

ACTION ITEM

None

AGENDA

1. Approval of the minutes of the June meeting
2. Subcommittee reports
 - a. Energy Efficiency & Forecasting
 - i. Update on studies
 - ii. Forecasting coordination
 - b. Generation
 - i. Status report on subcommittee charter changes
 - c. Procedures—No report
 - d. Public Participation
 - i. Recruitment efforts
 - ii. Public information releases
 - e. Technical Coordinating
 - i. Work plan for process reform discussion
 - ii. PSB order approving reimbursement change
 - iii. Scheduling of NTA screening/analysis presentations
 - f. Transmission—No report
3. Regional update (Hantz Pr sum ):
 - a. Status of ISO-NE's regional study
 - b. Other regional activities
4. Project updates. The following section includes reports for each project on the current project priority list, as well as distribution utility projects not on the current PPL. "(NTA)" indicates the need for an NTA analysis.
 - a. Jay area reliability: VEC/Harry Abendroth
 - b. Priority 2: Weybridge/Middlebury—CVPS/Kim Jones
 - c. Priority 3A: St. Albans—CVPS/Kim Jones
 - d. Priority 3B: Georgia—VELCO/Hantz Pr sum 
 - e. Priority 4: Rutland area (NTA)— CVPS/Kim Jones
 - f. Priority 6: Hartford transformer (NTA) — VELCO/Hantz Pr sum 
 - g. Priority 7: Ascutney substation—VELCO/Hantz Pr sum 
 - h. Priority 8A: Newport Capacitor (pending coordination with VEC assessment)—VELCO/Hantz Pr sum 
 - i. Priority 8B: Queen City Capacitor—VELCO/Hantz Pr sum 
 - j. Priority 8C: West Rutland Capacitor—VELCO/Hantz Pr sum 
 - k. Priority 8D: Blissville Capacitor—VELCO/Hantz Pr sum 
 - l. Priority 9: Ascutney Capacitor—VELCO/Hantz Pr sum 
 - m. Priority 10: Bennington Substation—VELCO/Hantz Pr sum 
 - n. Priority 11: reactors at transmission voltage— VELCO/Hantz Pr sum 
 - o. Priority 17: Ascutney transformer (NTA)—VELCO/Hantz Pr sum 
 - p. Economic projects under discussion regionally (Hantz Pr sum )
5. Adjournment

Next Meeting:
December 8,
Doubletree Hotel, Burlington

PROCESS REFORM INITIAL WORK PLAN

Problem statement: Since the July 1, 2009, VELCO Long-Range Transmission Plan update was, and the VSPC subsequently filed its Project Priority List, much has changed. The recession materially reduced electric demand, changing the need date for some projects. Political developments affected the assumptions in the Plan regarding Vermont Yankee. ISO-NE is now taking a greater direct role in transmission planning in areas that were previously delegated to the transmission operators. In short, many of the conclusions in the July 1, 2009, plan are no longer accurate, raising concerns among some stakeholders that the VSPC process as currently constituted may not be sufficiently nimble nor sufficiently aligned with regional planning realities.

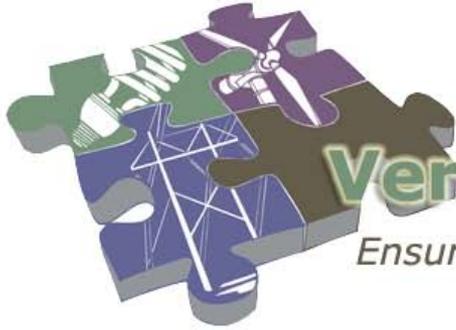
The task: Determine, with stakeholder input and the goal of a consensus approach, how to better align the Docket 7081 process with emerging changes at the regional level. The alignment effort will seek to maintain and further strengthen the ability of the process to fulfill the core goal established by the Board: “full, fair and timely consideration of cost-effective non-transmission alternatives.” At the same time, the effort will seek better coordination with regional requirements and a more nimble means of updating and reporting.

Proposed initial approach:

Jul 1-Sep 24	One-on-one interviews with Docket 7081 participants to gather insights into how to approach process reform.
Sep 8-30	Establish an ad hoc group and give them a charge to develop a straw proposal for process reform.
Oct 4-Nov 29	Ad hoc group meets to develop straw proposal. Reports back to VSPC in time for the December 8 meeting package.
Nov 29	Proposal to VSPC in preparation for December 8 meeting
Dec 8	Full VSPC review of straw proposal and development of next steps.

Questions for the September 8 VSPC meeting:

- What is the goal of the effort?
- Who will participate in the ad hoc group?
- What is the charge to the ad hoc group? How much detail is it being asked to present to the VSPC? Is it to address both substantive recommendations for change and the process that will be used to implement the change?
- What will be the role of Docket 7081 parties who are not signatories to the MOU?



Vermont System Planning Committee

Ensuring full, fair and timely consideration of non-transmission alternatives to address Vermont electric system reliability challenges.



**QUARTERLY MEETING
SEPTEMBER 8, 2010
9:30 A.M. – 4:00 P.M.
HOLIDAY INN
RUTLAND, VERMONT**

Agenda



- **Approval of the minutes of the March meeting**
- **Subcommittee reports**
 - Energy Efficiency & Forecasting
 - Generation
 - Procedures
 - Public Participation
 - Technical Coordinating
 - Transmission
- **Regional updates**
- **Project updates**

7081 Process Reform: Problem statement



- Since the July 1, 2009, VELCO Long-Range Transmission Plan update was, and the VSPC subsequently filed its Project Priority List, much has changed. The recession materially reduced electric demand, changing the need date for some projects. Political developments affected the assumptions in the Plan regarding Vermont Yankee. ISO-NE is now taking a greater direct role in transmission planning in areas that were previously delegated to the transmission operators. In short, many of the conclusions in the July 1, 2009, plan are no longer accurate, raising concerns among some stakeholders that the VSPC process as currently constituted may not be sufficiently nimble nor sufficiently aligned with regional planning realities.

The task



- Determine, with **stakeholder input** and the goal of a **consensus** approach, how to better align the Docket 7081 process with emerging changes at the regional level.
- Seek to maintain and further strengthen the ability of the process to fulfill the core goal established by the Board: “full, fair and timely consideration of cost-effective non-transmission alternatives.”
- Objectives of the realignment:
 - better coordination with regional requirements
 - a more nimble means of updating and reporting.

Proposed initial approach:



Jul 1-Sep 24	One-on-one interviews with Docket 7081 participants to gather insights into how to approach process reform.
Sep 8-30	Establish an ad hoc group and give them a charge to develop a straw proposal for process reform.
Oct 4-Nov 29	Ad hoc group meets to develop straw proposal. Reports back to VSPC in time for the December 8 meeting package.
Nov 29	Proposal to VSPC in preparation for December 8 meeting
Dec 8	Full VSPC review of straw proposal and development of next steps.

Direction to the Ad Hoc Group



- **What is the goal of the effort?**
- **Who will participate in the ad hoc group?**
- **What is the charge to the ad hoc group? How much detail is it being asked to present to the VSPC? Is it to address both substantive recommendations for change and the process that will be used to implement the change?**
- **What will be the role of Docket 7081 parties who are not signatories to the MOU?**

TIMING OF PROJECT STEPS FOR ALL IDENTIFIED RELIABILITY PROJECTS -- Updated 6/2010

Key on following page

	Year Needed *	Load MW Needed	Completed	CALENDAR QUARTERS								
				2010				2011				
				1	2	3	4	1	2	3	4	
Priority 1 : St. Johnsbury	pre 2009	400	T, N, SCI									Permitted
Priority 2 : Middlebury	pre 2009	700	T, N, SCI									Filed for 248.
Priority 3A : St. Albans	pre 2009	850	T, N, SCI									Expected to start Public Process in 2011
Priority 3B : Georgia substation	pre 2009	800			T	SCI						T complete. ISO approval process commenced.
Priority 3C : Georgia - St. Albans	pre 2018	1275	TBD									
Priority 4 : Rutland area	pre 2009	1000			T	N	SCI					
Priority 5 : Blissville - transformer	pre 2009	800	TBD**									
Priority 6 : Hartford - transformer	pre 2009	800							T	N	SCI	
Priority 7 : Ascutney substation	pre 2009	750				T	SCI					T complete. ISO approval process commenced.
Priority 8 : Newport capacitor	pre 2009	1000				T	SCI					T pending for coordination with VEC system reliability assessment.
Priority 8 : Queen City capacitor	pre 2009	<1120				T	SCI					Priority 8 under study. Operational procedure at Essex switch postpones need date for most of the capacitor banks. T analysis date pushed out to 2010 year end for completion of ISO study.
Priority 8 : West Rutland capacitor	pre 2009	<1120				T	SCI					
Priority 8 : Blissville capacitor	pre 2009	<1170				T	SCI					
Priority 9 : Ascutney capacitor	pre 2009	<1170				T	SCI					
Priority 10 : Bennington substation	pre 2009	500				T	SCI					
Priority 11 : reactors @ transmission voltage	pre 2009	400				T	SCI					T complete. ISO approval process to begin in July.

Priority 12 : Coolidge - Ascutney K-31 line	pre 2009	n/a		T	SCI		
						T	SCI: 12/31/12. Need to be determined by ISO regional study
Priority 13 : VT - Vernon Road Tap K-186 line	pre 2009	n/a		T	SCI		
						T	SCI: 12/31/12. Need to be determined by ISO regional study
Priority 14 : Vernon	2010	1185	TBD				
						T	SCI: 12/31/12. Need to be determined by ISO regional study
Priority 15 : Ascutney - Ascutney Tap K-149 line	2013	1210		T	N	SCI	
						T	SCI: 12/31/12. Need to be determined by ISO regional study
Priority 16 : Coolidge - Cold River K-32 line	2013	1210		T	N	SCI	
						T	SCI: 12/31/12. Need to be determined by ISO regional study
Priority 17 : Ascutney - transformer	2013	1210				T	N
							SCI
Priority 18 : Coolidge - transformer	2016	1245	TBD				
						T	SCI: 12/31/12. Need to be determined by ISO regional study
Priority 19 : Barre	2018	1275	TBD				
Priority 20 : Chelsea	2018	1275	TBD				
Priority 21 : Plattsburgh - Essex	Note ***	n/a	TBD				

Note * : Based upon 2008 load forecast

Note** : See VSPC annual report for discussion of operational measures to address this deficiency prior to 2012 Plan update.

Note*** : Timing may be 2016 or earlier depending upon other possible scenarios

Key:

Tan color: milestones in Project Priority List filed 2/2010

Yellow color: projects with changed milestones, 6/2010

N = Non-transmission alternative analysis (priorities with no "N" entry screened out of further NTA analysis in Long-Range Plan

S = Solution selection

C = Cost allocation

I = Implementation strategy

TBD = To Be Determined after the completion of the 2012 Long Range Transmission Plan

n/a = Not applicable

Vermont Electric Cooperative 46 kV Transmission System Reliability Study



STATUS REPORT TO VSPC
SEPTEMBER 8, 2010

VEC 46 kV Transmission System Reliability Study



- **Involves VEC 46 kV System between Highgate, Newport and Irasburg (+/- 60 miles)**
- **Transmission system analyses performed for VEC's 2008 Integrated Resource Plan (IRP) identified the need for both immediate and longer term 46 kV system improvements.**
- **Initial project - install four (4) 2.7 MVAR capacitor banks at the existing Jay Tap facility, and replace existing air-break switches w/circuit breakers (Jay Peak Switching Station). CPG issued on August 6, 2010.**
- **VEC retained VELCO/RLC Engineers for assistance in determining additional 46 kV system improvements.**

VEC 46 kV Transmission System Reliability Study



- **Key Findings for a Base Case of 2012 Load Levels & “All Lines” In Condition:**
 - Voltage violations ($\ll 0.95$ pu) on the 46kV system serving the geographic area bounded by the Towns of Richford, Newport, Island Pond and Barton (“Block Load” area)
 - Voltage violations on the VELCO 115 kV system occur with the Block Load served via Hydro Quebec or via VELCO. Worst case is winter peak load served via VELCO.
 - Thermal overload of the Newport 115/46 kV (T2) transformer with the Block on HQ (107% of the 56 MVA winter LTE rating).
 - Thermal overload of the Irasburg 115/46 kV transformer with the Block on VT (113% of the 54 MVA winter LTE rating).

VEC 46 kV Transmission System Reliability Study



Preliminary Non-Transmission Alternative (NTA) Analysis

- VEC is a signatory to the Docket 7081 Memorandum of Understanding, which requires that NTA's be carefully considered in lieu of certain transmission system investments.
- Based on the RLC Study, an NTA would have to be capable of providing not less than a 40% load reduction on a continuous basis with "all lines in" at winter peak conditions.
- The 2012 winter peak is forecast to be approximately 92 MW. Using the worst case, winter peak with the Block Load on VELCO scenario, a viable NTA must be capable of serving at least 37 MW of load in 2012 and increasing over time with future load growth.
- Based on the amount of load to be served, NTA's do not appear to be a viable option.

VEC 46 kV Transmission System Reliability Study



Ongoing study work:

- Several solution options are being studied for their ability to mitigate system deficiencies and to test their longevity.
- No one solution, by itself, mitigates all of the thermal and voltage criteria violations. Multiple projects will be needed.
- Potential solutions will involve new 115/46 kV transformation and increasing 115/46 kV transformation capacity at existing substations.
- Assess the impact of reduced operations at the Portland Pipe facility, announced since RLC began work on Study.
- Results will be presented at September 14th VSPC Meeting in Montpelier.

Future meeting schedule



- **December 8**
 - Doubletree Hotel, Burlington, 9:30-4:00
- **2011 dates**
 - March 9 – Randolph
 - June 8 – Montpelier
 - September 14 – Rutland
 - December 14 - Burlington