

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 22-4100-TF

Petition of Washington Electric Cooperative,)
Inc. requesting an overall rate increase of)
14.19% to take effect on a service-rendered)
basis commencing November 1, 2022)

**SUPPLEMENTAL
TESTIMONY OF
LOUIS PORTER
ON BEHALF OF**

WASHINGTON ELECTRIC COOPERATIVE

January 23, 2023

Summary

Louis Porter provides testimony to respond to items 5, 6, 7, and 8 of the Commission's January 6, 2023 information requests.

Exhibit

Exhibit PUC 5 WEC Net-Metering Capacity 2017-2022

Testimony

Q1. Please state your name, position, and business address.

A1. My name is Louis Porter. I am General Manager of Washington Electric Cooperative (“WEC”), P.O. Box 8, 40 Church Street, East Montpelier, Vermont, 05651.

Q2. Please provide a summary of your background experience.

A2. The WEC Board of Directors appointed me as General Manager, effective November 2021.

Q3. Have you previously testified before the Public Utility Commission?

A3. No, except for the testimony I already submitted in this proceeding.

Q4. What is the purpose of your testimony?

A4. My testimony is to provide narrative responses to items 5, 6, 7, and 8 of the Commission’s January 6, 2023 information requests.

Q5. Please respond to item 5 of the Commission’s information requests.

A5. Item 5 asks:

5. Q.PSD.WEC.1-18 requests additional information to explain the estimated reduction of revenue associated with net metering. In addition to these questions, WEC is requested to

1 respond to the following questions: 01/06/2023 Case No. 22-4100-TF Page 2

2 a. Regarding the \$235,114 decrease in rate-year revenue from expected additional
3 net-metering systems, what is the basis for the expected additional net-metering
4 systems? For example, are these net-metering systems that have already received
5 a certificate of public good from the Commission?

6 b. Beyond the summary of all pending net-metering applications requested in the
7 Department's discovery request 1.18.c, what assumptions formed the basis for
8 this adjustment?

9 My response to (a) is: WEC's estimate of additional net-metering systems expected to be
10 commissioned during the rate year assumes that net-metering systems will be commissioned at
11 the same rate as the test year. The test year only included commissioned systems (and excludes
12 pending or not yet commissioned projects). This assumption is backed by the actual trend. As
13 shown in Exhibit PUC 5 WEC Net-Metering Capacity 2017-2022, WEC is seeing a steady
14 increase in the installation and commissioning of net-metering capacity. Assuming that systems
15 will be commissioned at the same rate in the rate year as in the test year is a conservative
16 estimate because the trend has been increasing. It is also conservative because it is compared it
17 to WEC's historic peak load that was ten years ago, in 2012.

18
19 My response to (b) is: WEC's prefiled testimony and calculation of revenue impact of net-
20 metering systems is based on the additional AC rating of commissioned projects for the test year.

1 We applied the same methodology used in prior WEC rate proceedings. This is also the same
2 methodology used to provide WEC's biennial net-metering compliance filing (22-0334) as well
3 as WEC's monthly submission of similar data for ISO-NE.

4 The estimated impact for the rate year assumes that net-metering projects in WEC
5 territory come online at the same rate as in the test year, but financial impact is adjusted to reflect
6 proposed change in rates.

7
8 Q6. Please respond to item 6.

9 A6. Item 6 asks:

10 6. Q.PSD.WEC.1-5 requests additional details on the "construction and other changes to
11 the [Coventry] landfill." In addition to responses to the Department's questions, please
12 explain whether WEC considers the costs of alternative power supply during Coventry
13 outages as part of its decision on when to perform construction and maintenance. And
14 more generally, please provide an explanation of how WEC decides when to perform
15 construction and maintenance at the Coventry Landfill.

16 My response to item 6 is: WEC, through its subsidiary Coventry Clean Energy Corporation
17 (CCEC), owns and operates the landfill gas to energy plant. Neither WEC nor CCEC own or
18 operate the landfill itself. The landfill is owned and operated by New England Waste Services of
19 Vermont (NEWSVT) whose parent company is Casella Waste Systems Inc.

20 CCEC's contract with NEWSVT provides CCEC the right to the landfill gas and CCEC

1 uses that gas to generate electricity. That contract does not allow CCEC to interfere with landfill
2 operations. Therefore, CCEC and WEC were not able to affect the timing of the work done at the
3 landfill.

4 NEWSVT did inform CCEC and WEC that that this work would occur. Neither
5 NEWSVT nor CCEC/WEC anticipated the prolonged adverse impact of this work on gas
6 production.

7 CCEC and WEC regularly account for the cost of replacement power when undertaking
8 planned or routine work on or maintenance to the LFGTE Plant itself.

9 Q7. Please respond to item 7.

10 A7. Item 7 asks:

11 7. Referring to page 4 of Mr. Porter's testimony, please explain why Tier III costs are
12 accounted for in customer accounts and not power supply?

13 My response to item 7 is: Tier III costs fund incentives to encourage members to substitute
14 electricity for fossil fuels used for transportation, heating, and hot water. This is a customer
15 incentive program to encourage adoption of beneficial electrification technologies, and while it
16 does impact use of electricity by WEC members, it is not a power supply issue. Therefore, it is
17 accounted for in customer accounts rather than in power supply. The effect on the bottom line
18 would be expected to be the same, whether accounted for as power supply or in customer
19 accounts.

1 Q8. Please respond to item 8.

2 A8. Item 8 asks:

3 8. Also on page 4 of Mr. Porter's testimony, he states that WEC "plans to account for the
4 impact of net metering as a power supply cost, rather than decreased revenue" in the
5 future. Please explain the rationale for WEC previously including these costs as
6 decreased revenue rather than power supply costs.

7 My response to item 8 is: WEC had included the financial impacts of net-metering as a loss of
8 revenue because that is how it had been accounted for in WEC's NISC software and because net-
9 metered power supplants some retail sales. However, WEC agrees that at least the portion of
10 net-metering production that is exported to the grid (rather than off-setting use at the site of net-
11 metering) should properly be accounted for in power supply and intends to account for it in that
12 way going forward.

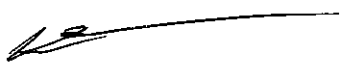
13 Ultimately, whether it is accounted for as a decline in retail sales or as a power supply
14 cost, both the reduction in revenue and the reduction in power supply need must be accounted for
15 and have a similar effect on the bottom-line whichever method is used. However, WEC agrees
16 that for transparency of rate making it should account for at least the exported portion of net-
17 metering production as a power supply matter.

18

19 Q9. Does this conclude your testimony?

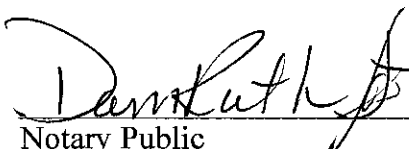
20 A9. Yes, at this time.

WASHINGTON ELECTRIC COOPERATIVE, INC.



Louis Porter, General Manager
Washington Electric Cooperative, Inc.

At East Montpelier Vermont, this 23rd day of January 2023, Louis Porter personally appeared before me and affirmed that the facts and matters contained herein are true to the best of his knowledge, information, opinion, and belief, and that he executed the foregoing document as his free act and deed.



Notary Public # 157.0003455
My Commission Expires 1/31/2023

