



Washington Electric Cooperative, Inc.

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Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier VT 05620

RE: 20-0203-INV Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities; Order of 4 October 2022

28 October 2022

Dear Ms. Anderson:

Washington Electric Co-op (WEC) herein provides its comments on the income eligible "model" provided by the PUC in its recent Order.

WEC reiterates its position in opposition to an income eligible member discount via a subsidy paid by all non-eligible members. WEC laid out its concerns in our January 2022 comments. While the methodology behind the model's development is transparent, the rate impact shown for WEC represents another 1.85% additional increase to our pending Rate Case (22-4100) which would take the entire proposed rate increase over 15%.

The PUC approved WEC's most recent rate design (19-1270-TF) which in part reduced the rate for energy about 20% over the most recent three year period. The rate design was in part intended to address affordability for all members.

WEC has been awarded multiple VLITE grants to support WEC's income eligible member households. The most recent award for the ReWire initiative has been delayed because of supply chain issues (transformers in particular). ReWire is intended to address income eligible member households where the existing service entrance and transformer are not adequate to support today's beneficial electrification residential loads.

WEC has partnered with Vermont Electric Co-op (VEC) in response to the Department's proposed ACRE proposal, with a joint proposal ("Community Renewable Energy Initiative"; CREI) to provide our respective income eligible members with a monthly discount of \$45. The value of the discount is based on an existing VEC sponsored community solar project, where the cost for both Co-ops would be funded via a five year ARPA grant award.

Both Co-ops support this approach to help income eligible member households for the following reasons:

1. No rate-based program cost; income verification by authorized third party
2. Income eligibility based on 185 % Federal Poverty Level
3. Existing project qualifying under ACRE criteria.

We believe that the household benefit of \$45/month for five years will provide a meaningful and immediately useful discount to participants.

Turning now to the proposed model, WEC objects to having a rate-based mandate where member households which are not income eligible must cross subsidize those eligible households. As a member-owned distribution utility we take the seven cooperative principles seriously; one core principle is member economic participation and development.

Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Sincerely,

A handwritten signature in black ink that reads "Wm. Powell". The signature is written in a cursive style with a large, prominent initial "W".

William Powell

Director, Products & Services