



**COMMITTEE OF THE WHOLE MEETING
LANSING BOARD OF WATER AND LIGHT BOARD OF COMMISSIONERS
AGENDA**

September 14, 2021

**5:30 P.M. – 1201 S. Washington Ave., Lansing, MI 48910
REO Town Depot - Board of Water & Light Headquarters**

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Committee of the Whole Meeting Minutes of May 11, 2021..... **TAB 1**
- 2. IT and Security Update **TAB 2**
- 3. North American Electric Reliability Corporation (NERC) Compliance Update **TAB 3**
- 4. Energy Waste Reduction & Renewable Energy Update **TAB 4**
- 5. PA 152 Health Care Premium Sharing-Resolution..... **TAB 5**

Other

Adjourn

Based on recommendations from the Centers for Disease Control, and in accordance with the City of Lansing, the Board of Commissioners are requesting members of the public, staff and Board Members to wear face coverings at Committee and Regular Board Meetings.

COMMITTEE OF THE WHOLE
Meeting Minutes
May 11, 2021

Due to public safety concerns resulting from the COVID-19 Pandemic, the Committee of the Whole (COW) meeting for the Lansing Board of Water and Light (BWL) was conducted via WebEx Conferencing in Lansing, MI, on Tuesday, May 11, 2021.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ebc65b57b270f4406eb04c5dfd3387498>

Event Number for Attendees: 132 169 7679 Event password: NqSimdxR332

Audio conference: United States Toll +1-408-418-9388 Access code: 132 169 7679

Committee of the Whole Chair Tracy Thomas called the meeting to order at 5:36 p.m. and asked the Corporate Secretary to call the roll.

The following Commissioners were present via audio/video:

(COW Chairperson) Tracy Thomas remotely, Lansing, MI	
Stuart Goodrich remotely, Delhi Township, MI	Beth Graham remotely, Lansing, MI
Douglas Jester remotely, East Lansing, MI	DeShon Leek remotely, Lansing, MI
David Lens remotely, Lansing, MI	Larry Merrill remotely, Delta Township, MI
Tony Mullen remotely, Lansing, MI	David Price remotely, Lansing, MI
Ken Ross remotely, Lansing, MI	Sandra Zerkle remotely, Lansing, MI

Absent:

The Corporate Secretary declared a quorum.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Zerkle, **Seconded** by Commissioner Graham, to approve the Committee of the Whole meeting minutes of March 9, 2021.

Commissioner Ross requested a correction be made to the March 9, 2021 minutes to reflect the following amendment to the motion for the proposed Resolution for the 2021 Corporate Sustainability & Climate Response: ***“Commissioner Price asked for a second on the motion for the Amendments and there was none.”***

A roll call vote was taken to approve the Committee of the Whole meeting minutes of March 9, 2021 with the amendment.

Yeas: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Rules and Regulations – Electric, Water, Steam, Chilled Water Services Summary and Resolution

General Manager Dick Peffley introduced General Counsel Mark Matus who presented a summary of the updates to the Electric, Water, Steam, and Chilled Water Services Rules and Regulations. Mr. Matus highlighted areas of the substantive changes, non-substantive changes, plus the fees and charges.

Under general provisions, a recorded easement will be required for all four of the utility services where a property needs to be crossed for the connection of service. Customer Service updated their terms for bill payment from 15 days to 21 days. Clarifications were made for when there is a sharing of a residency with a customer receiving service from BWL in that there is a responsibility for any charges incurred.

Commissioner Ross asked whether a tenant that moves out of an apartment where the primary tenant is a delinquent customer would be able to establish service at another residence. Mr. Matus responded that the tenant that moves would be able to establish service and that he would review the language in the rules and regulations.

Commissioner Zerkle asked whether it is made clear to tenants requesting service that not only is the tenant in whose name the service is placed there is a responsibility for charges but also all other tenants. Mr. Matus responded that the BWL rules and regulations are not law but how BWL operates and the rules apply when the tenant would like to become a customer at the residence. He added that it was placed in writing in the rules and regulations for clarification.

Commissioner Mullen asked whether each utility being separate was in the rules and regulations. Mr. Matus responded that it was in the rules and regulations indirectly and that the rules and regulations are terms and conditions for BWL service for customers.

Commissioner Ross asked if and when a delinquent customer would be allowed to request the extended outage credit if an outage occurred while the customer was delinquent. Mr. Matus responded that when the customer makes an application for the extended outage credit the customer's account needs to be current.

Commissioner Zerkle asked what is meant by the term customer choice. Mr. Matus responded that a customer can select which contractor the customer would like to install service in their facility. BWL will inspect the installation but the customer pays the costs. This was written in the rules and regulations to clarify the language. Commissioner Zerkle also asked what a curb feed box is. GM Peffley responded that in water service there is a main running down the center of the road with a line hooked to it which runs to the curb and sidewalk, and the curb feed box holds the shut off valve and this line runs into the house.

Mr. Matus added that three customers have installed chilled water service and that is the reason for the update to the chilled water service rules and regulations.

Motion by Commissioner Price, **Seconded** by Commissioner Mullen, to forward the Resolution for the FY 2021-2022 Rules and Regulations for Electric, Water, Steam, and Chilled Water Services to be effective July 1, 2021 to the full board for consideration.

A roll call vote was taken:

Yeas: Commissioners Thomas, Graham, Leek, Lenz, Mullen, Price, Ross, Zerkle

Nays: None

Action: Motion Carried.

Other

There was no other business.

Adjourn

Commissioner Thomas adjourned the meeting at 6:14 p.m.

Respectfully Submitted
Tracy Thomas, Chairperson
Committee of the Whole



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ITD Year in Review

ITD Focus Areas

Infrastructure

- Network Enhancements
- Switch Replacements
- Network Redundancy

Business Value

- Business Relationship Managers
- Enhanced Communication
- Continuous Improvement

IT Projects

- PMO Process Improvements
- IT Project Dashboard
- SecureUS

Cybersecurity

- Addition of cyber resources
- Diversified cyber toolbox
- 2021 Internal audit complete
- Cybersecurity roadmap



NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION (NERC) COMPLIANCE UPDATE

COMMITTEE OF THE WHOLE MEETING

SEPTEMBER 14, 2021

WHAT IS RELIABILITY COMPLIANCE?

- The North American Electric Reliability Corporation (NERC) is the authority assigned with ensuring the reliability of the Bulk Electric System
- To achieve that, NERC issues standards that apply to entities who own or operate parts of the Bulk Electric System
- There are currently a total of 83 Standards that encompass 14 categories; with 1 new and 9 revised standards that have been approved and will be enforceable in the future.

WHAT STARTED THE MANDATORY COMPLIANCE MOVEMENT?

After the Blackout in 2003, Congress directed the Federal Energy Regulatory Commission (FERC) to find a non-governmental agency to regulate the reliability of the Bulk Electric System.

It was determined that the Blackout was the result of poor vegetation management efforts, insufficient operator training, a lack of understanding in the inadequacies in the system and poor maintenance of system equipment.

FERC developed the process, and the first set of mandatory enforceable standards were submitted to FERC in April of 2006, they and were made effective in June of 2007.

U.S.-Canada Power System Outage Task Force

Final Report on the August 14, 2003 Blackout in the United States and Canada:

Causes and Recommendations



Canada

April 2004

ORGANIZATIONAL STRUCTURE



Congress

- Wrote Energy Policy Act, ordering FERC to select a non-governmental organization to regulate reliability



FERC

- Selects ERO
- Approves Policy



NERC

- Drafts Policy



Reliability First

- Enforces Policy



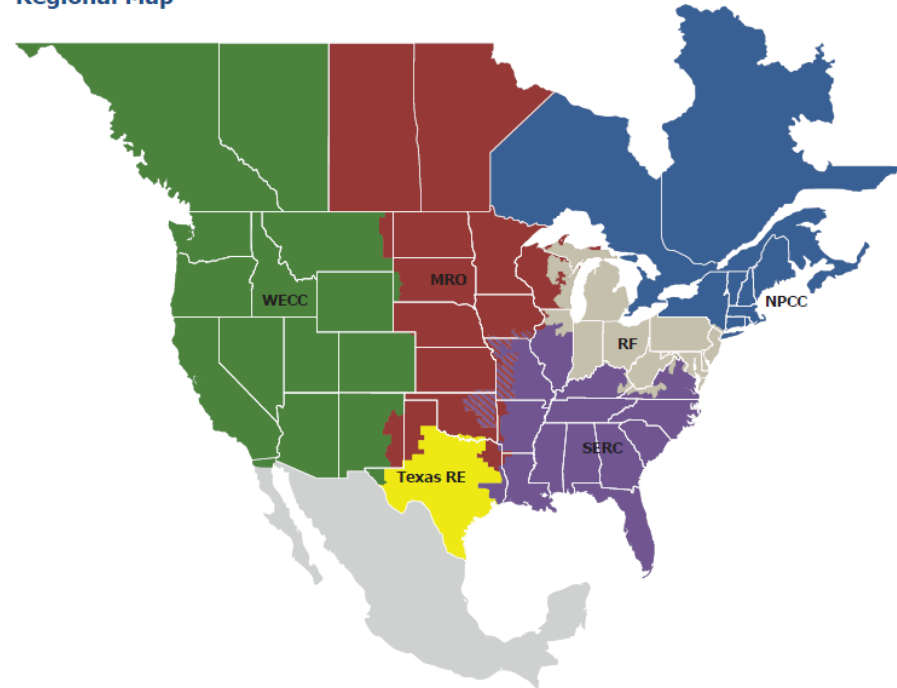
FEDERAL ENERGY REGULATORY COMMISSION (FERC)

- FERC oversees the development of mandatory reliability and security standards.
- FERC monitors and directs the NERC to ensure compliance with the approved mandatory standards by the users, owners, and operators of the bulk power system.
- FERC provides final regulatory interpretation of reliability standards and enforcement.

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Regional Map



[Midwest Reliability Organization \(MRO\)](#)

[SERC Reliability Corporation \(SERC\)](#)

[Northeast Power Coordinating Council \(NPCC\)](#)

[Texas Reliability Entity \(Texas RE\)](#)

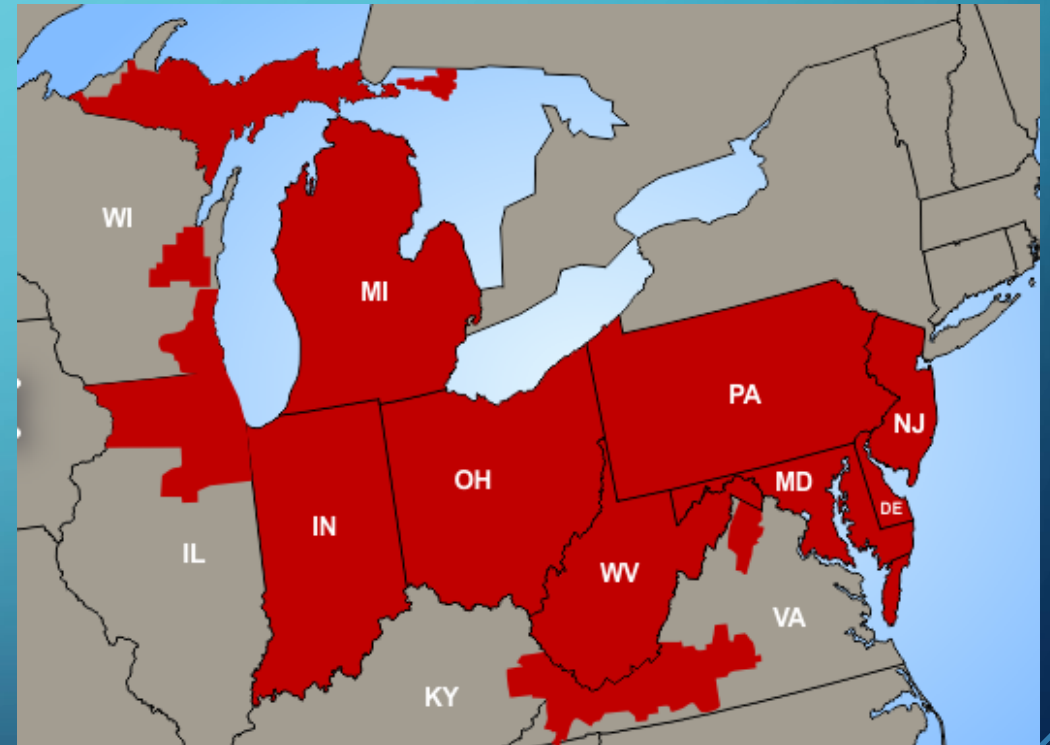
[ReliabilityFirst \(RF\)](#)

[WECC](#)

- NERC is the Energy Reliability Organization (ERO) established by FERC
- NERC works to develop Reliability Standards
 - FERC approves these standards as appropriate
- NERC uses Regional Entities (REs) to enforce these Reliability Standards

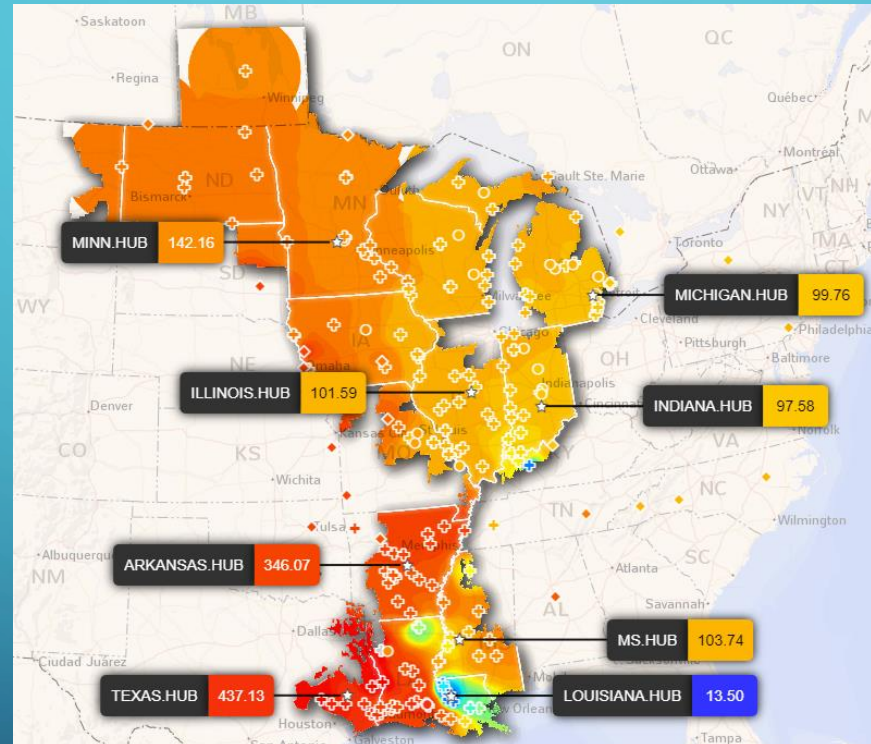


- Reliability First is the Regional Entity that oversees the BWL's compliance with the standards.
- Reliability First preserves and enhances bulk power system reliability and security across 13 states and the District of Columbia by setting and enforcing electric reliability standards.
- It requires data submittals for several standards, as well as audits for companies in their footprint in order to ensure that all entities in their territory are keeping up with the compliance initiatives.

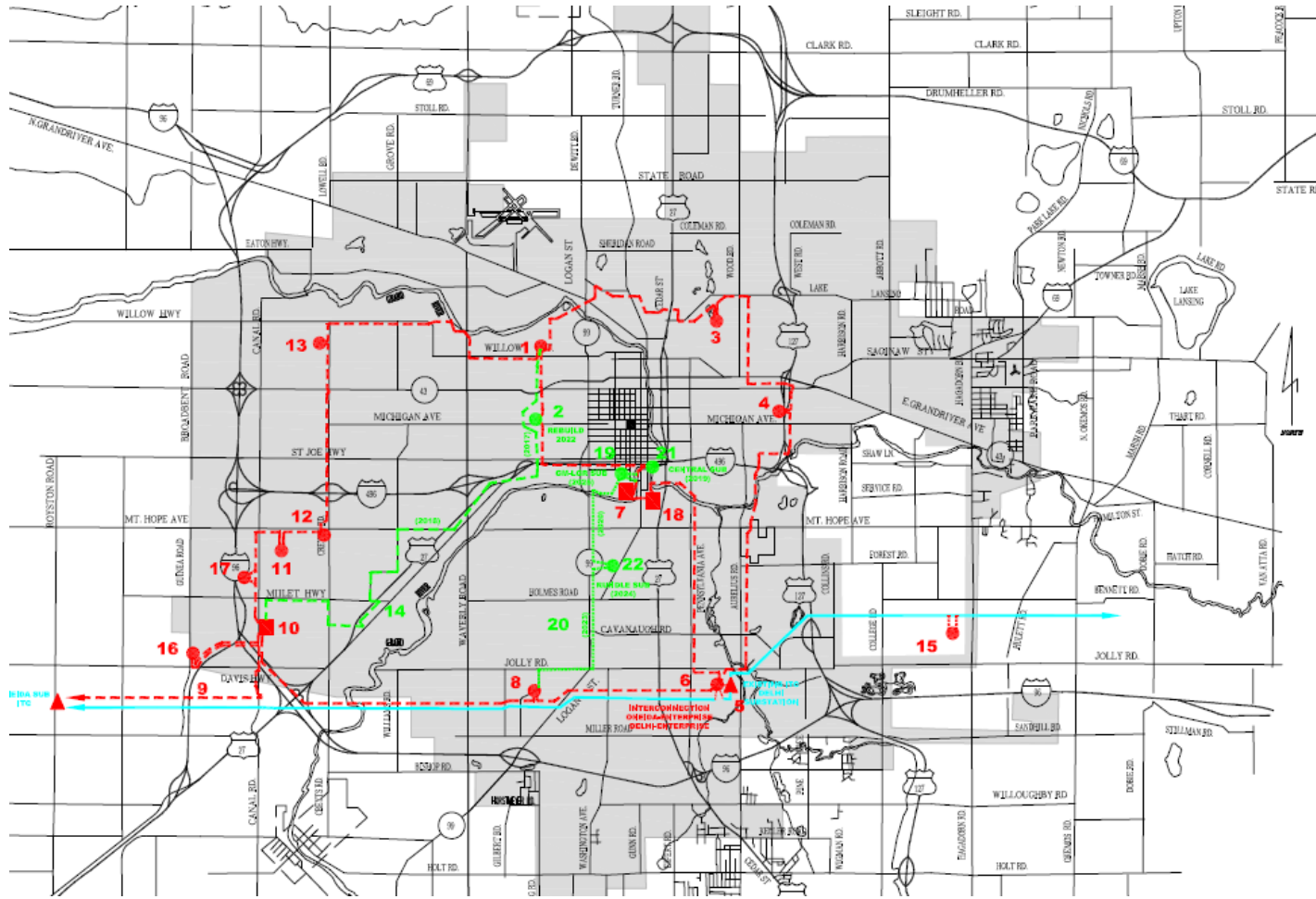




MIDCONTINENT INDEPENDENT SYSTEM OPERATORS



RT Load	Resources	NSI
95,642	85,667	-8,628



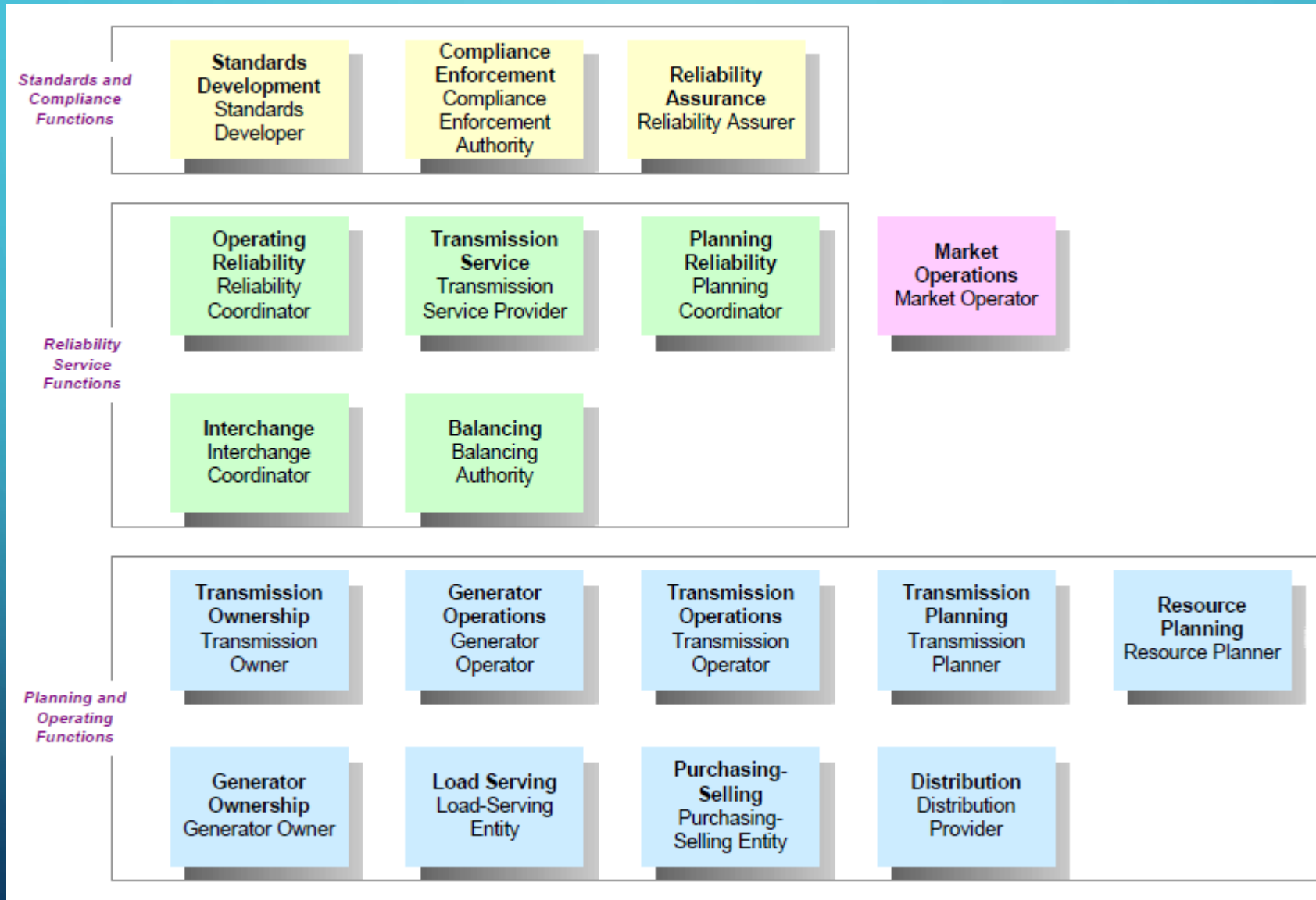
Key

1. Willow Sub
2. Stanley Sub (1/22)
3. Northeast Sub
4. Howard Sub
5. Delhi Sub - ITC
6. Enterprise Sub
7. Eckert Generating Station
8. Wise Sub
9. To Onelda Sub - ITC
10. Erickson Generating Station
11. Olds 5 Sub
12. South Creyts Sub
13. North Creyts Sub
14. Erickson - Willow 138kV Transmission Line (5/18)
15. College Sub. (Power Source - ITC)
16. Davis Sub
17. Canal Sub
18. Reo Town Generating Plant
19. GM-LGR Sub (5/25)
20. Wise -Central 138kV Transmission Line (5/23)
21. Central Sub (1/19)
22. Rundle Sub (5/24)

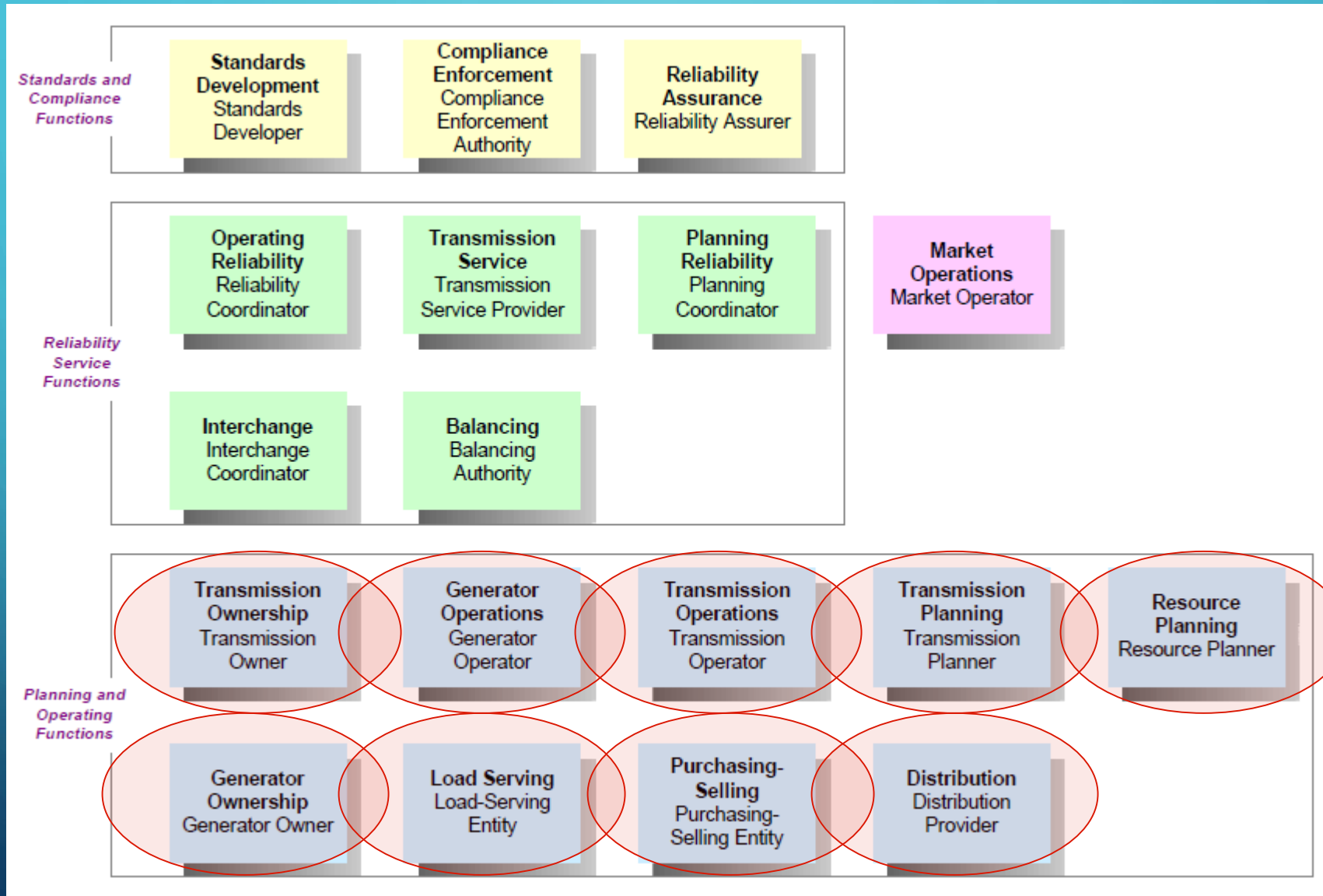
Legend

- Existing BWL Generating Plant
- Existing BWL Substation
- ▲ Existing ITC Substation Transmission
- Existing BWL 138kV Transmission Line
- Electrical Service Area
- Future BWL Substation

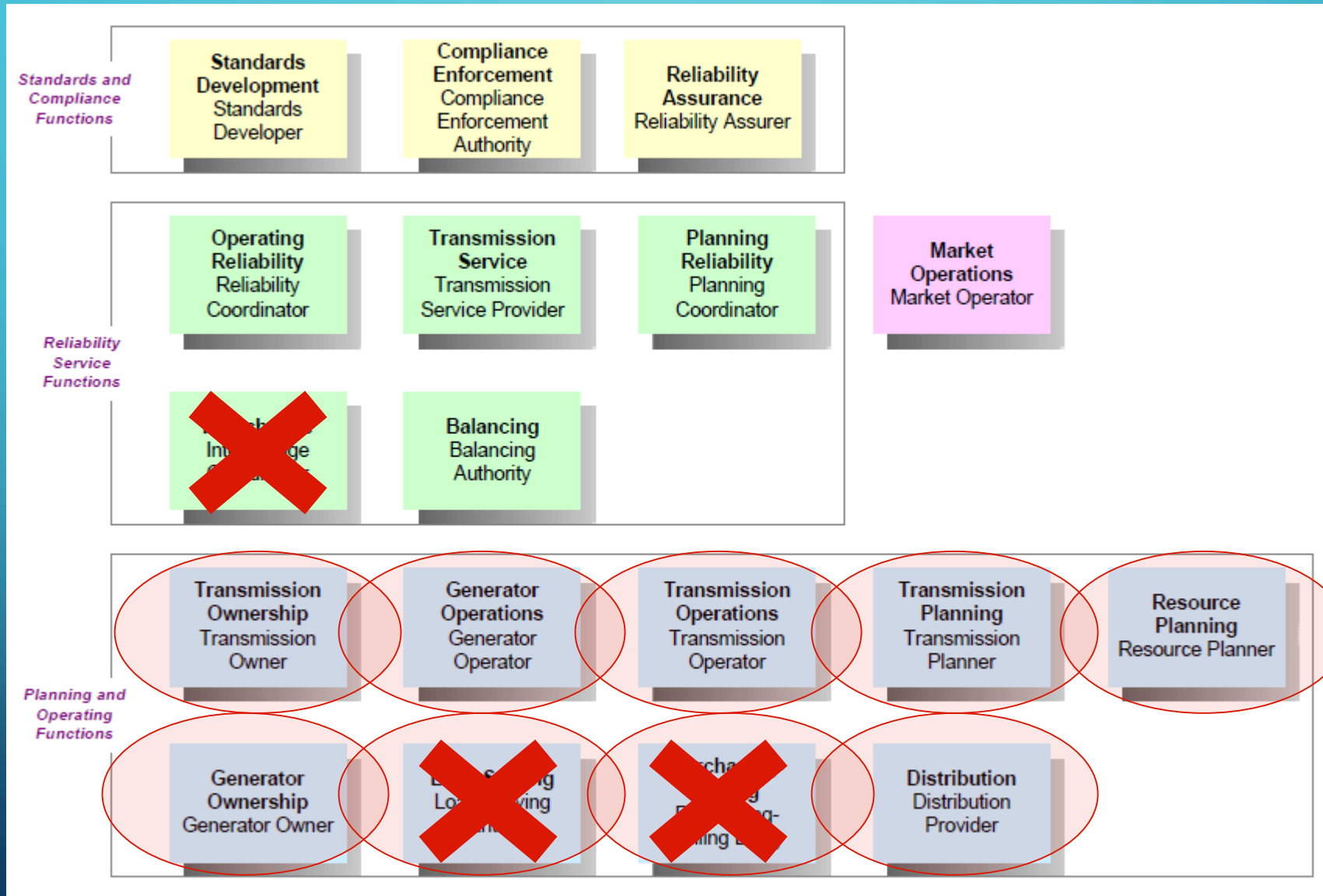
NERC FUNCTIONAL MODEL



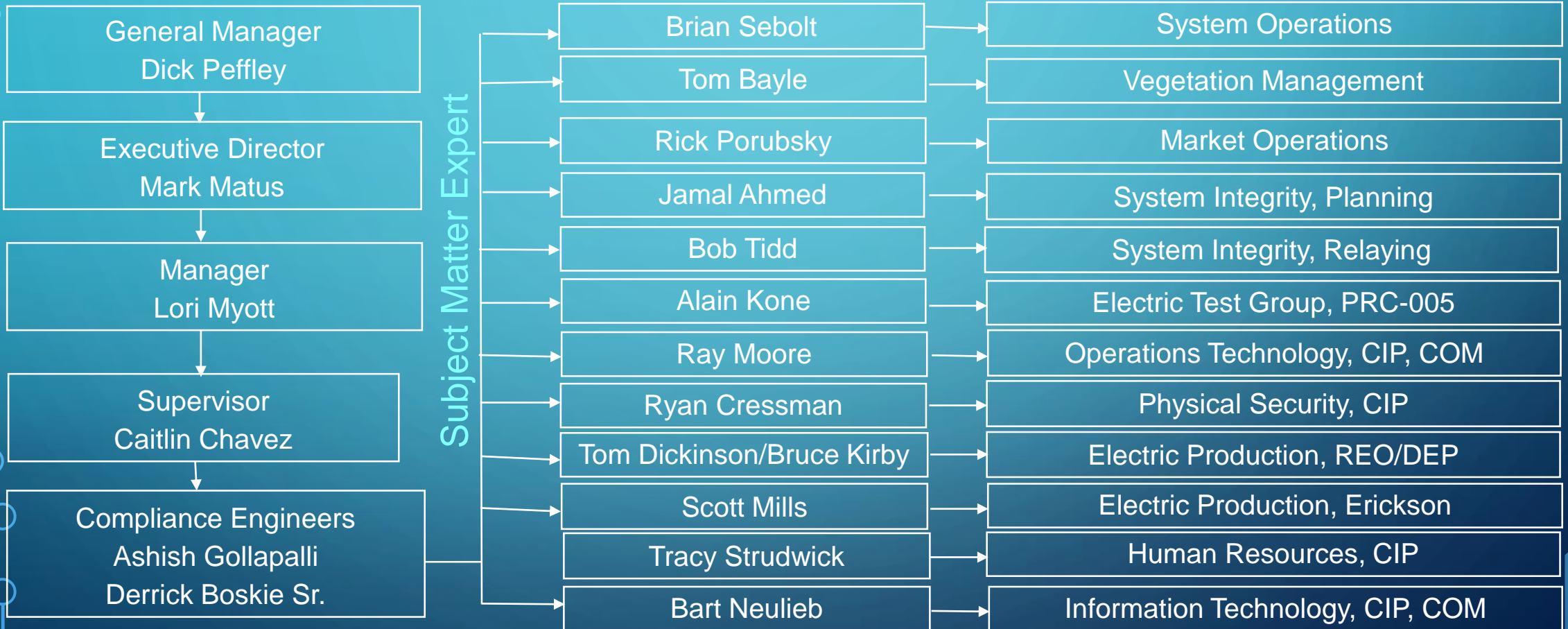
NERC FUNCTIONAL MODEL



NERC FUNCTIONAL MODEL



BWL COMPLIANCE ORGANIZATION CHART



LBWL COMPLIANCE PROGRAM

- For the 2008 Audit - (LBWL was only registered as a Distribution Provider & a Load Serving Entity)
 - Audited for 27 Standards containing 57 Requirements and 49 Sub-Requirements
- For the 2014 Audit – (LBWL was registered as TOP, TO, TP, GOP, GO, RP, LSE, DP, and PSE)
 - Responsible for 79 Standards containing 258 Requirements and 400 sub-requirements
 - This is not including the CIP standards 003-009 which would be an additional 6 standards, 38 requirements, and 110 sub-requirements

LBWL COMPLIANCE PROGRAM

- For the 2017 Audit – (LBWL was be registered as TOP, TO, TP, GOP, GO, RP, and DP)
 - Responsible for 74 Standards containing 334 Requirements and 631 sub-requirements
- For the 2020/2021 Audit – (LBWL was be registered as TOP, TO, TP, GOP, GO, RP, and DP)
 - Responsible for 67 Standards containing 291 Requirements (248 Ops & Planning and 43 CIP) and 660 Sub-Requirements (474 Ops & Planning and 183 CIP)

RECENT/UPCOMING ENGAGEMENTS WITH RELIABILITY FIRST

- December 2020 – Operations & Planning Compliance Audit
 - 14 Standards and 38 Requirements reviewed
 - 1 Potential Non-Compliance found during the audit
- July 2021 – ADMS Project EMS Re-Certification
 - Reviewed all standards and requirements where compliance efforts are changing as a result of the new ADMS system.
 - In the process of remediating open items found in that review.
- October 2021 – CIP Spot Check
 - Scope is 2 Standards and 32 Requirements and Sub-Requirements
- November 2022 – Full CIP Audit
- Calendar Year 2023 – Expected Operations & Planning Audit



2020 Energy Waste Reduction & Renewable Energy Annual Update

Committee of the Whole
September 14th, 2021

Energy Waste Reduction Summary - 2020

2020 Program	Goal - Savings (kwh)	Final Results - Savings (kwh)	Goal - Budget (\$)	Final Results - Budget (\$)
Low Income		458,923		\$ 267,149
Residential		6,784,061		\$1,021,996
Business		16,161,557		\$2,535,745
Total Portfolio	19,903,904	23,404,541	\$3,962,514	\$3,824,889
Administration			\$ 400,000	\$ 284,050
Evaluation			\$ 250,000	\$ 223,509
TOTAL	19,903,904	23,404,541	\$4,612,514	\$4,332,448

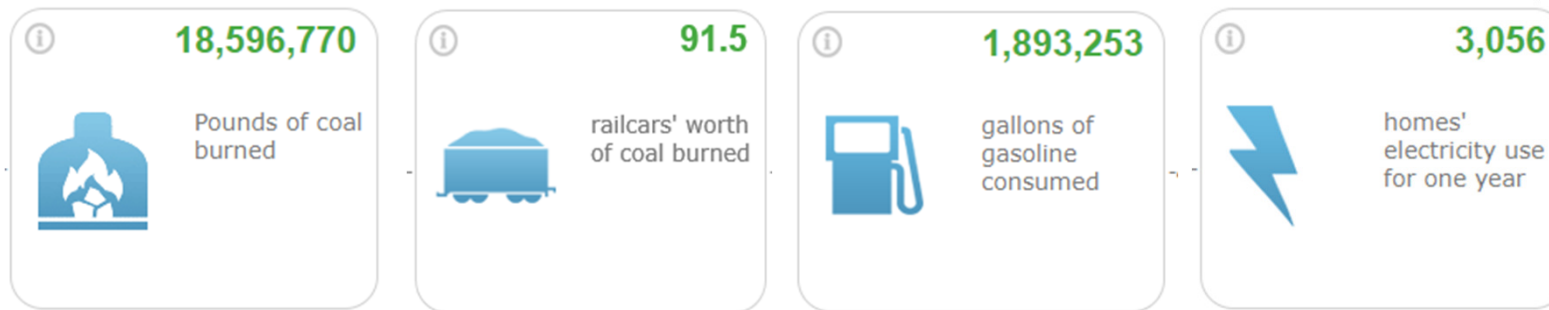
COVID Impacts to Programs

- ▶ Residential - In-home audits, appliance recycling, Events suspended
- ▶ Commercial - temporary shutdown of in person assessments, trade allies impacted
- ▶ Evaluation - no travel, in person inspections of installed measures
- ▶ BWL was required to file a plan of action for maintaining our energy efficiency programs
 - ▶ Energy kits, virtual assessments for residential customers
 - ▶ Protective gear, new offers for business customers
 - ▶ Virtual evaluation done via smartphone



What is 23,404,541 kwh of energy savings?

Equivalent to CO2 Emissions From:



[*epa.gov/energy/greenhouse-gas-equivalencies-calculator](http://epa.gov/energy/greenhouse-gas-equivalencies-calculator)

Residential Programs

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Residential Program Overview

- Services for Low Income Customers
- High Efficiency Lighting
- Appliance Recycling
- Multifamily Services
- ENERGY STAR™ Products/Equipment

Residential - Program Highlights



997 ENERGY STAR Appliances

448 Wi-Fi Thermostats

114,890 LEDs

250 Aerators



Project Highlight - Allen Neighborhood Center

- Energy Star heat pumps
- Energy Star Washer & Dryers
- Energy Star Refrigerators
- Heat Pump Mini Splits
- Energy Star Commercial kitchen equipment
- Micro grid demonstration
 - Solar PV Roof Panels and batteries
 - Solar Carports with EV chargers



Business Programs

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Business - Program Overview

- ▶ Prescriptive Program
 - ▶ Most lighting upgrades
 - ▶ Standard HVAC Upgrades
- ▶ Custom Program
 - ▶ Anything not on the application!
 - ▶ Reductions of usage
- ▶ Small Business
 - ▶ Enhanced incentives for businesses that meet criteria (number of employees, square footage)



Business - Notable Upgrades



Renewable Energy



Renewable Energy 2020 Summary

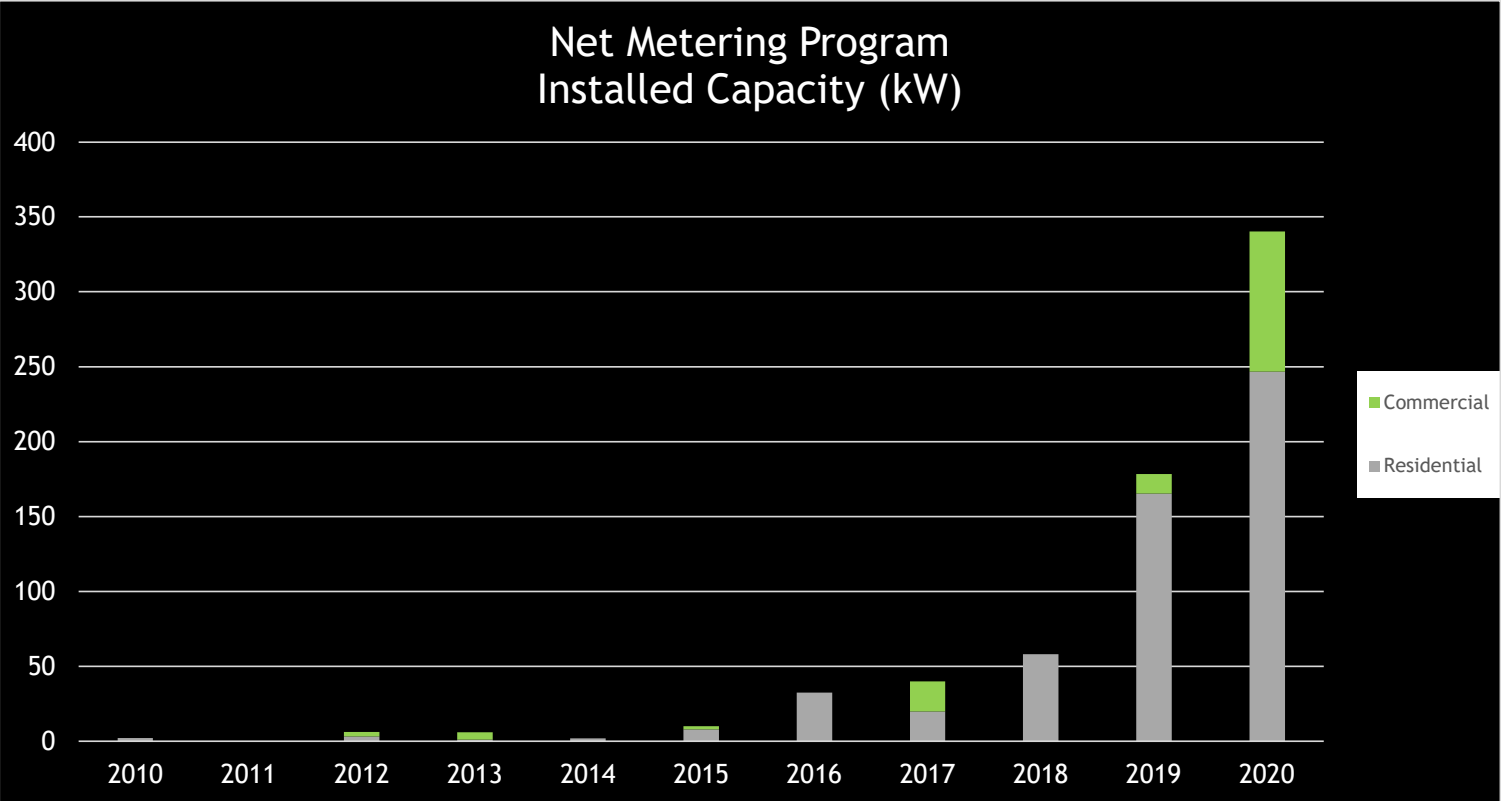
- BWL was required to and did meet the state's 12.5% renewable energy portfolio mandate.
- BWL achieved its 30% clean energy by 2020 goal
- BWL is currently in compliance with all aspects of PA342.

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Net Metering Program



Thank you!

Questions?



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Proposed Resolution
PA 152 Health Care Premium Sharing

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the “Public Funded Health Insurance Contribution Act”, Public Act 152 of 2011 (the “Act”) limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, the Act took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, the Act contains three options for complying with the requirements of the Act;

WHEREAS, the three options are as follows:

- 1) Section 3 - “Hard Caps” Option - limits a public employer’s total annual health care costs for employees based on coverage levels, as defined in the Act;
- 2) Section 4 - “80%/20%” Option - limits a public employer’s share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
- 3) Section 8 - “Exemption” Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2022 through December 31,2022;

RESOLVE that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2022 through December 31,2022.
