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Vt. man with Shumlin ties at center of controversy

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The Associated Press

MONTPELIER — A renewable energy entrepreneur and major donor to Democratic gubernatorial candidate Peter Shumlin got \$4.3 million in tax credits from the state's Clean Energy Development Fund after serving on the fund's board, a position to which Shumlin appointed him, according to documents and officials.

Shumlin wrote to David Blittersdorf on July 8 asking him to resign from the board after complaints that Blittersdorf's serving on the panel while applying for money from it was a conflict of interest.

"While I know that you have recused yourself from any discussion regarding tax credits that your company might benefit from, I am concerned that your continued service on the board may make it difficult for the board to have active members who can participate in the important decisions that need to be made," Shumlin wrote, according to a copy of his letter released by his campaign.

Shumlin had appointed Blittersdorf to the board last year, one of three appointments he was allowed to make as president pro tem of the Vermont Senate. Meanwhile, campaign finance filings at the secretary of state's office show that Blittersdorf had donated the legal maximum of \$2,000 to Shumlin's campaign, as have two companies he operates, Earth Turbines and Earth NRG Services.

Another \$2,000 donation came from the Clean Green Vermont Alliance, a Williston-based group that Blittersdorf said he created, bringing his total contributions to Shumlin's campaign to \$8,000.

Controversy surrounding Blittersdorf's role on the board was first detailed Wednesday in a story in the Rutland Herald and Barre-Montpelier Times Argus. Blittersdorf then appeared on the Mark Johnson Show, a radio-talk show on Waterbury-based WDEV on Wednesday. Blittersdorf's chief accuser, Tom Evslyn, the state's chief technology officer and a member of the CEDF board, was on the same show Thursday.

On Friday, Shumlin declined to comment about his relationship with Blittersdorf, referring questions to his campaign manager, Alexandra MacLean, who furnished the copy of his letter.

"As soon as Peter understood that there could be even a perceived conflict of interest, he requested David Blittersdorf to resign from the board," MacLean said. Shumlin chose him because of his success and expertise in the renewable energy field, she added.

She said the controversy was being pushed by supporters of the Republican gubernatorial nominee, Lt. Gov. Brian Dubie.

Evslin, a top aide to Gov. James Douglas, who is a strong Dubie backer, said later, "My motivation is not partisan politics at all. My interest is in good government and renewable energy."

Blittersdorf resigned from the CEDF board July 16, two days after he submitted applications for projects that the board later approved, allowing the \$4.3 million in tax credits.

Blittersdorf said in an interview that he stepped out of board meetings when matters arose in which he might have a financial stake.

"I'm just a decent public citizen helping the state do some important things," he said. "I just wanted to lend my expertise and experience to help the board and the state."

Documents released by the state Department of Public Service in response to a public records request by The Associated Press showed that there was mounting concern on the board about Blittersdorf's role.

The board's co-chairman, Sam Swanson, said he and other board members were concerned about defending its integrity about conflict allegations. Members of the panel were performing an important public service for a volunteer stipend of \$50 a month, he said.

On June 29, Swanson wrote to Blittersdorf to ask that he and Robert Dostis, the board's other co-chairman and an official at Green Mountain Power Corp., Vermont's second largest utility, not participate in a June 30 vote on how money was to be allocated from the fund.

Swanson wrote in his e-mail that he, Dostis and Andrew Perchlik, executive director of the fund, had discussed the matter and "concluded that you and Robert faced an interest conflict in the consideration of the handling of tax credits at the CEDB meeting tomorrow. We are asking that you and Robert not participate in this discussion and that you depart from the CEDB meeting when this issue is discussed and addressed."

The next day, not enough people attended the board meeting to muster the five votes needed under its bylaws to adopt a policy that the tax credits would be given on a first-come, first-served basis, a plan being pushed by Perchlik and which worked out to Blittersdorf's benefit, officials said. Blittersdorf and Dostis were then brought in to vote not on the policy decision, but on delegating the policy decision to Perchlik and Swanson, Perchlik said.

Blittersdorf acknowledged the vote to hand off the decision might be seen as tantamount to a vote to make the decision itself. "It was known to everybody that that's what Andy's (Perchlik's) idea was," he said.

Assistant Attorney General William Griffin said board members asked him for advice, and that he urged that the panel to "start from scratch" and redo the June 30 vote at a later meeting without Blittersdorf and Dostis involved.

State Treasurer Jeb Spaulding, a board member and Shumlin supporter, said he believed the

decisions the board ended up making were the best ones. Not to have stuck with the earlier announced first-come, first-served policy on the tax credits would have amounted to "changing the rules at the end of the game," he said.

He added that Blittersdorf proposed good projects and was a deserving recipient. "I think the results would have been no different if he had never been on the board," Spaulding said.
