

**Testimony for the Vermont Senate Finance Committee
on the
Ryegate Power Station and the proposed extensions to the mandated efficiency goals
from 2022's Act 155
3/14/24 - 3pm
Representative Bobby Farlice-Rubio**

Good Afternoon to you, Chair Cummings, and to the Esteemed Senators of the Finance Committee.

I am Representative Bobby Farlice-Rubio, and I represent the town of Ryegate, in addition to the towns of Barnet and Waterford, in Caledonia County.

I want to begin by stating my enthusiastic support for the continued operation of the Ryegate Power Station. In the town of Ryegate, it is a major employer, it and constitutes a significant portion of the town's tax base. For our logging industry, it provides an essential market for wood that allows sustainable forestry to provide a profit for both loggers and landowners. For the state, it provides 3% of the renewable energy that we need, and it produces energy for 24 hours a day, seven days a week, in all weather conditions.

I already knew of the value of the Ryegate Power Station when I first began living in my district, in 1999. During my first summer as a legislator, last year, I was invited to get a tour of the plant. There I met Larry Anderson, the plant manager, and I was impressed by the quality and cleanliness of their operation. The purpose of my visit was to learn about their pellet mill project, and I was immediately in support of this plan to use waste heat to manufacture wood pellets for local heating fuel needs. As we hope to help Vermonters transition away from fossil fuels for heating their homes, I thought this new mill would make advanced wood heating systems more affordable while also increasing economic opportunities for the district that I represent.

When I learned that their Power Purchase Agreement, as set by 2022's Act 155, was set to expire in 2032, I made a request for legislation to extend it until 2040. It would have been one of my first-ever bills. That's how eager I was to maintain the viability of the plant. It was during this time that I began meeting with stakeholders who are well aware of the history of the plant and its current ownership. I spoke with many loggers, some as recently as this morning, who told me about long-delayed payments for their wood deliveries. Some incurred deficits of tens or hundreds of thousands of dollars before they were finally paid for wood already delivered. Some incurred debt just to be able to pay their drivers, their workers, or for their fuel. Most also stated that they really need the Ryegate Power Station to remain in operation to sustain their businesses.

The current owners, Ryegate Associates, are an offshoot of a company once known as Stored Solar. Under that name, they had once owned many Biomass plants throughout New England. At their different facilities, they had made promises of making their plants more efficient by using waste heat to warm shrimp cultivation ponds, or greenhouses, but none of these projects ever materialized. Eventually, they went through a bankruptcy, and were forced to sell most of their plants, with the exception of the one in Ryegate. Many of the loggers in Maine in New Hampshire that supplied the now-shuttered plants have still not been paid what they are owed.

Today, they are asking the legislature to give them an extension for the deadline that they need to complete their mandated efficiency project. I understand the Act 250 challenge that has delayed the completion of the pellet mill. I checked with the Department of Environmental Conservation, and confirmed that they have indeed applied for the Air Quality permit that stands as the last obstacle to the commencement of their plan. It is seemingly impossible that they will have enough time to complete the pellet mill project, assuming that they receive their final permits today. If we, the General Assembly, do nothing, the Ryegate Power Station will lose their PPA, possibly forever, in November of this year.

I was present two weeks ago when their advocate requested a proposal for a one year extension of the deadline for their pellet project's completion. I have come before you today with an alternate proposal that requires more accountability from Ryegate Associates, with the benefit of a ten year extension of their PPA, once the pellet mill is built. The legislative language that I have already sent you will allow the PPA to be paused if they miss their deadline for the pellet mill project. Once completed, the PPA will be reactivated.

Their advocate has told me that any pause in the PPA, where they can still sell their power at market rates, will force them to shut the plant down and layoff their workforce. I certainly do not want that to happen. If my original proposal is not accepted, I am willing to propose a compromise that will allow them to keep the PPA even if they miss their deadline this year. In order to keep their PPA, I propose that they pay their contractors every seven days, without fail, as is the norm in the biomass industry. I also insist that a third-party ombudsman, to be appointed by the Public Utilities Commission, and paid for by Ryegate Associates, be made to supervise the pellet mill project with a quarterly review until completion. Once complete, the Ryegate Power Station can then receive a ten year extension of their current PPA.

I would now happily answer any questions that you may have about my proposal.