

**VERMONT SYSTEM PLANNING COMMITTEE
MEETING MINUTES
SEPTEMBER 11, 2013
HOLIDAY INN, RUTLAND**

The Vermont System Planning Committee (VSPC) held a regular meeting on September 11, 2013, at the Holiday Inn, Rutland, Vermont. Deena Frankel called the meeting to order at 9:30 a.m.

Steve Litkovitz moved approval of the June 12, 2013, minutes, Hantz Pr sum  seconded and the minutes were approved without objection.

Introductions

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

Subcommittee reports

Geographical Targeting Subcommittee

Walter (T.J.) Poor, Geographical Targeting Subcommittee (GTS) chair, gave a thorough overview of the GT process analysis and proposed revisions to the process. The revisions eliminate duplicative work; consolidate the two GT processes that include obligations delegated to the VSPC, and coordinate timing and responsibilities of overlapping requirements. The GTS needs the full committee's feedback and approval to file the process analysis and reform documents with the Public Service Board (PSB). The subcommittee is seeking approval for the VSPC to file a cover letter and the presented documents to the Board for informational purposes.

Mike Wickenden moved to authorize staff, in consultation with the GTS, to finalize the process analysis and recommendations, incorporating comments from this meeting, and to file the documents with the PSB. Hervey Scudder seconded. The motion was approved without objection.

Kim Jones updated the VSPC on the St. Albans reliability plan. GMP, in consultation with GTS, is completing a gap analysis to address the constraint. Net metering and demand response (DR) have been identified as solutions. The group is using the energy efficiency (EE) calculator to quantify the incremental energy efficiency available for the area to determine if there is enough EE to help fill the gap instead of building a new substation. GMP is working with VEIC to make that determination. GMP's will file a status update on St. Albans on October 1 and will continue to move forward with completion of a reliability plan that answers whether standard offer outside the cap is useful to address this reliability issue.

A conference call was scheduled for October 17 at 9:30 a.m. for the VSPC to act on the GTS recommendations regarding what the VSPC should advise the PSB about EE geographic targeting for 2014.

Mr. Litkovitz, GT Assistant Chair, reported on the screening framework and guidelines for implementation of the "sufficient benefit" provisions of standard offer, as implemented in Docket 7873. GTS reviewed the existing screening framework and guidelines and proposed revisions to incorporate distribution-level reliability plans for consideration of standard offer outside the annual cap. GT requests approval from the full VSPC committee to submit to the PSB the revised screening framework and guidelines that now encompasses distribution-level constraints.

Mr. Litkovitz moved to approve the proposed revisions to the screening framework and guidelines and submit them for review to the PSB. The motion was adopted without objection.

Forecasting Subcommittee

Andrew Quint, Forecasting Subcommittee chair, reported that the subcommittee plans to change its timing to better provide timely input into ISO-New England's (ISO-NE) forecast rather than giving feedback when the final forecast is published. The Forecasting Subcommittee is also reviewing how to forecast efficiency more accurately

by reviewing the engineering life of efficiency measures versus program life. The Efficiency Measure Life graph considers what benefit an efficiency measure will provide over time, splitting the forecasting into a regulatory view and an actual view. The committee will continue their work with Itron.

Mr. Pr sum  reported his analysis of the 2013 summer peak. Vermont's summer peak of 1140 MW occurred on July 18 at 2 p.m., a day before the region's peak. The July 19 measured load was lower in Vermont because of OP4, DR, and distributed generation (DG) contributed by the standard offer, which are treated as negative load, increased 2.5 times since last year. DG and load management are affecting the daily load shape. Solar PV systems flatten and shift the peak toward the evening. GMP Rate 3 programs reduce the midday load, but increase the early evening load. The relationships between the load and the influencing factors are changing. Net metering and energy efficiency will continue to have an effect on the summer peaks.

Coordinating Subcommittee

Ms. Frankel reported on the Maine & Regional NTA Workshop schedule for October 11 at the Capitol Plaza, 9 a.m.—12:00 p.m. Panelists will include speakers from Central Maine Power, Maine Public Utilities Commission, New England States Committee on Electricity and ISO-NE.

Public Participation Subcommittee

Ms. Frankel reported that the Public Participation Subcommittee sent a letter to Vermont business groups to generate interest in the vacant public member alternate seat on the VSPC. The subcommittee is waiting to hear from the PSB about whether the recruitment effort produced any candidates.

Regional Update

FERC Order 1000 – FCM Zone Changes

Frank Ettori reported that significant changes will need to be made in transmission planning to comply with FERC's May order rejecting a number of key aspects of New England's Order 100 compliance filing. ISO-NE received an extension to comply with the May FERC order, which requires major modifications to complex aspects of New England's current transmission planning regime. A draft proposal has been developed by the New England transmission owners (NETOs) recommending the elimination of ISO/NETO working groups, ISO-NE development of transmission Requests for Proposal, a sequence of events for the different stages of proposals, proposal evaluation protocols, and cost allocation.

Mr. Ettori reported FERC's ruling that New England must redefine its four capacity zones, into eight zones or an appropriate number of zones. ISO-NE is developing a proposal to comply with the FERC Order with an effective date of either 2018 or 2019.

VT/NH Needs Assessment

Mr. Pr sum  reported the VT/NH Needs Assessment results show that the Sand Bar upgrade can be deferred with a control scheme to disconnect the line from NY. Ascuney will still be a concern. ISO-NE and VELCO are reevaluating the solutions to the concern. Voltage issues would need a synchronous condenser to make the rebuild a viable option. The group will make a decision in the fall.

Distributed Generation Forecasting Working Group

Mr. Pr sum  reported on ISO-NE's recently formed Distributed Generation Forecasting Working Group (DGFWG) which will discuss DG issues in both operations and planning and is open to all interested persons. The kick-off meeting is scheduled for September 30. ISO's September 12 Regional System Plan meeting in Boston will include a panel on DG including a number of experts and state representatives from around the country.

Standard Offer

Mr. Poor reported that the PSB issued a RFP April 1 and received all solar respondents. Three projects were awarded in the towns of Bennington, Sudbury and Middlebury. The Reserve projects are in Pittsford, Whiting and Williston. There will be follow-up proceedings on technology allocation, value-based mechanism and sufficient benefits test, distribution screening framework and guidelines, and provider block to determine avoided cost figures.

Net Metering

Mr. Poor reported that net metering requests for Certificates of Public Good (CPGs) have increased. The Public Service Department (PSD) will continue to support net metering while seeking to ensure equity among all ratepayers. PSD has engaged developers and utilities to present their perspectives on the costs and benefits of net metering on their respective systems.

Project Updates

Rutland: Rip Kirby reported on the complex issues in the Rutland area including a deficiency in thermal capability, the integration of the Vermont Marble Power Division system, and an aged combustion turbine. GMP needs to finalize cost analysis of all possible solution alternatives and then choose and implement a solution alternative.

Central Vermont: Deena Frankel reported that GMP would like to organize one last wrap up meeting for the Central VT NTA study group in October.

Southeast VT: Mr. Pr sum  reported that a recent study conducted by ISO-NE determined the closure of Vermont Yankee has minimized the need for the project. The project is being postponed beyond the 10-year horizon.

Northern area: Mr. Pr sum  reported that the results of the planning study are being documented.

IBM area: Mr. Pr sum  reported project scope has expanded, which will require a larger study than anticipated. VELCO hired a consultant to review the system. The results of that study determine the scope of work.

PV 20: Mr. Pr sum  reported that the New York Power Authority (NYPA) has determined the PV 20 cable between New York and Vermont needs to be replaced due to condition and age. Discussions about the project have been initiated with NYPA.

Colchester: Mr. Litkovitz reported that a gap needs to be addressed between McNeil and the Gorge. GMP received the CPG and currently in the process of getting easements, which may need condemnation.

Hartford/ Ascutney: Ms. Jones reported that GMP is addressing the deficiency that exists in the event of loss of the Hartford transformer. Non-transmission alternatives (NTA) screening of solution was reviewed at the last VSPC meeting.

Vernon Road: Mr. Kirby reported that the Vernon Road upgrade will be finalized and commissioned by mid-October.

OTHER BUSINESS

Ms. Frankel presented future meeting dates noting that the October 17, special meeting will be held by phone. The next quarterly meeting will be held December 11, 2013, at the Doubletree Hotel in South Burlington, Vermont.

Adjournment

The meeting was adjourned at approximately 3:45 p.m.

Next Meeting: Quarterly Meeting to be held on December 11, 2013, at the Doubletree Hotel, Burlington, Vermont at 9:30 a.m.-4:00 p.m.

DRAFT

ATTENDANCE

*Indicates voting member at this meeting

**Indicates Alternate

Public Sector

*Hervey Scudder, Residential

*Michael Kirick, Commercial & Industrial

Transmission Utility (VELCO)

*Hantz Pr sum , VELCO

Distribution Utilities Providing Transmission (GMP, VEC)

*Steve Litkovitz, GMP

**Doug Smith, GMP

Rip Kirby, CVPS

Kim Jones, CVPS

Large Transmission-Dependent Distribution Utilities (BED, WEC)

*Munir Kastl, BED

**Tom Buckley, BED

Transmission Dependent Distribution Utilities (Municipals)

*Melissa Bailey, VPPSA

Non-Voting Members

Walter Poor, DPS (via phone)

Al St. Peter, DPS

Staff

Deena Frankel, VELCO

Shana Duval, VELCO

Guests

Michael Wickenden, VEIC

Mike Henry, Environment New England

Gilliam Eaton, VEIC

Carole Hakstian, VEIC

James Rademacher, Public

Gabrielle Stebbins, Renewable Energy Vermont

Annette Smith, Vermonters for a Clean Environment

Diana Lee, VELCO