

STATE OF VERMONT  
ENERGY GENERATING SITING POLICY COMMISSION  
DELIBERATIVE SESSION #2

January 15, 2013 - 9 a.m.  
St. Leo's Hall, 109 Main Street  
Waterbury, Vermont

Commission Members

Jan Eastman, Chair  
Louise McCarren, Vice Chair  
Tom Bodett  
Scott Johnstone  
Gaye Symington

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Also present:  
Secretary Deborah Markowitz, ANR  
Commissioner Chris Recchia, DPS  
Anne Margolis  
Linda McGinnis  
Joan White  
Asa Hopkins, DPS  
Shana Duval, VELCO

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1           CHAIRMAN EASTMAN: Why don't I just  
2 start with the preliminary reminders and  
3 things like that, because they have all  
4 heard them ad nauseam.

5           Once again, I'm Jan Eastman, I'm Chair  
6 of the Energy Generation Siting Policy  
7 Commission, and this is deliberative session  
8 number 2. So I just want to remind  
9 everybody of our upcoming meetings and site  
10 visits and public hearings. So on January  
11 23, we are taking the site visit to the gas  
12 plant in Londonderry, New Hampshire, and  
13 then there will be a public hearing at  
14 Brattleboro Union High School from 5 to 7.

15           On January 30th we are doing a site  
16 visit, the South Burlington solar site and  
17 McNeil biomass plant. And a public hearing  
18 will be held at UVM from 5 to 7.

19           And on February 12 we are doing a site  
20 visit in Sheffield and Lowell and a public  
21 hearing at the Lowell Graded School from 5  
22 to 7. On February 5 will be in the --  
23 what's this -- the Agency of Commerce and  
24 Community, whatever, Development, so this is  
25 up at the National Life building, Calvin

1 Coolidge conference room. That's a full day  
2 from 9 to 4 where we will be deliberating.  
3 And by then we hope we will actually be  
4 talking about some options that, you know,  
5 -- after we have heard all of the things we  
6 have heard and the staff is putting together  
7 an options paper for us to start looking at.  
8 And then we also have scheduled some times  
9 for February 12 I think we have got  
10 scheduled, and we have -- we're still  
11 thinking we are on track to do some draft  
12 recommendations by the end of March. So  
13 that in late March and early April we have  
14 two more public hearings, but after draft  
15 recommendations are out, one in the Rutland  
16 area and one in Montpelier via Interactive  
17 TV. And we think we should be on schedule  
18 to have final report delivered to the  
19 legislature that last week in April, maybe  
20 April 25. Okay?

21 So today we're going to hear from the  
22 Agency of Natural Resources. Remember, all  
23 of you, we started with them back in  
24 October, early November, we started them,  
25 and we wanted to hear from within state

1 government recommendations that staff might  
2 have relative to this process. So the  
3 Agency of Natural Resources is going to --  
4 Billy is going to present to us. VELCO is  
5 also back. Thanks very much. Because we  
6 understand you've got a community engagement  
7 process for transmission lines, and that  
8 community engagement or community  
9 participation is something we are hearing a  
10 lot about, so we wanted to know what, if the  
11 work processes in Vermont, how they worked,  
12 if they worked well, those kind of things.

13 Then we will take a break. And we have  
14 got Jim Sullivan and Scott Printz back from  
15 Regional Planning Commissions. Seemed to us  
16 they have got a lot of good information  
17 about process, and also when we hear about  
18 new proposals we, at least in some of our  
19 minds, we think the Regional Planning  
20 Commissions may be the place to play a role.  
21 And Secretary Chuck Ross from the Department  
22 of Agriculture is going to be here, again to  
23 hear from another agency what its positions  
24 are or his positions are on electric  
25 generation siting, and then we are going to

1 finish up with Billy Coster and Eric  
2 Sorenson on the Natural Resource Atlas, the  
3 mapping process that you're supposed to be  
4 rolling out soon. You know, I was there so  
5 long ago, I just used hard copies, and when  
6 we overlaid and overlaid and it got really  
7 dark, I knew there is something about that  
8 place.

9 MR. COSTER: Not much has changed.

10 CHAIRMAN EASTMAN: It's good to know  
11 that my 19th century technology still works  
12 in the 21st. So that's this morning. And  
13 today it's just a half a day, so we will be  
14 done by noon.

15 Okay. Hi, Chris.

16 MR. RECCHIA: Good morning.

17 CHAIRMAN EASTMAN: Hey Gaye, hey Deb.  
18 You all snuck in. I knew it would work.

19 MS. SYMINGTON: We have been circling.

20 CHAIRMAN EASTMAN: I parked over there.  
21 There are lots of spaces.

22 MR. RECCHIA: It's amazing how many  
23 spaces there are in Waterbury.

24 MS. SYMINGTON: Once you find it, there  
25 is lots of parking.

1                   CHAIRMAN EASTMAN: It was sad, I just  
2 have to say for the record having worked  
3 here all those years ago to be able to drive  
4 around the loop and find all that easy  
5 parking. This morning was fabulous. Okay.

6                   So Billy, we are going to start with  
7 you, with the Agency of Natural Resources'  
8 recommendations, and thank you for getting  
9 them out and getting them hard copy and  
10 electronically.

11                   MR. COSTER: Sure. Thanks for having  
12 us. I'm Billy Coster. I'm the Senior  
13 Planner and Policy Analyst for Agency of  
14 Natural Resources. I'm also helping staff  
15 the commission's work. And with me is  
16 Judith Dillon. Why don't you introduce  
17 yourself.

18                   MS. DILLON: I'm an ANR litigation  
19 attorney, and I assisted the Agency in  
20 providing you with an overview at the  
21 beginning way back when.

22                   MR. COSTER: And specific to energy  
23 siting projects, I help coordinate the  
24 Agency's review -- internal review of these  
25 projects, work with applicants in the

1 predevelopment and application phase of  
2 their proposals, and just help with the  
3 logistics and overview of our engagement  
4 with the Board.

5 And Judith is our main litigation  
6 attorney who represents the Agency before  
7 the Public Service Board on many of the  
8 large siting cases, so she's got a ton of  
9 experience of how this actually works in  
10 practice. So feel free to ask us both  
11 questions.

12 What we have done is worked with our  
13 staff and with other folks to try to develop  
14 a set of recommendations for the Commission  
15 related to how we would like to see the  
16 siting practices in Vermont change as a  
17 result of your work. And we sent you a memo  
18 yesterday which hopefully you had a chance  
19 to at least skim over and read.

20 I think what we would like to do this  
21 morning is kind of summarize those 10  
22 recommendations and then just have a  
23 discussion with you all about questions and  
24 other thoughts.

25 None of these recommendations are

1 sensitive, and I think conceptually these  
2 are all things we think are important and  
3 would add great value to the process, but  
4 the details of how you get there are  
5 certainly flexible, and I think we are happy  
6 to hear your input on how you might achieve  
7 those goals.

8 In general, I think the main observation  
9 we have is that this concept of siting  
10 decisions is a little bit of a misnomer  
11 currently in that most generation projects  
12 in Vermont come to the regulators with a  
13 site and a location already selected. So  
14 the initial siting has been done. And the  
15 regulatory work is just to try to identify  
16 if that site is unacceptable, or to  
17 generally minimize the impacts from the  
18 proposal on that site. So usually the  
19 siting work is done, and people are just  
20 reacting to it. And that's a fundamental  
21 decision that I don't know if the  
22 Commission's interested in changing, but  
23 there might be ways to get a little bit  
24 further ahead in the process so that the  
25 public and regulators can inform that

1 initial siting choice.

2 So we are going to just run through  
3 these recommendations. I think the first  
4 one which is probably the one that would  
5 have the most value from our perspective is  
6 to formalize a scoping in a predevelopment  
7 phase especially for large generation  
8 projects. Right now in Vermont developers  
9 of energy generation facilities are doing  
10 work before they file their permit  
11 applications. They are gaining site control  
12 over properties, they are assessing the  
13 resources that are on the site, they are  
14 often reaching out to the community. They  
15 are doing some work publicly and behind the  
16 scenes to ascertain the viability of a  
17 proposed location. But that's not required  
18 by the Board. It's not transparent, there  
19 is no standards associated with it. It's  
20 done because the developers believe, I  
21 think, ultimately it will help them. We  
22 believe that if that process was required by  
23 the Board and there were some rigor around  
24 it, it would really improve the outcome of  
25 the projects. And investing time up front

1 would make for a more predictable hopefully  
2 easier flow in the process.

3 And what we are recommending is that the  
4 Board establish some minimum guidance for  
5 what that process looks like. And for small  
6 projects it might just be a checklist for  
7 developers to make sure that they have done  
8 the environmental due diligence and got all  
9 the permit applications filed and reached  
10 out to the communities in the way that the  
11 Board expects.

12 For larger projects we envision it would  
13 involve more of a public engagement process,  
14 similar to those you've heard from other  
15 states or presented to you by some folks who  
16 have been before the Commission last week,  
17 where affected communities would really  
18 engage with developers around what scope --  
19 what studies need to be done before the  
20 applications are filed, who is doing that  
21 work, and ideally trying to refine and  
22 inform where these facilities are sited, and  
23 raising some of the issues well in advance  
24 of the regulatory process and ideally  
25 resolving them.

1           And you know, that's -- it's unlikely  
2           that every potential conflict can be  
3           resolved through that scoping process, but a  
4           lot of them can be put aside and really the  
5           main ones would come to the surface, and  
6           those could be the focus of the proceeding.

7           MR. RECCHIA: Do you want us to ask you  
8           questions on each of these as we go through  
9           or just wait?

10          MR. COSTER: Whatever is easiest for  
11          you.

12          MR. JOHNSTONE: It was really effective  
13          I thought the other day to do it as we went,  
14          but that's just what I think.

15          CHAIRMAN EASTMAN: That's fine.

16          MR. RECCHIA: So one fundamental problem  
17          that I saw in the Lowell example was that  
18          the applicant had gained site control via a  
19          20-year lease option. In other words, they  
20          thought oh, this is a temporary project. It  
21          has a life of 20 years. I'll get access to  
22          the land for that time and at the end of  
23          that we will go back to whatever, you know,  
24          revert to the property owner.

25          Fundamentally that was unacceptable.

1 Very early on we saw that these are  
2 permanent impacts. They are -- there is  
3 permanent compensation required. And you  
4 know, one of the fundamental things I would  
5 like to see is that the site control  
6 actually be, you know, purely site control.  
7 Optioned by -- the problem I see in that is,  
8 and maybe the scoping process will help with  
9 this, is the applicant really has no  
10 understanding of the order of magnitude of  
11 lands necessary to control in order to make  
12 that work.

13 MR. COSTER: Right.

14 MR. RECCHIA: How -- do you have any  
15 thoughts on how to get that closer to  
16 reality, you know, instead of just in the  
17 case of Lowell the ridgeline and the wind  
18 turbines versus, you know, thousands of  
19 acres that were actually necessary in order  
20 to be able to move this forward?

21 MR. COSTER: Yeah. I think what we have  
22 spoken about internally is at least at the  
23 time an applicant files making sure that  
24 they have within their control all the lands  
25 necessary for the project. So -- go ahead.

1 It probably can't be that early on, but  
2 before they submit their application.

3 MS. DILLON: And I think the scoping  
4 process itself will help inform what the  
5 scope -- true scope of the resource impacts  
6 and other impacts of a project are. So that  
7 early on you can discover that there is a  
8 particular resource impact that perhaps the  
9 developer didn't anticipate, and as a result  
10 of that resource impact, there needs to be  
11 sufficient mitigation. What is the scope of  
12 that mitigation, what's the scale of that  
13 mitigation. All of that could be determined  
14 up front before they actually file the  
15 petition, so at that time they will know,  
16 oh, we need X number of acres, or we need to  
17 have a buffer of, you know, a quarter of a  
18 mile or half a mile for this particular  
19 resource.

20 All of the information's up front. All  
21 parties or interested parties are aware of  
22 those issues going forward, and they can get  
23 all of their ducks in a row before they file  
24 the petition.

25 MR. BODETT: How do we roll into that

1 the overall acceptability of one site over  
2 another, not just from an environmental  
3 point of view, but from reliability. I know  
4 Jan keeps giving me the credit for this  
5 statement, but I think it was Jim Sullivan's  
6 line about locating these generating sites  
7 in the best place rather than the easiest  
8 place, and from a reliability standpoint,  
9 transmission standpoint, and is there -- at  
10 what point in this process can that  
11 information be considered in siting so that  
12 we do have these projects where they are  
13 going to do the most good and not just the  
14 place that they can get done?

15 MR. COSTER: Well I would think that's  
16 certainly one of the considerations that the  
17 Board could require be considered during the  
18 scoping phase.

19 I know from the Agency's perspective we  
20 are going to have a lot of natural resource  
21 impact studies that we are going to want to  
22 see conducted during this time. And I would  
23 imagine you could also have developers look  
24 at things like the location with regards to  
25 reliability, interconnection with the grid,

1 those are all things that they are probably  
2 doing anyhow, but it's not a transparent  
3 part of the predevelopment process.

4 So I think to the extent that you can  
5 front load all those questions, and if the  
6 answer is no, this site is far away from the  
7 grid, and we are going to have to build  
8 three miles of transmission, 10 miles of  
9 transmission, that might not stop it, but at  
10 least it will be clear and on the table at  
11 that time.

12 So I think, you know, if this is the  
13 Board's process, it's a requirement of  
14 filing a permit, they can put in these  
15 benchmarks and these kind of fundamental  
16 threshold questions early on that applicants  
17 will need to answer.

18 CHAIRMAN EASTMAN: So -- Louise and then  
19 Deb.

20 MS. McCAREN: I was just going to  
21 repeat what I said last time. This really  
22 struck me in the Charlotte solar issue.  
23 What struck me about it was that, and that's  
24 why I asked Jim Volz about this, was that  
25 the developer negotiated -- I'm just

1 supporting what you guys are saying because  
2 I agree with your proposal.

3 The developer chose a piece of land  
4 which at the end of the day was really  
5 controversial for a number of reasons. But  
6 the developer's position was look, it's this  
7 piece of land or nothing because of the way  
8 the queue works in the SPEED program. And I  
9 talked to Deena a little bit about it, but I  
10 understand there are problems with this, and  
11 maybe the answer is your answer, you get at  
12 that way ahead of the game. And I have some  
13 ideas on how you might do that.

14 But that puts the town, a town, for  
15 instance, who supports renewables, if the  
16 town supports renewables, in a really tough  
17 position. Because -- and I spoke with the  
18 guy who runs the Vermont exchange. And you  
19 know, the answer is well there is another 40  
20 projects behind this one in the queue. So  
21 from an overall adequacy point of view to  
22 meet the objectives we don't need this  
23 project, not needed. Somebody else -- there  
24 will be one project right behind it.

25 But the town felt really constrained.

1 The town couldn't basically say to the  
2 developer, okay, that's fine. But look over  
3 here is where we would really like you to  
4 put it, and this is public land or whatever,  
5 whatever, whatever. So I was really struck  
6 by that. Because and maybe it's to your  
7 point that you get out ahead of that way  
8 ahead of the game. And that takes you right  
9 down the alleyway of let's do some local  
10 kind of zoning stuff.

11 I mean I was very perplexed by that  
12 problem. Because it caused -- or will cause  
13 something that really shouldn't be where  
14 it's going to be, but there was no way to  
15 deal with that, other than to say no to the  
16 project.

17 CHAIRMAN EASTMAN: Deb.

18 MS. MARKOWITZ: Yeah. Kind of to build  
19 on that, I think one of the things that  
20 Billy said that I think is really useful for  
21 this panel to consider is, you know, there  
22 are -- right now our system is completely  
23 driven, the initial siting decision, and as  
24 you described, is completely driven by a  
25 developer, an applicant. You know, and it's

1 because they are looking at their factors  
2 first of all, maybe there is a willing  
3 seller of the land. And it's got the  
4 resource, you know, good wind or good solar  
5 or whatever. And it's not driven by  
6 planning.

7 Now our system is a free market system.  
8 You know, it isn't a system, you know --  
9 well it's a regulated free market system,  
10 right, where it's developer driven. And so  
11 it's complicated to move away from that to  
12 say, hey, we are going to completely plan  
13 out the state and identify all the places  
14 that we think are acceptable. As you all  
15 know, that's pretty complicated.

16 And so what I liked about what the staff  
17 came up with in this proposal is it was  
18 really a compromise, and it was a way to get  
19 to some of the considerations that we would  
20 love to have as part of a planned approach  
21 to renewable energy development while still  
22 recognizing that we operate under this quasi  
23 free market approach where a developer can  
24 come and find a site and find a business  
25 model that they think would be successful

1 and then propose a project in that context.

2 So it doesn't completely up end the  
3 system it's operating in, but in the  
4 criteria and in the questions that the Board  
5 requires to be addressed during the scoping  
6 processes you can get at a lot of the values  
7 you would otherwise be getting at by coming  
8 at it by, you know, in that planned way.

9 We have heard from other states sort of  
10 both approaches, and other countries kind of  
11 both approaches. It's total let's have a  
12 state plan, where are the good places, where  
13 are the bad places. We will find that -- as  
14 a practical matter that's hard to do. It  
15 will be mostly yellow lights, because we  
16 don't actually know it's on the ground  
17 everywhere. We have a general idea.

18 So that's one of the things that I  
19 thought worked well about this.

20 CHAIRMAN EASTMAN: Gaye.

21 MS. SYMINGTON: Actually two questions.  
22 Louise raises an issue that would come into  
23 play or where we would be making a  
24 recommendation having -- or as I understand  
25 it anyway -- where we would be making a

1 recommendation about the process of the  
2 standard offer and how that queue works,  
3 right?

4 MS. McCARREN: Well I hadn't quite drawn  
5 to that --

6 MS. SYMINGTON: It's not so much about  
7 this piece of it. It's more about the, you  
8 know, once you're in the queue you can't  
9 change the location. And is that -- my  
10 question is, I agree, I don't totally  
11 understand it, but I agree with the  
12 sentiment of that, and I'm just wondering is  
13 that in our purview, or are we restricted to  
14 only talking about the Public Service Board  
15 process per se?

16 MS. McCARREN: Well that is, as I  
17 understand, that's why I asked Jim the  
18 question.

19 CHAIRMAN EASTMAN: I think that's part  
20 of the Public Service Board process and --

21 MS. McCARREN: And they created it.

22 CHAIRMAN EASTMAN: And I think that --  
23 as I remember --

24 MS. McCARREN: It's not in the statute.

25 CHAIRMAN EASTMAN: -- our charge is

1 everything above 2.2 megawatts, isn't it?  
2 There is some limitation to our charge. And  
3 it's about the really small ones they didn't  
4 want us to really fool with, I got the  
5 sense.

6 MS. MCCARREN: You're right. SPEED the  
7 max is 2.2.

8 MR. JOHNSTONE: So we are not looking at  
9 SPEED?

10 CHAIRMAN EASTMAN: So we are not looking  
11 at SPEED.

12 MS. MARGOLIS: It's anything above net  
13 metering, so includes SPEED projects.

14 MR. RECCHIA: Does everybody understand  
15 that? The SPEED projects are, correct me if  
16 I am wrong, Anne. Asa, please go, so you'll  
17 save me from myself.

18 MR. HOPKINS: Yeah. Asa Hopkins. I am  
19 the Director of Energy Policy and Planning  
20 at the department.

21 Just to -- first a nomenclature thing.  
22 SPEED and the standard offer are different.  
23 SPEED is about renewables at large. There  
24 is a target for 20 percent of utility  
25 portfolios from SPEED resources by 2017.

1 Those are -- those include Lowell,  
2 Sheffield, Granite Wind, McNeil, et cetera,  
3 as well as standard offer facilities.

4 The standard offer is about -- we  
5 started out as a feed-in tariff type system  
6 for projects 2.2 megawatts and smaller. It  
7 originally originated as part of the same  
8 piece of statute as SPEED, and therefore  
9 people got nomenclature confusion that we  
10 separated them in the last session so that  
11 we could start to think of SPEED as utility  
12 portfolio targets and standard offer as  
13 small projects in state.

14 So they were talking about standard  
15 offer. The existence of a queue and the  
16 question of how that works is an echo of the  
17 way that the first 50 megawatts of standard  
18 offer was put out there. Sort of first-come  
19 first-serve basis with then a waiting list.  
20 We are in the process through the  
21 stakeholder process with the Board of  
22 redesigning the standard offer to go forward  
23 into an annual allocation process. There  
24 will be five megawatts a year within the  
25 cap. And then potential for projects

1 outside the cap if they provide sufficient  
2 benefit to the operation and management of  
3 the grid, which is the sense of trying to  
4 get a handle on which projects are  
5 particularly beneficial from a grid  
6 transmission or distribution standpoint, and  
7 allowing those projects to go ahead and sort  
8 of jump the line so to speak.

9 MR. RECCHIA: So just to put a fine  
10 point, so is it fair to say for our purposes  
11 here, that standard offer is 2.2 and below,  
12 SPEED is above -- is utility scale.

13 MR. HOPKINS: Well SPEED is all --

14 MR. RECCHIA: Everything.

15 MR. HOPKINS: -- all scales.

16 MR. RECCHIA: So it could be lower.

17 MR. HOPKINS: But just renewable.

18 Standard offer is small and just renewable.  
19 Your charge is larger than 150 KW or larger  
20 than 500 or larger than net metering or  
21 whatever of all technologies.

22 MR. RECCHIA: Right.

23 MR. HOPKINS: So but to, you know,  
24 guidance from a siting standpoint of how  
25 site decisions and such might play into well

1 you've got five megawatts a year to  
2 allocate, how do you decide which projects  
3 are best amongst those five? I think that  
4 kind of question is very much in your  
5 bailiwick.

6 MR. RECCHIA: And it may be a mechanism  
7 to get at Louise's point, because instead of  
8 a first-come first-serve basis where  
9 whatever application comes in is going to be  
10 the next one we consider, we are considering  
11 an RFP-type process.

12 MS. SYMINGTON: For standard offer or  
13 SPEED?

14 CHAIRMAN EASTMAN: One at a time. So  
15 can we answer Gaye's question though? Gaye,  
16 repeat what you wanted clarified.

17 MS. SYMINGTON: I'm still confused about  
18 the borderline between SPEED and standard  
19 offer in terms of how it applies to the  
20 Charlotte example that Louise has been  
21 referencing.

22 MR. HOPKINS: So the closest -- that was  
23 a standard offer plan. I've just been  
24 trying to talk about the standard offer  
25 piece which is 2.2 megawatts and less.

1 That's a situation which there might be,  
2 depending on what the Board decides, they  
3 haven't decided yet, there might be an RFP-  
4 type process where you're selecting projects  
5 based on some set of criteria. The clearer  
6 that set of criteria is the better.  
7 Generally speaking that's one of the main  
8 outcomes of that discussion.

9 So in the Charlotte example the --  
10 because it was simply just a first-come  
11 first-serve, somebody was in the list and  
12 they couldn't make changes, you know, to  
13 their bid after the fact for fear of losing  
14 their spot in the line. Depending on how  
15 the process is structured going forward you  
16 might allow greater flexibility.

17 At the same time you want -- you don't  
18 want to have projects sort of that aren't  
19 fully formed coming in and being awarded  
20 contracts and say well, we don't even know  
21 quite where it's going to be, we want to  
22 work with it. At some point you want to say  
23 it's a real project. It's already got its  
24 ducks in a row. You want to have that done,  
25 preloaded.

1           On the other hand, for a small project  
2           this is a balancing act, for a small project  
3           do you want everyone who might ever want to  
4           build a sort of 10 million dollar scale 2.2  
5           megawatt project to have to go through an  
6           extensive prescoping process whatever, not  
7           knowing whether it will ever come to  
8           fruition and it will ever get paid back for  
9           those expenses. So there's this tradeoff.

10           MS. McCARREN: But I think the core  
11           problem or -- of this is the queue is  
12           actually at some point not really the  
13           problem. The problem is what role do you  
14           give to local zoning and planning in all of  
15           these projects, and what priority do you  
16           give to the local planning and zoning? I  
17           think because --

18           MR. RECCHIA: And at what stage does it  
19           feed into the process?

20           MS. McCARREN: Exactly to your point,  
21           Billy. It's just how do you do that. All  
22           right. Because this problem would not have  
23           been created if there had been some clarity  
24           about the priority given to local zoning and  
25           planning issues.

1 CHAIRMAN EASTMAN: And I'm going to  
2 interject here because this is one of those  
3 parking lot things. This is totally an  
4 issue I think we recognized and acknowledged  
5 we are going to hear more.

6 I want ANR to be able to get through the  
7 10 recommendations at least a little bit.  
8 He'll still be around, and we will all be  
9 around. You don't have to leave the table.  
10 You're probably --

11 MR. HOPKINS: I'll leave an opening  
12 here.

13 MR. RECCHIA: He's a smart guy.

14 MR. COSTER: I'll pick up the pace a  
15 little bit. I think to just to kind of  
16 conclude, the scoping phase we see and  
17 obviously there need to be different  
18 approaches for different size projects.

19 CHAIRMAN EASTMAN: Well you're proposing  
20 for 15 megawatts and larger.

21 MR. COSTER: Having a more robust  
22 process.

23 CHAIRMAN EASTMAN: Having a more robust  
24 scoping phase.

25 MR. COSTER: That's a number not based

1 on anything too particular. So I think that  
2 would be a point that the Board would want  
3 to consider. Some people suggested is it  
4 2.2 megawatts? Is it from standard offer  
5 up, that's a range we can talk about. But I  
6 think we just see a lot of value in front  
7 loading some of these threshold decisions,  
8 that having, you know, a structured  
9 predevelopment process.

10 It's happening now. Developers,  
11 especially for large projects, are working  
12 with the Agency to conduct resource studies.  
13 They are working with communities, but there  
14 is no quality control to that. There is not  
15 much transparency. And I think if you could  
16 actually go to the point where the scoping  
17 process vets issues, and if projects can't  
18 meet some of those thresholds, they simply  
19 don't move forward. And if projects can  
20 meet all those thresholds, perhaps they can  
21 follow a more streamlined, more  
22 administrative process before the Board.

23 So they are doing their work up front,  
24 and then when they are in permitting it goes  
25 more smoothly. That I think would be the

1 ultimate goal. It would allow for real  
2 engagement with the affected community  
3 earlier. It won't be a trump card, but it  
4 would help create some consensus where  
5 that's possible.

6 Anything else you want to add on that  
7 one? So to make that happen there need to  
8 be active engagement by the permitting  
9 authority earlier in the process than when  
10 the petition's filed. So what we envision  
11 is having the Board develop a position for a  
12 case manager or an ombudsman-type role that  
13 would really see projects from cradle to  
14 grave so to speak. They will be there  
15 during this predevelopment phase. Once the  
16 petitions was filed they would help the  
17 parties negotiate the process, which is very  
18 technical and complicated, especially for  
19 interveners and communities. And then they  
20 would be there to make sure that conditions  
21 were met during the construction and post-  
22 construction phase. And really basically  
23 manage the thing all the way through.

24 And we have heard from pretty much  
25 everyone before the Commission that the

1 current process is really a black box, and  
2 having someone who is not bound by the  
3 strict rules of the Board and who can really  
4 communicate and help explain the process and  
5 answer questions for all the parties we see  
6 providing just a ton of value. That's a  
7 recommendation we would have.

8 I think that is regardless of anything  
9 else you do, we would like to see that  
10 position come into being. Also if you're  
11 front loading in the process or really  
12 hoping to have a more meaningful engagement  
13 process that's managed by this case manager,  
14 we are recommending that there is some  
15 support given to intervening towns or  
16 affected towns.

17 We have heard from New York State that  
18 they actually provide money to interveners  
19 and municipalities at the scoping and  
20 application phase. There is a few other  
21 models. That's one that may work. An idea  
22 that we had that might be a little bit more  
23 manageable is to establish a set of experts  
24 that's basically under contract with the  
25 Board, some legal folks; engineers, natural

1 resource professionals, who can be lent out  
2 to intervening towns to help them build  
3 their case, to help them build the record so  
4 that their perspective is well articulated  
5 before the Board.

6 What I think we heard from a lot of  
7 communities is that they want to engage,  
8 they have real issues, but they don't always  
9 have the resources and wherewithal to make  
10 the case in this highly technical  
11 adjudicated setting. So the extent that we  
12 can have high quality resources made  
13 available to these people paid for by the  
14 petitioner we think that would help  
15 everyone. The intervening towns are going  
16 to be there. They are going to want to  
17 participate. We might as well let that  
18 participation be as constructive as  
19 possible.

20 MR. BODETT: Maybe this is a question  
21 for Susan.

22 MS. DILLON: Judith.

23 MR. BODETT: Judith. I'm so sorry. How  
24 would you expect like these technical  
25 support, could they act as expert witnesses

1 at a contested case?

2 MS. DILLON: Yes.

3 MR. BODETT: And only for the  
4 interveners though, not for the developer  
5 side. So these would be strictly for the  
6 interveners in the case?

7 MR. COSTER: I think that's what we  
8 envision.

9 MS. DILLON: That's what we are  
10 anticipating that they be available for the  
11 interveners to utilize when presenting their  
12 position or their case with respect to the  
13 particular project, because developers  
14 usually come in with a whole host of experts  
15 that support their project and the basis for  
16 their project.

17 Often we found that the interveners  
18 don't have the expertise or the funding  
19 available to hire experts to help put  
20 forward their issues and to support those  
21 issues with scientific and technical bases,  
22 and that's really what the Board looks for  
23 when making a determination.

24 They hear the arguments of the towns or  
25 interveners, but unless there is that

1 technical expertise supporting that  
2 position, it's really not going to have any  
3 sway with the Board.

4 MR. BODETT: That part I understand. I  
5 guess my concern was I didn't articulate the  
6 question very well, is the perceived  
7 conflict of interest of having Public  
8 Service Department employees, if you will,  
9 not public --

10 CHAIRMAN EASTMAN: Board.

11 MR. BODETT: Public Service Board  
12 employees helping.

13 MS. DILLON: I think what we are  
14 envisioning is separate contracted experts  
15 being available to perform that task, not  
16 specifically the staff of the Board or the  
17 staff of the Department performing that.

18 CHAIRMAN EASTMAN: Just like they do  
19 now. On a case-by-case basis the Public  
20 Service Board may determine there is a need  
21 to hire, you know, an outside expert, and  
22 they will have, you know, bill back, have it  
23 paid.

24 MR. COSTER: Another analogy is a court-  
25 appointed lawyer.

1 MR. BODETT: Yeah.

2 MR. RECCHIA: I have been thinking about  
3 this quite a bit, and I really do -- I like  
4 the idea, but to get at your point, Tom, I  
5 really do feel like we need to beef up the  
6 department's capabilities in this area. And  
7 I feel like the Board wants to be a quasi  
8 judicial body that just has information and  
9 makes decisions. And to hire staff or to  
10 have contractors available to them,  
11 reporting to them just messes it up a little  
12 bit.

13 I really do feel like that same concept  
14 could be stronger and would help beef up the  
15 department's ability to truly provide  
16 consumer protection, consumer assistance if  
17 it were contracted through the department  
18 and was built on that model. But you know,  
19 I'm not trying to be, you know, I probably  
20 would have said this three months ago too  
21 even though I'm now running the department.

22 CHAIRMAN EASTMAN: Deb.

23 MS. MARKOWITZ: So again this is like a  
24 decision point for this panel in that, you  
25 know, in the same way do we have a planned

1 approach or this quasi free market approach?  
2 Right now we have a light model of a public  
3 advocate, right, that represents the public  
4 interest, and that's what we are paying for  
5 instead of intervener funding.

6 And this I see as a compromise between  
7 that model and the full-on intervener  
8 funding model where, you know, money goes  
9 out to a group that then goes and has to  
10 find its own experts and make its own  
11 decisions. The reason why I like the  
12 approach that staff came up with is because  
13 it would allow us to identify a group of  
14 experts who -- and I'm not picturing that  
15 there is only one to choose from -- like a  
16 town would have a list of the approved folks  
17 on contract, and they could pick the ones  
18 they want to work with to help develop their  
19 case.

20 In reality, there is only a small group  
21 of people with expertise, and what this does  
22 as a practical matter is it creates a set of  
23 people who aren't going to have conflicts of  
24 interest because they represent developers,  
25 right, so it will create -- it's like the

1 defense bar and the prosecution bar. As  
2 lawyers, you have to be careful. If you do  
3 insurance defense, you can never, you know,  
4 be on the other side because you'll end up  
5 with conflict of interest.

6 So in that same way you can create sort  
7 of a list of folks that the state is willing  
8 to pay for in the contract, who get on that  
9 list, and in getting on that list are making  
10 a decision that they are not working for  
11 developers, they want to keep from being  
12 conflicted out.

13 I think it's a win/win, and I can see  
14 where, you know, Chris wants to bolster  
15 their internal capacity, but there is that  
16 threshold decision so are we doing it, you  
17 know, --

18 MR. RECCHIA: I wouldn't -- I wasn't  
19 suggesting doing it as employees. I agree  
20 with the contracting approach. I just think  
21 with the structure it would be stronger and  
22 cleaner if that list were through the  
23 department and the public advocate. It  
24 enhances the public advocacy role.

25 MS. MARKOWITZ: The public advocate as

1                   opposed to -- maybe we are on the same page.

2                   MR. JOHNSTONE: I'm just curious. So  
3                   you went so far down the spectrum here and  
4                   you stopped. And so I'm curious in your  
5                   thinking as you think about the way the rest  
6                   of the country -- many places in the rest of  
7                   the country get it as you're starting to  
8                   tiptoe towards an Office of the People's  
9                   Counsel model where you would pull that  
10                  piece out of DPS, leave the remaining  
11                  functions there, and really set up a  
12                  functioning People's Counsel type of model.

13                  And I don't know if you had considered  
14                  that or went that far, and I have no idea if  
15                  I'm in favor of that or not, by the way.  
16                  I'm just asking the question.

17                  CHAIRMAN EASTMAN: Can I build on that?  
18                  I'm still thinking -- there is still for me  
19                  a role for regional planning commissions  
20                  potentially here.

21                  MR. JOHNSTONE: Right. It could work  
22                  together.

23                  CHAIRMAN EASTMAN: So to the extent then  
24                  instead of creating a whole new thing, to  
25                  the extent that there is a function we think

1 needs to be fulfilled, how might we get at  
2 it. And I know what we are talking about  
3 here is towns, but when you've got, you  
4 know, a number of towns and it's a regional  
5 issue, and Chris, I get your point of why  
6 not the Board and your point of why not the  
7 Board. But I also know --

8 MR. RECCHIA: The department.

9 CHAIRMAN EASTMAN: -- you're the  
10 department that's coming up with the overall  
11 state plan and policy, and yet now what we  
12 are trying to do is ensure when we are  
13 actually at this process. So I still want  
14 to hold out on the table in the parking lot  
15 what's the role for the RPC, and maybe it's  
16 there, that they are the ones managing this  
17 technical assistance program for affected  
18 communities. Just a thought.

19 MR. COSTER: This was just one  
20 suggestion. I think that the concept of  
21 providing support to intervening towns for  
22 large projects is the take away.

23 CHAIRMAN EASTMAN: Right, as opposed to  
24 money. Gaye, and then I'm going to get him  
25 back on track because we are never going to

1 stay on.

2 MS. SYMINGTON: So I guess my concern is  
3 I like -- I'm concerned about your analogy  
4 of cradle to grave. I like words -- that's  
5 where we are sending these projects if we  
6 keep -- to me that's -- that feels like the  
7 path we are on with this.

8 And what -- I guess what elements of  
9 cost sharing might come into this, or how do  
10 we avoid having, you know, people just  
11 spending other people's money and tying this  
12 process up forever? That's one set of  
13 questions.

14 And the other would be would the experts  
15 only be available to people who oppose a  
16 project? Could it -- if there are folks who  
17 actually support the project outside of the  
18 -- not the developers, but would they also  
19 have access to these experts or --

20 MR. COSTER: Certainly. I think, you  
21 know, to answer both the questions, that's  
22 why our focus is on municipalities and not  
23 just any intervention entity. The thought  
24 being that a community can use their own  
25 decision-making processes to figure out

1 where they stand on the project, and then  
2 the municipality represents the community  
3 officially. And these experts are helping  
4 that community make their case.

5 It could be in support of the project,  
6 it could be against, just one issue of it.  
7 They could choose not to intervene at all.  
8 So I don't think our intent is to try to put  
9 up roadblocks or additional costs for  
10 developers. It's just to provide meaningful  
11 engagement for a process that invites  
12 engagement. You know, these parties are  
13 going to be there. They are going to be  
14 making arguments, they are going to be  
15 costing people time and money in responding  
16 to discovery and everything involved in the  
17 case. They might as well actually be  
18 substantive. So that's our thinking here.

19 Ideally it could make for a better  
20 process. If you have good representation  
21 telling communities, you know, I understand  
22 your concern, but that's not really germane.  
23 Let's not go down that road, it's going to  
24 narrow the issues to the ones that really  
25 matter.

1           CHAIRMAN EASTMAN:  And in the old days,  
2           God I just love being able to say that.  The  
3           whole purpose of having interveners or  
4           having bill back was to get expertise on  
5           areas that agency staff, be it ANR or the  
6           department, didn't have, you know,  
7           expertise.  So if there is something we  
8           know, we know it.  If there is something we  
9           don't know, then, you know, how do we get  
10          it, or that kind of thing.  So --

11          MS. SYMINGTON:  Can I just ask, this  
12          isn't a question to get into here, but there  
13          was -- one of the public comments I thought  
14          made a good point that the word intervener  
15          sounds like obstructionist, and I wonder is  
16          that just you have to use that word because  
17          it's one of those legal things and the  
18          lawyers rule the world, or can we create a  
19          different --

20          CHAIRMAN EASTMAN:  We can create a  
21          different word.

22          MS. SYMINGTON:  That's somehow less, you  
23          know, has less of a tone of getting in the  
24          way.

25          MR. BODETT:  Well party.

1 MR. COSTER: Party. I'm all for that.

2 MR. JOHNSTONE: We are all for parties.

3 MR. RECCHIA: Sounds festive.

4 CHAIRMAN EASTMAN: I would encourage  
5 Billy and Judith get back to what they  
6 wanted to get said today. It's totally the  
7 kind of conversation we need to have. So  
8 I'm balancing. I want to --

9 MR. JOHNSTONE: You're doing great.

10 CHAIRMAN EASTMAN: -- hear it all from  
11 everybody we have got scheduled.

12 MS. DILLON: Just to echo on the point,  
13 it's rare when a party is 100 percent for or  
14 100 percent opposed to a project. Most of  
15 the time parties are contributing to the  
16 effort to avoid or minimize impacts, or to  
17 make the project better, or to add to the  
18 decommissioning plan or other aspects that  
19 the Board appreciates getting that specific  
20 detail that will help make for a better  
21 project.

22 MR. COSTER: Okay. So another piece  
23 that's very important to our Agency is the  
24 idea of concurrent review of permit  
25 applications. All these generating projects

1 need a Certificate of Public Good from the  
2 Public Service Board. Many of them also  
3 need other collateral permits from ANR for  
4 wetlands impacts, storm water, 401 water  
5 certification, a number of different  
6 potential permit applications, permits.

7 And what we have been advocating for  
8 some time now is that developers file those  
9 applications with us before or at the same  
10 time they file their CPG with the Board.  
11 And that the schedule that -- the docket  
12 schedule for the Certificate of Public Good  
13 mirrors our internal review of these  
14 collateral permits so the two processes can  
15 evolve in unison, they can inform each  
16 other. And when we are giving evidence or  
17 recommendation to the Board, it's based on  
18 our full understanding of these other permit  
19 applications.

20 You heard Chairman Volz talk last week  
21 about how they don't totally defer to our  
22 permits. They incorporate our analysis of  
23 those permits into their determination of  
24 natural resource impacts. And that can only  
25 be possible if we have fully complete,

1 technically complete applications when we  
2 are engaged before the Public Service Board.

3 This kind of gets to this concept of  
4 one-stop shopping. There is still  
5 individual jurisdictions, they are still  
6 being done separately, but they are in lock  
7 step, so to the extent that timing is an  
8 issue this tries to keep the schedules  
9 close.

10 And I can talk more about that later,  
11 but in the interest of time, that's  
12 something that's very important to us. We  
13 are pushing for now. But we have to argue  
14 before the Board to get these schedules. We  
15 would just like to see it part of the  
16 process.

17 MR. JOHNSTONE: Can I just ask one  
18 question on that, because I just need to  
19 fast forward. I go back to my experience  
20 like you do, Jan, and when I was at ANR  
21 everyone publicly always talked about  
22 wanting one-stop shopping and permits. And  
23 when the dialogue around needing complete  
24 applications came around, many of the same  
25 people who argued for one-stop shopping then

1 said, no, we need to be able to, shop is the  
2 wrong word, bring forward critical issues  
3 first to understand if we have a viable  
4 project and address opportunity costs in the  
5 process of that.

6 And that was all, of course, dialed  
7 behind the scenes, not the public face of  
8 it, so I guess I'm curious. I don't know if  
9 it's you or Deborah who would want to answer  
10 this, has the world changed, or so how noisy  
11 would it get if you really went to a one-  
12 stop shop, I guess is the question.

13 MS. MARKOWITZ: We don't have one-stop  
14 shop. That's the answer.

15 MR. JOHNSTONE: But if we went this way.

16 MS. MARKOWITZ: I think the proposal is  
17 in point of one-stop shop. And one of the  
18 things that I took note of of Jim Volz's  
19 proposal, his testimony, was his concern  
20 about a one-stop shop approach, is that  
21 during the CPG process they may  
22 significantly change the project.

23 I think from our perspective the  
24 conundrum we face is that we have to testify  
25 as part of the CPG process about the

1 environmental aspects and impacts of the  
2 project, and we have no idea because we  
3 haven't seen their 401, we haven't seen  
4 their water quality, wetland applications.

5 So we need -- we don't need it to be  
6 lock step, but we need concurrent permits.  
7 So we need them to apply at the same time so  
8 that we can get a sense of --

9 MR. JOHNSTONE: I support that. It's  
10 not really the question I'm asking.

11 MS. DILLON: As the process moves  
12 forward, as the changes are made during the  
13 CPG process, those same changes can be made  
14 during our application process so the plans  
15 can keep step with one another.

16 MS. MARKOWITZ: We will get the same  
17 objection from the developers. The  
18 difference in public policy though is that  
19 these applications are intertwined in a way  
20 that they are not in other contexts.

21 MR. RECCHIA: They can also still move  
22 forward, if you will, with the most critical  
23 path item. The one that might sink or  
24 support the project. An example might be --  
25 well an example, people of the Public

1 Service Board I'm not going to talk about,  
2 but where it was a key issue that needed to  
3 be addressed, the Board tends to focus on  
4 that up front too. The Agency could process  
5 that permit at the same time.

6 MR. COSTER: It can be part of that  
7 scoping process.

8 CHAIRMAN EASTMAN: Right. And I want  
9 you to continue again, and I'm thinking  
10 parking lot. A lot of what I'm hearing  
11 right now I think can be a rulemaking issue  
12 as opposed to anything else with all the  
13 authority that the Board actually has, which  
14 would be interesting.

15 There is a lot of stuff, if ANR -- if  
16 the critical players wanted to come up with  
17 a new process.

18 MR. COSTER: We have just got a couple  
19 more substantive ones and process ones. The  
20 next point in our next recommendation is  
21 that the Board or whatever siting entity  
22 comes in on this process defers and adopts  
23 the recommendations the Agency of Natural  
24 Resources makes on the natural resource  
25 impacts of the projects. Right now we are a

1 party to proceedings. We give evidence and  
2 recommendations, but there is not due  
3 deference to those recommendations. We  
4 argue in our case like any other party. And  
5 you know, I think, Judith, you can speak  
6 probably more articulately to this.

7 MS. DILLON: And there are times when  
8 the Board has memorialized that the Agency  
9 is the Agency with the expertise to  
10 safeguard natural resources and to inform  
11 the Board about natural resource impacts,  
12 but hasn't taken that extra step to defer in  
13 all cases to the Agency's recommendations.

14 And at times that can be pretty  
15 frustrating and labor intensive on the part  
16 of the Agency to put forward its case and do  
17 a lot of research and analysis regarding a  
18 project's impacts, provide that  
19 recommendation to the Board, and have the  
20 Board who does not have the expertise and  
21 the staff on natural resource issues, or  
22 scientific staff on those issues, to make a  
23 determination saying, we agree with you, we  
24 don't agree with you.

25 We would prefer an approach similar to

1           either a rebuttable presumption or a  
2           standard that the Board should adopt those  
3           recommendations unless another party  
4           presents clear and convincing evidence as to  
5           why those recommendations should not be  
6           adopted by the Board.

7           So the burden is on someone or a party  
8           who opposes those recommendations. We think  
9           that would be considerable time saving,  
10          resource saving and provide notice to  
11          parties that -- and a recognition of the  
12          Agency's expertise.

13          MS. McCARREN: So what would be your  
14          position on appeals of your -- of your  
15          permits going to the Board? I found that to  
16          be interesting and unusual because -- I  
17          assume, don't know this, because Gaye may  
18          know this, what the legislative background  
19          of that was. But if you don't do it there,  
20          then you've got two tracks, right? The  
21          appeals would go to wherever they go;  
22          Supreme Court directly? I don't know.

23          MS. DILLON: No. They would go to the  
24          Environmental Court. Right now, as you  
25          know, they go before the Public Service

1 Board. And I think as part of this we would  
2 anticipate there be a potential to  
3 consolidate any appeals of the Public  
4 Service Board in our permits, but I don't  
5 think that we have taken a particular  
6 position regarding whether the jurisdiction  
7 of our appeals should change.

8 CHAIRMAN EASTMAN: Let's parking lot  
9 that. I was thinking the same thing. The  
10 issue would be if you do that, then they  
11 still have it. If they are doing the  
12 appeal, then they still have the same  
13 review. If you just then consolidate  
14 everything though, you go directly to the  
15 Supreme Court potentially, so you have to  
16 think about that. But --

17 MS. McCARREN: What you're saying is  
18 let's not do it de novo at the Board.

19 MS. DILLON: Yes.

20 MS. McCARREN: Or what is functionally a  
21 de novo.

22 MS. DILLON: It's a slightly different  
23 question, but yes, we do -- the Agency would  
24 take the position that the Public Service  
25 Board should not be conducting a de novo

1 review of our permit decisions. Yes.

2 MR. COSTER: Okay. Moving on. So  
3 another piece that we are putting out there  
4 for your consideration is expanding the  
5 composition of decision making body of the  
6 Public Service Board for large generating  
7 facilities to include a representative from  
8 ANR. We have seen that model in many other  
9 states where the head of the environmental  
10 agency sits on the siting panel.

11 We feel that for these large projects  
12 that truly have landscape-scale impacts on  
13 natural resources or potentially can have  
14 those far-reaching impacts, that it makes a  
15 lot of sense to bring the capacity and  
16 expertise of an agency representative to the  
17 Board.

18 Also, as you know, under Section 248 the  
19 Public Service Board has jurisdiction over a  
20 number of natural resource impacts to  
21 wildlife habitat, forest health and whatnot,  
22 that the Agency doesn't issue permits for.  
23 To the extent that we can have direct  
24 involvement in issuing CPGs that relate to  
25 those impacts, we think that would be

1 important.

2 Again, it's a scale issue. I don't  
3 think we need someone like the Secretary  
4 making decisions about very small projects  
5 with very local small impacts, but when the  
6 impacts get larger, I think that  
7 representation is appropriate.

8 Likewise, we recommend for these large  
9 projects that there is some regional  
10 representation of the Board. That there is  
11 a position held out for someone representing  
12 the region. We don't think municipal  
13 representation is necessarily appropriate as  
14 a capacity issue for the town because these  
15 projects often have impacts that are broader  
16 than just one town, but that perhaps an Act  
17 250 District Commissioner or a Regional  
18 Planning Commissioner may be a suitable  
19 person to play that role.

20 MR. JOHNSTONE: Just for parking lot,  
21 because I already heard you say earlier that  
22 the number is mushy. We really need to --  
23 if we take these when we get back to the 15  
24 --

25 CHAIRMAN EASTMAN: Megawatt.

1 MR. JOHNSTONE: There is a lot of room  
2 for a lot of unintended consequence there.  
3 So we really need to think about that  
4 number.

5 CHAIRMAN EASTMAN: What's the number.  
6 What's the threshold.

7 MR. JOHNSTONE: Not today. I get it.

8 MS. McCARREN: Just to put in that  
9 parking lot the interconnection issues. I  
10 think that right now we are not seeing them,  
11 but they will arise.

12 CHAIRMAN EASTMAN: Yeah. And so that's  
13 what I want, you know, GMP to be thinking  
14 about. If we start thinking about different  
15 thresholds for things, and you think about  
16 what your needs are, okay, and that we might  
17 unintentionally negatively affect something  
18 that's already working, we don't want to do  
19 that.

20 MR. RECCHIA: 14 point 9 megawatt  
21 projects will appear.

22 MS. McCARREN: They will be everywhere.

23 MR. COSTER: So the next one is the idea  
24 of clear standards. I think in general we  
25 think the criteria that the Board makes

1 decisions under are broad and encompassing  
2 and allow for consideration of new science  
3 and new impacts and allow all the parties to  
4 make arguments that are informed and  
5 meaningful. So I don't think we want to see  
6 too many set standards for impacts. I think  
7 the discretion the Board has is a good  
8 thing. But there is room for some guidance  
9 or standards around things like noise  
10 impacts, blasting protocols,  
11 decommissioning.

12 And to the extent that the Agency has  
13 adopted guidelines and standards, we would  
14 hope that the Board would defer to those in  
15 ascertaining impacts and ways to avoid them.  
16 So obviously we have guidelines for impacts,  
17 deer wintering yards, significant natural  
18 communities, things of that nature, so to  
19 the extent that we have those standards, we  
20 would recommend that the Board give them  
21 great deference.

22 And then these -- the remaining are kind  
23 of process. We really feel strongly that  
24 the Board or the department needs to  
25 increase their ability to monitor the forest

1 permit conditions both during the  
2 construction phase and post construction.  
3 We get calls at ANR all the time from  
4 neighbors and folks concerned about  
5 activities associated with these projects.  
6 These aren't our permits. We don't have any  
7 jurisdiction over them.

8 I heard Commissioner Volz ask that we  
9 play that role. That might be a model that  
10 could work, but things would need to change  
11 in the way that we have oversight over the  
12 permits and are given support to play that  
13 role, but someone needs to do it.

14 It could be managed by the case manager,  
15 paid for by the petitioner, but it would be  
16 great to have those resources on board. In  
17 support of that we would also --

18 MR. JOHNSTONE: Not only great but  
19 necessary.

20 MR. COSTER: Exactly. Exactly. We were  
21 getting calls this past summer from people  
22 really concerned about, you know, blasting  
23 activity on their private property. And it  
24 was unclear who to call, you know. They had  
25 to file a formal filing with the Board to

1 try to get action. And that's just not  
2 acceptable from our perspective.

3 MR. RECCHIA: I just want to add, I  
4 think we feel the same way. This is not --  
5 there are mechanics of the decision that  
6 when it gets constructed if it's not going  
7 the way people anticipate, there has got to  
8 be some recourse. And we get those calls  
9 too.

10 MR. COSTER: We have made some progress  
11 with the department already, but I think  
12 there is more that can be made. In support  
13 of that we would support a filing fee or  
14 some sort of application or licensing fee  
15 for these certificates. It's kind of  
16 bizarre that cases that can take a better  
17 part of a year are not in any way paid for  
18 by the applicant.

19 I think the retail utilities have a  
20 model where they are supporting the work of  
21 the Board, the merchants don't. So I think  
22 we would support some of that money coming  
23 to the Board and the statutory parties and  
24 some of these new positions we have  
25 discussed.

1           And then finally, we definitely  
2           recommend that the Board better consider the  
3           cumulative impacts of these projects, and I  
4           think that's something you've all talked  
5           about. It's just not reality to consider  
6           them in isolation. And we are trying to  
7           come up with some models and examples and  
8           can give you some of those today if you're  
9           interested, but we would be very interested  
10          in working with you on this in the future.

11          MS. DILLON: Again the cumulative  
12          impacts analysis can begin to take place  
13          during the scoping phase when determining,  
14          you know, what are the potential -- the area  
15          that we are evaluating, the resources that  
16          we are evaluating, and being aware of any  
17          potential future projects that may take  
18          place in that area.

19          CHAIRMAN EASTMAN: Thank you. Thanks.

20          MR. COSTER: You're welcome. Sorry we  
21          are late.

22          MR. JOHNSTONE: You were timely. We  
23          interrupted you enough.

24          CHAIRMAN EASTMAN: Which is why it went  
25          on. And as you leave, I mean the scoping

1 sounds great. I'm still curious, it's not  
2 for today until -- maybe it's when the RPCs  
3 get up. I'm still wondering about is there  
4 still at least some, you know, from last  
5 time's conversation, is there still some  
6 role for some little bit of planning around  
7 generation facilities as part of some  
8 planning process at some point in time.

9 And maybe not statewide, Deb, because I  
10 get that. But on a, you know, on a regional  
11 basis. So I still am wondering if there is  
12 anything relative to generation generally  
13 that could be done that early.

14 Gaye.

15 MS. SYMINGTON: And just for future  
16 question, another time, but there is no  
17 reference in the ANR comments about sort of  
18 referencing the state's climate goals. And  
19 putting the -- putting these applicants in  
20 the context, giving weight to consideration  
21 of the state's climate goals in this  
22 process. And I would like to see that. It  
23 seems like we should talk about that at some  
24 point.

25 MR. COSTER: I think it's a little bit

1 implicit, because it's part of what's  
2 already considered under Section 248, but  
3 certainly we agree with that, should be a  
4 big part of the consideration.

5 CHAIRMAN EASTMAN: Okay. Thanks guys.  
6 So next up, VELCO's back.

7 MR. JOHNSTONE: VELCO's back. People  
8 are cheering. How is that buddy?

9 CHAIRMAN EASTMAN: We appreciate it.

10 MR. JOHNSON: I'm grateful. That's what  
11 I am.

12 MS. McCARREN: No. We are grateful.

13 CHAIRMAN EASTMAN: At least we have you.  
14 And today I think it's more just to get a  
15 sense of what your outreach and public  
16 engagement process is. And you know, what  
17 you're seeing from the results, because if  
18 we think about doing something like that,  
19 you know, --

20 MR. JOHNSON: Just want to give me an  
21 excuse just to sit up. I haven't sat in a  
22 chair like this since I was flunking tests.

23 All right. So I think we have -- thank  
24 you very much. Again I had great  
25 conversations with Linda, both Linda and

1 Sheila in advance of this, so I hope what we  
2 are providing is responsive.

3 Again Shana Duval who you met on Friday  
4 is here today as well. I wanted to  
5 introduce, and I thought to be particularly  
6 responsive to the issues of siting, VELCO's  
7 Chief Operating Officer Tom Dunn is here.  
8 He went through -- his time at VELCO is  
9 longer than mine. He went through the NRP  
10 wars. And has been there from the outset,  
11 so it's really with regards to siting and  
12 transmission, and what kind of flexibility  
13 we have or don't have, Thomas is the expert  
14 at VELCO on these types of questions. And I  
15 thought I wanted to make sure we brought the  
16 best resources to this group to be able to  
17 answer the questions.

18 MS. McCARREN: We are going to talk  
19 about transmission siting here.

20 MR. JOHNSON: Yes.

21 CHAIRMAN EASTMAN: Well it's the  
22 engagement process that goes along with  
23 that.

24 MS. McCARREN: Engagement process.  
25 That's different.

1                   CHAIRMAN EASTMAN: I asked just because  
2 if we thought about an engagement process  
3 for generation siting, then if there is  
4 something that somebody is doing that's  
5 working, or not, maybe in Vermont, maybe  
6 ought to hear a little bit about it.

7                   MR. JOHNSON: And I think both Louise  
8 and Jan, what we tried to do was not make it  
9 so specific and anecdotal. It's stuff  
10 that's relevant and replicable. That's what  
11 we wanted to bring to your attention.

12                   If we could go to the next slide. Talk  
13 about front loading, what we thought we  
14 would do is front load. The first -- those  
15 are two quotes from the Public Service  
16 Board. The first is the Board's decision  
17 with regard to Northwest Reliability  
18 Project. The second is the Board's order  
19 regarding the southern loop Coolidge  
20 connector. I think what that in a pretty  
21 effective manner describes for you, the book  
22 ends where we started, and at least arguably  
23 a good barometer of where we would like to  
24 believe we currently are in terms of  
25 engaging with Vermont communities in the

1 project and the processes we need to, to  
2 ensure there is support for our project.

3 Next slide please. This -- I think I  
4 mentioned this, but I think this is a more  
5 startling and more graphic description of  
6 what VELCO has undergone. We have more than  
7 quintupled our assets, so we will finish  
8 2012 with just about a billion dollars worth  
9 of assets, most of that has been -- the bulk  
10 of that has been built since 2006. And  
11 largely, you haven't heard, there has been  
12 some, a little bit here and there, but not  
13 the type of massive kind of large-scale  
14 problems at the State House or whatever have  
15 not really manifested themselves.

16 MS. McCARREN: I don't mean to get into  
17 the weeds, but that's book value?

18 MR. JOHNSON: Yes.

19 MS. McCARREN: Net book. Okay.

20 MR. JOHNSON: Next slide. Here again,  
21 just to give you a flavor of at least from  
22 our view as a project developer what types  
23 of review we have to go through. Won't go  
24 through all of them. It's just more just  
25 all the way from the local select board all

1 the way up to the Army Corp., ISO New  
2 England, courts, those are the folks we have  
3 to get permission from to do what we do,  
4 federal, state and regional level,  
5 permission of one kind or another in order  
6 to do what we do.

7 Next slide. Here we wanted to give you  
8 a sense of sort of the timing involved, and  
9 who we have to reach out to, and what kind  
10 of timing that takes. So you see the Public  
11 Service Board, Department of Public Service,  
12 you can see on the left running through  
13 there, and again for projects we undertake,  
14 there is a significant process that  
15 essentially is the winnowing process that  
16 decides what project VELCO will truly have  
17 to build. And that's about a year  
18 and-a-half to two-year process that we will  
19 then subsequently need to undertake. There  
20 can be more, but that's that.

21 MR. RECCHIA: Just before you leave that  
22 slide, so I'm noticing that in the case of  
23 following up on Billy and Judith's  
24 presentation that your other permits,  
25 particularly the DEC-related permits, are

1 concurrent with the DPS application before  
2 the Public Service Board. Does that model  
3 work for you?

4 MR. DUNN: It does. It's one of the  
5 changes that we learned. We were following  
6 a sequential approach thinking get the  
7 permit from the Board, then you bring to ANR  
8 exactly what it is you want to build. But  
9 what we found was that that takes a lot of  
10 time. And it doesn't really improve it. So  
11 today as shown here we do it concurrently.

12 MR. JOHNSON: Tom raises a good point.  
13 For the NRP we had about 40 days of hearings  
14 before the Public Service Board, 40 days of  
15 public hearings, and then significant  
16 conditions put on the Certificate of Public  
17 Good that required us essentially to have  
18 full-time presence at the Public Service  
19 Board for about two and-a-half years.

20 Southern loop less than two days of  
21 hearings.

22 CHAIRMAN EASTMAN: Because you did all  
23 this.

24 MR. DUNN: Along with the 40 days you  
25 have Regional Planning Commissions going, I

1 mean towns going into these hearings, you  
2 know, it was an awful process I think for  
3 everyone involved.

4 MS. McCARREN: So in terms of resources  
5 you spent a lot fewer resources, or you  
6 spent them all on the front end before you  
7 went --

8 MR. JOHNSON: I would say we spent less,  
9 and we allocated differently. We spent  
10 roughly I think, Shana, when we did the  
11 calculation about, all told this is rough,  
12 because we tried in anticipation of that  
13 about a hundred grand for the outreach in  
14 advance of the application. But then in the  
15 end we saved about 18 to 20 percent, and we  
16 got the project -- really if you didn't  
17 count the break through in the holidays,  
18 essentially 9 months, 10 months. That's  
19 incredible.

20 MR. DUNN: From a project developer this  
21 was a 240 million, 250 million dollar  
22 project, we saved 20 million dollars.

23 CHAIRMAN EASTMAN: That's a lot of money  
24 to save.

25 MR. DUNN: We saved ourselves, we saved

1 consumers in the cost of the project.

2 MS. McCARREN: Was there -- I don't want  
3 to ask a question -- a stupid question, was  
4 there --

5 MR. JOHNSON: Go ahead.

6 MS. McCARREN: Was there a big  
7 difference in terms of the density of the  
8 location, the northern loop was --

9 MR. JOHNSON: I think there is some  
10 analogies to the reason why you're here, and  
11 the reason why we have the process we have.  
12 I think as we discussed last time, as Deena  
13 mentioned, there had not been a project for  
14 25 years or so. Local town officials didn't  
15 know how to look at us. We didn't know  
16 exactly how we should approach them. Local  
17 legislators didn't really know. The  
18 regulators, something new this magnitude, of  
19 this scale.

20 The reaction was such that you created  
21 the Vermont System Planning Committee. You  
22 had new statutes, investigation was ongoing.  
23 There were new requirements placed on us.  
24 However, so part of the reason and many of  
25 those were not in place when we had to do

1 the southern loop. But I just was going to  
2 say, Louise, to respond to your question, it  
3 was a different -- it was absolutely a  
4 different -- it was fewer people, but we  
5 were talking about towns that were very,  
6 very active, Brattleboro, but it was a  
7 different landscape.

8 MR. DUNN: But I would add that was  
9 about a 60-mile project. We have done --

10 MS. McCARREN: Southern loop?

11 MR. DUNN: 60 miles roughly. We have  
12 done 130 or so miles over the last seven  
13 years. We also built transmission lines  
14 through Centennial Woods and that was 2005,  
15 2006. We worked with, you know, UVM, City  
16 of Burlington, and I think we applied a lot  
17 of the engagement lessons that we learned  
18 from the NRP in those other projects.

19 MS. McCARREN: When did you do southern  
20 loop?

21 MR. DUNN: 2008, 2009.

22 MS. McCARREN: You also had different  
23 leadership too.

24 CHAIRMAN EASTMAN: Some things are  
25 cultural. That's what we can also help with

1 here.

2 MR. JOHNSON: Louise raises a good  
3 point. As Tom mentioned, we changed  
4 everything. We changed from the way we  
5 control the project folks to the way --  
6 fundamentally our strategy with regards to  
7 planning and working with regulators was, we  
8 are not -- what we are going to try and do  
9 is solve everything so all we bring to the  
10 Public Service Board -- the only things we  
11 bring to them are the issues we have not  
12 been able to resolve. We have established a  
13 record of why we can't resolve it, and we  
14 offer -- we have a proposed solution, what  
15 do you want us to do. And there are some  
16 very tough, very costly issues that we still  
17 had to work out through southern loop,  
18 notably archeology.

19 If there is no more questions, next  
20 slide please. This at least from our  
21 perspective, and I'm sort of channeling  
22 Deena here, I know this is tough to read,  
23 but essentially this is -- we would offer  
24 that in terms of what means a process of  
25 public engagement be successful, be honest

1 with them. How much power do they truly  
2 have? How much are you giving? If they are  
3 in a room and they are offering you  
4 comments, what are you going to do with  
5 them? What true impact do they have on the  
6 system? I cannot stress that enough.

7 You have to be absolutely direct and  
8 follow through on the commitments that you  
9 make. So this may seem well, of course,  
10 this is from the International Association  
11 of Public Participation. This is an  
12 established scholarship on the issue as to  
13 what works. So two have agreed. You have  
14 some resources upon which you're basing your  
15 recommendations. This informs our work and  
16 informs the development of the Vermont  
17 System Planning Committee principles and  
18 informs how VELCO reaches out to the public.  
19 We thought it would be useful to bring to  
20 your attention.

21 MR. JOHNSTONE: Can I just ask a  
22 question on that? So what this slide shows  
23 is a continuum --

24 MR. JOHNSON: Exactly.

25 MR. JOHNSTONE: -- and do you apply this

1 continuum based on different types of  
2 questions, or in your processes do you  
3 always fall on collaborative or  
4 consultative? Or how do you use this I  
5 guess is the question. How does it inform  
6 your process?

7 MR. JOHNSON: That's a good question,  
8 Scott. I would say how we use it, where are  
9 we on this particular project. The first  
10 question is ask yourselves, okay, what do we  
11 all think? Sometimes frankly we have some  
12 pretty strong internal debates.

13 CHAIRMAN EASTMAN: As to whether you're  
14 informing somebody or you're actually asking  
15 for some advice.

16 MR. JOHNSON: Exactly. In some cases --  
17 in most cases the tougher the debate we have  
18 internally, the better debate we have  
19 externally. Because if we thrash through,  
20 and we thrash some of the questions, Scott  
21 to your point, because -- maybe because  
22 optimistic view, aren't we being  
23 collaborative? Well no, and I get brought  
24 down. And a lot of times, in all candor,  
25 given the federal reliability standards and

1 where you can actually move a whole line  
2 which Tom is a wizard at, how much stuff can  
3 we actually move, we have a limited amount  
4 of discretion.

5 But to your point, first thing we ask,  
6 make clear. We show the continuum to folks,  
7 and then says here's where we are at.

8 MR. DUNN: Has to be meaningful. And I  
9 think the engagement early on, one of the  
10 NRP lessons was, you know, listening to the  
11 -- what the public had to say. So we made  
12 changes in the NRP, but we were really  
13 damaged, if you will, because it took a year  
14 or two in the process to start making those  
15 changes. Compare that with the southern  
16 loop where we were looking at Dummerston as  
17 a second location for a substation, a big  
18 substation. We felt we had selected a  
19 really good spot. We did the public  
20 outreach and heard very loud and clear they  
21 didn't want the substation. So we  
22 subsequently did find one in Newfane, a  
23 location in Newfane.

24 And I think that kind of change made the  
25 acceptance of the project quite a bit

1 easier. Again not bringing -- if you can  
2 avoid bringing Public Service Board, here's  
3 a mess, you figure out what we should do.  
4 And it's common sense, but it really  
5 translates into bottom line results.

6 MR. JOHNSON: You have to -- I mean I've  
7 got to set the stage here. There is this  
8 45-day prefiling requirement that was in  
9 place. We send out the packages. I  
10 personally called the Chair of the select  
11 board for each community asking for an  
12 opportunity to meet with them to describe  
13 the project, and in case of Dummerston they  
14 said thanks, but no thanks. No one really  
15 cares about your project. Fine. We send  
16 out the 45-day --

17 MR. BODETT: I wasn't the Chair.

18 MR. JOHNSON: Different leadership. It  
19 was different leadership. So we send out  
20 the 45-day prefiling packet. Cow pies hit  
21 the wall. So we have -- in the steamy  
22 little school -- have this meeting. It's  
23 packed in Dummerston and I swear to God  
24 here's what happens first three speakers.  
25 One, I am a neotropical song bird habitat

1 expert working for the United Nations.

2 CHAIRMAN EASTMAN: And I live here.

3 MR. JOHNSON: Let me tell you what this  
4 is going to do.

5 Second speaker. I own a portion of the  
6 property, holds up a clip from the New York  
7 Times. This has been used to bring Peace  
8 Corp. volunteers up from the city and the  
9 like to help them get acclimated to forest  
10 living. Unbelievable story.

11 The third was a public participation  
12 expert who had reviewed our posted kind of  
13 minutes from the meetings who had  
14 participated and had it broken down. These  
15 are the first three speakers.

16 MR. BODETT: Got to love Vermont.

17 (Laughter.)

18 MR. JOHNSON: I will tell you in  
19 fairness to the select board, actually ran a  
20 very good meeting, they said, you know,  
21 direct your stuff towards us, but I learned  
22 a lot of lessons. One was really document  
23 the process. Because no one's going to, and  
24 rightfully so, no one is going to look at  
25 the Chair of the select board and say don't

1           bother. You as the utility should have done  
2           a better job of making sure that you got the  
3           information to us. And they were right. I  
4           didn't mean to go off.

5           Next. Here some of this we kind of  
6           wrestled internally. We don't want to --  
7           some of this will make sense to you or no  
8           kidding. But especially I think there is  
9           even an additional level of jargon in  
10          transmission as opposed to distribution.  
11          Therefore, just communicating in English,  
12          just trying to -- and boy, this is where  
13          frankly periodically we will bring in  
14          outside folks who have not been tainted.

15          CHAIRMAN EASTMAN: To read your stuff.

16          MR. JOHNSON: To read our stuff, to look  
17          at it, and that's always a humbling process  
18          when you think that --

19          CHAIRMAN EASTMAN: It's when you learn  
20          that adjectives and adverbs are not your  
21          friend.

22          MR. JOHNSON: I guess I would say on  
23          this, there is one point I would make here,  
24          and that is I want to be clear, we continue  
25          to learn. It's not like we have this

1           nailed. I mean if we are undertaking a  
2           project now, both in terms of because of  
3           changes in technology with social media and  
4           the like, and changes I think raising levels  
5           of expectations on the part of the  
6           Vermonters about how much say they should  
7           have on a given project to their community  
8           continues to rise.

9           As successful as southern loop was, and  
10          it was very successful as well as some  
11          projects since then, it is a full-time job  
12          to stay ahead of it, stay connected and  
13          understand what you need to do because it  
14          continues to evolve. Vermont continues to  
15          evolve. I think -- do we have one more  
16          slide?

17          This gets into -- now this may be  
18          actually responsive. You can see some  
19          discreet activities that we do. We already  
20          talked about planning the last time we were  
21          with you. There is a couple things I will  
22          tell you. One principle that we have  
23          adopted or one practice we have is we want  
24          the first connection, the first conversation  
25          for a given project, we would like that to

1 be a conversation. Ideally the first time  
2 we make contact there is not a letter, it's  
3 a conversation with someone from -- someone  
4 from VELCO with someone who is in a  
5 responsible position in the town. Follow up  
6 with paper if we have to, and then the first  
7 is paper with a quick follow up, but in  
8 general make it as direct contact and as  
9 real as possible. And that's -- that takes  
10 resources, but it's a heck of a lot less  
11 resources than at the Public Service Board.  
12 That's one sort of point.

13 Media package, what we found and this is  
14 the direct correlation or relationship  
15 you're going to run into, the less formed  
16 your project, the harder it is to get people  
17 to pay attention. It's an inescapable fact  
18 of our busy lives. You can have all the  
19 best intentions, as you did with our long  
20 range plan, did everything we can, multiple  
21 means of communication, public media, paid  
22 media, free media, all kinds of different  
23 ways and it's disappointing, maybe they  
24 don't -- there is so many other competing  
25 factors. The higher up you go, the earlier

1 you go in the process, the harder it is to  
2 get people to pay attention. It just is.  
3 Inescapable.

4 CHAIRMAN EASTMAN: And the better you  
5 do, it can also turn around and, you know,  
6 and bite you, because then they trust you,  
7 and then they don't show up for formal  
8 things when you need them to.

9 MR. JOHNSON: One discrete data point I  
10 guess I would take away here is that there  
11 is a requirement for transmission projects  
12 for the Public Service Department to meet  
13 with the officials of every town prior to  
14 taking a position on one of our projects.

15 That does mean that we typically, not  
16 surprisingly being Vermont, we are really  
17 trying to coordinate with the department so  
18 we are not -- we are not in awkward  
19 positions where we are presenting the same  
20 time the department is saying so what do you  
21 think and let's hear your views. We want  
22 the department to have, if possible, an  
23 informed group of people they are talking to  
24 about what we are undertaking. So that's  
25 another layer of kind of integration that

1 again the law was put in place, and then we  
2 had to really to tell you the truth --

3 CHAIRMAN EASTMAN: Figure out how to  
4 implement it.

5 MR. JOHNSON: Exactly. I think that's  
6 really it from that.

7 A lot of these are sort of specific.  
8 Here is again another data point that both  
9 Sheila and Linda wanted to make sure we  
10 followed up with you on. And this was --  
11 this is, I think, one of the very -- where  
12 this conversation went first, and this talks  
13 about, and I think we also mentioned this  
14 last time, here's discrete language on  
15 exactly what's underway at the Public  
16 Service Board with trying to exchange  
17 information as early as possible in the  
18 process about where generation could provide  
19 a reliability benefit to the system. If you  
20 can see, I think what Deena highlighted  
21 there is that what is emerging will be a  
22 requirement on the part of VELCO and the  
23 other utilities. We have the responsibility  
24 working with the Board and the department to  
25 figure out how we can get information out as

1 broadly as possible in as timely a manner as  
2 possible, so people know, oh, you mean if I  
3 go here, that's good, and there is actually  
4 a benefit, as one cut, one take, for a  
5 perspective on their given projects.

6 CHAIRMAN EASTMAN: And it's also that  
7 would then inform where if somebody -- where  
8 we then thought there ought to be a planning  
9 process for generation, it ought to follow  
10 where --

11 MS. McCARREN: That's what -- at the  
12 higher level, right, at the New England  
13 level that's what the regional system plan  
14 is supposed to do. And that's exactly what  
15 it does. That's an ISO --

16 CHAIRMAN EASTMAN: I understand, but now  
17 I'm thinking within our state.

18 MS. McCARREN: I was just -- do you,  
19 right, in your 20-year plan -- do you use  
20 that same concept? And the concept is it  
21 shows the constrained areas. So in theory  
22 you look at the constrained areas, and your  
23 answer is, well, if I put gen there, I might  
24 provide some relief.

25 MR. JOHNSON: That's exactly why you

1 have the map there.

2 MS. McCARREN: Right. Okay.

3 MR. DUNN: So Burlington and Rutland are  
4 areas that are favorable to determine  
5 generating site.

6 MS. McCARREN: Do you overlay that with  
7 transmission access? So my point is the one  
8 we made before, which goes into what to  
9 consider, which is the closer it is to load  
10 and the closer it is to transmission access,  
11 the less, in theory, the less -- the cheaper  
12 it is and the less environmental effect you  
13 have.

14 MR. JOHNSON: We had not. And to be  
15 clear, this map was not in the 2009 plan.

16 MS. McCARREN: Right.

17 MR. JOHNSON: It's in the 2012 plan, and  
18 ISO did good work to help us get this  
19 analysis done. And now to your point,  
20 Louise, it's precisely to get to that kind  
21 of layer. You talked about the pieces of  
22 paper, and the darker, well we are trying to  
23 get better layers, so if someone is making a  
24 decision, that's the body of those bullets  
25 on that slide. That's what we are getting

1 to. We don't currently in the plan.

2 CHAIRMAN EASTMAN: And Gaye had a  
3 question.

4 MR. RECCHIA: Sorry. Do you have a  
5 sense -- can you give me an order of  
6 magnitude of how big additional generation  
7 capacity those blobs represent?  
8 Particularly the orange ones that would help  
9 relieve that constraint.

10 MS. MCCARREN: They represent load.

11 MR. JOHNSON: I don't.

12 MR. DUNN: I think we are talking tens  
13 of megawatts.

14 MS. SYMINGTON: So just to put this in  
15 context, back to the earlier conversation is  
16 this the kind of thing if we were to develop  
17 criteria to be considered in a standard  
18 offer rating, then we would, you know, one  
19 criteria might be to consider if you were in  
20 the red blob, then you would get a higher  
21 score, and there might be other things to  
22 score.

23 MS. MCCARREN: To Tom's point, you want  
24 not the easiest but the best. But part of  
25 that best is environmental, but the other

1 part of best is maximizing its benefit on  
2 the grid.

3 MR. JOHNSON: If I may, the nice thing  
4 about at least the concept, I don't know how  
5 you implement it, is that precisely the  
6 reason we do what we do with regards to non  
7 transmission solutions is because there is  
8 an existing statute that requires us, so as  
9 a state policy, just as I think you were  
10 talking about climate change and the need to  
11 issue something there, there is an  
12 additional existing policy that Vermont has  
13 made, whenever possible, frankly avoid  
14 building transmission. And to the degree  
15 this aids and is complementary to that  
16 existing requirement, that's good.

17 MR. JOHNSTONE: I'm curious with this  
18 map, we are all gravitating to it.

19 CHAIRMAN EASTMAN: You like maps.

20 MR. JOHNSTONE: But I'm also curious  
21 about what it's not. So unless -- I'm not  
22 an expert on this subject, that's why the  
23 questions.

24 So there is components of how you think  
25 about this with ISO, and I think the word

1 reliability is pretty key in here. Where  
2 some renewables don't really hit  
3 reliability. So this isn't necessarily a  
4 map that would say that there is no  
5 beneficial -- no benefit to building  
6 renewables, this is a -- one that  
7 characterizes it from a reliability  
8 perspective. Is that right or wrong? Or so  
9 let me ask it more characterize what this  
10 isn't for background.

11 MR. DUNN: Let me answer, or it is what  
12 this is, to see if this helps. This map is  
13 intended to reflect -- to provide  
14 information as to where if generation were  
15 to show up, where are the beneficial areas  
16 that would address transmission  
17 deficiencies. So if we can get generation  
18 to show up in Burlington, if we can get  
19 generation to show up in or around Rutland,  
20 that provides the maximum benefit to  
21 addressing the reliability deficiencies.

22 The small wording in northern Vermont is  
23 that technically it's at capacity, so any  
24 additional generation that shows up there on  
25 a scale that we look at, and that's

1 typically greater than five megawatts, is  
2 going to cause a problem, and by problem,  
3 probably looking to having to do  
4 transmission reinforcements on a pretty  
5 large scale.

6 MR. JOHNSTONE: That's helpful.

7 MR. JOHNSON: The only other --

8 MS. SYMINGTON: You prefer demand.

9 MS. EASTMAN: Well we may be getting it.

10 MR. DUNN: That's effectively what it  
11 is. There is more generation up there than  
12 there is load, and as a result the  
13 transmission system is having to export that  
14 generation, and it's causing some problems.

15 MR. JOHNSON: Just one processing point  
16 that occurred to us. I think we talked with  
17 Sheila a little bit about this, and I was  
18 reminded again when you're talking about  
19 parking lot and the like. One of the things  
20 we are talking about the Board and the  
21 department is we don't -- if there is things  
22 we can do, if there is some low hanging  
23 fruit in terms of public engagement stuff,  
24 let's go. To the degree there is a  
25 categorization here that takes place for

1 your issues such that there is stuff that  
2 the Board and the department, I guess and we  
3 can do, we can just do, and understanding  
4 kind of where folks are at and given all  
5 this work that's gone on there might be --  
6 there may be reasons to move ahead on some.

7 There is a categorization or bucket of  
8 those issues that is the Board and the  
9 department that will actually have a  
10 rulemaking or a docket and stuff like that,  
11 but still it is the Board and the  
12 department, and then there is the category  
13 this will take legislation and the like. At  
14 least that's how we are categorizing it.

15 CHAIRMAN EASTMAN: Okay. So --

16 MR. JOHNSON: With that, unless you have  
17 any --

18 CHAIRMAN EASTMAN: No. Unless people  
19 have questions, we are going to take like a  
20 10-minute break, and then we have got the  
21 Regional Planning Commissions and the  
22 Department of Agriculture. Look, we  
23 appreciate it very much, and I love the  
24 magnitude of what you've discovered from  
25 actually, you know, going into this a

1 different way which I know is a cultural  
2 shift for you guys, but it looks like it's  
3 helped.

4 MR. JOHNSON: I know that Shana and  
5 Deena would kill me if -- I also would say  
6 that --

7 MS. McCAREN: Go ahead, say it.

8 MR. JOHNSON: No, if I don't say it, I  
9 guess. That there are statutory  
10 requirements, but I think in every case, I  
11 don't say we, utilities, you know, you give  
12 us a signal, and we will go, and if there is  
13 a way that we can be smart about it, I would  
14 like to say we all copy each other for  
15 things that are successful.

16 So there is statutory requirements, but  
17 in general, I know I'll speak for us, we go  
18 way above them, and I know -- I mean I can't  
19 help myself other than to observe as a very  
20 interested observer watching it unfold in  
21 the case of Kingdom Community Wind that at  
22 first I viewed it that they did an  
23 outstanding job in terms of public outreach  
24 at the beginning with how they did it. And  
25 I'm just saying -- and had a vote and all

1 the like.

2 It's somewhat analogous to the  
3 Hydro-Quebec contract loved, hated, loved,  
4 hated, loved, hated. I guess that's what  
5 informs our conclusion which is you can  
6 never -- you can never stop working on this,  
7 and you're only as good as your last  
8 commitment.

9 CHAIRMAN EASTMAN: And the thing -- and  
10 we are going to take the break, and the  
11 thing that I have to acknowledge to me why  
12 the world is different now is that -- you're  
13 responsible for transmission, and you're the  
14 only ones responsible for transmission. The  
15 world has changed. It's more complicated  
16 for generation now because it's not in the  
17 hands of a few entities that are regulated  
18 for other purposes that we can encourage or  
19 demand, you know, do this kind of project.

20 So there is some way we have got to get  
21 around in where we put it so that it's  
22 beneficial to all but doesn't overburden,  
23 you know, the some who are currently paying.  
24 That's the different thing. And I know that  
25 everybody who is playing in Vermont and

1 living here and staying here wants it all to  
2 work out. That's the difference.

3 MR. RECCHIA: And for me the, you know,  
4 the fact that the merchant projects, they  
5 are driven -- it's not solely by money, but  
6 the incentives and disincentives have to  
7 line up with the finances of it. And if you  
8 don't want a project in a particular area,  
9 then you've got to make it not economical to  
10 do that project in that area.

11 CHAIRMAN EASTMAN: So --

12 MR. RECCHIA: And vice versa.

13 CHAIRMAN EASTMAN: Thanks. I'm sure  
14 you'll be back, and read everything and give  
15 us advice.

16 MR. JOHNSON: Whatever you want.

17 CHAIRMAN EASTMAN: Thank you.

18 MS. MARGOLIS: Can we do five?

19 CHAIRMAN EASTMAN: Can we do five  
20 minutes? We really are running late.

21 (Recess was taken.)

22 CHAIRMAN EASTMAN: Okay. So next up we  
23 have got the Regional Planning Commissions  
24 and the energy return on investment  
25 recommendations with Jim Sullivan, and

1 Scott Printz and?

2 MR. COMPANYY: Chris Company.

3 MR. BODETT: Chris is our guy.

4 CHAIRMAN EASTMAN: Yeah. Look, thanks  
5 for coming back. I don't know if we ever  
6 went on the record when you first made those  
7 -- when you made your first presentation to  
8 us officially in Montpelier. Great job with  
9 real recommendations. And we are hearing a  
10 lot, and I hope you understand that at least  
11 some of us are thinking there may be some  
12 additional roles here for RPCs in all of  
13 this.

14 MR. SULLIVAN: Yeah. I've heard that.  
15 Thank you. And should I start blathering  
16 away? I mostly want to answer questions and  
17 just by way of introductions too, I mean  
18 Chris is director of the Windham Regional  
19 Commission and Scott Printz is the Chair of  
20 our Energy Committee and does some energy  
21 consulting work and knows more about energy  
22 than I will ever know. So I think, you  
23 know, the only thing I wanted to say up  
24 front is that I listened with interest to  
25 the comments this morning because a lot of

1 it seemed to maybe put in context some of  
2 our earlier remarks about the process, I  
3 think, and ANR's discussion about kind of a  
4 scoping or preliminary process as well as  
5 VELCO's comments about how important it is  
6 to get folks involved early in the process.

7 And I think, you know, a lot of the  
8 comments we made in our first meeting was  
9 that it would probably help things a lot if  
10 we did engage in some of the planning  
11 process up front. Maybe we, as regional  
12 planners, are at fault for thinking planning  
13 is a solution to everything, but we  
14 certainly, you know, can respond to what  
15 they said.

16 MR. JOHNSTONE: Don't feel bad about  
17 that.

18 (Laughter.)

19 MR. SULLIVAN: You have a history with  
20 that too. So considering, you know,  
21 involving municipalities, Regional Planning  
22 Commissions and other affected parties early  
23 on is definitely important. And you know,  
24 we hadn't really thought through exactly how  
25 that might be done, so I think some of the

1 thoughts that ANR had about how to  
2 accomplish that is a good idea.

3 VELCO has some real practical  
4 experience. We participated in the southern  
5 loop process and had a lot of meetings with  
6 those folks and it did go pretty well, you  
7 know, and I won't say much more. I prefer  
8 to just open it up to questions. But as far  
9 as the energy return on investment thing  
10 that I spoke about earlier, and we can speak  
11 to more today, we just always thought it was  
12 interesting in this process where we are  
13 looking at energy facilities that, you know,  
14 the ones that we were involved in that no  
15 one was asking questions about energy. All  
16 the questions were about impacts, which is  
17 important, and it goes to the point that was  
18 made that it's really not a siting process  
19 we are involved in. It's a review process.

20 And so but some of the things that we  
21 were seeing coming before us said, jeez,  
22 there is really some very fundamental  
23 questions that nobody is really addressing  
24 on the energy benefit side of it. So if  
25 you're looking at a Certificate of Public

1 Good, you ought to be looking at that side  
2 of it just as closely as you're looking at  
3 the impact side of it.

4 So with that said, we are -- I guess we  
5 are here to have a discussion and answer  
6 questions.

7 MR. BODETT: So how -- like how deep  
8 into the weeds do you go with that? That  
9 this energy rate of return from various  
10 technologies -- I happened to be on the  
11 parking shuttle bus in Montpelier last week  
12 for our last meeting. Of course, in  
13 Montpelier, the guy was all about biomass.  
14 And he worked for MetLife I think, and he  
15 was telling me how they track the carbon  
16 footprint of transporting materials and  
17 extracting them from the woods. All of that  
18 was worked into the equation.

19 So now the biomass that's, you know, I  
20 can get my head around that pretty easily.  
21 But how would that same sort of function  
22 apply to solar, hydro, wind? Have you  
23 thought through those like the actual  
24 specifics of how that might be calculated?

25 MR. SULLIVAN: Yeah. I'm going to turn

1 most of that over to Scott. But I will say  
2 that, you know, it's something that we at  
3 least in our Commission we definitely think  
4 about that whenever these things come in.  
5 And as far as the siting process, you know,  
6 like I said, it makes -- with renewables it  
7 makes a big difference where the things are  
8 located because the fuel is part of the  
9 environment, you know, unlike more  
10 traditional thermal generating facilities.

11 So we are looking at saying is this the  
12 best place, and try to find a way to kind of  
13 quantify that and look at that is, you know,  
14 it's a useful tool. It's not always an easy  
15 thing to do, but maybe, Scott, you could  
16 give a little rundown.

17 MR. PRINTZ: It can be very challenging.  
18 You have to make sure you define what you  
19 are including and what you're not including  
20 when you're trying to do comparisons of one  
21 project against another or to a standard.  
22 There is the obvious direct cost of labor to  
23 -- to install, you know, the materials on  
24 the site, the components and stuff like  
25 that. You can then back up to the energy

1 that's required to build out the components.

2 Solar is a good example where that's  
3 largely ignored by most analysis, but it's  
4 rather large. That's why you have, you  
5 know, if you have like a 10 or 15-year  
6 payback financially you probably have an  
7 energy payback that's similar to that. It  
8 could take, you know, a dozen years easily  
9 before you recovered the energy that was  
10 invested to build out the panels. That's  
11 briefly ignored because it doesn't take  
12 place in state as the emissions that go  
13 along with that also are taking place  
14 elsewhere. So you can go very far if you  
15 wanted to if you had the time, but  
16 frequently when you run into an obstacle  
17 that you just don't want to go any further  
18 with, you can do a dollar proxy where you  
19 can look at how much dollars were spent on a  
20 service that was required to make the  
21 project happen, and you can equate certain  
22 number of BTUs to that dollar value.

23 That is usually done on country of  
24 origin. In the United States we run about  
25 one dollar of GDP for every 7,000 BTUs.

1 That's a real kind of gloss over way to stop  
2 analysis. You pay a hundred dollars for a  
3 panel or a component, you can say there were  
4 700,000 BTUs that went into getting that to  
5 you.

6 Obviously different services require  
7 different levels of energy input. If you're  
8 buying concrete, the factors should probably  
9 be much higher, three or four times higher.  
10 If you're buying legal services there is not  
11 -- there is not a lot of energy that goes  
12 into a lot of services like that, lawyers.  
13 You could lower that by a factor of two.  
14 But when you just run into a wall and you  
15 can't go any further, you usually define  
16 what that wall is where you're not going to  
17 look any further and do a dollar proxy for  
18 something like that.

19 Most analysis don't go that far. When  
20 you're trying to compare different systems,  
21 if you define what they all are and where  
22 you stopped, you can usually back up so they  
23 are on a common footing, that's where you  
24 finally can compare things apples to apples.

25 MR. SULLIVAN: I mean one of the

1 questions or comments that was raised after  
2 my initial comments was I think somebody  
3 came up and said this is not something you  
4 should have to worry about because obviously  
5 developers are going to make economically  
6 rational decisions, and they are going to  
7 pursue sites that are most productive.

8 We found that, you know, that whole  
9 thing is kind of obscured a little bit by  
10 some of the subsidies that are injected into  
11 the process and the time lines that folks  
12 have to meet. And so they need to find a  
13 site and get the site permitted and  
14 something happening there within a certain  
15 time frame. And so you know, we see sites  
16 where it's like this just doesn't seem to  
17 make sense. So if you run some kind of an  
18 analysis like that you can say jeez, you  
19 know, like a biomass site that just doesn't  
20 have access to the kind of feed stock that  
21 it needs to run efficiently, it's like well  
22 why in the world are they doing a project of  
23 this scale or in this location? You know,  
24 and so if you run through this energy return  
25 on investment analysis you can kind of focus

1 in a little bit on maybe sites that maybe  
2 aren't really appropriate.

3 So that's kind of how we use it. And  
4 you know, in our Commission, I mean I don't  
5 think probably a lot of people are in the  
6 weeds with it quite as much as we are, and  
7 we have really only used it extensively in  
8 bigger projects like that.

9 MR. BODETT: I have another one if no  
10 one else has questions.

11 CHAIRMAN EASTMAN: Go ahead.

12 MR. BODETT: Completely different  
13 subject. In the ANR presentation earlier  
14 their recommendations about expanding the  
15 Public Service Board to include a member of  
16 the ANR and perhaps a local representative  
17 or specifically not municipal, and I agree  
18 with that, but perhaps regional. So in that  
19 scenario, I mean that's all blue sky, but  
20 how would you -- I mean number one, would  
21 you agree with that idea? And number two,  
22 how would you see if you had -- were to send  
23 a rep to the Public Service Board where your  
24 -- I want to say your authority or your  
25 purview would come from -- would that be a

1 collection of towns or where would you get  
2 your point of view I guess is the question.

3 MR. SULLIVAN: Yeah. I'll let Chris  
4 chime in on this one. My ears perked up  
5 when I heard that comment. It's an  
6 interesting idea, and it definitely is a way  
7 to bring a regional perspective into the  
8 process.

9 At the same time to the extent that the  
10 Regional Planning Commission is  
11 traditionally involved in the review of  
12 these projects, it creates a bit of  
13 confusion because we are as a body, as an  
14 organization, reviewing and analyzing this  
15 thing and working with the municipalities,  
16 and then at the same time one of our  
17 Commissioners maybe is sitting on the Board  
18 that's rendering a decision.

19 MR. CAMPANY: Right.

20 MR. SULLIVAN: It seems like an internal  
21 conflict of interest there. So I'm not sure  
22 exactly how it would work. I support the  
23 idea in concept. But I'm not sure exactly  
24 how it would work.

25 And if that person would just be, you

1 know, a completely independent person or  
2 whether they would be in some way consulting  
3 with the Regional Planning Commission or  
4 some other entity to inform their position.  
5 So I don't know. Chris?

6 MR. CAMPANY: Yeah, we have had this  
7 conversation frequently about who actually  
8 -- and so to the extent are they  
9 representing the regions specifically in  
10 terms of the Regional Planning Commission or  
11 the region in theory in which case it could  
12 be somebody from the region, somebody who  
13 lives there. And the reason I make that  
14 differentiation is the Commission  
15 specifically -- we have specific rules about  
16 who can speak for the Commission. And  
17 invariably whatever our position is it finds  
18 its basis in the regional plan. And our  
19 positions that we develop come through our  
20 own discussions among our own town-appointed  
21 Commissioners.

22 I think we would have to figure out how  
23 that would work and what the needs are.  
24 Specifically if we are wanting the regional  
25 Commission's position, then our

1 participation in the docket may suffice, but  
2 if you're looking for just a regional  
3 perspective, it may need to be something --  
4 now this is just me thinking off the cuff.  
5 But maybe after a cup of coffee or something  
6 I might have a different take.

7 MR. RECCHIA: One of the things that I  
8 thought of to try and address this was  
9 perhaps having the District Environmental  
10 Commissioner actually serve on the panel  
11 because they are familiar with the  
12 quasi-judicial process. They are -- that's  
13 what they do anyway. And perhaps that would  
14 be a way of getting that participation on  
15 the Board but still getting the regional  
16 perspective.

17 CHAIRMAN EASTMAN: And that's actually  
18 what ANR's recommendation was, either  
19 thinking about a Regional Planning  
20 Commission person or thinking about an Act  
21 250 District Commissioner who would be the  
22 same idea, somebody who has got experience.

23 MR. JOHNSTONE: Does the downtown board  
24 deal with this? Way back when I was  
25 involved in that process, regions came in to

1 the decision process, but I don't know if  
2 they still do or if there is an analogy here  
3 that works.

4 MR. RECCHIA: On the downtown board you  
5 mean?

6 MR. JOHNSTONE: I don't know if the  
7 downtown board still exists.

8 MR. RECCHIA: It does.

9 MS. MARKOWITZ: The difference is this  
10 is quasi-judicial. So really whoever is  
11 sitting in the decision making capacity  
12 would need some independence. That's really  
13 the problem.

14 MR. RECCHIA: You don't want to train  
15 new people each time about the mechanics of  
16 quasi-judicial stuff.

17 MR. JOHNSTONE: Fair enough.

18 CHAIRMAN EASTMAN: You guys talk in your  
19 recommendations, of course, about financial  
20 support for towns and regions. And ANR just  
21 proposed, you know, instead of specific  
22 money perhaps, you know, technical expertise  
23 available, you know, legal and technical  
24 expertise.

25 MR. SULLIVAN: I have some thoughts on

1 that. I don't know if you do too. Just off  
2 the top of my head again too, I think that's  
3 definitely a way you could go because  
4 municipalities and regions do need that  
5 expertise, and it saves a step in the  
6 process, I guess, you know, the difficulty  
7 of going out and finding a qualified person.

8 At the same time that, you know, there  
9 can be some concern that is, is that person,  
10 entity really independent, you know. From  
11 both perspectives, you know, from the folks  
12 in the region, in the municipality, do they  
13 feel like that person is really -- that  
14 expert is really independent, if they are  
15 under the purview on someone's list, you  
16 know, the Agency. And from possibly, you  
17 know, the Public Service Board or the  
18 department's perspective, you know, if that  
19 person has been involved in advocacy for a  
20 similar project and, you know, has made  
21 arguments in favor or against the project or  
22 a concept, then you know, we want to use  
23 them in a different way.

24 You know, and then how does that work on  
25 the other end? Do they say, hey, wait a

1 minute, you know, you're kind of going  
2 against what --

3 MS. McCARREN: I share your concerns.  
4 That was my initial thought, which is that  
5 the reality would be that the experts would  
6 all basically after a bit of time on the  
7 list would all be tagged with the position  
8 they are going to take. So I don't know  
9 where that gets you.

10 MR. RECCHIA: We have an analogy of this  
11 right now, and I'm not even sure how it  
12 works. I just know it exists. We have two  
13 aesthetics consultants on board. And they  
14 are the only two aesthetics consultants like  
15 not necessarily in the world, but that we  
16 have ever found. And so usually one of them  
17 works for the developer and one of them  
18 works for us, and sometimes they switch off.

19 I haven't wrapped my arms around how  
20 this works, but that probably has some  
21 problems associated with it.

22 MR. SULLIVAN: I don't know if there was  
23 -- I think that, Jan, you had suggested that  
24 maybe there was a mechanism for a Regional  
25 Planning Commission or a role for Regional

1 Planning Commissions to kind of manage that  
2 process and maybe help municipalities find  
3 the expertise or something. I mean maybe  
4 moving to that level would help a little  
5 bit.

6 You know, also there is the technical  
7 expertise, and then, you know, to the extent  
8 that municipalities and Regional Planning  
9 Commissions are involved, we are -- yeah, we  
10 benefit greatly from some of these big  
11 projects from experts, but we also have --  
12 there is an awful lot of in-house time that  
13 goes into reviews of these projects, whether  
14 or not you have an expert, and so you know,  
15 just having the expert doesn't really  
16 address that problem either.

17 MR. CAMPANY: Just even the  
18 participation frankly, I mean we spent  
19 literally thousands of hours on VY dockets.  
20 We were awarded reimbursement on 7440  
21 related to the situation regarding the  
22 pipes, but we used a very small amount of  
23 that. Now the docket has been closed, but  
24 we are still burning up lots of hours. And  
25 that's because we represent ourselves pro

1 se. We don't have a tax base that we can go  
2 to and say, hey, do you want to vote to  
3 support our participation in this.

4 CHAIRMAN EASTMAN: I do think that we  
5 have got to consider whoever we think ought  
6 to be a statutory party, you know, ought to  
7 be representing people or interests. We  
8 have to figure out how do they then pay for  
9 the time and effort that they have to put  
10 in. And if there is a source, great, but if  
11 there isn't, if we think it's valuable, we  
12 have got to recommend -- giving somebody a  
13 seat at the table and then not really making  
14 it possible for them to be there isn't --

15 MR. CAMPANY: We are unusual in that we  
16 have that power plant, but presumably any  
17 other large-scale energy development could  
18 consume. And the other issue too is if the  
19 state has taken the specific position on a  
20 project I'm not -- goes back to not even so  
21 much what position has that consultant  
22 represented before or representing other  
23 towns, if that resource is coming from the  
24 state, it may already come with an  
25 assumption of prejudgment about what --

1 where that consultant is going to come from  
2 as far as what position they are going to  
3 take, no matter what the town is asking them  
4 to do.

5 CHAIRMAN EASTMAN: Go ahead.

6 MR. JOHNSTONE: So I would like to drag  
7 you guys way, way, way earlier in the  
8 process and get some thoughts from you about  
9 the role of your -- the energy chapter of  
10 your regional plans, and how we have heard  
11 through the process that towns should have  
12 more standing and/or regional plans should  
13 have more standing in the process.

14 We heard late last week about the  
15 interest in gaining a common vision through  
16 collaborative process. We saw the map today  
17 around where we actually need resources. So  
18 there is a piece in my head that's been  
19 still forming, but that's why I'm really  
20 fascinated in your thoughts about this as  
21 regional planners, that you know, we have  
22 got to keep the lights on in the state.  
23 There is energy needs in this state.

24 And so on the back end of the  
25 Comprehensive Energy Plan and legislative

1 policy and everything we have heard about,  
2 if there was -- essentially if there was an  
3 expectation that the regions were then going  
4 to figure out how to keep the lights on as  
5 part of their energy planning, and it was we  
6 are going to need this many megawatts with  
7 this type of environmental constraint with  
8 -- incorporating the idea of energy return  
9 on investment concepts, if that was  
10 appropriately divvied up so that then you  
11 knew you had to build a plan that met your  
12 share of that within all those other types  
13 of pieces, and it was done through a  
14 collaborative process so that it was clear  
15 that the region supported it, I begin to  
16 think that's the basis, because we are  
17 actually still having a statewide policy out  
18 of that and a way to move forward that you  
19 could then argue that that should have  
20 standing when cases actually come up.

21 And I'm just curious about what might  
22 cause problems for regions in that -- would  
23 that be a role other than the need for  
24 resources, which I assume that's a baseline  
25 you would need resources to play that way.

1 So I get that. It's not totally formed, not  
2 even close to totally formed. It's a way to  
3 bring your planning ideas in and the ideas  
4 we have talked about without the need to go  
5 to statewide planning.

6 CHAIRMAN EASTMAN: Right, statewide  
7 policy, regional planning, prescoping.

8 MR. JOHNSTONE: I like statewide  
9 planning. It ain't going to happen in  
10 Vermont any time soon in my view. I hope  
11 I'm wrong.

12 Go ahead. Feel free to say it's a  
13 really dumb idea which is okay too.

14 MR. CAMPANY: Do you want to start?

15 MR. SULLIVAN: Go ahead.

16 MR. CAMPANY: In our current regional  
17 plan we have not only an energy chapter but  
18 we have energy in our plan as a thread that  
19 goes throughout; not only land use,  
20 transportation, everything. So it  
21 definitely needs to be tightened up. And  
22 from my perspective it would be useful to  
23 have -- and maybe the Comprehensive Energy  
24 Plan gives us sufficient guidance -- but it  
25 would be useful to have -- frankly I would

1 benefit from having greater clarity about  
2 what frankly makes sense in the state as far  
3 as what the renewable energy portfolio  
4 should look like developed in conjunction  
5 with some kind of siting criteria, above  
6 2,500 feet, is that generic standard  
7 acceptable or are there some areas above  
8 2,500 feet that are better than others?

9 Because that could then inform  
10 especially if there is science behind that  
11 and other objective criteria, that could  
12 better inform the regional plan, a  
13 discussion we have within the region about  
14 getting more into the specific criteria.  
15 Some ridges are better for that than others.  
16 We are talking wind development.

17 We say preserve ag soils. Is there any  
18 case when a really good solar farm would  
19 preempt that? You know, that would make  
20 that case for the development of that solar  
21 farm, would that -- is that a higher and  
22 better use? And so if we could actually  
23 have more of that information to have a more  
24 focused discussion about when we develop  
25 land use plans, so what is our order of

1 specific energy land use recommendations,  
2 that would be helpful. And then that, of  
3 course, would inform town plans.

4 Tom, I didn't mean to be obscure last  
5 meeting when you asked me about the role of  
6 town plans vis-a-vis the regional plans.  
7 The challenge here is we can't make anyone  
8 do anything. And so towns choose to be  
9 members of the Commission, they choose to  
10 have their plans approved by the RPCs, and  
11 so we shouldn't assume that just because the  
12 regional plan says X, Y or Z that's  
13 ultimately going to be reflected in the town  
14 plan. Because there is many things that can  
15 happen between what they developed and what  
16 ultimately they -- how that's ultimately  
17 applied.

18 So I just wanted to make sure there is a  
19 little -- there potentially is a disconnect  
20 there because there is nothing mandatory  
21 that says you will --

22 MR. BODETT: There are the incentives  
23 though of planning grants and all that that  
24 are contingent upon conformity of the  
25 region.

1 MR. CAMPANY: Assuming those continued  
2 to be funded. That's the other thing. Do  
3 you want to base that on something that may  
4 or may not --

5 MR. SULLIVAN: I agree with what Chris  
6 said. And I think that the local and  
7 regional plans can certainly -- and the  
8 entities behind them really should be  
9 involved in that planning process. Again,  
10 out front actually determining the sites  
11 rather than just reviewing sites. And I  
12 think that that is really important.

13 And I agree with Chris that if the town  
14 and regional plans were tightened up a bit,  
15 if there was awareness that they were going  
16 to be used in that way, I think then we  
17 could definitely improve the quality of the  
18 plans to help that process. I think the  
19 bigger question is, if our regional energy  
20 plan has targets, you know, kind of like the  
21 state does, we ought to have this amount of  
22 generating capacity in our region, how do we  
23 accommodate that, and what types of  
24 locations accommodate that? I think that's  
25 definitely something --

1 MR. JOHNSTONE: Spurs controversy,  
2 doesn't it?

3 MR. SULLIVAN: I think that's definitely  
4 something we can move toward, how is that  
5 allocated? Different parts of the state  
6 have different --

7 MR. CAMPANY: We're done, as long as you  
8 have a plan operating.

9 MR. SULLIVAN: You're over the top.

10 MR. JOHNSTONE: Part of the reason I'm  
11 asking is we haven't talked a lot about Act  
12 200 in this process, but Act 200 really was  
13 -- predominantly was a grassroots, it was a  
14 home-rule type of concept that never fully  
15 actualized. Part of the difference between  
16 Act 248 and 250 is acknowledging that, yes,  
17 there are issues where there is the  
18 statewide and region-wide need which is  
19 keeping the lights on where there has to be  
20 some direction.

21 So part of the question for you all is  
22 if part of gaining voice and authority in  
23 the process and standing, comes with you  
24 have to do your share, and that's non  
25 negotiable, here's some requirements, how do

1 you think your Commission and your sister  
2 agencies across the state would react to  
3 that? Because it's quite a divergent path  
4 from at least what's on the books. Act 200  
5 lays a pretty clear path of expectation for  
6 planning, one we never really followed but  
7 it's in statute.

8 And to gain the voice with a statewide  
9 lean it strikes me there is a new tension  
10 that comes in than what is on the books.

11 MR. SULLIVAN: Yeah, I wouldn't dismiss  
12 that. I think it would be an interesting  
13 and lively discussion.

14 MR. JOHNSTONE: I think it would too.

15 MR. SULLIVAN: It would be interesting  
16 to see how that type of fair share  
17 allocation were arrived at, because there is  
18 the amount of consumption and then there is  
19 also the capacity to produce, which is, you  
20 know, they are not going to necessarily  
21 match up very well.

22 CHAIRMAN EASTMAN: Chris wanted to  
23 interject.

24 MR. RECCHIA: Thank you. So I want to  
25 build on your idea for a second, but also

1 remind us even though this is a Generation  
2 Siting Commission that your role, you guys'  
3 role in energy is broader, right? You've  
4 got the transportation piece. You've got  
5 the thermal pieces, electricity becomes a  
6 relatively small or fungible component of  
7 that.

8 But now back to the point, I would like  
9 to take Scott's thought further and wonder  
10 if you visualize whether we could get to a  
11 point where the plans of the municipalities  
12 who were participating such that let's say  
13 they did have an allocation that they were  
14 responsible for or desirable in that area,  
15 could you picture them coordinating like an  
16 RFP process where they actually said we are  
17 interested in hosting this type of project  
18 or a project that meets our goals, and kind  
19 of get to that next step of actually being  
20 the managers or owners or at least the  
21 encouragers of a particular project and  
22 being in the driver's seat that way. Can  
23 you visualize --

24 MR. SULLIVAN: I can visualize that.  
25 That's a very positive scenario where those

1 folks who are really involved are also the  
2 ones who are actually pursuing the project.

3 CHAIRMAN EASTMAN: Community-based  
4 project.

5 MR. SULLIVAN: Yeah. I could envision  
6 it happening. I don't know if it would  
7 happen. But I can certainly envision it. I  
8 think it would be a positive thing in a lot  
9 of ways.

10 MR. CAMPANY: Can I ask a clarifying  
11 question? You're talking this could be  
12 multiple municipalities working. Because  
13 I'm thinking Somerset population of four has  
14 a hydro power dam.

15 MR. RECCHIA: Yeah.

16 MR. SULLIVAN: But Athens, little  
17 slightly larger population, tiny town, maybe  
18 some solar farms in the floodplain.

19 MR. RECCHIA: No, it doesn't make sense.  
20 I don't think it makes sense for every town  
21 to have to do something. So therefore the  
22 inverse of that is towns coordinating and  
23 deciding what is best where and working as a  
24 team.

25 MS. McCARREN: I will not give you my

1 personal view on -- I just -- if I had a  
2 card I would just hold up the Joe Benning  
3 card, and you would know what I was going to  
4 say.

5 This is a land use planning issue from  
6 my perspective. And what in your view --  
7 what would be the best way for a process to  
8 respect and give priority to your land use  
9 planning? Because that seems to me, leave  
10 aside this whole issue about, you know,  
11 whether we should allocate generation  
12 requirements by household or not.

13 MR. JOHNSTONE: Household, really?

14 MS. McCARREN: I'm putting a methane in  
15 my backyard. This is a land use planning  
16 issue. So I'm really interested in, from  
17 your perspective, what would be the best way  
18 to make sure the land use work that you do,  
19 because you know your area, actually informs  
20 the decision.

21 And you know we had a little  
22 conversation about -- I heard the  
23 conversation about adding a member to the  
24 decision-making panel, but that seems to me  
25 to be what this is really about. What would

1 be your views, your experience, what have  
2 been the processes from land use planning  
3 that works the best for you?

4 MR. CAMPANY: I mean I always like to  
5 start with objective -- objective is a  
6 loaded term -- I always like to start with  
7 the best objective information. So you  
8 know, looking at what the needs of the  
9 different known and anticipated --  
10 reasonably anticipated future technologies,  
11 what are those siting needs? Because this  
12 is like sustainable agriculture. These  
13 things are inherently placed, so what kind  
14 of land, what kind of -- what's the concept  
15 for the different types of development, and  
16 then have the conversation almost starting  
17 from there, also being informed frankly by  
18 what the need is. I mean the challenge --  
19 not to get back to the allocation thing --  
20 but we have got four major hydro power dams  
21 in our region. Are we done? Then the rest  
22 of it can go to Windsor and Bennington and  
23 others. You know, so that's why -- I mean  
24 I'm more interested frankly in the land use  
25 issue.

1 I always like to start from this  
2 rational consideration, and then we can get  
3 into the politics of it, what the -- you  
4 know, definitely start having the  
5 conversations among the towns about, okay,  
6 here are the facts related to this kind of  
7 generation. What's acceptable.

8 MS. McCARREN: So I want to make sure I  
9 understand you, which is that if a town or a  
10 region is looking at -- leave aside the need  
11 issue -- just what you need is, all right,  
12 if for solar this is the kind of land that  
13 lends itself to a solar, so then you would  
14 take that information and then crank it  
15 through a process that said, okay, here are  
16 the areas where we think -- and take into a  
17 lot more things than just it's a good solar  
18 place but also it fits the rest of your  
19 needs.

20 MR. CAMPANY: And takes into account the  
21 unique context of our region. For instance,  
22 we have rather hilly, mountainous terrain.  
23 We look very different than say up around  
24 Waterbury. And a lot of the areas, I'm just  
25 thinking off the top my head, a lot of areas

1 that might work best for solar are probably  
2 in best ag soils, probably in a floodplain,  
3 that could actually inform the state context  
4 too. Is the Windham region the best  
5 location for that, or are there other  
6 places. This way we could inform the  
7 planning within the region and inform a --  
8 not a larger overall comprehensive state  
9 plan -- but it might better inform what that  
10 overall mix might be.

11 Turn it over to my counterpart here.

12 MR. BODETT: I wanted to go back. We  
13 had a presentation last week that had -- it  
14 was Annette Smith. She was citing this  
15 Lawrence Susskind Harvard Law school process  
16 of community outreach, and she made the  
17 point that you have -- I'm sorry, if a  
18 developer -- if an applicant, let me say  
19 ANR, PSB needed to show that they had done a  
20 good faith community outreach program before  
21 they could submit their application, and if  
22 that community were the Regional Planning  
23 Commission. The other part of that is the  
24 Regional Planning Commission or in this case  
25 the local community, as represented by

1 Regional Planning Commission, needs to  
2 demonstrate that there was a good faith  
3 effort to do a local siting decision before  
4 they could qualify for intervener funding,  
5 so there is incentive on both sides to try  
6 to make something work at the local level,  
7 but it doesn't require that it work at the  
8 local level. Would you see -- let's imagine  
9 there is funding for this, but you know, the  
10 funding issue aside, would you see a process  
11 like that, a requirement like that perhaps  
12 working?

13 MR. SULLIVAN: Yeah. I think that could  
14 work. I think that again, the earlier the  
15 better. You know, when you're actually  
16 getting into the questions about where it  
17 should go rather than if it should go would  
18 be key to that thing, but I could see it  
19 working in that regard.

20 And you know, to your -- I guess both  
21 your points -- you know, as far as how the  
22 local/regional land use planning thing  
23 really works, I mean I think right now local  
24 zoning is -- doesn't happen with this stuff.  
25 There is exemptions for utility generating

1 facilities. And you know, it almost -- so  
2 it's almost like, and it's done that way for  
3 a reason, because there is a public need for  
4 these types of things. So some I think in  
5 the process if we were to ask municipalities  
6 to figure out how they are going to  
7 accommodate these things and where they  
8 should go, the need side of it really needs  
9 to be emphasized.

10 Because right now you hear an awful lot  
11 going back and saying we don't need this  
12 stuff. If we don't need it, then we ought  
13 to be able to have plans that say you can't  
14 have it in our town. So I think that  
15 connection has to be forged.

16 MR. JOHNSTONE: Just so you know, Tom,  
17 to connect a couple dots there, because you  
18 and I are talking the same thing I think.  
19 Part of what I was trying to describe was in  
20 response to Annette's proposals as well,  
21 except -- and I think we even really -- they  
22 were careful how they answered it, even  
23 VELCO was very careful not to go all the way  
24 to collaborative which is really what that  
25 process requires. They left room to say

1 there could be times when they would do it,  
2 and they would be about the best case  
3 developer you could imagine.

4 The notion of merchants on a project-  
5 specific basis going to that and really do  
6 the sharing authority, I don't see it  
7 happening. So part of my thinking in what I  
8 was talking about was in order to get  
9 standing for the regional plan that you  
10 actually do a process similar to that that  
11 is truly collaborative which is what  
12 Regional Planning Commissions do anyway by  
13 their nature. And you know, they could  
14 learn new tools from these new experts and  
15 all that sort of thing, but that's just in  
16 case that wasn't apparent, that was what I  
17 was trying to connect the dots to. We are  
18 saying the same thing.

19 CHAIRMAN EASTMAN: I'm sorry. We have  
20 got to move on for today.

21 MR. SULLIVAN: Thanks.

22 CHAIRMAN EASTMAN: Thank you very much.

23 MR. CAMPANY: One other very brief --  
24 one of the other things about regional  
25 plans, we are where a lot of other plans

1           come together, so the state forestry plan,  
2           the state recreation plans, economic  
3           development, and so another benefit, I  
4           guess, of having an engagement is we can  
5           look at all of those things so it's not just  
6           one plan in isolation.

7           CHAIRMAN EASTMAN: Exactly.

8           MR. JOHNSTONE: Appreciate it.

9           CHAIRMAN EASTMAN: Thanks Chris. So  
10          next up we have got Secretary Ross from the  
11          Agency of Agriculture, Foods and Markets.  
12          Thanks Chuck. Sorry for the delay.

13          MR. ROSS: Not a problem.

14          CHAIRMAN EASTMAN: When you get this  
15          many people around a table --

16          MR. ROSS: How are you?

17          CHAIRMAN EASTMAN: I'm fine. How are  
18          you?

19          MR. ROSS: Good to see you again.

20          MR. JOHNSTONE: Mr. Secretary, how are  
21          you doing?

22          MR. ROSS: Very well. Thank you, sir.

23          MS. McCARREN: Like your new job?

24          MR. ROSS: Yes.

25          MS. McCARREN: I see your wife most

1 Sundays.

2 MR. ROSS: That's good. You're both  
3 getting your exercise in for your heart and  
4 health.

5 MS. MCCARREN: That's right.

6 MR. ROSS: So this is Alex DePillis who  
7 is our Ag Energy staff person that we share  
8 with Department of Public Service. Just to  
9 show that in the Shumlin administration we  
10 are taking down the silos. He works with --

11 MR. RECCHIA: Hi there. I'm not doing  
12 the presentation.

13 MR. ROSS: I was going to turn it right  
14 over to you. Anyway we are both here. And  
15 I have some -- I have a presentation I would  
16 be happy to give you kind of but -- and  
17 answer questions, would that be kind of  
18 best? A little overarching context?

19 CHAIRMAN EASTMAN: Great. A little  
20 overarching and dialogue would be great.

21 MR. ROSS: How much time do we have?

22 CHAIRMAN EASTMAN: We have -- can I ask  
23 all of us, are we willing to stay until  
24 12:15 at least today guys?

25 MR. RECCHIA: Yes, although I might

1 sneak out a minute or two --

2 CHAIRMAN EASTMAN: A half an hour with  
3 you, and then we have got a half an hour on  
4 the Agency's mapping plan.

5 MR. ROSS: Perfect.

6 CHAIRMAN EASTMAN: Sorry guys.

7 MR. ROSS: That's helpful. What I've  
8 got to do is provide some overarching  
9 context and then dive into a few details  
10 that are emerging as we deal with the ag  
11 energy.

12 First of all, when I came to the job a  
13 couple years ago it was very clear to me  
14 that there was enormous opportunity for  
15 agriculture to be involved in the energy  
16 conversation and the energy game in the  
17 State of Vermont. And one of the first  
18 things I did was to begin to initiate a  
19 request for a position that has now been  
20 filled by Alex, and unlike a previous  
21 position that was just in the Agency of  
22 Agriculture, this is a position that is  
23 funded and shared and reports up through  
24 both the Agency of Agriculture and the  
25 Department of Public Service. Because we

1 see the critical need to have that kind of  
2 coordination and conversation, which will by  
3 the way, be part of the message of my  
4 overarching presentation here.

5 The reason why is because I saw enormous  
6 opportunity for agricultural -- agriculture  
7 to play a role. And it's not without its  
8 challenges which, first of all, first  
9 challenge was we didn't have anybody to look  
10 at this, which is the reason why it was  
11 great that we were able to lure Alex away  
12 from Wisconsin, another dairy state. He's  
13 obviously made a positive move.

14 MR. DePILLIS: Yeah.

15 MR. JOHNSTONE: Welcome to dairy land.

16 MR. ROSS: Redo dairy land. So I want  
17 to talk about what are -- what I see some of  
18 the opportunities and frankly have an array  
19 of questions and where I think we are  
20 probably more so than having definitive  
21 answers and a clear flight path to a  
22 specific outcome and everything, is there is  
23 an array of questions that are going to need  
24 to be sorted out as agriculture becomes a  
25 larger and larger potential player in the

1 energy world.

2 So on the opportunity side we have  
3 already seen that with biodigesters on the  
4 farms we are seeing renewable power  
5 generated, and that would be base load green  
6 renewable energy on the farm.

7 MS. McCAREN: Dispatchable too.

8 MR. ROSS: That's correct. Dispatchable  
9 as well. And that kind of investment or  
10 whether it's the other forms of energy we  
11 can see on the farms, that would be  
12 biodiesel, we could see wind, we could see  
13 solar, we are seeing the emergence of grass  
14 as a possibility both to be fired and  
15 utilized on the farm and exported off the  
16 farm, largely in the form of electricity,  
17 but the thermal needs are significant on  
18 different types of farms. And so there is  
19 enormous opportunity to displace thermal  
20 load as well on the farms, particularly when  
21 you start talking about the emergence  
22 between agriculture based and greenhouses  
23 and so on.

24 So there is enormous opportunity and  
25 need. Energy is a significant cost center

1 for a farm and for value-added agricultural  
2 production, for what is a land use question  
3 that has yet to be addressed which is kind  
4 of the rural enterprises that are beginning  
5 to be developed out there in the landscape  
6 that begin to push the bounds of what we  
7 understand is a farm. So there is that  
8 possibility.

9 And when we see these kinds of  
10 investments through those kinds of energy  
11 opportunities I mentioned we are talking  
12 about an investment in what we do best in  
13 Vermont which is community-based  
14 agriculture. We are investing in the  
15 communities on which those farms are, which  
16 is good for the economy, which is good for  
17 the culture of those communities, and it is  
18 wonderful for the viability of agriculture  
19 because we are starting to address a cost  
20 center on the farm. We are starting to  
21 bring in the different form of income and  
22 diversifying that income stream so that farm  
23 from an economic unit standpoint is a more  
24 viable, sustainable operation when we can  
25 have ag energy as a part of its portfolio of

1 products that it can generate and sell off  
2 the farm or utilize on the farm.

3 In addition to that kind of community  
4 investment that ag energy represents, it  
5 also offers an opportunity depending upon  
6 the scale and location, for distributed  
7 power generation and the benefits that that  
8 can provide in terms of stabilizing the grid  
9 and addressing some of the transmission  
10 questions that we have found a little  
11 troubling in this state from time to time.  
12 It also addresses a range of social goods  
13 that don't get rewarded. But the most  
14 obvious is when you're looking at large  
15 dairy farms and you have a methane digester,  
16 you're talking about reducing greenhouse  
17 gases, and we know methane is 20 times worse  
18 than CO<sub>2</sub>, and that's what we burn on these  
19 farms. So that in itself is a social good,  
20 of which there is a long list of other  
21 social goods you can talk about when you do  
22 some of these on-farm energy projects.

23 MS. MCCARREN: I've always been curious  
24 about when you take manure and put it  
25 through the digester, what does it do about

1 the nitrogen content? Is it reduced?

2 MR. ROSS: I was better prepared to talk  
3 about the phosphorus content.

4 MS. McCARREN: What's the phosphorus?

5 MR. ROSS: Doesn't change.

6 MS. McCARREN: Doesn't change the  
7 phosphorus.

8 MR. ROSS: No. What I don't know is how  
9 much of it is vented off. I believe most of  
10 -- a lot is lost to the air, but I don't  
11 know that. Do you?

12 MR. DePILLIS: I'm not sure either.

13 MS. McCARREN: I'm just asking because  
14 it makes the end product less  
15 environmentally damaging if it reduced  
16 nitrogen.

17 MR. ROSS: Which begs the question of  
18 well is it really less damaging. Actually  
19 you want that nitrogen in your manure, the  
20 question is how you apply it. That's a  
21 whole 'nother technological question, a  
22 whole 'nother conversation that we had with  
23 Deb and Chris in the past.

24 But so the final thing I'll note is that  
25 as we are able to grow our ag energy

1 opportunities on the farms, we are also  
2 closing one of the economic loops for the  
3 State of Vermont, an economic and  
4 environmental loop. We are beginning to  
5 develop a healthier closed loop economic  
6 system. Not to suggest we won't be needing  
7 to import energy in one way or another, but  
8 it is a way to help minimize that economic  
9 leakage that leaves the State of Vermont.  
10 So that's the opportunity.

11 Let me talk about some of the questions,  
12 because the questions are as perplexing as  
13 the opportunities are exciting. So how are  
14 we going to define farm for the purposes of  
15 energy? You know, when does an energy  
16 opportunity on a farm go from being a farm  
17 to something else? The example I use in  
18 the, more on the milk side, is when does a  
19 cheese operation on a farm flip over the  
20 line to become Cabot Creamery in downtown  
21 Cabot, Vermont? Which was probably started  
22 as a cheese-making operation on a farm in  
23 the village of Cabot, and it is now clearly  
24 a manufacturing plant everybody understands.  
25 Where do you -- where is that line crossed?

1 What are the regulatory lines?

2 Right now, you know, there is ANR, there  
3 is Agency of Agriculture, the Department of  
4 Public Service, there is the Public Service  
5 Board and Lord knows there may be another  
6 couple of agencies that -- regulatory bodies  
7 who want to get involved in looking at ag  
8 energy. Where are those lines? Where are  
9 they best drawn to incent the kinds of thing  
10 we want to have happen? Can we socialize  
11 some of the costs, given some of the social  
12 benefits that can be generated on these  
13 farms. When we are not venting methane to  
14 the air, but capturing it and utilizing it  
15 and creating a base load dispatchable green  
16 power source, that's an enormous arguably  
17 social benefit.

18 Now I will tell you one of the burdens  
19 or one of the barriers to getting a digester  
20 is the hookup charge on the grid. That's an  
21 expensive chunk of money. Could that be  
22 socialized across the grid to all the people  
23 who are going to be benefited from that  
24 distributed generation from the burning of  
25 the greenhouse gas from increasing viability

1 of the farms so that farm is a viable  
2 economic unit in the community? Is that a  
3 justifiable thing to do? By the way, where  
4 do you want to draw that line?

5 So there are questions about what  
6 constitutes a permanent commitment of the  
7 resources of the farm. In our Agency the  
8 ones we are most concerned about are soil.  
9 Because that is the baseline resource that  
10 agriculture depends upon. What constitutes  
11 a permanent commitment? And I challenge you  
12 to distinguish between the foundation for a  
13 new barn where you can put on more cows,  
14 more pigs, more whatever, and its  
15 contribution to the economic viability of  
16 that farm and the cement pad for a wind  
17 turbine that reduces cost and may increase  
18 reliability for that farm or the utilization  
19 of soil, which kind of soil for a solar  
20 array.

21 So the notion that we allow people to  
22 bring in gravel every day on a farm, build  
23 up a parking lot that can sustain an 18-  
24 wheeler to pick up their milk, and put down  
25 cement so they can have a washing station,

1 and build a barnyard that commits a  
2 significant chunk of resource so they can be  
3 more economically viable in what is their  
4 traditional, and I would underscore the word  
5 traditional, notion of what they do on the  
6 farm, versus having a solar field and a wind  
7 turbine or a commitment of percentage of the  
8 ground to Miscanthus so they can grow grass  
9 to energy and have a grinder and a  
10 pelletizer on the farm, what's the  
11 difference? So there is a question.

12 MR. JOHNSTONE: Can I just ask you if  
13 you can draw a line about what that trails  
14 back to on that one. So I'm wondering if it  
15 gets to the ag exemptions or permitting  
16 requirements, is that what you're leading --  
17 is that what the question relates to?

18 Because in general, I think you know, it's a  
19 pretty easy question to answer. I think it  
20 probably -- I'm guessing you're relating it  
21 back to those questions of how does it keep  
22 exemptions and different permit  
23 expectations, is that right?

24 MR. ROSS: Yes. Exemptions which really  
25 go to regulatory questions and oversight.

1 MR. JOHNSTONE: Great. Thank you. I  
2 just wanted the context.

3 MR. RECCHIA: Do you have -- like you  
4 have -- kind of follow on, do you feel like  
5 you have the information -- obviously a  
6 cement pad footprint I get that. Do you  
7 have information on solar fields and  
8 impacts, you know, on soil condition?

9 MR. ROSS: Well again, interesting.  
10 It's technology by technology, and the  
11 evaluation, and evaluation of the technology  
12 within that technology. How high are the  
13 posts that the solar arrays are going to be  
14 on? Do they tip? Can you actually graze  
15 animals underneath it? Are they, you know,  
16 essentially next to each other so there is  
17 very little, you know, sunlight that gets to  
18 the ground, or are they dispersed so you can  
19 graze sheep underneath them? Just because  
20 we have a certain type of technology we  
21 deployed in the field right now that may  
22 present some problems, it doesn't mean we  
23 are going to have that problem going forward  
24 in the future.

25 CHAIRMAN EASTMAN: So Chuck, yeah, I

1 mean you're teasing me here because I think  
2 it's -- I'm not sure we would actually agree  
3 on this one. I mean I can see where we have  
4 exempted certain activities in Vermont for  
5 years. And I can see an effect from, you  
6 know, methane is one thing. But why should  
7 the ag lands, you know, owned by a farmer be  
8 treated differently than the ag lands that I  
9 own?

10 So if I'm proposing a solar site on my  
11 property, and I'm not farming it, but I've  
12 got prime ag soils, why should it be treated  
13 differently than the farmers? So for  
14 something that isn't, as I say, inherently,  
15 and I understand wanting to encourage it,  
16 because I'm with you, when I got to ANR I'm  
17 saying don't people remember there is some  
18 other things we could do to help ag. Some  
19 of it relates to the forest land they own  
20 kind of thing. So is it that you think  
21 there should be exemptions or continue to be  
22 exemptions? What are we doing?

23 MR. ROSS: You're asking me questions  
24 for which I don't have all the answers, but  
25 I will tell you from the Agency's standpoint

1 we are interested in prime ag soils. We  
2 have focused more on prime ag soils now than  
3 we have in the past at my request, partly  
4 because in my leadership position I believe  
5 we need to. Because the economic units that  
6 can utilize prime ag soils now are smaller  
7 than they used to be when I was back in  
8 doing the legislative stuff 20 years ago.

9 So a smaller piece of prime ag soil is  
10 now much more important. Then the question  
11 becomes what are you doing to that prime ag  
12 soil. Now if you are putting -- if you're  
13 screwing in a solar post that you can pull  
14 out later, then have you really committed it  
15 permanently? Is there any difference  
16 between the income that you generate from  
17 screwing that post into that prime ag soil  
18 and the alfalfa crop that you could be  
19 growing there if you didn't have that post,  
20 to the farmer.

21 CHAIRMAN EASTMAN: But does it matter  
22 whether it's on -- the soils are owned by a  
23 farmer or the soils are owned by me?

24 MR. ROSS: I would argue what matters  
25 are what are the soil types and what is the

1 -- what are the alternative uses for that.  
2 You know, and these are kind of interesting,  
3 evolving questions. And there is a  
4 difference between supporting a farm to be  
5 continued to be a viable unit where they are  
6 able to utilize a much broader foundation of  
7 land than you can on your 10-acre splotch of  
8 land up in wherever you live, in Peacham,  
9 versus if that would help you be able to  
10 continue to farm another 400 acres because  
11 you're now viable, because you've got an  
12 income stream that's offsetting the cost  
13 center, is that a difference? Complex  
14 question, isn't it?

15 CHAIRMAN EASTMAN: But that may be.

16 MR. ROSS: And let me caution, at least  
17 I've become more cautious. Let us not look  
18 at that complex question and decide well  
19 what we need is a very complicated  
20 permitting process to evaluate that. I mean  
21 -- so I'll conclude by saying, in terms of  
22 the questions, there is this whole balance  
23 which we just talked about between society's  
24 interest, the farmer's interest, the local  
25 zoning, statewide regulation versus what the

1 farmer needs to be able to do to be a viable  
2 economic unit in this landscape at this time  
3 which in the role of agriculture for the  
4 overarching portion of the State of Vermont,  
5 and which falls out of that is the whole  
6 question where do the ag exemptions  
7 appropriately lay.

8 And so we have this rather archaic  
9 process of defining farms a number of ways,  
10 one of which is the use of the AAPs which  
11 Deb and I will talk about from time to time  
12 with respect to water quality. Should that  
13 be the definition we use for ag energy? I  
14 don't know the answers to these questions.

15 MR. RECCHIA: I don't suppose we can  
16 just rely on --

17 MS. SYMINGTON: Didn't you get the memo  
18 you're supposed to come with the answers not  
19 the questions?

20 (Laughter.)

21 MR. RECCHIA: That was better than what  
22 I was going to say, which is so I guess what  
23 you're saying is we really shouldn't use --  
24 rely on people just putting the word farm on  
25 things, right? Solar farm, wind farm.

1 MR. ROSS: If I'm the one going to be  
2 labeling the farms, you should rely on it.  
3 That would be fine. Just trust me.

4 (Laughter.)

5 MR. ROSS: So I think it's important,  
6 and I wanted to start with that because I  
7 think it's important to understand the  
8 enormous opportunity there is in the ag  
9 energy in the State of Vermont, and it's  
10 important to the State of Vermont to  
11 agriculture, and all of that's connected to  
12 it. You talk about tourism and sense of  
13 place and the quality of life, all that is  
14 real, and it is related to ag energy on the  
15 one hand.

16 On the other hand, you know, I'm not  
17 going to sit here and try to tell you that  
18 it's all easy and there aren't some  
19 significant questions that have emerged,  
20 some of which we are dealing with as we  
21 speak, and some of which we are going to  
22 struggle with. But we shouldn't back away  
23 from the struggle, because the opportunity,  
24 I think, is that significant.

25 So I have a few comments on specifics

1 that are on the table. And I want to  
2 preface my remarks on these specifics to  
3 remember the concepts of flexibility,  
4 coordination and aesthetics. Because they  
5 apply to some degree to all of these  
6 situations. So one situation we are having  
7 to come to grips with is conserved land,  
8 where people in a community, both on public  
9 dollars and private dollars, have actually  
10 spent money to conserve farm land. So is  
11 the utilization to conserve farm land for ag  
12 energy purposes an appropriate utilization  
13 of that conserved land?

14 This is an issue where by virtue of my  
15 position I sit on the VSP board where most  
16 of our money for conserved land from the  
17 public coffers passes through there. That  
18 is an active question. I would suggest,  
19 yeah, I think it is, but it goes back to the  
20 farm viability enhancement question. If  
21 you're enhancing the viability of farms,  
22 particularly if you're not committing  
23 significant resources and particularly not  
24 prime ag resources, it seems to me I would  
25 argue that one should look at it as a viable

1 use of conserved land. And but is that, you  
2 know, uniform? We haven't been down this  
3 path long enough for me to be able to say,  
4 that's just a uniform policy statement that  
5 shouldn't have exceptions.

6 My guess is we should probably -- we  
7 will find there will be a need for some  
8 exceptions. Let's just not build a process  
9 that takes two years to get a decision about  
10 whether you can utilize that land. My fear  
11 is, quite frankly, is that we develop for a  
12 lot of process to make decisions that become  
13 an impediment instead of a decision making.  
14 That the length of the process ends up being  
15 the decider rather than the decisions within  
16 the process.

17 CHAIRMAN EASTMAN: What's the size of  
18 most ag related projects? Megawatt size I  
19 mean --

20 MS. McCARREN: Kilowatt. Talk about  
21 kilowatt.

22 CHAIRMAN EASTMAN: Exactly. We are  
23 talking small.

24 MS. McCARREN: Small.

25 MR. JOHNSTONE: Now. Not true across

1 the country.

2 MS. McCARREN: Absolutely not true  
3 across the country.

4 MR. ROSS: Six to 800 kilowatts is about  
5 the right, biggest. You know, you go out to  
6 Iowa --

7 MS. McCARREN: Or Texas.

8 MR. ROSS: It's a whole different world.

9 MR. RECCHIA: Or New York.

10 MR. ROSS: Across the lake in New York.  
11 So then as we look -- as I've looked at  
12 these ag energy issues, and as we have seen  
13 them play out in the communities, what is  
14 the issue that always comes up? Really?  
15 Aesthetics. This is an aesthetics question.

16 Now I will tell you that from my  
17 standpoint, you know, you can put solar --  
18 you should be able to put solar on your barn  
19 roofs and have nobody say anything about  
20 that. But I understand when you start  
21 putting them on a hillside that's in  
22 somebody's viewshed they get concerned. So  
23 how do you balance that one? And what if  
24 you put them in your meadow that's, you  
25 know, what's the appropriate distance where

1 the aesthetics things all of a sudden stops?  
2 Or what are the conditions where, you know,  
3 and what set of judges are going to be the  
4 aesthetics judges on this stuff? I don't  
5 know who those are yet.

6 MS. MARKOWITZ: We have two consultants.

7 MR. RECCHIA: I have consultants.

8 MS. McCARREN: You can get both sides.

9 CHAIRMAN EASTMAN: Those are the same  
10 issues that we have wherever they are going.

11 MR. ROSS: Yeah. And there is, you  
12 know, back when I was on the Regional  
13 Planning Commission in the '80s we did an  
14 evaluation of -- a Lisa evaluation of  
15 looking at the farms for their various  
16 attributes, agriculture production being  
17 one, aesthetics being another. And I don't  
18 know if there is a way to do that kind of  
19 planning look ahead of time, which is kind  
20 of what you folks are doing here. Right?  
21 To, you know, indicate what seems to be  
22 reasonable in advance.

23 So the farmers are not having to  
24 negotiate this stuff, you know, project at a  
25 time without any notion of whether they are

1 going to end up in a fire storm or not.

2 MS. McCARREN: Personally I like the big  
3 plastic coverings with the tires on them.  
4 Yeah.

5 MR. ROSS: Well you know, we used to see  
6 the wires on the streetscapes as progress,  
7 and now we want to bury them. So you tell  
8 me.

9 MR. RECCHIA: So in an ideal world -- in  
10 my ideal world -- we would be paying for  
11 ecosystem services at rates that actually  
12 were to meet the societal and beneficial  
13 value. There wouldn't be any externalities.  
14 And then when an energy project came up you  
15 could balance that against the other values  
16 and know whether you were causing a decrease  
17 in the value of something that was  
18 important.

19 I kind of know we are not going to get  
20 there from an economic standpoint, so how do  
21 we get there from a planning standpoint? It  
22 seems to me you could accomplish much the  
23 same if you were paying attention --

24 MR. ROSS: Not that the work that we did  
25 in 1980 is a template for today necessarily,

1 but it did represent an effort to go out and  
2 evaluate, and it -- kind of through the  
3 public lines ahead of time. I think to some  
4 degree that's some of the challenges I  
5 understand you're being asked to take on  
6 here. You know, where does this stuff make  
7 sense? Can you point ahead of time that,  
8 yeah, it makes sense over here? Are these  
9 the conditions that it makes sense under?

10 And you know, when does, you know, I  
11 joke with my neighbors when I bump into  
12 them, and they are looking over my farm  
13 fields that then fold into a nice wetland  
14 scape with Camel's Hump in the background, I  
15 say when do you want me to send you my view  
16 tax, my surcharge for maintaining that  
17 meadow and not putting anything ugly in the  
18 way of the view of Camel's Hump off in the  
19 distance? You know, what's that balance?  
20 And to me that's a really difficult  
21 challenge, but -- and it's made better, I  
22 believe, when you have a farm situation  
23 where the power is utilized arguably on the  
24 grid displacing other energy, you know, how  
25 far you want to take that. Well we know how

1 that works out in some of the mountaintops  
2 with the wind turbines. It doesn't always  
3 carry the day in terms of all the neighbors.

4 But again, you're asking a question I  
5 don't have an answer for today. But I think  
6 there may be an ability to build a process  
7 with the good work of the Regional Planning  
8 Commissions and may be able to begin to  
9 articulate the conditions under which a  
10 farmer can look at it and say, yeah, I can  
11 do that. Barn roofs, no problem. Go for  
12 it. Small wind turbines located certain  
13 distances, you know, not a problem. Solar  
14 fields, depends upon where they are.

15 So anyway, get back -- to be respectful  
16 of your time, the whole conserved land thing  
17 is a work in progress. And you know, and I  
18 would argue that some of it -- the questions  
19 need to be looked at kind of like, so if you  
20 have a conserved land and someone wants to  
21 put in a goat farm, they are going to have  
22 to build infrastructure for that goat farm.  
23 They are going to have to do things on that  
24 farm so that land can be used by  
25 agriculture.

1           Now if the energy activities are used as  
2 a part of an ongoing farm operation it makes  
3 that farm operation viable so that land is  
4 actively conserved in steward, I think that  
5 needs to count for something.

6           CPGs. Moving on, CPGs and the role of  
7 Department of Public Service, the Public  
8 Service Board, the Agency of Natural  
9 Resources and the Agency of Agriculture, we  
10 currently don't have a formal role though.  
11 We are often invited in, and we appreciate  
12 that. So there is a question what role  
13 should we play on issues related to ag  
14 energy and/or the utilization of ag soils as  
15 a part of any energy project. I think there  
16 is a question that we may want to look at.

17           I hesitate to think about the capacity  
18 issues if we are to become a party to those  
19 proceedings as a matter of law.

20           MR. DePILLIS: How about we just get a  
21 soils person on the board?

22           MR. ROSS: There may be any number of  
23 ways to address this, but there is a  
24 question there about what is the legitimate  
25 role of the Agency of Agriculture in these

1 projects as we go forward. And particularly  
2 as the economic and energy landscape  
3 changes, as it has, meaning smaller pieces  
4 of prime ag land are more important now than  
5 they were when they were basically a  
6 pasture-based dairy economy only. Where are  
7 the appropriate lines to be drawn? And what  
8 are the appropriate decisions of each agency  
9 to make in this.

10 I like the notion that if we are going  
11 to have -- that we allow the Agency of  
12 Agriculture and Agency of Natural Resources  
13 to do -- to deal with what is clearly within  
14 their expertise; manure management, and some  
15 of that waste management question.

16 I understand that the Public Service  
17 Board and the Department of Public Service  
18 may have a greater voice on what about the  
19 electrical hookup, the amount of power  
20 that's being generated on the grid. And  
21 then the real -- so that kind of delineation  
22 would make some sense.

23 I understand there is some ideas about  
24 having different kinds of experts as a part  
25 of these conversations either on the panel

1 or as parties. That may make some sense in  
2 terms of getting smarter, more grounded  
3 decisions. And so then I like the notion  
4 that we try to look at what I call an  
5 umbrella permit so that you kind of  
6 understand the boundaries before we would  
7 have to go back. So if you're going to deal  
8 with increasing your electrical load that at  
9 some point, you know, the permit said you  
10 could go up to 800 kilowatts, and the next  
11 step you're going to get to 900, now you're  
12 going to have to come back. If you start at  
13 five and you end up going to seven, that's  
14 okay. If you want the whole issue around  
15 the substrates for biodigesters, when is --  
16 who is best at making that decision? And do  
17 we really want to plug up the Public Service  
18 Board process with, you know, whether you're  
19 going to bring another tractor trailer load  
20 a week or a month on to your farm to jazz up  
21 your biodigester? That seems to be a waste  
22 of public resource that we could better deal  
23 with in an initial permitting of that  
24 facility, and let ANR and Agency of  
25 Agriculture have at that question.

1           There is interesting questions about  
2 post-consumer, preconsumer waste streams  
3 going to the biodigesters that we need to  
4 figure out too. That again I'm not sure of  
5 the role of Public Service Board, Department  
6 of Public Service versus -- in that  
7 conversation versus the Agency of Natural  
8 Resources and Agency of Agriculture.

9           MR. RECCHIA: The interesting thing  
10 there is that while you guys are the experts  
11 on the material coming in, and it shouldn't  
12 matter, just like your aesthetics point,  
13 it's about traffic, right? And who is the  
14 best position to judge whether a truck going  
15 by somebody's house is a good thing or a bad  
16 thing?

17           CHAIRMAN EASTMAN: But if that truck  
18 doesn't happen, another truck is going to  
19 happen. Right?

20           MR. RECCHIA: I don't disagree, but  
21 that's right.

22           MR. ROSS: Are we doing Act 250 review?

23           CHAIRMAN EASTMAN: No. That's what I  
24 mean. If you don't take care of the stuff  
25 that way, it's going to -- trucks are going

1 by to be spread someplace else. It's not  
2 like it just stays in one place.

3 MR. ROSS: There is a scaling question  
4 and there is a farm definition question, to  
5 go back to my questions. But some clarity  
6 around the lines having some umbrellas that  
7 work for the Public Service Board reviews so  
8 we are not having to keep coming back and do  
9 that, sometimes a litigious process, but  
10 everybody understands I'm starting at a 400  
11 kilowatt. I may be able to grow to 600. If  
12 I can get the right substrates I need to  
13 talk to Agency of Agriculture and ANR about  
14 what are those right substrates. I don't  
15 need to go back to the Public Service Board.  
16 So that whole piece is of interest. And so  
17 then make sure --

18 MS. SYMINGTON: Do some of these  
19 questions bleed off into questions of --  
20 that would be also relevant to forests, or  
21 are they off limits because they are not ag?  
22 I mean like what if instead of biodigesters  
23 you were talking about biofuels, biomass?  
24 You know, thermal plants or electric plants  
25 and the relationship --

1 MR. JOHNSTONE: The role of conserved  
2 lands, for example.

3 MS. SYMINGTON: Yeah, and the role of  
4 conserved lands, and the health -- the  
5 impact on the health of forest. That's not  
6 under your purview.

7 MR. ROSS: No, it's not under my  
8 purview. I think there is some interesting  
9 parallels, some of which work and some of  
10 which are probably a strain.

11 MS. SYMINGTON: Because we don't really  
12 treat our forests with the same kid gloves  
13 historically that we do our --

14 MR. ROSS: No. But we also -- I think  
15 one of the things -- frankly the work that  
16 Chris did when he was at Burke was to talk  
17 about the ecological limits of forest  
18 harvesting, and they are real. There is  
19 probably a greater risk of somebody in the  
20 down country buying -- trying to buy as much  
21 of the biomass in our forests and taking it  
22 out of the state and not having that power  
23 and that energy source and organic matter  
24 utilized in Vermont but utilized someplace  
25 else at the expense of us. And we don't

1 kind of fertilize the forest like we  
2 fertilize our fields. Our fields are more  
3 sustainable in terms of, you know, of  
4 harvesting in an aggressive way because we  
5 are recycling nutrients. We don't do that  
6 in our forests. Particularly when we start  
7 taking stem through top out.

8 So I know I'm just running into your  
9 time. So I guess, you know, walking away  
10 from this, I think we have an array of  
11 questions, and frankly questions we need to  
12 ask. Because this is a whole new emergence  
13 of an energy arena that hasn't been dealt  
14 with very thoroughly, and the goal posts are  
15 changing because the technology's changing.

16 What constitutes modern farm equipment  
17 and, you know, I continue to ask you to  
18 challenge yourself between -- so you know,  
19 cement pad for this versus cement pad for  
20 that, what does it do for the farm, is I  
21 think the lens that we need to somehow  
22 articulate, because at the end of the day  
23 the opportunity for ag energy is to help  
24 sustain our agricultural working landscape,  
25 which generates an array of benefits that --

1 some measurable, many not, for the State of  
2 Vermont.

3 And in many cases, particularly when you  
4 get to things like grass to energy, it is  
5 really just a different form of agriculture.  
6 And if we -- you know, and I think the prime  
7 ag question is one that we need to wrestle  
8 with. What constitutes a permanent  
9 commitment of those soils, and you should  
10 really extend that from prime ag to soils of  
11 statewide significance that are highly  
12 useable soils.

13 CHAIRMAN EASTMAN: Scott.

14 MR. JOHNSTONE: Just an offer. I would  
15 love for you to take up the David Letterman  
16 challenge that ANR brought forward today and  
17 bring back your top 10 list of changes you  
18 would like to see happen --

19 MR. ROSS: Be happy to do that.

20 MR. JOHNSTONE: -- in this process and  
21 give you a chance to advocate. Thank you  
22 for raising all the questions, but give you  
23 a chance to add your voice to the answer of  
24 them from the ag perspective.

25 MS. McCARREN: You are very diplomatic.

1 MR. ROSS: Alex and I will do that. And  
2 Alex, is there anything I haven't touched on  
3 that --

4 MR. RECCHIA: Any other questions for  
5 us?

6 MR. DePILLIS: He was going to ask  
7 questions. I'm going to give all the  
8 answers. No.

9 MR. ROSS: To answer your question, I  
10 would like to see that the socialization of  
11 some of the costs of hooking up under the  
12 grid be --

13 MS. McCARREN: Why don't you just -- I  
14 wrote that down. Why can't the farmer make  
15 a deal and simply take it out of the revenue  
16 stream?

17 MR. ROSS: Of what the farmer is making?  
18 Because sometimes --

19 MS. McCARREN: Yeah.

20 MR. JOHNSTONE: He's not making enough.

21 MR. ROSS: That's the issue.

22 MS. McCARREN: All right. I didn't mean  
23 the farming industry.

24 CHAIRMAN EASTMAN: I like your top 10.  
25 For me I'm looking at this, and I know there

1 are some things that may be specific to ag,  
2 but a lot of things are questions that we  
3 have been asked about other things anyway,  
4 and we are really looking, I think, or  
5 thinking about there may be different  
6 thresholds, you know, of when we over-  
7 complicate things and when we don't. And  
8 you know --

9 MR. ROSS: And clearly one of the  
10 questions is going to be, you know, this  
11 what constitutes a farm and what constitutes  
12 an appropriate ag exemption. And you know,  
13 candidly I don't know that I even know all  
14 the various ag exemptions that are scattered  
15 through the statutes of the State of  
16 Vermont.

17 MR. JOHNSTONE: If you brought us what  
18 you think the right definition of farm is,  
19 if we agree, we could help move that  
20 dialogue.

21 CHAIRMAN EASTMAN: One other thing I  
22 would ask for, because I don't understand  
23 it, grass to energy. Will you give me  
24 something on what the consequences of grass  
25 to energy, you know, actually look like?

1 MR. RECCHIA: Decriminalization.

2 (Laughter.)

3 CHAIRMAN EASTMAN: Okay. All right.

4 With that, Secretary --

5 MR. ROSS: Okay. Well I appreciate your  
6 time, and I'm sorry I don't have more  
7 questions and answers, but I would be happy  
8 to try to generate some of those.

9 MR. JOHNSTONE: Just an opportunity.

10 CHAIRMAN EASTMAN: We will be back. We  
11 will have you back.

12 MR. ROSS: Okay. Perfect. Good luck.  
13 I'm glad the Governor has made this  
14 appointment because I think actually we have  
15 had this siting conversation. We needed it  
16 probably 10 years ago. Thanks.

17 CHAIRMAN EASTMAN: So Billy.

18 MR. COSTER: All right.

19 CHAIRMAN EASTMAN: So Commissioners,  
20 just so you know --

21 MS. McCARREN: We are solving problems.

22 CHAIRMAN EASTMAN: You and Congress.

23 MS. McCARREN: Oh Jan.

24 (Laughter.)

25 CHAIRMAN EASTMAN: It's that new solving

1 problems. Linda and Tom have to leave by  
2 12:15. I know that's going to leave us  
3 short on this presentation, so what I'm  
4 going to suggest is we let Billy really sort  
5 of present it to us, and we may not get a  
6 lot of time for questions about this. And  
7 we will just have to, Billy, have you back,  
8 and have it back, and as we start talking  
9 about possibilities and things.

10 MS. MARKOWITZ: So Eric -- I think  
11 what's going to be most important is for you  
12 to see it visually, get a brief sense of the  
13 size of it, but Eric could go on, not about  
14 the science behind it, and it's probably  
15 less necessary than you to see the tool so  
16 you can have some, you know, use your  
17 imagination as to how it's -- it can be  
18 used. I think you want to hear a little bit  
19 about it because you want to know that it's  
20 good science.

21 CHAIRMAN EASTMAN: You're going to have  
22 to go back. Sorry.

23 MR. COSTER: That's fine. And I'm here,  
24 but it's really going to be Eric presenting  
25 most of the information. So once you get

1 set up --

2 CHAIRMAN EASTMAN: Go ahead and start.

3 I'm just getting water.

4 MR. COSTER: Introduce yourself to the  
5 crew here.

6 MR. SORENSON: I'm Eric Sorenson. I  
7 recognize a couple past Secretaries. Nice  
8 to see you here.

9 I'm an ecologist in the Fish & Wildlife  
10 Department. I have been with the Agency  
11 about 23 years, and in my role in Fish &  
12 Wildlife for oh, 12, 13. And this project,  
13 the Biofinder project, it started off as  
14 being called the Natural Resources Mapping  
15 Project, is a really exciting thing for the  
16 Agency. We have so much data at the Agency,  
17 so much environmental data, and we are very  
18 good at generating data. We are very bad  
19 historically at assimilating it into a way  
20 that's very useful. We tend to say here's  
21 all the information, make use of it.

22 And the biomap or the Biofinder project  
23 is, I think, a very good example of trying  
24 to put it together. And Deb has made this  
25 happen, tried to put it together in a way

1 that is useful for energy siting, yes, that  
2 was a major driver in starting this, but for  
3 many other reasons. What I wanted to do is  
4 --

5 MS. McCARREN: What is that? Ocean?

6 MR. SORENSON: It's Maine.

7 MR. RECCHIA: Salt water.

8 MS. MARKOWITZ: While Eric is getting  
9 this up, let me give you the context for  
10 what you're about to see, if that's okay.  
11 Biofinder itself will be the natural  
12 resource map on our Web site. It shows  
13 biodiversity, it maps out biodiversity of  
14 the state. But the data sets from the  
15 Biofinder are going to be incorporated into  
16 the Vermont Energy Atlas. So all of this  
17 information will be accessible as part of  
18 the Energy Atlas with overlays that include  
19 all of the renewable energy resource, plus  
20 we are bringing in data of the grid, where  
21 the power lines are.

22 That's at the request of the  
23 legislature. And this project was supported  
24 by the Vermont Sustainable Jobs Fund grant.  
25 So what you're seeing is what's going to be

1 on our Web site. People who want more  
2 information who might be starting on the  
3 Energy Atlas will be directed to come back  
4 to our Biofinder to dig in more deeply.

5 MR. SORENSON: The energy site will show  
6 the final results, and the link will be back  
7 to the Agency of Natural Resources' web site  
8 where there is more detail about the  
9 components.

10 MS. MCGINNIS: Just so you know, we are  
11 going to circle back to the sustainable jobs  
12 fund people on the fifth, so they will be  
13 here if you need to ask questions of them.

14 MS. MARKOWITZ: It's not up yet on the  
15 Energy Atlas. That's because they have been  
16 really fine tuning our data until very  
17 recently and now it's complete. So we  
18 didn't want to send them any preliminary  
19 data. They needed to wait until we had it  
20 all fully vetted and complete which it is  
21 now.

22 MR. SORENSON: Yes. So just what it's  
23 about is identifying lands and waters that  
24 support high priority ecosystems, natural  
25 communities and habitats. And this goal of

1 making this data available widely, both as a  
2 GIS shape files, and through, I think, easy  
3 to use interactive map on the web. And why  
4 are we doing it? Conserve our natural  
5 heritage, show priority locations for  
6 biological diversity. I think being able to  
7 respond more quickly and with some summary  
8 information and with some detailed  
9 information for all kinds of folks that are  
10 going to be using -- making environmental  
11 decisions. And it's required by the energy  
12 bill with the date for it being released as  
13 of today, January 15. The Secretary will  
14 release it as of today. And it's going live  
15 today. This is not -- this part isn't live  
16 yet.

17 So the Biofinder is made up of two  
18 parts. There is this first part which is 21  
19 component data layers. And some of these  
20 are new, some of these are old, and they are  
21 broken into three categories; landscape  
22 scale category, landscape scale components;  
23 aquatic components; and components that are  
24 associated with rare species and natural  
25 communities.

1 I'm not going to go through -- this is  
2 the part I could talk about for a long time,  
3 I get really excited about, and there is  
4 some new stuff in this that's new for the  
5 Agency too. Those are the 21 components  
6 that went into it.

7 We weighted all those components, and we  
8 weighted them -- there is a steering  
9 committee partners, Agency of Natural  
10 Resources and three working groups, science  
11 working groups. This was driven by as much  
12 -- as good of science as we can do. We  
13 weighted these individual components like  
14 that. Where you see multiples it's because  
15 landscape connectivity has three separate  
16 parts to it, and rare species and natural  
17 communities weren't weighted. They were  
18 sent to the top of the line. Those are the  
19 weights we gave them.

20 And then for each place on the ground,  
21 each 10 meter pixel, in GIS language, those  
22 scores for each component, each of the 21  
23 components, the components are stacked on  
24 top of each other, and then for each one  
25 place on the ground where the right arrow

1 is, you can see we have a score. We have a  
2 score that totals all those different  
3 components. Just as an example, here's a  
4 place in Windham, the red dot is one pixel,  
5 10 meters by 10 meters. And in that  
6 particular place there are these three  
7 components. Riparian connectivity; road  
8 crossings, wildlife road crossings; surface  
9 waters. You can see the weighting for each  
10 of those, and a total pixel score of 18.

11 Here's the distribution of all the  
12 scores for the millions and millions of  
13 pixels statewide. You can see the number of  
14 pixels on the left and the score on the  
15 bottom, and the distribution of those  
16 scores, and you can see, I can't point to  
17 it, but the numbers on the left there are  
18 huge. The group broke these -- broke this  
19 graph into these sections, we call them  
20 tiers, based on, I think, a fairly sound  
21 method called natural breaks, and we  
22 assigned these tiers to them. Tier one  
23 being the best, the highest pixel score;  
24 tier six being something where we have no  
25 data for.

1           And this is what that looks like. This  
2 is a statewide map from Biofinder with tier  
3 one being the very best and tier six being  
4 no data. And there are places like this in  
5 here around Barre Montpelier where you don't  
6 see much. If you zoom in there is actually  
7 more there. I'll come back to that.

8           So back to the Windham example, that  
9 score of 18 is a tier two, and tier two  
10 means a very high concentration of those  
11 underlying components contributing to  
12 biological diversity. That's really what  
13 the map is. And I think of it as being good  
14 for planning. It's good for really  
15 landscape scale mostly, but I think you can  
16 get down pretty small scale with some of the  
17 features, first doing development review,  
18 and it gives us this understanding, a broad  
19 understanding of the landscape that I don't  
20 think we have had before, because it really  
21 pulls it together in ways that we haven't.  
22 And we have some caveats, of course, like  
23 the map does not replace site visits. There  
24 is always stuff out there that we don't  
25 know, and you've got to get to the site and

1 figure out what's there. But the map does a  
2 lot to get you that preliminary information  
3 that can make a lot of decisions, especially  
4 for something like siting. It can get you  
5 to this is not a good place. It's very --  
6 it's much harder to say this is a good place  
7 to site something large scale when you base  
8 -- when the decision is usually based on  
9 information of something being important.  
10 So the lack of information isn't always  
11 conclusive.

12 And then the last one is areas on the  
13 map that are blank or low priority there may  
14 still be something there that you would find  
15 by more inventory.

16 MS. MARKOWITZ: Let me also mention it  
17 doesn't have everything that we consider  
18 during a process of -- a 248 process. So  
19 for example, the decision of the group who  
20 worked on Biofinder was not to include deer  
21 yards. Now that's an example of something  
22 that we'll take into account as we are  
23 making siting decisions, if there is a deer  
24 yard, they may need to conserve other  
25 property because deer yards end up being

1 very important for the survival of the herd,  
2 or you know, the health of the herd. But  
3 that doesn't actually impact biodiversity.  
4 So this is a biodiversity map -- and well  
5 there is lots of reasons. So it's not  
6 everything an applicant would need to look  
7 at all on this map. But I think, as you can  
8 see, it's a really good start.

9 MR. SORENSON: Very good point. So the  
10 mapping tool goes live today. We are still  
11 working to complete the report. And we will  
12 update the Web site as that happens. And we  
13 are trying to do as much sort of outreach to  
14 -- like we meet with the Natural Resources  
15 Board in a couple weeks. And just how the  
16 project could be used both internally in the  
17 Agency and with partners and other boards.  
18 That's that.

19 The other thing I wanted to show you was  
20 the actual -- that doesn't show much, does  
21 it? This is the map over here. Let me see  
22 if I can shut some things off to make it --

23 MS. MARKOWITZ: Go down and make it  
24 smaller at the very bottom corner. Just  
25 below this.

1 CHAIRMAN EASTMAN: Where it says 150.

2 MR. SORENSON: Thank you very much.

3 Maybe I can go a little smaller. Great. So  
4 this map is the same map -- Eric Engstrom in  
5 the Agency of Natural Resources GIS job has  
6 done an amazing job to make this work fast.  
7 This is a fairly poor Internet connection  
8 here, and my laptop is seven years old.

9 MS. McCARREN: Did you hear that, Deb?.

10 MR. BODETT: Do they make them that old?

11 MS. MARKOWITZ: We need more money.

12 MR. SORENSON: This thing is so fast  
13 that you can get around and look at what  
14 this means in any particular place.

15 MS. McCARREN: So all of Lake Champlain  
16 is --

17 MR. SORENSON: All of Lake Champlain is  
18 a tier two.

19 MS. McCARREN: Got it.

20 MR. SORENSON: There are no other lakes  
21 like it. So this map looks at these tiers  
22 like this. And I just want to show you some  
23 of the functionality of it. You can shade  
24 this out, and you can put on a different  
25 base map, different base map. A little

1 flickering there, but I think it's not --

2 MS. MARKOWITZ: It's probably the  
3 Internet connection here is really weak.

4 MR. SORENSON: It is weak. I'll come  
5 back to that.

6 MR. BODETT: Bill Gates had this problem  
7 when he rolled out Windows 7. Same thing.

8 MS. McCARREN: No connectivity. Bad  
9 staff word.

10 MR. SORENSON: There are two parts to  
11 the map, these tiered components which are  
12 the ones I explained. Then the other part  
13 which I still think in some ways is the  
14 bigger deal about this map, is all the  
15 components, all the underlying components,  
16 all in one place. And if you, boy, you can  
17 look at any of these components. Like  
18 here's one called habitat blocks. These are  
19 large chunks of unfragmented forest, and you  
20 can look at that statewide. You can look at  
21 -- one of the features about this that's new  
22 is what we called landscape connectivity.  
23 The ability -- you can think of it as the  
24 ability of large mammals to move across  
25 large distances. And in order to do that,

1 they need large blocks of habitat, and they  
2 need connections across roads. And this  
3 layer now -- this is a new -- this is  
4 something that came out of this project  
5 that's brand new, that represents a network  
6 of connected lands statewide, with the idea  
7 that you need to be able to get from the  
8 Adirondacks over to New Hampshire and up  
9 into Quebec, and across the Connecticut.

10 And the different colors are really just  
11 different scales of that network. This is  
12 new data for us, and especially for things  
13 like siting where we are looking at, and  
14 especially things like wind energy siting,  
15 when you're looking at large-scale  
16 development on ridgelines, this is something  
17 that's turned out to be very, very helpful.

18 MS. MARKOWITZ: And it's really  
19 important for climate resiliency. There is  
20 going to be migrations for wildlife, and the  
21 conversation about how do we make sure we  
22 are resilient to the future climate changes  
23 really focuses on how do we keep this much  
24 of connectivity as possible.

25 MR. SORENSON: I think that's probably

1 the biggest message now about being  
2 resilient to climate change is landscape  
3 connectivity. So can I show you maybe a  
4 quick example of a place and how --

5 MS. McCARREN: This is going to go on  
6 line tonight?

7 MR. SORENSON: Yes. It's on line now,  
8 and it's being shifted over to a public Web  
9 site today.

10 MS. McCARREN: So we can go and play  
11 with this.

12 MR. SORENSON: I think we could send out  
13 a link as soon as we have got that link.

14 MS. EASTMAN: That would be great if you  
15 could send a link.

16 MS. MARKOWITZ: Yeah. We will do a roll  
17 out in a little bit of time. It's due today  
18 so it's up today. But we will do more of a  
19 bells and whistles thing a little bit later.

20 MR. COSTER: As Eric is loading this  
21 next example, for siting decisions the tiers  
22 give a real broad brush indication of  
23 sensitivity, and then having all the  
24 component layers available that you drill  
25 down and see exactly what's there.

1 CHAIRMAN EASTMAN: So what the issue is.

2 MR. COSTER: Progress in your decision  
3 making all within the same place.

4 MR. SORENSON: And I think that point is  
5 the critical one. Because we want to have  
6 something that summarizes the information  
7 and says here's a really important area, but  
8 you can't make decisions, and you can't do a  
9 permit, and you can't make findings about  
10 tiers. You can only do those about the  
11 underlying components. They are real. The  
12 tiers are really a construct.

13 MR. JOHNSTONE: I presume even with your  
14 underlying components your comments around  
15 the need for site visits and other  
16 verification, you're not going to rely on  
17 this from a permit perspective. It's a  
18 planning tool.

19 MR. SORENSON: That's right.

20 MS. MARKOWITZ: Exactly right.

21 MR. JOHNSTONE: It's very important to  
22 make sure that's part of the message.

23 MS. MARKOWITZ: We have disclaimers  
24 everywhere.

25 MR. JOHNSTONE: Figured you would, and

1 you should.

2 CHAIRMAN EASTMAN: Because I remember  
3 when I was at the Agency in '90-91 we didn't  
4 even have deer yards maps. We didn't have  
5 them mapped.

6 MR. SORENSON: We didn't have GIS then.  
7 I don't know how we did it, Jan. I really  
8 don't.

9 CHAIRMAN EASTMAN: Act 200 planning. I  
10 went out to talk to local planning  
11 commissioners. They said how do we do this  
12 deer yard thing? I said do any of you hunt?

13 MR. JOHNSTONE: We had hand drawn maps  
14 when I was there, but they weren't  
15 computerized, so we pulled them out and  
16 looked at them.

17 MR. COSTER: Pull the transparency up.

18 MS. MARKOWITZ: Probably had secretary  
19 pools back then.

20 MS. McCARREN: What's that?

21 MR. SORENSON: I'll look.

22 MS. McCARREN: Do whatever you want to  
23 do. I'm sorry.

24 MR. SORENSON: What you can do with this  
25 is you can query any particular part of it

1 to find out what something is. And the  
2 problem is that it's just drawing so slowly  
3 here.

4 CHAIRMAN EASTMAN: It's interesting to  
5 know what this little spot is that showed  
6 up.

7 MR. COSTER: So occurrences of rare  
8 species and other tier one exemplary  
9 features are point mapped with a buffer  
10 around them, so that's why you see like a  
11 dot.

12 CHAIRMAN EASTMAN: Because you don't  
13 want people to know exactly where it is.

14 MR. COSTER: It might not be in exactly  
15 one place.

16 CHAIRMAN EASTMAN: We are not supposed  
17 to let people know where things are.

18 MS. MARKOWITZ: That's the endangered  
19 species protected by statute.

20 MR. SORENSON: Let me skip that.

21 MR. COSTER: It could be something  
22 people want to take.

23 CHAIRMAN EASTMAN: I can't go find the  
24 lady slipper.

25 MR. SORENSON: Let me zoom in on this

1 area here which is -- good. It's working  
2 now. This area right here is Mt. Equinox  
3 down here in Manchester. It was a site of  
4 an early wind tower proposal. And I didn't  
5 want to go to any active ones now, but just  
6 to look at some that are maybe historic.

7 What the Biofinder project would tell us  
8 about that is it's this area right here. So  
9 there is a mixture of tier one, the highest;  
10 tier two, the second highest; surrounded by  
11 tier three and a little bit of tier four in  
12 there. I'm not really sure what the tier  
13 four part is. But just immediately this is  
14 a place that if there was a project proposed  
15 we would say based on this there is a lot of  
16 concern. And from that there is some tools  
17 in here I won't try to show you now. You  
18 can generate a map that describes all the  
19 tiers for a defined area. I could draw a  
20 polygon around that, and then have it  
21 identify what components are there.

22 An easier way to do it quickly is just  
23 to look at what components show up. Sorry.  
24 I'm a little thick handed doing this. I'm  
25 not that fast at moving around in the

1 computer. But change that back again. We  
2 know the area we are looking at.

3 CHAIRMAN EASTMAN: Well if you send us a  
4 link, we can play with it.

5 MS. McCARREN: We'll play.

6 MR. COSTER: This is just -- you can see  
7 right there it shows the individual--

8 MR. SORENSON: You're starting to see  
9 the detail. And from these you can identify  
10 what those features are. So you can zoom  
11 into a place, see what priority it is and  
12 then start to identify the features.

13 CHAIRMAN EASTMAN: Got it.

14 MR. COSTER: So I think these are  
15 incredible tools to help people get a  
16 general sense of what's going on on the  
17 ground and help draw some priorities. As  
18 Eric said, they may not -- even the tier --  
19 there may be areas that are a lower tier  
20 that have issues that make development more  
21 difficult and permitting more difficult.  
22 There might be high tier areas that could  
23 accommodate some proposals.

24 It's really just a screening tool, and  
25 it's not the ultimate guide as to what isn't

1 -- is on and isn't on the table for  
2 development. And that's just a message -- I  
3 think there is a lot of interesting things,  
4 and we just want to be clear it's not the  
5 decider of any of these features.

6 MS. MARKOWITZ: It's not a red light,  
7 yellow light, green light. It's really  
8 information that is a good starting point.

9 MR. JOHNSTONE: I get it's not a green  
10 or red light, but I wonder if it is a  
11 possible way to raise the yellow light.

12 MS. MARKOWITZ: Well actually it's  
13 actually probably a place to raise a strong  
14 yellow light.

15 MR. JOHNSTONE: That's what I'm saying.  
16 It could be useful that way.

17 MS. MARKOWITZ: You're absolutely right.  
18 My goal is to have developers take a look at  
19 this in the first place because they are  
20 going to look at the hassle factor. And if  
21 it shows up as having biodiversity, it  
22 doesn't necessarily mean no, depending on  
23 what's on the ground. It means there is  
24 going to be a lot of questions, a lot of  
25 studies going on. So you're right, it's a

1 yellow light indicator.

2 MR. JOHNSTONE: Yeah.

3 CHAIRMAN EASTMAN: Okay. So --

4 MR. JOHNSTONE: Very exciting.

5 MS. MARKOWITZ: I'm really thrilled.

6 CHAIRMAN EASTMAN: Thank you. Thanks  
7 very much. And I'm sorry for the, you know,  
8 the delays in going over it. We are always  
9 going to need more time. Thanks so much.  
10 I'll see you the 23d.

11 (Whereupon, the proceeding was  
12 adjourned at 12:15 p.m.)  
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C E R T I F I C A T E

1  
2  
3 I, Kim U. Sears, do hereby certify that I  
4 recorded by stenographic means the Hearing re: Energy  
5 Generation Siting Policy Commission Deliberative Session  
6 #2, at St. Leo's Hall, 109 Main Street, Waterbury,  
7 Vermont, on January 15, 2013, beginning at 9 a.m.

8 I further certify that the foregoing  
9 testimony was taken by me stenographically and thereafter  
10 reduced to typewriting and the foregoing 180 pages are a  
11 transcript of the stenograph notes taken by me of the  
12 evidence and the proceedings to the best of my ability.

13 I further certify that I am not related to  
14 any of the parties thereto or their counsel, and I am in  
15 no way interested in the outcome of said cause.

16 Dated at Williston, Vermont, this 12th day  
17 of January, 2013.

18 \_\_\_\_\_  
19 Kim U. Sears, RPR  
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25