

December 23, 2003

Dear Governor Douglas
and Members of the Vermont Renewable Power Supply Acquisition Authority:

Renewable Energy Vermont Inc. (REV) recommends that you exercise your authority as governor and as members of the Authority to endorse the state's purchase of the hydroelectric dams on the Connecticut and Deerfield Rivers. REV believes it is imperative for the economic health of Vermont that we increase our reliance on low cost stable renewable energy, such as these hydro resources can provide.

These dams can provide excellent storage capacity that can be used in tandem with other renewable energy sources such as the wind. Just as the dams are currently used together with fossil fuel plants to provide constant power they can be used together with wind farms to help us take full advantage of the tremendous wind resource we are blessed with in Vermont. In effect, these dams could act as big batteries for wind power.

There are many additional benefits that Vermont ownership and operation (in part or in whole) of the dams would bring:

- ensure long-term rate stability;
- lower electricity rates;
- increase energy security and reliability; and
- balance other renewable energy sources.

The state has no plans for how to replace the two-thirds of our power mix that we currently receive from Vermont Yankee and Hydro-Quebec. These sources may not be available, or be available at prices we cannot afford, when their contracts expire.

These dams provide us a golden opportunity to provide up to an additional 20% of Vermont's overall power with clean, renewable and local power. Without the dams and additional renewable energy brought into the Vermont mix we are putting our economy at great risk by hitching it to volatile natural gas prices.

Renewable Energy Vermont is a trade organization of Vermont businesses, and we encourage you to serve the best interests of all Vermont businesses by moving forward to purchase these hydroelectric assets.

Sincerely,

Lawrence Mott,
Northern Power Systems— REV Board Chair

cc: Lt. Governor Dubie, Senator Ginny Lyons, Representative Mark Young