-site experience at McNeil is considered valuable in its own right.

BED intends to pursue a PPA (not direct purchase) so financing, permitting, and construction risk sit with the vendor; BED would have an option to buy later. This differs from the solar canopy project, which BED intends to purchase and own/maintain directly, and is positioned alongside the McNeil battery storage project and solar canopy as part of BED's push to advance tangible renewable energy infrastructure.

BED's 2.99% rate case has been approved by the PUC. The under-3% rate change avoided a litigated process, which is typically 7+ months, supporting both affordability and staff efficiency. Customers will see the rate change reflected on bills starting in October — notably faster than the usual surcharge-then-rate-change pattern.

Commissioner Vota asked about the status of the business process audit:

Mr. Springer responded that it remains an open, litigated docket at the PUC. The audit report was issued July 31, 2026; BED and the Department of Public Service did not pursue discovery, evidentiary hearings, or additional testimony, and BED intends to implement the report's recommendations pending a PUC order. Pre-filed testimony is due by the end of the week, and is expected to reiterate BED's support for the recommendations without caveat. Mr. Springer noted limits on what he could share given the litigated status but offered an executive session if the commission wants more detail. BED hopes to have ARC (the audit firm/entity) join a future commission meeting to discuss the report once the PUC process concludes.

Commissioner Kenney requested ongoing updates on PUC progress. Mr. Springer agreed to continue to provide updates.

Mr. Springer noted the strategic direction update will occur later in the meeting and will include a specific item on implementing the audit recommendations, calling it a top priority.

Commissioner Kenney asked for clarification on implementation timing.

Mr. Springer responded that some actions can begin now, but the formal implementation roadmap and milestone clock are tied to the date of a PUC order requiring implementation.

7. Financials: Preliminary June FY26

Emily Stebbins-Wheelock, CFO and Manager of Strategy and Innovation, presented the preliminary unaudited June FY26 financial results.

One additional post-closing adjustment is still expected, related to OPEB (other post-employment benefit) liability, pending information from the city's actuaries; not typically material. The full audited financials will be presented by Amanda Hurlbut, Controller, at the November commission meeting.

Actual net income was approximately $3 million vs. a budgeted $2.2 million — a positive result overall. However, operating revenues came in $868,000 under budget; operating expenses were roughly on budget but not enough under budget to offset the revenue shortfall. REC (renewable energy credit) revenue was identified as a major drag on the adjusted debt service coverage ratio (ADSCR). Positive net income was primarily driven by a $1.5 million favorable variance in 'other income and deductions,' mainly from:

- Timing of the final FEMA grant reimbursement for the rubber dam replacement.
- Earlier billing (but FY26 receipt) of customer contributions from the city for the Champlain Parkway and Main Street projects.

The debt service coverage ratio (ADSCR) was significantly weaker than budget, driven by weak operating revenues and higher-than-budgeted interest expense. The most recent 12-month ADSCR was 1.03, vs. a budgeted target of 1.15. The three-year average ADSCR was 1.32, which is the metric used on the Moody's scorecard and considered healthy; this average is designed to absorb a single bad year, but consecutive weak years would be a concern.

Total capital spending landed just under $9 million, in line with May projections. Generation spent about 75% of its budget. Distribution, IT, and facilities collectively spent about 50%, with distribution comprising the majority of the capital budget.

June ended with $14.7 million in operating cash; $1.5 million better than budget and 147 days cash on hand (including line of credit) / 90 (excluding line of credit).

Commissioner Bonn asked about next steps for the debt service coverage ratio.

Ms. Stebbins-Wheelock noted the 3-year average (1.32) remains healthy but reiterated the goal of returning to range in FY27.

Commissioner Kenney asked what steps will be taken to achieve that goal.

Ms. Stebbins-Wheelock responded that the standard process is to monitor monthly results and reforecast expected year-end position.

FY26 controllable actions included O&M spending cuts and directors giving back budget to minimize OPEX, though there are limits to this lever. Uncontrollable factors included sales revenue (a positive factor this year, driven by usage and customer growth, largely outside BED's control except via rate increases) and REC revenues (dependent on renewable generation output, i.e., wind and river conditions). BED is working to maximize output from dispatchable resources (gas turbine, McNeil) since most of the power supply revenue shortfall stems from lower-than-expected production, not REC pricing. Weather alone can swing sales revenue by $1–2 million.

Commissioner Williams asked why net income exceeded budget while the ratio declined.

Ms. Stebbins-Wheelock responded that ADSCR reflects operating income/excess revenue available to cover debt service. The favorable "other income and deductions" variance boosted net income but is mostly non-recurring, so it doesn't count toward the operating revenue used in the ADSCR calculation.

Commissioner Dawson asked about the budgeted $1.2 million operating loss.

Ms. Stebbins-Wheelock noted this is not unusual for BED; budgeting an operating loss is acceptable as long as cash projections and coverage ratios remain within target.

Darren Springer clarified that dividend revenue from BED's ownership shares in VELCO appears in "other income and deductions," not operating income, so it doesn't help the ADSCR. However, transmission expense (which these dividends are meant to partially offset) is recorded in operating expense, creating a structural disconnect. This explains why operating income can be negative even with several million dollars in dividend income.

Commissioner Dawson asked about variance in capital budget spending percentages.

Ms. Stebbins-Wheelock responded that they are not financially driven; explanations include:

- IT/general line: delays in software implementation projects (project management delays, later-than-expected kickoffs).
- Distribution line: delays due to transformers on order but not yet delivered (supply chain lead times), accounting for roughly $750,000 of the variance.
- Two grant-funded projects couldn't begin until grant agreements were signed (finalized June 30), pushing work into FY27.
- Capital contingency/set-aside funds for storm/outage-related repairs were largely unused in FY26 due to fewer major incidents.

Commissioner Kenney asked how FY26 delays affect FY27 budgeting.

Ms. Stebbins-Wheelock responded that some delayed projects carried over into FY27 with associated spending, even though they were originally FY26-budgeted.

- Outage-related capital contingency funds are budgeted again for FY27.
- IT project milestones and payment schedules have been revised for the FY27 budget.

Amanda Hurlbut, Controller, will present the full audited FY26 financials at the November commission meeting. BED will continue monthly monitoring and reforecasting to improve ADSCR performance in FY27 and continue efforts to maximize dispatchable generation to support power supply revenu

8. Financials: July FY27

Emily Stebbins-Wheelock, CFO and Manager of Strategy & Innovation, presented July 2026 financial results.

July is the first month of the fiscal year, so monthly and year-to-date figures match. There was a budgeted net income of $96,000 vs. actual net income of $2.2 million. The primary driver was REC

deliveries. Most RECs budgeted for August delivery were instead delivered in July, pulling revenue forward. Some additional REC revenue will be booked in August.

Year-to-date power supply revenue is expected to be on budget once August results are finalized; a positive sign for the first quarter. Net power supply expense was slightly below budget ($110,000 variance). Operating expense was slightly over budget. Payment in lieu of taxes and Winooski property taxes were slightly under budget with small variances expected in this line throughout the year.

Capital spending was budgeted at $1.2 million for July; actual spend was $600,000 spread fairly evenly across generation, distribution, and general plant (about 6% of the total annual capital budget).

Cash position was $16.4 million vs. $14 million budgeted; $2.5 million favorable. Days cash on hand were 154. The ADSCR was 1.28, boosted by strong REC revenue improving operating income.

Commissioner Dawson asked about drivers behind customer sales trends.

Ms. Stebbins-Wheelock noted average temperatures were close to budgeted expectations, but cooling degree days came in lower than budgeted (heating degree days were roughly as expected), which likely explains softer-than-budgeted sales.

Commissioner Williams noted that cooling degree days have been unusually low in August and into September, raising concern that this trend could continue to suppress revenue.

Commissioner Kenney asked why power supply costs were over budget, and whether McNeil's underperformance was a factor.

Ms. Stebbins-Wheelock explained that BED's three wind projects produced more than budgeted this month. McNeil produced less, reducing fuel costs but shifting BED's ISO exchange position from long (as budgeted) to short, contributing to the unfavorable variance. A new long-term contract (Brookfield Hydro) was signed after the budget was set using a placeholder estimate, creating an ongoing variance against the modeled figure.

James Gibbons, Director of Policy and Planning, commented that BED has had to purchase replacement power due to underperformance at McNeil. Hydro resources broadly are performing poorly across the region this year, and replacement power is currently expensive. Wood and biomass resources are underperforming; wind performed well this month.

Ms. Stebbins-Wheelock added that McNeil's issues stemmed primarily from tube leaks and backed-up ash grates, which caused unexpected outages requiring repair.

Commissioner Vota asked about an unusual spike in arrearages in July that declined significantly by August, per the strategic direction dashboard.

Ms. Stebbins-Wheelock explained that a large customer experienced administrative system changes that caused them to miss bills or be unable to pay through normal channels, falling several months behind. The customer has since caught up and resolved the balance. The over-60-day balance (currently $512,000) is now at its lowest level since March 2025.

9. Solar Canopy Executive Session

General Manager Darren Springer and James Gibbons, Director of Policy and Planning, presented information about a proposed solar canopy project at 585 Pine Street.

Project overview:

- Proposal for a timber frame solar canopy covering the customer and visitor parking area in front of BED's facility.
- System size: approximately 130 kW.
- Will use bifacial panels, which also generate from reflected light (e.g., off snow) on the underside, boosting winter production.
- Structured as a direct capital purchase (owned and maintained by BED), different from the PPA structure used for the wood pyrolysis project.
- Supports BED's broader in-city solar and "lead by example" initiatives.
- Expected annual production: approximately 136 MWh.

RFP evaluation criteria (developed with contributions from James Gibbons and the policy and planning team):

- Pricing, capacity, and generation output.
- Panel type (bifacial preferred).
- Production guarantees and degradation rates over time.
- O&M costs, project life, and manufacturer warranties (inverters, panels, and timber frame structure).
- Minimal soil disturbance, given the site's Superfund status.
- Preservation of customer parking and winter plowing operations.
- Vendor experience with similar projects.

Tax credit considerations:

- Base Investment Tax Credit (ITC): 30%.

- Originally stemming from the Inflation Reduction Act, but modified by legislation passed last summer, resulting in a faster phase-out timeline than originally planned. Construction must be completed by the end of next year to qualify.
- Potential additional 10% bonus credit for brownfield sites — BED believes its Superfund site likely qualifies and plans to confirm this.
- Potential additional credit for domestic content (threshold currently 50%, possibly rising to 55% next year).

Further detailed discussion of the proposal is planned for executive session, with public session to follow.

Commissioner Vota made a motion that the Commission find that premature general public knowledge of contract negotiations related to the Commission and BED's negotiating position and strategy for a proposed solar canopy, to be located at 585 Pine Street, would clearly place the Commission and BED at a substantial disadvantage in those negotiations. Commissioner Bonn seconded the motion. Vote: 5 ayes 0 nays.

Based on that finding, Commissioner Bonn made a motion that the Commission enter executive session, with BED staff present, pursuant to 1 V.S.A. § 313(a)(1)(A) to discuss ongoing contract negotiations regarding a proposed solar canopy to be located at 585 Pine Street. Commissioner Dawson seconded the motion. Vote: 5 ayes 0 nays. The Burlington Electric commission entered executive session at 5:59 p.m.

Commissioner Vota made a motion to exit executive session; Commissioner Dawson seconded. Vote: 5 ayes 0 nays. The Burlington Electric commission exited executive session at 6:33 p.m.

10. Solar Canopy Discussion & Vote

Commissioner Bonn made a motion that the Commission approve BED's capital purchase of a solar parking canopy for 585 Pine Street, to be funded from available bond proceeds, as presented at tonight's meeting. Commissioner Vota seconded the motion. Vote: 5 ayes 0 nays.

11. 2026-2027 Strategic Direction

Commissioner Kenney noted that the vote on the Strategic Direction was deferred from the July 8th meeting to allow time to incorporate commission feedback on things such as energy supply resource strategy, McNeil's role, dashboard metrics.

General Manager Darren Springer presented changes to the proposed 2026-2027 strategic direction:

- The document was reformatted for improved clarity and organization following further discussion with BED leadership.

- Mission and values remain unchanged.
- 2030 vision updated to place renewable supply more prominently, though the underlying vision (a Net Zero Energy City displacing fossil fuel use in thermal and ground transportation sectors with 100% renewable electricity) remains the same. This change responds to commission feedback requesting clearer emphasis on continued renewable electricity procurement (e.g., recent hydro purchases).

Structural changes addressed prior feedback that the strategic objectives mixed action items and objectives together. The document is now organized into strategic pillars, with focus areas, action items, and objectives nested beneath each. The content was preserved from the previous draft (reflecting BED's ongoing bottom-up process of gathering input from each organizational area) but edited for conciseness. The pillars largely mirror the prior draft's strategic objectives: engaging community, strength and reliability, people/process/technology, innovation toward net zero, and managing finances/affordability.

New content highlights include:

- A new bullet on renewable supply and load management, emphasizing adequate renewable supply and prioritization of long-term, stably priced procurements.
- Advancing battery storage and local renewable energy projects (e.g., the solar canopy proposal discussed this evening).
- Finance/affordability section includes equity components, risk management, and budget/finance elements.
- Process improvement section includes implementing the ARC audit recommendations as the first listed objective for this fiscal year.

Mr. Springer described this version as a "hybrid approach," with a possible more substantial overhaul next year, pending further internal socialization of the document. BED’s goal is to balance comprehensiveness with focus on key priorities.

Commissioner Vota praised the iteration and collaborative process with Chair Kenney and encouraged continuing to push further next year, using the document to signal intent on more aspirational goals (noting the balance needed between aspirational and tangible/actionable content), including items related to McNeil.

Commissioner Kenney praised the improved clarity of the document and recommended aligning the strategic direction process with the budgeting cycle. Commissioner Kenney also recommended continuing to shift toward objective-oriented language, with action items framed as deliverables supporting those objectives.

Commissioner Kenney asked how progress on key results (e.g., those appearing in the finance section) is tracked, both internally and with the commission.

Mr. Springer noted that dashboard work can be tied back to strategic direction items and proposed that an FY28 revision could better align dashboard items with the strategic direction, potentially streamlining less-relevant dashboard metrics while elevating the most important ones. Mr. Springer confirmed that many items are currently tracked via the dashboard and the net zero energy roadmap work, with further decluttering possible going forward.

Commissioner Bonn expressed support, noting the document looks strong and should help support the mission and staff.

Commissioner Williams praised the document and highlighted the planned KPI/dashboard revisions as a key next step and agreed with Commissioner Kenney's recommendation to align the strategic direction process with the budgeting cycle so budget decisions can flow from the completed strategic planning.

Mr. Springer acknowledged contributions from Emily Stebbins-Wheelock, Munir Kasti, Paul Alexander, Mike Kanarick, and Dan Edson in developing the revised document, noting plans to socialize it more fully across the organization before the next version.

Commissioner Vota made a motion that the commission approve the 2026-2027 Strategic Direction as presented at tonight's meeting. Commissioner Dawson seconded the motion. Vote: 5 aye 0 nay.

12. Commissioners' Check-In
No topics were discussed.

Adjourn
Commissioner Williams made a motion to adjourn; the motion was seconded by Commissioner Bonn. Vote: 5 ayes 0 nays.

The meeting of the Burlington Electric Commission adjourned at 6:47 p.m.

Microsoft Teams transcript used to draft minutes prepared by Katie Morris and edited by Emily Stebbins-Wheelock, CFO and Manager of Strategy & Innovation.

Attest:

Katie Morris

Katie Morris, Temporary Board Clerk