

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENERGY & ENVIRONMENTAL AFFAIRS
DEPARTMENT OF ENVIRONMENTAL PROTECTION
THE OFFICE OF APPEALS AND DISPUTE RESOLUTION

In the Matter of
Brockton Power Co., LLC

OADR Docket No. 2011-025 & 026
File No. W207973
Brockton, MA

SUPPLEMENTAL TESTIMONY OF ELIZABETH STANTON

1 **Q. Please state your name, position, and business address.**

2 A. My name is Elizabeth A. Stanton. I am a Principal Economist at Synapse Energy
3 Economics, Inc., located at 485 Massachusetts Avenue, Suite 2, Cambridge, MA 02139.

4 **Q. On whose behalf are you testifying?**

5 A. The Petitioner Residents of Brockton, West Bridgewater, and East Bridgewater.

6 **Q. What is the purpose of your supplemental testimony?**

7 A. This testimony is intended to supplement my pre-filed direct testimony, which I filed on
8 behalf of the Petitioner Residents of Brockton, West Bridgewater and East Bridgewater
9 on June 19, 2015, and to address testimony that was submitted by Elizabeth Petraglia and
10 Jonathan Winslow on behalf of Brockton Power Company, LLC (Brockton Power) on
11 July 17, 2015, and testimony that was submitted by Thomas Cushing on behalf of the
12 Department of Environmental Protection (DEP) on July 23, 2015.

13 **Q. What is your response to Ms. Petraglia's assertion that the use of state-level data for
14 a city-based project would be inaccurate?**

15 A. If city-based data were accurate, they would be the preferred choice. However, IMPLAN
16 data for smaller jurisdictions are less robust than those for larger jurisdictions. For this

1 reason, accurate data for the state as a whole are preferred to inaccurate data that attempts
2 to represent the city.

3 **Q. What is your response to Ms. Petraglia's assertion regarding EDRG's**
4 **unsubstantiated assumptions?**

5 A. As I stated in my June 19, 2015 testimony, "...IMPLAN outputs are only as good as the
6 inputs to the analysis, namely, Brockton Power's project direct spending and
7 employment. No mention is made of any independent, third-party verification of these
8 projections." Ms. Petraglia's remarks do not dispute this. Brockton Power asserts that
9 there will be economic benefits to this project, but does not substantiate this assertion
10 with evidence or the testimony of an independent expert.

11 **Q. What is your response to Ms. Petraglia's assertions concerning EDRG's estimate**
12 **that 50% of construction positions would come from the City's labor force?**

13 A. Ms. Petraglia makes this surprising claim but substantiates it only with the statement that
14 similar assumptions have been used in analyses performed by her firm. I fail to see how
15 this is evidence of the accuracy of her claim rather than a description of a pattern of use
16 of a mistaken assumption. To substantiate such a claim it would be useful if Brockton
17 Power submitted evidence that similar projects in large, dense, urban areas have garnered
18 such high shares of employment from the smallest surrounding local area. Alternatively,
19 Brockton Power could substantiate its intention to employ large number of Brockton
20 residents by publicly binding itself to do so. No such evidence has been presented and no
21 such public statement has been made in the materials that I reviewed for this docket.

22 **Q. What is your response to Ms. Petraglia's assertions concerning the relationship**
23 **between direct and indirect spending and induced spending?**

1 A. Ms. Petraglia appears to make the opposite argument here to her remarks regarding
2 employment. She expects employment to be restricted disproportionately to Brockton
3 residents without any mechanism in place to assure that this occurs. With supply chain
4 purchases, however, she expects a disproportionate share to occur in the three-county
5 region than in Brockton alone. Again, Brockton Power asserts that it will spend particular
6 amounts of money in Brockton and in the region, but no commitment to do so was
7 described in the materials that I reviewed for this docket.

8 **Q. What is your response to Ms. Petraglia’s assertions concerning the differences**
9 **between EDRG’s 2009 and 2015 reports?**

10 A. Certainly, assumptions can and should be updated over time. However, for large or
11 otherwise important changes, some explanation of the cause of the change would be
12 useful in assessing the accuracy of Brockton Power’s assumptions. The project proponent
13 is required to demonstrate that the benefits of the project significantly outweigh the
14 environmental and social costs imposed by the project. Presenting its analysis in enough
15 detail that a third-party expert can verify its accuracy is critical to Brockton Power’s
16 ability to credibly make this demonstration.

17 **Q. What is your response to Ms. Petraglia’s assertions concerning the expression of**
18 **jobs in full-time equivalency (“FTE”)?**

19 A. Again, Ms. Petraglia’s argument is that because something is done elsewhere it must
20 necessarily be the best practice. When jobs are expressed without any description of their
21 payscale, duration, or full- or part-time status, critical information regarding the impacts
22 of a project is obfuscated. Brockton Power is either anticipating that these will be full-
23 time jobs or it is not, and should so state.

1 **Q. What is your response to Ms. Petraglia’s assertions concerning EDRG’s manual**
2 **entry of a regional multiplier?**

3 A. Ms. Petraglia’s technical description of use of the IMPLAN model fails to shed light on
4 the questions of: (1) what data are inputs to the modeling estimated by Brockton Power;
5 (2) what data are native to IMPLAN, calibrated to the local region; and (3) to what extent
6 both sets of assumptions have been substantiated by third-party experts. In the absence of
7 such verification, sensitivity analysis on the effect of the data inputs estimated by
8 Brockton Power on the resulting expected economic impacts would be useful in assessing
9 the company’s claims.

10 **Q. What is your response to Mr. Winslow’s assertions concerning Brockton Power’s**
11 **failure to analyze alternative production processes?**

12 A. It seems apparent from Mr. Winslow’s response that the range of the “alternatives”
13 analyzed by Brockton power is limited to two forms of electric generation using natural
14 gas as a fuel. Other generation technologies and non-electric-generation uses for the site
15 do not appear to have been analyzed.

16 **Q. What is your response to Mr. Winslow’s assertions regarding Brockton Power’s use**
17 **of natural gas as an alleged further reduction of already minimal impacts?**

18 A. My apologies for the typographical error pointed out by Mr. Winslow. In its correct form,
19 it still remains unclear to me how this is evidence of efforts to minimize impacts.

20 **Q. What is your response to Mr. Winslow’s assertions concerning Brockton Power’s**
21 **failure to perform a thorough assessment and presentation of environmental and**
22 **social impacts?**

1 A. It is not clear to me how benefits can be said to outweigh costs when only benefits have
2 been monetized. If costs were analyzed elsewhere but not monetized—as Mr. Winslow
3 asserts (page 3 lines 15-16)—how are they compared to the project’s benefits? And how
4 is the assessment conducted to determine that benefits outweigh these costs? A more
5 transparent presentation of this critical element in Brockton Power’s claim is essential to
6 a public discourse regarding whether the project’s benefits outweigh the costs.

7 **Q. Mr. Cushing and Mr. Winslow state that there is no obligation to provide a**
8 **monetization of environmental or social costs when weighing those costs against**
9 **economic benefits. Is it analytically meaningful or useful within the context of**
10 **assessing environmental or social costs of a project to provide *no* monetization of**
11 **costs, in a cost benefit analysis?**

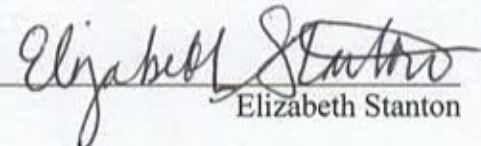
12 A. In the context of a cost-benefit analysis, it is not analytically meaningful to present
13 monetized benefits while merely describing costs and asserting that benefits are greater.
14 Without monetizing the costs, the costs and benefits cannot be accurately compared. A
15 higher standard of evidence is expected.

16 **Q. In his rebuttal testimony, Mr. Cushing alleges that his direct testimony summarized**
17 **DEP’s cost-benefit analysis and that it concluded that the public health impact of**
18 **the emission will be “insignificant”. Based on the contents of Mr. Cushing’s direct**
19 **testimony, has an adequate assessment of costs been performed, and is Mr.**
20 **Winslow’s conclusion in his rebuttal testimony that the benefits outweigh the costs**
21 **reasonable?**

22 A. An assertion that the impacts of a project are insignificant is insufficient to establishing
23 that costs are smaller than benefits. The basic evidence for and method of making this

1 assessment must be made transparent to participants in this public process. Asserting that
2 the project's benefits outweigh the costs, without actually demonstrating that this is so, is
3 insufficient and unconvincing. If the project proponent has reason for its certainty that the
4 benefits do indeed outweigh the costs, then it seems a simple matter to present the
5 evidence that resulted in this viewpoint.

Signed under the pains and penalties of perjury this 28th day of August 2015.


Elizabeth Stanton