

NET ZERO ENERGY

BURLINGTON VERMONT



About Burlington Electric Department (BED)

Burlington's municipal electric utility

- Public power since 1905
- 123 employees, including the McNeil Generating Station; 86 are IBEW members
- Third-largest electric utility in Vermont
- Energy Efficiency Utility (EEU)

21,800+ customers

- 17,800 residential, 4,000 commercial and industrial
- 5,500-6,000 residential accounts turn over each year

Electricity facts:

- Summer peak: ~65 MW; annual energy use: ~330,000 MWH
- 100% of power from renewable generation as of 2014





Key Fiscal Points

- **Moody's Credit Rating** – In December of 2025 BED's A3 credit rating was affirmed by Moody's, with scorecard metrics showing stronger financials than prior years. BED is rated separately from the City.
- **Independent Financial Audits** – BED has at least 13 consecutive years of clean, unmodified opinions from its independent financial auditor, including most recently for FY25 financial statements issued in November of 2025. Audited financials are posted on our website: https://www.burlingtonelectric.com/wp-content/uploads/F_700655C-1A_CityofBurlingtonVermontElectricDepartment_FS.pdf
- **FY25 Net Income** (including impact of Q3 2024 REC error) - **\$2,450,510**
- **Liquidity** – BED has a \$10 million line of credit which it has not used. BED's estimated days cash on hand (as of December 2025) without the line is 84 days and including the line is 144
- **Monthly Financial Reviews** – BED presents updated financials monthly to its governing body – Burlington Electric Commission – which are posted publicly and forecasts year-end results internally during the fiscal year.
- **Affordable Rates** – 12 years without a rate change until the pandemic. Since 2021 we have focused on making annual rate adjustments in the single digits; FY26 proposal is 4.5%. Vermont now has the lowest electric rates in the New England/New York region.

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Energy Efficiency Modernization Act



Thermal Energy Process Fuel (TEPF) Challenge

- TEPF funds come from revenues from bidding energy efficiency projects into ISO-New England Forward Capacity Market as well as Vermont's participation in the Regional Greenhouse Gas Initiative (RGGI).
- Burlington Electric as an EEU has an allotment of TEPF funds for our customers. However, 30 VSA 209 (e)(1) specifies that TEPF funds be used for "unregulated fuel" customers, meaning customers who use propane, oil, wood, kerosene for heating. Burlington has near-universal natural gas service, which is considered a regulated fuel, and therefore BED has very few "unregulated fuel" customers to serve under TEPF.

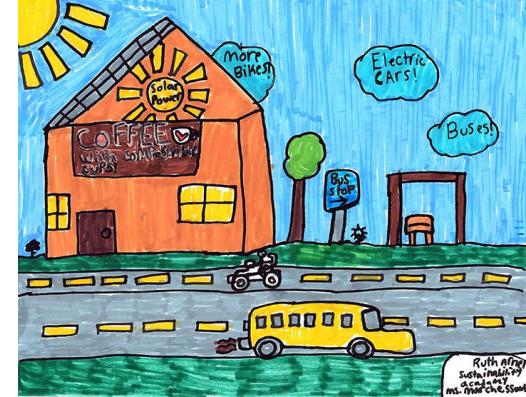
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Energy Efficiency Modernization Act (EEMA)

- With Act 44 of 2023 and Act 142 of 2024, Vermont's Legislature through the Energy Efficiency Modernization Act (EEMA) has authorized Burlington Electric during the 2024-2026 three-year EEU performance period to use TEPF funds more broadly, to serve all of our customers with programs that reduce fossil fuel use and greenhouse gas emissions in the thermal and transportation sectors.
- Act 142 specified that BED could propose additional such programs for the 2027-2029 EEU performance period, but to move forward with implementing them requires legislative extension of the EEMA for BED .





Benefits of Extending EEMA for BED's TEPF Programs

- Allows BED to serve all of our customers with these programs, instead of only those few with unregulated fuel services;
- Does not require any new revenue or create any new costs, but (per BED's Dec. 19, 2025 filings in its Demand Resource Plan at the Public Utility Commission) allows BED to flexibly invest over \$1.7 million in BED's TEPF funds during the 2027-2029 to support customer emissions reduction projects;
- Supports projects that could, over their lifetime, reduce greenhouse gas emissions by up to 12,500 tons;
- Will enable BED in 2027 to continue boosted electric vehicle (EV) incentives intended to help partially offset the loss of the \$7,500 federal tax credit to support continued EV deployment;
- Without extension of EEMA, BED customers would see significantly reduced incentives starting in 2027 for EVs, heat pumps, and EV charging stations at rental properties. Successful geothermal test well program would be discontinued.

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Proposed 2027-2029 BED TEPF programs if Legislature extends EEMA

- Geothermal well testing program
- Multi-family and rental EV charging
- Boosted EV and heat pump incentives
- Income-qualified customer electric panel upgrade program
- Pilot projects with seed stage energy businesses through Vermont Sustainable Jobs Fund's DeltaClime program
- Custom commercial sector innovative projects

