

**MEETING MINUTES
OCTOBER 8, 2014
HOLIDAY INN, RUTLAND**

The Vermont System Planning Committee (VSPC) held a regular meeting on October 8, 2014, at the Capitol Plaza Hotel, Montpelier, Vermont. Deena Frankel called the meeting to order at 9:35 a.m.

Steve Litkovitz moved approval of the July 23, 2014, minutes, Frank Etori seconded and the minutes were approved without objection.

INTRODUCTIONS

Participants introduced themselves. A list of attendees by sector appears on page 7 of these minutes.

SUBCOMMITTEE REPORTS

GEOGRAPHICAL TARGETING SUBCOMMITTEE

TJ Poor gave an overview of the GT subcommittee's recommendations to the Public Service Board regarding areas needing new reliability plans, new geotargeting of energy efficiency, and continuation of the existing EE GT. With input from all utilities, the GT subcommittee recommended no new reliability plans, discontinuation of GT in St. Albans in 2015 (which does not require regulatory action), and no new geographically targeted energy efficiency.

VELCO's asset condition improvement program screened out using the NTA screening tool under criterion 1b because it is related to asset condition rather than load growth.

Rutland's Reliability plan is under development and will be filed with the Public Service Board (PSB) by April 1, 2015. GT efforts have been discontinued at Susie Wilson Road area and will be discontinued at St. Albans in 2015. A planning analysis has begun for the Hinesburg area involving a new substation.

The GT subcommittee requests the committee's approval for the substance of its recommendations. A draft letter will be circulated to the full VSPC for comment and will be filed with the PSB by the end of October.

Frank Etori moved to approve the recommendation of the GT subcommittee with the intention that a draft letter will be circulated to the committee for feedback. Steve Litkovitz seconded. The motion was approved without objection.

FORECASTING SUBCOMMITTEE

Ms. Hakstian reported that the committee has been working on the load forecast and providing updates to Eric Foxx, Director of Forecast Solutions at Itron. Mr. Foxx gave an overview on the completed long-term VELCO energy and demand forecast. A number of issues had to be addressed including economic forecast, weather conditions, demand-side management (DSM) impacts, efficiency programs, new lighting programs, net metering and heat pumps impacts and electric vehicles (EVs).

The forecasting framework process is built by monthly models by class: residential, commercial, industrial and street lighting. Monthly models are built out for each of the classes based on customer data and monthly sales. The model has limitations. It doesn't work well capturing the impact of new technologies that potentially change the system load profile or are not embedded in the historical load data (i.e., net metering, high-efficiency heat pumps, EVs). Heat pump saturation will undergo a dramatic change with impacts to the load forecast in the next 10 years.

Vermont has experienced flat energy usage from 2004–2013. System delivered energy has declined slightly over the last ten years by 4.2 percent. The 2009 recession had a big impact. Nearly 24,000 customers have been added within that period with no sales growth, implying that strong efficiency programs are having an impact.

GMP RUTLAND PROJECT

Josh Castonguay from Green Mountain Power gave an overview of the newly formed GMP/NRG partnership. The partnership is aimed at deploying and commercializing latest technologies and grid constructs. GMP will begin offering NRG retail energy products and services under a co-branded strategy. Because it is a regulated industry, any retail that earns more the fixed rate of return flows back into lowering rates.

Near-term collaborations include web interface portable, Portable Power Paks, and evGo charging infrastructure. The Connected Home product will give customers more control of the environment in their home. GMP is using their Stafford Hill Solar site to test battery storage and islanding capability. The testing will use an emergency shelter that is adjacent to the solar site to island the facility and run the electric completely on stored solar power.

SUBCOMMITTEE REPORTS, CONTINUED

COORDINATING SUBCOMMITTEE

Ms. Frankel reported that a survey will be sent to the committee to identify individual members' communication preferences for receiving full committee and subcommittee information on a more targeted basis.

Dates for upcoming meeting dates have been set through 2016. The January quarterly meeting date is important because it will be the first gathering of feedback on the 2015 Vermont Long-Range Transmission Plan. This meeting is a formal step for obtaining feedback as defined in the MOU.

The scheduled and approved dates are:

- January 28, 2015—Randolph
- April 29, 2015—Randolph
- July 22, 2015—Montpelier
- October 14, 2015—Rutland
- January 20, 2016—Burlington

A VELCO tour has been rescheduled on October 31. A formal invitation will be sent to the full committee.

PUBLIC PARTICIPATION SUBCOMMITTEE

Ms. Frankel reported that the subcommittee did not meet this quarter, but they will meet in early 2015 to continue the outreach work on the Vermont Long-Range Transmission Plan. By statute VELCO is mandated to conduct robust outreach for a required update every three years. The subcommittee provided input and suggestions to improve outreach, more effectively use social media and leverage the new VSPC website.

REGIONAL/ISO-NEW ENGLAND UPDATES

NEW ENGLAND GOVERNORS' INFRASTRUCTURE INITIATIVE

Mr. Ettori gave an update on New England Governors' Infrastructure Initiative (GII). With the demise of the Massachusetts legislation, the initiative was at least temporarily derailed. In some form, the effort may resurface after elections and when the energy price spikes associated with the region's over-reliance on natural gas hit ratepayers this winter. National Grid rates are increasing by 37 percent.

VELCO hired La Capra Associates to study the merits of the GII as it applies to Vermont. The results showed limited Vermont benefit for natural gas or large scale hydro.

PROPOSED MERCHANT TRANSMISSION PROJECTS

Several merchant projects are still moving forward. Two projects could have an impact on Vermont: New England Clean Power Link (TDI) and Grand Isle Intertie (Anbaric). TDI has been the most aggressive and is expected to file a petition by the end of the year.

DISTRIBUTED GENERATION FORECAST WORKING GROUP (DGFWG) AND FOLLOW-ON STEPS AT THE MARKETS AND RELIABILITY COMMITTEES

Mr. Poor reported that ISO-NE gathered regional forecast data on the solar generation installation over the next ten years. Vermont ranked third in the amount of solar to be installed in the region. ISO-NE will use the forecast for transmission planning, however, the data will not be used in relation to resource adequacy. Some of the currently installed MWs are reflected in the forecast going forward, but the forecast does not capture all of the already installed MW on the system and how it will impact peak. ISO-NE declined to account for solar in Forward Capacity Auction (FCA) 9, citing markets rules and timeline. The FCA, and the associated Installed Capacity Requirement (ICR), commits resources three years ahead. ISO-NE accounts for what is in service at that time, but does not look at load reduction

between now and three years. Consequently, if solar resources are undercounted, the ICR may be higher than necessary resulting in excessive capacity payments for the region. Mr. Poor reported that the state file comments to challenge the ICR value. Mr. Ettori mentioned that ISO-NE assumed more generators unavailable for the current calculations than previous auctions despite FERC's recent approval of ISO-NE's pay-for-performance plan that will pay generators to meet their obligations, which should lead to better performance assumptions.

Mr. Poor reported that the amount of PV/solar is expected to double due to the increase in the net metering cap. The Public Service Department will convene a meeting of the utilities to discuss an update to PV forecast and decide on the process to update the interconnection standards.

Eric Wilkinson from ISO-NE added that the DGFWGS will convene on December 14.

NEW BUSINESS

PSD NET METERING REPORT AND ANTICIPATED PUBLIC SERVICE BOARD DOCKET

Mr. Poor reported that Act 99 of the 2014 Vermont General Assembly raised the cap on net metering from 4 percent to 15 percent of 1996 peak load. In addition, Act 99 reduced the solar credit for large projects, allowed for pilots within the net metering program, and provided alternative structures for utilities that have over 10 percent net metering capacity relative to their peak. The Act required the PSD to update the evaluation of costs and benefits of net metering in Vermont. Mr. Poor presented several graphs depicting the benefit/costs results, growth in applications for net metering Certificates of Public Good (CPG), and net metering capacity results.

The statute will sunset after 2016. The PSD Net Metering Report was intended to create a process for the PSB to redesign and implement the net metering program via PSB rule. The report is available on the PSD's website.

PROJECT UPDATES

PROJECT-SPECIFIC ACTION/RELIABILITY PLANS FOR PROJECTS THAT SCREENED IN FOR NTA ANALYSIS

Rutland: Kim Jones reported that GMP has issued two RFPs for two separate studies. The first study is for an efficiency analysis to determine how much energy efficiency is available in the area. The second study is for a comparison analysis of a bio-gasification technology to other options such as demand response.

St. Albans/East Fairfax: Ms. Jones reported the project received a CPG and is waiting for an Agency of Natural Resources wetland permit expected this week and construction will begin.

DISTRIBUTION RELIABILITY PLANS (AS REQUIRED BY DOCKET 7873 SCREENING FRAMEWORK; NOT A DOCKET 7081 REQUIREMENT)

St. Albans Distribution Reliability Plan: Ms. Jones reported that loads were about 1.8 MW less than they were in 2013. GMP continues to monitor the area.

STATUS UPDATE OF REMAINING DEFICIENCIES

Connecticut River Valley: Mr. Ettori reported that VELCO has selected the solution of rebuilding the existing K31 line from Coolidge to Ascutney. VELCO will also address a voltage constraint by installing a device at Ascutney, rebuilding the Chelsea substation, and splitting the Hartford 25 MVar cap bank into two 12.5 MVar units. VELCO anticipates Proposed Plan Application (PPA) approval from ISO in January. This project was recently rescreened using the docket 7081 screening tool to evaluate the updated solution.

Northern area: Mr. Ettori reported that the area will be restudied as part of the Long-Range Transmission Plan to see if the issues still need to be addressed.

PV 20: Mr. Ettori reported that VELCO needs to determine what type of cable to employ in the project. Currently, two types of cables are in use. VELCO would like to use a single cable with three conductors. VELCO's intention is to file for a CPG by the end of this year. The PV20 is an asset condition project, not a reliability project.

IBM area: Mr. Ettori reported that the project is on hold because the potential transmission projects that connect to Vermont could have a significant effect in the Essex area. More information is needed before moving forward with IBM/Essex area modification, thus this project is on hold.

Colchester: Mr. Litkovitz reported that GMP completed the reconstruction of a subtransmission line washed out by Hurricane Irene. As a result of the reconstruction, GMP was able to take down the transmission line that goes through waterfront park in Burlington. GMP received a CPG for the new 34.5 kV distribution feeder into the Winooski area to unload the subtransmission system in the area.

Hartford/Ascutney: Ms. Jones reported that the reconductoring project is complete but installation of the cap bank in White River Junction remains to be completed. GMP has filed for a new WRJ substation. The project is currently in the site visit phase of the Section 248 approval process.

ADJOURNMENT AND NEXT MEETING

The meeting was adjourned at approximately 2:30 p.m. The next quarterly meeting is scheduled to be held from 9:30 a.m. to 4:00 p.m. on January 25, 2015, at VTC in Randolph.

ATTENDANCE

*Indicates voting member

**Indicates alternate

PUBLIC SECTOR

*Johanna Miller, Environmental
Hervey Scudder

TRANSMISSION UTILITY (VELCO)

**Frank Etori, VELCO

DISTRIBUTION UTILITIES PROVIDING TRANSMISSION (GMP, VEC)

*Steve Litkovitz, GMP
Kim Jones, GMP

LARGE TRANSMISSION-DEPENDENT DISTRIBUTION UTILITIES (BED, WEC)

*Bill Powell, WEC
Munir Kastl, BED

TRANSMISSION DEPENDENT DISTRIBUTION UTILITIES (MUNICIPALS)

*Melissa Bailey, VPPSA

SUPPLY & DEMAND RESOURCES

NON-VOTING MEMBERS

TJ Poor, DPS

STAFF

Deena Frankel, VELCO
Shana Louiselle, VELCO

GUESTS

Carolyn Anderson
Carole Hakstian, VEIC
Michael Wickenden, VEIC
Eric Wilkinson