



Vermont Public Power Supply Authority



# 2022 Annual Report

Community is at the heart of VPPSA



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# Publicly owned power strengthens community connections

For nearly 200 years, Vermonters have been conducting business over our state's historic and iconic covered bridges. These bridges are as much a part of Vermont's identity as maple syrup and county fairs. As with any infrastructure central to our community's well-being and heritage, they have been preserved and updated over time to meet the needs of modern life.

The same bridge that was built to accommodate oxen now regularly supports electric and hybrid vehicles. It is still the same bridge, with the same river flowing below, but its role has evolved over time. Covered bridges not only connect us to our history and identity, they also carry the promise of new technologies that bring us closer to our neighbors. They symbolize our ability to adapt while staying true to our roots.

Similarly, VPPSA was established to honor the history of Vermont's local communities and the values of local control that have enabled them to thrive for two centuries. At the same time, VPPSA serves as a bridge that allows our communities to flourish in an increasingly complex world. As you will read in our 2022 Annual Report, our member utilities work hard every day to honor their heritage while providing the essential services that help their communities prosper. We are proud to say that community truly is at the heart of VPPSA.



*Ken A Nolan*

Ken Nolan  
VPPSA General Manager



*Stephen Fitzhugh*

Stephen Fitzhugh  
Chair of the Board



# Community is at the heart of our member utilities

VPPSA's membership includes 11 community-owned municipals located within the State of Vermont. Each municipality owns and operates an electric utility. All combined, they serve a total of 50 communities and over 30,000 customers.



## VPSSA Members

- Barton Village**
- Village of Enosburg Falls**
- Town of Hardwick**
- Village of Jacksonville**
- Village of Johnson**
- Village of Ludlow**
- Village of Lyndonville**
- Village of Morrisville**
- Town of Northfield**
- Village of Orleans**
- Swanton Village**



Reg Beliveau

**At VPPSA, we're community-driven. Our decisions and operations are guided by the needs and priorities of the local communities we serve.**

# About **VPPSA**

Vermont Public Power Supply Authority (VPPSA) has been providing Vermont’s municipal electric utilities with consolidated services and solutions since 1979. Today, our catalog of offerings includes power supply purchasing and generation, information technology and cybersecurity support, financial and rate planning, legislative and regulatory representation, compliance, GIS mapping, and customer outreach. Our service offerings enable our 11 member utilities to take advantage of economies of scale while allowing each municipality to maintain its individual identity. Individually, VPPSA member utilities serve anywhere from 600 to 6,000 customers. Combined, our customer base adds up to nearly 30,000.

## Board of **Directors**

**John Dasaro**  
Village of Enosburg Falls

**Mike Sullivan**  
Town of Hardwick

**Tom Petraska**  
Village of Ludlow

**Erik Bailey**  
Village of Johnson Water & Light

**Jon Elwell**  
Village of Lyndonville

**Stephen Fitzhugh**  
Chair, Town of Northfield

**Scott Johnstone**  
Morrisville Water & Light

**John Morley III**  
Vice Chair, Village of Orleans

**Bill Sheets**  
Swanton Village

**Patricia Richards**  
Barton Village



## Board **Officers**

**Stephen Fitzhugh**  
Chair of the Board

**John Morley III**  
Vice-Chair of the Board

**Lynn Paradis**  
Treasurer

**Crystal Currier**  
Secretary

**Amy Parah**  
Assistant Secretary

# VPPSA Staff

**Joshua Bancroft**, Application Developer

**Sarah Braese**, Manager of Government & Member Relations

**Crystal Currier**, Controller

**Heather D'Arcy**, Power Analyst

**Shawn Enterline**, Senior Power Analyst

**Steve Farman**, Manager of Planning & Support Services

**David Gagne**, Project 10 Plant Operator

**Kim Harris**, Systems Administrator

**Julia Leopold**, Director of Public Affairs

**Alex Nicholson**, GIS Administrator

**Kenneth Nolan**, General Manager

**Amy Parah**, Accountant & Administrative Assistant

**Grace Sawyer**, Assistant Controller

**Amanda Simard**, Senior Analyst

**Ken St. Amour**, Manager of Technology & Security Systems

\*The above reflects staff titles as they were in 2022



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**Mission** To deliver exceptional value to community-owned utilities by advocating, educating, collaborating, and providing guidance through the changing economic, technological, and regulatory landscape.

**Vision** To promote, advance, and celebrate public power communities in Vermont and beyond.



# Communities are built on relationships

Northern Vermont University (NVU) has more than 200 years of history in Vermont. The Johnson campus is central to the Village of Johnson's local economy and accounts for a large portion of the municipality's revenues. In 2019, NVU represented 29% of the electric department's revenues, 29% of the water department's revenues, and 34% of the wastewater department's revenues. Aside from the numbers, the college plays a crucial role in Vermont's culture by offering summer camps to kids from all over the state and region, hosting artist residencies that attract international artists to Johnson, and serving as the home of a nationally renowned writing program.

When the campus was threatened with closure in 2020 due to financial struggles, the Village of Johnson and VPPSA offered their assistance, recognizing that the local campus was crucial to the economic, cultural, and financial vitality of the community.

VPPSA's role was to bridge the communications gap between NVU facilities staff and Village of Johnson elected officials. Like most commercial customers, NVU incurs a demand charge based on the single hour each month when the customer's electric consumption is



Ken Moore (left), Maintenance Technician and Erik Bailey, right, Johnson Village Manager stand in front of Stearns Hall on a snowy day. Stearns will be the first building to have a smart meter installed.

highest. Since the college is billed based on one meter, they had difficulty determining whether a specific building or piece of equipment was causing electric consumption to spike. To gain more insights into cost drivers, they needed more granular metering technology both at the main metering point and at individual buildings. When VPPSA joined the conversation, NVU and the village were struggling to speak the same language and identify steps to improve the situation.



**“We worked with VPPSA to help identify cost-saving opportunities for Northern Vermont University and at the same time keep a key economic customer for the Village of Johnson’s utility.”**

**- Erik Bailey, Village of Johnson Village Manager**

VPPSA and NVU brought in another partner, Efficiency Vermont, to have sub-meters installed in multiple buildings on campus to identify potential areas on which to focus. VPPSA also encouraged the Village of Johnson trustees to replace the campus primary meter for one that can provide both the college and the utility with more in-depth data. The village trustees voted in favor of the recommendation and the changeout is underway.

“We worked with VPPSA to help identify cost-saving opportunities for Northern Vermont University and at the same time keep a key economic customer for the Village of Johnson’s utility,” says Erik Bailey, Village of Johnson Village Manager. “VPPSA knows the importance of these kinds of institutions to both local economies and the cultural integrity of Vermont, and we appreciate their

partnership in keeping these clients as Vermont mainstays.”

VPPSA knows it takes a village to keep key businesses local. Whether identifying technology solutions or supporting their installation, VPPSA is always at the table to help our municipal utilities build strong teams that benefit our communities and sustain our local economies.



Town of Johnson



Johnson boasts an iconic covered bridge that sits above the Gihon River.



# VPPSA Leverages Resources to Bridge Affordability and Grid Transformation

VPPSA is working closely with its members to leverage state and federal grant funds to promote accessible and affordable energy for all Vermont communities. These grants represent immense potential to improve equitable access to innovations in energy for even the most rural Vermont villages. Securing grants demonstrates VPPSA's important role in providing a bridge to connect small municipalities to available and important state and federal funds.

**AMI** Advanced Metering Infrastructure, is a foundational grid modernization technology that enables utilities to better serve their customers and keep costs low. It sends more frequent data to the utility about the customer's electric consumption, which, in turn, helps the utility provide more advanced services. In 2022, VPPSA advocated for state funding to help our members take advantage of this technology, and \$8 million was included in the 2023 state fiscal budget via the Vermont Department of Public Service to distribute as grants to the eligible utilities. By applying on behalf of our 11 members, VPPSA recently secured \$5 million to advance our AMI project. Read more about AMI on page 14: *A Community Focus*.



## MODERNIZATION. ENERGY TRANSFORMATION.

**Congressionally Directed Spending** VPPSA kicked off our incentive program in 2019 as part of the Renewable Energy Standard's requirement for utilities to encourage energy transformation and help customers reduce usage of fossil fuel. In addition to prescriptive rebates, we focused on custom energy transformation projects with commercial and industrial customers to affordably meet our regulatory requirements. However, in working with these large businesses, we realized that upfront capital was a major barrier to completing energy transformation projects. In 2021, we proposed an idea to US Senator Bernie Sanders' office to create a \$1 million loan fund to offer businesses low-interest financing for energy transformation projects, in which they could pay back the project costs on their monthly electric bill. In 2022, VPPSA was notified that \$1 million was included in the federal appropriations bill. We have been working closely with the U.S. Department of Energy (DOE) to submit a complete application, finalize the grant award negotiations and launch the program. We anticipate receiving the award in mid-2023, and look forward to the impact this creative program will have for Vermont businesses who wish to reduce their fossil fuel impact- a big win for all Vermonters.



**Field-to-Family Program** Affordability matters to our communities. In 2022, the Vermont Department of Public Service (PSD) issued a Request for Proposals to support Affordable Community Renewable Energy (ACRE) Programs in the state, using federal American Rescue Plan Act (ARPA) funds. VPPSA submitted and is now negotiating its grant award to support the Field-to-Family Community Energy Program. The \$1,522,800 grant funds will be used to secure a fixed, reduced-cost block of power for income-qualifying participants. The program provides income-qualifying residential customers access to clean, renewable, lower-cost power and reduces the barriers to participate through centralized administration and streamlined transferability between VPPSA's member utilities. The Field-to-Family Energy Program not only builds qualifying renewable solar energy in Vermont, but it also addresses some of the up-front financial barriers that low- to moderate-income customers face in traditional community solar programs, further benefiting our local communities and creating the bridge between affordability and renewable sustainability.



Through this program, VPPSA and its members are providing affordable access to renewable energy generation for low-income and mid-income customers in Vermont. We are also promoting growth and long-term access to local renewable energy in the state.

**Affordability matters to our communities. VPPSA and its members are providing affordable access to renewable energy generation for low-income and mid-income customers in Vermont.**

**EV Charging & Innovative Rate Design** Using a \$71,000 grant from the Vermont Department of Public Service (PSD), VPPSA launched the Electric Vehicle (EV) Charging & Innovative Rate Design Pilot Project. This project seeks to conduct data acquisition research and better understand customer behavior and billing system capabilities related to electric vehicle supply equipment (EVSE) under different use-cases (i.e., residential, commercial, and public-serving EVSE). This research and analysis will inform development of customer load management incentives and identify critical elements for the design and implementation of innovative tariffs (or rates) for EVSE. VPPSA will evaluate the effects of any load management incentive or pilot tariff, assess potential associated marginal costs, and ultimately aim to develop a tariff suitable for wider adoption following the project's completion.





## Supporting Income Qualifying Customers' Energy Transformation with VLITE

In 2022, VPPSA secured a \$90,000 grant through the Vermont Low Income Trust for Electricity (VLITE) to cover the full cost of necessary in-home electric panel upgrades or make-ready work for income qualifying customers participating in three energy transformation and weatherization programs:

1. PowerShift Residential EV Charging Pilot Program
2. Act 151 Low-Income Fuel Switch Program (WAP)
3. Weatherization Repayment Assistance Program (WRAP)

More information on VPPSA's Energy Transformation Programs is available at [www.vppsa.com](http://www.vppsa.com).



## AFFORDABILITY. RELIABILITY. ACCOUNTABILITY.

**Cybersecurity** In 2022, VPPSA secured a \$120,000 Homeland Security grant from the Vermont Department of Public Safety (DPS) supporting the launch of a comprehensive Cybersecurity Assessment Program to assess VPPSA and its 11 municipal members. The Cybersecurity Assessment Program includes a final report with findings, recommendations, roadmaps and proposed budget impacts for improvement. The program is currently underway and encompasses internal and external vulnerability/penetration testing, as well as Incident Response Tabletop Exercises for each entity as our members continue to bridge safety, security, reliability, and energy transformation.



**"There now exists a once-in-a-lifetime opportunity to access state and federal dollars for VPPSA member communities to accelerate Vermont's sustainable grid transformation and preserve affordability. VPPSA is taking this opportunity to be nimble, leverage joint resources, and focus on community needs to support an equitable energy transition."**

**- Ken Nolan, VPPSA General Manager**

# VPPSA Grant Impact Summary

## Cumulative Grant Monies (in various stages of awards, negotiation, and grant performance periods)

Grant / Program Name	Total Funds	Grant Status
EV Charging & Innovative Rate Design	\$71,000	Grants received
VLITE	\$81,000	Grants received
Cybersecurity	\$120,000	Grants received
Congressionally Directed Spending	\$1,000,000	Award letter received
ACRE, Field-to-Family Program	\$1,522,800	Award letter received
AMI	\$5,000,000	Award letter received
<b>Total</b>	<b>\$7,794,800</b>	
GRIP Concept Paper	\$100,000,000	Encouraged to apply
<b>Total with GRIP</b>	<b>\$107,794,800</b>	



**GRIP** stands for Grid Resilience and Innovation Partnerships Program and is part of the federal Bipartisan Infrastructure Law, administered by the Department of Energy. The intention of GRIP is to enhance grid flexibility and improve the resilience of the power grid against growing threats of extreme weather and climate change. In 2022, VPPSA submitted a concept paper for the GRIP Program for its RIENS (Building Vermont - Rural Resiliency & Innovative Energy Storage Network Solutions) project. Subsequently, VPPSA received an invitation in early 2023 to submit a full application.

The RIENS project is designed to provide a transformative technical solution to rural Vermont public utilities so they can better avoid or withstand grid stress events. The project proposes solutions to mitigate the risk of disruption to the electric grid and provide significant economic and justice benefits to the communities we serve, including several disadvantaged communities. In so doing, the REINS project will serve as a replicable solution for resiliency to other electric utilities throughout the United States.

If funded, the proposed project will deliver the installation of several networked, utility-scale batteries ranging in capacity size between two and five megawatt each, with four hours of associated energy storage. Through innovative system interconnection and equipment design, the RIENS Project will increase distribution grid resiliency at each of the installations to mitigate impacts of rolling blackouts and outages.





## A community focus makes energy efficiency and affordability possible

As advancements in renewable energy technologies progress rapidly across the country, Vermont is positioning itself as a leader in these innovations—even in our most rural and economically challenged communities. The expense of these innovations can be a heavy burden when it falls directly on customers. VPPSA and its member utilities know that affordability matters and Vermont must find a balance between local community choice and the push for renewability and new technology.

One way that VPPSA is helping to meet the challenges of technology and affordability is with its advanced metering infrastructure program (AMI), a foundational grid modernization technology that enables utilities to better serve their customers and keep costs low. The program helps utilities develop services like time-of-use rates, and use outage management and analytics to better plan for infrastructure upgrades.

**VPPSA and its member utilities know that affordability matters and Vermont must find a balance between local community choice and the push for renewability and new technology.**



Ken Nolan and Department of Public Service Commissioner June Tierney at the Statehouse

While larger utilities in the state were able to take advantage of federal American Recovery and Reinvestment Act (ARRA) funding for AMI in 2009, AMI was too expensive for individual small utilities at that time. In 2016, VPPSA began designing an innovative AMI system that would allow all of its members to jointly share the system, thereby minimizing costs. Then in 2022, VPPSA worked with

legislative champions to advocate for state funding. As a result, the legislature included \$8 million in the 2023 state fiscal budget for municipal and cooperative electric utilities to install AMI.

The \$8 million was given to the Vermont Department of Public Service (DPS) to distribute as grants to eligible utilities. VPPSA applied on behalf of our 11 members and were recently awarded \$5 million to move our project forward. “We’re pleased to grant VPPSA and its members funds to support AMI,” said T.J. Poor, DPS Director of Planning. “AMI offers the capability to capture operational efficiencies, and to facilitate new rate programs and incentives that encourage customers to better engage with and manage energy consumption,

consistent with Vermont's Comprehensive Energy Plan. We look forward to VPPSA and its members making good use of this opportunity."

"On behalf of the VPPSA member utilities, we are thankful that AMI funding was included in the Big Bill," said former Swanton Village Manager and former Chair of the VPPSA Board of Directors, Reginald Beliveau. "Without funding for this technology, it just wouldn't be possible for Vermont's most rural communities. We need a commitment for modern technologies, but we also need a commitment towards fairness."

By advocating for and securing AMI funding, VPPSA is changing the electric utility landscape on behalf of small communities.



Right: The Hardwick Electric line crew; Below: Reg Beliveau on the Swanton bridge

**VPPSA is changing the electric utility landscape on behalf of small communities.**







# VPPSA Member & Staff Highlights

*2022 was a year of hard work and accomplishment for VPPSA. In addition to the work highlighted in this report, here's a snapshot of other happenings.*

⇒ New contract service provided to **Barton Village Electric**. VPPSA submitted a proposal for full-time line crew services and after-hours restoration services through contracting with an outside line crew and three neighboring municipal utilities. <https://vppsa.com/vppsa-announces-utility-assistance-services-for-barton-electric/>

⇒ **Hardwick Electric Department** commissions the H11 solar array. <https://vppsa.com/new-solar-array-transforms-hardwick-gravel-pit-into-pollinator-friendly-renewable-energy-resource/>

⇒ **VPPSA** launches new EV charging pilot in partnership with Efficiency Vermont <https://vppsa.com/shifting-to-ev-time-your-charge-with-powershift/>

⇒ **Ludlow Electric Light Department** joins utilities offering the Weatherization Repayment Assistance Program (WRAP) to help customers easily finance weatherization projects <https://www.vhfa.org/news/blog/new-weatherization-financing-program-available-vermonters>



Bill Humphrey

### VPPSA Board Highlights

**Reg Beliveau** (Swanton) and **Bill Humphrey** (Lyndonville) retire after many years of incredible service  
**Bill Sheets** welcomed as new Swanton director  
**Jon Elwell** transitioned from Enosburg Falls Village Manager to Lyndonville Electric Department General Manager  
**John Dasaro** welcomed as new Enosburg Falls Village Manager  
**Steve Fitzhugh** (Northfield) elected as new VPPSA board chair  
**Scott Johnstone** welcomed as new Morrisville Water & Light General Manager  
**Erik Bailey** welcomed as new Village of Johnson Village Manager



Reg Beliveau

# 2022 VPPSA Awards



Left to right: Ken Nolan, Ken St. Amour, Senator Alice Nitka, Crystal Currier, Bill Humphrey, Reg Beliveau

Below: VPPSA staff members help out at the Barton Garden

**Crystal Currier** (VPPSA staff) wins prestigious APPA Mark Crisson Leadership and Managerial Excellence Award

**Ken St. Amour** (VPPSA staff) wins NEPPA Distinguished Service Award

**Reg Beliveau** (VPPSA board) wins NEPPA Service Award

**Bill Humphrey** (VPPSA board) wins NEPPA Special Recognition Award

**Sen. Alice Nitka** (State Senator representing Ludlow, VT) wins NEPPA Special Recognition Award

## VPPSA Staff Hires & Promotions

**Sarah Braese** welcomed to VPPSA as Manager of Government & Member Services

**Grace Sawyer** welcomed to VPPSA as Assistant Controller

**Julia Leopold** becomes Director of Public Affairs





## 2022 Condensed Financial Results

A complete copy of VPPSA's audited financial reports can be found at: <https://vppsa.com/about-vppsa/financial-reports/>

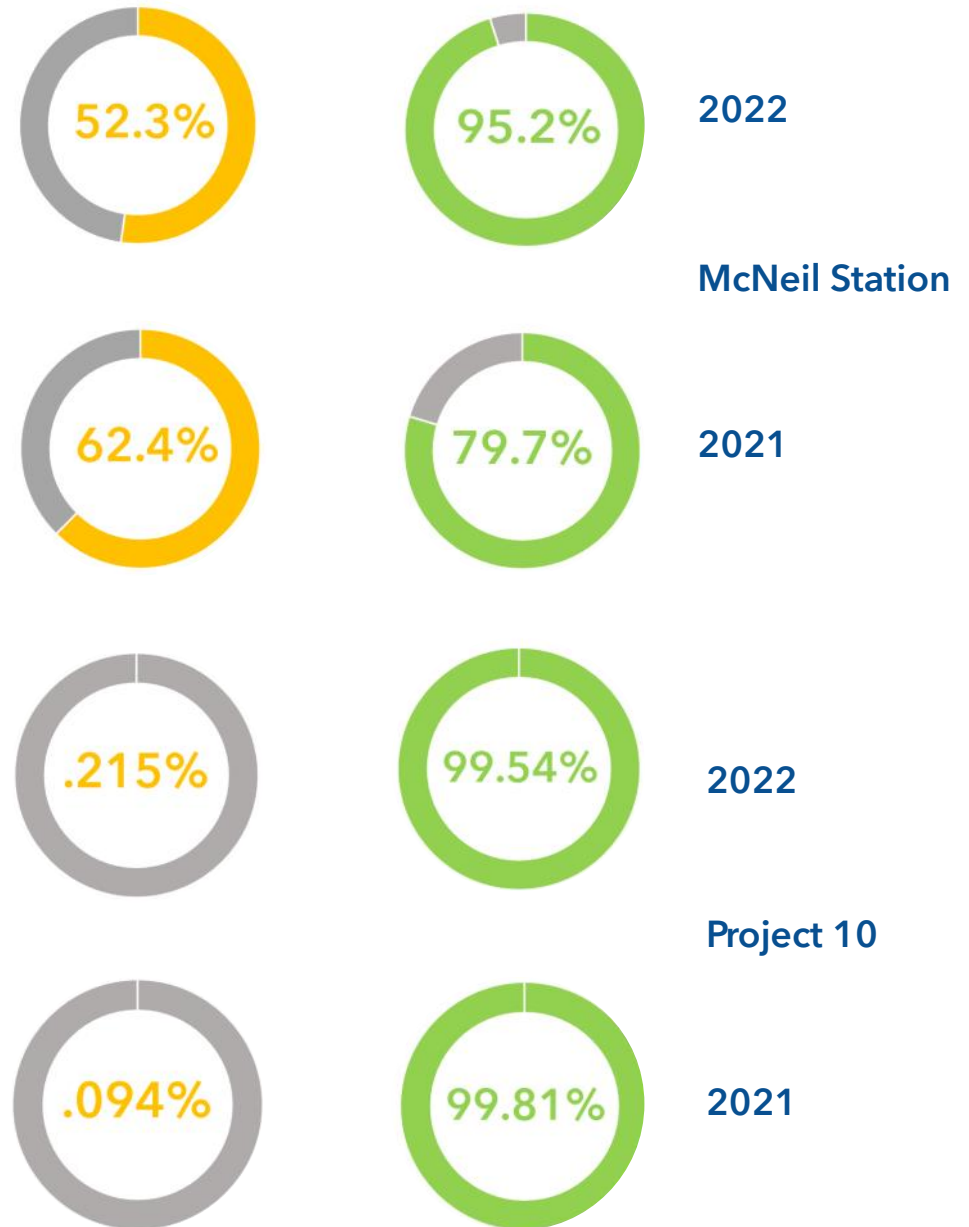
	2022	2021
Net Capital Assets	\$14,190,330	\$14,129,096
Current Assets, including cash and cash equivalents, accounts receivable, and other assets	\$18,948,814	\$19,990,800
Long-term assets, including investments	\$36,510,252	\$35,182,996
Deferred outflow of resources	\$64,955	\$25,000
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$69,714,351</b>	<b>\$69,327,892</b>
Current Liabilities, including accounts payable, short-term debt, current portion of bonds and LTD	\$10,313,990	\$8,812,431
Long-term liabilities, including bonds and long-term debt	\$20,366,094	\$24,187,856
Deferred inflow of resources	\$81,000	\$25,000
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$30,761,084</b>	<b>\$33,025,287</b>
Invested in Capital Assets, Net	\$3,295,330	\$1,960,762
Restricted Earnings	\$30,760,115	\$29,508,637
Unrestricted Earnings	\$4,941,478	\$4,838,852
Other Comprehensive Income	-\$43,656	-\$5,646
Total Retained Earnings	\$38,953,267	\$36,302,605
<b>Total Liabilities and Capital</b>	<b>\$69,714,351</b>	<b>\$69,327,892</b>

# Project Operations

VPPSA owns 19% of the J.C. McNeil Generating Facility, located in Burlington. The McNeil Station is managed by Burlington Electric Department, which is the majority owner. Additionally, VPPSA owns 100% of the Project 10 peaking generating facility, located in Swanton. This is a “fast-start” generator within the ISO-NE wholesale market, allowing New England power grid operators to quickly dispatch generation to keep the power grid stable.

Capacity Factor

Availability Factor







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