



## **Meeting of the Board of Utility Commissioners**

**Thursday, April 2, 2024 @ 4:00 PM**

### **THE MEETING WAS HELD AT THE HARBOR CHURCH**

In attendance: Barbara MacMullan, Board Chair, Mary Jane Balsler, Ken Lacoste, John Warfel, Tom Risom.

Jeffery Wright, President, Tracy Fredericks, Evan Carey, Dave Lewis, Molly O'Neil, Tom Durden, Richard Martin, Carlos Salinas, Steven Record

### **The meeting was called to order at 4:04 pm**

1. **Public Input**-Carlo Salinas-asked if there will be a discussion on the NRECA conference. President Jeffery Wright reposed yes, in his report.

Commissioner, John Warfel stated that Sadie Flateman asked if she could lease some space at BIUD for a trailer that is self-contained for processing shellfish. Jeff said he would meet with her.

2. **Commissioner's Report**: No report
3. **Approve Board Meeting Minutes from the February 22, 2024, Regular Meeting**  
Commissioner, Ken Lacoste moved to approve the meeting minutes from the February 22, 2024 meeting, MaryJane Balsler seconded motion. The motion was approved unanimously.
4. **ETIPP Update**- (Energy Transition Initiative Partnership Program) Board Chair, Barbara MacMullan reported that we are making good progress; they have come up with a plan of work that was submitted to the Department of Energy for approval. Barbara added that we are looking at ways to improve the resiliency of the system on the Island including:
  - 1) We held a public meeting in November, based on the public input we created the 2040 energy roadmap trying to forecast out what things will look like over the next few years. They will look at our data and do load forecasting work, what our future needs will be.
  - 2) We will also look at community scale wind and solar that would benefit all members. This would be to identify where we could do this and if this could be possible. We will do this for wind as well.
  - 3) We will look at distributed solar, which is going on right now, we will see how much more we can handle and how they will impact the operations of the power company.
  - 4) We will look at biofuel.
  - 5) We will then come up with different scenarios and what it would look like going

forward.

7) We are also looking into a community solar pilot project, which is a study, what would the benefits be. Barbara added that this is a separate project handled by The National Community Solar Partnership.

8) We will spend the rest of 2024 doing these analysis and report to the community in 2025.

Jeff added that this is a DOE grant that will help us work on the varying needs of the community. One of our biggest challenges is that in the wintertime we need 1 megawatt of energy while in the summer we need 5 megawatts.

Member, Carlos Salinas asked how does the community solar pilot program other than be working with NCSP differ from what the ETIPP folks would be doing? Jeff responded that it would detail the economics of how you treat the generation. They are one in the same from a technical aspect.

Carlos asked where would block rates analysis come in? Is this under the technology, economic analysis? Or is it discounted that we are not going to think about disincentivizing excessive energy consumption? Jeff answered that this ETIPP projects is focused on renewable energy on the island and that block rates is a totally separate topic and that would come up when we have a rate case.

Barbara added that this analysis will help inform us on how to structure rates.

Member, Dave Lewis asked thinking 20 years into the future, Orsted decides at the end of their 20-year PPA that the wind farm is no longer energy efficient and decide to decommission the wind farm. Who owns the cable, and are they obligated by law to continue providing power through the cable?

Jeff responded by saying the cable is an ISO New England transmission asset. It will be there, to serve load and transmit generation. RI Energy owns it today. What we don't know is the cost share that goes along with the cable cost. Maintenance costs can be very expensive this may be an issue at some point. Right now, there is a cost share called the BITS charge. Our share is larger than the rest of the state because we directly benefit from the cable. The question is if the wind farm goes away are the other RI customers still going to be charged the cable maintenance costs? This is something we need to investigate.

Ken Lacoste offered there is money in escrow for the decommissioning of the wind farm.

Board Treasurer, Tom Risom asked if part of the study is looking at community collection/battery storage? John said he did ask the ETIPP group to look into this. Would it be beneficial if we asked members to install battery storage if there was a rate incentive? John said it is on the table and we hope to see some economics on this topic.

Carlos asked if micro-gridding is something that would be explored? Jeff offered that this was one of the options, and we are a micro-grid. We have generation, we have smart meters and all the technology to call ourselves a microgrid. We did

look into a microgrid option on High Street encompassing the Water Company, the school and the Medical Center but thought the money would be better used focusing on the generation issues for the whole island instead of one area. We may look into this at a later date.

5. **Review 2024 Strategic Plan:** Jeff updated the Strategic Plan chart, saying we are in good shape, and we will continue to work on this and focus on this. As the year progresses, we will continue to update this chart, which will be on all the regular meeting agendas. We have nothing bad to report.
6. **Treasurer's Report:** Tom Risom reported that we are up to date reviewing all the monthly Treasurer's Reports. Tom reported that we are almost done with the 2023 audit; it will be out this month with the draft and the final in the April meeting.

Jeff offered that the quarterly financial statements will be presented at the April meeting.

Jeff also added that we are managing cash flow and expenses well in Q1, but we are not doing capital work like we have in the past. If we get the grant that will change everything. We are still on track to file a rate case in the fall.

7. **President's Report:** Jeff reported that we have submitted approximately 80% of the paperwork to NRECA for the pole replacement grant. NRECA sounds positive every time we speak with them. Jeff explained that this is the second round of the same grant application. The first round of money went to wildfire mitigation. If we get this grant, it will get us back on track, with all the infrastructure work we have been doing over the past several years. The award is 4.3 million with 50% match, we would have to get a loan from CFC for just over \$2 million but we will be able to replace all the remaining poles on the island and other work next winter. We should know by early this summer.

Jeff reported that he spoke with the RI Office of Energy, they have \$250,000 earmarked for BIUD. We are submitting an application for the voltage conversion. There is also a required 50% match.

Jeff reported that he is working on this and will have an update in April. The debt filing is going to term out our line of credit along with the \$250,000 match for the grant. It should be done by the end of May.

The amount of construction projects on the island are at an all-time high. We have approximately half a million dollars of work in the queue right now. We have the materials in stock, but will have to backfill the inventory, the members are charged the replacement cost of the inventory.

Jeff added that it is important that we continue with the voltage conversion so that we can serve the increasing load on our system.

Jeff reported that regarding new projects, we have not heard anything from Champlin's that would switch them over for this summer. They are still a big part

of our load.

Jeff reported we are still on track to switch to Federated Insurance Exchange in August. They served the majority of electric Coop's and utility districts. We should expect a significant savings when we are switched over.

Jeff added a personal update, that he is currently going through a divorce, but that should be over soon. He will not be leaving the island and is still focused on the job. He wants to be open with the community on his status.

Carlos asked if we plan to lobby on any specific issues especially the EPA directive on generation. Jeff offered that we will monitor this, but this is what the NRECA does. He stressed that as a member of NRECA we do have a voice on the national level.

**8. Appoint Two Commissioners to a new TNS/Utility District broadband maintenance sub-committee.**

Barbara stated that she and Jeff had been talking with the Town of New Shoreham about BIUD assuming the management of the broadband system. Sertex is already located in our facility, our line crew is doing some of the pole transfers and the Town is in the process of trying to figure out the best governance for the broadband system. This seems to be a natural fit since we are already doing some of the work and we understand rates and cost structures. This sub-committee is to explore what makes sense and what the next steps should be. It would consist of two town council members, two BIUD board members along with Amy Land and Jeff Wright.

Barbara asked that she be considered since she has already done a good deal of work on this project. Tom Risom also expressed interest in serving on this committee.

Steve Record noted that the Block Island Broadband Committee doesn't exist any longer and asked for clarification on who appointed this committee.

Barbara responded that the town clerk has asked for this committee. Jeff added that Amy Land had contacted him about this committee since BIUD is already doing a lot of the work. It would help save money for the town since we already have the trucks and equipment. Jeff also noted that the main commitment is to the Utility District members.

Barbara clarified that this is a new, investigative committee with two town council members, two utility district board members, Jeffery Wright, and Amy Land. This is to help the town with some of the maintenance of the broadband network. This would include billing, and maintenance of the system with Sertex. This is not a decision-making committee, it is an advisory committee, and they would come back to the Town of New Shoreham with their findings.

Jeff stated that he is still focused on the Utility District members, and this would need to benefit the BIUD members.

Ken Lacoste made a motion to appoint Barbara and Tom to be part of the working group associated with the town council and Amy Land and Jeff Wright to explore the future management of the broadband system. The motion was seconded by John. The motion passed, Mary Jane Blaser abstained.

9. **Report on NRECA TechAdvantage Conference and Annual Meeting held in San Antonio, Texas by attendees;** Barbara MacMullan, Ken Lacoste, Tom Risom, Dick Martin, Tom Brown, and Jeffery Wright.

Barbara MacMullan attended an electric vehicle class. Their message was we all need to be prepared for electric vehicles and their power usage demand and rates. How do we control this? What will the impact on our load be?

She also attended a class on Financial Decision Making; what the board's role is in financial decision making. How do these decisions affect the company. Barbara offered that all board members should investigate this and possibly have a workshop focusing on this topic.

Tom Risom attended a Leadership Council class. EV will use more of the grid, not pushing EV's as much as they did a few years ago. He went to a course on the Cooperative structure.

Tom also offered that the trade show was great, many different companies present, including the one that worked on the BI Windfarm cables.

Tom also attended a session on safety programs and what the board can do to promote safety, it's cultural, you don't want to incentivize this, you need to work as a team on this, but it comes from the top, to provide funding and equipment.

Ken Lacoste reported that he attended the courses on Saturday and Sunday, 1) Road to Resilience, and 2) Strategic Planning. The theme was around capacity of the system to maintain, imagine the unimaginable, abandon the past and respond to new challenges. There was a focus on cyber security strategies, be ready and willing to engage in new policies.

Ken was impressed with the expo, the new energy production and safety technologies available.

Tom Brown reported that he felt really empowered, and that he wanted to come back and get right back to work to put the ideas to work. All of the general session were motivating.

Dick Martin reported that this was his first conference and trade show. It was very overwhelming, and eye-opening. The amount of people at the sessions was tremendous. He offered that he really enjoyed the speakers, and learned a lot, the acoustics were not great. He also thought the trade show was great and learned a lot about the new technologies and equipment, as a mechanic it was very interesting to learn more. This was an opportunity that he will never

forget, and was also able to visit the Alamo.

Barbara added that having directors and employees going to these conferences together is extremely beneficial.

Tom also added that the youth programs are fantastic, and asked for help in recruiting a Block Island high school senior for next year's program.

Barbara made a motion to adjourn, seconded by Tom, motion was passed unanimously. The meeting adjourned at 5:55 pm.