

**STUDY SESSION**

The HBPW Board of Directors met  
**August 24, 2020**  
at 4:00 p.m.  
**Via Zoom Teleconference**

**Vice Chair Haworth called the meeting to order at 4:02 p.m.**

**Members Present:** Tim Hemingway (arrived late), Diane Haworth, Sue Franz, Paul Lilly, P.J. Thompson, City Council Liaison Nathan Bocks, and Ex Officio Members Bob Shilander and Keith Van Beek

**Members Absent:** None

**Staff Present:** Dave Koster, Janet Lemson, Becky Lehman, Chuck Warren, Joel Davenport, Ted Siler, Anne Saliers, Chris Van Dokkumburg, Pete Hoffswell, Amy Yost, Barry Rutherford

21.034 **Communications From The Audience**

*Andy Boatwright, General Manager of the Zeeland BPW spoke briefly to present a Resolution to the Holland BPW in thanks for their assistance with a large storm-related power outage in Zeeland in early June of this year.*

21.035 **Financial Review**

*Preliminary July 2020 P&L presented for information.*

**STUDY ITEMS Recommendations for 2022 Energy Waste Reduction Program**

- 21.036 Public Act 295, passed in 2008 and known as the Clean, Renewable, and Efficient Energy Act, required Michigan utilities to establish Energy Optimization (EO) programs and recover costs through a customer surcharge. The overall goal of EO is to reduce future costs of provider service to customers. The act also stated that promoting EO would help to:
- a. Diversify the resources used to reliably meet the energy needs of consumers in this state
  - b. Provide greater energy security through the use of indigenous energy resources available within the state
  - c. Encourage private investment in renewable energy and energy efficiency
  - d. Provide improved air quality and other benefits to energy consumers and citizens of this state

To develop an EO program offering, HBPW first utilized the services of an implementation company contracted by MPPA, then methodically built in-house capability. This in-house capability improved efficiencies and added value for customers. Today, HBPW independently operates a robust program offering for all customer classes on a budget of \$1.2 million with a staff of three and a half FTEs. It regularly exceeds mandated kWh savings goals on roughly 70 percent of allowed expenditures. Program results are verified by an independent auditor and published to customers in an annual summary report.

In 2016, PA 295 was amended by PA 342. With it, the term Energy Optimization changed to Energy Waste Reduction (EWR). More significantly, it released municipal utilities and co-ops from MPSC oversight after Dec. 31, 2021. While all utilities in Michigan are expected to continue to offer EWR programs, they will no longer need to report results to the commission. This provides the opportunity and flexibility for HBPW to customize its EWR program to best suit customer, utility, and community needs.

*\* Red italics indicate information or discussion added during the meeting and/or action taken.*

EWR programs operate on the calendar year. Because the next budget planning cycle includes the first six months of 2022, any directional changes to the EWR program offering need to be considered.

*Study Session Topic: Presented for information.*

21.037 **Corporate Metrics and Tactical Action Update**

In FY2020, the BPW achieved 10 of 10 of its organizational level tactical actions and, potentially, 11 of 12 corporate metric targets, pending completion of the year-end financial audit. These corporate metrics and tactical actions are summarized in the attached PowerPoint presentation. The tactical actions address a variety of corporate initiatives and were developed to align with the HBPW's Critical Issues and Business Goals. Corporate metrics cover the areas of customer satisfaction, reliability, compliance, cost control, and safety.

FY2021 corporate metrics and tactical actions are also included for reference.

*Study Session Topic. Presented for information.*

21.038 **BOARD COMMENTS**

*Our next meeting, a Regular meeting, is scheduled for September 14. At this time, it is planned to be a virtual meeting.*

*It is anticipated Audit Committee appointments will be made at this meeting. It is also anticipated the Board Self-Evaluation Committee will be appointed at this time.*

**ADJOURNMENT**

The meeting of *August 24, 2020*, adjourned at 6:19 p.m.

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board