

## Fair?

The debate over the Legislature's controversial energy bill is akin to what a parent might hear from a child desperately searching for an argument that resonates, a line of reasoning that excuses the conduct in question.

All the arguments, thus far, have fallen flat.

The roots of the issue were nourished in the first weeks of the legislative session when global warming took center stage. Something had to be done. Morally and politically. The session could not end without something to show.

But the question was always how to pay for it, and the first suggestion was a tax on fuels, a burden that would fall to each Vermonter.

That argument didn't fly. But by the time that point was accepted, the legislative session was in its last weeks, which put the leadership in a poor political position. All the energy efficiency related initiatives proposed were at risk because a sustainable, defensible way to pay for them had not been discovered.

Then, the deep pockets of Vermont Yankee were discovered. With virtually no discussion, a tax on revenue was proposed for the operators of the nuclear plant in Vernon and it was passed by a single vote.

The argument was simple, if incredibly misguided: Vermont Yankee's making more money, they owe us, even if the proposal did constitute a break in the contract negotiated with the state in 2005.

But the argument was slapped down by the House.

So, if that argument didn't work, what would?

House and Senate negotiators opted for a \$25 million tax on the power generated by Vermont Yankee.

Again, the argument fell flat for those beyond Montpelier. A tax is a tax, a deal is a deal. The scramble ensued. It wasn't enough that Entergy is an out-of-state corporation. It wasn't enough that the company is profitable. It wasn't enough that Vermont Yankee was storing waste on the banks of the Connecticut River. The leadership tried all the rhetoric – to no avail. The governor's promised veto

looked bullet-proof.

Then, the fairness issue was discovered. Vermont Yankee's property tax burden has not increased to match its considerable increase in value, in part prompted by new construction. Gasp.

If your home increases in value, don't you pay more in taxes? Shouldn't they?

Finally, an argument with traction. Perhaps this is what will allow legislators to override the governor's veto.

It shouldn't. It hasn't any more credence than prior arguments. In fact, it's this argument that should bring legislators [and their constituents] back to square one. It was during the Howard Dean years that Central Vermont Public Service and Green Mountain Power were in the process of selling the nuclear power plant. The depreciated value of the operation was dropping like a rock, which prompted the Dean administration to suggest that an agreement on a fuel generation tax be reached so that rates would be predictable and transparent. Dean left, Jim Douglas picked up where he left off and in 2003 the agreement was struck. Obviously, it was a good deal for the state given the precipitous decline in the plant's property tax "value."

So, as to the fairness issue.... it's fair to go back and say, well, we'd like to tap you on both fronts, fuel generation, and, because you've invested in your property, we'd like to tap you on that front as well?

Senate President Pro Tempore Peter Shumlin has hit the hustings saying the deal isn't fair to Vermonters because this 2003 agreement "froze" rates in place.

That's not true, and Mr. Shumlin knows it. The Legislature agreed to the 20 percent uprate in what the plant produces in May of 2006, which means the company is obviously paying an increased amount on the new power generated.

Another "fairness" test is the comparison with wind power. The Legislature, Mr. Shumlin argues, plans to assess a three mill rate on power produced by wind, shouldn't Vermont Yankee be required to match that? Isn't that fair?

Sure, if Vermont Yankee were allowed to sell its power at the same market rate allowed producers of wind power. They would pay three mills on power that sells on the open market between six and seven cents per kilowatt hour. Vermont Yankee would pay that rate

on power it is required to sell for a little over 4 cents a kilowatt hour. That savings, by the way, has put an estimated \$668 million in the pockets of Vermonters.

What the purveyors of this “fairness” tact depend on is a lapse of memory – by our legislators and Vermonters in general. To succeed they must convince Legislators that for some odd reason past negotiators missed the property tax issue and that Vermont Yankee has knowingly slid by with an unfair arrangement. As per usual, what they depend upon is people forgetting the context of the argument being presented.

Fair? Yes, absolutely fairness is the key test here. It is not fair to forget the basis upon which all agreements with Vermont Yankee have been based. It's not fair to forget the hundreds of millions of dollars Vermonters have saved. It's not fair to forget that Vermont Yankee is a key reason our carbon footprint is so minimal.

And it's bone dumb. The governor's promised veto should stand and we trust our Franklin County legislators will stand firm.

*by Emerson Lynn*