

Testimony by Win Smith to the Senate Finance Committee April 12, 2018

Senator Cummings and Committee Members,

Good afternoon and thank you for allowing me to testify about § 739 – ACCD's energy efficiency pilot program.

My name is Win Smith and I am a resident Warren, Vermont. My family is the majority owner of Sugarbush Resort, and I am its President. Sugarbush is one of the largest employers in Washington County. We employ 155 people year round, but we issue a paycheck to approximately 1,200 people over the course of the year. While we are largely known as one of Vermont's major ski areas, our business is actually broader than that. We operate our own lodging as well as providing property management and rental management for others. We have nine food-and-beverage operations, a regulated water utility, and two wastewater treatment plants. We own and operate a Health and Recreation facility, a golf course, and we offer a number of year-round recreational activities. We are also a real estate developer.

Electric power is a major cost in our business, the second greatest after payroll. Over the years, we have worked closely and well with Efficiency Vermont to reduce our electrical consumption. Their key account managers are readily available, and they have provided access to various technicians, analysts, and executives when needed. With few exceptions, the Efficiency Vermont employees with whom we have interacted have been high-quality professionals with an understanding of our business and a desire to be helpful. We have few complaints about the quality of their workforce.

As the same time, we have watched as the energy efficiency charge (EEC) has escalated from a small addition to our power bill in the early 2000s to a much more significant percentage of our power bill. While the EEC was reduced this past year, the longer-term average increase (using data from the PSB website) was over 14%. Prior to this year, we had reduced our power bill by over 22% from three years ago, but the EEC charge declined only 3%, which demonstrates the larger percentage of our power bill that it has become.

From 2009 to 2017, the EEC we paid totaled \$563,199 and we received energy incentives of \$1,764,862. \$1.6 million of this, along with our own \$2.2 million, was used to purchase low-energy snowmaking equipment. As a result, our annual kWh use has declined from 14.9 million in 2009 to 10.4 million in 2017. That is a 30% reduction, and we expect a further reduction this year.

Sugarbush has clearly benefited from the current Energy Efficiency Vermont program. So why do we support § 739? As good as the current program has been for us, personally and for Vermont, we believe that all programs should be examined to see if they are still relevant and if they can be improved.

Going forward we have a number of potential projects that would further increase our energy efficiency and also improve the environment. Many of these would not qualify for incentives as currently structured.

We would like to use the \$65-70,000 EEC currently charged to us for projects such as:

Replacing snowmaking pipe with larger diameter pipe, which would provide more water with the same energy consumption

Completing our low-energy snow-gun purchase and installing isolation valves to make our snowmaking even more efficient

Upgrading electric drives on our older lifts

Purchasing electric vehicles, such as grooming machines and resort-owned trucks and cars

Purchasing a Snowstat system for our groomers, which would enable us to know the exact snow depth and accurately assess the need for additional snowmaking

Installing on-site solar or micro-hydro

Battery storage

Improving insulation in older resort-owned buildings

The other benefit of H739 is that it would allow us to consider projects such as these in our normal capital budgeting cycle. In the past, this has been challenging with Efficiency Vermont. Very often we would learn about incentive opportunities after our budget cycle had already ended, and we therefore had to scramble in order to take advantage of them.

In conclusion I want to reiterate that we have indeed benefited from the existing program, but we believe that a pilot program such as that proposed by ~~B~~739 is worth trying. We would certainly take advantage of it if offered.

Thank you for your time and consideration.