



Washington
Electric
CO-OP

Washington Electric Cooperative Update

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2025 – An Extraordinary Year for WEC

No major storms in 2025

- In contrast to recent years with individual storms costing \$1 million
- Especially welcome when FEMA reimbursement uncertain
- Cold snowy start to the year resulted in high usage, low net metering

Record Coventry Production

- Coventry produces 65% plus of the power WEC members use
- Saves WEC members money, especially when market prices are volatile

Clean Audits and Meeting Lender Covenant Ratios

- No major findings going back a decade or more (typical accounting adjustments made)
- Consistently meeting RUS “Times Interest Earned Ratio” (TIER) requirements and other metrics

No Rate Increase Planned

- WEC was able to defer revenue from 2025 to 2026
- No rate increase in effect for 2026, perhaps not for 2027

Lots of Construction/Line Hardening and Resilience

- East Montpelier Bliss Road/Barnes Road – FEMA mitigation funded (about \$588,000 of \$800,000)
- Greensboro Feeder – RUS Work Plan Funded (about \$365,000)
- Regular 2025 work busy with 116 line extension applications, 409 poles replaced, 324 transformers

But ...Underlying Challenges Remain

Most rural territory in Vermont

- Fewer than 9 members per mile of line over 41 towns
- Dense areas and industrial and commercial customers served by others
- About 1,300 miles of line – enough to reach the state of Georgia with about 40% off-road
- Anticipate more system damage due to higher frequency/intensity of storms

Net Metering

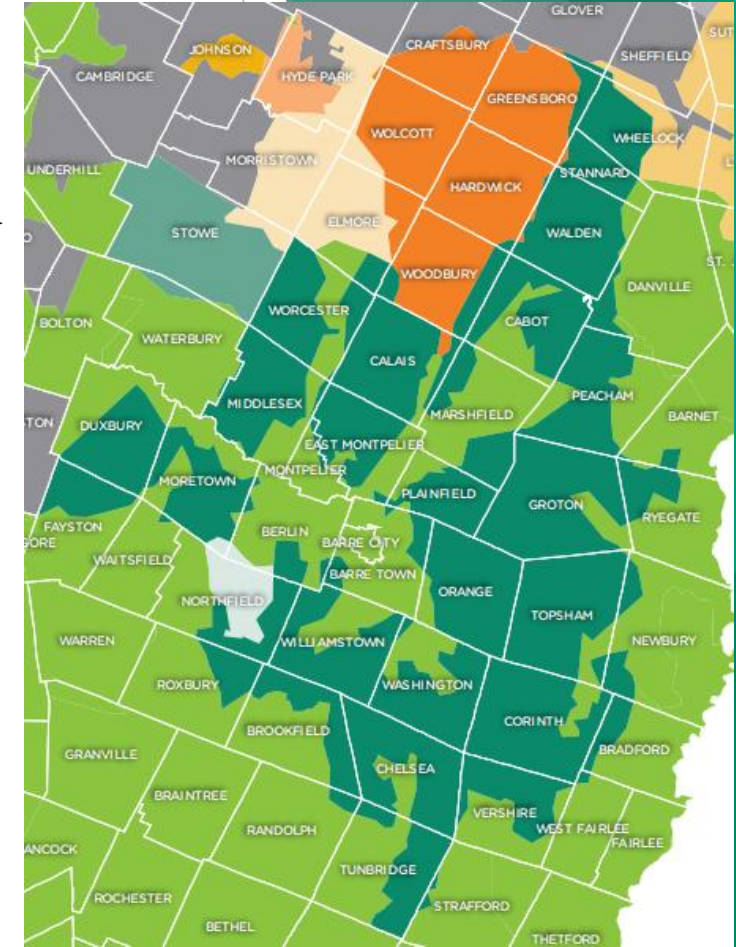
- About 10 percent of WEC members
- A million-dollar cost shift onto non-net-metering members
- Discourages beneficial electrification due to higher electricity costs
- Replaces renewable power with renewable power

Regulatory Requirements Increasing

- Overlapping jurisdictions in regulatory and reporting requirements
- Increasing complexity and requirements
- Many of the same requirements for large and small utilities, public and investor owned

Member Expectations Growing

- Load management needed to reduce system overbuild
- Incentives for beneficial electrification are expected
- More working and going to school from home and using electricity for heat/transportation



Rely on WEC's Strengths

Member Owned

- A non-profit cooperative overseen by elected members
- Returning excess revenue back to members – more than \$10 million since 1998
- Transparent governance and financials

Renewable

- One of three Vermont utilities to provide 100% renewable power
- Coventry is both renewable and 24/7 baseload power
- Small exposure to the market, with long-term contracts or owned generation
- Looking now to 2030s when some of those contracts expire

Local

- Many long-term employees committed to their communities with knowledge of the system and the members
- More than 86 years of service

Partnerships

- RUS funding has been and remains essential
- Close working relationship with VEC that has been vital to WEC's success
- VELCO communications and investment
- Federal and State grant opportunities

Build to Meet Expectations

Meet Member Expectations

- Home battery and load management programs launching in 2026
- Continued incentives for beneficial electrification, including expansion of EV charger program
- “Affordable Community Renewable Energy Program” (ACRE) and Tier III low-income programs

Meet Power Supply Needs

- Remain 100% renewable, continuing to meet the key mandate of the renewable standard
- Address Tier V costs in 2030 and beyond
- Proposing a utility scale battery to be online in 2027

Improve Outage Response

- Increasing ROW tree cutting budget by \$500,000 in 2026 (main source of outages)
- Greater use of digital tools and technology
- More frequent and thorough outage communications (including more restoration time estimates)
- Advanced meters (AMI) expected in 2026-2028
- Continued increased investment in outage management
- Several major system upgrades complete, underway or planned

Meet Regulatory Requirements

- Meeting increasing Integrated Resource Planning (IRP) and other requirements
- Work to streamline and standardize reporting across agencies