

to reheat the sand, generate steam, and dry wet wood. Capital costs are expected to be low as the process operates at low pressures without the requirement of an oxygen plant.

Various problems have been encountered in the attempts to operate the scaled-up gasifier at the McNeil plant, but progress is being made. About 18 months after the completion of construction, the unit has not yet operated continuously for a sustained period of days or weeks. The specific problems that have been encountered have not been disclosed, and work is ongoing. Some major changes were made to the gasifier in late 1998, and funding is available to continue with the project for at least one more year.

Burlington EcoPark

Burlington is planning an environmentally acceptable industrial park adjacent to the McNeil Station to use waste heat from the cooling system of the plant. This park will encourage agriculturally based industries to locate there, which will hopefully create by-products that can be used as fuel at McNeil. Funding has been finalized for this project, and the design phase is underway.

Salix Project

More than 5000 short-rotation energy crop trees have been planted at the McNeil site to determine their success in the Vermont climate. These trees include willows and poplar trees of various species.

District Heating

Feasibility studies are being completed for installing a district heating system to use the environmentally acceptable energy from the McNeil Station. This system would initially provide heat for the University of Vermont campus 1 mile from McNeil. The system would be expanded to include many other concentrated heating loads in Burlington.

Outlook

After more than 14 years of successful commercial operation, the outlook for the McNeil Station is uncertain. On September 15, 1998, the Vermont Public Service Board opened Docket No. 6140, "Investigation into the Reform of Vermont's Electric Power Supply." The four utilities that own the McNeil Station (the "joint owners") have different considerations and may pursue different strategies with respect to deregulation and competition in the electric power industry. The joint owners are preparing to conduct an analysis of the present and future value of the McNeil Generating Station and its associated activities. They may take a broad view of investigating the economic values attributed to the McNeil Station (e.g., environmental benefits, sustainable forest harvesting, participation in DOE-sponsored R&D such as the Salix short rotation woody crop project and the Vermont Gasification Project, local economic benefits, emerging green power markets, and contribution to meeting climate change goals).

Burlington Electric Department's submittal to Docket No. 6140 suggested the need for increased access to transmission capacity for the McNeil Station, which would enhance McNeil's ability to sell more renewable power in the region and mitigate its costs. BED advocates an aggressive Vermont policy on renewable energy, especially "native Vermont renewable energy" such as that generated by the McNeil Station. Included would be a