EDA Grant: $11.2M to VEC to Help Northeast Kingdom

During a meeting on May 5th with business leaders at VEC headquarters in Johnson, US. Assistant Secretary of Commerce for Economic Development John Fernandez announced that VEC will receive an $11.2 million Economic Development Administration (EDA) grant. Dave Hallquist, CEO of VEC, said the new investment would improve electricity reliability in the Northeast Kingdom of Vermont and provide a new fiber-optic cable through a portion of VEC's territory.

"This grant award provides VEC with the opportunity to improve reliability and expand the broadband infrastructure for Vermont's Northeast Kingdom," said Dave Hallquist, CEO of VEC. "This project will make the region more attractive to new businesses, while strengthening the economic climate for existing businesses, like the furniture industry."

"This is a two-part victory for the Northeast Kingdom—improved electricity reliability and an enhanced broadband backbone that will expand the smart grid and broadband access," said Senator Patrick Leahy, who assisted VEC with the project. "The current lines and poles are extremely vulnerable to severe weather, like the heavy snow that fell during the April 2010 storm. When an electrical system is vulnerable, so are the people who depend on it -- whether we are talking about job-creating furniture manufacturers or Vermonters who need electricity to heat their homes." Senator Bernie Sanders and Congressman Peter Welch also support the project. The funds will upgrade 5.2 miles of transmission lines and 26 miles of distribution lines, including polls and lines along Vermont Route 102. These routes will connect customers in the Northeast Kingdom to Vermont's power system and provide redundancy to custom- ers in Coos County, New Hampshire.

The funds will also be used to replace a 1920s-era steel tower line. In addition, VEC will also install fiber optic cables to expand VEC's existing smart grid system and expand future broadband capabilities in Northeast Kingdom communities.

Prior to announcing the grant award, Assistant Secretary Fernandez and several members of staff met with about 30 business and community leaders to understand what the United States Economic Development Authority (EDA) can do to support future growth in Northern Vermont. The roundtable discussion included representatives from local commercial and industrial businesses, as well as local and state officials.

"This is good news for VEC members," said VEC President Tom Bailey. "The EDA recognizes the importance of system improvements and expansion of broadband in the Northeast Kingdom to support future economic development and attract new business to the VEC service territory. There is a clear connection between providing a reliable electric infrastructure and our region's future."


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The 2010 Vermont Electric Cooperative Annual Meeting returned to a traditional breakfast meeting format this year on Saturday, May 15th at the Abbey Restaurant in Sheldon. Approximately 180 VEC Members filled the banquet room to enjoy breakfast, hear about VEC’s progress, learn more about Community Supported Renewable Energy, and learn the results of Board Member elections and other votes before the Membership.

Reviewing the Business Meeting

VEC President Tom Bailey called the meeting to order at 10:00 a.m. “2009 was not a normal year for you,” said Bailey in his remarks to the Membership. “It was not a normal year for us either.”

Bailey went on to explain that early in 2009, the VEC Board had been alerted by Chief Executive Officer Dave Hallquist and Chief Financial Officer Mike Bursell that declining energy sales and revenues were quickly impacting VEC’s financial situation, and praised efforts to keep VEC on solid financial footing. “Everyone was solicited for suggestions to reduce expenses without compromising safety,” said Bailey. He then offered specific thanks to all of the VEC employees who agreed to make financial sacrifices in this tough year. Bailey also recognized the hard work done by VEC in 2009 with the redistricting process. Bailey announced that there were 23 candidates vying for 12 open positions on the VEC Board of Directors. “It was a well contested election,” said Bailey.

Following Bailey’s remarks, Treasurer Bert Lague offered his report to the Membership. Lague was pleased to report that in spite of the economic recession, VEC grew financially stronger over the past year. Facing commercial and industrial revenues that were 11% below forecasted levels, VEC needed to make quick and tough decisions to ensure the Co-op’s financial health.

Lague praised the efforts of all staff to reduce expenses—reporting that staff offered over 50 suggestions for reducing costs or improving non-energy revenues. Staff even agreed to a pay freeze. By agreeing to the pay freeze, members of the IBEW Local helped VEC avert layoffs of seven employees. “No other Vermont utility received such strong support,” reported Lague.

Lague also reported that the expense reductions resulted in VEC’s ability to mitigate the requested rate increase for 2010 from 3.3% to only 1.88%, and that VEC would meet the operational budget for 2009—good news for VEC Members!

VEC also received good news from two financial rating agencies, with both Standard and Poor’s and Fitch upgrading VEC’s financial rating from a BBB- to a BBB. In addition, Standard and Poor’s upgraded VEC’s outlook from stable to positive. These independent ratings are an important factor in the Co-op’s ability to access capital markets and execute key projects.

See “VEC Annual Meeting” continued on page 4
We made a significant step toward providing VEC members with renewable energy in May when Green Mountain Power filed with state regulators for permission to build up to 65 megawatts of wind generation in Lowell. Not only will Kingdom Community Wind (KCW) provide members with cost-effective, stably priced, renewable energy, the $150 million investment in the Northeast Kingdom will provide jobs and significant economic benefits to the region.

Vermont Electric Cooperative members have indicated they want local, renewable resources, and by working together with Green Mountain Power, we are able to provide those resources with little financial risk to the members of VEC, since GMP is bearing the development and construction risk. Should Kingdom Community Wind be built, Green Mountain Power will build the project and sell power to VEC at its cost.

Buying the power at cost for the life of the project has many advantages for VEC members. Most of the power VEC buys from merchant generating plants is on shorter term contracts which need to be renegotiated or replaced when they expire. With Kingdom Community Wind, Vermont Yankee, Hydro-Quebec, and other short term contracts, VEC is currently projecting to have a significant shortfall between committed resources and need beginning as early as 2013 – which is when Kingdom Community Wind is scheduled to come on line.

In addition to offering VEC members a long term source of stably priced power, Kingdom Community Wind is expected to reduce costs associated with transmission losses from importing electricity from more distant resources. Moreover this local source of renewable power will help VEC meet its share of Vermont’s mandated SPEED requirements set forth in the recently enacted Energy Bill (H.446) Act 45. SPEED is defined as Sustainably Priced Energy Enterprises. The bill relates specifically to renewable energy and efficiency, and is intended to encourage new facilities producing power though renewable means.

As for the KCW facility itself, this is the most significant renewable energy project proposed in Vermont since the 50 MW McNeil wood generating plant was built in the 1980s. The Kingdom Community Wind project, as proposed, will include up to 21 turbines on 3.2 miles of ridgeline on Lowell Mountain, each with a rated capacity of up to 3 megawatts. It will generate enough electricity for approximately 20,000 homes, or four percent of VEC’s generation needs and six to eight percent of Green Mountain Power’s generation needs. It also includes upgrades to the existing utility plant infrastructure and substations in the region, upgrades which increase the reliability of the VEC electrical delivery system.

Relative to these system upgrades, it is important to realize that much of the affected infrastructure is aging and would need to be replaced by the Cooperative in the near future. The system upgrades for the project will be shared with GMP, helping to mitigate the costs of construction to VEC members. Additionally GMP will also share in the ongoing costs of maintaining these upgraded facilities.

GMP and VEC both believe community support is very important when building new generation projects, and in fact, told Lowell that we would only proceed if the town as a whole supported the project. The project has been well received by the Lowell community, where 75 percent of voters agreed in March to support the project.

In further recognition of the importance of community support, GMP and VEC have proposed an innovative “Good Neighbor Fund” to ensure direct economic benefits to nearby towns, namely Albany, Westfield, Eden, Irasburg and Craftsbury. The Good Neighbor Fund does not apply to Lowell, where the project is sited, which will receive significant property tax benefits.

We have enjoyed the opportunity to meet with members who are interested in their energy future, as well as the Kingdom Community Wind project. Once members fully understand that GMP’s current power supply mix is expected to bring us up to a relatively uncertain future market risk, as well as the negative environmental impact of that mix, they support the project. We do not believe the Good Neighbor Fund is needed for public support. It is simply a way to share economic benefits with surrounding communities.

The installation of the wind measurement towers, which had to be suspended due to the early snow melt, is underway as weather and the installer’s schedule of commitments to other tower projects around the country permit. The Public Service Board will soon set the schedule of the regulatory process to review the request to build the wind generation facility. The permit, or Certificate of Public Good, includes extensive presented testimony before the Vermont Public Service Board, public meetings, site visits and can take many months to complete.

Overall, the members, including some who are highly opposed to the project, recognize that this is a very important opportunity of others’ concerns and views and we look forward to continued dialogue. VEC will also provide advisory support to any of its members, including those who may have been opposed to the project, regarding how to navigate the regulatory process. Members seeking advice should feel free to contact Randy Pratt, VEC’s Government Relations Manager at 730-1108 or pratt@vermontelectric.coop. VEC’s CEO, David Hallquist, is also available to speak to groups and answer questions and can be reached at 730-1138 or dhallquist@vermontelectric.coop.

The filing with the Vermont Public Service Board is available at: www.kingdomcommunitywind.coop, as well as the library in Lowell, town offices in Lowell, Westfield, and Jay, and at the Northeast Vermont Development Association in St. Johnsbury.

The “Smart Grid” will transform the way we produce, deliver, and use electricity. The Department of Energy (DOE) recognizes this opportunity, and because of that it is investing over $34 billion across the nation to install, test, and understand the full potential of the smart grid.

What exactly is the “smart grid”? It’s an electric grid supported by 21st century digital technology that will provide consumers and utilities with information that will help us to better manage our use of electricity.

A smart grid will allow our 20th century infrastructure to come closer to reaching its full potential. By reducing demand peaks, we will avoid system failures which can cause serious blackouts that can result in problems ranging from minor inconveniences to significant economic setbacks.

Why do we need a smart grid? The electrical infrastructure we rely on today is on average about 40 years old. The US has not made significant investment in the basic infrastructure for decades, and our energy demand is quickly exceeding the system’s capability. The Department of Energy is concerned that the conversion of our transportation sector from automobiles fueled by fossil fuels to electricity will put additional demands on this aging electric grid. Without smart grid, the electricity might not be there when consumers want it.

At VEC, we are at the forefront of this energy transformation. Currently, over 80% of our members are being served with smart meters at a time when many utilities are just beginning to plan their first steps toward meter automation. This meter network is a first step toward providing consumers with information that empowers them to make wise energy decisions. The $10.2 million Smart Grid Investment Grant recently awarded to VEC by the DOE will enable us to complete the installation of smart meters for every VEC member over the next two years. Additionally, it will enable us to install automation and communication equipment throughout our entire system, including all substations.

VEC is already a proven leader in the use of smart grid technology as demonstrated by our WATCHHOURS program, outage management system, and state-of-the-art control center. VEC’s smart grid provides important information to consumers ranging from hourly and daily usage data to real-time outage information.

Over the next few years, we will be working with Vermont Energy Investment Corporation (the parent company of Efficiency Vermont), to test in-home technology and consumer responses to various ways in which they can change the way they use electricity to benefit themselves and the grid as a whole. Consumer education and action is critical to the success of the smart grid. First, it is important that consumers understand what the smart grid offers, but also to have realistic expectations of what it will provide. In addition to making homes more energy efficient, there is a meaningful opportunity for consumers to change the way they use electricity that will have immediate and long-term cost savings for individual homes and businesses.

While the consumer is a critical part of the smart grid, there is much more. Through the collective reductions in overall usage that can be obtained through aggregation of consumer savings, savings will be realized in power purchases and transmission charges, which ultimately will save consumers even more money over the long-term. VEC will be less exposed to requirements at critical times of the day or year when power is either unavailable or extremely expensive. The smart grid will also enable local generation, which will enable even greater grid efficiencies. Finally, VEC’s smart grid has already shown meaningful improvements in outage response times and repair costs. As a cooperative utility, these long-term savings will be realized by all of our members, and are the reason the investments we are making today are so very important.

The Brief to Smart Grid Success

By Randy Pratt, Manager of Government Relations

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CEO UPDATE
By Dave Hallquist, CEO

Kingdom Community Wind Project - Sound impacts
I have attended a number of meetings to discuss the merits of the Kingdom Community Wind project. One particular issue that has taken on a life of its own is the topic of sound. There are many opinions floating around regarding how loud wind turbines are and more importantly, how wind turbine noise can affect people. In addition to researching this important issue, I have personally visited a number of wind facilities with my sound meter in hand. I have learned that many of the noise complaints about the adverse affects of sound come from projects where the turbines were located too close to homes. In the KCW project, the closest full-time residence is 3400 feet from the turbine site. It is difficult for me to see where the KCW project in Lowell will have an adverse affect on individuals due to noise.

Additionally, there have been significant improvements in technology. Wind turbine manufacturers are now taking the sound complaints into consideration during the design phase of new turbines. GMP is paying close attention to the issue of sound while making its turbine selection.

That said, the issue of sound is an important one to a significant group of VEC members. VEC will continue to work closely with GMP and its members to ensure the KCW project is designed to minimize noise and to meet regulatory requirements.

Contact Tracking
VEC’s software system is one of the most integrated systems available to utilities. The Geographic Information System speaks directly to the Customer and Business Information systems as well as the smart meters and engineering systems. This enables a seamless integration between functions, at a very low cost.

VEC is currently enhancing system efficiencies by implementing a new software feature called “Contact Tracking”. With Contact Tracking any employee at VEC will be able to see a complete history of detailed interactions with the member. This feature will enable us to provide a greater level of responsiveness to our members. With Contact Tracking, VEC will capture nearly every interaction with a member made by phone, via the website or in person. It will also track every member request as it moves through the organization and will be especially helpful with requests for service where any delays can be tracked and reported. Oftentimes, a service request can be delayed by the member as they wait for an easement or their contractor. Sometimes the delay occurs due to internal processes at VEC. The Contact Tracking system will provide enhanced visibility and reminders to ensure that all customer requests are handled as expeditiously as possible.

Implementing this system impacts every employee and nearly every process in the company. Presently, a project implementation team has been launched and we expect that the new system will be in place by the end of 2010.

2010 Strategic Plan
VEC employees and Board members have completed the 2010 Strategic Plan. Member Focus is an area that is receiving a high level of attention. Below are a few highlights:

• Improving the interrelationships between departments and employees. This will help everyone to get a better understanding of how their work supports the member.
• Through that understanding VEC will be more focused on “value added” processes for the member.
• Field productivity measures. These measures will help to improve scheduling, highlight return visits to new services, as well as material and tool issues. This will help improve responsiveness to members through reduced lead-times for service requests.
• Member complaint measures. While VEC does measure the complaints that go to the Department of Public Service, this is only one outlet for members. A complaint is a unique opportunity to understand what can be done to improve. Through Contact Tracking, VEC will capture every member complaint, including the casual complaints that field personnel hear, employees attending external VEC meetings hear, and complaints that the Board Directors hear in their communities.

For more details and to see the full 2010 VEC Strategic Plan, please visit our website at www.vermontelectric.coop or contact us by phone at 1-800-VEC-COOP (832-2667).

VEC and VELCO - Do You Know the Difference?

Vermont Electric Cooperative and Vermont Electric Power Company are frequently misidentified with one another. The names are very similar but our respective roles are very different. VEC members. VEC will continue to capture nearly every interaction made by phone, via the website or in person. It will also track every member request as it moves through the organization and will be especially helpful with requests for service where any delays can be tracked and reported. Oftentimes, a service request can be delayed by the member as they wait for an easement or their contractor. Sometimes the delay occurs due to internal processes at VEC. The Contact Tracking system will provide enhanced visibility and reminders to ensure that all customer requests are handled as expeditiously as possible.

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Vermont Electric Cooperative, Inc. a member-owned not-for-profit Cooperative founded in 1938, is Vermont’s third largest electric utility, serving approximately 34,000 members in rural Vermont.

The Power Chain

Visit us on the web at www.vermontelectric.coop
Following the approval of the Treasurer’s Report, Tom Bailey reintroduced Dave Hallquist to provide his Manager’s report for the year. Hallquist’s report again praised VEC’s financial turnaround during the year, and celebrated that a report released in December of 2009 by the Department of Public Service identified that VEC is one of the most productive utilities in the state based on the number of consumers served per employee.

Hallquist celebrated the fact that the steel tower line that had been built in 1929 was finally being replaced. This, and other investments in infrastructure have resulted in measurable and meaningful service reliability improvements for Members, according to Hallquist. In 2009, VEC’s average outage duration index (CAIDI) improved by 17% over the previous year, to an average outage duration of 2.02 hours. In addition, the average interruption frequency index (SAIFI) improved over the previous year by 24% to an average system interruption of 2.08 times during the year.

“We’ve designed and planned to see continuous improvement on this,” said Hallquist proudly.

On the Member Services side, Hallquist said the Smart Grid up as a shining star for VEC, and discussed how the use of technology can help better manage energy usage. “Electricity is the blood that makes the country flow,” said Hallquist. “Our electric grid is about 40 years old and is aging. It needs to get a lot smarter.”

Hallquist noted that now, 80% of VEC Members have had Smart Meters installed and that thanks to a $10.2 million grant from the DOE (Department of Energy), VEC would be able to complete the system in the next three years. The next Members to be targeted include those in St. Rocks, Richmond, Underhill, Fairfax, Westford, Pleasant Valley, and Canaan, said Hallquist.

The meeting also featured the morning’s keynote speaker, Greg Pahl. Pahl has a particular expertise in energy issues, with a long-time interest in energy issues, with a particular emphasis on renewable energy. For a number of years, he lived “off the grid” in a wood heated home powered by a wind turbine atop an 80-foot steel tower. He is an accomplished author, having written numerous articles and five books on sustainable living.

Pahl’s talk, “Power to the People: Community Supportable Renewable Energy,” challenged the audience to look at new ways to create renewable energy to help address the growing worldwide energy crisis. Pahl described how world oil demand increases each year in a healthy world economy. At the same time, over time, world oil production will reach a maximum and then decline. When supply does not meet the demand, prices increase and shortages develop, he said.

Community Supported Energy (CSE) — a similar concept to the now common CSA (Community Supported Agriculture) programs — refers to the cooperative or collaborative installation and ownership of renewable energy projects at the local, community level, according to Pahl.

Pahl referred CSEs as an opportunity for not only renewable energy, but also for business and job growth, an expanded tax base, an increase in new income, and community involvement — all at the local level. “The main point is that VEC members enjoy a breakfast buffet prior to the meeting.

Bertrand Lague presents the Treasurer’s Report to the membership.

President Bailey calls the meeting to order and welcomes attendees.

Members prepare for the business meeting to be called to order.

For more information about examples of CSE’s, the following are a sampling of projects referenced in Pahl’s talk:

- The Danish Wind Initiative Lynetten Cooperative Middelgrunden
- Crest Butte Colorado Community School Solar Initiative
- Wrightsville Hydroelectric Plant, Washington Electric Cooperative, VT
- Mount Abraham Union High School Student Organized Wood Chip Boiler Project (over 38 VT schools have converted to wood chip pellet boilers)
- Combined Heat & Power (CHP), St. Paul, Minnesota
- Foster Brothers Farm Biogasiter, Middlebury, VT
- Chippewa Valley Ethanol Company, Benson, Minnesota
- Geothermal District Heat, Kamath Falls, Oregon
- Chena Hot Springs, Alaska

The project belongs to the community,” said Pahl. “Local ownership is the key ingredient that transforms what would otherwise be just another corporate energy project into an engine for local economic development and greater energy security.”

Pahl discussed many different types of successful CSEs from around the world and around the county as evidence that CSEs are an important component of the development of renewable energy options. The key component of each project — though energy source and fundamental make up of the business model vary considerably from project to project — is the ability of each community to capitalize on the natural resources available in their local area. “If you don’t have hydro, it doesn’t make any sense to pursue hydro power,” emphasized Pahl.

There are many challenges facing CSE projects in the United States, according to Pahl. “The lack of a coherent energy plan, inflexible regulations, extensive approval processes, obtaining local financing, and the fact that federal and state incentives tend to favor large corporate projects to the detriment of CSE success identified by Pahl.

However, Pahl says that the Vermont Energy Act of 2009 (H.446) has enabled home generation projects to now be cost effective. This legislation created the first standard-offer contract in the United States. Pahl challenged the audience to find ideas that could benefit their local communities, referring to Margaret Mead’s famous quote, “Never doubt that a small group of thoughtful, committed people can change the world.”

In closing, Pahl said, “I am convinced that if this strategy were introduced across the nation, it would fundamentally change the renewable energy conversation.”

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- Geothermal District Heat, Kamath Falls, Oregon
- Chena Hot Springs, Alaska

For More Information:
- Post Carbon Institute, Vancouver, British Columbia, www.postcarbon.org
- Windustry, Minneapolis, Minnesota, www.windustry.com
- The Citizen-Powered Energy Handbook: Community Solutions to a Global Project by Greg Pahl
Despite some annual late winter and early spring Vermont weather that resulted in storm related outages, VEC continues to make progress for our members with major and minor system upgrades that are resulting in improved system reliability. A recent $11.2 million grant award from the EDA (US Economic Development Administration) combined with stimulus funding from ARRA (American Recovery and Reinvestment Act), will further enable VEC's upgrade efforts while minimizing the impact of future rate increases.

The NEK Connector project which is funded through the EDA grant, will reinforce VEC's infrastructure in the Canaan and Norton areas by rebuilding the distribution line along RT 102 and connecting it to the Vermont grid in Bloomfield. Project planning is currently underway. Public meetings will be held to explain the project to area residents. Construction is expected to begin in the spring of 2011.

The rebuild of 5.2 miles of critical transmission line to VEC's West Charlestown Substation was completed and the electric lines were energized on May 8, 2010. The replacement of this aging, 2010. The revised tariff was designed to update its tariff provisions to conform to Vermont regulations.

VEC recently received approval to implement a revised tariff for its Line Extension Policy, effective March 15, 2010. The revised tariff was designed to ensure conformance with Vermont line extension rules and to revise applicable charges to accurately reflect costs. The following is a summary of these changes:

- Revisions to the average labor and material costs used for cost estimates
- The addition of transformer costs
- An increase in the activities for which VEC will charge engineering fees
- Identification of the "Delivery Point", a defined point at which the customer (member) -owned facilities connect to VEC's facilities.

For typical overhead services, the Delivery Point is at the customer (member) -owned service entrance cable connectors on the customer's (member)'s building.

For typical underground services, the Delivery Point is the secondary terminals of the transformer. For non-typical services, the Engineering Department shall specify the Delivery Point.

The designation of the transformer secondary terminals as the Delivery Point for new underground services is a change from VEC's longstanding ownership practices. The impact of this change is that the customer (member) is now responsible to maintain, repair or replace underground cable at his/her expense.

When an existing or prospective customer (member) contacts the Engineering Department for a specific project, they will be given a list of materials that must be supplied by the customer (member) for VEC to install the electric service. The customer (member) will be charged for additional trips that may be required by VEC personnel because of missing and/or unapproved materials.

Engineering fees will now be charged for upgrades to existing electric services (upgrades), the replacement of customer (member) owned equipment, and additional engineering time beyond an initial visit to a project site. The cost of an initial visit site is included in the Engineering Deposit which is paid when an Application for Service is submitted to VEC.

VEC's Requirements and Application for Electric Service are posted on the website for your convenience (www.vermontelectriccoop). Requests for paper copies may be obtained by calling 1-800-832-2667, extension 1117.

Vermont's Town Energy Committees Prove Powerful

By Johanna Miller, Vermont Natural Resources Council

"It was all about getting everyone out there, pulling together. Two days later we accomplished something remarkable," said energy committee member Paul Zabik, whose day job with EnergySmart of Vermont — an enterprise of the Central Vermont Community Action Council — positioned him as the chief leader of the project.

As town energy committees evolve, many are looking for solutions that will have even greater effect. In the Mad River Valley, several energy committees are joining forces to explore multi-community collaboration on an innovative clean-energy financing tool. As of last year, Vermont municipalities are enabled to help local property owners finance approved efficiency and renewable energy projects by creating ‘clean energy assessment districts’ or ‘property assessed clean energy’ (PACE) programs.

In conjunction with local officials, dozens of Vermont energy committees are looking at this creative financing tool as a way to help individuals make those often difficult, upfront investments for more substantive projects, like comprehensive weatherization and efficiency overhauls of old homes or installing a solar photovoltaic system.

Programs like PACE and other energy committees continue on page 6

Visit us on the web at www.vermontelectriccoop.coop
VEC Accepts the VOSHA VPP Safety Challenge

CEO Dave Hallquist recently committed to VEC’s participation in the VOSHA VPP (Voluntary Protection Program) Challenge. In a meeting that included all VEC employees, Mr. Hallquist presented a commitment letter to the local VPP administrator, Dan Whipple, symbolizing VEC’s intent to keep employees, consumer/members and the general public safe. VEC is the first company in New England to accept this challenge and it is something that we have been working towards for the past year.

The program, administered by the Vermont OSHA staff, is intended to assist large employers in developing and refining their safety programs. The primary goal is to ensure the safety of employees. The program relies heavily on a collaborative effort between union employees and management. This partnership is critical in fostering a company-wide safety culture that not only focuses on the employees but also on the safety of the consumers and general public.

“Because VEC is an electric utility, we not only have a responsibility to ensure the safety of our employees, but we need to rely on a strong safety culture to keep an eye on our systems and how the public interacts with them,” said VEC Safety Manager Les Burns. “VPP will challenge VEC’s safety protocols and will support VEC in fostering a premier safety culture.”

The VPP Challenge will take between 18-36 months to complete. It will end with an awards ceremony in which VEC will be presented with a VPP flag to display at their facilities.

“Committees,” continued from page 5

energy-saving, renewable generating efforts are gathering momentum with the support of Vermont’s growing network of town energy committees.

The Hartford Energy Committee is working on a streetlighting project aimed at removing about 40 percent of the town’s existing lights and replacing the rest with energy efficient LEDs — a move which could save about $48,000 annually. In Norwich, the energy committee applied for state and federal funding to develop a 250-300 kilowatt solar array. The Hinesburg Sustainability and Energy Planning Task Force is working on a streetlighting project which could save about $48,000 annually. In Norwich, the energy committee applied for state and federal funding to develop a 250-300 kilowatt solar array. The Hinesburg Sustainability and Energy Planning Task Force is working on a streetlighting project which could save about $48,000 annually.

More and more regions like NRPC and communities are recognizing just how much sense clean, energy-efficient initiatives make — and how many cents they can save.

Johanna Miller is the Energy Program Coordinator at the Vermont Natural Resources Council. V-NRC is a research, education and advocacy organization and a founding partner in the Vermont Energy and Climate Action Network, a group whose mission is to start and strengthen town energy committees.

The Vermont Energy and Climate Action Network is a network of town energy committees supported by organizations with organizing, networking and technical expertise. For more information about Vermont’s town energy committees — or to join one or start one in your town with VECAN’s help — contact Johanna Miller at 802-223-2328 ext. 112 or visit www.vecan.net.

Q: I’ve had my 12,000 Btu window air conditioner for six years. I don’t see an ENERGYSTAR® label on it. I want to save electricity but the unit works fine, so I want to be sure it’s worth it to replace it with an ENERGY STAR model. Can you advise me?

A: Glad to help! An ENERGY STAR® qualified dehumidifier uses 20%-20% less energy than a standard model. Many companies manufacture dehumidifiers that have earned the ENERGY STAR label. The machine with the highest energy factor is the most efficient. For more information on moisture and dehumidifiers, visit www.efficiencyvermont.com and search for dehumidifiers. To find specific models, visit www.energystar.gov.

I want to emphasize that it’s worth trying to reduce the need for dehumidification or, if feasible, to fix the cause of basement water problems. You’ll not only lower electricity costs for dehumidifying but you’ll also protect yourself and your house from problems that moisture can cause. Those problems can include wood rot, mold, and mildew that can damage the house and items in it, and can create indoor air quality problems.

Common sources of basement moisture are outdoor air or groundwater, each with their own solutions. The latter requires a pricier fix. I suggest that you get opinions from a few contractors so that you can determine the cause of the problem and get estimates on solutions. Meanwhile, it makes sense to take some simple steps to minimize basement moisture. For example, don’t dry green firewood inside. Use an electric dehumidifier or, if feasible, to fix the cause of basement water problems. You’ll not only lower electricity costs for dehumidifying but you’ll also protect yourself and your house from problems that moisture can cause. Those problems can include wood rot, mold, and mildew that can damage the house and items in it, and can create indoor air quality problems.

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The Rossi Family

Nick and Telsa Rossi are not the typical high
usage call received at VEC. These tech-savvy
members are the hard working parents of two pre-
school aged children. Daughters work involves daily travel
and he communicates succinctly via Blackberry smart
phone. Mom has a home-office IT job. Both juggle
the needs of raising a family and maintaining a bud-
get. They live in a modest-sized, well organized home
where their electrical loads are functional, but by no
means luxurious.

The Rossi’s consumption was notably high, and
prompted a plea for help. They had recently replaced
an electric water heater, the appliances we’re relatively
new and the meter had been tested. “Just help us find
out what’s going on”, Nick implored early on.

A quick over the phone analysis of their electrical
loads looked like figure one.

So why was their monthly consumption at twice
this level?

After reviewing the member’s consumption patterns
using wattWATCHERS, a web-based application that
provides near real-time data, VEC made arrangements
to meet with the Rossis and their electrician at their
home to perform an onsite audit.

Finding no unusual electric loads, attention quickly
turned to an un-insulated, 50-gallon electric water
heater, and efforts to reduce the quantity of water
being heated. The lack of back-flow valves, or heat
traps further increased stand-by losses on the tank.

Although electric water heating typically has higher
operating costs to comparable alternatives, several rea-
sons prompted the members want to work with the
existing equipment: 1) the tank was brand new, 2) the
heating system was a hot air furnace, so integrating wa-
ter was not an option, and 3) cost estimates for a new
oil or gas fired equivalent were not in the immediate
budget.

VEC provided the Rossis’ information via on-line
access through wattWATCHERS, and also additional
resources through Efficiency Vermont (EVT) includ-
ing lighting, appliance and room-by-room energy tips.
Short of a fuel-switch, the water heating recommenda-
tions included:

1. Have the plumber install heat traps or back-flow
preventers.
2. Install low flow shower heads and aerators on
all fixtures.
3. Eliminate, for at least one week, all hot water
clothes wash cycles.
4. Consider drying racks (winter) and clothes line
drying (summer) in lieu of machine drying.
5. Reduce the water heater settings to not more
than EVT’s recommended settings (120 deg F)
6. Use energy-saver cycles for dishwashing, do
only full loads with no heated-drying cycle
7. Shorten duration of showers. Choose showers
instead of baths where possible. Reduce the
amount of water drawn for baths.
8. Insulate the water heater and exposed hot water
piping.

Over the next few days, and weeks, Nick and Telsa
monitored the daily recorded usage with the help of
wattWATCHERS. The results are noteworthy. See
figure two.

These low-cost, no-cost, strategies coupled with on-
gaining access of their usage patterns available through
wattWATCHERS have allowed the Rossis to cut their
consumption by nearly 40%.

“It has definitely helped us, and we think it can go
lower still. I’ve still got a light to change in the kitchen.
It’s not even a good light – now we know what we’re
using,” said Nick and Telsa.

At VEC we are proud to be leaders with Smart Grid
technology. The use of wattWATCHERS as a diagno-
tic tool has proven to be indispensable in understanding
and managing electrical usage patterns for VEC mem-
bers. Eventually, appliances that are now outfitted with
smart chips will be programmed to run when electric
demand and prices are low. Conversely, appliances can
be programmed to shut off during periods of peak
electric demand and prices. Empowering consumers to
manage their electricity efficiently translates to smart
energy.

If you have questions or concerns regarding your
consumption or how to use our wattWATCHERS pro-
gram, please contact a member service representative
at 1-800-VEC-COOP (832-2667).

Figure One: Electrical Loads

<table>
<thead>
<tr>
<th>appliance</th>
<th>wattage</th>
<th>usage</th>
<th>standing</th>
<th>% of tot</th>
<th>comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 pressure filter</td>
<td>724</td>
<td>4</td>
<td>0</td>
<td>0.46</td>
<td>0%</td>
</tr>
<tr>
<td>1 beach chair</td>
<td>376</td>
<td>8</td>
<td>0</td>
<td>0.27</td>
<td>0%</td>
</tr>
<tr>
<td>1 water heater</td>
<td>3,400</td>
<td>15</td>
<td>0</td>
<td>20.86</td>
<td>5%</td>
</tr>
<tr>
<td>2 garage door opener</td>
<td>410</td>
<td>2</td>
<td>0</td>
<td>0.83</td>
<td>0%</td>
</tr>
<tr>
<td>1 heat system fan</td>
<td>310</td>
<td>2</td>
<td>0</td>
<td>0.66</td>
<td>0%</td>
</tr>
<tr>
<td>1 kitchen/pantry</td>
<td>175</td>
<td>5</td>
<td>0</td>
<td>1.14</td>
<td>0%</td>
</tr>
<tr>
<td>1 light system</td>
<td>1,782</td>
<td>12</td>
<td>0</td>
<td>15.97</td>
<td>9%</td>
</tr>
<tr>
<td>1 lighting incandescent</td>
<td>427</td>
<td>27</td>
<td>0</td>
<td>4.32</td>
<td>1%</td>
</tr>
<tr>
<td>2 microwave oven</td>
<td>992</td>
<td>125</td>
<td>0</td>
<td>10.35</td>
<td>1%</td>
</tr>
<tr>
<td>1 range - oven</td>
<td>2,660</td>
<td>8</td>
<td>0</td>
<td>27.73</td>
<td>16%</td>
</tr>
<tr>
<td>1 washing machine</td>
<td>512</td>
<td>17</td>
<td>0</td>
<td>1.75</td>
<td>0%</td>
</tr>
<tr>
<td>2 vaporizers</td>
<td>750</td>
<td>4</td>
<td>0</td>
<td>4.57</td>
<td>0%</td>
</tr>
<tr>
<td>1 water heater</td>
<td>4,500</td>
<td>100</td>
<td>0</td>
<td>100.00</td>
<td>100%</td>
</tr>
</tbody>
</table>

Customer service charge per month: 3.05

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Vermont Electric Co-op
co-op life
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VerMONT ELECTRIC CO-OP

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What if...

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Nick & Telsa Rossi
VEC

+ View a new Meter

Daily Usage View

Start Date: 07-01-2010
End Date: 07-31-2010
Select

Print Graph

? Help

Figure One: Electrical Loads

Figure Two: Daily Energy Use
Johnson, VT (May 5, 2010), U.S. Assistant Secretary for Economic Development, John Fernandez announced $11.2 million to promote broadband and Smart Grid connectivity in the Northeast Kingdom.

[See story on page 1]