

Good Conversation:
**Erica Heilman
of Rumble Strip
to Speak at
Annual Meeting**

Erica Heilman thinks you should go to WEC's Annual Meeting. It's not just because she's the featured speaker, or because she's a member. It's because she thinks our best work happens in spaces full of other human beings, with all our differences, figuring things out together, with snacks. "The fastest democracies are the longest, slowest, most boring meetings," she said.

Vermonters are proud of our local governance processes, which can be weedy and intense, but come on: who could reasonably take offense at her calling these meetings long, slow, and boring? They usually are, and she is a passionate champion of them. If you've heard the Town Meeting Day episode of *Rumble Strip*, the podcast Heilman hosts and produces, you know this.

Heilman has developed a reputation for being a good listener. She talks to all kinds of people –

almost certainly including someone you know – regarding everyone as an expert on something worth sharing. She gives her interviewees fields of space to work out what they want to say. When she's the one speaking, Heilman is direct, hilarious, and a gleeful and generous cusser.

The concept of slowness, and this deadly serious irreverence, underpin *Rumble Strip*. Heilman started her podcast ten years ago, soon after she moved to Calais from Montpelier, because what she heard on the radio was a "covered bridgified version" of Vermont. For her, really understanding Vermont includes exploring its weirder corners. "I thought, if I do this long enough, and talk with enough people and talk with them uninterrupted, something will come into focus about what this place is," she said.

Since 2013, Heilman has won major recognition for the podcast with

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Courtesy Erica Heilman

Rumble Strip's Erica Heilman and friend. The award-winning podcaster, a WEC member from Calais, will keynote WEC's Annual Meeting on May 4 with a presentation including clips of stories from central Vermonters.

General Manager's Report

Why Cooperate?

What's the benefit of public power in our current era?

By Louis Porter

Most members of Washington Electric Cooperative know why and how electric cooperatives in general, and WEC in particular, came into being. They know the history of rural territories, whose lack of population density and rugged landscapes made electrification difficult, expensive, unprofitable, and therefore unappealing to investor-owned utilities.

But does that history still provide a compelling reason for electrical cooperatives to exist? Why do electrical cooperatives and municipal electric utilities continue to not only exist, but are even expanding in some areas?

Many of the historic reasons for the existence of co-ops remain true, as many of the areas served by them continue to be rural and less

well-off areas with a higher portion of residential customers.

But there are other reasons as well.

For one thing, without shareholders to pay back for their investments, co-ops return money they collect in excess of what is needed to obtain and deliver electricity to their members who are typically also their ratepayers. WEC, for example, has returned more than \$9 million to its member owners since 1998.

Co-ops can also work with their members to do other things with that money – if the members choose. WEC members have donated money to the WEC Community Fund, which in turn has provided about half a million dollars to local organizations, from food pantries to senior centers, in the part of Vermont we serve.

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**WASHINGTON ELECTRIC
COOPERATIVE, INC.**

Thursday, May 4, 2023

**84th Annual
Membership Meeting**

**WEC Operations Center, 230 Fassett Rd., East Montpelier
Agenda**

- 4:30 p.m. Registration open – Ballot boxes open 4:30-6:30 p.m.
- 5:00 p.m. Dinner (reservation required)
- 6:00 p.m. Business meeting called to order
Board and employee recognition
Officers' reports
Question & answer session
Election results
- 7:00 p.m. Featured speaker: Erica Heilman, *Rumble Strip*
- 8:00 p.m. Tentative adjournment and door prizes (must be present to win)

To register, visit wec.coop/annual-meeting or call 802-224-2322.

Official Notice and Annual Report

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President's Report

Variability and Our Renewable Energy Future

2022 marked by major storm, broadband make-ready, rate increase

By Stephen Knowlton

Washington Electric Cooperative faced two major challenges in 2022. First, Winter Storm Elliott joined us all for Christmas like an unexpected relative, making the holidays more difficult and less comfortable for many WEC members and their actual relatives. As I write this, I find it pleasant to have snow finally arrive without all the drama. Second, like utilities around New England, the Co-op was obligated to increase its rates, mainly to cover sharply increased electricity costs over the previous year.

But let's consider some cheerier news first.

Broadband

Until early 2021, WEC was working

with Communications Union Districts (CUDs) to jointly bring broadband access by fiber to most WEC members. We have been aware for years that WEC's territory is the most underserved by broadband of any utility in the state, and many WEC members have approached the Co-op to see if we could help provide a solution. While we began working towards that goal, federal grant funding became available to the CUDs, which enabled them to pursue fiber build-out on their own without WEC borrowing money to build the fiber network.

Nonetheless, WEC remains a key part of the "make-ready" process, preparing our utility poles for the stringing of fiber bundles in concert with the broadband provider.

The utility is reimbursed for the costs

in labor and materials directly related to that make-ready work. WEC recognizes our cooperative role in the communities we serve and what good broadband access means to our members who don't have it, and is speedily carrying out this work. We recognize that deploying broadband in rural parts of our state is similar to building out electrical lines more than 80 years ago.

Rate increase

Returning to WEC's rate increase: Treasurer Donald Douglas' report in this issue highlights the reasons for it. As the reader probably knows, cooperatives like WEC are not-for-profit, and revenues are collected to meet our operating expenses and loan requirements. WEC does not raise our members' rates simply to increase income – the Board, which is composed entirely of members, wouldn't allow that, and neither would state regulators.

WEC has long-term power-purchasing contracts for renewable power with most of our suppliers to meet our members' needs. But when demand for electricity is high (as it is in winter months), and when power generators may not be able to deliver as much as expected (as was the case with the Coventry landfill gas-to-electricity plant last year), WEC purchases power at market rates to cover the shortfall despite our array of power contracts in hand.

Since last winter, WEC upgraded the processing of landfill gas at our Coventry plant, and landfill gas production is coming back toward normal levels. WEC is also taking steps to diversify our renewable power portfolio. The intent is to reduce the impact of something like this happening in the future. While the unplanned reduction of power from the landfill exacerbated the need for the rate increase, the hike in energy cost was not out of line with that at other Vermont utilities, and was less severe than at many other utilities in New England that rely more on natural gas for their baseload production.



Vermont energy planners have much to learn about the implementation of a modern, integrated grid, and further steps toward renewability with intermittent resources will need a systematic approach.

– Stephen Knowlton

Approaches to a renewable grid

The message here is broader than WEC's generation from Coventry: most renewable resources, and even some non-renewable ones, may vary in what they are capable of delivering at any given time. Unpredictability can lead to increases in cost, depending on what we can replace the missing power with at the time we need it.

Some resources are far more variable than the landfill gas facility. Solar and wind energy resources, a minor but rapidly growing component of the world's electric energy portfolio, are expected to ultimately displace most fossil fuels from the production of

electricity. Nonetheless, solar power clearly varies with the time of day and the season, and both wind and solar production remain unpredictably dependent on local weather, giving rise to uncertain forecasts in what can be delivered to consumers at any specific time.

To address the issue of a majority of our electricity coming from intermittent renewable resources, most reputable engineering approaches that I'm aware of call for a combination of 1. very large amounts of battery storage to manage day-to-day variation of solar and wind, 2. delivery of power from distant renewable generators via new transmission lines from surrounding regions (the wind may be blowing in the Midwest or off-shore when it isn't here, and vice versa), and 3. management of customer demand through voluntary or involuntary curtailment of power if necessary. These represent significant changes from the way today's electric grid is typically operated.

Having 100% of Vermont's electricity come entirely from a range of renewable sources is possible in principle. But the investment required and the challenges to the stability of the grid are likely to be substantial as more intermittent renewables are added to the mix. A successful approach will

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Co-op Currents

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WEC is part of the alliance working to advance and support the principles of cooperatives in Vermont.

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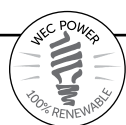
Betsy Allen Donald Douglas Jean Hamilton Louis Porter Katie Titterton

The Board of Directors' regularly scheduled meetings are on the last Wednesday of each month, in the evening. Members are welcome to attend. Members who wish to discuss a matter with the Board should contact the president through WEC's office. Meeting dates and times are subject to change. For information about times and/or agenda, or to receive a copy of the minutes of past meetings, contact Administrative Assistant Rosie Casciero, at 224-2322, or visit wec.coop/board.

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Got something to say?

Letter to the editor, comment, or a story tip? Drop us a line at currents@wec.coop or Washington Electric Cooperative, Inc., P.O. Box 8, East Montpelier, VT 05651, Attn: Co-op Currents.



President's Report

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require forethought and design.

And when it comes to whether an approach is equitable, there is always the question of who wins and who loses. As a cooperative, WEC and our Board attempt to represent the interests of ALL member-ratepayers when we make decisions about our own operations and in response to state directives.


A renewable industry group has recently called for an accelerated transition to fully renewable electric power without regulatory review, with new facilities mostly required to be sited in Vermont. It's legitimate and to be expected that a trade association will promote an ambitious course

of action favorable to the business interests of its members, and their products are beneficial for expanding clean power production where it's not already renewable. But we ratepayers should be aware of the expected cost, impact on reliability, the chance for success in achieving greater reduction of greenhouse gas emissions, and who will bear the financial burden, before we are requested to foot the bill. Vermont energy planners have much to learn about the successful implementation of a modern, integrated grid, and further steps toward renewability with intermittent resources will need a systematic approach.

Fortunately, Vermont's electric energy supply is already in good shape regarding our environmental footprint, and is meeting the deadlines set by the state's five-year-old Renewable

Energy Standard. The 2022 Annual Energy Report of the Energy Action Network reports that Vermont's electric energy sector as a whole is responsible for only about 2% of the greenhouse gas emissions from human activity in the state, compared to far higher proportions of emissions from heating buildings, our use of cars and trucks, and other areas. A few utilities, like WEC, are already fully renewable. Other utilities, such as Green Mountain Power and Vermont Electric Co-op, are largely carbon-free in their power portfolios and will likely be fully renewable by the end of this decade, and it's expected that greenhouse gas emissions from Vermont's electric sector will continue to trend downward without additional legislative action. Looking to the future, state policy is promoting increased use of renewable electricity for transpor-

tation and heating. One role of utilities like WEC is to deliver clean power reliably and at reasonable cost to encourage this anticipated increase in electric load.

As a rule, the Board tries to focus on issues of importance to WEC's member-owners, who are also its ratepayers. First, the Board is an active steward of WEC's finances. Second, we try to act on the environmental and social concerns of WEC members in such a way that all members are treated as equitably as possible. In carrying out WEC's stated mission within the changing world of utility policy and expectations, our goal is to ensure that WEC continues to engage in a way that reflects the values of the people who live in this snowy rural corner of New England. 

Public Power in the Public Interest

By Louis Porter, General Manager

Vermont's power system is the cleanest in the country, from a carbon perspective. Since Vermont's Renewable Energy Standard took effect in 2016, utilities have made enormous progress reducing emissions.

Public power utilities have worked hard to make sure our power purchases are both environmentally and financially sustainable. Beyond provision of power, our mission includes community and environmental impact. Today, three Vermont public power utilities are 100% renewably powered, including Washington Electric Cooperative.

It doesn't mean there isn't more for utilities to do, but it does mean our climate change mitigation efforts should be focused on helping Vermonters transition to using our quite clean electric supply to replace the fossil fuels that now power their transportation and heating. Those two sectors make up the bulk of our state's carbon emissions, by far.

My fellow public power leaders and I are concerned that recent proposals to overhaul the Renewable Energy Standard without review from the Public Utility Commission (PUC) could have the effect of breaking what didn't need fixing – raising the costs of our very clean energy, which de-incentivizes electric cars, heat pumps, and those changes that cut emissions in our highest polluting sectors.

The heads of the largest public power organizations in Vermont have

talked in recent months about how we can help lower the amount of carbon emissions that Vermonters produce as they live and work. It became clear there is a significant lack of knowledge about the gains made by the electricity sector in Vermont. We got together to write the following opinion piece in order to make that point.

When Renewable Energy Regulations Work

By Darren Springer, general manager, Burlington Electric Department; Rebecca Towne, CEO, Vermont Electric Cooperative; Ken Nolan, general manager, Vermont Public Power Supply Authority; and Louis Porter, general manager, Washington Electric Cooperative.

The international news on the climate is grim, and it can be hard to maintain hope that humans will act swiftly or with enough resolve to prevent the worst effects and reduce greenhouse gas (GHG) emissions to the levels required by science.

But Vermonters can be proud of what has been accomplished by our state's Renewable Energy Standard (RES). This regulation has increased use of renewable energy, lowered greenhouse gas production in our state, and supported the move towards heat pumps and electric vehicles.

The RES, passed in 2015 and first implemented in 2017, requires utilities to provide 75% renewable electricity by 2032, with a portion coming from new small-scale renewable generators, like rooftop solar. All Vermont electric utilities comply with the RES and as of 2021 on a statewide basis, electricity is already 71% renewable and 89% carbon free. Some electric utilities in Vermont are already 100 percent

renewable or carbon free, and others have made that commitment.

The RES is a success story for Vermont GHG emissions reductions and is a large reason why electricity only accounts for 2% of Vermont's GHG emissions. The Energy Action Network's 2022 Annual Progress Report noted "a drop of more than 80%—from 0.81 to 0.13 MM tons—in Vermont's electricity sector GHG emissions between 2016 and 2019."

This is equivalent to removing over 146,000 gasoline powered vehicles from the road for a year. It further stated that "Vermont now has the least carbon intensive electricity portfolio ... in the U.S."

The overwhelming majority of Vermont's GHG emissions comes from transportation and heating. Driving gas-powered vehicles and other fossil fuel dependent transportation

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General Manager's Report

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The money from cooperative utilities stays local, and so does the control of the organization. WEC, like most electrical cooperatives, is governed by a board made up of members. If WEC is not serving our members' interests, our Board can change that direction. If members don't feel that the Board's decisions reflect their wishes, they can run to be on the Board themselves. It is a local and a democratic system.

That extends to those who work at WEC as well. Recently, a member of a local emergency services provider was surprised that I was one point of contact in cases of emergencies. I explained that at a small place like WEC, where most of the 40 employees are out in the field during an outage, those, like the General Manager, who tend to work in the office become a clearinghouse for information.



It is a local and a democratic system. That extends to those who work at WEC as well. Recently, a member of a local emergency services provider was surprised that I was one point of contact in cases of emergencies.

Finally, a co-op like WEC can make choices about how it operates and spends its members' money – or doesn't – based on factors besides what is cheapest or brings in the most revenue. WEC became a 100% renewable utility before regulations required it not because it was the cheapest or easiest path, but because the leaders of the organization believed it was both responsible and how the membership would want their money spent. The investment in the Coventry landfill gas-to-electricity project, the decision to no longer take nuclear power, and opting to not use herbicides on WEC rights-of-way were all financially defensible, but like any such decisions, they also brought risks.

To a very large extent, what I hear from members is that they supported and continue to support those decisions. 

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Position Statements of the 2023 Candidates for the Co-op Board of Directors

Board Candidates' Policy Statements

Four Co-op members seek election to three available seats on WEC's Board of Directors. Carl Etnier of East Montpelier has joined the running with incumbents Don Douglas, Jean Hamilton, and Mary Just Skinner.

Each Director serves a three-year term. WEC members may vote for or write in a maximum of three candidates. Ballots may be submitted at the Annual Meeting on May 4, or returned by mail. Any mailed ballots must be received by the Barre Post Office before the May 3 deadline.

In the February-March issue of *Co-op Currents*, all known candidates are invited to make a brief statement to the membership introducing themselves.

In the April-May issue, candidates respond to the following questions:

- *What is your name, in what town is your Co-op membership, and how should members contact you?*
- *What skills, expertise, and/or perspectives would you bring to the Board?*
- *What are the most important issues the cooperative will face in the next few years? How would you guide the Co-op in regard to these issues?*
- *Is there anything else you would like to tell the members?*

Don Douglas

My name is Don Douglas and I have lived in East Orange since 1980.

I am always happy to talk with members about WEC and energy issues in general. My



home phone is 439-5364. I can also be contacted by email at dondougla@gmail.com. I am retired now but served as a rural letter carrier in West Topsham and East Corinth which included parts of Orange, Washington, Corinth, Newbury, and Bradford. Serving a rural mail route for more than 30 years gave me the opportunity to get to know a wide variety of WEC members. I have maintained contact with many members whom I served when I drove my 94-mile route because I have continued to serve as Board Treasurer since 1999 when I first joined the WEC Board.

Because I am the Board Treasurer my attention is towards the complicated finances of an electric cooperative. WEC is somewhat unique among cooperatives and most electric utilities because we own both a small hydro generating facility and a landfill gas-to-energy facility which together produce about 70% of our power needs. Because the amount of rainfall varies from year to year and because the landfill in Coventry produces methane by anaerobic microbial activity, which can be affected by a variety of factors, the output from Wrightsville and Coventry are never completely known or measurable. We make forecasts based on educated guesses. WEC borrowed some \$17,000,000 to build the Coventry plant with the approval of the large majority of our members. Repayment of that debt is mostly built into our electric rates. We do see a problem as the current net metering arrangement allows some members to be free of the burden of repaying a loan: we all agreed to repay. This is a political problem and I believe it can be resolved.

I am an optimist in the future of WEC and in all electric utilities because of new technologies that are coming. Last year I was appointed to serve as the Vermont representative

to the national board that represents more than 900 electric cooperatives across the USA. I have been learning about new battery technologies and ways utilities can connect to those batteries when the grid gets stressed. WEC does not have the meter technology today, but we will be able to connect directly to an electric car or truck or a battery connected to a solar net-metered household in the future. This is already being tested in cooperatives and utilities around the country to the benefit of both the homeowner and the utility.

Washington Electric has been leading the way towards sustainably producing electric service to our members. We have always tried to encourage the best use of electricity. WEC was an early advocate of solar net metering and delivers 100% green power to everyone. We are one of the only utilities in the country that does not use herbicides to maintain our rights-of-way because of the fear of contaminating surface wells. It does cost more but we feel it is our responsibility to be good stewards of the natural world.

Carl Etnier

I have been with WEC since I moved to my home in East Montpelier in 2001. I am running for my first term on the Board; my experience on boards is that they benefit from a mixture of senior members with institutional knowledge and newer members with fresh perspectives. You can reach me by phone at 802-441-3337 or by email at carletnier+wec@gmail.com.



I have focused on some aspect of sustainability my entire career. I studied sustainable agriculture at Cornell before there was a formal program by that name. During a 10-year stint in Sweden and Norway, I moved into sustainable wastewater treatment, working with ways to reuse the nutrients in human waste as fertilizer, helping establish the field of ecological engineering for wastewater treatment, and educating young scientists and activists from around the Baltic Sea region when the collapse of the Soviet

Bloc first made that possible.

Back in the US, I continued with sustainable wastewater work, until concerns about energy supply led me to grapple with energy questions through radio, print, and online journalism and on local energy and resilience committees. I have been exploring and promoting community resilience in that way since 2006.

I serve as vice-chair of the East Montpelier Selectboard, which I've been on since 2011. (I served as the board champion for the town vote in favor of joining CV Fiber, and I'm pleased that WEC is cooperating with the organization to help bring high-speed internet to all of us.) I learned a lot about the cooperative model, and running a successful business that embraces values beyond the bottom line, as a board member of Hunger Mountain Co-op. There, I chaired the bylaws committee that overhauled the co-op's bylaws and led to a member vote to pass the changes in 2022. I also served for years on the board of the Vermont chapter of the American Friends Service Committee.

Can a rural utility like WEC avoid mass defection of our members in the face of the twin threats from climate change and plummeting prices on solar electricity and battery storage? Vermont's electric rates are high in the US, and WEC's rates are high in Vermont. At the same time, disconnecting from the grid is getting cheaper—and more attractive for non-economic reasons, too. The multi-day Christmas outages (six days in my neighborhood, and longer in some places) were the result of a powerful storm that's becoming more common with climate change. I know people living off the grid in WEC's service territory who said they "laughed" at the outages while they carried on as usual.

At what point do a significant number of (especially wealthier) members disconnect, leaving the rest of us to pay for maintaining the same number of miles of lines in the wooded hills of rural Vermont? On the brighter side, as more members shift to heat pumps and electric cars, WEC has the potential to significantly boost revenues per mile of electric lines.

The choices WEC makes in coming years will be critical to its ability to serve all its members with reliable, affordable, renewable electricity.

Jean Hamilton

I have been a WEC member since 2014 and a member of the WEC Board since 2017. In 2014, I moved to Plainfield from

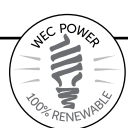


Starksboro, VT where I was a member of the Vermont Electric Co-op. Members are welcome to contact me by phone 802-777-6546 or by email jean.myung.hamilton@gmail.com.

Since moving to Vermont in 2000, I have worked in sustainable agriculture and the local food system. I graduated from Middlebury College in 2004 with a degree in Environmental Studies and Religion. In 2012, I earned a master's degree in business management from SDA Bocconi in Milan, Italy. Over the last 20-plus years I have had the pleasure of working with farmers, food producers, food markets, nonprofit organizations, and eaters to help build Vermont's delicious and resilient local food system. During the pandemic, I had a front row seat to see our food system in action as a founder and coordinator of Vermont Everyone Eats. Now, I work with The Skinny Pancake as Director of Mission and Impact.

My career in farming and food systems has helped me hone the skills and perspectives that I bring to the WEC Board. Food and energy are similar in that they are essential resources with large environmental impacts moving through highly complex market systems. I am a nuanced and strategic thinker and am committed to designing community solutions that prioritize healthy communities. Within the energy sector, my vision is 100% aligned with WEC's values: Provide energy from clean reliable sources, help members meet their energy needs as efficiently as possible, operate safely and reliably, and cultivate community in all that we do.

I specialize in community organizing, sustainability, systems design, good governance, and socially responsible business strategy. I bring my engaged and ambitious attention to Board discussions and strategy-making, particularly to issues around public policy, sustainable business



management, resilience in the era of climate change, and community development. I love living in Vermont and appreciate the broadly shared values of land stewardship, resiliency, and neighborliness.

The past six years of serving on the WEC Board has been an extraordinary learning experience. Previously, I never could have imagined how tirelessly each member of our small but mighty staff work to keep our homes, farms, schools, and businesses powered up! 90 years ago, our founding members knew how challenging and important electrification was to our rural communities; in the face of those challenges, the community worked together towards self-em"power"ment. Today we are facing complex challenges of our own.

Over the next three years, our WEC must strike a balance between pursuing innovative new energy solutions, streamlining operations, and cultivating a widespread understanding of the power of cooperative ownership. Climate and market instability is pushing and pulling our cooperative in different conflicting directions. Now is time for all of us members to lean in, engage in honest dialogue, and courageously imagine the energy future we want to build together.

I look forward to working with the Board, staff, and member-owners to advance weatherization initiatives, innovative distributed energy programs, and a community culture of care.

Being a member of WEC is awesome. I know sometimes it can be confusing what it means to be a cooperative. To me, what it means is that all of our voices count. Unlike other businesses who primarily serve investors, WEC serves us, the people who are most impacted. I have been constantly impressed by the care and work ethic of all of the WEC member owners, the Board of Directors, and the staff. Go WEC!

Mary Just Skinner

I have lived in Middlesex since 1977. I have been a WEC member for 46 years, and before then I was a Vermont Electric Coop member for



7 years. I was married for 49 years when my husband Scott passed away in 2018. We have two sons and daughters-in-law with three grandchildren. I can be reached at 223-7123, 636-7592 (cell), and by email at maryjustskinner@gmail.com.

I graduated from Barnard College and earned my law degree at Columbia University. I was a practicing attorney in Montpelier from 1972 until recently. I worked for Vermont Legal Aid for four years and then opened my own law practice in 1978. My practice

primarily involved family law, real estate, and probate, but earlier I was involved in a number of utility cases. I represented a group of low-income Vermonters in what was known as the "purchased power" case in 1974 which went to the Vermont Supreme Court. We won. That meant utilities could not automatically increase rates without the then Public Service Board's approval.

I have been a member of the WEC board for 11 years. I'm a WEC officer, Secretary. I serve on three committees: Chair of Power and Operations, Finance, and Policy. I served on the Community Fund committee until recently. I was a member of the Middlesex Select Board for 24 years until March 2022, the last thirteen as Vice Chair. I also served seven terms in the Vermont State Senate, including a period as Chair of the Senate Finance Committee, which handles utility legislation. I am a member of the Vermont Human Services Board, having been appointed by two governors. The Board hears appeals from Agency of Human Services decisions.

I've enjoyed serving on the WEC board. I would be honored to serve another term. If re-elected, I will bring the expertise I have acquired to the important decisions WEC faces in this rapidly changing world.

The biggest challenge facing the Co-op is the rapidly changing weather conditions caused by global warming, as evidenced by the consecutive, significant wet-heavy snow storm and the major FEMA storm Elliott during the Christmas holidays. These two weather events, one coming on the heels of the other, caused 12,000 member outage hours. Some members were without power for a few hours and some were out for up to six days.

As Chair of the Power and Operations Committee, this reality has been, and is, the focus of our discussions and will continue to be in the future. WEC needs to prepare better resiliency of its system to reduce its response time to emergencies. We need a new automatic meter infrastructure, replacing all 12,000 existing meters with new advanced meters and downstream devices on our distribution system. Coupled with the build out of high-speed internet throughout our territory, these steps will allow us to gather more accurate information about weather events and their effect on our system before our work crews head out during storms.

Fortunately, the Co-op has made wise decisions about the sources of our power supply, all renewable, with the Coventry landfill gas-to-electric generation plant, Sheffield wind, Wrightsville hydro, long term hydro power contracts with New York State, and WEC's net metering projects. It should be noted that WEC is a winter peaking utility so power from the net metering projects provides far less kWhs, and is less beneficial to the

Co-op, during the winter months when it is needed most.

WEC is still the most rural utility in Vermont. We serve miles of rural utility lines with relatively few customers, eight per mile, so we must continue to be creative, agile, and farsighted to meet our goal of providing reliable electricity at an affordable price in a global warming environment. This is a major focus of the Board and I want to continue utilizing the experience I have gained to further progress in achieving

Annual Meeting

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the subtitle "Good conversation that takes its time." The stunning episode "Finn and the Bell," from 2021, won a Peabody Award. In 2022, the *New Yorker* named *Rumble Strip* its top podcast, and the *New York Times* put it on its "best of" list. Countless local and national media have offered similar praise.

But what makes *Rumble Strip* a Vermont story, and not an American story, is that Heilman has zero plan to franchise her success. The show is "esoteric and small, which I used to be frustrated about and now am happy about, or resigned to, or whatever," she said. "It's a small show that will always be small by its nature."

So for Vermonters, *Rumble Strip* remains an incredible cultural document: as specific, cavernous, and alive as a friendship. "Somebody asked me recently, 'Whaddaya know about Vermonters now?' I said, 'I have

this goal.

I believe in the cooperative model that can act in the best interests of our members, as opposed to acting to increase financial profit to shareholders.

I would be honored to serve another term on the WEC Board and to continue the work before us in these changing times. Please feel free to contact me to discuss your concerns or ideas for the future. 

no idea.' It's an impossible question," Heilman observed.

Still, she's reached a couple of conclusions, especially as time goes by and the state changes. "The thing that I've arrived to, after thinking about the changing demographics in Vermont a lot, is this: the only things that keep us on the rails are curiosity and humility and a sense of humor," she said. "All parties need to have these attributes in order to have any fun going ahead." And while Heilman yields to others' viewpoints on the show, she does have an overall agenda. "If you can tease back and back peoples' rationale or logic for arriving at where they are, you can understand someone else's life from the inside out, and you can find yourself there," she said. "I want people to be delighted by each other."

One year ago, Heilman produced an episode featuring the Co-op, in which she talked with WEC lineworkers about prom, among other topics, after

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Report of the 2023 Committee On Candidates

The 2023 Committee on Candidates convened a teleconference on Wednesday, March 15, at 5:03 p.m. to review the petitions and qualifications of those members who submitted their names as candidates for the Board of Directors prior to the teleconference. There are three (3) positions to be filled. Four (4) members of the Washington Electric Cooperative, Inc. submitted their names as candidates for the three (3) Board positions to be filled. The Committee on Candidates hereby affirms:

- that each candidate submitted a valid petition in accordance with Article III, Section 3A of the Bylaws;
- that each has signed a statement of affirmation indicating that they:
 1. have been a member of the Co-op in good standing for at least six months;
 2. are residents of Vermont;
 3. are not employees of the Cooperative;
 4. do not have a conflict of interest as defined in Article III,

Section 2 of the Bylaws; and
5. have received and understand the responsibilities and time commitments required of a director.

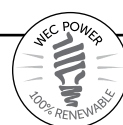
Therefore, the Committee determines all of the candidates to be qualified for the position of director in accordance with the Cooperative's Bylaws, and hereby presents the following official listing of candidates for the Washington Electric Cooperative 2023 election of Directors:

Don Douglas
Carl Etnier
Jean Hamilton
Mary Just Skinner

2023 Committee on Candidates:

Robin Arnell
Dale Bartlett
*Susan Hatch Davis**
Bud Haas
Lisa Locke
*Annie Reed**
*Charlie Wanzer**

* did not attend teleconference



Treasurer's Report

Coventry Production Decrease, Rising Power Costs Drove 2022'S Rate Increase

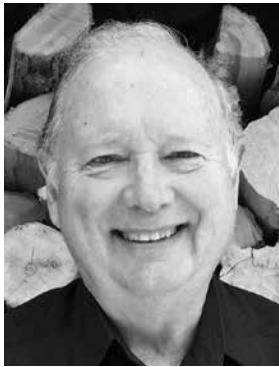
FEMA assistance likely to help pay for Winter Storm Elliott costs

By Don Douglas

Washington Electric Cooperative works hard to provide the excellent service our members need and deserve. The COVID pandemic has been difficult on many levels for all of us. As we begin to transition into a post-pandemic world, the effects of it are still with us as we attempt to learn to live with the virus that has caused so many disruptions to our lives. Our office remains closed to walk-ins from the public and is open by appointment only.

In 2021, WEC experienced a slower increase in energy sales, which guided us in setting the budget for 2022. We guessed that many people were beginning their transitions back to their offices, and that students were returning to their classrooms, so we made no increases to our residential electric sale estimates for 2022. WEC's revenue from members in 2021 was \$16,944,489 and \$17,384,203 in 2022. So, we guessed right in the budget.

However, we continued to experience decreased methane gas production at Coventry that caused us to incur higher power bills that exceeded our first quarter budgeted amounts by more than \$1,000,000. Some of these increased costs were driven by natural gas supplies being diverted to home heating needs in the first quarter of 2022, as it was extremely cold. The need to heat homes took precedence over power generator facilities that use natural gas to fuel their generators. WEC power is 100% renewable and the Co-op purchases no natural gas-generated



The increase in power costs to replace the decrease in Coventry production ultimately led to WEC's need to file for a rate increase with the Public Utilities Commission. WEC filed for a proposed rate increase of 14.19% that went into effect November 1, 2022.

power, but this trend raised costs across the marketplace. The increase in power costs to replace the decrease in Coventry production ultimately led to WEC's need to file for a rate increase with the Public Utility Commission. WEC filed for a proposed rate increase of 14.19% that went into effect November 1, 2022.

In addition to the increase in power costs, WEC also suffered significant costs in outage restoration due to two late December storms. The storm that occurred over the Christmas weekend caused significant damage to WEC's system, with over 40 broken poles. Both storm costs were almost triple what we budgeted for large storm expenses in 2022. We were fortunate that other costs remained low and that the Christmas storm has been requested

to be declared a federal disaster,

allowing us to recoup up to 75% of those costs with assistance from FEMA. With the anticipated reimbursement from FEMA, we are proud to report that WEC managed to meet its RUS loan covenant in 2022.

Our net margins (money collected in excess of our operating costs) in 2022 were \$458,796, which is down from \$1,040,784 in the prior year. Increased costs in power supply due to Coventry production remaining low and the significant storm costs incurred in December 2022 are the main reasons for the decrease in 2022 margins.

Capital credits are one of those things unique to cooperatives. Since co-ops are owned by their members, money is returned (retired) to them over the years. The amount retired is different each year because capital credits represent our margins. In short, WEC can return money to members when there's a bit leftover at the end of the year. The Board of Directors is responsible for deciding if we can retire capital credits, and how much. Available cash is the metric we use to make this decision. Some years WEC has had very large allocations, and some years they were small, or even zero.

Our goal is to keep close to a 15-year

cycle. Inactive members get a check in the mail if the total amount retired to them that year exceeds \$50, and active members get a credit on their November bill. Since we began retiring capital credits in 1998, WEC has returned over \$9,400,000 to members. Last year we set out to retire \$400,000, retiring a portion of the capital credits from 1997 and 1998. We were also able to retire portions of 2013 (Contributions In Aid Of Construction) and 2021.

We also invite members to donate their capital credits to the Community Fund, which provides grants to non-profit organizations in the four counties WEC serves. This is a great way to make a real difference in your community. At present, over 1,400 members contribute, and the fund distributes more than \$35,000 each year. For more information, please call the Co-op at 802-223-5245 or visit wec.coop/capital-credits.

On behalf of the Board of Directors, I want to thank the entire Finance Department for their hard work, attention to detail (every dollar) and their dedication to Washington Electric Cooperative. Copies of the audit can be found on the website at wec.coop/about-wec/financials.

2022 System Reliability Index

Trees and weather continued to be the primary causes of outages on WEC lines in 2022, and two back-to-back major storms in the final two weeks of the year severely escalated the number of member hours out. Combined with another major storm in April, the three weather events classified as major storms made up a third of WEC's 2022 outages. Those storms led to more than half a million member hours out (the combined total of outage time experienced by all members).

Aside from major storms, 384 outages were caused by trees falling on power lines. This is a well-known concern for WEC: its rural lines were originally strung offroad and across farmland. As that land returns to forest, fast-growing transition tree species, like poplar and birch, are susceptible to falling on lines. In addition, trees killed by the emerald ash borer remain a major threat.

To improve reliability, WEC leadership has continued to invest in maintenance clearing of rights-of-way. In addition, Engineering and Operations Director Dave Kresock noted in his annual report to state regulators that in 2022, "WEC decided to move away from Class 3 pole sizes and started

replacing poles with a stronger, thicker Class 2 pole to provide added protection against falling trees."

But in one category, outages went down by more than 200%. Outages initiated by WEC for line maintenance went down in large part because WEC launched a rubber gloving program. Protective rubber gloving allows lineworkers to work safely on energized lines, which means members don't need to prepare for a planned outage when WEC needs to work on a nearby power line.

843 Separate outages on WEC's system in 2022, not including major storms

874/730/589 Number of separate outages on WEC's system in 2022/2021/2020

145,304 Number of WEC consumer hours out in 2022, not including major storms

111,806 The average annual number of consumer hours out over the last three years, not including major storms

3 2022 weather events that met major storm criteria: April 19, December 16, December 23

6,560 Number of calls WEC received from members without power during Winter Storm Elliott

-207% Percentage decrease in planned outages, partially due to new rubber gloving program

384 Number of 2022 outages caused by trees

116 Number of 2022 outages caused by weather, not including major storms

79.5 Miles of distribution line that received maintenance clearing in 2022

27.4 Miles of line cleared by WEC's skid-steer forestry head mulcher in 2022

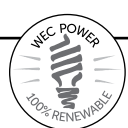
For updates about where tree crews are currently working to clear rights-of-way, look for the "Where's WEC" column in most issues of *Co-op Currents*.

Notice

Mailed ballots must be received at the Barre Post Office no later than 1 p.m. on Wednesday, May 3 in order to be counted.

Please allow 3-4 days for in-state delivery and 6-8 days for out-of-state delivery.

Ballots mailed to or dropped off at the Co-op will not be counted.



Consolidated Balance Sheet

Assets and Other Debits

	12/31/21	12/31/22	Increase (Decrease)
Utility Plant			
Total Utility Plant in Service	\$84,996,735	\$86,714,650	\$1,717,915
Construction Work in Progress	902,909	1,127,628	224,719
Total Utility Plant	85,899,644	87,842,278	1,942,634
Accum. Provision for Depreciation	37,694,171	40,072,161	2,377,990
Net Utility Plant	\$48,205,473	\$47,770,117	\$(435,356)
Other Property and Investment - At Cost			
Invest. in Assoc. Org. - Patronage Capital	482,152	397,641	(84,511)
Invest. in Assoc. Org. - Other	400,484	491,052	90,568
Other Investments	9,160,550	9,177,090	16,540
Total Other Property and Investments	\$10,043,186	\$10,065,783	\$22,597
Current Assets			
Cash - General Funds	860,250	1,648,027	787,777
Cash - Restricted	700,000	0	(700,000)
Notes Receivable - Net	99	99	0
Accounts Receivable - Net	3,630,942	4,243,182	612,240
Materials and Supplies	410,018	529,757	119,739
Prepayments	570,964	607,093	36,129
Total Current and Accrued Assets	6,172,273	7,028,158	855,885
Deferred Debits	589,737	468,588	(121,149)
Total Assets and Other Debits	\$65,010,669	\$65,332,646	\$321,977
Number of Consumers	11,791	11,921	130
kWh Sold *	71,503,428	72,593,372	1,089,944

*12/31/20 kWh Sold was restated to reflect a system change in accounting for net metering sales.

Liabilities and Other Credits

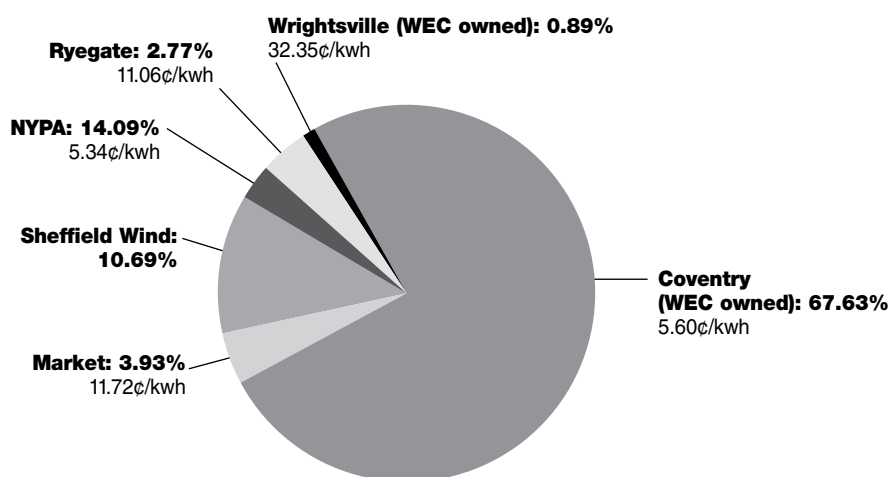
	12/31/21	12/31/22	
Memberships	\$154,735	\$158,150	\$3,415
Patronage Capital Credits	23,944,824	24,624,453	679,629
Operating Margins - Current Year	(61,420)	(755,424)	(694,004)
Non-Operating Margins	1,102,204	1,214,220	112,016
Other Margins and Equities	295,803	302,669	6,866
Total Margins and Equities	\$25,436,146	\$25,544,068	\$107,922
Long-Term Debt			
Long-Term Debt - RUS	2,984,083	2,606,422	(377,661)
Long-Term Debt - FFB	21,871,595	23,385,671	1,514,076
Long-Term Debt - NRUCFC	8,438,808	7,239,097	(1,199,711)
Total Long-Term Debt	\$33,294,486	\$33,231,190	\$(63,296)
Current Liabilities			
Current portion of Long Term Debt	2,534,833	2,454,439	(80,394)
Accounts Payable	1,853,229	2,719,194	865,965
Consumer Deposits	204,998	194,661	(10,337)
Other Current and Accrued Liabilities	751,228	954,708	203,480
Deferred Regulatory Liability	700,000	-	(700,000)
Total Current and Accrued Liabilities	\$6,044,288	\$6,323,002	\$278,714
Deferred Credits	235,749	234,386	(1,363)
Total Liabilities and Other Credits	\$65,010,669	\$65,332,646	\$321,977

2022 Statement of Operations

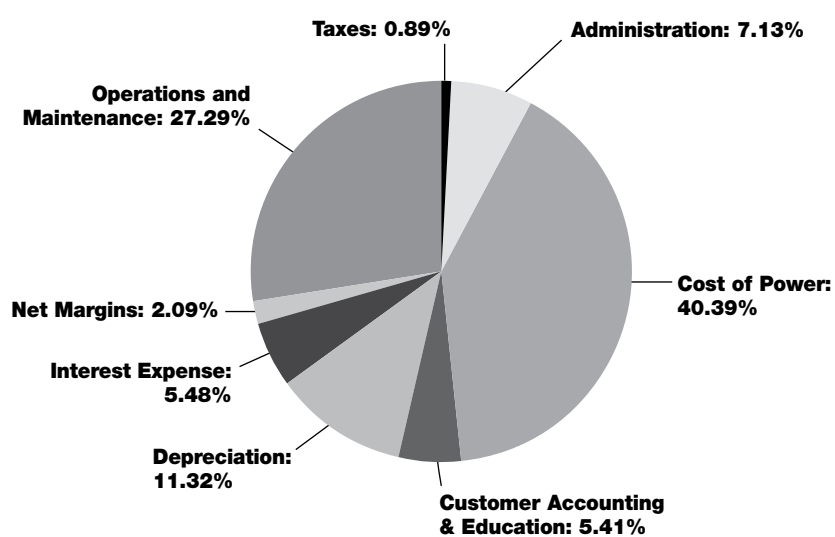
Item	Actual 12/31/21	Actual 12/31/22	Increase (Decrease)
Operating Revenue	\$19,526,682	\$20,695,105	\$1,168,423
Cost of Purchased Power	5,403,611	6,922,415	\$1,518,804
Cost of Generated Power - Wrightsville & Coventry	1,983,549	1,924,819	\$(58,730)
Total Cost of Power	\$7,387,160	\$8,847,234	\$1,460,074
Other Operation & Maintenance Expense			
Transmission Expense	89,994	80,043	(9,951)
Distribution Expense - Operation	2,239,825	2,301,333	61,508
Distribution Expense - Maintenance	3,061,202	3,597,885	536,683
Consumer Accounts Expense	724,545	750,593	26,048
Customer Service & Education	372,766	433,757	60,991
Administrative and General Expense	1,806,891	1,561,910	(244,981)
Total Other Operation and Maintenance Expense	\$8,295,223	\$8,725,521	\$430,298
Fixed Expenses			
Depreciation and Amortization Expense	2,471,299	2,481,173	9,874
Tax Expense - Other	187,443	195,779	8,336
Interest on Long-Term Debt	1,242,514	1,196,573	(45,941)
Interest Expense - Other	4,463	4,248	(215)
Total Fixed Expenses	\$3,905,719	\$3,877,773	\$(27,946)
Total Cost of Electric Service	\$19,588,102	\$21,450,528	\$1,862,426
Operating Margins	(61,420)	(755,424)	\$(694,004)
Non-Operating Margins - Interest	1,098,720	1,185,443	86,723
Non-Operating Margins - Other	3,484	28,777	25,293
Net Margins	\$1,040,784	\$458,796	\$(581,988)
Times Interest Earned Ratio (TIER)	1.84	1.38	(0.45)

2022 Sources and Costs of Power

(Total kWh Purchased and Generated)



2022 Where the Dollars Went




Annual Meeting

continued from page 1

they finished restoring power. "I always wanted to make a show about people out in the storm while we're home drinking hot toddies or whatever it is we drink," she said. So she went for a ride-along with GM Louis Porter after a late-season storm. The lineworkers, she said, were calm, competent, and funny. "These are guys you want on your lifeboat. They're going to make the right decisions and they might save you," she said.

It was also the moment she

uncovered what it meant, to her, to be a member of an electric cooperative. Through just a degree or two of separation, she knew every lineworker on that crew. "It's local in a way I was happy about and relieved by," she said. "And they said as much: in addition to collecting a paycheck, it's nice to maintain order in your own community."

At the Annual Meeting on May 4, after the business portion concludes, Erica Heilman will talk about "how and why to stick a mic in someone's face" and will play clips of stories told by people who may be your friends or neighbors. Show up and be delighted. 



The Annual Meeting ballot box is open again in 2023! Mail your ballot for arrival before May 3, or vote in person at the Annual Meeting on May 4. Here, Ballot Committee co-chairs Nancy Fuller and Joe Kelly count ballots at the 2019 Annual Meeting.

WEC's 2022 Report Card

By the Numbers

Service Quality and Reliability Results

By Louis Porter

Washington Electric Cooperative annually reports to state regulators how well it provided service to its members over the last year. The Service Quality and Reliability Plan, or SQRP, report consists of 12 categories designed to take a snapshot of where we are doing well and where we need to improve.

While this report is filed with the Vermont Public Utility Commission, it is also a useful tool for those at WEC and for those we serve to track performance and highlight trends.

As in past years, WEC's performance was good in most of the category areas, meeting the required goals in all but one of the categories. We did not meet our goal for the average time it takes to restore power during an outage, and more on that is below.

It is important to note that some of these measures do not include major storm periods, and of course, WEC workers and members dealt with significant outages and delays in restoration in the aftermath of Winter Storm Elliott.

1. Work Safety Performance. The safety of WEC workers and of the general public is of great importance and is a top priority for WEC. The job of any electrical utility worker can be difficult, strenuous, and poses significant risks. Given WEC's service territory, with relatively few workers and many miles of power lines, and with some of those lines being far away from roads, those dangers can be even higher in our part of Vermont.

WEC experienced one incident resulting in loss of time in 2022 when a line worker was injured during restoration of an outage. Fortunately, that worker has recovered and been able to return to work at WEC.

2. Outage Incidents. The System Average Interruption Frequency Index, or SAIFI, measures the average number of outage incidents that occurred per member, exclusive of major storms. Our goal is no more than 3.8 outages per member, and we averaged 3.0 in 2022.

3. Outage Duration. The Customer Average Interruption Duration Index, or CAIDI, measures the average time it takes to restore power when there was an outage, exclusive of major storms. Our goal is to restore power in 2.7 hours, and in 2022 we missed that objective and restored power in 4.3 hours on average.

4. Calls not answered within 20 seconds. One of our requirements from regulators is that we answer calls to WEC within 20 seconds in all but 15 percent of the cases. In 2022, we met that measurement after not succeeding in the prior two years. WEC was able to fully staff its member service representative positions for 2022, which likely helped us meet this metric.

5. Bills not rendered in seven days. Our goal is to have no more than 0.1 percent of bills (one in 1,000) issued more than seven days after they

were supposed to go out. No bills were issued late in 2022 to WEC's members.

6. Bills found inaccurate. No more than 0.10 percent of all bills (one in 1,000) sent out should be inaccurate. We met that goal, with no bills for the year inaccurate when sent out. This was an improvement over 2020, when there were 29 bills found inaccurate, and over 2021, when we had 14.

7. Payment posting complaints. Our target is no more than 0.05 percent of members (one in 2,000) having complaints about payments not being posted promptly and accurately to their accounts. We had no complaints in 2022, exceeding the goal.


8. Meter readings a month. Although there are situations in which a meter cannot be read and WEC has to issue an estimated bill, the goal is to have that occur no more than five percent of bills, or five in 100. In 2022 there were no bill estimated meter readings.

9. Requested work not done on time. When we extend lines to new homes or do work requested by members, we try hard to do that work efficiently and on time. Although this can be a challenge for a small organization, particularly when WEC has seen a large number of new service requests during the pandemic, we have a target of no more than five percent of jobs not being completed

on time. In 2022, as in past years, all jobs were completed on time.

10. Average delay days after missed delivery date. This measure is not applicable, given that all jobs were completed on time as noted above.

11. Customer satisfaction. WEC conducts a professional survey of members every five years to gauge customer satisfaction. The most recent survey was completed in 2020, and WEC received high marks in most categories. Overall, members satisfaction was good, with a mean rating of 8.34 (out of 10), with 57 percent of respondents giving a 9 or 10. We will conduct the next survey in 2025.

12. Complaints to DPS/Consumer Affairs. Vermonters who get their electricity from any of the state's utilities can report those problems to the Consumer Affairs & Public Information Division of the Department of Public Service. The Department then contacts the utility to get more information. In most cases, those issues are resolved through discussion or the DPS determines there was no basis for the complaint. However, if the DPS determines that a utility has not done something right and requires that it be corrected this is recorded as an "escalation." WEC's SQRP requires that the number of escalations not exceed 0.07 percent of our membership (or about 7 per year). In 2022, as in 2021, no escalations were reported. 

Public Power

continued from page 3

contributes to 40% of Vermont's GHG emissions, while warming our buildings with oil, propane, and other carbon emitting sources makes up about 34% of the state's emissions. Vermont's low carbon electricity is doubly beneficial as Vermonters transition to electric vehicles and heat pumps, replacing fossil fuel combustion with much cleaner electricity. The 2023 Annual Report from the Vermont Public Service Department (PSD) states, "across all energy using sectors, the PSD estimates that by 2031, on an annual basis, Vermont will consume around 16% less fossil-based energy than it does today in the baseline load forecast scenario, or approximately 20% less in the high forecast scenario, as a direct result of RES." The RES is Vermont's most effective climate policy to date.

The Vermont Climate Council

reviewed Vermont's policies and issued the Vermont Climate Action Plan, which recognizes Vermont's strong progress on renewable electricity. It states in the Electricity Pathways section that "The electric sector has made great strides in both reducing emissions from electricity purchases and use, and in reducing overall demand through efficiency programs."

"On a statewide basis, the electric sector is already relatively low carbon and will be nearly carbon free and largely renewable by 2030 under current utility long-term power supply contracts" the plan notes, adding that the RES "is already based upon a percentage of total retail sales/load and therefore is designed to keep pace with electrification."

The Climate Action Plan supports moving to a 100% renewable or clean energy standard once the Vermont Public Utility Commission (PUC) provides a rigorous study and review of how to do so fairly, and at reasonable cost.

Despite that, some are advocating for dramatic changes to the RES prior to any PUC study or review. These changes would include restricting the use of existing cost-effective renewables that ratepayers have already invested in and limiting utilities' flexibility to cost-effectively negotiate to procure resources. These changes have the potential to add tens of millions in power supply costs for our customers with very little to be gained in GHG reductions. The proposed changes would make it more expensive for Vermonters to pay for electricity that is already on a path to 100% renewable or carbon-free.

Not only will this hurt customers economically, it will also make moving towards an electric vehicle or heat pump more expensive compared to fossil fuels. While current Vermont rates make it more affordable to drive electric, in neighboring Massachusetts recent rate hikes have meant the opposite, and driving electric there is now more expensive than fueling

with gasoline. We must protect the cost advantage to drive electric here in Vermont. Proposed changes to the RES that would disadvantage heat pumps and electric vehicles would represent a step backwards when it comes to reducing greenhouse gas emissions.

As public power municipal and rural electric cooperative utilities, we welcome the opportunity to consider cost-effective approaches to ensure 100% renewable and clean energy for Vermonters today and into our growing electric future. But before significant changes are made to the most successful climate change prevention measure Vermont has so far implemented, we should all want to understand the impact of changes, and there should be appropriate review from the PUC and careful consideration and analysis of the costs and the benefits to those changes.

This commentary first ran on vtdigger.org on March 1, 2023.

