

To the Act 250 Commission:

Language from the bill, *“The Commission on Act 250: the Next 50 Years ... shall review whether permit conditions in permits issued under 10 V.S.A. chapter 151 (Act 250) to forest processing operations negatively impact the ability of a forest processing operation to operate in an economically sustainable manner, including whether Act 250 permit conditions limit the ability of a forest processing operation to alter production or processing in order to respond to market conditions”*

As Secretary of Vermont Woodlands Association for many years, and the owner of a 60 acre Tree Farm in Sheffield since 1979, I have witnessed some of the effects of Act 250 that I believe have influenced in a negative manner the forest landowner’s ability to market products from their woodlands.

A first reality check of the situation is a landscape look at the forest products industry in Vermont as compared to both the region and the state between then, 50 years ago, and now. While the industry in the region has suffered significantly in every state it has suffered a greater loss of capacity, breadth and innovation in Vermont. With the exception of the Burlington Electric plant and Cersosimo Lumber most wood harvested in Vermont leaves Vermont for processing. Companies attempting to build modern, multi-use wood energy generators and wood fuel refining plants routinely find it almost impossible to locate in Vermont due to the cost and time involved in permitting.

As an example, high efficiency wood energy electrical generating plants use waste heat to perform other wood processing opportunities in the plant to make their efficiencies high enough to justify their economic viability. Power can’t be the only product and such plants use that waste heat for such activities as lumber drying, and wood pellet production. But the permitting agenda in Vermont for such plants mandates not only the Section 248 utility permitting requirement but ALSO Act 250. This double whammy of virtually duplicate permitting has meant no modern, high efficiency wood burning facility has yet to be constructed in Vermont.

Another troubling aspect of Act 250’s treatment of the wood processing industry is the Act’s view that, based on all the criteria presently in Act 250, **no wood industry can survive a review without some negative aspects**, and probably some NIMBYism to boot. Those “negative aspects”- noise, air pollution, traffic, aesthetics, etc, can quickly result in time delays, legal and engineering costs and unfavorable publicity that quickly change the economics of a good wood utilization project.

And that concept of a “good project” is absolutely missing from Act 250. Anyone knowledgeable in the situation or business of owning forestland, and hoping to have any economic justification in maintaining it as forest, knows that having a market for low quality wood (to get it out of the way) and high quality wood, is the critical requirement to economic sustainability; that is, there has to be a harvest and the wood harvested must be economically moved to a processor. So a local “processor” is critical to the whole concept. That is a missing piece in Vermont. If Act 250 were serious about promoting good, sustainable forestry in the state it would find a way to score such enterprises high enough in the criteria to mitigate the roadblocks that routinely kill wood products and energy generation facilities.

Western Europe has solved that problem. Travel around Scandinavia, or the heart of western Europe and one finds wood processing facilities **everywhere in towns near the forest**. They are sawmills, pellet plants, power plants, drying facilities, and other mills allowing private forest land owners a market for their wood, and helping the local employment situation. They are not considered a developmental problem, they are considered an asset helping to keep development from happening

through the preservation of the **working forest concept**. **If Act 250 wishes to protect this concept it must start addressing the forest products industry as an asset, not an environmental liability.**

Some suggestions:

- An allowance in the existing 10 statutory criteria for recognition of working forest enhancements which would be caused by proposed projects- businesses using local wood. At present a project which has aspects which would improve the quality of the land or environment- businesses using local wood- are not allowed to be detailed under the criteria nor can they be used to mitigate other potential impacts of the project.
- An automatic review process of on-going Act 250 actions resulting in unfavorable results to applicants by a disinterested third party- an Ombudsman- with respect to removing the possibility of simple prejudice or dislike of the proposed project from abutters or ideologues bent on influencing the process outside the statutory criteria
- Elimination of the double permitting on projects having both a power generation component and a non-power generation component. One is enough
- Credit in the ten criteria for any facility that furthers the Renewable Energy Vermont 2017 Five Year Action Plan for Increasing Advance Wood Heating in Vermont.
- Credit in the ten criteria for any generation facility that supplies waste heat to a school or municipal facility.

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