

WEC CO-OP CURRENTS

WEC Previews Efficiency Campaign at Community Meetings

We all know things we could do in our homes to reduce our use of electricity, and no doubt most of us have already taken important steps to conserve. But something – perhaps just human nature – gets in the way of finishing the job. That’s why Avram Patt spoke in the first person when he brought up the subject at recent community meetings in Groton and West Danville.

“I think this is true for everybody, including me,” Washington Electric’s general manager told Co-op members after dinner at the West Danville

Methodist Church on October 17. “Call it inertia. But there are things we can do, which really everyone knows about, that can reduce our use of power. It makes a real difference – to you, to the Co-op, to the state. And, of course, it’s healthier for the planet.”

In conjunction with Energy Vermont (ECT), the statewide service that promotes and assists in energy-efficiency efforts, Washington Electric Cooperative is formulating a campaign to raise members’ awareness and

continued on page 4



Washington Electric Cooperative was awarded the 2006 Renewable Energy Industry Champion at the annual Renewable Energy Vermont conference on October 19. Receiving the award are (from left) half of WEC Director Don Douglas, General Manager Avram Patt, and Directors Roger Fox and Marion Milne. An article on this conference will appear in our December issue.

Grateful in Groton, Anyway

Steve Genereaux of Ryegate had a request.

“Can you carry our appreciation back to the maintenance crew?” he asked “Because when the power does go off they’ve been very responsive and accommodating in getting it back on.”

continued on page 5

Co-op Policies Endorsed in West Danville

Rodger Lawrence of Marshfield was receptive to the Co-op’s message on energy efficiency. The Lawrences, Rodger and Polly, were among some three dozen members who attended Washington Electric’s Community Meeting in the low-ceilinged meeting

continued on page 5

Coventry Expansion Goes To The Voters

The installation of a fourth engine to increase the generating capacity at Washington Electric’s landfill-gas electric power facility in Coventry, Vermont, awaited a verdict by the voters as *Co-op Currents* went to press.

The state Public Service Board granted its approval on October 5, awarding WEC a Certificate of Public Good for the addition. That cleared the way for a special vote of the membership on October 31. Members could vote at

WEC’s office, but most presumably will vote by mail. WEC sent ballots to all of the nearly 10,000 Washington Electric Cooperative members in mid-October, with instructions to return them by October 30 to have them counted. The vote would ratify the PSB’s approval of the expansion.

If approved, the Co-op will add another engine to the three that were installed when the facility was constructed in 2005.

continued on page 2

Inside

Consider energy! Many important issues are in play in the November 7 local, statewide and national elections, but our use of energy is one of the most critical. We present the views of six of Vermont’s major candidates, on page 7 and page 8. WEC President Barry Bernstein describes what’s at stake in his ‘Report’ on page 3.

Calling all co-ops. October being national ‘Co-op Month,’ Vermont cooperatives of all kinds came together to celebrate their shared

business model and discuss mutual issues. Page 3.

Thanks again, Dean Shattuck. One of Washington Electric’s longest, most-dedicated former employees passed away in October. Remembrances of Dean are on page 6.

Co-op Store! There was a lot going on this month, so we had to sideline our usual Co-op Store feature. For now, find Co-op Store and its values at www.washingtonelectric.coop.



Natalie Laura Santaw, of Cabot, two months old, attended her first Co-op meeting in West Danville. She decided to bring her grandmother, Donna Brown. Our Community Meeting feature continues on page 4.

Washington Electric Cooperative

East Montpelier, VT 05651

Members Write

Co-op Currents welcomes letters to the editor that address any aspect of the Co-op's policies and operations, or any matters related to electricity. Readers can write to Co-op Currents, P.O. Box 8, East Montpelier, VT 05651. Letters to the editor will not be published in the Annual Meeting (April) issue.

Speaking for the trees

Editor, *Co-op Currents*:

In light of the remarkable success of the Coventry methane generation project (approximately 33 percent of WEC's power at present) in using our own trash to produce electricity, I'm surprised at the almost uniform cheering of the individual members of the Board of Directors for large wind towers in our August 2006 issue ("Up Close and Personal With Wind Power"). Regardless of whether any given person may not mind their looks or noise, the more important issue is, do we keep invading the wilder parts of our natural environment, rendering it no longer wild, to satisfy our insatiable demand for cheap energy.

A second point is the political location of the proposed wind farms in the Northeast Kingdom. Many people I've spoken to think these sites are scientifically identified as the windiest locales. Anyone who has spent time up high in this state, even skiing at various ski areas, knows that the winds blowing at 2,000-2,700 feet on any

given mountain in the Kingdom are small potatoes compared to what is going on up higher along the spine of the Green Mountains. Even the shoreline of Lake Champlain and the Champlain Islands may have more dependable wind. I suspect that the NEK sites have been chosen because the relatively poor and lightly populated towns of the region can be more easily influenced by tax benefits and are less organized and prepared to fight back against an unwanted intrusion.

We all would like to use renewable energy. If we want to take advantage of a renewable, though undependable, source of energy like wind, we should place its giant infrastructure in landscapes already degraded by man. Each ski area could host several large towers. The shoreline of Lake Champlain may be good for more. The medians of the interstate highways are my favorite candidate and some portions are remarkably windy due to topological effects. The problem of ice throw is just another technological hurdle to be solved, probably with a small bit of the turbine's capacity. All the locations I mentioned are sites of intensive energy use and a human-dominated landscape where the externalities belong. NIMBY is not an

issue here since almost all Vermonters either use or can see the above-mentioned locales.

Ask ourselves this question: "Who speaks for the trees?" And let's keep generating power from our own trash rather than trashing more wildlands.

Jan Lewandoski
Co-op member for 30 years
Stannard

The general manager replies:

As commercial wind development continues to be debated in Vermont, it remains necessary to set the record straight about certain claims that are regularly made by opponents. I'll briefly respond to a few points in Jan Lewandoski's letter.

- WEC and other utilities are not interested in wind energy to satisfy anyone's insatiable demand for more energy. We need to replace existing major sources over the next few years in order to meet Vermonters' current needs, and that energy will come from somewhere.
- It is just untrue and unfair to repeat the allegation that wind developers are picking on the Northeast Kingdom because the towns are poorer. If this is the case, why have developers also been working on potential projects in Londonderry and Manchester Center?

- A statewide wind feasibility assessment with accompanying maps and data has been publicly available since 2002 and is posted on the Department of Public Services' website at: http://publicservice.vermont.gov/energy-efficiency/ee_files/wind/ee-wind.htm

- Good wind sites in Vermont exist on certain ridgelines and only at certain altitudes. The tallest peaks in Vermont are too high and have adverse weather conditions. It is simply not true that the Champlain Valley has favorable wind resources for commercial wind development, nor is there sufficient wind along the interstates. Ridgeline locations must pass other critical tests in order to be considered: the land must be available and not restricted for such use, and there has to be access to the transmission grid that is economically and environmentally feasible.
- The project proposed by UPC in Sheffield and Sutton is in a location that already has an existing high-voltage VELCO transmission line running very close by, as well as a nearby interstate and other human uses.

— Avram Patt

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.

Coventry

continued from page 1

The plant, which produces electricity by using landfill gas to power the engines, began operation in July of that year.


WEC General Manager Avram Patt was optimistic as the vote drew near.

"Our original proposal to construct the Coventry plant won the approval of 95 percent of the voters when we put it to a membership vote in 2004," Patt said. "The plant has, if anything, exceeded our expectations. By August of 2006 it was producing a third of the Co-op's total electric needs, and the methane that's being produced in the landfill is easily enough to fuel a fourth engine."

WEC's consultants for the project

calculate that with a fourth engine the Co-op will eventually be able to increase power production to meet 50 percent, or more, of the utility's total needs.

The Co-op experienced a setback when the plant was disabled by a fire in the generating room on August 8. However, the equipment was not seriously damaged, and the gas-collection system itself was not affected. Patt said the Co-op expected to re-open the plant, with the fourth engine if the voters approve it, before the end of December.

Co-op Currents will report on the results of the voting, and progress in returning the Coventry facility to production, in our next (December) issue. 



To his delight, Right-of-Way Coordinator Mike Myers discovered a nine-pound puffball in the Co-op's ROW in Orange in September. WEC Engineer Brent Lilley reports, "Mike took it home and was actually going to eat it, but it was discolored inside, so he carved it out like a pumpkin." Sounds like a better idea, anyway.

President's Report

Action Alert: We Need To Pay Attention!

By Barry Bernstein

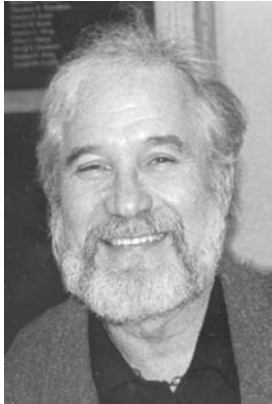
November Election

As we enter the last few days before the midterm election on November 7, I urge all WEC members to review the candidates' positions on energy issues – do they offer vision and leadership? – in an area that will continue to grow in importance as it takes more out of our pocketbook and has a greater and more profound impact upon our environment.

Please take the time to be sure to vote.

A new landscape

Over the past decade we have seen an increasing change in the energy landscape, both locally and globally. There is no longer much disagreement about the fact that we are facing serious consequences from global warming unless we act decisively in making critical decisions concerning how we supply our energy needs going forward. A leading global scientist, Jim Hansen,



of NASA, sets the critical timeframe for making significant changes within the next 10 years.

In Vermont, our power-supply portfolio in the near-term future is unclear, with two thirds of our contracts, Hydro Quebec and Vermont Yankee, ending in the next five to eight years. We will have power; the question is at what price,

and what choices will we make for our future? We can view this situation as a unique and timely opportunity to set our energy policy if we have people who are willing to provide the leadership and foresight to make the changes so critical to Vermont's energy and environmental future.

Fortunately, in the late '90s we avoided having our electric utilities in Vermont deregulated and were able to watch from the sidelines as California and many other states, including most of New England, fell pray to false promises of lower electric rates. It was due to the leadership of people like Reps. Michael Obuchowski and Paul Cillo in the

Vermont House that we owe our thanks.

We were not so lucky when it came to the opportunity to purchase the Connecticut and Deerfield river dams. The lack of foresight and leadership by the Douglas Administration and others, took one of our most important environmental and economic power-supply options off the table, a decision that will most likely be viewed as the worst lost opportunity of the past 50 years.

We are now witnessing major second-home development in Vermont, which will require significant additional power supply at a time when we are grappling with how to meet our current needs. An additional consequence of this development is the need to increase the transmission grid upgrades beyond what we would have had to do otherwise. Many of you have read about the Lamoille transmission upgrade, which has already doubled in price and has yet to be built. The recent second-home development in East Burke will require Lyndonville Electric to double its present load if it is going to accommodate that development.

A minority, but a very loud segment of our population which opposes wind-power development – supported by *The Burlington Free Press* editorial board

and by our governor – makes it difficult to move ahead with reasonable wind farm development. Thankfully, every other political leader recognizes the value of responsible, cost-effective wind development, and the need to include it in the jigsaw puzzle of how we develop a shared vision of our energy future.

There are many energy-related issues that will face Vermonters in the next several years: the sale of our second-largest utility to a Canadian company, how much we spend on efficiency and how aggressively we pursue it, how we develop responsible wind farms, how we address the issues of waste disposal and safety, and whether the state supports re-licensing of Vermont Yankee, just to name a few. The people we elect to office at the local, state and federal levels will play heavily in how well we succeed in developing our energy and environmental future for our children and grandchildren.

Please take the time to give this some thought before you vote. And PLEASE VOTE. Our future choices are the responsibility of us all, and having foresighted leadership is critical to that future.



A 'Summit' For Vermont's Cooperatives

Doing the Co-op Thing During 'Co-op Month'

They came together to reinforce their shared commitment to the cooperative model of business enterprise in Vermont, and to talk about regulatory and economic trends that could impact the various co-ops they represent. Leaders in the national co-op movement discussed such subjects as how boards of directors could become more effective, and how struggling cooperatives with voluntary memberships can attract and keep new members.

October being not only "Co-op Month" across the nation, but also the home stretch before the November 7 elections, the Vermont Cooperative Summit – held at Burlington's Wyndham Hotel on October 10 – also attracted political candidates. An hour-long "Candidates Forum" provided four statewide candidates an opportunity to draw connections between their political beliefs and experiences, and the principles and practices at the heart of the Vermont cooperative movement. (See "Congressional Candidates Make Their Pitch," page 8).

The event was organized primarily by the tireless Roberta MacDonald, senior vice president and head of marketing for Cabot Creamery Cooperative Inc. Attendees represented the array of cooperative business sectors active in the state, from credit unions to agricultural co-ops, food co-ops, rural electric co-ops (like WEC), housing co-ops and more. General Manager Avram Patt addressed the gathering during the lunch hour, on the subject of state and federal statutes that govern cooperatives.

In the true co-op spirit, no profits would be taken from the statewide Summit; instead, any revenues above the conference's costs were to be contributed to the Vermont Food Bank.

What co-ops bring to the table

Following introductory remarks from Cabot President/CEO Richard Stammer, the first speaker was Dr. Michael Cook, chair of the Department of Agricultural Economics at the University of Missouri.

Cook is known for his expertise in developing co-op leadership, both senior management and boards of directors. His subject was "The Role of Directors" – and while the conference operated under the premise that cooperatives are the best business model from the standpoint of long-term stability and consumer benefit, Cook said it wasn't necessarily so.

Co-ops are inherently stable, Cook said, noting that the average business enterprise in the U.S. survives for five years, while the average cooperative survives for 60 years. But, he added, "Only if they have attentive boards will the organizational form of the co-op be the best business model," and therefore remain stable.

The main functions of a co-op board include monitoring the various budgets (capital, operating, human resources, etc.) and overseeing the CEO (in WEC's case, the general manager). But the board's most important job – especially since it is elected by the membership – is to fully understand the values and

interests of the members, and channel those into a clear, functional purpose for the organization.

"A well-developed purpose will act as a cohesive force in making decisions," he explained. When a co-op loses the sense of its purpose it can drift away from its members – and then, who cares if it's a "co-op" or not? It has no value if it's not acting like one.

Cook was followed by Paul Hazen, president and CEO of the Washington, D.C.-based National Cooperative Business Association (NCBA). Hazen rallied the troops, reminding people of the values at the heart of cooperative practice, including the Seven Cooperative Principles.

Hazen also listed several advantages of the co-op model:

1. Co-ops distribute capital within their memberships (WEC, for example, annually pays capital credit refunds), while stock companies concentrate capital in the hands of a few.
2. Co-ops keep capital in their commu-

continued on page 8

Community Meetings

continued from page 1

commitment to conservation. WEC has done this before, aggressively targeting reductions in “demand-side power” in the 1980s and ‘90s and becoming a leader in the conservation movement. The Board of Directors and senior Co-op staff have concluded that it’s time to renew and re-energize that commitment. The sources and costs of Vermont’s future power supply are in question, and New England is highly dependent on electricity generated from natural gas, an expensive, economically volatile fuel.

So WEC used this year’s community meetings to begin the discussion.

These autumn events were instituted in 2003 because WEC’s leadership wanted an opportunity to meet, hear from, and explain Co-op policy to more-intimate gatherings than the Annual Membership Meeting provides. WEC notifies its members in the host town and adjacent towns ahead of time using bill inserts, and partners with a local service group which provides dinner, cleans up, and keeps whatever revenues remain from the costs of the evening.

This year General Manager Patt, Engineering & Operations Director Dan Weston, Products & Services Director Bill Powell, and several board members, visited towns out at the eastern edge of Washington Electric’s service territory. The October 17 meeting benefited the West Danville Community Club, and the October 18 meeting benefited the Groton Playground Fund. Volunteers from both organizations worked hard and served sumptuous meals. The information meetings – chatty and informal – followed. Approximately 35 Co-op members turned out at each event.

In addition to the “cuisine,” several power-related subjects were on the table. A topic of much concern was the recent fire at WEC’s Coventry landfill

gas-powered generating facility. Also discussed were the Co-op’s overall power supply, and the purpose and possible outcomes of a state-mandated “rate design” effort now underway. Weston spoke at each location about how WEC provides electricity to those communities and what the system’s strengths and weaknesses are in their area. He reminded folks (as if they needed reminding!) that in rural Vermont outages are going to happen, especially during storms, and they should take precautions so they can live without electricity for a while if they need to.

Weston emphasized that despite technological advances, the Co-op depends on people reporting outages, so crews can respond quickly.

“You’re still our eyes and ears,” he said. “Please call in. Don’t just rely on your neighbors.”

And there’s another crucial function WEC members can perform: They can look out for one another.

“We maintain a medical-needs list,” Weston said at West Danville. “Those

are people who depend on medical equipment that is operated by electric power.

We call to check in with those people when there’s an outage concern. I would encourage everyone in this room to do that on a local level.”

At least make choices

High on the list of priorities, however, was the discussion of conservation and energy efficiency. The most important message from the Co-op was that, as Patt said, “it works.”

People were handed a graph showing patterns of residential electricity use from 1940 to 2001, for the U.S., for New

The per-kWh cost of EVT’s efficiency program is about a third of the present cost of power, and the investment has reduced our power consumption.



At Groton, Engineering & Operations Director Dan Weston holds forth on a subject he dearly loves (and makes interesting to others), WEC’s poles and wires.

England, and for Vermont (see page 4). For all three, the curve rose steeply until the famous oil embargo in the early

1970s. The three lines then leveled off, but soon U.S. consumption – measured in kilowatt hours-per customer – was back at it, and the U.S. line rose again, and

continued rising to the end of the graph.

In New England consumption remained fairly level for a decade, and then rose quite moderately. In Vermont, the curve flattened out during the oil embargo and stayed flat. In the 1990s it actually went down, and has continued in that direction, the only one of the three trends that showed a decrease in the per-customer power used.

“People are doing the same things, but they’re using more efficient technology,” Patt explained. “More efficient lighting, more efficient appliances, etc. I don’t think anyone can say that people are freezing in the dark from energy conservation.”

A second graph revealed the cost savings from energy efficiency from 2002 through January 2006. It showed the cost of power rising dramatically, from just under 4 cents/kWh to a high of 12.5 cents/kWh. Meanwhile, Vermonters were paying around 3 cents, to nearly 4 cents, for EVT’s efficiency-assistance programs.

Putting the information in the two graphs together, it becomes clear that the per-kWh cost of Vermont’s statewide efficiency program is about a third of the present cost of power, and the investment has reduced our power consumption.

WEC’s goal is for its members to exceed even those savings. As the most rural utility in Vermont WEC’s rates are among the highest, so the savings for members would be greater.

How can they do that?

Patt said that one thing members can do is call Bill Powell (who attended

both meetings). His job includes helping members find ways in their own homes and businesses to reduce their consumption; it’s not about selling products to bring the Co-op revenues.

Other tips included trading in old appliances for newer, more-efficient ones.

“If your refrigerator is 10 years old or older,” said Patt, “you can buy almost any new model and it will cost you less to run. The energy savings will pay you back in about three years.”

In Groton, Peter and Sheila Herman said they had bought a freezer from the Co-op 30 years ago, back when WEC sold appliances to its members. It certainly had been dependable. “It’s literally been running for 30 years except when you guys turn the power off,” Peter joked. But the Hermans worried about the amount of power it was using.

“Get a new one!” Co-op Director Don Douglas piped up.

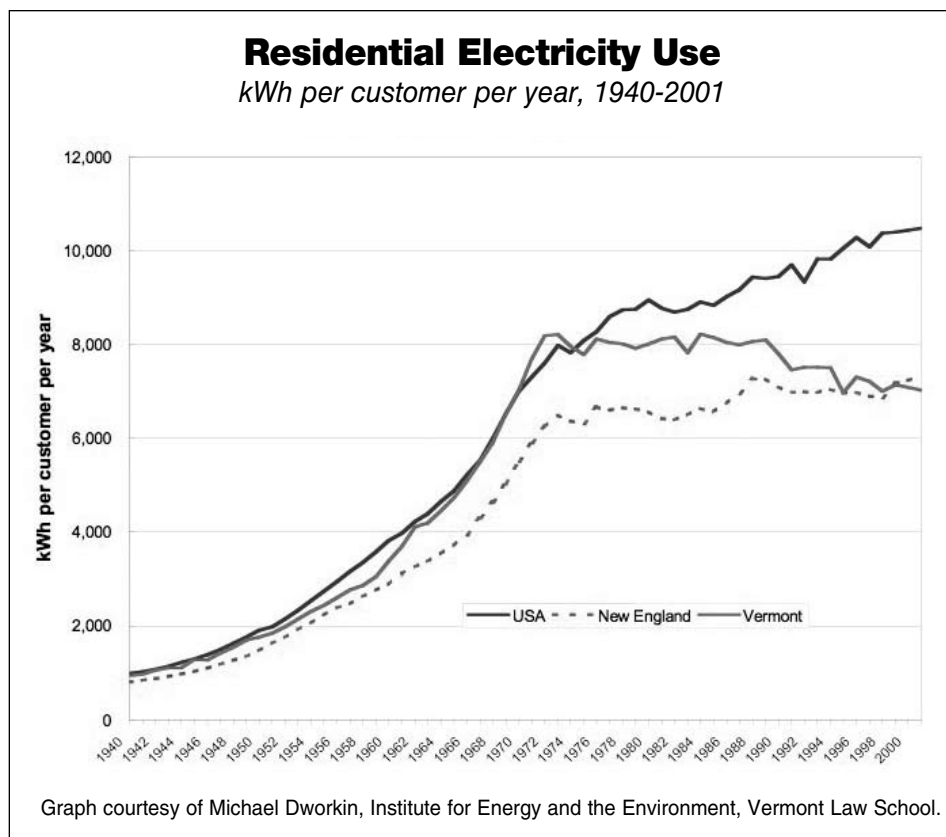
Patt also discussed “parasitic power,” which electronic devices consume in the standby mode.

“People used to have to wait a couple of minutes for their TVs to warm up,” Patt explained. “Now they come on instantly. The reason is that even though they’re ‘off,’ they’re drawing power constantly to stay warm.”

This can be remedied by plugging the television into a power strip, and turning the power strip itself off when the TV (or other equipment drawing parasitic power) is not in use.

“The instant-on function is there for the luxury of your not having to wait two minutes for your picture. But you’re paying for it,” Patt said. “Parasitic power can account for 5 percent of your energy usage.”

If there was one energy-efficiency message Patt wanted to impart it was this: “We try not to get into telling people how to run their lives. But it’s important for people to know about their consumption, and to make informed choices. If you’ve gotta have that plasma TV with its high-definition picture, maybe you should replace your 10-year-old refrigerator.”



Groton Meeting

continued from page 1

The other Co-op members in the room, about 30 of them, broke into applause. WEC General Manager Avram Patt, who was conducting the informational part of the October 18 Community Meeting at the Groton Methodist Church, agreed to pass on the message.

Their appreciation was good news to Dan Weston, WEC's Director of Engineering & Operations, because, as he admitted to the Groton crowd, "Statistically speaking, this is one of the worst-performing areas of the Co-op's territory."

Groton Co-op members, and those of nearby communities, are served by the Mt. Knox substation on Route 302 near the Groton/Topsham line. It's an old substation, Weston explained, but that's not the problem because it's in good shape. The Co-op had recently installed a new transformer there, and also kept a spare transformer on-site as a backup.

The reason for Groton's problems? "Trees, folks," Weston said, "and the fact that a lot of the lines here go cross-country."

Groton is a very rural area, where much of the original power line right-of-way, which was once in open farmland, has grown into forest. It's a large territory to patrol and keep clear. The good news, Weston said, is that WEC has begun putting more money into right-of-way management in an effort to improve reliability – not just in the Groton/

Topsham/Corinth area, but system-wide.

"The Board of Directors has increased the right-of-way budget by 40 percent in the last five years, over and above the inflation rate, to around \$500,000 this year" said Weston.

Other improvements also should have a positive impact on reliability and power quality in the Groton area. For one thing, WEC is continuing its long-running campaign to replace faulty "cutouts" (a fuse housing mechanism) that are responsible for a high number of outages. These devices have been a headache for utilities everywhere, but Weston said the Co-op was beginning to see the end of the tunnel perhaps a few years down the road.

Also, improvements to a section of power line in Orange – from the Orange reservoir, along George Street to Route 302 – will help.

"We're upgrading our line there from two-phase to three-phase," said Weston.

That might not seem important to Groton members, but that line several miles away is a part of the system that supplies their power. And in that vein, Weston urged folks in the room to be mindful of weather forecasts.

"You might hear that there's a foot of snow on the Orange Heights, but it's just freezing rain down here. Your power is coming from up there. Chances are you're going to be affected, so it's a good idea to be aware and prepare.

"And check on your neighbors," he said. "That goes a long way, because we're all in this together."



Groton-area Co-op members (photo above and bottom) turned out to enjoy a meal together and find out what's going on with their cooperatively owned utility.



At West Danville, the talk was mostly of costs – costs that could be saved by additional energy conservation, and costs that have been saved by the Coventry plant.

West Danville Meeting

continued from page 1

room downstairs at the West Danville Methodist Church on October 17. When General Manager Avram Patt brought up the subject of conservation, Lawrence had his own story to tell.

"I was head of the engineering department at a 1,700-bed VA hospital in Canandaigua, New York, in the 1970s," said Lawrence.

The 1970s, of course, was the time frame of the Oil Embargo and President Jimmy Carter's call upon the U.S. to wage a conservation campaign that would be "the moral equivalent of war." Lawrence explained that by switching to energy-efficient lighting throughout the multi-building facility, by converting to heat-reclaiming technology for the heating and air-conditioning plant, and adopting other measures over a four-year period, the hospital cut back its electricity usage by 45 percent and saved \$250,000 in energy costs.

"Of course, the technology today is a lot more advanced," Lawrence added.

Rodger Lawrence's approval appeared to be in line with others in the room. In addition to wanting to save on their power bills, they wanted to know what effect WEC's landfill gas-to-energy project in Coventry had had on the Co-op's power costs.

Patt put it simply. Without Coventry, he said, "We would have had a rate increase by now, like almost every other electric utility in Vermont."

Board President Barry Bernstein provided further information. The Coventry facility – temporarily sidelined now by a fire in the equipment room – had been generating roughly a third of WEC's power, which will gradually increase to one-half of the Co-op's power if the members vote to authorize the installation of an additional (fourth) engine. The per-kilowatt cost of Coventry's power has been around 4 cents per kilowatt hour (kWh), while the recent market cost of wholesale electricity has fluctuated anywhere from 8 cents to 12 cents.

"Our power bills are about \$5.5 million a year," said Bernstein. "By reducing our demand for market power, and paying just a percentage of the market price for the energy we're taking from Coventry, we're saving about a million, million-and-

a-half [dollars] a year."

One Co-op member then praised the Co-op for its energy policies – investing in local sources (landfill gas, wind power, small hydro at Wrightsville) and conservation. Others applauded.

This led to a discussion of Vermont's future power supply. WEC no longer purchases nuclear-generated power from Vermont Yankee (other utilities, which do, must worry about the termination of that contract in 2012). But roughly 25 percent of Washington Electric's power comes from Hydro Quebec, whose contract with Vermont will end in 2015. Patt explained that Hydro Quebec power probably will be available after that date, "but the provincial utility has made it clear that the cost will be more market-based."

Meaning expensive.

That's one reason the Co-op plans to roll out a new energy-conservation initiative based on Efficiency Vermont programs.

Engineering & Operations Director Dan Weston changed the discussion from financial issues to the nuts and bolts of how the people in the room received their electricity. Most of them, he explained, were connected to the Co-op's West Danville substation, which is supplied by a Green Mountain Power transmission line extending from Marshfield to the eastern border of the state.

"West Danville is one of our smallest substations," Weston explained. "It serves just under 500 members. But West Danville has seen a huge upswing of people upgrading their camps to year-round residences."

The substation was upgraded with new and modern equipment four years ago. Local folks also would enjoy improved service through "redundancy" – the Co-op's ability to provide power from the South Walden substation during outages that affected their lines from West Danville. He estimated that the power-line upgrades would be concluded within three years.

"As for keeping the lights on, we're having a good year so far," said Weston. No one needed to be reminded of the devastating October storm of 2005, so Weston reached over to knock on a wooden counter top several times – just in case.

Remembering Dean Shattuck

Washington Electric Co-op has grown from a small group of pioneering "co-operators" in Calais and East Montpelier 67 years ago to a modern, 10,000-member electric utility serving 41 towns, with an \$11 million budget. But it hasn't become such a big, slick operation to have forgotten its roots and the people who put it on the map.

One of those people passed away on October 5, 2006. Dean Elliot Shattuck, a Co-op employee for 48 years, was the kind of person for whom the job wasn't just a paycheck and a place to show up every day. For him, it was a way of "being" in his community. A U.S. Army veteran, Dean came to WEC in 1947, when the member-owned company was only eight years old and in the early years of pursuing its mission to extend life-altering electric power out to the rural people of central Vermont.

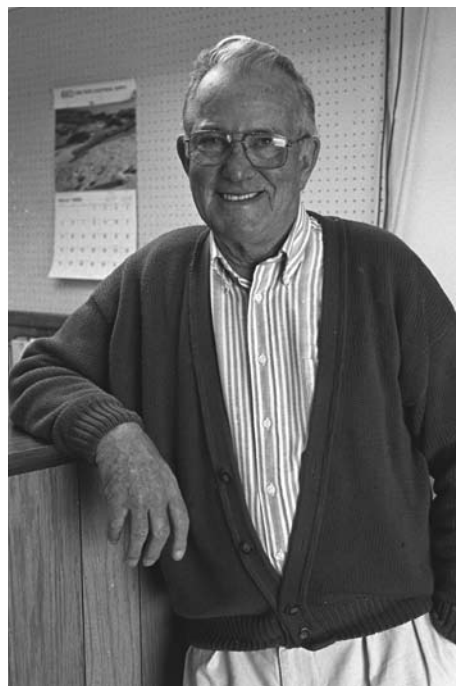
Dean had had to leave Norwich University when his money ran out, and his first job, at age 23, was with a Washington Electric line crew that hauled utility poles for installation at sites scattered around the rural territory.

He soon moved indoors, beginning a series of office and warehouse jobs that

included purchasing and maintaining the stock and equipment needed build out the electric system, and later included financial projects and the critical function of forecasting the Co-op's power needs. As years passed and Dean became increasingly knowledgeable about Washington Electric and rural electricity in general, he filled in when needed as interim general manager. His title was Administrative Assistant when he retired in 1995.

"I met Dean when I served on the WEC Board of Directors, and got to know him better when I became general manager in 1997, when Dean was finishing some consulting work he had taken on for us," said Avram Patt, the Co-op's current manager. "He was a source of history and context about pretty much everything, and cared deeply about Washington Electric Co-op. He was well-liked by the people he worked with."

Joe Bongiovanni, who was WEC's manager at the time Shattuck announced his retirement, said he wasn't sure what he would do without him. "Dean is like a compass," he said. "You go to him and figure out what your bearings either are, or ought to be."




Dean Shattuck

cooperative movement. The award was presented personally by the late Gov. Aiken's wife, Lola Aiken.

Of course there was more to Dean Shattuck's life than Washington Electric Cooperative. He was an avid skier, a friend to many, and someone who believed in sharing the blessings of family with people less fortunate. In that spirit he and his wife, Susan, adopted two Vietnamese children in addition to raising their natural children.

He is survived by his wife, a brother, five children and eight grandchildren. His life was celebrated with a memorial service at the Old Meeting House in East Montpelier Center on October 8. Linda Nelson, WEC's Finance Director, spoke at the service, and was among several current and former Co-op employees, colleagues of Dean's, who attended.

"As I think about retiring," Dean told *Co-op Currents* when he was preparing to leave his job at age 71, "I want to express my thanks to the members, and particularly the board and present and former managers, for their tolerance in having me around. It's been a real pleasure."

Well, that makes about 10,000 of us. 

Dean's dedication was formally recognized in 1989, when the Northeast Association of Electric Cooperatives presented him with the George D. Aiken Award for longtime service to the

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PS Form 3526, September 2006 (Page 2 of 3)

Douglas, Parker On Energy

Governor James Douglas and his Democratic challenger Scudder Parker appeared in a debate focusing on energy issues at the 5th Annual Conference sponsored by Renewable Energy Vermont (REV), in Burlington on October 19. The 40-minute debate was moderated by Mark Johnson. Reprinted here are three questions put to the candidates, followed by their responses (slightly edited for length), which are fairly representative of the positions they outlined on Vermont energy issues. — Editor

How do you envision Vermont's electricity profile in the year 2016?

Douglas

The Legislature and I worked together this year to forge a bipartisan process for engaging Vermonters in a discussion of our energy future. We're hiring a consulting firm to begin discussions on the matter within a few months. This is something that ought not be imposed by an administration in Montpelier, but ought to be something that all Vermonters talk about and develop a consensus on.

We have one of the most renewable portfolios now in the United States and we ought to be proud of that; virtually no greenhouse gas emissions. I certainly hope that our portfolio in the future will be safe, clean, renewable and affordable for the people of our great state.

The Vermont Yankee power plant license expires in 2012 and over the next couple of years the Public Service Board will weigh the application [for extension]. We'll know within three years what that piece of our energy mix will look like. The reason I'm enhancing our relationship with our neighbors to the north is to make sure that we maintain the opportunity to be good customer of Hydro Quebec. That's been a renewable source of power for us, very significant and reliable for us, and I'm sure it will be a part of our energy mix in the future as well.

I think renewables of other kinds will be an increasing percentage of our energy mix by 2016. The wonderful opportunities that have been discussed at this conference, the ones I've seen around Vermont, on the farm in particular, are really exciting, along with the other renewable initiatives that so many Vermonters are pursuing.

So I think we'll see more renewable energy between now and then, it will continue to be a portfolio that's clean and affordable, and we'll have a clarifi-

cation on a key component of it in three years.

Parker

The question we're facing in Vermont is, will we indeed take global warming seriously? Will we indeed take the risks posed by peak oil seriously? Will they enter the political discussion with clarity and force, and will the government of the state of Vermont in partnership with the thousands of people around this state who want to invest in efficiency, who want to invest in distributed energy, who want to put solar energy on their homes and in their businesses... Will we work together to create for Vermont a sustainable, affordable, environmentally sound and economically prosperous energy future? That's the question that we face in this election.

Jim Douglas has record of nonperformance on energy. He has failed to plan, and when he has planned his plans have been not for guidance but just a placeholder. When he has acted, he has acted with suspicion of the institutions already in place to help put efficiency and renewable energy into the mix. When he has not acted he has missed opportunities – to buy the dams on the Connecticut River, to put in place intensive energy efficiency programs, to support distributed energy

as a matter of public policy through the Public Service Department, and to put wind on the plate as one of the resources we need in the mix. We need to stop polarizing people of Vermont over whether this is an aesthetic issue. This is an issue about our future, about our prosperity, and this is a question about what our children will have as an opportunity as they grow up and raise their children in this place.

In 10 years what do you see as a realistic percentage coming from small scale renewables in the Vermont portfolio?

Parker

The question is whether there's leadership to put it in place. The answer is [that] small, renewable energy will show up in many places as a decline in consumption in Vermont, because a lot of it will be net-metered, it will be in super-efficient buildings that don't add to the load.

So I think from small, renewable energy in 10 years, we could easily do 5 percent, and should shoot for 10 percent. But it should be in the context of also continuously investing in a high level of efficiency. That's the

best investment, that's the background investment we should be making. And we should expand Efficiency Vermont to include also thermal efficiency, not just electrical efficiency, but also make them the entity that helps facilitate the explosion of a small-energy installation business, in solar, solar thermal, solar hot water, photovoltaic, small wind, and all kinds of other technologies.

Douglas

We have done the first electric plan in over a decade. It was supposed to be done more frequently but the previous administration didn't do it for a long time, and I'm proud of the fact that our Public Service Department did, and I hope everybody will be a part of that planning effort and discussion as well.

I was the first governor in this region to sign onto the "25-by-25" initiative.

That's a program where we expect to generate a quarter of our nation's energy supply on the farms, in the forests, on the ranches of the United States by 2025. That's a dramatic step toward renewable energy, something Vermonters could take the lead on. I'm so excited to see what's going on on the farms of our state, not only the methane generation that's increasing, the CV Cow Power program, a lot of

consumers signing onto it. The canola seed that the Williamsons are growing down in Shaftsbury to power their farm vehicles; Shelburne Farms growing hay and turning it into energy-efficient, low-moisture pellets that are more efficient [even] than wood chips. Small hydro projects underway in my home town of Middlebury and elsewhere. I think there are a lot of opportunities because of the ingenuity and creativity of the people of this great state.

So I think going to see an increase in the small-scale renewable portion of our energy portfolio almost immediately, and I expect that will be an important part of our state's energy future.

Have you seen Al Gore's movie "An Inconvenient Truth"?

Parker

I think four times. I think it is important to see it.

Here's the thing about global warming. It's happening. It's affecting our maple industry already, it's affecting the ski seasons already. How long can we survive with a federal government that is in utter denial about this, and how long can we survive with a governor who thinks it's a good thing to talk about? It

would just be nice to do something about it. It would be good to have in place a plan and a strategy for investment that really will take charge in Vermont, for building a future that's supportable.

It's six years until the Vermont Yankee license expires, and at that point the Hydro Quebec contracts begin to phase out over the next three years. That is a blink of an eye in terms of energy planning, and your administration, Jim, and your energy plans, say as we get closer we'll look at the options.

The options that we will have at that point are to buy from the market, and I don't know what the market price will be, but right now it's about double what energy efficiency is, it's about 40 percent more than the current average price of our electric rates. You have said at various times that power won't disappear. It won't disappear. Power from Hydro Quebec will be there – we don't know what will happen with Vermont Yankee – but will it be 60 percent more than the current rates? Eighty percent more?

How can you talk about an affordability agenda in this state and not talk about energy? How can you talk about the future of our economy, and not make a commitment to build a stable energy future into the base of that economy?

Douglas

(Acknowledges he hasn't seen the movie.)

It's very, very important that we think about the affordability of our state, and obviously energy is an important part of it, but so are other elements. And to be perfectly honest, as I travel around and talk with thousands of Vermonters, it's property taxes, it's the cost of housing, it's the high tuition at our colleges and universities, it's the cost of health care, that are most on their minds.

But we will continue to plan our energy future in a thoughtful way, and I hope in a respectful way. And I can't emphasize that enough. Vermonters have different views on a lot of these issues, and we're going to be more successful if we all work together.

I can't defend what's going on in Washington, I wouldn't try in a lot of ways. But I can tell you what's going on in Vermont, and I'm proud of what we're doing: signing on to RGGI [the "Regional Greenhouse Gas Initiative"], being the only governor from the United States to get to the summit in Montreal last year, the work we've done internally in state government. We're doing our part to address the challenge global warming.



Scudder Parker



Jim Douglas

Co-op Summit

continued from page 3

- nities (capital credit refunds are an example of this), whereas stock companies export it elsewhere.
3. Co-ops are an embodiment of the highly touted "ownership society," because members literally own the electric utility, the credit union, the supermarket, the housing units, or whatever the co-op's field of operations is.
 4. Co-ops enjoy democratic governance, while stock companies impose leadership through closed selective processes.
 5. Co-ops have both economic and social goals, while stock companies'

overriding goal is return on investment. (Vermonters may remember that after Ben & Jerry's became a stock company it was bought by an overseas corporation, and that its renowned social mission quickly faded.

6. Co-ops largely police themselves. Stock companies require government oversight, with sometimes notorious consequences (the federal cases brought against Enron, Global Crossing, Halliburton, etc.)

Say it loud

But Hazen warned that co-ops must not rest on their laurels.

"We're finding that many business leaders have less appreciation now of


cooperative business models," he said. "They think it's old and out-of-date. Many in Congress and the media [also] consider the mutual form of business ownership somehow less worthy."

Consequently, co-ops around the country and the world are undergoing "demutualization" – that is, conversion to non-member ownership. Sometimes co-ops themselves become disconnected from their original missions and sense of purpose; in other instances "demutualization" is propelled by the successful opposition of other companies to government regulations that seem to excuse co-ops from tax obligations (which they, in fact, pay in different ways). When co-ops convert to the private or stock-holder model, Hazen

said, the public loses.

"I have never seen the conversion of a co-op that has benefited the members in the long term," he said.

What co-ops must do is advocate for themselves, in legislatures, before regulatory boards, and to the public. They need to publicly emphasize their advantages in keeping jobs and economies local, and if their cooperative spirit has grown stale they must rekindle their sense of purpose.

Hazen relayed success stories of co-ops that did that, and not only survived, but thrived. If the public's appreciation for "the co-op difference" has waned, Hazen reminded Vermont's co-op leaders, "Our job is to tell them." 

House, Senate Candidates Make Their Pitch

The October 10 Vermont Cooperative Summit set time aside for four special guests in the late morning: independent U.S. Rep. Bernie Sanders and Chittenden County businessman Republican Richard Tarrant, the leading candidates for Vermont's U.S. Senate seat being vacated by retiring Sen. James Jeffords; and State Sen. Peter Welch, a Democrat, and former Vermont Adjutant General Martha Rainville, a Republican, who are competing for Vermont's seat in the U.S. House of Representatives.

Rather than debating, the candidates responded in turn to questions presented by Cabot Creamery CEO Richard Stammer. The four repeated some of the positions they have stated frequently in their political races; in addition, they sought common ground with the co-op and credit union leaders making up their audience, and framed their positions in terms of the values that underlie the cooperative model.

Rainville drew on her experience working on redevelopment in the Balkans, through the National Guard

and U.S. AID, after the conflict there in the 1990s. Speaking particularly of agriculture, Rainville said, "What we've experienced [in Vermont] with cooperatives is applicable to them," meaning they could strengthen their buying power and marketing power by banding together. Rainville, who has touted her commitment to bipartisanship, emphasized her willingness to "cross party lines, like co-ops coming together to find better ways of doing business."

Welch said his campaign was about "challenging the philosophy that you're on your own," which he said characterized the current Republican regime in Washington. Paraphrasing that philosophy, he said: "Health care? Get a health saving account. Clean air and water? Move. That's not your government's responsibility.

"Our philosophy," he said, drawing the contrast, "is that we're all in it together, and we're a better country when we take the talents we have" and work cooperatively to alleviate common problems. And who could be better prepared to do that, Welch asked, than the members of cooperative associations, who work to achieve mutual benefit, "and that it's not

about raising great wealth like Enron."

Sanders has a long association with Vermont co-ops and worker-owned companies. (Sanders, for example, helped Washington Electric procure a \$941,000 federal grant in 2001 to invest in wind energy.) He began by saying, "Let me thank you for your hard work to empower the ordinary people of our state. I've worked with virtually all of you, and we've made progress together."

Sanders said that while the Republicans currently in power tout moral values, "the real value pervading Washington today is greed . . . where corporate America has allowed CEOs to earn 400 times what their workers make." Sanders advocated movement toward "an economy where wealth is reasonably distributed."


"I want to see an expanded role for credit unions, to provide capital for small businesses that want to grow . . . [and] credit union membership to improve people's financial literacy so they don't get ripped off." Without a change of direction, Sanders worried that today's children will experience a decline in the country's standard of living.

Though an entrepreneur who benefited

enormously from the for-profit economic system, Tarrant sought to build bridges to the cooperative movement. He said, for example, that when he was CEO of the Burlington company IDX, he offered stock options to his employees before taking the company public. He said the stock options helped to generate employee buy-in to the goals and operations of the company.

"We didn't need the capital" from going public, Tarrant said. "We needed the employees, the customers, everyone to be in the same boat. It kind of pulls you together."

Tarrant said one of Vermont's greatest challenges was limited access to modern communications technology. Recalling the rural electrification movement of 60 years ago, Tarrant advocated a similar commitment now to "rural technification." Existing electric co-ops could be part of the campaign, he said, but whether or not they participated directly, they provided a model for the work ahead.

"If we don't get broadband throughout the state," he warned. "we're going to continue losing our young people and falling behind." 



From left to right: Peter Welch, Martha Rainville, Richard Tarrant, Bernie Sanders