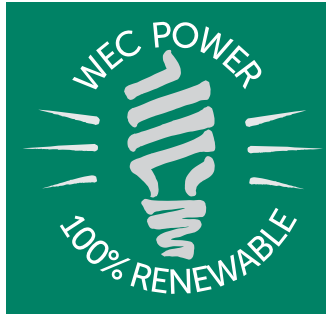




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CO-OP CURRENTS



Vol. 86, No. 3

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

April-May 2025

Vote today! All mailed ballots must be received by April 30.

Mike Kline, Reader of Rivers, is Annual Meeting Featured Speaker

The featured speaker at WEC's 2025 Annual Meeting on May 1 is Mike Kline, retired State Rivers Program Manager, and a WEC member from Middlesex. Over his long career at the Vermont Department of Environmental Conservation (VT DEC), and on the Vermont River Conservancy (which he helped start, and whose board he just happily rejoined), Kline reads rivers and streams and works to help both the waterways and the people and natural communities coexisting with them.

When moving water damages human infrastructure, there's a reason

that water is so powerful. 30 years ago, Kline noted, water management conversations in the community tended to be more about dredging and armoring streams. But after several major flooding events, community members are learning more about how, and why, water moves the way it does, and are asking new questions: "Now people are also talking about, how do we restore floodplains? How do we take out the dam that's making flooding worse instead of better? How do we upgrade our culverts?"

Putting together his talk, Kline said, "it really struck home to me how



Courtesy of Mike Kline

Mike Kline, Vermont's recently retired State Rivers Program Manager, is the featured speaker at WEC's 2025 Annual Meeting on May 1 at Barre Auditorium.

Page 4: Board candidates' policy positions

Susan Alexander • Betsy Allen • Ian Buchanan
Steven Farnham • Bill Powell

WASHINGTON ELECTRIC COOPERATIVE, INC.

Thursday, May 1, 2025

86th Annual Membership Meeting

BARRE AUDITORIUM – 16 Auditorium Hill, Barre, VT 05641
Ballot boxes open 4:30-6:30 p.m.

Agenda

- 4:30 p.m. Doors open
- 5:00 p.m. Featured speaker: Mike Kline
- 5:30 p.m. Buffet opens
- 6:00 p.m. Business meeting called to order
 - Board and employee recognition
 - Officers' reports
 - Question & answer session
 - Election results
- 8:00 p.m. Tentative adjournment and door prizes (must be present to win)

To register, visit wec.coop/annual-meeting or submit the form on p. 8.

the WEC area is the headwaters. The Co-op is not in Montpelier or Barre, or along the major state highways. It's upstream, in the headwaters of the Winooski and Lamoille and Passumpsic: all these major rivers are fed by tributaries in the WEC area." Co-op territory is higher, steeper country than the larger communities downstream. Hundreds of years of land and water management practices designed to drain ancient wetlands for settlements, millworks, and farming have created conditions for water to move, instead of stay put—and to move with speed and power down the mountains. "The loss of all that flood storage has led to erosion, and that's where most of Vermont's damages are,"

The big question is, how do we slow the flow? How do we, as landowners and towns, give some room for that water storage to occur? If we leave streams alone they eventually heal themselves over time. Sometimes it's simply a matter of stepping back, not re-trenching the stream, and being okay with how the stream and the land around it may change.

— Mike Kline

observed Kline.

Many WEC members have the same names as those early settlers, and live on properties and farms carved from the hills by their ancestors. There are land management traditions that run almost as deep as the water. A strength of Kline's is his understated, openminded approach to different conditions. He blends his understanding of streams and rivers with his understanding of

human priorities—the family house under threat, the cost of road repair, the farmer losing pasture to an eroding riverbank. "It's taking that time to have those conversations out on the riverbank or streambank with the

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Official Notice and Annual Report

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President's Report

Added Fees: A Call for Fairness and Affordability For Ratepayers

By Stephen Knowlton

In last year's President's report to the members, I talked of storms, outages, and WEC's ongoing effort to improve reliability of service in the face of changing weather. Over the last year, we've experienced high winds and another flood in our territory in addition to "regular" storms that have led to outage levels that have exceeded the yearly averages prior to 2022, not to mention devastating loss of some members' property.

This year's report deals with a different challenge—the question of affordability and what WEC members are paying for on their bills. Those of you who follow the news know that

affordability—the ability to pay for one's basic and essential needs within one's income—has made a political impact during the last year. Having reliable electricity is essential to modern life in the US. Reliability regularly comes up as the highest priority of electric service in polls of electric ratepayers. But most people also pay keen attention to the electric bills they pay for this service they rely on. What isn't always clear on our electric bill is the added cost of state programs that impact your bill.

We know we are paying for the cost of electricity WEC purchases to deliver to us whenever we want it. Our bill also covers the salaries of the staff and union employees of WEC who

keep the system running. Part of our bill also goes to paying off the debt on loans that WEC uses to pay for equipment and materials to maintain our substations, lines, and poles. As the costs of skilled labor, materials, repairs, and other operating necessities go up, so do rates needed to pay for them even at a not-for-profit, member-owned utility like WEC. All electric utilities in Vermont are regulated by the state government through the state's Public Utility Commission to ensure that utilities supply electricity to their customers at the least cost. WEC members already know the sparsely populated and residential nature of the territory they live in leads to somewhat higher rates.

There are also state programs that add to your bill. While of value, they present ratepayers like us with two challenges. First, the imposition of extra fees and costs on our electric bill unrelated to our usage is likely to make some of us think twice before making a switch to use and pay for more electricity rather than less. The concept of beneficial electrification—the replacing of fossil fuel energy with cleaner electricity to heat our homes and drive our vehicles—is widely promoted as a means of reducing greenhouse gas emissions in the state. But the success of beneficial electrification depends on people like you and me choosing to use more electricity and less gasoline, propane, heating oil, and the like.

Secondly, these added fees are often regressive. They tend to fall on those who are least able to pay more or adjust their electric usage to get out from under rising electric bills, say, by investing in a net metering facility that is expected to pay off its investment in 10 years. Net metering in WEC territory also has the effect of unfairly transferring the costs of operating



The concept of beneficial electrification is widely promoted as a means of reducing greenhouse gas emissions in the state. But the success of beneficial electrification depends on people like you and me choosing to use more electricity and less gasoline, propane, heating oil, and the like.

– Stephen Knowlton

WEC's grid from some members to others. Most of the benefits and incentives offered by the state's beneficial electrification goals accrue mainly (but perhaps not solely) to more well-to-do residents, in my opinion. If climate change affects us all, one should expect that our society should equitably pay the cost of mitigating it via a standard income tax in which those who earn more pay more. It is unjust to burden ratepayers as if electricity was a luxury.

Efficiency Vermont (EVT), the state's designated energy efficiency utility, has traditionally provided assistance to Vermonters to purchase energy efficient devices and to improve commercial processes so that they use less electricity,

which I think is a worthy goal. This program is funded by Vermont electric ratepayers by a supplemental cost per kilowatt-hour charge on their bill. Our General Manager Louis Porter tells me that WEC ratepayers have averaged only about 50 cents of returned direct incentives on the dollar of the fees they've paid; our service territory has

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Co-op Currents

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Postmaster: Send address changes to Co-op Currents, P.O. Box 8, East Montpelier, Vermont 05651.



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Editorial Committee

Betsy Allen, *Puzzle Editor* Dawn Johnson Donald Douglas Jean Hamilton Louis Porter Katie Titterton

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 us, at 224-2332, or visit wec.coop/board.

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All Members Receive Annual Meeting Co-op Currents

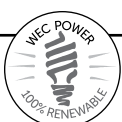
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All members, including digital-only subscribers, receive a print copy of the Annual Meeting issue because it is packaged with your ballot.

Got something to say?

Letter to the editor, comment, or a story tip? Drop us a line at currents@wec.coop or Washington Electric Cooperative, Inc., P.O. Box 8, East Montpelier, VT 05651, Attn: Co-op Currents.



General Manager's Report

Cooperative Means We All Help Out

By Louis Porter

As members might imagine, preparing for outages and for the safe restoration of power after a storm is among the most important things we do here at WEC. We are working to minimize those outages and respond quickly to safely restore power. For example, we are implementing a new metering system which will help us get more information more quickly, allowing the more efficient deployment of crews. In recent years, we have begun asking for help from more outside crews under the utilities' mutual aid program and hired more contract crews to restore electricity as quickly as possible. We have also increased our communication with members, both through our outage map, which now shows restoration time estimates when possible,



A utility serving a sparsely settled, rugged territory like ours, particularly in a time in which we are seeing rapid and dramatic increases in storm damage, is going to experience outages, including some of significant duration.

— Louis Porter

and through our website, as well as using email, Smarthub and phone calls in some cases to reach out to members. All of this will not eliminate outages, but hopefully will reduce their severity over time.

One note of caution—over the last three years we have seen major storms slam each of the three providers that serve large rural areas—WEC, Green Mountain Power and Vermont Electric Cooperative. Each of those utilities have experienced storms that have caused outages of five days or more, even while the other two utilities were far less impacted by that particular event. A utility serving a sparsely settled, rugged territory like ours, particularly in

a time in which we are seeing rapid and dramatic increases in storm damage, is going to experience

outages, including some of significant duration.

Our members not only pay the electric bills that keep power reaching WEC's communities, they are also the owners of the cooperative. That means that when we bring in more revenue than is needed for operations, we return that money as capital credits to those members over time. It also means that members are our partners during outages, as well as during normal times. So, I would ask that all WEC members help in the following ways.

Help us prepare

We, along with the other Vermont utilities, meet together with state officials to prepare for major storms. We would also ask that you prepare as well, by having supplies on hand, particularly in the winter, to be ready for outages. That includes fuel for generators and vehicles, an alternative heating system that does not rely on electricity, in addition to basic needs like food and water.


Most importantly, help your neighbors, family members and friends who might need it before and after storm events, and if you don't have a backup generator, but do have a medical condition that might place you in jeopardy during an outage (or if you no longer have such a condition) please update WEC about that need. We must restore power from our substations out to the ends of the line in order to get power to people's houses, but if we know you have such a need we can help coordinate with emergency responders for other kinds of aid.

Help us restore power safely

Although our system can communicate with our meters, it is still important to report outages to WEC. We rely on timely, accurate reports to respond to outages efficiently. We may not know you are out of power if you don't call or otherwise report in, but if you report inaccurately that can also hamper our response. Finally, please give all WEC personnel and contract crews the space they need to do their work safely. These folks leave their own homes and families—often while they are out of power themselves—to work long hours, in difficult circumstances and horrendous weather to help their communities and they deserve your respect and patience.

Help us recover

The work of repairing our system goes on long after the last house has had its electricity restored. Broken poles are propped up so that people can regain service and must be replaced, trees must be cleared out of rights of way and lines spliced temporarily must be replaced. Our crews, dispatchers and member service representatives keep working long after a storm has been consigned to memory for the rest of us.

Thank you for being a WEC member and for the assistance you provide in keeping local, renewable power flowing to our communities. 

Note: A shorter version of this message was originally published in the East Montpelier Signpost. Reprinted here with permission. Read the Signpost at emsignpost.com

Mike Kline


continued from page 1

property owner, with the road foreman, and explaining why a river or stream is doing what it's doing, and what are alternatives we can do with it in a cost effective manner," explained Kline. "The big question is, how do we slow the flow? How do we, as landowners and towns, give some room for that water storage to occur? If we leave streams alone they eventually heal themselves over time. Sometimes it's simply a matter of stepping back, not re-trenching the stream, and being okay with how the stream and the land around it may change."

Through partnerships with organizations like the Vermont River Conservancy, landowners may have alternatives. If the land along the river is a good candidate for flood storage, they can inquire about placing a river corridor easement on their land, and be compensated while allowing rivers to reclaim floodplains and reduce downstream damage. Kline estimates that these partnerships have conserved about 125 river corridors. Kline points to one of those corridors, along Pekin Brook in Calais, as an example of how wetlands and floodplains upstream can help reduce flood inundation downstream. And in addition to flood storage, wetlands

support tremendous biodiversity.

In retirement, Kline looks forward to more time volunteering with watershed organizations. Years ago, he said, he was happy to be "the state person sent to help start all of these wonderful watershed associations we have now," like Friends of the Winooski River and Friends of the Mad River. "I ate a lot of cookies and drank a lot of cider," he remembered. And he's also benefited from these groups as a landowner: when he was dealing with an erosion problem on his Middlesex property, two dozen volunteers with Friends of the Winooski River arrived with 150 saplings to plant along the stream. "They do this all over the watershed. The conversations they're having with property owners who've asked for their help is part of the re-education we see happening."


Kline has given presentations throughout the state and country, and while he noted that in retirement he's planning to phase out his speaking schedule, he couldn't resist the Co-op's request. The best part of giving a presentation, he said, is a rich question-and-answer period. Land history? Changes to your backyard stream? Dam physics? Impacts to road budgets? Whatever your questions are, bring them to the Annual Meeting. 

President's Report

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few large commercial ratepayers of the type that offer the biggest return on efficiency per project. Whatever the reason, I urge members to contact Efficiency Vermont whenever you are considering buying a heat pump or EV charger to find out your options for guidance and assistance; you've paid for this assistance and should take advantage of it. Furthermore, legislation proposed this year would allow Efficiency Vermont to expand their mandate of reducing electric consumption through efficiency by orienting their program to target greenhouse gas reduction in the transportation and building heating sectors by doing more to encourage using electricity. As currently proposed, the bill would limit EVT's budget to its current amount. I worry, however, that

expansion of the mandate will result in a demand for higher fees on electricity to support what is good work in the future, and it seems counterproductive to raise fees on electricity to provide money for incentives to encourage use of electricity.

I don't know what the outcome of this particular issue will be. Whether it survives in its present form or not, it represents an effort by the government and corporate community to subsidize renewable energy developers and other environmental goals by increasing the burden on the average electric ratepayer, who may not fully grasp why his or her bills are going up. Many of you may agree with this approach to use any means to reduce greenhouse gas emissions. But I hope that the state finds the means and the will to justly socialize the cost of doing so to include all stakeholders in Vermont's future. 

Position Statements of the 2025 Candidates for the Co-op Board of Directors

Board Candidates' Policy Statements

In 2025, five Co-op members seek election to three seats on WEC's Board of Directors. The candidates are Susan Alexander of Cabot, Betsy Allen of Plainfield, Ian Buchanan of East Montpelier, Steven Farnham of Plainfield, and Bill Powell of Calais.

Powell recently retired from many years as WEC's Director of Products and Services, and is a first-time candidate for the Board. Buchanan previously ran for the Board in 2024. Alexander, Allen, and Farnham are incumbents, each seeking a second term. Allen serves as Board Secretary.

Each Director serves a three-year term. WEC members may vote for or write in a maximum of three candidates. Ballots may be submitted at the Annual Meeting on May 1, or returned by mail. Mailed ballots must be received by the Barre Post Office before the April 30 deadline. Members are encouraged to mail their ballots as early as possible to ensure delivery on time.

In the February-March issue of *Co-op Currents*, all known candidates may make a brief statement to the membership introducing themselves. In the April-May issue, candidates may describe their skills, policy perspectives, and leadership styles in response to the following questions:

- *What is your name, in what town is your Co-op membership, and how should members contact you?*
- *What skills, expertise, and/or perspectives would you bring to the Board?*
- *What are the most important issues the Cooperative will face in the next few years? How would you guide the Co-op in regard to these issues?*
- *Is there anything else you would like to tell members?*

Candidate statements are not edited before publication. Candidate introductory and policy statements are also available on wec.coop/annual-meeting.

Susan Alexander

mullandmor@gmail.com
802-522-5898

Hello, I am Susan Alexander and I am enthusiastic about a second term on the Washington Electric Coop Board. My membership in WEC began 27 years ago when we moved to Cabot (from Woodbury) to raise our then little kids. Those kids are now adults and are also WEC members, although one has a property served by both WEC and GMP; a striking example of the random organization of Vermont utilities.



My professional endeavors have spanned both public and private sector positions and I also founded and sold a locally crafted beverage company (Vermont Switchel). I have been self-employed (Mullandmor, LLC) for the past 16 years. More recently, I managed the siting, construction, and operation of a composting facility to annually divert 500 tons of food scraps from the Coventry landfill. It's an interesting juxtaposition given that WEC draws about 65% of its power from methane gas produced in that same landfill and one that gives me a 360-degree perspective.

I have served on other local Boards (Woodbury School Board, Cabot Wastewater, Cabot Coalition) and have a great appreciation for the time and commitment it takes to be a productive and effective board member. My first term on the WEC Board can be best described as a 3-year orientation into the very dense and complex utility industry where I forged a solid understanding of the political, financial, and evolving technical landscape. Having gained this traction I am poised to provide informed and objective guidance as a Board member as WEC navigates the waters of both the Department of Public Service and the

quasi-judicial Public Utility Commission, a regulatory framework that is unique to Vermont.

What lies ahead for WEC and all of Vermont are the opportunities afforded by exciting advancements in renewable energy, battery storage, load management technology and grid resiliency all while moving forward on parallel tracks with boots-on-the-ground line clearing, infrastructure renovations, and affordable rate designs. These are all highly desirable outcomes but not necessarily all highly compatible. My goal is to keep the ratio of cost-to-reliability favorable for all of our members as is the premise of any cooperative. I am optimistic we have the talented staff and Board support to reach that horizon with time, effort, and positive regulatory policies and I hope to be a strong contributor to that mission.

Regardless of the upcoming election I think it's worth reminding members and/or educating news ones that there are a number of somewhat fixed parameters that work against our best efforts at economy of service. This is what we have to work with: WEC covers part or all of 41 towns, covering 2,728 square miles of rocky glacial landscape, with approximately 11,800 members (almost exclusively residential), connected by 1200+ miles of wire, resulting in an exceptionally low density of less than 9 members per mile. No amount of innovative technology or state policy is going to make WEC as economical as a similar utility in a flat, densely populated area with a more temperate climate. I mention that because it is an important consideration when we are tempted to try and make comparisons with other utilities rates and programs.

That said, we have a very diverse and sophisticated membership and the door for making opportunities out of these constraints is wide open and welcoming. So, if you would like to continue this conversation contact me at: mullandmor@gmail.com, or 802-522-5898, or if you prefer, we can meet at The Den on a Sunday from 12-2 when they host the weekly jam session.

Betsy Allen

betsallen@gmail.com
802-535-7088

Dear Members,
Many of us don't really consider where our electricity comes from as we flick on the lights or watch TV. That is, until the electricity goes off! Then we realize how much we use and rely on it on a daily basis.



Like many things in today's world, where and how we generate and transport electricity to all of us is more complicated than in the past. Our utility, WEC, under the careful and thoughtful direction of managers, staff, and Board Directors through the years, has and is embracing new technologies to improve our reliability and to continue to lead with 100% renewable energy, while keeping rates as affordable as possible. There was careful consideration and planning when they decided to create the Coventry generating plant. We are already talking about its future when our contract ends in 2038.

Currently, we are planning to implement an advanced metering system (AMI) that improves our ability to see how and where our system is using electricity in real time. Members will also be able to see and track their own usage and should be able to get more detailed information more quickly than today about their own usage. With that data, WEC can create a time of use rate system with higher and lower KWH rates which allows members to choose lower rate times for high energy-usage items such as EV cars, heat pumps, air conditioning and dryers. The AMI system will also alert WEC crews immediately on outages and indicate their locations more precisely. These advantages will increase our efficiency in our response to storms.

Many of you are inquiring about backup batteries. As we explore battery options for either home or substation use, we need to consider how to use battery storage for the good of all our members, and whether batteries will provide energy during high peak usage times or for outages. I support WEC to consider and implement some form of a battery program in the future.

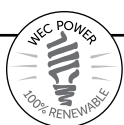
Your Board of Directors is always concerned about how to support lower income members with equity for all. We work with Efficiency Vermont, Capstone, and other organizations that offer weatherization projects, upgrades, and rebates for more efficient electric appliances. In addition we have partnered with the Vermont Electric Coop on a solar project that gives \$45.00 credit on qualified members' electric bills for five years.

As a small and very rural utility, that is mostly residential, with few commercial accounts or town and city center members, WEC still has the same rules and regulations and laws to follow as the larger and municipal utilities in the state, despite being governed by its members. Our general manager, Louis Porter, works tirelessly with the Legislature to be sure our voice is heard as they grapple with climate, clean heat standards, net metering and more.

These are a few of the ways that supplying you with electricity is a complicated business! As a Director these past three years, I have appreciated the depth of experience from staff and present and past Directors, that help me learn about this cooperative venture in order for me to make decisions that strive to provide you, members, with reliable electricity, at a price that just covers WEC expenses (there is no profit taken by cooperatives), and considers equity issues for its members.

I thank you for taking time to consider my continued interest in serving as your Director for another three year term at Washington Electric Coop!

Sincerely,
Betsy Allen



Ian Buchanan

isb900@gmail.com
802-595-3828

Energy is possibly the most important and transformational topic of our time. As new technology supplants old, WEC's importance in our daily lives grows.



I grew up in the Northeast Kingdom and graduated from UVM with degrees in education and business. After starting my business in Waitsfield in 2001, my wife Judy, daughter Elena, and I relocated to East Montpelier in 2018.

Building a net-zero building and modernizing several old farmhouses to enhance energy efficiency fueled my interest in energy. I have firsthand experience with how electricity usage will be influenced as our homes and transportation evolve. Additionally, as a member of Vermont's Energy Action Network (EAN), I have explored and discussed practical ideas that WEC and the associated grid must implement to meet and shape future electricity demand.

After attending or observing all Board meetings for over a year, it is evident that WEC has many dedicated and skilled employees. Similarly, WEC management recognizes the challenges that new and changing legislation poses for the organization. That being said, to serve the best interests of WEC members, WEC must tackle some of its greatest challenges with renewed creativity and vigor.

In a nutshell, in addition to continuing to expand its commitment to providing clean power reliably, WEC should be as proactive as possible about two key areas in particular:

- 1) Affordability - Reducing rates.
- 2) Accessibility - Helping people electrify more easily and affordably.

How do we do this?

First, WEC should strengthen advocacy efforts in shaping the legislation and regulations utilities and WEC members must follow.

Powerful profit-driven trade organizations have effectively dictated Vermont's energy policy in recent years. The Renewable Energy Standard updates of 2024 and the Clean Heat Standard are examples of legislation passed for the wrong reasons. Under pressure, utilities publicly supported the agenda of the trade organizations' flawed legislation. This helped override constructive recommendations that would have resulted in more effective and practical policies. To remain relevant in the future of energy policy in Vermont, member-owned utilities like WEC need to work with each other to transparently advocate for the Vermont

consumer. We can't allow WEC to become a hesitant pon of well-funded trade groups.

Second, while it is up to members to utilize Efficiency Vermont's offerings, WEC should advocate for regulators to ensure members receive more direct benefits from Efficiency Vermont's substantial budget. WEC members and local contractors should have improved access to Efficiency Vermont's significant human and financial resources. Given the amount we pay Efficiency Vermont and its budget, we should see value beyond rebates and sometimes unreliable contractor listings.

WEC has a proud history of advocating for its members. However, if the political climate no longer allows such advocacy or if WEC is reluctant to continue it, one might question whether merging with an organization that has greater resources and lower rates would offer better service and value for WEC's members.

Third, and related, whether through merger or cooperation, WEC should prioritize collaboration with other utilities to leverage scale. Currently, WEC lacks the financial and staffing resources necessary for timely investments in some of the infrastructure that would most effectively improve power management capabilities. Pooling resources with other utilities represents the best opportunity for WEC to reduce rates and continue improving reliability and response while facilitating member access to cleaner energy and more efficient technology.

Looking to the future, we can either focus on surviving or pursue paths that will help us thrive. Positioning ourselves to thrive isn't always easy work, but it is worth the effort. I would be honored to have the opportunity to learn from and collaborate with other Board members on your behalf. As a member of the Board, I will work to drive WEC toward a future for our electricity that is as reliable, accessible, abundant, clean, and affordable as possible for all of us. Please don't hesitate to reach out.

Notice

Mailed ballots must be received at the Barre Post Office no later than 1 p.m. on Wednesday, April 30 in order to be counted. Please allow 3-4 days for in-state delivery and 6-8 days for out-of-state delivery.

Ballots mailed to or dropped off at the Co-op will not be counted.

Members may also bring their ballot to the Annual Meeting to vote in person.



Steven Farnham

steven4wec@gmail.com
802-917-2581

WEC is a great organization with dedicated staff and capable board leadership. WEC is one of many entities that push power onto the grid, and receive power from it. WEC's subsidiary, CCEC (Coventry Clean Energy Corporation) produces ~70% of WEC members' electricity; the rest is purchased from other renewable sources. WEC is proud of being "100 percent renewable," a hard-earned achievement, resulting from excellent leadership. However, there seems to be a lack of interest in moving WEC's climate action needle further. You might ask, if WEC is already 100 percent renewable, what else can be done?

Not an island unto itself, WEC is connected to the ISO-NE grid. ISO-NE's "resource mix" varies, but at the moment I checked for this writing: 43% was natural gas, 21% nuclear, 5% hydro, 2% coal, 19% net imports, and 10% "renewables." Ergo, WEC members may be purchasing power that is 100% renewable, but the energy WEC members received at that moment was only 10% renewable, because that's the way the grid works.

What can WEC do about that? Not much. WEC's grid load represents about 0.1% of ISO-NE's total, i.e., a "drop in a bucket." However, WEC often "punches above its weight," when it comes to influencing energy policy.

One way to make more of the grid's energy renewable is to build more renewable generation. Another way is to remove load. Any utility customer who generates most or all of his own power is reducing demand on the grid. With 1,200 miles of distribution line serving nearly 3000 square miles of service area in 41 towns, and more intense weather systems constantly threatening WEC's infrastructure, WEC seems an ideal laboratory in which to experiment with shifting a portion of its membership to generating power at the point of use.

One method is already quite popular: Net Metering. Unfortunately, while netting one's consumption and generation, paying only for the difference, is a great incentive, someone needs to pay for the utility's infrastructure fixed costs, now increasingly born by everyone who does not net meter — not a fair or sustainable situation. This is to say nothing of the lop-sided night time and winter demands net metering places on the utility.

So why do I continue to support net metering? In its current form, I do not.



Bill Powell

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802-223-1305

Before being hired in 1991 as WEC's Director of Energy Services I was a co-owner of a solar construction company serving residential and commercial projects in Vermont and New England. My Middlebury College degree (1977) is in Environmental Science/Economics. I earned a Masters in Business Administration (UVM) in 1993. During my WEC tenure I obtained the Certified Energy Manager credentials as well as on-going professional development.

In 1998 my role at WEC was expanded as the Director of Products and Services which I held until December 2024. In my three decades I had the privilege of working with each board of directors and multiple General Managers.

I can say the experience and institutional memory gained gives me a long term view of the regulated utility business in Vermont. I also want to pay tribute to the lessons learned from working with thousands of Co-op members over the years.

The experience of working to solve member problems and their service needs, whether helping with high use issues or questions about using energy for heating and hot water and more recently with EVs has given me valuable insight into what the membership wants and expects from their Co-op.

I am especially proud to have worked with our linemen and engineers, and the staff of the Co-op every day for 33 years.

The challenges a member-owned utility faces in the twenty-first century include meeting the environmental and political/regulatory policies in Vermont. Vermont is an "island" of traditional regulated utilities in a New England region where de-regulation in various forms also exists. WEC is a small enterprise with a 41 town piece of rugged rural territory with low member density. Vermont has traditionally treated member-owned electric cooperatives with the same regulatory construct as the investor-owned utilities.

The existential climate challenges we face were already evident before the Covid pandemic. That period also brought WEC demographic changes including new members from outside Vermont, which increases the membership and our business while also increasing our responsibility to ensure reliable electric service. I



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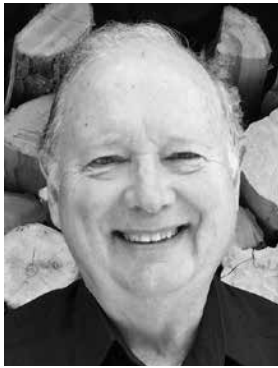
Treasurer's Report

Revenue Up Despite Storms and Coventry Production Lag

By Don Douglas

In 2024 Washington Electric Cooperative recognized an increase in revenue of \$534,265 from the previous year. Sales of renewable energy credits (RECs) were \$1,882,175 which is also down from the previous year by \$96,127. This is because there have been some production issues with the Coventry Landfill Gas to Energy (LFG) facility, not because the market for the RECs has been lower than expected. WEC is addressing the production issues and expects to have some new equipment installed in the spring of 2025.

Purchased power is also higher than our budget. This is because KWH production was down at the LFG plant in Coventry. The net margins in 2024 were \$868,465, which is nearly \$200,000 less than 2023, but is still sufficient to satisfy our lenders' loan covenants.



We topped \$1,100,000 in expenses in just two months. The storm expenses for the past five years demonstrate an alarming trend as the storms increase in intensity.

From the charts, the percentage of MWH produced by Coventry LFG has decreased from nearly 65% to about 60%, while the Hydro-Québec MWH has increased from 8.6% to 14.19%. This reflects the decrease in the LFG production but mostly is from the additional MWH WEC is getting from the Hydro-Québec contract.

Outages were again significant in 2024. The flooding in the summer caused extensive damage, and in some cases roads needed to be rebuilt in order to restore service. WEC may borrow from our line of credit after large storms if needed. FEMA

reimbursement money comes for storms that cause enough damage to qualify, but it is many months in process as it requires extensive documentation and review by FEMA. Meanwhile, the interest on the borrowed money is not recoverable in our rates which had an


effect on our bottom line in 2024.

In 2024, WEC decided to pursue selling the Wrightsville hydro plant. It was a difficult decision for us. For many years the hydro plant has operated at a loss or at a very marginal benefit. Selling a renewable resource was a difficult decision. There are several levels of approval which must be obtained before the sale is complete, and it is not clear yet if that will come to pass, or if WEC will continue owning the plant. It is still in operation and generating power when conditions allow.

Capital credits are a unique feature of electric cooperatives. The investor-owned utilities take the money in excess of operating costs as profits, which are returned to the stockholders who own the company. In the case of the large investor owned utility (Green Mountain Power) in Vermont, the profits are returned mostly out of Vermont. Our capital credits are held by WEC for many years, but at least they stay in Vermont and they are returned to current and former members. The Board of Directors decides each year how much to retire from the money held in each member's account. Last year we recommended a conservative

retirement because we were nervous after two years in a row with December storms costing in excess of \$1,000,000 and because our new loan from Rural Utilities Service (RUS) was delayed. You might have noticed in your November bill the credit was smaller because we decided to retire a smaller amount than in previous years' retirements. In 2024, WEC retired a total of \$290,987, and since 1998, WEC has returned close to \$10 million to members.

We invite our members to donate their capital credits to the WEC Community Fund, which provides grants to many nonprofit organizations who serve people in some or all of the four counties served by our Cooperative. This is a great way to make a real difference in your community. About 14% of our members donate their capital credits. For more information please call the WEC office at 802-223-5245 or visit wec.coop/CapitalCredits.

On behalf of the Board of Directors, I want to thank the entire Finance Department for their hard work and dedication to Washington Electric Cooperative. 

2024 System Reliability Index

Not all outages are measured with the same yardstick: regulations require that utilities count, and report, outages that occur during major storms separately from outages that occur outside major storms. That gives a clearer picture of what outage norms are like, both during storms and outside storms.

"Major storm" is a category with specific criteria. One criterion for major storm is outage length, so when a utility restores power quickly, it can have the impact of lowering its number of major storms, and raising the number of "everyday" outages. That's what happened last year.

In 2024, WEC saw a sharp increase in non-major-storm outages—more than a hundred more than in 2023. That also means WEC members experienced more than 56,000 non-major-storm hours without power than the previous year.

But let's dig deeper: Dave Kresock, WEC's Director of Operations and Engineering, observed that only three 2024 storms met major storm criteria. However, WEC counted a full seven additional severe weather events throughout the year that caused

significant grid damage and outages—including the storm that caused catastrophic flooding on July 10, exactly a year after flooding in 2023.

Kresock reported: "It was because the WEC team was able to restore power to our members so quickly, many of these severe weather events did not qualify as major storms. This forced the outage data, particularly tree outages, to substantially increase in both the number of outages and the member hours out."

As in previous years, trees and weather were the main causes of WEC outages in 2024. Trees caused a whopping 55% of outages, even as more than a thousand more "danger trees" were removed in 2024 than the previous year.

In 2025, Kresock noted, WEC has contracted to trial new Right-of-Way software. Using satellite imagery, artificial intelligence, outage data, and other factors, the software assesses vegetation growth over 250 miles of Right-of-Way and will create a vegetation cutting plan. If the pilot is successful, the software could be applied system-wide to improve reliability, according to Kresock. And as

a reminder, all that vegetation is cut by hand: WEC does not use herbicides to control vegetation growth in rights-of-way.

11,579

Average number of WEC member households in 2024

2,728

Approximate number of square miles in WEC service territory

906

Separate outages on WEC's system in 2024, not including major storms

776

The rolling average annual number of separate outages over the last 10 years, not including major storms

159,960

Number of WEC consumer hours out in 2024, not including major storms

97,802

The rolling average annual number of consumer hours out over the last 10 years, not including major storms

3

2024 weather events that met major storm criteria: March 10, April 4, August 9

380

Additional outages caused by those three major storms

7

Number of additional severe weather events that did not qualify as major storms

55%


Percentage of 2024 outages caused by trees

5,484

Number of "danger trees" removed during 2024 maintenance clearing

51

miles of distribution line that received maintenance clearing in 2024

For updates about maintenance clearing, look for the "Where's WEC" column in most issues of *Co-op Currents* or click Right-of-Way and Field Work Notices on wec.coop. 



Consolidated Balance Sheet

Assets and Other Debits

	12/31/23	12/31/24	Increase (Decrease)
Utility Plant			
Total Utility Plant in Service	\$89,478,061	\$91,716,681	\$2,238,620
Construction Work in Progress	334,142	786,749	452,607
Total Utility Plant	89,812,203	92,503,430	2,691,227
Accum. Provision for Depreciation	42,422,585	44,452,368	2,029,783
Net Utility Plant	\$47,389,618	\$48,051,062	\$661,444
Other Property and Investment – At Cost			
Invest. in Assoc. Org. - Patronage Capital	394,610	394,153	(457)
Invest. in Assoc. Org. - Other	499,534	499,771	237
Other Investments	9,683,020	10,380,500	697,480
Total Other Property and Investments	\$10,577,164	\$11,274,424	\$697,260
Current Assets			
Cash - General Funds	1,128,868	890,833	(238,035)
Cash - Restricted	0	0	0
Notes Receivable - Net	99	99	0
Accounts Receivable - Net	4,933,067	4,410,644	(522,423)
Materials and Supplies	547,801	569,477	21,676
Prepayments	295,476	339,706	44,230
Total Current and Accrued Assets	6,905,311	6,210,759	(694,552)
Deferred Debits	542,503	313,989	(228,514)
Total Assets and Other Debits	\$65,414,596	\$65,850,234	\$435,638
Number of Consumers	12,020	12,134	114
kWh Sold *	73,651,053	76,002,121	2,351,068

Liabilities and Other Credits

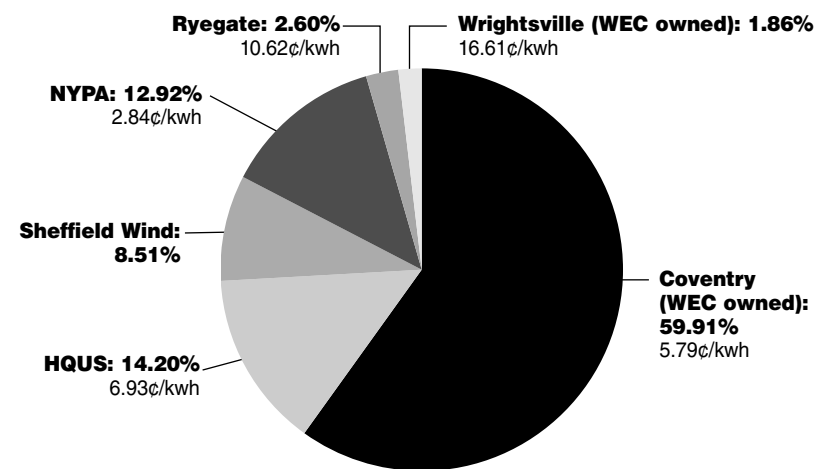
	12/31/23	12/31/24	
Memberships	\$162,105	\$167,297	\$5,192
Patronage Capital Credits	24,703,285	25,536,584	833,299
Operating Margins - Current Year	(174,385)	(351,944)	(177,559)
Non-Operating Margins	1,242,053	1,220,409	(21,644)
Other Margins and Equities	307,954	313,162	5,208
Total Margins and Equities	\$26,241,012	\$26,885,508	\$644,496
Long-Term Debt			
Long-Term Debt - RUS	2,212,608	1,803,048	(409,560)
Long-Term Debt - FFB	24,164,265	24,044,357	(119,908)
Long-Term Debt - NRUCFC	6,193,391	5,107,142	(1,086,249)
Total Long-Term Debt	\$32,570,264	\$30,954,547	\$(1,615,717)
Current Liabilities			
Current portion of Long Term Debt	2,355,334	2,437,131	81,797
Line of Credit - CFC	757,996	1,922,230	1,164,234
Accounts Payable	2,217,103	1,969,970	(247,133)
Consumer Deposits	187,339	187,483	144
Other Current and Accrued Liabilities	837,888	1,071,648	233,760
Deferred Regulatory Liability	-	-	-
Total Current and Accrued Liabilities	\$6,355,660	\$7,588,462	\$1,232,802
Deferred Credits	247,659	421,717	174,058
Total Liabilities and Other Credits	\$65,414,595	\$65,850,234	\$1,406,860

2024 Statement of Operations

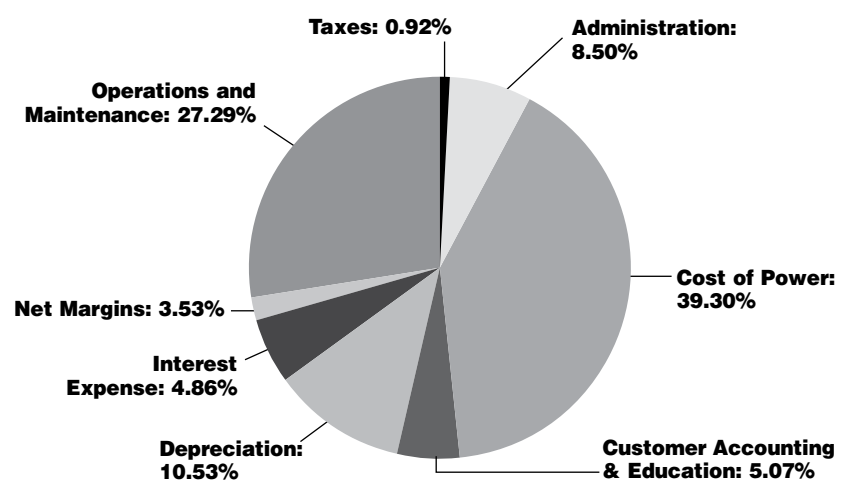
Item	Actual 12/31/23	Actual 12/31/24	Increase (Decrease)
Operating Revenue	\$22,849,295	\$23,383,590	\$534,295
Cost of Purchased Power	7,187,026	7,534,358	\$347,332
Cost of Generated Power - Wrightsville & Coventry	2,149,048	2,134,320	\$(14,728)
Total Cost of Power	\$9,336,074	\$9,668,678	\$332,604
Other Operation & Maintenance Expense			
Transmission Expense	75,073	96,994	21,921
Distribution Expense - Operation	2,290,743	2,784,008	493,265
Distribution Expense - Maintenance	4,442,297	3,834,191	(608,106)
Consumer Accounts Expense	803,260	868,475	65,215
Customer Service & Education	381,256	378,579	(2,677)
Administrative and General Expense	1,777,645	2,092,348	314,703
Total Other Operation and Maintenance Expense	\$9,770,274	\$10,054,595	\$284,321
Fixed Expenses			
Depreciation and Amortization Expense	2,518,878	2,590,331	71,453
Tax Expense - Other	221,408	227,074	5,666
Interest on Long-Term Debt	1,172,382	1,149,683	(22,699)
Interest Expense - Other	4,663	45,173	40,510
Total Fixed Expenses	\$3,917,331	\$4,012,261	\$94,930
Total Cost of Electric Service	\$23,023,679	\$23,735,534	\$711,855
Operating Margins	(174,385)	(351,944)	\$(177,559)
Non-Operating Margins - Interest	1,229,692	1,275,841	46,149
Non-Operating Margins - Other	12,361	(55,432)	(67,793)
Net Margins	\$1,067,668	\$868,465	\$(199,203)
Times Interest Earned Ratio (TIER)	1.91	1.76	(0.16)

2024 Sources and Costs of Power

(Total kWh Purchased and Generated)



2024 Where the Dollars Went



Steve Farnham

continued from page 5

The legislature needs to identify other funding sources to incentivise it, and these incentives need to be sunsetted after a solar array has been fully amortised. There is no reason folks using infrastructure should get a free ride on it in perpetuity. Second, there needs to be a storage requirement to prevent wild oscillations in load to the utility.

At present, per KWH, "home grown" electricity (with storage) costs roughly double WEC's retail price. This means generating your own power at home is a luxury. I would like to see incentives that make power generated at home justifiable and affordable to all

members - not only those with reserves of disposable income.

WEC policy appears to be aimed at discouraging further development of net metering, as opposed to modifying it, and as far as I can tell, apart from quietly assenting it is a member's right, WEC is silent on any other form of home power generation. I would like to see a policy shift toward one that encourages development of "home-grown" electricity, and I'd like to see WEC publicly advocate for that more strongly.

I have been honoured for the opportunity to serve WEC, and with your vote, will continue to advocate sound environmental policy. Thank you for your support.

Bill Powell

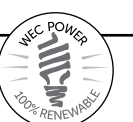
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can testify that WEC's capacity to deal with wide-spread outages has improved immensely but we still have much improvement to invest in. WEC needs to continue to expand its use of technology that reduces outage duration. With the current Integrated Resource Plan (IRP) and Construction Work Plan (C.W.P.) WEC has the gameplan and management elements to meet member expectations.

Now that Donna Jerry and I have retired we continue to live in Calais.

I serve on the board of the Central Vermont Solid Waste District, an appointed role. I am treasurer of the Maple Corner Community Center. I welcome your inquiry and would appreciate your support. 🙌

**Go Green.
Go Electric.
Go WEC!**



Tracking WEC's Performance

Service Quality and Reliability Plan Results for 2024

By Louis Porter

Washington Electric Cooperative reports annually to state regulators on how well it provided service to its members over the last year. The Service Quality and Reliability Plan or SQRP report consists of 12 categories designed to take a snapshot of where we are doing well and where we need to improve.

While this report is filed with the Vermont Public Utility Commission, it is also a useful tool for those at WEC and for those it serves to track performance and highlight trends.

WEC was over its allowed metric in the percentage of calls not answered within 20 seconds last year. This is a category that the Co-op has struggled with frequently and we have tried various approaches to improve both through our own staffing and by working with the call center that answers members' calls when our own Member Service Representatives are busy.

This year, we tried allowing calls to go first to an automated answering system, in the hopes that this would speed up the average call time. However, members found this confusing and frustrating, so we reverted to the system in which calls are first picked up by a human, either at WEC or at our call center, unless they are all busy or a member requests the automated system.

We also failed to meet our outage statistics in 2024. The Co-op experienced 906 separate outage events, not counting major storms. That is more than our three-year average of 845, and more than our 10-year average of 776.

Perhaps counterintuitively, because major storms are not counted against our performance, years in which we have a lot of storms which don't quite reach the major storm designation can push our outage statistics out of the acceptable range, even if overall outage hours for members are less severe than in years with more major storms. Major storms are those with extensive damage to WEC's system, more than 10% of members lose power, and at least 1% of members are out of service for at least 24 hours. Ironically, bringing in outside crews helps restore power more quickly, but that can also move weather events out of the "major storm" category, worsening our statistics even as it benefits members waiting to get their electricity back.

WEC faced three major storms in 2024, and another seven severe weather events that caused significant damage and outages, but did not quite count as major storms.

Here are the details for the other service quality statistics:

1. Work Safety Performance. The safety of WEC workers and of the general public is of great importance and is a top priority for WEC. The jobs of any electrical utility workers can be difficult, strenuous, and pose significant risks. WEC had two injuries which caused lost work time, and so met its standard of less than six, but it did exceed its metric for total amount of time lost to injuries in 2024 with 96 cumulative days.

2. Outage Incidents. The "System Average Interruption Frequency Index" or SAIFI measures the average number of outage incidents that occurred per member, exclusive of major storms. Our goal is no more than 3.8 outages per member, and we averaged 4.0 in 2024. This was worse than in 2023, when we met our goal with 2.9.

3. Outage Duration. The "Customer Average Interruption Duration Index" or CAIDI measures the average time it takes to restore power when there was an outage, exclusive of major storms. Our goal is to restore power in 2.7 hours, and in 2024 we missed that objective and restored power in 3.5 hours on average. That was slightly worse than in 2023 when we restored power in 3.2 hours on average. Part of the challenge for WEC in meeting this metric is the size of our territory. Travel time for crews to reach the outlying towns can delay our response significantly.

4. Calls not answered within 20 seconds. One of our requirements from regulators is that we answer calls to WEC within 20 seconds in all

but 15% of cases. In 2024, we did not meet that measurement, with 17.4% of calls lingering too long. That was a slight improvement over 2023 where we had 18% over the time limit.

5. Bills not rendered in seven days. Our goal is to have no more than 0.1% of bills (one in 1,000) issued more than seven days after they were supposed to go out. No bills were issued late in 2024, or in 2023, to WEC's members.

6. Bills found inaccurate. No more than 0.10% of all bills (one in 1,000) sent out can be inaccurate. We met that goal with 0.08% of bills inaccurate.

7. Payment posting complaints. Our target is no more than 0.05% of members (one in 2,000) having complaints about payments not being posted promptly and accurately to their accounts. We had 0.01% complaining in 2024.

8. Meter readings a month. Although there are situations in which a meter cannot be read and WEC has to issue an estimated bill, the goal is to have that occur to no more than 5% of bills, or five in 100. In 2024 there were 0.36% of bills based on estimated meter readings.

9. Requested work not done on time. When we extend lines to new homes or do work requested by members, we try hard to do that work efficiently and on time. Although this can be a challenge for a small organization, particularly when WEC has seen a large number of new service requests in recent years, we have

a target of no more than 5% of jobs not being completed on time. In 2024, as in past years, all jobs were completed on time.

10. Average delay days after missed delivery date. This measure is not applicable, given that all jobs were completed on time as noted above.

11. Customer satisfaction. WEC conducts a professional survey of members every five years to gauge customer satisfaction. The most recent survey was completed in 2020, and WEC received high marks in most categories. Overall, member satisfaction was good, with a mean rating of 8.34 (out of 10), with 57% of respondents giving a 9 or 10. We will conduct the next survey this year.

12. Complaints to DPS / Consumer Affairs. Vermonters who get their electricity from any of the state's utilities can report problems to the Consumer Affairs and Public Information Division of the Department of Public Service. The Department then contacts the utility to get more information. In most cases, those issues are resolved through discussion or the DPS determines there was no basis for the complaint. However, if the DPS determines that a utility has not done something right and requires that it be corrected this is recorded as an "escalation." WEC's SQRP requires that the number of escalations not exceed 0.07% of our membership (or about 7 per year). In 2024, as in 2023, no escalations were reported. 🐸

ANNUAL MEETING DINNER RESERVATION

WEC'S 86th Annual Meeting • Thursday, May 1, 2025

BARRE AUDITORIUM – 16 Auditorium Hill, Barre, VT 05641

4:30 pm registration • Buffet opening to be determined

Return Form by Friday, April 19 – WEC, Attn: Admin Asst., PO Box 8, East Montpelier, VT 05651

Return this dinner reservation form by April 19 to receive dinner at no charge. Dinner at no charge is by RESERVATION ONLY.

Walk-ins will be charged: \$22 – Adult; \$12 – Child (ages 10+); Children under 10 free. (No guarantee that meals will be available for those who do not register in advance).

No-shows will incur a \$3 charge on their May electric bill.

The buffet will have a variety of foods, including vegetarian/vegan and gluten-free options.

For special food requests not indicated below, additional accessibility needs, or questions, please contact us at (802) 223-5245 by April 18.

Registration also available online at wec.coop/annual-meeting

	Member	Guest	Child/Age
Name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special food requests/accessibility needs: _____			
Map/Account # _____			Telephone # listed on account _____

Please do not return this form in ballot envelope.

