

**Joint Meeting of the Water & Sewer Commission  
And the Electric Utility Commission  
Meeting Minutes, June 7, 2021**

**Roll Call:** Steve Fitzhugh, Dennis Donahue, John Stevens, Charlie Morse. Others present: Town Manager Jeff Schulz, Julia Leopold, VPPSA, Heather D'Arcy. The meeting started at 6:30 PM.

**Approval of Minutes of May 3, 2021**

Motion by Charlie Morse, seconded by Dennis Donahue, to approve the minutes of the May 3, 2021 meeting. **Motion approved 4-0.**

**Meeting of the Electric Commission**

**Julia Leopold, VPPSA: Tier 3 Incentive Program**

Julia Leopold, VPPSA Communication Specialist and member outreach coordinator stated that she is attending the Commission meeting to discuss the concept in which Energy Efficiency of VT is working with Darn Tough to install a heat reclaiming system at Darn Tough's Northfield facility. And that there is a potential opportunity for NED to provide a cash incentive towards the Tough Darn project for which NED would receive needed renewable energy tier credits.

Julia presented an overview of the VT Renewable Energy Standards stating that it was enacted in 2015 (effective, 2017) and it established renewable energy standards (RES) that all Vermont electric distribution utilities (DU) are required to meet. Under the RES, Vermont's DUs must procure a defined percentage of their total retail electric sales from renewable energy. The requirements of the RES are broken into three categories, or tiers. The Vermont electric utilities must procure a defined percentage of their retail electric sales from any source of renewable energy. Under Tier requirements, this defined percentage starts at 55% in 2017, the first year the RES is in effect, eventually reaching 75% in 2032.

The tier requirements mandate the utilities participate in energy transformation programs that reduce greenhouse gases. Utilities can participate in these programs and obtain credits through incentives, programs and renewable projects. For example, the Bone Hill solar project will cover NED's tier 2 requirements.

VPPSA members have the advantage over other VT utilities in that they can trade their tier credits to other VPPSA members in the future at a higher value.

If utilities fail to meet the tier requirements, they are subject to an alternate compliance payment which at this time is \$62 per MWH. Accordingly, there is an incentive for VT utilities to develop renewable energy projects within their service area and to implement energy efficiency programs and other incentives.

As noted previously, there is the potential opportunity for NED to provide a cash incentive towards the Tough Darn project for which NED would receive needed renewable energy tier credits. NED's incentive would be a \$50,000 cash payment towards the project. The benefit to NED is that it will cover NED's tier 3 requirements through 202, and the value of the \$50,000 credits will increase to \$360,000 in 2027.

If the Utility Commission agrees to provide the cash incentive towards the project, the next step is for the Efficiency VT and Darn Tough to develop scope of work to be followed by the development of a formal agreement between VPPSA and NED which should occur sometime in the Fall of 2021.

The Commissioners discussed the concept and agreed that the arrangement would be beneficial to NED and Darn Tough.

Motion by Charlie Morse, seconded by Dennis Donahue, to support Northfield's participation the proposed Darn Tough Tier 3. **Motion approved 4-0.**

### **Electric Budget Status Report**

Jeff Schulz presented an Electric budget status report for the period ending May 31, which the 91% point in the year. Jeff stated that the electric revenue is exceeding estimate by 2% at this point in the year. All use categories, with the exception of Norwich, are exceeding estimates. Norwich is 6% below estimates. The total electric department expenditures are 8.5% below the budgeted amount for the year, with the largest budget item, purchase power, at 85% expended.

Motion by Charlie Morse, seconded by Dennis Donahue, to support Northfield's participation the proposed Darn Tough Tier 3. **Motion approved 4-0.**

### **Other Business**

#### **Meeting of Water and Sewer Commission**

#### **Water/Sewer Budget Status Report**

Jeff Schulz presented an Electric budget status report for the period ending May 31, which the 91% point in the year.

### **Other Business**

Jeff noted that the Water/Sewer Department have completed the stormwater improvements on Slate Ave. and the estimated project material costs are \$24,000. The project costs will be split between the highway and sewer budget. Jeff added that it a private contractor had performed the work estimated project cost would be \$250,000.

Motion by Charlie Morse, second by John Stevens to adjourn the Joint Meeting of the Electric and the Water/Sewer Commission. **Motion passed 4-0.**

Jeff Schulz, Town Manager