

# TESTIMONY

New Hampshire Site Evaluation Committee  
SEC Docket Number 2009-02  
Laidlaw Berlin BioPower LLC

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## Comments by:

Robert J. Berti, President  
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1. Background of Robert Berti
  - a. Licensed professional forester and surveyor with degrees from the University of Massachusetts and the University of New Hampshire.
  - b. Granite State Society of American Foresters – Forester of the Year Award
  - c. New England Society of American Foresters – Forester of the Year Award
  - d. Served on several state boards and committees including:
    - i. State Licensing Board for Foresters
    - ii. Current Use Advisory Board
    - iii. Selectman – Town of Rumney for 22 years
    - iv. Board of Directors – New Hampshire Timberland Owners for 8 years
  - e. Full time practicing forester for over 40 years
    - i. Owner for over 30 years of FORECO LLC, a forest resource company, which manages 45,000 acres of land in New Hampshire and Vermont.
    - ii. Over 20 years experience in wood fuel procurement and wood fuel analysis.
  - f. Have conducted/participated in resource studies for the following fuel to energy plants:
    - i. Pinetree Power - Bethlehem
    - ii. Pinetree Power – Tamworth
    - iii. Pinetree Power – Fitchburg
    - iv. Pembroke Power Associates
    - v. Bridgewater Power
    - vi. Alexandria Power
    - vii. Russell Biomass (Russell, MA)-proposed
    - viii. Two facilities in Connecticut-proposed
    - ix. Two facilities in Rhode Island-proposed

- x. PSNH Schiller Station
  - xi. Concord Steam-proposed replacement plant
  - xii. Clean Power Development LLC-proposed
2. Background information of North Country Procurement, Inc., a wood fuel procurement firm, co-owned by Robert Berti and James Dammann.
    - a. Purchase fuel for 6 power plants located in NH, VT and MA
    - b. Purchase fuel for 3 thermal plants located in NH, VT and MA
    - c. Purchase fuel for 1 school district in central NH
    - d. NCP are not brokers, but arrange for wood fuel deliveries between timber harvesting companies and power facilities.
    - e. Advise and consult with plant owners and plant managers on near and long term marketing conditions.
    - f. Have introduced harvesting and safety protocols for timber harvesting companies.
  3. General comments
    - a. As consultants for Clean Power Development LLC, our study recommended a plant of 25-30 megs and not the original proposed 50 megs
    - b. I am here today not representing any plant, firm or individual.
    - c. I am a principle in the Russell Biomass plant in Russell, MA.
  4. Focus of comments: forest industry, forest resource, procurement analysis and rate payer interest.
    - a. Forest industry
      - i. Biomass plants brought new and positive impacts to the timber harvesting industry.
      - ii. Improved production
      - iii. Dramatic increase in safety
      - iv. Substantial increase in capital outlay
      - v. Require owners to be savvy business people to plan and sell their forest products.
      - vi. Most have a successful/better track record than most businesses.
      - vii. How forest products businesses are run.
      - viii. Direct to sawmills, pulpmills and power plants.
      - ix. No need for brokers. Do not need to place financial expense on another firm.
      - x. Have taken advantage of diversified or well distributed power plant base.
    - b. Forest resource
      - i. Silvicultural impacts
        1. Majority of the instances are positive
        2. Outlet for low grade markets
        3. Pre-commercial thinning now commercial
        4. Less impact on forest floor
        5. Reduced residual damage
      - ii. Sustainability issue
        1. Not easy to measure. To me if land remains capable of growing trees, it's sustainable. If you harvest more than growth, it may or may not be sustainable.
        2. Is harvesting a tree for biomass now which will have a higher and better use in the future, sustainable?
      - iii. Cost to monitor a timber harvest

1. Burlington Electric – Vermont
  - a. Simple plan
  - b. Map and one page
  - c. \$1.75/ton
  - d. Does not include cost to state of Vermont
- c. Procurement analysis
  - i. Have not read in depth the testimony of procurement costs and analysis; however, I have heard some of the testimony given to this committee and based on what I have heard my conclusion as an individual with 40 years of forest resource and procurement experience, I find the information to be lacking in depth and several conclusions to be misleading and the understanding of wood production and availability to be flawed. Some reasons for this statement:
    1. Comparison of wood consumption at Groveton and Berlin. This was pulpwood not biomass. Product at Groveton was \$5-\$7/ton higher than biomass. This is not the same product.
    2. Berlin was buying pulpwood, not fuel chips.
    3. Biomass (fuel) cannot compete with pulpwood. There are two pulp mills buying wood in the Berlin area.
    4. 2.5 years ago, biomass plants were unable to procure enough fuel chips and paid \$35+/ton, pulpwood was at \$60+/ton.
    5. Softwood bark mulch market is a seasonal product from January-July and was \$40+/ton at the sawmill.
    6. Back hauls
      - a. Change in market place; less bark from NH and ME; competition from CT and MA; landclearing is down; Schiller Station gets 30 percent from MA, mostly landclearing.
    7. Rails are very uneconomical. Participated in three studies where cost was \$6-\$20/ton higher than delivered wood to same facility; spent 6 months on VT study.
  - ii. Current market price for fuel chips
    1. North is \$27-\$29/ton
    2. Central is \$27-\$28/ton
    3. South is \$24-\$28/ton
  - iii. Impact on existing plants
    1. Two plants are severe
    2. Two plants are moderate to severe
    3. Two plants are slight to moderate
- d. Rate payer impacts
  - i. Conflicting public policy states 25% renewable by 2025
  - ii. PPA between Laidlaw on utility has real competitive questions
    1. Why right of first refusal?
  - iii. Has there ever been one before?
    1. Pass through on fuel cost
    2. Compare cost of fuel on energy cost

	<b>Burn Rate/Ton/Hr</b>	<b>Cost/Ton</b>	<b>Cost/MW</b>
Existing Plants	\$1.70	\$26	\$44.20
Laidlaw	\$1.60	\$35	\$56.00

**Question:**

Four existing power plants are either off rate order or soon will be. Another proposed plant, Concord Steam, unable to obtain PPA. These plants are built and paid for and have stable balance sheet. Why are they unable to obtain a contract when Laidlaw can?

**Net Effect under Present Scenario:**

- 2-3 plants will close
- Less competition
- Loss of tax base to communities
- One large facility vs. three or more smaller facilities

**Summary:**

- A lot of uncertainty
- Plant should be built in Berlin area, but careful consideration on size
- Better understanding of sustainability and impact on the resource
- Whose interest is being served? Is it the rate payers?
- Need to have a comprehensive study on fuel availability, price, electric needs and existing infrastructure.

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or in a safety seat while traveling in a motor vehicle.

