

New Vermont utility chief looks to green energy

Associated Press

July 28, 2008

COLCHESTER, VT. -

Calling it a "once in a generation opportunity," the incoming head of Green Mountain Power Corp. said Monday the utility wants to boost its portfolio of renewable energy sources and decrease its reliance on the Vermont Yankee nuclear plant.

Mary Powell, who takes over as chief executive on Friday, said the utility wants to increase the role of Hydro Quebec in Vermont's energy future and push the state to establish "green zones" that put development of low-emission energy sources on the fast track.

Powell said the utility would seek state help and regulatory approval to develop the green zone concept, identifying over the next year the best places in the state for wind, methane, biomass and solar projects and then seeking to build the zones around them.

"The companies doing the development would have to show economic development benefits to the state," said Powell, who also advocated the forging of a new relationship with the Province of Quebec and Hydro-Quebec.

Currently, Vermont utilities' contracts with Vermont Yankee and Hydro Quebec expire in 2012 and 2015, respectively, although Vermont Yankee is seeking permission to remain open for another 20 years.

"We are pleased to see Ms. Powell and GMP taking the initiative with regard to Vermont's long-term electric supply," said David O'Brien, commissioner of the state Department of Public Service. "Today we are in an envious position of having the lowest rates in New England and the lowest carbon emissions in the country. I welcome GMP's efforts to secure a continuation of our strong position, especially a focus on diversity."

GMP is owned by the Quebec-based energy company Gaz Metro, and has about 94,000 customers in Vermont.

GMP Focuses on Vermont's Energy Future

WCAX

July 28, 2008

With two big power contracts set to expire in 4 years, Green Mountain Power's new CEO Mary Powell has a new plan.

"This creates a once in a generation opportunity for how we serve our customers," says Powell.

GMP currently gets 48 percent of its power from Hydro Quebec, 38 percent from Vermont Yankee Nuclear, 4 percent from biomass, and the rest from a mix of gas and the New England grid.

The 25-year plan is to increase Hydro to 63 percent, decrease nuclear to 17 percent, and increase biomass to 10 percent and wind to 8 percent.

"This whole plan is really founded on the concept of ramping down Yankee-- ramping up Vermont renewable sources for the future," explains Powell.

Wind power is controversial in Vermont-- GMP says it would need about 50 turbines to reach its 25-year goal. But part of the plan is to create green energy zones where permitting would be eased for renewable projects.

Rep. Tony Klein, D-East Montpelier, focuses on energy policy. He's glad GMP is moving away from Yankee, but thinks it should be more aggressive; using more renewable energy and less nuclear.

"I certainly don't think that it's fast enough and it's still the same overemphasis on the two same sources; Hydro Quebec and Vermont Yankee, and I worry about having all of our eggs in those two baskets," says Klein.

Customers have mixed reactions.

"I think it's a good idea to go to more wind -- I think it's a good idea to go to more Hydro," says Roger Cranse of Montpelier.

"I am worried about price because it will cost more," says Dorothy Phillips of Montpelier.

GMP officials say without planning ahead rates could possibly rise 40 percent-- they hope with this plan it won't be as much, although at this stage, they're not sure how much it would save. They want feedback before taking action.

"We look at it as what would the cost pressures be prior to this strategy-- what would the cost pressures and leverage be with this strategy-- we see greater leverage so we see a chance to improve the cost we can provide to customers," says Powell.

In reaction to this proposal to use less nuclear power, a Vermont Yankee spokesman says it would sell the extra power to other utilities or put it on the grid for sale and that this does not change the company's interest in getting a 20-year license extension to operate here.

The GMP plan assumes Vermont Yankee gets relicensed, but it may not. GMP says it has taken that into consideration, but power would have to be bought from the grid which would be more expensive.

GMP plans major energy shift away from nuclear power

Times Argus/Rutland Herald

July 29, 2008

By Louis Porter

Green Mountain Power, the second largest electrical utility in the state with some 90,000 customers, is planning on a future in which the Vermont Yankee Nuclear Plant plays a much smaller role, company officials said Monday.

Mary Powell, who will become the company's CEO in August, said the company will rely more on large-scale hydro (primarily from Hydro-Quebec) and more Vermont renewable projects, such as wind and biomass like wood-fired plants. It currently gets about 40 percent of its electricity from the Yankee nuclear plant.

"We are facing in our state a once-in-a-generation opportunity," Powell said. The utility will plan for the future by "ramping down significantly our dependence on Vermont

Yankee nuclear" with "aggressive deployment of Vermont renewable energy."

Yankee has had a series of recent mishaps and is in the midst of seeking a new operating license. The plant, and its parent Entergy Nuclear, must gain federal, state regulatory and legislative approval to keep running past 2012.

By 2032 GMP, now owned by Northern New England Energy Corporation, a wholly-owned subsidiary of Gaz Métro in Quebec, hopes to reduce its use of nuclear power to 17 percent of its load, Powell said. Meanwhile the company will rely more on large-scale hydro – particularly Hydro-Quebec, she said.

Hydro will go from 48 percent of GMP's supply to 63 percent over that time period, Powell said. Current contracts with the Canadian company expire in 2015.

Since the Quebec power grid runs on a different system than Vermont's, getting more electricity from Hydro-Quebec may require an additional conversion station like the one now running at Highgate. Or perhaps a power line from the massive dam system could be run into Vermont, ending at a large commercial electricity user in Chittenden County, Powell said.

In exchange the Quebec company would get an advantage of being associated with Vermont's "green" power portfolio, Powell said.

"They have long-term interest in having large scale hydro being branded green," she said.

Powell acknowledged the environmental concerns about the giant hydro facilities run by Hydro-Quebec. But to keep power flowing to Vermont customers that is relatively cheap and does not create greenhouse gas pollution some trade-off will have to be made, Powell said.

"If we really want to combat climate change ... we have to make some hard choices," she said.

In addition GMP will encourage the state – and it will likely take legislative action – to streamline and simplify the rules to get construction permission in certain areas of the state identified as good candidates for wind towers or other renewable energy projects. Some factors – for instance economic impacts – could be given greater weight than they are now, Powell said.

There is some precedent for such a streamlining, Steve Wark of the Department of Public Service said. Permitting for internet and wireless telephone projects undertaken as part of the work of the Vermont Telecommunications Authority was recently changed to simplify approvals.

"That is something that would require a change in legislation," he said.

Steve Costello of Central Vermont Public Service said GMP's plan is a good framework for the discussion about where the state is going to get its electricity.

"They have done a really good job of pulling together a lot of pieces and parts that a whole bunch of people are talking about," he said. "They have done it in a very good way. In a lot of ways we are all singing from the same hymnal."

For instance "if Vermont Yankee is re-licensed we would expect we would reduce our load from that plant and diversity our portfolio even further," Costello said.

Looking at the state's permitting process is probably a good idea, he added. Working with farmers on the company's Cow Power projects have reminded those at the utility that even if they are used to the permitting procedures it can be baffling to newcomers, Costello said.

"We are used to the permitting process as it is," he said. "They are overwhelmed by it. To someone who is not used to the process it seems cumbersome."

The extra connection to Hydro-Quebec is also a good idea, Costello said.

Vermont Yankee spokesman Rob Williams said the company understood GMP's plan.

"Given that replacing baseload power is a process that can take decades, from planning to construction to licensing, it is entirely prudent for a utility to plan well in advance," Williams said in a statement. "With our 20-year license renewal request, we look forward to doing our part in supporting the transition by supplying the utilities with reliable electricity that does not rely on fossil fuels."

Wark said the GMP plan is interesting, but also provocative.

"We find components of this very interesting. There remains a significant amount of work to be done," Wark said.

State regulators "would want to make sure they are not in a situation in which they are too focused on one particular source of energy," he said.

"The Public Service Board will have ample opportunity to review the choices Green Mountain Power is making," Wark said.

Powell said seeking power supply diversity while ignoring the promise that taking more power from Hydro-Quebec could offer would be foolish.

GMP maps out future power plan

Burlington Free Press

July 29, 2008

By Dan Mclean

COLCHESTER— Green Mountain Power's soon to be CEO outlined power supply plans for the next generation Monday, calling for "ramping down" the reliance on the Vermont Yankee nuclear power plant, increasing wind power and bolstering the amount of electricity received from Hydro-Quebec, a massive Canadian utility.

Recasting how Vermonters obtain electricity is a "once in a generation opportunity," Chief Operating Officer Mary Powell said. Contracts that provide Vermont with two-thirds of its electricity begin to expire in 2012.

Green Mountain Power's 25-year energy plan calls for the creation of a "new geopolitical relationship" with Quebec and Hydro-Quebec to facilitate greatly increasing the amount of electricity sent to Vermont from Canada. Green Mountain Power Corp. is owned by a Canadian firm, Gaz Metro of Montreal.

Reliance on wind power also increases, she said.

"We need to make renewable energy work in our state," said Powell, who is slated to replace Chris Dutton as Green Mountain Power's CEO on Friday.

The plan by the state's second largest electric utility calls for legislation to streamline the permitting of wind turbines throughout Vermont in designated "green energy zones," Powell said; the zones would be selected based on their viability as a wind site and whether the siting benefits the state as whole.

The proposed changes in the utilities' electricity mix include:

- Increasing electricity from Hydro-Quebec, which is mostly from large-scale hydro electric operations, from supplying just under half of the utility's electricity to 63 percent in 2032.

- The electricity supplied from nuclear power would decrease from 38 percent to 17 percent over the 25-year time frame.

- Renewable sources, such as wind power and biomass, would be increased. Wind, which supplied no electricity for Green Mountain Power last year, would rise to 3 percent by 2012, 6 percent by 2022 and 8 percent by 2032.

Detailed figures of how many wind turbines would be required for the plan were not available. Utility spokeswoman Dorothy Schnure said fewer than 20 1.5 megawatt wind turbines would be needed to generate 3 percent of the utilities' energy needs in 2012.

The plan, which took four months to create, is dependent on Entergy Corp.'s Vermont Yankee nuclear plant being relicensed in 2012.

"The bottom line is: safety is non-negotiable... it has to be safe," Powell said of Vermont Yankee, which has had persistent maintenance problems with aspects of its cooling towers recently.

Jake Brown, spokesman for the Vermont Natural Resources Council, said it's "premature" to rely on Vermont Yankee as a future energy source. "There are a lot of safety concerns there," he said; the Vermont Natural Resources Council is opposed to relicensing the Vernon power plant.

If Vermont's sole nuclear power plant is not permitted to operate after 2012, the state is taking a "cliff dive" approach to energy planning, Powell said. Should energy from the New England power grid be used as a substitute for Vermont Yankee, she said, citing an alternative, it would be "dirtier and more expensive."

Steve Wark, spokesman for the Vermont Public Service Department, said the utility's plan is helpful.

"It's interesting. It's exciting. At the same time, it's provocative," he said.

Ramping up dependence on Hydro-Quebec, however, might cause some concern. "One of the things we want to make sure is we are not placing too many eggs in one basket. ... There remains a significant amount of work and details that need to be flushed out," Wark said.

"Ultimately, the board will determine if Green Mountain Power's new direction is in the best interest of their customers, including a review and approval of their energy purchases," Wark said of the state's Public Service Board, which regulates the state's utilities.

Although disappointed solar power wasn't discussed more, Brown also praised Green Mountain Power's vision. "Anytime somebody looks into the future ... and moves toward renewables and away from unsafe fuels like uranium is a good thing."

Green Mountain Power's plan also calls for a "smart, green grid" that would act as a backup system for the renewable power supplies, ensuring reliability, and increased investment in energy efficiency and distributed generation.

"I think the plan is aggressive, but I think it's achievable," Powell said.

GMP

WCAX

July 28, 2008

Good evening, I'm Marselis Parsons. And I'm Kristin Kelly. Where Vermonters get their electric power -- and how much it costs -- could change. Green Mountain Power today unveiled a 20 year energy plan. Kristin Carlson is in our Montpelier Bureau with the details and how it will impact customersKristin? GMP is the state's second largest energy company -- providing power to 1/4 of the state's population. GMP said its new energy goal was to come up with a plan to combat higher rates -- while also using more green energy. But for some - the approach does not go far enough.

With two big power contracts set to expire in 4 years - Green Mountain Power's new CEO -- has a new plan. Mary Powell/GMP: "This creates a once in a generation opportunity for how we serve our customers" GMP currently gets 48-percent of its power from Hydro Quebec -- 38-percent from Vermont Yankee Nuclear -- 4 percent from biomass - and the rest from a mix of gas -- and the New England grid. The 25 year plan -- is to increase Hydro to 63% - decrease nuclear to 17 percent - and increase biomass to 10% and wind to 8%. Mary Powell/GMP: "This whole plan is really founded on the concept of ramping down Yankee - ramping up Vermont renewable sources for the future." Wind power is controversial in Vermont -- GMP says it would need about 50 turbines to reach its 25 year goal. But part of the plan is to create green energy zones -- where permitting would be eased for renewable projects. Democratic Representative Tony Klein focuses on energy policy. He's glad GMP is moving away from Yankee -- but thinks it should be more aggressive -- using more renewable energy -- and less nuclear. Rep Tony Klein/D-East Montpelier: "I certainly don't think that it's fast enough and it's still the same over emphasis on the two same sources - HQ and Vermont Yankee and I worry about having all of our eggs in those two baskets." Customers have mixed reactions. Roger Cranse/Montpelier: "I think it's a good idea to go to more wind -- I think it's a good idea to go to more Hydro." Dorothy Phillips/Montpelier: "I am worried about price because it will cost more." GMP officials say without planning ahead rates could possibly rise 40-percent -- they hope with this plan it won't be as much - although at this stage -- they're not sure how much it would save. They want feedback before taking action. Mary Powell/GMP: "We look at it as what would the cost pressures be prior to this strategy - what would the cost pressures and leverage be with this strategy - we see greater leverage so we see a chance to improve the cost we can provide to customers."

In reaction to this proposal to use less nuclear power -- a Vermont Yankee spokesman says it would sell the extra power to other utilities or put it on the grid for sale - and that this does not change the companies interest in getting a 20 year license extension to operate here. Well this GMP plan is assuming Vermont Yankee gets relicensed -- it may not -- is GMP planning for that as well? Yes -- GMP says it has taken that into consideration -- but power would have to be bought from the grid -- which would be more expensive. Thanks Kristin. For a link to GMP's report -- go to our infocenter - wcax.com.

New GMP head announces energy plan

Vermont Public Radio

Tuesday July 29, 2008

(Host) Vermont's second largest electric utility has drawn up a plan for where it will get its power over the next quarter century.

Green Mountain Power says it ultimately wants to rely more on environmentally friendly power - and less on nuclear.

VPR's Ross Sneyd has more.

(Sneyd) Green Mountain Power's plan comes down to two major components.

First, the company wants to go even greener. So it wants to boost the amount of power it buys from wind, solar, biomass and hydroelectric projects.

Plus, Green Mountain wants a lot less power from Vermont Yankee, the nuclear plant that now makes up more than a third of its supply.

Here's GMP's incoming chief executive, Mary Powell.

(Powell) "This whole vision and this whole plan is really founded on the concept of ramping down Yankee and ramping up Vermont renewable sources for the future."

(Sneyd) Even with that vision, Green Mountain needs Yankee to win a 20-year extension of its operating license.

But, by 2032, when that extended license would expire, Green Mountain's reliance on nuclear power would be cut in half if that plan succeeds.

In the meantime, GMP's reliance on wind power would grow from next to nothing today to eight percent of its total needs.

Hydro would really grow - from almost half of Green Mountain's portfolio today to two-thirds by 2032.

And most of that would come from greatly expanding the amount of electricity imported from Hydro-Quebec, which Powell considers a green source of power.

Vermont utilities have been criticized in the past for relying so heavily on two sources - Vermont Yankee and Hydro-Quebec. Powell says that criticism is only partly valid.

(Powell) "But not to the extent where you ignore unique opportunities that could provide value that you otherwise could not achieve for your customers. And I think where we came out in that discussion, as you see in this plan, is that there's a potential to provide a unique, once-in-a-generation opportunity."

(Sneyd) That opportunity is coming because GMP's contract with Yankee expires in 2012. And agreements with Hydro-Quebec begin to expire three years later.

The Douglas administration welcomes the utility's plan.

Steve Wark of the Public Service Department says there will be details that create debate. But he says the overall concept is a good one.

(Wark) "This is a vision and I think we've got to be cautious not to throw eggs at it right off. The message today is this is an exciting time for Vermont and for Green Mountain Power. They're looking to do better with a situation that already is extremely good."

(Sneyd) The view from the Legislature is a bit different.

(Klein) "I think it's way too slow."

(Sneyd) Tony Klein is chairman of the House Natural Resources Committee. He'd like to see Green Mountain shed its power from Yankee more quickly. And he'd prefer to see the renewable portfolio grow faster.

But he says GMP's goal of making it easier to build wind, solar and biomass turbines is a good one. And if he's re-elected this fall, Klein plans to pursue that idea in the Legislature next year.

July 29, 2008

Emerson Lynn On Politics

GMP's plan for the future



For Green Mountain Power, its practical needs also parallel Vermont's political realities, which explains, in part, the utility's announcement Monday that its future lies increasingly with renewable sources of energy.

The company's plan took over four months to develop, and was offered as the path for the next generation – one that will rely less on traditional sources of energy and more on renewables like wind, biomass and hydro-electric. The plan has been described as “exciting” and “provocative.”

And it is. Any plan that moves us away from our dependency on fossil fuels is welcome. It was particularly important that the utility stressed the point that it would be incumbent on the Legislature to rewrite the permitting process so that it would be easier to site wind turbines. If the utility is to get more of its power from wind [a projected eight percent], then wind power developers will need help from the regulators.

The news, however, was not only that the utility wanted to move toward renewables, but that it would also reduce its reliance on the nuclear power produced by Vermont Yankee. GMP currently depends on Vermont Yankee for 38 percent of its power. They want to cut that dependency by more than half, to 17 percent.

And even that 17 percent is predicated on the plant being safe, a point made clear by incoming CEO Mary Powell.

That, of course, is a given. No one advocates for the relicensing of Vermont Yankee if it is found to be unsafe.

But GMP found it necessary to stress both the safety and the reduction in reliance on Vermont Yankee because its impending relicensing battle set for the next legislative session is a key issue in the gubernatorial race. If nothing else, GMP's board of directors is politically savvy with the likes of Liz Bankowski and Kathy Hoyt offering their sage advice. Ms. Bankowski was Governor Madeleine's Kunin's chief of staff. Ms. Hoyt served in the same capacity under former Governor Howard Dean.

The message is clear: The recent miscues on Vermont Yankee's part makes it somewhat toxic to politicians and companies with high profiles. Thus, GMP's

objective Monday was to blend the essential with the political. They want to move toward renewables, but in a way that puts some distance between themselves and Vermont Yankee.

That said, credit should be given Ms. Powell for making it crystal clear that the nuclear power plant is critical to the state's energy future. She said the refusal to relicense Vermont Yankee would be a "cliff dive" approach to energy planning. The company hopes it will realize eight percent of its power from wind, but concedes that it will be the year 2032 before that happens. In the interim, the power from Vermont Yankee is double that.

It's important to note that under the GMP plan, the company would like to expand its contract with Hydro-Quebec from 48 percent to 63 percent – a 31 percent increase. Whereas both Hydro-Quebec and Vermont Yankee now constitute 86 percent of the utility's power supply, the move toward renewables would only reduce the company's dependency on these two suppliers to a combined total of 80 percent.

In other words, the utility is highly dependent on both power sources and if GMP's plan were realized its dependency on Hydro-Quebec would be increased substantially. That's a cause for concern. One would think the company's bargaining position would be compromised if it was apparent it had no place else to go.

GMP's plan also shows that while politically appealing, the march toward renewables is a slow one. Other than hydro, the company projects its renewables [wind and biomass] to total 18 percent by 2032. That's hardly the stuff that lifts Al Gore's boat.

Except that it should. Not only is GMP being forthright, its environmental footprint has to rank among the nation's best. Only two percent of its power supply is oil/gas based. Vermont is fortunate in two respects; its portfolio is squeaky clean, and the price of the energy produced is lower than almost anywhere else in New England.

Both are important, obviously. But the in-between-the-lines message from Ms. Powell and GMP is that to minimize our global warming footprint, and to provide energy at competitive rates will require power from Vermont Yankee. GMP's proposed plan for the next generation makes that abundantly clear.

That's important information as the gubernatorial campaign heats up. Now, however, it's up to the management of Vermont Yankee to be able to convince Vermonters that its plant's operations are safe and reliable.

Emerson Lynn is editor and publisher of the St. Albans Messenger where this essay first appeared.

Rutland Herald edit:

Yankee's future

July 30, 2008

So maybe Vermont Yankee is not so important to Vermont after all.

Actually, Green Mountain Power, the state's second-largest utility, plans to draw about 17 percent of its power from the Vermont Yankee nuclear power plant, according to the utility's latest plans. But that is down from about 40 percent.

By cutting back on the share of power it gets from Vermont Yankee, GMP opens the door to a range of renewable sources, including wind and biomass. Significantly, GMP expects hydropower will grow as a share of the utility's mix from 48 percent to 63 percent. That means that Hydro-Quebec would play an increased role as provider of power for the state.

The state's largest utility, Central Vermont Public Service Corp., says it views the future in much the way that GMP does. The utility's spokesman said that if Vermont Yankee receives approval for a 20-year license extension, CVPS would expect to reduce the share of power it draws from Yankee in order to diversify its energy portfolio.

The question of Vermont Yankee's license extension is charged with technical, political, financial and emotional implications. Yankee has always been a touchstone of Vermont politics, giving rise to heated debates about the safety and economics of nuclear power.

At the same time, utility executives in Vermont note that Vermont has the lowest electric rates in New England, in part because of low rates for power from Vermont Yankee. Further, the purchase agreement for the sale of the plant to Entergy Nuclear could secure hundreds of millions of dollars in profits for the Vermont utilities, which would certainly benefit ratepayers.

So safety and fuel storage issues notwithstanding, not even GMP plans to wean itself from nuclear power entirely. Seventeen percent is still a significant share — more than might be provided by wind, even under optimistic projections.

Further, if GMP boosts the share of its power from Hydro-Quebec, there will inevitably be questions about whether the state makes itself vulnerable by placing too many eggs in one basket. Then again, hydropower from Quebec represents one of the greenest and most reliable major power sources.

In past years, Quebec's hydro developments have raised environmental and political questions because Hydro-Quebec's massive dams have inundated vast areas and displaced native Americans. And yet there is a truism concerning energy production: Something is always destroyed in producing power. Atoms are split; wood or fossil fuels are burnt; land is covered with water. Even those large-scale solar projects proposed for the American West would cover a significant acreage of desert with solar panels.

But GMP's emphasis on renewable sources, including hydro, is heartening. Even more heartening is its emphasis on diversity, which creates the opportunity for conservation, innovation and efficiency.

Entergy's financial maneuvers and recent maintenance problems have thrown doubt on the prospect of relicensing for Vermont Yankee. It's too early to say whether the plant's reliability, and that of its managers, will be sufficient to win an extended license.

But GMP's decision to scale back dependence on Vermont Yankee is liberating. The less we are dependent on the plant, the less likely we are to make bad decisions about its future, and the more likely we are to make positive changes in our energy

mix.