



Meeting of the Board of Utility Commissioners
Annual Meeting
Saturday August 23, 2025 @ 4:00 PM
Meeting Minutes

Board Members In attendance: Barbara MacMullan, Tom Risom, John Warfel, Mary Jane Balser, Ken Lacoste

Others in Attendance: Jeffery Wright, Tracy Fredericks, James Stockman, Tom Brown, Tom Durden, Craig Fontaine, John O’Riordan, Steve Corbett, Jim Fiorato, Dave Lewis, Dorrie Napoleone, Patrick Tengwall, Kim Gaffett, David Carelu, Keith Lewis, Kate Klibansky, Anne O’Toole Salinas, Carlos Salinas, Henry DuPont, Peter Cappers, Renee Meyer, Trudy O’Toole, Denny O’Toole, Brian Olson, Polly Olson, Rosemarie Ives.

Board Chair Barbara MacMullan called the meeting to order at 4:00 pm.

1. Public Input

2. Commissioner’s Report: Barbara A. MacMullan, Board Chair

Barbara presented her chairwoman’s update and thanked all Block Island Utility District employees and commissioners for all of their work. She gave a special thank you to John Warfel, who is leaving the board in October.

3. Treasurer’s Report: Tom Risom, Treasurer

Tom gave his treasurer’s update – included as attachment.

4. President’s Report: Jeffery M. Wright, President

Jeffery Wright gave his president’s update – included as attachment.

5. Energy Technology Innovation Partnership Project (ETIPP) Report: Peter Cappers, National Renewable Energy Laboratory, and Kate Klibansky, Island Institute.

Peter provided the ETIPP report — included as attachment.

6. Keynote Speaker: Tony Anderson, NRECA Michigan Director, Past NRECA President, and CEO of Cherryland Electrical Cooperative. (Mr. Anderson was not present due to health issues)

7. Utility District Election Report and Introduction of Candidates

Tracy Fredericks gave a detailed description of the Board of Director’s Election process and update on the current election. Fredericks reported hiring an outside company: Survey and Ballot Systems to run the current election. She provides them with the ballot information, membership database information and would work with them to approve all aspects of the

balloting process. The timeline for the elections is as follows:

June 2-Mail Forms to Designate Qualified Electors to all Account Holders

July 7 – Qualified Elector Forms Due Back to BIUD

July 7 – Declaration of Candidacy Forms Due Back to BIUD

August 28 – Mail Ballots (Survey and Ballot Systems)

October 1 – Ballots Due Back to Survey and Ballot Systems

October 3 – Election Results are announced

Following Tracy's update, each of the candidates were provided time to introduce themselves and discuss why they were running for election. All five candidates were present and provided their introductions.

8. Open Q&A

Barbara MacMullan made a motion to adjourn the meeting, the motion was seconded by Tom, the motion passed unanimously. The meeting adjourned at 5:42pm.



BLOCK ISLAND UTILITY DISTRICT

A Touchstone Energy® Cooperative 

To: The Block Island Utility District Members

From: Tom Risom, Treasurer

Date: August 23, 2025

RE: 2025 Annual Meeting Report

I am pleased to present the financial status of the Block Island Utility District. It is with pride that I report that the utility district is financially stable and that we have adequate financial controls.

Five years in a row now, since 2019, Marcum Accountants and Advisor, LLP has issued a flawless financial audit report, a testament to strong financial management. This audit has consistently shown no deficiencies or recommendations from the auditors, further reinforcing our financial stability.

I am also proud to present that we have met our financial covenants set by our sole lender, National Rural Utilities Cooperative Finance Corporation ("CFC"), each year. They hold the utility district to two standards: We must meet a Modified Debt Service Coverage of at least 1.35% and submit audited financial statements by April 30th each year. We have consistently exceeded this requirement. However, our margin has been less each year since 2019 due to increasing capital and O&M expenses, inflation and now tariff impacts on steel, copper and other products we use regularly. The only way to counter these increase costs and to ensure we meet our covenants is to adjust our Plant and Distribution (delivery rate).

We are currently planning to file for a rate increase in the fall of 2025 with new rates going into effect in late summer 2026. Despite delaying this filing for a few years now, we cannot continue the current path and must raise our delivery rate that funds O&M activities and capital improvements. Power Supply and Transmission (which is adjusted annually) are forecasted to be less in 2026 which will help buffer the increase, but at this point we are predicting an overall increase of between 10-15%.

It is important to note that this rate has remained unchanged now for the last sixteen years, so even a 15% increase spread over sixteen years is less than 10/o per year. The increase will fund existing O&M programs, increase capital spending on the distribution system and the construction of employee housing.

We remain a 100% CFC borrower, and enjoy significant benefits such as special discounts and dividends, known in the cooperative world as patronage capital. We receive nearly \$10,000 in retired patronage from CFC each year, enhancing our financial position. Our total debt held by CFC at the end of 2024 was \$9.2M.

Our 2024 year-end Net Book Value was \$11.909M. Our annual Operating Revenue was \$5.846M, and our net margin was \$66,778. Our year-end equity-to-debt ratio was 21%.

We project that our equity ratio will remain essentially unchanged until the new rates are in place and our capital spending increases. Once the utility district exceeds 40% equity, • which is a CFC requirement, we will receive additional discounts and benefits.

Part of my responsibilities are that I review monthly billing summaries, payroll reports, check run reports, and credit card statements. I also verify that the utility district president has made the appropriate reimbursements for utility expenses related to the townhouse rental for which he pays rent. I am pleased to report that everything is within the standards of the utility district's financial policies and that we have the appropriate processes to ensure future compliance.

My fiduciary responsibility is to review these reports provided by management, our accountants, and auditors and to ensure that the utility district remains financially stable. I am pleased to report that, in my opinion, the utility district is financially stable and appropriately managed with adequate controls.

I want to remind everyone that our quarterly financial statements and annual audits are posted on the company website.

Respectfully,

A handwritten signature in black ink, appearing to read "Tom Risom", followed by a vertical line.

*Tom Risom, Treasurer Block
Island Utility District*



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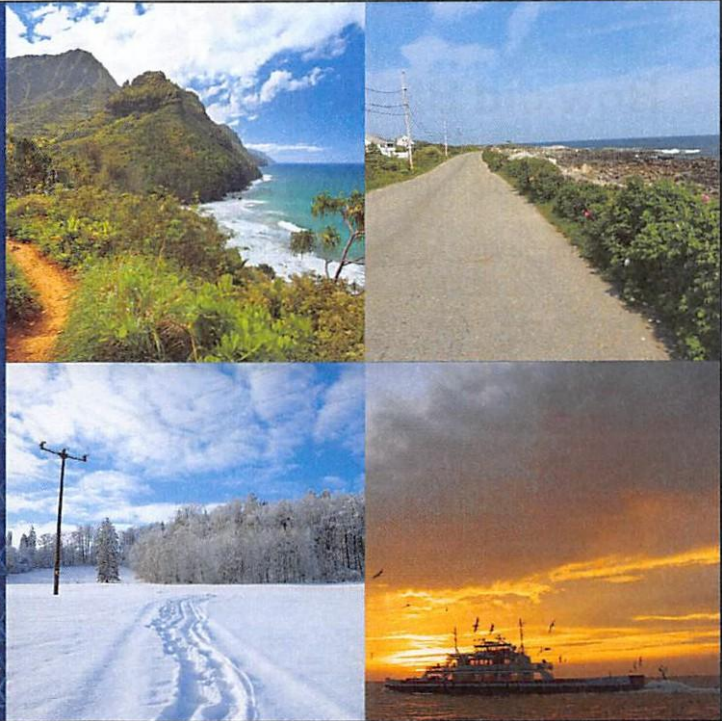
Block Island's Energy Roadmap to 2040

Peter Cappers – Berkeley Lab

With support from Jason Ball & Sanjana
Tadepalli - Berkeley Lab

BLOCK ISLAND UTILITY DISTRICT ANNUAL
MEETING

AUGUST 23, 2025



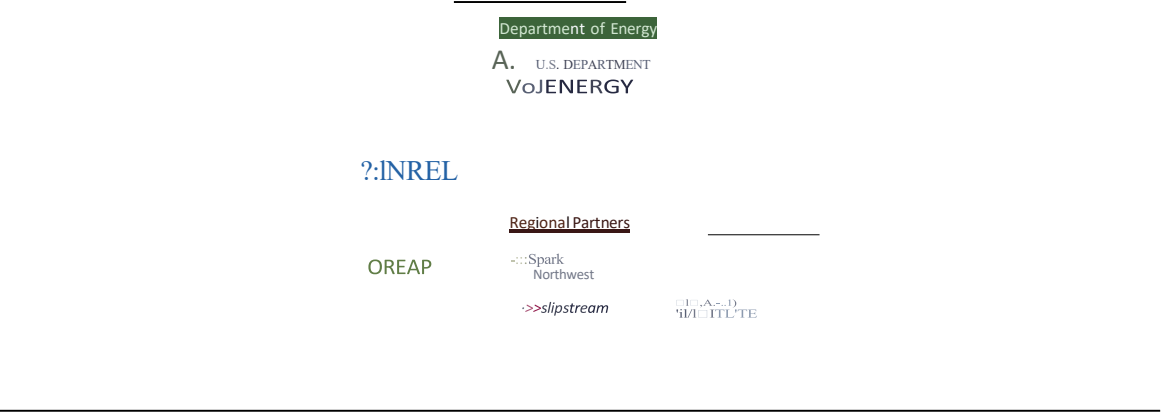
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National Labs



What is ETIPP?

Energy Jechnology !nnovation Partnership Program



How did Block Island get here?

ETIPP and Block Island; how we met...

A Competitive Application Process with Community Commitments

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The Commitment From Block Island:

Regular Meetings and Participation for 12- 18 Months

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Block Island ETIPP Project Scope

Held preliminary discussions with
National Community Solar Partnership
but BIUD will follow up if Community
map is done. If appropriate

Community
Energy
Awareness
Capacity
Building

Community
Solar Pilot
Program

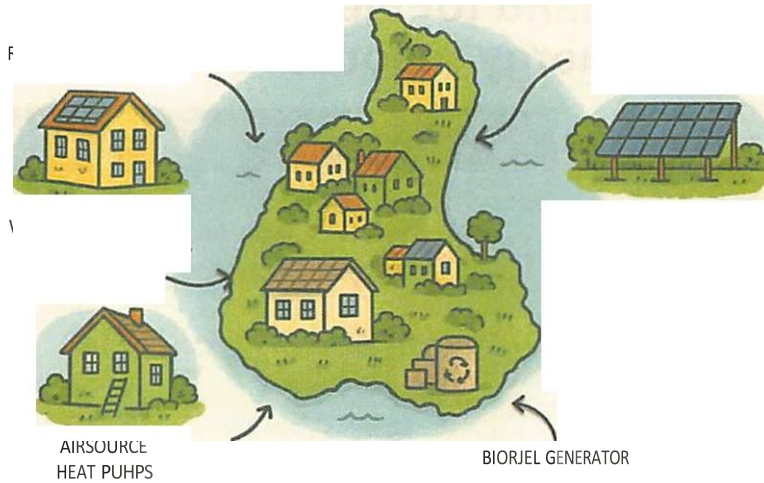
Block Island's
Energy
Roadmap to
2040

Block
Island
ETIPP
Project

Held
community
events on
February
17, 2024 and
December 3, 2024

Delivered a
presentation on
this at a
community
meeting on May
21, 2025. The
final report
documenting all
inputs,
assumptions,
and analytical
results will be
released within
the next few
weeks

BLOCK ISLAND'S ENERGY FUTURE: 2040

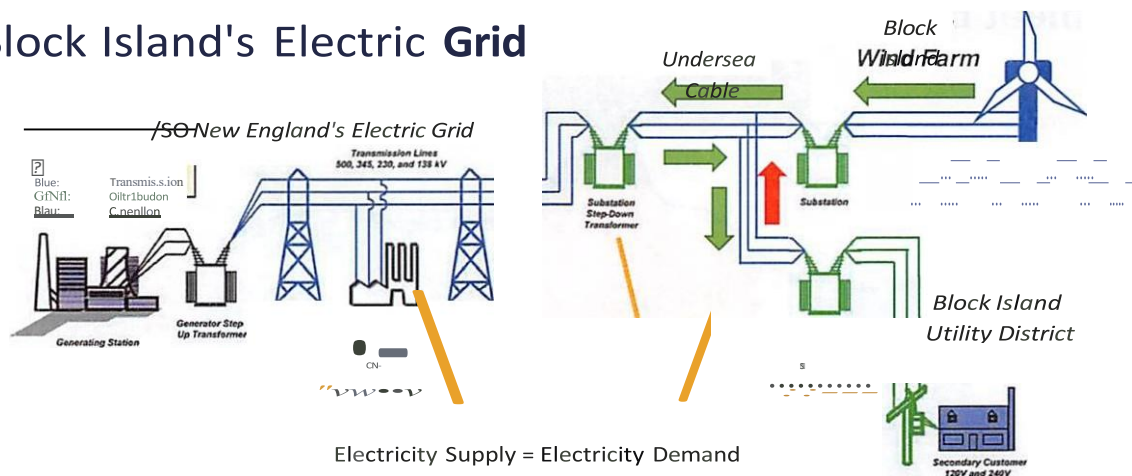


Credits: ChatGPT

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Block Island's Electric Grid



Credits: Union of Concerned Scientists

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All scenarios reflect meeting 100% of BIUD's annual peak demand for electricity exclusively with on-island energy resources

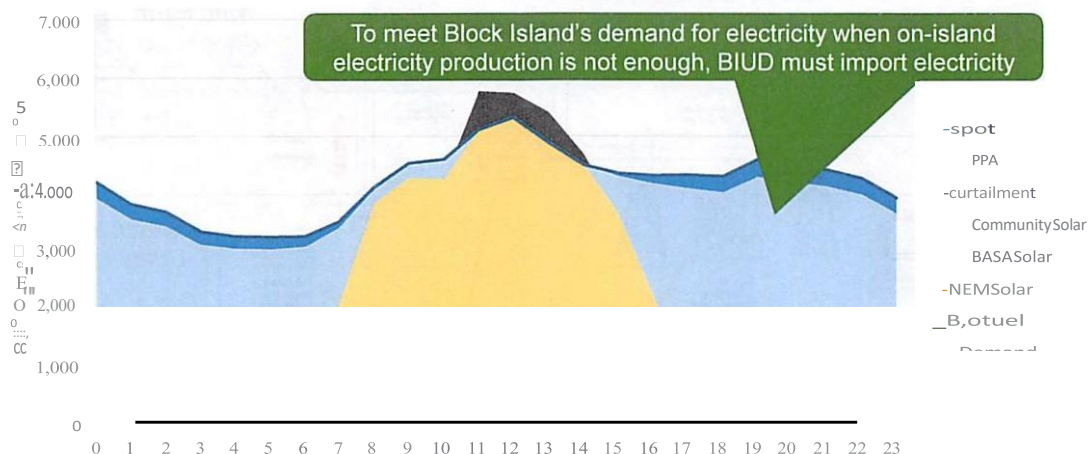


New Rooftop-Mounted Distributed Solar	
Customer Count	1,857
Avg. System Capacity (kWdc)	5.1
Total Capacity (kWdc)	9,470.7

Viable area for ground-mounted community solar development

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Modeled on-island generation resources are insufficient to meet Bi's energy demands in some hours



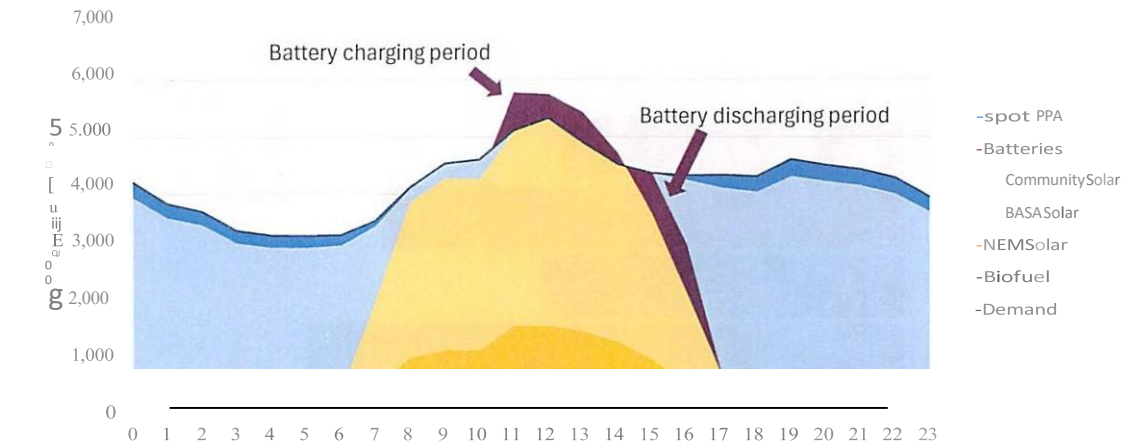
*Status Quo Demand Forecast on August 7, 2040

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Battery systems can store any excess energy and then send it back to the grid at a later point in the day

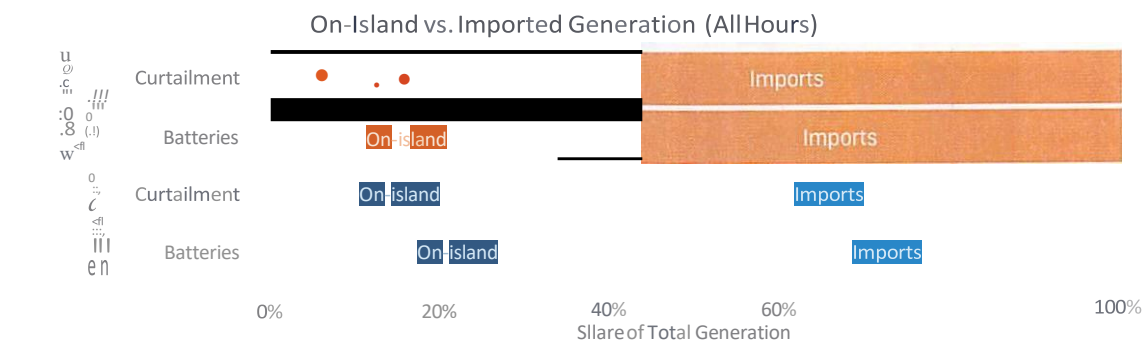


Based on Status Quo Demand (1)1eclst on Aug. ust 7, 20-10

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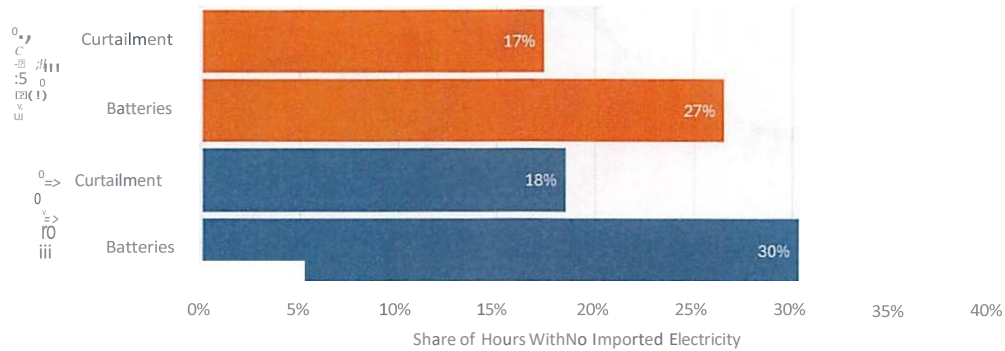
Even with enough on-island generation resources to meet peak demand and sufficient batteries to avoid curtailment, BIUD will still need to import the majority of its electricity



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BIUD is self-sustaining in fewer than 30% of the hours in 2040, even with enough batteries to avoid curtailment

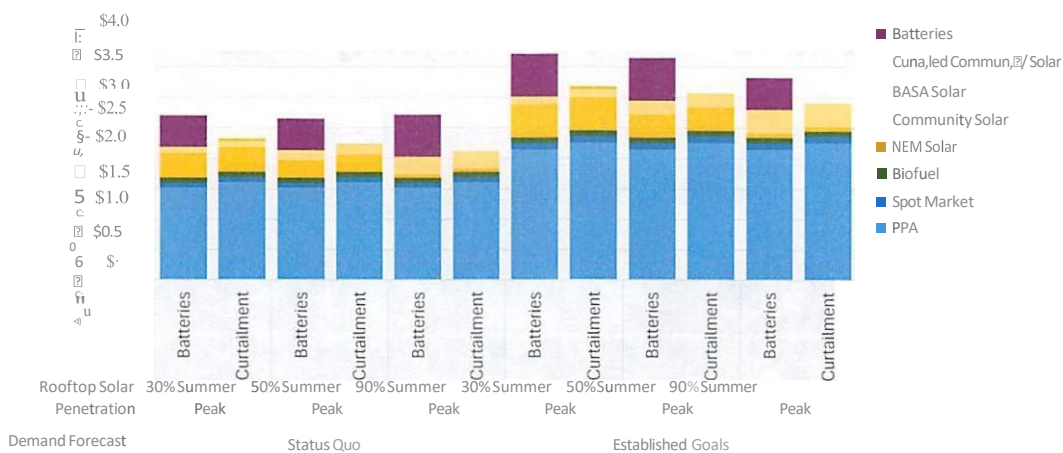


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PPA and market purchases account for ~60-80% of scenario-driven utility supply costs, regardless of scenario



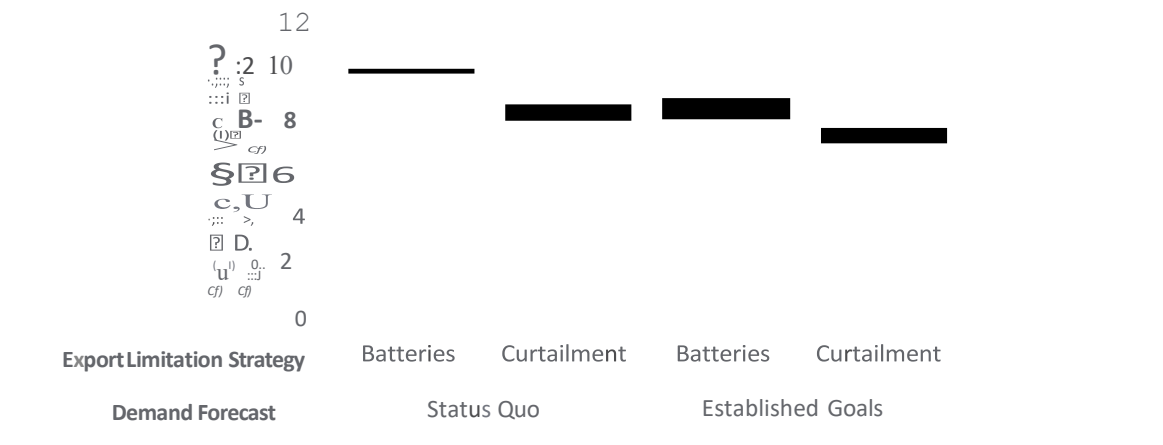
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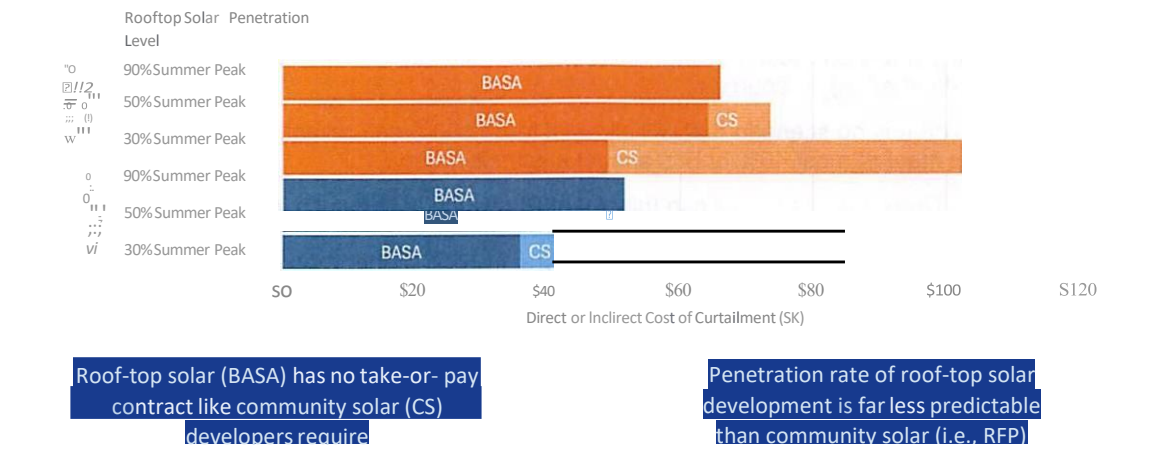
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Range in scenario-driven utility supply costs (¢/kWh) is minimal and differs modestly across scenarios



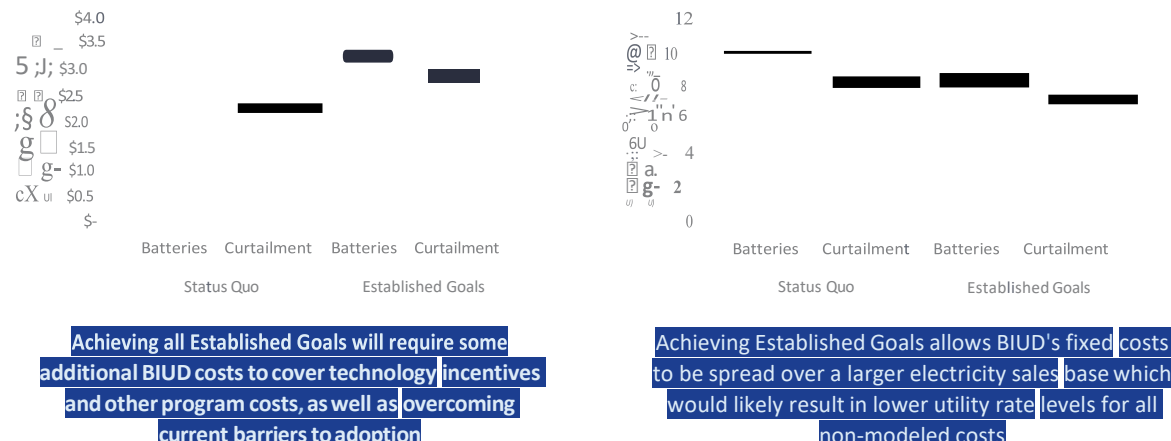
Choice between roof-top vs. community solar comes down to preferences to achieve desired penetration levels



Roof-top solar (BASA) has no take-or-pay contract like community solar (CS) developers require

Penetration rate of roof-top solar development is far less predictable than community solar (i.e., RFP)

Achieving Established Goals will require deliberate and concerted action but will likely drive down utility rates



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Key Takeaways

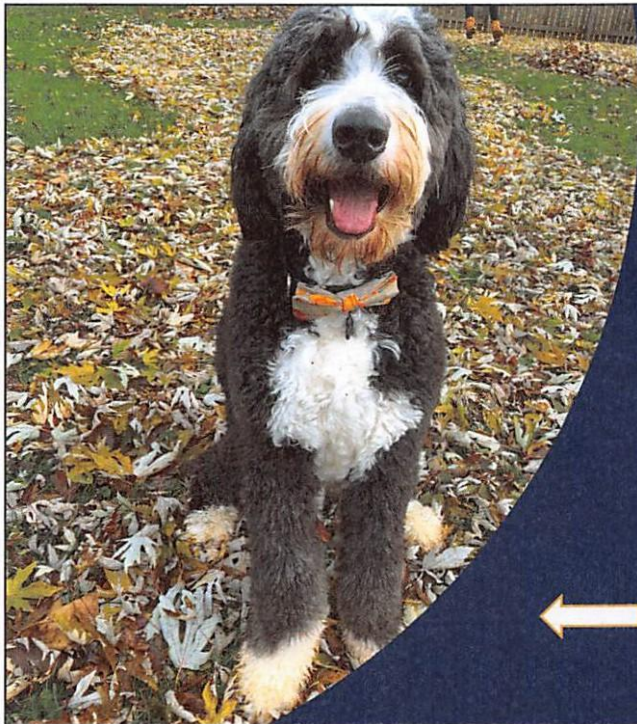
- Sufficiency:** All scenarios reflect meeting 100% of BI's electricity needs with a portfolio of on- island and off-island energy resources
- Self-reliance:** There is no scenario that will allow BI to be 100% self-reliant; instead, on-island resources could meet at most 45% of BI's annual electricity needs
- Self-adequacy:** On-island resources can fully meet BI electricity demands in at most 30% of the hours of the year, even with battery storage devices
- Affordability:** BI supply costs across all scenarios are 14-65% higher than current supply costs but exhibit modest variability
- Roof-top vs. Community Solar:** Community solar deployment is more controllable than roof-top solar but comes with an added cost if electricity must be curtailed
- Status Quo vs. Established Goals Demand Forecast:** Achieving Established Goals will require deliberate

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Questions?

Peter Cappers
Staff Scientist

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315-637-0513

← This is Wallie ☺

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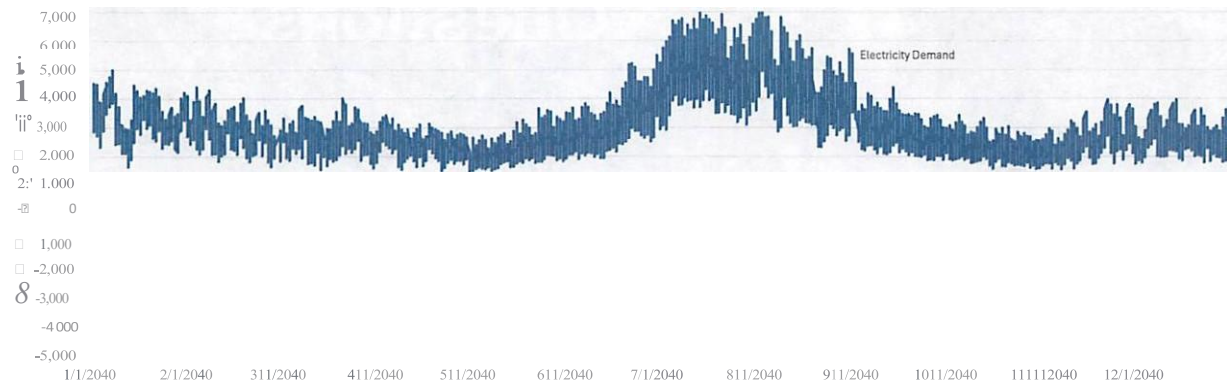
Acknowledgements

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Supply and Demand Must Balance when On-Island Demand is Variable over Different Time Scales

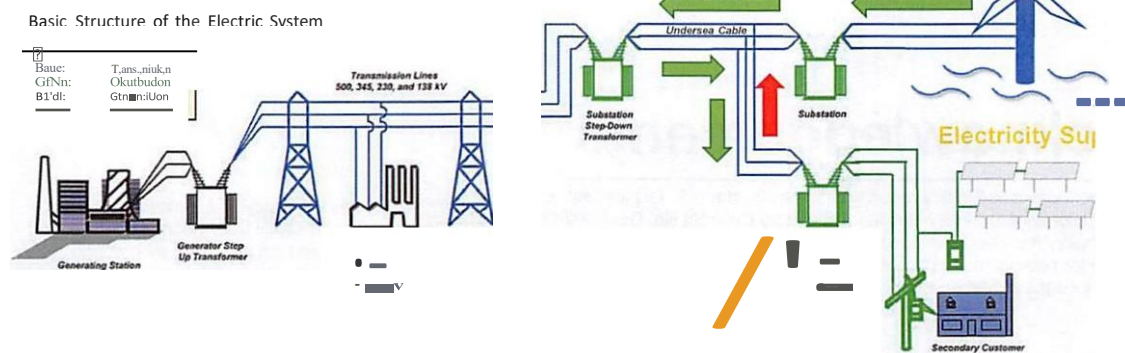


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Integrating New Elements into Block Island's Electric Grid



Credits: Union of Concerned Scientists

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Variable Energy Generation Technologies

Operational Characteristics



Credits: Peter Lapper, J (LBNL)

Dispatchable: Dependably able to be turned off and turned on... **but** level of generated electricity is highly variable and uncertain in seconds to hour times scales

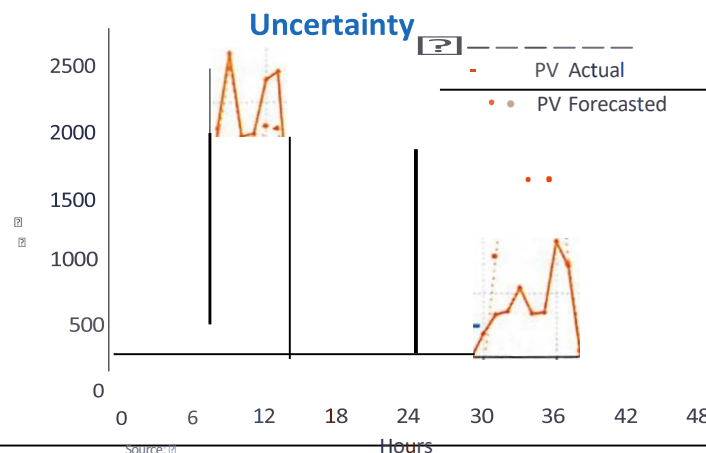
Ramping: Unable to change the amount of electricity generated

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Outputs are Highly Uncertain

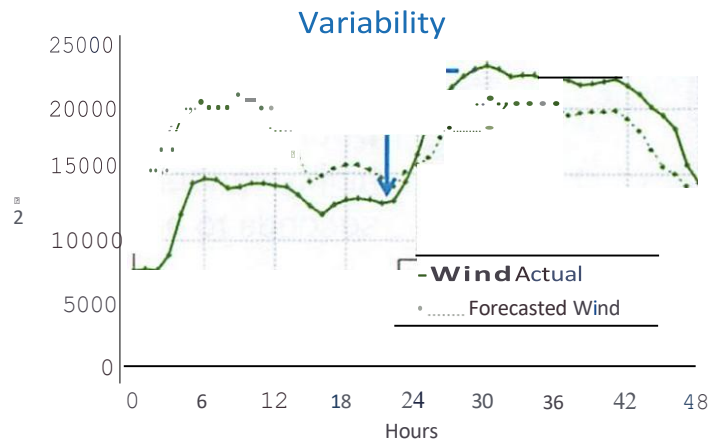


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Outputs are Highly Variable

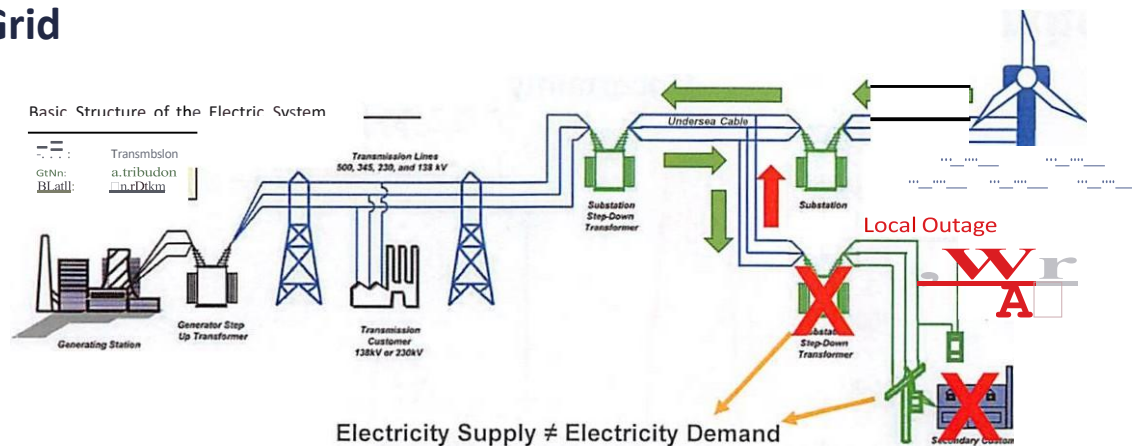


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Integrating New Elements into Block Island's Electric Grid



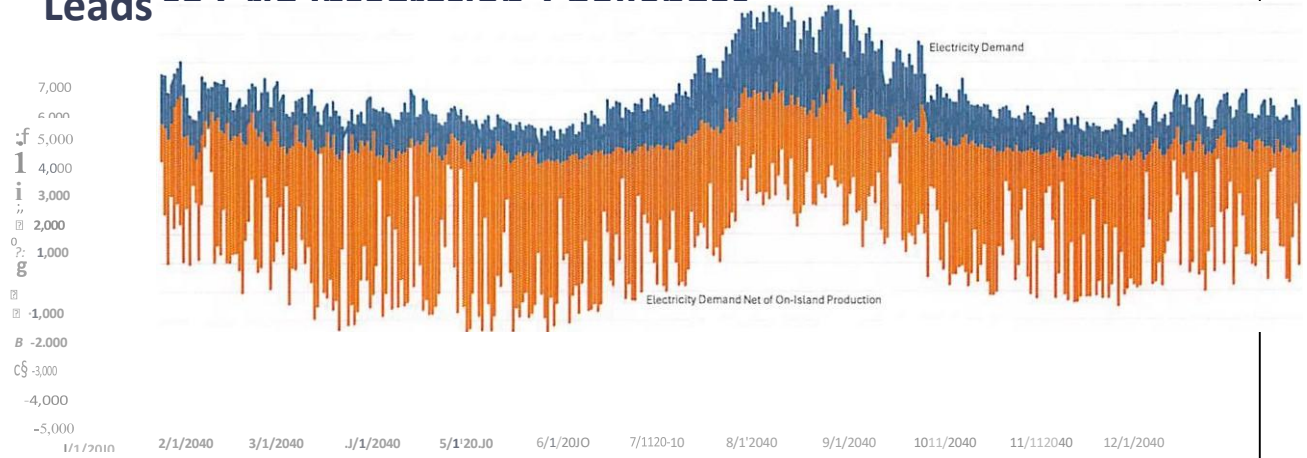
Credits: Union of Concerned Scientists

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Variability (and Uncertainty) in On-Island Generation Leads to Grid Interconnection Challenges



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