



Missisquoi River Hydro LLC

September 30, 2011

ELECTRONICALLY FILED

Secretary Kimberly Bose
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: P-10172-038 -- Missisquoi River Technologies
Notice of Termination of Exemption By Implied Surrender
Motion to Intervene and Request to Permit Transfer of Exemption**

Dear Secretary Bose,

Enclosed for filing with the Commission on behalf of Missisquoi River Hydro LLC (“MRH”), in the above-captioned proceeding, is MRH’s *Motion to Intervene and Request to Permit Transfer of Exemption*.

As the Commission is aware, the current exemptee has been unable to make the project operational. The principals of MRH operate projects that hold FERC exemptions (P-5735 and P-7434) and are developing two other projects (P-13226 and P-13368), which are in the FERC licensing process. MRH has inspected the project and is financially and technically prepared to undertake the work necessary to make the project operational in compliance with the terms of its exemption. MRH has entered into an agreement with the exemptee to purchase the project if the Commission does not terminate the exemption in the pending proceeding.

Accordingly, MRH respectfully requests that the Commission allow MRH to intervene in this proceeding and grant the exemptee sufficient time to enable him to transfer the project to MRH so that MRH can return the project to operation in an expeditious manner.

Please do not hesitate to contact us if you have any questions. We can be reached at the number below. Thank you very much for your consideration.

Sincerely,

Lori D. Barg

Missisquoi River Hydro LLC

Encl.
cc: Service List

(802) 454-1874 (phone)
lori@communityhydro.biz

(718) 625-4083 (fax)
temark423@gmail.com

II. Background

On June 29, 1989, the Commission issued an exemption from licensing for the 460 kw North Troy Project (the “Project”), located on the Missisquoi River in Orleans County, Vermont. *James C. Hansen and John J. Lupien*, 47 FERC ¶ 62,284 (1989). On September 1, 2011, the Commission issued a “Notice of Termination of Exemption by Implied Surrender,” for the project, because Exemptee “is currently in violation of Standard Articles 1 and 2 of the exemption.” 76 Fed. Reg. 55,903-904 (Sept. 9, 2011). Specifically, the Commission’s notice stated:

The project has not generated since 1998. The project needs a complete upgrade of the powerhouse electrical and mechanical systems as well as repair work to the turbine shaft and wicket gate assembly. The exemptee has not performed the necessary work to restore generation. The exemptee also has not installed a new 60-kW minimum flow turbine necessary to provide a portion of the minimum flow release and bring the total installed capacity up to the authorized generating capacity of 460-kW.

The Commission’s notice further described Staff’s to-date unsuccessful attempts to bring the project into compliance with the terms of its exemptions.

MRH is an experienced and reputable developer of small hydro projects. its principals are the exemptees for two Projects in the region – P-5735 and P-7374 – located on the Contoocook River and Kingsbury Branch of the Winooski River, respectively. One of the principals of MRH is also developing two other projects, P-13226 and P-13368, which are currently in the FERC licensing process. In response to the Commission’s September 1, 2011, notice, MRH entered into negotiations with the Exemptee and has executed a purchase and sale agreement, dated October 3, 2011,

pursuant to which MRH will, upon Commission approval, purchase the Project and bring it into compliance with the terms of its exemption in a timely and expeditious manner.

III. Motion To Intervene

As discussed above, MRH has entered into an agreement to purchase the North Troy Project if the Commission determines not to terminate the Project's exemption from licensing in the pending proceeding. Therefore, MRH will be directly affected by the Commission's decision in this proceeding and has a substantial and direct interest in the outcome of this proceeding that cannot be adequately represented by any other party. Accordingly, it is both appropriate and in the public interest that MRH be permitted to intervene in the proceeding in Project No. 10172.

IV. Request To Permit Transfer of Exemption

MRH has in-house experience in the development, maintenance and repair, and regulatory compliance of small hydro projects. It has worked on every aspect of hydro generation from development through installation and operations, both mechanically and electrically. Specifically, the MRH team has extensive experience in site assessment, development, and implementation for hydro projects ranging in size from pico hydro to 2.75 MW. The MRH team has conducted feasibility studies; owned and operated small hydro sites; and obtained local, state and federal permits and licenses. This practical, first-hand experience creates a team that can minimize capital and operation and maintenance costs while maximizing energy production and financial return.

The principals of MRH are Lori Barg, Robert Porter, Hilton Dier, and Gordon Grunder.

A consulting geologist, Ms. Barg has more than 20 years of experience in hydrology, fluvial geomorphology, and riverine processes. She owns and operates a 250 KW site on the Contoocook River with a FERC Exemption, and has been lead developer on P-13226 and P-13368, which are currently undergoing licensing through FERC's traditional licensing process. Ms. Barg inventoried the undeveloped hydroelectric potential at existing dams in Vermont for the Vermont Department of Public Service. She co-authored the chapter on small-scale hydroelectric generation for the *Guide to Renewable Energy* published by the Vermont Department of Agriculture, and contributed much of the hydro section for the Vermont Renewable Energy Atlas <http://www.vtenergyatlas.com/>. Recent projects include feasibility studies for hydro-potential at sites in Vermont and New Hampshire. Energy recovery projects at municipal water supplies in Vermont, New Hampshire and Massachusetts are underway or have been completed with partial funding from the Vermont Clean Energy Fund and the Massachusetts Clean Energy Center.

Robert Porter is the co-owner and operator of a 200 kW site on the Kingsbury Branch in East Montpelier, Vermont. He has been materially involved in the operation of the site for over 25 years. He works as an installer of photovoltaic and solar hot water systems.

Hilton Dier is a renewable energy consultant and installer. His clients have included Cornell University, the Boston Museum of Science, and the Department of Defense. He performed peripheral systems design, architectural design, and controls installation on the 2.75 MW Winooski One hydroelectric project. He also worked for

Spruce Mountain Design upgrading the switchgear and controls on sub-megawatt scale hydroelectric projects.

Gordon Grunder has spent the last 14 years performing specialized maintenance on the cooling systems of thermal and nuclear plants around the world.

The MRH team has inspected the Project and has identified the tasks necessary to bring it into compliance with the terms of its exemption. MRH has the technical and financial capability to undertake and complete these tasks in an expeditious manner. For this reason, MRH has, as noted, entered into a Purchase and Sale Agreement with the Exemptee to purchase the Project if the Commission does not terminate the Project's exemption by implied surrender. A copy of the Agreement is attached as Appendix A.¹ If the Commission does not terminate the exemption, MRH believes that it can complete the work necessary to bring the North Troy Project into compliance with the terms of its exemption within approximately nine months after the purchase of the Project is closed, pursuant to the schedule attached as Appendix B.²

If the Project can be transferred in October 2011, MRH would be able to make the majority of the necessary repairs before hard winter sets in. Otherwise, it might not be possible to finish work until weather conditions permit work to be carried out safely in a winter riverine environment. As the Commission is aware, the project is located near the Canadian border, and winter, high flow and icy conditions would preclude some construction work.

¹ The purchase price has been redacted in Appendix A. If the Commission requires that information, MRH will provide it under separate cover as privileged business information.

² The tasks that MRH has identified, to date, as necessary to the repair and restoration of the project will require approximately six months, from the start of work upon issuance of a Commission order permitting transfer of the exemption. When certain components of the project are dismantled, it may prove, however, that some additional time will be needed to obtain and install new parts.

Restoration of the North Troy Project to full operation in compliance with the terms of its exemption is preferable to abandonment of the Project. It will return to service a source of non-polluting hydro generation at a site that has already undergone complete environmental review by the Commission and relevant fish and wildlife agencies. The Project was, and can continue to be, operated in compliance with the conditions mandated by those agencies.

Termination of the exemption, on the other hand, will likely be the death knell for this project, as it would be economically infeasible to initiate a completely new exemption or licensing process that would, in addition, consume scarce Commission Staff and agency resources at a time when those resources, particularly at the State level, are already stretched thin dealing with the aftermath of Hurricane Irene.

V. Conclusion

For the reasons set forth herein, Missisquoi River Hydro LLC (i) respectfully submits that its intervention in this proceeding is in the public interest and requests that the Commission grant MRH intervenor status; and (ii) respectfully requests that the Commission not terminate the exemption for the North Troy Project by implied surrender and instead allow the Exemptee to transfer the Project to MRH to restore to operation in compliance with the terms of its exemption.

Respectfully submitted,

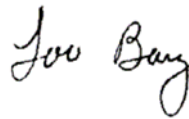
Lori Barg
Missisquoi River Hydro LLC
113 Bartlett Road
Plainfield, VT 05667
(802) 454-1874 (phone)
lori@communityhydro.biz

Dated: October 3, 2011

Certificate of Service

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Plainfield, Vermont, this 3rd day of October, 2011.

A handwritten signature in cursive script that reads "Lori Barg". To the right of the signature is a vertical red line.

Lori Barg
Missisquoi River Hydro LLC
113 Bartlett Road
Plainfield, VT 05667
(802) 454-1874 (phone)
lori@communityhydro.biz

APPENDIX A

Signature Page from Purchase and Sales

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"SELLER":

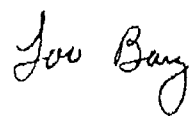
Missisquoi River Technologies

By: 


Its: Michael Fowles

"PURCHASER":

Missisquoi River Hydro LLC



By: Lori Barg

Its: 

Hilton H. Dier III

Its:

"ESCROW AGENT":

Lawyer _____

Brice C. Simon
Breton and Simon
344 Mountain Road
P.O. Box 240
Stowe, VT 05672

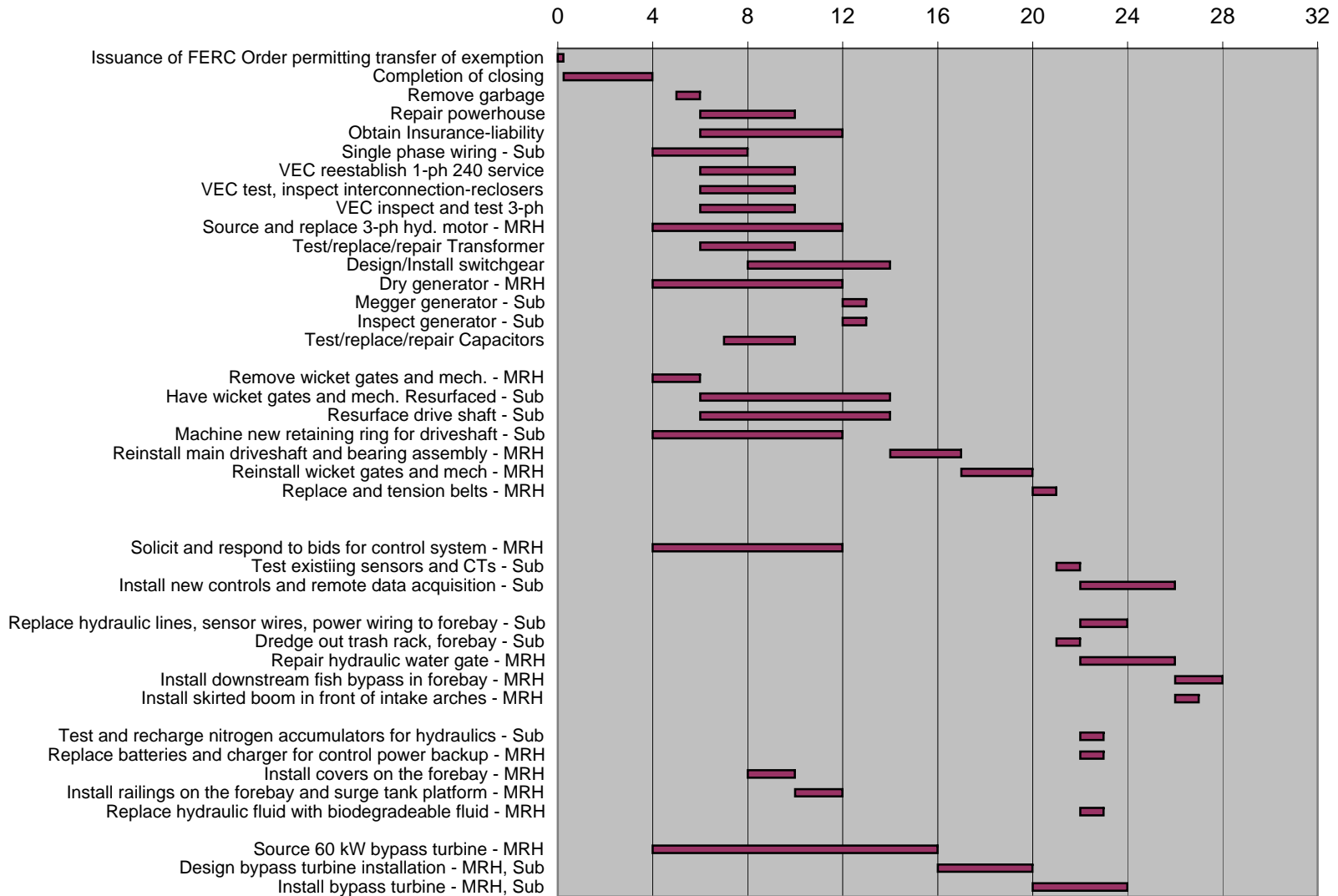
By: _____

Date: _____

APPENDIX B

Gantt Chart-Schedule

North Troy Hydro Schedule (Weeks)



Appendix C

Letters of Support



**STATE OF VERMONT
SENATE CHAMBER
115 STATE STREET
MONTPELIER, VT
05633-5201**

September 30, 2011

Honorable Kimberly D. Bose
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Dear Secretary Bose,

Re: Request to transfer Exemption for hydroelectric project –10172 to Missisquoi River Hydro LLC from Missisquoi River Technologies. Comment in response to FERC's; Notice of Termination of Exemption By Implied Surrender and Soliciting Comments, Protests, and Motions To Intervene.

As the Senator that represents the Town of North Troy in Orleans County, Vermont, I have a lengthy personal and legislative commitment to renewable energy. The general assembly found that, "the generation of renewable power within Vermont is critical to the economic development, energy independence, and financial security of the state."

I believe that rapid deployment of all forms of renewable energy is essential for addressing climate change *and* Vermont's economic vitality. I have been proud to sponsor and support numerous laws that encourage renewable energy. I have been recognized by Renewable Energy Vermont with their Legislator of the Year award.

I am pleased to learn that the principals of Missisquoi River Hydro LLC (Lori Barg, Robert Porter and Hilton Dier) are interested in rehabilitating the hydroelectric plant in North Troy Vermont on the Missisquoi River.

I urge you to transfer the FERC Exemption-rather than terminate the Exemption for the North Troy Project. The principals are not interested in buying the project from the current owner if it involves initiating a new FERC licensing process.

Please expedite the transfer to Missisquoi River Hydro LLC. If the transfer is completed expeditiously in October, it will enable them to get into the river to work before winter sets in and conditions become icy and dangerous. Our County needs economic development and renewable energy.

Thank you, I appreciate the opportunity to comment. Please don't hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Vincent Illuzzi". The signature is written in black ink and is positioned above the printed name.

Vincent Illuzzi
Chair, Senate Economic Development,
Housing and General Affairs Committee
Member, Senate Appropriations Committee
Cell Phone: 802-673-9030
E-mail: VILLUZZI@LEG.STATE.VT.US



STATE OF VERMONT
GENERAL ASSEMBLY
STATE HOUSE

September 29, 2011

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: MOTION TO INTERVENE AND REQUEST TO PERMIT TRANSFER OF
EXEMPTION OF MISSISQUOI RIVER HYDRO LLC. Project No. 10172-038

Dear Secretary Bose,

I am writing in support of the above reference motion to intervene in the case of the North Troy hydroelectric facility.

While it is a small facility, it has the potential to be a vital part of our efforts, both locally and nationally, to expand the use of renewable energy. Much of the emphasis has been on wind and solar, but we need to provide steady base load power to support these variable sources. Local, low impact hydroelectric is vital for this.

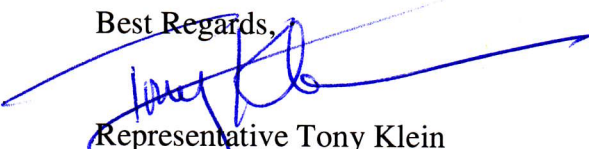
The North Troy project is also beneficial in terms of local economic development and tax revenues.

I am familiar with the partners in Missisquoi River Hydro and consider them to be technically competent to bring the plant back on line and operate it safely and successfully.

Should you remove the exemption for this project, it is unlikely that it will ever produce power again. This would be an economic and environmental loss to Vermont. The dam and facilities, without maintenance and monitoring, would become a hazard over time.

Please transfer the exemption to Missisquoi River Hydro as they request.

Best Regards,



Representative Tony Klein
Chair, House Natural Resources and Energy Committee
Chair, Joint House & Senate Energy Oversight Committee