

# The Grid, the Load, Transmission and Timing: Taking (Great) Questions from our Members

By Rebecca Towne

Here at VEC, we use the term "Energy Transformation" in a couple of ways. Primarily, we use the phrase to refer to our incentive program to help members transition to electric cars, appliances, and other equipment. But it also describes a far larger concept that's underway across Vermont, the nation

and many parts of the globe – namely the shift of our energy demands increasingly toward cleaner and cheaper electricity.

This transition raises important questions for our region and our members are not afraid to put these questions to us. While we don't have all the answers, every day we plan, innovate and invest making us optimistic about the opportunity of energy transformation.

So – here are some of your questions – and some answers.

## Our energy needs are expected to be increasingly served by electricity. Will the grid be able to handle this additional load?

We expect that VEC's total load will grow by around 40 percent over the next 20 years. While today's grid has some extra capacity, it doesn't have nearly enough to support all that future load. To address the gap, we're focusing on three broad categories of improvements:

**Physical infrastructure.** Poles, wires, and substations represent the core of our system at VEC. Some of this infrastructure is brand new, and some of it is decades old. Every year we rebuild some of our older or less reliable lines. Sometimes we move them to the roadside, bury them underground, or add phases. Sometimes we simply make the system more rugged by replacing what's there with taller poles and thicker wire. We continually upgrade our substations. We will continue

all of this work in the coming years but at a necessarily faster pace to keep up with growing demand.

**Technology.** Advances in technology allow us to make much more efficient use of the physical infrastructure. This will help us boost reliability and better handle load. For example, during outages we can now reroute circuits between substations and dispatch crews more efficiently and effectively. We can better handle increased demand on the system because we can now communicate with electric vehicle chargers and home batteries. As we move into the future, we will embrace even more automation, control of power flows, and energy storage.

**Generation & Transmission.** VEC is part of a New England-wide electrical system, and we buy power from generators in Vermont and out-of-state. As we decarbonize and grow load, we will need more and larger transmission lines to move that power to the load centers. As offshore wind becomes part of New England's portfolio, replacing lots of natural gas, there is a lot of construction and some energy cost involved to support all that infrastructure. As part of the Vermont and New England transmission system, VEC pays a small share of that overall cost, which is reflected in our rates. VEC is actively involved in a number of committees with VELCO (Vermont's state-wide transmission utility) and other distribution utilities to develop solutions to bring this clean energy to VEC.

#### Who is going to pay for all of these improvements?

Some of this funding will come from federal or state dollars, and some will come through members' increased use of electricity.

Recently-passed federal bills including the Inflation Reduction Act and Infrastructure Investment and Jobs Act provide opportunities for funding on resilient

Continued on page 2

By Caroline Mashia, Chief Financial Officer

# A Look at Financial Highlights for 2022

restoration costs.



The year 2022 was one of multiple challenges for VEC. A range of interrelated national and even global forces came together to put significant pressure on our finances.

In 2022, the Co-op faced:

• Rising energy costs – Driven by a shortage of natural gas exacerbated by the war in Ukraine, power supply costs escalated to unprecedented levels during

2022. The energy we procure for distribution to our members represents over 40 percent of our annual operating budget. While our revenues increased \$3.3 million over Fiscal Year 2021, the cost of energy increased \$5.9 million over the same period.

- Inflationary pressures Post-pandemic inflation peaked in 2022 at a 40-year record high of 9.1 percent. VEC faced increased costs in every aspect of our business from rising interest to increases for fuel, equipment, and the cost of subcontractors.
- Supply chain disruptions a national shortage of materials needed for VEC to grow and maintain our electric system was, and continues to be, a significant challenge. The result has been a sharp increase in our cost to procure these materials. One example: severe shortages of key electrical equipment notably transformers both pad mount and pole mount has stymied our ability to promptly change or expand service for members. We expect these shortages to last well into this year.
- Severe weather the co-op was not immune from severe weather events in 2022. Winter Storm Elliot struck the region just in time to cause significant system damages and multi-day outages around the Christmas holiday period. The

severe wind and snow event caused VEC to incur approximately \$1.7 million in damage costs. We worked closely with Vermont Emergency Management and officials from the Federal Emergency Management Agency (FEMA) to request a disaster declaration be authorized by the President, which was authorized March 20. VEC is now eligible to receive 75 percent federal reimbursement of eligible

Also on the financial front, in 2022 the Board of Directors authorized \$1.65 million of member capital to be returned to our members. Member capital, sometimes called "patronage capital," represents members' share of earnings after the co-op pays operating expenses, and is a key characteristic of the cooperative model. On an annual basis, net operating earnings of the co-op are allocated to members based on the member's energy billings of the same period. Each year, the Board of Directors determines whether the co-op is in a strong enough financial position to return a portion of this capital to our members.

While we faced significant financial challenges in 2022, our talented and committed team in departments across the co-op leapt into action, coming together to put mitigation measures into place to retain our financial strength without sacrificing reliability. Where possible, we reduced or postponed expenses to offset increased cost burdens. At the end of the year, our net operating results came in approximately \$2 million less than budget. The good news is that we remain a fiscally strong organization and by contending with these challenges, we expect to emerge over the coming year in an even stronger financial position.

Caroline Mashia became VEC's Chief Financial Officer in in 2022 after serving for 12 years as the co-op's Controller. Before joining VEC, Mashia held senior financial roles in several firms, including Vermont companies Systems & Software and Northern Power Systems.

# Summer's Coming! Join in and "Beat the Peak"



Katie Orost of VEC's power supply team notes one step members can take to beat the peak in the summer is reduce the use of air conditioning, if it's safe to do so.

## Katie Orost from VEC's Power Supply Team Has the Details

Our Beat the Peak program is a way for VEC members work together to reduce the cost of future energy, which helps us control rates our members pay. Whenever the co-op buys wholesale power from electricity generators, we pay for the power itself and for the transmission of that power to our system. Those prices are based on a snapshot of how much power we've bought and transmitted during recent high-use periods – or peak events. So, by reducing the co-op's demand at those times, we can reduce what we pay for power going forward. This helps us contain the rates members pay for electricity over the long term.

#### So, how exactly can you help?

You can volunteer to sign up to get an alert via email or text – typically three maybe four times a summer – when we expect peak demand on the system. It's usually a four to five-hour period in the evening. At that point, you can help out by reducing electricity use. Maybe turn off unnecessary lights, hold off on running the dishwasher or washing machine and clothes dryer. You can also turn down the AC if it's safe to do so.

#### How can I sign up?

If you have not yet signed up and are interested in getting alerts (you can choose email or text alerts) you can sign up at vermontelectric.coop/forms/beat-the-peak-sign-up. Or, you can call us during normal business hours at 800-832-2667 and we can set you up!

### **VEC Now Offering Members Free Level II EV Chargers**

VEC is now offering no-cost home, Level II electric vehicle chargers. Members can go on our website and order a charger and we will ship it to them. Members are responsible for installation and for enrolling it in our communications platform which we use to call peak events when we are expecting peak demand. Through that platform, VEC can request that EVs not charge during peak periods. This helps us shift usage to times when electricity is cleaner and less expensive. You can find out more at vermontelectric.coop/energy-transformation-programs and click on Electric Vehicle Charging Equipment.



#### **CEO update:** Continued from page 1

infrastructure and storage and technology, and VEC is aggressively pursuing funding. We will continue to apply for, when circumstances permit, Federal Emergency Management Agency (FEMA) dollars after severe storms. We have a very good track record of procuring these funds, which not only help us repair infrastructure but also rebuild it so it's more resilient. Finally, as we all use more electricity, we will share the cost of upgrading our systems through rates. It's important to remember, however that using more electricity generally means using less oil, gas, propane or other fuels.

# The long outages over the Christmas holidays from Winter Storm Elliott were very tough. And that's just one example. With all this increasing electrification, how will VEC improve reliability?

We are improving reliability all the time, although these improvements take time and are not always visible. We are making progress and know that our members expect fewer and shorter outages, and also options to support heating and transportation as they move to electrify.

One example: a few lines greatly affected by storms in 2017, 2018, and 2019 that were rebuilt over the past several years using FEMA funding did not experience outages in Winter Storm Elliott. VEC continues to use those FEMA funds, to the tune of \$5 million so far, to continue improving reliability across the system. Because Winter Storm Elliott was recently declared a FEMA event, VEC will be pursuing additional funding for more reliability projects.

#### You encourage technologies like electric vehicles and heat pumps, then ask members to conserve energy at certain times. Which is it? Do you want us to use more or less electricity?

We believe many members will be better served – through lower, more stable costs as well as added convenience and comfort – over the long term by expanding their use of electric technologies. That said, in order for VEC to deliver those benefits we sometimes ask for some flexibility from our members. A handful of times a year we ask members who want to help out, to curtail their use for a few evening hours if they can safely do so. For example, we ask members who happen to have electric vehicles to program them to charge at off peak hours. Or delay

doing laundry until later in the evening. Or tweak the air conditioner so it's not running as cold. These temporary, occasional requests for voluntary action help keep the big benefits of electrification cost-effective for all co-op members.

So, it's both. We hope our members will recognize the overarching value of electrification but recognize that timing its use can be helpful in keeping costs down, too.

# You say VEC is 100 percent carbon-free. But you also say that the price of natural gas — a carbon-emitting fuel — is driving up the cost of power. How can both be true?

First, VEC's power supply is carbon free on an annual basis. That means that on cold winter days when there is not enough renewable power available, we do draw on natural gas. There are also times, often during the summer months, when there is more renewable energy available than we need, so we use that "credit" to offset the times we've used gas.

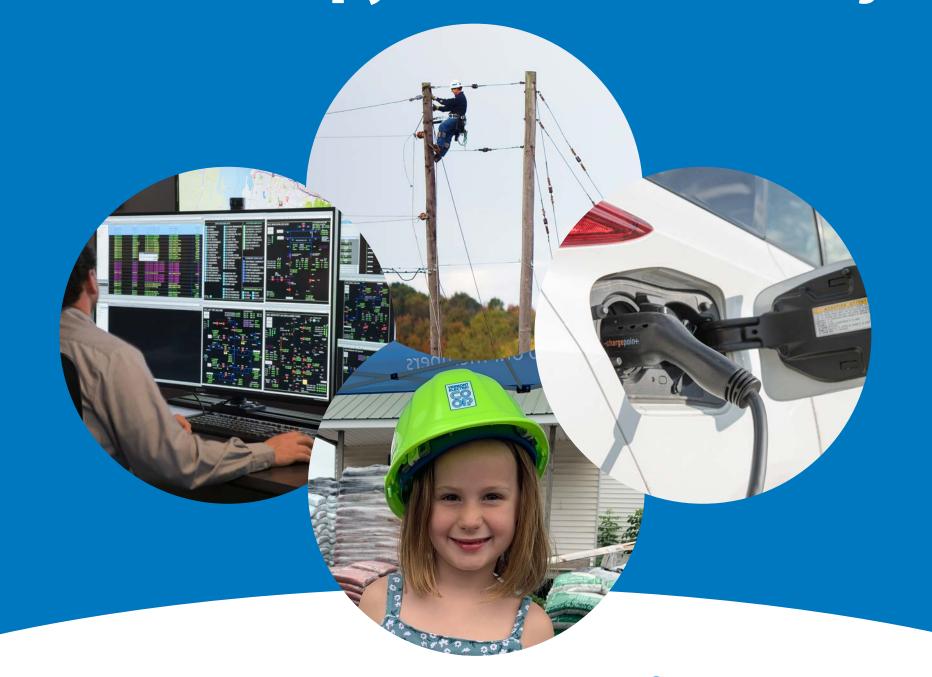
Second, because some of our carbon-free power purchase contracts are pegged to the price of natural gas, prices go up for that power when natural gas prices go up – even though the power source is carbon-free.

The bottom line is that we are incredibly proud that VEC has taken this step to reduce our carbon footprint. And we look forward to delivering our next pledge: to be 100 percent renewable on an annual basis by 2030.

VEC has an excellent, experienced staff who work on these challenges every day. We certainly have our work cut out for us, but please know we are as committed to our mission today as we have been for the last 85+ years – serving our members safe, affordable, reliable energy services.

Intrigued by these ideas? Want to learn or discuss more?
Please join us at our Annual Meeting on May 13th
at Jay Peak Resort. There is a free breakfast, a drawing
for great prizes, and updates from VEC.

# Your Co-op, Your Community



# Annual Meeting SATURDAY, MAY 13 | JAY PEAK RESORT

BREAKFAST 8-9:30AM | MEETING 9:30AM-12PM

## **Agenda**

**8 a.m.** – Complementary member breakfast

9:30 a.m. - Business Meeting of the Membership

10 a.m. - Panel: Trees, Tech, and Transformation: VEC Views of the Future

10:45 a.m. – Board election results and raffle door prizes

- Connect with other members and your board of directors Tap into energy information
  - Enjoy a complimentary breakfast buffet Be entered to win door prizes

## Join us and be entered into our raffle!

We've got more than \$1,000 worth of prizes thanks to our generous donors!

Win a battery-powered chainsaw from Pick & Shovel in Newport, a family pack of waterpark tickets from Jay Peak Resort, gift certificates courtesy of Paul Frank + Collins and Wilschek Iarrapino Law Office, gifts from Jolley Convenience Stores, gift cards from national retailers, courtesy of Charles Curtis, LLC, and more!

# **Candidates for VEC's Board of Directors**

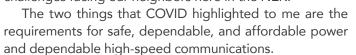
Six candidates are vying for three seats up for election this year on the board of directors of VEC. VEC members can vote for candidates online or by mail and the winners of the election will be announced at VEC's Annual Meeting May 13. Below are statements from the candidates and the districts they seek to represent.

### DISTRICT 1

District 1 includes Averill, Avery's Gore, Barton, Bloomfield, Brighton, Brownington, Brunswick, Canaan, Charleston, Ferdinand, Guildhall, Holland, Lemington, Lewis, Lyndon, Maidstone, Morgan, Newark, Norton, Sheffield, Sutton, Warners Grant, Warren Gore, Westmore, and Wheelock.)

#### Bill Gilbert

Hi - My family and I love this area and doing the things that make the NEK a special place to live and raise a family. Over the past years, I saw both the opportunities and the challenges facing our neighbors here in the NEK.



I have a passion for the power industry. I work for a company that builds gas, solar, and wind power plants. I love seeing that each plant we build is cleaner and more efficient than what is being replaced. In my job, I get to see the future of power generation and learn about the generation side of the industry. I manage construction contracts and I have gained an understanding of commercial issues that are important to protecting our co-op and our members.

I currently serve on the governing board of NEK Broadband. This group is working hard to bring internet service to every residence in the Kingdom. There is a long way to go, but it is great to see that progress is being made.

If fortunate enough to be entrusted with a position on the VEC board, I would work to improve the durability, sustainability, and affordability of our systems.

Please reach out to me at william.r.gilbert2@gmail.com.

Thank you for your consideration.

Bill

#### Don Worth

I've served on the VEC Board of Directors for several years and have completed courses which led to certificates as a Credentialed Cooperative Director (CCD), Board Leadership (BLC) and twice inducted into the Director Gold Program (DGP), the highest level of training. If reelected, I promise to continue my efforts to keep rates down while maintaining outstanding service to Co-op members. My



goals are very simple...we need to keep the lights on by reducing outages and continue to ensure that you pay the lowest rates possible through astute purchases and selective investment in renewable energy, including community solar.

Before retirement, I was the Coordinator for the RSVP office in Newport, recruiting older volunteers in Orleans & Essex Counties. Born in Derby and raised in Island Pond, I graduated from the University of Maine, served in the U.S. Marine Corps and spent 26 years as a member of the U.S. Border Patrol. I presently serve as the Essex County representative to the U.S. Selective Service System and was promoted to the State Review Committee.

My wife, Miriam, and I have five children, ten grandchildren and live in Island Pond on land that was part of my grandfather's farm.

## VEC's Board of Directors: An Overview

VEC is governed by a 12-member Board of Directors that represents the membership. The board has fiduciary responsibility for setting broad policy in accordance with statute and the coop bylaws in determining the overall operation and direction of the co-op.

Among other things, the board reviews and approves the co-op's financial management, and related retirement of member capital, when it's financially feasible. The board reviews and approves the annual strategic plan and conducts longer term, high level, multiyear planning. The board is also responsible for the hiring and oversight of VEC's chief executive officer and for reporting the past year's progress at VEC's Annual Meeting of the Membership.

Board members also bring questions and concerns from VEC members to the full board and staff when necessary.

#### DISTRICT 6

District 6 includes Berkshire, Enosburg, Franklin, Georgia, Highgate, Montgomery, Richford, Sheldon, St. Albans Town, and Swanton.

#### Paul Lambert

Dear Vermont Electric Cooperative Members:

I am happy to announce that I am running for re-election for the District 6 seat on Vermont Electric Cooperative's Board of Directors. Both my career in the energy industry and my commitment to our community have led me to seek this director seat once again and I kindly ask for your vote!

In brief, here is an outline of my experience and why I believe I am well suited for this position.



**Energy Experience:** 

- 21 years working in Vermont's energy industry (VEIC/Efficiency Vermont)
- Understanding of the emerging trends and technologies impacting utilities and members
- Understanding of how business decisions impact energy costs, reliability and innovation
- Experience with Vermont's energy policy and regulatory process

People & Community:

- I am a VEC member in both the towns of Georgia and Glover
- I actively work with various leaders at our local, regional and state levels
- I have a relationship & rapport with many VEC businesses, municipalities and residents

Interest & Desire:

- Energy touches all facets of our economy, community, environment and way of life, which has been a huge draw to me in my career and my work as a VEC director.
- The energy industry is rapidly changing this offers VEC an exciting challenge and opportunity as we balance our near and long-term goals.
- I care deeply about the communities of Northern Vermont as my wife and I have raised our four children right here in Franklin County.

Thank you!
Paul Lambert
plambert@veic.org C: 802-310-2740
www.linkedin.com/in/PaulLambertVT

## West Zone

West Zone includes Alburgh, Bakersfield, Belvidere, Berkshire, Bolton, Cambridge, Eden, Enosburg, Essex, Fairfax, Fairfield, Fletcher, Franklin, Georgia, Grand Isle, Highgate, Hinesburg, Huntington, Hyde Park, Isle LaMotte, Jericho, Johnson, Milton, Montgomery, Morristown, North Hero, Richford, Richmond, Sheldon, Shelburne, South Hero, Starksboro, Stowe, St. Albans Town, St. George, Swanton, Underhill, Waterville, Westford and Williston

#### Jody Dunklee

It has been a privilege to serve you on the Vermont Electric Cooperative Board of Directors for the last four years. I have learned a tremendous amount about the electrical grid, its complexity and evolution, and the opportunities and challenges we will face in the coming years.



Key issues have included infrastructure resilience and reliability; supporting member communities and businesses with critical services, such as high-speed internet; and advocacy for smart and pragmatic energy policy and technology adoption that will enable us to adapt to changing regional and global conditions.

I am most proud of our commitment last year to a 100% carbon-free power supply by the end of 2023, and a 100% renewable power supply by 2030. With thoughtful work and partnerships, I believe this can be achieved with minimal impact to member energy costs and with an increase in service options and future resilience. If reelected, I will strive to support these initiatives with affordability and reliability as top priorities.

As a lifelong, seventh-generation Vermonter, and an engineer and analyst with over 20 years of professional business experience, I believe I am well suited for this role. I truly enjoy working with the VEC leadership team and directors, whom I have found to be highly competent, member-focused, and committed to the cooperative principles. I would be proud to serve for another four years.

Thank you for your consideration, and please feel free to contact me anytime for further discussion: jody.dunklee@gmail.com 802-356-6052

# Member Spotlight: Heating Pellet Venture Launched in Richford



Josh Gervais was in the trucking business. Matt Gregoire was in the logging business. In conversations a couple of years ago, the two Enosburg residents struck on an idea: was there a need for a wood pellet mill in the Richford area to provide locally-sourced, high quality heating fuel for the area?

They decided the answer was "yes." They knew there was a good supply of low-grade wood in the area, and also believed there was a market for locally produced wood pellets.

The men then purchased a facility on Hardwood Hill Road in Richford about a year-and-a-half ago, and began retrofits for wood pellet production. Last year Vermont Natural Forest Products, with electricity provided by VEC, sold 300 tons of wood pellets for heating fuel, and next year their goal is to sell 3,000 tons.

After some adjustments and refinements over the past year or so at the plant, the pellet business is pretty well set.

The mill takes low-grade wood from logging operations and maximizes the use of the material. Bark goes to bark mulch, shavings and sawdust for animal bedding, and the rest for wood pellets. Pellet

wood is dried, then chopped up in a hammer mill. It's then run through a press that compacts the wood pieces into pellets for heating fuel.

In manufacturing, power reliability is key – and so far, the business owners have been pleased with VEC service. Josh recalled just one outage – and it lasted less than an hour – since they began manufacturing pellets. That outage came during the storm Elliott which hit Vermont last Christmas causing multi-day outages for many in Vermont. "Having uniform, dependable power is critical," Josh said, noting that when the power goes out the pellet presses can get clogged up, among other things. "We have good reliability and consistency," he said.

Electricity represents about one-third of the cost of processing the pellets, so the partners are always looking for efficiencies in electric power consumption. One step they recently took was to move the plant to a Time of Use (TOU) electric rate. TOU rates allow them to take advantage of lower off-peak periods to contain their overall power costs, while avoiding demand charges.

And, as with many other commercial and industrial co-op members, VEC staff have worked with Vermont Natural Forest Products to be sure they are aware of potential energy-savings and load management opportunities that could help them improve their bottom line.

"We're proud to work with the many hard-working people who run businesses like Vermont Natural Forest Products all across our territory – they power the rural economy," said Dave Lahar, Key Accounts Manager at VEC.

Gervais said the company is working with the local technical education center as well to help the next generation understand the work opportunities businesses like theirs represent.

"Right now, we are focused on building up our customer list," Gervais said. "A lot of people even right around here don't yet know that we are offering this great, local heating product." He said the company is selling directly to consumers as well



Josh Gervais, one of the owners of Vermont Natural Forest Products, with fuel pellets. Photos courtesy Vermont Natural Forest Products.

as local retailers to sell the pellets.

To get more information about pellets, call 802-848-7000 or email vtnaturalforestproducts@gmail.com

If you represent a commercial or industrial enterprise in VEC territory and would like to discuss energy saving and load management strategies, please contact VEC's Key Accounts Manager Dave Lahar at dlahar@vermontelectric.coop

#### Vinnie Jiwatram

I am asking for your vote to serve my fellow co-op members. As a board member, my priority will be to provide members with reliable, affordable & sustainable electricity. As a long time user of solar, wood pellet and fossil fuel energies I understand that we need to operate within our budgets while balancing the need to do the right thing for ourselves and the larger environment.

I feel that my education, work experiences and business knowledge along with my proven hands-on leadership roles in operations, supply chain and financial management make me a suitable candidate to represent the membership in making sound decisions to keep our electric costs contained while guiding the co-op through all things tactical and strategic.

To be specific, I bring my successful experiences in leading teams to procure and build utility scale energy storage projects, transformers, rectifiers and inverters for public and private entities as well as the US Navy and Marines.

I understand the mechanics of working in regulated industries, optimizing supply chains, conducting contract negotiations and managing safety standards - all while keeping the customer's concerns for cost and service in mind and doing the right thing for employees. I hold a Bachelor of Science in Economics and Finance and have been living in Fairfax for almost 30 years. Thank you for considering me to be a steward of your co-op.



#### Ricky Wood

My name is Ricky Wood - born and raised in Vermont. I am a father to two amazing boys and husband to an astounding woman. My family and our community are extremely important to me. I am looking for your support as I run for a spot on the Board of Directors at Vermont Electric Coop. I currently work for another local utility as a cyber security engineer. This allows me a great understanding of



the potential challenges that V.E.C. may face from a non-customer point of view. Serving in the Marine Corps and being responsible for how decisions impact more than just myself lends itself to my ability to speak up when situations require a voice greater than just my own.

I am interested in being a member of the board to help positively drive the direction of V.E.C. in line with our communities' electrical needs.

Grid security is a real issue we face today. Ensuring the proper level of controls are in place and being maintained are ever so important. Innovations around electric production and distribution are imperative to keep costs down in the long run. Creating an electric vehicle charging network is important to continue EV growth in Northern Vermont.

#### Board of Director Attendance at Regular Monthly Board Meetings April 2022 to March 2023

Director	04/26/22	05/31/22	06/28/22	07/26/22	08/30/22	09/27/22	10/25/22	11/29/22	12/20/22
Bailey, Tom	present								
Dunklee, Jody (Secretary)	present								
Goggin, Rich (Chair)	present								
Hoeppner, Ken	present								
Lague, George	present	absent	present						
Lambert, Paul (1st VP)	present								
Maroni, Carol (2nd VP)	present								
Pratt, Bonnie	present	present	present	absent	present	absent	present	present	present
Van Winkle (Treasurer 02/23-present)	present								
Ward, John (Treasurer 4/22 -01/23)	absent	present							
Woodward, Mark	present								
Worth, Don	present	present	present	absent	present	present	present	present	present

## **VEC 2022 Financial Statement**

Assets	2022
Electric plant, at cost:	
Electric plant in service	\$ 203,457,949
Less accumulated depreciation	65,662,829
Net electric plant in service	137,795,120
Construction work in progress	3,295,238
Net electric plant	141,090,358
Current assets:	
Cash	170,654
Notes receivable	_
Accounts receivable, less allowance for doubtful accounts of	
\$28,003	10,274,856
Unbilled revenue	5,609,559
Inventories	6,278,912
Prepaid expenses	862,742
Total current assets	23,196,723
Other assets:	
Nonutility property	65,697
Other investments	47,212,356
Deferred charges	_
Total other assets	47,278,053
Total assets	\$ 211,565,134
Equities:	
Patronage capital assignable	\$ 88,041,883
Other equities	2,568,266
Contributions in aid of construction	
Net equity	90,610,149
Long-term debt, excluding current installments	87,376,121
Obligations under capital lease, excluding current installments	
Deferred Compensation Plan	346,344
Current liabilities:	5 205 714
Current installments of long-term debt	5,305,714
Revolving debt  Accounts payable	11,000,000 9,502,368
Customer deposits	1,913,765
Deferred credits	372,519
	1,388,600
	301,404
Other Regulatory Liabilities	
Other Regulatory Liabilities  Deferred grant revenues	
Other Regulatory Liabilities	3,448,150
Other Regulatory Liabilities  Deferred grant revenues  Other accrued expenses  Total current liabilities	3,448,150 33,232,520
Other Regulatory Liabilities Deferred grant revenues Other accrued expenses	3,448,150

I		
		2022
Operating revenue	\$	84,592,105
Less revenues subject to refund		
Total operating revenue		84,592,105
Operating expenses:		
Purchased power		43,234,173
Transmission:		
Operations		13,890,842
Maintenance		552,934
Distribution:		
Operations		7,472,336
Maintenance		7,948,583
Customer accounts		2,642,415
Administrative and general		4,531,906
General plant maintenance		322,356
Depreciation and amortization		6,499,618
Taxes		835,137
Other deductions, net		18,932
Total operating expenses		87,949,232
Income from operations		(3,357,127)
Other income (expense):		
Gain (Loss) on sale of fixed assets		1,000
Other income (expenses)		2,935,747
Interest and dividend income		5,490,013
Other capital credits & dividends		672,506
Total other income, net		9,099,266
Interest charges:		
Interest on long-term debt		3,582,537
Other interest		244,803
Total interest charges		3,827,340
Net income	\$	1,914,799
VERMONT ELECTRIC COOPERATI	VE,	, INC.
Capital Spending		
Year ended December 31, 2022		
Capital Spending		2022
New Construction, System Improvements,		
& General Plant	\$	13,354,672
Less Contributions in Aid of Construction		3,044,822
Net Investment in Utility Plant	\$	10,309,850

## Spring Safety Reminders

This time of year many of us are eager to get out and start outdoor projects around our homes, including yard cleanup, tree trimming, repairs, plantings, painting projects and other work.

Please remember to take things slowly, think through your process, and keep focused. Here are a few tips for specific tasks:

- Digging? Call first. When digging (i.e. for tree planting, fence installation, digging any sort of trench) call DigSafe (Call 811) beforehand and make absolutely sure there are no underground service lines in the area.
- Use caution cutting trees. Before cutting trees, evaluate what could happen if a tree or branch falls in an unintentional direction. Call VEC for trees that could come down on lines.
- Be aware of electric lines. Ensure that all overhead outdoor work, like roof work, house painting or repair is done at least 15 feet from any service lines. When clearing vines, shrubs, or brush near your home, take care not to cut or come into contact with electrical lines that could be concealed in the vegetation.
- Clear the lawn before mowing. Before starting your lawn mower, inspect the lawn for foreign objects like stones, sticks, children's or pet toys, and remove them before starting to mow. It's often easier and safer to move lawn furniture, grills, hoses, and other larger objects off the lawn before starting to mow so you don't have to work around these objects, which can be awkward and risky.
- Take care with ladders. Before raising or extending any kind of ladder (metal pole, or other equipment) capable of reaching a power line, check in all directions for power lines. Keep ladders at least 15 feet away from lines.

Please enjoy this time of year, and stay safe.



# Digging? Call First

Spring is a time when we often find ourselves out in the yard starting work on DIY projects, and those can include digging into the ground. We might be planting some trees, putting in a fence, or doing trenching of some sort.

Remember, if you are planning on doing any digging, please call Dig Safe at 811 several days ahead of time so they can make sure there are no underground service lines in the area. These could include electric, telephone, gas or water lines, for instance.

You can find more information at

www.digsafe.com



# The renter's guide to energy savings

If you are a renter, it can feel like you don't have control over the energy costs in your home or apartment. But there are quite a few things tenants can do to lower energy costs. Use these tips to save energy and feel more comfortable in your space all year long.

As a tenant there are a few simple actions you can take to feel cozy and save money on energy bills, too. When you choose energy efficiency, you choose comfortable temperatures, better air quality, and better lighting. You might not see it, but you can feel it: energy efficiency improves your quality of life.



#### **SWITCH TO LEDS**

Switch to LED lightbulbs in the lamps and fixtures you use most often.

**How:** start in the kitchen. Local retailers sell many styles of energy-saving LEDs.

Why: get higher quality lighting that is better for the environment. And you won't have to buy bulbs as often.



#### **USE CURTAINS & SHADES**

Keep the sun's heat out in summer, and use it to warm up rooms in winter.

**How:** in the summer, close window shades and curtains on windows that get a lot of sun during the day. In the winter, do the opposite: open curtains or blinds during the day and close them at night to keep that warm air in.

Why: your home will stay at a more comfortable temperature and you'll need the AC or heater less.



## **VACUUM COILS, VENTS, AND DUCTS**

Remove the dust buildup collecting on your refrigerator and heating systems.

**How:** vacuum coils and condenser unit behind and underneath the refrigerator at least once a year. If you have a forced-air system, you can vacuum the vents and ducts on your own and change filters.

Why: good maintenance boosts system performance, reduces your bills, and improves air quality and safety.



#### REDUCE "IDLE LOAD" FROM ELECTRONICS

Reduce the amount of wasted energy used by your electronics.

**How:** many electronics continue to draw energy even after you've turned them off. Unplug common culprits like printers and DVRs when not in use. Or invest in an advanced power strip to turn electronics all the way off for you.

Why: the average U.S. household wastes \$165 a year on idle load from their electronics.



#### **GET THE RIGHT SIZE AC**

Make sure your window AC is properly sized for your space.

**How:** match the room size to the air conditioner size. Guidance can be found at www.energystar.gov.

Why: an oversized air conditioner is actually less effective at cooling and dehumidifying — you'll be more comfortable with a right-size AC.



### PREPARE YOUR WINDOWS FOR COLDER MONTHS

Add weather-stripping to doors and windows.

**How:** put storm windows down and lock windows. If you need help, ask your property manager.

Why: save energy and increase comfort by preventing cold air from getting in.



## **CHANGE YOUR TEMPERATURE SETTING**

Set back your thermostat when you don't need as much heat.

**How:** if your apartment unit has its own thermostat, lower the temperature an additional seven to 10 degrees for eight hours a day (like when you're sleeping or at work).

Why: according to the National Sleep Foundation, you'll sleep better when your bedroom temperature is between 60 and 67 degrees.

#### TALK TO THE BUILDING OWNER OR MANAGER

Many of these low-cost ideas could be something to ask your landlord to reimburse you for. We encourage renters to see if their landlord is willing to contact us, and we can help determine if the property qualifies for free or discounted weatherization services and products. Energy efficiency upgrades often lower costs for both renters and landlords, so they can make good financial sense for everyone involved.





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