

Vermont Congressman Takes Seat on House Energy and Commerce Committee

U.S. Representative Peter Welch (D-VT), was recently appointed to the House Committee on Energy and Commerce. The committee is responsible for consumer affairs and protection, health care and facilities, biomedical research, energy policy and oversight over the Department of Energy and the Federal Energy Regulatory Commission.

Rep. Welch was also named to the House Subcommittees on Energy and the Environment, Communications, Technology and the Internet, and Oversight and Investigations.

Presently starting his second term,

Rep. Welch, an attorney, was elected as Vermont's at-large congressman in 2006 after serving in the Vermont state senate.

Rep. Welch has focused on energy policy since coming to Washington. In his first term, he cosponsored the Comprehensive American Energy Security and Consumer Protection Act. He said, "The price of fuel is forcing hard choices among too many families in Vermont and across the country. Congress needs to take immediate action to provide consumers relief and we need a long term energy plan that transitions from oil to renewable energy sources."

Rep. Welch has been a staunch supporter of U.S. energy independence. He believes that by promoting green jobs in Vermont, it will help the U.S. economy. "As we work to bring our economy back to life, we must create new, green jobs in Vermont by investing in efficiency and renewable energy programs," said Welch.

He added, "The way out of the energy crisis is to harness American innovation on the path to energy independence." •



Rep. Peter Welch

Vermont Schools Lead the Way in Carbon Reduction Challenge

The Vermont School Carbon Challenge (VSCC), a competition organized by the Vermont Agency of Natural Resources, the Vermont Department of Education and Carbonrally.com, is offering \$5,000 to the elementary, middle and high schools with the greatest reduction of carbon emissions by April 1, 2009.

Sponsored in part by the Vermont Energy Partnership, the VSCC offers each school team a series of challenges - ways to reduce the amount of CO2 produced - through the Carbon Rally website, and added the incentive of a \$1,000 prize to the Vermont team that scores the highest.

In a letter to the schools, then Secretary of the Vermont Agency of Natural Resources George Crombie stated "As Vermonters, we can take

pride in the environmental heritage that is ours. Climate science makes it clearer all the time that the time for action is now."

The \$5,000 prize is open to teams from around the country through Carbonrally.com. Some of the challenge suggestions for the teams include:

- Reducing the amount of catalogs one receives in the mail
- Recycling an old cell phone
- Cutting paper consumption by 25 percent
- Utilizing re-usable bags for groceries
- Avoiding meat for two days per week

As of press time, three schools participating in the VSCC have made the top twenty on the leaderboard: Essex High School and the Center for

Technology in Essex, Woodstock Union High School's Earth Beat extra-curricular group and Hazen Union School's Science, Technology and Society class. Together, these three schools have reduced their collective carbon emissions by 10.78 tons.

"Global climate change may be the most far-reaching and challenging environmental problem this and future generations have ever faced," said Secretary Crombie. "To successfully mitigate the many potential consequences of climate change, we must become informed - and we must commit, each of us, to reduce our personal contribution of greenhouse gases."

For more information about the VSCC visit the Agency's site at <http://www.anr.state.vt.us/site/html/VSCC> or www.Carbonrally.com. •

By Brad Ferland

Oh, these are challenging economic times!

For 200 years or more, traditional Vermonters have enjoyed a rather flattering reputation for having common sense. It wasn't so much book learned knowledge as it was more about practical experience on the matter. Often, these fixing approaches were as much a part of poverty as they were a part of being frugal.

On occasion, one would go visit a neighbor and get their opinion on the matter. Those were hard times in the old days of Vermont and folks had to use all their wits just to survive.

Well, it doesn't take much head scratching to feel like the chiseled epitaph of challenging economic times has strolled its way back into Vermont. That's for sure! If you don't believe me, go ask your neighbor about it. Even the laconic ones will have something to say on the subject.

Over the past four years it has been the goal and mission of the Vermont Energy Partnership to be committed to identifying clean, low-cost and reliable electricity solutions to ensure Vermont stays a great place to live and work.

We're made up of a diverse group of business, labor, and community leaders statewide, all with similar goals and expectations for Vermont. Our members help us with their particular expertise on any given electricity supply source.

We strive to get the best and most accurate information about these electricity supply sources and how they can apply to the future. This involves research, forums, seeking out experts and drawing some type of consensus on the matter.

Fact-based electricity supply planning makes a whole lot of sense. And then, just to add a measure of safeguard, a

little common sense doesn't hurt. Here are a few things we've learned. Vermont Yankee and Hydro-Québec are saving Vermonters' bacon right now with electricity supply. Their proximity to the grid is logical. Their electricity supply gives Vermonters the lowest cost electricity in New England. Their power is non-carbon emitting and they are a baseload 24/7 supply of electricity.

And you may ask, why do we continue to talk so much about these two sources, especially about Vermont Yankee? And here's the answer. Vermont Yankee is the number one key factor in Vermont's energy future.

Vermont Yankee is a Vermont business like IBM, Husky and Hannaford Bros; and it contributes \$100 million dollars into the Vermont economy each year. The plant employs 600 workers with high paying jobs and is a significant source of local dollars to area non profits.

It has contributed \$25 million dollars to the Clean Energy Fund that supports clean renewable projects in the state. These renewable projects would not be feasible without this clean energy fund money.

Vermont's low electricity rates may mean the difference between a business surviving or closing their doors. These are the businesses that support our families and promise future jobs for our kids.

Vermont Yankee along with Hydro-Québec is the main reason our state has such a clean carbon foot print. Vermont has now started receiving significant money (millions) from the Regional Green House Gas Initiative (RGGI) auctions.

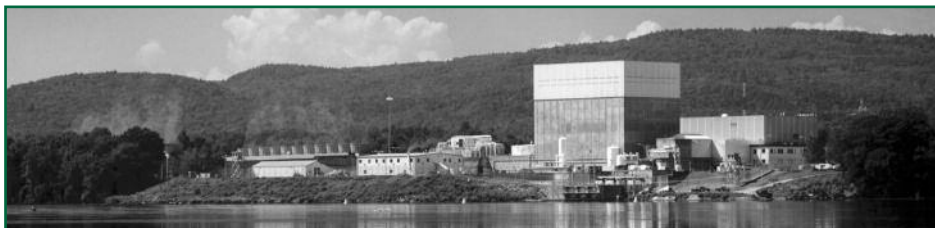
And here's a big one, a cost sharing agreement with Vermont Yankee will benefit ratepayers to the tune of \$1 billion over 10 years if it is relicensed. No other electricity supply source has this billion dollar benefit to Vermont.

The Vermont Energy Partnership has promoted and will promote the growth of renewables in Vermont until the cows come home. There are compelling reasons to have wind, solar and hydro and much more as part of our mix.

But what we know to be true for the foreseeable future is that it is near impossible to secure any type of predictable renewable energy contract that will extend over two years.

If you could find one—a big if—the cost estimates are 19 to 39 percent higher than what we pay now. Vermonters can't afford this and many Vermont businesses will have an extremely difficult time keeping their doors open with increases like that.

Decision makers should look at Vermont Yankee and Hydro-Québec as our gift horses and tread tenderly. Jobs, the economy, predictability and affordability are all benefits with these two in the mix. It all boils down to common sense. Let's hope we have some! •



The Vermont Yankee Energy Center.

Photo courtesy of the U.S. Nuclear Regulatory Commission



Published by the Vermont Energy Partnership

45 State Street, Suite 152
Montpelier, Vermont 05602

Telephone: 802-223-0575
Website: www.vtep.org
Contact: info@vtep.org
Circulation: 1,500

VTEP Leadership

Brad Ferland
President

Shawn Shouldice
Secretary/Treasurer

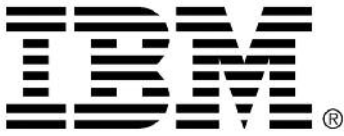
Guy Page
Communications Director

Dr. Jennifer Clancy
Director

Bob Lombard
Director

Jeff Wallin
Director

The Vermont Energy Partnership is a non-profit 501(c)(6) organization.



IBM Energy Costs Unaffected by Efficiency Programs

Janette Bombardier, Site Operations Manager at IBM in Vermont, discussed with the Vermont Energy Partnership the recent testimony she gave before the House Natural Resources and Energy Committee on the company's energy costs.

Ms. Bombardier, a professional engineer who has been with IBM for the past 29 years, discussed the rising costs of energy and electricity affecting IBM's bottom line, and the efficiency and conservation programs that the company promotes.

"For twenty years now, IBM has run various conservation and efficiency programs within the company. We set goals of increasing efficiency annually and to date, we've been able to meet at least a four percent goal every year," she said.

Meeting such impressive goals would normally result in lower energy bills, but that has not been the case.

According to Ms. Bombardier, "In 2008, IBM used 5 million kilowatt hours less

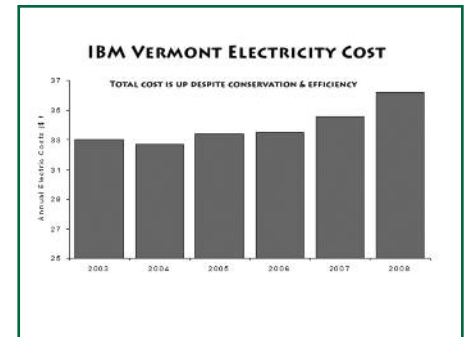
than in 2007, but our energy costs still added up to \$1.6 million more than we paid in 2007." In 2008 IBM completed 120 energy savings projects which will save 24,000,000kWh and 29,000 MMBTUs in 2009. This is enough energy to provide electricity for 2000 homes, and enough fuel to heat 100 houses for a year.

In her testimony, she stated that IBM is seeking to have all of their energy efficiency charges be used by the company for efficiency projects for all energy types, and that the charge be capped at \$1,000,000 per year. "The tax has grown from \$600,000 in 2002 to \$1,600,000 in 2008. And, we currently are only able to recover 90% of our charges for efficiency work at our facility."

IBM is also seeking to have provisions in place that allow other companies with electric bills over \$1,000,000 to have self-managed efficiency programs as well. This would allow more money to directly benefit companies.

According to Ms. Bombardier's testimony, these provisions would, "...provide an

opportunity for a greater percentage of the company's investments to go towards efficiency programs, provide long-term planning and allow companies flexibility on where to make investments, whether it is fuel or electricity."

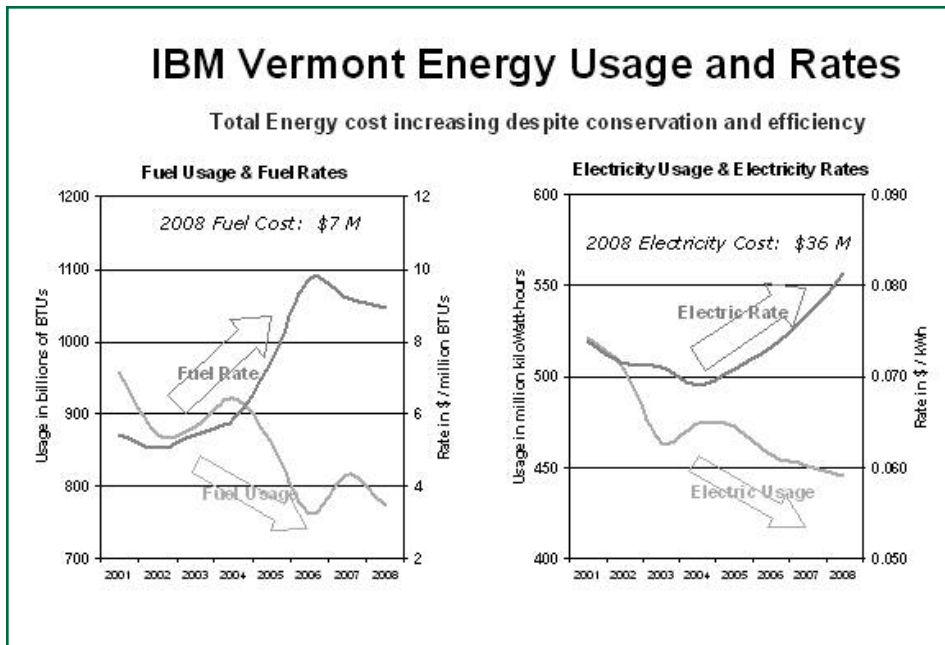


credit: Courtesy of IBM

IBM Vermont is a nationally recognized environmental technology leader that employs advanced energy efficiency practices. In 2005, Environmental Protection Magazine named IBM Vermont "Facility of the Year" for its conservation efforts. In addition the facility was recognized by the EPA Performance Track program for its energy efficiency results as well as by the National Pollution Prevention Roundtable.

However, the effects of this rising energy cost are being felt by the company. "Our products have to compete," said Ms. Bombardier. "Energy costs have a direct impact on our bottom line, but we can't just raise our prices. Energy costs impact our employment rate."

IBM is Vermont's largest for-profit employer, providing jobs for approximately 5,200 Vermonters. The company estimates that over 19,000 Vermont families are supported directly and indirectly by IBM. The company's \$300 million annual payroll and economic activity injects approximately \$1 billion each year into Vermont's economy, making it the state's most vital economic engine. •



credit: Courtesy of IBM

First Wind Project Receives Certificate from the State



Photo courtesy of First Wind

A rendering of what the view of the Sheffield Wind Farm will look like from Interstate 91 southbound near the Sheffield/Glover/Barton town lines.

The Vermont Supreme Court recently upheld the Public Service Board's (PSB) issuance of a certificate of public good on the Sheffield Wind Project, a wind turbine system proposed by the independent energy company First Wind.

This new wind turbine project is set to produce an estimated 40 megawatts of electricity on the Sheffield ridge line.

In a written release, First Wind stated, "We are pleased that the Court has decided to affirm the PSB's decision to allow the permitting of the Sheffield Wind Project. We believe this project has the potential to bring significant economic and environmental benefits to the state and we look forward to continuing to work with the Town of Sheffield and the surrounding region to bring clean, wind energy to the people of Vermont."

The PSB issued the certificate for the project despite local opposition that claimed the turbines would interfere with Vermont's tourism and the overall character of the state.

VELCO to Proceed with Transmission Line Upgrade

The approval to upgrade southern Vermont with \$265 million in new electric transmission infrastructure has been approved by the PSB.



The Southern Loop Awareness Project was initiated by the Vermont Electric Power Company (VELCO) and Central Vermont Public Service (CVPS) to deal with energy reliability issues throughout the region. Since 2007, VELCO and CVPS have petitioned the PSB to approve the project.

According to PSB's approval statement, "We have carefully considered a wide range of possible alternatives, both traditional transmission upgrades and non-traditional transmission alternatives, to address these local and regional reliability programs. Among traditional transmission solutions, the proposed project is clearly the superior option because it is the lowest-cost transmission alternative that effectively resolves the reliability concerns."

VELCO is set to begin construction on the transmission line in May.

CVPS SmartPower Program Moves Forward

CVPS's proposed meter program, SmartPower, recently reached an agreement through collaboration with the Vermont Department of Public Service

that served as a big step towards finalizing plans for the project.

According to CVPS President and CEO Bob Young, the agreement served to set the rules of "...functional requirements, telecommunications, cost recovery and other elements of so-called smart metering technologies."

It is estimated that it will take several years for the \$42 million project to go into effect and would depend on safe and cost-effective financing.

"CVPS SmartPower offers the promise of new rate programs that will help customers reduce their energy consumption, electric bills and environmental footprints," said Young.

Continued on back cover



Yes! I want to join the Vermont Energy Partnership

I support your efforts to educate communities regarding the necessity for safe, reliable energy and advocacy to ensure that Vermont has an ample and reliable electricity supply and economic prosperity for years to come.* Enclosed is my tax-deductible contribution of:

Associate Member: \$50 Other \$ _____

Business/Labor Member: Contribution Amount: \$ _____

Check Enclosed

Mail to: 45 State Street, Suite 152, Montpelier, Vermont 05602

Signature: _____

Name: _____

Address: _____

City/State/Zip Code: _____

Telephone: _____

Email: _____

* Conditions of membership apply. For more details send inquiries to info@vtep.org. Vermont Energy Partnership is a 501(c)(6) IRS Tax-Exempt Organization that advocates for reliable, affordable, and clean energy solutions, as well as conservation measures, for all of Vermont.

By Shawn Shouldice

Legislature Can Secure Vermont's Energy Future



As the Vermont General Assembly concluded the first half of its 2009 legislative session, lawmakers headed home for their two-week Town Meeting break. Thus far, energy issues have dominated the discussions in a number of legislative committee meetings although no formal action has transpired.

Dr. Howard Axelrod, President of Energy Strategies, Inc., conducted an independent assessment of the Vermont Yankee nuclear plant. The results of his findings are in his study entitled "An Independent Assessment of the Environmental and Economic Impacts Associated with the Closing of the Vermont Yankee Nuclear Plant."

He found that the facility provides major economic and environmental benefits to Vermont and there would be significant consequences if Vermont Yankee was no relicensed.

Recently, Dr. Axelrod presented his study before a joint hearing of the House and Senate Natural Resources and Energy

Committees. He told lawmakers the only potential solution to replace all or the vast majority of Vermont Yankee's power in the near term would be to construct a combined cycle natural gas plant.

Dr. Axelrod's findings were further backed up a week later in presentations given by representatives of Green Mountain Power (GMP) and Central Vermont Public Service Corporation (CVPS).

Bill Deehan, CVPS Vice President of Power Planning and Regulatory Affairs said the consequences of shutting down Vermont Yankee would be an increase in emissions from fossil fuel-burning plants which would replace the power lost by Vermont Yankee.

Doug Smith, the manager of energy resources for GMP, said that utilities will look to continue their relationship with Hydro-Québec to increase the use of renewable energy while working to negotiate a new power purchase agreement with Vermont Yankee. There is a strong

push for wind development in particular. However, the permit process is lengthy and costly which deters many new wind projects.

Representatives from both companies concluded that if Vermont Yankee is relicensed, it will continue to offer utility companies and Vermonters electricity at a reasonable price.

With the likely approval of the U.S. Nuclear Regulatory Commission and the Vermont Public Service Department's Comprehensive Vertical Audit of Vermont Yankee completed, it appears the legislature has what it needs to vote to support a 20-year license renewal of the plant when the return to Montpelier in March.

The legislature will tackle other energy related issues, such as the additional resources that should be expended on Smart Grid technologies, green development investments and energy efficiency expansions, as well as whether the permitting process should be reformed. •

Axelrod Study Predicts Gloom for a Vermont without Nuclear Power

Dr. Howard Axelrod, a consultant for the Vermont Energy Partnership, authored the report "An Independent Assessment of the Environmental and Economic Impacts Associated with the Closing of the Vermont Yankee Nuclear Plant," which paints the state's future as dim without the plant.

Entergy Vermont Nuclear, the plant's owner, is seeking a 20-year license extension.

Dr. Axelrod is President of the New York-based consulting group Energy Strategies Inc. He said that if Vermont Yankee's license was not renewed, supply would not be able to keep up with demand adversely affecting energy prices.

"I'm not saying the state will go black...you will get electricity, but it will be expensive. If you are at the whim of the market, customers will go ballistic on you. Electric bills that were \$200 could

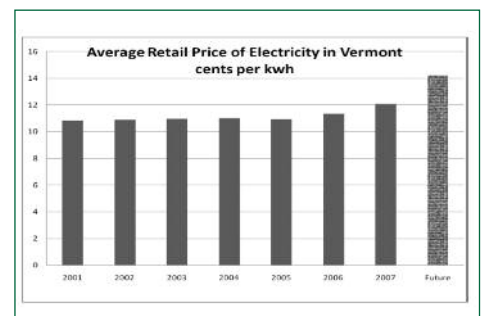
suddenly become \$1,000 a month," Dr. Axelrod said.

He also explained that Vermont does not have enough time to find an alternative to the plant in the three years it has left before the current license expires.

"In 20 years, we can do a lot of things," said Dr. Axelrod. "But in three years, we are very limited."

According to Dr. Axelrod's study, the ramifications of closing Vermont Yankee would include:

- Statewide average retail electric prices increasing anywhere from 19 to 39 percent.
- An increase in carbon dioxide emissions, from all sources statewide, by two million tons annually.
- An increase in emissions of nitric oxide, a toxic substance which causes the weakening of the earth's ozone layer, by 550 tons.



Retail Electric Prices in Vermont with Projected Price with Vermont Yankee replaced by a CCGT

Dr. Axelrod testified before the Vermont House and Senate committees that oversee energy issues as lawmakers consider license renewal beyond the 2012 expiration date.

"The bottom line is Vermont Yankee provides electricity that is turning out to be one of the lowest cost sources we have," said Dr. Axelrod. •

EFFICIENCY UPDATE

Continued from page 4

"I believe this program will be one of the most important developments in CVPS history, and will have tremendous value for customers and Vermont."

The CVPS expects to file its proposal with the PSB by the end of March.

Vermont Hotels Going Green

Everything from soap bars to building supplies are now going green at the Jackson Gore Inn.

The Inn, located at the Okemo Mountain Resort, is the latest hotel to become part of the Green Hotel Program, an energy saving initiative for Vermont hotels.

In the last decade, the Vermont Small Business Development Center and Agency of Natural Resources have listed 84 establishments as Green Hotels. Requirements for this distinction include



The Jackson Gore Inn at the Okemo Mountain Resort

photo courtesy of Okemo Mountain Resort

waste reduction, increased energy efficiency and recycling at the establishments.

"People come to Vermont because of what it is—pure, clean and good. They are very happy when they see these kinds of efforts going on and unhappy if they don't," said Charlie Dickerman, general manager of the Jackson Gore Inn.

The 84 Green Hotels in Vermont save nearly 1.5 million kilowatt hours and 5

million gallons of water annually through the implementation of energy efficiency practices like reusing linens and installing compact florescent light bulbs.

"Most of what we're doing is not difficult," said Dickerman. "It takes a little bit of planning. But it's not more expensive to operate in an environmentally friendly way, which is the concern of most hotel operators."

To see a listing of Vermont's Green Hotels, visit www.vtgreenhotels.org. •



45 State Street, Suite 152
Montpelier, Vermont 05602

Prsrt Std
U.S. Postage
PAID
Mailrite, Inc.