

EthanAllenInstitute

IDEAS FOR VERMONT'S FUTURE

April 15, 2011

Lars Bang-Jensen Esq.
Public Service Board
112 State St.
Montpelier VT 05620

Dear Mr. Bang-Jensen:

Thank you for the opportunity to comment on the issues to be addressed in the PSB workshop on April 28. I am not expert enough in the important issues to be addressed to offer an informed, balanced judgment, but I do want to make one point.

Ordinarily when the PSB considers a docket relating to power purchase rates, it does so through well established procedures on a rigidly nonpartisan basis. This is a good thing.

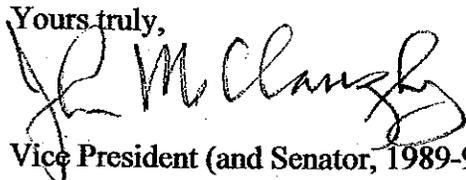
But when the legislature, through Act 160 of 2006, decides to inject itself into the process by requiring its own affirmative vote before the PSB can proceed to a final order under a CPG docket, each of its members are free to vote on any rationale they find agreeable. In the case of Act 160, neglecting to vote forbids the PSB from proceeding to a final order on a CPG relating to twenty years of continued operation of the state's largest in state power supplier. This may (or may not) be within the power of the legislature, but I find it unconscionable.

Given this situation, those who favor a new CPG for the generator in question must cast about for any of a host of arguments that might persuade a majority of legislators to vote affirmatively. A powerful argument would be the fact that the generator in question will offer power to Vermont utilities at a rate below that currently being offered by the only other comparable large supplier.

Thus it becomes politically important for ENVY advocates to know what that rate is. If HQUS will sell at \$58.07 /Mwhr, and ENVY agrees to sell at \$58.00 /Mwhr (or even \$49, as offered to VEC for the first year), ENVY advocates can point out that "VY will be Vermont's lowest cost baseload power source. Let the expert PSB issue proceed to issue a final order."

That is why I believe that under these regrettable life-or-death circumstances, PSB ought to make public the rates approved for any major purchased power agreement. An even better solution would be repeal of Act 160, the like never to be seen again.

Yours truly,



Vice President (and Senator, 1989-92)

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