

Monitor editorial Take **Concord Steam** to the finish line

By: Monitor staff

Thanks to a lot of hard work on the part of **Concord Steam** Corp. President Peter Bloomfield and city and state officials, downtown Concord may have dodged a very big bullet. On Wednesday, the city council approved a plan to buy heat and electricity from **Concord Steam** for at least a decade. The Executive Council approved a similar deal to serve state buildings. The agreements are crucial to the company's ability to win financing to construct a high-efficiency, \$70 million cogeneration plant in the South End rail yard. If **Concord Steam** can't build the new plant, its days as a going concern could be numbered. The high cost of generating steam at the aged plant on the state hospital campus would lead more and more of the 200 buildings it serves to switch to natural gas. That would drive up prices for the company's remaining customers in what could become a death spiral.

Converting an old building from steam heat to natural gas is expensive. Some owners would convert; others might not be able to afford the expense. Either way, the outcome would be higher downtown rents and more empty storefronts. Taxpayers would take a double hit. They would have to pay more to heat city buildings and schools or to convert their heating systems, and pay higher taxes because the city would lose the additional tax revenue the new plant represents. To get the federal tax credits that make the project possible **Concord Steam** must begin construction before the end of the year. The company still has hoops to jump through, but none of them appear to be flaming. We're confident it will succeed.

The state's experience with the Glenciff Home, a nursing home and health care facility in Warren for people with severe disabilities or mental illness, suggests the kind of benefits a co-generation plant like the one proposed by **Concord Steam** offers. The state used federal money to install a co-generation plant fueled by wood chips at Glenciff this year. The conversion replaced 136,000 gallons of fuel oil and 32,000 gallons of diesel fuel burned annually with 2 million tons of wood chips. The change saved money, was immensely better for the environment and created jobs in an area that sorely needs them.

Concord Steam's new plant will burn locally produced wood chips to produce steam and generate 17 megawatts of electricity. The electricity will cost more than the market rate, but the higher cost will be more than offset by a drop in the price of steam. The difference is in most cases small. The state, for example, estimates that it would see a net savings of \$12,000, a tiny fraction of the multi-million cost of providing heat and electricity to its downtown buildings. But the new plant, if completed, has plenty of other benefits.

In addition to saving downtown from potential economic decline, the new plant will create jobs and make Concord a greener city.

Enough electricity to power 12,000 homes will be produced by burning wood, rather than a fossil fuel. The money paid for the wood will stay in New Hampshire, not flow out of state or overseas. Building a cogeneration plant in the blighted rail yard could stimulate economic development in the area. That would mean even more tax revenue. It could lead to more heated sidewalks downtown and perhaps, if the stars align correctly, to steam-heated greenhouses that producing locally-grown food. The plant is not a done deal yet, but every effort should be made to make it a reality.

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