

VERMONT SYSTEM PLANNING COMMITTEE

MEETING MINUTES DECEMBER 9, 2009, 9:30 AM DOUBLE TREE HOTEL, BURLINGTON

A regular meeting of the Vermont System Planning Committee (VSPC) was held on December 9, 2009, at the Double Tree Hotel in South Burlington, Vermont. Due to inclement weather this meeting was offered via WebEx. Deena Frankel called the meeting to order at 9:30 a.m.

Ms. Frankel presented the minutes of the September 8, 2009, meeting for approval. Richard Sutor moved and Terry Cecchini seconded approval of the minutes of the September meeting, which were approved without objection.

INTRODUCTIONS

Members present in person and by phone introduced themselves. A list of attendees by sector appears on page 7 of these minutes.

ACTION ITEMS

Project Priority List

The Docket 7081 Memorandum of Understanding (MOU) requires the VSPC, following the publication of the Long Range Transmission Plan (LRTP), to adopt a Project Priority List (PPL) establishing dates for completing each of five milestones for each identified reliability deficiency: identification of a likely transmission solution, non-transmission alternative analysis, solution selection, cost allocation, and implementation strategy. The meeting package included a draft PPL.

Dean LaForest explained that the draft PPL was based on the results of the LRTP and conversations with affected distribution utilities. As a result of those discussions, an adjustment was made to Priority 5 (Blissville) to accommodate CVPS's need for more time to perform the work.

Mr. LaForest pointed out the MOU requirement that any deficiency identified in the LRTP have an initial NTA screening by VELCO. VELCO held a meeting on August 25, 2009, to discuss the results of its NTA screenings, and made revisions based on the feedback of attendees to that meeting. There was a general discussion regarding the PPL.

Kim Jones inquired as to whether the group could reach consensus on the NTA screenings in order to represent to the Public Service Board (PSB) that the VSPC endorses any given conclusion that a deficiency has "screened out" of further NTA analysis. This would be valuable when filing with the PSB for a CPG on a transmission project. Mr. LaForest stated that VELCO's NTA screening required by the MOU is not subject to approval by the VSPC. However, the group could decide to endorse the conclusions of the NTA screening completed by VELCO and reviewed and revised in consultation with the VSPC. The group discussed whether to accomplish this task at this meeting; provide an opportunity for written comments or have a separate meeting. Previous questions regarding the use of the screening tool remain open. Mr. Sutor emphasized the importance of having the debate on the issues relating to the screening tool and to full document the results.

Jenny Cole inquired about the process for notification from the lead distribution utility (DU) to other impacted DUs of the solution selection and cost allocation. Mr. LaForest commented that currently there is no process in place; however, a process could be developed. As a practical matter, the lead DU on most projects is CVPS.

There was a general discussion regarding the PPL. Projects can be linked together as long as the necessary time lines are met. The filing of the PPL with the PSB will establish new deadlines and supersedes the previously filed PPL. This will eliminate the need to continually look back at the old PPL and request enlargements of time. When utilities have requested enlargements of time, the PSB's practice has been to circulate the request for comment and then issues an approval.

Mr. Cecchini inquired as to the responsibilities of the lead DU, recognizing that GMP has been named as a lead DU. The lead DU is responsible for the non-transmission analysis; however VELCO is responsible for the transmission analysis for bulk system projects. The lead DU is also responsible for keeping the project on task and making sure the deadlines represented in the PPL are met. There was a general discussion on how GMP was selected as the lead DU for the Ascutney project.

The group discussed whether the changes today were substantive enough that the approval of the PPL should be deferred until the next meeting or whether a motion could be brought today to approve the PPL with the changes made at this meeting incorporated. Three changes were identified: (1) priority 5—move the transmission analysis to the end of the first quarter 2012; (2) possibly combine priorities 15 & 17 which will be discussed between VELCO and CVPS; and (3) include comments on the table with a more detailed document.

Bruce Bentley identified as an issue VELCO's interpretation of line 2 of the NTA screening tool but expressed uncertainty as to the significance of the issue to the PPL. Mr. Bentley expressed his concern that reductions in existing load due to the recession had not been adequately recognized and that the load forecast used relied on historical loads unadjusted for the current downturn. Mr. LaForest indicated that there is an allowance in the MOU for difference of professional opinions and clearly states who gets to make those determinations.

It was decided that approval of the PPL would occur at the March quarterly meeting.

Affected Utility Determination

The group discussed the differences in responsibilities between the Affected Utility and Lead Utility. The Lead Utility is responsible for keeping the process moving along. It has specific responsibilities assigned for completing the NTA analysis. The VSPC has previously discussed creating informal study groups associated with each project identified on the PPL. The Lead Utility would be responsible for convening these groups and ensuring that the project remains on schedule and meets the deadlines defined in the PPL.

The group discussed whether or not GMP is appropriately named as Lead Utility for the Coolidge-Ascutney (Priority 9) project. CVPS is willing to be lead for the project. It was agreed that the Affected and Lead Utility Determination could be approved and updated as necessary pending the decision between GMP and CVPS regarding Priority 9.

MOTION TO APPROVE THE AFFECTED UTILITY AND LEAD UTILITY DETERMINATIONS: Mr. Suitor moved and Mr. LaForest seconded that the affected utility and lead utility designation be approved as distributed subject to discussion and agreement between CVPS, GMP and VELCO regarding the

proposal to make CVPS the lead utility for the Coolidge-Ascutney project. The motion was approved unanimously.

VSPC Non-Disclosure Agreement (NDA)

Benjamin Marks reported on the background of the NDA and the work of the Procedures Subcommittee to complete the NDA presented today. The NDA includes the protection of Critical Energy Infrastructure Information (CEII)¹. Transmission Owners have the responsibility of protecting CEII and limiting its dissemination. The NDA will allow the release of CEII to members of the VSPC. The VSPC has already experienced limitations on discussion in a subcommittee meeting due to the inability of members not covered by an NDA to view relevant information that was classified by VELCO as CEII. The group discussed the use of the NDA and examples of CEII. Members of the group expressed the difficulty of knowing what types of information will be considered CEII. Mr. LaForest offered the examples of detailed transmission maps, one line diagrams, and NTA analyses depicting need and vulnerability. It was suggested that members could revisit the September CEII presentation for further examples.

Steve Litkovitz expressed appreciation for the hard work of the group of creating the NDA; but reported the DPS had concluded it would not sign this form of NDA. This was a very difficult decision for the DPS to make, and is not a reflection of the document itself but rather reflects the tensions the CEII issue raises for the regulators and their obligation for transparency.

MOTION TO ADOPT NDA AGREEMENT: Mr. Pr sum  moved and Mr. Suitor seconded. There was a discussion on the NDA, the impacts of not signing and concern that members needed to have it reviewed by their legal departments. It was agreed that a special meeting would be held in January to accommodate the need for additional review.

MOTION TO DELAY ACTION ON THE ADOPTION OF THE NDA UNTIL A SPECIAL MEETING IN JANUARY, 2010: Munir Kasti moved and Ms. Cole seconded the Motion. The Motion was approved unanimously.

Review of the draft VPSC/Docket 7081 Evaluation (Evaluation)

Ms. Frankel presented the proposed Evaluation for review of proposed edits; identification of additional proposed edits; and a review of recommendations. The work plan is to have a final draft out to members by December 11, 2009, for final review and comment due by December 15, 2009. If any substantive changes are submitted by December 15, staff will consult with the VSPC on their incorporation. The Evaluation will be filed with the PSB by December 23, 2009.

MOTION FOR APPROVAL OF THE EVALUATION SUBJECT TO MODIFICATION THROUGH THE IDENTIFIED PROCEDURE: Mr. Suitor moved and Mr. Litkovitz seconded the Motion. The Motion was approved unanimously. [Note: no further comments were received by staff between the meeting and the December 15 comment deadline. The evaluation was filed with the PSB on December 21, 2009.

SUBCOMMITTEE REPORTS

¹ A presentation on CEII was given at the September quarterly meeting and can be found at: <http://www.vermontspc.com/VSPC%20Meetings/VSPC%20CEII.pdf> .

Energy Efficiency & Forecasting

John Plunkett, President of Green Energy Economics Group presented an overview of Forecast 20. The [report](#) and [presentation](#) to the VSPC can be found on the VSPC website. Comments to the draft report have been addressed in the final report which can be found on the VSPC website. The original draft had a 50/50 zonal analysis which was ultimately redone. An additional appendix was included in the report with these details. VELCO had questioned how to apply study results. The conclusion and recommendations section now include detailed application instructions. The final report also includes a 90/10 zonal forecast at VELCO's recommendation. GMP and DPS also had comments that were addressed in the report. Those comments not included in report will be addressed in a memo. The presentation included an overview of:

- Forecast results (statewide, residential, business and zoning)
- Budgets
- Cost Benefit Analysis
- Methodology
- Major Drivers of Change (codes & standards, CFLs vs. SSL, sensitivity analysis)
- Conclusions & Recommendations

TJ Poor, EE&F Subcommittee Chair, reported that the subcommittee has not planned further work with F20 but the DPS will work further with the report. No formal process has been set up with subcommittee to continue work with F20; however, if there is interest, additional discussion or analysis could be conducted. If members have further questions to be discussed in a larger group, they should contact Mr. Poor for inclusion at the next subcommittee meeting.

Generation

James Gibbons, chairperson, was not present to report on the activities of the Generation Subcommittee.

Procedures

The Procedures Subcommittee was responsible for the NDA previously presented. There was nothing further to report.

Public Participation

Ms. Cole, chairperson had nothing new to report.

Technical Coordinating

Ms. Frankel, chairperson reported that the activities of the Technical Coordination Subcommittee were to prepare the agenda for this meeting.

Transmission Subcommittee

Mr. LaForest, chairperson in addition to previous noted activities of the PPL and NTAs reported that this was his last meeting, and that Mr. Pr sum  would be assuming his duties as chair of the Transmission Subcommittee.

Other Business

Annual Report due January 15, 2010: The MOU mandates that an Annual Report be provided to the PSB and DPS January 15 each year. After discussion it was agreed that this would be added as an agenda item for the Special Meeting to be held in January, and that a draft report would be provided in advance.

PROJECT UPDATES

Gorge Area Reinforcement

Mr. Cecchini reported that the CPG has been issued, and construction has begun.

Southern Loop, Tafts Corners and East Avenue

Mr. LaForest reported that progress on the Southern Loop substation continues with most of the work to be completed by next summer. There are minor outage issues at VY and everyone is working to stay on schedule. The East Avenue line work is near completion. Substation work is underway. The substation work will be completed by late October to early November. The project is on schedule. BED's line portion is almost complete and its substation is in progress with a completion date sometime in December. The bus connection will be done at McNeil in April, 2010. The lines will be energized in May or June.

The distribution transformer at Tafts Corner was energized on July 29 and is carrying load. There has been follow-up work within the substation. The distribution project is done. The plan is to have transmission work done by the end of this construction season. The distribution side is energized. This project is complete and updates are no longer needed.

LED

The Lyndonville CPG filing has been made with PSB. This project is under regulatory review.

Weybridge:

Ms. Jones reported that another public meeting which included invitations to surrounding towns and land owners was held. Attendees were limited to one land owner, one person from the Regional Planning Commission and the Town of Middlebury. The Town of Weybridge asked for a separate meeting which will be held next week. CVPS is planning to file with the PSB by the end of December.

Cold River Project:

Ms. Jones reported there hasn't been any new progress. Morris Silver will draft a letter informing the PSB of the new completion dates.

St. Albans:

Ms. Jones reported that the NTA is now complete. CVPS is meeting to discuss whether or not to pursue NTAs. The study shows that, based on the societal test, an NTA solution looks economic; however it is four to five times the capital costs. Therefore, the Company needs to review and make a decision.

Economic Projects

Mr. LaForest reported that filings have been made ISO-NE and NYSO for a project called the Champlain Wind Link (CWL) to run parallel to the PV20. It is not a replacement of, but an addition to the PV20. This project proposes building a transmission line from northern New York to the Chittenden County Area to bring renewable power to New England.

Mr. LaForest is not aware of any additional discussions at the regional level relating to projects reported on the past. He further reported that there is a proposal by HQ to buy New Brunswick Power; however no concrete proposals have been put out to date.

An update of economic projects will be provided at the next meeting. There are differing opinions on the level of involvement the VSPC should have with these types of projects; however, the group previously agreed that periodic updates would be helpful.

NEW BUSINESS

No new business was identified.

ADJORNMENT

The meeting was adjourned at 3:30 p.m.

NEXT MEETINGS:

- Special Meeting to be scheduled in early January for NDA and approval of the Annual Report
- Quarterly Meeting to be held on March 10, 2010, at Vermont Technical College, Randolph at 9:30 a.m.

ATTENDANCE

*Indicates voting member at this meeting

**Indicates Alternate

Public Sector

*Jenny Cole, Public Member- Residential

Transmission Utility (VELCO)

** Dean LaForest, VELCO (via telephone)

*Hantz Presume, VELCO (via telephone)

Distribution Utilities Providing Transmission (CVPS, GMP, VEC)

*Bruce Bentley, CVPS (via telephone)

**Kim Jones, CVPS (via telephone)

**Terry Cecchini, GMP

Morris Silver, CVPS

Benjamin Marks, GMP (via telephone)

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

Chris Burns, BED

Munir Kasti, BED

Transmission Dependent Distribution Utilities (Municipals)

*Richard Suitor, Village of Northfield Electric

*Jack Collins, Ludlow Electric Department (via telephone)

Non-Voting Members

George Nagle, DPS

TJ Poor, DPS

Steve Litkovitz, DPS

George Twigg, VEIC

Staff

Deena Frankel, VELCO

Kimberly Pritchard, VELCO (via telephone)