

Date: February 13, 2013

To: House Fish, Wildlife and Water Committee

From: Johanna Miller, VNRC Energy Program Director – jmiller@vnrc.org

RE: VNRC Testimony on H.27

Thank you for the opportunity to speak with today.

I know you are familiar with VNRC and have already heard — and will again tomorrow — from VNRC's Water Program Director Kim Greenwood. I run VNRC's Energy and Climate Action Program. It's a privilege to speak to you today.

For nearly 50 years, VNRC has been working to protect Vermont's environment, build a strong, rural economy and promote a clean energy future. VNRC has thousands of members and we also coordinate the Vermont Energy and Climate Action Network — the network of over 100, primarily volunteer community energy committees across Vermont. These groups are working hard to help their friends and neighbors save energy, transition to renewables and reduce greenhouse gas emissions. The possibility of serving as a conduit to move the world's dirtiest oil to market fundamentally undermines any action Vermonters have taken to tackle climate change. It would be all risk and little to no reward, with potential for catastrophic consequences for the natural resources that awe us daily and drive our economy.

That is why VNRC supports the purpose of this bill — which aims to add belts and suspenders to a pivotal tool in ensuring we avoid high environmental and economic consequences — Act 250.

Let me be clear. VNRC is confident that Act 250 already applies to the Portland Montreal Pipeline. This bill would serve as a strengthening backstop. That's because the state has authority over land use and environmental issues and this is a land use and an environmental issue.

As you may know, VNRC was a signor to a request to the Act 250 District 7 coordinator, asking for a determination over whether converting the PMPL from a conventional crude pipeline to likely transporting tar sands is a substantial change in use and would require a new Act 250 permit. We believe it does, and you will hear far more about that later from VLS' Ken Rumelt. We also believe this bill offers an important opportunity to clarify and strengthen Act 250's role in regulating oil or petroleum pipelines. We have been working closely with a broad and diverse coalition of partners in Vermont and

regionally on this issue, including VLS, and I will let VLS' Ken Rumelt speak in more exact detail on some suggestions we have to strengthen H.27.

Until then, I wanted to directly rebut some inaccuracies you heard yesterday, outline some important things we hope you will consider and describe how VNRC looks at this issue — this bill — in terms of its role in serving as a proactive protection mechanism to safeguard our waterways, our natural resources and our economy— which is built upon those things. As well, we want to stress the urgency and the need to deal with the impending climate catastrophe and do what we can as a state and individuals to stem that tide.

CORRECTING YESTERDAY'S "FACTS"

First, I wanted to correct a few 'facts' that we heard yesterday.

The reality is that what is likely to be transported across Vermont is diluted bitumen. It's a far different material than your grandfather's crude oil. It IS far more thick, viscous, dense and abrasive than what has been typically transported.

Because of its heavy consistency it has to be transported at high pressure. It's that pressure that creates heat and, therefore, yes, tar sands move at much higher temperatures than conventional crude.

The nature of tar sands – thick and abrasive – also means it's likely to wear out pipelines --- including our own 62-year-old pipeline --- far faster than more liquid crude oil. The Portland Pipeline Company can and clearly will monitor that but, as you heard, spills have happened in the past and would almost certainly happen in the future.

That poses risks. Real environmental risks.

Vermont's Water and Wildlands and Learning from Kalamazoo

You don't have to look far to see the consequences of a tar sands oil spill. As you heard yesterday, there was a major pipeline leak in Michigan in 2010 that ran into the Kalamazoo River. It took the pipeline operator over 16 hours to stop the leak – that egregiously slow response was based largely on human error – but the point is that that region of Michigan is still reeling from the impact.

The river is still not — and never will or can be fully cleaned – despite the pipeline company investing over \$700 million to do so. A 35-mile stretch of the Kalamazoo River remained closed for more than 18 months after the 2010 spill. That meant no fishing, canoeing, kayaking, swimming or other recreational activities were allowed on the contaminated section of river. I

can't give you the exact economic costs of what that meant for Kalamazoo's economy and businesses. But, I can tell you – the NEK has a lot more at stake if something similar were to occur.

The pipeline we are talking about cuts across some of Vermont's most rural and natural resource-rich lands, including Victory State Forest. It also cuts across the Missisquoi River, Vermont's Black River, which drains into Lake Memphremagog and the Connecticut River. These resources provide invaluable ecologic, economic and recreational value to Vermont. The NEK is renowned for its beauty and the potential environmental impacts of any kind of leak from a pipeline that transports crude oil could be catastrophic. Ask people from Kalamazoo. Yesterday, yes, you heard the Portland Pipeline Co tout its strong record and that's great. But we have a pipeline older than the one that ran across the Kalamazoo River AND an opportunity to learn from their disaster. This bill aims to help Vermont avoid potential costly economic and environmental consequences of something similar happening in our backyard.

And, yes, while PPC employs *one Vermonter* and their lease offers a small but important infusion of funds to some communities and Vermonters, the potential economic consequences if we don't take proactive action to stop the transport of tar sands could be huge if there were any problems. Potential job loss, high clean up costs, long-standing harm to our natural resources, tourism-based impacts and more.

I just want to stress, we believe we need to be proactive in preventing harm to our water resources — including our groundwater resources, which are even more difficult and expensive to clean up than surface waters. This bill would help ensure Vermonters don't foot potentially expensive bills from any problems with the pipeline.

ACT 250's IMPORTANT ROLE IN VERMONT AND IN THIS ISSUE

I also want to make a case for Act 250's important role in managing development in Vermont and its role in this issue in particular. While I am not the in-house Act 250 expert at VNRC, I am keenly aware of its power as a tool.

While it's not the only reason, Act 250 has played an important role in protecting Vermont's natural resources and helping our state avoid the kind of speculative development that Michigan and other states are still reeling from. It has helped stabilize our economy and economic interests for years. So much so that Vermont banking industry leaders have said that Act 250 has been an economic benefit to the State of Vermont.

This bill is really not about Act 250 though. Act 250 is a tool. It's a tool we need — and we use — to protect both our environment and our economy. This bill is more about the potential threat and catastrophic environmental consequences of tar sands. This bill is about being proactive. A single spill could have significant and lasting impacts on our natural resources, water, our communities and our economy.

Climate Change

This bill is also about climate change and the energy future of Vermont, the region and the world. Climate change --- and the need for climate action --- has become ever more urgent. The world's leading climate scientists are in solidarity about the urgency of the situation and, one of those lead scientists — NASA's James Hansen — said that continuing to tap Alberta's tar sands resources is, and I quote: "Game over for the climate." We are at a fundamental tipping point. Now, with a one-year-old at home, I am taking that urgency ever more seriously and I hope this legislative body and all people do the same. We will feel the ramifications of our energy choices no matter what we do, but soon there will be no turning back.

We have a responsibility to take action on climate change. And, before us today, this bill helps provide us an opportunity. Thinking about climate change needs to be front and center in our policymaking. There is no development — or potential development — in the state that will be more detrimental to our climate – and undermine climate action – than allowing Vermont to become complicit in exacerbating climate catastrophe.

While we heard from the American Petroleum Institute that there is no way Canada will not develop this oil, I would say two things: IF IT'S DEVELOPED, it will put our world past the tipping point to reverse catastrophic climate change. And, second, Canada needs to move their product to market. It's become clear – though it would be easier – that they are not able to transport the substance moving West at this time. If we can shut off their supply route options, we have an ability to influence whether Canada will take that catastrophic step. We have an opportunity here to use and strengthen the tools to make tar sands transport hard — or impossible — across Vermont.

Vermonters — People and Businesses — a Strong Grassroots Response

Lastly, Vermonters care deeply about these issues. You hear that often from my colleague Kim, I have no doubt, when it comes to water. From the energy and climate perspective, as I noted before, there are over 100 community energy committees in Vermont, all working to help their friends, neighbors and municipalities save energy, transition to renewables and reduce our contribution to climate change. This evening, nearly 30 towns are on deck to

testify to the HNRE and SNRE committees about their efforts. Despite the time it takes away from their families or personal lives, this network of folks is growing because they understand the urgency. For Vermont to become a conduit to move dirty tar sands oil to market undermines their efforts completely.

Simultaneously, Vermonters are working hard to help their friends and neighbors save energy. As you may know, over 65 communities are signed up to participate in the VHEC. The Challenge is about employing outreach and public engagement strategies to motivate people in participating communities to weatherize their homes. As we all know, doing so can save significant dollars — about \$1000 for the average participating homeowner — and would take a significant bite out of one of Vermont's biggest greenhouse gas emission culprits – our leaky homes and buildings.

FINALLY, yesterday there were questions about this issues' impact on businesses. I wanted to provide a little context on that. Several big Vermont-based companies have been in support of action to stop tar sands development and deployment, including Seventh Generation, Chelsea Green Publishing and Ben & Jerry's. Also, concerned Vermonters have been pounding the pavement in the NEK too, last summer talking with store owners, restaurant owners, campground operators, lakeside cabin owners, farmers and local residents. That engagement proved that, without a doubt, people along or near the pipeline and beyond are very concerned about a change of use and the potential consequences of transporting tar sands in Vermont.

It is for all these reasons and more that VNRC supports this bill — with suggested strategic modifications you will hear shortly from VLS' Ken Rumelt.

Thank you again for your time, consideration and all you do.