



Stephen J. Rourke
Vice President, System Planning

September 3, 2009

Deena L. Frankel
VSPC Secretary
Vermont System Planning Committee
366 Pinnacle Ridge Road
Rutland, VT 05701

Dear Ms. Frankel:

Thank you for your letter of July 23, 2009 inviting me to meet with the Vermont System Planning Committee on September 30, 2009. I am pleased to accept that invitation and look forward to meeting with VSPC members.

Your letter sets out some proposed areas for discussion and invites suggestions and questions regarding the discussion framework proposed. As the VSPC is aware, there are currently no regulated means for regional funding of non-transmission alternatives through the ISO's federal open access transmission tariff. However, the regional planning process does provide information regarding system needs that is designed to be useful to utilities proposing regulated transmission solutions and market responses. Further, the region's wholesale power markets provide regional funding incentives for generation, imports, and demand resources, which can serve as non-transmission solutions to the extent they meet regional reliability needs. These incentives typically are derived from the energy markets, the locational Forward Reserve Market, and the Forward Capacity Market. I would, therefore, propose that I address the current regional system planning process and how non-transmission alternatives figure into that process, as well as how the markets are providing regionally funded incentives for non-transmission alternatives.

Further, your letter notes my time with the VSPC is intended to be a two-way discussion. I would be very happy to answer any questions that the VSPC might have regarding the issues identified in your letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Rourke", written over a circular scribble.

Stephen J. Rourke
Vice President, System Planning

cc: Gordon van Welie, ISO New England
James Volz, Vermont Public Service Board Chairman
Anne George, ISO New England
Dean LaForest, VELCO