

WEC CO-OP CURRENTS



Vol. 71, No. 8

The newsletter of Washington Electric Cooperative, Inc., East Montpelier, Vermont.

December 2010

A Season of Sharing and Salute to the Guard

It wasn't so much the spirit of giving that swept over Washington Electric Co-op's employees as the Christmas holiday approached this year. Giving is a noble act, one of humanity's finest gestures. But giving might sometimes be thought of as charity, and it wasn't charity that was in the employees' hearts so much as gratitude and respect for those whom they wished to help this Christmas. You might say that the project they undertook was more in the spirit of sharing.

Washington Electric currently has 38 employees, and word has it that the majority of them contributed to this cause. And it's typical of the Co-op's workers that no one wants to take credit for it; they would rather it be thought of as a group effort.

Which it certainly was. As a group, the linemen, warehouse staff, member services representatives, engineers, IT and technical support personnel, accountants and bookkeepers and financial folks, and the management staff raised \$700 to contribute to military-service families with a parent serving in Iraq or Afghanistan. They just wanted to make these folks' holiday a little brighter.

But they weren't done. Representatives of the staff approached WEC General Manager

Avram Patt, who authorized a matching contribution from Washington Electric's Community Fund. Patt administers that fund, and usually runs the donation requests he receives, along with

You get the point: these are families with a loved one who has been stationed in Iraq or Afghanistan in the military, and they are having a hard time back home.

his recommendations, by a committee of the Co-op's Board of Directors at the end of each month. However, when a decision needs to be made quickly he has the leeway to respond right away. In this case that's what he did, with an enthusiastic yes.

So suddenly the employees' \$700 became \$1,400. Since the Community Fund is financed by WEC members who voluntarily donate their annual capital credit refunds rather than taking them as credit on their November electric bills (or as a check, for former members), this brought WEC's whole membership into the act, whether they knew it or not. Now this act of sharing incorporated the entire WEC community.

Fourteen hundred dollars can go a long way. But how would this donation find the families for whom it was intended?

A staff member contacted the Vermont National Guard and was directed to an organization called the Vermont National Guard

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WEC employees have teamed up to make the holidays merrier for local National Guard families. These gifts, and more, will be distributed in time for Christmas with the help of a Guard assistance organization.

Co-op Applies For PSB Approval; New Rates Take Effect In January

WEC Enacts First Rate Increase in 11 Years

After nearly a year of in-depth financial analysis and planning, Washington Electric Cooperative filed for a rate increase with the Vermont Public Service Board on November 15, 2010. Exactly how much of an increase the Co-op would request was under discussion by the Board almost up to the time the formal application was made; in the end WEC asked the PSB's approval to raise its electric rates by 23.81 percent.

When publicly owned electric utilities apply for a rate increase – that is, co-ops and municipally owned companies – the PSB permits them to begin charging their proposed new

rates after 45 days. (Investor-owned utilities must wait for the Board's ruling before putting new rates into effect.) WEC therefore will begin charging members the higher rate on January 1, 2011. In February, and with each monthly bill that follows until the PSB issues its decision, members' bills will show their electric charges under the former rates and a separate line item showing the "temporary surcharge" that represents their additional costs under the proposed rates. The total charge will be shown as a combination of the two.

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Washington Electric Cooperative

East Montpelier, VT 05651

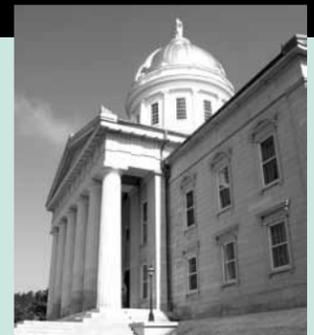
Inside

2010: A review. From windstorms to a rate increase, the year now ending was a busy and sometimes difficult one for your Co-op. WEC President Barry Bernstein takes a look back in his President's Message. Page 4.

Turnover in state government. A new governor and a new public service commissioner are coming to Montpelier. State Rep. Tony Klein, a WEC member, ponders the state's energy directions in 2011 and beyond. Page 8.

Baby it's cold outside – but the work goes on. A WEC crew constructs line extensions in Duxbury. Photos, page 8.

Nice day out, and suddenly... no power. That was the experience of some Co-op members on December 1. WEC's Dan Weston explains why. Page 2.



From the future of Vermont Yankee to the future of renewable energy in Vermont, critical issues will be debated in the Statehouse this winter. House Energy & Natural Resources Chairman Tony Klein briefs us on page 8.

High Winds At High Elevation: A Formula For Outages

Some 3,000 Washington Electric Co-op members lost their power on the first day of December, and many of them didn't understand why. The answer was that very severe winds were blowing – just not, in a lot of cases, where they were living.

"People were sitting there in their homes on a relatively normal night and their power goes out," Dan Weston, WEC's director of engineering and operations, said on the following day, even as his line workers were still out trying to repair damages and reconnect people. "But the power was out because the lines serving them came over topography that had elevation above 1,200 feet and the winds there were gusting in excess of 40 miles per hour, causing trees outside the right-of-way to fall on the lines and in most cases break the conductors [electric lines]. It was a peculiarity of this storm, at least in our service area."

It was a different story in some other parts of the state. The thing that set the December 1 storm apart from most wintertime storms in Vermont was the severity of the winds in some of the valleys. The storm quickly became

notorious, perhaps even historical, as the National Weather Service in Burlington reported winds that reached an astonishing 90 miles an hour in Cambridge and 73 miles an hour in Hanksville, towns that are not at high elevation. (Cambridge, for example, is nestled beside the Lamoille River in Lamoille County's Lamoille Valley.) Statewide, more than 35,000 people lost their electricity in the Wednesday storm, with some saying that the damage in the area around Richmond, Hinesburg and Essex Junction was worse than the notorious 1998 ice storm.

Because of its vast rural territory in the northern part of the state, Vermont Electric Cooperative was particularly hard hit, and didn't get its final reconnections made until the following Monday. In that same region the Village of Enosburg Electric Department suffered extensive damage.

The National Weather Service did

"Where the winds are blowing at 40 to 45 miles an hour at high elevation, and then the lines descend and travel across country for a few miles, people can lose their power and see no explanation for it."

— Dan Weston

confirm that high elevations were battered. The Service reported gusts of 103 mph on Mount Mansfield.

Weston said the high-elevation gales were the culprit in most of WEC's outages. As a rural utility, Washington Electric's distribution

system crosses over mountain terrain in many locations to serve members on both sides. WEC maintains a 30-foot right-of-way (ROW) along its distribution corridors, and even though there are some 1,250 miles of power line to tend to the Co-op does a pretty good job of controlling the growth within the ROW. Unfortunately, a strong, persistent wind at a high elevation can take down healthy trees that are outside the Co-op's corridor and toss them into the lines. And it doesn't take 90 mph to make that happen.

"Where the winds are blowing at 40 to 45 miles an hour at high elevation, and then the lines descend and travel across country for a few miles, people can lose their power and see no explanation for it," Weston said.

WEC members lost their electricity in Fayston, in Cabot, in Orange and Williamstown, in Tunbridge and Chelsea, for just this reason.

"We had just under 100 separate outages on our system, and I'll bet you that 75 of them had wires that were down," Weston said. "Over at Boulder Beach in Groton we had seven span of wire down. [A span, from pole-to-pole, is commonly about 280 feet.] When seven span of wire comes down, instead of a one-hour repair job for

two linemen we're looking at four guys working for three hours."

It didn't help that autumn was wet this year, which loosened root systems that, if the ground had been dry, would have helped stabilize the trees.

So this one took a while to clean up. The storm struck early in the day, and outage calls started rolling in at around 10 a.m. The line crews and support workers fanned out and by late that night they had reduced member outages to about 1,000. They were still at it on Thursday, and finished reconnecting people by around midnight, making it certainly a notable outage event but in terms of repair time not one of WEC's worst.

"We've got great crews," said Weston. "I'm very proud of them and know what they're capable of accomplishing. They work hard and stick with it, and at times we have to make them take a break."

"In fact," Weston continued, "after we finished up our own work on Friday we dispatched three trucks and six line workers to Enosburg to assist their crews with restoration efforts."

Those workers returned late Sunday afternoon.

Weston appreciated the membership, too. Often when they called they didn't understand why they had lost their power, and were understandably annoyed.

"We had to explain," Weston said. "The weather right there, local to your home, may be quite nice. The winds may be calm, there may be a little light snow. But where your power is coming from, eleven or twelve miles away and up in the mountaintops, it could be quite a different story."

"Usually they'd say 'Thank you for the explanation,'" Weston concluded. "Nice people."

Co-op Currents

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WEC is part of the alliance working to advance and support the principles of cooperatives in Vermont.

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The Board of Directors' regularly scheduled meetings are on the last Wednesday of each month, in the evening. Members are welcome to attend. Members who wish to discuss a matter with the Board should contact the president through WEC's office. Meeting dates and times are subject to change. For information about times and/or agenda, or to receive a copy of the minutes of past meetings, contact Administrative Assistant Deborah Brown, 802-223-5245.

Washington Electric Cooperative, Inc.

Statement of Non-Discrimination

Washington Electric Cooperative, Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended. In accordance with Federal law and the U.S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, disability, sexual orientation, marital status, family status, status as a parent (in education and training programs and activities), because all or part of an individual's income is derived from any public assistance program, or retaliation. (Not all prohibited bases apply to all programs or activities).

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Avram Patt, the Cooperative's General Manager. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from, and/or file a written complaint with, this organization; or write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call, toll free, (866) 632-9992 (voice). TDD users can contact USA through local relay or the General relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice users). USDA is an equal opportunity provider and employer.

Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Rate Increase

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When the PSB completes its deliberation on WEC's request, presumably either agreeing to the Co-op's request or approving a different amount of increase, members will receive a one-time, retroactive adjustment on their next bill, if required.

The Department of Public Service (DPS), which differs from the Public Service Board in that its role is to represent Vermont consumers in matters concerning regulated utilities, has an opportunity to investigate WEC's rate-increase proposal and make an independent determination of whether it is justified.

"We have done our best to ensure that this increase, though obviously unwelcome, won't come as a surprise to our members," said WEC General Manager Avram Patt. "We have written explicitly about it in *Co-op Currents* several times, we've made it a major subject at our Annual Membership

Meeting for the past two years, and it has been a topic of discussion at our community meetings. We've also been saying more recently that we would file in November. The only thing we weren't completely clear about, right up until the filing date, was how much of an increase we would ask for, and now that, too, has been resolved. We're forced to do this to protect the solvency and the level of service we provide at the Co-op."

A 23.81 percent rate increase is steep. Yet when the new rate goes into effect it will have been 11 years since the Co-op raised its electric rates, and during that time the average Vermont electric bill went up by 27 percent, and the average U.S. electric bill went up by 41 percent.

"We're not aware of any utility, nationally or in the state, that has held its rates steady for that long," said Patt. "We are proud to have been able to accomplish that, but we knew that eventually we would need additional revenue for the Co-op."

WEC President Barry Bernstein emphasized that determining the amount of the rate increase, and how the Co-op would apply for it – all at once, or in stages – were decisions of the utmost seriousness.

"We've done everything we can to try to minimize the cost and the impact of this increase," he said, "but we also have a responsibility to everyone we serve to ensure that we have adequate revenues to provide reliable and high-quality electric service to our 10,000 member households and businesses. Washington Electric Co-op has achieved a much-improved quality of service over what we used to have, particularly for a very rural electric utility that operates on the very challenging terrain that we do. And people now expect that of us, as they should. So that's not something we can sacrifice in order to try to cut a few percentage points off our rates."

Still, Bernstein said, Board discussions on the issue were complex.

"After a lot of repeated analysis, the amount of additional revenue we would need through rates became pretty clear," he said. "But we deliberated on the possibility of trying to spread the increase over a two-year period."

Those deliberations ended when the Board concluded that for the Co-op not to fully meet its lender-mandated revenue requirements would, in the end, only increase the amount of money it would need from its membership (through rates).

"The decision to go ahead and apply for the full rate increase that we know we need was unanimous," Bernstein said.

How we got here

The factors driving a rate increase have been reiterated in *Co-op Currents* previously, as well as by WEC's directors and staff in public forums such as the Annual Membership Meeting and the community meetings held in two localities each October. Briefly, they include cost increases of nearly every aspect of doing business – payroll, insurance, taxes, equipment, fuel – all of which have risen significantly since WEC filed for its last increase in 1999. There is also the fact that electricity sales have leveled out – a national trend that if anything is more pronounced in places like Vermont that emphasize the importance of conservation.

For most electric utilities the list of rising costs would include a significant increase in the cost of purchasing power to sell to its customers or members. In WEC's case wholesale power costs have increased overall, but less dramatically thanks to WEC's decision to build a power plant fueled by landfill methane in Coventry, Vermont, in 2005. The cost of that power has proved very competitive, and the Co-op holds rights to it for another 30 years. That's one important economy that has helped Washington Electric hold the line on its rates for more than a decade. (And it should be noted that generating power from landfill methane

makes productive use of a potent greenhouse gas.)

An important, related factor is that WEC's Coventry plant earns Washington Electric the right to sell renewable energy credits (RECs) to companies in southern New England that need these RECs to meet their state requirements to support renewable energy. The RECs have provided Washington Electric some \$2 million a year in revenues – that is, until a drop of about 50 percent of their value in just the past year. Income from the RECs staved off a rate increase for several years; however, the lucrative market for RECs stimulated the development of more renewable-energy supply – a good thing, but it undermined the price WEC had been collecting. This was the pattern the Board expected, but for it to happen so suddenly, at the same time the economy flagged, was unfortunate.

"When you look at the actual calculations of what is causing this rate increase, almost exactly half of it is the decline in the REC value," said General Manager Patt. "It's the biggest single driver for what we are dealing with now."

What you, and WEC, can do

As a Washington Electric Co-op member, your rates are going to go up in January. Yet Bernstein and Patt both were quick to remind WEC members that there are things they can do to try to mitigate the impact of this increase.

"We have always said that people pay bills, not rates," said Patt. "By that we mean that whatever the rates, they're paying for the amount of electricity they use. That makes this a good time to remind people that they're better off if they use energy as efficiently as possible, and that in our homes and businesses there is a reward for learning to use the least amount of energy we can, comfortably." "The Co-op works hard with our members to help them find ways to conserve. We are always available to help, if people will call us."

Bernstein noted other help WEC can extend to members who are burdened by the rate increase.

"We do everything we can to work with people on an individual basis," he said. "This is something we always do. If members are facing difficulties they should call our Member Services Department to look into working out a payment plan so that we can keep providing their power and they can find a way to meet their obligations to pay their bills. Our member services representatives also help people every day by connecting them with state services and other community resources to help get them through hard times."

"The real mistake would be for people to get behind on their bills and not pay attention to it," said Bernstein. "We're a cooperative, and have been for more than 70 years. This rate hike is an unfortunate necessity, but it doesn't change the fact that we're all in it together." 

The Vermont Public Service Board requires all electric utilities to publish this Herbicide Use Notification periodically. Members of WEC are reminded, however, that it has long been the policy of this cooperative not to deploy herbicides in its right-of-way management program.

PUBLIC NOTICE

PUBLIC NOTICE

HERBICIDE USE NOTIFICATION

Vermont utilities maintain electric line rights-of-way with several methods, including the selective use of herbicides on trees and brush. They also encourage low-growing shrubs and trees which will crowd tall-growing species and, thus, minimize the use of herbicides. The application of herbicides may start as early as April 1. **Requests to utilities for notice by mail, however, must be made by February 15.**

The Public Service Board requires Vermont utilities to carry out vegetation management techniques which allow maintenance of electrical systems in a cost-efficient manner.

The types of herbicide treatment used to keep utility lines clear are: stump, injection, basal, soil and foliar. These are the common methods used, although they may not all be used by the utility in your town. Landowners have the options of requesting herbicide treatment on cut stumps only, or that no herbicide be used at all. In the latter case, an administrative fee would have to be paid to the utility. Only electric utility rights-of-way which have tall-growing tree species with the potential of threatening the electric utility system are treated.

Utilities advertise by radio and newspaper prior to herbicide applications on all lines. Lines usually are treated only once in a four-to-six year period depending on the specific management cycle of the utility. Please check with your utility regarding the cycle of a particular line.

Some utilities use metal letters and numbers on distribution and transmission line poles. Others use them only on transmission lines. The letters, such as V.E.C. (Vermont Electric Co-operative), or V.E.L.C.O. (Vermont Electric Power Company), are not found on every pole. A check of several poles on a line should aid you in determining whether poles are marked and which utility is the owner.

Persons owning or occupying land within 1,000 feet of a utility right-of-way may request in writing that the utility notify them individually by mail anytime, but at least 30 days prior to treatment of the line with herbicides. The landowner or resident is responsible for contacting the utility, in writing, to request placement on the mailing list. The utility should be provided with sufficient information as to the exact location of the residence and land. It is the duty of each landowner or resident to make the utility aware of the location of any potentially affected water supply, and any environmentally sensitive areas where herbicide application ought to be avoided.

CONTACT YOUR ELECTRIC UTILITY WITH QUESTIONS OR SUBMIT THE COUPON PROVIDED

If you have further questions or concerns contact:

Plant Industry Division, Agency of Agriculture
Phil Benedict, Director
116 State St., Montpelier, VT 05602
1-802-828-2431

Consumer Affairs & Public Information
Dept. of Public Service
112 State St., Montpelier, VT 05620
1-800-622-4496 or 1-802-828-2811

COUPON FOR PERSONAL REQUEST

Name	Town/City of Affected Property
Street Address	Telephone Number (Home)
Town	(Work)
State	Zip Code
Electric Account Number	O.K. to use Work Number: Yes <input type="checkbox"/> No <input type="checkbox"/>
Property of Concern: <input type="checkbox"/> Year Round Residence <input type="checkbox"/> Summer Residence <input type="checkbox"/> Commercial Property	Best Time to Call
<input type="checkbox"/> Water Supply <input type="checkbox"/> Land <input type="checkbox"/> Other	
Line and Pole Identification: Utility Initials	Numbers

We need all of this information in order to determine if you qualify for personal notification. If information is unobtainable, please state why. Use an extra sheet of paper if you need more space.

RETURN TO YOUR LOCAL UTILITY

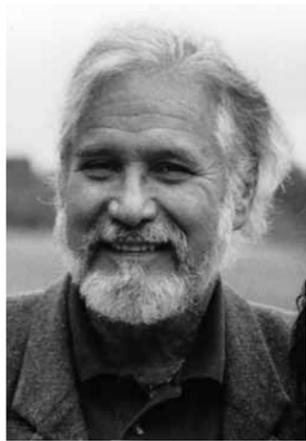
VELCO10

President's Message

2010: An Especially Busy Year For Your Co-op

As 2010 comes to a close our first winter snow has fallen, below-zero temperatures are upon us, and we have been hit by our second major windstorm of the past few months which had more than 3,000 members out of power and some 35,000 Vermonters in the same position. The past summer was one of the hottest we have experienced, causing a new summer-peak record for WEC in terms of power demand on July 7. The 10 warmest years on record have happened in this past decade, and as the predictions that New England will experience more severe storm activity seems to be unfolding, our Co-op is feeling a significant impact.

This was also one of your Co-op's most active and busiest years in a long time. It included the enactment of our first rate design alteration in some 20 years, which went into effect in October, and the intense process of analyzing and preparing for a rate increase request to the Vermont Public Service Board (PSB) on November 15, our first increase in 11 years when it takes effect preliminarily in January. In addition, we are in the process of developing an update of our Long Range Plan, and working on our new four-year Construction Work Plan, both of which drive vital construction upgrades of our electric system, including our generation facilities in Wrightsville (hydroelectricity) and Coventry (methane-power generation)



The Board will continue your Co-op's history of speaking out on energy policy and issues that we feel affect our members and Vermont's energy future.

and nearly 1,300 miles of distribution and transmission lines. On top of all this we are looking at the possible installation of an automated metering infrastructure (sometimes referred to as "smart meters"), and a new contract with Hydro Quebec starting in 2016.

Our Co-op has made a conscious effort since the early 1990s to be more environmentally aware as we make decisions that affect our future. We will continue to be diligent concerning our long-term planning for power, the equipment we purchase for our distribution and transmission infrastructure, in our internal operations, and working with our membership to help each household and business conserve and use electricity efficiently.

Highlights In 2010

Rate Increase Filed

One of the most difficult decisions your Board of Directors had to make was authorizing the Co-op's first rate-increase filing since 1999. We know that an increase of this magnitude – 23.81 percent – is very significant, especially at a time when many Co-op members are experiencing difficult financial circumstances as the economy continues to be weak. Your Board at one time had planned to phase in the rate increase over a two-year period, and we



2010 started off with a January informational forum for WEC's leadership on issues related to Vermont Yankee. From left, WEC General Manager Avram Patt, President Barry Bernstein, and Vice President Roger Fox listen to the insights of four panel members. In February, WEC issued a resolution calling on the Legislature not to extend the nuclear plant's operating license.

continued to discuss this option prior to our filing. However, the significant and rapid change in our finances due to the decline in price of the renewable energy certificates (RECs) we sell, flat sales of electricity in recent years, and other economic forces, made phasing in an increase unworkable (see our article on page one).

We will continue to work with members who are having difficulty paying their monthly electric bills. If this is your situation I urge you to call our Member Services Department to try to avoid getting too far in arrears.

Rate Design Approved

Our first new Rate Design proposal in some 20 years, based on a Cost of Service Study required periodically of all electric utilities by state regulators, was contested by the Vermont Department of Service. Eventually our proposal was approved by the PSB without changes on September 13, and it went into effect on October 4. The changes first appeared on members' electric bills sent in November. The new rate design collects the same total revenue for the Co-op as the prior design – meaning that it's "revenue neutral" – but it does change how that revenue is collected between different rate classes such as residential, commercial, and large commercial/industrial; it also affects members differently within those classes, depending primarily on how much electricity they use. Some members will see an increase in their bills and some a decrease as a result of the new rate design; for the most part those changes will be minor.

Additionally, the new design raises the initial, less-expensive, block of power that all members receive, from 150 kWh to 200 kWh. The customer

charge also goes up slightly for our residential members (about 98 percent of our membership).

Vermont Yankee Closing

In February your Board of Directors voted to publicly support the closing of the Entergy Vermont Yankee nuclear plant on schedule when its license expires in 2012. WEC was the only utility to take this stand. I, as Board President, Vice President Roger Fox, and General Manager Avram Patt, testified in front of both House and Senate committees that deliberated on this issue. In April the Vermont Senate voted 26–4 not to allow relicensing of the plant whose out-of-state owner has continued to lose public support due to a record of poor maintenance, concerns about safety, and the age of the power plant. The WEC Board will continue your Co-op's history of speaking out on energy policy and issues that we feel affect our members and Vermont's energy future, when we deem it appropriate.

Coventry

With five engines now on line and a total capacity of 8 megawatts (MW) – enough to eventually supply 75 percent of our members' power needs – Dan Weston, our director of operations and engineering, has been working with Casella Waste Management (owner of the landfill that provides our methane fuel) and IES (our contracted plant operator) to maximize methane gas production. Several new wells, horizontal collection pipes, and additional piping have been put in Phase IV of the landfill as it expands, with the hope of increasing gas production so that we'll be able to run all five engines on a regular basis this coming summer.



Washington Electric's annual October community meetings drew good crowds of folks interested in their Co-op's energy and economic policies. Above, Co-op members in East Corinth crowd around a dinner table. The other 2010 community meeting was held in Calais.



The engine room at Washington Electric's generating plant at Coventry. WEC has expanded to five engines to take advantage of the landfill's growing methane-gas production.

Storms

On July 21 we were hit with a microburst (extremely strong and abrupt straight-line winds) in Brookfield, and as a result we had to rebuild three-quarters of a mile of power line. It's a credit to the great work of the WEC crew and our right-of-way (ROW) contractors that they were able to accomplish this massive task in two days. As the photos in the September issue of *Co-op Currents* show, it was not an easy job.

A second occurrence of unusually high winds hit our Co-op territory on December 1, breaking poles and bringing trees down on our lines and,



A violent microburst hit the Co-op's territory in July, shearing off trees in a vast area around Brookfield and knocking down the power lines.

causing, at its worst, more than 3,000 members to be without power at one time. Many were without power for more than 24 hours. Fortunately we did not have freezing temperatures and heavy snow, which would have worsened the situation. Our dedicated employees worked long hours to restore people's power as quickly as possible.

'First Wind' Sheffield Wind Project

The 40-MW wind-power project to be located in Sheffield received its final go-ahead from the Vermont Environmental Court on August 26 and began preliminary work on the site in the fall. The company halted work for the winter and will resume construction in the spring, with plans for a fall 2011

start-up for generating electricity.

Staff Changes

Two senior staff members opted to take early retirement after decades of service to our Co-op. Denise Jacques, director of administrative services, and Steve Anderson, safety & environmental coordinator, left the Co-op in October. Denise had more than 25 years of service at WEC, starting as a secretary and working herself into upper management. Denise became one of the most valuable and experienced of our management staff. She will be greatly missed by Board and staff. However her new granddaughter will get the benefit of her smile and her time. Steve was with the Co-op for 16 years, overseeing the operation of Wrightsville hydro project along with other duties. He is now wintering in Florida, and hopefully getting to ride his Harley. We wish both of them success in their retirement.

We also added two new apprentices and a lineman to our crew toward the end of 2009 – Mike Baril, Kyle Harper, and Amos Turner (who just completed his three-year lineman's apprenticeship course) – and we look forward to them becoming journeyman linemen. They join a number of younger line crew employees who are gaining knowledge and experience working with our senior staff, an investment both for them and for the Co-op in a successful future.

Right-of-Way

Your Board of Directors has continued to approve increases in our ROW budget, supporting work carried out under the direction of Operations Director Dan Weston and Right-of-Way Management Coordinator Mike Myers. ROW maintenance is critical to our reliability, as a utility serving a primarily rural territory.

As part of this effort we also support a danger-tree removal program and systematic checking and treatment of the system's 24,000 distribution poles, which reduces outages and extends the life of our infrastructure. We extend our special thanks to our line crew, in-house



Investments in right-of-way clearing are important for keeping the power on. Above, ROW Management Coordinator Mike Myers stands in a newly re-cleared right-of-way. WEC does not use herbicides in its ROW management program.

staff, and our ROW contractors for their dedication, especially during storms, to keep the lights on.

Special Thanks and Season Greetings

I want to thank my fellow Board members; our officers (Vice President Roger Fox, Treasurer Don Douglas, and Clerk Marion Milne); our Co-op management (General Manager Avram Patt, Operations Director Dan Weston, Finance Director Cheryl Willette, former Administrative Services Director Denise Jacques, Products & Services Director Bill Powell, and Member Services Supervisor Susan Golden) for their hard work over the past year. I also want to thank those on their staff, whose many hours of work ensures that our electric cooperative runs effectively. Of course, one of our unsung heroes is Debbie Brown, administrative assistant, who supports the Board, organizes the annual meeting, helps coordinate the production of *Co-op Currents*, and is in so many ways the superglue that holds our Co-op together. The many hours of thought, hard work and study by both Board and management that go into the creation of our policies and decisions often go unseen and unrecognized. These are the people who do all that analysis and planning, and then carry out the policies that shape our Co-op.

I also want to salute the contributions of several people who are not on our staff but provide invaluable services. These include our general counsel, Josh Diamond, of Diamond & Robinson; Stan Faryniarz and Patti Richards of La Capra Associates, our power-supply and -planning consultant; John Murphy of Stantec, construction and design consultant for our Coventry power plant; Lenny Wing of NEWS VT, which owns and operates the landfill that provides fuel for the plant; the staff of Innovative Energy Systems (IES), which operates the generating plant; and Dan Crocket, our consulting electric engineer. My deepest thanks go, as well, to *Co-op Currents* Editor Will Lindner and layout designer Tim Newcomb. We rely on all these professionals, and greatly appreciate their services.

Please remember that we always look forward to hearing from you, our members – the owners of our Co-op. We are fortunate to have a great Co-op, and a team effort which I am proud to be a part of.

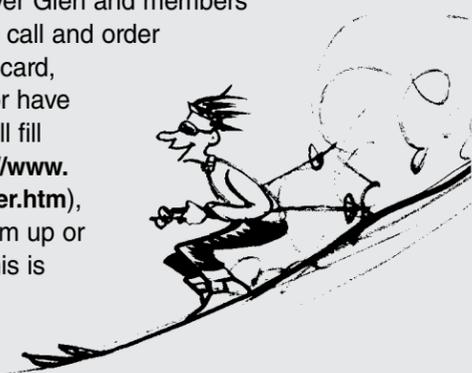
As 2010 winds down and we prepare to move into 2011 I would like to wish all of our members, your families, and our employees and their families, a very healthy and happy holiday season and a great New Year. 🐼

Now, Call WEC for Mad River Glen Tickets

The geese have flown south, the temperatures have plunged, and ski season is coming! This year the Co-op has an improved deal for WEC members who ski at Mad River Glen – which is also a cooperative. You can now purchase day passes at the Co-op office. The ticket price varies depending on the day; weekday adult tickets are \$35.

WEC is a ticket retailer for Mad River Glen and members are eligible for special prices. You can call and order tickets by phone, paying with a credit card, then either pick your tickets up here or have us put them in the mail. The Co-op will fill orders placed from the website (<http://www.washingtonco-op.com/pages/madriver.htm>), but members must still either pick them up or have them mailed to your address. This is not an electronic ticket offer.

See you on the mountain!



A New Focus on Energy

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we lost [power from] Hydro Quebec. That cost Vermont a tremendous amount of money.”

Relying on our own power, each generation unit serving a comparatively small consumer base, would lessen our vulnerability to such widespread havoc.

As for Vermont Yankee, Klein says, simply, “It’s going to close on schedule, on March 21, 2012. We’re not doing anything that hasn’t been known about for 40 years. It should come as a surprise to nobody.”

Klein says he understands the pressures to reverse last year’s decision and allow Yankee’s license to be renewed: people’s concerns about replacing Yankee power, and for the jobs and tax revenues the plant provides (even employees who live in New Hampshire and Massachusetts pay Vermont taxes on their earnings). However, Vermont Yankee’s parent company, Entergy, scaled back the amount of power it would offer Vermont utilities under a new contract, so the utilities are making replacement-power contingencies anyway, at least for a portion of their current Yankee allotment. And most Yankee jobs will survive for several years, as the plant must be controlled and monitored during a five-year “cooling” phase before the work of decommissioning begins.

“In the larger context, this represents a transition from what we have today to something else, which happens periodically in all industries,” says Klein. “We need to be able to go forward and adjust to new jobs and new ways of doing things.”

Many paths...

The first order of business for Klein is to determine what initiatives his House committee will put forward to

improve Vermont’s energy system. The legislative offseason has been a time for researching and preparing for the session. “It’s important for Vermonters to know we don’t just start thinking of things to do once we get there in January,” says Klein. “Seventeen four-day weeks is not a whole lot of time to get things accomplished.”

Klein stresses that the House Energy and Natural Resources Committee will share the same priority as other legislative committees. “We’ll all be job-focused,” he says, “looking at the employment impact of every direction we’re going in.”

Klein says the committee learned a great deal about Vermont’s pent-up interest in developing renewable-energy projects from the state’s standard offer program. Established in 2009, the program sets guaranteed rates per kilowatt-hour for in-state renewable technology projects (landfill and farm methane, wind, solar, hydropower and biomass) up to 2.2 megawatts (MW) for 15-to-25-year contracts, depending on the technology employed. Rates were set by the Legislature and verified by the Public Service Board, based upon the cost of construction. The program was capped at 50 MW, but within hours of opening, in October 2009, it received applications totaling more than 208 MW of production. This led to the Public Service Board’s organizing a lottery for solar and biomass projects; many of the projects that were successful in the lottery are now under development.

Klein points out that in this example the standard offer (also known as the feed-in tariff) provided a level of certainty unusual for renewable-energy developers. Supporting their success yields numerous advantages for Vermont. “It guarantees jobs, tax revenue, and more renewable energy generated in Vermont and used by Vermonters,” says Klein.



Six months before winning Vermont’s gubernatorial contest, then-Sen. Peter Shumlin (above) and his four Democratic primary opponents discussed energy issues at WEC’s Annual Membership Meeting in May. As chair of the House Energy & Natural Resources Committee, WEC member Tony Klein (below) expects there to be lots of action in the energy arena in the new administration.



“Based on that success,” he says, “we’re looking at other similar options.”

Those options could include a similar process targeting other technologies that are included in the

standard offer program but attracted less response than solar and biomass. Klein acknowledges that the subsidized rates are compara-

continued on next page

A Season of Sharing

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Family Readiness Program. Knowing that the employees preferred to assist local families if at all possible, the Family Readiness Program came up with three military families that were in need of assistance. The program provided information about the families, but not their identities. The staff members learned that in all three cases the person on active duty was a husband and father, and that each family is facing a hardship above and beyond having been separated from the dad (and main breadwinner) for a long time. The really good news for all three families is their Guard member is or will be back home before Christmas.

The employees were given lists of gifts that each family would especially appreciate. And so it was that in mid-December three of them went Christmas shopping (four actually, because in one case two people went together). Each shopped for a particular family, using the gift lists they had received, and each had a third of the total funds, or \$467, to spend. Though cash gifts were discouraged, the Family Readiness Program advised them that gift cards for food would be appreciated, as well as gift cards for gas for the family car. You get the point: these are families with a loved one serving in the military, and they are having a hard time.

The shoppers returned to Washington Electric and piled their gifts in the conference room. Over the course of several days in mid-December employees will take a little time to come to the room and wrap the presents in colorful paper and bows. On Monday, December 20, representatives from the National Guard will come and collect the gifts and get them to the families before Christmas – with thanks from the people at Washington Electric.

Maybe the gifts will brighten their Christmas. Just the doing of it has brightened the season for the staff members. For here is the one quote in this story (and it’s anonymous, of course):

“This has been a joint effort that has made everybody feel good. It makes you appreciate what you have.”

Footnote: Stuff-A-Truck

The Christmas presents for National Guard families was actually the second time in as many months that WEC’s employees and the Community Fund teamed up to contribute locally to people in need. In November one particular staff member who listens to Barre radio station “Froggy 100.9” (WWFY-FM) as she drives to work heard the station promoting its annual Stuff-A-Truck program. Upon arrival at the Co-op she dropped in at General Manager Patt’s office and asked if he would be so kind as to authorize a contribution for the food drive by the WEC Community Fund, just as he did last year. He provided \$1,000 for the cause – one of the Fund’s largest donations of the year.

With this money four Co-op employees went shopping: Member Services Representative Shawna Foran, Member Services Supervisor Susan Golden, Operations Director Dan Weston, and General Manager Patt himself. On the appointed day (November 18) the Co-op took its approximately \$1,000 worth of foodstuffs to the Berlin Mall, where a Bellavance tractor trailer was awaiting. There, representatives of the three radio stations that sponsor the event – Froggy 100.9, 107.1 Frank-FM, and 1450 WSNO – joined by members of the Vermont National Guard, took the deliveries and loaded them into the big, cavernous truck. Surely the gifts made the Thanksgiving season a little more comfortable for local folks in need.

The Stuff-A-Truck program works with the Central Vermont Salvation Army Emergency Food Shelf. This was the ninth year of the Stuff-A-Truck program in central Vermont (there are similar programs in many places in the U.S.), and in that time people have contributed more than 100 tons of food and \$60,000 in monetary contributions, according to WhereIt.com (“Your Source for Local Information”).

tively high, but by encouraging more development of alternative power they create a competitive market in those technologies, eventually reducing the price. The House committee might also consider another approach to the feed-in tariff program, for example by allowing the subsidy rate to be established competitively as projects seek a place in the program.

Klein lists other ideas that his committee plans to explore for stimulating Vermont's renewable-energy sector. The SPEED (Sustainably Priced Energy Enterprise Development) program was created by the Legislature in 2005 as an alternative to the "green portfolio" mandates that other states have used to ensure that their utilities incorporate renewable power in their energy mix. SPEED allows Vermont's

utilities to avoid individual mandates by collectively achieving statewide objectives. The present targets are 20 percent of power to come from renewable sources by 2017. A possible change would be to extend the deadline to 2022 but increase the requirement to 30 percent of total power.

Then there's Vermont's group net-metering law. Here, Klein raises the possibility of increasing the per-project cap from 250 kWh to 500 kWh. (Net metering allows individuals to generate their own power, for example from solar panels, and feed the portion they don't use back into their utility's power lines, for a credit on their electric bill. Group net metering allows people who don't use the same meter to join together to generate power, for example from farm methane, and share in the benefits.)

Klein says the net-metering program has nearly met its goal of providing 2 percent of the state's entire load, so an expansion could be considered.

Renewed optimism

With Christmas still around the corner, it's too early to know how the 2011 Legislature will pursue energy-related reforms. Certainly, though, Rep. Tony Klein is optimistic that the atmosphere in state government will be more conducive to creative ideas. In fact, he hopes the Department of Public Service under Elizabeth Miller, recently tapped by Shumlin for the commissioner's post, will resume the role of innovator, as it was under the Howard Dean Administration when DPS personnel (most notably Scudder Parker) founded Efficiency Vermont, the

state's "energy efficiency utility," which has gained a national reputation for its effectiveness.

"The DPS is where ideas like that can and should be generated," says Klein. "I'd rather have the Legislature go back to the role of vetting the Department's ideas instead of having to generate them ourselves. They [DPS personnel] know a lot more about it than we do."

Pundits keep saying that the nexus of renewable-energy development and job creation is Vermont's best and most profitable pathway toward the future. Presuming that Vermont Yankee closes on March 21, 2012, that theory will be put to the test. Klein, for one, can't wait to begin. 

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A New Focus On Energy

Local Legislator Foresees Jobs in a Revamped Energy Sector

Vermont's state lawmakers are preparing to convene for their 2011 legislative session, and energy-related issues are certain to play a prominent role. This would be true if for no other reason than that the Vermont Yankee nuclear power plant is nearing the end of its contract with Vermont's largest utilities in 2012, and simultaneously its operating license, and that the Legislature voted last year not to renew its license. This raises the likelihood that the plant will go out of business in March 2012, and Vermonters are wondering about the implications of that shutdown.

Yet there are other energy issues on the table, too, largely having to do with

the role of in-state renewable power and crafting a proactive vision for the state's energy future.

WEC member and State Representative Tony Klein explains that there's more than an administrative transition in the offing (Republican Gov. James Douglas completing his final term in office next month and Democratic Governor-Elect Peter Shumlin taking over). An even more significant transition is taking shape for Vermont, this one regarding how and where energy is produced and provided to Vermont consumers. Klein, who chairs the House Energy and Natural Resources Committee, says that although the Vermont Yankee

controversy is largely perceived by the public as one that concerns plant safety and environmental protection, that's only part of what's going on.

"It's been the goal of the state that Vermont demonstrate its independent spirit by creating and developing its own in-state power sources through local distributed generation," says Klein. "Distributed generation means smaller, more scattered generation facilities that primarily use renewable resources and are close to the people they serve."

The opposite – large, centralized generation facilities – has been the norm for decades. And while Vermonters, connected as we are to the New England grid, usually envision

these as out-of-state fossil fuel-burning stations, the description fits Vermont Yankee as well. Through a transition to distributed energy, Klein says, Vermont can reduce the climate and air-pollution impacts of energy generation, create a new array of jobs around the state, and develop a sustainable tax base.

"This will strengthen our grid, too," he adds, "making us less susceptible to disruptions from outside our state that can result in widespread power outages and regional blackouts. We've seen the results of depending on large, centralized sources. There's no better example than the 1998 ice storm when

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Building Line When The Sun Don't Shine

Once the early-December rains turned to snow and the high winds abated, a four-man Co-op crew went out to build a line extension to two new house lots on Sunrise Ave. in Duxbury. Top photo: the trucks convene under gray skies and the workers get materials ready. Below, from left, Construction Foreman Bob Fair prepares an insulator at the top of a newly set pole; some 225 feet away, Apprentice Lineworker Kyle Harper enjoys the altitude as he attaches conductor (electric wire) to the top of the other new pole; Lineman 1st Class Larry Brassard rolls out the new wire; truck driver/ground worker Donnie Singleton helps Fair (atop the pole) handle the slack line before it's raised and tightened in place.

