

## **Transmission Sector Input to Docket 7081 Evaluation**

The following are the comments of VELCO as the Transmission Sector of the VSPC.

### **STRENGTHS & SUCCESSES OF THE DOCKET 7081 PROCESS:**

- Has forced us to address the reliability issues facing Vermont. The process makes it impossible to sweep reliability issues under the rug or delay dealing with them. Previously some transmission issues were known in utility circles, but not necessarily by the Board and Department.
- Bringing people to the table who haven't been there before, e.g., SPEED facilitator, other utilities who may not have been invited before.
- The Board is getting info about the status of more efforts they might not have heard about except in a docket.
- Public members – in fact all members – are getting info and education to which they may not previously have had access.
- The VSPC stimulates conversation that may not have occurred in the past, e.g., discussion of assumptions that are used in planning. This helps more parties to understand the transmission side and it helps VELCO to understand the distribution utility side. Learning goes both ways.
- Increased communication among utilities isn't completely a result of the VSPC, but the VSPC has helped.
- It contributes to improved process that all parties are getting to know each other better.
- The VSPC has provided a forum to talk about what alternatives might work. Previously the conversation involved a more limited subset of people. Now there is a greater sharing of concepts, issues and perspectives than previously was possible. Some of the communication that is taking place in the VSPC previously happened only in the context of a contested case.

### **CHALLENGES AND BARRIERS**

- Vermont utilities are still in the process of addressing past reliability problems, which is clouding the opportunity to deal with future problems.
- The intended coordination of the EVT forecast (Forecast 20) and the VELCO forecast has not yet been fully realized.
- Resources: the VSPC process constitutes additional work. VELCO, with several planners on staff, is feeling the pinch; the distribution utilities are feeling it even more intensely.
- Time is an issue both for attending meetings and for preparation
- Timeliness is an issue. The process is not necessarily efficient for dealing with issues where the reliability deficiency occurred at load levels that have already been exceeded, and yet NTA screening/analysis is still required.
- It is a challenge to strike the right balance between accommodating conceptually cost-effective NTAs and some entities' obligations to serve.
- It is a challenge to balance regional and national standards to which VELCO must adhere with state values related to NTAs. This is a barrier to NTA consideration. It remains to be reconciled

how to deal with situations in which NERC compliance is at odds with state expectations and standards, especially where the issues involve distribution utility facilities.

- The MOU lays out a process that assumes adequate resources to carry out the envisioned steps. None of the utilities is adequately resourced to carry out the steps fully. Not having resources, utilities must choose whether to fully participate in VSPC based on cost benefit analysis. This problem actually applies to all the sectors, including public sector representatives.
- Geographical challenge: Teleconference has been improved but still doesn't work well, particularly where attendance is a mix of face-to-face and telephone participation. Pure teleconferences can be productive, particularly with the use of tools like WebEx.
- The question remains, How interested is the public in discussing transmission planning issues? VELCO and the distribution utilities have made significant efforts to reach out, but the public is primarily interested in discussing transmission issues when there is a concrete project close enough to affect them individually. This is a barrier to involving the public in the way envisioned by the Docket 7081 MOU. A part of the problem is that transmission planning is inherently a dry and technical subject.
- The public outreach process required by the MOU regarding the plan is somewhat mismatched to the situation. Significant outreach is required for a document that is really the first step in a long process and is mainly focused on identifying the reliability problems that need to be addressed. The intensive public outreach at this stage is premature and mismatched to public expectations.
- The statute (30 V.S.A. § 218c) describes the three-year updates as a transmission integrated resource plan, but the MOU requires that the document identify reliability deficiencies to serve as the springboard and first step in selecting and implementing the best solutions. The statutory description and the MOU requirements for the contents of the plan are somewhat out of synch.
- The challenges using the NTA screening tool are a result of interpretation; not of the MOU requirements for the screening tool. It is important that, in critiquing the process, the VSPC and the 7081 parties differentiate between flaws in the MOU and flaws in how it is being applied.
- The subcommittee charters and VSPC procedures were set up before it was completely clear how the VSPC process would actually work. Now that the group has experience implementing the MOU, it appears some processes are more complex than they need to be and could be streamlined. For example, the notice requirements sometimes hamper consideration of late breaking items.
- Critical Energy Infrastructure Information (CEII) requirements present a tension between transparency and security. Members are understandably reluctant to take on obligations for protecting the information. CEII presents challenges to having useful discussions about alternatives in specific. People become suspicious when VELCO says it has to withhold information.
- The requirement to include NTA screening in the Long-Range Transmission Plan is premature. The transmission solutions proposed as part of the plan are conceptual in nature meaning there is quite a bit of transmission analysis that needs to follow the plan to determine whether the transmission solution posited is the one that would be built if transmission is the right path. If

the transmission solution isn't final, there is no point in comparing the NTAs against a project that will likely change.

- The concept of considering all cost effective NTAs assumes Vermont will wait for the identification of a reliability problem to choose to do cost-effective energy efficiency, when in fact, by its very nature, where energy efficiency is cost effective it should be done regardless of transmission reliability. For this reason, energy efficiency should be built in to the load numbers rather than geotargeted. The problem with looking at the avoided costs associated with energy efficiency as an alternative to specific transmission projects is that the assessment fails to take into consideration some necessary investment for the of updating aging infrastructure. It would be more useful to consider energy efficiency on a statewide basis, rather than in relation to the avoidance of specific projects.
- The MOU's cost allocation procedure is a barrier to considering NTAs because of the complexity of agreeing upon a cost allocation for NTAs. If you don't have enough human resources to do the current work, how will it work when you get into a full-blown collaboration on costs of NTAs?

#### **HOW THE DOCKET 7081 PROCESS IS SERVING VELCO'S (TRANSMISSION) SECTOR INTERESTS**

- The process serves as a forum for active participants in the public dialogue and to hear and educate.
- To the extent that VELCO's interests are to quickly solve reliability problems, the process acts as a barrier by introducing time and resource drain to the resolution.
- Helps stakeholder relations by showing VELCO is involving the public and doing business consistent with Vermont values; that VELCO is sensitive to the state's needs in considering NTAs and obtaining early public involvement. In this way, the process serves VELCO's interests.

#### **SUGGESTIONS FOR IMPROVEMENT**

- Better align expectations and available resources to carry them out.
- Find a way to better inform a decision-making on a statewide basis rather than project by project. It might be more useful to have global discussion of DSM rolled up and informing/updating the screening tool.
- Better address what is plausible and feasible for DSM and for generation.
- Planning steps: The process may have a step missing. It would be more useful to perform a detailed transmission analysis before you do the NTA analysis. In the current scenario, the transmission analysis may totally change after the plan. This step is not described at all. Transmission plan level analysis is not sufficient to start talking about equivalence or NTA screening. Add a step between steps 7 and 8 to be more certain about the transmission solution.
- Be clearer up front with participants and potential participants about the expectation for participation such as attendance and CEII.