

VERMONT SYSTEM PLANNING COMMITTEE

MEETING MINUTES DECEMBER 8, 2010, 9:30 AM DOUBLE TREE, BURLINGTON

A regular meeting of the Vermont System Planning Committee (VSPC) was held on December 8, 2010, at the Holiday Inn, Rutland, Vermont. Deena Frankel called the meeting to order at 9:30 a.m.

Ms. Frankel presented the minutes of the September 8, 2010, meeting for approval. Richard Suitor moved and Harry Abendroth seconded approval of the minutes of the September meeting, which were approved without objection.

Introductions

Participating members introduced themselves. A list of attendees by sector appears on page 5 of these minutes.

Subcommittee reports

Energy Efficiency & Forecasting (EE&F)

T.J. Poor, chairperson, introduced Patricia Richards and John Athas of La Capra Associates. La Capra Associates performed the [Vermont Combined Heat and Power \(CHP\) and Customer Sited Generation \(CSG\) Potential Study](#) (the Study) on behalf of the VSPC under the terms of the Docket No. 7081 MOU. Members of the EE&F committee provided oversight to the Study. A detailed presentation was provided to the EE&F Subcommittee last month. EE&F and several VSPC members have reviewed the Study in depth, and EE&F is recommending that the VSPC adopt the Study.

La Capra's presentation included: introduction of the Project Team; study scope and objectives; study approach; results; and study conclusions.¹ Participants discussed the study in detail throughout the presentation.

MOTION FOR ACCEPTANCE OF THE VERMONT CHP AND CSG POTENTIAL STUDY PERFORMED BY LA CAPRA ASSOCIATES. Mr. Suitor moved and Mr. Abendroth seconded. The Motion was approved unanimously.

Mr. Poor reported that, in addition to the study presented by La Capra, a subgroup of EE&F has been managing the budget-unconstrained energy efficiency study by the Vermont Energy Investment Corporation (VEIC). VEIC is presenting the results of that study during the week of December 8, 2010. VSPC participants will have an opportunity to comment and the study will be presented to the full VSPC at the March meeting.

Efforts continue on the coordination of load forecasts. Efficiency Vermont and ITRON have been working together on coordinating those forecasts. Mr. Poor expressed appreciation to members who assisted in providing information to DPS's consultants. ITRON will present those results at the EE&F meeting to be held December 20, 2010. On November 5 the committee met to discuss the geo-targeting area selection process. The decision of whether or not to continue geo-targeting is a part of the current discussion of the EEU budget. Interested members are invited to attend the December 13 presentation of the study results.

Ad Hoc Process Reform Group

Ms. Frankel acknowledged members working on the Ad Hoc Process Reform Group: Steve Litkovitz, Jenny Cole, Richard Suitor, David Mullett, Hantz Pr sum , Dave Lamont, and Bruce Bentley. The charge to the group was to

¹ A copy of the presentation can be found on the VSPC website at: <http://bit.ly/hQcrj5>.

develop concepts for changes to the process established in Docket 7081 that improve coordination and communication with the regional regulatory requirements at ISO-NE and provide a more nimble means of updating stakeholders about reliability issues and potential transmission system upgrades. At the same time, the changes maintain and strengthen the original purpose of “full, fair and timely consideration of cost-effective non-transmission alternatives.”

The group recognized that the Docket 7081 process is out of sync with the realities of the regional planning process. For example, FERC gave ISO-NE responsibility for the regional planning in 2003; however, it did not have the staffing necessary to perform these duties and relied on VELCO’s planning staff. ISO-NE has now fully taken over regionally planning. The VT/NH needs assessment, which governs bulk system reliability, will be adopted in early 2011. VELCO is required by statute and the Docket 7081 MOU, to perform a similar analysis every three years. The next long range plan is due in 2012 and VELCO will be performing some of the same analysis completed by ISO-NE. However, the scope of work is not exactly the same. For instance, VELCO performs a subsystem analysis not done by ISO-NE.

The current processes lead to a deficiency-by-deficiency focus rather than at looking at groups of issues. NTAs are more likely to be viable if reviewed in a broader context. The goal of the VSPC is to ensure full, fair and timely consideration of non-transmission alternatives. The current process does not give NTAs a fair opportunity for consideration. The group is suggesting that participants acknowledge ISO-NE’s planning role and coordinate the 7081 process and the timing of Vermont’s long range plan accordingly. It may be necessary to modify the MOU and the statutory requirements contained in 30 V.S.A. § 218c. Mr. Poor added that if any changes were made to VSPC processes, consideration should be given to the forecasting done at the Department. Ms. Frankel reported the group recommend the following next steps: (a) VELCO will review 30 V.S.A. § 218c to recommend whether it believes revisions are needed; (b) the Ad Hoc Process Reform Group will complete a review of the MOU and draft recommended changes; and (c) Ms. Frankel will contact the Docket 7081 parties to inform them of the groups observations and recommendations. A meeting will be held in February to discuss MOU amendment recommendations with a full VSPC discussion to be held at the March meeting.

MOTION FOR APPROVAL OF THE RECOMMENDATIONS AND WORK PLAN OF THE AD HOC PROCESS REFORM GROUP; Mr. Pr sum  moved and Terry Cecchini seconded. The Motion was approved unanimously.

Regional Update

Mr. Pr sum  provided an update on ISO-NE’s VT/NH Needs Assessment. The study is being conducted with the assumption of Vermont Yankee (VY) retired, and discussions are underway on how to address potential reliability issues. The scope of the study was circulated to ISO-NE’s Planning Advisory Committee (PAC) for review and comment. VELCO provided comments which were incorporated into the scope. ISO-NE anticipates that the study will be completed in early 2011. Mr. Pr sum  provided an overview of the study assumptions. The key differences of the VT-NH study compared to VELCO’s 2009 Long Range Plan are that the ISO-NE study is of a broader scope, including New Hampshire and Massachusetts concerns; it uses more severe study assumptions; and it considers a much larger number of scenarios than the 2009 Vermont study. At the November Participant Advisory Committee meeting, ISO-NE explained the methodology it will use to conduct an analysis of where non-transmission alternatives could help address deficiencies identified in the VT/NH study. VELCO continues to engage ISO-NE on the issue of financial support for NTAs as a reliability solution. VELCO will work with others, including Vermont distribution companies, to find potential solutions, and will continue to advocate for NTAs to solve reliability problems.

Participants were interested in further discussion regarding the study approach used by ISO-NE, the solution selection process and obligations of utilities to implement the solutions. The group decided to have the Technical Coordinating Committee consider next steps on this issue and present a proposal on how to advance these discussions at the March meeting.

Generation Subcommittee

James Gibbons, chairperson, presented the recommended changes to the Generation Subcommittee charter. The original charter focused on maintaining databases of viable generation options and making generation assumptions on a case-by-case basis. The Subcommittee determined that maintaining generic databases was not a good use of the committee time. The Subcommittee will review generation assumptions in NTAs and transmission plans upon request. The Generation Subcommittee is a resource to be used by the VSPC.

MOTION TO ADOPT PROPOSED CHARTER CHANGES FROM THE GENERATION SUBCOMMITTEE. Mr. Bentley moved and Munir Kasti seconded. The Motion was approved unanimously.

Procedures Subcommittee

Kimberly Pritchard provided an update on VELCO's request that the PSB convene a workshop to discuss the identification, handling and protection of CEII. The PSB responded by scheduling a workshop on October 28, 2010. The workshop was well attended by members of the DPS and PSB together with several distribution utilities. A second workshop was held on November 29 to discuss definitions and possible procedures or rules the PSB could implement for the protection and handling of CEII. The workshop concluded with a plan to review a typical Section 248 filing to see potential CEII implications. A third workshop is scheduled for February 17, 2011. VELCO agreed to prepare a hypothetical 248 filing for circulation prior to the third workshop. CVPS will provide an averment log for that same filing and the DPS will draft a form of protective agreement.

Ms. Pritchard reminded participants of the need to execute the VSPC Confidentiality Agreement previously approved. It will be circulated to members to execute and return to her at VELCO.

Public Participation Subcommittee

Jenny Cole, chairperson, introduced guests Hervey Scudder and Thomas Finnell. George Twigg has joined the Public Participation Subcommittee. Recruitment efforts continue. At the last meeting the group discussed recent news articles and regional topics and recognized the VY issue as a matter of interest. Redesign of the website is underway.

Technical Coordination Subcommittee

Ms. Frankel, chairperson, reported that the annual report is due January 15, 2011. Ms. Frankel proposed a schedule in order to meet the January 15 deadline. A draft will be circulated to the VSPC on January 4 and a conference call will be held on January 11 in order to obtain any comments to the draft. A revised draft will be circulated by January 13, and a second conference call will be held on January 14 to approve the annual report.

Transmission Subcommittee

Transmission Subcommittee had not met.

Project Updates

Kingdom Community Wind (KCW)

Steve Litkovitz provided an update on the KCW project. The proposed project consists of 21 three-kilowatt turbines to be constructed in Lowell, Vermont, along a three-mile corridor requiring about 17 miles of subtransmission upgrades. Twenty parties and over 50 witnesses have filed testimony. Technical hearings have been scheduled for February and petitioners hope that a PSB order will be issued in March.

Jay Area Reliability Project (VEC)

Mr. Abendroth reported on the Jay Area Reliability Project. VELCO has done an extensive study of the 46 kV system, concluding that several projects are needed. VEC has identified the first project, consisting of a 115 kV substation to be built by VELCO. La Capra will be performing the NTA feasibility study. At this time it appears that NTAs would not be feasible. A CPG filing for this substation will be filed in January with an anticipated in service date of 2012.

Weybridge/Middlebury Project

Kim Jones reported that the CPG was received in August and the project is underway. The work on the New Haven–Weybridge line will be completed by the end of 2010. The next portion of work, consisting of adding breakers to the New Haven Substation, will be completed in 2011.

St. Albans

Ms. Jones reported that a meeting to review the NTA will be scheduled. CVPS anticipates moving forward with the public outreach process in 2011, filing of the CPG in 2012 and constructing in 2013.

North Rutland/Cold River

Ms. Jones reported that CVPS and VELCO met in November and decided to expand the study horizon from 10 years to 20 years. Historically the companies have used a 10 year study horizon. They are in the process of confirming the least cost solution. Two NTAs have been reviewed for this area. The NTA review is also being expanded to 20 years and one of the NTAs takes into consideration CVPS's acquisition of Vermont Marble facilities.

Georgia, Ascutney, & Bennington Substation

Mr. Pr sum  reported that these projects are being studied at the same time. A Transmission analysis has been conducted, and these projects were recently approved by ISO-NE. A "back-of-the-envelope" NTA analysis will be provided within the next few weeks.

Hartford & Ascutney Transformer

Mr. Pr sum  reported that these project will be addressed as part of the next long range plan.

Newport Capacitor Bank

Mr. Pr sum  reported that the project is being coordinated with the Jay analysis. If additional capacitors are added to the VEC system this Newport capacitor could be postponed.

Queen City, Blissville & Ascutney Capacitor Banks

Mr. Pr sum  reported that additional transmission analysis determined these projects are not needed immediately.

West Rutland Capacitor Bank

Mr. Pr sum  reported that the West Rutland capacitors are needed. The NTA screening has been performed and approval has been received from ISO-NE. The proposed schedule is to have them in service in 2012.

Reactors

Mr. Pr sum  reported that the transmission analysis has been completed. The current plan is to install reactors at Coolidge and Vernon. The NTA analysis screened these projects out. Installation of these reactors is scheduled for 2012.

Economic Projects

Mr. Pr sum  indicated that he had nothing to report.

OTHER BUSINESS

There was no other business to report.

Adjournment

The meeting was adjourned at approximately 3:30 p.m.

Next Meeting: Quarterly Meeting to be held on March 9, 2011, at the Langevin House at Vermont Technical College, Randolph, Vermont, at 9:30 a.m.

ATTENDANCE

*Indicates voting member at this meeting

**Indicates Alternate

Public Sector

*Jenny Cole, Public Member- Residential

Transmission Utility (VELCO)

*Hantz Pr sum , VELCO

Scott Harding, VELCO

Distribution Utilities Providing Transmission (CVPS, GMP, VEC)

**Terry Cecchini, GMP

Steve Litkovitz, GMP

*Dough Smith, GMP

*Bruce Bentley, CVPS

**Kim Jones, CVPS

*Harry Abendroth, VEC

Morris Silver, CVPS (via telephone)

Large Transmission-Dependent Distribution Utilities (BED, Vermont Marble, WEC)

*Munir Kastl, BED

James Gibbons, BED

Transmission Dependent Distribution Utilities (Municipals)

*Richard Sutor, Village of Northfield Electric

Proxy for Village of Enosburg Falls

Proxy for Village of Swanton

Proxy for Village of Stowe

Proxy for Village of Johnson

Proxy for Village of Ludlow Electric

Non-Voting Members

George Nagle, DPS

Walter Poor, DPS

Dave Lamont, DPS

George Twigg, VEIC

Hans Mertens

Allan St. Peter, DPS (via telephone)

Staff

Deena Frankel, VELCO

Kimberly Pritchard, VELCO

Guests

Patricia Smith, La Capra Associates

John Athas, , La Capra Associates (via telephone)

Thomas Finnel

Hervey Scudder