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**State of Vermont
Public Service Board**

MEDIA RELEASE

PSB APPROVES UPC SHEFFIELD WIND PROJECT WITH CONDITIONS

Montpelier, VT – The Vermont Public Service Board today issued an order approving a 16-turbine, 40 megawatt wind generation facility in Sheffield, Vermont, with the requirement that the applicant, UPC Wind, must meet a number of conditions set by the Board related to power contracts, noise, traffic, and decommissioning. The Board found that the economic benefits and provision of renewable energy offered by the project as conditioned outweigh its adverse impacts.

In approving the project, the Board reiterated its finding from an earlier order that wind generation facilities such as the one proposed by UPC can provide a number of benefits to Vermont and the region, such as fuel diversity, energy independence, reduced air emissions, and increased tax revenue. The Board cited a number of specific economic benefits offered by this project, including increased tax revenues to the state and the host town, the creation of new jobs, and land lease payments. The order noted that the project will contribute to meeting the need for renewable power in the regional power pool of which Vermont is a member, and to serving Vermont's load growth with renewables, a matter of policy which has been adopted by the Vermont Legislature.

Visual impacts of the project were a central concern for many members of the public and several parties. The Board concluded that the visual impacts would not be "unduly adverse" under the Environmental Board's "Quechee Test" adopted by the Public Service Board, and ruled that the benefits of the project outweigh the visual impacts. In making this finding, the Board relied on visual simulations and analyses demonstrating that most views of the project will be from a distance such that the size will not be overwhelming, and consequently, the average person will not find the project "shocking or offensive," a standard used by the Board in cases such as this one.

Conditions in the Board order include setting maximum noise levels to protect nearby locations, approving a wildlife protection agreement reached between the Agency of Natural Resources and UPC, and adopting requirements to protect towns that will be affected by construction traffic. In addition, the order requires a fully-funded decommissioning account to ensure the facility can be removed and the site restored when it no longer provides substantial public benefit.

The order requires UPC to negotiate and submit to the Board its power sale agreements with Vermont utilities to provide greater price stability than the company's proposal, which provided for the sale of all the project's output to Vermont utilities, but indexed most of the price to the New England wholesale electricity market. The condition reflects Vermont law that encourages the development of renewable energy in part because renewable generation does not

depend upon fossil fuels, for which prices are increasingly volatile and expected to rise. However, the contracts negotiated by UPC did not capture this benefit because they would have sold most of the power to Vermont utilities at a fixed percentage below the New England wholesale electricity market price, which is largely tied to the volatile and rising price of natural gas. UPC will have the opportunity to submit new contracts that include mechanisms providing greater price stability, or to show that the contracts as proposed provide the best possible arrangement.

Power generation projects that connect to the electric grid, including wind farms such as the proposed project, can be built only with the approval of the Board in the form of a Certificate of Public Good (CPG). To grant such a CPG, the Board must find, based on a formal process and on specific standards in Vermont law, that the project promotes the general good of the state. In reaching a decision on the Sheffield project, the Board viewed thousands of pages of testimony, exhibits, and transcripts and heard from 35 witnesses at ten days of evidentiary hearings, from over one hundred citizens at three public hearings, and from hundreds more members of the public in written comments, and the Board conducted a site visit, viewing the proposed project location from many vantage points around the Northeast Kingdom.

The order is available on the Board's website at <http://www.state.vt.us/psb>.

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