

Senate Natural Resources & Energy Committee
Washington Electric Cooperative

March 31,
2021

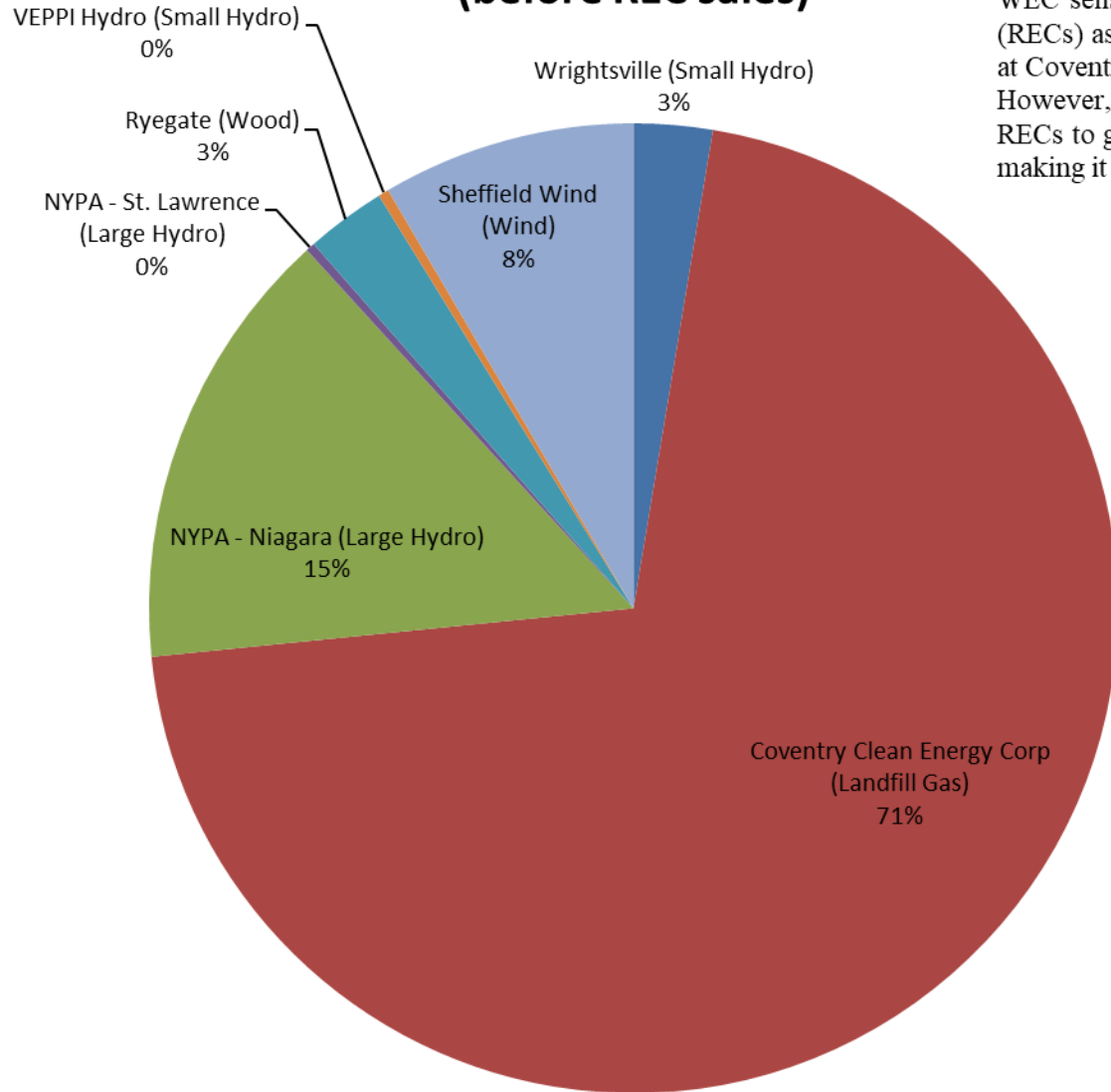
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About WEC

- 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
 - 100% renewable
 - 85% of WEC’s power sources located in Vermont
- Size
 - Peak 16 MW (Winter)
 - State of VT ~ 1,000 MW Peak (Summer)
 - 68,000 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



2020 WEC Sources of Power (before REC sales)



WEC sells Renewable Energy Credits (RECs) associated with energy produced at Coventry and Sheffield Wind. However, WEC purchases sufficient RECs to green back up its power mix making it 100% renewable.

How would your organization define Vermont's renewable energy generation challenge(s)?

- WEC already 100% renewable
 - We get it!
- Climate Change
 - Real
 - Already paying
 - Cost of mega storms
 - Requires Brave and Bold Actions
- Renewable Generation Balanced with Affordability
 - How much can we pay for above market power and remain competitive/relevant
 - Those least able to pay, impacted the most through higher rates of some programs

How would your organization define Vermont's renewable energy generation challenge(s)?

- Location Matters (SHEI)

- WEC has lost \$500K already

- Sheffield Wind 40 MW Facility
- Coventry Landfill Generator
- Pits Renewables against Renewables

- Reduce output or value of existing renewables
- This is bad for VT

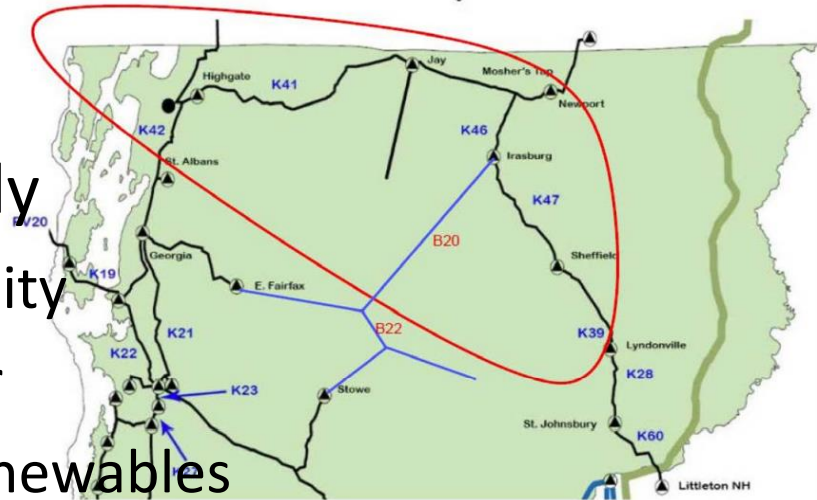


Figure 1: The Sheffield-Highgate Export Interface (SHEI)

Is it to address how Vermont can make more progress on fulfilling its Tier 2 obligations in the most cost-effective manner?

- Tier 2: Small Net Metering (< 500kW)
- Not a least cost solution
- Paying more than alternatives
- WEC has already lost \$736K from Net Metered Program
 - 16 MW peak load utility
 - 5 MW net metered solar installed or 5.6% of power mix on energy basis

Other ways to accomplish renewable goals

- Build Bigger Systems for less money
 - Economies of Scale
 - 10 to 12 cents vs 18 cents
- Current NM program is wealth shift to those than afford to build solar
 - Reverse Robin Hood
- Utilities can build cheaper and spread it out to all members
 - Equity
 - More Cost Effective

Is it to address energy burden and social inequity by developing RE for low-income Vermonters?

- Cost matters
- Low Income are impacted the most and least voice
- Seek to accomplish state goals with less negative impacts

Is it to sustain the state's workers in our clean energy economy?

- Jobs important
- Electric Rates Important too

And who should own these new assets? Finance them?

- Ownership/Finance structures should remain flexible (not prescriptive)
- Should pursue best path/options to build for the least cost
- Ownership/Finance should be allowed by all parties
 - Various tools by various players
 - WEC RUS Low Interest Loans.

Will DUs put out RFPs to own their own generation? Or, will DUs put out RFPs for PPAs and only be the off-taker?

- Yes - both
- DUs already do this
- Skilled at building AND/OR entering contracts

Outside of net metering, what opportunities are there for developers to lead on RE generation? And at what scale do we want to build such facilities?

- Skies the limit
- Only limitation is our imagination
- Policy and Social Programs should allow room for creativity

Questions & Thank You

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