

Generation study provides information and insights

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In-state electricity generation options to ensure an adequate future power supply are available, but all options have drawbacks and some would require partnerships to succeed. That's one of the key conclusions of a new study of Vermont electrical generation possibilities, released today by a group of Vermont utilities. To view the study, click [HERE](#).

"The study shows we have many generation options as we consider Vermont's future power supply," the utilities said in a joint statement. "Each option has benefits and costs. Some, while technically feasible, are highly unlikely options for Vermont. Others, while more appealing, would require substantial investment by multiple utilities, and collaboration between utilities, policymakers, regulators and the public. Vermonters appear to be open to in-state resources, so it's important to keep our options open and thoroughly examine all possibilities."

The study was performed by Concentric Energy Advisors of Massachusetts on behalf of Central Vermont Public Service, Green Mountain Power, Vermont Public Power Supply Authority, Washington Electric Cooperative and Vermont Electric Cooperative. The utilities, which have often cooperated on supply issues, are examining a wide range of possible Vermont generation sources, including commercial-scale renewables, as part of their energy planning for the future.

"Although the study will not recommend a particular course of action, the effort creates extremely useful information for Vermont's utilities as we weigh our future power supply options, including future power purchase contracts," the utilities said.

The CEA study concludes:

- Utilities should focus their continuing examination on reliable sources that can be built at a reasonable cost, can be financed economically through sources of capital available to Vermont's utilities, and fit the utilities' and state's long-term goals.
- Generation sources with the lowest expected costs, pulverized coal and new nuclear, present difficult scale, financing, public acceptance and environmental issues.
- Determining which option would best serve Vermont will require substantial public input and consideration of the weight Vermonters place on fuel diversity, environmental, aesthetic, and other considerations, including cost.

The study, the first of two parts, focused on availability of various fuels, transportation issues, general site requirements of each technology, reliability, geographic flexibility or constraints, costs of installation and operation, potential development time requirements, planning and design, and environmental issues. It also included analysis of financing, credit, contracting and accounting issues that might be involved under various ownership or power-purchase arrangements. Given the relatively small size of Vermont utilities, financing will be a critical issue.

"The study points out that capital costs for most types of power plants have increased substantially in recent years, based on industry-wide trends that include increasing raw materials

prices and strong demand for equipment. It is important for us to understand those costs and how to best finance any proposed plants," the utilities said.

Phase two of the study will examine transmission constraints and the costs and likelihood of completing the siting and permitting process for various generation types, though Phase One all but rules out coal and new nuclear generation in Vermont.

"They seem to have little support among the general public, based on anecdotal information from public forums such as the Grafton Conference and the recent statewide public outreach meetings conducted by the Department of Public Service," the report said.

The study said various types of wood, natural gas, combined cycle, fuel cells, solar and wind generation were technically feasible, but have limitations, such as land use conflicts, pressure on the sustainable wood supply and the capacity of the existing natural gas infrastructure. These issues will be the subject of more detailed study in the second phase.

"We intend to work with legislators, regulators and the public to consider the remaining options to ensure Vermont a safe, environmental, affordable and reliable electricity supply," the utilities said.

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