

V S P C

VERMONT SYSTEM PLANNING COMMITTEE

October 16th, 2007

Location: Burlington Electric Department

Outline

- Overview of VSPC
 - Membership, voting and public participation
 - Roles of participants
 - Annual report to the Board and timelines
 - Obligations per MOU
 - Activities per attachment F (Transition plan)
 - Creation of 2009 transmission plan
- Discussion of VSPC and Planning Issues
 - Voting
 - Rules of procedure, document management
 - NTA screening, generation costs in Vermont
 - Load zones, load forecast, DSM forecast
 - Project list in 2006 long range plan
 - Future meetings

Primary Objectives of MOU

- Sufficient advance planning
 - 20-year analysis
- Full, fair, and timely consideration of cost-effective non-transmission alternatives (NTA)
 - NTA analyses at various points in the process
- Public participation
 - The public is involved through the VSPC and public meetings at various points in the process
- Better coordination among utilities
 - VSPC includes VELCO, distribution utilities (DU), the Department of Public Service (DPS), the Energy Efficiency Utility (EEU), in addition to representatives of the public (residential, commercial and industrial, environmental)

VSPC Membership

- Voting members
 - One representative of each utility, and three public members
- Non-voting members
 - The EEU, the DPS, and the Sustainably Priced Energy Enterprise Development Facilitator
- Proposals for allocating costs of per diem and travel expenses of public members were filed by July 2007
- Costs of the DPS and experts assisting the DPS are eligible for cost allocation as defined in MOU
- VSPC and sub-committee meetings are open to the public

VSPC

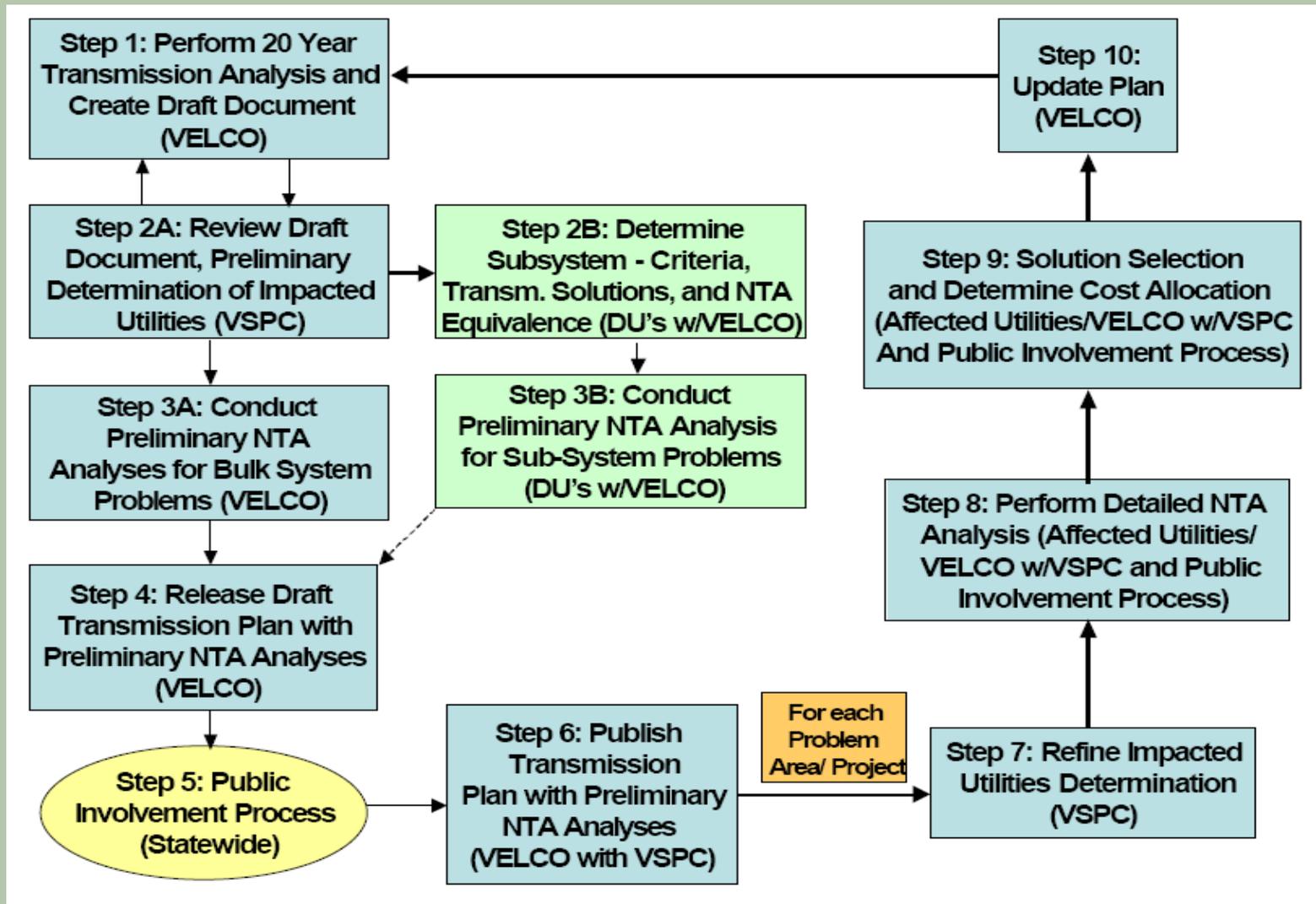
Voting at the VSPC

- Five sectors, each with equal weight
 - Public members
 - VELCO
 - CVPS, GMP, and VEC
 - BED, Vermont Marble, and WEC
 - Other DUs
- Voting is binding and is needed when:
 - Adopting rules (4 out of 5)
 - Determining whether to conduct an executive session
 - There is disagreement on
 - The categorization of the system deficiency (bulk vs. subsystem)
 - The identification of a lead DU to conduct a NTA analysis
- Non-binding vote may be needed to select a solution
- Minutes should summarize event and attach vote tally

VSPC Administration

- Rules of procedure to be filed with the Board by March 2008
 - As defined in MOU
 - Adoption of rules of procedure requires a vote
- VSPC records and documents are open to the public, except when they meet exemptions listed in title 1 of the Vt Statutes
 - Need to file with the Board a proposed protocol for document management by March 2008
- Meeting agenda of the 1st VSPC meeting needs to include
 - Frequency and location of future meetings, provisions for publishing meeting notices and other materials, and the development of rules of procedure
- VSPC website needed to post meeting info (time, place, agenda, and minutes of meetings, and other materials)
 - Links to VSPC website shall be maintained on the website of the PSB, DPS, DUS, VELCO, and VELCO's OASIS
 - VSPC website is at <http://www.vermontspc.com/>

The New Planning Process



Roles Within VSPC

- VELCO
 - Schedule meetings, prepare agendas, minutes, reports, create and maintain a VSPC website, and perform other administrative tasks
 - Facilitate VSPC meetings and public involvement process
 - Perform T&D planning analyses, create, publish and update 20-yr plan
 - Conduct preliminary NTA analyses for bulk system, and determine NTA equivalence
- DUs
 - Perform sub-system planning analyses
 - Determine sub-system criteria, solutions, and NTA equivalence
 - Conduct preliminary NTA analyses for sub-system
- EEU
 - Prepare 20-yr DSM forecast
- VSPC – All
 - Review draft transmission plan and preliminary determination of impacted utilities
 - Refine impacted utilities determination
 - Participate in performance of detailed NTA analyses, solution selection, and determination of cost allocation

VSPC report to the Board

- Report to the Board and the DPS annually starting on January 15, 2008
 - A report on each reliability deficiency (Steps 1-6)
 - Status of NTA analysis for each reliability deficiency
 - Status of decision-making on selection of alternatives
 - Status of decision-making on cost allocation of alternatives
 - Strategy for implementing the selected alternative
 - Status of implementation of the alternative(s)
 - Documentation pursuant to paragraph 86, relating to advisory votes within the preceding calendar year
 - Dates and locations of all meetings in past year

VSPC Activities Per Attachment F

- Review, as 1st priority, the other projects listed in 2006 Plan, and file with the Board a priority list for completing steps 7-9 for those projects
- Review, update and confirm generation cost data in Vermont differentiated by technology
- Sponsor a statewide DSM potential study
- Define Vermont area load zones, and define how the 2008 forecast should be performed
- By 7/1/2010, perform steps 3 and 7-9 for many sub-areas noted in Attachment F2

VSPC

Rules of Procedure

Within nine months of the date of this Order, the VSPC shall submit its rules of procedure as an informational filing to the Board. The VSPC shall provide to each VSPC participant and all Parties to this Docket notice and a copy of the rules at the time they are filed with the Board. See MOU ¶ 80.

Preliminary NTA Screening Tool

By December 31, 2007, or within 12 months of Board approval of this MOU, whichever is later, the VSPC will make a compliance filing that includes the screening tool to be used under MOU paragraph 21 (Step 3A – Preliminary NTA Analysis for Bulk System and Predominantly Bulk System.) This filing also may propose the use of the same screening tool for Preliminary NTA Analysis under this paragraph and MOU paragraph 25 (*Step 3B – Preliminary NTA Analysis for Subsystem Problems*). The DUs and DPS agree to work with VELCO in good faith in the development of this tool, which may be updated from time to time. The VSPC shall file any updates to the screening tool as compliance filings with the Board. In the event of dispute concerning the screening tool, a Party may request that the Board resolve the dispute after notice and opportunity for hearing. See MOU ¶ 21

Protocol for Management of Confidential Information

Within nine months of Board approval of this MOU, the VSPC shall submit, as an informational filing to the Board, a proposed protocol regarding management of information subject to the exemptions at 1 V.S.A. § 317(c), including but not limited to nondisclosure by the VSPC of information subject to Federal Critical Energy Infrastructure Information regulations that is discussed or disclosed to the VSPC. See MOU ¶ 78.

Transition Plan (Attachment F)

Affected Utilities agree to undertake the following activities by July 1, 2010:

- 1) VSPC to sponsor, via an RFP, a statewide DSM potential study (including efficiency measures & CHP/customer sited generation) broken down by select area load zones within Vermont. This would either be new or a revision to that done for the DPS. The study results would be used in both the preliminary and detailed NTA analyses.

Transition Plan Continued

- 2) VSPC to review, update and confirm generation cost data differentiated by technology with Vermont implementation costs. If appropriate, this could be a revision to work previously completed for VELCO and DU Distributed Resource Planning studies.
- 3) VSPC to define Vermont area load zones to support bulk and subsystem studies; they would also define how the 2008 load forecast should be performed by these defined area load zones.

Transition Plan Continued

- 4) By July 1, 2010, Affected Utilities will undertake any activities related to steps 3 and 7-9 of the MOU to which this document is attached for the Southern Loop Study Area that have not already been undertaken, and Steps 3 and 7-9 of that MOU for the St.Albans/Fairfax/Georgia Middlebury and Rutland/Central study areas and the potential upgrade of the New Haven to Williston 115 kV line (as shown on the following chart).

Transition Plan Continued

- 5) The VSPC, once established, will as an initial priority review the remainder of the projects listed in VELCO's July 2006 Long Range Plan and develop and file with the Board, on an informational basis, a priority list, in accordance with the MOU to which this document is attached, pertaining to the dates for completion of the activities required by Steps 7-9 of that MOU. Such dates may or may not be prior to July 1, 2010.

Review Activities for 2009 Plan

- Load forecast
 - Out to 2029 by sub-area as defined in MOU
 - DSM forecast by sub-area out to 2029
- Model generation additions and retirements
- Update transmission and sub-transmission network model
- Perform 10-yr and 20-yr planning analyses
 - For transmission and sub-transmission systems
- Apply new planning process
- Need to start now for July 2009 completion (Step 6)

Timelines

- 1/15/2008 – File annual report with PSB
- 3/20/2008 – File rules of procedure and protocol of document management with PSB
- 5/1/2008 – EEU to file estimates of 20-yr DSM savings with PSB
- 6/20/2008 – File screening tool for evaluating NTA with PSB
- 7/1/2009 – Complete the next transmission plan (Act 61)
- 7/1/2009 – Evaluate new planning process – file report by 12/31/2009
- 7/1/2010 – Complete activities under steps 3 and 7—9 for transition plan, Attachment F of the MOU

Discussion of Voting Rules

- Alternates
 - Same rights as member, when member is absent
- Replacement of member or alternate
 - By written notice from member to VELCO at or prior to meeting
- Quorum
 - For VSPC: More than 50% of the sectors
 - For a sector: The lesser of three (3) members or more than 50% of the members
- Voting by proxy
 - Proxy, written and dated not more than 1 year prior to meeting, delivered by member or alternate at or prior to meeting at which vote is to be cast
 - Proxy may be revoked in writing by member or alternate

Discussion of Voting Rules (continued)

- Number of votes needed for a motion to pass
 - 4 out of 5 sectors for adoption of rules of procedure
 - 3 out of 5 sectors for all others
- Alternative approach in the event of a tie vote of VSPC
 - Calculate the percentage of the FOR votes across the entire VSPC, e.g. 80% FOR in case of rules of procedure, and 60% FOR in case other votes
 - Benefit – allows a tie within an individual sector and VSPC
- In the absence of a quorum within a sector
 - That sector cannot vote
 - That sector's percentage is re-allocated to the other sectors
- Other discussions?

Proposed Sub-committees

- Bylaws
 - Voting, rules of procedure, document management
- Non-transmission alternatives
 - NTA screening, DSM forecast, generation costs
- Load forecast
- Technical
 - Detailed T&D planning

Consideration for NTA Screening

- Preliminary screening
 - Appropriate solution
 - Redundancy
 - Exposure to system concern
 - Amount of relief available
- Detailed analysis
 - Cost
 - Equivalence to T&D performance and longevity
 - Implementation

Forecasts

- DSM forecast
 - Proposal to utilize available data from Southern Loop analysis and from EEU analysis for DPS
- Generation forecast
 - Generation in the ISO queue, or successful FCM bid
- Load forecast
 - VELCO to hire a consultant
 - Load zones to be fewer than electrical sub-areas

Other Issues

- Review the project list in the 2006 long range plan
- Per diem and travel expense reimbursement
- Provisions for distributing materials
 - Posted on VSPC website prior to meeting
 - Email of smaller documents prior to meeting
- Minutes
 - Comments prior to and approval at the next VSPC meeting
- Notice of VSPC meetings
 - Posted on VSPC website and email to member list
- Need to notify VELCO of one's plan to attend meeting
- Future meetings