

BLOCK ISLAND UTILITY DISTRICT



Lead line worker Evan Carey reenergizes the Mitchel Lane tap following a line fault caused by a downed tree behind the Quankenbush residence. On the evening of January 10, 2024, a power storm subjected Block Island to heavy rain and wind gusts > 80 mph. Three separate outages, affecting roughly 100 members, were all caused by high winds. Two of the three were caused by falling trees.

**BOARD OF COMMISSIONERS MEETING
JANUARY 25, 2024
4:00 PM**



Meeting of the Board of Utility Commissioners
Thursday, January 25, 2024 @ 4:00 PM

THE MEETING WILL BE HELD AT THE HARBOR CHURCH

1. Public Input
2. Correspondence
 - a. Chris Warfel December 11, 2023
 - b. Chris Warfel December 22, 2023
3. Commissioner's Report
 - a. ETIPP Grant Update
 - b. Orsted/New Shoreham Town Council Update
4. Review and Approve the 2024 BIUD Board Calendar
5. Review 2023 Strategic Plan, Update for 2024
6. Approve Board Meeting Minutes
 - a. September 22, 2023
 - b. November 2, 2023
 - c. November 13, 2023
 - d. November 16, 2023
7. Treasurer's Report
 - a. Report on monthly Treasurer's Reports
 - b. Review Preliminary 2023 Y/E Financials
 - c. Budget/Rate Case Update
8. President's Report
 - a. Annual 2023 Wrap-Up and What's Coming in 2024

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

Posted: January 22, 2024 @ 1:30 PM

Secretary of State Website, BIBB, Town Hall, BIUD Website www.blockislandpowercompany.com

AGENDA ITEM 1
PUBLIC INPUT

AGENDA ITEM 2
CORRESPONDENCE

From: Christopher Warfel <cwarfel@entech-engineering.com>

Sent: Monday, December 11, 2023 10:59 AM

To: Millie McGinnes <mmcginnes@new-shoreham.com>; Tracy Fredericks

<tfredericks@blockislandutilitydistrict.com>; Barbara MacMullan <bmacmullan@blockislandutilitydistrict.com>;

Kenneth C. Lacoste <kencheck6@verizon.net>; John Warfel <johnwarfel@me.com>; Tom Risom

<buildinginspector@new-shoreham.com>; Barbara MacMullan <bamacmullan@gmail.com>;

maryjanelogan@aol.com

Subject: Communication to be Received by Town Council and BIUD

Attached is an article on the negative economic impact on jobs from the recent decision by California to change the customer generation compensation.

Everyone should understand that this is the policy that I proposed to BIPCo, which they refused to discuss, and instead adopted a much more regressive policy than the one that I proposed and which California eventually adopted. So, to make sure you understand, I proposed a policy that I thought was fair, and it still resulted in this very negative economic impact on jobs. We should think about these Facts. The Town, should use it representation of us who pay the electric bills to query BIPCo on their position. I've done it many times and it always is a response that is confounded in inconsistency and incongruent with actuality.

I don't foresee any change at the power company, and they were told that their policies were regressive, inconsistent with national, state, and Town programs, and they still publicly stated that they were on the leading edge of energy policy w/r to customer generation. That would have been true if leading edge meant 1970s - 1980s.

Please be sure your meeting records indicate this was presented to you. Thank you, Christopher Warfel, PE

California is losing solar jobs at record pace

NEM 3.0 is causing layoffs, exits and a tough winter ahead for CALSSA members.

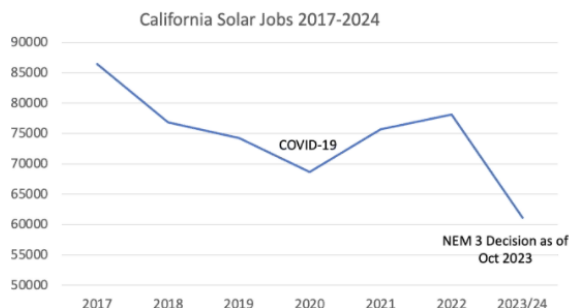
By Kelsey Misbrener | November 30, 2023



The California Solar & Storage Association (CALSSA) held a grim media briefing on November 30 featuring five residential solar company owners discussing the impacts of the state's new NEM 3.0 net billing regime on their businesses. NEM 3.0 was approved by the California Public Utilities Commission (CPUC) in [December 2022](#) and went into effect in April 2023. As a result of NEM 3.0 decreasing the amount of money homeowners can receive for feeding solar back to the grid, 22% of solar jobs have been lost, and 59% of the state's residential solar + storage contractors expect layoffs, according to a survey of CALSSA's 700+ members.

Depression-Level Job Loss in Solar

17,000 jobs have or will be lost by the end of 2023 due to NEM-3. The massive job loss represents 22% of all solar jobs in California.



CALSSA's graphic representing job losses reported in a member survey.

Solar sales in the state are down between 77% and 85% year over year, according to [Ohm Analytics](#), which hosts a proprietary database of solar projects in the United States based on permit and interconnection data. Interconnection application data from two of the three large California utilities, PG&E and SCE, also showed volume down between 66% and 83% year over year.

The contractors on the call provided their own anecdotes to paint a bleak picture of the state that used to lead the nation in solar policy.

San Diego's HES Solar has been in business for over 20 years and just downsized from 70 to 33 people. Fresno's Energy Concepts has 32 years of business under its belt and just reduced its workforce from 70 to 35 people. And Arcadia's Construct Sun has already pulled out of California altogether to focus its resources on states that still offer one-to-one net metering on the East Coast and Midwest.

"You don't just hire somebody and then they start working for you, it takes years and years to develop skills. And we love to promote from within," said Ross Williams, CEO of HES. "All those jobs are gone. Years and years of workforce development have just been wiped out, so it's pretty depressing."

Carlos Beccar, marketing director at Energy Concepts, said the hardest part of his job now is explaining NEM 3.0 to customers. The CPUC's main argument for the plan was avoiding the duck curve of midday solar generation by encouraging more residential battery installations using complex hourly export rates. But even though some contractors on the call said they're selling more batteries in California than before, the overall volume of work is way down.

"A lot of people talk about batteries and make it sound like it's this simple thing — you just take a battery and plug it in. And it's so much more complicated," Beccar said. "You have to have a system that's big enough to charge the battery. Just because you have a battery, you can't put a smaller [solar] system in by



Most of the conversation focused on the residential market, but CALSSA executive director Bernadette Del Chiaro said commercial installations will feel the pain next, likely in 2024. The longer timelines for these projects have delayed the more immediate impacts felt by the residential market. But Kenneth Wells, CEO of O&M Solar, said his company is already seeing a preview of this in its commercial work.


“One of the things I focus on is doing subcontracting, and we’re not seeing as many bids for 2024 coming. We’re not seeing as many projects as we did the prior year,” Wells said.

CALSSA tried to end on a hopeful note, outlining three requests for policymakers to stave off additional harm to the industry. The group is asking for no further actions that could harm the market — including no solar taxes or fixed charges on residential customers and no limitations on licensed solar contractors installing solar + storage. It’s asking for a new “Million Solar Batteries Initiative” to make this technology affordable for homeowners, similar to the “Million Solar Homes Initiative” by the Schwarzenegger Administration. And it’s asking for the state to cut more red tape by getting firm with utilities about interconnection delays and simplifying permitting at the city and county levels.

Still, CALSSA said the harm already felt in the peak summer solar sales season is not a good sign for the traditionally slower winter ahead.




“It’s 2023. California has declared ... that climate change is a crisis. We need three-times more solar energy and we need it as fast as we can,” said Del Chiaro. “We need more batteries. This should be the Golden Era. This should be the heyday. We should be hitting our stride and sprinting to the finish line. And instead we have California’s footsoldiers in the market to build our clean energy future in the most fast and accessible manner worried that they’re not even going to be able to make it through the winter.”

ABOUT THE AUTHOR



Kelsey Misbrener

Kelsey has spent almost seven years in the renewable energy space and is the current managing editor of Solar Power World.



Comments



Ken Wells

December 10, 2023 at 3:35 pm

To add to this, there is no mention of the other policies in California, like AB2143 that will increase commercial solar costs while making the benefits of NEM sparse. Unfortunately, things need to get worse before they get better. But Solar will prevail! Homeowners will choose a more sustainable future.

Reply



John McDowell

December 7, 2023 at 12:09 pm

Ron DeSantis would have loved to had this information about California losing jobs, last week when he debated Newsom. Great article!

Reply



Kyle Poston

December 7, 2023 at 12:09 pm

Date: December 22, 2023

To: Barbara MacMullan, Chair, and Board Block Island Power Company/Block Island Utility District;

cc:

From: Christopher Warfel.

Re: Toxic Environment Encouraged by Management and Board Leadership

Recently I experienced a verbal assault by a representative of Block Island Power Company. The purpose is not for me to bring any negative consequences upon this person. That has been seen to by others and is a matter of record; certainly not by the Board Chair, Barbara MacMullan, or by the President of Block Island Power Company, Jeffrey Wright. In fact, in my opinion MacMullan and Wright are responsible for the assault.

I remember appearing before you after posting on Facebook that the BIPCo was "rotting from the inside out". During that meeting, I observed how Jeffrey Wright most likely manipulated Balser into believing my comments mentioning her were an attack on her. It was not, it was an analogy on optics. I believe Wright filled Balser's head with all kinds of misinformation. Given Balser's tendency to go off and verbalize to the point of nonsense, it does not take much for that to happen, and it could have been all done by Balser to herself. I suspect Wright had a lot to do with it. I realized that if Balser was that easily manipulated then further discussion was pointless at that meeting. I decided that spending further time talking to people unable to absorb outside corporate orchestrated information was a waste of life.

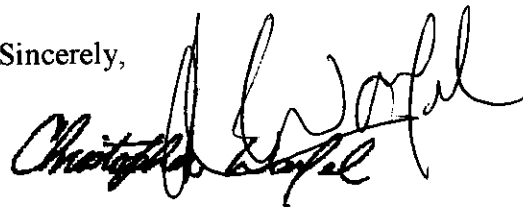
It became apparent to me through that and subsequent interactions with personnel, my work in representing balanced economic analysis and thoughtful policy development was most likely being used as a reason for me to be "blacklisted" for lack of a better term. I'm sure you know what I mean. Manipulation is an art form I seen often used on Block Island.

MacMullan and Wright have done a lot of damage to our future by thwarting the implementation of well thought out and fully examined policies in any timely fashion. The Board majority shows little comprehension and interest in anything progressive because they are ill equipped to focus on anything outside of what they are fed.

As I stated earlier, MacMullan and Wright bear the responsibility for the incident and you would be wise to change your ways or leave your respective positions.

This page is to be entered as correspondence to be received by the Board. No other information associated with this letter should be released by the Board, as it serves absolutely no purpose to do so. However, collectively you need to know what your actions bring as consequences to this community. Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher Warfel", written over a horizontal line.

Christopher Warfel, PE

AGENDA ITEM 3
COMMISSIONER'S REPORT

(THIS PAGE INCLUDED FOR NOTES)

AGENDA ITEM 4
REVIEW AND APPROVE THE 2024 BIUD BOARD CALENDAR

January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6						1	2	3					1	2
7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9
14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16
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28	29	30	31				25	26	27	28	29			24	25	26	27	28	29	30
														31						
April							May							June						
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July							August							September						
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28	29	30	31				25	26	27	28	29	30	31	29	30					
October							November							December						
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27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

Regular Board Meetings

Annual Meeting

Black Out Holidays

NREC/NEAEC Events

- TechAdvantage (San Antonio) March 2-6
- NRECA Legislative Conference (Washington, DC) April 21-24
- NRECA Directors Conference (Nashville) April 6-9
- NRECA Region One Meeting (Grand Rapids, MI) September 4-6
- Northeast Association Conference (Saratoga Springs, NY) October 15-17

AGENDA ITEM 5
REVIEW 2023 STRATEGIC PLAN, UPDATE FOR 2024

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

Employee Lost Time Incident Rate Goal 0

Public Incident Rate Goal 0

Comply with Quarterly Safety Training and Monthly Truck/Equipment Inspections - Goals 4 and 12

Modified Debt Service > 1.50%

Develop Time of Use Pilot EV Charging Rate

Set Timeline for Next Rate Case (COS)

Conduct Annual Member Satisfaction Survey

Review and update Mission/Vision Statements

Develop Succession Plans

Create Ad-Hoc BOD Sub-Committee to Review Benefits Packages

Create Ad-Hoc BOD Sub-Committee to work on this.

Develop 5-10 Year Capital Plan.

Create Standing Power Supply Sub-Committee

Develop Power Supply Questions for Member Survey

STRATEGIES

Conduct Daily Safety Meetings/Field Visits

Host external training (fire/rescue/excavators)

Publish public safety messages (paper/bill stuffers/social media)

Continue to grow Equity:Debt Ratio (Q3 2022 20%)

Produce Timely Quarterly Financials for Review

Develop Equipment Rotation Schedule

Promote the Seven Cooperative Principals

Solicit member participation to determine BIUD's branding

Enhance cross-training efforts, recruit future BOD candidates, and develop recruitment strategies for future President

Conduct review of the benefits package – specifically retirement plans.

Review existing projects, facilities, housing and engineering plans.

Investigate external funding opportunities to support project plans.

Continuously evaluate power supply opportunities and tailor BIUD power supply to long-term goals.

Survey the BIUD membership to aid in developing long-range renewable goals.

MEASURE

ON TRACK
0

ON TRACK
0

ON TRACK

4.45%

Q3 & Q4

ON TRACK

COMPLETE

Q4 AFTER ELECTION

NEEDS ATTENTION

ON TRACK

ON TRACK

2024

COMPLETE

COMPLETE

AGENDA ITEM 6
APPROVE PAST BOARD MEETING MINUTES

SEPTEMBER 22, 2023

NOVEMBER 2, 2023

NOVEMBER 13, 2023

NOVEMBER 16, 2023

Block Island Utility District
Meeting of the Board of Utility Commissioners
Thursday, November 2, 2023 @ 4:00 PM

In attendance: Barbara MacMullan, Mary Jane Balser, Tom Risom, Ken Lacoste, John Warfel, Jeff Wright, Tracy Fredericks, Evan Cary, David Lewis, Carlos Salinas.

Board Chair, Barbara MacMullan called the meeting to order at 4:01pm

1. Public Input- President, Jeffery Wright read an email from a member stating they are in support of renewable energy projects to help support the grid, and that they support our 2024 power supply and transmission plan.

2. Commissioner's Report

Election Review: Barbara MacMullan welcomed new commissioner, Ken Lacoste. Barbara reported that the election review went well and congratulations to Ken Lacoste and Mary Jane Balser.

Election of Board of Utility Commissioner Officers: Barbara MacMullan asked for a motion to elect board officer. Ken Lacoste made a motion to re-elect the same board members to the same positions if they are willing. The motion was seconded by Mary Jane and the motion passed unanimously.

3. Strategic Plan Update: Jeffery Wright reported that not much had changed since last meeting. Regarding the 5–10-year capital plan, he asked that the board appoint 2 people today to a sub-committee.

Succession planning needs to be addressed. We currently don't have succession plans for President, and for the BOD. The BOD can appoint a new commissioner as stated in the By-Laws. Jeff explained they had good succession plans for all the employees except for him, and Tracy. The line and maintenance crews have been trained to do each other's jobs. Jeff added that we don't really have an answer to succession for himself and Tracy. Ken suggested to draw a flow chart of Jeff and Tracy's jobs. Jeff pointed out that Dave Bebyn can help with his job.

4. Approve Meeting Minutes from the June 22, 2023, and July 27, 2023 meetings. A motion was made by Tom to approve the minutes from June 22, 2023, and July 27, 2023. The motion was seconded by John. The motion passed unanimously, Ken Lacoste abstained, he was not present at those meetings.

5. Treasurer's Update-Tom reported he didn't have time to review everything and would like to report on October at the next meeting.

6. President's Update

Grant Updates: (ETTIP and NRECA GRIP Grant) Jeff reported that we did not get the \$5.3M grant to fund pole replacements. The grants went mostly toward wildfire mitigation. Jeff reported he will put in for the second round of this grant and look into other grant opportunities.

The ETIPP grant meetings are continuing weekly, we are looking to get a plan that we can use if there is a long-term cable outage. Help us identify options we wouldn't normally consider in the event of a long-term cable outage. The ETIPP team will be here on November 13, 2023, for a public meeting.

7. Review and Approve 2024 Power Supply and Transmission Procurement Plan (100% Renewable Portfolio) and Rates

Jeffery Wright reported that the RI Energy Standard ("RES") sets a goal of 100% renewable by 2032. BIUD's proposed rate reconciliation will meet the State's RES, funded from rate payer revenues. The increase is approximately \$0.01 increase in rates. The Solar Initiative offered to fund the remaining credits to get BI to 100% renewable if we agree to this proposal tonight. The new proposed power supply and transmission rate is \$0.1978. This results in a \$7.79 increase to the average 500-kwH member.

Mary Jane Balser moved to approve the power supply transmission rate proposal and power supply strategy as presented in the Board Meeting with the documents that we all received. The motion was seconded by John. The motion passed unanimously.

8. Review of the Northeast Association of Electric Cooperatives Conference-

Barbara MacMullan expressed that she would like to review a presentation with everyone that was presented at the NEAEC meeting. Barbara expressed that the main point she took home was that the BOD's role is oversight and policy, and Jeff's role is implementation and operations and putting them into effect. Also, Barbara noted that we have the duty of care, loyalty, to inform and obedience to our By Laws and Policies. A discussion ensued.

9. Review the 2024 Budget Process and appoint two Commissioners to a Capital Planning Sub-Committee

Jeffery Wright reported that the next meeting is November 16th in which the operating and capital budgets will be ready for review. In December, we will approve them. There will be an increase in our operations budget. Jeff asked that two commissioners volunteer for a long-term capital budget committee to study a new building, new use of land, more housing are some of the topics the committee will tackle. Jeff suggested to tour the facility and grounds and look at the true state of the buildings. Tom Risom and Ken Lacoste offered to be on the committee. Through unanimous consent, they were appointed.

10. Review and Act Upon BIUD's position on Orsted Off-Shore Wind Projects

Jeffery Wright offered that BIUD has not taken a public position on developing off-shore wind projects. It may be time for us to step up and offer some insights. Jeff and Barbara went to a Town Council recent meeting and expressed support for offshore and renewable energy. He did feel it was important to formally make BIUD's position known to the council and our members.

A motion was made by Tom Risom and seconded by John Warfel to draft a letter to the Town Council to state our formal position. The motion was approved unanimously.

A motion to adjourn the meeting was made by Barabara MacMullan and seconded by Ken Lacoste. The motion passed unanimously. The meeting adjourned at 5:39pm.

Block Island Utility District
Meeting of the Board of Utility Commissioners

Monday, November 13, 2023 @ 4:00 PM

In attendance: Barbara MacMullan, Tom Risom, John Warfel, Ken Lacoste.
Jeff Wright, Dick Martin, Tony Pappas, Tracy Fredericks, Jim Stockman, Tom Durden, Sven Risom, Carlos Salinas, Clair Comings, Neil Murphy.

Barbara called the meeting to order at 4:04 pm

1. **Introduction of Energy Transitions Initiative Partnership Project (ETIPP) Team**
Jamie Cook, Island Institute. John Daniel, Policy Researcher, Pete Cavers, Policy Researcher, Kate Clandanski, Island Institute, Community Development Officer.

Jamie Cook explained that he works at the Island Institute in Rockland ME, and is now working with ETIPP With the Department of Energy, and has broadened their scope to include Block Island and Shelter Island, NY.

ETIPP-headed by DoE, Office of Energy Efficiency and Renewable Energy and NREL (National Renewable Energy Lab) helps the administration of the ETIPP program. Island Institute helps to connect communities interested in the project. Energy transitions and goals. One of the goals of the project is to create a network of communities that can work together and learn from each other on what did and didn't work.

Pete Cavers explained what ETIPP does: that ETIPP providing technical assistance to communities that may not have the technical capabilities. Work with communities to make more informed decisions and energy transitions. These the ways in which we do this can be through the following: Assessments, Resilience Planning, Capacity building, Convening and Facilitations.

John Warfel added that they discussed energy resilience, what would we do if there was a long-term cable outage. How can we do more for our members, more electrification? More solar? Disaster preparedness.

Regional Lead helps to bring the data analysis and apply it to the community. -Jenny Wandel (not present), is the coordinator, then John and Pete are the technical guides, they provide a statement of work-what are we going to do, when are we going to do it and the logistics. The goal today is to hear more about the energy concerns of BIUD and its members.

John Daniel explained that this is a Community Centered Project Lifecycle- ETIPP is designed to fit in Phase 0-3. Which is establishing the vision then scoping and de-risking the project to go forward.

- 2.

John Warfel and Barbara MacMullan discussed the history of the island. John said he and the

team found that BI is in the front of the transitions of power for the country. We are on the “cutting edge”, noting the NOAA wind turbine, the transition to a utility district and the offshore wind farm. In the discussion the inevitability of continued electrification of the island, increased energy usage and the vulnerability of the cable.

Jeff Wright said we never had to worry about the electrification of the island before and expressed that this meeting is about where you want your energy to come from, what do you want us to do if the cable completely fails what are your worries and concerns. ETIPP is here to work with the BIUD BOD and the community. They are here to help us as a community make some decisions. They are here to listen to our ideas, and concerns. Jeff encourages everyone to speak up. This is the members meeting.

John continued that the ETIPP was started 3 years ago and now 28 communities across the country are in the various stages of their project. John said he feels BI is one of the more sophisticated remote, island communities regarding energy resilience and systems. John feels we are a model for other communities to learn from.

3. Receive ETIPP Presentation and Discuss Stakeholder Participation

Dick Martin asked What happens with a long-term cable outage, and if ETIPP is here to help us? Could we use some of the wind energy to provide backup power to the island if there is a cable outage?

Pete Cavers discussed that he has heard that this is a concern for many members, and the need for a contingency plan for a short and a long-term outage. Are there cost effective back up plans that we could explore. Pete said from an analytical standpoint, ETIPP is here to help figure out what those plans are. Both questions should be on the table for the analysis.

Tony Pappas asked if it would be it possible to have all energy come from the Island, to eventually become 100% renewable.

Jeff Wright explained, last week we filed our 2024 power supply plan to the PUC, proposing a portfolio funded by our members to meet the state standards of 28% renewable. The Solar Initiative is funding a bridge grant to reach a goal of 100% renewables. We want ETIPP to help us do this efficiently, and correctly. There are many technical challenges they can help us with.

Sven Risom the more incentives we can get to fund solar the better, need to find other sources than the Solar Initiative. Are there other renewable resources we can investigate? How do we get funding to do these?

Pete Cavers responded saying we can talk with BIUD about how to create positive incentives without large cost shifts, different resources, value propositions, reliability, and resilience options. We can work to find some of the technologies, engineering, and economic analysis to make these things happen. We have found that renewables are very expensive, some prohibitive. It is essential that we make decisions now that we won't regret and identify what we shouldn't do and reassess down the line.

Jeff added we are looking into a company in MA called Trashology, as a possible new energy source along with other different organizations.

Carlos Salinas concerned about the community input. There are not a lot of community members present.

Pete said this is the first step, this is the time to find out what direction the community wants to go. There will be steps along the way and hopefully more people will become involved and present a more robust presentation to more of the community.

John Warfel need help on how to engage the community, asked Carlos to help with this.

Tom Risom asked where do we fit in the island spectrum? Are we small to mid-utilization. We are a unique community “ripe” for emerging technologies and experimental projects.

Jamie and Jeff we are on the small to mid-size utilization scale. Block Island is one of the larger communities that ETIPP supports.

Ken Lacoste- suggested we set up a “kit” of energy sources for us if the cable and or generators go down.

John look into other sources from companies to test out their new energy sources, could help with the costs of new energy sources. How do we advertise (to the world) our willingness to try out new technologies.

Other suggestions:

Community Solar, (TF) Carbon savings

Look into new and better EV charging technologies

Look into seasonal changes in population.

Carlos Salinas asked about the community input level going forward. Barbara and Jeff offered that we would continue this discussion at additional meetings and at regular board meetings.

Barbara made a motion to adjourn the meeting, the motion was seconded by Tom Risom, the motion passed unanimously. The meeting was adjourned at 5:32.

Block Island Utility District
Meeting of the Board of Utility Commissioners

Thursday, November 16, 2023 @ 4:00 PM

Present: Barbara MacMullan, Chair, Tom Risom, Treasurer, John Warfel, Secretary, Mary Jane Balser, Ken Lacoste.

Jeff Wright, President, Tracy Fredericks, Tony Pappas, Carlos Santiago, Tom Durden, Ray Torrey, David Lewis, Jana Adams, Brendt Nussbaum

Board Chair, Barbara MacMullan called the meeting to order at 4:10 pm.

Member, Ray Torrey discussed the project at the Medical Center. Ray asked the board to have an open mind regarding the net-metering policy. Jeff offered the policy is not fluid but should work for the new project and he will explain it to him in person.

1. Introduction to Touchstone Energy Cooperative and Presentation of their Offerings
Jeff introduced Jana Adams, Executive Director, and Brendt Nussbaum from Touchstone Energy.
Jana and Brendt introduced Touchstone Energy (see attachment), took questions from the Board and members and left the meeting.
2. Review 2024 Expense and Capital Budgets (Working Session).

President Jeffery Wright said he is going to ask the board to approve the 2024 budget and a rate increase at a future Board of Director's meeting. Jeff noted the increase in costs of equipment and materials have negatively and significantly impacted what we can do from a capital standpoint.

He also reminded the BOD that the employee benefits sub-committee recommended an increase in the 401k from 3% to 5% and a small increase in future pensions for new retirees. That will have an impact on the 2024 budget.

Jeff asked that everyone go through each line item over the next few weeks and bring him any questions and suggestions prior to the December meeting.

Jeff asked that we do not do a rate redesign, instead he prefers an across the board increase in the rates for simplicity.

Jeff said we will be conservative in 2024 and use an average of a couple years of sales, the Plant & Distribution increase if this budget is approved would be 9.68%. He then noted that we will be operating with a \$290,000 deficit if we don't do a rate increase.

Barbara asked if it make sense to assume that our revenues will increase. We may not need to raise the rates as much. Need a better understanding of the averages.

Jeff clarified that we take a 2-year average. We need to show justification for rate increases.

Jeff added that we don't see as much new electric usage as we think, we saw less electric usage in the summer, due to heat pumps replacing the window ac units.

Member, David Lewis asked if we could maintain our infrastructure improvements without raising the rates? Jeff answered that would not be possible due to the cost increase of equipment, adding we cannot continue to improve the infrastructure without a rate increase.

Barabara asked what would we do with any extra revenue? Jeff relayed that we would put it into capital.

Jeff added that we are close to getting a new insurance company, since our rates have gone up over the past few years by 30-40 percent. Federated Insurance is a COOP company that can save us significantly and would be decent to work with.

Jeff further added that we have done everything we can to not increase rates, it doesn't make the members happy. Unfortunately, we can't keep going forward without a rate increase.

Mary Jane Balser asked why our expenses have continually increased. Jeff answered it was simply due to inflation. Jeff added that we may need to look into doing an across-the-board rate increase every year, but that this also costs us money every time we do a rate increase.

Barbara made a motion to adjourn the meeting, the motion was seconded by Tom. The motion passed unanimously. The meeting adjourned at 5:44pm.

AGENDA ITEM 7
TREASURER'S REPORT

TREASURER'S REPORT
JANUARY 25, 2024

All monthly Treasurer's Reports for 2023 have been delivered and reviewed. The reports are prepared by Jeff and Tracy and include check run reports, payroll summary reports, Townhouse utility reimbursement details and credit card statements/receipts. All are in order and comply with the BIUD financial policies.

The 2023 Preliminary Y/E Financials are attached. Below is a list of observations and clarifications:

PAGE 1 OF BALANCE SHEET

- PROPERTY AND EQUIPMENT: Construction Work in Progress (\$1,051,528.32) has not been closed out and allocated to the appropriate Property and Equipment Categories. This is being done as part of the 2023 close out activities.
- CURRENT ASSETS: Other than the year end cash balance being lower than last year, everything else is comparable to the previous year, 2022.
- DEFERRED ASSETS: The Regulatory Asset – Lease Receivable is for the cell tower and was new last year due to a GAPP change.
- TOTAL ASSETS: Total asset values are up 4%, or roughly \$531,000.

PAGE 2 OF BALANCE SHEET

- CURRENT LIABILITIES: This year's balance compared to 2022 is more normal due to catching up with the Nation Grid/RI Energy Invoices.
- DEFERRED CREDITS: The Solar Restricted Fund will be adjusted down. There will be an allocation of 90% of the 2023 generation revenue from this account to capital. 10% of the 2023 revenue will remain in this account for future maintenance and decommissioning.
- LONG TERM LIABILITIES AND LINE OF CREDIT: The balance of the revolving LOC is at \$900K compared to \$620K last year.
- CFC LOANS: Our current balance for all long-term CFC debt is now \$8,439,857.
- EQUITY TO DEBT RATIO: The ratio at Y/E 2023 is 21%.

PAGE 3 – PROFIT AND LOSS STATEMENT

- Total Revenues are 14% better than budget.
- Total Expenses are 20% higher than budget.
- Net Margin in 2023 was \$625,792 mostly due to booking the EV Bucket.

The 2024 operating and capital budget and rate case should be finalized at the March meeting. Jeff will present a final budget ready for submittal as part of the rate case in the February meeting. We will use the estimated kWh sales using a two-year average as we have done historically based on actual 2022 and 2023 data. The sales data used in the budget presented at the November meeting was based on estimates for November and December.

The 2023 audit has begun and will be ready for approval in the April meeting, possibly March.

Block Island Utility District
Balance Sheet
4th Quarter Ending FY 2023
December 31, 2023

ASSETS

	Dec 31, 2023	Dec 31, 2022
<u>Property and Equipment</u>		
Land	\$ 1,167,685.78	\$ 1,167,685.78
Buildings	2,401,094.09	2,401,094.09
Machinery & Equipment	1,923,142.83	1,923,142.83
Distribution System	5,886,377.02	6,087,781.95
Office System, Furniture & Fixture	290,214.68	290,214.68
Transportation Equipment	695,417.63	59,904.63
Construction Work in Progress-Distributic	1,051,528.32	61,967.00
	<hr/>	<hr/>
Total Property and Equipment	13,415,460.35	11,991,790.96
Total Accumulated Depreciation	<1,646,026.97>	<1,219,917.05>
	<hr/>	<hr/>
<i>Net Utilities Plant</i>	11,769,433.38	10,771,873.91
<u>Current Assets</u>		
Cash - Main Checking	164,250.65	474,127.77
Cash - Sweep Acct	81,731.55	30,031.49
Accounts Receivable Elect	61,253.20	59,865.88
Allowance For Bad Debt	(6,725.59)	(6,725.59)
Accounts Receivable-Other	3,921.36	121,378.25
AR-Cash due from BIPCo	0.00	0.00
AR-Blackrock Acct due from BIPCo	0.00	0.00
Unbilled Revenue	282,381.60	268,393.54
General Material Inventory	630,267.94	724,241.24
Fuel Inventory	47,090.13	41,063.70
Prepaid Expenses	143,632.11	132,807.29
	<hr/>	<hr/>
<i>Total Current Assets</i>	1,407,802.95	1,845,183.57
<u>Deferred Assets</u>		
Def. Regulatory Asset-retiremt	89,334.90	118,745.10
Def. Regulatory Asset-Lease Recievable	897,758.00	897,758.00
Def. Regulatory Asset-RateCase	0.00	0.00
Def.Regulatory Asset-Interconnection	0.00	0.00
	<hr/>	<hr/>
<i>Total Deferred Assets</i>	987,092.90	1,016,503.10
Total Assets	<u>\$ 14,164,329.23</u>	<u>\$ 13,633,560.58</u>

Block Island Utility District
Balance Sheet
4th Quarter Ending FY 2023
December 31, 2023

LIABILITIES AND CAPITAL

	Dec 31, 2023	Dec 31, 2022
<i>Current Liabilities</i>		
Accounts Payable Trade	\$ 322,288.18	\$ 705,657.44
RI Renewable Fund Payable	8,846.57	8,846.57
A/P - Customer Deposits	121,472.99	119,972.99
Accrued Purchase Power Expenses	192,749.07	95,363.01
Accrued Other Expenses	62,475.69	62,422.56
Capital Fund	0.00	0.00
Accrued Payroll and Withholdings	0.00	3,258.40
Total Current Liabilities	707,832.50	995,520.97
<i>Deferred Credits</i>		
Deferred Revenue	163,194.54	65,588.00
National Grid Fuel Deposit	0.00	0.00
SOLAR RESTRICTED ACCOUNT	38,822.56	20,477.12
VOLTAGE CONVERSION RESTRICTED	0.00	0.00
Deferred lease receivable	909,578.00	909,578.00
Total Deferred Credits	1,111,595.10	995,643.12
<i>Long-Term Liabilities</i>		
Line of Credit	900,000.00	620,000.00
Line of Credit-McGinnes Settlement	0.00	0.00
Retirement Obligations	89,334.90	118,745.10
CFC LOANS	8,439,857.22	8,613,643.97
Total Long-Term Liabilities	9,429,192.12	9,352,389.07
Total Liabilities	11,248,619.72	11,343,553.16
<i>Capital</i>		
Net Position	2,290,007.42	1,991,074.91
Net Margin	625,702.09	298,932.51
Total Capital	2,915,709.51	2,290,007.42
Total Liabilities & Capital	\$ 14,164,329.23	\$ 13,633,560.58

Block Island Utility District
Income Statement
For the Twelve Months Ending December 31, 2023

	4th Quarter Current Year	4th Quarter Prior Year	Year to Date Actual	Year to Date Budget
Revenues				
<u>Revenue from Rates</u>				
Residential Sales	\$ 149,266.03	\$ 151,690.70	\$ 1,225,941.43	\$ 1,207,600.00
Commercial Sales	15,505.25	27,582.56	122,860.41	117,941.00
Demand Electric	95,678.77	112,981.49	924,696.32	989,346.00
Public Authority	-	-	-	-
Street Lighting	1,765.89	2,168.62	7,022.16	7,149.00
Customer Charge	70,240.00	68,854.00	279,580.00	286,105.00
Demand - All Rates	72,981.94	83,344.51	314,079.16	352,642.00
Efficiency Charges	(10.65)	25,298.93	5.75	-
System Charge	-	-	88,100.00	87,924.00
RI Renewable Fund	763.46	(3,254.20)	4,232.19	31,000.00
<u>Other Revenue from Operations</u>				
Grant Revenue-Solar Project	-	-	-	-
Grant. Income (EV Bucket Truck)	-	147,368.00	573,546.00	-
Billor Penalty (Interest on Delinquent Accts)	15,667.27	5,632.42	24,159.43	21,378.00
Rent - Antennas	64,354.77	97,558.48	257,419.08	236,126.00
Rent - Tower	2,099.94	(24,917.73)	8,399.76	8,400.00
Rent - Property	11,622.99	17,976.91	46,491.96	63,600.00
Misc. Income (Misc., Interest & Connections)	39,233.98	65,468.52	66,209.89	27,409.00
Total Revenues	539,169.64	777,753.21	3,942,743.54	3,436,620.00
Expenses				
Total Generation-Operating Expense	26,895.04	42,763.31	140,607.62	86,647.00
Total Generation-Maintenance Expense	18,764.14	52,530.98	102,905.48	163,001.00
Total Distribution-Operating Expense	93,087.40	97,580.05	357,676.03	256,042.00
Total Distribution-Maintenance Expense	65,230.02	23,345.76	232,945.27	339,920.00
Total Customer Accounts/Customer Service	48,538.69	26,705.09	129,703.64	88,108.00
Total Administrative/General Expenses	331,290.80	521,303.23	1,448,791.93	1,404,802.00
Total Depreciation Expenses	106,527.48	156,527.12	426,109.92	-
Total Interest Exp on Line & Long- term debt	103,270.37	95,956.86	395,195.84	316,940.00
Total Miscellaneous Expense	5,513.44	1,812.80	14,354.98	39,247.00
Total Taxes	15,999.42	15,186.22	68,750.74	70,840.00
Total Expenses	815,116.80	1,033,711.42	3,317,041.45	2,765,547.00
Net Profit Before Fuel Rev./Exp.	(275,947.16)	(255,958.21)	625,702.09	671,073.00
<u>Fuel Expenses/(Revenue)</u>				
Fuel/Standard Offer/Transmission income	(457,201.59)	(374,246.16)	(2,573,840.50)	(2,551,424.00)
Purchase Power Expenses	477,200.74	511,062.29	2,476,233.96	2,551,424.00
Net SO/TC due to ratepayers	(19,999.15)	(136,816.13)	97,606.54	0.00
Net Fuel Expense/(Revenue)	0.00	(0.00)	-	-
Net MARGIN	\$ (275,947.16)	\$ (255,958.21)	\$ 625,702.09	\$ 671,073.00
<u>Reserves Expenditures</u>				
Remove Depreciation Adj (A)	(426,109.92)	(156,527.12)	(426,109.92)	-
Debt Service Principal (includes CAT)	43,225.24	67,013.00	173,786.75	149,976.00
Inventory Purchased	-	241,031.00	65,750.00	93,000.00
Proceeds from loan	-	(1,800,000.00)	0.00	-
EV Bucket Truck	-	-	558,175.87	-
Capital Exp - Work In Progress	336,800.00	117,000.00	628,433.09	401,752.00
Capital Exp - Town Fiber	-	-	-	-
Proceeds from Town	-	-	-	-
Capital Exp -Voltage Conversion	-	1,751,410.00	-	-
Total Reserve for Exp.	(46,084.68)	219,926.88	1,000,035.79	644,728.00
Net Margin Cash Budgetary Basis	\$ (229,862.48)	\$ (475,885.09)	\$ (374,333.70)	\$ 26,345.00

AGENDA ITEM 8
PRESIDENT'S REPORT

2023 ACCOMPLISHMENTS AND WHATS TO COME IN 2024

Each year I like to look back and celebrate the accomplishments of the past year. My summary below is my attempt to do just that. Before I can look back at the past twelve months though, it is important to reflect on our short history as Block Island's member owner and governed power company.

The Utility District only began operating as a power company in March 2019. As we approach our 5th anniversary it always amazes me what has been accomplished and what successes we have had. Since our first day of operations, our net book value has grown from \$5.8M to over \$14M. We've completed four clean audits. We remain financially stable. Our equity level has grown to over 25% during the peak revenue periods. We have always met all of the required CFC covenants and have become a respected member of the cooperative network, both regionally and nationally.

In 2023...

BIUD completed its first member satisfaction survey. Our American Customer Satisfaction Index ("ACSI" which is a nationally recognized measure of consumer satisfaction) was an 85, compared to an average 75 of all other electric cooperatives. From a member satisfaction standpoint, we are clearly meeting our members' expectations.

BIUD submitted a 100% renewable power supply procurement plan that less than ten electric utilities nationwide can boast. The cost borne by our members for this program is only \$0.01 in 2024 due to this bold move. Leading by example helps our credibility as we publicly made our pro-renewable position known by publicly supporting the offshore wind development being built now off the coast of RI. More importantly, BIUD formed a power supply sub-committee that actively studied this concept and worked collaboratively with outside consultants to develop the plan.

BIUD hosted the Northeast Association of Electric Cooperatives ("NEAEC") conference. The conference broke records for attendance and included a fast ferry tour of the Block Island wind farm. Feedback received put the 2023 event as "the best ever" for content, venue, location and the wind farm tour ended the week is something that everyone will remember BIUD for. Serving as President of the NEAEC, on the NRECA Board and as the Chair of the NRECA Business and Technology Committee demonstrates that BIUD is leader amongst cooperatives locally, regionally, and nationally.

BIUD demonstrated cooperation amongst cooperatives, and was recognized as such in the NRECA publication RE News, by helping out one of New England's smallest cooperatives, Isle au Haut EC. The trip to the small Maine island made by Evan Carey, John Warfel and me to deliver used transformers for them to use was something we will always remember.

BIUD took delivery of the 8th Terex EV Bucket to come off the assembly line. The truck is used regularly as part of BIUD's fleet and despite some minor start-up issues has proven effective.

BIUD held its largest annual meeting yet with more than 70 attendees registering. NRECA Past President Chris Christensen spoke at the meeting becoming the first (and not last) NRECA officer to attend.

BIUD held its third election for utility commissioners. Seven candidates ran for two positions. Every candidate ran with a common theme; to help advance BIUD's success.

BIUD relied on another sub-committee to make improvements to the employee benefit plans following feedback gathered at a strategic planning session.

BIUD followed through on its commitment to provide safety training to its employees with a goal to build a safe work culture. 2023 marked the 6th consecutive year with no reportable injuries or public incidents.

BIUD negotiated a service contract with SERTEX to help maintain the island's new broadband infrastructure.

BIUD installed Block Island's first Level 3 EV Charger (donated by Will Young and several local charitable organizations) at the power company.

BIUD continued working on its voltage conversion and pole replacement projects, steadily improving its ability withstand the harsh island weather.

BIUD was awarded a DOE grant called Energy Transitions Initiative Partnership Project ("ETIPP") that will provide BIDU with technical assistance to maximize on island renewable generation while building member engagement in planning for such.

BIUD went through its fourth consecutive summer peak period without any major equipment related outages, building increased credibility with our members.

BIUD made its strategic plan a living document, regularly reviewing the goals and measures and adjusting where necessary. 90% of the goals set forth in the plan were met.

In 2024...

Each year it seems like the successes and accomplishments from the previous year can't be surpassed but somehow, we manage to steadily raise the bar.

In 2024, we plan to continue making system improvements to increase the system's resiliency.

BIUD will complete the ETIPP work in hopes of mapping a roadmap of what it will take to promote increased levels of local renewables.

BIUD will continue to work on its safety culture and promote that culture amongst local island contractors and electricians.

BIUD will develop a Renewable Energy Credit procurement plan and prepare its 2025 power supply plan.

BIUD will prepare and file a rate case in Q2 to increase available funds for operating and capital budget needs.

BIUD will continue to demonstrate leadership in the cooperative network, seeking to involve directors and employees in NRECA programs and positions.

BIUD has reapplied for the \$5M DOE grant to replace poles. In 2024 we'll hope for better results than in the first round.

Where do you see BIUD going in 2024?