

REMARKS TO THE GOVERNOR'S ENERGY GENERATION

SITING POLICY COMMISSION

David Mullett, General Manager

Vermont Public Power Supply Authority

5195 Waterbury-Stowe Road

Waterbury Center, VT 05677

dmullett@vppsa.com

- Introductory remarks
- VPPSA is a joint action agency formed by statute in 1979. It has 12 municipal member electric systems, totaling about 31,000 meters and representing a bit over 7% of Vermont's electric load. VPPSA member systems serve all or part of about 60 Vermont towns. A list of the VPPSA member systems is attached.
- A couple of key points-

As public, nonprofit entities, Vermont municipal utilities have a strong belief and interest in local control, and would not want to see consideration of local concerns lost in any changes to the statewide generation process. As distribution utilities, however, we also recognize the need for an effective statewide process for the siting of electric utility generation projects. This is especially true where legislative mandates now and in the future encourage and require construction of, and purchase of power from, renewable energy facilities.

VPPSA and member systems do not have extensive recent experience in the siting of electric generation projects. Our 19% interest in McNeil was procured at the outset in the early 1980s, and our 40 MW peaking unit in Swanton was the subject of section 248 review about 5 years ago. Our comments are thus not influenced by any particular pending project, though we regularly evaluate all reasonable power supply options on an ongoing basis, to do all that we can to keep rates stable and affordable. A few years back, we did evaluate whether to go forward with some version of the East Mountain wind project, but elected not to do so for a variety of reasons.

- Strengths of the process- a few come to mind:

Integrity and staff quality at the Public Service Board and Department. While people may not agree with a given decision, Board operates with integrity and high respect for its quasi judicial role.

Statutory consideration of local and regional planning commissions, and recommendations of municipal legislative bodies, is mandated under section (b)(1) of section 248, helping to ensure that these bodies cannot be disregarded in the process.

The breadth of the Board's intervention rule, and the precedent established under it, have historically allowed for broad participation.

- Challenges/ potential areas for focus.

It is appropriate to acknowledge and consider the inherent tension between giving due consideration and respect to public comments, and the responsibility of the Board to decide cases based on the sworn record before it. It is difficult to know exactly what this means, whether one is counsel to a developer, a member of the public or perhaps even a member of the regulatory community. This is worth continued evaluation and discussion by this Commission and all stakeholders.

There are inherent challenges in applying aesthetics tests to proposed projects, given the diversity of human opinion surrounding matters of aesthetics. This can make it difficult both to anticipate outcomes of cases, and to try to find common ground in discussions and negotiations around generating project siting. Siting guidelines and/or refinement of aesthetics tests around electric generation siting might be worth exploring.

The Board has made increasing and commendable use of technology resources such as Vermont Interactive Television in order to facilitate broader public participation in its key dockets. Continuing this effort, and perhaps formalizing it through the Board's rules or other appropriate means, would also be a worthwhile goal.

The Commission's questions also include one about whether there should be some type of alternative dispute resolution process surrounding electric generation siting issues. While ADR is always commendable, exploration of that question has to include recognition that the Board holds ultimate jurisdiction in deciding whether a proposed facility meets the 248 requirements and should be approved. The timing and scope of ADR efforts should be carefully considered. It is also very important to us that there not be an addition of new layers of review and complexity relative to generation siting. As

nonprofit municipal entities, VPPSA member systems share the interests of intervenors and ratepayers in assuring that the siting process, while thorough, is not so complex and multilayered that it is not workable for stakeholders.

- Thank you for this opportunity to comment. VPPSA, its member systems and I personally look forward to continued participation in this dialogue.

VERMONT PUBLIC POWER SUPPLY AUTHORITY MEMBER SYSTEMS

Barton Village, Inc. Electric Department

Village of Enosburg Falls Water & Light Department

Town of Hardwick Electric Department

Village of Hyde Park Electric Department

Village of Jacksonville Electric Company

Village of Johnson Water & Light Department

Village of Ludlow Electric Light Department

Village of Lyndonville Electric Department

Village of Morrisville Water & Light Department

Village of Northfield Electric Department

Inc. Village of Orleans Electric Department

Swanton Village, Inc. Electric Department