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**PROPOSAL**  
**For Consulting Services**

TO PERFORM A STUDY OF THE POTENTIAL IN VERMONT  
FOR ELECTRICITY GENERATION FROM COMBINED HEAT AND POWER  
AND CUSTOMER-SITED GENERATION

*RFP – VSPC 2010-01*  
*Issued June 25, 2010*

*Prepared for:*

**Vermont Electric Power Company, Inc. – VELCO**

**July 23, 2010**

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## Attachments

- Appendix A: Sample Report – Confidential & Proprietary
- Appendix B: Resumes
- Appendix C: Additional Qualifications Brochure
- Appendix D: Project Briefs

## **Statement of Authorization**

John G. Athas, as Treasurer of La Capra Associates, Inc., is authorized to negotiate and contractually bind the firm for services to the Vermont Electric Power Company. Mr. Athas also has the requisite corporate authority to prepare and deliver this proposal, and to deliver and perform the contract contemplated in the RFP on behalf of La Capra Associates.

Signed:

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John G. Athas  
Treasurer, La Capra Associates, Inc.  
July 23, 2010

Placeholder

## **Alternate Authorized Representative**

Daniel E. Peaco, President of La Capra Associates, Inc., is also authorized to negotiate and contractually bind the firm for services to the Vermont System Planning Committee

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## I. INTRODUCTION

*La Capra Associates, Inc.* (“La Capra Associates”) is pleased to offer this proposal for consulting services to assist the Vermont System Planning Company (“VSPC”) and the Vermont Electric Power Company, Inc. (“VELCO”) with a potential study for electricity generation from combined heat and power (CHP) and customer-sited generation. La Capra Associates is teaming with Stantec Consulting Services, Inc., a leading provider of engineering and consulting services for the purposes of this project (“La Capra Project Team”)

La Capra Associates specializes in energy planning, market analysis, and regulatory policy in the electricity industry. In particular, we have substantial experience in resource planning, power procurement, fuel and purchased power cost recovery, and regional transmission organization and wholesale power and transmission markets. Our experience includes regulatory policy and analysis, presentation of expert testimony, and support of settlement and collaborative processes. We bring significant experience with Vermont through our work with Vermont Electric Utilities, both investor-owned and private, VELCO and VPPSA. Other relevant Vermont work includes an evaluation of CHP applications that could be located at the University of Vermont.

La Capra Associates offers a team of highly experienced professionals to provide the services sought by the Staff in your RFP, as well as other related services that may be required. We have a proven track record of success in providing expert technical and policy testimony with a pragmatic and practical focus born from our experience in the markets and in regulatory forums. As important as our experience and capabilities, we offer the integrity, objectivity, and independence necessary for the successful conduct of this work.

Our firm has a strong management and technical team for this Project. We will conduct the project with a lead team of senior professionals to provide a range of policy and technical perspectives. Richard Hahn, La Capra Associates’ Principal Consultant will be the Principal in Charge for this project, with John Athas serving as the Project Manager..

We believe our experience in wholesale markets, resource planning, procurement, rates, and transmission is very well suited to the project. We look forward to an opportunity to discuss this proposal with you and would welcome an opportunity to meet with you if that would be helpful to the process.

*Stantec Consulting Services, Inc.*, founded in 1954, provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects. Continually striving to balance economic, environmental, and social responsibilities, it is recognized as a world-class leader and

innovator in the delivery of sustainable solutions. Stantec supports public and private sector clients in a diverse range of markets, at every stage, from initial concept and financial feasibility to project completion and beyond. Its services are offered through over 9,500 employees operating out of more than 150 locations in North America. Stantec trades on the TSX and on the NYSE under the symbol STN.

Stantec will be able to bring a wide range of experience and engineering capabilities to this project as the firm has direct engineering, design and construction with CHP applications.

The *La Capra Project Team*, which consists of professional consultants and energy experts from La Capra Associates and Stantec, offers experience developing potential studies for renewable energy based generation, the experience with the economic analysis using the Societal, Total Resource Cost and Utility Test, Integrated Resource Planning, Electric and Gas utility Rates, Fuel Supply management, as well as Stantec's hands-on experience with many specific CHP projects.

## II. UNDERSTANDING OF THE PROJECT GOALS AND ASSOCIATED ISSUES

In this section of the proposal, we provide a description of the key objectives and the important considerations the La Capra Project Team has already identified for this study. Section III provides more, some general description of our proposed approach. Lastly, Section IV describes in detail how we would break down the study tasks to arrive efficiently at the deliverables noted in the RFP. This section is offered to address the areas that apply to two or more of the specific areas.

### A. Objectives

- I. The objective is to provide an estimate of the annual electric energy and demand savings potential resulting from the installation of CHP generation in Vermont over 20 years.

#### *Components:*

1. Compilation, analysis and assessment for future potential of Vermont's existing CHP installations
  2. A discussion of the technologies and customer energy use characteristics that can produce economic CHP applications in Vermont
  3. The 20 Year Technical and Economic Potential for CHP capacity, peak demand reductions and energy output.
  4. Sensitivity analysis on the economics of CHP given the potential incentives that could be provided
  5. An assessment of market and technical barriers that are limiting the penetration of economic CHP.
- II. The objective is to provide an estimate of the annual electric energy and demand savings potential resulting from the installation of CHP generation in Vermont over 20 years.

#### *Components:*

1. A discussion of the technologies and customer energy use characteristics that can produce economic CHP applications in Vermont
2. The 20 Year Technical and Economic Potential for CHP capacity, peak demand reductions and energy output.

3. Sensitivity analysis on the economics of CHP given the potential incentives that could be provided

## **B. Overall Study Considerations**

The La Capra Project Team has identified the following key aspects of our proposed study that will result in an efficient and comprehensive analysis. The perspectives captured through this approach will enable a realistic assessment of CHP potential to be estimated.

1. The study must be conducted with a thorough understanding of the wholesale markets for electric power in New England administered by ISO\_NE. This will enable a complete comparison of CHP and customer sited applications with not only the avoided costs provided by VELCO but also with the costs of the running the existing generation in the region and the costs of other new generation options for the region.
2. The team will apply our experience and abilities to develop and incorporate realistic cost and performance estimates for technologies in CHP and customer sited generation applications in residential, commercial and industrial applications throughout Vermont.
3. The study analysis will account for the cost and availability of fuels within specific areas of Vermont, such as oil, propane, natural gas, biomass and others. This fuel assessment must also reflect the potential development of fuel distribution infrastructure improvements over the twenty year horizon of the study.
4. The team will conduct customer specific and segmented typical customer profile economic analysis of CHP and customer sited generation applications
5. Our team will work efficiently with VELCO, the Vermont Utilities, and Efficiency Vermont to readily incorporate existing customer information into the analysis. The analysis also requires modeling of the existing rate structures of the utilities to capture customer accurate economics.
6. Actual engineering and project experience on small scaled generation installations will be applied with knowledge of market operations to identify potential implementation barriers confronting economic CHP and customer-sited generation applications.

### III. OVERVIEW OF THE PROPOSED APPROACH

La Capra Associates has developed a very measured and considered approach to the study and analysis required. The study must be very comprehensive in the analysis of all customer types, all technology types, and various economic alternative costs and scenarios. The La Capra Project Team approach is designed to make significant information available to VELCO, and to determine how the potential for CHP and Customer-sited generation is dependent upon costs, location, economic conditions, customer characteristics and society's alternative costs.

The La Capra Project Team will address the generation economic evaluations utilizing carefully chosen customer segmentations and a typical customer profile to represent each segment. The technologies will be screened and categorized by that applicability to Vermont based upon several factors including fuel availability. The study will produce information that shows how the potential will change over time when key drivers of the economics change. The study will have a meaningful number of sensitivities on the economics of the CHP and customer generation and will be finalized with the on-going discussions at the progress review meetings.

Our approach is based on dividing the electric customers into distinct segments based on their peak electric demand and the profile of electric and thermal energy use. This will provide analytical and engineering rigor to assure the realities of a complex investment decision by customers or investors alike is taken into account. The segmentation will be derived from the available utility customer load and rate class data, the public/government reports on the economy of Vermont, The Vermont Utilities IRP, Efficiency Vermont Data, and various VELCO sponsored transmission, NTA or Distributed Generation (DG) studies.

The RFP identifies the primary use of this study output as providing input into VELCO Non-Transmission Alternatives (NTA) analyses. La Capra Associates has considerable experience with NTA studies, including several for VELCO. The economics of CHP or Customer-sited generation changes considerably when the alternative moves from Vermont system-wide avoided costs to crediting CHP/customer-sited generation with avoiding some portion of a capital intensive transmission project. It is the NTA analysis that will actually define the economics of CHP and customer-sited generation, rather than the analysis that shows only savings from avoided costs. While the Economic Potential analysis does provide an indicator of installations that should be sponsored under certain conditions, the Technical Potential, location, costs and performance outputs of this study are the most important inputs into an NTA study. This consideration will guide us in our priorities during the study and in choosing formats for that output to maximum the shelf life of the information as input into future NTA studies.

## IV. DETAILED TASK DESCRIPTIONS

### **PART 1— POTENTIAL FOR CHP IN VERMONT**

#### **Specific Activities**

The RFP issued provided a thorough almost step by step breakdown of what the analysis would need to include. The following section provides more information on how the La Capra Project Team would approach each step. In general the La Capra Project Team, including the engineering and generation project skills of Stantec, will be utilized in a way that maximizes the effectiveness of the research and analysis. The La Capra Project Team recognizes that it is essential to the schedule and the budget management of this project that most if not all of the information utilized in the analysis is from secondary sources rather than primary research.

#### **Task 1.1 Existing CHP Facility Status and Evaluations**

- a. *Identify existing CHP installations in Vermont (both operating and non-operating) and determine their current cost effectiveness, operating reliability and any other parameters that would be helpful for this study. For non-operating or abandon CHP installations, identify the reasons these installation are no longer operating and what would need to change for them to operate again.*

In this activity, La Capra Project Team members, including Stantec engineering staff will work with VSPC and the Vermont utilities to identify and categorize the existing CHP facilities in Vermont. The team will develop an interview guide to provide a base for either an in-person inquiry or a phone interview with these facilities. This will establish the operating history (to the extent available) and status of the facilities to gain the required understanding. The discussion and data gathered from the operator/owner of the CHP facility will be targeted at information necessary to perform the economic analysis. The economic analysis will be conducted from three perspectives under three operating status conditions. The three perspectives are captured by the Vermont Societal Test, the Total Resource Cost Test and the Utility Test. The operating conditions that will be tested are based on current and projected going forward costs to produce thermal and electric output, a replacement in kind with entirely new, but substantially similar CHP equipment, and a current total cost to operate including all fixed costs that are still applicable. These economic analyses will enable the team to provide the insights regarding what is necessary for these facilities to operate economically. The analysis will utilize the electric avoided cost forecast required by the RFP, as well as fuel price outlooks provided by VSPC in the economic analysis.

## Task 1.2 CHP Technical Analyses

- b. *Identify the CHP technologies most likely to be available to Vermont customers.*

In this area the La Capra Project Team will work with VSPC and others to list and rank the potential technologies that are likely available. The initial list will come from the review of Vermont specific distributed generation report, Integrated Resources Plans, other studies related to Vermont based generation and fuel usage, industry reports on CHP and the experience of the La Capra Project Team. We will establish this base by categorizing 'available' into segments by location, by size, by technology readiness, and other aspects. Since this is a long term study we want to produce the information in ways that give it longer shelf life than basing 'economics' and 'availability' assessments of the technologies on only the current outlook for the energy markets and CHP costs. We propose to break the technologies into size categories as well, recommending that the greater than 500 KW electric output CHP facilities be categorized as Large, less than 50 KW be categorized as Small, less than 10 KW as Micro and the rest of the equipment 50 KW to 500 KW as Moderate in size.

- c. *Determine the electrical and thermal profile necessary for CHP to be cost effective using the Vermont Societal Test and the Total Resource Cost Test and Utility Test.*

The CHP technologies above that are viewed as readily capable of being installed and operating over the next 10 years will be analyzed to see what customer electric and thermal use profiles make the CHP economic from the perspectives described above. The Team will utilize estimated customer profiles and determine if those profiles provide proper technical and economic applications of CHP technology. The customers in Vermont will be segmented based upon available information from the utilities, VELCO, Efficiency Vermont, State of Vermont economic reports and other governmental reports on the Vermont's economy and energy consumptions. A typical customer profile will be created to represent each segment from the data. An economic analysis of CHP will be conducted for each of the segments, likely in Excel spreadsheets that will be part of the deliverables to VELCO and VSPC.

## Task 1.3 CHP Potential in Vermont

- d. *Identify potential, both in terms of annual kWh and kW at the Vermont summer and winter peak, at the customer meter.*

The La Capra Project Team will then estimate the potential capacity and output for the technologies of the above technologies for Vermont's CHP economic applications..

- e. *Identify generic residential, commercial and industrial and customer types where CHP could be cost-effective based on the profiles developed in c.*

The next step is to utilize the information available about the electric customers from the Vermont utilities and Efficiency Vermont, combined with other sources of information, enabling the Team to establish the potential implementation of the CHP types that have the most promising economics. It is at this point that the economic perspective of the potential customer hosting the CHP facility and how they would realize electric bill reductions should be reviewed. A simple payback or some similar metric will be calculated to help estimate the attractiveness of the CHP projects to the host customer. This perspective will be necessary to understand the impacts of incentives and likely penetration estimates for CHP facilities. It is in this effort that a thorough understanding about customer utility rates in order to estimate the bill savings that determine the host customer's economics.

- f. *Identify both technical potential and economically achievable potential of CHP by load zone using the Vermont Societal Test, the Total Resource Cost Test and the utility test.*

The La Capra Project Team will apply the prior analyses to estimate the technical potential and the economically achievable potential. In our work we propose that Technical Potential be defined as screening the technologies applied to the customers on a basis of their match of thermal and electrical needs. We would also propose to identify the Economic Potential, utilizing the three tests and a given set of assumptions for avoided costs and equipment costs. Economic Potential will also be based on the availability of the necessary fuels for the CHP facilities. Lastly as requested the La Capra Project Team will develop an Economically Achievable Potential which accounts for some reduction to Economic Potential to account for the following factors;

- The acceptability of CHP technology applications by Vermont customers with favorable economics,
- The degree to which the CHP technology would penetrate the target customer segment, given the need to raise awareness through program promotion and create successful financing arrangements for the CHP investment.
- The amount of time that it would take to reach customers and successful implement CHP projects. The Economically Achievable Potential will likely increase over time.

#### Task 1.4 Outlooks for CHP within Vermont Zones

- g. *For this task, the proposer should recommend methods by which the potential could be estimated within the load zone breakdown. Final scope of this sub task will be determined following the post-award meeting.*

The early discussions with VELCO and the review of the Potential information created will enable the Team to recommend to VELCO a way to estimate the potential by load zone. The primary drivers in estimating the potential across the State of Vermont in the proposed zones are the demographic, economy and

business variations, fuel consumption and availability, the existence of specific medium to large customers with the appropriate electric and thermal characteristics, population and electric demand total and by customer class. Pending the results of the drivers that create the CHP potential, the La Capra Project Team would incorporate one or more of these parameters depending upon the relevance as determinants of favorable CHP economics.

- h. Estimate potential using varying scenarios relating to incentive levels, market awareness, and cost-effectiveness.*

The Team will work with VELCO to establish alternative scenarios of incentive levels, avoided costs, and customer responsiveness. This information will be prepared so that over time as a different scenario unfolds VSPC will be able to estimate CHP potential without commissioning another study.

- i. For the tasks above it will likely be necessary to break the analysis down by size of CHP installation. Proposals can suggest the break points and reason for them. Ultimately the successful bidder will work with VELCO to determine these break points.*

Please see Task 1.2 c. above.

### **Task 1.5 Barriers confronting CHP in Vermont**

- j. Identify by customer class market and technical barriers to deployment of CHP and suggestions of how to overcome those barriers.*

The La Capra Project Team's familiarity with the technical aspects of CHP from the engineering experience of Stantec, combined with the La Capra Associates experience with electric customers through DSM program evaluations, retail marketing activities, contract negotiations, ratemaking studies, prior CHP evaluations and the La Capra Associates' significant work within Vermont will allow the Team to develop a list of barriers that keep CHP from realizing its potential.

## **PART 2— POTENTIAL FOR CUSTOMER-SITED GENERATION**

The selected contractor will provide the VSPC with an estimate of the annual energy and demand potential for customer-sited generation installations in Vermont over 20 years. The analysis will establish Customer Sited Generation as generation primarily size to provide output for consumption at the specific customer location, i.e. minimal sale of power back into the wholesale markets. The primary purposes for customer generation are energy bill reduction, with or without a CHP application, emergency generation to accommodate continuous service when grid power is unavailable or peaking generation that enables the customer to participate in regional Demand Response programs.

### **Task 2.1 Establish portion of CHP serving Customer On-site Load**

In this Task the La Capra Project Team will extract from the CHP Potential Study the portion of the estimated CHP potential that serves as Customer on-site generation. It will be important to make certain that the CHP and customer-sited generation potentials are not double counted.

### **Task 2.2 Customer-sited Generation Technical Analyses**

- a. *Describe the technologies most likely to be available to Vermont customers.*

In this area the La Capra Project Team will work with VELCO and others to list and rank the potential technologies that are likely to be available. This work will build incrementally from the work in the prior CHP tasks. The initial list will also come from the review of Vermont specific distributed generation reports, Integrated Resources Plans, other studies related to Vermont based generation and fuel usage, industry reports on customer sited generation and the experience of the La Capra Project Team. Thus the technologies need to be evaluated as to their likely suitability in Vermont to serve one or more of these functions. It will be helpful in establishing this base in a most useful form by categorizing 'available' into segments perhaps by location, by size, by technology readiness, and other aspects. Since this is a long term study we want to produce the information in a manner that give it longer shelf life than basing 'economics' and 'availability' assessments of the technologies on the current outlook for the energy markets and generation costs today. We propose to break the technologies into the same size categories used for CHP, recommending that the greater than 500 KW electric output generation equipment be categorized as Large, less than 50 KW be categorized as Small, less than 10 KW as Micro and the rest of the equipment 50 KW to 500 KW as Moderate in size.

- b. *Identify the potential for customer-sited generation with regards to both technical potential and economically achievable potential vis-à-vis the Vermont Societal Test and the Total Resource Cost Test.*

The on-site generation technologies above that are viewed as readily capable of being installed and operating over the next 10 years will to be analyzed to see what customer electric use profiles make the generation economic from the perspectives described above. The Team will utilize estimated customer profiles and determine if those profiles provide proper technical and economic applications of generation technology for the given roles described above. An assessment will be made to account for the Coincidence of the customer load and the system peaking load in the cases of technology being used as an enabler to participate in a regional Demand Response program. The customers in Vermont will be segmented by all or some of the following based upon available information from the utilities, VELCO, Efficiency Vermont, State of Vermont economic reports and other governmental reports on the Vermont's economy and energy consumptions. A typical customer profile will be created to represent each segment from the data. An economic analysis of the generation will be conducted for each of the segments, likely in Excel spreadsheets that will be part of the deliverables to VELCO and VSPC.

### Task 2.3 Customer-sited Generation Potential

- c. *Estimate potential using varying scenarios relating to incentive levels, market awareness, and cost-effectiveness.*

The La Capra Project Team will then estimate the potential capacity and output for the technologies of above for Vermont's customer sited generation that are estimated to be economic applications.

- d. *Identify potential, both in terms of annual kWh and kW at the Vermont summer and winter peak, at the customer meter.*

The next step is to utilize the information available about the electric customers from the Vermont utilities and Efficiency Vermont, combined with other sources of information, enabling the Team to establish the potential implementation of the generation types that have the most promising economics. It is at this point that the economic perspective of the potential customer hosting the CHP facility and how they would realize electric bill reductions. A simple payback or some similar metric will be calculated to help estimate the attractiveness of the CHP projects to the host customer. This perspective will be necessary to understand the impacts of incentives and likely penetration estimates for CHP facilities. It is in this effort that a thorough understanding about customer utility rates in order to estimate the bill savings that determine the host customer's economics.

- e. *For the tasks above it will likely be necessary to break the analysis down by size of installation. Proposals can suggest the break points and reasons for them. Ultimately the successful bidder will work with VELCO to determine these break points.*

Please see Task 2.2 b above.

## Task 2.4 Outlooks for Customer Generation within Vermont Zones

- f. Estimate potential by load zones (described above). For this task, the contractor should provide varying methods by which load zone breakdown could occur. Final scope of this sub task will be determined following the pre-award meeting. The respondent should strive to leverage any and all existing data and reports. For instance: Vermont Sustainable Jobs Fund reports; VELCO non-transmission alternatives study for the Southern Loop; VELCO distributed generation study for the Southern Loop.*

The team proposes to use a process similar to that described above for CHP, however utilizing specific Customer Generation economic drivers rather than CHP. Ultimately discussions with VELCO and the review of the Customer Generation Potential information created will enable the Team to recommend to VELCO a way to estimate the potential by load zone. The primary drivers to estimate the potential across the State of Vermont in the proposed zones are the demographic, economy and business variations, fuel consumption and availability, the existence of specific medium to large customers with the appropriate electric characteristics, population and electric demand total and by customer class. Pending the results of the drivers that create the customer-sited generation potential, the La Capra Project Team would incorporate one or more of these parameters depending upon the relevance as determinants of favorable economics.

## V. DESCRIPTIONS AND EXAMPLES OF SIMILAR PROJECTS

There are many aspects of this project that could lead one to conclude that this is just another potential study, with the target s being CHP and customer-sited generation. Often these studies are conducted either solely from the utility resource perspective, or the customer perspective but seldom both as we have incorporated into our proposal. This project is not just a potential study, but rather is a study to develop insights on potential for CHP but more importantly the study will provide inputs into important transmission Planning studies where NTA’s are been considered. The five areas below in aggregate provide the experience necessary for a quality project result.

The La Capra Team possesses a substantial body of prior experience for the project for which we are proposing to perform work for the Staff. Here, we offer a few examples of our work which we believe best exemplify the services that the Staff is seeking through this RFP. In addition to this overview of key project examples, we offer evidence of that prior experience in response to each of the specific activities in Sections III, IV, and V of this proposal and further support in **Appendix B** (Resumes), and **Appendix D** (Project Briefs).

1. EXPERTISE AND DEMONSTRATED TECHNICAL EXPERIENCE REGARDING CHP/COGENERATION OR DISTRIBUTED GENERATION	<ul style="list-style-type: none"> <li>▪ Connecticut Energy Advisory Board: <i>Combined Heat &amp; Power Technical Paper*</i></li> <li>▪ Northeast Utilities Assessment of CHP Potential in Connecticut, Massachusetts and New Hampshire*</li> <li>▪ University of Vermont –CHP Evaluation</li> </ul>
2. EXPERTISE IN ELECTRIC UTILITY INTEGRATED RESOURCE PLANNING	<ul style="list-style-type: none"> <li>▪ Connecticut Energy Advisory Board: <i>2010 Comprehensive Electric Resource Procurement Pan*</i></li> <li>▪ Green Mountain Power: <i>2007 Integrated Resource Plan*</i></li> <li>▪ Vermont Electric Cooperative (VEC): <i>2007 Integrated Resource Plan*</i></li> <li>▪ Washington Electric Cooperative (WEC): <i>2007 Integrated Resource Plan*</i></li> <li>▪ Oklahoma Office of Attorney General; <i>Review of 2010 OG&amp;E Integrated Resource Plan</i></li> </ul>
3. EXPERIENCE IN STUDIES TO ESTIMATE ELECTRIC GENERATION RESOURCE POTENTIAL & ECONOMIC FEASIBILITY	<ul style="list-style-type: none"> <li>▪ North Carolina Utilities Commission: <i>Analysis of a Potential Renewable Portfolio Standard in North Carolina*</i></li> <li>▪ Central Electric Power Cooperative (SC): <i>Renewable Resource Potential Study*</i></li> <li>▪ Town of Taunton (MA): <i>Power Portfolio Analyses*</i></li> </ul>

- Rhode Island Office of Energy Resources: *Renewable Energy Generation Economic Evaluation\**
- Rhode Island Division of Public Utilities and Carriers: *Deepwater Wind Contract Feasibility\**
- Town of Hull (MA): *Economic Analysis of Hull Offshore Wind Project\**

#### 4. EXPERTISE IN ELECTRIC NON-TRANSMISSION ALTERNATIVE (NTA) STUDIES

- Vermont Electric Power Company: Transmission and Supply Analyses, Northwest Reliability Project, Southern Loop Project: *Distributed Generation Study, Coolidge Connector Project\**
- Central Maine Power: *Transmission, Supply-side and Demand-side Options Analysis for MPRP\**
- Connecticut Energy Advisory Board: *Non-Transmission Alternatives Study for the Greater Springfield Reliability Project*

#### 5. EXPERIENCE IN UTILITY RATE DESIGN EVALUATIONS RELATED TO CUSTOMER-SITED GENERATION

- Groton (CT) Utilities Division: *Cost Allocation and Rate Design Study*, including standby rates\*
- New York State Energy Research and Development Authority: *PV Bill Impact and Financial Analysis*, net-metering\*

## VI. QUALIFICATIONS OF LA CAPRA ASSOCIATES FIRM

La Capra Associates is an employee-owned consulting firm which has specialized in the electric and natural gas industries for 30 years. Our expertise includes power resources planning, market policy and analysis (wholesale, retail, and renewable), power procurement, economic/financial analysis of energy assets and contracts, and regulatory policy.

Our firm provides services to a broad range of organizations involved with energy markets, including regulatory agencies and consumer advocates, public policy and energy research organizations, public and private utilities, energy producers and traders, financial institutions and investors, and consumers. Throughout our history, we have extended services at the forefront of change in the industry, including areas such as marginal cost pricing, integrated resource planning, competitive procurement of resources, and demand-side management. Our expertise in energy matters is interdisciplinary. Our firm has provided expert consulting services and analysis on electric utility rate design including areas of customer generation standby rates and net-metering. We regularly provide services ranging from broad policy development, to analysis of rate applications, analysis of major investments, and short-term planning and operations. Our work frequently leads to presentation of expert testimony or opinion before state or federal regulatory agencies, financial institutions, and corporate management and boards, and has consistently withstood detailed scrutiny.

### Special Qualifications

Here are a few specific examples of La Capra Associates' The La Capra Team would like to particularly highlight the following qualifications that help uniquely positioned to produce a quality study and a realistic outlook for CP/customer-sited generation

- While serving as President to Advanced Energy Systems, Dick Hahn (Principal-In-Charge for the La Capra Project Team) was responsible for the Medical Area Total Energy Plant (MATEP LLC), the largest cogeneration plant in New England, which supplies power to a number of the Massachusetts hospitals and medical institutions.
- La Capra Associates conducted an evaluation of CHP applications that could be located at the University of Vermont.
- John Athas conducted similar CHP potential studies for Northeast Utilities' System companies when he led resource planning.

## VII. QUALIFICATIONS OF INDIVIDUALS

Richard Hahn, John Athas and Patty Richards, our key La Capra Associates personnel offered in this proposal, each have substantial, in-depth experience with the technologies, economic drivers, economic analyses and methodologies used to estimate the potential of CHP and customer-sited generation. In addition all three have extensive experience working on Vermont specific projects, such as NTA studies and Integrated Resource Planning; and Ms. Richards is based in our Willington, VT office —continuing a lengthy career in Vermont.

The two senior members that will be managing this project, Mr. Hahn and Mr. Athas have substantial prior experience leading New England utility competitive business initiatives providing experience in with CHP, electric customer project economics and the wholesale market operations and structure in New England. Each has managed IRP initiatives for regulated, vertically integrated utilities: Dick Hahn managed Boston Edison Company's (BECO) IRP, and John Athas managed in Northeast Utilities' (NU) IRP efforts. IRP was then and is now one of the primary planning activities where technologies such as CHP and customer-sited generation would be economically tested with the perspectives of Societal, Utility and Customer perspectives. La Capra Associates' recent project experience, led by these three individuals, includes a number of substantial IRP projects, including assisting the State of Connecticut re-institute an IRP process, preparing IRP studies for several Vermont utilities, conducting long-term alternatives studies for transmission for utilities in Vermont and Maine, and reviews of IRPs in Oklahoma for OG&E and Public Service Company of Oklahoma. In each of these cases, the resource planning, transmission planning, procurement and cost recovery and cost allocation issues have been in play.

Mr. Hahn while President of Advanced Energy Systems (part of NSTAR) had responsibility for the operation of the Medical Area Total Energy Plant (MATEP) the largest CHP plant in New England. Mr. Athas, while at Northeast Utilities was responsible for assessments of CHP potential within its utility service territories in Connecticut, Massachusetts, and Maine. Each of our four key personnel is experienced with a broad range of ratemaking issues. Richard Hahn, John Athas, and Patty Richards also add substantial experience in areas of energy efficiency, generation and transmission, and fuel and purchased power. The core project team will be supported by Lee Smith, our Senior Economist who specializes in rates and rates design, including rates that are intended to collect standby charges or implement net-metering to send the proper pricing signals to customers considering generation.

The La Capra Associates Project Team is supplemented by Consultants and engineers from Stantec. Among the Stantec team members that will be involved

in this project, are Kieth Price and Jeff Lunde. Mr. Lunde brings thirty-eight years of experience including steam and power engineering and generation projects for utilities and the pulp and paper industry. Mr. Price brings over twenty years of experience in areas such as simple/combined cycle projects, thermal system design and economic evaluations.

In support of these four key personnel, La Capra Associates' personnel include experienced consultants and analysts in resource planning and rates.

Full resumes for the project staff and the additional members of our firm and Stantec are included in **Appendix B**. A short summary of the key personnel are provided below.

PROJECT TEAM	
<b>Key Personnel</b>	
<i>La Capra Associates</i>	
Richard Hahn, <i>Principal-In-Charge</i> ♦ John Athas, <i>Project Manager</i> ♦ Patty Richards, Senior Consultant ♦ Barbara Stoddard, Consultant ♦ Melissa Whitten, Consultant	
<i>Stantec</i>	
L. Keith Price, Director of Applications ♦ Jeff Lund, Principal	
<b>Additional Personnel</b>	
<i>La Capra Associates</i>	
Stan Faryniarz, Managing Consultant ♦ Lee Smith, Managing Consultant and Senior Economist ♦ Alvaro Pereira, Ph.D., Senior Consultant ♦ Mary Neal, Consultant	
<i>Stantec</i>	
Ken Rogers, Senior Principal ♦ Terry Omatick, Applications Engineer ♦ Jim Stone, Senior Project Manager ♦ Mike Morin, Senior Chemical Engineer ♦ Frank Johnson, Mechanical Engineer	

## Biographies

### La Capra Associates

■ RICHARD S. HAHN, *PRINCIPAL CONSULTANT* PRINCIPAL-IN-CHARGE

Richard Hahn is a senior executive in the energy industry, with diverse experience in both regulated and unregulated companies. Mr. Hahn joined La Capra Associates in 2004. He has a proven track record managing full P&Ls, integrated resource planning, analyzing energy, capacity, and ancillary services markets, valuation of energy assets, creating operational excellence, and developing start-ups. Mr. Hahn has demonstrated expertise in electricity markets, utility planning and operations, sales and marketing, engineering, business development, and R&D. While serving as President to Advanced Energy Systems, he was responsible for the Medical Area Total Energy Plant (MATEP LLC), the largest cogeneration plant in New England, which supplies power to a number of the Massachusetts hospitals and medical institutions. He also has extensive knowledge and experience in both the energy and telecommunications industries. Mr. Hahn has testified on numerous occasions before the Massachusetts Department of Telecommunications and Energy, and also before FERC. He has

an M.B.A. from Boston College, and an M.S. in Electrical Engineering from Northeastern University.

■ **JOHN G. ATHAS**, *TREASURER AND PRINCIPAL CONSULTANT*

**PROJECT MANAGER**

John Athas joined La Capra Associates in 2006, bringing nearly 30 years of diverse electric industry experience. Mr. Athas has substantial, hands-on skills having worked for an electric utility, a competitive retail electric services provider, a power technology manufacturer, and an energy industry consulting firm. During his tenor as Manager of Strategic Analysis for Northeast Utilities he led the team that analyzed the potential for Customer-sited CHP. This included establishing the forecast of cogeneration penetration into the NU system. Through extensive practical application, he has assumed leadership roles in resource planning, analysis of competitive wholesale and retail markets, financial and risk analysis, strategic planning, and contracts and transactions. With expertise in utility regulation, energy marketing and product development, energy policy, asset valuation, mergers and acquisitions, and corporate strategy, Mr. Athas has provided clients valuable insight from his unique blend of experience in strategy consulting, technical evaluations and energy market participation. He has an M.B.A from the University of Connecticut, and an M.S. in Mechanical Engineering from Rensselaer Polytechnic Institute.

■ **PATRICIA RICHARDS**, *SENIOR CONSULTANT*

Patty Richards is a seasoned and proven energy professional and highly accomplished with over 20 years of experience in municipal utility power supply optimization and risk management. She has expert experience related to all facets of power supply including rate making, generation plant bidding, testimony, energy policy, economic analysis, power plant development, demand side management planning and evaluation, detailed understanding of New England energy market rules, and risk management. Ms. Richards joined La Capra Associates in 2010. Prior to joining La Capra Associates she was the Director of Power Supply & Transmission at the Vermont Public Power Supply Authority and headed all facets of power supply management portfolio optimization including buying and selling power on behalf of 17 municipal systems and managing generating resources in the New England Standard Market Design (SMD). From 1989 to 2006 Ms. Richards was a key employee with the Burlington Electric Department and as the Director of Resource Planning she managed the utilities power supply resources and generation assets and worked with City and state officials in managing Burlington's resource costs.

Ms. Richards has evaluated power plant economics, prepared and defended integrated resource plans, developed power costs for rate case filings, provided expert witness and testimony in contested proceedings, worked with municipal governments and committees to create power procurement strategies, prepared and reviewed power plant financial pro-formas including hydro, solar, wind, biomass and fossil fuel power plants, managed power cost including buying and selling power to optimize portfolios, prepared market studies, analyzed and implemented special contracts, performed asset valuations and other components of successful utility and power purchasing programs and operations. Ms. Richards is an expert in power portfolio management and has worked effectively with municipal and state leaders in developing generation projects.

Ms. Richards has a Master of Science in Business from Saint Michaels College, and a Bachelor of Science degree in mathematics and economics from Union College. She also holds an Associate in Risk Management certification from the Insurance Institute of America.

■ **BARBARA STODDARD, CONSULTANT**

Barbara Stoddard, one of our Consultants, joined La Capra Associates in 2008 – bringing over 20 years of experience in water and wastewater utility finance and regulation, environmental education, banking and operations management. Prior to joining La Capra Associates, she spent twelve years consulting for water and wastewater utilities in areas of water and wastewater rate regulation, policy, utility management and finance. Ms. Stoddard holds a Bachelor of Science degree from Cornell University. As an integral part of our consulting team, her work at La Capra Associates utilizes her experience in cost of service, rate development, and finance.

■ **MELISSA WHITTEN, CONSULTANT**

Ms. Whitten's work experience includes six years as Director of Gas Supply, Transportation and Storage for a progressive, fast-growing natural gas utility in the Northwest, plus several years with a major electric utility in the Boston area and an early pioneer in independent power project development. She has a B.A. in Economics from the University of Massachusetts, and an M.B.A. in Finance and Information Systems from the University of Rochester's Wm. E. Simon Graduate School of Business.

**Stantec**

■ **L. KEITH PRICE, DIRECTOR, APPLICATIONS**

Keith Price is the Director of Applications for Stantec. As such, he is responsible for developing proposals, feasibility analysis, project development support, and permitting support for all types of energy projects from solid fuel to simple/combined cycle projects. Mr. Price has more than twenty three years of power plant engineering and development experience with expertise in project engineering, engineering management, thermal and process design, economic evaluation, generating heat balances with GT PRO/GT Master, project development support, estimating and scheduling. Mr. Price is a Professional Engineer, and has a BS in Mechanical Engineering from the University of Maine.

■ **JEFF LUND, PRINCIPAL**

Jeff Lunde has thirty-eight years total experience in steam and power engineering and project management. His fields of expertise include project management and project engineering. He has also provided design engineering, consulting, expert witness, commissioning, and construction management services for a variety of steam and power generation projects for the electric utility business and pulp and paper industry. Mr. Lunde was previously employed at several major E&C organizations where he progressed through various engineering, construction, commissioning, and engineering management positions. He has authored and published numerous technical papers and has been a contributing author for a number of

TAPPI publications. Mr. Lund has an MS in Engineering Management from Northeastern University, and a BS in Chemical Engineering from the Lowell Technological Institute.

## **Additional Personnel**

### **La Capra Associates**

#### **STAN FARYNIARZ, *MANAGING CONSULTANT***

20 years of experience in integrated resource planning, the analysis of power contracts, procurement of wholesale and retail power, renewable power, and utility rate costing and pricing.

Mr. Faryniarz holds a degree in economics and M.B.A from the University of Vermont. During the past several years Mr. Faryniarz has overseen the power supply transactions and budgeting for a Vermont utility, and has advised several utilities regarding power planning and load forecasting. He has a B.A. in Economics and a Masters in Public Administration from the University of Vermont.

#### **LEE SMITH, *MANAGING CONSULTANT AND SENIOR ECONOMIST***

20+ years of experience in cost allocation and rate design.

Lee Smith, Senior Economist/Managing Consultant, with 20 years of experience in the regulated utility field, has presented testimony over 30 times in 12 states on cost of service, cost allocation and rate design issues, for both electric and gas utilities. In restructuring cases, she has addressed functional separation, unbundled gas and electric rates, and supply acquisition strategies to protect residential customers. Ms. Smith has testified for the Arizona Corporation Commission Staff on rate design, on cost allocation and on cost recovery issues in several cases. She has addressed demand side management ("DSM") issues in both electric and gas cases. Prior to her employment at La Capra Associates, Ms. Smith was Director of Rates and Research at the Massachusetts Department of Public Utilities ("DPU"), where she oversaw the rationalization of rates based on embedded cost allocation and marginal cost ratemaking principles. Ms. Smith has a B.A. in International Relations with honors from Brown University, and has completed all work except the dissertation for a Ph.D. in Economics from Tufts University.

#### **ALVARO PEREIRA, PH.D., *SENIOR CONSULTANT***

15+ years of experience in economic, technical, and policy analysis.

Dr. Pereira joined La Capra Associates in 2008, following nearly a decade with the Massachusetts Division of Energy Resources (DOER) as the head of a group responsible for economic and technical analyses of policies, programs, and regulatory filings. He has an M.S. in Transportation and a Ph.D. in Urban and Regional Economics and Studies, both from M.I.T.; and two bachelor degrees in Economics and Finance from UMass Amherst.

#### **MARY NEAL, *ANALYST***

6 years of experience in energy resources, market modeling and environmental analysis.

Mary Neal, one of our Consultants, joined La Capra Associates in the summer of 2009, bringing energy modeling and energy policy research experience. Ms. Neal holds a B.S. degree in Mechanical Engineering from the University of California Davis and graduated with an M.A. in Energy and Environmental Analysis from Boston University in early 2010. Her work at La Capra Associates includes research for electric and gas utility rate cases and integrated resource planning as well as analyzing power generation modeling. Ms. Neal will also be an integral part of the Market Analytics team responsible for maintaining and running La Capra Associates' wholesale electricity market model. Prior to joining the firm, she designed gas turbine combustion systems for a gas turbine manufacturer.

**Stantec**

**KEN ROGERS, SENIOR PRINCIPAL**

Ken Rogers has over thirty years experience in the power and energy fields. The majority of his experience has been in the areas of executive management and project management of energy projects, including combined cycle, simple cycle, biomass and waste to energy projects. Mr. Rogers is very experienced in sales, marketing, proposal development, contract negotiations, project execution, profit and loss responsibility, and strategic planning. Much of his experience has been with Engineering, Procurement, and Construction (EPC) projects. He has also served as Expert Witness in several power project litigation cases.

**TERRY OMATICK, APPLICATIONS ENGINEER**

As Applications Engineer, Terry. Omatick is responsible for developing conceptual designs, feasibility analysis, plant performance predictions, project development support, and proposals for all types of energy projects. Ms. Omatick has over twenty years experience in marine and power plant design and development with expertise in process design, generating heat balances and equipment design.

**JIM STONE, SENIOR PROJECT MANAGER**

Jim Stone has twenty three years total experience in project management and design as well as instrumentation engineering for large industrial projects with the power, and pulp and paper industries. His areas of expertise include project management, feasibility studies of industrial projects, capital cost estimating, instrumentation and control engineering applications..

**MIKE MORIN, SENIOR CHEMICAL ENGINEER**

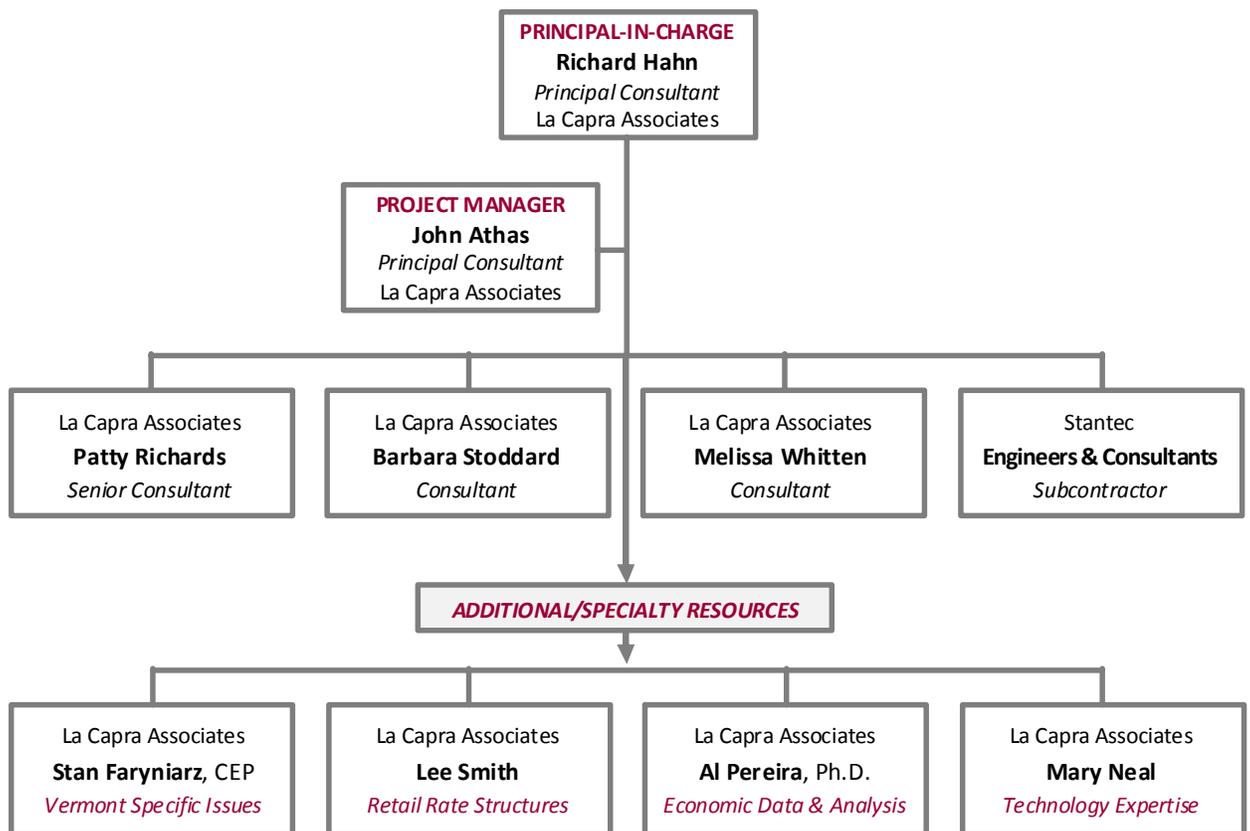
Mike Morin has over twenty-five years experience as a chemical engineer providing project management, engineering, and consulting for pulp and paper, chemical, biotech, manufacturing, wood products, resource recovery, steam and power generation, and healthcare facilities. His areas of expertise include engineering feasibility studies, process modeling, industrial process design, pollution control systems, process safety management, quality assurance, and regulatory compliance. Mr. Morin has supervised industrial source compliance programs for air quality, hazardous materials, asbestos, and water quality at a Kraft pulp and paper mill. He has managed multimedia environmental permitting projects, air pollution control equipment maintenance, stack testing, and ambient air quality monitoring programs. He is a trained facilitator and a certified Process Hazard Analysis Leader.

**FRANK JOHNSON, MECHANICAL ENGINEER**

Frank Johnson has fifteen years experience in mechanical engineering of industrial and commercial mechanical systems. His areas of expertise include HVAC mechanical system design, hands on engineering, operations, and maintenance experience of mechanical thermal systems.

## VIII.MANAGEMENT AND STAFF STRUCTURE

La Capra Associates has chosen Dick Hahn to be the Principal-in-Charge of the Project. Mr. Hahn will be the primary contact with the VSPC. John Athas will be responsible for technical oversight and managing the resources dedicated to this study. Mr. Athas will be coordinating the responsibilities for individual task activities on team members from La Capra Associates and Stantec.



## IX. REFERENCES

La Capra Project Team is pleased to provide three references below that can attest to our capabilities and responsiveness in similar study work.

- **Sam Watson, Senior Staff Attorney**  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, NC 27699-4325  
Office: 919-715-7057

La Capra Associates worked extensively with Mr. Watson when the Environmental Review Commission (ERC) of the North Carolina General Assembly requested that the North Carolina Utilities Commission (Commission) study the potential costs and benefits of enacting a Renewable Portfolio Standard (RPS) in North Carolina. We worked closely with a ten-person advisory board that consisted of various state entities, environmental groups, and consumer groups. As part of the study, we discussed the state's existing energy planning process and how an RPS may fit into that process.

- **Mary Healey, on behalf of the Connecticut Energy Advisory Board**  
**Connecticut Office of Consumer Counsel**  
Ten Franklin Square  
New Britain, CT 06051-2605  
Office: 860-827-2900

Ms. Healey has had a lead role in managing La Capra Associates' engagements for the Connecticut Energy Advisory Board (CEAB). This work (in which GDS Associates has also been involved) concerns energy planning and procurement advisory and technical services to this newly formed Board. The CEAB, a nine member board comprised of State agency commissioners and legislative appointees, was created to conduct comprehensive energy planning for the Connecticut.

- **Tom Welch**  
Pierce Atwood (attorneys for Central Maine Power)  
One Monument Square, 7<sup>th</sup> Floor  
Portland, ME 04101  
Office: 919-967-1450

La Capra Associates was hired by Central Maine Power Company ("CMP") to perform a financial and economic evaluation for a newly-formed project team charged with the responsibility to conduct a comprehensive assessment of the reliability of CMP's 345kV and 115kV transmission system, and the ability of that system to comply with mandatory regional and national reliability standards. In that role, we developed combinations of alternatives to the transmission project that could address the identified reliability needs, and compared financial and economic performance of those resource options to the proposed transmission upgrades. Our analysis considered how each option performed under the societal cost test and the impact on electric rates. We also evaluated the impact on losses and congestion of each alternative. These analyses were supported by extensive market modeling, using PROSYM™, a licensed power market software tool. During this project, we worked extensively with Tom Welch, with Pierce Atwood.

# X. TIMELINE

Based upon a review of the RFP and drawing upon the experiences of the La Capra Project Team we have broken down the three part projects into approximately six subtasks. This enables budgeting, schedule and resource planning to bring the project efficiently and effectively to its conclusion. Exhibit 1 provides a list of the tasks and subtasks and their approximate timing to meet the deadlines imposed in the RFP; October 1, 2010 Draft Report and November 15, 2010 Final Report.

Vermont System Planning Committee - VELCO CHP / Customer Sited Generation Potential																
PROPOSED WORK PLAN - July 23, 2010																
	Hours	Week Beginning														
		6-Aug-10	13-Aug-10	20-Aug-10	27-Aug-10	3-Sep-10	10-Sep-10	17-Sep-10	24-Sep-10	1-Oct-10	8-Oct-10	15-Oct-10	22-Oct-10	29-Oct-10	5-Nov-10	12-Nov-10
<b>Task 1 Potential for CHP</b>																
1.1 Existing CHP Facility Status and Evaluations	60															
1.2 CHP Technical Analyses	72															
1.3 CHP Potential in Vermont	40															
1.4 Outlook for CHP within Vermont Zones	40															
1.5 Barriers confronting CHP in Vermont	34															
1.6 Progress Review Calls with VSPC representatives	44															
<b>Task 2 Potential for Customer Sited Generation</b>																
2.1 Establish portion of CHP serving Customer On-site Load	34															
2.2 Customer-sited Generation Technical Analyses	44															
2.3 Customer-sited Generation Potential	48															
2.4 Outlook for Customer Generation within Vermont Zones	34															
2.5 Progress Review Calls with VSPC representatives	38															
<b>Task 3 Preparation of Report</b>																
3.1 Provide Report Outline to VSPC/VELCO	14															
3.2 Draft report and provide to VSPC and VELCO for comments.	50															
3.3 Prepare presentation of the project methodology and results	40															
3.4 Present results to VSPC oversight team	16															
3.5 Incorporate comments provided by VSPC	38															
3.6 Finalize Report.	8															

Activity planned  
 Targeted completion date  
 Progress Calls/Meetings

The La Capra Project Team expects to work with VSPC representatives at the onset to finalize a more detailed work plan and allow a more precise schedule to be established.

## XI. TASK AND TOTAL PROJECT BUDGET

The following table provided a summary of the total estimated hours by category by year. La Capra Associates will use the task and subtask budgets as budget management tools and indicators. The proposed total budget for the project of **\$114,000** is based upon these approximate individual task cost estimates.

<b>Vermont System Planning Committee - VELCO</b>											
<b>CHP / Customer Sited Generation Potential</b>											
<b>PROJECT LABOR AND BUDGET ESTIMATE</b>											
<b>PROPOSED WORK PLAN - July 23, 2010</b>											
		La Capra Associates					Stantec			Total Hours	Budget Estimate
		Richard Hahn, Principal Consultant	John Athas, Principal Consultant	Patty Richards, Senior Consultant	Barbara Stoddard, Consultant	Melissa Whitten, Consultant	Senior Technical Specialist	Principal Engineers / Senior Consultants	Engineers		
***Confidential*** Hourly Rates		\$250	\$250	\$190	\$165	\$165	\$195	\$143	\$127		
<b>Task 1 Potential for CHP</b>		<b>24</b>	<b>38</b>	<b>54</b>	<b>55</b>	<b>15</b>	<b>22</b>	<b>32</b>	<b>36</b>	<b>276</b>	<b>\$50,760</b>
1.1	Existing CHP Facility Status and Evaluations	2	4	4	1	1	6	16	20	54	\$8,593
1.2	CHP Technical Analyses	4	8	16	24	8	2	6	4	72	\$13,076
1.3	CHP Potential in Vermont	4	8	10	12	0	2	2	2	40	\$7,811
1.4	Outlook for CHP within Vermont Zones	4	8	10	12	0	2	2	2	40	\$7,811
1.5	Barriers confronting CHP in Vermont	4	4	8	4	4	2	4	4	34	\$6,311
1.6	Progress Review Calls with VSPC representatives	6	6	6	2	2	8	2	4	36	\$7,159
<b>Task 2 Potential for Customer Sited Generation</b>		<b>19</b>	<b>25</b>	<b>33</b>	<b>43</b>	<b>8</b>	<b>11</b>	<b>12</b>	<b>14</b>	<b>165</b>	<b>\$31,330</b>
2.1	Establish portion of CHP serving Customer On-site Load	1	3	3	3	2	1	2	2	17	\$3,130
2.2	Customer-sited Generation Technical Analyses	4	6	8	12	4	2	2	4	42	\$7,846
2.3	Customer-sited Generation Potential	4	6	8	12	0	2	4	4	40	\$7,471
2.4	Outlook for Customer Generation within Vermont Zones	4	4	8	12	0	2	2	2	34	\$6,431
2.5	Progress Review Calls with VSPC representatives	6	6	6	4	2	4	2	2	32	\$6,452
<b>Task 3 Preparation of Report</b>		<b>20</b>	<b>23</b>	<b>42</b>	<b>29</b>	<b>10</b>	<b>14</b>	<b>12</b>	<b>8</b>	<b>158</b>	<b>\$30,632</b>
3.1	Provide Report Outline to VSPC/ VELCO	2	3	6	1	0	2	0	0	14	\$2,946
3.2	Draft report and provide to VSPC and VELCO for comments.	4	4	12	14	6	2	4	4	50	\$9,051
3.3	Prepare presentation of the project methodology and results	4	6	8	8	2	2	4	4	38	\$7,141
3.4	Present results to VSPC oversight team	4	4	4	0	0	4	0	0	16	\$3,542
3.5	Incorporate comments provided by VSPC	4	4	10	6	2	2	4	0	32	\$6,181
3.6	Finalize Report.	2	2	2	0	0	2	0	0	8	\$1,771
<b>Per Diem</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		<b>\$0</b>
<b>Travel</b>		\$600	\$600	\$150	\$0	\$0	\$300	\$300	\$0		<b>\$1,350</b>
<b>Lodging</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		<b>\$0</b>
<b>Total Hours</b>		<b>63</b>	<b>86</b>	<b>129</b>	<b>127</b>	<b>33</b>	<b>47</b>	<b>56</b>	<b>58</b>	<b>599</b>	
											<b>\$112,722</b>
											<b>\$1,350</b>
											<b>\$114,072</b>

## XII. EXCEPTIONS

We have included some exceptions to the Schedule B – General Conditions document which we would be happy to discuss further.

### Indemnification

- **In Response To Page 20 of the VELCO CHP RFP:** La Capra Associates assumes VELCO will be responsible for a breach of any subsequent engagement agreement or negligence under the applicable law in the state of Vermont. Given the nature of the proposed services and the relative size differences between La Capra Associates and VELCO, La Capra Associates assumes the extent of its liability to be limited to existing insurance, and indemnity to fees paid under the engagement.
- **In Response To Page 28 (re: Liabilities) of the VELCO CHP RFP:** Given the nature of the proposed services and the relative size differences between La Capra Associates and VELCO, La Capra Associates assumes the extent of its liability to be limited to existing insurance, and indemnity to fees paid under the engagement.
- **In Response To Page 29 (re: Insurance) of the VELCO CHP RFP:** Given the nature of the proposed services and the relative size differences between La Capra Associates and VELCO, La Capra Associates assumes the extent of its liability to be limited to existing insurance, and indemnity to fees paid under the engagement.

### Insurance

- **In Response To VELCO CHP RFP Insurance Requirements:** The Employer liability coverage amount that La Capra Associates maintains is \$500,000, which has been adequate for our current clients. La Capra Associates does not currently maintain umbrella coverage. We would be willing to discuss the need for additional insurance upon selection.

# Attachment A

*La Capra Associates*

## **SAMPLE REPORT**

VELCO/CVPS SOUTHERN LOOP PROJECT  
DISTRIBUTED GENERATION STUDY

*CONFIDENTIAL & PROPRIETARY*

# Attachment B

*La Capra Associates ♦ Stantec*

## **RESUMES**

# Attachment C

*Stantec*

## **ADDITIONAL QUALIFICATIONS BROCHURE**

SOLUTIONS FOR  
POWER GENERATION

# Attachment D

*La Capra Associates ♦ Stantec*

## **PROJECT BRIEFS**