

Vermont System Planning Committee

Ensuring full, fair and timely consideration of non-transmission alternatives to address Vermont electric system reliability challenges.



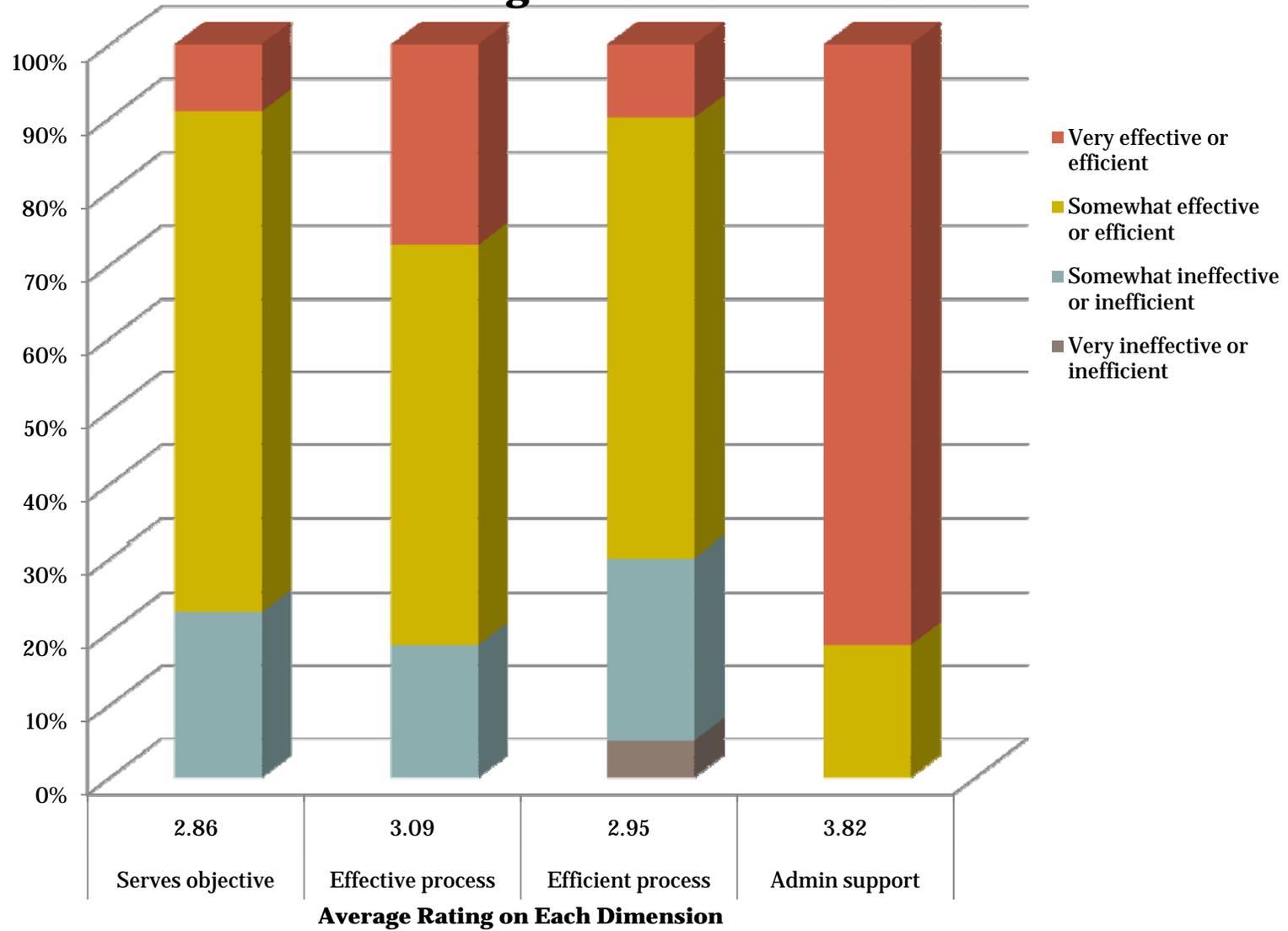
**SPECIAL MEETING
OCTOBER 21, 2009
9:30 A.M. – NOON
NOBLE HALL
VERMONT COLLEGE OF FINE ARTS
MONTPELIER, VERMONT**

Objectives of 10/21/09 meeting

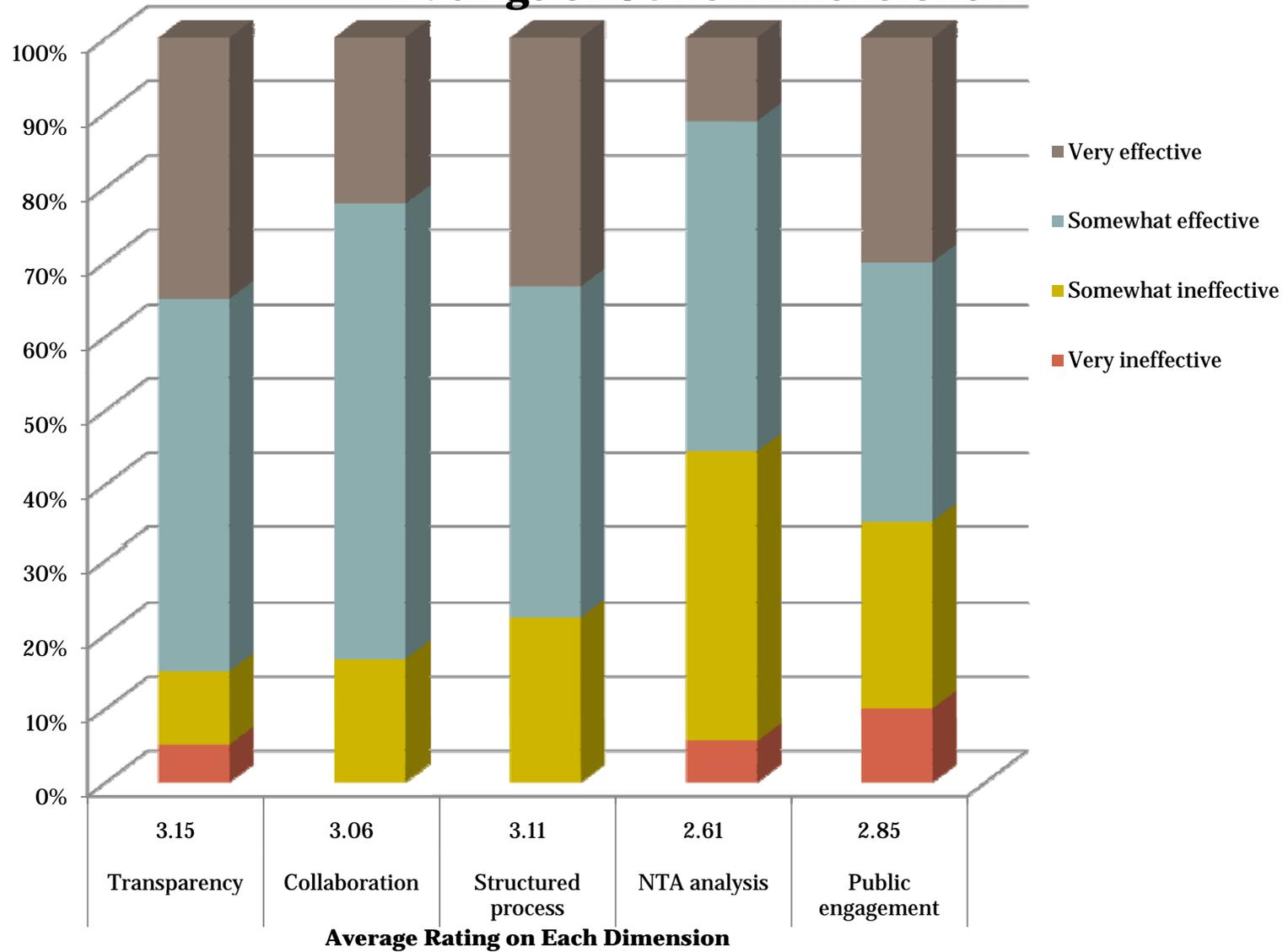


- Review input gathered to date
- Identify additional data needs
- Establish a framework for the report to the PSB
 - What will be included?
 - How will VSPC establish findings?
 - What will the VSPC recommend?
- Reaffirm or modify process for completion
 - Nov. 6 draft
 - Nov. 6-20 comment
 - Dec. 3 final draft
 - Dec. 9 final review at regular VSPC meeting
 - Dec. 21 final report to VSPC and parties
 - Dec. 31 file final report

Ratings of VSPC Dimensions I



Ratings of VSPC Dimensions II



Major themes – strengths



- Increased information sharing and multi-lateral learning among all stakeholders in the process.
- Process fosters greater communication, cooperation and collaboration.
- Process offers opportunities to raise questions about underlying planning assumptions
- Preliminary positive movement on NTA consideration, but jury is still out.
- Significant public outreach efforts.
- Administrative processes and support are working well.

Major themes – challenges



- Evaluation process is premature given that the first full cycle of the VSPC process only began with the 2009 Plan.
- Process is burdensome and time consuming and therefore costly.
 - Utilities not adequately resourced to fully participate in the process
- NTA screening and analysis... various views.
 - Jury still out on effectiveness at core objective: NTA consideration
 - Projects are being screened in that should screen out
- Mission issues... two views.
 - VSPC mission is inappropriately expanding into areas such as economic transmission
 - VSPC mission is too narrowly focused on reliability and should encompass issues like economic transmission
- CEII rules are presenting a significant challenge to transparency and public engagement.
- Difficulty in achieving full participation by public representatives. Seats not filled. Limited attendance by some public members.
- Fundamental questions about whether NTAs are feasible/viable.
 - Bar placed too high by VELCO... issues related to equivalency
 - Many barriers to NTAs built into system such as siting and funding

General conclusion



- A few people advocated abolishing the process.
 - Assuming the group does not want to take this position...
- None of the recommendations for change appear to require PSB action.
- Many suggestions for process improvement are within the control of the VSPC either by changes in process, Procedural Rules or subcommittee charters.
- The evaluation provides an opportunity to fix small technical problems such as the public member cost allocation methodology*. Staff will prepare a list of these needed technical fixes.
 - * The MOU requires VELCO to use the VEPPi, Inc. cost allocation formula rather than the formula used to allocate general VELCO operating costs. Both formulas are based on load share, but have very slightly different results. Maintaining a separate process for VSPC cost allocation provides no benefit and therefore is administratively burdensome and inefficient.

Offered recommendations



- Increase public participation.
- Coordinate the timing of DSM and Load forecasts.
- Analyze the process to identify how it can be streamlined. Possibly use a consultant to assist with the analysis and modification.
 - Meet when needed, rather than quarterly.
 - Greater discipline for subcommittees to do the heavy lifting and bring less of the in-depth deliberation to the full VSPC.
- Resolve the conflicting views of the breadth of mission.
- Resolve the CEII issues.
- Greater discipline on setting and meeting deadlines.
- Many (sometimes competing perspectives) on whether the NTA screening process needs to be changed.
- Resolve equivalency issues.
- Implement subcommittee-specific recommendations.