



CHAMPLAIN WATER DISTRICT
Dedicated to Quality Water & Service



First In The Nation ~ Excellence In Water Treatment, Partnership For Safe Water

To: Vermont Senate Natural Resources and Energy Committee and Senate Finance Committee

From: Jim Fay, General Manager – Champlain Water District

Date: April 23, 2015

Dear Senators,

Champlain Water District (CWD) is a regional municipally chartered organization supplying drinking water and fire protection to twelve (12) municipal water systems in Chittenden County. CWD supports the House-passed version of H.40 with its provisions to freeze the Energy Efficiency Charge at 2015 levels until 2018, while also requiring the Legislature's Joint Energy Committee to report by February 2016 on whether to extend or alter the cap or make other pertinent changes.

In fiscal year ending June 30, 2014, CWD's total annual electrical costs were \$1,028,245, with \$53,149 (5.17%) of this annual expense paid in Energy Efficiency Charges (EEC). Over the years, CWD has worked diligently to qualify for all rebates offered within the Efficiency Vermont Program, although the rebates have been only a fraction of what we pay into the program. At this point, we are not able to qualify for any significant future rebates and therefore all that CWD pays in efficiency charges will be unavailable to the District. Given the drastic EEC increases over the years, this is now a very substantial annual expense passed on to our customers.

CWD believes capping the program charges while the Legislature's Joint Energy Committee reviews the program makes sense and will have no impact on the overall program given the annual surpluses the program has enjoyed in recent years. CWD also believes reviewing the percentage of EEC dollars collected versus the dollars actually invested in energy reduction projects is prudent, given the very high overall administrative costs included in this program. This review of the Efficiency Vermont Program certainly needs to show that the overall program is efficient and effective in the goal of using energy wisely.

Thank you for your considering our comments.