

# VERMONT SYSTEM PLANNING COMMITTEE

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**MEETING MINUTES  
DECEMBER 10, 2008 9:30 AM  
DOUBLE TREE HOTEL, S. BURLINGTON**

A regular meeting of the Vermont System Planning Committee (VSPC) was held on December 10, 2008, at the Holiday Inn located in Rutland, Vermont. Deena Frankel called the meeting to order at 9:35 a.m.

## INTRODUCTIONS

Members present in person and by phone introduced themselves. A list of attendees by sector appears on page 6 of these minutes.

## ACTION ITEMS

### *Process Review of 2009 VELCO Long-Range Transmission Plan Update*

Ms. Frankel reported that during Technical Coordinating meeting it became clear that there was an urgent need to clarify the review procedures regarding the review of VELCO's Long-Range Transmission Plan (LRTP). Today's meeting is the first step of the process of adoption of the LRTP. The first draft of the LRTP is what drives the process going forward. There has been a struggle to date to incorporate into the process some of the projects that predate this LRTP. It has become clear that the participants in Docket 7081 expected that the LRTP would be the first step of a regular process going forward.

Ms. Frankel presented a flowchart entitled "The New Planning Process" detailing the numerous steps involved after the LRTP is first released in draft form. This flowchart came out of a meeting of the Technical Coordinating Subcommittee. The emphasis for today's meeting is to clarify what is required during the VSPC's sixty (60) day period for input, a presentation of the LRTP, and to identify any issues members would like to address at the January 21, 2009 Special Meeting.

The Ad-Hoc Procedures Committee will continue to review the procedures surrounding the implementation of the MOU<sup>1</sup>; however, the immediate focus is on procedures regarding the review of the LRTP. The first five steps of the planning side are driven by the LRTP with the project specific activities coming out of that. This is the first LRTP with an identification of reliability deficiencies that will go through all of the steps as provided by the MOU.

VELCO will post the draft LRTP including NTA screenings on the VSPC website on December 22, 2008. It was noted that the MOU has imposed the requirement of VELCO to perform NTA analyses and include the same in the LRTP. During the sixty days following the release of the LRTP (12/22/08 through 2/20/09), the VSPC has the opportunity to provide comments on the LRTP. If there is disagreement by the utilities regarding system level determinations, the VSPC votes on the matter at a special meeting to be held in February, 2009. If the utilities disagree as to the selection of affected utilities and/or lead distribution utility as identified in the LRTP, the VSPC will also vote on this at the February, 2009 meeting. There was confirmation that the VSPC does not have to approve or agree with the Plan nor does VELCO have to modify the plan based on comments received. Comments will be posted on the VSPC website and discussed at the special meeting to be held in January and February, 2009.

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<sup>1</sup> Memorandum of Understanding in Docket No. 7081, In re: Investigation into Least Cost Integrated Resource Planning for Vermont Electric Power Company, Inc's Transmission System

VELCO will compile and respond to comments from the VSPC participations. It is noted that no consensus is implied or required in the MOU. If VELCO believes there is merit to a disputed item in the LRTP, the fact the utility sends a statement of dispute, does not mean it will be removed from the LRTP. During this sixty day time period there should be a parallel process taking place wherein the distribution utilities confirm or dispute any subsystem reliability deficiencies identified in the LRTP and provide any preliminary NTA analyses on subsystem issues that are completed in time to be included in the LRTP. These reliability issues are also to be reported in the Annual Report to be filed January, 15, 2009.

February 20, 2009 is the last day for comment by members of the VSPC on the LRTP. VELCO has until March 20, 2009 to incorporate comments and/or make revisions to the LRTP. VELCO must post a revised draft of the LRTP to the VSPC website and deliver to the audiences as required by 30 V.S.A. §218c. This is commonly known as the public outreach/input process which extends from March 30, 2009 through May 22, 2009.

Ms. Frankel detailed the requirements outlined in paragraph 28 of the MOU, and reminded participants that when reviewing the LRTP upon its release on December 22<sup>nd</sup>, to keep in mind that VELCO was adhering to the requirements of this paragraph 28 when preparing the LRTP.

Doug Smith questioned what the preliminary NTA analyses would look like. Ms. Frankel responded that the tool that was created by the NTA subcommittee, approved by the VSPC, and submitted to the Public Service Board (PSB) is the tool that VELCO would be using. It does not get into the details of what the alternatives might be. There was a general discussion regarding the NTA screening tool including whether the equivalent criteria is needed earlier in the process; how often the process should be reviewed; how it will work from a planning perspective; studying projects that are inter-related; how to keep up with changing conditions; and the development of Forecast 20 and how it relates to the LRTP.

Jenny Cole inquired regarding the consideration of alternatives and understanding other options and criteria, and whether the NTA needs an explanation of the criteria being used and the thinking process for other options like generation. Morris Silver explained that the preliminary screening is like a funnel. If it falls out, then it doesn't go to that level of study. What has been learned is that some projects cannot be deferred or avoided. They don't present the kind of issue that DSM or generation could solve. It was acknowledged that this conversation regarding the NTA screening process needs to be kept on the table. Bruce Bentley committed to work with participants regarding the NTA screening tool.

Ms. Frankel provided an outline of what needs to be accomplished within the sixty day period following the release of the LRTP. Clarification of the process is an ongoing discussion with the Ad-Hoc Clarification Procedures Committee. The MOU is really focused on making the process of dialogue among the utilities and the VSPC happen over time.

### ***Presentation of the LRTP***

Hantz Pr sum  presented on the LRTP. There are a number of requirements from the 2006 LRTP that were continued in the 2009 LRTP: criteria and assumptions; identification of transmission deficiencies; estimated date and costs; and public comments and VELCO responses. There are additional requirements for 2009 as the result of Docket 7081: identification of sub-transmission deficiencies; identification of affected utilities and lead distribution utility to be addressed by VSPC if disputed; VSPC comments and VELCO's responses; and NTA screening results.

Furthermore, there have been changes to the Regional Planning Process. In 2006 there was no involvement by either ISO-NE or other Transmission Owners (TO) whereas for 2009 there has been direct involvement with ISO-NE and TOs. Other changes include flow assumptions, first contingency and generation assumptions. Mr. Pr sum  reported the regional interpretation of design criteria including the NERC planning standards and ISO-NE planning

standards. Mr. Pr sum  further reported on load assumptions used in the LRTP together with load forecasts, and generation assumptions.

The presentation included detail of transmission performance criteria, sub-transmission performance criteria, typical reasons for upgrades and associated solutions and outage scenarios that were examined. Project priority is based on state of project not importance. There was a brief discussion regarding cost assumptions. VELCO does not assume costs and therefore uses zero. It is too difficult to forecast costs until ground conditions are fully investigated. There was a recommendation that average costs be used.

A list of deficiencies was reported including those repeated from 2006 and those new to the 2009 LRTP. Details were provided for recommended upgrades throughout the State of Vermont including location, recommended upgrade, year of need and reason for upgrade.

There was a discussion on assumptions made by ITRON which included lighting efficiencies, growth rate and the fact that were a number of others used. Mr. Pr sum  indicated that the LRTP will be revisited at a minimum every three years but could be done as often as every year.

It was noted that Forecast 20 is not complete, and therefore, not included in the development of the LRTP. TJ Poor reported that the coordination of Forecast 20 and VELCO's LRTP was raised in an Energy Efficiency & Forecasting meeting and that an update will be given at a later date. Ms. Cole indicated that the changes to efficiencies, the monitoring of peak and forecasting over the years may be of interest to the public.

Mr. Hamilton inquired how the LRTP was going to account for the efficiency forecast not being available. Mr. Pr sum  responded that timing is a key issue. If the information becomes available before the LRTP is published, then it will be included. Kim Moulton indicated that there is a section in the LRTP that discusses it and indicates that VELCO will address it when the information becomes available.

There was a discussion regarding how the affected and lead utilities are determined. Ken Nolan indicated that it was his understanding while negotiating the MOU, if a utility was going to have to pay for the project, then it was considered an affected utility. Having one utility as the lead utility designing a common system that everyone is going to pay for causes serious problems.

Kim Jones recommended that there be a disclaimer in the LRTP of how year of need is defined and determined. There is concern that when a deficiency first shows up is not necessarily the year it is built. Ms. Jones explained that utilities have a budget each year for both distribution and sub-transmission projects. She does not want people to think that CVPS is not responding to a need. A utility may not support the upgrades recommended by VELCO, and there needs to be clear language protecting its decision not to build during the time indicated by VELCO. Ms. Jones further indicated that it should also be clear that there are certain reliability standards that are imposed on VELCO as a transmission provider that are not imposed upon the distribution utilities.

Ms Frankel recommended that the issues be capture at this meeting, and be discussed in detail at the January 21<sup>st</sup> meeting.

Benjamin Marks raised the concern that the LRTP should contain clear language connecting it to the MOU and that it is a working draft. There was a group discussion about the concerns of the draft LRTP being used in a non-VSPC proceeding and/or by parties that do not have the knowledge to properly interpret the plan. Ms. Frankel confirmed that although the draft plan is not the version to be used for the public outreach process, it will be posted publicly on the VSPC website. There was consensus from the group that a header/footer needs to be on every page of the plan addressing these concerns.

## SUBCOMMITTEE REPORTS

## ***Energy Efficiency & Forecasting Subcommittee***

Mr. Poor, chairperson, presented the report of the Energy Efficiency & Forecasting Subcommittee. The goal for completion of Forecast 20 is July, 2009. A draft will be available in April, 2009. Forecast 20 is being developed based on directives of the PSB of a \$37.5 million budget going forward for 20 years with an increase in the EEU budget of approximately \$40 million in 2011. A request will be made of the PSB for guidance on how the additional funds should be used. Mr. Poor indicated that a budget change, which has a potential of changing every three years, will not create any scheduling changes. The Forecast does not include the 33% increase. Blair Hamilton reported that the instructions they have at this time are the historical ones to use \$37.5 million adjusted for inflation. A request has not yet been made to the PSB for additional guidance. Mr. Hamilton reported that previously the Board had asked the parties what the assumptions should be, and there were differing recommendations from the utilities. Mr. Hamilton suggested that perhaps the VSPC should make a recommendation via a letter to the PSB. It was recognized that utilities around the table have differing ideas and that several participants had left, and therefore, were unable to participate in this matter. Since the issue was not noticed, they were not aware and were unable to offer comment prior to leaving the meeting. There was a discussion in general about the VSPC sending such a letter to the PSB.

**MOTION FOR VSPC TO SUBMIT LETTER TO PSB REGARDING EEU BUDGETING DETAIL:** Mr. Poor moved and Richard Suitor seconded. There was a general discussion regarding the current EEU contract. Mr. Hamilton indicated that there is an existing scope of work. Any changes to the budget would change the amount of work and open up the contract. The alternative is the EEU and DPS draft a letter for interested parties to sign. Ms. Frankel recognized that this is a very detailed discussion that Energy Efficiency should have, and that the issue had not been noticed for this meeting. After further discussion, the Motion was withdrawn by Mr. Poor and Mr. Suitor. Mr. Poor will draft a letter from the EEU and DPS has previously suggested.

The EE&F meeting also included an update on Forecast 20 and coordination with VELCO's LRTP. A subgroup is going to be formed to discuss timing issues and will bring proposals to the VSPC for consideration.

The geo-targeting plan was also discussed. A revised draft will be completed and distributed providing for a short comment period. Mr. Poor indicated that the parties are welcome to comment before a final revision is submitted the PSB noting that the original draft of the plan is available on the VSPC website.

Mr. Poor reported that EE&F discussed the requirement in the MOU for a potential study to be conducted in 2010 by the VSPC on DSM. The subcommittee discussed that the VSPC might not be the appropriate party to complete this study and that the perception from the "utility" world might not receive positive public reception. Furthermore the VSPC might not have the resources in order to complete the study. This issue will be discussed further at the next EE&F Subcommittee meeting with a proposal to the VSPC at one of the next meetings.

Mr. Poor confirmed that an EE&F meeting will be scheduled between now and the next VSPC quarterly meeting to be held in March, 2009.

### ***Procedures Subcommittee***

Mr. Marks, chairperson, presented the report of the Procedures Subcommittee. Mr. Marks indicated that the Procedures Subcommittee had a discussion about some of the definitions in the MOU and how to know when you have completed the process. The discussion was not completed in one meeting, and the second meeting scheduled was cancelled. Mr. Marks recognized that an additional meeting needs to be scheduled before coming to the VSPC with recommendations.

### ***Technical Coordinating Subcommittee***

Ms. Frankel, chairperson, reported for the Technical Coordinating Subcommittee. There was a discussion at the Technical Coordinating meeting about what is being done at the regional level and economic transmission projects. These economic transmission projects were not anticipated when the MOU was written. Technical Coordinating is planning a presentation on economic transmission projects for the March, 2009 quarterly meeting.

Ms. Frankel provided an outline of the requirements of the Annual Report to be filed by January 15, 2009. Ms. Frankel will send a draft of the Annual Report for review and comment in order to make the January 15<sup>th</sup> deadline. For each reliability deficiency identified, the report must include the status of the NTA analysis, the status of the solution selection, cost allocation and implementation strategy. The report must also include documentation of all advisory votes taken with the preceding calendar year by the VSPC together with the dates and locations of all VSPC meetings held during the preceding year. Updates will be needed on Priorities 5 (St. Albans transformer, East Fairfax transformer, Georgia breaker failure) and 6 (North Rutland/Cold River) in order to complete the Annual Report.

Ms. Frankel reported that the MOU requires an evaluation of the process which is to be submitted to the PSB by December 31, 2009. The evaluation process will be discussed further at the March, 2009 quarterly meeting. Ms. Frankel recommends that participants make note of things that should be addressed in the evaluation process. Each subcommittee should include as an agenda item for its second quarter meeting a discussion on things that subcommittee recommends should be included in the evaluation. Each sector should also meet to capture sector related issues that should be included.

## **PROJECT STUDY GROUP REPORTS**

### ***Lyndonville Update***

Ms. Jones reported that a workshop was held last week on the Lyndonville project. The workshop included discussion of the presentation previously given to the VSPC, the NTA screening and whether generation could be technically feasible. There was consensus at the workshop that generation was costed out as too expensive and the group agreed to go forward with a substation. The NTA screening is posted on the VSPC website.

Mr. Moore stated that he would like to see societal costs and benefits included when screening projects. There was a brief discussion about the same. Ms. Jones indicated that they sided on the side of NTA while screening this project. Ms. Frankel questioned whether the NTA Screening Committee should reconvene. Mr. Bentley committed to working VSPC members to address NTA screening issues as they arise.

## **NEW BUSINESS**

No new business was identified.

## **ADJORNMENT**

The meeting was adjourned at 4:00 pm.

## ATTENDANCE

\*Indicates voting member at this meeting

\*\*Indicates Alternate

### **Public Sector**

\*Jenny Cole, Public Member- Residential

\*James Moore, Environmental

### **Transmission Utility (VELCO)**

\*\* Dean LaForest, VELCO

\*Hantz Presume, VELCO

Kim Moulton, VELCO

Frank Etori, VELCO

Scott Mallory, VELCO (via telephone)

### **Distribution Utilities Providing Transmission (CVPS, GMP, VEC)**

\*Bruce Bentley, CVPS

\*\*Kim Jones, CVPS

Morris Silver, CVPS

\*Doug Smith, GMP

Ben Marks, GMP

\*\*Terry Cecchini, GMP

\*Harry Abendroth, VEC

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

\*\*Ken Nolan, BED

\*Bill Powell, WEC

### **Transmission Dependent Distribution Utilities (Municipals)**

\*Richard Suitor, Village of Northfield Electric

Proxy for Swanton Village Electric

\*Jack Collins, Village of Ludlow Electric

\*Kenneth Mason, Village of Lyndonville Electric

Proxy for Village of Morrisville

Proxy for Town of Johnson

Proxy for Town of Hardwick

\*Ellen Burt, Town of Stowe Electric

\*Jonathan Elwell, Village of Enosburg

### **Non-Voting Members**

Dave Lamont, DPS

John Spencer, VEPPPI (SPEED facilitator)

Bill Jordan, DPS

Steve Litkovitz, DPS

TJ Poor, DPS

George Nagle, DPS

Blair Hamilton, EEU

John Spencer, VEPPPI

### **Staff**

Deena Frankel, VELCO

Kimberly Pritchard, VELCO