Volume 83 Number 2 Spring 2026

VERMONT ELECTRIC CO-OP LIFE



Our Approach to Artificial Intelligence

By Rebecca Towne

It seems you can't go anywhere these days without hearing about Artificial Intelligence and how it is going to change our world. There is a broad range of views on AI, to be sure. At VEC we have begun to explore AI and understand how it can change our work, stepping thoughtfully into the possibilities and working to grow our team's skillsets to take advantage of this opportunity.

How Are We Using AI Today?

At VEC, we believe the best way to grow is to learn side-by-side with our colleagues, and that's exactly how we're approaching artificial intelligence. We are taking a thoughtful, hands-on approach: exploring AI together as a team, sharing what works, and staying focused on solving real problems that affect our day-to-day operations and the services we provide to you. In the office setting, we're using AI to do things like refine interview questions for job applicants and assist with internal training or writing emails – and we're finding that AI can do a lot to support our people, freeing them to maximize their truly human strengths in pursuit of our mission.

We're also putting AI to work in ways that directly benefit the quality of service to our members. By analyzing historical usage patterns and local weather data, we're beginning to use predictive tools to forecast peak power demand. That means we can deploy our load reduction resources more strategically during high-stress – and high cost – periods on the grid. It is also helping us understand how future predicted weather can impact our reliability many years into the future, and influence how we think about infrastructure investment today to prepare for that future.

Taking Good Care With Cyber Security

As we embrace these new tools, we're deeply committed to proceeding with caution when it comes to cybersecurity. The electric grid is critical infrastructure, and we take that responsibility seriously. We are exceedingly careful about how those tools connect to our internal systems. Every new technology we consider must meet our standards for protecting member data and safeguarding grid operations. AI offers real opportunity, but not at the expense of the trust you place in us every day.

Looking Forward to What's Next

Our commitment to affordability has always meant doing our work as efficiently and cost-effectively as possible. We believe AI, deployed strategically and with the utmost care, can bring new efficiencies across many of our functions. This year, each VEC department has a goal to learn about AI within their work function and deploy a solution, even a simple one, that helps them do their work more efficiently, all within a secure technology environment. This is an exciting opportunity for us and done well it provides growth opportunities for our excellent team.

These are still early days, and we don't have all the answers. We do know that in today's environment, approaching AI with prudence, curiosity, and a clear focus on serving our community is the responsible path forward. We believe AI, done in a cautious and smart way, can help us in our mission to affordably and reliably bring electricity to you. We look forward to the journey and as always, we welcome your thoughts and questions.

Financial Highlights for 2025



By Caroline Mashia, Chief Financial Officer

The cooperative delivered steady financial performance in 2025, supported by continued growth in energy sales and lower operating costs.

Total kilowatt-hour sales increased 1.4% compared to 2024, continuing a multi-year trend of gradual growth. Over the past five years, kWh sales have increased 6.2%. This incremental growth continues to support financial stability.

For the year, the cooperative recorded net earnings of $5.3 million, approximately $500,000 below our target. The primary driver of this variance was an increase in the cost to procure energy. Wholesale power and transmission costs increased in 2025 due to regional market conditions. Market volatility and system peak management remain key cost drivers.

Operating conditions in 2025 were otherwise favorable. The year was marked by minimal storm activity, which helped limit restoration costs. Lower storm-related expenses provided some offset to higher energy costs and allowed crews to focus on system maintenance and reliability work.

The cooperative's overall financial position remains strong. We continued to invest in system reliability, including approximately $1.2 million in FEMA-funded capital infrastructure projects. Standard & Poor's affirmed the cooperative's A+ credit rating with a stable outlook. A strong credit rating allows access to competitive power supply contracts, reduces credit requirements with ISO-New England, and lowers borrowing costs.

As we move into 2026, the cooperative remains well positioned, supported by steady load growth, disciplined cost management, and a strong credit profile.

Help us Keep You up to Date!



From time to time, VEC has to temporarily shut off the power for a short time in certain areas in order to safely repair or upgrade our system. When we do that, we send an automated phone call and email to affected members ahead of time, alerting them to the start time and expected duration of the interruption. If you have recently changed phone numbers or emails, or have moved to cellphone only, please contact us and let us know the best ways to reach you for this purpose. You can email support@vermontelectric.coop or you can update the information by logging into your SmartHub account either on the web or through the app. Thank you!

Out of the Woods: How VEC Brings Lines to Roadside to Boost Reliability

We all love our trees, don't we? Spruce, fir, maple, birch, poplar, and pine – the colors, the smells, the shade. What we may not love so much is the way trees interact with the electrical system. These limbs, branches, trunks – with some wind or wet snow can be a big problem. Power down. Lights out.

To keep the lights on, a key strategy for VEC involves cutting and trimming trees near our lines before they become a threat. Simply put, keeping trees away from lines.

But we have another approach, too: keeping lines away from trees.

Over the past several years, VEC has accelerated efforts to reduce the risks of power outages and one of the key strategies is making investments to move lines from the woods out to roadside or even underground. So far, statistics show that this kind of work is making a difference in outages. For example, a line in a forested-right-of way in Fletcher had experienced three separate outage events in the 12 months before the line was moved and improved. In the 12 months since, there have not been any outage events on that line. Other projects involving moving lines to roadside have shown a 75 percent reduction in the number of outages and a drop in the amount of time members are out of power when there are outages.

"Line relocation is a situationally useful tool," said VEC Right-of-Way-Associate Beth Vaughn. "It's not possible to bring every line to the road, but we evaluate specific relocation projects by considering what it will cost, how long it will take, and its value to the membership as a whole." In fact, VEC uses a detailed matrix to evaluate and prioritize prospective projects. Generally, one relocation project is done in each of VEC's four districts every year.

Big Changes over Time

Since VEC's lines were strung across the territory decades ago, two things have happened. Lots of formerly open agricultural land has become forest and electricity has evolved from a luxury to a necessity. The need for reliable power has only increased as Vermonters rely on electricity to work from home, attend school, hold telehealth appointments, power their cars, and heat their homes. Yet over the same time-period, winter storms have intensified across the state, worsening seasonal damage and creating more severe outage events. These factors point to the same solution: investing in a resilient grid. Roadside relocation projects are one of VEC's strongest tools for doing just that.



Moving hard-to-access lines like these to roadside can help increase VEC's system resilience.

Here are four recent/current projects that VEC's undertaken to improve reliability by moving lines to roadside within the Johnson district service territory; many other projects like these are happening in parallel across our three other line districts. Each of these projects involves a significant amount of planning and permitting, often years' worth, before construction can begin.

- Fletcher (Metcalf Pond Road) – In 2023, VEC relocated about a mile section of old overhead conductor from a very difficult-to-access swamp to the road. The old conductor was "#6 Steel, some of the oldest on VEC's system – known for being extremely brittle and only able to carry a small amount of electricity. VEC crews can't safely work on this wire while energized due to its tendency to break while being handled. That meant that VEC would need to de-energize the line whenever even simple maintenance needed to be performed. The new, roadside line was constructed using taller, stronger poles and larger, insulated aluminum wire – capable of significantly more electricity and able to keep the lights on even with a tree or limb in contact with the conductor.

- Fletcher (Bakersfield Road) – In a project that's very similar to the Metcalf Pond Road project, VEC relocated another mile of old, offroad "#6 Steel" overhead conductor to the road in 2025. The previous right-of-way was a difficult-to-access, steep, ledge side bank, which in some places couldn't be reached by off-road equipment. The line was prone to damage from tall white pine trees growing further uphill, which tended to fall from a height down onto the line. The new right-of-way is roadside, easily accessible at all times of year, and is designed to minimize the risk of tree-related damage and significantly reducing time for repairs, if needed.

- Waterville (Smithville Road) – Slated for 2026, this project relocates approximately three quarters of a mile of offroad overhead conductor from a swampy, hard-to-access riverbed where several poles are in danger of being washed out. The existing line has several very long spans that are prone to slapping together during wind events, causing outages. The new line will be roadside and underground, eliminating the threat from trees along this section, while also being capable of handling more electric current. Installation of the new underground line will use directional drilling to minimize disturbance to landowners and wetlands impacts.

Continued on page 5

System Workhorses: Inside the Substations That Power VEC Communities

VEC members may pass substations from time to time – but may not give them much thought.

Substations are tucked along roadsides, behind fences. These big, mostly gray structures with wires and transformers and lots of other pieces are critical nodes in the VEC system. Without them, none of us would have electricity.

From High Voltage to Your Home

Substations perform a simple but critical function: they reduce the voltage that's coming in from large transmission systems to a level that allows the electricity to be distributed into neighborhoods. Then, smaller transformers on poles or pads drop voltage even further so it can be safely used at your home or business. Substations are critical regulators of electricity flow, all the way from point where an electron is generated at a power plant to the time it illuminates a lightbulb in your house. In other words, substations make sure the electricity coming from the broader grid is usable and safe for our members.

Substations are also information hubs. When members report a power outage, information from substations often helps determine the scope of the problem within minutes. Is it a single lateral line? A feeder circuit? Or something upstream? That intelligence guides restoration efforts and improves response time.

VEC has 35 substations across the territory, a handful of which are shared with Green Mountain Power, Washington Electric Co-op, and the state's distribution

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Substations, like the East Berkshire Substation above, are key to keeping the power flowing to our members.

Candidates for VEC's Board of Directors

As a not-for-profit cooperative, VEC is governed by a 12-member board of directors responsible for setting policy and guiding the co-op's direction. Board members are co-op members themselves and are elected by the broader membership. This year, three seats are up for election: two are uncontested, while one — District 3 — has three candidates competing for a single seat. Below are the districts, the towns they include, and the candidates seeking to represent members.

VEC members in these districts will receive voting materials in the mail, unless they have signed up for paperless voting. If that's the case, they will receive an email from Survey and Ballot systems to vote. The results of the election will be announced at the Annual Meeting on May 9.

DISTRICT 3

District 1 includes: Albany, Craftsbury, Glover, Greensboro, Irasburg, Jay, Lowell, Newport Town, Troy, and Westfield

Liz Amsden



If home is where the heart is, mine's in the Green Mountain state. Raised in Montreal and after decades in California, I want to give back by representing VEC's District 3. I'm fully committed to working with everyone to keep VEC's energy evolution on track, delivering results that are affordable and reliable.

My master's degree in film producing and 40-year career behind the camera may seem unusual qualifications for this position, but my work has given me extensive logistical, financial, and problem-solving skills. These have been augmented by decades of volunteer municipal and environmental work. I was elected to my Neighborhood Council in Los Angeles, then co-chaired the citywide Budget Advocates, advising the Mayor and City Council, and publishing papers on LA's fiscal challenges, focusing on risk assessment, green solutions, ethics, safety and value for taxpayers' money.

I listened to people's concerns and suggestions; worked with local and national regulators and officials; researched and strategized on environmental issues, because of my respect for the land and concern for future generations; and found ways to reach consensus to implement workable solutions.

At this time of rapidly-evolving energy challenges, using my experience plus common sense, I'll help the Co-op continue innovation, resiliency and sustainability efforts to provide secure, clean, and affordable energy for our families, farms and small businesses. As your director, I would prioritize accountability and consensus in addressing energy costs and other challenges facing our members. Please give me this opportunity to improve our lives, now and for future generations.

Brian Cook



I seek election to the District 3 Board of Directors seat. My family settled here before Vermont achieved statehood, and I grew up near the McIndoe Falls dam, where fishing below the dam sparked my early interest in electricity and energy systems.

That passion led me to study industrial electricity in college and begin my career with New England Electrical Transmission at the AC/DC converter station near my hometown. This work allowed me to remain connected to the community that shaped me while contributing directly to Vermont's energy infrastructure.

Community service has been central to my professional life. I served 12 years on the Vermont Association of Snow Travelers Board of Directors, supporting outdoor recreation and tourism, and three years on the Vermont Brewers Association Board, advocating for local businesses. I currently serve as a director of the Jay Peak Area Chamber of Commerce.

Fifteen years ago, my wife Jennifer and I founded Kingdom Brewing, where we also operate a sustainable Black Angus cattle farm. Our commitment to land stewardship is reflected in our investments in renewable energy, including a 38,000-watt solar field that makes our business 100% solar powered, with plans for behind-the-meter battery storage.

As Vermont advances renewable energy, I believe affordability, reliability, and grid efficiency must remain top priorities. My experience as a business owner with electro/mechanical knowledge prepares me to help balance these goals, and I would be honored to serve District 3. I can be reached @ kingdombrewing@yahoo.com

Claude Tougas



My name is Claude Tougas, and I moved to Newport Center five years ago from the Midwest. Since making Vermont my home, I have grown to truly appreciate the strength of our rural communities and the cooperative spirit that brings neighbors together.

I am interested in serving as a director of VEC because I believe in local leadership, member ownership, and thoughtful decision-making that reflects the needs of the people it serves. Reliable and affordable electricity is essential to our homes, farms, and small businesses, and I want to help ensure VEC continues to provide dependable service while planning responsibly for the future.

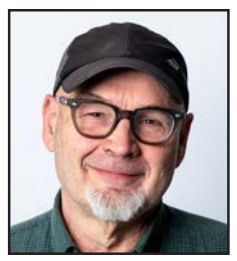
As a manager for a software company with a background in Computer Science, I bring leadership experience, strong organizational skills, and a practical, data-driven approach to solving problems. I am known for listening carefully, weighing issues thoughtfully, and applying steady common sense when making decisions. I currently work remotely with a flexible schedule, which allows me to dedicate the time and attention necessary to serve VEC members responsibly and effectively.

As a VEC member and homeowner with solar panels installed four years ago, I understand both the opportunities and responsibilities that come with evolving energy choices. I believe the key issues facing VEC include keeping rates affordable, strengthening grid reliability in the face of severe weather, and integrating renewable energy in a balanced and financially sustainable way. I would work to ensure decisions are transparent, responsible, and centered on serving all members fairly.

DISTRICT 4

District 2 includes: Bakersfield, Belvidere, Cambridge, Eden, Fairfax, Fairfield, Fletcher, Hyde Park, Johnson, Morristown, Stowe, and Waterville

Mark Woodward



I have been a Vermont Electric Co-op member at my farm in Johnson for 38 years. I currently hold a seat on the Co-op board and would be honored to receive your vote to continue to represent your interests.

I have a long history of public service, serving in the Vermont legislature, on the Johnson select board, and numerous non-profit boards. My years of board experience will benefit members as we face the headwinds of increased electricity demand, transmission and power supply price fluctuations, severe storms, supply chain issues and the potential benefits and challenges that Artificial Intelligence may bring to the Co-op and its members.

My primary objective is to focus on the Co-op's mission to provide affordable electricity to our members. I believe in prioritizing rate stability through implementing long-term power purchasing contracts, which protect us from the volatility of market fluctuations.

I'm proud of my role in the Co-op's work to bring electricity to our maple sugar makers in remote locations; the Co-op's support of bringing fiber optic internet access to members; and the Co-op's Community Fund, which makes grants to non-profits in our region. Co-op members have donated thousands of dollars through the Roundup Program.

I would be honored to receive your vote and to continue working for you.

Feel free to call or email Mark Woodward 802-730-6767 or email markwoodwardvt@gmail.com

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.

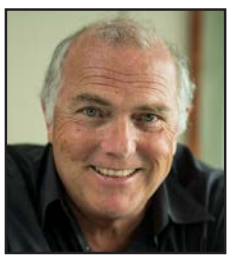
Among other things, the board reviews and approves the co-op's financial management, and related retirement of member capital, when it's financially feasible. The board reviews and approves the annual strategic plan and conducts longer term, high level, multiyear planning. The board is also responsible 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 5

District 2 includes: Bolton, Essex, Hinesburg, Huntington, Jericho, Milton, Richmond, Shelburne, Starksboro, St. George, Underhill, Westford, and Williston

Charlie Van Winkle



Keeping electricity affordable and rates stable is one of the most important responsibilities of the Vermont Electric Cooperative Board. I am seeking your permission to continue representing District 5 so I can remain focused on that work.

I currently serve as Treasurer of the Board and as chair of the Finance and Community Fund committees, and I am an active member of the Power Supply Committee. These roles provide direct oversight of the cooperative's finances and power supply decisions, which are the largest drivers of member rates.

VEC is a distribution utility—we purchase electricity in the New England market and deliver it to our members. Power supply and transmission costs have increased across the region in recent years. Careful sourcing, long-term planning, and disciplined financial oversight are essential to maintaining rate stability.

In 2021, VEC members voted to move toward renewable energy. The board's responsibility is to honor that direction while managing costs and ensuring reliability. As a net importer of electricity, VEC must balance member energy goals with affordability.

VEC has earned national recognition for innovation in the utility industry. Using better data, modern grid tools, and new technologies helps the cooperative operate more efficiently and control long-term costs.

I bring professional experience in energy infrastructure and remain committed to listening to members while protecting affordability and reliability.

Check me out here: www.linkedin.com/in/charlesvanwinkle

Thank you for your support.

VEC's Annual Meeting Approaches

VEC's Annual Meeting of the Members takes place May 9 from 8 a.m. to 12 noon at Smugglers' Notch Resort. There will be a free breakfast for members, updates from VEC leaders, equipment on display including one of VEC's new hybrid-powered bucket trucks, and we'll hold our popular door prize raffle.

Our featured speaker will be Kerrick Johnson, the Commissioner of the Department of Public Service, who will discuss today's energy trends and there will be plenty of time for Q & A. The results of the VEC Board of Directors election will also be announced at the meeting.

The annual meeting is an opportunity to connect with other VEC members, participate in the governance of the cooperative, hear about the future of energy in our region, and celebrate the values that make co-ops unique.

Join us!

Find more information here: vermontelectric.coop/annual-meeting-and-board-of-directors-election

Join Us

VEC ANNUAL MEETING

THE POWER OF COMMUNITY



Featured Speaker:

Commissioner Kerrick Johnson
Vermont Department of Public Service

Free Breakfast, Raffle & Fun

SMUGGLER'S NOTCH RESORT
Jeffersonville, Vermont

SATURDAY
May 9, 2026 | 8am-Noon

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 DigSafe 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



Spring is here. Tap the sun!

Vermont Electric Co-op's Community Solar program offers VEC members the opportunity to sponsor panels on VEC solar arrays for either 10 or 20 years, and receive a fixed, guaranteed monthly credit on their electric bill.
Perfect for members who rent or don't want to install solar panels on their property.

VEC's Community Fund Continues to Support Basic Local Needs

Grants from VEC's Community Fund continue to support needs across the region, including food security, warmth and health.

Cambridge Cares, one of the recent grant recipients, was awarded funds to help with immediate financial needs of people in need in the Cambridge area. The organization has delivered firewood, paid energy bills, provided medical transportation, helped with car repairs, registrations and inspections, and purchased – or help purchase – appliances.

"We are a short-term relief organization, a safety net," said Beth Cole, the coordinator of Cambridge Cares.

Mt Mansfield Villages, a social network providing members with the support they need to stay in their homes while getting older, also received funds in the latest grant round.

"We help members remain active, socially-connected, and independent for as long as possible by linking volunteers to neighbors who need services," said board member Kelly Humphrey. The Community Fund will help fund member scholarships and social events throughout the year, she said.

A third grant recipient, Salvation Farms of Morrisville, gleans surplus food from farms for distribution. In 2025 Salvation Farms harvested more than 72,000 pounds of surplus food from more than 40 farms and distributed it through more than 70 community sites. Based on partner surveys, the group estimates that these efforts reach more than 10,000 eaters each year.

The group's work is concentrated in highly rural areas of the Northeast Kingdom and Lamoille Valley.

"Salvation Farms remains focused on a simple but essential goal: ensuring all Vermonters are fed while helping farms thrive," said Executive Director Kelly Dolan.

Since it made its first donation in 2015, the VEC Community Fund has made over 280 separate grants of up to $1,000 each to non-profit organizations in the VEC region totaling just over $200,000. The fund is supported by more than 2,500 co-op members who voluntarily round up their electric bills to the nearest dollar, donate their member capital, or make one-time donations. The funds are entirely separate from money collected by VEC for electricity sales.



Salvation Farms was a recent recipient of a grant from the Vermont Electric Co-op's Community Fund. Here, with a load of gleaned food, are board and staff members. Left to right: Chris Callahan, Tony Risitano, Jen Hagen, Ciara Konhaus, Kate Riley, Martha Machia, and Kelly Dolan. Photo courtesy Salvation Farms.

Other recent recipients of grants include:

- American Legion Jay Peak Post #28 (for free community dinners and other programs)
- AWARE (for prevention of child sexual abuse)
- Beat the Winter Blues (to help grant wishes for children suffering from life threatening diseases.)
- Eli Goss Memorial Fund (for an ice fishing tournament that supports local student scholarships)
- Hardwick Area Food Pantry (to support food boxes for migrant farm workers in the Northeast Kingdom)
- Highland Center for the Arts (for the FORT, an interactive world made of cardboard)
- Montgomery Center for the Arts (to upgrade an electrical panel and install an Accessible Bathroom)
- North Country Supervisory Union (to support the annual science and engineering fair.)
- Starksboro Cooperative Preschool (to support the purchase of six storm windows for the Starksboro Village Meeting House)
- VT Council on Rural Development (Vermont Community Leadership Network, or VCLN.)
- VT Maple Festival (so support children's entertainment during the days of the Vermont Maple Festival)
- Village of Derby Line (to support the purchase of flags to be mounted on utility poles to celebrate the 250th anniversary of the signing of the Declaration of Independence).

OUT OF THE WOODS *Continued from page 2*

- Jericho (Nashville Road) – An upcoming line relocation project targeted for 2027, this project is supported by Federal FEMA Hazard mitigation funding. It will relocate approximately 1.25 miles of 3-phase line and an additional one mile of single-phase line from heavily wooded, offroad areas to the road using a combination of new overhead and new underground lines. A portion of the existing 3-phase line traverses a deep gully that is extremely challenging for crews to access. Furthermore, this line affects a large number of members downstream of this section every time the power goes out.

How Long Does it Take?

If all elements of a project fall into place, moving a line to roadside takes two to three years from start to finish. Once a location is identified, VEC designs the changes, and then contacts landowners along the affected route. There are environmental permits to obtain from state and federal agencies, as well as easements and licenses which allow VEC to maintain the new lines into the future.

Our efforts to strategically improve the resilience of our system by moving lines is something we are constantly planning, and doing so in a way that's financially prudent for the Co-op.

Any benefit we can add to the system through investments in resilience, whether it's for a neighborhood, even for just one individual, benefits all coop members because over the long haul it will reduce costs of repairs and upgrades.

What About Underground?

Relocating lines underground has become an increasingly useful and popular tool in improving reliability for VEC Members. Underground construction is typically more expensive up front but can offer large savings over the entire life of the line due to reduced vegetation management costs and minimized impacts from storm events – particularly in heavily wooded areas. Underground construction, especially when installed via directional boring, can also help VEC minimize impacts and navigate the easement and wetland permitting process. Soil conditions, like ledge for example, can sometimes make underground construction impractical. Locations and quantities of existing member services also need to be considered as the cost-effectiveness of overhead versus underground relocations are reviewed.

2026 Rebates for Your Home

Efficiency Vermont

If you're planning on **improving the efficiency of your home**, take a look at Efficiency Vermont's offers, including:

Air Sealing and Insulation

- Up to $9,500 off weatherization projects with an Efficiency Excellence Network contractor (depending on household income)
- DIY weatherization: $100 back on a qualifying do-it-yourself project

Financing options available starting at 0% interest

Heating, Cooling, and Water Heating

- Air-to-water heat pumps: up to $6,500 rebate + $500 income bonus
- Ducted / ductless heat pumps: $375-$2,200 discount + $200 income bonus
- Ground source heat pump: up to $2,100/ton rebate + $500 income bonus
- Integrated controls for ductless heat pumps: $600 rebate
- Smart thermostats: $100 rebate for select ENERGY STAR models
- Water heaters: $600 for select heat pump water heaters + $400 income bonus
- Window air conditioners: $150 rebate for select ENERGY STAR models
- Wood pellet furnaces & boilers: $6,000 rebate
- Wood and pellet stoves: $400 discount at select retailers

Electric Vehicles

- $500-$5,700 electric utility incentives

ENERGY STAR® Appliances

- $25-$90 rebate for dehumidifiers
- $50-$75 rebate for air purifiers
- $200-$400 rebate on heat pump clothes dryers
- $400 rebate for heat pump dryer/washer combination units

Lighting and Electrical

- $200-$400 rebate for ENERGY STAR pool pumps
- $100 rebate for qualifying LED fixtures for indoor growing

Income-based Assistance

- Free lighting, appliances, energy consultations, weatherization, and more — visit efficiencyvermont.com/free-products to see if you are eligible

Additional rebates may also be available from your electric or gas utility.

Not sure where to start?

Sign up for a **FREE** Virtual Home Energy Visit!
Call **888-921-5990** to learn more
(Translation services are available)

All rebates are subject to availability and eligibility.
For the most up-to-date information, visit:
www.efficiencyvermont.com/rebates

VEC 2025 Financial Statement

Balance Sheet
As of December 31, 2025

Assets	2025
Electric plant, at cost:	
Electric plant in service	$ 229,052,919
Less accumulated depreciation	78,940,782
Net electric plant in service	150,112,137
Construction work in progress	5,561,259
Net electric plant	155,673,396
Other Property and Investments:	
Nonutility property	65,697
Other investments	55,925,222
Total Other Property and Investments	55,990,919
Current assets:	
Cash	807,226
Accounts receivable, less allowance for doubtful accounts of $103,400	14,127,970
Unbilled revenue	7,683,518
Inventories	8,002,011
Prepaid expenses	1,093,681
Total current assets	31,714,406
Total assets	$ 243,378,721

Liabilities and Equity	2025
Equities:	
Patronage capital assignable	$ 97,909,881
Other equities	3,792,505
Net equity	101,702,386
Long-term debt, excluding current installments	109,183,178
Deferred Compensation Plan	405,834
Current liabilities:	
Current installments of long-term debt	5,698,183
Revolving debt	8,246,314
Accounts payable	12,644,279
Customer deposits	1,920,400
Deferred grant income	777,698
Other accrued expenses	2,794,851
Total current liabilities	32,081,725
Deferred Debits	5,598
Total liabilities and equity	$ 243,378,721

Statement of Operations
For the Year Ended December 31, 2025

	2025
Operating revenue	$ 110,344,693
Operating expenses:	
Purchased power	51,101,609
Transmission	19,175,616
Distribution	19,040,557
Customer accounts	3,392,993
Administrative and general	5,393,978
General plant maintenance	382,253
Depreciation and amortization	6,847,416
Taxes	1,070,171
Other deductions, net	18,770
Total operating expenses	106,423,363
Operating margins before interest charges	3,921,330
Interest charges	(5,472,745)
Margins from operations	(1,551,415)
Other income:	
Other income (expenses)	81,644
Interest and dividend income	6,043,918
Other capital credits & patronage allocations	719,802
Total other income, net	6,845,364
Net margins	$ 5,293,949

Capital Spending
For the Year Ended December 31, 2025

Capital Spending	2025
New Construction, System Improvements, & General Plant	$ 19,966,738
Less Contributions in Aid of Construction	6,480,870
Net Investment in Utility Plant	$ 13,485,868

Spring Safety Reminders

Many of us are eager to get a jump on outdoor projects around our homes this time of year, including yard clean-up, tree trimming, repairs, plantings, and painting projects.

In our haste to get work done, we may be tempted to cut corners. Please remember to plan, think through your process, and keep focused while you work.

Here are a few tips for specific tasks:

- If you are doing any tree planting, fence installation, or digging any sort of trench on your property call DigSafe (dial 811) beforehand to make 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 unintended direction. Call VEC for trees that could come down on power lines.
- Be aware of electric lines around your house. 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 and 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.

Enjoy spring, and please stay safe!

SUBSTATIONS *Continued from page 2*

utility Vermont Electric Power Company (VELCO.)

What's Inside a Substation?

Besides the transformers, substations also have circuit breakers that isolate faults and protect equipment, and protective relays that detect problems almost immediately. They also include switching equipment that allows crews to reroute power and provide real-time data to the VEC Control Center.

Substations aren't just static structures, either. As demand grows and energy needs evolve, VEC has to keep substations up to date. Upgrades may include adding transformer capacity, expanding feeder circuits, enhancing automation, strengthening physical and cyber security and improving resilience against extreme weather and other environmental threats.

These investments are for the long term, and are evaluated carefully, balancing reliability, cost, and future needs. The goal is always the same: dependable service at the lowest reasonable cost.

Seeking History Resources

VEC is working with a local college student who is doing a research project on the impact of electrification on Vermont farms in the early days of the Co-op. If you or someone you know has first-hand memories of power coming to farms in our region, please email Jake Brown at jbrown@vermontelectric.coop

Substations: Beware of the Danger

Besides being critical infrastructure, substations are dangerous places, and if you aren't qualified to be in or near substations, you should keep your distance. These are powerful structures that, despite being quiet and still, can be very dangerous to be around.

People should resist the temptation to use substation areas as off-road parking spots, or recreate anywhere near them. The ground – innocuous-enough looking gravel or grass – outside substation fences can become energized during an equipment failure, as well.

If you see crews working in a substation and feel you need to communicate with those crews, resist the urge to enter the substation. Instead, you should wait well outside the fence until you can get the attention of the crews.

If you happen to see anything alarming or unusual at a substation, to please call VEC immediately, but only from a safe distance. We appreciate the public keeping an eye out on our behalf. Safety, both for VEC employees, and the public, is our top priority.

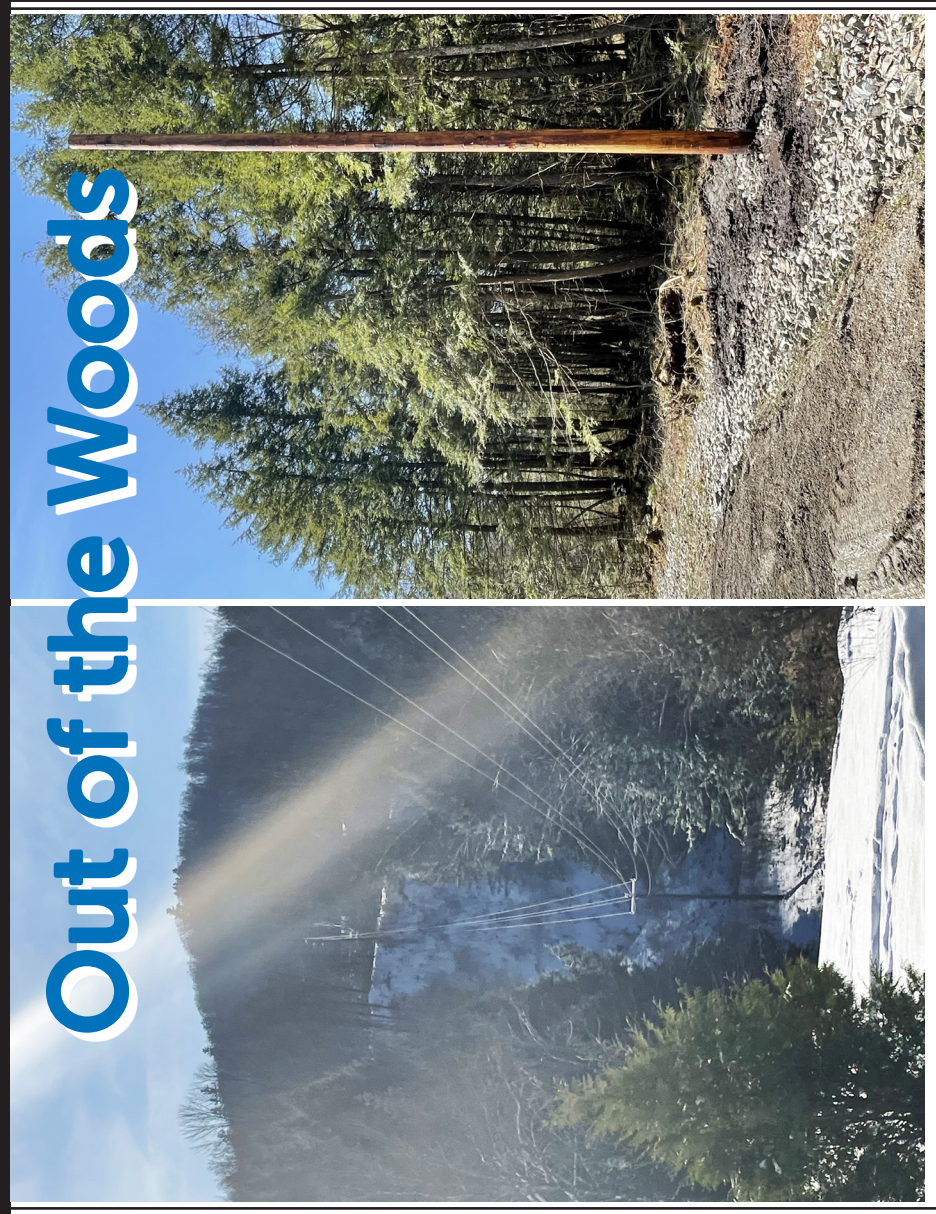
VERMONT ELECTRIC CO-OP

CO-OP LIFE

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Out of the Woods



In an effort to improve reliability, VEC strategically moves power lines from wooded and other hard-to-access areas, like the right-of-way above left, to the roadside. These efforts have decreased outages and made it easier to repair lines when there are outages. See details of some recent projects on page 2.

VERMONT ELECTRIC CO-OP

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