

Dear Chair Kitchel and Senate Committee on Appropriations Members,

I am writing to bring your attention to the funding request from municipal and cooperative electric utilities to support installation of Advanced Meter Infrastructure (AMI) that is included as item G.600(b)(8) in H.740.

We are very appreciative that the House saw the value in our request and agreed to provide \$5 million toward this effort. However, that funding level is 45% of the required amount, and we would ask your committee to reconsider raising the funding level to the full \$11 million request.

There are three primary reasons we believe full funding is necessary and appropriate:

- 1) VPPSA asked a national consultant on federal grants to evaluate the likelihood of federal funding for this effort through the IIJA. The consultant not only found that IIJA funding was unlikely, but also concluded that lack of AMI would be considered a negative for other grid modernization funding applications. For that reason state investment to insure all utilities are able to deploy AMI is in many ways a seed investment toward other grid modernizations efforts, and could help position Vermont to develop more compelling statewide IIJA grant proposals. The assessment VPPSA commissioned is attached for your information.
- 2) In 2009 several utilities (notably BED, GMP, Stowe, and VEC) received federal funding to cover 50% of their AMI investments through the American Recovery and Reinvestment Act (ARRA). Those utilities, which serve some of the wealthier and least energy burdened parts of the state, have gone on to deploy new technologies and be touted as examples in the state's energy transition. The municipal utilities, which serve some of the poorest and most energy burdened parts of the state, were not in a position to make AMI investments in 2009. Since then they have trailed in technology deployment. We are now asking for full funding to make sure that divergent trajectory does not continue, and that our poorest consumers don't end up paying the full cost for AMI while others receive taxpayer support.
- 3) VPPSA has spent 3-years working on finding a path for small municipal utilities to deploy AMI and has been able to reduce the ongoing operating costs substantially through centralizing operations. However, we have been unable to reduce the required up-front capital requirement. That initial outlay is still causing several municipal utilities to delay moving forward. Full funding of the request would alleviate that hurdle, and make it a near certainty that all utilities would be able to economically move forward with deployment.

We thank you for your support and consideration. If we can help your deliberations in any way please don't hesitate to reach out to me directly, or to VPPSA's Director of Public Affairs Julia Leopold at [jleopold@vppsa.com](mailto:jleopold@vppsa.com) or 802-595-9633.

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