

BLOCK ISLAND UTILITY DISTRICT



This Level III Tritium Charger was delivered to Block Island last week. The charger, which was recently unpackaged at the power company, was inspired and donated by BIUD member Will Young, along with donations from the following organizations: Block Island Solar Initiative, the Block Island Conservancy, the Nature Conservancy, the Block Island Residents Association, the Committee for the Great Salt Pond, Conserfest, and the Ocean View Foundation. The charge will be installed in front of the power company office and all sales will be collected and administered by the Solar Initiative.

BOARD OF COMMISSIONERS MEETING

FEBRUARY 23, 2023

4:00 PM

Block Island Utility District
Meeting of the Board of Utility Commissioners

Thursday, February 23, 2023 @ 4:00 PM

THE MEETING WILL BE HELD AT THE HARBOR CHURCH

1. Public Input
2. Commissioner's Report
3. Approve Meeting Minutes: January 26, 2023
4. Review Strategic Plan Measures
5. Report of Power Supply Sub-Committee meeting held on February 13, 2023
6. Treasurer's Report
7. President's Update
 - i. 2023 Capital Program (Pole Replacements/Voltage Conversion) Update
 - ii. GRIP Grant Application Update
 - iii. DOE (Island Institute) ITEPP Grant Opportunity
 - iv. Level III Car Charger Update
8. Review and Approve NRUCFC \$1M Line of Credit, \$500K Emergency Fuel/Power Supply Line of Credit and a \$325K Letter of Credit issued to ISO-NE for Financial Assurance
9. Review and Approve Retail Choice Permanent Exemption Legislative Amendments
10. Review and Discuss Energy New England's EV Charger, Home Storage, Load Management Program and how it can work for Block Island

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty-eight hours in advance of the meeting date.

Posted: February 17, 2023 11:00 AM

Secretary of State Website

BIBB

Town Hall

BIUD Website www.blockislandpowercompany.com

AGENDA ITEM 1
PUBLIC INPUT

AGENDA ITEM 2
COMMISSIONER'S REPORT

(THIS PAGE INCLUDED FOR NOTES)

AGENDA ITEM 3
APPROVAL OF MINUTES

JANUARY 26, 2023

Block Island Utility District
Meeting of the Board of Utility Commissioners
Meeting Minutes

Thursday, January 26, 2023 @ 4:00 PM
THE HARBOR CHURCH

In attendance: Boad Members: Barbara MacMullan, Tom Risom, John Warfel
Others: Jeffery Wright, Tracy Fredericks, Evan Carey, Rene Meyer.

Barbara MacMullan called the meeting to order at 4:04 pm

1. Public Input

- John Warfel asked to post to the website what are the responsibilities of the public vs the power company regarding new services and rights-of-way.

2. Commissioner's Report

- Nothing to report.

3. Approve Meeting Minutes: December 20, 2022

- John Warfel made a motion to approve the meeting minutes, seconded by Tom Risom, the motion carried unanimously.

4. Review Strategic Plan Measures

- Jeff reported that the only yellow (at risk) on the plan is due to rescheduling the safety training. The rest is long term and nothing else to report.

5. Approve the 2023 Board of Utility Commissioners Annual Calendar

- Jeff encouraged the BOD to attend the NE Association of Electric Cooperatives meeting in Newport and any NRECA regional meetings or trainings.
- Barbara asked we add the cutoff date for new BOD ballots.
- Barbara MacMullan made a motion to approve the Board of Utility Commissioners Annual Calendar, the motion was seconded by Tom Risom, the motion was approved unanimously.

6. Treasurer's Report

- Tom reported he has received all the billing summaries, did not find anything non-compliant with the BIUD financial policy.

- Tom reported on the conference call he had with Jim Meiers of CFC and Jeff. The meeting was to look at the line of credit. After the last 2 cable failures, a need for a restricted emergency line of credit for fuel/power supply only was discussed. Everyone agreed it would make sense to create a 500k line of credit for fuel.
- Barbara expressed concern on our borrowing capacity if we have another need. Ad discussion was had regarding the impacts on our future borrowing capacity. She recommended limiting the operating line increase to \$1M.
- Jeff said we would have to recalculate and that he would follow up with Dave Bebyn and Paige from CFC on this.
- Barbara MacMullan made a motion to accept the Treasurer's report, the motion was seconded by John Warel, the motion passed unanimously.

7. **President's Update**

- Jeff requested the Power Supply Sub-Committee get together next week. He will reach out to Barbara, John and ENE to find out how do we solicit members to the committee.
- Jeff reported that he and Barbara spoke with Mayforth Group, they will help with retail choice exemption and renewable goals that the state has.
- Jeff said he would like to get a Round-Up program started. -what do we do with the monies and, what do we advertise the monies are for. Suggested we create a committee to make these decisions. The committee should include members, employees and board members. Jeff took the action to develop a program charter that would be presented to the BOD for approval in a future meeting.
- Jeff reported that over the past year the E-Bill program was used to collect nearly \$700K of our revenue. We will be offering an incentive to sign up for paperless billing to encourage more to use the program.
- Sertex contract we will be discussing service agreements and dig safes. We will do these for them at a price. Sertex is looking to lease Sertex space at BIUD, Jeff will negotiate a rental agreement with Sertex. The old day room is the spot, this could help with the working relationship. Possibly erect a new building if this is going to be long term. Sertex would not be having employees on island full time, they would use this as office space.
- Jeff reported that the EV bus has had some challenges, but it seems to become more reliable. Jeff touted the "fuel" savings. The town used to pay \$3,500-\$5,000 in fuel costs each year, now they are charging it for approximately \$100/month.
- Jeff reported on the CEO closeup conference, and that he spoke with Sheldon Peterson for about a half hour about our accomplishments.
- Jeff reported the Level 3 charger will be arriving next Wednesday. The charger will be at the BIUD office, on the left-hand side of the parking lot of the office. The solar initiative will be administering it, BIUD is only hosting.
- Motion to accept the President's report was made by Barbara, seconded by Tom, the motion was approved unanimously.

8. Review and Approve Gravel Pit III Final PPA Pricing

- Jeff reported that Gravel Pit cancelled the 1st and 2nd PPA but offered a 3rd. The price must increase due to material costs. Jeff detailed the terms of the new PPA. Jeff suggested this is still a good deal, and wanted to make sure we are all in agreement.
- Barbara made a motion to approve executing the revised PPA of Gravel Pit III, the motion was seconded by John Warfel, the motion was approved unanimously.

9. Appoint NRECA Voting Delegate for the 2023 Annual Meeting

- Barbara MacMullan made a motion to have Tom Risom be the voting delegate for the 2023 Annual Meeting the motion was seconded by John Warfel, the motion approved unanimously.

10. Review and Discuss EV Level II and Level III Charging Program Options

- Jeff reported that we need to develop a program, he spoke with others in the business that have these programs in place. One of the issues is talking with chargers through Wi-Fi. If you have AMI meters you can see how the members are using them. The cost for the level 2 chargers is between \$200-\$300, the member gets the charger from the company, they sign an agreement not to use it during certain peak hours. The companies Jeff spoke with reported that the members have been honest.
- John Warfel suggested we find one we like and recommend it. Vermont Electrical Coop (VEC) uses charge point, chargers. Jeff said our first step is to develop a program and find out if we need regulatory approval if we are giving them to our members, or can we roll this in with our efficiency program.
- Barbara asked what the benefit is of giving away chargers. Jeff reported that it is an incentive to work with their members, know where the chargers are located and ensure they only charge off peak and that they are using a charger that works with their car and our system.
- Jeff encouraged everyone to read the attached information. This will be discussed over several meetings. We need to agree on a program and in parallel do some more research on the different chargers.
- Further discussion was had on what people are doing now to charge their EV's and how the technology works between the different charger levels and the time and amperage involved to bring the car to be sufficiently charged. People are going to want to get level 2 chargers to charge their private vehicles. It is in BIUD's interest to know where these chargers are and to be able to control when they are used. BIUD wants the sales, but they need to be used at the right time of the day.
- Barbara asked if we could come up with a separate EV rate. Jeff reported no, because we would need to install a second meter. It has been proven if you offer time of use rates, you can change people's behavior. These new time of use rates can be tricky. Jeff suggested everyone attending the NRECA conference to attend a time of use rate session.
- BOD's will do more research and attend session on EV charging. More chargers are suggested to be installed around the island. Offer incentives to the commercial businesses to install chargers, at the beach, hotels, grocery store. These need to be

level 3 chargers to work efficiently.

11. Review and Discuss 2023 State and Federal Grant Opportunities

- Jeff reported that NRECA has earmarked three grant opportunities for us, and that he feels confident that the NRECA business strategies group is re-prioritizing their efforts to get the grant monies to their COOPs.
- Jeff reported that the first grant is for \$3 million dollars to replace poles and storm guying. We would have 5 years to spend the money and would be able to replace all the poles on the island. We need to bid everything out; we need DOE to approve the contractor. There would be a lot of reporting, but NRECA would be helping us with all of this. Jeff suggested everyone read the concept paper. We should find out if we are accepted this June.
- Jeff reported the second grant is a Funds Opportunity Announcement (FOA), which has not yet been announced. This is for an ERA grant for rural and remote areas like us, for grid modernization. The voltage conversion is perfect for this grant. Jeff said he is hoping NRECA will do a joint concept paper, and that first we need to ask them to include us in this grant. Jeff reported he has already filled out the survey, announcing what projects we would do and how we qualify. We will ask and lobby for this grant. Jeff suggested everyone go onto Cooperative.com website to see what grants are available.
- Jeff reported that the third grant is an Office of Energy Grant. This was for the storage project, the storage project as it currently stands is having difficulty being economical. This grant could also be used for the voltage conversion. The voltage conversion avoids us from having to replace wire, so this fits with the grant. Jeff suggested we grab this, have been discussing this for years and we are afraid this will go away.
- Jeff reported that all these grants are 50/50 and CFC said they would lend us the money for these grants. The first grant is \$3 million, and we would need to borrow \$3 million to match. These grants are not definite, and we should not stop any of the current work we are doing.
- Jeff asked everyone to look over the attached list of state grants available.
- Jeff expressed his concerns over getting all of these grants, and how much work this would require, but this would be a “good” problem.
- Jeff reported that there is the Municipal resilience energy program that the town is involved in and we are mentioned in the grant to relocate the substation to a higher area.
- John brought forward a grant from the Island Institute. John reported the energy transition project, is a technical assistance grant. We need to tell them what problems we would like them to look at. Administered by Island Institute. They would want community involvement, town council, other departments. We would all have to agree on what we would like them to help us with. Some suggestions would be a community solar project, rate design, or energy resilience. The grant is due in April. Jeff and John will have a conversation with Emily and Emma from the Island Institute.
- Jeff suggested if we want to apply for this, we speak with the NRECA grant people to

help us write this grant.

Barbara MacMullan made a motion to adjourn the meeting, the motion was seconded by John Warfel the motion was approved unanimously, the meeting adjourned at 6:11 PM.

AGENDA ITEM 4
STRATEGIC PLAN METRICS

Block Island Power Company

Strategic Plan 2023

Mission Statement
To serve Block Island with safe, reasonably priced and reliable energy.

Vision Statement
Our vision is to serve Block Island in a way that enhances our members' lives.

Safety
Empower and support a workplace culture that promotes the safety of our employees and members.

Financial Balance
Embrace policies that ensure financial stability, reasonable rates and innovative rate making

Member Engagement
Promote understanding of the cooperative model and transparency

Sustainable Workforce
Invest in workforce stability

Capital Planning
Embrace a sustainable and robust planning process for capital projects that focus on priority, funding, and impacts.

Power Supply
Continuously evaluate future power supply opportunities and develop renewable goals.

GOALS/TARGETS	STRATEGIES	MEASURE
Employee Lost Time Incident Rate Goal 0	Conduct Daily Safety Meetings/Field Visits	- 0 -
Public Incident Rate Goal 0	Host external training (fire/rescue/excavators)	- 0 -
Comply with Quarterly Safety Training and Monthly Truck/Equipment Inspections - Goals 4 and 12	Publish public safety messages (paper/bill stuffers/social media)	0 & 2
Modified Debt Service > 1.50%	Continue to grow Equity:Debt Ratio (Q3 2022 20%)	2.47%
Develop Time of Use Pilot EV Charging Rate	Produce Timely Quarterly Financials for Review	ON TRACK
Set Timeline for Next Rate Case (COS)	Develop Equipment Rotation Schedule	ON TRACK
Conduct Annual Member Satisfaction Survey	Promote the Seven Cooperative Principals	ON TRACK
Review and update Mission/Vision Statements	Solicit member participation to determine BIUD's branding	ON TRACK
Develop Succession Plans	Enhance cross-training efforts, recruit future BOD candidates, and develop recruitment strategies for future President	ON TRACK
Create Ad-Hoc BOD Sub-Committee to Review Benefits Packages	Conduct review of the benefits package – specifically retirement plans.	ON TRACK
Create Ad-Hoc BOD Sub-Committee to work on this.	Review existing projects, facilities, housing and engineering plans.	ON TRACK
Develop 5-10 Year Capital Plan.	Investigate external funding opportunities to support project plans.	ON TRACK
Create Standing Power Supply Sub-Committee	Continuously evaluate power supply opportunities and tailor BIUD power supply to long-term goals.	ON TRACK
Develop Power Supply Questions for Member Survey	Survey the BIUD membership to aid in developing long-range renewable goals.	ON TRACK

AGENDA ITEM 5
REPORT OF POWER SUPPLY SUB-COMMITTEE

Attendees: Barbara MacMullan, John Warfel, Jeff Wright

BIUD is quickly approaching a crossroads with its power supply development. We have made some significant advancements in our short history. We have transitioned from all oil, to an all-requirements load following supply provided by Shell N.A., to a mix of Shell N.A. and some renewables. Recent questions have been asked by state leaders as to what our intent is in terms of the 2033 renewable goal and to date, I don't think any of us can articulate what our supply strategy is. With a looming law on the books (that BIUD is currently exempt from), there are many options that should be considered by the BIUD Board.

The options include the following:

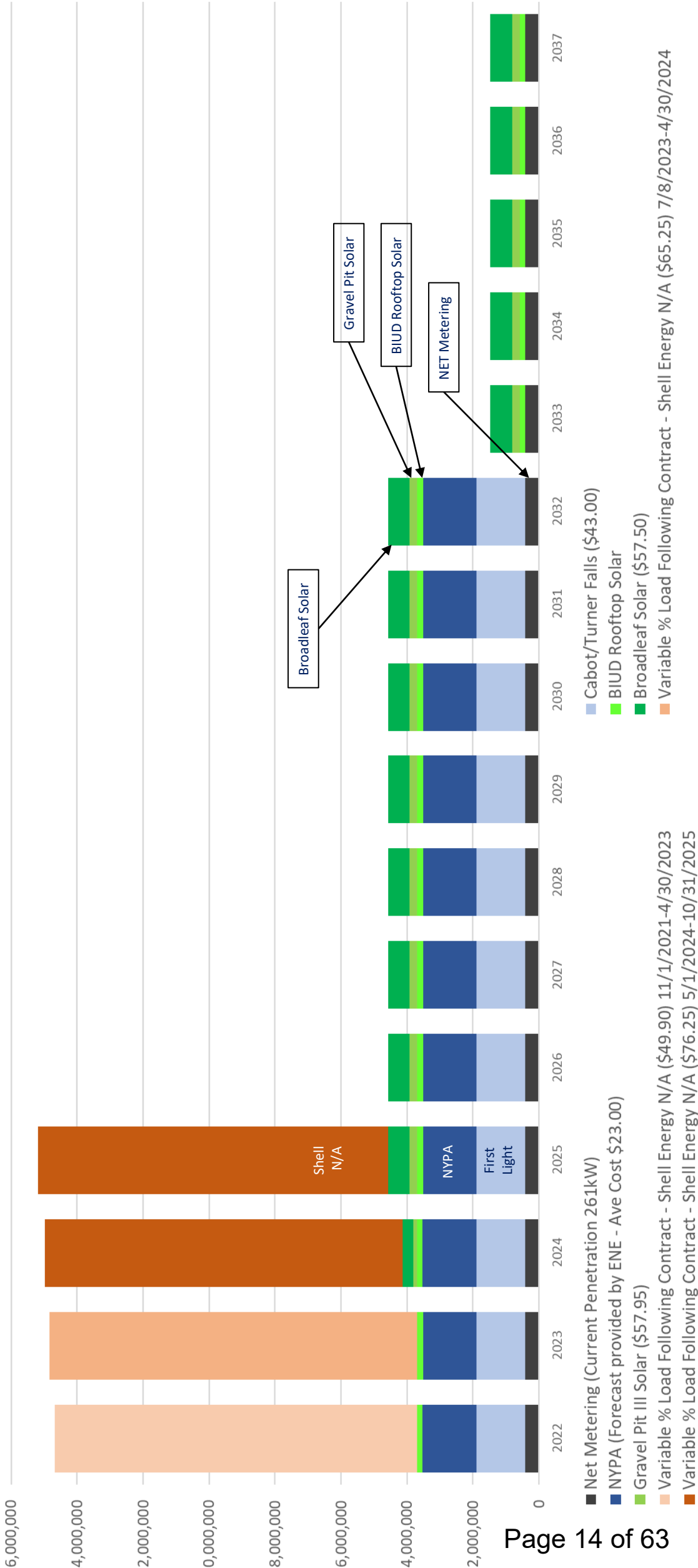
- 1) Do-nothing and exercise our exemption (we've done our part with advancing wind).
- 2) Go all in and accept the cost risks. Phase out selling RECs now and begin marketing % renewable (soften the long-range cost increases). Aggressively pursue long-term renewable contracts. Accept the intermittent production in our portfolio (exposes us to the open market).
- 3) Continue working renewables into the portfolio with a goal of 100% renewable by 2033. Continue selling recs until the requirements become mandatory in 2033. If we do this, there will be some rate shock in 2033 (4-5%).
- 4) Keep buying load-follow contracts, and pursue a good mix of affordable, renewable, long-term contracts (wind/hydro/solar/biomass). Sell RECs until 2033, and accept not making the goal as long as we continue working towards 100% renewable (we could buy what RECs we are short).
- 5) Take the easiest (but safest) way out... buy cheap RECs (while they last) to meet a 100% renewable goal. (16,305 MWH Sales X \$10/REC = \$163,500) or \$0.012/kWh.

While considering all of the various options I'd like to review where we are now.

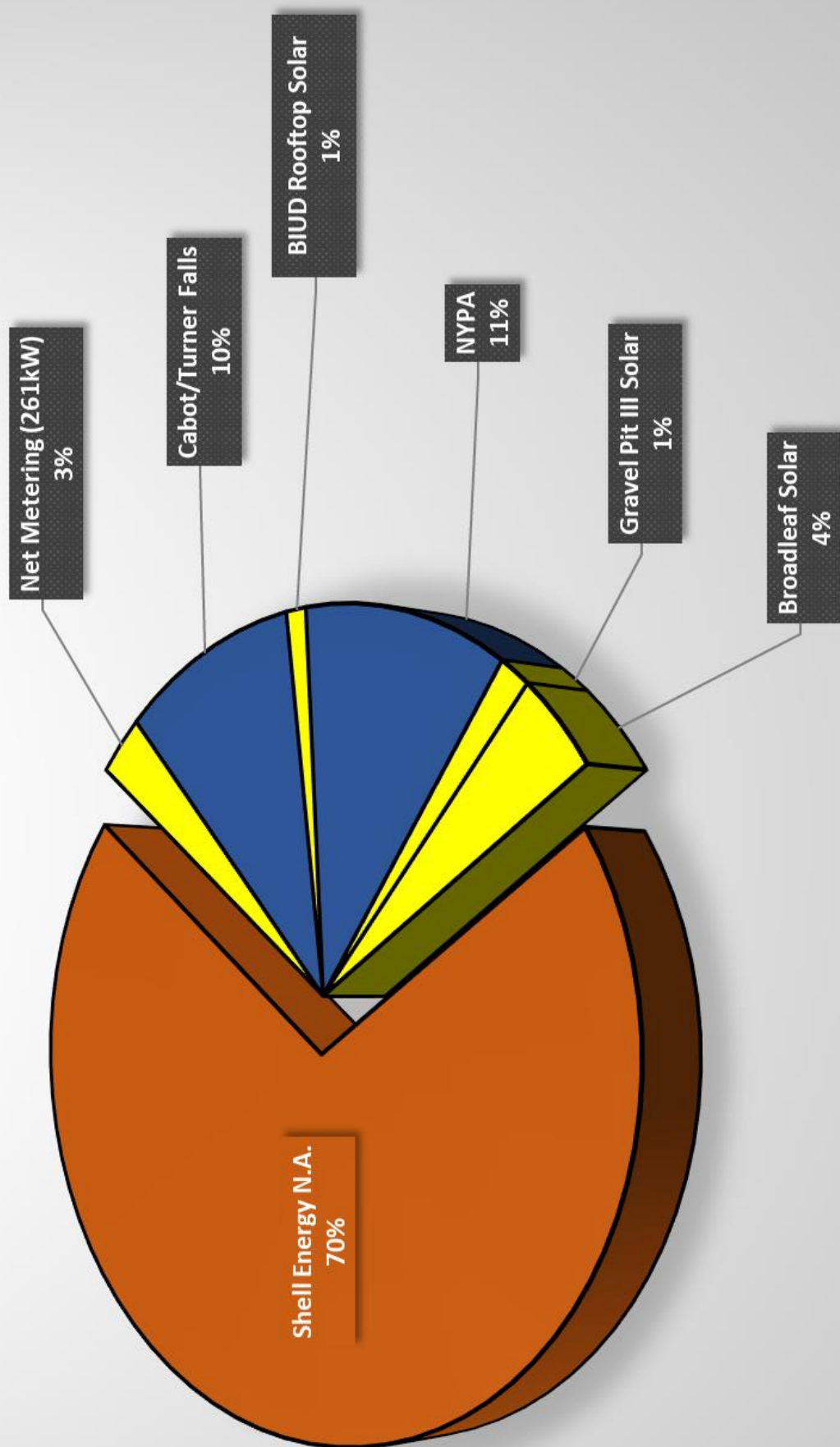
- 1) Review the status of BIUD's power supply strategy.
 - a. Fulling resourced until 10/31/2025.
 - b. Beginning in 2025, BIUD is at 30% renewable with the stipulation that we stop selling RECs (including net metering).
- 2) Review BIUD's current power supply portfolio – reference the stacked resource chart through the year 2037 and the 2025 resource pie chart.
- 3) Define renewable.

- a. Current REC sales strategy.
 - i. We currently sell Firstlight RECs (+/- \$6,200/year)
 - ii. NYPA RECs just became accepted as Class I VT Recs (+/- \$6,500/year maybe)
 - iii. Gravel Pit III will generate RECs (<\$1,000/year)
 - iv. Broadleaf will generate RECs (\$2,500/year)
 - b. Carbon free vs. renewable.
 - c. Pros/Cons Solar – Wind – Hydro - Biomass
- 4) Discuss future goals.

Block Island Utility District
Power Supply Requirements and Resources



Block Island Utility District
Power Supply Portfolio
Starting January 1, 2025



AGENDA ITEM 6
TREASURER'S REPORT

INSERT FINANCIALS HERE
PAGE 1 OF BALANCE SHEET

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PAGE 2 OF BALANCE SHEET

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AGENDA ITEM 7
PRESIDENT'S UPDATE

PRESIDENT'S UPDATE
FEBRUARY 21, 2023

2023 CAPITAL PROGRAM UPDATE

Our 2022/23 program includes finishing the line rebuild along Lakeside Drive, the line rebuild on Coast Guard Road, and voltage conversion work on the High Street, Old Harbor, and Corn Neck circuits. YTD, we have completed all but one pole transfer on Lakeside Drive. We have completed the 5A conversion up to Hull Corner (including SE Road) and we are 90% prepared to advance the conversion on the High Street and Corn Neck circuits. The High Street circuit will be converted up to Mill Pond Cottages and the Corn Neck circuit will be converted up to the Mitchel Farm. This work will not be completed until warmer weather allows us to take outages.

To give you an example of the benefits of the conversions, we had been monitoring voltages on Amy Dodge Lane during high-load periods. During high load periods, the voltages were as low as 110V – outside of the acceptable range of +/- 5%. The day we converted Amy Dodge Lane, the voltage at one member's house improved from 114V to 126V.

All these improvements ensure that we are able to maintain reliability during events such as the recent cold snap. On the night of February 3rd, temperatures fell to a dangerously cold -5 F (before wind chill) and the high wind gust was 58 mph at the SE Light station. Responding to outages in this type of weather is not only dangerous for our members but also for our linemen. I am proud to report that all of our investment and hard work paid off in the instance of February 3rd – we experienced no outages.

DOE GRIPP GRANT APPLICATION UPDATE

Just prior to our last meeting, NRECA had been informed that they were encouraged to submit a full application. The full application will justify the need for funding to mitigate wildfires in the west and hurricane/ice damage in the east. The fourteen cooperative consortia have been meeting weekly and submitting required materials that include company personnel resumes, commitment letters, and letters of support. Due this week is budgets and schedules. We are all starting to feel cautiously optimistic.

DOE ITEPP GRANT OPPORTUNITY

John Warfel, Barbara and I recently met with a representative from the Island Institute to learn more about a DOE grant opportunity intended to help isolated communities with power supply planning. The grant requires no match. The Funds Opportunity Announcement (FOA) is expected out in late March/early April and we will prepare a concept paper once that is announced.

RI-OER – DOE Resiliency Grant

RI-OER has announced that they will be taking the lead in applying for a 40101(d)(6) Resiliency Grant. It has a small utilities "set-aside" which means that PASCOAG and BIUD would be awarded our load share portion of any funds granted to RI. I am trying to determine what BIUD's portion could be. The good news is that as a small utility, our cost share is 33% instead of the 50% match required for large utilities such as RI Energy. I'll keep everyone informed as this develops.

LEVEL III CAR CHARGER

The charger was delivered last week and unboxed. I was informed today that our transformers purchased strictly for this project shipped today. I will submit an application to HDC for the installation now that I have actual pictures of the charger and will plan to install it immediately after obtaining HDC approval.

AGENDA ITEM 8
NRUCFC LINES AND LETTER OF CREDIT

NRUCFC LETTER AND LINES OF CREDIT

The CFC Resolution on the following page will authorize the execution of the following letter and line of credit.

- 1) RI001-L-9011: \$325K Letter of Credit which will be issued to ISO-NE for financial assurance.
- 2) RI001-L-9905: \$1M Line of Credit for operating expenses.
- 3) RI001-9906: \$500K Restricted Line of Credit to be used solely for fuel/power supply emergencies.

Authorized signatories include President Jeffery Wright, Board Chair Barbara MacMullan, and Board Treasurer Tom Risom.

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, John Warfel, do hereby certify that (i) I am the Secretary of BLOCK ISLAND UTILITY DISTRICT (hereinafter called the "District"); (ii) the following are true and correct copies of resolutions duly adopted by the board of commissioners of the District at a meeting held on February 23, 2023; (iii) the meeting was duly and regularly called and held in accordance with the State of Rhode Island General Laws and the bylaws of the District; (iv) the District is duly organized, validly existing and in good standing under the laws of the state of its organization and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the District; (v) forms of the loan documents were submitted to the meeting and were authorized by the board of commissioners to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

"RESOLVED, that the District is hereby authorized to apply for a letter of credit to be issued by National Rural Utilities Cooperative Finance Corporation ("CFC"), in accordance with the terms and conditions of a Letter of Credit Reimbursement Agreement with CFC substantially in the form submitted to this meeting (the "Letter of Credit Agreement"), provided that such letter of credit shall be issued to ISO New England, Inc., as Beneficiary thereof and shall be in an aggregate principal amount not to exceed \$325,000.00;

RESOLVED, that the District establish a line of credit and authorize borrowing from CFC in an amount which shall not at any one time exceed \$1,000,000.00 (the "9905 Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "9905 Line of Credit Agreement"); and,

RESOLVED, that the District establish a line of credit and authorize borrowing from CFC in an amount which shall not at any one time exceed \$500,000.00 (the "9906 Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "9906 Line of Credit Agreement"); and

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents (including as many counterparts as may be required):

- a) the Letter of Credit Agreement; and
- b) the 9905 Line of Credit Agreement; and
- c) the 9906 Line of Credit Agreement; and
- d) if required by CFC or under applicable law, a supplement to the Mortgage for purposes of securing the District's obligations under the Letter of Credit Agreement, the 9905 Line of Credit Agreement, and the 9906 Line of Credit Agreement, in such form as the persons authorized herein may negotiate with CFC.

RESOLVED, each of the following individuals is hereby authorized in the name and on behalf of the District to negotiate, to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Letter of Credit Agreement as such individual may deem appropriate within the amount authorized herein and said 9905 Line of Credit Agreement and said 9906 Line of Credit Agreement as such individual may deem appropriate within the within the 9905 Line of Credit Amount and 9906 Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions

<u>Office or Title</u>	<u>Name (typed or printed)</u>
<u>President</u>	<u>Jeffery M. Wright</u>
<u>Board Chair</u>	<u>Barbara A. MacMullan</u>
<u>Board Treasurer</u>	<u>Tom Risom</u>

IN WITNESS WHEREOF I have hereunto set my hand as of the date shown below.

Secretary

Date:

AGENDA ITEM 9
PERMANENT RETAIL CHOICE EXEMPTION

RETAIL CHOICE EXEMPTION

Since connecting to the submarine cable on May 1, 2017, the Block Island Power Company and Utility District have been exempt from offering retail choice to its consumer/members. The exemption has been granted by the RI-PUC each time we have requested it. We are currently exempt through May 1, 2024.

I am recommending that BIUD requests an amendment to the appropriate legislation to include the Block Island Utility District with Pascoag as exempt from offering retail choice.

On the following page, Title 39 Public Utilities and Carriers is included with the suggested amendment as offered by the Mayforth Group.

Barbara offered the following comments for the Mayforth Group to be used in lobbying for the exemption.

The Block Island Utility District seeks an exemption from the requirement to offer retail access to its customers because the costs that such access would impose far exceed any benefit the customer might receive.

BIUDs billing and computer system is unable to handle the demands of offering retail access without a significant upgrade, the cost of which would be borne by all customers, not just those utilizing retail access. (IS THIS STILL TRUE JEFF WRIGHT?) YES Given these added costs, it is unlikely that customers who did utilize an alternate supplier would realize any savings.

More importantly, if BIUD were to offer retail choice, the cost of last resort service will increase. This is because suppliers will add a risk premium due to the potential variability in supply if customers can switch to an alternate provider.

Currently, BIUD is exempted on an annual (?) basis from retail choice by the PUC. These short-term exemptions limit its ability to enter into power supply contracts for terms that are longer than the exemption period, again due to the uncertainty of demand if customers can switch to an alternate supplier. If BIUD were permanently exempted from retail access, it would be able to enter into longer-term contracts, providing additional savings to its consumers.

We would also point out that Pascoag Utility District, the other small utility in Rhode Island, is permanently exempted from this provision as are small utilities in Massachusetts.

Title 39

Public Utilities and Carriers

Chapter 1

Public Utilities Commission

R.I. Gen. Laws § 39-1-27.3

Section 1

§ 39-1-27.3. Electric distribution companies required to provide retail access, standard offer and last-resort service.

(a) To promote economic development and the creation and preservation of employment opportunities within the state, each electric distribution company, except Pascoag Utility District and Block Island Utility District, a quasi-municipal corporation, district, and subdivision of the state ("electric distribution company"), shall offer retail access from nonregulated power producers to all customers.

(b) Through year 2009, and effective July 1, 2007, through year 2020, each electric distribution company shall arrange for a standard power-supply offer ("standard offer") to customers that have not elected to enter into power-supply arrangements with other nonregulated power suppliers. The rates that are charged by the electric distribution company to customers for standard-offer service shall be approved by the commission and shall be designed to recover the electric distribution company's costs and no more than the electric distribution company's costs; provided, that the commission may establish and/or implement a rate that averages the costs over periods of time. The electric distribution company shall not be entitled to recover any profit margin on the sale of standard-offer power, except with approval of the commission as may be necessary to implement, fairly and effectively, system reliability and least-cost procurement. The electric distribution company will be entitled to recover its costs incurred from providing the standard offer arising out of: (1) Wholesale standard-offer supply agreements with power suppliers in effect prior to January 1, 2002; (2) Power-supply arrangements that are approved by the commission after January 1, 2002; (3) Power-supply arrangements made pursuant to §§ 39-1-27.3.1 and 39-1-27.8; and (4) Any other power-supply-related arrangements prudently made after January 1, 2002, to provide standard-offer supply or to mitigate standard-offer supply costs, including costs for system reliability, procurement, and least-cost procurement, as provided for in § 39-1-27.7. Subject to commission approval, the electric distribution company may enter into financial contracts designed to hedge fuel-related or other variable costs associated with power-supply arrangements and the costs of

any such financial contracts shall be recoverable in standard-offer rates. The electric distribution company's standard-offer revenues and its standard-offer costs shall be accounted for and reconciled with interest at least annually. Except as otherwise may be directed by the commission in order to accomplish purposes established by law, any over recoveries shall be refunded to customers in a manner directed by the commission, and any under recoveries shall be recovered by the electric distribution company through a uniform adjustment factor approved by the commission. The commission shall have the discretion to apply such adjustment factor in any given instance to all customers or to such specific class of customers that the commission deems equitable under the circumstances provided that the distribution company recovers any under recovery in its entirety. Once a customer has elected to enter into a power-supply arrangement with a nonregulated power producer, the electric distribution company shall not be required to arrange for the standard offer to such customer except as provided in § 39-1-27.3.1. No customer who initially elects the standard offer and then chooses an alternative supplier shall be required to pay any withdrawal fee or penalty to the provider of the standard offer unless such a penalty or withdrawal fee was agreed to as part of a contract; however, no residential customer shall be required to pay a penalty or withdrawal fee for choosing an alternative supplier. Nothing in this subsection shall be construed to restrict the right of any nonregulated power producer to offer to sell power to customers at a price comparable to that of the standard offer specified pursuant to this subsection. The electric distribution company may not terminate an existing standard-offer wholesale supply agreement without the written consent of the division.

(c) In recognition that electricity is an essential service, each electric distribution company shall arrange for a last-resort power supply for customers who have left the standard offer for any reason and are not otherwise receiving electric service from nonregulated power producers. The electric distribution company shall procure last-resort service supply from wholesale power suppliers. Prior to acquiring last-resort supply, the electric distribution company will file with the commission a supply acquisition plan or plans that include the acquisition procedure, the pricing options being sought, and a proposed term of service for which last-resort service will be acquired. The term of service may be short- or long-term and acquisitions may occur from time to time and for more than one supplier for segments of last-resort service load over different terms, if appropriate. All the components of the acquisition plans, however, shall be subject to commission review and approval. Once an acquisition plan is approved by the commission, the electric distribution company shall be authorized to acquire last-resort service supply consistent with the approved acquisition plan and recover its costs incurred from providing last-resort service pursuant to the approved acquisition plan. The commission may periodically review the acquisition plan to determine whether it should be prospectively modified due to changed market conditions. The commission shall have the authority and discretion to approve special tariff conditions and rates proposed by the electric distribution company that the commission finds are in the public interest, including without limitation: (1) Short- or long-term optional service at different rates; (2) Term commitments or notice provisions before individual customers leave last-resort service; (3) Last-resort service rates for residential or any other special class of customers that are different than the rates for other last-resort customers; and/or (4) Last-resort service rates that are designed to encourage any class of customers to

return to the market. The electric distribution company's last-resort service revenues and its last-resort service costs shall be accounted for and reconciled with interest at least annually. Any over recoveries shall be refunded and any under recoveries shall be recovered by the electric distribution company through a uniform adjustment factor approved by the commission. The commission shall have the discretion to apply such adjustment factor in any given instance to all customers or to such specific class of customers that the commission deems equitable under the circumstances provided that the distribution company recovers any under recovery in its entirety. Nothing in this section shall be construed to prohibit an electric distribution company from terminating service provided hereunder in accordance with commission rules and regulations in the event of nonpayment of this service. The commission may promulgate regulations to implement this section including the terms and conditions upon which last-resort service is offered and provided to customers.

(d) If a customer being served by a nonregulated power producer pays any taxes assessed for electric service to the electric distribution company and the electric distribution company forwards such tax payment for the power portion of the bill to a nonregulated power producer for payment by the nonregulated power producer to the state, neither the customer nor the electric distribution company shall be liable for such taxes forwarded if the nonregulated power producer fails to remit such taxes to the state for any reason.

Section 2

§ 45-67-10. Exemptions.

(a) The exemption waiver provided by the public utilities commission to BIPCo from the terms of § 39-1-27 shall also apply to the utility district and the public utilities commission shall have the authority to provide such other waivers from this section as may be in the public interest.

~~**(b)** The utility district shall from time to time, submit plans to the public utilities commission on retail choice as defined in § 39-1-27.3. The public utilities commission shall have the authority to approve those plans as may be in the interests of all ratepayers of the utility district, including the option of not offering retail choice. Any waiver on retail choice granted by the public utilities commission to BIPCo shall also apply to the utility district.~~

(c) The exemptions provided for the Pascoag utility district and BIPCo under §§ 39-1-27.3.1, 39-1-27.12, 39-2-1.2(b), 39-2-25, 39-26.1-1 through and including 39-26.1-6, and chapters 1.1, 26, 26.2, 26.4, and 26.6 of title 39 shall also apply to the Block Island utility district. The utility district shall be exempt from the provisions of chapter 18 of title 35.

(d) As long as the utility district has a waiver from the restructuring provisions of § 39-1-27, then the utility district shall also be granted a waiver from the provisions of § 39-1-27.6

such that the employees of the utility district may be allowed to provide both electrical generation and distribution services.

AGENDA ITEM 10
EV CHARGING PROGRAM OPTIONS

Jeffery Wright

From: Jeffery Wright
Sent: Tuesday, February 21, 2023 11:06 AM
To: Noel Chambers
Subject: RE: ENE Demand Response Program - BIUD

Thanks Noel, let me know when you're available for a call. I think right now we'd like to target EV chargers but after our discussion, I may recommend we target other loads. We know that right now Block Island has about 50 EVs that belong to year-round and more than 80 mini-splits.

Jeffery M. Wright | President
Block Island Utility District
DBA Block Island Power Company

National Rural Electric Cooperative Association
Rhode Island Director

100 Ocean Avenue, P.O. Box 518, Block Island, RI 02807
Office: 401-466-5851 | Cell: 802-730-4233 | Fax: 401-466-5851

*For INFORMATIONAL
PURPOSES
ONLY*

From: Noel Chambers <nchambers@ene.org>
Sent: Thursday, February 16, 2023 1:55 PM
To: Jeffery Wright <jwright@blockislandutilitydistrict.com>
Subject: ENE Demand Response Program - BIUD

Good afternoon Jeff,

First and foremost, thank you attending the call this morning (if you were able to) to discuss ENE's prospective Demand Response offering. I wanted to follow up with each MLP individually regarding any specific questions/comments/concerns you may have and if you would tentatively be looking to participate in the program pending more accurate pricing information. As was mentioned on the call, the pricing will vary significantly based on the total number of MLP participants, so having a tentative opt in or out would be very helpful. Further, the weighted pricing will be changing to a variable price based on kW of controlled assigned / registered to your MLP service territory. This will make the program costs more equitable for all participants, as your costs will reflect your participants, not the program at large.

Attached to this email you will find a PDF version of the presentation for your review.

I would be more than happy to set up a call with you and your staff to discuss any questions you have. I would also be happy to arrange for a larger group call with Generac to show their platform and how that side of the operation would work.

Please feel free to reach out to me at any time.

Regards,
Noel

Noel Chambers, CEM, CMVP, CDSM
Director, Energy Efficiency and Electrification

Energy New England, LLC

Demand Response Program

Noel Chambers
February 16th, 2023

Agenda

- Why Demand Response
- Who ENE interviewed
- Generac Grid Services Introduction
- What ENE is proposing
- Prospective Program Costs

WHY DEMAND RESPONSE

Electrification Load Impacts: Whole Home Load Change

Baseboard Heat

End Use	kW Demand	kWh Energy
HVAC	2.92	7,700
DHW	0.21	830
EV	7.7	16,000
Total	10.83	24,530

Central HVAC

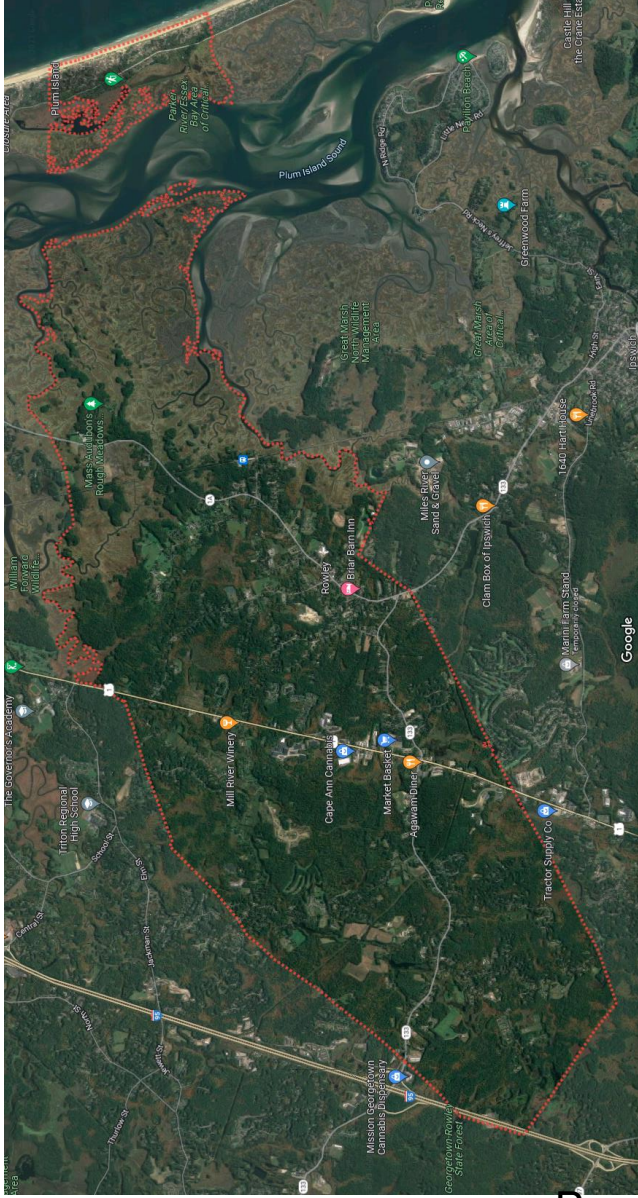
End Use	kW Demand	kWh Energy
HVAC	4.09	10,000
DHW	0.21	830
EV	7.7	16,000
Total	12	26,830

Incremental load growth of ~10 kW of demand and
~25,000 kWh of energy per household in the
Commonwealth

* Loads calculated per the Massachusetts Technical Reference Manual
<https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/14154670>

Electrification Load Growth

- With every home adding ~10kW of load (potentially at minimum) it could require Utility companies to completely rebuild their local distribution systems and require them to upgrade (ie increase capacity and size of) all equipment serving their customers
- Rowley, MA has ~3,100 meters and has a peak load of ~12 MW with an energy requirement of ~43 Million kWh of energy. (as of 2020)
- If they electrify everything their peak demand would become ~43 MW, exceeding their current substation capacity by ~12 MW. It would add ~77 Million kWh of supply requiring them to purchase ~120 Million kWh to meet their new supply requirements.
- The supply requirement would make them larger than Belmont (~11,700 meters), and the demand requirement would put them on par with Wakefield (~12,800 Meters) as of their reported 2020 values.

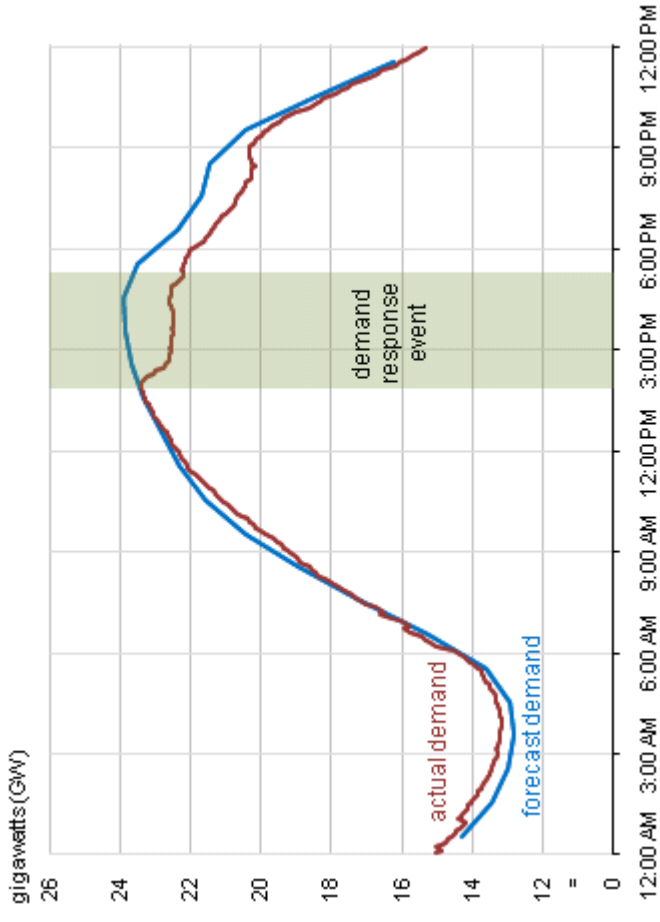


Google maps satellite image of Rowley, MA

Demand Response

Demand response provides an opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

an example: ISO-NE electric load, June 24, 2010



Demand Response

- Lowers the direct customer costs
- Can lower the overall grids cost by reducing the total energy required from generators
- Examples of Demand Response programs:
 - Off Peak EV charging
 - Battery (Electric or Thermal) dispatch
 - Thermostats



INTEGRATORS INTERVIEWED

Integrators Interviewed

- Virtual Peaker
- IP Keys
- Centrica
- Tangent
- Generac Grid Services



GENERAC GRID SERVICES (GGS)

Our Unique Value Proposition

Generac Backed

- #1 Brand in residential power with over 2M systems installed
- Purpose built infrastructure & capabilities for residential energy
- Operational excellence, quality and support



Trusted credible company, delivering home energy products for 60 years; an emerging leader in the transition to clean energy

Technology Leadership

- Most comprehensive DER Management platform on the market
- Energy monitoring, control and data science combine to enable superior customer experience & ROI
- Extensive ecosystem of DER assets
- Wholesale market and utility integration technology



Innovative utility and customer value creation with proven results and customer traction

Market Creation

- Vertically Integrated solutions
- Push and Pull business models for utilities
- Value propositions for all participants



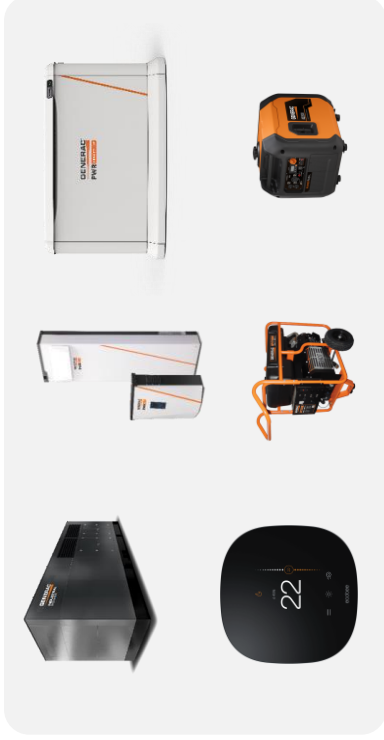
Untapped and growing market expansion opportunities

Grid Service Offerings

GENERAC GRID SERVICES

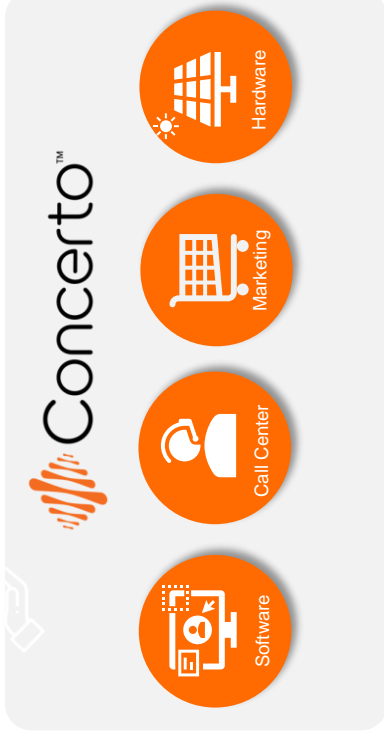
EAP

(Technology + Hardware)



Turnkey

(Hardware + SaaS + Services)



Pay-For-Performance



Benefits

- Access to Generac portfolio
- All products "Smart Grid Ready"
- Competitive pricing
- Access to dealer network

- Access to Generac portfolio
- Leading software to connect & control
- GGS takes on all the program management

- Dispatchable MWs as a grid resource
- Incentives for customers with new or existing assets
- Pay for what you get

Key GGS Customers

1.1

GW Connected

19,900

Assets Connected



3rd Party Integrations & Partnerships

25+

Ecosystem Partners

Standards & SDK
Integration model

<div>Residential Assets</div> <div></div>	<div>Generator</div> <div></div>	<div>Advanced Metering Infrastructure & Data Insights</div> <div></div>	<div>Energy Engagement</div> <div></div>
<div>Battery & Smart Inverter</div> <div></div>	<div>Program Management</div> <div></div>	<div>Systems Integrators</div> <div></div>	<div>ADMS/DMS</div> <div></div>
<div>C&I Asset Control</div> <div></div>	<div>Electric Vehicles</div> <div></div>	<div>Curtailment Service Provider</div> <div></div>	

➔ Generac Grid Services provides the most extensive partner library in the industry

PROPOSED CONTROLLABLE EQUIPMENT

Residential Devices

- Preliminary conversations with GGS have included the following equipment types to do direct dispatch:
 - Water Heaters
 - Aquanta, Generac water heater switch
 - Thermostats
 - EcoBee (Generac), Nest (Q3 2023)
 - Residential Batteries
 - PowerCell (Generac), Tesla Powerwall

Electric Vehicles

- Preliminary conversations with GGS have included the following equipment types:
 - EVSE (compliance and direct dispatch)
 - FLO, Charge Point, Enel X
 - EV Telematics (compliance)
 - Rolling Energy Resources
 - Audi, BMW, Cadillac, Chevrolet, Chrysler, Ford, Hyundai, Jaguar, Jeep, Land Rover, Lincoln, Mini, Nissan, Rivian, Tesla, Toyota, Volkswagen, Volvo
 - Coming soon: Kia, Mercedes, Mazda, Subaru, Polestar

Commercial Applications

- For commercial customers GGS has integrations with the following Building & Energy Management providers:
 - Honeywell
 - Johnson Controls
 - Tridium Jace
 - Alerton - ProLon
 - Delta Controls
 - Fractal EMS

PROSPECTIVE SAVINGS

Controlled Devices & Peak Load

# of Devices						
Program Year	T-stats	Battery	Waterheater (DHW)	# of EVSE	# of Vehicles	Device Counts
Year 1	400	100	100	500	100	1,200
Year 2	800	200	200	650	200	2,050
Year 3	1,200	300	300	800	300	2,900
Year 4	1,500	400	400	950	400	3,650
Year 5	1,800	500	500	1,050	500	4,350

Controlled kW								
Program Year	T-stats (1 kW)	Battery (10 kW)	Waterheater (2 kW)	EVSE (7 kW)	Telematics (7 kW)	kW controlled	MW controlled	
Year 1	400	1,000	200	3,500	700	5,800	6	
Year 2	800	2,000	400	4,550	1,400	9,150	9	
Year 3	1,200	3,000	600	5,600	2,100	12,500	13	
Year 4	1,500	4,000	800	6,650	2,800	15,750	16	
Year 5	1,800	5,000	1,000	7,350	3,500	18,650	19	

Prospective Peak Load Savings

- RNS rate for savings - \$140 / kW – Yr
 - Assumed successfully hitting peaks 75% of time (9 of 12 months)
- Capacity charge - \$2 / kW-month
 - Further derated this by 20%
- Over 5 years program could collectively save \$7.7 Million in Transmission and Capacity costs for participating Light Plants

Savings by device type / year

Program Year	T-stats	Battery	Waterheater	EVSE	Vehicles	Yearly Savings
Year 1	\$ 50,000	\$ 125,000	\$ 25,000	\$ 437,500	\$ 87,500	\$ 725,000
Year 2	\$ 100,000	\$ 250,000	\$ 50,000	\$ 568,750	\$ 175,000	\$ 1,143,750
Year 3	\$ 150,000	\$ 375,000	\$ 75,000	\$ 700,000	\$ 262,500	\$ 1,562,500
Year 4	\$ 187,500	\$ 500,000	\$ 100,000	\$ 831,250	\$ 350,000	\$ 1,968,750
Year 5	\$ 225,000	\$ 625,000	\$ 125,000	\$ 918,750	\$ 437,500	\$ 2,331,250
Total						\$ 7,731,250

Proposed Customer Incentives

- Incentives to be paid as a quarterly bill credit
 - T-stat - \$5 / Month
 - Battery - \$25 / Month
 - Water heater - \$10 / Month
 - EVSE - \$15 / Month
 - Telematics - \$15 / Month

Yearly Incentive by Device Type						
Program Year	T-stats	Battery	Waterheater	EVSE	Vehicles	Yearly Savings
Year 1	\$ 24,000	\$ 30,000	\$ 12,000	\$ 90,000	\$ 18,000	\$ 174,000
Year 2	\$ 48,000	\$ 60,000	\$ 24,000	\$ 117,000	\$ 36,000	\$ 285,000
Year 3	\$ 72,000	\$ 90,000	\$ 36,000	\$ 144,000	\$ 54,000	\$ 396,000
Year 4	\$ 90,000	\$ 120,000	\$ 48,000	\$ 171,000	\$ 72,000	\$ 501,000
Year 5	\$ 108,000	\$ 150,000	\$ 60,000	\$ 189,000	\$ 90,000	\$ 597,000

PROSPECTIVE COSTS

What is included

- Generac Grid Services
 - Access to GGS's Concerto platform
 - First year start up costs
 - Annual SaaS fees are calculated based on MW controlled
 - Costs per MW reduce as more load is added
- ENE
 - Full time resource to manage enrollment, dispatch, and reporting
 - Custom CRM build to track and communicate with customers who enroll in program

Prospective Program Cost

- Estimated programs costs:

All in yearly cost to Client					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total	\$ 338,140	\$ 304,870	\$ 344,400	\$ 372,350	\$ 398,290
50% of yearly	\$ 169,070	\$ 152,435	\$ 172,200	\$ 186,175	\$ 199,145

- Costs will be distributed based on the following:
 - “Fixed Cost”: 50% of cost / number of participants
 - “Weighted Cost”: 50% of cost x participant % of total load
- If additional MLPs join costs for existing participants be recalculated (reduced)
 - If MLPs leave costs will be recalculated (increased)

Prospective Pricing

Average Cost							
10 Clients	MLP Peak Demand	Participants	Year 1	Year 2	Year 3	Year 4	Year 5
	Tier 1: 0-15 MW	1	\$ 18,084	\$ 16,305	\$ 18,419	\$ 19,914	\$ 21,301
	Tier 2: 15-30 MW	1	\$ 23,500	\$ 21,188	\$ 23,935	\$ 25,878	\$ 27,681
	Tier 3: 30-50 MW	2	\$ 26,797	\$ 24,160	\$ 27,293	\$ 29,508	\$ 31,564
	Tier 4: 50-75 MW	1	\$ 31,977	\$ 28,831	\$ 32,569	\$ 35,212	\$ 37,666
	Tier 5: 75-100 MW	3	\$ 35,352	\$ 31,874	\$ 36,007	\$ 38,929	\$ 41,641
	Tier 6: 100+ MW	2	\$ 52,464	\$ 47,302	\$ 53,435	\$ 57,771	\$ 61,796
	Average Cost						
15 Clients	MLP Peak Demand	Participants	Year 1	Year 2	Year 3	Year 4	Year 5
	Tier 1: 0-15 MW	2	\$ 12,767	\$ 11,511	\$ 13,003	\$ 14,058	\$ 15,038
	Tier 2: 15-30 MW	1	\$ 16,197	\$ 14,604	\$ 16,497	\$ 17,836	\$ 19,079
	Tier 3: 30-50 MW	3	\$ 18,191	\$ 16,401	\$ 18,528	\$ 20,032	\$ 21,427
	Tier 4: 50-75 MW	3	\$ 22,062	\$ 19,891	\$ 22,470	\$ 24,294	\$ 25,986
	Tier 5: 75-100 MW	4	\$ 24,994	\$ 22,535	\$ 25,457	\$ 27,523	\$ 29,440
	Tier 6: 100+ MW	2	\$ 37,837	\$ 34,114	\$ 38,537	\$ 41,665	\$ 44,568
	Average Cost						
20 Clients	MLP Peak Demand	Participants	Year 1	Year 2	Year 3	Year 4	Year 5
	Tier 1: 0-15 MW	6	\$ 10,126	\$ 9,129	\$ 10,313	\$ 11,150	\$ 11,927
	Tier 2: 15-30 MW	2	\$ 12,647	\$ 11,403	\$ 12,881	\$ 13,927	\$ 14,897
	Tier 3: 30-50 MW	3	\$ 14,922	\$ 13,454	\$ 15,199	\$ 16,432	\$ 17,577
	Tier 4: 50-75 MW	3	\$ 18,541	\$ 16,716	\$ 18,884	\$ 20,416	\$ 21,839
	Tier 5: 75-100 MW	4	\$ 21,282	\$ 19,188	\$ 21,676	\$ 23,435	\$ 25,067
	Tier 6: 100+ MW	2	\$ 33,288	\$ 30,012	\$ 33,904	\$ 36,655	\$ 39,209

Net Value to Participating MLP

- Net value over 5 years could exceed \$4 million

Client Net Benefits					
Program Year	Client RNS Savings	Customer Incentive Payments	Program Administrative Fees	Total Net Benefit	
Year 1	\$ 725,000	\$ 174,000	\$ 338,140	\$ 212,860	
Year 2	\$ 1,143,750	\$ 285,000	\$ 304,870	\$ 553,880	
Year 3	\$ 1,562,500	\$ 396,000	\$ 344,400	\$ 822,100	
Year 4	\$ 1,968,750	\$ 501,000	\$ 372,350	\$ 1,095,400	
Year 5	\$ 2,331,250	\$ 597,000	\$ 398,290	\$ 1,335,960	

- Program admin fees are ENE + GGS Portal costs

Questions?