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STAR Group, LLC

Date: June 7, 2006
 To: Members of the Southern Loop Community Working Group
 From: Chris Kenny, Process Manager
 Re: Notes from May 25, 2006 CWG Meeting

<u>Members Present</u>	<u>Members Absent</u>
Alan Dann, Progressive Party	Craig Miskovich, Downs, Rachlin & Martin
Greg Wordon, Town of Brattleboro	Lee Krohn, Town of Manchester
John Haugsrud, Quadra-Tek/Arlington Industries	Ellen Viereck, Forest Watch
Kevin Dailey, Mack Molding	Rick Gauthier, Bennington Police Department
Tad Montgomery, Brattleboro Climate Protection	Hervey Scudder, Northeast Center for Social Issues Studies
Audrey Garfield, Town of Brattleboro	Debbie Boyle, Brattleboro Development Corporation
Eric Stevens, Windham Regional Commission	Mark Gilmore, Vermont Yankee
Jenna Pugliese, Stratton Mountain	
John Cueman, Bromley Mountain	
Marge Fish, Londonderry Rescue Squad	
Bill Calfee, Consultant	
Brian Keefe, Office of Senator Jim Jeffords	<u>Guests Present</u>
Rachael Pendleton Fredericks, Efficiency Vermont	Jim Matteau, Windham Regional Planning Commission (Leadership Team Member)
Rick Foley, Keene State College	Craig Armstrong, VELCO
Kevin Duby, Brattleboro Retreat Healthcare	Bruce Bentley, CVPS
Lissa Luke, Bennington Regional Commission	Bob Hoover, CPM Technical Solutions
Kim Jones, CVPS	Jonathan Kleinman, Optimal Energy
Rip Kirby, CVPS	Richard Hahn, LaCapra Associates
Dean LaForest, VELCO	Steve Costello, CVPS

The Southern Loop Community Working Group (“CWG”) held a meeting at the Mt. Anthony Country Club in Bennington on Thursday, May 25, 2006 from 4 –

6 p.m. Chris explained that the primary purpose of today's meeting was to examine issues associated with Demand Side Management (DSM) and Distributed Generation (DG) recommendations that had been identified at January's Utility Search Conference.

First, though, the group was asked whether they needed to address any of the issues discussed at last month's meeting or concerning the Questions and Answers to transmission issues that had been circulated via email prior to today's meeting. Dean LaForest and Kim Jones offered a clarification to Question 1 on the Q&A sheet by informing the group that they had checked into the transmission pole standards set by the National Electric Safety Code and learned that if a new transmission line were built for the Southern Loop, the new line would look very much like the existing 345kV line that runs between Vermont Yankee and Coolidge, though some poles might be as much as 5 feet higher than the poles on the existing 345kV line. In addition, the insulators on the new poles might be slightly bigger than the existing insulators, but any increase in insulator size likely would not be noticeable from the ground.

Prof. Foley raised a concern that the information contained in the answer to Question 3 in the Q&A document might not include all of the current science pertaining to Electromagnetic Fields (EMF) and that a colleague at Keene State College was going to provide Prof. Foley with the results of a study conducted in Sweden that suggests that there may be a greater linkage between EMF and adverse health effects than the studies referenced in the answer to Question 3. Prof. Foley offered to share those study results when he receives them. Dean LaForest noted that it would be important to know whether the study included field strength as a parameter.

There was also discussion to clarify the answer to Question 8 regarding the availability of PTF for the East-West transmission line, should that line be built. Dean LaForest will be providing the group with a detailed list of the East-West options and the relationship of each to PTF funding. In general, VELCO doubts that the entire line would be viewed as necessary for the grid by ISO-NE at this point if all options to resolve local and regional reliability problems are considered. If that were ISO-NE's conclusion, any construction of all or part of the East-West line may be deemed ineligible for PTF funding. At some future date, ISO-NE could determine that the line was now necessary for the New England grid and local load service reliability. From that date forward, any amounts spent to pay down the cost of financing the line would be part of the PTF funding; however, any amounts spent to pay for the line up to that date would have been paid for Vermont ratepayers.

Bruce Bentley gave a presentation on the two Distributed Resources studies that had been conducted on the Southern Loop by LaCapra Associates and Optimal Energy, respectively. Members of the CWG were given a copy of Bruce's presentation, as well as a copy of Optimal Energy's final report on DSM

opportunities for the Southern Loop. Members directed questions to Bruce as well as to Dick Hahn (LaCapra) and Jonathan Kleinman (Optimal), who also were present at the meeting.

The group identified the following issues to be addressed either at or prior to the June 22 CWG meeting:

1. What is the feasibility of a CHP facility in Brattleboro? Could this be done with the cooperation of C&S Warehouse, Allard and Fibermark?
2. CVPS would be willing to provide a “back of the envelope” analysis of the emissions associated with the various DG options for the Southern Loop.
3. Would combined diesel/wind and/or portable bio-diesel units be effective within the Southern Loop?
4. Can the Ball (sp?) Mountain and/or Townsend Dams be used for hydro-electric generation and if so, what impact might they have on the Southern Loop?
5. Where can DG be put and how would it impact the Southern Loop (e.g., Access Energy)
6. Dean will provide the CWG members with a table showing the possible east-west transmission line options and the relationship of each option to PTF funding (how likely each would be to obtain PTF funding, when would the PTF funding likely be available, how much of the “sunk” costs would Vermont ratepayers lose based on the timing, etc.)

The group then agreed that it should start evaluating the information received to date and that a good place to begin the discussion of the various transmission and non-transmission alternatives would be the matrix presented on page 21 of CVPS’s supplemental technical report for the Southern Loop. Members were provided with that supplemental report at the March 16, 2006 meeting. A copy of that report may be viewed at

<http://www.velco.com/Files/Southern%20Loop/CVPS-Supplemental-Technical-Report-1-1-06.pdf>. If you would like a hard copy of the report, you may also contact Rip Kirby at CVPS at (802) 747-5553 or rkirby@cvps.com. Professor Foley also recommended that the group take a look at DG figures from Europe, where DG is much more prevalent than in the U.S.

Finally, the group discussed a tentative schedule for the months of June, July and August, with the possibility of hosting the first set of Open House meetings on July 25 and 26, with a debrief of those meetings for the entire CWG on Thursday, July 27. These dates will be reviewed again at the June 22 meeting.

Our next CWG meeting will be held at Stratton Mountain Inn on Thursday, June 22, 2006 from 4 – 6 p.m. So that I can have an accurate count, please let me know if you plan to attend.

As always, I am extremely grateful for the time and dedication you continue to devote to this process.