

VERMONT SYSTEM PLANNING COMMITTEE

MEETING MINUTES FEBRUARY 13, 2012 CONFERENCE CALL

A special meeting of the Vermont System Planning Committee (VSPC) was held via conference call, February 13, 2012. Deena Frankel called the meeting to order at 9:30 a.m.

Introductions

Participants introduced themselves. A list of attendees by sector appears on page 4 of these minutes.

Subcommittee reports

Ad Hoc Process Reform Group

Ms. Deena Frankel reported that the PSB issued an order modifying and approving the amendments to Docket 7081 Memorandum of Understanding (MOU). The order contained four modifications as explained by Ms. Frankel. The first modification clarifies that VELCO remains responsible for the Vermont system planning. The second modification retains the requirement that VELCO identify the Lead DU in long-range plan updates. VELCO agrees that identification of the Lead Distribution Utility (DU) is necessary to the process and this requirement should not be eliminated. The PSB requested clarification on this issue. The third modification declines designating the SPEED Facilitator as a voting VSPC member. The SPEED Facilitator is currently under contract with the PSB and therefore, does not function independently of the Board. Ms. Frankel will reach out to John Spencer to express the importance of his continued participation in the VSPC. The fourth modification clarifies that a natural gas efficiency entity would not be included as a voting participant to the VSPC. Ms. Frankel recommends that this be discussed further at the March meeting.

Ms. Frankel added that the PSB is also seeking clarification of the VSPC's proposal of self-reporting contained in the amendment to paragraph 51. The VSPC intends for the members conducting or overseeing the NTA analysis to provide regular updates to the full VSPC. This is expected to be done in the same manner as members providing project updates or committee reports. The PSB has requested that this clarification be provided to the PSB by April 30, 2012. VELCO will prepare a letter to the PSB responding to its requests for clarification.

Next, Mr. Hopkins reported on behalf of the Ad Hoc Process Reform Group which was charged in December with reviewing the committee structure of the VSPC and the refinement of the NTA screening tool.¹ The Group has met twice since the December meeting to brainstorm on what's working within the VSPC, relationships with FERC, NERC and ISO-NE, and other factors impacting the VSPC that weren't envisioned in the original MOU. The PSB order imposed a requirement for updating the NTA screening tool by July 30, 2012. If the tool is not revised "despite good-faith efforts," a status report and estimate of filing date is due to the PSB by July 30, 2012. The Group recommends that the NTA Screening Tool Subcommittee meet to work on revisions to the screening tool.

MOTION TO RECONSTITUTE THE NTA SCREENING TOOL SUBCOMMITTEE, WITH BRUCE BENTLEY AS CHAIR, TO DEVELOP PROPOSED REVISIONS (INCLUDING DEFINITIONS OF "IMPRACTICABLE" AND "UNECONOMIC") FOR VSPC

¹ Members agreeing to participate in the NTA Screening Tool Subcommittee are Bruce Bentley, Ken Nolan, Steve Litkovitz, Hervey Scudder, Paul Renaud, Clayton Bailey and a VEIC representative.

CONSIDERATION AT ITS JUNE MEETING. Mr. Litkovitz moved and Mr. Pr sum  seconded. The motion passed unanimously.

Old Business

2012 Long-Range Plan (the Plan)

Ms. Frankel highlighted two critical pieces of the long-range planning process: (1) the 60-day window for the VSPC to formally provide input on the Plan; and (2) the public communication of the Plan. The VSPC comment period ends at the end of March, but if possible, Ms. Frankel would like to have all VSPC comments by the March 14 quarterly meeting.

Next, Mr. Pr sum  reported that some comments have already been received and are being incorporated into the Plan. Substantial effort is being made to keep the Plan from being too technical. Mr. Cecchini commented that the detail is very good and it is evident that a lot of work has gone into developing the Plan. Mr. Pr sum  then provided an overview of the planning process, study assumptions, local resources, transmission results, and generation as a potential solution to reliability concerns. VELCO uses ISO-NE's 10-year study and supplements this study to meet Vermont's planning requirements. The Plan provides a more refined picture of Vermont's needs and the information necessary to perform an NTA analysis. Mr. Pr sum  provided an overview of the Docket 7081 requirements. Planners stressed the transmission system by modeling it with significant generation resources turned off. Vermont Yankee was modeled both in service and retired. ISO-NE's historical data on wind generation was used. ISO-NE doesn't have much information on solar plants at this time but expects there will be useful data for the next planning cycle. Mr. Pr sum  emphasized the importance of using reasonable assumptions. VELCO is working with ISO-NE to understand differences in projected load forecasts and other planning assumptions. For instance, ISO-NE looks at the tie lines quite differently. Mr. Pr sum  indicated that progress is being made in these areas and efforts will continue to reduce the gaps between these assumptions. VELCO is also incorporating demand response in a new way driven by FERC-mandated changes in the way DR is dispatched. Ms. Jones recommended adding a bullet in the Plan depicting demand response as a considered factor.

A required component of the Plan update is to identify the performance criteria that an NTA would need to meet for equivalency to a transmission solution. To meet this new requirement, a map showing the relative benefit of non-transmission resources based on location was added to the Plan. It is included to encourage NTA development in locations most like to help avoid transmission upgrades. It also shows those areas of the system where additional generation would be detrimental to the system.

Mr. Pr sum  explained that the transmission results were broken out into bulk system issues, system issues classified as predominantly bulk, and subsystem results. He then reviewed the bulk system reliability issues and transmission solutions. The bulk transmission results summary depicted reliability gaps in Southeast Vermont (SV), Connecticut River Valley (CRV), Central Vermont (CV) and Northwest Vermont (NV). A preliminary analysis determined that NTAs were not viable for SV and CRV. The preferred transmission solution for SV is rebuilding the Vermont portion of the Vernon to Northfield 345 kV line. The preferred transmission solution for CRV is construction of a second 115 kV line between Coolidge and Ascutney, rebuilding the Ascutney to Ascutney Tap section. Additional NTA analysis is being completed for CV and NV. Non-transmission solutions potentially may defer projects in these areas. VELCO's must designate the Lead Utility, and the Lead Utility's must complete NTA analysis. The study assumptions included VY in service and retired and varying PV20 imports and Vermont load scenarios. These factors are critical to assessing Vermont's needs. Mr. Pr sum  added that restoring imports over the PV20 would greatly benefit the system. VELCO is reaching out to ISO-NE and all affected parties to try and find a solution and is dedicating substantial resources to resolve the issue.

Next, Mr. Pr sum  reviewed the system issues classified as "predominantly bulk." The projects involve a combination of grid elements owned by distribution utilities and elements owned by VELCO. The subsystem results were then reviewed.

Ms. Frankel encouraged VSPC members to provide comments on the Long-Range Plan in advance of the March 14 quarterly meeting so that the VSPC review process can be completed at that time as the group has agreed. Ms. Frankel emphasized that the VSPC review process would only be closed then if all participants agreed and it did not create an undue burden on participants.

Adjournment

The meeting was adjourned at approximately 12:00 p.m.

Next Meeting: Quarterly Meeting to be held March 14, 2012, at the Double Tree Inn, Burlington, Vermont at 9:30 a.m.

ATTENDANCE

*Indicates voting member at this meeting

**Indicates Alternate

Public Sector

*Hervey Scudder – Residential

Transmission Utility (VELCO)

*Hantz Pr esum e, VELCO

Distribution Utilities Providing Transmission (CVPS, GMP, VEC)

*Steve Litkovitz, GMP

**Kim Jones, CVPS

Transmission Dependent Distribution Utilities (Municipals)

*David Mullett, VPPSA

Non-Voting Members

Asa Hopkins, DPS

Staff

Deena Frankel, VELCO

Kimberly Pritchard, VELCO

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

*Munir Kastl, BED (via phone)