



FOR IMMEDIATE RELEASE:

Study of Economic Impacts to Tri-County Area Due to Vermont Yankee Closure is Released

December 24, 2014

On December 29, 2014, the Vermont Yankee Nuclear Power Station (VY) will no longer operate as an energy production facility. When fully operational, the facility had over 600 workers, most living in Windham County, VT; Cheshire County, NH; and Franklin County, MA. For over 40 years, VY has been an important component of this region's economy. So what is the magnitude of economic impact to our tri-state region due to the discontinuing of operations and decommissioning of VY, especially the loss of local income? This is a question that four regional economic development planning organizations are seeking to answer. These organizations are: the Brattleboro Development Credit Corporation, the Franklin Regional Council of Governments, the Southwest Regional Planning Commission, and the Windham Regional Commission. Attached is a study completed by the University of Massachusetts' Donahue Institute that begins to provide some insight.

Prompted by VY's announcement last year, our organizations have forged a new collaboration centered on our shared concerns regarding impacts associated with the pending closure and decommissioning. In order to make informed decisions and move forward, we identified some key questions to be addressed. Through a state District Local Technical Assistance grant, the Franklin Regional Council of Governments retained the services of the UMass Donahue Institute to conduct a study that illustrates the anticipated direct, indirect and induced economic impacts to the local tri-county area (Cheshire, Franklin and Windham Counties), and assesses the ramifications on the long-term economic prospects of the region. Some of the findings are rather stark.

The short version of this story is that there is a tremendous economic loss anticipated in a very short amount of time. The major finding from this modeling is that within a seven-year period timeframe, the total economic impacts¹ are estimated to be a loss of over 1,100 jobs and a loss of \$480 million of annual economic activity in the region.

¹ The total economic output includes direct, indirect and induced economic outputs combined.

While the facility itself accounts for slightly less than one percent of total jobs in the tri-county region, it provides for a much higher share of the region's wage and salary income due to hundreds of highly-skilled, well-compensated workers. Inputted into the model was September 2014 employment forecast data provided by Entergy. Using this data, there were 550 employees in 2014. The model then estimated that when VY is fully operational, the direct economic output is over \$402 million annually. With the addition of related indirect and induced economic activities, the model estimated a total employment of 1,220 and total economic output of \$493 million annually in the tri-county area.

By 2021, Entergy reports that employment at the plant will drop to as low as 58 employees. The modeling estimates this will account for direct annual economic output of \$10 million. The total economic impact (including direct, indirect and induced impacts) of VY for the tri-county region by 2021 is estimated to be 84 jobs and \$13 million in annual economic output per year. Therefore, within a seven-year period, the region will have a small fraction of the economic activity that occurred while the plant was operational.

The pending economic impacts due to VY's closure in this region are significant. We view this information as a call to action. Each region's respective comprehensive economic development strategy (CEDS) has noted the relative stagnation of the area's economy and workforce challenges. The closure of VY will exacerbate existing trends. Each CEDS also identifies strategies to build upon our assets. We believe we can work with our communities and stakeholders to make a difference if properly resourced to do so. We hope our state, federal and other partners will recognize this and provide the support this region needs. To move forward, this collaboration of regional planning and economic development organizations will invite tri-county region stakeholders to a meeting in early 2015 to share information and work together to develop a response strategy.

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