Washington Electric Cooperative, Inc

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sent by ePUC

August 27, 2021

Vermont Public Utility Commission
112 State Street, 4^{th} floor
Montpelier VT 05620-2358

RE: Case No. 19-0855-RULE Request for Comments in Response to July 27, 2021 Workshop

Dear Ms. Whitney:

Washington Electric Cooperative, Inc. ("WEC") hereby submits comments to the Public Utility Commission in response to workshop held on July 27, 2021 that addressed issues related to the Sheffield Highgate Export Interface (SHEI).

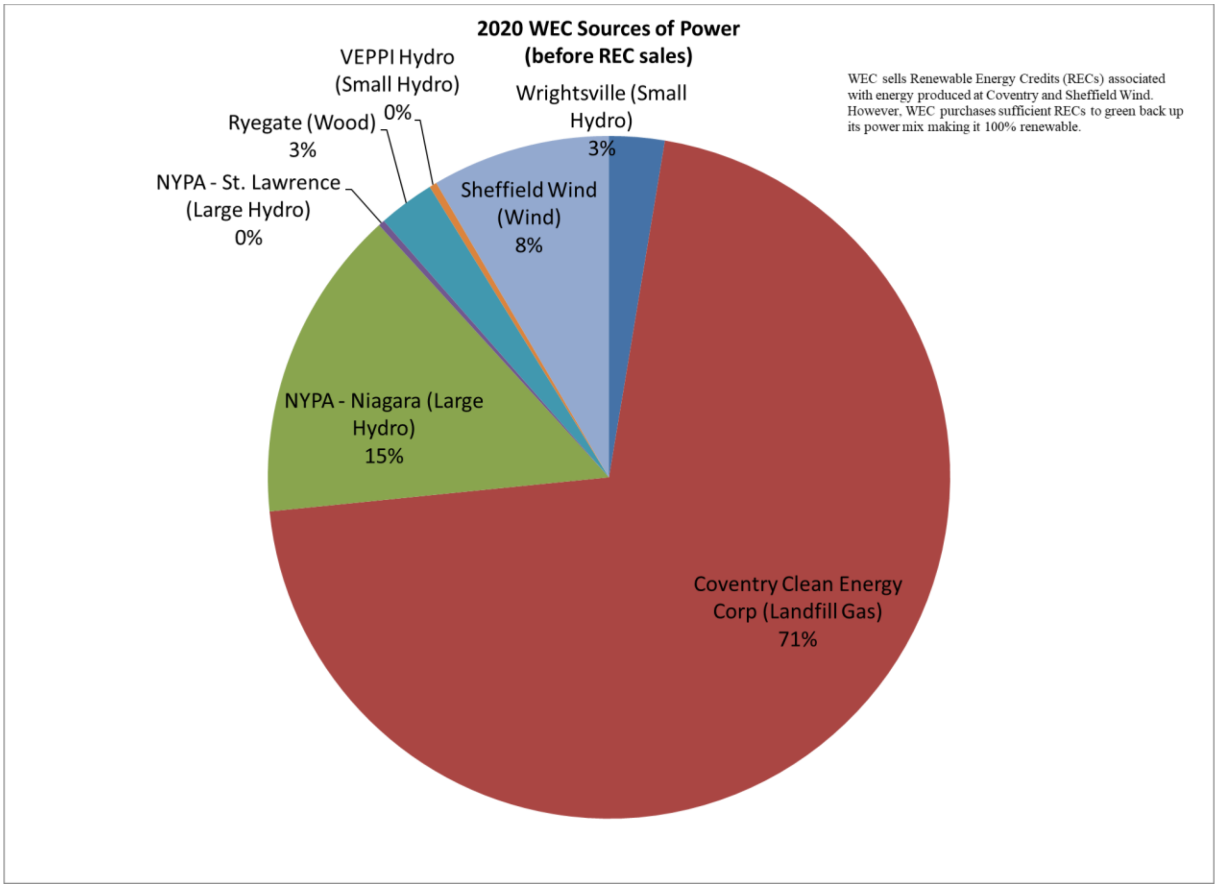
WEC is a longtime supporter of renewable power, and it is committed to assuring its members use electricity as efficiently as possible. It is proud to offer its members one hundred percent (100%) renewable power today, which WEC has achieved well before the state plan of 90 percent renewable by 2050. WEC seeks to continue to promote renewable power and offer a net metering program to all of its members in manner that is fair among all its membership and meets the requirements of Act 99.

The PUC in its July 27 memorandum requested comments addressing the issues discussed at the workshop.

WEC has approximately 80% of its generation portfolio located in the SHEI region:

- WEC's landfill gas generator (Coventry plant) is an 8 MW baseload power plant located in Coventry, Vermont.
- WEC also has a 4 MW contract entitlement in the 40 MW Sheffield Wind facility located in Sheffield, Vermont.

In 2020, these two power facilities (Coventry and Sheffield Wind) produced 65,116 MWH of energy for WEC members. This represents just shy of 80% of WEC's total power supply mix. The below table summarizes WEC's power mix and you can see the relative scale of Coventry and Sheffield Wind to WEC.



The impacts of new solar installations and any new generation locating in the SHEI region, has led to depressed energy payments for any generating facility located in the SHEI and participating in the regional power markets. Every electron produced at existing renewable facilities is getting paid lower energy payments due to price erosion caused by new generation being located in the region. This is true of the Coventry Plant and the Sheffield Wind facility.

The effect is new net metering solar generation is eroding the value of existing renewable resources like WEC's power plants. This translates to an erosion of the value of projects to serve the state's renewable energy goals and to rate increase pressure to WEC members.

Renewables cannibalizing other renewables is not in the public good and devalues the good work of leaders like WEC to invest millions of dollars in generating facilities. To benefit Vermont citizens and achieve the public good, we must make use of existing renewables and maximum their value. The state's renewable goals are not advanced with new projects squeezing out and devaluing existing renewables. Both existing facilities and new development must be taken into consideration to advance the state's goals.

There are other parts of the state that certainly could deploy renewables without eroding value of existing generators. WEC supports renewables coming into the state, but not in areas that harm existing renewables.

WEC supports having a price signal mechanism as proposed by the Vermont Public Service Department (PSD). It may not be perfect, but we think that the general scheme of having a price signal provides incentivizes to developers that some areas are better than others to locate generation is appropriate. There are other parts of the state without transmission constraints. Areas with transmission constraints should be discouraged and using a price signal is an appropriate method.

The regional markets and Vermont rates are structured under the concept that the cost causer should pay. What I mean by that in the process of building generating plants across New England, the last developer that comes to the table -- that causes a congestion issue on a transmission line -- would have to pay for that transmission upgrade to receive permission to develop. In the ideal world, the small development that we are seeing in Vermont through net metering would follow that cost causer principle.

In closing WEC supports the PSD's proposal of a per KW fee. While it is an imperfect solution, WEC would rather have a price signal mechanism in place rather than nothing at all.

If you need additional information do not hesitate to contact us.

Sincerely,

Patricia H. Richards
Washington Electric Cooperative
General Manager