

SEEING BEYOND THE POWER PLANT

The Salem Harbor Site Can Be The Place For 21st Century Marine Biotech Research & Industry

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2012 has become the year of decision regarding the future of the Salem Harbor Power Plant and the site it dominates. It is the moment in which the fate of this premier harbor-front location will be sealed for decades. Unless there is sustained informed robust public involvement, a once in a hundred-year opportunity for Salem and the North Shore to re-connect with its Maritime legacy will be lost.

As it stands now, that decision is being left up to the few who are determined to replace one fossil fueled plant with another one while simultaneously leading the public to believe that if we don't accept another power plant the site will become a padlocked industrial wasteland. As the "2012 Year Of Decision" presentation indicates, there are those who believe the facts are otherwise and are willing to put their money where their mouth is. We believe that the site can be remediated for a profit and become the home for a privately-funded for-profit first-of-its kind Center for Biomarine Research and Innovation that would make our region a world leader in 21st Century marine industry and provide the public with greatly expanded unique access and enjoyment of this maritime gateway.

"Once A Power Plant – Always A Power Plant?" – Time To Break The Spell

In 2011 Virginia based Dominion Power, the Plant's owner, announced its final plans to pull the plug by June, 2014 on its two remaining coal/oil fired units. A state funded study for Salem by Jacobs Engineering comprehensively reviewed the challenges and opportunities for reuse of the site. Yet public discussion about the future immediately went dark after the Jacob's Study reported its results in January, 2012 upon the news that Dominion and Footprint Power, a New Jersey startup, were in private talks for purchase of the site. Footprint reported that it planned to replace the old coal plant with a new combined cycle 720 MW gas-diesel plant. State Representative Lori Ehrlich was alone among our political leaders to point out the stunning lack of vision regarding re-use of the site and the distressingly quick acquiescence of the power brokers to replace one mega fossil fueled power plant with another one.

As we contemplate the future of this irreplaceable marine resource, it is wise to think about the past. Salem's unique maritime connection made the City our young country's leading center of commerce – a position that resulted in the historic,

cultural, and architectural jewel that causes millions to travel here. Yet, fateful decisions in the early part of the last century resulted in government and industry seeing this precious oceanic portal as nothing more than a staging area for coal and subsequently a site to satisfy the region's need for power generation. Our past leaders' decision to restrict vision solely to a power plant, has for over a hundred years, cast a spell over Witch City and the region. It is time to recognize that the inability or unwillingness to see more for this vitalizing harbor-front resource has had a profound impact on the capacity of Salem and the region's commerce, industry, and research to be enriched by the sea.

It is time to break the spell. For too long public input regarding re-use and consideration of alternatives has been brushed aside with ominous comments from public officials. We have been told repeatedly that the tear down of the 60 year-old coal burning facility and remediation of the site was upwards of \$75 Million and there was no Marine industrial use that could work. Better another mega-power plant, the public has been conditioned to think, than a "padlock" to an abandoned industrial wasteland.

It is time to take off the blinders. It is time to bust the myths about nightmarish remediation cost and the lack of re-use potential that blind us to the possibilities. It is time our leaders released us from the yolk of cramped thinking, and helped us see the truth about the possibilities for the re-use of the power plant site. It is time for our leaders to acknowledge that far from being a financial barrier, tear down of the old plant and remediation of the site can be done as a stand-alone substantially profitable enterprise. Far from there being no apparent suitable marine industrial uses for the site and therefore thinking should be constricted to "once a power plant always a power plant," our leaders should open the public mind to the possibility for a 21st Century marine industrial use at that site – a first-of-its kind use that is nothing short of Neptunian.

Myth 1 – The Liability/Cost Of Remediation Is A Barrier To Redevelopment

The reclamation and salvage industry is salivating at the prospect of gleaning the rich store of structural steel and precious metals contained in the mid-twentieth century overbuilt edifices that house now or soon to be defunct coal fired power plants like the one at Salem Harbor. One of these companies is New Jersey based Asset Recovery Group (ARG). ARG recently stunned the Mount Hope Bay Town of Somerset by agreeing to pay NRG the site owner a reportedly seven figure amount for the privilege of taking over, remediating, and developing the industrial wasteland that was Somerset's recently decommissioned coal plant site.

In response to our requests Somerset Selectman Stu Mahjoory arranged for ARG's Robert Katz and our group to meet with the Mayor of Salem on June 19.th At the meeting ARG's team and our group reviewed with the Mayor, State Representative John Keenan, and citizen activists, the technical and economic feasibility of remediation and redevelopment of the Salem site as a 21st Century research and

innovation center. We explained that remediation of the site and restoration to a clean and developable unique retail/commercial/marine industrial platform that would greatly expand public access and use of the harbor-front is not only feasible it can be done as a highly profitable business.

Myth 2 – The Site Is Only Good For A Power Plant

The National Oceanic and Atmospheric Administration (NOAA), the federal governmental agency charged with helping our nation protect and sustainably exploit the sea's bounty, has been eagerly awaiting the seaside community wise enough to see the potential of using their harbor-front resource to tap the biotech riches of the sea. 2012 is Salem's opportunity to be that community. The 60-acre power plant site at the mouth of Salem's harbor with its ready access to seawater is tailor-made to support a first-of-its kind water-dependent marine biotech research industrial park. Such a water-dependent marine industrial use would be in keeping with the stringent requirements associated with Chapter 91 and the fact that the harbor is a "Designated Port Area."

A privately funded (*not* tax payer subsidized) commercial for-profit marine research industrial platform would be a natural tie-in to Salem State's stellar Cat Cove marine research facility that is adjacent to the site. There are significant symbiotic benefits that would naturally occur between a commercial for profit industrial research and commercialization prove-out facility envisioned for the site and the publicly funded research that takes place at the adjacent Cat Cove facility. This symbiosis would only be magnified by the fact that such a facility would also be able to take advantage of its proximity to the Sea Grant College program at MIT and the Woods Hole Oceanographic Institute in Falmouth. A Marine Biotech Research Park at Salem Harbor would be uniquely placed to exploit its central location to and provide the research platform for the Commonwealth's world class public-private institutions and companies that set the standard of pharmaceutical-medical, biotech, and applied science industrial manufacture.

Such a first-of-its kind facility could mark Salem and the Commonwealth as the world's leader in marine biotech research and commercialization of promising concepts. Such a unique marine research and industrial platform could be a major contributor to the City's tax base and an economic powerhouse for the region. There is no reason to believe that such an industrial re-use with supportive commercial/retail development would not be as rich a source of tax and economic support for Salem as replacing one power plant with another.

As we reviewed with the Mayor, the comprehensive redevelopment of the site for this 21st Century project and the intention to site a new gas plant were not necessarily mutually exclusive. A new gas plant would require no more than 10-15 acres leaving some 40 acres available for redevelopment. We also introduced the Mayor to the potential for the ecological engineering principles underpinning the project to syphon off the waste heat and CO₂ emissions that would be produced by

the plant. But making such coexistence or symbiosis a reality would require an openness, will, and commitment between the stakeholders that has to date been strikingly absent. In addition, the response to our proposal by those favoring the present drive towards a replacement gas plant, was decidedly negative.

It is also true that the Jacobs Study pointed out that reuse of the site for a gas plant has substantial economic and technical challenges. The recent attempt by State Representative John Keenan to favor a gas plant at the site by amending the Energy Bill to allow for long-term contracts by gas plants replacing coal/oil plants with ratepayers guaranteeing against price fluctuations is certainly indicative of the problematic nature of such a reuse. If a gas plant needs a ratepayer subsidy to make it economically feasible, why should we consider the gas plant option sustainable?

Fortunately our community has a substantial and real alternative path. If the reuse of the site as a gas-diesel plant is not determined to be economically and technically feasible there's another option. As the existence of our entrepreneurial group demonstrates, the present day market forces support other buyers who are committed to implementing a 21st Century reuse that does not depend on the coal plant being replaced by another fossil fuel power station.

Seeing The Possibilities

We are ready to make this dream Salem and the region's reality. We are not afraid to subject our vision to public and governmental scrutiny and evaluation. We have been introducing to federal and state officials our concept and have been and will continue to meet with any group of interested citizens and community leaders. We intend to be part of a public discussion that hopefully will open minds to the wondrous possibilities of using the site to reveal the secrets of the sea. In this way, our community might yet see what life could be like beyond the power plant.