

From: MacLean, Alex
Sent: Saturday, April 09, 2011 8:40 AM
To: Groveman, Jon; Markowitz, Deb
Subject: Fwd: A future for hydro in Vermont?
Attachments: Request for Expedited Consideration1.doc; ATT00001..htm; Shumlin support draft.doc; ATT00002..htm

Guidance?

Sent from my iPad

Begin forwarded message:

From: Lori Barg <lori@communityhydro.biz>
Date: April 8, 2011 10:18:58 AM EDT
To: GovernorVT@state.vt.us
Cc: Liz Bankowski <lizbankowski@gmail.com>, Bill Lofy <bill@lofy.us>, Alex Maclean <allymac9@gmail.com>, Erika Wolffing <ewolffing@gmail.com>, nwass@comcast.net, thomas Willard <thoswillard@gmail.com>
Subject: Re: A future for hydro in Vermont?

Governor Shumlin ,

We are seeking support from your office for the two proposed hydroelectric projects on the West River in Vermont.

Please see the attached draft for a letter of support requesting FERC to expedite review of these two projects. We submitted the licenses to FERC 5 months ago, and we need the projects licensed by the end of this year, or we will lose the incentives (federal ARRA/1603 and Vermont SPEED) that make these projects viable, and aid all Vermonters by forestalling a potential \$70,000,000 transmission upgrade in the Southern Loop.

Please see the attached letter that we just filed with FERC, as well as a draft letter of support that we hope your office will send to FERC with a "request for expedited consideration" of our licenses.

Thank you, please don't hesitate to contact me if you have any questions.

Sincerely,

Lori (for the team)

At 09:45 AM 11/29/2010, Peter Shumlin wrote:

Thanks. Will have my folks get in touch when we get energy team in place. Best, Peter

Sent from my iPhone

On Nov 29, 2010, at 7:24 AM, Lori Barg
<lori@communityhydro.biz> wrote:

Congratulations Peter,

Unless we get a change at ANR-and some good, strong direction from the 5th floor, we will be looking at a limited future for renewable energy, particularly hydro, in Vermont.

Please give me a call if you have any questions.

Meanwhile, maybe we can somehow figure out how to get the 520 MW of peaking hydro that we lost at the Connecticut River and Deerfield River back on board. Gary Flomenhof of UVM has some ideas on this.

Best,

Lori

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Lori Barg  
Community Hydro  
113 Bartlett Road  
Plainfield, Vermont 05667  
Phone: 802-454-1874  
[www.communityhydro.biz](http://www.communityhydro.biz)  
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"The trouble with quotes on the Internet is that you never know if
they are
genuine." - Abraham Lincoln



Blue Heron Hydro LLC

April 8, 2011

The Honorable Kimberley D. Bose
Secretary
Federal Energy Regulatory Commission
88 First Street NE
Washington, DC 20426

*Re: Ball Mountain and Townshend Hydroelectric Project Nos, P-13226 and P-13368.
Request for Expedited Consideration.*

Dear Secretary Bose:

Blue Heron Hydro (BHH) LLC is the applicant for two new licenses for the proposed Ball Mountain (P-13226) and Townshend (P-13368) Hydroelectric projects to be located at existing Army Corps of Engineers Dams on the West River in Windham County, Vermont. BHH filed its license applications with FERC on November 1, 2010. The Applicants seek expedited consideration and issuance of the project licenses. Time is of the essence and issuance of licenses is required to ensure that these projects are economically viable and financeable.

The Vermont Agency of Natural Resources has issued a 401 Water Quality Certificate for each of the projects pursuant to Section 401 of the Federal Clean Water Act. The State Historic Preservation Office pursuant to Section 106 of the National Historic Preservation Act has found there are “no historic properties affected”. There are no state or federal endangered species in the project area. Conceptual agreement on downstream fish passage, facilitated by Alden Laboratories has been reached with the Vermont Dept. of Fish and Wildlife, and the United States Fish and Wildlife Services. Final approval of the downstream fish passage is a condition of the 401 Water Quality Certificate. The projects are run of release projects to be built with proven technology at existing flood control dams in a transmission constrained area of the State. The addition of hydropower to these dams is consistent with the Corps’ two recent MOU’s in March 2010 and 2011.

These projects started the licensing process almost three years ago, and submitted their Final License Applications to FERC over five months ago on November 1, 2010. BHH is aware of no procedural or substantive obstacle to issuing the new licenses for P-13226 and P-13368 in a timely fashion. Non-issuance of the licenses before the end of this calendar year of 2011 would seriously impair the potential for these projects to be economically viable. The applicant has been in preliminary discussions with the Vermont Economic Development Authority, which is interested in the project due to its location in a transmission constrained area of the State.



Blue Heron Hydro LLC

The projects have received financial support from the State's Clean Energy Development Fund, from Federal ARRA funds, and from the local electric distribution utility, who has supported the project's potential to offset a potential \$70 million transmission upgrade.

The projects have contracts under the Vermont SPEED Program, a feed in tariff designed to stimulate in-state development of renewable energy. SPEED projects are mandated to be generating renewable energy by the end of 2012.

In addition, delays have occurred due to the Corps status as a cooperating agency. A letter of understanding was signed by the Corps and FERC in mid-February of this year. The Corps status as a cooperating agency should not serve as an impediment. For example, in April of 2009, a letter of understanding was signed by the Corps for the Bowersock Mills (P-13526) project, yet FERC was able to issue the license by August, 2009. These projects are also facing delay due to the lack of guidance and discrepancies between Corps Districts and Headquarters on the implementation of the Section 408 program.

BHH respectfully requests that the Commission grant expedited consideration of the final applications for Ball Mountain and Townshend Hydroelectric Projects P-13226 and P-13368 for the following reasons:

First, timely issuance of the new licenses has enormous financial consequences for the economic viability of both projects. If licenses are not issued soon, and by the end of 2011 at the absolute latest, the projects will not be able to receive the financing required in order to be built and operating by the end of 2012. They will not meet their SPEED deadline nor will they qualify for the US Department of Treasury 1603 Payment in Lieu of Investment Tax Credit, both of which are economically essential for the viability of the projects.

Second, timely issuance of the new licenses has important economic benefits for the people of the State of Vermont. Both projects are located in the transmission-constrained Southern Loop. They therefore support state policy and Vermont Public Service Boards decisions by potentially forestalling a \$70 million dollar transmission upgrade.

Third, the project has important resource benefits. As follow-on projects with 401 Water Quality Certificates issued by the State of Vermont, the project provides carbon-free renewables, thus reducing acid rain, mercury deposition, climate change, and a host of negative environmental impacts associated with climate change. Alden Laboratories has worked on our behalf to develop downstream fish passage that has the conceptual approval of the Vermont Agency of Natural Resources, the Vermont Dept of Fish and Wildlife and the United States Fish and Wildlife Service.



Blue Heron Hydro LLC

Accordingly, BHH respectfully requests that the Commission grant expedited consideration to the license applications and issue the new licenses before December 31, 2011. BHH had hoped to start construction on October 7th, 2011, with a ceremony to celebrate the 50th anniversary of these dams.

Thank you for your prompt consideration of this matter.

Respectfully Submitted,

Lori Barg
President
Blue Heron Hydro LLC

Cc:
Chairman Jon Wellinghoff
Commissioner Philip D. Moeller
Commissioner Marc Spitzer
Commissioner John R. Norris
Commissioner Cheryl A. LaFleur
Ann F. Miles

Governor Peter Shumlin
State of Vermont

The Honorable Kimberley D. Bose
Secretary
Federal Energy Regulatory Commission
88 First Street NE
Washington, DC 20426

*Re: Ball Mountain and Townshend Hydroelectric Project Nos, P-13226 and P-13368.
Request for Expedited Consideration.*

Dear Secretary Bose:

The State of Vermont (State) has been engaged in the FERC licensing process for the proposed Ball Mountain (P-13226) and Townshend (P-13368) Hydroelectric projects to be located at existing Army Corps of Engineers Dams on the West River in Windham County, Vermont.

The Vermont Agency of Natural Resources has issued a 401 Water Quality Certificate for each of the projects pursuant to Section 401 of the Federal Clean Water Act. The State Historic Preservation Office pursuant to Section 106 of the National Historic Preservation Act has found there are “no historic properties affected”. There are no state or federal endangered species in the project area.

The projects have received support from the State’s Clean Energy Development Fund, from Federal ARRA funds, and from the utility, who has supported the project has the potential to offset a potential \$70 million transmission upgrade in the transmission constrained Southern Loop.

The Vermont legislature developed the Vermont Feed in Tariff-SPEED program to stimulate the development of renewable energy. These projects started the licensing process almost three years ago, and submitted their Final License Applications to FERC on November 1, 2010. As SPEED projects, they must be generating renewable energy by the end of 2012. The applicant has raised serious concerns with FERC over potential non-issuance of the licenses before the end of this calendar year of 2011. This potential delay raises concerns with the State as well.

There are several significant implications with a delayed license that affects not only the Applicant, but also the resources of the State. The generation of in-state renewable energy has been promoted by the legislature both to stimulate our economy and to address serious environmental issues, such as climate change-a major focus of our natural resource agency.

Therefore, Vermont respectfully requests that FERC exercise due diligence in the issuance of these licenses to preclude the many negative repercussions that could be incurred should licensing not be timely achieved by the end of this calendar year.

Respectfully,

Cc:

Chairman Jon Wellinghoff

Commissioner Philip D. Moeller

Commissioner Marc Spitzer

Commissioner John R. Norris

Commissioner Cheryl A. LaFleur

Ann F. Miles

**Senator Patrick Leahy
Senator Bernard Sanders
Representative Peter Welch**

Chairman Jon Wellinghoff
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Ball Mountain and Townshend Hydroelectric Projects (P-13326 and P-13368)

Dear Chairman Wellinghoff,

We are writing in support of Blue Heron Hydro's (BHH) request for expedited consideration of its application for new licenses for the proposed Ball Mountain (P-13326) and Townshend (P-13368) Hydroelectric projects to be located at existing Army Corps of Engineers Dams on the West River in Windham County, Vermont.

BHH requests that the Commission complete consideration of BHH's applications and issue new license by December 31, 2011. BHH states that a delay beyond the end of the year will adversely affect the ability for these projects to be constructed and adversely affect the company's finances.

BHH further explains that prompt issuance of these licenses will allow the company to meet its contractual requirements under Vermont's SPEED program as well as the constructibility of the projects which is relying on the Federal 1603 program

It is my understanding that The Vermont Agency of Natural Resources has issued a 401 Water Quality Certificate for each of the projects pursuant to Section 401 of the Federal Clean Water Act. The State Historic Preservation Office pursuant to Section 106 of the National Historic Preservation Act has found that there are no significant impacts. There are no state or federal endangered species in the project area. Final approval of the downstream fish passage is a condition of the 401 Water Quality Certificate. The projects are follow-on projects to be built with proven innovative technology at existing flood control dams in a transmission constrained area of the State.

BHH has been working diligently with stakeholders, the Corps of Engineers, federal and state governmental agencies and other interested parties in Vermont. Once the license is issued, BHH will be able to get the financing needed in order to meet its contractual requirements under the VERMONT SPEED program and the federal 1603 program.

We recognize that the delay in issuing the new licenses is not the fault of the Commission. Nonetheless, I hope that the Commission can give prompt and serious attention to BHH's request and issue the new licenses before December 31, 2011.
Sincerely,

United States Senator

