

VERMONT SYSTEM PLANNING COMMITTEE

MEETING MINUTES MARCH 9, 2011, 9:30 AM DOUBLE TREE, BURLINGTON

A regular meeting of the Vermont System Planning Committee (VSPC) was held on March 9, 2011, at the Langevin House, Vermont Technical College, Randolph, Vermont. Deena Frankel called the meeting to order at 9:30 a.m.

Ms. Frankel presented the minutes of the December 8, 2010, meeting for approval. Richard Sutor moved and Steve Litkovitz seconded approval of the minutes of the December meeting, which were approved without objection.

Introductions

Participating members introduced themselves. A list of attendees by sector appears on page 5 of these minutes.

Subcommittee reports

Energy Efficiency & Forecasting (EE&F)

T.J. Poor, chairperson, reported that EE&F provided oversight to the Budget Unconstrained Energy Efficiency Potential Study being presented today by Vermont Energy Investment Corporation (VEIC). The group will meet in April to discuss the methodologies for incorporation of energy efficiency into the load forecasts.

Mr. Poor also reported that EEU budgets are currently being developed through the demand resource plan. The EE&F Subcommittee will meet on March 10 to discuss the questions posed by the Public Service Board on the future of getargeting and other related issues.

Ms. Frankel clarified that the discussion is taking place at an EE&F meeting; however, any comments filed will be from individual stakeholders unless a special meeting of the VSPC were convened. If the March 10 discussion results in a recommendation for the VSPC to comment, a phone meeting could be noticed.

John Plunkett presented the Budget Unconstrained Energy Efficiency Potential Study prepared by VEIC under contract to the VSPC through VELCO.¹ Mr. Plunkett explained that in 2009 Forecast 20 was meant to be a forecast of achievable savings. The unconstrained savings forecast reflects what would be possible with no budget constraint. VEIC worked closely with Itron to coordinate assumptions.

Ms. Frankel clarified that, although VELCO contracted with VEIC for the completion of this study, the MOU required that the VSPC contract for the study in 2010.

Generation Subcommittee

No report.

¹ The study can be found on the VSPC website at:
http://www.vermontspc.com/VSPC%20Meetings/2011_03_09_F20_unconstrainedpotential.pdf

Procedures Subcommittee

Kim Pritchard reported that the third and final Public Service Board CEII workshop was held on February 17. Materials circulated for the workshop included a hypothetical filing containing CEII, draft averments on the hypothetical filing, a revised CEII-specific Protective Order and VELCO and CVPS CEII policies. Board staff expressed their preference for public versions of documents and the need for publicly accessible information to effectively write final orders. The Board members will discuss the matter and determine whether it is appropriate to initiate a rulemaking to consider adopting requirements and procedures. In the interim, it will continue to issue protective orders for CEII in current and future dockets.

Public Participation Subcommittee

Jenny Cole, chairperson, reported that Ms. Frankel drafted a letter to the PSB in response to its memo to the VSPC and other stakeholders inviting comments on the appointment of Hervey Scudder as the alternative public member representing the interests of residential consumers. It was noted that Mr. Scudder has attended two VSPC meetings and continues to demonstrate an active interest in the VSPC.

MOTION TO APPROVE LETTER TO PUBLIC SERVICE BOARD REGARDING APPOINTMENT OF HERVEY SCUDDER AS ALTERNATE REPRESENTATIVE TO THE RESIDENTIAL SECTOR. Bruce Bentley moved and Mr. Sutor seconded. Mr. Scudder's participation in the VSPC was recognized by members. Based on the group's discussion, Ms. Frankel offered amending language recognize Mr. Scudder's attendance at two VSPC meetings and his continued interest in the VSPC. This friendly amendment was accepted. There was no further discussion, and the Motion as amended was adopted unanimously.

Technical Coordinating Subcommittee

Ms. Frankel, chairperson, reported that Technical Coordinating was charged at the last meeting to develop a proposed approach for the VSPC to engage with ISO-NE regarding what several members perceive as excessive conservatism of the ISO-NE planning assumptions. Technical Coordinating proposes an action plan that includes framing several questions to be addressed to Steve Rourke, Vice-President of Planning at ISO-NE, with a request for a half-day workshop meeting with Mr. Rourke, similar to the 2009 meeting with ISO-NE focused on NTA funding parity. The main focus of this meeting is to get a better understanding of where the standards come from that ISO-NE uses. The agenda would also include a status report on Vermont's proposed project cost estimation methodology and proposed NTA regional funding approach. Members of the Public Service Board and Department of Public Service would be invited to participate in the meeting which is expected to be held in June.

MOTION TO APPROVE PROPOSED ACTION PLAN. Terry Cecchini moved and Mr. Sutor seconded. Members discussed the importance of knowing what problems are out there; what issues they caused; and what happens if you don't respond. Participants want to understand the risk if a company decides not to take the action recommended by ISO-NE. Mr. Pr sum  explained that ISO-NE performs a test of the system based on certain planning assumptions and then proposes solutions. Mr. Cecchini added that generation solutions are not as reliable as a transmission solution. If you are going to look at generation to replace transmission you have to have at least two generators. Technical Coordinating will draft a letter capturing the questions discussed today and inviting Mr. Rourke to a discussion with the VSPC. Members (Rip Kirby, Kim Jones, Bruce Bentley, Steve Litkovitz and Hantz Pr sum ) offered help draft the invitation letter to incorporate examples of the assumptions we would like ISO-NE to address. The Motion was approved unanimously.

Transmission Subcommittee

No report.

Ad Hoc Process Reform Group

Ms. Frankel reported that progress has been made since the last meeting. David Mullett, one of the original negotiators of the MOU, worked with the VELCO legal team. Proposed changes to the MOU are being drafted to establish categories of different types of projects as they move through the VSPC. Another meeting of the Process

Reform Group will be held in late March. Recommended language changes will be presented at the June VSPC meeting. Mr. Wickenden pointed out that when the MOU was developed it identified the Efficiency Vermont as a member but not a voting member. With the recent change in Efficiency Vermont's role to an "order of appointment" model, Mr. Wickenden suggested the VSPC discuss amending the MOU to make the EEU a voting member. Ms. Frankel indicated that this issue will be added to the agenda for discussion at the next meeting. Mr. Wickenden will be prepared to discuss what sector Efficiency Vermont should join and the difference between its status and the DPS status.

Regional Update

Hantz Pr sum  updated the group on ISO-NE's VT/NH needs assessment. The study is performed in two parts. The needs assessment draft report is complete and the solutions assessment is due to be completed by the end of the second quarter. Potential transmission solutions and critical load levels were presented to PAC on February 17. Results of the solutions study will be presented to PAC in April. ISO-NE has started analyzing, in a separate study, where non-transmission alternatives could potentially address reliability issues identified in the needs assessment. The NTA study is expected to be completed by the end of the second quarter. VELCO continues to engage ISO-NE on the issue of financial support for NTAs as a reliability solution. VELCO will provide data to ISO-NE in an effort to make the analysis more practical. ISO-NE's solutions analysis will be completed before the next VSPC meeting. Members interested in providing comments should participate in the April PAC meeting.

Project Updates

Kingdom Community Wind (KCW)

Mr. Litkovitz reported that technical hearings have ended and the briefing process is underway. GMP hopes an order will be issued in either May or June. If the order is favorable, construction will begin in the fall with the project in service in 2012.

Jay Area Reliability Project (VEC)

Harry Abendroth reported that the first priority is a VELCO substation in the Jay area for an additional injection point. The request for a CPG has been filed. If no significant hurdles arise, a CPG is expected in July and the project will be in service in 2012.

Weybridge/Middlebury Project

Rip Kirby explained that this project creates a network to supply Middlebury which is currently fed radially. The 46 Kv line is built and the reconductoring is done. The Middlebury substation is partially complete and should be done sometime before June. The entire project will be fully functional in June.

St. Albans / Georgia

Mr. Kirby reported that the planning studies are complete. The public outreach process is pending. The transmission alternative has proven to be the preferred alternative, which is an interconnection in the Albany area.

Rutland

Mr. Kirby reported that testimony is pending and public outreach has not begun. The preferred solution appears to be a transmission alternative. The NTA analysis is technically complete; however cost numbers are not yet complete. Kim Jones is working on cost estimates. The West Rutland interconnection is looking like the preferred solution. One of the challenges is knowing how to add benefits into cost numbers. The NTA should be ready to present to the VSPC by the end of the first quarter.

Hartford Transformer

Mr. Pr sum  reported that the Hartford area is being studied as part of the 2012 long range plan. Green Mountain Power is interested in this project because GMP has 10-11 mw serving the White River area. CVPS may need to be added to the system but that can't be done until transmission is in service. A demand response solution is being developed to keep load below limit until transmission is installed. Mr. Kirby added that CVPS is preparing to study this area and will need to work with the other parties on the right solution.

Newport Capacitor Bank

Mr. Pr sum  reported that the project is being coordinated with the Jay analysis. If additional capacitors are added to the VEC system this Newport capacitor could be postponed. A transmission analysis will be performed as part of the 2012 plan. Based on the ISO-NE study it looks the Newport capacitor will be needed.

Queen City, Blissville & Ascutney Capacitor Banks

Mr. Pr sum  reported that additional transmission analysis determined these projects are not needed immediately.

West Rutland Capacitor Bank

Mr. Pr sum  reported that the West Rutland capacitors are needed. The NTA screening has been performed, and approval has been received from ISO-NE. The project is in the permitting stage. The Section 248 application has been filed. The proposed schedule would have the project in service in 2012.

Georgia, Ascutney, & Bennington Substation

Mr. Pr sum  reported that the Georgia substation is being reconfigured to allow the Georgia transformer to be connected. The NTA analysis is underway and will be done soon. The NTA analysis for Bennington will be complete in a couple of weeks. There is no activity for Ascutney.

Reactors

Mr. Pr sum  reported that the reactors have received ISO approval. VELCO is getting ready to file with the PSB in the next few weeks.

Highgate Converter

Mr. Pr sum  reported that VELCO is in process of putting together a project to replace the controls and cooling system at the Highgate Converter. Highgate is a 25-year-old facility and some equipment is obsolete and difficult to maintain. It is expected that the Highgate Converter will be used an additional 25-30 years so maintenance is necessary. This project was introduced to the ISO-NE PAC last month, and this project will receive regional funding. The in-service date for the modifications is 2012.

Economic Projects

Mr. Pr sum  reported that the Northern Pass received FERC approval on the rate of return.

OTHER BUSINESS

There was no other business to report.

Adjournment

The meeting was adjourned at approximately 2:30 p.m.

Next Meeting: Quarterly Meeting to be held on June 8, 2011, at the Capitol Plaza, Montpelier, 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

Diane Lee, VELCO

Distribution Utilities Providing Transmission (CVPS, GMP, VEC)

**Terry Cecchini, GMP

Steve Litkovitz, GMP

*Bruce Bentley, CVPS

Rip Kirby, CVPS

*Harry Abendroth, VEC

Morris Silver, CVPS

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

*Bill Powell, WEC (via telephone)

Transmission Dependent Distribution Utilities (Municipals)

*Richard Sutor, Village of Northfield 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

Non-Voting Members

Walter Poor, DPS

Michael Wickenden, VEIC

Staff

Deena Frankel, VELCO

Kimberly Pritchard, VELCO

Guests

John Plunkett, VEIC

Jim Merriam, VEIC

Hervey Scudder