

August 13, 2013

## **Press Release -- Washington Electric Co-op Net Metering**

As policy and lawmakers consider changes to the state's net metering legislation, Washington Electric Co-op will continue to allow installations on its system, but effective October 1st it will limit the size of new solar installations to 5 kW or less. Washington Electric Co-op remains committed to a strong environmentally responsible mission of providing power to its members, but it is also concerned about the impact of cost shifting within its membership.

The Washington Electric Co-op reached the 4% load cap set by the Vermont Legislature, with 635 kW of installed renewable projects at the end of 2012, of which the vast majority of installations have been solar. The capacity of installations increased to approximately 1,000 kW at the end of July 2013, which is 6% of the Co-op's peak load.

Under the present rules for net metering, the Co-op is not collecting the full cost of providing service to net metering members. The Co-op's costs are currently embedded in each kWh sold and also included in the modest fixed member service charge that is on the bill each month. Washington Electric Co-op needs to insure that it continues to have sufficient revenues to operate its infrastructure and cover other fixed costs. These include the cost of poles, wires, and other equipment as well as the cost to maintain distribution and transmission facilities. There are also fixed costs related to storm response and member services, which all of our members depend on, including our members that have net metered generation. By not collecting fixed costs from all members, in effect, results in a cost shift to those members without net metered installations. As a not for profit electric utility, which is owned by our members, our only recourse for recovering insufficient revenue is to increase rates.

Barry Bernstein, the Co-op's Board President, stated it succinctly "We embraced net metering from the outset and have worked diligently to support WEC members who were interested in pursuing it. However, as more and more members have signed up over the 4% threshold, we are growing concerned of the cost impact on other members." As the size and pace of installations have increased, the Co-op has grown concerned about the level and scale of the impact the program may be having.

At this time the Washington Electric Co-op Board has decided it is appropriate to limit the size of installations up to 5 kW. This value is based on the output of a solar installation sufficient to serve an average member's home. The Co-op will alert its membership of this decision, and that the implementation of the change has been set for October 1<sup>st</sup>. Washington Electric Co-op believes this is fair as it will allow members that have been planning or designing a larger net metering system the opportunity to complete the installation before the size limit is in place.

WEC believes appropriate changes to the net metering program could alleviate its concerns. The Co-op is preparing to work with lawmakers in the 2014 legislative session to revise the program

design to address cost shift among members, yet continue the net metering program's successful implementation. WEC believes lawmakers can encourage the addition of more renewable generation through net metering and other programs, and strive for fairness and affordability among members. We think both goals are achievable. WEC will continue to monitor its policies relative to net metering to assure they are in our members' best interests.