

STATE OF VERMONT  
DEPARTMENT OF PUBLIC SERVICE

RE: THE NORTHEASTERN VERMONT DEVELOPMENT  
ASSOCIATION'S REQUEST FOR A DETERMINATION  
OF ENERGY COMPLIANCE PURSUANT TO 24 V.S.A.  
SECTION 4352

June 12, 2018  
6 p.m.

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36 Eastern Avenue  
St. Johnsbury, Vermont

Public Hearing held before the  
Department of Public Service, at the NVDA Conference Room,  
36 Eastern Avenue, St. Johnsbury, Vermont, on June 12,  
2018, beginning at 6 p.m.

P R E S E N T

Vermont Department of Public Service:

Riley Allen, Deputy Commissioner  
Dan Potter, Energy Policy and Program Analyst  
Sheila Grace, Special Counsel

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1 DEPUTY COMMISSIONER ALLEN: Okay. So  
2 we can go ahead and get started. I'm Riley Allen.  
3 I'm Deputy Commissioner of the Department of Public  
4 Service. With me is Sheila Grace also from the  
5 Department of Public Service. And we have Dan Potter  
6 here.

7 And the hearing is -- concerns the  
8 Northeastern Vermont Development Association for a  
9 request for a determination of energy compliance  
10 pursuant to Section 4352 of Title 24.

11 So I would like to start by offering a  
12 little content for a public hearing tonight. Act 174  
13 creates a new energy planning process in Vermont for  
14 regional planning commissions and municipalities.  
15 Pursuant to the process, the regional planning  
16 commission has the option of submitting its duly  
17 adopted plan to the Commissioner of the Department of  
18 Public Service for an affirmative determination of  
19 compliance with the statutory standards of Section  
20 4352 of Title 24.

21 When a regional planning commission has  
22 received an affirmative compliance determination  
23 under that section, the Public Utility Commission is  
24 required to accord substantial deference in Section  
25 248 proceedings to the land conservation measures and

1 specific policies contained in such a plan when  
2 reviewing any proposed electric generation facility  
3 and region covered by the plan.

4 The purpose of this hearing is to  
5 gather input from you, the public, regarding the  
6 Northeastern Vermont Development Association's  
7 request for a determination from the Department of  
8 Public Service that the regional plan complies with  
9 the energy planning requirements set forth in  
10 statute. If the Department finds the plan complies,  
11 the land conservation measures and specific policies  
12 contained in that plan will receive substantial  
13 deference during any Public Utility Commission siting  
14 review of any proposed electric generation facility  
15 within the member towns of the Northeastern Vermont  
16 Development Association.

17 We have with us Alison Low, Senior  
18 Planner with the Northeastern Vermont Development  
19 Association to begin this hearing with a brief  
20 overview of the plan, after which we invite comments  
21 from you to the extent that you have comments. And I  
22 see that everyone here that I know of has signed in.  
23 And so far I believe I see we have two individuals  
24 from Newark that are interested in providing  
25 comments.

1                   And as a formality we have -- this  
2 evening's comments will be transcribed by the court  
3 reporter, so when you have your comments, please  
4 state your name, and if you would just spell out your  
5 name for the court reporter.

6                   So I think with that, I'll turn it over  
7 to Alison Low for the presentation.

8                   MS. LOW: Okay. So my presentation is  
9 just very brief, very high level tour of our lengthy  
10 or enhanced energy plan. So our energy use  
11 estimates, I don't think it comes as any big  
12 surprise, the two biggest uses are transportation and  
13 residential thermal. For transportation, we tend to  
14 drive longer distances than in other regions. People  
15 tend to commute longer distances. We also base that  
16 on transportation planning assumptions, but also on  
17 census on the map survey data that's tied to W-2's,  
18 tend to show that, you know, we drive longer places  
19 to work. And we also drive longer distances for  
20 incidental trips, and overall it adds up to about an  
21 average of 14,000 miles a year. A very small share  
22 of it is actually currently EVs. These were the  
23 estimates that I had at the beginning of the year. I  
24 think I only had like 134 electric vehicles, and it  
25 counts for just a fraction of a percent.

1           The rest of the renewal energy use and  
2 transportation would actually be from ethanol.

3           MR. WHITWORTH: Are those pure EVs or  
4 are they --

5           MS. LOW: Just all EVs. So I didn't  
6 have data on the hybrids. It might actually be a  
7 little bit higher, but it's hard to tell.

8           This is where we need to be 2050. You  
9 know, in the Northeast Kingdom where it could be a  
10 tall order just in that we have long distances, and  
11 there are a lot of places where you can't get there  
12 from here. But, you know, we are committed to trying  
13 to make it work.

14           Some of the strategies that are  
15 included in the plan, you know, a lot of people would  
16 like to be able to work from home. So one of the  
17 questions that we are putting out to communities now  
18 when they are updating their plans is try to find out  
19 how many people would telecommute from home if they  
20 could. We have had a couple of projects in our  
21 regions that have improved telecommunications  
22 infrastructure like in Craftsbury through Northern  
23 Border Regional Commission grants. So there might be  
24 opportunity to do more work like that.

25           Ride sharing is another opportunity.

1 You know, some of our towns are going to disparate  
2 locations, but you know, we certainly have some  
3 central locations where we can try to connect people.  
4 And just better multi-modal connectivity. We have  
5 had a couple of Better Connections grants. We have  
6 one currently underway in Danville that we are pretty  
7 excited about that will provide better connectivity  
8 to the Lamoille Valley Rail Trail.

9 We are also excited about pursuing  
10 better EV charging infrastructure. And to improve  
11 those odds we are encouraging village centers that  
12 aren't currently designated as downtown -- as village  
13 centers to get designations so that they might be  
14 able to access funds for that. And pushing for more  
15 transit opportunities.

16 Residential thermal is high as well. I  
17 think ours came in a little higher than some of the  
18 other regions, and it may have been from the  
19 methodology that we used. We tried to account for  
20 the pre-1940 housing stock which tends to be larger  
21 structures and tend to be leaky. We also -- this  
22 figure does not count seasonal, but we are assuming  
23 that most seasonal communities would average about  
24 five percent of what an owner-occupied year-round  
25 home would be unless it's in a winter seasonal

1 community like Jay or Burke. Then it might be  
2 higher.

3 We also have a higher than average rate  
4 of wood use, and some of that's going to be hard to  
5 track because a lot of people get their own wood from  
6 their own land. And I don't think that tradition is  
7 going to change significantly.

8 The other problem that we have in our  
9 region is that we have some of the lowest incomes.  
10 So we have some deferred maintenance. And some  
11 people who would otherwise improve their energy  
12 efficiency are going to need some assistance. So  
13 this is where we need to be in the 2050 scenario.  
14 This is just a regionalization of the LEAP figures.  
15 Strategies would involve just aggressive  
16 weatherization, coordinating it with the energy  
17 committees, trying to do as much outreach as  
18 possible, letting people know what the options are.  
19 Do case studies, best case scenarios, energy audits.  
20 Work with towns that do have zoning. Not all of our  
21 towns have zoning to pursue above and beyond energy  
22 codes. And also promote certain funding  
23 opportunities that do improve the heating and  
24 efficiency of housing stock.

25 I think that the USDA Rural Development

1 loans and grant program, they are publicized in all  
2 the Town Clerk's Offices, but I get the feeling they  
3 are under utilized. If we could improve that more  
4 for pushing our housing stock, that would be a good  
5 strategy.

6 Electricity, this is where we are  
7 different. And these were based on estimates at the  
8 beginning of the year. So it doesn't account for the  
9 spike in net metering applications, for example. It  
10 doesn't also take into account the 638,000 kilowatt  
11 -- I mean megawatthours -- that are generated through  
12 the New Hampshire dams. But we generate more than we  
13 use. And what it contributes to is over here.  
14 That's outlined in the purple area known as the SHEI.

15 So we have a unique challenge. We have  
16 a policy in our plan that basically says that, and  
17 I'm summarizing, we won't support development that  
18 simply has the effect of replacing existing renewable  
19 generation with new renewable generation. We are  
20 encouraging our developers to pursue solutions like  
21 storage, because we don't want to contribute more to  
22 this. We tend to focus on the larger developments as  
23 exacerbating the situation, but the reality is that  
24 every net metering application exacerbates the  
25 situation right now.

1                   Looking at our new net generation  
2 target, it's very low. Because it already takes into  
3 account what we are generating. Just based on the  
4 analysis of our just prime acreage for solar lands,  
5 and that's accounting for like maybe one megawatt for  
6 every 60 acres as opposed to every eight acres. We  
7 more than exceed that new net generation total, which  
8 provides lots of opportunities for our communities to  
9 protect certain areas and also identify certain  
10 preferred sites. A lot of our preferred sites  
11 include the usual things like rooftops, brown fields,  
12 earth extraction sites, parking lot canopies.

13                   We are also interested in promoting  
14 farm-friendly solar. So farms that where more than  
15 50 percent is going to be used by the farm, anything  
16 that would help reduce their bottom line.

17                   Industrial parks. Again, where more  
18 than 50 percent is used by the tenants. And we have  
19 a couple of unbuildable lots, you know, because we  
20 have a couple of industrial parks. We have some lots  
21 that are too small to develop or have other  
22 constraints, but if they can be developed for energy  
23 generation, then we would like for them to be  
24 considered preferred sites as well.

25                   We have a regional protective layer on

1 high elevation rural lands, 2,000 feet or more. We  
2 added quite a bit of language into our land use plan  
3 as well for similarly-scaled commercial and  
4 industrial developments. They are inappropriate for  
5 these areas. They are characterized by large tracts  
6 of contiguous forest coverage, conservation lands, a  
7 lot of recreation uses. There are also a lot of  
8 sensitive headwaters and sensitive wildlife areas.  
9 And so the new net generation potential takes into  
10 account that additional layer.

11 A lot of our strategies are just -- are  
12 based on outreach, and through the work of our energy  
13 committees, we are seeing a couple of new energy  
14 committees cropping up. And we are probably going to  
15 be hosting a regional get-together this fall to share  
16 ideas and strengthen those committees. They are  
17 pretty excited, and I see our role as trying to help  
18 them do a better job and give them the tools to do  
19 what they need to do.

20 I think the PACE districts have been  
21 under utilized, and I know there has been an  
22 administrative issue with that. The towns didn't  
23 want to administer like the loans that stayed with  
24 the property, and then Efficiency Vermont was going  
25 to play a role. We would be interested in pursuing

1 some kind of regional administrative structure to  
2 make that more attractive to some of our small  
3 communities that don't have the administrative  
4 capacity to do PACE districts.

5 And I think that's pretty much all I  
6 have. That's it.

7 DEPUTY COMMISSIONER ALLEN: Okay. Well  
8 thanks for that. I think that -- I guess we'll ask  
9 anyone if they have questions for Alison as a follow  
10 up. Otherwise, I'll open it up for comments.

11 MR. FRIED: Alison, what is the process  
12 of getting the regional plan approved by the PUC?

13 MR. WHITWORTH: DPS.

14 MS. LOW: It's not getting approved by  
15 the PUC. It's getting approved by the DPS or  
16 certified hopefully, and that's why we are here.

17 MR. FRIED: Okay.

18 MS. LOW: This is the hearing.

19 MR. FRIED: This is a public hearing  
20 that factors into the approval process.

21 MS. LOW: The certification, yeah. And  
22 we are hoping that we get certification. We adopted  
23 our plan in April -- on April 26 at our last board  
24 meeting.

25 MR. WHITWORTH: You missed it.

1 MR. FRIED: I missed it.

2 MS. LOW: It was a lovely meeting.

3 MR. WHITWORTH: When do you expect the  
4 DPS to render a verdict?

5 MS. LOW: That's more of a DPS  
6 question.

7 MR. WHITWORTH: I know.

8 DEPUTY COMMISSIONER ALLEN: Thanks for  
9 the question. And I'm turning to my advisors to  
10 answer it.

11 MR. POTTER: We are required to issue a  
12 determination decision within two months of receiving  
13 the request. And we received NVDA's request on May  
14 2, I believe. So you should have a decision by July  
15 2.

16 MR. WHITWORTH: All right. So it's  
17 imminent.

18 MR. POTTER: Yes.

19 MS. OLIVER: I just wanted to ask a  
20 question about the statement you made that you  
21 weren't supporting development that replaces existing  
22 renewable energy generation. I just didn't  
23 understand what you meant so --

24 MS. LOW: Sure. So our region, because  
25 we generate more than we actually consume, the

1 transmission lines that send that electricity out of  
2 the area reach dangerously high thermal levels. And  
3 so what happens in order to protect grid stability,  
4 the existing generators have to be curtailed --

5 MS. OLIVER: Got you.

6 MS. LOW: -- in order to accommodate  
7 those. And so what happens frequently is our two  
8 large wind energy developments have to be shut down.  
9 And, you know, it's a long-range problem with a  
10 multitude of solutions. It's also been addressed in  
11 VELCO's new proposed plan. And there will be some  
12 costs. I expect that some of it might be resolved as  
13 we convert energy use over to electricity, but in the  
14 interim we need to be very mindful of protecting that  
15 grid stability.

16 MS. OLIVER: Thank you.

17 DEPUTY COMMISSIONER ALLEN: So that  
18 position is contingent on essentially the persistence  
19 of the problem. So to the extent that the problem --  
20 the constraints are relieved, that would be revisited  
21 at some point in the future?

22 MS. LOW: Correct. Correct. And we do  
23 place a heavy emphasis on finding -- expecting  
24 developers to explore solutions such as storage.

25 DEPUTY COMMISSIONER ALLEN: If there

1 are renewable solutions that don't aggravate the  
2 problem, they occur not when there were constraints,  
3 does that receive kind of a different consideration  
4 or treatment? You're really talking about the  
5 replacement of like by like?

6 MS. LOW: Exactly. So we don't want to  
7 see further curtailments on the existing developments  
8 that are going on.

9 DEPUTY COMMISSIONER ALLEN: Okay. Got  
10 it. Thanks. So I'll open it up for comments.

11 MR. FRIED: I want to thank Alison.  
12 I'm Kim Fried from Newark, Vermont. I have been a  
13 planning commissioner for too many decades.

14 I'm very familiar with the plan, and as  
15 many of you probably know, energy and the question  
16 especially of industrial energy, we have a lot of  
17 experts up here in the NVDA region, because we are  
18 one of the only regions that have dealt with the  
19 largest-scale renewable industries. And I've  
20 followed the development not just from my town, which  
21 has always been very supportive of our regional  
22 group, but I've also followed the energy plan with  
23 both our town plan and with the regional plan, and I  
24 think our regional group did a terrific job.

25 We have -- we had tremendous input from

1 probably some of the state's most aware and expertise  
2 when it comes to renewable energy. So I would say I  
3 speak in favor of the -- our state approving that  
4 plan.

5 And I'll be waiting on July 1 to hear  
6 from you folks. So I think that's pretty much what I  
7 have -- that's my contribution.

8 DEPUTY COMMISSIONER ALLEN: Thank you,  
9 Kim. Mark, did you want to add?

10 MR. WHITWORTH: Yeah. I will. I'm  
11 Mark Whitworth from the Newark planning commission,  
12 and first of all I want to thank all the folks at the  
13 NVDA who have done -- worked so hard on this. It has  
14 been a pretty long haul. An incredible amount of  
15 work has gone into this. An awful lot of public  
16 input has been sought and received. And I think the  
17 product is a very good plan.

18 The energy -- the NVDA's energy plan  
19 meets all of the requirements of Act 174. It  
20 establishes a clear community standard that's  
21 consistent with the values of planners across the  
22 region. And it will allow the Northeast Kingdom to  
23 continue to meet energy and greenhouse gas reduction  
24 goals.

25 The NVDA plan is rooted in an

1 understanding of the value of our forests, our  
2 mountains, and water resources. And the plan strikes  
3 a sensible balance between energy development and the  
4 preservation of our natural defenses against the  
5 impacts of climate change. So I hope that the  
6 Department will agree and will make an affirmative  
7 determination of compliance.

8 DEPUTY COMMISSIONER ALLEN: Excellent.  
9 Thank you very much. So Jeannie, do you want to make  
10 any comments or --

11 MS. OLIVER: No. We are just here  
12 today from Vermont Law School to learn about what's  
13 going on in these procedures. Yeah. Just listening.

14 DEPUTY COMMISSIONER ALLEN: Unless  
15 there is something further from the staff, I'll  
16 conclude the hearing. And thank you all for coming,  
17 and thank you, Alison, for giving the presentation.

18 MS. LOW: Thank you.

19 (Whereupon, the proceeding was  
20 adjourned at 6:26 p.m.)  
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C E R T I F I C A T E

I, Kim U. Sears, do hereby certify that I recorded by stenographic means the Public Hearing re: NVDA request for determination of energy compliance, at the NVDA Conference Room, 36 Eastern Avenue, St. Johnsbury, Vermont, on June 12, 2018, beginning at 6 p.m.

I further certify that the foregoing testimony was taken by me stenographically and thereafter reduced to typewriting and the foregoing 17 pages are a transcript of the stenograph notes taken by me of the evidence and the proceedings to the best of my ability.

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

Dated at Williston, Vermont, this 14th day of June, 2018.

A rectangular box containing a handwritten signature in cursive script that reads "Kim U. Sears". The signature is written in dark ink on a light-colored background.

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