



TOWNS TAKE NOTE: NEW APPROACH TO ELECTRIC SYSTEM PLANNING IN VERMONT

PUBLIC INPUT, CONSIDERATION OF ALTERNATIVES EMBRACED

The planning process for electric system reliability was radically reformed in the past year by the Vermont Public Service Board to increase openness and transparency, and to ensure that alternatives to building new transmission lines get full consideration. The vehicle of that change is a new committee, the Vermont System Planning Committee (VSPC), along with major changes in the way utilities do public outreach for transmission proposals.

The highly controversial Northwest Vermont Reliability Project, a 63-mile transmission upgrade from West Rutland to South Burlington, was the first major electric transmission project undertaken in Vermont in 30 years. In approving the project, the Public Service Board reluctantly concluded that the need was compelling, but that timely consideration of alternatives might have delayed or avoided the massive project. The Board ordered VELCO, Vermont's electric transmission company, to develop a way of planning for electric system reliability that would ensure "full, fair and timely consideration of cost-effective non-transmission alternatives."

In 2007 the Public Service Board approved a new, collaboratively designed pro-

cess for electric system planning. The cornerstone of this new process is the aforementioned VSPC. The Committee's voting members include all of Vermont's electric distribution utilities and VELCO, plus three public members, appointed by the Board to represent residential customers, commercial customers and the environmental community, respectively. Non-voting seats are held by the Department of Public Service, the statewide energy efficiency utility, and the entity appointed to foster the development of renewable energy contracts (called the SPEED Facilitator). The group meets quarterly to review utilities' analyses, planning and cost allocation proposals to resolve reliability deficiencies identified by the utilities and VELCO.

In addition, VELCO must now publish a 20-year plan, updated every three years, that identifies where load growth will require transmission upgrades, new generation or increased efficiency. Two public input processes are required as the plan is developed:

Review and recommendations by the VSPC.

Outreach to the public, including planning commissions, towns, and other key


stakeholders. This public outreach approach encourages early involvement when public concerns and recommendations can better inform decision-making on alternatives.

This new process has fundamentally changed the very nature of public input on electric reliability. A set of principles, designed to ensure broad and effective public participation and information, is binding upon the state's utilities. The changes are evident in recent, post-Northwest Vermont Reliability Project proposals that have gone through regulatory review, such as the Southern Loop (Southern Vermont) and East Avenue (Burlington area). In these cases, public engagement happened early and in depth, and resulted in changes to the projects' designs based on input received in the outreach process.

VELCO's first 20-year plan under this new process is due July 1, 2009. Public outreach for the draft will be conducted from March 1 through May 31, 2009, providing an opportunity for towns and regions to understand and potentially influence the future of the electric system in their areas.


The VSPC has a Web site designed to open every aspect of the new process to

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ELECTRIC SYSTEM -

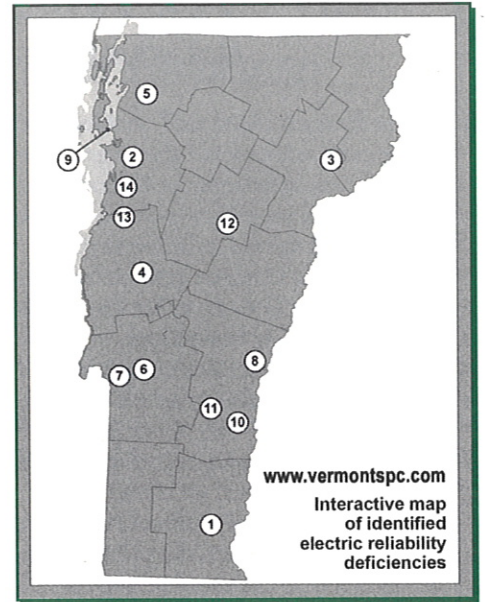
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public scrutiny and to enable the public to follow where reliability problems are projected to occur. The home page includes an interactive state map of reliability deficiencies thus far identified around Vermont. The address is www.vermontspc.com.

The VSPC will also have a booth at the VLCT Town Fair in October to continue its outreach to local government, laying the foundation for public involvement in the 2009 long-range plan. Please plan on visiting us at Town Fair on October 2.

For more information, contact Deena Frankel at dfrankel@velco.com.

- Deena Frankel, Vermont System Planning Committee Facilitator, VELCO



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A ROLE FOR TOWNS IN TRANSMISSION PLANNING

In March, April and May, 2009, VELCO must turn to Vermonters for their input on the Long-Range Transmission Plan. This is an opportunity for town and regional planners, local energy committees, and other interested local government stakeholders to have a say on how to address areas of identified transmission capacity and reliability deficiencies that will need to be remedied by construction of new transmission lines or other alternatives.

VELCO will distribute the draft plan to all planners, selectboards and local energy committees. Any other town representatives or citizens may request to be placed on the mailing list to receive the plan by emailing dfrankel@velco.com. Public meetings around the state will be publicized in March, April and May to solicit the involvement of all interested persons. The process will also include opportunities for written comment on paper and electronically.