



## Vermont Electric Cooperative, Inc.

42 Wescom Road  
Johnson, VT 05656-9717  
www.vermontelectric.coop

Toll Free: 1-800-832-2667  
Telephone: 802-635-2331  
Fax: 802-635-7645

---

### Testimony to House Agriculture- March 29, 2018

#### S.276. An Act Related to Rural Economic Development

Andrea Cohen, Manager, Government Affairs and Member Relations, VEC

Thank you for the opportunity to testify on this important topic. As a member-owned Cooperative, VEC's primary interest is to provide our members with safe, cost-effective, reliable, and environmentally responsible electric service. Every policy and programmatic decision we make is towards this purpose. On the attached "VEC at a Glance" you can learn more about VEC and our member-owners.

#### Keeping Rates Low

VEC supports and shares your concerns about how to best meet the needs of lower income Vermonters and how to best support rural businesses. Thirty-nine percent of VEC's residential members are on fixed incomes and VEC serves eight of the top ten Vermont towns, and three of the top five counties, with the highest poverty populations. **Our priority strategy to support lower income members is to keep electric rates as low as possible, and to not shift costs to those who can least afford them.** We are extremely proud of the fact that VEC has not had a rate increase since January 2014 and that over the past nine years our average annual rate increase has been less than one percent per year (.8 percent per year). We have done this despite formidable upward pressure on rates and while maintaining our A+ bond rating and distributing \$3,350,000 in patronage capital to our member-owners. We urge you to support policies that reduce rate pressures and put more money in the hands of residential and commercial members.

#### Supporting Rural Businesses

The best way to support existing, and potentially new, rural businesses is to provide low cost and reliable electric service. VEC works with our member businesses to ensure they are getting the best value for their electric dollars and we welcome any discussion about how to help them reduce costs without shifting these costs to other members. We support giving businesses flexibility in how they make efficiency and renewable energy investments. Section 3 of the bill as passed by the Senate identifies reduced demand charges as a potential way to help rural businesses. Demand charges are designed to be a disincentive to electric usage during peak times which are the times that utilities incur the greatest fixed charges (transmission). Any change in demand charges could mean large cost shifts to other Co-op members which we do not support.

## Cost Effective Renewable Energy



VEC brings cost effective and economically sustainable renewable energy to all VEC members through VEC's Co-op Community Solar Program. With this program VEC purchases renewable energy at market rates and brings the benefit to all VEC members. VEC members also have the option to sponsor panels and receive fixed monthly electric bills credits for 10 or 20 years. Members have access to financing options, on-bill payment, and can opt out of the program any time for any reason. Members can participate from just a small amount or can sponsor enough to cover their annual electric charges. Vermonters can benefit even if they rent or do not have a suitable location to site solar panels. VEC currently has three Co-op Community Solar projects in operation with a total capacity of over 7 megawatts. The projects are in Alburgh, Grand Isle, and Hinesburg, and they are sited and sized to optimize the grid efficiency.



## Rural Business Energy Transformation

VEC and other utilities are helping rural businesses by supporting investments in our energy transformation future. With the VEC Clean Air Program, we help rural businesses transition away from fossil fuels to cleaner, and often less expensive, electric energy. VEC's Clean Air Program involves line extensions or service upgrades for off-grid or underserved homes and businesses. VEC has completed six custom projects to date which have resulted in large fossil fuel reductions, greater convenience for the member, and benefits to the Co-op through increased electric sales. These projects have saved 78,000 gallons of propane/oil/diesel per year, which is the equivalent of taking about 250 cars off the road.

*Nationally recognized for innovative and advanced use of technology, Vermont Electric Cooperative (VEC) is the largest locally owned electric distribution utility in Vermont, serving its member-owners in 74 towns in Northern Vermont.*



#### Mayotte Sugarhouse – Fletcher.

- Over 50,000 taps.
- Service upgrade for High-Brix Reverse Osmosis (RO).
- The RO will displace ~ 8,000 gallons of oil per year.



#### Little Charlie's Sugarbush – Jay.

- Over 20,000 taps.
- Previously offgrid, line extension to retire generator .
- ~ 8,000 gallons of propane saved per year.

Other projects completed in 2017 include:

- Devost Sugaring. Norton. Expected to offset approximately 5,300 gallons of diesel/year.

We have 2 new projects that have been submitted to the Public Utility Commission for approval in 2018:

- NE Sand & Gravel. Expected to offset approximately 17,000 gallons of diesel/year.
- Piette & Sons Sawmill. Expected to offset approximately 36,000 gallons of diesel/year.