



Minutes for August 11, 2022

Members attending the meeting:

Christina Bouler, Mark Campen, Tiki Dixon, Erin Gill, Haseeb Qureshi, Kent Minault, David Myers, Stephen Smith

Others in attendance:

Facilitator: Dr. Bill Lyons

KUB Staff: Gabriel Bolas, Susan Edwards, Derwin Hagood, Tiffany Martin, Mark Walker, John Williams

Other attendees: none

Old Business

None

New Business

The Community Advisory Panel met at 3:00 p.m. on August 11, 2022 at KUB's Mintha Roach Corporate Services and Training Center.

Dr. Lyons welcomed the panel members in attendance.

Dr. Lyons asked if anyone had corrections to the meeting minutes from last month's meeting. Kent Minault requested a correction related to a question asked about KUB's ability to implement a tiered rate structure, and Mr. Bolas's answer that it is possible for KUB to implement a tiered rate structure. The May 2022 minutes will be revised with this clarification. There were no additional corrections.

Dr. Lyons explained the agenda for this meeting was to complete the panel's discussion about rates and then determine what topic the panel would like to discuss in future meetings.

Stephen Smith expressed he appreciates the panel having the ability to submit input to KUB's Board, but he would also appreciate the panel receiving a response from the Board. Dr. Lyons said this request will be provided to the Board. Gabe Bolas, KUB President and CEO, noted that the recordings for all panel meetings are provided to the Board and at least one KUB Board member attended each of the meetings to hear the discussion about rates. He noted the panel is an advisory group, and KUB appreciates receiving their input. He asked Dr. Smith to specify what question he wanted a response for.

Dr. Smith explained there were suggestions made in his presentation and in Kent Minault's presentation, and he would like there to be some dialogue about what changes may be possible. He said there are things members of the community are asking for related to energy burden that are possible and it would be valuable to have a more interactive dialogue.

Kent Minault said for two areas, energy efficiency and energy burden, he would like to a counterproposal from KUB.

Gabe Bolas assured the panel KUB is talking about energy burden frequently, and with the recent hot summer temperatures, KUB has been doing what it can to support customers. He also noted KUB has been a strong supporter of energy efficiency programs, like Home Uplift and Round It Up, for many years and will continue to support these programs.

Stephen Smith stated the international geopolitical environment has changed significantly since panel discussion began, and natural gas prices have increased dramatically. He expressed concern with TVA's use of natural gas to provide the electricity distributed by KUB, and he is concerned about the impact on customers' bills.

Erin Gill stated she feels Dr. Smith has raised several important topics, but those topics are separate, although related, to the panel's discussion on KUB's rate structure, and she feels the panel should finalize the discussion on rate structure before exploring other topics.

Dr. Lyons noted the panel had expressed interest in having future discussion about energy efficiency and weatherization programs and those may be appropriate topics to schedule for future meetings.

Dr. Smith stated he does not feel the panel can move to a discussion on energy efficiency without continued discussion about rates because the topics are interrelated.

Erin Gill stated she feels if KUB is going to be asked to respond to something, the panel should clarify exactly what is the topic the panel would like a response to.

Kent Minault expressed he feels the specific topics and suggestions for which he would like a KUB response are listed within the presentations that were made over the last several meetings and include things like lowering the fixed fees and expanding energy efficiency programs. He is hopeful there will be federal funding available to expand efficiency programs.

Tiki Dixon said he feels the panel is looking for KUB to look at the recommendations that were made in the presentations and respond to them.

Mark Walker, KUB Senior Vice President and Chief Financial Officer, explained the recommendations made during the presentations are appreciated, however, KUB staff is not prepared to make recommendations to the Board any change to the electric rate

structure at this time. He explained while the panel's input will be shared with KUB's Board, the position of KUB staff is that they do not feel a change to the rate structure is the answer, and they feel lowering the basic service charge and increasing the kilowatt-hour rate could be harmful to lower income customers. He said KUB staff are interested in further discussion on how to collaborate on things like energy efficiency and ways to reduce energy burden, especially for KUB's low-income customers.

Dr. Lyons said his task is to help capture the diverse viewpoints of the panel members so they may be passed along to KUB's Board. He said that holding a debate on the topics is beyond the scope of the panel.

Haseeb Qureshi said he would like to reflect on why the CAP was created, which was to avoid a change in the City Charter. He said he understands the panel is in an advisory position, and he feels it may be advantageous for the panel to vote on whether or not the panel feels there should be changes to the rate structure. He feels without a vote to show the panel's position on topics, there is not a clear record of the panel's input.

Dr. Lyons explained the panel is structured to have a variety of perspectives, and he indicated a vote does not capture those diverse viewpoints.

Mr. Qureshi said he feels it may be helpful from a governance perspective for the Board to know how many panel members agreed on certain matters.

Erin Gill said she has seen a structure like this work well, but she feels she has seen that approach work best when the governing body has specific questions for which they are seeking input. She feels the rates discussion is one the panel selected and not one for which the Board is seeking input.

Dr. Smith said he is concerned about what is communicated back to KUB's Board and if it is an accurate representation of the panel's input. He feels a dialogue with the Board is needed.

Dr. Lyons clarified the panel's purpose is not a dialogue with the KUB Board, it is for providing input. Dr. Lyons asked if other panel members who have not yet had opportunity to provide input on rates would like to make any comments.

Christina Bouler said she is interested in how land use zoning may impact rates and the burden on low-income customers and if KUB could have any influence in zoning regulations. Haseeb Qureshi stated he feels this is a very relevant point, and he feels City Council could consider this.

Dr. Lyons mentioned the impact of multi-family versus single-family dwellings on rates and energy burden, and that Recode Knoxville included changes to encourage more multi-family units.

David Myers said he feels the rates issue is always a consumer issue, and he feels anything KUB can do on rates is helpful.

Mark Walker said he feels it is important to be sure that the information shared with KUB's Board is very clear in what specific recommendations are being made by the Southern Alliance for Clean Energy or Kent Minault or others.

Dr. Smith said he is aware there is a community group looking at certain issues and he is not sure the Board is being informed about the facts. He does not feel the Board can close the gap in information to know if fixed fees are really in the interest of customers or if they are not. He feels there has not been enough analysis to answer this question and he would like to see more analysis.

Erin Gill asked if the "gap" Dr. Smith is referring to is in the analysis of low-income customer usage and what is average usage for these customers. Dr. Smith said he did not have the information in front of him, but he felt Ms. Gill accurately described it.

Christina Bouler asked if there would be a financial burden on KUB to do this analysis. Gabe Bolas said more than that, it is a matter of the data only being available certain level of granularity, and KUB does not have data on customer income levels.

Dr. Smith said he does not feel there has been enough due diligence to have a better analysis. He understands that other communities have ascertained this, and he is not sure why it cannot be done here. He said he understands different entities have different data and would have to work together to answer the questions and determine what analysis is possible.

Mark Walker and Dr. Smith discussed the analyses that both KUB and SACE did to review low-income customer consumption and bills and the different data that were used. Mr. Walker described KUB's data set and indicated it is a good representation for KUB's lower income customers. Dr. Smith said the question remains unresolved, and he would like to know if there is going to be more work on this.

Tiki Dixon said he feels KUB needs to provide a formal response back to the panel.

Christina Bouler said it seems to her there is a disagreement about what is sufficient data, and KUB feels they have sufficient data, and she is not sure this can be resolved unless there are compelling reasons for KUB to feel there needs to be more analysis.

Haseeb Qureshi inquired if there is a different template the recommendations should be captured in for the Board. Erin Gill noted this is an interesting point, as recommendations made in a presentation by the Southern Alliance for Clean Energy are not necessarily recommendations being made by the panel collectively. She suggested there may need to be more discussion to articulate the question the panel wants the Board to answer.

Mr. Qureshi expressed he would like to request that at every KUB Board meeting, there is an agenda item for the Board to review CAP "findings." Ms. Gill questioned how the panel defines its findings.

Tiki Dixon said it is his understanding the panel's scope is to make recommendations.

Mr. Qureshi said what he is looking for is the panel to have a discussion and for that discussion to then be an agenda item at the KUB Board meeting. He said he would like the panel to have more time to discuss topics and spend less time discussing procedures. He said there are many topics the panel needs to discuss, including business rates.

Dr. Lyons noted the recommendation related to the Board's agendas will be shared with the Board.

Kent Minault said he thinks the panel should discuss weatherization and energy efficiency next, because they are related to rates and energy burden and there may be future funding available to help with these programs.

The other panel members agreed with this being the next topic.

Dr. Lyons asked how often the panel would like to meet, and the panel agreed they would like to meet monthly. Dr. Lyons noted the next regular meeting would fall on September 1st, and due to the Labor Day holiday, this date could be problematic. A Doodle poll will be issued for the panel to provide input on the next meeting date.

The meeting adjourned at 4:12 p.m.