

Half of WEC's Members Lose Power in Halloween Storm

Some members go five days without power; FEMA assessing damage to determine if storm qualifies for federal funding

On Halloween night, nature was the one pulling a prank. A warm breeze transformed into a cold, shrieking wind. A drizzly rain swelled into sheets of water. Thousands of Vermonters woke up the first day of November without power, and communities once again stared out at washed out roads and flooded fields.

Roughly 100,000 people statewide lost power, including 5,865 WEC members in all parts of the Co-op's service area. Most of WEC's outages were due to 131 separate areas where lines or service equipment were damaged. Damage to one single, critical line – a Green Mountain Power transmission line to the Jackson Corners substation – cut power to 2,072 WEC members.

In addition to that, 23 WEC poles broke in the storm. That number may set a new record for the Co-op. Pole replacement requires extra time and special equipment to drill down and set new poles.

WEC crews and office staff worked over the weekend and into the following week. Mutual aid crews from Massachusetts and New Hampshire arrived to help repair lines. By November 2, Saturday morning, 2,704 members remained without power – meaning power had been restored to roughly half of the members who'd

lost it. Over the course of the day, they restored power to more than 1,400 more members.

The team kept members apprised of the repair schedule on WEC's outage update page. On Sunday, Nov. 3, Operations & Engineering Director Dan Weston noted, "For those who appreciate the details, there are 20 outages affecting individual members, 80 outages affecting lines with 11-50 members on them, two outages affecting more than 50 members and one outage affecting more than 100 members."

By the following Tuesday, November 5, power to all members had been restored.

Why repair takes time

Weather events tend to hit WEC territory especially hard because of the terrain – rural, wooded, with lots of hilltops and valleys that catch the wind. Storm repair takes longer because the Co-op's geography is so rural that it serves only about eight members per mile of line, compared to the national average of 32 customers per mile.

"We know it's really hard on our members when they are out of power for multiple days," said General Manager Patty Richards. "WEC members were not alone, as other

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Barely held up by sagging wires, a tree felled by the Halloween storm dangles over a roadway. WEC and mutual aid crews had hundreds of dangerous repairs to make after the historic storm.

Patty Richards

Rate Increase to Take Effect January 1, 2020

Co-op files for 5.95 percent rate increase driven by loan ratios, reduced revenue

WEC filed for a 5.95 percent rate increase with the Public Utilities Commission, to go into effect at the start of the new year.

A primary driver for this rate increase is the Co-op's major lenders – the Rural Utility Service (RUS), an agency of the USDA; and the Cooperative Finance Corporation (CFC) – require co-ops to hold reserves to be sure they can meet their loan repayment obligations.

The main reason those reserves are smaller than in the past is due to a loss of revenue from members who install household net metering. Called "revenue erosion," as net metering installations increase, the Co-op sells fewer kilowatt hours. An increase in rates bridges the gap between the lost revenue and the Co-op's needs.

Smaller drivers are the regular costs of operations and purchasing power.

A slight growth in operating revenue kept the rate increase under six percent. Operating revenue improved due to a rebounding market for top-quality Renewable Energy Credits (RECs), which WEC sells from its renewable power generation plants.

"We don't like increasing rates. We're a rural electric cooperative, and affordability is important to us," said General Manager Patty Richards. "We were able to take some of the sting out of this one thanks to our ability to sell RECs for a higher price than a year ago, and by returning as much revenue to our members as we can through capital credit refunds."

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Washington Electric Cooperative

East Montpelier, VT 05651

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Even more EV incentives: The state has new income-based incentives to drive electric. Energy Coach, p. 3.

Participate in democracy: Consider running for a seat on the WEC board. P. 7

Holiday programs: The cooperative spirit of sharing is strong at WEC. P. 8



Every November WEC staff and volunteers shop for Stuff A Truck, an annual fundraiser for the Central Vermont Salvation Army Food Shelf. WEC's contribution is made possible by members' generous donations of their capital credit refunds to WEC's Community Fund. P. 8

President's and General Manager's Message

Redesigning Rates to Mitigate Future Rate Increases, Improve Equity

January 1 rate increase, capital credit refunds, rate design in process, Halloween storm repair, season's wishes

Something to be thankful for

Barry: We have some big issues to talk about, but I want to start with something good and positive, one of the basic co-op values. This month, on members' bills, you'll see a credit. That's your capital credit return, a refund from the Co-op. It's some of the money we've collected in the past and are able to give back now.

Many of our members choose to donate their capital credits to our Community Fund. Those donations support local not-for-profits throughout the 41 towns in our service area. So to everyone who donates, thank you.

Patty: We're up to about \$50,000 in donations per year, all from our members' contributions, which we give to local causes that help people

in the communities we serve. The Community Fund is a great program and we are very proud to help support organizations that serve our members' needs.

Barry: Well, the reason I like to start with capital credit returns is to remind our members their electric co-op gives back money too – we don't just take it. But let's talk about this rate increase.

5.95 percent rate increase

Patty: We're filing for a 5.95 percent rate increase with the PUC, the Public Utility Commission, to take effect January 1.

Barry: Nobody likes to ask for a rate increase. But we need to cover

our costs on behalf of our members, and in a utility structure, the way to take care of that is to increase rates. We've tried to keep it as tight as we can.

Patty: This is one of our least fun jobs, but we have to keep the Co-op healthy and financially sound. There are a few things driving this one. I'll talk about the smaller ones first and will get to the big one in a second.

Purchase power is a small item this time around, about one percent, and that's primarily driven by capacity market from ISO-New England and transmission costs. Some other miscellaneous things include costs at Wrightsville and Coventry, about \$80,000, a half a percent. We actually had an increase in revenue from the REC market, which kept the rate increase from being higher.

Addressing reduced revenue

Patty: Now, the biggest driver of this rate increase is our lender ratios, which is related to our shrinking revenue.

Barry: Can you explain what a lender ratio is?

Patty: Our primary lenders are the Rural Utility Service (RUS), an agency of the US Department of Agriculture; and the Cooperative Finance Corporation (CFC), and it's just like borrowing money from a bank. They require borrowers like WEC to hold a certain amount of funds as reserves to make sure we can meet our payments. The ratio is a measure of the buffer of extra dollars we have to collect so they can be sure we'll meet our principal and interest payments.

We need to keep the Co-op's finances healthy, and for the last two years, we've been shy of meeting our

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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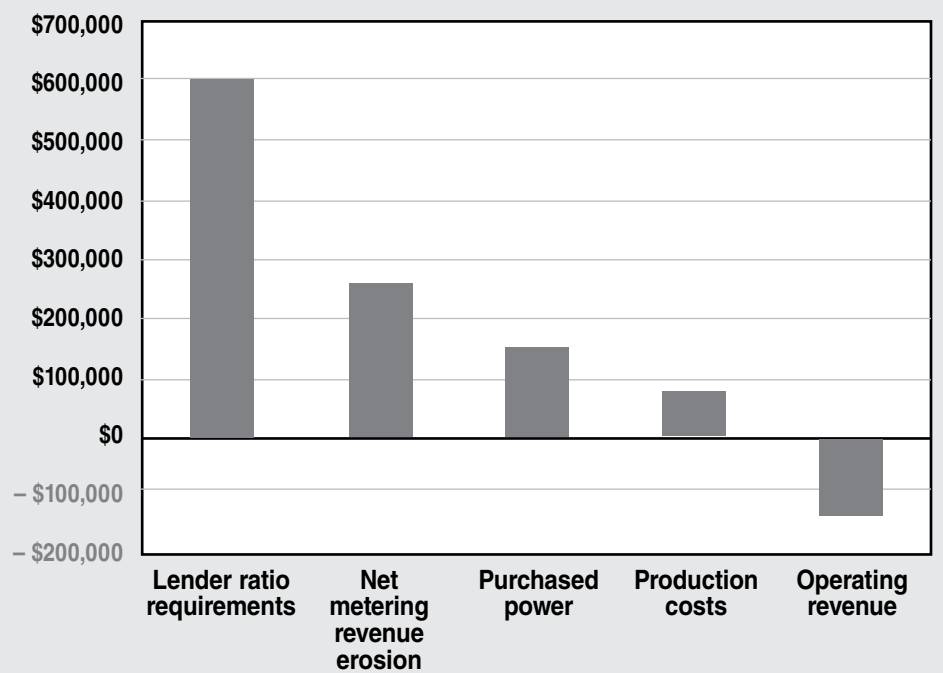
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The Board of Directors' regularly scheduled meetings are on the last Wednesday of each month, in the evening. Members are welcome to attend. Members who wish to discuss a matter with the Board should contact the president through WEC's office. Meeting 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 Dawn Johnson, at 224-2332.

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Funding Needs Driving January 2020 Rate Increase

WEC's 5.95 percent rate increase comes from a need to make up \$924,168 in revenues, primarily in order to meet lender ratio requirements and compensate for lost income from net metering accounts. Note that operating revenue is a negative driver: that means a stronger market for renewable energy credits reduced the size of the increase. Without that revenue, the rate increase would have been over six percent.



Where's WEC?

Tree crews are performing storm clean up all across the system as a result of the October 31 wind event. They are removing those trees that are leaning toward the lines as a result of the winds. There are no specific locations.

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.



ratio with CFC, which is a key lender requirement.

CFC wants us to succeed. They're working with us.

Barry: How come we didn't meet the ratio requirement?

Patty: One of the reasons we're not meeting it is because of declining sales to our members. That leads to the story of net metering. We're all for renewable power, and WEC's power supply is already 100 percent renewably sourced. We support the net metering program that is set up by the state of Vermont.

Net metering causes revenue erosion as we are required to pay more for that power than what it is worth on the market. So every time a member chooses to net meter, we lose revenue, as they pay us much less and we pay a very high rate for the extra power they produce. We lose money on both ends. We're going to sit down and work with our lenders, but we also need to shore up the finances.

Barry: Net metering is here to stay, though. What keeps falling kilowatt hour sales from leading to steeper and steeper rate increases for the rest of our members?

Patty: That's part of the reason we're redesigning our rates. The rate design is different from the rate increase! We have not implemented



We need to keep the Co-op's finances healthy, and for the last two years, we've been shy of meeting our ratio with CFC, which is a key lender requirement. ... Once we get [our rate redesign] approved, we'll collect more revenue from our customer service charge, about 21 percent of the total retail sales.

– Patty Richards

our new rate structure yet because it's still under review by the PUC. Once we get that approved, we'll collect more revenue from our customer service charge, about 21 percent of the total retail sales. Right now we collect about 12 percent from the monthly charge.

Barry: I want to be clear we're talking about two very different things here. With the rate increase, we collect more revenue to make up for increasing expenses and declining revenues. With the rate design, we don't recover any more revenue – it's just a different way of collecting revenue.

Patty: Yes, that is right. And we support renewable power, completely. We support net metering, but we think the rates we pay for it are too high. Net metering installations are continuing to grow statewide, and that's showing up in rate increases for WEC and all other utilities in the state.

Barry: Net metering has been very successful. In the beginning years, the subsidy rate was set to build up the industry. That's common with new initiatives. More than a decade later, net metering is basically standing on its own as a solid industry, and there needs to be a balance on the rate of subsidy paid.

Patty: Utilities are working with

regulators to mitigate the cross-subsidization that's happening.

Barry: So how will our new rate design help even the boat here at WEC, Patty?

Patty: Net metering members still use our infrastructure. They can't net meter without the utility – you need poles and wires to move the power around. We are redesigning our rates for other purposes – to help members get off fossil fuels and switch to our renewable electricity – but it will also help on the net metering puzzle. By increasing the member service charge to \$25 per month for everyone, we will reduce the need to recover costs in the kilowatt hour fee. The rate design will help reduce cross-subsidization.

Barry: When I talk to net meterers, they tell me they're happy to contribute to the poles and wires because they know they need them to sell their excess power or to get backup when there's no sun.

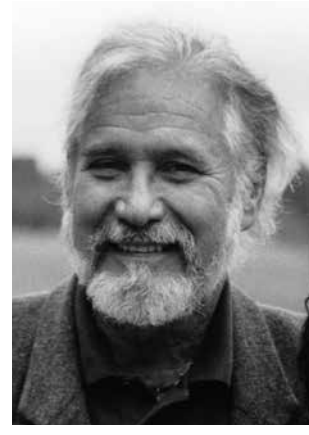
The rate design process

Patty: We've been through the proceeding with the Department of Public Service (DPS), the regulatory consumer advocate, and stated the reasons why we want to increase the monthly fee and decrease the energy rate to the PUC. The department likes the concept of a higher customer charge and they think we didn't go high enough. They also want us to eliminate the two tiers we charge for electricity. We are saying no, we want to stay with our proposal, because the members in our focus group thought that was fairer to lower users.

Barry: After two years of input from our members, the board is firm on this. We feel because we're a cooperative, the people who elect us expect we will follow their input. That shaped our design and we hope the PUC will recognize that.

Patty: They agree with the concept – they just want us to go farther. The rationale is they want to lower the energy charge even more to get people off fossil fuels faster. Because WEC is filing for a rate redesign, the DPS is looking at us as a first step to make changes in how utilities set up their rates. They think an even higher member charge and lower kilowatt hour charge will get more members choosing electricity over gas, over fuel oil, over propane. It's called beneficial electrification, or fuel-switching.

Barry: The board is firmly behind



The board is firmly behind the concept of beneficial electrification and being proactive in the face of climate instability. But we're also sensitive about doing this in a gradual way so our members can get used to the change.

– Barry Bernstein

the concept of beneficial electrification and being proactive in the face of climate instability. But we're also sensitive about doing this in a gradual way so our members can get used to the change.

Quite frankly, I think as we go forward, this is the direction we'll go, but we don't want to do it too abruptly. We don't want to make everyone's appliances obsolete and expensive instantly. But as your appliances and devices age out, we're going to help you replace them with highly efficient electric ones, because that's the way this is going.

Statewide, the more we can eliminate fossil fuel use for transportation and thermal, the more of a positive effect Vermont will have on climate instability. Patty's mentioned many times, it's not going to be instantaneous, but we're trying to build the structure so over time we'll make it easier for people to make the change.

Patty: We want to send a price signal that encourages using renewable electricity rather than fossil fuels. All of WEC's power is from renewable resources, and we'll be able to offer it to members for a much cheaper rate in the future as we increase the monthly customer charge.

Barry: Think about the totality of what you pay for energy – gasoline, fuel oil, propane, electricity. If you look at your total energy bills and if switching those fossil fuels to electric costs less, then it's a win-win. Your bill to WEC will be higher, but you'll pay less in your residential energy bills, less on your business energy bills, and you'll use all renewable power.

The Halloween storm

Barry: I want to thank all of our employees for their dedication, particularly when we have severe storm incidents. Many of them give up their evenings and weekends to make sure our members get their electricity back as quickly as possible. I want to thank all of our employees for bringing back power to our members.

Patty: The Halloween storm was a doozy. Our employees put their lives on hold and worked tirelessly to get power back on. The crews in the field, Member Services taking calls, support staff collecting supplies, equipment, and food. It's a full court press for these four or five day outage events. It's exhausting. We all need two weeks to recover afterward.

When it comes to getting the power back on, we put it all on the line.

ASK THE ENERGY COACH

State Offers New Income-based EV Incentives

This fall, the State of Vermont rolled out new incentives to help put Vermonters into plug-in electric vehicles. These incentives are linked to household

income and may be combined with other incentives, including WEC's. What does this mean? Income-eligible WEC members buying an EV can now get from \$1,900 up to \$4,000 in incentives – plus tax credits.

- In general, the MSRP must be \$40,000 or less.
- Incentive eligibility is limited to household incomes at or below 160 percent of the state's prior five-year average Median Household Income. Incentives for households that qualify for the state's Weatherization Program will be eligible for a higher incentive.
- All-electric vehicles may receive greater incentives than plug-in hybrid electric vehicles.
- The statewide incentive program may be used in combination with other incentives, including WEC's incentives and federal tax credits.

For more information, contact the Energy Coach at energycoach@wec.coop or sign up for email updates at <https://vtrans.vermont.gov/planning/projects-programs/electric-vehicles>.



At Community Meeting, WEC Reports on a Rapidly Changing Industry

Cabot School hosts meeting; members and leadership discussed rate design, energy savings, and broadband

Even though there were no major announcements at WEC's annual Community Meeting, that doesn't mean all is quiet at the Co-op. Nationally, the way people generate, store, and use electricity is changing rapidly – as is the climate. As things change, the Co-op is both watching patterns – determined to make well-researched, responsible choices on behalf of its members – and poised to act, and often lead, on critical issues.

The business portion of the Community Meeting, held this year in Cabot, addressed several questions that show how the business of a rural electric co-op is tied to the big questions of our time. Rate design, reliability, storage, and broadband access all tie back to the broader issues of climate change and weather instability, work to cut emissions at all systems levels, and our near-total reliance on the Internet to communicate.

But for all its global reach, what makes the Community Meeting so special is its Central Vermont intimacy. Every year, the meeting is held in one of the 41 towns WEC serves. It starts with members, staff, and Board eating a tasty dinner together. And it's always a fundraiser for a local project, as WEC pays a community group to host the dinner.

This year, Cabot School hosted the dinner and meeting, and the eighth grade prepared a potpie dinner to help fund their trip to Washington D.C. (more in sidebar). Before the business portion of the meeting began, a crowd of about 35 WEC members applauded the eighth graders for their delicious cooking and courteous service.

Rate design update

General Manager Patty Richards gave the crowd some background for WEC's rate redesign. The Co-op is proposing to raise the current monthly member charge of \$14 to \$25, she explained, and reduce what it charges per kilowatt hour (kWh) of electricity. "This collects the same amount of revenue for WEC. We're just allocating it differently," she explained.

Because WEC's energy mix is already 100 percent renewable, she said, "the reason we're doing this is to decrease our energy rate" to create an economic incentive to use WEC's green electricity over fossil fuels. The idea is, for example, if it's cheaper to plug in your car than it is to fill it at the pump, more people will switch to electric vehicles. This is known as beneficial electrification, or fuel-switching.



General Manager Patty Richards and WEC members listen to a question from the audience at the Community Meeting in Cabot.

It's all tied to the state's efforts to cut fossil fuel use, which mandates electric utilities to curb emissions both in generation – not so relevant to WEC, with its green mix – and among their customers.

WEC's proposed rate redesign was crafted with member input. The state liked the proposal, Richards said, but "The consumer advocate arm [of the Department of Public Service] said, 'We like what you're doing, but we don't think you went far enough,'" she relayed, saying that the state asked WEC to consider a higher customer service charge (above \$25) and to have a single low rate for electricity, instead of a two-tier structure that incentivizes conservation with a lower rate for the first 100 kWh, followed by a higher rate for any use over 100 kWh.

WEC is pushing back on that, following the membership's wishes, she said. "We hope to have the support of regulators. We're trying to ease into it," so members don't face a massive rate change all at once, she said.

Recognizing Board and staff

Several of WEC's Directors were present, as well as key staff. Board President Barry Bernstein acknowledged Steven Farnham of Plainfield, who was elected to the Board this May, as well as Treasurer Don Douglas, Vice President Roger Fox of Walden and Secretary Annie Reed of Marshfield. Past Directors Roy Folsom of Cabot and Dan Wing of Corinth were also present.

Richards introduced key WEC staffers to members by describing what's occupying their work these days. Dan Weston, Director of Engineering & Operations, is busy clearing Rights of Way to prevent outages and improve reliability this winter season, she said. Bill Powell, Director of Products & Services, is "busy giving money out to people," she said, through WEC's Button Up

incentive program to help members buy energy efficient appliances, electric vehicles, and weatherization services. "If you're thinking of doing something new, check with Bill," she said. Dawn Johnson, Administrative Assistant, is busy working on capital credits, distributing equity back to members. Credits will appear on current members' upcoming bills, Richards said. And Susan Golden, Member Services Supervisor, "is always working to figure out how to improve the member experience."

Bernstein pointed out that a key benefit of being a member of an electric co-op is the return of capital credits. "Somewhere between six to seven million dollars has been returned to our members," he said. "You are the stockholders." The primary difference between a co-op and a for-profit electric company, he said, is that co-ops practice transparency and return funds to members.

It was a timely reminder, as news reports that day chronicled California's wildfires and that state's plagued investor-owned utility, which faced new criticism for rolling blackouts that cut power to more than a million people. Responsible for last year's devastating fires, the utility faces bankruptcy after a decade of mismanagement.

Backup and broadband

Perhaps the most important component of the Community Meeting is the opportunity for members to raise questions with WEC Board and staff face to face. A member from Orange described living on a windy hilltop. He'd upgraded around his home for resiliency, but said wind-caused outages are likely. "Have a plan. Make sure you have people and resources you can lean on," replied Richards. (For more details about the importance of having a plan, see the October issue of *Co-op Currents*.)

Former Director Dan Wing of

Corinth had a two part comment, wanting to know how WEC was addressing its members' need for high-speed internet – a corollary, he said, to members' need for electricity that prompted the Rural Electrification Act and formation of the Co-op 80 years ago.

He also wanted to know what the Co-op was considering for backup. "We don't all want generators. They're expensive. They use fossil fuel... We think the Co-op should be looking into backup systems," he said.

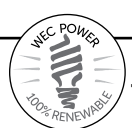
Bernstein explained that there is significant cost to provide fiber-optic internet to members. An initial grant application wasn't funded, a second is in the works, he said. A question is who would "bring service to the house," Bernstein said. "There are some CUDs [Community Utility Districts]. They don't cover all 41 towns" that WEC serves. Grants will be necessary to keep costs reasonable for members, he said. "This is not an instantaneous process. I just got off dial-up five years ago."

To Wing's question about backup, Richards said that on the horizon, the Co-op is looking to see if it can make an economic case for battery backup at substations. "We are looking at large scale batteries and home devices," she said later.

Leo Martineau's success story

Leo Martineau of Orange rose to talk about energy efficiency from his perspective as coordinator of the Energy Savings Initiative at Central Vermont Medical Center (CVMC). He created the initiative, he said, to compare the hospital's carbon footprint. "In 2010, we were better than 27 percent of all hospitals in the U.S.," he said, performing in the bottom third in terms of energy efficiency. "In 2018, we received an Energy Star rating." According to CVMC's website, in 2017 the hospital performed in the top 20 percent of all hospitals. He was met with applause.

The hospital now saves nearly 100,000 gallons of fuel oil per year, two million kWh, and more than \$400,000 in costs. To read more about Martineau's work improving efficiency at CVMC, visit cvmc.org and search, with quotes, "Learn from Leo."



Every year, WEC pays a community group to host its Community Meeting. This year's hosts were Cabot School's eighth grade class, who served chicken and vegetable potpies under the guidance of chef Brock Miller (check out his food truck, Back Road BBQ). The food was so good several members politely asked for seconds.

The eighth graders are fundraising for their class trip to Washington D.C., a longstanding tradition that is the culmination of a yearlong leadership curriculum.

"Students investigate civics, history, and social action and learn about the elements that support a healthy democracy. We also get to explore the sites, sounds, and culture of a major city—often a new experience for young people from rural Vermont!" said lead teacher Peter Stratman.

The packed itinerary includes tours of monuments, museums, the Capitol, Arlington Cemetery, and more.

Cabot's eighth graders, pictured here with support teacher Fawn Wells, are Chase, Aysha, Silas, Riley, Dominick, Declan, Cameron, Neil, fourth grade helper Elena, and not pictured, Annastee.



General Manager Patty Richards, right, was happy to see Gail and Tim Greaves for the third time this fall. Back in September, the Greaves family attended the Open House at Coventry Landfill and happened to win WEC's raffle for a battery powered string trimmer.

When the drawing occurred, Richards was delighted. "One of our members won? That's so great!" she said. She was there to meet them at WEC's office in East Montpelier when the Greaveses came to claim their prize.

In October, the Greaveses, Cabot residents, came to WEC's Community Dinner. An advantage to moving the dinner from town to town each year is that it makes it easier for members to attend when the dinner is held on their side of the mountains. It also helped that the dinner supported the school's annual trip to Washington D.C., said Gail Greaves. "We always wanted to come to a Community Meeting, and we always support the eighth grade," she said.



Informal internet poll

Richards took an informal poll of the members present and their interest in broadband provided by their electric co-op.

"Who's happy with their internet service?" she asked. About a quarter of the hands went up.

"Who doesn't have internet?" A few hands.

"If WEC had a business plan that made this work, who would sign up for \$75 per month?" About half of the hands went up.

"\$100?" Two hands.

"We'd need a certain number of WEC members on the line in order to make this work" as a sound economic investment for the Co-op, she explained.

A member remarked, "We're spending \$45 per month. It's reasonable. We do get some buffering. \$60 might be reasonable. But if you have a business, you need a heck of a lot more speed."

Former director Roy Folsom said chronically slow internet is the bane of rural Vermont, saying slow upload and download speeds are frustrating. Jackie Folsom added that slow internet can harm remote work, as she's been dropped from several Zoom meetings.

Director Steven Farnham of Plainfield wondered if there was public funding, like the Lifeline program for phone service, that could help people pay for internet. Statewide, the issue is too new, Bernstein replied, and the board only first began considering it December, 2018.

A member made an observation related to the internet. "We've worked so hard to cut down on our carbon footprint. Shopping online isn't helping," she said, pointing to unhealthy warehouse conditions, delivery vehicle emissions, and packaging waste.

Reliability questions

Elizabeth Mathai of Plainfield wondered if there was a practical problem with too much beneficial electrification – namely, if members use exclusively electric power, if that leaves them vulnerable during outages. "If in the next few years you're trying to get more folks to depend on electric, then we need more options to fall back on," she pointed out.

"There's no doubt it's a big, big question," agreed Bernstein. "What we're saying is, as you make choices, how do you make the most efficient choices you can?"

Later, Richards acknowledged Mathai's point. It's why the Co-op is

beginning to examine the possibility of battery backup, she said, because if WEC is going to emphasize beneficial electrification, the electricity needs to always work. "We absolutely need to address this. We will need to get into the battery space or adopt newer technologies," she said.

One approach, Bernstein said, is the Co-op continues to prioritize reliability. "We're going to have to put a lot more resources into [Right of Way clearing,]" he said, especially now that ash trees, dying from Emerald Ash Borer infestations, pose such a threat to WEC's lines. Putting more money into line clearing "will mean rate increases," he said. "But in survey after survey, [reliability] is what our members want."

A member asked why lights sometimes flicker. Call WEC when that happens, said Dan Weston, Director of Engineering & Operations. "Circuit reclosers will automatically shut the line down and turn it back on," in response to stimulus – if a falling limb bounces off the line, the lights will turn back on and stay on; but if they flicker, a tree or tree limb is leaning against the line. "We really want you to call that in so we can get to it before the tree burns through the line," he said.

There's another type of flickering,

he noted that occurs when lights dim when the wind is blowing. That, he said, is caused by faraway lines opening up, or a Green Mountain Power transmission line going down." Information about outages of all kinds is on wec.coop under Outages, he said, and is frequently updated.

"WEC actually deploys some of the most modern equipment in the industry," Weston added. He described a case when a Green Mountain Power transmission line went out, came back on with voltage too high, and WEC's substation refused to close the line back in. "Had it closed in, most of our members would have lost solid state equipment. The grid is becoming very complicated. The equipment to protect you folks is at the substation," he concluded.

With that comforting detail in mind, WEC's shareholders – er, members – left the meeting.


The landscape is evolving quickly, and the tech industry mantra "move fast and break things" has lost its shine, more often than not indicating murky reasoning, reactive decisions, and obfuscation. But at WEC, change is navigated as it always has been, with democratic, transparent processes and the opportunity to talk issues face-to-face. 



Leo Martineau of Orange told assembled members how commitment to energy efficiency helped turn Central Vermont Medical Center in Berlin from notably inefficient to an EnergyStar rated hospital in less than a decade.

Rate Increase

continued from page 1

Utility rate increases are subject to PUC approval. Any difference between the requested 5.95 percent increase and the actual increase will be refunded to members. The Co-op's last rate increase took effect one year ago, on January 1, 2019. 

Did You Know?

Thanks to the members who generously donate their capital credit refunds, WEC's Community Fund will distribute about \$50,000 to small, local not-for-profits doing good work in our service area. In order to donate your capital credits to a good cause, call WEC: 800-932-5245 or 802-223-9245.

Halloween Storm

continued from page 1

Vermont utilities had customers out for more than five days in rural areas. In areas that are heavily wooded, where lines run away from roadways over rugged terrain, and when poles break, it takes longer to make repairs than in town or cities where lines are roadside.”

In the final hours of restoration work, each repair restores power to only one or two homes at a time. For example, on Tuesday, November 5, 19 separate outages required extensive repair, and brought 96 people online. When the Jackson Corners transmission line was fixed, it brought power back to perhaps 2,000 people (perhaps fewer, given other faults farther down on distribution lines). These last repairs took a long time and brought back an average of only five people per repair.

The repairs are time-consuming and dangerous, as well. High winds knocked multiple trees onto lines, in many cases pinning live conductor wires on the ground. The lines needed to be de-energized, the trees removed, new poles set, and the wires restrung.

“When there’s a down line, a crew can get there and be done with that repair in about two hours,” said Richards. “When a pole breaks, we’re talking six to eight hours, depending on whether we have to drill through ledge.”



Layout guru Tim Newcomb, a WEC member from Worcester, captured this dramatic image of a tree on the lines over Carlson Road.

Tim Newcomb

storms. Because the storms aren’t going to stop in the near future.”

That’s why WEC’s board supports investing in increased Right of Way (ROW) work, to make power lines in wooded areas less vulnerable to breaking or falling trees. The combination of an increase in tree-harming pests like the Emerald Ash Borer, plus an increase in extreme weather, Richards said, equals trees on power lines.

WEC is the first utility in Vermont to come out with a statement about its commitment to combating climate change through incentivizing energy efficiency, decreasing members’ carbon footprints, and changing its rate structure to make it easier for members to use renewable electric energy from its fleet of renewable generation resources instead of fossil fuel.

“The other side of that coin,” said Richards, “is we must all recognize that climate change is here, and we have to respond to it. We’re a small electric co-op in a small state, but we’re fighting this beast by both reducing emissions and preparing for what we can foresee.”

Special attention will be paid to sections of WEC line that have seen the greatest number and longest duration of outages. Often at the so-called “end of the line,” these are power lines that serve a small handful of homes. “But since we’re a cooperative, those members matter as much as anyone else,” promised Richards. “We’re going to do what we can to keep those lines from breaking in the next storm.”

Addressing those areas most frequently affected will take time and money, but it’s important, she said. And while WEC works to make its grid more resilient to storms, she asked that members do the same, by being prepared for long outages when major storms hit. “We are taking action at WEC, but everyone must realize the super storms are more frequent,” she said. “We all have to make plans to be prepared.”

For more information about preparing for outages, visit wec.coop or read the October 2019 issue of *Co-op Currents*.

Money

FEMA teams arrived in Vermont the Tuesday after the storm to assess the damage. At first, the state estimated approximately \$3 million in damages – WEC alone reckoned a sixth of that, about \$500,000. But over a few weeks, damage tallies throughout the state rose, some perhaps as high as \$10 million.

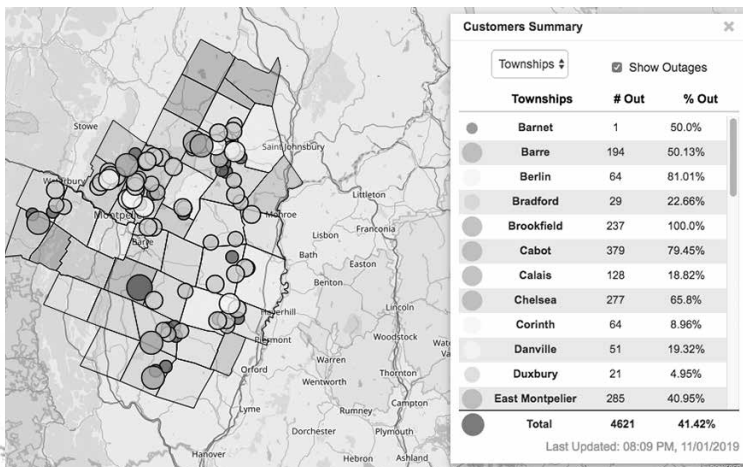
Because WEC is a not-for-profit cooperative, it is eligible for FEMA reimbursement of damages caused by qualifying events. That’s in contrast to investor-owned utilities, which must pass those costs on to ratepayers.

There are financial triggers for FEMA funding at both state and county level. The state’s FEMA trigger has been met, and funding is awaiting approval from the White House. As of press time, WEC is waiting to see if, and which, county triggers are met to qualify for reimbursement.

Building resilience

“The chilling fact is, we run a major storm story like this at least once a year, now. Sadly, this is an indication that the effects of climate change are already here,” said Richards. “While repairs and restoration are always our first priority after a storm, we also need to make our system less vulnerable to

Roughly half of WEC’s membership lost power in the Halloween storm. Late on November 1, outages were scattered throughout rural sections of WEC’s service area.



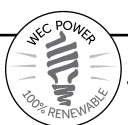
Crews work to repair a line in Fayston. The Right of Way is neatly lined with tree debris, all of which came down during the Halloween storm and had to be cleaned up as part of the restoration work.



In Stannard, a splintered pole lies on the ground while crews set a new pole. 23 poles broke in the Halloween storm, which may be a WEC record. Broken pole repair takes far longer than line repair because crews need to drill, sometimes through ledge, and set the new pole before they can restrung the wires.

Bradley Nutbrown

Bradley Nutbrown



Paying for Home Heating and the Cozy Feeling of WARMTH

WEC is committed to its members' safety and comfort. When Central Vermonters have trouble paying for fuel to heat their homes, the Co-op has ways to help.

- Incentives for weatherization are available to help insulate drafty homes and keep heat where it should be – inside.
- Member Services staff are available to counsel members about home heating options. If your electric bills spike during the wintertime, they'll help determine the cause and can set up a payment budget so you'll pay the same amount every month. Then there's WARMTH, Vermont's home heating assistance program. It's funded by contributions from

electric utility customers, and it's operated locally by the Central Vermont Community Action Council. If you need help paying for fuel, ask a Member Services Representative to put you in touch with WARMTH.

WEC members are also invited to contribute to WARMTH this holiday season. There are a couple of ways you can help:

- Participate in Operation Round-Up: a monthly program that rounds your electric bill up to the next dollar.
- You can authorize WEC to send slightly more – an extra dollar or five a month. This is a way to contribute a little bit at a time.
- You can contribute a one-time donation.

- Or you can do both: contribute a little bit each month and make a larger gift now.

To sign up, look for the Operation Round-Up box on your electric bill and


initial it. If you'd like to add more, you can indicate that on the form. Or, call Member Services. Thank you! It takes all of us to keep our community safe and warm.

WEC Awarded \$8.13 Million Federal Loan

The Rural Utility Service, an agency of the USDA, is awarding WEC a federal loan of \$8.13 million to improve distribution, transmission, and generation for its members. The loan, announced Nov. 1 by the USDA, is part of a \$1.3 billion investment to support rural electric infrastructure nationwide.

"We are thrilled to be able to invest in improving our grid system by updating wires and poles along with investing in grid modernization technology," said General Manager Patty Richards. "USDA is our major lender for operations upkeep and helped WEC get started back in 1939. The timing of this loan could not be better, as we just incurred more damage to our grid from yet another catastrophic storm. This loan will help us build resilience, manage peak costs, and better connect to each of our member-owners."

14 miles of new line and 50 miles of improved line will be built to serve 330 new WEC members. Another portion of the loan will fund Smart Grid technologies to help WEC lower its peak electric use and associated costs.

Line improvements include shortening the distance between poles in forested areas to make lines more resilient to damage from tree and weather damage. Improvements also include clearing the Co-op's Rights of Way of potentially damaging trees. 

Board Candidate and Bylaws Petition Deadline Announcement

Washington Electric Co-op will hold its 81st Annual Membership Meeting on **Thursday, May 7**, at WEC's Operations Center in East Montpelier.

Every year, elections are held for three of WEC's nine board seats. In 2020, incumbents Don Douglas, Jean Hamilton, and Mary Just Skinner are all expected to seek reelection. Any member of the Co-op is eligible to run.

If you are considering running for a seat on WEC's Board, contact WEC Administrative Assistant Dawn Johnson at 802-224-2332 to request a candidate's packet that contains the materials necessary to run for a seat on the board. The deadline to submit all materials, including a petition signed by a minimum of 25 WEC members, is **Friday, February 7**.

In March, *Co-op Currents* begins Board election coverage, with candidate introductions, areas of interest and expertise, and policy priorities.

Members of the Co-op have the right to petition for changes to the Co-op's bylaws. The bylaws are available on washingtonelectric.coop, or you may contact WEC for a hard copy. To petition for a change, you are required to collect signatures in support from a minimum of 50 WEC members. Petitions for bylaws changes are due **Monday, February 10**.

Look for more information about board elections and bylaws in the January 2020 issue of *Co-op Currents*. 

NOTICE TO WASHINGTON ELECTRIC CO-OP MEMBERS Notice of Proposed Tariff Changes

On November 15, 2019, Washington Electric Cooperative, Inc. filed a request with the Vermont Public Utility Commission (PUC) for an increase in retail rates of 5.95%. The main driver of this increase in rates are revenues needed to meet its lender ratios, a decline in member sales (primarily due to net metering installations) coupled with increasing costs for purchase power and power production at WEC's generating facilities.

This change will take effect with power sold on and after January 1, 2020, and will be reflected on bills received in January. If the PUC opens a formal investigation of this matter, this increase will be shown as a separate surcharge on bills until the PUC finishes its investigation.

To determine the impact on your individual bill, use the present and proposed rates column and your average monthly consumption. For example, a residential member using an average of 500 kWh a month would calculate his or her bill as follows:

		Present Rates		January 1, 2020 Proposed Rates
Customer Charge		\$14.19		\$15.03
First 200 kWh	200 x \$.11350	\$22.70	200 x \$.12025	\$24.05
Usage over 200 kWh	300 x \$.25341	\$76.02	300 x \$.26849	\$80.55
Total		\$112.91		\$119.63

Any interested person may examine the rate increase filing via ePUC at: <https://epuc.vermont.gov/?q=node/86>. The Case No. is 19-4576-TF. The filing is also available at the Vermont Public Utility Commission and the Washington Electric Cooperative office during normal business hours. Comments regarding the rate filing may be submitted to the Public Utility Commission by December 12, 2019 via mail at 112 State Street, Montpelier, VT 05620-2701, via email at puc.clerk@vermont.gov, or through the e-PUC at <https://epuc.vermont.gov/?q=node/32>.

Please note that WEC's pending proposed rate design may also lower or raise your rates. Please see Case No. 19-1270-TF

	Present Rates	Proposed Rates
Residential		
Customer Charge	\$14.19	\$15.03
0-200 kWh/month	0.11350	0.12025
Over 200 kWh/month	0.25341	0.26849
Small Commercial		
Customer Charge	\$14.14	\$14.98
Per kWh/month	0.20747	0.21981
Large Power		
Customer Charge	\$24.13	\$25.57
Per kWh/month	0.11014	0.11669
Per kW of demand/month	15.60	16.53
Time of Day		
Customer Charge	\$14.19	\$15.03
0-60 kWh/month - Peak	0.11350	0.12025
Over 60 kWh/month - Peak	0.28051	0.29720
0-140 kWh/month – Off Peak	0.11350	0.12025
Over 140 kWh/month – Off Peak	0.23854	0.25273
Security Light		
Per 100 Watt Light/month	\$22.08	\$23.39
Per 400 Watt Light/month	44.15	46.78
Per 30-40 Watt – LED	20.80	22.04
Per 40-50 Watt – LED	21.18	22.44
Per 50-60 Watt – LED	22.06	23.37
Per 60-70 Watt – LED	21.05	22.30



WEC Holiday Programs and Community Fund Donations Bring Brighter Holidays to Central Vermonters

WEC has an unofficial motto it shares with every cooperative: to leave no member behind. It's a practice in equity. The member who lives in the last house at the end of a distant spur in a forest is every bit as important as a member who lives next to a substation. When there are outages, the crew and WEC staff won't rest until that member in the woods has power again.

So the reason WEC's board and staff love holiday time is that this time of year provides an opportunity to demonstrate these values in other tangible ways. For instance: working to make sure those in need have a warm house, a good meal, and for those who celebrate, a gift on Christmas morning.

For those of us who are able, it's important to make sure our neighbors are cared for. That's the purpose of holidays, and it's the purpose of a cooperative."

— Patty Richards

Toy drives

Members are invited to participate in two toy drives that bring gifts to children in need. Toy Joy, coordinated by Rose Wheeler-Stillson in memory of Zachary S. Wheeler, accepts new and nearly-new toys. Toys for Tots, coordinated by Daniel Duffey from the Marine Corps Reserve, accepts new, unwrapped

toys for children from birth through 15. Toy collection boxes are located at WEC's office, 40 Church St. in East Montpelier.

To learn more or to donate online: montpelier-vt.toysfortots.org

Adopt-a-Family/Soldiers' Angels

2019 marks the ninth year the Co-op is sponsoring Christmas for a local

family through Soldiers' Angels – a national nonprofit that serves deployed service members, veterans, and their families. The Adopt-A-Family program specifically serves families in need, and is able to match sponsors with local families. WEC's staff, Board, and vendors contribute to help one family experience the joy of the holidays – without any of the burden.

To learn more or to adopt a family yourself: soldiersangels.org/Adopt-A-Family

Stuff-A-Truck

A favorite annual event is the Stuff-A-Truck food drive in Berlin to benefit the Central Vermont Salvation Army Emergency Food Shelf. It's the largest Salvation Army food drive in New England and every year, WEC helps stuff a tractor trailer to help the food shelf stay stocked through another winter.

"For those of us who are able, it's important to make sure our neighbors

are cared for. That's the purpose of holidays, and it's the purpose of a cooperative," said General Manager Patty Richards. This year, Richards and Member Services Supervisor Susan Golden, Safety & Environmental Compliance Specialist Rick Stergas, and Board Secretary Annie Reed shopped together and bought nearly \$1,000 worth of nonperishable food with money from WEC's Community Fund and delivered it to the tractor trailer.

To support the Central Vermont Salvation Army Emergency Food Shelf: nne.salvationarmy.org

WEC's Community Fund


The money in WEC's Community Fund comes from members who donate their capital credits. The fund, which has grown steadily, is poised to distribute \$50,000 in 2019. All funds go to support small nonprofits in WEC's service area.

To donate your capital credits to the Community Fund, visit wec.coop or call 802-223-5245 or 800-932-5245.

How you can help

To learn more about WEC's support for any of these causes, or to contribute yourself, contact Administrative Assistant Dawn Johnson at 802-224-2332.

If you would like to make a charitable contribution of your own this holiday season, and are looking for a great cause close to home, check out WEC's list of Community Fund recipients. Each one is making a difference right here in Central Vermont.

For the list: go to wec.coop/2019-co-op-currents and open the July issue. 



From left to right, Member Services Supervisor Susan Golden, General Manager Patty Richards, Safety & Environmental Compliance Specialist Rick Stergas, and Board Secretary Annie Reed shopped for nearly \$1,000 in food for Stuff A Truck. The food and fundraiser, hosted by local radio stations and supported every year by WEC's Community Fund, helps stock the Central Vermont Salvation Army Food Shelf.

President & GM Message

continued from page 3

Barry: Nice one.

Patty: I didn't mean that as a joke, but thank you!

Barry: I also want to give thanks to all the mutual aid cooperatives and municipals throughout New England who come to help us out. It's really incredible to see the mutual support everybody gives throughout New England.

Patty: We got help from New Hampshire, from Littleton and New Hampshire Electric Co-op in Plymouth. Several utilities in Massachusetts came to help, and we even had some help later in the week from Stowe. It was all hands on deck and it would

have taken longer had we not received the mutual aid support.

This was not just a WEC weather event. This was a five-day restoration event for Green Mountain Power and Vermont Electric Co-op too. It was less of an event in towns, but for any utility with rural territory, it took a very long time to get power back on because of the number of trees that came down.

Barry: I believe New York state had over a quarter million people out. It wasn't just Vermont. I think people don't always realize the gravity of something because, you know, it rained on Thursday, the winds were 35-65 miles per hour on Friday, and then on Saturday it's nice and quiet, so why isn't the power on? It doesn't work that way.

We had the most broken poles I've seen.

Patty: 23 broken poles. That's bigger than Storm Damon in 2014. And we're still making permanent repairs. The crew makes temporary fixes to get people's lights back on, and then we need to go back and make permanent fixes over the weeks that follow.

Barry: We urge people to make plans for when we have severe storm incidents. Make sure you have provisions at home and a plan to check with somebody who might not be affected, so you can take your loved ones to some other place and meet any medical needs you might have to be thoughtful about. Don't get caught off guard.

Patty: Well said, Barry. The frequency and duration of these superstorms are increasing. We all need a plan in the event we are out of power for a few days.

Best wishes for the season

Barry: On behalf of the Board, I want to wish everyone a really safe and healthy holiday season. Please keep an eye on your neighbors who may need special assistance or a helping hand. We live in a very special place and community, and the beauty of it is all of us supporting each other.

Thanks again to all of our employees and the support people who make WEC a special place. We do really appreciate our members understanding during difficult storms.

Patty: I want to give a shout out to all our members, wish everyone tremendous holidays, and wish everyone health and happiness in their lives. This is a time to come together. Warm wishes to everybody as the holidays approach. 