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TOWN OF LYNDON
THE ELECTRIC BOARD OF COMMISSIONERS
Monday February 23rd, 2026

Location: Municipal Building, Conference Room, 119 Park Avenue
Time: 5:30pm

Join Zoom Meeting

<https://us02web.zoom.us/j/88345988927>

Meeting ID: 883 4598 8927

Passcode: 108702

Dial by your location

+1 646876 9923 US (New York)

+1 301715 8592 US (Washington DC)

AGENDA

1. Changes/Modifications to Agenda
2. Public Comment
3. Approve minutes from the February 9th, 2026 meeting.
4. Joint portion of meeting with Barton and Orleans to discuss:
 - A. Purchased power discussion with VPPSA.
 - B. Feasibility of Orleans, Barton and Lyndon exploring opportunities to work together to increase efficiency.
5. December 2025 budget analysis by Erica Welton.
6. Presentation of 2026 LED budget.
7. Other Business
8. Adjourn

The purpose of the typical power point presentation is to provide VPPSA board members with historical energy price information, summarize YTD budget variances and highlights of the monthly budget variances. In addition to that information, for the February board meeting we provided information about the extreme energy pricing that was occurring in January at the time as well as the extreme forward prices for February. In addition to that, we discussed how the energy prices affect the new (as of March 2025) market called the Day Ahead Ancillary Services (DAAS or DAS) market.

1 - Natural Gas Price and Storage Trends: This slide is provided every month and shows historical natural gas pricing as well as the storage trend information. The New England region is heavily reliant on natural gas generators so the price of electricity typically, though not always, follows the price of natural gas which is why we provide this information.

2 – Actual and Future Electricity Prices: This slide shows the budget, future and actual energy prices by month. From this slide you can glean a couple of things. The first is the seasonality of energy pricing. As you can see, it is highest in the winter months. This is linked to the fact that our region is so heavily reliant on natural gas which is also a major heating fuel in New England. Therefore, come winter, the natural gas price increases and causes electric prices to rise. You'll also notice that there's a small bump in prices in the summer. This is due to slightly higher loads for cooling. The shoulder months (spring and fall) are the least expensive. This is when hydro is running well, the solar is generating better than in the winter, and there isn't a lot of heating or cooling load. This seasonal shape is important for later in the presentation so remember this.

3 – CDA Variance (YTD) Jan 2025- Dec 2025: This slide provides some key points as a snapshot for members.

3 – CDA Variances (November): This was mislabeled and should have said December. This slide highlights the largest budget to actuals variances for most members in December. The specific CDA variances for each member can be found on the Variance Report tab of the CDA spreadsheet.

4 – Winter Prices (1/28 9am RT and DA): This slide depicts the price both in the Real Time (RT) and Day Ahead (DA) energy markets for the 9AM hour on 1/28. These prices are extremely high considering there were no contingencies at the time. We saw this kind of extreme pricing for the entire last week of the month which also coincided with winter storm Fern.

4 – Winter Prices (1/28 Resource Mix): The extreme cold that came with Fern diverted natural gas from generators which then caused oil units to be used substantially more. Oil units are very expensive to run and this is what caused the prices to spike in January. The total inventory of oil for generators in the region dropped from 43% to 23% during the course of winter storm Fern. This slide shows that at 9AM on 1/28 oil made up 29% of the regional resource mix. On a typical day oil doesn't even show up on the list at all because it is so expensive to run.

4 – Winter Prices: This slide provides some examples of the extremes of pricing that we saw in January 2026 which then bled into forward pricing for February 2026. The top table shows the single most expensive hour in both the DA and RT markets for December and January. You can see how much more expensive January was in that single most expensive hour, about 3 times more expensive for the DA market. To give you a more historical view of monthly maximum prices, we looked back at the single most expensive hourly price in the DA market for each of those months from January 2019 through January 2026. The previous most expensive monthly hourly price was in June of 2025. That price was \$449. This is less than half the most expensive hour in January 2026. We have truly never seen pricing like this in at least the last 7 years and likely longer, we just didn't look back farther than 7 years. In fact, the day in January with the single most expensive hour had an average hourly price of \$624, which, again, is more expensive than the single most expensive hour in the previous 7 years.

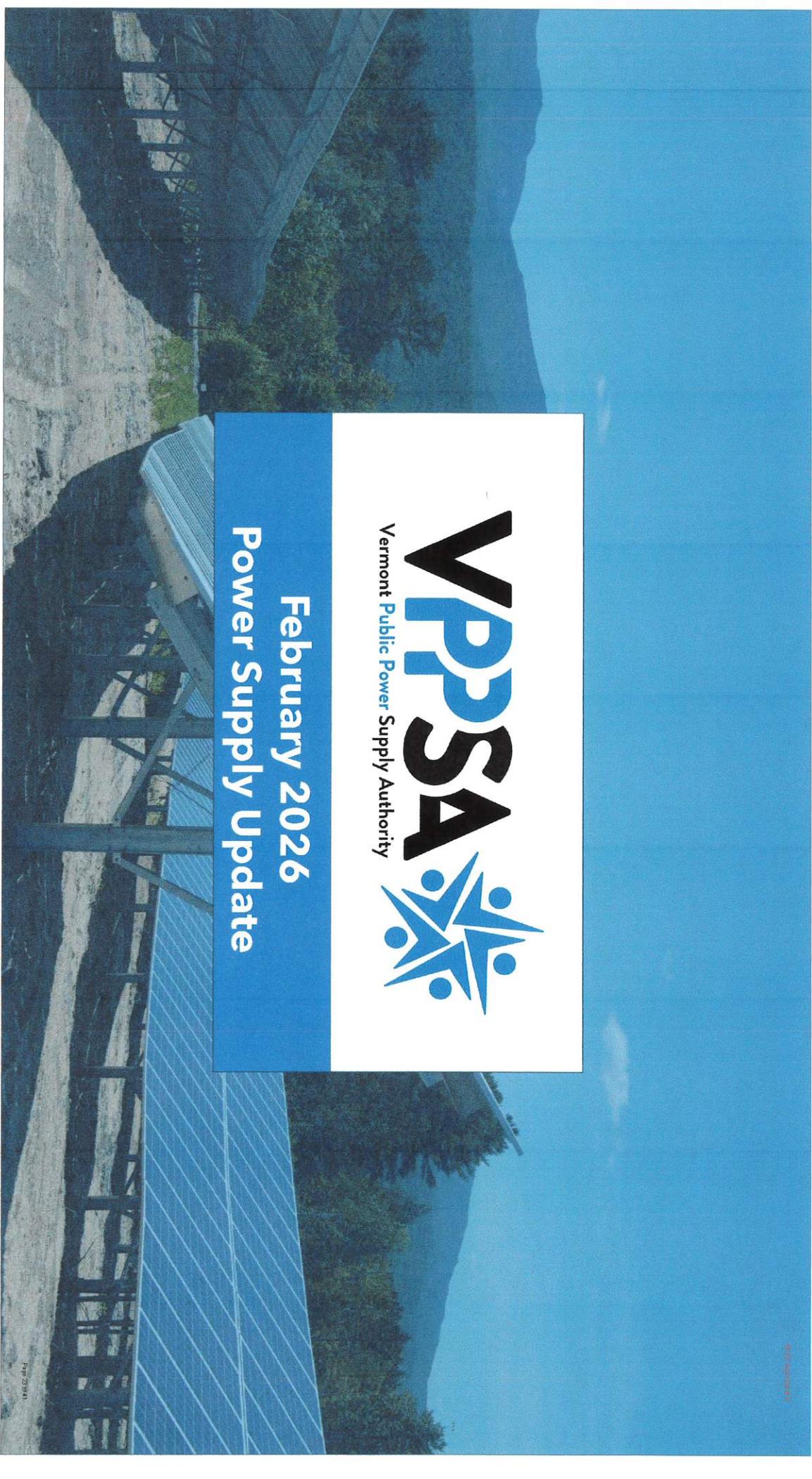
The second table in this slide shows the broker prices we received for February energy pricing on Friday 1/23 and what we received that Monday 1/26. The pricing almost doubled in that time. This was a result of what was going on in January. As January pricing spiked, it caused forwards for February to spike also. We were able to do a monthly power purchase for members less than the \$251 price, but still significantly higher than the budget price.

5 – Day Ahead Ancillary Services: This slide shows the \$/MWh of the Day Ahead Ancillary Services (DAAS) market. This is a new market as of March 2025. The costs have come in significantly more expensive than were anticipated by ISO NE who designed and runs the market. Look at the shape of the costs for this market. Then think back to the shape of the energy pricing. The DAAS market costs follow that same pattern as energy pricing. The energy and DAAS markets are co-optimized which is why DAAS prices follow energy and we can see that when energy prices really get high, so too do the DAAS costs. The intricacies of that market are probably more than we want to get into, but everyone should expect that January prices for DAAS will come in even higher than December, which was already extremely high. As an example, another municipal utility in the region said that their DAAS costs for a single week in January were higher than their costs in the entire month of December.

6 – Voltage Reduction Test: This is a twice annual test. This slide was included as a reminder to VPPSA members about the test.



February 2026 Power Supply Update

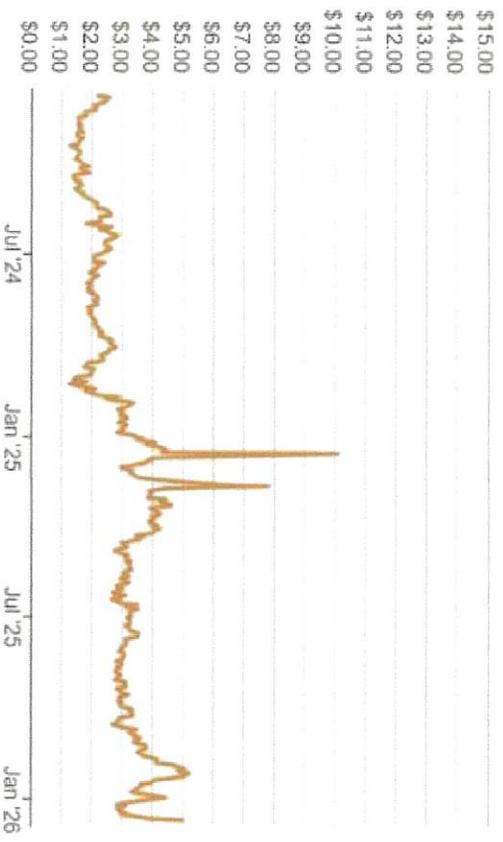


Power Supply Update

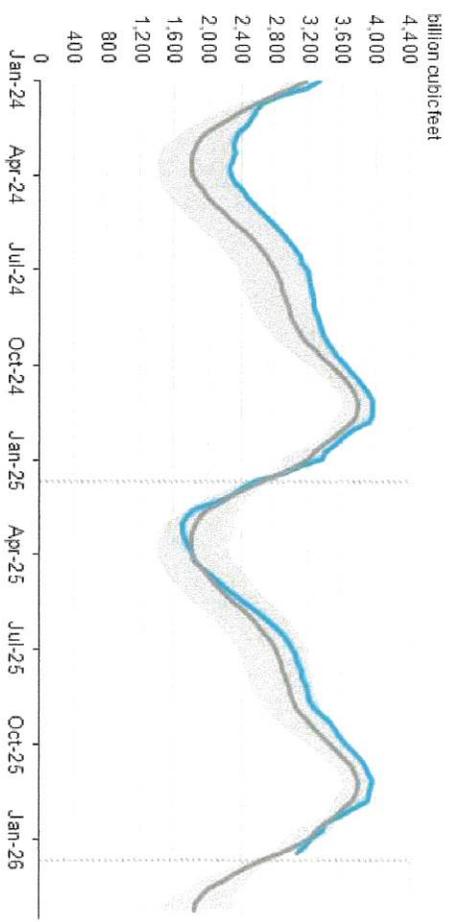
1. Natural Gas & Electricity Price Updates
2. Actual and Future Prices
3. CDA Variances
4. Winter Prices
5. Day Ahead Ancillary Services 2025
6. Voltage Reduction

1. Natural Gas Price and Storage Trends (EIA data)

Natural gas spot prices (Henry Hub)
dollars per million British thermal units



Data source: Natural Gas Intelligence

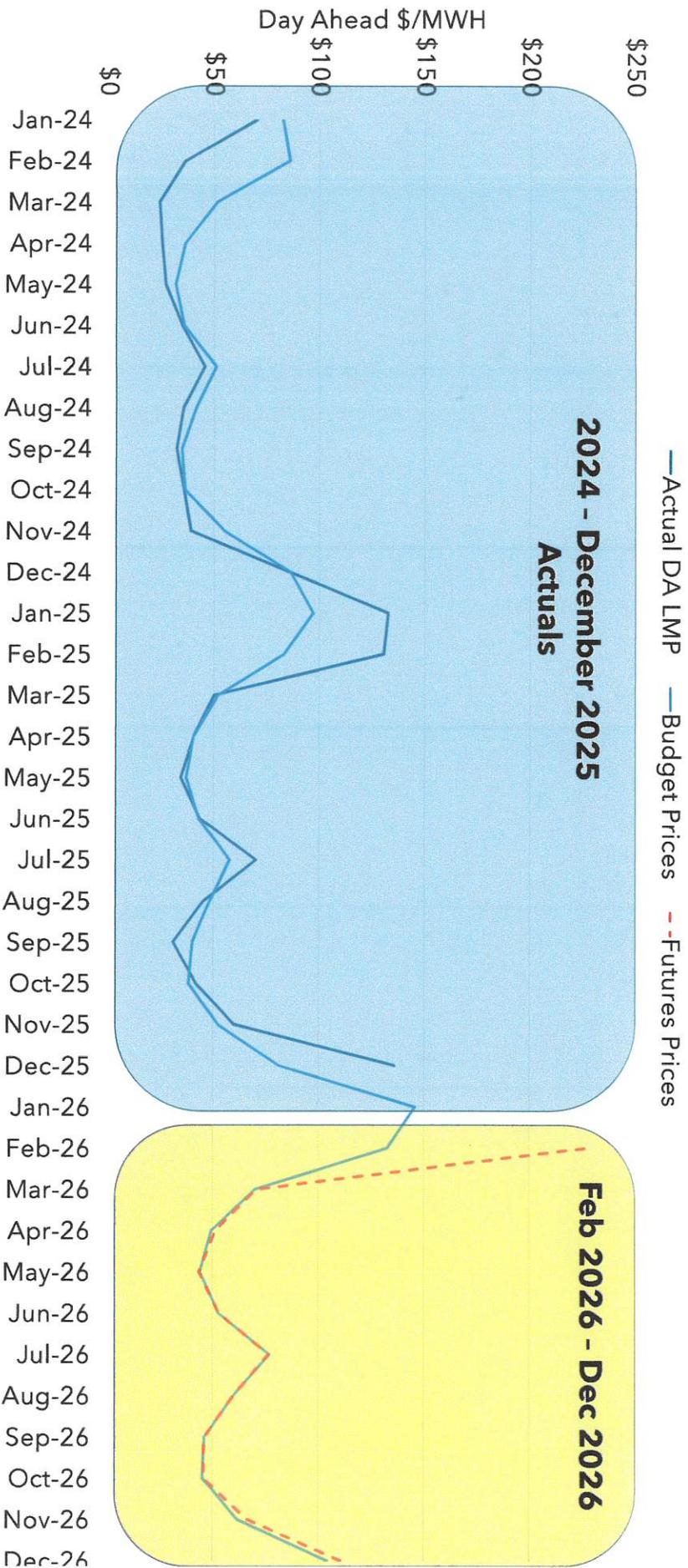


Data source: U.S. Energy Information Administration

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2021 through 2025. The dashed vertical lines indicate current and year-ago weekly periods.



2. Actual and Future Electricity Prices (7x24)



3. CDA Variances (YTD) Jan 2025 - Dec 2025

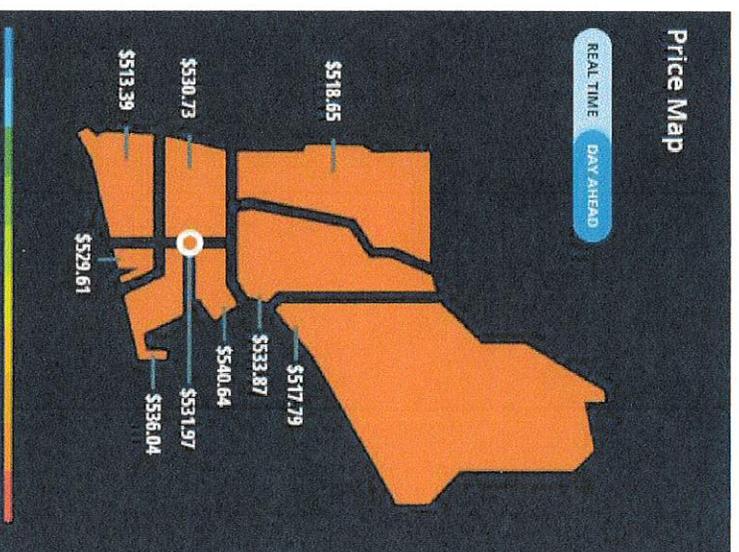
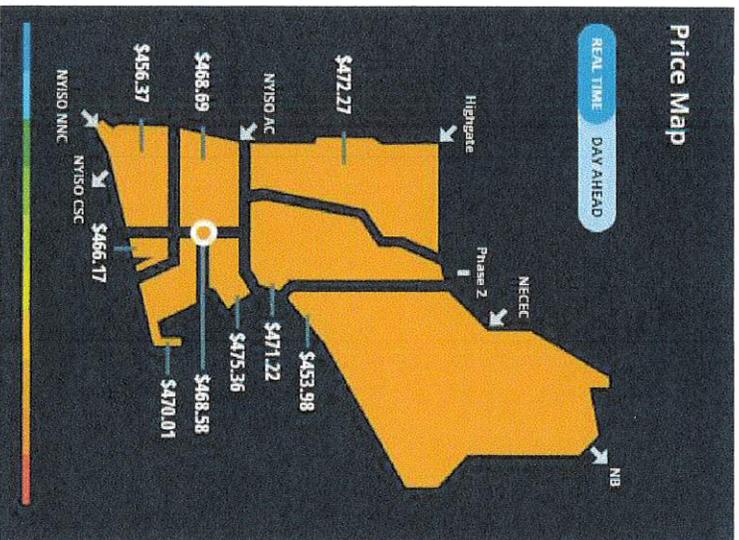
Member System	Total Load - Including Losses	BTM Hydro Generation	Coverage Ratio
Barton	3%	-18%	100%
Enosburg	4%	1%	104%
Hardwick	3%	N/A	96%
Jacksonville	3%	N/A	104%
Johnson	-4%	N/A	112%
Ludlow	-2%	N/A	113%
Lyndon	3%	-16%	103%
Morrisville	4%	34%	104%
Northfield	9%	N/A	89%
Orleans	-4%	N/A	113%
Swanton	1%	-28%	114%

Dollar Variance	% Dollar Variance	% Rate Variance
\$80,678	6%	3%
\$158,329	5%	1%
\$339,386	7%	4%
\$57,097	7%	4%
-\$33,403	-2%	2%
\$322,773	4%	6%
\$342,046	4%	1%
\$392,939	7%	3%
\$179,753	4%	-4%
-\$10,775	-1%	4%
\$1,351,409	60%	59%

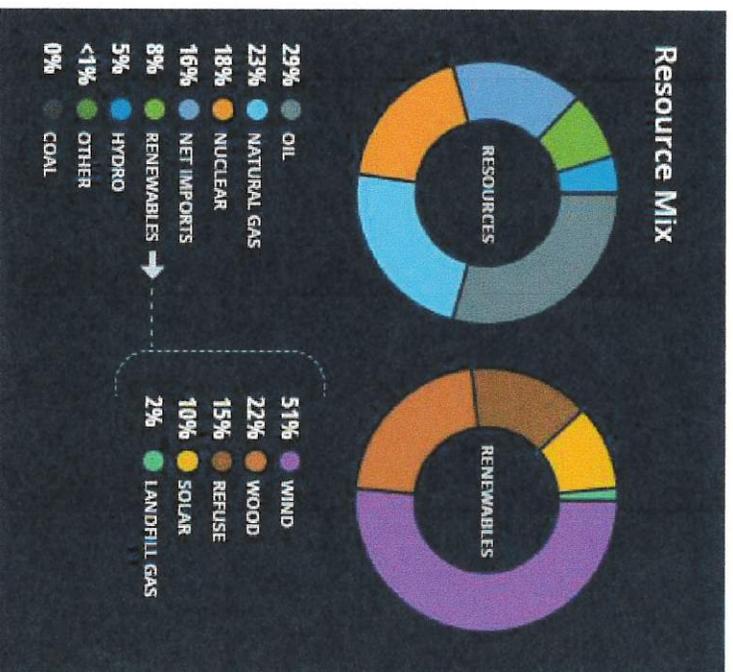
3. CDA Variances (November)

- **Day Ahead Ancillary Services**
 - Rate was astronomical in December. About 60% higher rate than previous monthly high.
- **BTM Hydro Gen**
 - All hydro down except Enosburg which was around budget
- **LMPs**
 - About 73% Higher across all members:
 - More cost to load
 - Higher resource credits
 - Members with BTM resources that are down are more negatively affected than members with more market resources.
- **Loads**
 - High loads, presumably due to weather
- **Transmission**
 - VELCO transmission higher than budget
 - BTM hydro has big effect on OATT costs
- **Resources**
 - DAAS credits higher than budget
 - Stetson generated about 60% more

4. Winter Prices (1/28 9am RT and DA)



4. Winter Prices (1/28 Resource Mix)

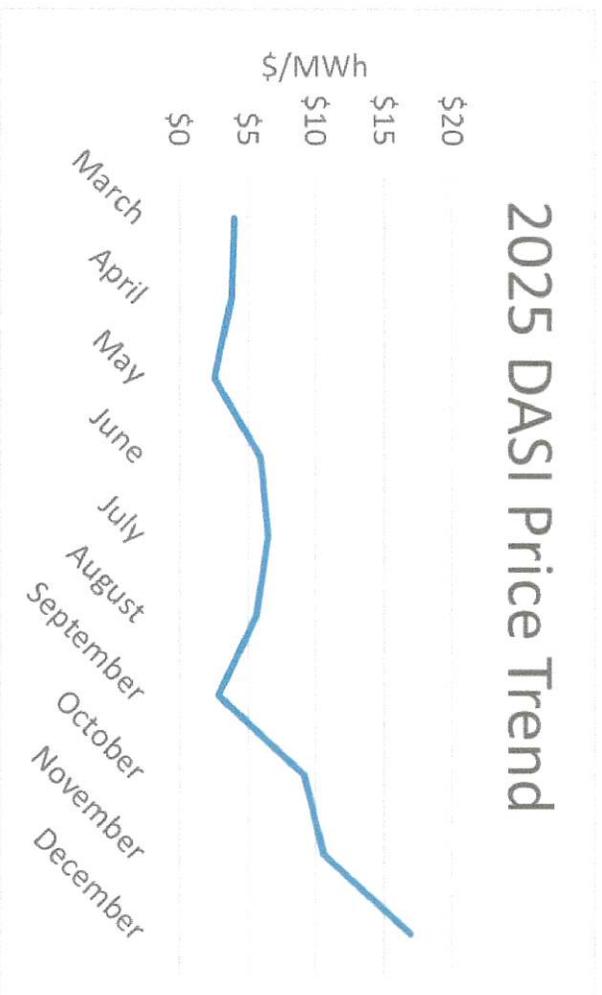


4. Winter Prices

	Dec '25	Jan '26
Max Hourly DA LMP	\$ 305.38	\$ 919.71
Max Hourly RT LMP	\$ 317.98	\$ 772.41

Feb ATC 1/23	\$ 133.57
Feb ATC 1/26	\$ 251.14
% Change	88%

5. Day Ahead Ancillary Services



December was 60% more expensive per unit than the previous most expensive month.

Slight dips in cost in shoulder months. Drastic increase in costs in winter when energy prices are increasing. Potentially DASl costs are higher in winter b/c load bids aren't clearing in DA market which increases need for Energy Imbalance Reserve (EIR).