

STATE OF VERMONT
PUBLIC SERVICE BOARD

Joint Petition of Green Mountain Power)
Corporation, Vermont Electric Cooperative, Inc.)
and Vermont Electric Power Company, Inc. for a) Docket No. _____
Certificate of Public Good pursuant to 30 V.S.A. §)
248, to construct up to a 63 MW wind electric)
generation facility and associated facilities on)
Lowell Mountain in Lowell, Vermont and the)
installation or upgrade of approximately 16.9 miles)
of transmission line and associated substations in)
Lowell, Westfield and Jay, Vermont)

PREFILED TESTIMONY OF
ROBERT DOSTIS
ON BEHALF OF GREEN MOUNTAIN POWER CORPORATION

May 21, 2010

Summary of Testimony

Mr. Dostis describes the economic benefits of the Kingdom Community Wind Project associated with the agreement between Green Mountain Power and the Town of Lowell, and the Kingdom Community Wind Good Neighbor Fund. He also describes the vote in favor of the project by the residents of Lowell and the public outreach process used to inform the residents of Lowell and surrounding communities about the proposed Kingdom Community Wind Project.

**PREFILED TESTIMONY OF ROBERT DOSTIS
ON BEHALF OF
GREEN MOUNTAIN POWER CORPORATION**

1 **1. Q. What is your name, occupation, and business address?**

2 **A.** My name is Robert Dostis. I am Leader of Customer Relations & External
3 Affairs at Green Mountain Power Corporation (“GMP” or the “Company”), 163 Acorn Lane in
4 Colchester, Vermont.

5

6 **2. Q. Please describe your educational background and pertinent professional**
7 **experience.**

8 **A.** I have worked at GMP since August, 2008. My job responsibilities involve
9 leading the Company’s external relations strategies, and until recently have also managed the
10 Company’s customer services and call center activities. I am also a lead strategist in developing
11 renewable energy supplies for our customers.

12

13 I served in the Vermont legislature from 2001 to 2008. During the first four years, I served on
14 the House Commerce Committee, including time as Vice Chair. During that time, all energy
15 legislation was addressed in that committee. From 2005-2008, I served as Chairman of the
16 House Natural Resources and Energy Committee. The scope of the Committee’s responsibility
17 included all renewable energy legislation.

1 The process of running for and serving in a public office requires a significant amount of
2 outreach. For instance, the first year I ran for office I visited, at least once, every home in the
3 8,000 person legislative district

4

5 From January, 1995 to August, 2008, I served as the Executive Director of the Vermont
6 Campaign to End Childhood Hunger. Statewide outreach and education were paramount to
7 acquiring public support to grow the organization and garnering public policy support for
8 programs and policies that address hunger. As a result of these efforts, I received the 2004 Ford
9 Foundation's Leadership For a Changing World award and an Honorary Doctorate degree from
10 Burlington College.

11

12 I have a Bachelor of Science degree from Fordham University and a Masters Degree in Clinical
13 Nutrition from Hunter College. I am a Registered Dietitian.

14

15 **3. Q. Have you previously testified before the Vermont Public Service**
16 **Board ("Board?")**

17 **A.** No.

18

19 **4. Q. What is the purpose of your testimony?**

20 **A.** I describe the economic benefits of the Kingdom Community Wind Project
21 associated with the agreement between GMP and the Town of Lowell, and the Kingdom
22 Community Wind Good Neighbor Fund. I also describe the public outreach process used to

1 inform the residents of Lowell and surrounding communities about the Kingdom Community
2 Wind Project (“Project”), and the vote in favor of the Project by the residents of Lowell.

3

4 **5. Q. Please describe the agreement between Green Mountain Power and the**
5 **Town Of Lowell.**

6 **A.** GMP’s agreement with the Town of Lowell (the “Lowell Agreement”) provides
7 for minimum annual payments to Lowell in an amount that is expected to generate total
8 payments of approximately \$15 million over the Lowell Agreement’s 25-year term, if a 63 MW
9 Project is built. The initial minimum annual payment amount is equal to \$400,000, plus
10 \$5000/MW to the extent the Project size exceeds 36 MW. For example, if GMP erects twenty
11 2.5 MW turbines for a total Project capacity of 50 MW, the initial payment would be \$470,000
12 $(\$400,000 + ((50\text{MW}-36\text{MW}) \times \$5,000/\text{MW}) = \$470,000)$. If the Project consists of twenty-one
13 3.0 MW wind turbines, on the other hand, the initial annual payment would be \$535,000
14 $(\$400,000 + ((63 \text{ MW} - 36 \text{ MW}) \times \$5,000/\text{MW}) = \$535,000)$. The minimum annual payment is
15 \$400,000, which is comparable in size to the Town’s current municipal budget. These payments
16 are subject to downward adjustment if the Project’s output is reduced due to events beyond
17 GMP’s control. If GMP’s municipal tax obligations exceed the amounts owed under the
18 agreement, then GMP will pay only its municipal taxes.

19

20 The Lowell Agreement further provides that the minimum annual payments will be increased
21 every five years by \$32,500, regardless of project size.

22

1 Other provisions of the Lowell Agreement assure adequate communication and coordination
2 between GMP and Lowell. The Lowell Agreement provides that GMP will submit to the town
3 for prior review and approval, plans for any Project work that affects town highways or drainage
4 structures and will promptly repair any damage to town highways, drainage structures, or other
5 town-owned infrastructure caused by construction or operation of the Project. GMP will also
6 offer training to town emergency first-responders on emergency techniques for accessing the
7 Project site and has agreed to locate equipment in Lowell sufficient to access the Project site in
8 all types of weather. GMP will complete a sound monitoring study to compare sound levels
9 actually produced by the Project with pre-construction modeled data and share this information
10 with the town. The Lowell Agreement also provides that GMP will obtain pre-construction
11 baseline information on other infrastructure that may be affected by the Project, such as water
12 wells, septic systems, roads and drainage systems.

13

14 The agreement provides that GMP will be responsible for decommissioning the Project. While
15 the PSB has ultimate authority concerning decommissioning, the Lowell Agreement provides
16 that decommissioning will consist of the removal of the wind turbines, transformers, overhead
17 power collection lines, and the concrete foundations (to a depth of 2 feet below grade). All
18 underground infrastructure and road materials will remain in place. Areas where subsurface
19 components are removed, the remaining surfaces will be graded to match adjacent contours, and
20 allowed to re-vegetate naturally.

21

1 Finally, there are a number of miscellaneous terms. A copy of the agreement is attached as

2 **Exh. Pet.-RD-1.**

3

4 **6. Q. Please describe the Good Neighbor Fund.**

5 **A.** GMP is creating a Kingdom Community Wind Good Neighbor Fund (the
6 “Fund”). The Fund will provide payments of one tenth of one cent for each kilowatt-hour
7 produced by the Project during the first ten years, which is the period that the federal production
8 tax credit will be available for the Project. The payments will be made to the towns of Albany,
9 Eden, Craftsbury, Irasburg, and Westfield, which are the communities (other than Lowell) that
10 are located within a five-mile radius of the wind turbines. The payments will be based on each
11 year’s audited Project output and will be allocated based on the acreage in each town that is
12 within a five mile radius of the wind turbines, subject to an annual minimum payment of
13 \$10,000. We believe this method of allocating the funds is fair, transparent and verifiable.

14

15 The purpose of the Fund is to create a mechanism to provide neighboring towns with some of the
16 economic benefits of the Project. While Vermonters generally favor adding wind power to their
17 energy mix, siting wind in Vermont communities has proven to be controversial. GMP therefore
18 believes that it is important for the long-term development of in-state renewable energy
19 resources to provide direct financial benefits not only for the host communities, but also for the
20 neighboring communities. It is important to note that, as described below, we are not asking
21 ratepayers to pay more for the Good Neighbor Fund; instead we are reallocating funds to build
22 broad acceptance and goodwill.

1 **7. Q. Who was consulted in developing The Good Neighbor Fund?**

2 **A.** The concept of the Good Neighbor Fund was discussed with the Northeastern
3 Vermont Development Association in response to the recommendations in its Regional Energy
4 Plan that the Board consider a “weighing of the potential benefits as well as negative impacts on
5 not only the host town but other affected towns, including possible payments to affected towns.
6 Although the neighboring towns, including a possible outline of tax payment benefits to the
7 impacted towns.” The neighboring towns were not specifically consulted on the Good Neighbor
8 Fund prior to this Petition. In meetings with the select boards in Irasburg, Westfield, Eden,
9 Albany, and Craftsbury, we spoke more broadly about the economic benefits of the Project to
10 neighbor towns and the region. In these discussions, the select boards stated support of the
11 Project and they did not express an expectation that they would receive a direct payment. We
12 also discussed the concept of the Good Neighbor Fund with leaders of renewable energy and
13 environmental advocacy groups.

14

15 **8. Q. How much will be paid to each Town under the Good Neighbor Fund?**

16 **A.** Assuming the Project generates approximately 149,000 mWh per year the,
17 projected annual payments to each town would be: Albany- \$54,030; Craftsbury- \$26,171;
18 Eden- \$59,855; Irasburg- \$10,000; and Westfield- \$10,000.

19

20 **9. Q. What is the impact of the Good Neighbor Fund on the overall cost of the**
21 **Project?**

1 **A.** Although the total cost of the Good Neighbor Fund will depend on the amount of
 2 generation produced, as described above the maximum potential cost of \$160,055 per year for 10
 3 years. This is equal to less than four tenths of one percent of the total cost of the project over the
 4 life of the project. When we decided to create the Good Neighbor Fund, we were mindful of the
 5 potential impact on Project costs, and therefore secured offsetting cost savings, principally
 6 through a reduction in the land owner payments. As a result, the Good Neighbor Fund will not
 7 adversely affect the Project cost.

8

9 **10. Q. Why did GMP and VEC undertake the outreach efforts?**

10 **A.** Beginning with its initial investigation of the feasibility of the Project in 2008,
 11 GMP decided that it would proceed to the permitting stage only if there were a broad favorable
 12 consensus by the host community, Lowell. We undertook the outreach effort to be sure that
 13 community members fully understood the benefits and challenges of citing wind in their
 14 community. It was important to us that we heard from local residents and incorporated their
 15 feedback as well as ensuring that we provided full and accurate information to them.

16

17 In order to seek this result, GMP and VEC engaged in extensive efforts to provide factual
 18 information about the Project and to develop a relationship of trust with the community. Our
 19 outreach program was designed to accomplish these objectives.

20

21 **11. Q. Please describe the Outreach Efforts conducted by GMP and VEC.**

1 A. GMP, together with VEC, began Outreach Efforts in early 2009 by providing
2 information about the Project and more generally about wind energy technology to property
3 owners surrounding the Project area. These efforts also included launching of the Kingdom
4 Community Wind website (www.kingdomcommunitywind.com), preparing an informational fact
5 sheet and a list of Frequently Asked Questions, and meeting with regulators, local and regional
6 legislators and other interested parties.

7
8 GMP teamed with local residents Andre and Gertrude Tetreault to provide local community
9 members with prompt access to information and to knowledgeable representatives of GMP and
10 VEC. This effort included approximately 18 local meetings, reaching around 200 people by
11 January 2010. Teams of GMP and VEC representatives also spoke with many residents of
12 Lowell and the surrounding areas. We kept in contact with the Lowell Selectboard, Listers, and
13 Planning Commission, and with the selectboards in the surrounding communities of Irasburg,
14 Craftsbury, Westfield, Albany, Jay and Eden, and have offered to meet with officials in the other
15 nearby towns of Montgomery, Troy and Newport. We have met with the Northeast Economic
16 Development Association and the Lamoille Country Regional Planning Commission, have
17 appeared on several regional radio talk shows, and have met with editorial boards of the three
18 major regional newspapers (Caledonian Record, Newport Daily Express and Barton Chronicle).

19
20 On November 5, 2009, GMP and VEC sponsored a well-attended community information
21 meeting, which involved CEOs Mary Powell and David Hallquist, many other representatives of
22 GMP and VEC and technical experts to provide environmental, technological and general

1 information and to respond to questions from the public. GMP and VEC also participated in a
2 February 18, 2010 meeting sponsored by community members concerned about the impacts of
3 the Project and in a February 25, 2010 informational meeting sponsored by the Lowell
4 Selectboard. In addition, GMP sponsored bus trips to an operating wind farm in Lempster, NH
5 on December 5, 2009 and February 6, 2010, which allowed approximately 100 people from the
6 Lowell and surrounding region to experience a wind farm first-hand and to judge the impacts for
7 themselves.

8

9 On January 31 and February 1, 2010 GMP and VEC representatives and community volunteers
10 visited the homes located on more than 90% of the roads in Lowell, and either spoke to the
11 residents or left a Fact Sheet on the Project and Answers to Commonly Asked Questions. Andre
12 and Gertrude Tetreault undertook additional door to door activities and GMP sent out two
13 separate postcard mailings to all VEC customers in Lowell, identifying the benefits of wind
14 power and encouraging people to participate in their Town Meeting Day vote regarding the
15 Project. GMP also sponsored print advertisements about the Project in the three local
16 newspapers and radio commercials on three local radio stations.

17

18 **12. Q. What were the results of the March 2 Lowell Vote?**

19 **A.** Of 456 residents voting, representing 78 percent of registered voters, 342 voted in
20 favor of the Project and 114 voted against.

21

22

1 **13. Q. Does this conclude your testimony?**

2 **A. Yes.**