

VERMONT SYSTEM PLANNING COMMITTEE

MINUTES

Technical Coordinating Subcommittee

November 17, 2008, 1:30 p.m.

Department of Public Service, Montpelier

Attendees: Bruce Bentley (CVPS), Jenny Cole (Public Representative), Deena Frankel (VELCO), Dean LaForest (VELCO), Dave Lamont (DPS), Kim Moulton (VELCO), Ken Nolan (BED), Bill Powell (WEC), Doug Smith (GMP), John Spencer (SPEED Facilitator).

Planning for VSPC presentation on non-reliability (economic) transmission policy discussion

Question: Who should make the presentation on economic transmission that the VSPC decided in June should be scheduled for a future meeting?

Discussion: At the last VSPC meeting, the committee agreed to schedule a presentation on economic transmission for information only. This presentation should not take place at the December meeting because of the press of agenda items concerning the VELCO Long-Range Plan and associated processes. The item will be scheduled for the March VSPC meeting. It was agreed that VELCO/Dean LaForest would take the lead on putting the presentation together and that an hour would be scheduled in the March agenda for this purpose. Dean will share an outline with the Technical Coordinating Subcommittee (TCSC) prior to the preparatory meeting for the March VSPC meeting.

Conclusion: Inform VSPC as part of the TCSC report at the December meeting of the planned action described above.

What can be/should be done to re-synchronize the load and DSM forecast in the next round so the DSM forecast can support the load forecast?

Question: The Docket 7081 MOU included a provision related to the timing of the DSM forecast that the EEU is charged to prepare to ensure that the DSM forecast would be available to inform the VELCO load forecast for each three-year update of the VELCO Long Range Plan. The synchronization of the DSM forecast with the load forecast did not occur in preparation for the 2009 LRP update because the MOU wasn't signed, and the EEU contract modified in time, to accommodate the relevant deadlines. How can and should the two forecasts now be re-synchronized?

Discussion: The following is a high-level overview of the VELCO timing for the 2012 LRP update:

**2012 VELCO Long Range Plan Development
High Level Timeline**

	Start	End
Load forecast development	October 1, 2010	December 31, 2010
Draft long-range plan	January 1, 2011	November 30, 2011
VSPC input period	December 1, 2011	January 31, 2012
Revise based on VSPC input	February 1, 2012	February 27, 2012
Public input period	March 1, 2012	April 30, 2012
Revise based on public input	May 1, 2012	June 30, 2012
Deliver 2012 long-range plan	July 1, 2012	July 1, 2012

Conclusion: The group decided to refer this question to the Energy Efficiency & Forecasting Subcommittee (EESC) which was scheduled to meet two days after the TCSC meeting. The EESC discussed the issue on 11/19/08 and has placed it on the agenda for further discussion at its next meeting.

How shall the VSPC sequence and time the steps that need to be completed during the 60-day VSPC input process on the VELCO Long Range Plan?

Question: The VSPC and the Distribution Utilities (DUs) are charged with five actions during the 60-day VSPC input process on the VELCO LRP, which will be distributed to the Committee on December 1, 2008. They include:

- To the extent the affected utilities disagree, VSPC determination of “system level” (e.g., bulk, predominantly bulk, subsystem, predominantly subsystem) of each reliability deficiency in LRP (§ 13).
- To the extent the affected utilities disagree, VSPC determination of affected utility(ies) for each reliability deficiency in LRP (§ 14).
- VSPC memo of comments to VELCO on LRP (§ 15).
- DUs confirm or dispute descriptions of subsystem reliability deficiencies in LRP (§ 16).
- DUs provide any preliminary NTA analyses (screenings) on subsystem issues that are ready in time for the plan (§ 23).

How will the VSPC complete this work? What procedures should be used?

Conclusion: The group developed the following process:

Date	Step	Owner
11/19/08-12/1/08	Secure confidentiality agreements; distribute new passwords	VELCO
12/1/08	Post plan on secure section of VSPC website; cover letter to all participants including request to DUs for subsystem analyses that are complete for inclusion in the plan	VELCO

12/1/08 – 1/30/09	Comments of VSPC participants posted on VSPC website	VELCO
12/10/08	Quarterly meeting: presentation of plan; preliminary identification of areas of disagreement	VSPC
12/22/08	Remaining NTA screenings distributed	VELCO
1/15/09	Written notice to VELCO of remaining disputes	DUs
1/21/09	Special meeting to resolve remaining disputes and compile comments	VSPC
1/30/09	Last day to receive written comments for inclusion in plan	VSPC
2/1/09	Public draft of LRP posted to VSPC public website incorporating VSPC comments	VELCO

How should the Lyndonville NTA screening be handled on the VSPC December agenda?

Question: NTA screening has been completed for the Lyndonville St. Johnsbury reliability deficiency. The affected utilities – Lyndonville, CVPS and VELCO – will present the screening at a special meeting December 3, 2008, to which any interested members of the VSPC have been invited. How should the issue be addressed in the VSPC quarterly meeting December 10, keeping in mind the extensive discussion that occurred at the September meeting following CVPS’s presentation of its Weybridge NTA screening?

Conclusion: Given the opportunity for extensive discussion that will occur at the December 3 presentation of NTA screening, the discussion at the VSPC quarterly meeting should consist of a report of the December 3 meeting, but not a repeat of the in-depth presentation. If discussion again arises regarding the effectiveness of the tool, the issue should be scheduled for an appropriate forum separate from consideration of the Lyndonville project. Under the terms of the MOU, no formal action is needed from the VSPC to accept or comment on the NTA screening.

Process for steps after filing LRP July 1, 2009

Question: What process should use to prepare for next steps beyond filing of LRP July 1, 2009?

Conclusion: An ad hoc committee on MOU procedures clarification was established for this purpose and has met once. The demands of the LRP review process required immediate answers to the questions related to the steps that must occur during the 60-day LRP review process, December 1, 2008, through January 30, 2009. However, the ad hoc group remains the appropriate place to address the remaining questions. Staff has developed a series of draft process flow charts that will assist the process and a follow up meeting will be scheduled shortly. The first draft of the flowcharts (updated since the TCSC meeting to complete the process) is posted at:

<http://www.vermontspc.com/VPSC%20Subcommittees/VSPCflowcharts.pdf>

Cost allocation criteria

Question: If the VSPC becomes involved in cost allocation, what criteria will it use? Will it use a standard format or determine cost allocation on a project by project basis?

Conclusion: This issue was placed on the agenda because it was the one question from the identification of MOU ambiguities done this summer that did not have a “home.” The subcommittee advised that we wait to see how the VTA Manual process unfolds as this should provide the utilities with some tools for resolution of disputes over cost allocation. In addition, the group wanted to wait until the Committee has some experience with projects going through the full VSPC process. There is general recognition of the criticality of the cost allocation question, but the clearest path forward may not be for the VSPC to develop a cost allocation formula at this time.

DSM potential study required by ¶ 1 of Attachment F of the Docket 7081 MOU

Question: How will the VSPC proceed with the statewide DSM potential study required by ¶ 1 or Attachment F? (Deadline: July 1, 2010. To be sponsored by VSPC through an RFP.)

Conclusion: The group determined that this issue should be referred to the EESC, which it was.

Evaluation of the VSPC process required by 7081 MOU

Question: How will the VSPC proceed with the evaluation process of the 7081 MOU scheduled to happen between July 1, 2009, and December 31, 2009? Should this be handled through a subcommittee, all subcommittees or an ad hoc? When do we want to tee this issue up?

Conclusion: The following steps were developed by the subcommittee:

- Remind VSPC at December meeting that this process is coming up next year. Ask participants to be noting and thinking about issues that should be addressed in the evaluation.
- At March VSPC meeting, ask all subcommittee chairs to convene their subcommittees during the March-June period in which they gather input on what is working and not working from their subcommittees.
- Ask sectors for input by sector.
- Include a cost analysis in the evaluation.
- Keep the issue of the viability of generation as an NTA on the agenda.
- Solicit input from interested persons and Docket 7081 parties who are not VSPC participants.
- Prepare a more detailed evaluation plan for the March meeting.

The group discussed generally that the VSPC/Docket 7081 process was developed to address problems perceived by various parties. While it is important to consider how the

process can be improved, it is also important to keep in mind that not addressing the perceived problems through *some* stakeholder process is unlikely to be a viable alternative.

Confidentiality issues with VELCO Long-Range Transmission Plan

Question: The VELCO LRP likely includes both Critical Energy Infrastructure Information and information that may require protection from disclosure under the FERC orders related to the separation of functions. What process should we use to ensure appropriate protection of this information (such as placement of information on the passworded section of the VSPC website and signed confidentiality agreements before distribution of the plan). This will also raise a series of issues for the public outreach phase of the plan.

Conclusion: The group discussed the tension between the state policies (MOU and statute) favoring transparency and FERC policies on Critical Energy Infrastructure Information (CEII) and the FERC Code of Conduct regarding the sharing of information marketing and system operations aspects of the electric system. A recent FERC order has simplified and clarified the issue somewhat, but has not eliminated it completely. VELCO is seeking signed confidentiality agreements from participants before posting the initial review draft of the plan on the website and providing new passwords to participants. At the same time VELCO is seeking FERC guidance on the public disclosure questions to be ready for the public phase of the process.