

# Hervey C. Scudder

**DELIVERED ELECTRONICALLY**

April 14, 2017

Members Green Mountain Care Board  
Donna Jerry  
Green Mountain Care Board  
3<sup>rd</sup> Floor City Center  
89 Main Street  
Montpelier, VT 05620-3601

**RE: Brattleboro Memorial Hospital  
(GMCB-001-16con)**

Dear Board Members and Ms. Jerry:

I am writing to offer public comment about the portion of the Brattleboro Hospital Certificate of Need application dealing with replacement of its boilers.

In Appendix D of GMCB-001-16 LN Consulting reports the results of its Boiler Plant Fuel Analysis. Both Vermont's Comprehensive Energy Plan – 2016<sup>i</sup> and the WRC Regional Energy Plan<sup>ii</sup> advocate consideration of natural gas when renewable energy cannot meet the need. Based on recent information, the following are comments about the selection of No. 2 Fuel Oil over natural gas.

The fuels included were No. 2 Fuel Oil, Propane, Compressed Natural Gas, and Biomass (wood chips). Developments in the energy field since June 2016 suggest that the some of the recommendations of L.N. are now out of state.

*The results of the study indicate that a No. 2 fuel oil plant has the least expensive initial cost and least impact on the existing hospital site.*

Since the date of this recommendation the energy market has changed. Natural gas prices are anticipated to remain below \$6 / mmBtu while crude oil prices are anticipated to exceed \$15 / mmBtu by 2031. Natural gas suppliers are currently writing five year contracts offering savings between 28% and 35% over oil. Furthermore, natural gas storage and transportation has advanced to where full service vendors are ready to submit proposals to install facilities and service NG customers in Brattleboro by truck. Furthermore, Liquidized Natural Gas (LNG), now a price-competitive fuel available to Brattleboro, was not considered with the other four.

While No. 2 fuel oil appeared at the time to offer *the least expensive initial cost*, contemporary market data supports the likelihood that NG would yield a **lower life cycle cost**.

L.N. Consulting, Inc. included in its analysis the availability of CNG to Brattleboro. Based on the spring 2016 fuel oil rates and usage of the hospital, *the (existing) CNG vendor was not interested in providing a new service contract for the hospital at this time.*

As of March 2017 vendors of CNG and LNG are both prepared to submit full service contracts including installation of site storage and fuel delivery facilities in Brattleboro. Recent estimates confirm short and long term savings with NG compared with oil.

L.N. projected CNG facilities *would...eliminate approximately (14) parking spaces*. No estimate was included for the impact of LNG facilities. Since LNG is a much denser fuel, its storage and handling facilities would not require as much space. In addition, its high density would also result in fewer deliveries and impact on the neighborhood.

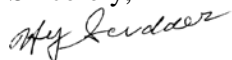
In its **Conclusion** L.N. acknowledges the large carbon footprint of #2 oil.

*The results of the study indicate that a No. 2 fuel oil plant has the least expensive initial cost and least impact on the existing hospital site. **However, this fuel has the greatest impact on the environment in relation to carbon emissions.** At the current fuel oil price, propane and compressed natural gas do not yield a payback; however, we would recommend that any boiler that is installed be equipped with dual fuel burners to allow for future flexibility in the event that natural gas or propane becomes economically feasible.*

The hospital is located in a residential area that includes two nursing homes. Its property borders a major commercial and industrial traffic artery that circulates vehicles from Interstate Exit 1. The Town of Brattleboro is committed to climate control and strives to shrink its carbon footprint. By converting to NG from oil the hospital could reduce its carbon footprint by as much as 30% and its impact on air quality.

If you have any questions, please do not hesitate to contact me at (802) 254-3645.

Sincerely,



Hervey C. Scudder

cc. Office of the Health Care Advocate

---

<sup>i</sup> **Natural Gas** ---excerpt CEP 2016

**13.2.5 Benefits** Natural gas is relatively clean and inexpensive when compared to other fossil fuels, and can be used in many applications where renewable sources cannot. Prices are expected to remain low.

<sup>ii</sup>Windham Regional Plan ENERGY SUMMARY & POLICIES

**9. Encourage an economically competitive energy supply through increased operation efficiencies, technology upgrades, and availability of low-cost fuels, including natural gas.**