



Changing the Power Supply Mix

Setting Goals, Having a Strategy and Pursuing Opportunities

Avram Patt, General Manager

Bill Powell, Director of Products & Services

February 12 & 13, 2009

ABOUT WASHINGTON ELECTRIC COOPERATIVE

- Founded in 1939. Vermont's most rural utility. 98% of meters and 90% of load are residential.
- Vermont's fourth largest utility, serving over 10,000 members in 41 towns in Orange, Washington and Caledonia Counties.
- Consumer-owned, governed by an elected board, committed to member education and member engagement.
- Long-standing commitment to energy efficiency and alternative energy supply.
- Peak load: 16.2 MW. Average load: 13.0 MW

DEVELOPING A STRATEGY

- Two long term sources were ending: Vermont Yankee in 2002 (30+% of supply) and Hydro Quebec in 2015 (20+% of supply)
- Intensive strategic process initiated in 1999-2000, with WEC board adopting a strategy in 2001:
 - ***Meet future power supply needs with renewables at economic cost***
 - ***Long term commitments and ownership ****
 - ***Preference for sources close to home***
 - ***Avoid power market price volatility & exposure ****

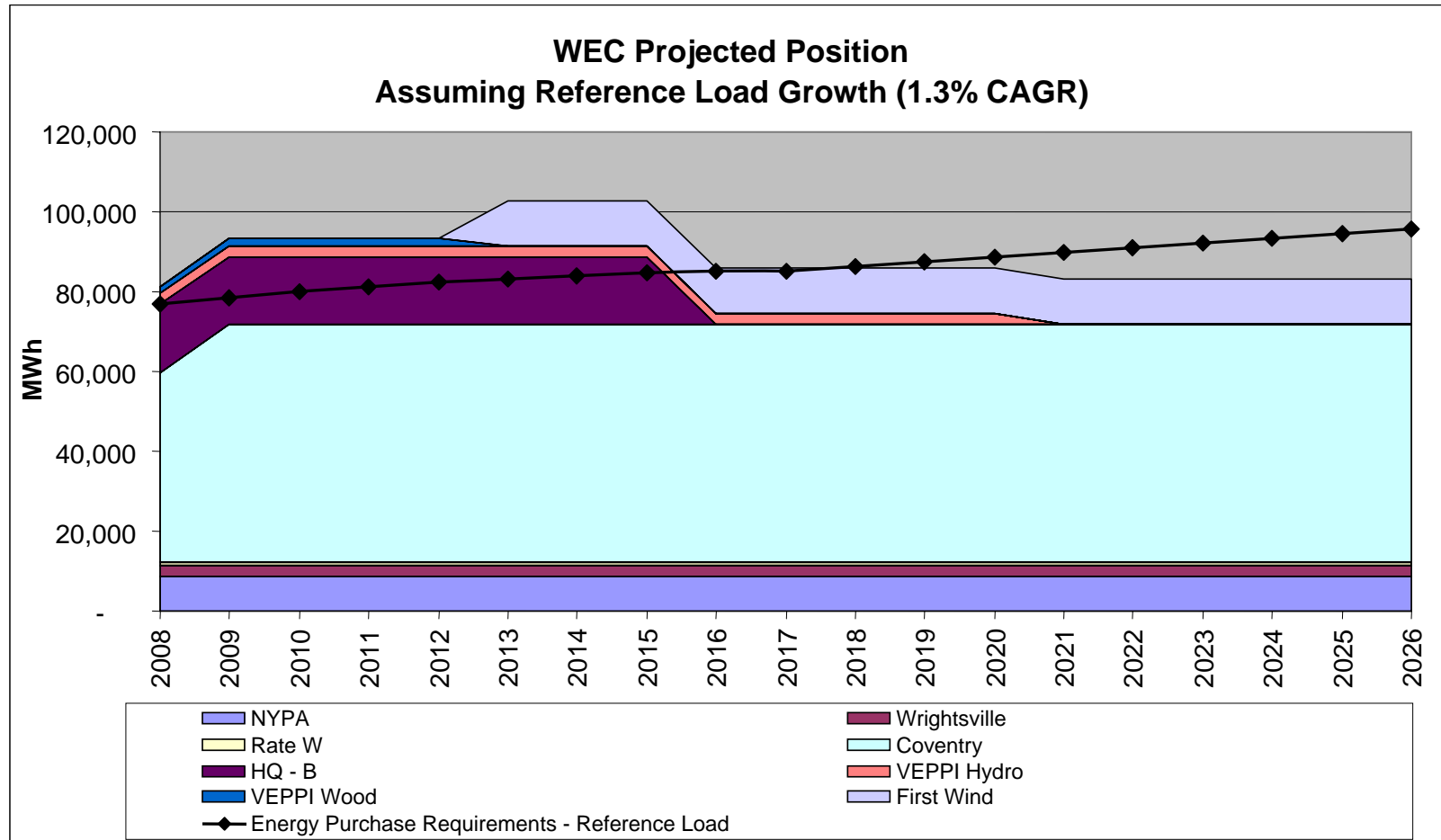
(contrary to conventional wisdom at the time...)*

IMPLEMENTING THE STRATEGY

- **Coventry Landfill Methane Generating Facility began generating baseload power in July 2005, expanded in January 2007, second expansion to be completed early 2009. Presently providing 2/3 of WEC members' power needs at below market cost. In addition, WEC sells renewable energy certificates (RECs) from the plant to a power retailer in Massachusetts.**
- **First Wind project in Sheffield. WEC was early supporter and will take 10% of output.**
- **Renewed focus on energy efficiency, conservation and limiting future demand growth.**
- **Looking for additional small amount of generation, including community-scale opportunities. Future expansion at Coventry also likely.**

SUPPLY POSITION FROM WEC'S INTEGRATED RESOURCE PLAN (IRP)

Adopted by WEC Board in 2008. Prepared by La Capra Associates



RESULTS

- **WEC is long on power supply, and will continue to be long through the end of the HQ contract and perhaps beyond. Surplus is sold to market.**
- **Surplus will be greater if demand continues to be below projections used in IRP (1.3% growth rate).**
- **WEC's total power supply costs have declined compared to five years ago, benefiting members as consumers.**
- **RECs revenue benefits Co-op members as owners.**
- **WEC has no supply contracts with fossil fuel or nuclear sources.**
- **WEC has not filed for a rate increase since late 1999.**
- **WEC members support their Co-op, as evidenced by their votes.**

FREE ADVICE & COMMENTS

- **(Not every utility can get two-thirds of its power from a landfill.)**
- **WEC established goals based on policies and preferences of its elected board.**
- ***WEC adopted a strategy early in the process. When opportunities arose, we recognized them, and could act.***
- **We did not know how much of it we would be able to accomplish, or afford. We surprised ourselves.**

*“Owned by those we serve since 1939.”
THANK YOU.*

www.washingtonelectric.coop

