

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 25-1172-TF

Tariff filing of City of Burlington Electric Department for a 4.5% rate increase to be effective for bills-rendered on and after September 1, 2025	
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**PREFILED DIRECT TESTIMONY OF
WALTER (TJ) POOR

ON BEHALF OF THE
VERMONT DEPARTMENT OF PUBLIC SERVICE**

November 6, 2025

Summary: Mr. Poor addresses the proposed rate increase request with a focus on the City of Burlington Electric Department (“BED”) power supply costs, including owned and contract resources, as well as BED’s projected Renewable Energy Standard compliance costs. Mr. Poor finds BED’s projected net power costs to be reasonable and recommends no adjustments. Mr. Poor also makes note of important changes to regional renewable policies that impact the market value of the McNeil biomass plant that create substantial headwinds and upward rate pressure for BED.

Q1. Please state your name, title, and business address.

A1. My name is Walter (TJ) Poor. I am the Director of Regulated Utility Planning for the Department of Public Service (“Department”). My business address is 112 State Street, Montpelier, Vermont.

Q2. Please describe your professional background and experience.

A2. Since December of 2021, I have been in my current position where I direct the Department’s Regulated Utility Planning Division, conducting analyses on a broad range of utility, energy, and climate policy matters. From 2019-2021 I was the Director of the Efficiency & Energy Resources Division at the Department, where I oversaw the policy for, and regulation of, efficiency and distribution utilities, particularly as it pertains to their implementation of transformational programs. From 2015-2019, I was a Senior Power Supply Analyst at Vermont Public Power Supply Authority (VPPSA), where I completed comprehensive wholesale and retail power supply activities on behalf of VPPSA’s Membership. From 2006-2015, I worked for the Department at various levels on a range of activities including comprehensive energy planning, energy efficiency policy and oversight, and economic evaluation of State energy policies and 30 V.S.A. § 248 petitions. I hold a Bachelor of Science in Sport Management from the University of Massachusetts-Amherst and a Master of Science in Environmental Law (MSEL) from Vermont Law School.

Q3. Have you ever testified before the Vermont Public Utility Commission (“Commission”)?

1 A3. Yes. I have testified before the Commission in numerous proceedings on behalf of the
2 Department, most recently in cases 25-0719-PET and 24-3579-PET.
3

4 **Q4. What is the purpose of your testimony in this case?**

5 A4. The purpose of my testimony is to describe the Department's review of the City of
6 Burlington Electric Department ("BED") power supply costs, including owned and
7 contract resources, and BED's projected Renewable Energy Standard ("RES")
8 compliance costs. I also discuss relevant costs that were not embedded in this rate
9 increase filing and changes that have impacted BED's projected power costs since filing.
10 Overall, I find BED's projected net power costs to be reasonable and recommend no
11 adjustments.
12

13 **Q5. Please describe the materials you reviewed.**

14 A5. I reviewed BED's petition, the prefiled testimony of Emily Stebbins-Wheelock and
15 James Gibbons, and exhibits related thereto. I also reviewed BED's first set of discovery
16 responses dated September 15, 2025. I also engaged in informal communication with
17 BED staff prior to my review of this petition.
18

19 **Q6. Please describe the primary factors driving BED's power costs.**

20 A6. As described in the pre-filed testimony of Emily Stebbins-Wheelock and James L.
21 Gibbons, BED's power costs are increasing primarily due to \$2.27 million in higher ISO
22 New England and VELCO transmission costs in the rate year as compared to the test
23 year, \$682,533 higher Renewable Energy Standard costs, and \$616,938 higher ISO New

England wholesale market exchange costs.¹ These costs are partially offset by a lower Hydro Quebec contract price than in the test year and the expiration of ISO New England's Inventoried Energy Program.²

Q7. Please summarize the impact of rising transmission costs on BED's power costs.

A7. BED's transmission costs are rising in the rate year largely due to an increase in Schedule 9 rates (Regional Network Service or "RNS") under the NEPOOL (the "New England Power Pool") Open Access Transmission Tariff ("OATT"). RNS rates increased to \$185.28/kW-year for calendar year 2025 and \$183.71/kW-year for calendar year 2026.³ This increases BED's transmission costs by \$1,810,912 in the rate year. BED's transmission costs are also rising by their share of Vermont Transco, LLC and Vermont Electric Power Company, Inc. (collectively, "VELCO") Vermont Transmission Agreement ("VTA") Common Facilities charges – increasing rate year costs by \$404,281.⁴

Q8. Please briefly describe BED's RES compliance costs and changes resulting from Act 179 of 2024 (H.289).

A8. BED maintains its 100% renewable status, and its associated exemptions under 30 V.S.A. Chapter 89, through retirement of renewable energy credits ("RECs") from Tier I eligible resources. BED calculates its rate year Tier I requirement based on expected loads and the

¹ Pre-filed Direct Testimony of Emily Stebbins-Wheelock and James Gibbons, Page 6 line 1-7.

² *Id.* at 5 line 24-26.

³ From ISO New England 2026 RNS Rate Overview and Forecast, available on slide 6 at: https://www.iso-ne.com/static-assets/documents/100025/a05.1_tc_ptoac_rns_rate_presentation.pdf.

⁴ See Exhibit BED-ESW-JG-1 - Cost of Service Schedule 4 – Transmission Expense.

1 assumption of continued 100% renewability. BED calculates its Tier I expense starting
2 with BED's existing Tier I inventory (banked from prior years), additional forecasted
3 production from its Tier I eligible resources, and additional REC purchases priced at
4 prevailing market rates.⁵ Through pre-filing engagement, the Department ensured that
5 BED has appropriately removed the assumed volume of Tier V from its projected Tier I
6 obligation to avoid double covering the same MWh with two renewable energy credits.⁶

7
8 Tier V is a new RES category and compliance obligation applicable to the load growth
9 from 100% Renewable Utilities ("Tier V"), introduced in Act 179 of 2024. Under Tier V,
10 any retail electricity provider that is 100% renewable under 30 V.S.A. § 8005 must meet
11 its load growth above calendar year 2024 load with increasing percentages of new
12 renewable energy.⁷ The rate year in this case spans months in Calendar Year 2025 and
13 2026, when such load growth must be met with 50% and 75% new renewable energy,
14 respectively.⁸

15
16 To determine their rate year Tier V obligation, BED compared projected load for each
17 month of the rate year to loads from the same month in Calendar Year 2024, then applied
18 the appropriate percentage of new renewable energy required by statute (50% in 2025, 75%
19 in 2026) resulting in an expected obligation of 927 Tier V-eligible RECs.⁹ This calculated
20 Tier V obligation was multiplied by the price of Massachusetts Class 1 RECs to determine

⁵ See Stebbins-Wheelock, Gibbons pf. Q&A.27.

⁶ See BED Response to DPS First Set Discovery, Q&A.DPS.BED.1-6. ("BED Response").

⁷ 30 V.S.A. § 8005(a)(5).

⁸ 30 V.S.A. § 8005(a)(5)(A)(i)-(ii).

⁹ See BED Response to DPS Discovery, Attachment Q1-6 Tier 1 and 5 K&M.

1 rate year cost of \$32,454.¹⁰ The Department worked iteratively with BED through pre-
2 filing engagement to embed these new compliance costs into rates. I recommend no
3 adjustments to BED's RES costs embedded in this filing.
4

5 **Q9. Please discuss the impact of wholesale energy markets on BED's power costs.**

6 **A9.** At the time of filings, BED's net ISO-NE exchange costs were projected to increase by
7 \$616,938 using a six-month weighted average forward energy price settlement.¹¹ In
8 responses to Department discovery, BED notes that forward energy market prices have
9 moderated slightly with rate year around-the-clock ("ATC") prices declining from
10 \$67/MWh to \$65/MWh.¹² This change increases BED's wholesale energy market costs
11 by \$58,761 due to BED's slightly "long" position.¹³
12

13 **Q10. Please discuss rate year costs, revenues and other factors relevant to BED's largest**
14 **power supply resource – McNeil.**

15 **A10.** McNeil is BED's single largest generating resource and its production and performance
16 in the market substantially impacts BED's net power costs. BED also has significant
17 operational control and discretion over this resource, compared to other long-term
18 contracts for wind and hydroelectric power with outputs more dictated by weather. BED
19 has assumed Rate Year McNeil production is equal to the 12 months ending May 2025 in
20 this filing, which aligns with the methodology utilized in BED's 2022 and 2023 rate

¹⁰ *Id.*

¹¹ See Exhibit BED-ESW-JG-1 - Cost of Service Schedule 3 – Purchased Power Expense.

¹² See BED Response to Q.DPS.BED.1-5.

¹³ *Id.*

1 cases.¹⁴ BED's 50% share of McNeil is projected to generate \$10,000,640 in combined
2 wholesale energy, capacity, renewable energy credit and ancillary revenues, compared to
3 \$13,779,940 in fuel and other operating expenses.¹⁵ BED obtains some additional
4 incremental ratepayer and non-ratepayer values from McNeil that are not explicitly
5 calculated as it relates to rate year expenditures. These include but are not limited to
6 hedge value of the resource and the operation of the plant providing a statutory
7 exemption from being allocated a share of power from the Ryegate generating facility. In
8 case 23-3799-PET, BED and the Department entered into a Memorandum of
9 Understanding for the Commission's review that would further specifically enumerate the
10 benefits and costs of McNeil to ratepayers ahead of BED's next Integrated Resource
11 Plan.

12
13 BED acknowledges in testimony that Connecticut is seeking to modify its Renewable
14 Portfolio Standard ("RPS") to potentially remove some biomass eligibility.¹⁶ On July 1,
15 2025, Connecticut Governor Ned Lamont signed into law Senate Bill 4, which ends Class
16 1 eligibility for biomass facilities unless they have executed an agreement to provide
17 energy to an Connecticut Electric Distribution Company by October 1, 2025.¹⁷ In
18 response to the Department's discovery requests, BED states its understanding that

¹⁴ See Tariff - cost of service, rate base, K&M Summary, Power Production Expense - Fuel; BED departed from this methodology in their 2024 rate case, noting that in that case the most recent 12 months production were historically low due to poor wood harvesting conditions and more outages than usual.

¹⁵ See BED Response to Q.DPS.BED.1-10, 1-11 (McNeil operating revenue; McNeil other operating expense of \$6,704,485); See also Exhibit BED-ESW-JG-1 - Cost of Service Schedule 1 – Fuel Expense Cell E16 McNeil fuel costs of \$7,075,455

¹⁶ Stebbins-Wheelock, Gibbons pf. at 9.

¹⁷ Public Act No. 25-173 (SB 4.), *An Act Concerning Energy Affordability, Access and Accountability* (CT, 2025), available at https://www.cga.ct.gov/asp/CGABillStatus/cgabillstatus.asp?selBillType=Bill&bill_num=sb4.

1 biomass facilities lost CT1 eligibility as of October 1, 2025, but maintains that there may
2 be an opportunity to regain eligibility through an RFP issued by the Connecticut Public
3 Utility Regulatory Authority (“PURA”).¹⁸ BED also notes that McNeil remains eligible
4 for other REC markets, including Vermont Tier 1, which trade at considerably lower
5 values.¹⁹ The Department, Commission, and Vermont’s affected retail electric
6 distribution utilities should monitor this evolving issue and its impact on REC revenues
7 to help mitigate upward rate pressure for consumers. Mitigation measures may include
8 pursuing alternative value streams to support the McNeil’s continued operations,
9 operating seasonally when conditions are more profitable (e.g., winter peaking), and
10 consideration of eventual decommissioning plans if economic operating conditions do not
11 improve.

12
13 BED also includes regulatory accounting treatment for a number of costs associated with
14 McNeil. First is an annual amortization of expenses for the annual seven-year
15 amortization amount of \$164,344 for a 2019 turbine overhaul, approved in Case No. 21-
16 2186-TF.²⁰ BED is also requesting approval of regulatory accounting treatment to
17 amortize its 50% share of a \$96,496 expense over 10 years to clean and inspect the fuel
18 oil tank at McNeil (performed every 10 years).²¹ Lastly, as a result of BED erroneously
19 including \$101,545.38 of non-recurring District Energy-related expenses that should have

¹⁸ BED Response to Q.DPS.BED.1-12.

¹⁹ *Id.*; BED Response to DPS Discovery, Attachment Q1-6 Tier 1 and 5 K&M, sheet pp m t5 (MA1 Price 2025, 37, 2026, 25); In this case, BED assumes Regional Class 1 RECs trade for over \$35 whereas VT Tier 1 eligible RECs trade for just over \$4.

²⁰ Stebbins-Wheelock, Gibbons pf. at 9-10.

²¹ *Id.* at 10.

1 been excluded from the cost of service filed in their last rate case (24-1848-TF), BED
2 requests regulatory accounting treatment to amortize a liability over five years to return
3 these funds to customers in its Cover Letter.²² The Department's lead witness will
4 address this issue in testimony.

5
6 **Q11. Does BED's filing include any expenditure of ratepayer dollars related to District**
7 **Energy?**

8 A11. No, BED has stated in discovery that they have not included any ratepayer spending
9 related to District Energy in the rate year.²³

10
11 **Q12. Based on the analysis and findings described in your testimony, do you recommend**
12 **any downward adjustments to BED's net power costs?**

13 A12. No, I recommend no adjustments to BED's power costs. Further changes in both
14 wholesale energy market prices and McNeil's REC eligibility in Connecticut would only
15 exert upward pressure on rates.

16
17 **Q13. Does this conclude your testimony?**

18 A13. Yes

²² BED Cover Letter, 2-3.

²³ See BED Response to Q.DPS.BED.1-9.