

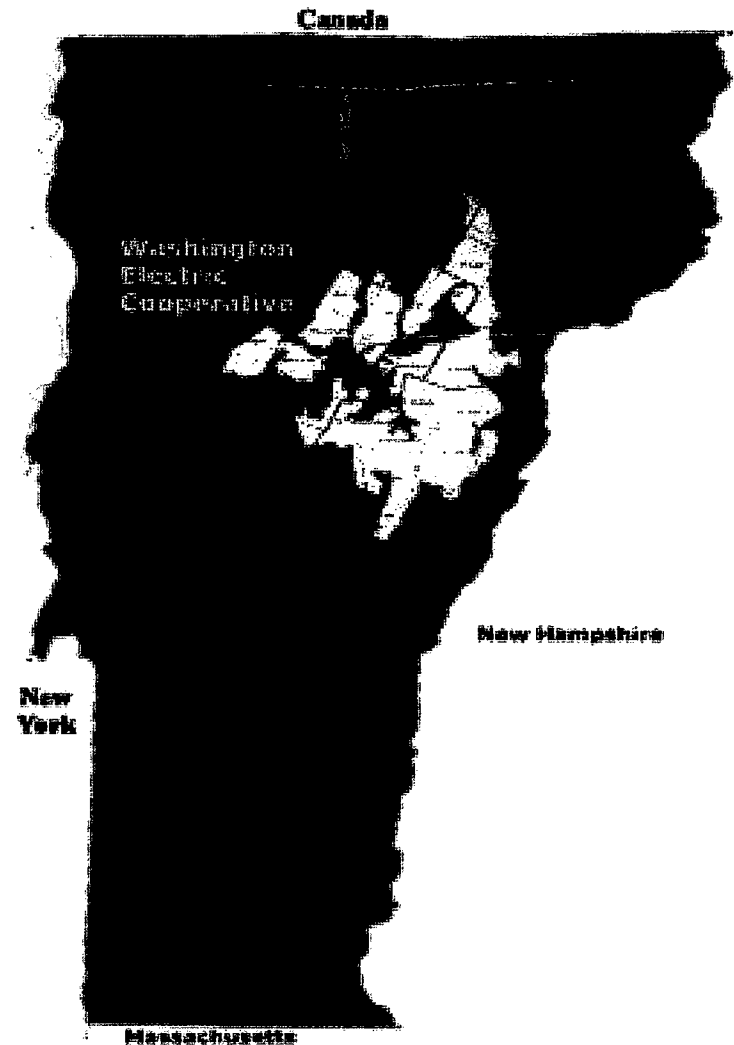
**Senate Finance Committee  
Washington Electric Cooperative**

**February 21, 2018**

**Patty Richards**

# About WEC

- Electric Cooperative – Not for Profit
  - Established in 1939
  - Member owned
  - Created by and for those without power
    - investor owned utility would not extend lines to rural landscape
- Size
  - Peak 16 MW (Winter)
    - State of VT ~ 1,000 MW Peak (Summer)
  - 66,000 MWH Retail Sales Annually
    - 1.3% of State Load
  - 10,800 meters/members
  - 41 towns 4 counties Central Vermont (Washington, Orange, Orleans, Caledonia)
    - 17% of Vermont Towns
  - 96% of our members residential
- Board of Directors
  - Nine Directors
  - Set Policy
  - All Members
  - Annual Meetings



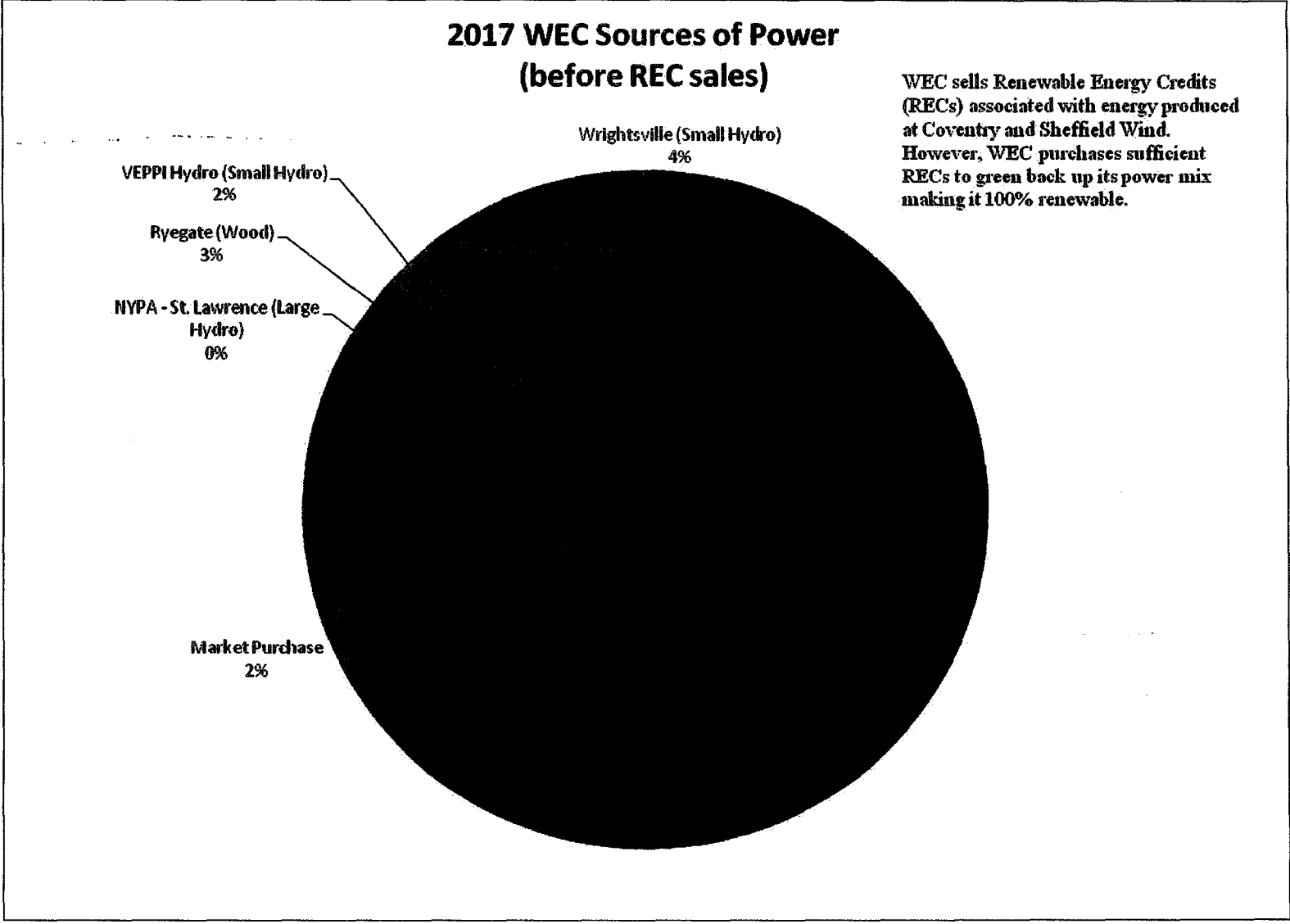
# About WEC

- Very rural and little commercial base
  - WEC 8 members per mile
  - GMP is 20 customers per mile
  - BED 87 customers per mile
- WEC largest cost driver is infrastructure (wires, poles, substations, etc)
  - Power Supply Costs ~ 8 cents/kWh
  - All other costs ~ 11 cents/kWh
- Average residential user ~ 500 kWh per month (12% less than statewide avg)

# About WEC

- WEC supports renewable power (100% renewable)
- Local Resources and Investments
  - Coventry \$16M
  - Wrightsville \$3.2 M
  - Sheffield Wind \$572K per year
  - Small Vermont IPP's \$380K per year
- Dollars stay in the VT Economy (multiplier effect)
- Early Leader in Net Metering (11% of Peak by 2014)
- Early adopter of Energy Efficiency since 1991
- Tier 3 Act 56 Weatherization Focus

# WEC is 100% Renewable



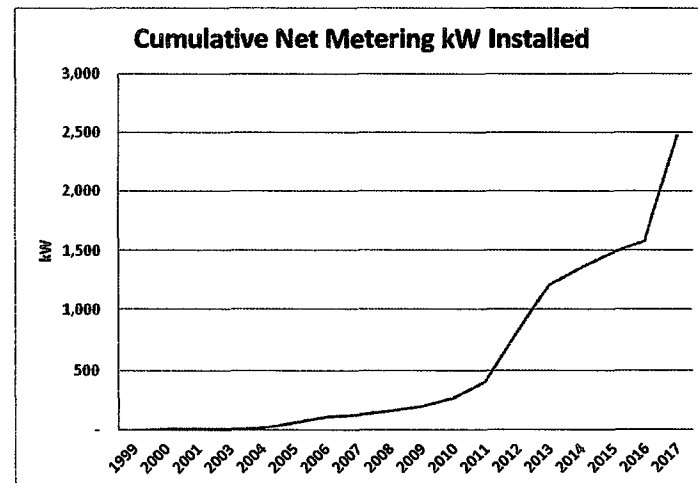
# WEC Supports Sustainable Net Metering Rule

- Rule has +’s and –’s:
  - Economics to the customer for systems <150 kW better now than prior plans
    - Siting and REC adjusters paid on Gross Production
  - Cost shifting still exists
  - Controls set up to improve siting
  - More aligned to support smaller installations
    - Larger systems don’t need the extra incentive dollars
    - Systems 150 kW and less is where net metering should be focused
  - No Cap

# 2017 Record Year

Year	kW Installed by Year	Number of Members With Installations	Cumulative kW
1999	1.37	1	1.37
2000	2.80	2	4.17
2001	1.68	2	5.84
2003	1.43	1	7.27
2004	5.81	2	13.08
2005	46.75	10	59.83
2006	48.79	5	108.63
2007	21.32	6	129.95
2008	30.18	8	160.13
2009	35.67	6	195.79
2010	76.58	12	272.38
2011	137.22	32	409.60
2012	412.80	54	822.40
2013	389.62	59	1,212.02
2014	145.52	21	1,357.54
2015	127.08	20	1,484.62
2016	97.75	11	1,582.37
2017	893.97	129	2,476.34
<b>Total</b>	<b>2,476.34</b>	<b>381</b>	

- More installations in 2017 than prior 4 years **combined**
- 2017 Stats
  - Average size 7 kW
  - Maximum 19 kW
  - Minimum 3 kW
- 2018
  - Application pace hasn't slowed
  - Three large projects in the works for 2018
    - 400 kW farm
    - 500 kW business
    - 150 kW School
- Current program economics stimulating continued record pace



# Cost Shifting & Rates

## Washington Electric Coop

	Installed Capacity (kW)	Capacity Factor (%)	Estimated Annual Energy Production (kWh)	2017 Retail Sales (kWh)	Percent of load
CPGs Awarded	1,484.62	97.75	1,174.47	2,756.84	16%
Systems Connected	1,484.62	97.75	893.97	2,476.34	15%
Applications Pending	-		280.50	280.50	2%

Capacity Factor	0.13
Estimated Annual Energy Production from Installed Systems (kWh)	2,820,052
2017 Retail Sales (kWh)	65,641,203
Percent of load	4.30%
Loss of Revenue per kWh installed	\$ 0.10
Total Dollar Impact	\$ 289,131
Impact on Rates (%)	2.07



# WEC Supports Sustainable Net Metering Rule

- Not perfect but ....
- Wide and Divergent Input went into rule
  - Broad array of stakeholders
  - Public Hearings
  - Written comments
  - Input
  - Transparent
  - Compromise
- Our members want Net Metering
- Program consistency eliminates confusion
- Installers seek uniformity
- PUC will look at results every 2 years

# WEC Supports Sustainable Net Metering Rule

- Controls in place
  - Statewide Rate
  - Adjusters
    - Make changes to economics as we move ahead
    - Reflect changing cost of technology
    - Respond to pace of installations
    - React to Rate Impacts
- Need non-bypassable charges to help mitigate shifting costs to non-net-meter members
  - All net meter members use grid 99% of the time
  - Fair for all to help pay costs

# Questions & Thank You

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