



Rate Flexibility Bill S. 60/H. 84

VPPSA Member Utilities



- **Barton Village**
- **The Village of Enosburg Falls**
- **Hardwick Electric Department**
- **Village of Jacksonville**
- **Village of Johnson**
- **Ludlow Electric Light Department**
- **Lyndonville Electric Department**
- **Morrisville Water & Light**
- **Northfield Electric Department**
- **Village of Orleans**
- **Swanton Village**

About VPPSA

VPPSA was established by the Vermont Legislature in 1979.

- **Provide services and solutions to community-owned utilities**
- **Allow for beneficial consolidation while maintaining local control**

Putting the **Public** in **Power**.





About VPPSA



Power Supply Purchasing



Financial Services



Rates and Planning



Legislative and Regulatory



IT Support



Communication and Outreach



GIS and Field Services



Renewable Energy Standard

Vermont Utilities

Investor Owned

- **Green Mountain Power**

Co-op

- **Vermont Electric Co-Op**
- **Washington Electric Co-Op**

Public Power "Munis"

- **Burlington Electric Department**
- **Stowe Electric Department**
- **Village of Hyde Park**
- **11 VPPSA Members**

Public Power Utilities

- **Non-profit, publicly-owned.**
 - Both VPPSA and its members operate on a not-for-profit basis
 - Any “rate of return” flows to customers
- **Overseen by elected or appointed local governing body**
 - Select Board or Electric Commission
- **Transparent**
 - Public Meetings
 - Open books
- **Fully regulated by the Public Utility Commission and Department of Public Service**

Purpose of S. 60

- **Allow munis and coops to offer *innovative rates and services on a pilot basis***
 - Changing energy landscape is requiring utilities to adapt to industry changes and customer desires.
 - Option for these rates or services to become permanent following a pilot period.
- **Provide the ability to implement *minor rate adjustments without the added expense of full rate case.***
 - Up to 2% annually and 10% cumulatively without full rate case
 - Allow munis and coops to absorb specific cost drivers

Rationale for S. 60

- **Allows municipal & cooperative utilities to quickly respond to energy industry transformation**
 - Allows utilities to be flexible and serve modern needs and expectations
- **Facilitates innovation necessary to meet Vermont's energy policies**
 - Increased reliance on renewable resources and carbon reduction goals
- **Reduces costs and administrative burden of regulatory ratemaking processes**
 - Helps minimize utility costs and accompanying electric rate pressure
- **Improves municipal credit ratings and reduces ratepayer costs**
 - Vermont's ratemaking environment has been cited as a concern to Moody's
- **Provides rate stability by minimizing large, sporadic rate increases**
 - Smooths impact on customers



Regulatory Safeguards

- **Requires a traditional rate case to be eligible to implement minor rate adjustments**
 - PUC approval of rates after January 1, 2021.
- **Retains DPS and PUC oversight**
 - Requires advance notice of rate adjustments and pilot rates
 - Full PUC authority to investigate a pilot rate or minor rate adjustment at any time
- **Requires periodic full PUC rate proceeding**
 - No more than 2% per year
 - 10% cumulative threshold
- **Rate adjustments require approval of the utility governing body**

Existing Utility Reporting Ensures Transparency:

- ***Integrated Resource Plan*** – 20-year comprehensive plan developed every 3 years pursuant to 30 V.S.A. § 218c
- ***Service Quality and Reliability Plan*** (SQRP) – Reliability reports filed quarterly and annually.
- ***Annual Outage Reports*** – completed under PUC Rule 4.900
- ***Audited Financials*** – available on most utility websites and upon request
- ***Energy Information Administration Reports*** – utility financials that DPS has access to
- ***Annual Report*** – previously required financial data similar to FERC’s Annual Report o
- ***Quarterly and Annual Reports*** detailing past and proposed power supply transactions – under PUC Rule 5.200
- ***Renewable Energy Standard Compliance*** under 30 V.S.A. § 8005 and PUC Rule 4.400
 - Tier 3 Annual Plan (November 1)
 - Tier 3 Savings Claim (March 15)
 - Compliance Filing (August 15)
- ***Net Metering Data for Biennial Update*** – submitted under PUC Rule 5.100
- ***Annual Resource Survey*** – documenting power supply resources and kWh sales. Requested by DPS
- ***Ad Hoc reports based on regulatory or legislative requests*** (e.g. retail sales and arrearage impacts of COVID)

Contact Info

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