GMP Comments re:
VELCO Draft Long Range Transmission Plan 2009

1. GMP is considering whether to install new, more reliable generating capacity at one or more Vermont sites; other distribution utilities may also be considering new instate generating capacity. To the extent that generating capacity would defer the projected need date for transmission projects, this could materially affect the distribution utilities' benefit/cost analyses.
    - GMP suggests that it would be useful for future Long Range Plans to test and discuss the extent to which specific potential generating projects (identified by the distribution utilities and/or other stakeholders) would defer the projected need date for one or more future Vermont transmission projects.
    - Between Long Range Plans, to what extent can VELCO assess the deferral value of such additional generating capacity? How would VELCO go about doing this? What information about the generation projects would be needed in order to support this type of analysis?
    - Conversely, knowledge of where generation would be most beneficial to transmission reliability may motivate the exploration of possible generation at those locations.

2. The Draft LRP's discussion of import paths from Quebec and New York is primarily in the context of reliability planning, but transmission projects affecting these paths could also have significant implications with respect to Vermont's power supply planning. Effective least-cost planning for Vermont would seem to benefit from further analysis that addresses both power supply and transmission costs. How would VELCO suggest that this type of integrated dialogue and analysis be conducted? To what extent can VELCO personnel participate in a collaborative discussion with the distribution utilities, including distribution utility personnel who are engaged in power supply planning? What ground rules would be needed for this type of discussion?

3. Page IV of the Draft LRP states that while the Newport block load is normally supplied from Canada…"this load is transferred to Vermont frequently, requiring the Vermont transmission system to serve this load at any time." GMP suggests that the LRP include additional narrative context explaining this assumption, to allow the reader to better understand the block load dynamic and gain comfort with the reasonableness of planning the Vermont transmission system to be able to serve this load at any time. We would suggest that the LRP discuss the following points, and any other perspective that VELCO believes is pertinent. For example:
    - What amount of Newport load is at stake here?
    - Does the presence of the Newport load on the VELCO system meaningfully contribute to the deficiencies identified in the Draft LRP analysis?
    - Historically, why has the Newport load been frequently transferred to Vermont? In particular, is the load transferred for economic reasons (e.g., less costly energy available in New England, relative to Hydro-Quebec)? To the extent there are other reasons, we would suggest explaining them briefly.

- Could VEC or others credibly defer some of the deficiencies identified in the LRP by making commercial arrangements to keep the block load on HQ during peak periods? What would be the implications of this approach?

4. Page IV of the Draft LRP discusses system performance with VY retired. GMP suggests that this constructive discussion be made clearer if possible, so that readers without a transmission planning background will clearly understand whether retirement of Vermont Yankee would trigger the need for any significant transmission projects. For example:
    - The first paragraph describes changes in loading on certain lines, including overloads under some conditions.
        - When (or at what load levels) are these results projected to occur?
        - Please explain the extent to which these results indicate deficiencies which need to be addressed by 2018 or earlier. If so, does the LRP identify solutions to address them?
    - The second paragraph states that "the analysis did not show any specific voltage violations at the 2018 load level." Does this mean that an assumed VY retirement did not, in VELCO's analysis, trigger any transmission system deficiencies through 2018?

5. Page II of the Draft LRP describes that the EEU is presently forecasting DSM peak demand reductions for the 20-year horizon, and that "these DSM amounts can be superimposed on the ITRON load forecast to determine the load level…" We suggest that this narrative be supplemented to more clearly indicate (conceptually, and perhaps in volumes) the DSM savings, particularly from assumed future energy efficiency investments, that are already included in the ITRON forecast.
    - For example, does the ITRON forecast implicitly include a level of DSM savings that would be associated with a continuation of past efficiency spending levels? The language at the top of page 3 (i.e., "the effects of additional DSM due to an increased budget were not included…") suggests that this is the case. If so, then to obtain a "post-DSM" forecast it would seem appropriate to subtract only the savings associated with future expenditures above historical levels.
    - Or, alternatively, in order to obtain a "post-DSM" forecast should all future savings that the Energy Efficiency Utility identifies be subtracted?

6. We recommend that Figure 2 be enhanced to more clearly indicate that the Itron forecast reflects 90/10 weather conditions. This could potentially be accomplished by labeling, or by showing both the 50/50 and 90/10 forecasts.

7. Page 9 of the Draft LRP notes that the Highgate converter is one of the most critical resources in the Vermont system, and the LRP appears to test Vermont system performance under several potential outcomes for Highgate (i.e., carrying a firm contract, or only available to delivery emergency energy, or decommissioned). Has VELCO examined the extent to which a future firm contract amounts of significantly less than 200 MW (say, 100 or 150 MW) over Highgate would provide

substantial reliability benefits, perhaps comparable to the 200 MW levels that were tested?

8. Page 10 of the Draft LRP summarizes the generation dispatch assumptions under the first contingency. GMP recommends that the LRP very briefly summarize the reasoning (e.g., concepts, planning procedures) that VELCO used to select the amount of instate generating capacity assumed online, and the particular units that were chosen.