

Vermont System Planning Committee

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



**QUARTERLY MEETING
MARCH 13, 2013
9:30 A.M. – 4:00 P.M.
LANGEVIN HOUSE
VERMONT TECHNICAL COLLEGE
RANDOLPH, VERMONT**

Agenda



1 & 2. Introductions/approval of minutes

5. Regional/ISO-NE updates:

- ISO-NE VT/NH needs assessment
- Incorporation of renewables into ISO-NE planning/forecasting
- ISO-NE draft Transmission Planning Technical Guide
- ISO-NE energy efficiency forecast

3. Subcommittee reports

- NTA Study Group update
- Energy Efficiency & Forecasting
- Ad Hoc Process Improvement
 - Draft charters
 - Revised process flowchart
 - Resolution of Transmission Subcommittee issue
- Technical Coordinating

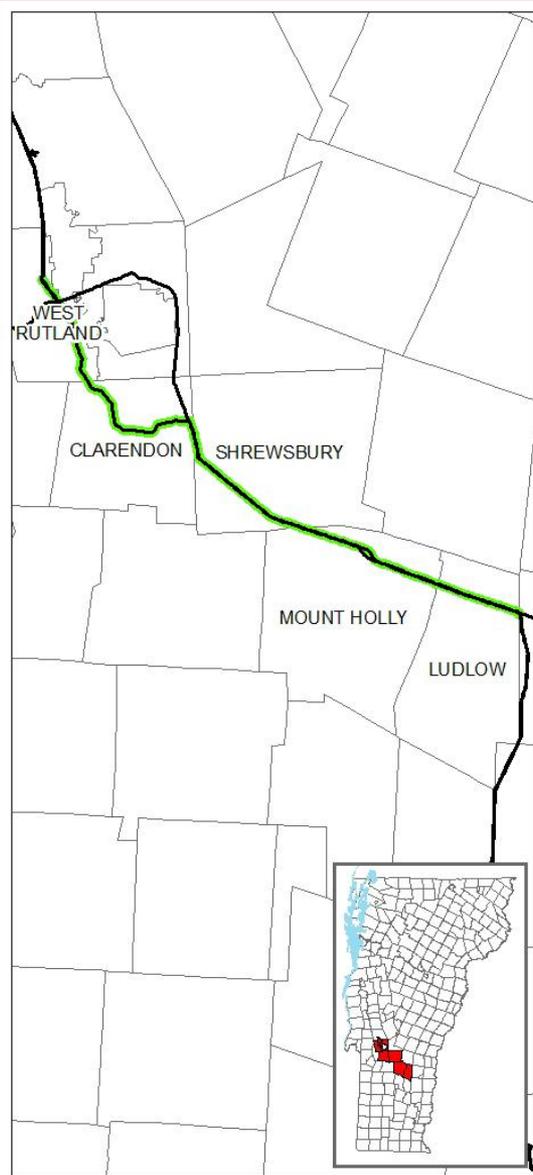
6. Project Updates

- Screened in for NTA analysis
 - Hartford/Ascutney—GMP
 - Rutland—GMP
 - Central Vermont—See section 3 above
- Other projects
 - SE VT —VELCO
 - CT River Valley—VELCO
 - Colchester—GMP
 - St. Albans/E. Fairfax—GMP
 - Northern Area—VELCO/VEC
 - IBM area—VELCO/GMP
 - Vernon Rd—GMP
 - Highgate Project—VELCO

4. Old business

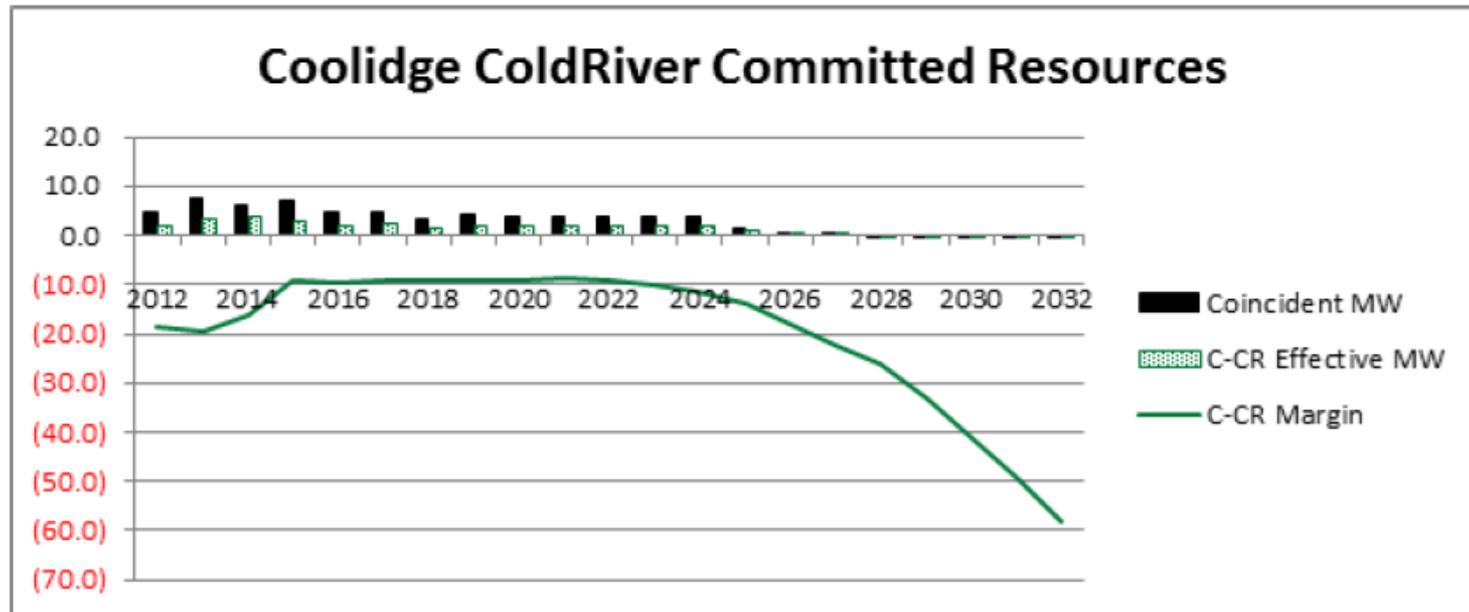
- Update on Docket 7873 (standard offer program changes)
- 2012 annual report to PSB/PSD

Central VT Reliability Deficiency



NTA STUDY GROUP UPDATE

Gap as reported in standard offer docket



- Constant 10 MW gap for the next ten years
- Conclusion is still the same
 - Long-term solution not recommended at this time
 - ISO-NE 2013 studies may show no Central VT deficiencies
 - +10 MW or -10 MW gap is within accuracy of assumptions
 - Discussion should be about the level of margin needed

Status update



- NTA study is nearly complete, but is on hold pending ISO-NE 2013 update of VT/NH needs assessment.
- NTA study results and collaborative process have proven very useful.
 - Results suggest that NTAs are viable solutions.
 - Provided basis for utility recommendations in Dockets 7873/7874 regarding exemption from the standard offer cap of generation providing “sufficient benefit” to the grid.
 - Supported effective VT advocacy at ISO-NE to model renewable generation in transmission planning.
- Process developed multiple desk-top tools usable for future analysis.
 - Alternative Resource Configuration (ARC) analysis tool.
 - Energy efficiency analysis tool that can estimate availability and cost of additional EE resources across the 16 load zones.
 - Development of a demand resource tool would complete the suite. (Not yet planned.)

Next steps



- Complete summary status report for distribution to interested stakeholders.
- Revisit analysis following outcome of VT/NH needs assessment update.
- Complete ARC analysis if indicated upon review of ISO-NE conclusions.
- Revisit as required for 2014 standard offer geographical targeting cycle.

Energy Efficiency & Forecasting



STATUS UPDATE ON:

**ENERGY EFFICIENCY
GEOTARGETING RECOMMENDATIONS**

GT LONG-TERM FUNDING RECOMMENDATION

(ORAL ONLY, NO SLIDES)

Ad Hoc Process Improvement



DRAFT CHARTER REVIEW

REVISED PROCESS FLOWCHART

**RESOLUTION OF TRANSMISSION
SUBCOMMITTEE ISSUE FROM DEC MTG**

9/2012 structural changes



Old	New
Energy Efficiency & Forecasting	Forecasting Draft charter http://goo.gl/OQAsc
Generation	Geotargeting (DSM & Supply) Draft charter http://goo.gl/Uzcik
Public Participation	Public Participation Draft charter http://goo.gl/tgI41
Technical Coordinating	Coordinating Draft charter http://goo.gl/7SzsQ
Transmission	TBD
NTA study groups as needed	NTA study groups as needed with time-limited charters
Other ad hocs as needed	Other ad hocs as needed with time-limited charters

Concern expressed in December regarding elimination of Transmission Subcommittee



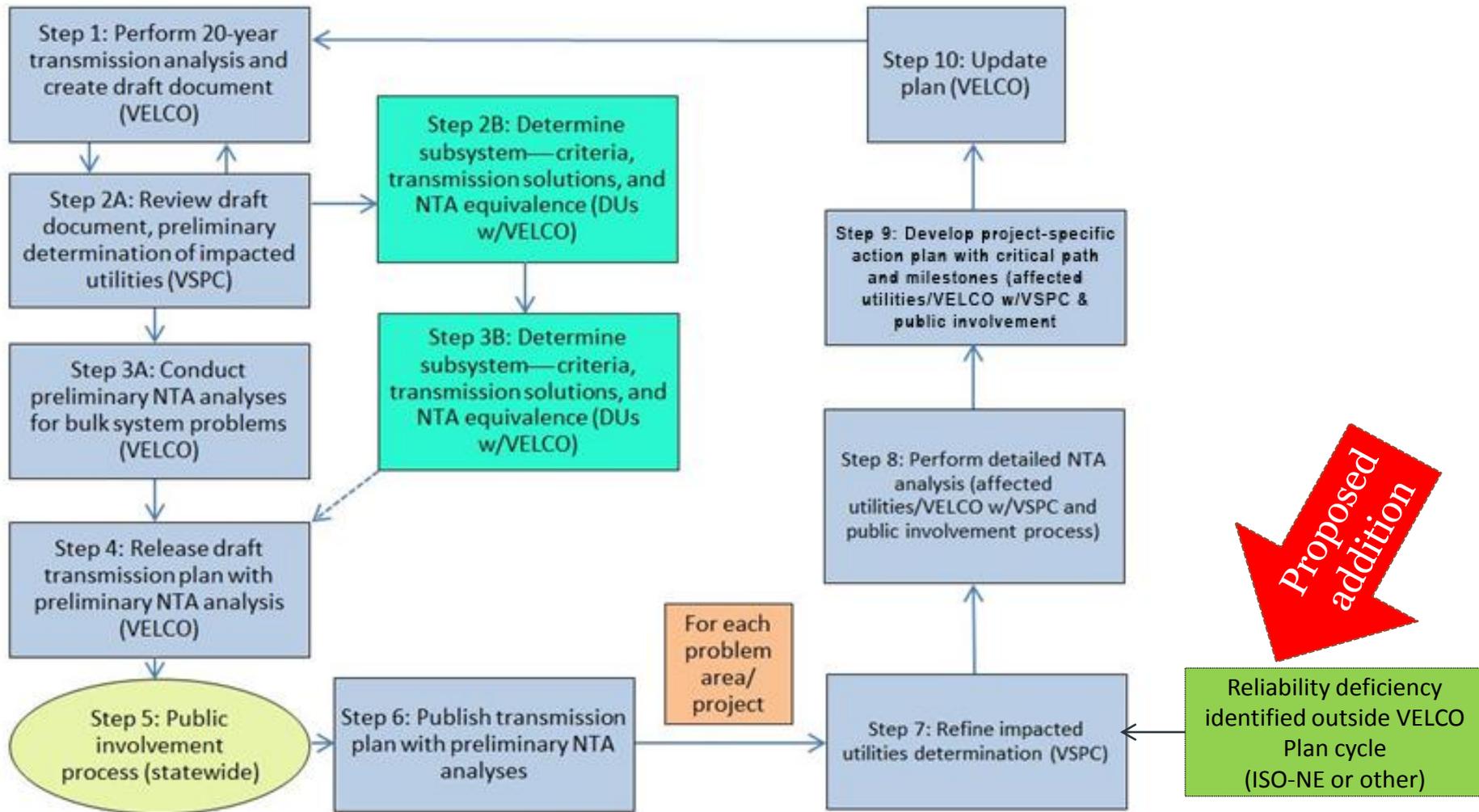
- The overall planning process, broadly speaking, may be lacking a place where engineers can talk about detailed technical issues such as bus configuration, transformer sizing, etc., early in planning of trans projects.
- VSPC receives quarterly updates on transmission solutions and delves deeply into NTA solutions (per Docket 7081 purpose), but does not address technical details of transmission solutions.
 - VSPC goal is “full, fair & timely consideration of cost-effective *non-transmission solutions*.”

Proposed solution



- VELCO Operating Committee agreed in concept to form Transmission Subcommittee
 - Likely structure:
 - ✦ Subject matter experts (engineers & planners)
 - ✦ Meeting 2x/yr or more as needed
 - ✦ Early enough in the planning process to provide meaningful input to project design
 - ✦ Reporting periodically to Operating Committee
 - ✦ Materials available on public website (opcomm.velco.com)
 - Charter to be presented to March Op Comm meeting
- Affected utilities will continue to provide quarterly updates to the VSPC on all projects (as required by 7081 MOU)
 - Additional, more detailed briefings may be scheduled as needed

Possible addition to VSPC flowchart to recognize alternative initiating events for NTA studies



Technical Coordinating



VSPC PUBLIC MEMBER VACANCIES

Action on public member vacancies



- VSPC letter to PSB requesting reappointment of Ms. Miller & Mr. Scudder <http://goo.gl/kUYZM>
- Staff discussions with PSB regarding remaining vacancies
- PSB action to ensure openness and transparency of public process:
 - Interim appointments offered to Ms. Miller & Mr. Scudder until final action <http://goo.gl/uANVG>
 - Board to advertise availability of all positions
 - Encouraging current members to reapply (expression of interest only; no new materials required)
 - VSPC to conduct outreach coordinated with ads

Old Business



**UPDATE ON DOCKET 7873 STANDARD
OFFER PROGRAM CHANGES**

VSPC ANNUAL REPORT

Standard offer update



- Two dockets opened by PSB to implement changes in standard offer required by Act 170 of 2012 VT General Assembly
 - Docket 7873 addressing programmatic changes
 - Docket 7874 addressing pricing and market mechanisms
- Programmatic changes include potential for exemption from annual cap for projects providing “sufficient benefit to the operation and maintenance of the electric grid”
 - Central VT NTA study provided significant basis for input on current year need and process going forward
- PSB issued order addressing most issues on 3/1/2013
- RFP for 2013 cycle to be issued 4/1/2013
- For more info: <http://goo.gl/2G5vo>

Highlights of standard offer order



- Market mechanism: RFP to be issued by the SPEED facilitator April 1 annually, with price capped at avoided cost.
 - RFP form and content issued as [Attachment I](#) of the order.
 - Selection to be based on price.
- Current waiting list to cease April 1, 2013, with RFP issuance.
- “Sufficient benefit” deemed to mean mitigating a transmission or distribution constraint.
- Screening framework adopted based largely on the “straw proposal” submitted by GMP that harmonizes the annual SPEED geotargeting process with the Docket 7081 process.
 - Requires “reliability plan” for each constraint identified in VELCO Long-Range Transmission Plan
 - Addresses requirement for utilities to provide “adequate information regarding the constrained areas” where generation could provide sufficient benefit

More highlights of standard offer order



- No reliability issue was determined to qualify for standard offer outside the cap in 2013
 - Accepted utility recommendation regarding Central VT, Rutland and St. Albans deficiencies.
- Additional proceedings to complete:
 - Development of sufficient benefit test for future projects
 - Model RFP for projects outside the cap
 - Inclusion of distribution constraints in future years
 - Revised avoided costs for utility projects (“provider block”)
 - Consideration of technology allocations

Implications for VSPC process



- Board issued [Attachment II](#): Screening framework and guidelines for implementation of standard offer.
- VSPC to recommend “constraints within the electric grid, and the potential for [NTAs] to mitigate those constraints, including new SPEED standard-offer plans...”
 - January 1 of each year or more often if analysis is completed mid-year.
 - Generation developers may participate in all VSPC processes.
- Identification of reliability issues:
 - Bulk & predominantly bulk: VELCO Plan updates, by utilities or by ISO-NE.
 - Distribution: identified by DU integrated resource plans.
- Process steps and timeline:
 - By April 1 annually, affected utilities develop “reliability plans” identifying cost-effective resource configurations and evaluation criteria to enable developers to propose standard offer projects that provide sufficient benefit.
 - Stakeholder input on reliability plans by May 1 annually.
 - Board determines “sufficient benefit” values by June 1 annually.
 - RFP issued by July 1.
- Proposed next steps: Proposed Geotargeting Subcommittee to further define and implement the process adopted by the PSB.

VSPC Annual Report to PSB/PSD



- Due 2/15/2013.
- Submitted 2/12/2013.
- Cooperation of lead utilities and incorporation of project-specific action plans improved relevance of content and efficiency of development, review and approval.
- Feedback on content and/or process?

Regional Update



- **UPDATE ON ISO-NE VT/NH NEEDS ASSESSMENT UPDATE**
- **INCORPORATION OF DISTRIBUTED RENEWABLES INTO ISO-NE LONG-RANGE PLANNING (REPORT ON [PRESENTATION](#) TO 1/16/13 PAC MEETING)**
- **ISO-NE DRAFT TRANSMISSION PLANNING [TECHNICAL GUIDE](#)**
- **2013 ISO-NE ENERGY EFFICIENCY [FORECAST FOR 2016-2022](#)**

Project Updates



PROJECT-SPECIFIC ACTION PLAN STATUS REPORTS

CURRENT PLANS IN VSPC ANNUAL REPORT
[HTTP://GOO.GL/2VFHo](http://goo.gl/2VFHo)

HARTFORD/ASCUTNEY

RUTLAND

CENTRAL VERMONT

Future Meeting Dates



JUNE 12, 2013 – MONTPELIER
SEPTEMBER 11, 2013 – RUTLAND
DECEMBER 11, 2013 – BURLINGTON