

Addison County Regional Planning Commission

Full Commission Meeting

Wednesday, November 12, 2003

The Addison County Regional Planning Commission's meeting was held on November 12, 2003, at Middlebury College's Kirk Alumni Center with Don Shall presiding.

ROLL CALL:

<i>Addison:</i>		<i>Orwell:</i>	Andrea Ochs
<i>Bridport:</i>	Andrew Manning	<i>Panton:</i>	Louise Giovannella
	Edward Payne		
<i>Bristol:</i>	Jim Peabody	<i>Ripton:</i>	Jeremy Grip
<i>Cornwall:</i>	Don Shall	<i>Salisbury:</i>	
	William McQuillan		
<i>Ferrisburgh:</i>	Bob McNary	<i>Shoreham:</i>	Margaret Barnes
			Elizabeth Golden
			Robert Growney
			Bill O'Neill
<i>Goshen:</i>	Jeffrey Cathcart	<i>Starksboro:</i>	
<i>Leicester:</i>		<i>Vergennes:</i>	Neil Kamman
<i>Lincoln:</i>		<i>Waltham:</i>	Thomas Yager
<i>Middlebury:</i>	Fred Dunnington	<i>Weybridge:</i>	
	Karl Neuse		
	Brian Bauer		
<i>Monkton:</i>	Thea Gaudette	<i>Whiting:</i>	Ellen Kurrelmeyer
	Charles Huizenga		Jonathan Heppell
<i>New Haven:</i>	Harvey Smith		

CITIZEN INTEREST REPRESENTATIVES:

AC Chamber of Commerce:
AC Community Action Group:
AC Economic Development Corp:
Otter Creek Audubon Society:
*Department of Housing and
Community Affairs:* Faith Ingulsrud
OC Natural Resource Conservation
District

STAFF:

Adam Lougee
Brandy Saxton
Kevin Behm

Public Program

The public program focusing on alternative energy sources and energy efficiency began at 7:45 pm. Mr. Blair Hamilton, Managing Director of Efficiency Vermont (EV), was invited at the recommendation of our commission's Utilities and Facilities Committee. He spoke about energy efficiency and conservation, the economic impacts that these programs have achieved in Addison County, and their potential for further results.

Blair began by saying that Efficiency Vermont represents the effort of the State of Vermont to promote energy efficiency, as authorized by the State Legislature and the Public Service Board. The primary function of EV is to meet Vermont's electric power needs. It was not created to protect the environment, although efficiency has

environmental benefits. It is not a government program.

Blair provided charts of an overview of Vermont's energy use. Though we think of Vermont as a mostly rural and residential state, residential use is only 38% of the state's total energy consumption. Industrial consumers use 25% and commercial consumers, businesses of all sizes, use 37%.

Vermont utilities draw upon a number of energy sources. Of the estimated \$640 million spent statewide by ratepayers, 98% goes to purchasing energy supply from nuclear, hydro, oil, gas, and wood sources. The other 2% is spent on energy efficiency measures. EV looks at energy efficiency as being one part of our energy source portfolio.

EV estimates that in 2002 Addison County used 377 million Kilowatt-hours (kWh) of energy. Of this 203 kWh were residential use and 174 kWh were commercial/industrial. Residents spent \$25.4 million and commercial/industrial ratepayers spent \$13.9 million, for a significant total of almost \$40 million.

Granting monopolies to utility companies to put up power lines and purchase energy from various sources leaves consumers with no choice of where to buy their energy. The utilities are entitled to recover all reasonable costs that they incur in order to provide electricity to the ratepayers. Regulators are charged with the responsibility of keeping the cost at a minimum.

Why utilize energy efficiency? Efficiency Vermont proposes that, if we can avoid the need for a kWh of electricity at less cost than generating or purchasing it, the cost of meeting our electricity needs will be lower. Keeping electric costs as low as possible is considered in policy and among regulators and legislators to be a public benefit. It is also part of the law. Energy efficiency is a policy of the State of Vermont and a required component of utilities service. Section 202, title 30, indicates that the state's policy is to use "least cost integrated resource planning, including efficiency, conservation and load management alternatives...and environmentally sound energy supply." This means that utilities must assemble a portfolio of energy sources that enables them to meet the electric needs of the state at the least cost. This portfolio, like any investment portfolio, must include risk management and diversity.

A least-cost portfolio and the lower rates that result stimulate economic development by lowering the cost of living and increasing disposable income among residential ratepayers. For commercial ratepayers, it lowers business costs, increasing profits and competitive position. Efficiency also saves business costs by reducing water use and waste and helping to preserve capital. Energy efficiency also augments the reliability of the electric system by decreasing the demand and stress placed on it. Efficiency is a clean energy source, as it emits no pollutants. It creates and retains jobs in the Vermont economy. Efficiency Vermont estimates that when an energy source is purchased, 80% of that money goes out of state. Money spent on energy efficiency however, goes toward Vermont labor and materials and 80% of the money stays in the state economy.

Blair displayed charts comparing electricity rates among states in the Northeast. Vermont has the 3rd highest residential rates, averaging statewide 12.5 cents per kWh. Vermont ranks 3rd also in commercial rates, at 11.1 cents per kWh (New York is highest at 13 cents). Vermont has the 4th highest industrial rates. New York has the lowest industrial rates at 5.2 cents, but they pay for this by having the highest residential rates. They made the choice, at a policy level, of where to allocate the dollars.

Although Vermont has relatively high rates, around 13th in the nation, it ranks 22nd in total bills, indicating that Vermont is more energy efficient than the average. In other words, Vermont has the lowest bills out of the high rate paying states. This pattern is found in Vermont's residential and commercial sectors.

Harvey Smith asked what were the highest states in terms of commercial bills. South Carolina, Connecticut, Rhode Island, Maine are among the highest, and Montana has the lowest bills.

Blair next addressed the history of energy efficiency in Vermont. From 1990 to 1999, Vermont electric utilities were required to implement energy efficiency programs as part of their least-cost resource pool. CVPS operated a range of programs during that time. All of Vermont's 22 utilities were required to employ such strategies. Some did so actively while others did little. Many people thought that the utilities were not doing enough and alleged conflict of interest on the part of the utilities. Their profits were linked to the sale of their product, energy, so why would they be interested in promoting efficiency?

A study carried out by the Department of Public Service, for the Public Service Board, indicated the potential for much greater energy efficiency than was being achieved. During the proceedings before the Public Service Board the idea was developed to separate efficiency from supply, by creating a new entity called an efficiency utility. This single entity would work solely on efficiency and would represent the entire state. The idea was supported and the legislature gave the Public Service Board the power to create this entity. Rather than create a new government agency, and rather than have a new industry which would have to be regulated, it was decided to contract an independent third party which would be held to performance standards, such as the amount of energy and money saved. The Public Service Board issued proposals for corporations, organizations, etc. to bid on a 3-year contract to act as Vermont's energy efficiency utility.

Blair's works for Vermont Energy Investment Corporation, which assembled a team and won the contract. This group now operates as Efficiency Vermont. During the first 3-year contract, EV exceeded the goals set by the state for achieving energy savings. The contract was renewed for another 3-year term, and is required to go to public bid again in 2005.

Efficiency Vermont is the first energy efficiency utility in the country. This method was seen as such an innovative way to achieve a public function that it received an award from Harvard University's Kennedy School of Government as one of the 5 best innovative ideas in government in the country. Vermont received the award and a \$100,000 grant to be used to share this concept with other states.

Blair noted the results of Efficiency Vermont's three and a half years of operating and documenting efficiency here in Addison County in particular: over 20,000 energy efficient residential light bulbs have been purchased and rebated, as well as 1,300 residential hardwired fixtures, 1,800 commercial lighting fixtures, 700 energy efficient washing machines, 200 efficient air conditioners. Half of the savings in energy costs, meanwhile, have come from the more than 1,000 other commercial and industrial efficiency measures applied in Addison County, such as motors, refrigeration and compressed air systems.

So far 1 in 4 Addison County residents has received some financial incentive for energy efficiency measures. EV's calculations have been corroborated by outside auditors and indicate that Addison County alone has saved 6.5 million KWh per year due to these measures. This amounts to 2% of energy consumption. The savings total \$4 million over the past three-and-a-half years.

Blair listed some of the businesses in Addison County that have participated, including Middlebury College, Geiger, and variety of businesses, public and municipal buildings, farms, schools, etc.

Efficiency Vermont's approach within the business sector is to determine how businesses can reduce costs, improve facilities, and create or retain jobs. In order to promote efficiency measures, EV helps businesses with whatever current projects are underway, such as renovations, equipment replacement, upgrading, etc. rather than pushing for new, costly or unwanted projects. Some businesses ask EV how they can cut energy costs, and they provide them with options for retrofitting with energy efficient equipment.

Blair gave the example of a dairy processing facility that EV assisted. EV offered to add \$13,000 to the facility's \$30,000 in order to carry out a project which EV estimated would save \$43,000 per year. That project is now saving 430,000 kWh per year. He also cited a plastic injection molding plant at which EV contributed incentives to a project to update cooling and compressed air systems. These partnerships benefit the business directly as well as helping EV achieve its goals of lowering Vermont's energy requirements. This means that all Vermonters are saving costs as a result of this kind of reduction of energy needs.

In the residential market, Blair noted that efficient lighting is widely applicable and the technology is available. Blair supplied the audience with a catalogue containing a wide range of energy efficient products. Blair encouraged buying the products locally, but he said that EV's rebates are still given to products that must be mail ordered. Some of the products are available locally while others are not. Harvey Smith asked which merchants sold such products locally. Blair answered that almost any business that sells lighting fixtures is working with Efficiency Vermont on some level. Ace, TrueValue, Aubuchon's, and other hardware stores, in addition to electric supply houses, have worked very well with EV. Stores often offer promotions on these products, and EV tries to get all the stores to do

so on a regular basis. Staples only has one of EV's efficient light bulbs, but Blair considers that too a success because they had to go through the national chain in order to get the product in their store.

Blair is pleased that almost all appliance dealers in Vermont also work with EV to some degree. "Energy Star" appliances use from 10 to 30% less energy than standard appliances. EV staff will work with builders on how to make a home an "Energy Star home," analyzing the energy use and bills. They also make recommendations on how to upgrade a home to energy efficient levels. EV offers the financial incentives to offset the incremental costs of such measures.

Vermont has been successful in achieving the top ranking in the U.S. in market share of Energy Star new homes. Last year 25% of all new homes built in Vermont reached the high level of energy efficiency provided by Energy Star appliances. About 60% of the air conditioners sold in Vermont last summer were Energy Star, making Vermont the state with the highest market share, and EV is working to achieve these results with washing machines, refrigerators, etc. In existing homes, EV works to help people reduce their electricity use and lower their bill. EV recognizes the barriers which low-income families face and provides special services to help them gain access to energy efficiency.

EV attempts to distribute these services statewide, and has achieved participation and made installations throughout the state. Addison County contains 5.9% of the state's population but 6.3% of EV's 85,000 participants, indicating that the County is a leader statewide in efficiency programs. Addison County represents 5.2% of the savings generated statewide by efficiency, which means that participants here are saving a bit less than those in other counties. There is also a lot of opportunity for repeat participation. EV's efforts in Addison County are split 50-50 between the commercial and residential sectors.

At the end of last year EV had saved \$60 million dollars statewide with the investment of \$30 million, showing the tremendous benefit of the investment in efficiency. Blair noted that the energy efficiency developed over the last 3 years, given the cost it has saved, amounts to purchasing efficiency at 2.9 cents per kWh, on average. The cost that utilities incurred on the margins amounts to 6.3 cents per kWh. Therefore efficiency costs about 1/2 the price of supply.

The average monthly price that Vermont utilities paid for supply, beginning January 2003, runs from 2.9 cents per kWh up to 7 cents in March 2003. Adding 1 cent for the cost of delivering the supply from the source to customers, the figure goes from about 4 to 8 cents per kWh during the year. The contract price of efficiency, however, is a stable 2.9 cents per kWh. Each kWh purchased with efficiency saves the utilities from buying that kWh of energy supply at twice the cost, generating large savings.

Harvey Smith asked about the difference in cost of energy supply per kWh from January 2002 to January 2003, and whether the trend will continue. Blair answered that the market determines that change in price. He also noted that gas prices are predicted to rise this winter, and the power purchased on the margins (that is, when they must go out and purchase supply to meet an immediate need) by utilities comes from combined cycle gas turbines in southern New England. Therefore prices for this marginal power will likely increase again this winter. Harvey asked if Blair knew the annual growth in electric energy use is for the State. Blair provided a figure from the Vermont Department of Public Service, which performed a 10-year forecast in 2002 and predicts a steady 2.1% average annual growth. In 2001 the growth actually declined. Harvey asked if this trend is similar historically, for example ten years prior to this. Blair said the pattern is similar.

Efficiency Vermont's current efficiency measures generate savings equivalent to about 2% of Vermont's energy costs. At its current funding level EV estimates that it will be able to add another 1% savings each year. These savings compound from one year to the next. An efficiency appliance installed one year will continue to generate those savings in subsequent years. By 2012 the Department of Public Service estimates that EV activities will save statewide 9%. EV itself projects that it will be able to generate savings of over 10%.

Harvey noted that the energy efficiency savings would not seem to compensate for the annual growth increase in energy usage. Blair agrees that the efficiency makes up for more than half of the growth but not all of it. Kevin Behm noted that the potential however reached up to 10%. Blair said that raises the point that more savings could be generated as more efficiency is purchased, at half the cost of purchasing marginal supply. That would bring down

our total cost and eventually should preclude the need for rate increases.

Blair noted that the Vermont Legislature required the Department of Public Service to perform a study in order to determine how much EV is spending, how much they are saving, and therefore determine whether to increase funds. This May 2003 study indicated that if you attained every achievable bit of savings that cost less than supply, taking into account the time to develop new means, by 2012 efficiency could reduce Vermont's electrical load by 30%. This represents the maximum level of efficiency we could technically and economically achieve by 2012, if we decide to do so.

Karl Neuse recalled efficiency programs implemented in the 1970s during energy crises. He recollects that at that time the utilities argued that they had to increase rates to compensate for losses incurred by such efficiency measures. And in this case couldn't the utilities argue that they lost even more revenue because efficiency measures lowered the demand, total cost and the rates? Blair noted that he is not an economist or policy maker but a contractor who actively develops efficiency. That said, he answered that ratemaking is an arcane, complex system. Rate making is retrospective. The three investor-owned utilities in Vermont did have a mechanism during the 1990s called "account correcting for efficiency," which was designed to make the utility indifferent to such lost revenue problems and therefore encourage them to pursue efficiency measures. Regulators ensured that the amount adjusted to compensate for lost revenue was based on the fact that the return that electric utilities get is a percentage of their sales and investment. In other words they did not lose revenue equal to the full amount of savings generated by efficiency.

Blair said a simple formula, i.e. a reduction of 30% in electric supply cost will create a 30% decrease in rates, is not realistic. However, there will be some degree of rate decrease. If the energy we avoid purchasing is the most expensive supply, as EV considers, the public service board must consider this to be a good deal for Vermont ratepayers.

Fred asked whether there is a diminished return in efficiency products, for example, once someone buys some efficient light bulbs, how can that be perpetuated? Blair answered that EV is proud that 1 in 4 residents in Addison County have taken such measures, but that leaves 3 of 4 that haven't done anything. Getting these other 3 to participate would bring us toward the goal of reducing the electric load by 30%. Fred asked if the benefit would then level out, after everyone has participated. Blair answered that new technologies are always developed, which adds to efficiency capabilities. He cited the commercial T12 lamps, which were then updated to T8 lamps, and then to super T8 lamps, which had better light, longer life, etc.

Ed Payne asked how EV expected to bring the 3 of 4 "non-enlightened" residents or businesses into the use of energy efficient products. At one point does it go from voluntary, to incentives, to regulatory, and who decides? Blair answered that it is still very much voluntary. EV promotes the idea that when you spend the money for efficient products, you get more back than you spent. There are incentives and it benefits the environment and state economy. Efficiency Vermont develops the infrastructure to make the services and products available to everyone.

Blair said they are also looking for ideas about how to be more effective. He cited a program in which EV challenged the community of Poultney to see if they could get everyone in town to change one incandescent light bulb to an efficient, compact fluorescent one. Everyone in town was invited to Williams' Hardware to pick up a free light bulb. On average people bought 3.4 additional bulbs. 98% of the residents participated, so they met the challenge, and other communities have since asked if they could take up the challenge.

Karl returned to the project Blair cited in which a farm was given incentives to institute efficiency measures. He asked why it was necessary to pay the farmer if he was able to make a full return on his investment after one year. Blair answered that the farmer could not borrow, so he lacked the capital to invest in the project. Blair noted a different project in which EV negotiated with a supermarket chain to upgrade their refrigeration systems in ten different stores in Vermont. Their corporate rules mandated a two-year payback, so EV agreed to put up the money to get the project down to a two-year payback, making the project feasible.

Jeremy Grip asked whether paybacks are based on ad-hoc negotiation, and whether the funds come out of the EV budget. Blair answered yes to both questions. He added that EV tries to do whatever it can to make the projects happen while keeping the cost to a minimum. That may take the form of preparing an engineering study, offering to

put up funds to make it a feasible payback schedule, etc. If it is a cost effective opportunity that will be a good investment for Vermont ratepayer dollars to reduce our energy needs, EV says let's spend enough to get it done but not more than we have to, so as to save resources for other projects.

Karl raised the topic of IBM, saying that he understands the appeal of New York with its lower industrial electric power rates. He asked whether the situation could have presented an opportunity for EV to negotiate for efficiency measures within the IBM plant, to compensate for a cost shift from IBM to Vermont's residential and commercial ratepayers. Blair said that he took no part in negotiating rates, and Harvey indicated that this rate negotiation was done by Green Mountain Power and the Department of Public Service. Karl asked whether it would have been a good opportunity to negotiate though. Blair noted that IBM, as all customers in the state, pays the energy efficiency charges in its bills, so they are actually the state's largest contributor to the energy efficiency fund. They also have a program that spends several hundred thousand dollars per year to develop efficiency within their plant. EV reviews these projects for them.

Jeremy Grip asked whether the cited marginal cost for energy supply includes the baseline cost. Blair answered that utilities disperse their baseload supply first, which is cheapest because it is purchased ahead of time by contract. Then they use the more expensive supply when they need it. When they have an immediate need that cannot be met, rather than enter into a yearly contract for that supply, they simply purchase it in the "spot market" or on the margins, and this is the most expensive of the supply they purchase. EV reasons that when we use less energy, we avoid the need to buy that last, most expensive kWh of power.

Jeremy noted that the assumption is that the utilities contract for less energy supply than they need, but wouldn't the impact of efficiency-derived energy saving measures be dependent on the way in which the utilities operate? Blair said yes and noted that efficiency did not decrease the amount of supply that utilities bought from Hydro-Quebec or Vermont Yankee, but it did limit the amount of gas power they had to purchase on the "spot market."

Jeremy noted that VELCO claims to be able to meet projected energy needs beyond what would be saved by efficiency. Blair commented that efficiency does take longer to develop and is a longer-term strategy. Developing efficiency now helps avoid the need for upgrades in the future.

Ellen asked how much would have to be invested in order to achieve the 30% reduction in energy need. Blair said that the study by Vermont DPS indicated that the price would be somewhere between the price we pay for source and the price of efficiency.

Harvey commented that the investment dollars were capped in the legislature at 17 million, and asked if that funding would achieve the 30%. Blair answered that the current funding will allow them to achieve 10% reduction in energy needs, and he believes it was a good idea to cap the funding and then determine how much energy could be saved within that limit.

Harvey noted that utilities also have to grow in sales and income every year, but increasing efficiency impedes this growth. He cited Green Mountain Power having to reorganize and downsize due to stagnating sales. Blair suggested that this creates pressure to institute something similar to Efficiency Vermont's performance based contract. Rate setting and shareholder profits could be based on performance indicators other than simply the amount of power flowing through the utility. Harvey noted that inflation also raises their costs, and at some point utilities would become inefficient based on such criteria. This would lead to downsizing and the kind of problems where customers have to wait much longer to get repairs or have new poles installed. Blair said this situation would be different if shareholder profits were based on things like quality of service, customer satisfaction, etc. Ellen added that even if the rates are set higher, bills might not increase, so it couldn't be said that utilities would automatically make more money when rates increase.

Blair recognized Harvey Smith, sharing the news that Harvey has volunteered to be an advisor to Efficiency Vermont.

Adam asked how EV tracks repeat customers and how they are using efficiency products. Blair answered that they track every purchase by customer account, so that EV knows where in the state energy reductions are taking place and can advise the utilities so that they can plan around such reductions as well. Other than that, EV does not have

information on how the participants are using their efficiency products.

The public program ended at 8:55 p.m.

Business Meeting

The business meeting began at 9:10 pm.

Approval of Minutes: October 8, 2003

There were no proposed additions, and none reported being present without being accounted for.

Neil Kamman moved to approve the minutes. Ed seconded the motion. The motion passed unanimously.

Executive Board Minutes:

There were no questions or discussion.

Treasurer's Report

Adam handed out copies of the report. He noted that the Commission is a little more than halfway through its first draw on DCA funds, has good fund balances and accounts receivable. There is a lot of funding due from Emergency Management. Otherwise he had nothing specific from the report to bring to attention. There were no questions.

Karl motioned to approve the Treasurer's report as presented. Andrea seconded the motion. The motion passed unanimously.

Committee Reports

TAC:

Adam reported that he, Don, and Meg Barnes were present for Secretary McDonald's visit to the region. Sec. McDonald and other officials from the Agency of Transportation gave a presentation to the Rutland and Addison County planning commission TACs and a number of members of the public. Topics included bridges, airports, roads, public transit, parking garages, etc. It was brought to the Secretary's attention that in Addison County and to a lesser extent Rutland County, there is not sufficient attention being paid by the Agency to the several large projects in the region. Projects have been cancelled or delayed but no reports have been issued as to when they will be resumed.

Meg noted that the park and ride issue was addressed. There is really only one on this side of the State, the one in Richmond being closest. Don said the Secretary indicated that VTrans was surprised by the success of the park and rides, specifically, how quickly they reach and exceed their capacity. VTrans has submitted an application to build a Park and Ride in Ferrisburgh on route 22A. Bob McNary has been following this and can answer questions about it. Bob commented further that the old Vergennes train station will be moved to that site from its current location and serve as a welcome center. If it develops as hoped, Bob said, it will bring a lot of visitors and disposable income into the Ferrisburgh and Vergennes area. It is hoped the site would be a prominent stop along the bike path being developed in Vergennes.

Don recalled that the TAC meeting also addressed hazard mitigation, for example the flooding on the Leicester-Whiting Road. Many constituencies were represented, and Don lamented that so many projects everywhere get set aside for lack of money. Delegates and planners are asked what is important to them, and they mostly reply “roads and bridges,” but nothing seems to be done about it.

Bob said that depends on who and where you are. He noted that they seem to have the money to repair Route 4 from Rutland to Killington almost bi-annually, yet the road in New Haven between Campground Road, Route 7 and 17 and 116, which Bob considers a major highway, is impassable. Harvey added that ACRPC interceded in that project design due to the fact that the road was to come very close to a number of houses at one point. The designers had to go back and renegotiate with the property owners, and then the project suffered from a shortage of funds from the state level. Harvey believes the project is still a year or two away, having been slowed down in part by the efforts of ACRPC to improve upon the original plans.

Don noted that the Commission was well represented at the meeting. He said that Bill had criticized Sec. McDonald about the following incident: The Agency of Transportation had asked Bill’s group if they could develop plans to use a federal grant of \$4.5 million to build a multi-modal center. Bill answered that they had shelved plans for a multi-modal center, which they no longer needed. Instead, they need a bridge for the train. He was then told that there was no money available for a bridge.

Local Government:

Thea reported that the committee is meeting next Thursday, November 20th, at 7 pm in Starksboro.

Act 250:

Fred noted that an ad would appear in papers describing the replacement of the Chipman Hill communications tower, after over 10 years of planning. It has been extensively engineered, the problem being that the technology changes faster than the lawyers can keep up with in terms of getting approvals and keeping everyone informed. Don asked if the footprint would be bigger. Fred responded in the negative. Some of the structure and lines will be put underground. The whole structure will be moved 8 feet to the north and will have more paneling and devices on the tower but will not be any taller than it is now. It will accommodate more providers. There will be an Act 250 hearing on this December 15th.

Fred reported there will be another minor Act 250 application this Friday involving Tony Neri, who wants to take an option from the college property south of the wastewater treatment plant, along the railroad. The proposal is for a storage warehouse, rail spur, and a bulk fuel storage facility for propane heating fuel.

Adam added that the only additional Act 250 related project is the Vergennes/Ferrisburg Park and Ride.

Fred reported that he and Adam attended last Friday’s status conference concerning VELCO, in Montpelier. The objective was to group parties together based on which issues groups would address and how actively so, etc., in order to organize the proceedings. Some groups objected to being grouped together, particularly if lawyers of one group would be representing other groups as well. It was a well-intended idea but may have made the situation more complex. There was a proposal to group the municipalities together. The town of Middlebury reported that it would not be hiring technical experts or address the need for the project or health issues, but would actively participate on the issue of local aesthetic impacts and what reasonable mitigation efforts could be made. The town of Middlebury did not object to being grouped with ACRPC. The town’s statement of position doesn’t bind the selectmen in terms of involvement on any particular issue and their position can be changed.

Other municipalities took issue with the impact the project will have on the tax base. Property owners are very concerned with the power lines, perhaps more so because VELCO changed their plan in June. Instead of using their VELCO right of ways from Monkton to Hinesburg and Williston, they proposed going up through Waltham, Vergennes and Ferrisburg to get to Chittenden County. In 1968 Middlebury purchased a 350-foot wide right of way and compensated owners, but this is not the case for these new VELCO routes.

Regarding the committee, Fred noted that he and Judy, Adam and Kevin met to discuss ACRPC making a statement on projects like this. ACRPC will have to state its position by the pre-file date of December 17th. Fred offered his position that the Commission should advocate reasonable mitigation of the aesthetic impact. VELCO has offered \$15,000 in planting various tree species along town roads. Fred reports that the Middlebury Board of Selectmen are generally supportive of the project but were unimpressed by this mitigation figure.

Adam passed around the statement submitted to the PSB on behalf of the ACRPC. It states that the Commission has no clear position but its committee is working to develop and present a statement for approval by the full Commission, and that ACRPC is working with its member municipalities, for example providing them with Kevin's GIS resources. The statement also notes that ACRPC may assess and make further statements regarding the need for and alternatives to the dual transmission lines south of the New Haven substation, rather than a single one. Adam said he hopes it fairly represents the discussions being held within the committee. Fred noted that the statement could be modified.

Neil raised the point that there is only one Full Commission meeting prior to the December 17th deadline. He reasoned that the Commission may want to take a stronger stand than the good draft presented tonight, and wondered if there would be opportunity to vote on a final, focused statement of the ACRPC.

Adam said the plan was for the committee to meet and develop one specific statement regarding the mitigation, and that Judy would develop a more general statement regarding the need for the project, and these would be presented to the December Commission for vote.

Bob McNary asked if the PSB made a decision on grouping the interested parties, as this is an issue of concern in Shelburne, Charlotte, and Vergennes. Fred answered no, that the PSB simply had a hearing officer taking testimony on it, in order to sort out the large number of parties. Fred recognized that many interveners objected to being grouped together, but they received assurances that no grouping would prevent individual parties from expressing their view. It is simply an effort to organize what is an extremely complex process. Bob noted that it will only get more complicated, and cited as an example the fact that he was solicited by the Conservation Law Fund, which is attempting to raise \$50,000 to oppose the project.

Jim Peabody reiterated the importance of the issue and is optimistic that the ACRPC's statement would have an impact. To that end, he raised the idea of devoting the next Commission meeting to this subject, as much as possible, and potentially having more than one full commission meeting.

Fred replied that everyone is concerned, but that in his view it is difficult for ACRPC to make a statement on the specific individual impacts. It seems to be more in the scope of the Commission to make efforts to ensure that the proper legal means are taken and mitigation offered, but that it is up to the towns to express their needs and views about specifics. The ACRPC can respond in principle, but cannot, in Fred's opinion, get more specific in this forum. Jim agreed but said he wanted the Commission's statement to reflect not just the viewpoint of one or two people in the Commission. Andrea asked if it would be possible to read the proposed statement before the next meeting.

Don asked if the Commission was considering making a comprehensive decision as to whether the majority was fully opposed to the project, and/or would it suggest mitigations to be carried out if all else failed. He asked if so, did delegates feel empowered to do so without specific instruction from their towns. Don asked Harvey for the history. Harvey said that information was gathered on the issue in several public hearings. A resolution was drafted regarding the health and safety of the lines, and that is as close to a policy that exists. Don asked if the resolution expressed reservations. Harvey replied yes, but noted that the ACRPC usually works on a committee basis. The Act 250 Committee was assigned the issue and would discuss it and present findings and a statement to the full Commission. Harvey felt that it would be difficult for the Commission as a whole to make a recommendation. Discussion followed on the fact that there would be time for the committee to present something to the Executive Board when it meets on November 26th.

Karl said that from a brief analysis of the regional plan, which is historically not very aggressive in its planning statements, there is no statement within it that could be used to address the impact of this project, except in minor ways. Fred elaborated that in this process the project does not have to conform to town or regional plans. Rather, the PSB is required to assess the need for the project, and from they're to address specific Act 250 criteria issues such as

aesthetic impact and effect on public investments. Then, an expert would have to present evidence that on a specific issue the aesthetic impact is or is not being adequately addressed. This is therefore not really a matter of the regional plan, Fred said, but a question of how far to pursue the issue.

Bob McNary questioned whether December 17th is truly the final date, as he foresees the conflict intensifying and is certain that VELCO will use its resources to continue pressing the issue in the future. Bob therefore suspected that by January the Commission's statement might have to be altered anyway, to reflect current realities.

Fred noted that historically the ACRPC does not take sides when two towns have opposing viewpoints, a situation that could develop in this case. Adam said that ACRPC could facilitate a meeting between opposing towns, however.

Bob speculated about the location of the lines in Vergennes, which were planned to be in the gully, and believes that plans to bring the lines up near Chicago Road near the grade school had been scrapped.

Don asked Fred if he felt he had enough instruction and direction for the next Act 250 meeting, to which he replied he did.

Brian agreed that the Commission cannot treat all specifics, but could make a recommendation on how to approach the process. Adam addressed Brian's concerns and said that there will be a meeting next Monday of representatives of the towns involved. Fred qualified that the selectmen from the towns have allowed citizen committees to be formed and to advise them about the issue, and it is these citizen groups that are meeting Monday at 3 pm in the Charlotte town hall. This group includes official interveners as well as local activists. Bob noted that people were disappointed after not being able to speak at the public meeting at the Vergennes opera house concerning VELCO, and he asked if this would be the case in Charlotte. Fred said that the format is up to that group and he did not know. Fred added that there were already 3 hearings at which people could apply for intervener status, and that being done, they are now moving on with the process. People who want to get involved at this point will have to go through their town and other groups or individuals who are already active in the process or have intervener status. Fred noted that in some cases the people in those citizen groups are also active participants, for example attorneys representing the towns.

Bob said that smaller towns don't have the resources to have a staff attorney represent them and feel left behind. Also, many feel they are not brought up to speed on what is going on. Bob thinks VELCO is only saying so much. Fred offered that the PSB documents, orders, and proceedings are on their web site and VELCO's complete application and information is on their web site.

Ellen asked if another Act 250 meeting is scheduled, to which Adam replied it is not scheduled but will be soon. Don noted that anyone may email Adam and Fred with comments, even if you are unable to make the Act 250 committee meeting. Adam noted that under the ACRPC bylaws the committee is technically broadened to include delegates of all affected towns.

Jim Peabody added that the ACRPC is perhaps the most interested and well versed on the proposal and therefore should make a statement. **Jim made the motion that next full Commission meeting be devoted to the extent possible to the issue of the ACRPC's statement to the PSB, and if a recommendation is generated by the subcommittee that it be distributed to the full Commission prior to the December 10th meeting. Bob McNary seconded the motion. The motion carried unanimously.**

Natural Resources:

Ed Payne informed the Commission that Kevin had given the committee information on the IP tire-burning project. The committee did not perceive any significant direct impact that would negatively impact the environment. Ed asked the commission how deeply the committee should delve into the vast sources of information on the subject. Harvey said he wasn't clear as to whether the committee was to develop a statement. He noted the Governor's position is to resist the tire burn until the New York Department of Environmental Conservation reports that it will not create air quality problems in Vermont. Harvey said the committee didn't feel comfortable making a recommendation without someone clearly interpreting the significance of the scientific data. Neil asked if he could

see and interpret the information, and mentioned that mercury released in tire burning poses a significant problem to Vermont and New York. Don and Harvey noted that he could certainly do so without any decision from the committee or commission.

Andrea informed the group that the test burn has been shelved for now, because it will be too cold to have personnel up on the smoke stack in order to perform the necessary testing.

Economic Development:

Jim reported that the committee is working on its section of the regional plan, and should have it ready to go by February and ready for the commission to act on by May. The committee met last night with the Addison County Economic Development Corporation, and discussed the lack of middle income housing and childcare. It was also noted in that meeting that many mid- to small-size businesses seek to relocate to sites that are already built, rather than constructing new spaces. Don cited Autumn Harp as an example.

Jim said it was discussed whether the many empty farm buildings could be used for business use. Brandy suggested at that meeting that ACRPC could develop a summary of the kinds of infrastructure and other changes that might have to be done in order to make such structures usable for businesses. Andrew noted that in Bridport, about 10 years ago at least, a building was converted to an operation that produced packages of some kind, and it seemed to be a successful conversion and project. Andrea cited a business that moved in at a horse farm on Route 73 and was successful.

Don said it is an interesting idea and he looks forward to hearing what the committee can develop. The next committee meeting is December 9th, at 5 pm at the ACRPC office.

Utilities and Facilities:

Ellen reported that in their last meeting they had a presentation similar to the public program tonight. Energy conservation was a topic that had been raised, and therefore they recommended tonight's speaker for the Full Commission public program.

Ellen brought to the group's attention a meeting on safe energy and environmental protection on Tuesday, November 18th from 5 to 7 pm at American Flatbread. Experts will present issues of efficiency measures, energy savings, etc. Efficiency Vermont, Middlebury College, Vermont Biodiesel Association, and other businesses will take part.

The committee will meet on November 17th at 7 pm at the ACRPC office.

Ellen referred to the earlier Act 250 discussion and said that previous resolutions have been made in subcommittees, brought to the full Commission for approval, and have seemed to accurately reflect the general views of the commission. She believes this should be possible in the case of the Act 250 committee and its recommendations.

Joint Partners' Report

Adam reported that the Chamber of the Economic Development Corporation and ACRPC are sponsoring a legislative breakfast here at Kirk Alumni Center on December 3rd, to be followed by a local tour.

Staff/Delegate Recognition

Don noted that Fred Dunnington had been recognized recently at the Vermont Planner's Association, where he won

an award for outstanding service, presented to him by Gov. Douglas.

Don also introduced Faith Inglesrud from the Department of Housing and Community Affairs in Montpelier. She said she was on hand to put a face to the names she sees in the minutes. She is also tied to one of the ACRPC's funding sources.

Old Business

Faith noted that the results of municipal planning grants would be given out on Friday, and should be received by Monday. She said it was competitive in Addison County this year. No one group received all that they applied for, so that the grant money was spread around.

New Business

Adam gave a summary of the 2003 Audit. It was held up because of numbers from emergency management. The final numbers should be ready any day, but preliminary results suggest that there should be no adverse findings. The commission made it through last year very close to budget, with perhaps a surplus under 10 or maybe 5 thousand dollars. The Audit will be available at the next meeting, Adam said.

Secretary Dorn from the Agency of Economic and Community Development and each of the commissioners of the departments under the Agency are visiting Addison County on November 21, 2003. They will meet with the chairs of the planning commissions, selectboards and legislators to discuss issues in village centers from 10 to 11am. and will meet with business leaders from 11:00 a.m. to 12:00. Don and Adam are to meet with the Secretary for lunch thereafter.

There was no new business from the floor.

Jim Peabody said that he joined the Commission 5 or 6 years ago, at which point there was a similar format, but the programs seem to last much longer than in previous years. He suggested perhaps alternating, to have one meeting be devoted to a particular topic and the next month's meeting be a business meeting, or to have two meetings per month, or some such arrangement. Bob asked whether a 7 pm start would be effective and easier than multiple nights. Harvey suggested that the Executive Board consider a 7 pm start and return to the Commission with a recommendation.

Member Concerns/Information

The first draft of an acronym list was handed out to all present. Revisions and additions are welcomed.

Adjournment

Karl moved to adjourn. Andrea seconded the motion. The meeting was adjourned at 10:20 p.m.

Submitted by Joe Langerfeld