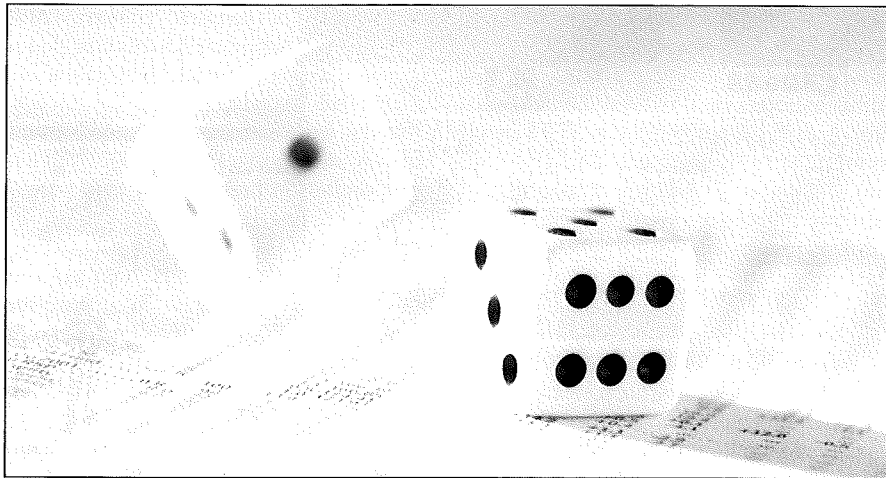


Governor's Plan Calls for 90 Percent Renewable Energy in Vermont



VERMONT FUEL DEALERS ARE FACING NEW challenges in protecting their businesses following last month's publication of a new state Comprehensive Energy Plan (CEP) that calls for the state to replace almost all fossil fuels with renewable energy by 2050.

Developed by the administration of Gov. Peter Shumlin, the plan envisions Vermont using renewables for 90 percent of its energy needs. The plan does not include legislation or regulations, but Vermont Fuel Dealers Association (VFDA) Executive Director Matt Cota says it could serve as a template for the state Legislature. In fact, state Sen. Virginia Lyons, Chair of the Energy Committee, recently introduced a bill that would aim to replace all fossil-fuel hot water systems with solar hot water systems by 2025. (Read more under "Vermont" on Page 13.)

Discussing his energy plan at a press conference last month, Shumlin said, "I am convinced that if Vermont can begin to get off our addiction to oil, it is going to create jobs and economic opportunities in the state."

A ROLE FOR FUEL DEALERS?

Cota said that Vermont's heating fuel companies and their 3,000 employees could interpret the plan as "a blueprint for putting them out of business." In a letter to Shumlin about the plan, Cota wrote, "VFDA commends the CEP for realizing that Vermont has 'a strong backbone of local fuel dealers and other service providers who are already pushing for low-sulfur and biofuel-blended products, and are well-positioned to help Vermonters

make the transition to a renewable energy future.' ... We agree that Vermont's heating fuel providers should have the opportunity 'to participate in the new energy economy so that they are not stranded in the old one in the coming decades.'"

Despite these statements, however, the CEP fails "to provide any direction about how to incorporate this expertise into Vermont's energy future," he added. Cota wrote that existing renewable energy and efficiency gains in the competitive thermal energy marketplace should be recognized and supported in the CEP.

In his letter, Cota criticized the plan for falsely stating that conversions from heating oil to other fuels will reduce reliance on overseas oil. "Nearly all of the heating oil consumed in Vermont is refined in the United States or Canada," he wrote. "While it is true that the product we sell is produced outside of Vermont, it is simply false to assert that our member companies do not contribute significantly to the local economy. Much like the Montpelier toy store that sells Legos made in Denmark, or the Barre appliance store that sells a television set made in China — our member dealers pay Vermont taxes and employ Vermonters. In fact, heating fuel and service providers are mostly small, locally owned family businesses."

Cota said the plan overlooks the potential of biofuels and reduced-sulfur heating oil. "The Vermont Energy Act of 2011 requires Vermonters to use a cleaner and greener heating oil. The CEP recognizes that this transition to a biodiesel blended, ultra-low sulfur distillate will

reduce greenhouse gas emissions and air pollution, while increasing efficiency." He recommended that the final version of the CEP "support these efforts, rather than undermine the companies that will help the state of Vermont meet its policy goals."

UTILITY GAS GAINS PROMINENCE

Cota told *Oil & Energy* that the CEP carves out a big role for utility gas and the Quebec-based company, Gaz Métro, that is Vermont's only provider of utility gas. "It is difficult to discern a difference between the energy plan and Gaz Métro's plan," he said.

"The CEP urges an aggressive expansion of natural gas in the state, which is, of course, a non-renewable fossil fuel," Cota wrote to Shumlin. "Gaz Métro currently sells 8 billion cubic feet of natural gas in Vermont. If the Québec company is allowed to expand the existing pipeline to Middlebury and Rutland they will add another 3 Bcf to their portfolio. Even more gas could be flowing through Vermont if Gaz Métro is allowed to extend the line to Glens Falls and build a gas power plant to feed their electricity business. The CEP does not question the aggressive Gaz Métro build-out or the economic wisdom of building a new fossil fuel power plant while shutting down the existing one in Vernon. Dismantling the Vermont Yankee nuclear power plant and replacing the electricity it currently provides with a gas power plant contradicts both the economic and environmental goals of the CEP."

He also questioned the plan's expectations regarding utility gas prices. "The CEP anticipates current price differentials in energy will be permanent. This is folly. All fuels experience price volatility. In the 1960s, state energy plans trumpeted conversions to electric heat because electricity would soon be 'too cheap to meter.' Those proclamations are laughable now, as electric heat has proven to be the least efficient and most costly way to heat a home. The euphoria over gas will likely be short lived. Independent studies have proven that shale gas is not only environmentally problematic, but it's also not the gusher the gas producers are claiming. It is important to note that just 20 years ago the EIA declared natural gas the least abundant energy resource." He asked that the final CEP be revised to eliminate misleading or inaccurate statements about the environmental advantages of natural gas, as well as the wild predictions about its future economic benefits. ☐