

# ISLE AU HAUT ELECTRIC POWER COMPANY

ANNUAL MEETING 2024

## Mission

- ❖ To provide cost effective, reliable, and resilient energy to all members of the cooperative
- ❖ To be transparent and adaptable to the changing local energy market to the benefit of our members and the environment

## Challenge

- ❖ Maintaining a consistent rate structure while adapting to increases in supply and transmission costs
- ❖ Transmission and Delivery (T&D) + 50% in the last 5 years; Supply charges + 46% in last 5 years
- ❖ Aging cable infrastructure
- ❖ Small scale means 'fixed costs' (administrative, grid maintenance) are ~70% of total costs\*

## Solution

- ❖ Seek lowest possible annual competitive energy supply contract hedging against the standard offer
- ❖ Adjust revenue requirement annually to adapt to our aging grid and cost of inflation
- ❖ Seek to replace aging cable without impact to rates using government funding and private donations

\* this is unusual - for example, required annual MPUC audits represent nearly 10% of our operational budget

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## ANNUAL MEETING 2024

### Agenda

- Introduction of David Folce, our new GM
- Board Nominations - 3 year terms
- Operations Review
- Issues to address in 2025 and Proposed Rate Plan
- Status report on Cable Project

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ANNUAL MEETING 2024

## **Up for reelection to the Board (3 year term)**

- Sam Chamberlin
- Dane Stevens
- Lee Davis
- Abigail Hiltz
- Ben Sampson

**Seek a motion to approve slate**

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# Review of Operations - David Folce



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## Key issues for 2025 operating budget

- Increase in expenses and salaries due to inflation
- Planning partial loss of store business due to their solar plan
- Planned solar credits of ~\$0.02 per kWh denied by Versant/MPUC
- Must address significant deferred maintenance (e.g. bucket truck)
- Need to begin repayment of loans made in 2022

## Plan to address issues

- Increase in monthly meter fee from \$35-\$40
- Reduce overall kWh charge from \$0.363 to \$0.355 per kWh
  - Decrease in green energy supply charge nearly offset by Increase in delivery charge from \$0.20 to 0.22 per kWh
- Eliminate storage heat pump rate for key customers (e.g. town, school)
  - Heat storage systems have not performed as planned and are mostly disconnected
  - Solar plans (the rationale for a special rate) are on hold until new cable is installed

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## ANNUAL MEETING 2024

### Budget Forecast 2025

*Energy Supply (\$/kWh)	312,250 @ \$0.135
	\$42,300
*Energy Delivery (\$/kW)	312,250 @ \$0.22
	\$68,700
Service Charge (\$)	\$40 @ 143 meters
	\$68,000
Aggregate kWh rate (\$/kWh)	
	\$0.355

### Cash Flow Requirement (est.)

Revenue projection	\$179,000
Operational Budget (\$)	\$170,500
Debt repayment	\$8,125
Capital Expenditures (net of depreciation)	\$200
Total Cash needs	\$178,825

### REVENUE (\$)

179,000

\*Note: \$5,000 contingency included in operational budget. If not spend would add to cash generated for reserves

### CASH GENERATED FOR RESERVES\*

\$175

# ISLE AU HAUT ELECTRIC POWER COMPANY

## ANNUAL MEETING 2024

### Projected 2025 ANNUAL COSTS

Power purchase

\$51,600

Operations\*

\$20,300

Payroll

\$55,000

Dues/Fees

\$18,150

Taxes

\$5,000

Insurance

\$5,750

Miscellaneous

\$8,500



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Seek motions on rate changes:

- To approve 2025 rates:
  - Increase of monthly fee from \$35 to \$40/month;
  - increase of delivery fee from \$0.20 to \$0.22;
  - for a net decrease in usage fee from \$0.363 to \$0.355 per kWh
- To approve removal of storage heat pump rate

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## **Cable project history/situation**

- Synergy with broadband project caused PoCo to accelerate cable replacement plan
- Private donations of \$160,000 (MANY THANKS), \$300,000 awarded from NBRC, and synergy with fiber project made it possible WITHOUT IMPACTING RATES
- Permit from Army Corps of Engineers received in December 2023

## **Complication**

- NBRC has withheld PoCo's 'notice to proceed' pending an additional environmental review (not required for fiber) which has caused a one-year delay
- Costs have increased due to the additional review and delay; some synergy is lost
- Earliest possible installation of power cable - winter of 2025-2026

## **Go forward plan**

- We are pushing hard to complete the additional environmental review before November
- We are assembling a new set of cost estimates and developing a plan to make it work without impact on our member rates

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Q&A

