

From: "Williams, Rob" <rwill23@entergy.com>
To: "Williams, Rob" <rwill23@prod.entergy.com>, "Cosgrove, Brian" <jcosgro@prod.entergy.com>, "Smith, Larry" <lsmit14@prod.entergy.com>, "WIESE, JR, ARTHUR E. F." <AWIESE@entergy.com>, "SieneI, Beth" <bsien90@prod.entergy.com>, "Finn, Brian" <bfinn@prod.entergy.com>, "CRAWFORD, CARL W" <CCRAWFO@entergy.com>, "Nichols, Craig" <cnicho1@prod.entergy.com>, <bruce.wiggett@telcove.net>, "David M. Rocchio" <drocchio@thearnogroup.com>, "McElwee, David" <dmcelwe@prod.entergy.com>, "Pelton, David" <dpelt90@prod.entergy.com>, "Finkenstadt, Eve" <efinken@prod.entergy.com>, "Ferland, Brad" <bferland@together.net>, "TAYLOR, GARY (Nuclear)" <GJTAYLOR@entergy.com>, "Thomas, George" <gthomas@prod.entergy.com>, "Gerry Morris" <gmorris@vtlobbyists.com>, "Metell, Mike" <hmetell@prod.entergy.com>, "Howard C Shaffer" <howardmariann@juno.com>, "Bennett, Jan" <jbenne4@prod.entergy.com>, "Thayer, Jay" <jthayer@prod.entergy.com>, "Dreyfuss, John" <jdreyfu@prod.entergy.com>, "Herron, John T." <JHerron@entergy.com>, "Hoffman, John" <jhoffm1@prod.entergy.com>, "Bronson, Kevin" <kbronso@prod.entergy.com>, "Marshall, John" <jmarshall@drm.com>, "Desilets, Mike" <mdesile@prod.entergy.com>, "Nancy Malmquist" <nmalmquist@drm.com>, "Perez, Pedro" <pperez1@prod.entergy.com>, "Wanczyk, Robert" <rwancy@prod.entergy.com>, "Smith, Kelly" <ksmith@yankee.com>, "Gallagher, Sue" <SGallag@entergy.com>, "Norton, Tom" <tnorton@prod.entergy.com>, "V Brown" <vbrown@ecvtlaw.com>, "Sheehan, Neil" <nas@nrc.gov>, "Screnci, Diane" <dps@nrc.gov>, "Daflucas, Ronda" <rdafluc@prod.entergy.com>, <john.boguslawski@telcove.net>, "Empey, Mike" <mempey@prod.entergy.com>, "HUTSON, LAURA" <LHUTSO1@entergy.com>, <Jay.Silberg@shawpittman.com>, "Shuman, Eileen" <eshuman@prod.entergy.com>, <maeshe@sover.net>, <william.sherman@state.vt.us>, "Canty, Christine" <ccanty@prod.entergy.com>, "Tkaczyk, Lori" <ltkaczy@prod.entergy.com>, "Williams, Audra" <awill16@prod.entergy.com>, "Wilson, Mary Ann" <MWils10@entergy.com>
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September 29, 2004
 Board OKs part of VY parking lot
 By CAROLYN LORIE
 Reformer Staff

BRATTLEBORO – The Vermont Public Service Board approved part of Entergy Nuclear Vermont Yankee's plan to build a new parking lot.

In June, the company requested a certificate of public good to build a 991-space lot. The plant's current lot has 530 spaces, 403 of which will be lost with the installation a new security barrier mandated by the Nuclear Regulatory Commission.

According to the request filed by Entergy officials, the additional 588 spaces were to accommodate contractors hired by the plant every 18 months to work during the refueling outages.

The board approved the construction of 435 additional spaces on Sept. 21 and will consider the rest following a site visit by the involved parties and possibly a hearing.

Entergy's application was opposed by the nuclear watchdog group New England Coalition, which argued, among other things, the request was part of a larger plan to accommodate dry cask storage for spent fuel.

Although all of the plant's spent fuel is currently housed in the spent fuel pool, within a few years it will be filled to capacity. On-site dry cask storage would alleviate that problem, allowing the plant to run at least until its license expires in 2012.

Plant officials have maintained the parking lot and dry cask storage are not connected. They have said that fuel storage must be within the high-security zone, which the new parking lot will not be.

The board accepted Entergy's assertion, but will consider two of the coalition's other contentions.

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Namely, the board will consider the coalition's arguments that Entergy did not "adequately analyze alternatives for [the] additional...spaces proposed only for periodic use."

The board will also consider the aesthetic impact of Entergy's "outage parking lot."

On Oct. 7, Raymond Shadis and Paul Blanch, from New England Coalition, representatives from the Department of Public Service, Public Service Board and Entergy officials will tour the area of the proposed additional spaces. Afterward a pre-hearing meeting will be held, during which the parameters of a hearing will be established.

After the tour, the coalition also has the option of withdrawing their motion to intervene. Construction on the approved spaces has already begun.

In other Vermont Yankee news, the company is updating its database regarding the distribution of emergency notification radios.

The radios are available to residents and businesses located within the 10-mile emergency planning zone.

According to Rob Williams, spokesman for Vermont Yankee, the company was in the process of upgrading the emergency sirens located throughout the planning zone and decided to examine other parts of the emergency notification system.

The company has sent out letters to households and businesses offering a radio or requesting verification that one was already distributed. Anyone interested in receiving a radio may call (802) 258-4168.

NRC petitioners seek reactor license suspensions

By Kathryn Casa
Vermont Guardian

The nuclear power struggle in the Middle East has grave implications for security in and around commercial reactors in the United States, especially those of the vulnerable Mark I and II designs common to New England, according to a nuclear safety expert.

"Nuclear power plants are strategic targets and should be considered as such in the context of national security," Gordon Thompson, executive director of the Institute for Resource and Security Studies in Cambridge, Mass., told the Nuclear Regulatory Commission's Petition Review Board during a national conference call on Sept. 23.

Thompson resurrected the specter of nuclear terrorism in his testimony on a broadly backed petition that calls upon the NRC to suspend the operating licenses for all Mark I and Mark II boiling water reactors pending development of an in-depth defense plan for each plant.

The petition was signed by 45 organizations including the Union of Concerned Scientists, Greenpeace, the Sierra Club, and citizens groups including the Brattleboro-based New England Coalition and the Citizens Awareness Network in Rowe, Mass.

More than three years after 9/11's catastrophic proof that commercial aircraft can become weapons of mass destruction, the NRC's line of defense is still aimed at ground-based attacks and is overly reliant on airport security and industry promises, Thompson and other critics charged.

Thompson was referring to news reports last week in the Israeli daily Haaretz that Washington has agreed to sell Israel 500 one-ton "bunker-buster" bombs that would allow Israel to disable or forestall Iranian nuclear capability.

Iran maintains that it is developing its nuclear program for peaceful purposes, and has vowed to react "most severely" to any U.S.-backed Israeli action.

This means "that attacking nominally civilian nuclear facilities is, in effect, a declared option by the United States government," Thompson told the NRC panel. "In my view, that creates a situation in which, to put it bluntly, U.S. civilian nuclear facilities are put on the table as potential targets, not necessarily by the government of Iran, but by people who are not accountable to that government but are sympathetic to that position."

In his testimony, Jim Riccio, nuclear policy analyst for Greenpeace, handed the panel what he said were 17 pages of documents listing U.S. airports within 10 miles of nuclear power plants. "Even more disturbing is that ... when you actually read the documents, you realize that the analyses are sugarcoated because you're relying on commitments (from the nuclear industry)."

"We are extremely frustrated at the inability of this agency to take action," he concluded.

Diane Screnci, a Region I NRC spokeswoman in Boston, rebuffed the charges that the NRC has failed to act, saying security at the nation's 104 nuclear power plants has sharply increased since Sept. 11. "There was already security prior to 9/11," Screnci said, "and since then we've enhanced security drastically."

Mark I and II reactor designs are particularly vulnerable to attack because the spent-fuel pools are elevated high above ground level with a hollow core beneath, and are unprotected from above; the reactor vessels are above ground level; and in the Mark I, the reactor containment is a thin, steel shell, according to the petition.

Thirty-one U.S. reactors are Mark I or Mark II boiling water designs. In the Northeast they are: Vermont Yankee (Mark 1), Nine Mile Point 1 (Mark 1), Nine Mile Point 2 (Mark 2) and FitzPatrick (Mark 1) in Oswego, N.Y., Pilgrim 1 in Plymouth, Mass. (Mark 1), and Millstone 1 (Mark 1) in Connecticut.

Although Millstone 1 was shut down in 1995, its storage pool still contains 24 years worth of spent fuel. With their large, flat planes and elevated spent-fuel pools, Thompson said Mark I and II reactors should be the NRC's highest security priorities.

A forthcoming study by the National Academy of Sciences is expected to confirm that the NRC is not doing enough to safeguard spent-fuel pools, said CAN's Deb Katz. "The NRC is basically being proactive in protecting the (nuclear) industry," she charged.

"I would disagree with that," the NRC's Screnci responded. "The role of the NRC is to insure that the public is protected while people use nuclear materials. It is a responsibility we take seriously and we work every day to carry it out."

Katz reminded the panel that in 2002 attorneys general from 26 states including Vermont, Massachusetts, Connecticut and New York, wrote a letter to leaders in Congress about "the specific vulnerabilities of fuel pools to terrorism, and their grave concerns that not enough had been done to deal with this issue and the potential for sabotage."

"The issues we are raising are concerns not just of people who live in these communities, but of the states who are going to be responsible and accountable for any catastrophic event that would devastate their state," Katz said.

Another witness, Raymond Shadis of the New England Coalition on Nuclear Pollution, said measures the NRC has implemented, such as mixing less-dangerous old fuel rods with more vulnerable new ones, are insufficient. The NRC also has allowed plant operators to "rerack" their fuel pools, essentially narrowing the space between the rods as more spent fuel is produced.

Shadis also charged that Vermont Yankee, on the shores of the Connecticut River in Vernon, remains highly vulnerable to an attack from the river.

There is a state park and an unlit boat launch ramp directly opposite the plant on the New Hampshire side

of the river, which he said is not patrolled at night, and are readily accessible from a major highway. "At this point there does not seem to be any apparent barrier that would prevent landing a boat on the shore underneath the structures of the Vermont Yankee nuclear plant," Shadis said.

VY spokesman Rob Williams said the plant's parent company, Entergy, has entirely revamped plant security, with more than \$8 million spent on security upgrades since 2001. "That includes guard towers at key vantage points, additional fencing, surveillance-equipped barriers, security staff, and weapons, as well as a new process of interaction with local law enforcement."

Williams called VY "an industry leader, as well as a model for other facilities upgrading security." The Sept. 23 hearing was held to give petitioners the opportunity to provide additional explanations for their requests, PRB chairman Jim Lyons said.

The petition calls on the NRC to conduct a six-month study on the structural integrity of Mark I and II reactors, hold a national conference on the design, develop a comprehensive plan to hear stakeholders' concerns, and create local oversight panels.

The review board is expected to respond to the petition within 120 days.

Burlington Free Press editorial
Saturday Sunday Sept 26, 2004
Build a power mix

Two-thirds of Vermont's power is generated at the Vermont Yankee nuclear plant and Hydro-Quebec, both sources facing an uncertain future in this state.

That makes it imperative that Vermont develop a broad portfolio of future energy options to ensure we have affordable power. Lawmakers, the Douglas administration, the Public Service Board, the environmental community and other groups must involve the public in crafting a thoughtful power mix that includes:

- Increased conservation and efficiency. Every penny spent on efficiency is returned twice over in savings. Holding down energy usage is critical.
- Natural gas. It's clean, but subject to price volatility. There are limits on how much gas can come into Vermont because of pipeline constraints. Nevertheless, gas belongs in the mix, particularly for northwestern Vermont.
- Fossil fuel plants. These plants, particularly coal, create pollution – although cleaner technology is evolving – but will be a small part of Vermont's energy mix given their reliability and relative affordability.
- Dams. Hydro power is clean and relatively affordable. Water can also provide cheaper power when other sources (including wind) become more expensive.
- Net-metering. These are small, local projects like individual wind towers and solar panels. While these won't necessarily provide significant energy, they do relieve some of the burden on the grid.
- Wood. Vermont's two wood-burning plants, Ryegate and McNeil in Burlington, are examples of how the environmental concerns of wood can be offset by sound forestry management. This is an affordable alternative for Vermont, but must be structured to safeguard the environment.
- Wind. Vermont is at a crossroads on this issue. Wind is an affordable, clean source of power but environmental caution is imperative. Wind turbines on mountain tops have the potential of damaging viewsheds, roadless areas and pristine ridgelines. Vermont must move slowly as it contemplates projects beyond Searsburg. The Governor's Commission on Wind Energy Regulatory Policy will be holding public meetings next month. The public must become involved.

– Methane gas. Commonly called "cow-power," this is a growing industry that would benefit Vermont. It's clean, helps the agriculture industry, and potentially keeps phosphorous out of the waterways.

Some of these options might be deemed undesirable for any host of reasons. Regardless, Vermont must begin debating future power options so we don't ever find ourselves in the dark.

Burlington Free Press Editorial
Plan for power
Sept. 27, 2004

A graph of energy usage and cost in Vermont looks like a profile of the Green Mountains themselves – lots of steep peaks. While the graphs show where we've been, looking ahead we see only question marks. How much energy will we use? What will we pay? Where will our power come from? What will happen when the Hydro-Quebec contracts expire in 2015 and the Vermont Yankee nuclear plant's license expires in 2012 arrives?

Industry officials wrestle with specific energy proposals, including the construction of wind towers on ridgelines, the removal of hydro dams, and the extension of large electric lines through our state. Yet, there is no long-term energy policy to thoughtfully guide these decisions.

Critics argue that the Public Service Department's energy plan lacks specifics. The Public Service Board relies on law to act on disputes. Environmentalists focus on a project's impact on the earth, while businesses examine the impact on the bottom line. Planning for our future requires a balanced mix of all the above.

Several fundamental principles should shape every energy decision made. As we have learned from the dirty winds that blow in from midwestern coal plants, every state's energy decisions impact others.

To decide if wind, water, coal, solar, natural gas, methane gas or any other project is worth consideration, state energy planners and regulators must determine its impact on:

– The environment. Acid rain, global warming, air pollution, mercury, and other environmental problems are directly linked to energy decisions. Coal plants rain pollutants on the northeast; wind towers provide a clean alternative, but towers could blot our most precious ridgelines; wood-burning plants provide affordable energy, but create air pollution (Vermont's plants include a sustainable forestry plan that offsets the pollution concern).

Every energy decision made in Vermont must pass environmental muster. Some trade-offs might be justified, while others might not.

– National security. We are too reliant on oil, particularly in the transportation sector, leaving the U.S. energy system vulnerable to forces far from our borders. As a nation, and in Vermont, it is imperative that we reduce oil consumption (increased focus on hybrid cars and other gasoline alternative vehicles is just one way) and promote the use of alternative, closer-to-home energy sources.

– Economic development. Price volatility and market uncertainty make it hard for businesses to plan and grow. Modern, clean energy sources, as well as a diverse portfolio of power options, provide more stability for businesses and society. In addition, green business is booming, and Vermont is a natural home for this new job-creating market.

Vermont's energy future cannot be planned in a vacuum. Instead, decisions must be shaped by a commitment to protecting the earth for our children and grandchildren, easing away from our reliance on foreign oil, and creating a stable, affordable mix of power to help states and businesses plan for tomorrow.

Rutland Herald
Credits for wind projects renewed
September 29, 2004
By Susan Smallheer Staff Writer

A federal tax credit key to the development of wind energy projects in Vermont, and the rest of the nation, was renewed by Congress late last week.

The production tax credit for wind energy development, which amounts to 1.8 cents per kilowatt hour, was finally passed by Congress Thursday after months of political wrangling and delay.

The wind energy tax credit was recently tacked on to the \$146 billion, so-called "middle class" tax cut package, according to aides to Sen. Patrick Leahy, D-Vt., and Sen. James Jeffords, I-Vt.

Both senators supported the bill, as did Rep. Bernard Sanders, I-Vt.

The production tax credit, viewed as critical by the wind energy industry, expired Dec. 31, 2003. This caused a significant slump in wind development, according to Tom Gray of Norwich, deputy executive director of the American Wind Energy Association in Washington, D.C.

"This action by Congress and the expected signature of President Bush mean that about \$3 billion in wind energy investments forecast over the next several years are now back on track," Gray said.

"More importantly, hundreds of furloughed wind industry employees can now go back to work, building and installing new high-tech wind turbines."

Robert Charlebois, managing director of Catamount Energy, a subsidiary of Central Vermont Public Service Corp., said the tax credit remains vital to the viability of the 27-turbine, 40-megawatt wind power project on Glebe Mountain in Londonderry.

"Build Glebe without it?" he said. "Probably not, the tax credit remains a critical component."

Charlebois and other wind developers in Vermont want the credit to remain in place so their projects will remain feasible, even though they won't receive any direct benefit before the current credit expires at the end of 2005. None of the planned projects will start construction before then.

Charlebois declined to say what percentage of the total energy cost of the Glebe Mountain project the federal subsidy represented. But all said the move by Congress was good news for the wind energy industry and was a strong signal to the industry as a whole to continue research and development.

"Overall it's really important for the industry to continue to make progress, but it's also important to help the U.S. to keep up to date and remain competitive," said Dorothy Schnure, spokeswoman for Green Mountain Power.

"You hear about projects that were halted and delayed this year," she said. "Now they'll be able to go ahead, since people will be more comfortable investing in wind energy."

Green Mountain Power, which owns and operates the state's only commercial wind facility, received a \$125,000 tax credit in 2003 for its 6-megawatt, 11-turbine Searsburg project. Searsburg 2, an expansion of that facility with higher towers, is one of the projects that won't start soon enough to receive the tax credit currently available.

Another wind developer, David Rappaport of East Haven Wind Farm, said that without the production tax credit the East Haven project would not be built.

"It's a very positive sign, and it provides everyone with an increased level of confidence," he said.

Rappaport said the wind energy tax credit had bipartisan support all along, but was caught up in the traditional legislative battles in Washington over energy and tax policy.

He pointed out that the wind industry wasn't the only energy industry receiving federal tax subsidies. Under the current tax code, he said, \$13 billion a year goes to various energy industries and, of that, only \$500 million is slated for renewable energy and efficiency.

"And that's just direct subsidies," he said.

An aide in Jeffords' office said budget estimates produced by the House Ways and Means Committee put the value of the latest wind tax credit at \$44 million a year.

Rappaport said 750 miles of ridgeline in Vermont are above 2,500 feet, the preferred height for wind generators, and only 5 percent of the total ridgeline area would be needed to provide a significant amount of Vermont's energy needs.

The tax credit was originally included in the larger energy bill, which bogged down in Congress in 2003. The credit was revived by being tacked onto the tax bill, which passed both the House and Senate late last week after conference members agreed to changes.

The final bill passed the House 339-65, and the Senate, 92-3. Jeffords, Leahy and Sanders all voted for the bill.

Joel Barkin, spokesman for Sanders, said the congressman had been a longtime supporter of wind energy.

"He believes it is incredibly important that we break our dependence on fossil fuel, and we think this tax credit hopefully will stimulate development," Barkin said.

Gray, of the American Wind Energy Association, said that another version of the wind energy tax credit had been also placed on the so-called JOBS bill, and that would let the tax credits extend another year, to 2006.

"It's the third time it's expired," Gray said.

He noted that the legislation was first enacted in 1992, but it wasn't until 1998 that the first wind farms started going up.

"It's really important to our industry, and it certainly makes a difference in the competitiveness of the technology," he said.

Gray attributed the holdup in Congress to politics.

"As the industry gets bigger and more visible and gains more support, it gets held hostage to other bills," he said.

Gray, too, made a point that other energy industries got substantial subsidies from the federal government. He noted that the government "is the insurer of last resort" for every nuclear power plant in the country, for claims beyond \$7 billion per plant.

Gray said the nine-month delay had a significant impact on the wind energy industry. Turbines that can produce more than 1,700 megawatts of wind energy were built last year, he said, but construction so far this year is worth less than 300 megawatts.

Rutland Herald

Facing uncertain energy future
September 29, 2004
By Bob Young

As Central Vermont Public Service celebrates 75 years of service to Vermont, we face historic opportunities and challenges in the electric industry.

First, we must secure relatively clean and affordable energy to replace existing supplies that are due to expire. Second, we must find ways to provide reliable electric service in changing times. And third, we must regulate utility costs and rates in a manner that balances the interests of energy customers and investors. These three issues will largely define the industry - and the service we provide in the years to come.

Regarding energy supplies, the power contract with Vermont Yankee ends in eight years and the Hydro-Quebec contract ends four years later. Moreover, Vermont Yankee's power uprate and spent fuel storage issues raise the possibility of an earlier shutdown. In short 70 percent of our energy supply will turn over by 2016.

That may seem like a long time, but it may not be long at all. There are electric system, cost and environmental issues associated with energy choices, and each must be weighed carefully. That will take time.

While there is a push to address a portion of our total energy needs by building new wind turbines in New England, and CVPS now offers CVPS Cow Power, the region hasn't made a dramatic shift toward cleaner energy. Consequently, there's not a lot of new renewable energy becoming available. To control its destiny, Vermont will likely have to aggressively pursue renewable energy and gas development in-state.

Regarding energy reliability, Vermont's current power supply is extremely reliable, and despite a rugged, rural state, our distribution systems generally provide very good service. We continually strive to improve reliability, but it is also affected by the states around us, the regulatory and political climate, the transmission system and wholesale market, and recovery of the cost of providing reliable service.

The region's wholesale power market has opened up to competition, but it has a structural problem that if left unaddressed could adversely affect Vermont. Although Vermont utilities had contracted for power to meet their needs on Jan. 14 and 15 of this year, New England came exceedingly close to blackout conditions. There simply was not enough energy. It appears that participants in the competitive market chose not to procure firm fuel supplies to fire the region's gas and oil generators at times of extreme cold and peak electric loads. Since fossil fuels provide the majority of New England's power, this was a crisis.

This situation is likely to continue for several winters to come and, as the Aug. 14, 2003, blackout showed, we're all connected. If the region can't balance supply and demand, Vermont is highly likely to experience severe reliability problems.

Improvements to Vermont's transmission infrastructure loom large. The transmission system is the backbone of the electric system - the lifeblood of virtually every business in America. We must continue to bolster and improve it, while targeting efficiency programs to reduce the strain of heavy loads.

Ultimately, all of the choices we make are reflected in rates. At CVPS, holding down rates has been a top priority for years. Since 1996, we've reduced the company from nearly 800 employees to just 540 today, while measurably improving service.

We've negotiated savings in the state's contracts with independent power producers. We sold Vermont

Yankee and reduced the cost of its energy and the risks associated with owning it. We've managed our power supply on a day-to-day basis to sell what we don't need at the best possible price to offset other expenses. And for the past few years, our employees have meticulously analyzed their work, through a process called the Right Way to Work, to find efficiencies.

As with any business, we face inflationary pressures, but we will continue to work to offset as many costs as possible and hold rates as low as we can. That said, I believe several policy changes could reduce costs and benefit customers. They include:

Targeting energy efficiency programs where they could produce the most benefits. Amending state utility planning statutes to include explicit consideration of the impacts of planning decisions on rates and utilities' ability to attract capital.

Investigation of performance-based ratemaking. Continually examining whether customer choice might provide consumer benefits. After individual customers make optimal investments in conservation, encouraging business growth by reflecting lower energy costs at the margin as consumption expands.

Vermont is at a crossroads, facing significant energy choices, reliability risks and cost pressures. These policy changes would help Vermont address future energy needs in a rational, economical way, and more closely tie investor and consumer needs together. By doing so, we could change challenges into opportunities.

Bob Young is president of Central Vermont Public Service Corp.

Rutland Herald
Renewable energy works
September 29, 2004
Letter to the Editor

I attended the wind power debate in Chester Vermont on Sept. 15, which was very informative. How many people are aware that Vermont Yankee nuclear power plant is scheduled to close in just over seven years? How many of us are aware that Vermont's contract with Hydro Quebec expires just three years later? Together they provide two-thirds of Vermont's electrical power.

How many have been to Searsburg, down near Bennington, to look at the windmills? They are a marvel in modern renewable technology. Vermont has a few wind generators and some hydro, but more are needed to effect a solution.

About 14 percent of the rest of our power is supplied by oil, natural gas, and coal. Read: Middle East, a nightmare in itself. There are alternatives: renewable energy.

Go to a renewable energy meeting and learn the facts. There are many local businesses and Web sites and magazines.

Renewable technology works. Just look at those new bright traffic lights that the state highway department has installed. LED (light emitting diodes) with a small solar panel to charge the battery (energy storage when the sun doesn't shine). Remember those noisy stinky generators of the past lighting the construction traffic signs? They are obsolete. The lights are bright LEDs with a solar panel and battery. Renewable energy and technology is here and it works well.

JOYCE SABO
Perkinsville

Rutland Herald
Climate is not a partisan issue
Letter to the Editor
September 29, 2004

In his recent letter about global warming (Sept. 21), George Roberts asks: "Why is it the majority of global

warmers seem to be liberal Democrats?" It's true that most liberal Democrats advocate taking action to minimize the future risks of global warming. But readers of the Herald should not conclude that the climate crisis is a partisan issue.

Indeed, the politicians who are leading the fight against global warming are a distinctly bipartisan coalition. In the Senate, John McCain (R-Ariz.) and Joseph Lieberman (D-Conn.) are the leading co-sponsors of the Climate Stewardship Act. In the House of Representatives, the principal sponsors of a comparable bill are Reps. Wayne Gilchrest (R-Md.), John Olver (D-Mass.), Christopher Shays (R-Conn.), Chris Van Hollen (D-Md.), Sherwood Boehlert (R-N.Y.) and Jay Inslee (D-Wash). And thanks to bipartisan collaboration in the statehouses of New York and Massachusetts, New England states with Republican governors are taking significant steps to reduce greenhouse gas emissions.

Additionally, many leaders of the business community are now advocating and pursuing cost-effective reductions of greenhouse gas emissions, as documented in a recent Business Week cover article entitled "Global Warming: Why Business is Taking it So Seriously."

Vermonters across the political spectrum cherish the agricultural and rural traditions of our beautiful state. Unless we act now, global warming has the potential to severely affect the economic well-being of all of our children and grandchildren.

JONATHAN ISHAM
(Department of Economics,
Middlebury College)
Middlebury

September 29, 2004
Governor Appoints New Hydroelectric Power Authority
Connecticut River watershed not represented on panel
By Kathryn Casa
Vermont Guardian

The board named by Gov. Jim Douglas to acquire and manage state interest in a string of hydroelectric dams includes one long-time opponent of public power, and a second appointee who retains a financial stake in one of the state's largest private utility companies.

A third Douglas nominee, who turned down the job, was energy manager for IBM, another strong critic of public power.

Douglas last week announced the names of five northern Vermonters to the state's new Hydroelectric Power Authority, the panel vested with the ability to acquire and manage state interest in 12 hydroelectric power stations along the Connecticut and Deerfield rivers that are expected to go on the auction block soon.

The dams, combined, generate more than 560 MW of electricity, or about 17-20 percent of the state's annual electricity appetite.

The board, called the Vermont Hydroelectric Power Authority, which must still be approved by the Senate, will have its first meeting on Monday, September 27 in Montpelier.

The Douglas nominees are Waterbury Center resident Nancy Brock, former chief financial officer for Green Mountain Power (GMP), who still holds 2,500 stock options in the company; former Central Vermont Public Service (CVPS) and Vermont Electric Company (VELCO) executive Richard Mallary of Brookfield; Shelburne attorney Frederick Tiballi; and Montpelier civil engineer Brad Aldrich.

The fifth seat, reserved by state statute as a retail slot, was offered to IBM energy manager Robert Lang,

who did not accept the position. The remaining seats are held by Public Service Commissioner David O'Brien, state Treasurer Jeb Spaulding, and Deputy Public Service Commissioner John Sayles, who is interim manager of the board.

One southern Vermont lawmaker instrumental in propelling a hesitant Douglas administration toward the possible hydroelectric purchase, Rep. Steve Darrow, D-Dummerston, said he was disappointed in the governor's choices.

"Douglas has said publicly that he is philosophically opposed to public ownership of natural resources or generation," said Darrow.

"Despite the nonpartisan, grassroots groundswell that it took to overcome Douglas' opposition to buying the dams, we end up with a hydro authority that's stacked with corporate insiders," Darrow charged.

Another legislator, Rep. Mike Obuchowski, D-Rockingham, called it "disappointing, but not surprising" that Douglas named five northern Vermonters to a board that will deal with hydroelectric facilities in southern watersheds.

"I did a review of the appointments made by the administration in May, and it was really hard to find people ... south of Montpelier and certainly from the four southern counties, in numbers that represent the population," Obuchowski said.

Douglas spokesman Jason Gibbs pledged that the governor will now look to the Connecticut River Watershed for a representative to fill the retail seat.

The board has the power to move forward with the acquisition and, if successful, the operation of the hydroelectric stations that belong to the bankrupt USGen New England, a subsidiary of PG&E.

The facilities, which produce approximately 500 megawatts of power, are attractive to Vermonters as the state nears the end of its power purchase contracts with Hydro Quebec and the Vermont Yankee nuclear power plant in Vernon.

The appointees were recommended to the governor by the Department of Public Service and by members of the Vermont Renewable Power Supply Acquisition Authority (VRPSAA), the group formed in 2003, as a result of legislation co-sponsored by Darrow, to determine if the state should attempt to purchase the dams.

The acquisition authority and its consultants gave a qualified go-ahead to pursue a more conservative public-private partnership in the hydro facilities. The new board is seeking to obtain a 25 percent share in the power supply from the dams in a public-private partnership with a pair of Canadian multinational power companies, Brascan Corp. of Toronto and Emera Inc. of Halifax, Nova Scotia.

Any bid it makes must be accepted by the bankruptcy court.

Gibbs said the governor's choices for the renewable power board were guided by the appointees' expertise in financing and utility management. "If Vermont is going to operate a renewable power authority," Gibbs said, "the governor wants people who have utility experience."

Fiscal competence and industry knowledge will be crucial considerations for the court, Gibbs added. "The court and the seller need to see a certain degree of stability ... They wouldn't sell it to a Boy Scout troop."

Although state law precludes a board member from having a "substantial ownership interest" in any company regulated by Vermont's Public Service Board, Gibbs downplayed Brock's 2,500 stock options in her former company.

"It is my understanding that Nancy's stock constitutes a very small percentage of GMP stock on the

market and, according to the administration's attorneys, it did not meet the statutory definition of 'substantial,'" Gibbs said.

Brock, who was chief financial officer of the utility company until two years ago, said her stock options do not constitute a conflict of interest because she has not exercised them. She also insisted that her financial information was confidential, and said she was not asked by the Douglas administration to disclose her personal financial interests.

"I have not been requested to divulge my private holdings and I would ask that you keep it in confidence," Brock said in an interview with the Vermont Guardian.

It was not clear how administration attorneys reviewed Brock's holdings if she was not asked to disclose them.

Green Mountain Power stock closed at \$25.74 per share Monday, with 4,600 shares traded.

Mallary, who said his appointment came at the recommendation of Public Service Board Chairman Michael Dworkin, was the object of sharp criticism in June 2003, when he was named to VRPSAA, the predecessor of the new board.

Sen. Vincent Illuzzi, R-Essex/Orleans, an outspoken advocate of full public ownership of the dams, charged then that Mallary's appointment was an effort by Douglas to kill the study before it began.

Mallary served as the Douglas administration's tax commissioner until his appointment to the power acquisition authority. Before that, he was president and CEO of VELCO, and executive vice president of CVPS.

As speaker of the Vermont House in the mid-1960s, he was instrumental in helping to quash a proposal by Democratic Gov. Phil Hoff to create a public entity to import low-cost hydro power from Canada, lobbying instead for the construction of a nuclear power plant in Vernon.

Mallary this week defended that decision. "Vermont Yankee is a matter of contention down in your area," he said. But the nuclear plant has provided Vermont with relatively low cost power from the time it was licensed in 1973 until the present, he noted. "It may not be a great buy at the present time, and it might not be a great buy in the future, but in the past VY saved us a lot of money."

Mallary said in reviewing the current proposal, board members must "make the best assumptions you can, decide what (the dams) are worth to you and how much risk you're willing to take if you're wrong."

Buying into the dams is a "no-brainer if the price is right ... and it's a no-brainer not to buy them if the price is too high," he said. "We need to make an evaluation ... as to how it fits into the Vermont load over 20 to 30 years." He said considerations must include a projection of oil and gas prices and the potential for wind-generated power.

Tiballi, a third Douglas nominee, is a Shelburne resident and an attorney who works for a nonprofit housing organization in Burlington. With a background in public and private financing and "general business," Tiballi said he doesn't know many specifics about the hydro deal.

"I obviously have a general thought that if it could be done, and the state can assure itself of a reliable, less-expensive, less-polluting source of power, it should look into it."

At press time, the fourth member of the board, Brad Aldrich, a civil engineer from Montpelier, had not returned phone calls.

The board's first meeting is Sept. 27 in Montpelier. Senate confirmation of the panel cannot occur until after the legislature convenes in January.

Hampton Union
Plant and NRC meet on report
By Susan Morse
smorse@seacoastonline.com

SEABROOK - Members of the Nuclear Regulatory Commission and FPL Energy Seabrook Station met for three-and-a-half hours on Thursday to determine whether the nuclear power plant was in violation when it removed drainage "scuppers" from a safety report. The NRC is expected to come to a decision within 30 days, according to the plant's senior inspector, Glenn Dentel.

The regulatory commission will determine whether the plant was in violation and the significance of the violation, said Dentel. The case is being treated at a severity level four or three, Dentel said, with four being the lowest severity level.

"Four is relatively lower significance; it does not involve fines," said Dentel. "With three or higher is the possibility of fines."

According to Seabrook Station spokesman Al Griffith, the plant did remove scuppers from a Final Safety Analysis Report. The issue is one of procedure, and not of safety, he said.

Scuppers were written into the initial safety report as a way of draining water out of the plant's turbine building, should there be a rupture in the plant's circulating water system.

Griffith said the plant has huge rollup doors to control flooding. The scuppers were not included in the final report and NRC permission was not sought to do so, said Griffith. He said the plant did not think permission was needed.

"Part of our regulation allows them to make changes to their design, as long as it doesn't present more than a minimal risk," said Dentel. "They assert it was a minimal risk."

Plant officials presented the risk significance of the flooding at the NRC's Region I office in King of Prussia, Pa. on Thursday. The presentation is expected to go on the NRC Web site at www.nrc.gov for public review.

Hampton Union
Airspace over nuclear plant should be off-limits to aircraft
Editorial
Sept. 27, 2004

Apparently there is nothing in the law that prohibits helicopters - or anything else, for that matter - from flying directly over the Seabrook Station nuclear power plant. How's that for homeland security?

Last week, the Air National Guard at Otis Air Force Base on Cape Cod scrambled two F-15 fighter jets after a security guard at Seabrook Station noticed a helicopter flying over the nuclear power plant.

The same type of fighters were scrambled from Otis after terrorists crashed two hijacked airliners into the World Trade Center on Sept. 11, 2001.

The situation at Seabrook escalated quickly after the helicopter's pilot did not respond when officials tried to make radio contact. When contact was finally made, the helicopter pilot was ordered to land at Manchester Airport.

And that was it. End of story.

Because there's no law against flying over the nuclear power plant. "(Pilots) have an advisory not to circle

over the plant, but there is no direct prohibition of it," Jim Peters, a spokesman for the Federal Aviation Administration New England Region, told the Herald. Is he kidding? Is this really possible? How, when every other word we read in our newspapers or hear on our TVs is about terrorists coming to get us, can we possibly allow free access from the air over our local nuclear power plant? Are we really that stupid? The Federal Aviation Administration and every other comatose agency charged with keeping us safe needs to wake up. What if the helicopter pilot wasn't just a confused citizen, but a terrorist? It doesn't take a counter-terrorism expert to see that this situation poses a danger. We need laws that tighten up the airspace over our nuclear power plant, and we need them now. This latest idiocy would be funny if it weren't so frightening.

END

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