

MEETING MINUTES
SEPTEMBER 8, 2010, 9:30 AM
HOLIDAY INN, RUTLAND

A regular meeting of the Vermont System Planning Committee (VSPC) was held on September 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 June 9, 2010, meeting for approval. Bruce Bentley moved and Hantz Pr sum  seconded approval of the minutes of the June meeting, which were approved without objection.

Introductions

Participating members introduced themselves. A list of attendees by sector appears on page 6 of these minutes.

Subcommittee reports

Energy Efficiency & Forecasting

T.J. Poor, chairperson, reported on the ITRON presentations given at the EE& F subcommittee meetings. The Subcommittee's objective is to develop a demand forecast model that captures differences in customer class sales growth resulting from economic growth, price, new efficiency standards and tax credits and efficiency program activity. The subcommittee plans to prepare different scenarios in an effort to coordinate load forecasts. The final report will be presented at the next VSPC meeting.

A work order has been set up by VELCO with VEIC to conduct the efficiency potential study required by the Docket 7081 MOU. Study results will be presented at the March 2011 VSPC quarterly meeting. The DPS has hired Navigant Consulting to assist with the evaluation of geographically targeted energy efficiency programs. The study will focus on how the target areas were selected and how the programs were delivered together with an evaluation of areas for improvement. The study will also look at substation and feeder data in geographically targeted and non-geographically targeted areas for comparisons. The draft report is due in December, 2010, with a final report due in January, 2011. Mr. Poor will reach out to VSPC members for information needed to complete the study.

The budget and performance targets are being developed for Energy Efficiency Vermont for 2012-14. Mr. Poor emphasized the importance of identifying projects with high geo-targeting potential. Targeting requires information from utilities on which transmission projects are most needed and which can be deferred or avoided. There will be an opportunity for a more in-depth review of the studies.

Generation Subcommittee

James Gibbons, chairperson, reported that the committee had met to discuss changes to its charter. A draft of the proposed charter changes has been circulated to subcommittee members. The original charter focused on maintaining databases of viable generation options and making generation assumptions on a case-by-case basis. The committee will continue to maintain certain information; however, it was determined that maintaining generic data sets was not a good use of members' time. There was a general discussion on the data components maintained by the committee. The committee will circulate a revised draft charter for comment with a final document to be presented at the December meeting.

Procedures Subcommittee

Kimberly Pritchard provided an update on VELCO's initiative to request the PSB to convene a workshop to discuss the identification, handling and protection of CEII. A draft of the request for a workshop will be circulated to VSPC members. Members who wish to support the request for a workshop should contact Ms. Pritchard. Morris Silver reported that during

the Middlebury proceeding challenges were made to the CEII designation. CVPS intends to request the Board to keep the information under seal until after a workshop has been held.¹

Public Participation Subcommittee

Jenny Cole, chairperson, reported that Tamera Pariseau of the Department of Public Service has joined the Public Participation Subcommittee. The recruitment article was sent to newspapers and printed by the Brattleboro Reformer. The subcommittee will schedule a meeting and continue its recruitment efforts.

Technical Coordination Subcommittee

Ms. Frankel, chairperson, reported the PSB [approved the request to modify the cost-allocation methodology](#). Technical Coordinating has scheduled a meeting for September 14, 2010, to review NTA screenings for the following projects: Jay reliability project, West Rutland Cap bank, Georgia substation, and the Ascutney and Bennington Substation rebuilds. This meeting will provide interested participants with a more detailed review and opportunity for discussion of the NTA screening process for these projects.

At the last meeting the [VSPC approved a letter to the PSB submitting comments](#) on the two questions posed by the PSB in its May 17, 2010, memo regarding the VSPC evaluation of the Docket 7081 planning structure. In that response, the VSPC identified challenges noted by the VSPC, and its intention to develop a process to gather stakeholder input on how to better align the Docket 7081 process with emerging issues at the regional level. The letter advised the Board that there may be a future need for formal action in connection with the Docket 7081 process.

Ms. Frankel detailed the Technical Coordination's work plan for process reform. The goal is to determine, with stakeholder input and consensus, how to better align the Docket 7081 process with emerging changes at the regional level. The objective has to be grounded in maintaining the original goal of the MOU: "full, fair and timely consideration of cost-effective non-transmission alternatives."

Participants discussed whether the process reform would happen within the context of Docket 7081 or the VSPC or whether there even a difference. It was noted that there are parties to Docket 7081 that are not signatories to the MOU. The group discussed establishing an ad hoc committee to work on the issues and present a straw proposal to the full VSPC at the December quarterly meeting, how to establish appropriate goals for this committee and how to effectively align the Docket 7081 process with emerging changes at the regional level. Any recommended changes to the MOU process would require PSB approval.

The following participants committed either themselves or someone from their company to participate on the committee: James Gibbons or Ken Nolan from BED, Bruce Bentley from CVPS, Steve Litkovitz from GMP, Jenny Cole for Public Participation and Richard Sutor for the municipalities.

Transmission Subcommittee

Transmission Subcommittee had no formal report. Mr. Pr sum  provided a report on regional activities. ISO-NE is doing a 10-year study for Vermont and New Hampshire. The preliminary results are consistent with Vermont's analysis. ISO-NE's needs assessment is to be completed by the end of year with a solutions assessment to be completed next year.

Planning Advisory Committee (PAC) meetings were held in June, July & August. The June meeting included a discussion on the 10 year study. VELCO reviewed the study and provided comments on the study assumptions, and ISO-NE made changes accordingly. There was a general discussion concerning the assumptions used by ISO-NE. The public meeting for ISO's Regional System Plan (RSP) is scheduled for September 16, 2010. The agenda for this meeting includes a discussion on Vermont non-transmission alternatives. Chris Dutton is part of the panel to discuss State Planning Initiatives and Non-Transmission Alternatives.

¹ A [Request for Workshop](#) was submitted on September 14, 2010. By [Board Memorandum dated September 24, 2010](#), the PSB held a workshop for 1 p.m. on October 28, 2010.

The group discussed consideration of non-transmission alternatives and the regional process are occurring at ISO-NE and throughout the region. It was about a year ago when the VSPC met with ISO-NE to discuss these initiatives. Other states are now having these same conversations. The costs associated with transmission solutions are motivating people to look for other alternatives, and ISO-NE is now working to include non-transmission alternatives in its analysis.

Mr. Pr sum  provide the group with information on how the Forward Capacity Auction works and the withdrawal of Vermont Yankee (VY) from that auction. Every year ISO-NE conducts an auction of capacity: both generation and demand resources. As part of the auction, a resources can seek to “delist,” indicating it no longer wants to commit to providing capacity in the market. The asset can run for its own needs, but does not commit to supply load. When a resources delists, ISO-NE conducts an analysis to see if the delist will affect the reliability of the system. Each auction looks three years out for a commitment of one year. This last auction covered a commitment period of 2013-2014. Vermont Yankee requested to be delisted for this commitment period. ISO-NE subsequently made a filing with FERC stating that the delisting of VY has a negative impact on reliability, and therefore rejected VY’s delisting. ISO-NE cannot force VY to run; however ISO-NE will have to resolve the reliability exposure by installing temporary generation to offset the impacts. Those mitigating actions will be charged to Vermont, a portion of New Hampshire and Massachusetts. VY is not responsible to make up that generation. At this time ISO-NE estimates the cost of replacement resources at \$11 million.

Project Updates

Jay Area Reliability Project (VEC)

Mr. Abendroth reported on the Jay Area Reliability Project. This project involves 60 +/- miles of VEC’s 46kV system extending between Highgate, Newport and Irasburg. VEC’s 2008 Integrated Resource Plan identified the need for both immediate and longer term 46kV system improvements. The first project involved installing capacitor banks near the existing Jay Tap and replacing air-break switches with circuit breakers. The CPG for that portion of the project was issued in August, 2010, and VEC is hoping to start construction before winter. VEC retained VELCO to assess the need for additional system improvements. There are four major findings which include voltage violations and thermal overloading. A preliminary analysis determined that a non-transmission alternative would have to be capable of providing not less than a 40 percent load reduction on a continuous basis with “all lines in” at winter peak conditions. Therefore, a non-transmission alternative does not appear to be a viable option. Several solution options are being studied for their ability to mitigate system deficiencies and to test their longevity. It appears that no one solution, by itself, will resolve the system deficiencies, and multiple projects will be needed. Further details will be presented at the September 14, 2010, Technical Coordinating meeting.

Middlebury Reliability Project

Kim Jones reported that the CPG was received in August and the project is underway. This project will be built over a two year period.

St. Albans

Ms. Jones reported that a meeting to review the NTA will be scheduled. CVPS anticipates moving forward with public outreach process next year.

North Rutland/Cold River

Ms. Jones reported that CVPS and VELCO have been meeting to coordinate the project and fine tune the cost estimates. The transmission solution will be chosen by September. CVPS has budgeted this project for 2015.

Georgia, Ascutney, Newport & Queen City Capacitors & Bennington Substation

Mr. Pr sum  reported that VELCO is preparing a complete analysis for ISO approval. He is awaiting cost estimates for the substations to provide to ISO-NE.

Hartford Transformer

Mr. Pr sum  reported that work has not yet begun. An analysis will be conducted in 2012 for this project.

Economic Projects

Mr. Pr sum  indicated that there was nothing to report.

OTHER BUSINESS

There was no other business to report.

Adjournment

The meeting was adjourned at approximately 1:15 p.m.

Next Meeting: Quarterly Meeting to be held on December 8, 2010, at the DoubleTree, Burlington, 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

*Bruce Bentley, CVPS

**Kim Jones, CVPS

Rip Kirby, CVPS

Morris Silver, CVPS

*Harry Abendroth, VEC

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

James Gibbons, BED

Transmission Dependent Distribution Utilities (Municipals)

*Richard Sutor, Village of Northfield Electric

Proxy for Village of Morrisville

Proxy for Village of Lyndonville 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

Proxy for Village of Hardwick

Proxy for Village of Hyde Park

Non-Voting Members

Allan St. Peter, DPS

George Nagle, DPS

Walter Poor, DPS (via telephone)

Dave Lamont, DPS (via telephone)

George Twigg, VEIC

Staff

Deena Frankel, VELCO

Kimberly Pritchard, VELCO