CEO Update: A Warm and Affirming Welcome
By Rebecca Towne

On October 8th, when I walked into the VEC offices in Johnson to begin my work as chief executive officer, I could not have imagined a warmer welcome or a clearer, and more affirming, display of VEC values.

On that day, it so happened, VEC was holding an all-employee meeting that included health and safety tips. I joined many other staff members and took a flu shot, and did hands-on fire extinguisher training, for example. Staff members also celebrated, in kind and funny and respectful ways, employees with long-time service to VEC. It was immediately clear to me that this is a great team at VEC, focused on showing up every day to give their personal best. Ever since that first morning, I’ve felt very much a part of the VEC team.

When the opportunity arose to lead the co-op, I jumped at the chance because I have known and admired VEC since I was child growing up in the town of Cambridge. I am looking forward to working with the great staff, Board of Directors, and wonderful members to help the co-op be better than ever. Every employee at VEC is committed to ensuring outstanding and cost-effective service to our member communities and I am delighted to sign on for that same commitment.

I have come to VEC with leadership and utility experience from Green Mountain Power and Vermont Gas Systems. Simply put, my leadership experience is to inspire the people around me to do their best work and to see the possibilities of the future. I also bring to VEC some strong technical skills. Over 18 years in utilities I have had first-hand experience in many operational areas. I have implemented technology systems, led union negotiations, built bucket truck specifications, dispatched crews during storms, and testified to the Public Utility Commission, among other things. Regardless of what I am working on, I like to think I am a team-builder, someone who sets a strategic vision of the future, and provides practical ways to achieve that vision.

VEC will play a key role in the coming decades in the transformation of the electrical sector in Vermont. With the convergence of new technologies, distributed renewable generation, and data management, the grid is fast becoming a far more flexible, cleaner, consumer-oriented organism than it was when wires were first strung more than a century ago. And because VEC is grounded in the community (after all, our members built, and today you now run, the co-op) I think we are well-positioned to continually seize new value for our members as the electricity system changes. VEC will continue to provide options for our members — whether you choose to modernize energy systems in your home or business through our Energy Transformation Program, support clean energy through Co-op Community Solar, or round up your electric bill to help the Community Fund support local non-profits in our territory.

Already I have heard about members who have used VEC’s programs to achieve their own energy goals such as reducing cost, reducing carbon emissions, or improving their comfort. Other VEC members tell us they simply want cost-effective, safe, and reliable service. That, of course, is VEC’s core mission and it will always be our top priority.

I truly love Vermont and the utility industry, and for years I have had a deep respect for those I know who work at Vermont Electric Co-op. I am deeply honored to be serving as your new CEO.

Rebecca Towne at a Glance
• Green Mountain Power (14 years)
• Vermont Gas Systems (3½ years)
• BA Swarthmore College, Swarthmore, PA, and MS, St Michael’s College, Colchester
• Seventh-generation Vermonter; grew up in Cambridge
• Lives in Essex
• Loves skiing, hiking, reading and plays a mean game of mini-golf
• Began work at VEC on October 8

VEC Marks Fifth Year with No Rate Increase

By Rebecca Towne

VEC will not seek a rate increase for January of 2019, marking the fifth consecutive year that VEC has kept rates flat.

“I’m very proud of the work our entire team has done to keep rates flat since January 2014,” said VEC Chief Financial Officer Michael Bursell. “It’s taken a great deal of creativity, negotiation, and careful budgeting and everyone has pitched in,” he said. “That’s the beauty of the co-op model — if we do well, all our members do well.”

For one of the larger electricity consumers in VEC territory, the announcement there will be no rate increase for yet another year was welcome news.

“Any time we can keep costs down — and for our resort electricity is a significant cost — we can invest in a better experience for our guests and help us keep and add jobs in the local community,” said Steve Clokey, VP Marketing, for Smugglers’ Notch Resort. “Hats off to VEC.”

Over the past ten years, VEC’s rates have increased an average of just 0.7 percent per year, well under the annual rate of inflation.

Broadly speaking, VEC has been able to contain rates in recent years by continuing to make good investments in infrastructure, managing debt effectively, and having locked in an economical, diversified power portfolio that largely insulates the co-op from lots of power supply cost volatility, Bursell said. The co-op has also benefited from increased power sales to some commercial users who are abandoning fossil fuel in favor of electricity. Members’ willingness to trim their electric use during times when it’s particularly expensive for the co-op to buy and transmit extra power — via the VEC Beat the Peak Program — has also likely helped, he said.

VEC has been able to keep the rates flat even as the co-op has maintained high customer service and reliability ratings overall.

Utilities in Vermont request rate increases from regulators when the utilities believe it’s necessary in order to maintain good service and assure financial integrity.

Bursell cautioned that cost pressures likely will not abate in the coming years. For example, Vermont’s net metering program — which requires utilities to compensate producers at rates above retail prices — heavy storm activities, transmission costs, and the replacement of natural gas contracts with higher cost renewable contracts, all add to increasing costs.
VEC to Launch Utility-Scale Electric Storage Project

VEC is moving ahead with an innovative electric storage project that will help us use the grid more efficiently and is expected to save members thousands of dollars annually.

In August, VEC announced our partnership with Viridity Energy Solutions, Inc. (Viridity), Northern Power Systems, Inc. (Northern Power); and WEG Electric Corp. (WEC), to implement a utility-scale Battery Energy Storage System (BESS) in Hinesburg.

The system, with installed power of approximately one megawatt and energy storage capacity up to four megawatt-hours will increase flexibility for VEC, allowing the co-op to draw power from the battery during peak demand times to reduce transmission costs. In addition, when the battery system is not being used for peak demand charge reduction for VEC, Viridity will use it to provide grid stability to reduce potential power outages.

The project involves a 10-year agreement where VEC will lease up to 400 kilowatt-hours of storage per year from the lithium-ion battery system which will be owned and operated by Viridity. This agreement will bring the benefits of a battery energy storage system to the co-op without requiring any significant upfront capital costs by VEC. “We expect to save $70,000 to $100,000 per year,” said Craig Kiern, VEC’s manager of power planning.

For the past two years the VEC power supply team has been closely monitoring the state and regional power supply market peaking trends. They also simulated dispatching a battery and correctly called Vermont peak in 11 of the past 12 months, as well as correctly identifying the New England annual peak. This has prepared them well for determining when peaks will occur and when to utilize the battery most effectively.

“In our agreement we ensured the ability to use the battery several days a month,” Kierny said, “because you never know with 100% certainty which day is going to be the coldest one or the hottest one as weather drives the peak in most months.”

The batteries will be about the size of two tractor-trailers and installed at VEC’s substation in Hinesburg.

Can VEC Help in Your Town’s Schools?

Over the years, VEC has worked in our local schools to introduce students to the world of energy, electricity, and safety – and we continue to be interested in doing so. “As a co-op, VEC is a community-focused, not-for-profit organization that was built by, and is run by, people in the northern Vermont community,” said Energy Services Planner Jake Brown. “Connecting with our community, including younger Vermonters, we believe brings benefits to all VEC members.”

Options include:

• A class visit: VEC staff could offer a simple presentation to a class or classes, about electricity including how it’s generated, how it flows from power stations to our homes, why to conserve, electricity safety, and more. These presentations can be customized to cover specific topics.

• A VEC open house: A visit to VEC headquarters would include a tour of various work areas including our state-of-the-art control center. Individuals would have the opportunity to meet with various VEC employees to learn about VEC business operations and potentially explore careers in the utility industry.

• A field trip: Stops could include VEC’s Hinesburg or Alburgh solar arrays, a VEC distribution substation, VEC’s Johnson headquarters or district shops in Grand Isle, Newport or Richford.

• Support of an ongoing, relevant program/curriculum. This engagement could be longer term, and involve complementing a particular educational track, or club at your school through visits, panels, or other ongoing relationships.

Importantly, any of these options can be tailored to emphasize certain educational goals/subjects. For instance, each of them could focus on electricity policy, electricity generation and transmission, safety, electricity career opportunities, or other themes.

VEC employs more than 100 high-qualified Vermonters with a range of expertise and experience and we would love to share our knowledge with students, and by extension, their families, in our community. For more information, please contact Jake Brown at 802-730-1160 or email him at jbrown@vermontelectric.coop.

Electrical Safety Checklist

Nearly half of all home fires occur during winter months. Take a few minutes to identify and correct any potential electrical hazards to ensure the safety of your home.

**SWITCHES AND OUTLETS**

- Are any switches or outlets warm to the touch? Yes No
- Are any outlets or switches discolored? Yes No

Discoloration indicates dangerous heat buildup at these connections.

- Do plugs fit snugly into outlets? Yes No

Loose-fitting plugs can cause overheating and fires.

**CORDS**

- Are any cords cracked, frayed or damaged? Yes No
- Are any cords pinched by furniture or windows, or attached to anything with staples or nails? Yes No

Pinching and/or stapling cords can damage the insulation, causing shock or fire hazard.

- Do you use extension cords on a permanent basis? Yes No

Extension cords should only be used temporarily.

**ELECTRIC PANEL**

- Do you have recurring tripped circuit breakers or blown fuses? Yes No

If yes, this could indicate you’re exceeding a safe level of electrical current.

- Do you have arc fault circuit interrupters (AFCIs)? Yes No

AFCIs provide greater fire protection. Check your circuit breakers for the AFCI label.

Please note this is not a comprehensive safety checklist. Visit ESFI.org for more information. Source: ESFI.
Don't Miss out on Bill Credits for Heat Pumps, Pellet Stoves, EVs and More

Just a reminder that VEC offers bill credits to members who buy certain technologies for their home and business. More than 400 VEC members have taken advantage of these bill credits since we began offering them in 2017. The process is easy. Once you purchase the qualifying appliance or vehicle, you fill out a form (found on our website) and send it, along with proof of purchase, either by mail to VEC, 42 Wescom Road, Johnson VT 05656 or via email to support@vermontelectric.coop.

Here is a list of 2018 VEC incentives:

- Cold-climate heat pumps: $150 bill credit. (Note: credit will be increasing to $300 in 2019)
- Heat pump water heaters: $150 bill credit.
- Pellet stoves: $150 bill credit.
- Plug-in hybrid: purchase, $250 bill credit; lease, $50/year bill credit.
- Fully electric: purchase, $500 bill credit; lease, $100/year. (VEC members get an additional $5,000 off a Nissan Leaf)

VEC is offering bill credit incentives for the installation of Level 2 and Level 3 public charging stations. Eligible applicants are businesses and public entities (schools, towns, etc) with stations that were operational after July 1, 2017 and provided the charging station is available to the public. VEC is offering a $500 bill credit per connection ($500 for a one-head charger, $1,000 for a two-head charger) with a $2,000 maximum per member.

Clean Air Program

VEC’s Clean Air Program (CAP) offers customized opportunities to members with off-grid or underserved homes or businesses to replace fossil fuel usage with electricity. These opportunities may include service upgrades or line extensions, the costs of which will be shared between the utility and the member through customized agreements. For example, someone in VEC’s service territory who has a maple sugaring operation currently powered by a diesel or propane generator may be eligible to participate in the Clean Air Program and receive an incentive from VEC for the cost of a line extension to retire the generator.

Types of Electric Vehicles

If you’re looking to purchase an electric vehicle, use this cheat sheet to help determine the various options. Drivers can choose between three types of electric vehicles (EVs). EVs are classed by the amount of electricity that is used as their energy source.

<table>
<thead>
<tr>
<th>Types of Electric Vehicles</th>
<th>Fuel: Gasoline</th>
<th>Fuel: Gasoline and/or electricity from grid</th>
<th>Fuel: 100% electricity from grid</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEV HYBRID ELECTRIC VEHICLE</td>
<td>Gasoline Engine</td>
<td>Electric Motor and/or battery</td>
<td>Electric Motor</td>
</tr>
<tr>
<td>PHEV PLUG-IN HYBRID ELECTRIC VEHICLE</td>
<td>Gasoline Engine</td>
<td>Electric Motor and/or battery</td>
<td>Electric Motor</td>
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<tr>
<td>BEV BATTERY ELECTRIC VEHICLE</td>
<td>Battery</td>
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Note: Electric Power Research Institute

VEC offering additional incentives for 2019

Modular homes and forklifts would seem to have little in common at first blush, but if they run entirely on electricity, they offer an opportunity to help Vermont meet its energy goals.

In 2019, VEC will be adding Zero Energy Modular (ZEM) homes and electric-powered forklifts, to the co-op’s Energy Transformation Program, meaning VEC members purchasing these products will be able to get credits on their electric bills.

Specifically, VEC will be offering a $500 credit per ZEM home and a $1,000 credit for each electric forklift purchased by VEC members.

ZEM homes, which run entirely on electric power, have a tight building envelope so they can be heated with cold climate heat pumps. Household water is heated with heat pump water heaters and solar panels on the roof ensure that the electricity costs are minimal.

ZEM homes are more expensive to purchase than standard modular homes, but the operating costs are extremely low compared to traditional homes. Unlike most manufactured housing, ZEM homes are designed specifically for colder climates.

Currently, one company manufacturing ZEM homes is Vermont, located in the town of Whitefield, near White River Junction.

In addition to the incentive for ZEM homes, VEC will be offering the forklift bill credit to VEC members who purchase new or used electric forklifts for new applications, or whenever a purchased electric forklift directly replaces a fossil fuel powered forklift.

Source: Electric Power Research Institute
Generous Members Support a Range of Local Initiatives in VEC Territory

The VEC Community Fund continues to award grants to local non-profit efforts in our community, supporting a range of goals, including energy efficiency, emergency communications, and outdoor education. The fund has recently supported the 7th Annual Veterans Summit to be held at Northern Vermont University this spring, and the Franklin County Teen Institute youth leadership program that, among other things, promotes positive youth role models.

“If you look at the types of projects the fund is supporting, it’s pretty clear - the VEC Community Fund is aptly named – it’s about our local community,” said Call Center Representative Lindsey Fenton, who serves on the fund’s committee. “This fund underscores a key co-op principle of neighbor-helping-neighbor,” she said.

The VEC Community Fund is supported solely through contributions from VEC members who choose to participate, by rounding up their electric bills and donating the difference, by donating their patronage capital, or making a direct donation. The fund is intended to strengthen the community by supporting organizations that promote economic security, energy education, emergency/disaster relief, and community development.

Additional recent grants from the fund included:

- A new outdoor learning area, located at the Jay Community Recreational Centre, for the students of Jay/Westfield Elementary School.
- The Bakersfield Volunteer Fire Department’s 4th Annual Golf Tournament, which was held to raise money for upgraded radio equipment to improve emergency communications in the Bakersfield area.
- An effort to help residents of Glover reduce electric bills by upgrading energy-hogging refrigerators through a project called the Glover Refrigerator Revolution.

Looking for funding?

Do you know an organization in our region that is looking for funding? They could consider applying to the VEC Community Fund for a grant.

The Fund’s focus areas are economic security, energy education, emergency/disaster relief, and community development. The fund’s allocation committee reviews applications quarterly, and makes allocations within two weeks of the close of the quarter. Application deadlines are Dec 31, March 31, June 30, and September 30. You can learn more, and apply online by going to vermontelectric.coop/community-fund.

You can support the VEC Community Fund

Supporting the VEC Community Fund is easy. You can do it by having VEC round up your electric bill to the next dollar and donating the difference, or you can also contribute by donating your patronage capital or making a direct donation to the fund. VEC Board Member Ken Haegener of Jeffersonville is one member who has VEC round up his electric bill to benefit the fund, calling his monthly contributions virtually painless.

“I am really proud of this voluntary program,” he said, noting that the fund is supported by members who choose to participate through contributions, and is not funded through electric rates.

You can sign up here: vermontelectric.coop/community-fund-sign-up

VEC’s Community Fund helped support the 4th Annual Bakersfield Volunteer Fire Department Golf Tournament. The August 24 tournament raised money for upgraded radio equipment to improve emergency communications in the Bakersfield area. Photo courtesy Bakersfield Volunteer Fire Department.

For Convenience, Use SmartHub

Are you tired of fumbling with envelopes, sticking stamps, and driving to the post office? Would you like be able to see how much electricity you are using?

With VEC’s on-line SmartHub program you can quickly and easily pay your electric bill, get bill notifications, schedule payments, and view your usage in order to manage your electricity costs. You can also report and track the status of power outages.

So, what exactly is SmartHub? SmartHub is an on-line account management tool that enables you to manage all aspects of your VEC account.

SmartHub can be accessed on the homepage of VEC’s website by clicking on the SmartHub button. If you are a new user, click on the new user option on the SmartHub homepage to create your account. To create an account, you will need your account number, the last name of the first person listed on the account (or business name), and e-mail address. (If you were already enrolled in eBill, our previous online payment service, simply enter the same e-mail and password that you’ve always used.)

If you have questions or would like help signing up for SmartHub, please call VEC Member Services at 802-635-2667.
Recognizing Employee Milestones – Appreciating and Inspiring Great Work

VEC Human Resource Manager Sally Lumbra (above) was honored this fall for her 35 years of service to VEC. Amanda Zay, VEC’s senior human resource generalist, called Sally “a great boss and a great co-worker.”

Each year in October, VEC celebrates employee years-of-service milestones. This year 18 employees were recognized, representing a collective 275 years of service to VEC.

“Appreciating the everyday, recognizing individual achievements, and celebrating group successes are all components of our recognition best practices,” says VEC’s Human Resources Manager, Sally Lumbra, who just met her 35-years-of service milestone. “The affirmation that comes with those kinds of recognition fuels job satisfaction, boosts employee engagement, and supports VEC’s success.”

Here are the 2018 honorees:

**5 YEARS**  
- John Varney  
- Marissa Morse  
- Lisa Morris

**10 YEARS**  
- Dean Denis  
- Chris Connelley  
- Chris Rodger  
- Ken Tripp  
- Nikki Thomas  
- Katie Orost

**15 YEARS**  
- Michael Bursell  
- David Young

**20 YEARS**  
- Craig Kiency  
- Larry Hall  
- Kathy Thompson-Cole

**25 YEARS**  
- Kevin Podd  
- Donald Gates  
- Gerald Gates

**35 YEARS**  
- Sally Lumbra

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**GENERATOR SAFETY TIPS**

Never connect a standby generator into your home’s electrical system. There are only two safe ways to connect a standby generator to your equipment.

**Stationary Generator:**  
An approved generator transfer switch, which keeps your house circuits separate from the electric co-op, should be installed by a professional.

**Portable Generator:**  
Plug appliances directly into the outlet provided on the generator.

Set up and run your generator in a well-ventilated area outside the home. Make sure it’s out and away from your garage, doors, windows and vents. The carbon monoxide generated is **deadly**.

Use a heavy-duty extension cord to connect electric appliances to the outlet on the generator.

Start the generator first before connecting appliances.

*Source: SafeElectricity.org*

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*Source: SafeElectricity.org*
Getting or Changing Service? Please Give VEC a “Heads-Up”

If you’re planning to build or expand your home or significantly change the amount of electricity you use at your current property, please contact VEC as soon as you have an idea of what your plans are, even if construction is months away. That way, if upgrades or other changes are necessary, VEC can be sure to have your service ready to go when you need it. Remember, new service may require easements and/or special construction permits and in some cases, public hearings, which could require additional time.

or special construction permits and in some cases, public hearings or even regulatory review, which could require additional time.

Even if you are not building a new home or addition, adding new load could result in a need for upgraded service. In situations where a significant amount of new load will be added by a member, VEC may have to install larger service equipment or undertake additional construction (often at the member’s expense) to accommodate the demand increase. As in the case of a new service, members should notify VEC as far in advance as possible to ensure that the required service upgrade will be available when it is needed.

VEC can provide temporary service to supply power for construction sites or for other short term uses, and members seeking temporary service should consult with VEC regarding availability.

If you think you might need new or upgraded electricity service, even months from now, please contact VEC as soon as possible so we can be sure your service is available when you need it. Above, VEC Lineworker First Class Alan Esposito works on a job site this summer.

New service may require easements and/or special construction permits and in some cases, public hearings, which could require additional time.

VEC can provide temporary service to supply power for construction sites or for other short term uses, and members seeking temporary service should consult with VEC regarding availability.

If you have questions or want to let VEC know about changes in your service, please call 800-832-2667 and ask for the Engineering Department. You can also learn more here: vermontelectric.coop/programs-services/getting-or-changing-service

Free home energy visit

Essex, Glover, Jericho, Swanton, Underhill, Westford, and Williston homeowners can sign up for a free visit from a professional energy contractor. They’ll identify projects that will provide the best energy savings and improve your health and comfort. You’ll get an estimate of project cost and payback period. Then, you decide what you’d like to take on.

You pay for your heat. Don’t let it slip through the cracks. Sign up at buttonupvermont.org/request-visit.

You could earn $100 for doing your own weatherization.

Do at least three items from the DIY list and check out available rebates at ButtonUpVermont.org.
A homeowner’s buying guide to insulation
Get the facts on the basic types of home insulation, where they are used, and why

Want to stay warmer in winter, keep cooler in summer, and reduce your energy bills year round? Combined with proper air sealing, adding insulation is one of the easiest and most affordable ways to do it. Your home will be quieter, more comfortable, and may even fetch a higher resale value. As part of your home’s thermal envelope, insulation can help to reduce ice dams on roofs and eaves, making your home more durable.

Choosing the right kind of insulation depends on where you’re adding it, the desired R-value, and your budget. In the simplest terms, a higher R-value indicates greater insulation properties. The R-value you need is determined by where you live and what part of the house you’re insulating.

The four basic types of insulation

1. Rolls and Batts
   
   **Good to know:** Many people think of the classic pink fiberglass batting, which is used in walls, floor joists, flat attics, and other locations. However, it also comes in mineral wool variety.

   **Pros:** It can be easily installed by the homeowner and it is relatively inexpensive.

   **Cons:** Fiberglass batts must be measured and cut carefully when installing to avoid moisture problems.

2. Cellulose
   
   **Good to know:** Cellulose is made of recycled newspaper and comes in loose-fill, wet-spray (used in new construction or gut rehab), and dense-pack varieties.

   **Pros:** Dense-pack cellulose can be used everywhere except in flat attics, loose-fill cellulose is better than fiberglass at getting around wiring and joists (ideal for open attic spaces).

   **Cons:** Requires special equipment and careful installation, so this one should be left to a professional installer.

3. Rigid Foam
   
   **Good to know:** Rigid panels of insulation can be used to insulate nearly any part of your home.

   **Pros:** Rigid insulation is a practical solution for sloped attic ceilings, foundations, commercial exteriors, and flat roofs. It can offer an extra layer of continuous insulation, plus air sealing and vapor control. It is easy to install without special equipment.

   **Cons:** Can be challenging to install in spaces with pipes or other obstacles.

4. Polyurethane Spray
   
   **Good to know:** “Foam-in-place” insulation can be blown into walls, on attic surfaces, or under floors.

   **Pros:** It insulates and reduces air leakage. Good for adding insulation to existing finished areas, irregularly shaped areas, and around obstructions.

   **Cons:** Requires special equipment and careful installation, so this one should be left to a professional installer.

Where to add insulation

- **Attic**
- **Ceiling**
- **Rim Joists**
- **Basement Walls**
- **Foundation**

To hire... or not to hire?

Yes, you can install every type of insulation yourself, except wet-spray, dense-pack, and spray foam—these require special equipment and careful installation. But even if you can DIY the job, going to a professional is the safer way to go. When you tighten up a building, it can turn previously unknown issues with fuel-burning appliances into a deadly problem. A professional understands this and knows how to address it. See our guide on hiring a contractor.

We recommend that you consult a professional insulator even when you plan to do the work yourself. And if you DIY, remember to work safely: Follow the manufacturer’s recommendations, and always wear a mask and safety glasses, gloves, long pants, and a long-sleeve shirt.