Vermont Public Utilities Commission
112 State Street
Montpelier, VT 05620

Re: GlobalFoundries petition to operate a self-managed utility
Case No. 21-1107-PET

Dear Commissioners Roisman, Cheney and Hofmann,

Our respective economic development organizations work daily with leading employers in our region and the state and represent thousands of businesses of every size and scope. We are writing to enthusiastically support GlobalFoundries' (GF) petition to operate a self-managed utility (SMU). This will accomplish several important goals, not only for GF, but for our region and the state. It will ensure GF remains a leader in helping Vermont achieve its greenhouse gas (GHG) reduction goals under the Global Warming Solutions Act (GWSA). Permitting GF to operate its own regulated "self-managed utility" will allow GF to invest in Vermont as it meets the critical demand for semiconductors to fuel our technology revolution—semiconductors which, if manufactured elsewhere, will likely be subject to less rigorous GHG emission standards. Finally, it will ensure GF's ongoing critical contributions to Vermont's economy.

GF has long been a leader and critical partner in achieving energy efficiency and meeting Vermont's goals to combat climate change. Since coming to Vermont in 2015, GF has invested over $7 million which has led to tremendous energy savings while also increasing their production. GF voluntary efforts have already reduced GHGs by more than 24% from 2005 to 2020 while increasing manufacturing output by approximately 20%. GF's record of accomplishment speaks for itself and demonstrates that it is a leader and innovator. There is no question that GF will continue to work in support of our collective efforts to reduce our GHGs and meet our GWSA targets.

In order to continue to be a leader in this space, GF needs flexibility to invest and focus on its operations. As the only semiconductor manufacturer in Vermont, it has a unique role in meeting Vermont's GHG reduction goals. We are confident that as its own regulated utility, GF can make the greatest contributions to GHG reductions. Its energy needs are very different than a traditional electric utility that serves tens of thousands of residential and commercial customers. Electricity usage accounts for approximately 8% of GF's GHG contributions, 10% from their thermal fuel sources and 80% from the manufacturing process itself. Looking at GF's total GHG contributions, we should be supporting GF's desire to focus on reductions from its manufacturing processes – that is where it can make the greatest strides in helping achieve Vermont's goals. GF has implemented GHG reduction projects for its manufacturing operations during 2020 and 2021 and has committed to invest $10 million through 2025 for additional abatement devices. Contrary to other comments that have been filed with the PUC, GF is not looking for an exemption, but rather an acknowledgement that a specialized use of electricity can be regulated outside of a one-size-fits-all approach.

Comments which narrowly focus on GF's electric portfolio and hold them to the same standards as our electric utilities serving a wholly different customer base are misplaced and counterproductive to reducing GHGs at GF. These comments are silent on GF's stated commitment to a carbon free electricity portfolio in the future consistent with GMP's current practice. Some comments are factually inaccurate; there are several other utilities that represent approximately 9% of the state's load where the renewable energy requirements are currently not applied equally or uniformly and provide flexibility in meeting state policies. There is precedent and logic in allowing regulated utilities to tailor their approach to achieving Vermont's GHG reduction targets.

Commentaries suggesting that GF will be able to shift its GHG reduction responsibilities onto other businesses in Vermont are not well informed. The Agency of Natural Resources and Department of Public Service are engaged in discussions with GF to see if they can reach an agreement years in advance of when ANR will have GWSA rules promulgated that regulate GHG emissions from other manufacturing sources. As ANR has explained, if the PUC process fails to result in adequate requirements on GF, they retain the authority to regulate GF through the adoption of regulations like they will for other manufacturers. We see this as an opportunity for GF to continue to be a leader for Vermont and help us attain our collective goals.

We are confident that the Agency of Natural Resources, the Department of Public Service, and ultimately the Commission, will find that the GF petition to operate an appropriately regulated self-managed utility is in the public good if there are sufficient commitments from GF to holistically reduce GHGs in a way that ensures consistency with the Vermont GWSA and ensures that GF will maintain a carbon free electricity portfolio. We are confident that GF's intention is to meet or exceed those expectations.

GF, GMP and Velco filed MOUs with the PUC to ensure that Vermont ratepayers and utilities would not be impacted by GF's "self-managed utility" request. There does not seem to be significant debate that those goals will be achieved by the MOUs. GMP and Velco recognize the impact on ratepayers if GF were to leave Vermont. As economic development organizations, we trust the PUC to evaluate whether this petition is in the public interest of Vermont. Economist Art Woolf's testimony outlines the tremendous economic importance of retaining GF and creating an environment where it will make continued investments in Vermont.

Wages paid to GF's 2,200 employees alone total almost $200 million. Adding in state income taxes, local property taxes, employment of Vermont vendors for goods and services, an employment multiplier effect of over 5,000 additional jobs, and 40% of all Vermont exports, the company's impact on the Vermont economy is tremendous. It is our largest private employer, and it wants to grow responsibly. They have established partnerships with the University of Vermont, Vermont Technical College, and our other colleges and universities to create talent pipelines so that the next generation of Vermonters have incredible employment prospects.

We wholeheartedly support GF's petition now pending before the Commission. It will help Vermont continue to make progress in achieving its GHG reduction targets. It will provide GF with the flexibility to lower energy costs and invest in technology where it can make the greatest GHG reduction contributions. It will foster an ability to attract and develop innovative on-site renewable energy and resilience projects at a scale and cost that makes sense for GF. It will ensure that our other utilities and ratepayers do not bear the burden associated with their transition from GMP to their own regulated "self-managed utility". Finally, it will maintain GF as a vital educational institution partner, key employer, and focal point for technological innovation that is key to our climate change revolution.

Thank you for giving our comments your full consideration.

Betsy Bishop
President
Vermont Chamber of Commerce

Catherine Z. Davis
President
Lake Champlain Chamber

Frank Cioffi
President
GBIC, Greater Burlington Industrial Corporation and Cynosure, Inc.