

Salem Power Plant Revitalization Task Force – Decommissioning Subcommittee Minutes:

Wednesday, January 9, 2013

State House, Room 511

Boston, MA 02133

Attendees:

Senator Michael R. Knapik, State Senator, Chair of Subcommittee

Dan Burgess, Legislative Director for Energy, Executive Office of Energy and Environmental Affairs

Barbara Kates-Garnick, Undersecretary for Energy, Executive Office of Energy and Environmental

Dan Dolan, President, New England Power Generators Association

Anna Grace, Attorney General's Office

Sandy Merrick, Attorney General's Office

Tim Newhard, Attorney General's Office

Bess Gorman, National Grid

Gary Davis, General Counsel, Executive Office of Energy and Environmental Affairs

Joe Dalton, GDF Suez Energy NA

Drew Grande, Sierra Club

Becky Smith, Clean Water Action

Chris Picher, Office of Chairman John Keenan, Committee on Telecommunications, Utilities and Energy

Zach Donah, Office of Senator Michael Knapik

Patrick Beaudry, Office of Senator Michael Knapik

Aditya Nochur, MIT Graduate Student

Senator Knapik called the meeting to order at 11:00 AM

Introductions

Senator Knapik welcomed the Subcommittee Members and attendees and began the introductions.

Administrative Tasks

The Subcommittee Members accepted the minutes of the previous meeting.

Presentation from the Attorney General's Office of Ratepayer Advocacy on Transition Costs

Sandy Merrick began presentation with some background on policies created to address divestment of energy generators. She was joined by Tim Newhard who also shed light on policies related to electric distributors and what happens when they decide, whether through incentives or financial hardships, to divest in a local site. Discussions centered on the liabilities associated with decommissioned sites. The AGO stated that they monitor these sites closely as a protector of the Commonwealth's ratepayers who may be in danger of having environmental cleanup costs passed on to them. These sites are also of interest because of their inherent value as a result of both their geography and potential for reuse.

Open Discussion/Moving Forward

Discussion then moved on to the topic of escrow accounts and liability. While the Federal Government requires Nuclear Power Plants to establish an account, there is no such requirement for the Coal industry. Therefore the Pilgrim site is the only one that had to establish a “decommissioning fund” at the point of purchase, which is monitored by the Federal Government.

Dan Dolan posed the question of whether or not it would be fair to assume if the cost of environmental cleanup is not transferred to ratepayers, it must be transferred to next buyer. Furthermore, the group discussed who would be responsible for clean up as a result of bankruptcy because it would be complicated to determine what entity to pursue.

Gary Davis suggested that the Subcommittee consult the presentation given by DEP staff regarding remediation. The Subcommittee agreed that this would be helpful to review.

Chris Picher of Chairman Keenan’s office also stated that the Joint Committee on Telecommunications, Utilities and Energy is seeking a game plan should agreements like the one between Dominion and Footprint not be followed through on.

Senator Knapik also sought clarity on what laws and regulations exist around the sudden shuttering of sites, including the securing of facilities from a public safety and environmental standpoint.

Sandy Merrick offered to bring in the AGO’s brownfields point person to address the Subcommittee.

NSTAR’s closure of a plant in New Bedford suggested as a good site to study regarding required actions for shuttered facilities.

Drew Grande of the Sierra Club and Becky Smith of Clean Water Action also offered to make presentations on the health and economics of the coal industry and concerns with workers/host community tax bases, respectively, should they be deemed appropriate for the Decommissioning Subcommittee.

The meeting concluded at 12:10 PM.