

VERMONT SYSTEM PLANNING COMMITTEE

**MEETING MINUTES
JUNE 9, 2010, 9:30 AM
CAPITOL PLAZA, MONTPELIER**

A regular meeting of the Vermont System Planning Committee (VSPC) was held on June 10, 2010, at the Capitol Plaza Hotel, Montpelier, Vermont. Deena Frankel called the meeting to order at 9:30 a.m.

Ms. Frankel presented the minutes of the March 10, 2010, meeting for approval. Morris Silver moved and Harry Abendroth seconded approval of the minutes of the March meeting, which were approved without objection.

INTRODUCTIONS

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

ACTION ITEMS

Response to PSB Memo of May 17, 2010 regarding Docket 7081/VSPC Evaluation

On May 17, 2010, the PSB issued a memorandum to parties in Docket 7081 and the VSPC regarding the VSPC Evaluation of Docket 7081 Planning Structure. The memo addressed recommendations made by the VSPC in its evaluation to modify the public member cost allocation methodology, and to keep Docket 7081 open. The PSB noted that the VSPC did not request specific action regarding the cost allocation methodology and requested that it provide a response by June 15, 2010, clarifying whether the VSPC is requesting that the PSB implement this recommendation. In response to the request to keep Docket 7081 open, the PSB indicated that it does not normally keep dockets open for extended periods after a final order has been issued. Ms. Frankel explained that while the docket remains open, PSB representatives are prevented from participating in VSPC discussions. The PSB has requested the VSPC to respond to its concerns, addressing whether the docket could be closed and an alternative procedure be developed to address VSPC issues. There was a general discussion among participants and a consensus Board staff participation in the VSPC process would have value.

Ms. Frankel reported that when Technical Coordinating discussed this issue, it become very apparent that there are a number of issues the VSPC is currently facing that may result in recommendations for more substantive near-term process changes. Among those issues is the fact that regional activities are affecting dates in the Project Priority List, and ISO-NE is taking a greater direct role in transmission planning in areas that were previously delegated to transmission operators.

Ms. Frankel prepared two draft letters to the PSB in response to its May 17 memo for review and consideration by the VSPC. In an effort to illustrate the challenges with the planning process and to provide a foundation for the content of these letters, Hantz Pr sum  and Bruce Bentley prepared presentations as follows.

Regional Developments and the Docket 7081 Coordination Process

Mr. Pr sum  outlined ISO-NE's and transmission owner's responsibilities according to the Transmission Operating Agreement (TOA). According to the TOA:

- ISO-NE has operational authority over the Participating Transmission Owners' (PTO) transmission facilities. This authority is required under FERC Order 2000.
- ISO-NE is responsible for system planning within the ISO region subject to certain rights and obligations of the PTOs.
- The PTOs will, among other things, continue to own, physically operate and maintain their transmission facilities and local control centers.

Pursuant to Attachment K of the Open Access Transmission Tariff (OATT) which describes the regional planning process, the ISO shall conduct the regional system planning process for the Pooled Transmission Facility (PTF) in coordination with the PTOs or other entities interconnected to the NE transmission system and neighboring systems. The PTOs are responsible for the local system planning process for the non-PTF in the New England transmission system.

Historically, ISO-NE relied on VELCO in the planning process. ISO-NE now has the resources to perform this function independently. Mr. Pr sum  explained the ISO-NE planning process to participants. ISO-NE doesn't get involved with the sub-transmission system and how it interacts with the transmission system. Further, ISO-NE has no role in the work of the VSPC and uses different assumptions from those used in-state regarding the role of non-transmission alternatives. The lack of alignment between ISO-NE's planning process and the VSPC planning process raises a number of challenges. Mr. Pr sum  reported that ISO-NE has previously been more involved in the planning process in other states, and Vermont now has been added to that category. ISO-NE does provide an opportunity for VELCO's input.

Mr. Pr sum  provided a status update of the Vermont regional study looking at Vermont, New Hampshire and parts of Massachusetts with Vermont Yankee decommissioned. ISO-NE will perform the needs assessment analysis from scratch using ISO-NE's 2010 load forecast; utilization of demand resources throughout New England; supply scenarios that include the PV-20 and Highgate flows at 0 MW and VY either re-licensed or decommissioned; various power transfer conditions; and various contingencies in NY, VT, NH and MA. The needs assessment study is scheduled to be completed by the end of the year, but will likely be delayed. VELCO starts its analysis for the 2012 long-range plan in January/February of 2011. ISO-NE is finalizing the study scope for the needs assessment, and the solutions assessment is expected to be completed in February or March of 2011. There was a general discussion and overview of the study scope.

Mr. Pr sum  summarized the challenges for the Vermont planning process:

- Substantial control over Vermont planning lies at the regional level with ISO-NE
- ISO-NE is not a party to the Docket 7081 MOU
- ISO-NE and the Vermont planning process are inconsistent
 - ISO performs annual updates; VT has a three-year cycle
 - ISO uses a ten-year horizon; VT uses a 20-year horizon
- ISO-NE process provides a signal to market for DSM and generation alternatives by sharing study results in the regional stakeholder process
- ISO-NE's forward capacity market determines what demand-side resources will be used. Cleared demand resources are treated as load supply.
- Keeping the Vermont in-state process relevant and ensure Vermont goals influence the regional process.

Recognizing the impact of ISO-NE performing the needs assessment analysis using new assumptions, Mr. Pr sum  reported that some projects will be affected and some will not. VELCO will continue to move forward with the unaffected projects. These include the Georgia, Ascutney and Bennington substation projects, the West Rutland capacitor project and the reactor projects to address the high voltage on the system. A lower load forecast postponed some projects. VELCO will await ISO-NE's needs analysis before going further. VELCO will file a letter with the Board requesting to extend deadlines in the VSPC Project Priority List.¹

NECPUC Meeting

Mr. Bentley reported that he spoke on Southern Loop Project non-transmission alternatives and the VSPC process at the New England Council of Public Utility Commissioners' (NECPUC) annual meeting. He provided information from that symposium as follows. Steve Rourke of ISO-NE reported that ISO-NE is increasingly incorporating demand resources into its operation. ISO-NE wants to be able to include some amount of demand resources in its planning. ISO-NE is also increasingly able to provide information about where generation is needed. Mr. Bentley reported that the conference generated a good discussion of non-transmission alternatives including how to implement and fund them. There was also a discussion regarding non-transmission alternatives and how they impact transmission development, and the performance of a needs study either on a regional or local level.

Ms. Frankel presented the two alternative draft letters to the PSB in response to its May 17 Memo. Ms. Frankel explained the distinct differences between the two letters. The shorter version is an on-point response and the longer version provides additional details of the upcoming challenges facing the VSPC. There was a discussion on the consequences of closing the docket and the details of each letter.

MOTION FOR APPROVAL OF THE LONG VERSION RESPONSE TO THE PUBLIC SERVICE BOARD MEMO OF MAY 17, 2010; Mr. Bentley moved and Doug Smith seconded. The Motion was approved unanimously.²

The group discussed how to move forward with potential process changes. Ms. Frankel will meet with participants individually to discuss the same and will prepare a strawman proposal for consideration by Technical Coordinating.

SUBCOMMITTEE REPORTS

Energy Efficiency & Forecasting

T.J. Poor, chairperson, reported that the combined heat and power and customer sited generation RFP is almost complete as required by the Docket 7081 MOU and will be ready to be issued on July 1. Any additional comments should be submitted by Friday June 11. The group has also been working on the comparison of forecasting assumptions, documenting assumptions and preparing load forecast guidelines, as assigned by the subcommittee's charter. The guidelines contain a list of recommendations for coordination and collaboration to encourage consistent assumptions in the

¹ [VELCO filed a letter on June 29, 2010 requesting to extend deadlines in the VSPC Project Priority List.](#)

² [The letter was filed on June 10, 2010.](#)

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future. The subcommittee has discussed these issues extensively. A document should be available at the next quarterly VSPC meeting.

Generation Subcommittee

Although there was no formal report of the Generation Subcommittee, Ms. Frankel reported that meeting has been scheduled for Thursday, June 10 to discuss the proposed charter change.

Procedures Subcommittee

Kimberly Pritchard provided a clarification of the non-disclosure process. The expectation is that any utility bringing confidential information before the VSPC has the burden to circulate and obtain signatures of participants prior to presenting the information. Ms. Pritchard also reported activities of the regional CEII working group. Regional utilities are moving forward with putting in place policies and procedures for dealing with CEII and the working group will be updating the guidelines produced in June, 2009. VELCO continues to have discussions on applying the CEII designation.

Public Participation Subcommittee

Jenny Cole, chairperson, reported that recruitment for new VSPC members continues. Ms. Frankel reported on changes being made to the VSPC website. Participants of Docket 7081 are required to have a link to the VSPC website on their company's website.

Technical Coordination Subcommittee

Ms. Frankel presented the dates for 2011 VSPC meetings. There was consensus to have four quarterly meetings a year, and there were no objections to the proposed meeting dates.

Transmission Subcommittee

The Transmission Subcommittee had not met and so had no formal report. Mr. Pr sum  inquired of the group whether the Transmission Subcommittee should be dissolved. The purpose of the committee is to discuss the details of studies and assumptions. It was noted that the VSPC is about transmission planning. Further, it was noted that we are running on a three-year cycle, and as we get closer to a planning cycle ending there will be more need for that committee to meet and discuss preliminary results. Additionally, subtransmission issues are not being considered by ISO-NE. Mr. Bentley inquired whether consideration should be given to congestion and losses and what can be done to reduce congestion and losses. He indicated that there are some oddly high losses in the Vermont zone.

The group reviewed the Transmission Subcommittee [Charter](#), and confirmed that, except for the model improvements, no other committee is handling the matters outlined in the Charter. The group agreed the Transmission Committee should remain intact with no expectation of regular meetings until needed.

PROJECT UPDATES

Jay Area Reliability Project (VEC)

Mr. Abendroth reported on the Jay Area Reliability Project. A study, now underway, should be completed by July 1. Multiple issues need to be addressed. The various scenarios reviewed to date indicate insufficient 115 kV to 46kV capacity. The solution will include a combination of components including substation upgrades. A final report should be available for the September quarterly meeting. Mr. Abendroth will coordinate with Technical Coordinating to present the details of the study to those who are interested.

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Middlebury Reliability Project

Kim Jones reported that the Weybridge/Middlebury project is currently in the 248 process and hopefully a decision will be issued by the end of July. This project will be built over a two-year period.

North Rutland/Cold River

Ms. Jones reported that CVPS and VELCO have been meeting to coordinate the project. CVPS has provided VELCO with its recommendation for review. This project will require an NTA analysis and CVPS will take the lead. The NTA analysis should be completed by the end of the year. Once the transmission solution is identified, Ms. Jones will notify affected utilities.

St. Albans

Ms. Jones reported that the transmission solution has been selected and CVPS will move forward with public outreach.

Economic Projects

Mr. Pr sum  reported that there is a proposed project to run a submarine cable down Lake Champlain on the New York side. It is a 1000 MW AC/DC that would start in Quebec and go to Connecticut. It is a parallel project to the one connecting Quebec to New York. The cable will remain on the New York side of Champlain reducing or eliminating impacts to Vermont.

The NU/NSTAR project has not yet been presented to the Task Force and Mr. Pr sum  has no information to provide.

Lyndonville Electric Department Project

Ken Mason reported that the CPG had been issued and the project is under construction. There have been no public issues to date. It is expected to be energized in December 2010.

OTHER BUSINESS

There was no other business to report.

ADJORNMENT

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

NEXT MEETINGS:

- Quarterly Meeting to be held on September 8, 2010 at the Holiday Inn, Rutland, Vermont, at 9:30 a.m.

ATTENDANCE

*Indicates voting member at this meeting

**Indicates Alternate

Public Sector

*Jenny Cole, Public Member- Residential

Staff

Deena Frankel, VELCO

Kimberly Pritchard, VELCO

Transmission Utility (VELCO)

*Hantz Pr sum , VELCO

Scott Harding, VELCO

Shana Duval, VELCO

**Distribution Utilities Providing Transmission
(CVPS, GMP, VEC)**

*Doug Smith, GMP

**Terry Cecchini, GMP

Steve Litkovitz, GMP

*Bruce Bentley, CVPS

**Kim Jones, CVPS

Morris Silver, CVPS

*Harry Abendroth, VEC

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

*Munir Kasti, BED

**Transmission Dependent Distribution Utilities
(Municipals)**

*Kenneth Mason, Village of Lyndonville Electric

Proxy for Village of Enosburg Falls

Proxy for Village of Hardwick

Proxy for Village of Hyde Park

Proxy for Village of Johnson

Proxy for Village of Ludlow Electric

Proxy for Village of Northfield

Proxy for Village of Swanton

Proxy for Village of Stowe

Non-Voting Members

Allan St. Peter, DPS

George Nagle, DPS

Walter Poor, DPS

Dave Lamont, DPS

George Twigg, VEIC