

# Mitigating the Impacts of the VY Closure: Building Upon a Foundation of Collaboration.

Presented to the Vermont House Committee on  
Commerce and Economic Development





# Background & Introduction



# Windham Regional Commission

The Commission has always taken a neutral position on whether or not the Vermont Yankee Nuclear Power Station should continue operation, and whether or not it should be issued a Certificate of Public Good by the Vermont Public Service Board.

We adopted this position in order to facilitate conversations among all parties on all sides of the issue.



# Windham Regional Commission

Our primary focus in Vermont Public Service Board dockets has been on what happens when the plant does eventually close, whenever that might be and for whatever reason that might occur.

In the dockets we have steered clear of health and safety issues – issues preempted by the Nuclear Regulatory Commission – and focused on the mitigation of closure impacts, and the orderly redevelopment of the site.



## Basis for WRC positions.

The positions we have taken in the current and past PSB dockets seek to mitigate, to the greatest extent possible, the economic, employment, cultural and social impacts of the closure on the region.

We seek an outcome that will support the fiscal well-being of our towns, our residents, and which will lead to the restoration of the Vermont Yankee site to “greenfield” status as soon as possible so that it may be reused.

## WRC has built critical knowledge base.

- WRC has spent literally thousands of staff and volunteer Commissioner hours on matters related to the eventual closure and decommissioning. Uncompensated; represented the region pro se.
- Knowledge of what Entergy and other parties have said the impacts to our communities and the economy will be under different closure and decommissioning scenarios.
- Prepared Post-Closure Resiliency Plan for Town of Vernon in 2012 through Municipal Planning Grant.
- Critical resource to local, state and federal agencies and officials; foundational information for Post-VY Task Force.
- We know from precedent (Yankee Rowe, Maine Yankee) that our work will be ongoing for years, decades.

## Since the closure announcement:

- Close collaboration and coordination with Brattleboro Development Credit Corporation (BDCC)/Southeast Vermont Economic Development Strategy (SeVEDS).
- Meeting with local legislative delegation.
- Meetings and communication with multiple state agencies about anticipated closure impacts.
- Coordinating with counterparts in New Hampshire and Massachusetts; opportunity for tri-state initiatives.
- Arranged meetings for VT officials with MA officials to discuss Rowe closure experience, responsibilities.

## Since the closure announcement:

- Participated in public forums and formal hearings about the closure and its impacts.
- Provided assistance to the Town of Vernon (MPG application, Citizen Advisory Panel formation advice, town plan review).
- Plan for interagency coordination and process going forward that includes regional voice.
- Need for national conversation about current federal decommissioning policy and requirements (NADO).
- Ongoing participation as party to Public Service Board docket.



The image features a dark green background with a subtle gradient and decorative wavy lines at the top. The text "Anticipated impacts." is centered in a light blue, sans-serif font.

**Anticipated impacts.**

# Employment impacts.

- Vermont Yankee employs roughly 620 workers in the tri-state area with a payroll of about \$65.7 million.
- Accounts for approximately 2% of employment and 5% of compensation earned in Windham County.
- Contributes \$300,000 to \$400,000 in charitable contributions across approximately 100 organizations.
- Average employee annual income exceeds \$100,000.

PSB Docket No. 7862  
 Entergy VY's Response to WRC's  
 First Set of Discovery Requests  
 August 17, 2012

Vermont	238
New Hampshire	210
Massachusetts	167
Other	8
	623

Q.WRC:EN.1-MT-10: At page 11, line 2 you state that as of December 2011 Entergy VY employed 623 people. Please break this total employment number into full and part-time employees. Please provide a breakout of where these employees live in a format that is similar to the data provided by Entergy VY in January 2008 and then filed by WRC in docket 7440 as exhibit WRC-TB-5.

A.WRC:EN.1-MT-10: The 623 employees as of December 2011 were all full time employees. These employees resided at the following locations:

VT	Addison	1
	Athens	1
	Bellows Falls	8
	Brattleboro	76
	Brookline	1
	Chester	1
	Dummerston	6
	East Dummerston	3
	Guilford	15
	Jacksonville	1
	Jamaica	2
	Marlboro	1
	Newfane	11
	North Springfield	1
	Putney	12
	Readsboro	1
	South Burlington	1
	South Newfane	2
	Springfield	1
		15

	Townshend	5
	Vernon	78
	West Brattleboro	1
	West Dummerston	3
	Westminster	1
	Whitingham	2
	Williamsville	2
	Windsor	1
VT	Total	238

Total employees in Windham Region:  
 232 of the 238 employees residing in  
 Vermont

# Local impacts.

- Vernon will experience the most acute effects of the plant closure.
- Total number of employees residing in Vernon was 84, the number of spouses of these employees was 61, and the number of children was 129. These numbers together (employees and their spouses and children residing in Vernon) represent approximately 12.4 percent of the total population of the town.
- Number of contracted employees residing in Vernon was assumed by Vermont Yankee to be small.
- Town of Brattleboro is home to a similar number of employees, but its larger population and more diverse economic base should help the town be more resilient.
- Vermont Yankee paid a total of \$1,147,399.96 in taxes to the Town of Vernon for the 2011-12 tax year, which constitutes 48.5% of the total town tax receipts \$2,364,334.22 for that year.



# Post-VY Task Force

- Organized by the Brattleboro Development Credit Corporation (BDCC) and the Southeast Vermont Economic Development Strategy (SeVEDS).
- Consisted of regional and town officials, local business leaders, and other stakeholders.
- Report produced in March, 2012 to coincide with expiration of the Certificate of Public Good.
- Much of the information underlying the report came from the Windham Regional Commission through our engagement in the Public Service Board dockets.

# Task force findings.

- Job losses: the area will lose between 617 and 650 high paying jobs at VY itself (estimated 2011 payroll between \$68 million and \$72 million).
- More than 400 other area jobs generated by the economic activity of VY and its employees would be lost as well, for a total of more than 1,000 jobs.
- GDP decline: Major impacts on local retailers, less discretionary spending on local products and services.


# Task force findings.

- Major declines in real estate value: Valuation reductions are estimated to be between 5 and 15 percent, depending on the circumstances of the closure.
- Major declines in available human capital: The loss of many active people who contribute to communities in a variety of ways would have negative impacts on the quality of health care, education, the viability of non profit organizations, and the capacity to provide work/study and training programs.

# Task force findings.

- Major declines in state and local tax revenue: This includes property taxes paid by VY, education fund contributions from VY, property tax reductions due to grand list valuation reductions, sales taxes generated by economic activity resulting from VY and its employees, and income taxes paid by VY employees and contractors, as well as by others whose jobs will be lost as a result of the VY closure.





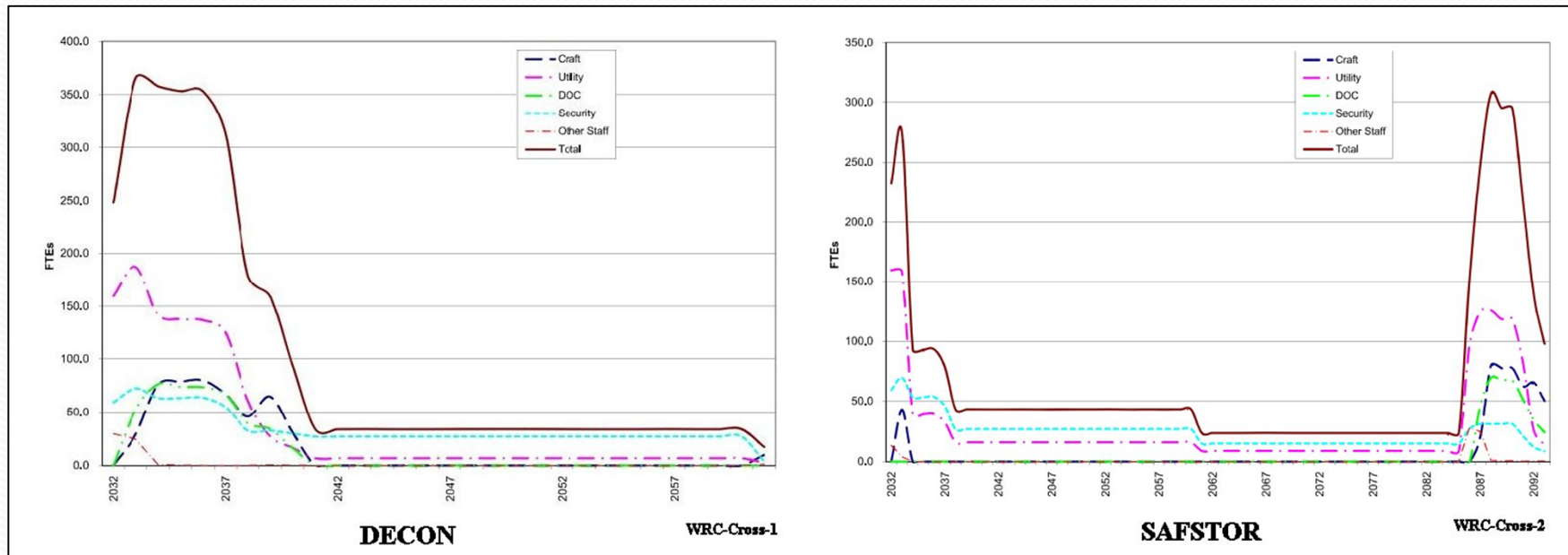
**Employment Impacts of  
Prompt Decommissioning  
(DECON) as compared to  
Deferred Decommissioning  
(SAFSTOR)**

# Prompt Decommissioning (DECON) versus Deferred Decommissioning (SAFSTOR)

- As Entergy has noted in its filings with the PSB, when the station shuts down the workforce will shrink from roughly 620 to about 250 over a 9-12 month period.
- With deferred decommissioning, or SAFSTOR, after a brief ramp up to button up the plant, the workforce would quickly drop further to about 50 people. If past residency ratios hold true only about 20 of those workers would live in Vermont.
- With prompt decommissioning, or DECON, the Station initially employs a larger workforce of approximately 300, which then dissipates more slowly over approximately ten years.
- The economic impact studies provided by Entergy suggest that DECON provides a stronger buffer against overall job loss than SAFSTOR.

# DECON vs. SAFSTOR

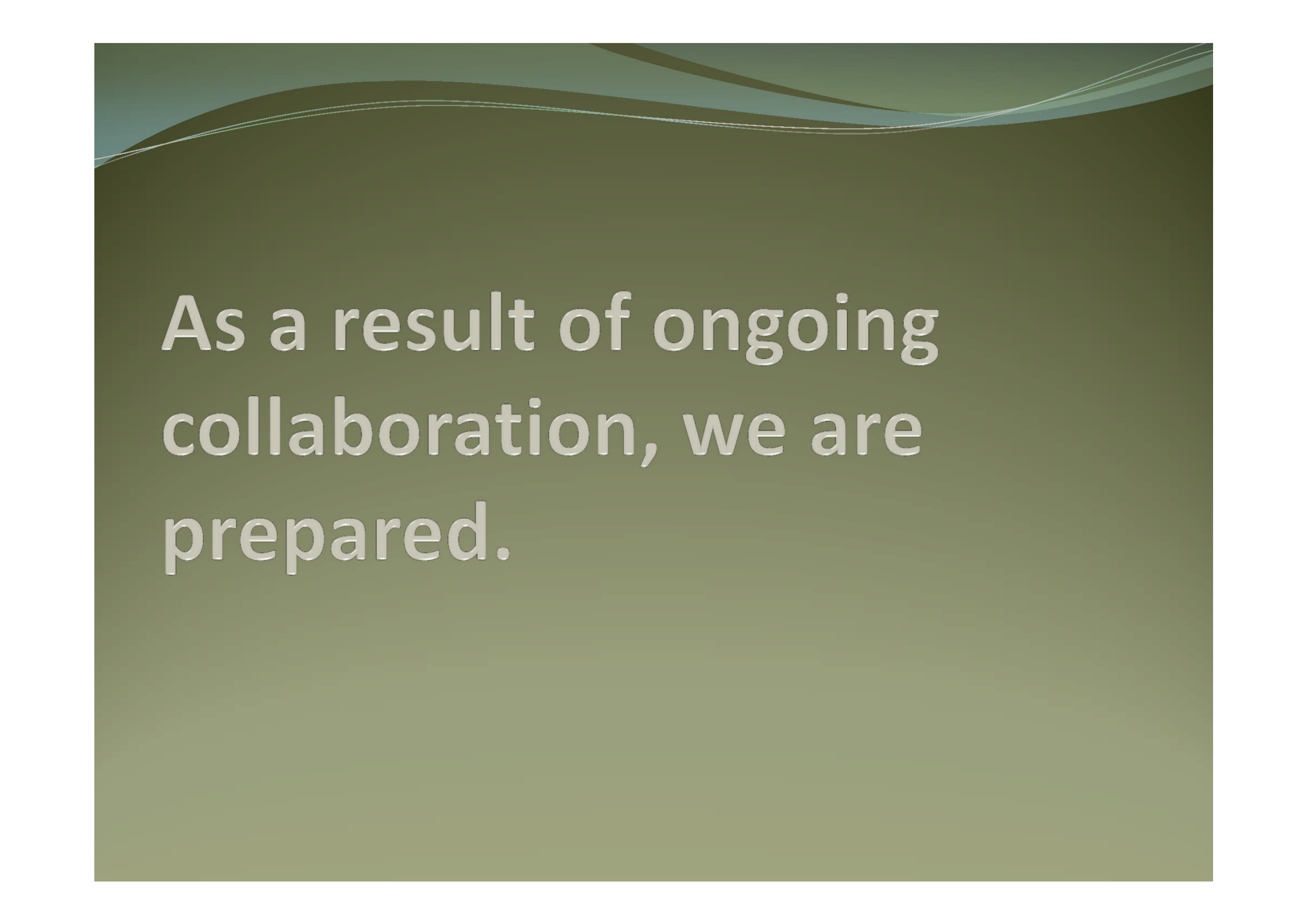
Prompt decommissioning provides a better economic and employment profile.



Source: Docket 7862, A.WRC:EN.1-27.1 and A.WRC:EN.1-27.2, graphics provided by Entergy

# Taxes

- Taxes will also be an issue.
- The 2012 Entergy decommissioning estimates include an allowance for post-operation tax payments with the assumption that the property would be assessed as vacant land, and assume average annual property taxes paid to be between \$7,614 and \$16,428.



As a result of ongoing  
collaboration, we are  
prepared.

# BDCC and WRC have built a strong relationship.

- WRC has been involved in SeVEDS since its inception.
- Engaged in the development in the Comprehensive Economic Development Strategy (CEDS).
- Collaborated on Post-VY Task Force.
- BDCC made decision to serve regional economic development planning role, which WRC has supported.
- WRC serves key community development planning role.
  - Robust brownfield program, including revolving loan fund.
  - Village wastewater and water infrastructure study and plan proposed for CEDS.

# BDCC and WRC have built a strong relationship.

- WRC and BDCC, collaborating with Bennington County Regional Commission, on U.S. Economic Development Administration Disaster Recovery grant.
  - Business recovery (BDCC).
  - Village and downtown recovery (WRC).
  - Southern Vermont branding (BDCC).
- Community Development Block Grant-Disaster Recovery
  - BDCC assists businesses.
  - WRC assists municipalities.

# BDCC and WRC have built a strong relationship.

- Collaborating on regional redevelopment opportunities.
- WRC will work with municipalities on planning to implement CEDS and SeVEDS strategies.
- Incorporating CEDS into our regional plan update.
- Build upon one another's strengths to improve regional capacity as a whole:
  - Using WRC's administrative capacity to build BDCC's administrative capacity.
  - Ability to seek and administer federal resources.
  - Prepared for era without federal earmarks; leverage state and local funds.