

VERMONT SYSTEM PLANNING COMMITTEE

A G E N D A

MARCH 11, 2008, 9:30 A.M. TO 4:00 P.M.

VERMONT TECHNICAL COLLEGE, RANDOLPH, VERMONT

#	Item	Presenter	Attachment
1.0	Introductions, review of agenda.		
2.0	Approval of minutes of the December 4, 2007, meeting. <ul style="list-style-type: none"> • Minutes of 12/07 meeting 		2.0.1
3.0	Standing subcommittee reports:		
3.1	Procedures <ul style="list-style-type: none"> • Adopted rules of procedure 	David Mullett	3.1.1
3.2	NTA Screening Tool	Bruce Bentley	
3.3	Energy Efficiency & Forecasting <ul style="list-style-type: none"> • Charter, Energy Efficiency & Forecasting Subcommittee 	Riley Allen	3.3.1
3.4	Generation	James Gibbons	
3.5	Transmission <ul style="list-style-type: none"> • Draft Project Priority List • Charter, Transmission Subcommittee 	Hantz Pr�sum�	3.5.1 3.5.2
3.6	Public Participation	Jenny Cole	
3.7	Technical Coordinating <ul style="list-style-type: none"> • Draft letter from VSPC to ISO-NE • Charter, Technical Coordinating Subcommittee 	Deena Frankel	3.7.1 3.7.2
4.0	Project study group reports:		
4.1	Coolidge Connector Interim NTA Project Study Group	Bruce Bentley	
5.0	Administrative/staff report:		
5.1	Orientation to new VSPC SharePoint website.	Deena Frankel	
5.2	Future meeting schedule.	Cathy Miglorie	
5.3	Expense reimbursement	Cathy Miglorie	
6.0	Old business:		
7.0	New business:		
7.1	Gorge Area Reinforcement outreach	Ben Marks	
7.2	Taft Corners	Scott Mallory	
7.3	Lyndonville	Ken Mason or Kim Moulton	

Meeting Minutes

Vermont System Planning Committee

December 4, 2007 9:00 am
Central Vermont Public Service

A regular meeting of the Vermont System Planning Committee (VSPC) was held on December 4, 2007, at Central Vermont Public Service (CVPS). Deena Frankel called the meeting to order at 9:20 a.m. Jack Collins moved and Dean LaForest seconded approval of the minutes of the last meeting, which were approved as distributed, without objection.¹

Introductions

Members present in person and by phone introduced themselves. Deena Frankel explained her new position at Vermont Electric Power Company (VELCO) with responsibility for serving as a neutral facilitator for the work of the VSPC. Kerrick Johnson spoke about VELCO's commitment to the success of the VSPC as evidenced by the creation of Deena's position.

Meeting Facilitation

Deena offered to facilitate the meeting until such time as the committee adopted an alternative approach, such as a member chair. Richard Sutor moved, Riley Allen seconded motion, and the group agreed without objection for Deena to facilitate until alternative Rules of Procedure were adopted.

Current Issues

The committee listed issues it wanted to be sure were addressed by the end of the meeting including:

- What to do with reliability problems not in Appendix F.
- How and when do project-specific study groups form?
- Proposal to create a project study group to look at Non-Transmission Alternatives (NTAs) for Coolidge Connector, providing an opportunity to develop project study group process.
- Structure of subcommittees.
- The need for notice of and communication about subcommittee meetings to facilitate participation by those not serving on the particular subcommittee.
- Difference between the annual report and the VELCO three-year.

Subcommittee Reports

Riley Allen, chair of the Technical Coordinating Subcommittee, asked that his subcommittee report be moved to the end of the reports to increase the ability to talk about coordination.

¹ The slides associated with this meeting, including agenda, committee reports and other items are posted on the VSPC website at www.vermontspc.com.

Procedures Subcommittee

David Mullett, chair of the Procedures Subcommittee, presented the current draft of the VSPC rules of procedure. Richard Sutor moved and Hantz Pr sum  seconded adoption of the Rules of Procedure. Following discussion, the group decided (moved by Ken Nolan and seconded by Richard Sutor) to table the formal adoption of the rules until the afternoon. Group members proposed a number of concepts for amendment of the draft including:

- Removing the sector size limitation on the quorum modifier to permit larger sectors to more easily achieve a quorum.
- Clarifying how meeting notices can be issued (email, USPS, etc) and that subcommittee notices are included in the meeting notice requirement.
- Qualifying whether rules apply to subcommittees.
- Clarifying the composition of subcommittees.

NTA Screening Tool Subcommittee

Bruce Bentley, chair of the NTA Screening Tool Subcommittee reported on the meeting of the subcommittee including:

- Adoption of the “EZ 1040” form (simplified screening form) that forms Memorandum of Understanding (MOU) Attachment B.
- Question was raised as to whether Attachment B is applicable to high voltage.
- The subcommittee will develop a scorecard for future use.

Bruce suggested that this subcommittee be dissolved once the screening tool was adopted as required by the MOU. The group discussed whether this should be a standing committee, and there was general consensus that it should disband after its work was done.

Energy Efficiency & Forecasting Subcommittee

Riley Allen, Energy Efficiency & Forecasting Subcommittee chair presented the report of the subcommittee.

Tasks of the group include:

- Receive relevant reliability constraints for which forecasts are needed and/or NTA relief may be possible.
- Baseline Demand Side Management (DSM) forecast of area specific or statewide need determinations.
- Guide in the development of methods for integrating the effects of future DSM and Demand Response (DR) on area specific or statewide load forecasts.
- Characterize the confidence of likelihood of projected loads.

The group’s charter is to work towards establishing the guidelines for forecasts rather than doing the forecasts themselves. The subcommittee discussed how forecasts would be applied to the substation loads. They suggested that VELCO could do the forecast and the committee could provide guidance for the forecast. Most comments by the group suggested that the group should not develop its own forecast. Energy Efficiency & Forecasting is seen as a standing subcommittee.

Generation Subcommittee

Ken Nolan, chair of the Generation Subcommittee, presented the subcommittee's report.

- Only requirement of MOU is to update the screening tool costs by June 2008.
- This group will evaluate and provide feedback to VELCO, to help model long range plan generation assumptions.
- Some challenges include adjusting load forecast per DSM.

This will be a standing subcommittee.

Transmission Subcommittee

Hantz Pr sum , chair of the Transmission Subcommittee, presented the subcommittee's report.

Group Charter:

- Group will provide a peer review of projects.
- Will look at overall state issues, not always just local specific issues such as power factor.
- Will provide some of the data needed to prepare the annual report due to the PSB.

Deliverables:

- Draft a priority list of the projects in the 2006 plan.
- Review the status of activities listed in Attachment F.

The subcommittee will serve as a place where the technical staff of the affected distribution utilities work together to discuss possible projects and discuss NTA's, and other alternatives. Once this group has worked through all analyses, they will then be brought to the VSPC for review and approval.

Riley asked what Hantz meant by an NTA meeting equivalence reliability with a transmission alternative. Hantz discussed whether an NTA is as robust (can withstand an outage or voltage dip) as a transmission solution. We need some confidence level that the solution is going allow the system to hold up during an outage or at the time of peak. Terry Cecchini provided the example that a demand response solution would have to reliably produce the needed reduction of demand at a time of peak; otherwise the system must be designed to a higher assumed load level.

Richard commented that statistics may be needed going forward as to the confidence level for NTA effectiveness. Ken asked if this subcommittee will have a veto power over whether an NTA will or will not work. Hantz suggested that the subcommittee will not decide; it will discuss the topic among peers, and then issues will be brought to VSPC for a decision when necessary.

Deena asked whether this subcommittee would make the "affected utilities" determination or whether this is the role of the VSPC as a whole. She also observed that there is a tension between the creation of a forum where the experts meet to examine issues before they get to the committee, and the need for an open atmosphere where the process is transparent to the public. Subcommittee members commented that the subcommittee is open to all and is primarily to work through all the technical details. The

results of the subcommittee meetings work will be brought to the overall VSPC committee to approve, comment, suggest, etc.

Riley suggested that the wording in the subcommittee charter be revised to “recommend” and “evaluate” instead of “determine.” There may be an overlap of subcommittee responsibilities in the task: “determine whether NTA’s can resolve the reliability concern.” Riley responded that there could be overlap, but that this would likely be an opportunity to coordinate among the NTA, Generation, and Technical groups when this topic arises.

Rip Kirby asked for clarification that this subcommittee would deal with overall issues, while project groups would be formed to address specific projects. The group agreed with this characterization. Munir Kasti asked if group will review the full NTA analysis. Hantz stated that it will review the full NTA analysis specific to location where the load reduction, the timing of the need, and the costs of the NTAs.

Public Involvement:

Deena presented the report of the Subcommittee.

- Determined that this committee is not responsible for compiling the annual report as had been proposed at the first meeting.
- Discussed two web-based options for VSPC information sharing; SharepointHosting.com and Yahoo Groups.
- Discussed notification options for providing notice of subcommittee meetings.
- Discussed subcommittee structure options. This item was tabled until after the rules of procedure are approved.

Public Involvement will be a standing subcommittee.

Technical Coordinating Subcommittee

Riley presented the Subcommittee’s report. This group will act as a coordinator for scheduling among subcommittees and will suggest agenda items for regular VSPC meetings. Riley suggested the possibility of Deena chairing this subcommittee. The group did not take action on the suggestion.

Public Service Board Memo

The group discussed the Public Service Board (PSB) memo regarding the scope of Electric Efficiency Utility (EEU) activities. The specific request to the VSPC was for input on what the group recommends concerning the scope of EEU involvement in MOU paragraph 61 activities.² The group discussed the paragraph 61 scope issue with Blair Hamilton, who indicated that scope, particularly with respect to utility-territory specificity, will depend largely on the utilities’ ability to provide geographically specific customer information, which the various utilities are able to provide in different ways (e.g., zip code, town, etc.). The group agreed that it could provide only limited guidance to the Board at this step in the process, but that, based on the discussion, VELCO would draft and circulate a response for feedback in time to meet the January 15, 2008, PSB

² MOU paragraph 61 concerns the EEU 20-year estimate of DSM savings to be achieved from statewide DSM programs, differentiated by distribution utility service territory to the extent practicable.

deadline. After some discussion about incorporating the feedback to the Board into the annual report also due January 15, the group decided the VSPC should respond by letter.

The group also discussed the PSB's request that either the VSPC, or individual members on their own, provide input on the EEU scope of participation in the VSPC. Blair stated that he anticipated EEU continuing participation in the full committee, as well as the Public Involvement, NTA Screening and Energy Efficiency & Forecasting Subcommittees. It was agreed VELCO would include scope information based on this level of involvement in the draft letter.

Riley stated that the Department of Public Service (DPS) may provide input that goes beyond the VSPC response. He will share the Department's letter with the group with the potential that the VSPC may sign on to some or all of the DPS input.

Subcommittee next steps

Next steps include:

- Subcommittees to finalize their charters, considering the use of the template included in the meeting slides and incorporating input from this meeting.
- Subcommittees will proceed with substantive work under each charter.
- Review process for draft Annual Report.
 - VELCO will distribute a draft by December 28, 2007. Earlier if possible.
 - Initial comments to be e-mailed by January 4, 2008.
 - Revised draft distributed by January 7, 2008 by noon.
 - Telephone meeting of VSPC to discuss draft January 8, 2008, 10 a.m.
 - Final product due to PSB, January 15, 2008.
 - The group discussed how to complete drafting, review and submission of the annual report. VELCO will prepare a first draft.

Review of parked items

The group return to the list of issues that were identified at the outset of the meeting to ensure all items had either been addressed, deferred or referred to subcommittees for action. The one item the group then discussed was the proposal to create a project study group to look at NTAs for the Coolidge connector. VELCO agreed it would support the concept of a study group for this purpose and would participate. CVPS identified the affected utilities they believed should participate in the process and received some negative response to their proposed list. It was agreed this item would be referred to Technical Coordinating Committee for further discussion.

Also discussed was whether a mechanism existed to add projects to Attachment F that were omitted from the docket 7081 MOU. Benjamin Marks, on behalf of GMP, and Dean LaForest of VELCO mentioned that the project known as the Gorge Area Reinforcement Project or East Avenue Loop Phase II (GAR) is on track to be filed in June of 2008. Given that the VSPC procedures are still being developed, there will likely not be time to follow the full 7081 process as it relates to GAR. Riley Allen of DPS stated that the MOU allowed utilities to file for approval of a project under 30 V.S.A. § 248 at any time if they felt it is necessary. Jenny Cole, on behalf of residential consumers, asked whether this meant that GAR would not undergo the full procedure set forth in the MOU.

Benjamin Marks replied that it would not, given the time constraints for getting a petition filed for GAR.

Rules of Procedure Approval

The Rules of Procedure were adopted as amended on unanimous vote of all present. A quorum for purposes of voting existed among three of five sectors.³ A final document will be circulated to the VSPC with the minutes of the meeting.

The next meeting will be by telephone for the purpose of reviewing the draft annual report. The meeting will be held at 10 a.m., Tuesday, January 8.

The next regular meeting of the VSPC will be held March 11, 2007, at 9:30 a.m., tentatively at CVPS in Rutland.

Meeting adjourned at 3:10 p.m.

Present:

Name	Affiliation	Name	Affiliation
Bill Jordan	DPS	Kim Moulton	VELCO
Bruce Bentley	CVPS	Morris Silver	On behalf of CVPS
Dave Lamont	DPS	Richard Sutor	Northfield Electric
David Mullett	VPPSA	Rip Kirby	CVPS
Dean LaForest	VELCO	Terry Cecchini	GMP
Deena Frankel	VELCO	Todd Allard	VMPD
Doug Smith	GMP	Tom Buckley	BED
Doug Thomas	DPS	Steve Litkovitz	DPS
Hantz Pr�sum�	VELCO	Ron Gagnon	Barton Electric
Jack Collins	Ludlow Electric	Ken Nolan	BED
Jenny Cole	Residential Consumer	Ben Marks	On behalf of GMP
John Spencer	VEPPI	Riley Allen	DPS
Kerrick Johnson	VELCO		

Via Phone:

Name	Affiliation
Hans Mertens	DPS
James Gibbons	VPPSA
James Moore	Environmental
Munir Kasti	BED
Blair Hamilton	VEIC
Bill Powell	Washington Electric
Mike Hall	VELCO
Craig Myotte	Morrisville Electric

³ Yea votes included the following groups: residential consumers; VELCO; CVPS, GMP; Burlington Electric, Washington Electric Cooperative; Village of Barton, Village of Northfield. No nay votes nor abstentions were recorded.

PROCEDURAL RULES OF THE VERMONT SYSTEM PLANNING COMMITTEE

PREAMBLE

The Rules set forth herein shall govern the operations of the Vermont System Planning Committee (“VSPC”), a voluntary association established in accordance with the Order of the Vermont Public Service Board entered in Docket No. 7081 on June 21, 2007, and referred to herein as “the Docket 7081 Order.”

It is the intention of these Rules to facilitate implementation of the goals of the Docket 7081 Order, including but not limited to the goals of full and timely consideration of nontransmission alternatives in electric system planning, and meaningful public input into that planning.

SECTION I: MEETINGS

- A. FREQUENCY OF MEETINGS.** Meetings of the VSPC shall be held not less than quarterly.
- B. LOCATION OF MEETINGS.** Meetings of the VSPC may be held at any location within the State of Vermont, subject to the notice requirements of these rules. In determining the location of meetings, due consideration shall be given to providing opportunities for various regions of the state to host meetings, convenience of the Members, and the degree to which meeting location will facilitate opportunity for public participation.
- C. NOTICE OF MEETINGS.** Notice of the time, place and agenda for VSPC meetings shall be published on the VSPC website, not less than twenty days prior to each meeting, and not less than five days for subcommittee and special meetings. Links to the VSPC website shall be maintained on the websites of the Vermont Public Service Board (“PSB”), the Vermont Department of Public Service, Central Vermont Public Service Corporation, Green Mountain Power Corporation, Burlington Electric Department and the Vermont Public Power Supply Authority.
- D. AGENDA.** The secretary shall send out an agenda for each meetings of the VSPC. Both voting and nonvoting Members of the VSPC shall have the opportunity to identify items to be included in the agenda.
- E. NOTICE OF INTENDED VOTES.** Notices of any VSPC meeting shall also include indication of issues that are to be the subjects of votes at that meeting.
- F. PARTICIPATION BY TELEPHONE.** Both voting and nonvoting Members of the VSPC may participate in VSPC meetings by telephone, and the VSPC shall provide a call-in number and sufficient telephone equipment at the meeting location to facilitate telephonic participation. Participation by phone shall be considered as participation in person with respect to all VSPC matters.

G. ADDITIONAL MEETINGS. Should the VSPC determine that it wishes to hold meetings beyond quarterly intervals, either generally or on a specific occasion, notice of such meetings shall comply with the requirements of Section 1.C above.

H. SPECIAL MEETINGS. Upon request of a voting Member for cause shown, the secretary shall notice a special meeting of the VSPC.

I. EMERGENCY MEETINGS. These Rules intentionally make no provision for emergency meetings, given the potential of such meetings to compromise both Member and public involvement. Should it be subsequently determined that a provision for emergency meetings is desirable, these Rules may be amended accordingly in accordance with the procedures for amendment.

J. CHAIR. The VSPC shall, at its first meeting each year, elect from its voting members an individual to chair VSPC meetings.

K. USE OF ROBERT'S RULES OF ORDER. Robert's Rules of Order shall be used in the conduct of VSPC meetings, unless in conflict with these Rules, in which case these Rules shall prevail.

L. QUORUM. Representatives of at least three of the five Sectors as established by the Docket 7081 Order must be in attendance at a VSPC meeting for any vote thereat to be considered valid and binding. With respect to Sectors having fewer than five Members, no quorum of members within a Sector shall be necessary, and a Sector vote may be cast by a majority of such Sector members present at any given meeting. If only one member of such Sector is present at a VSPC meeting, the one member may cast the vote for the Sector. With respect to sectors having more than five members, 20% of the members shall constitute a quorum.

SECTION II: MEMBERS

A. COMPOSITION OF VOTING MEMBERSHIP; VOTING SECTORS. The voting membership of the VSPC shall consist of:

1. one representative from each Vermont electric utility; provided, however, that each utility may designate an alternate who may act fully in the absence of the designated representative. The designation of the representative or the alternate may be changed in the sole discretion of the utility at any time or at any intervals; provided, however, that notice of any redesignation must be provided to the VSPC secretary by letter, facsimile or electronic mail not less than 24 hours before the start of any VSPC meeting for which the change is intended to be effective.

2. three members of the public, appointed for five year terms by the PSB in such manner as it sees fit. One public representative shall be appointed to articulate the interests of residential customers, one to articulate the interests of commercial and industrial customers, and the third to articulate the interests of environmental protection. The PSB may also appoint an alternate representative for each of the public members, and the alternate shall have full authority to act in the absence of the representative.

3. voting shall be by Sectors as established by the Docket 7081 Order.

B. COMPOSITION OF NONVOTING MEMBERSHIP. The nonvoting membership of the VSPC shall consist of:

1. a representative of each entity appointed by the PSB under 30 V.S.A. § 209(d) to deliver system wide programs, unless such an entity is also an electric utility holding voting membership in the VSPC.

2. a representative of the entity appointed by the Board to serve as SPEED facilitator under 30 V.S.A. § 8005(b).

3. a representative of the DPS.

C. PARTICIPATION BY MEMBER ORGANIZATION REPRESENTATIVES. In addition to its designated representative, each member organization may have additional nonvoting representatives participate in VSPC meetings and subcommittees.

SECTION III: SUBCOMMITTEES

A. APPOINTMENT OF SUBCOMMITTEES. The VSPC may appoint such subcommittees as it deems fit to carry out its purposes. Each subcommittee so created shall have a charge approved by the VSPC delineating its purpose and duration.

B. **Composition of subcommittees.** Any subcommittee appointed by the VSPC shall have at least one of the public representative voting members as part of that subcommittee, unless none of the public representatives wishes to serve.

SECTION IV: CONFIDENTIAL INFORMATION PROTOCOLS

A. PROTOCOL. Matters involving confidential information or alleged confidential information shall be addressed in accordance with a protocol to be adopted by the VSPC.

B. AMENDMENT OF PROTOCOL. The protocol of the VSPC regarding confidential information may be amended in the same manner as these Rules.

SECTION V: APPOINTMENT AND DUTIES OF SECRETARY AND ALTERNATE SECRETARY

A. APPOINTMENT OF SECRETARY AND ALTERNATE SECRETARY. The VSPC shall appoint a secretary and an alternate secretary to carry out the duties set forth in this section.

As adopted 12/4/07

- B. DUTIES OF SECRETARY.** The secretary shall record all votes and proceedings of the meetings of the VSPC and shall sign the minutes of said meetings.
- C. RECORD OF MEMBERS AND ALTERNATES.** The secretary shall keep a record of the voting and nonvoting members and alternates of the VSPC.
- D. FILING.** The secretary shall file with the Vermont Public Service Board and the Vermont Department of Public Service or any other person any reports required to be filed under the Docket 7081 Order.
- E. NOTICES.** The secretary shall send out all required notices of meetings of the VSPC, and shall cause such notices to be posted on the VSPC website, and sent electronically to all VSPC members and subcommittee members.
- F. ALTERNATE.** The alternate secretary shall carry out the duties of the secretary in the absence of the secretary.
- G. ADMINISTRATIVE SUPPORT.** In accordance with paragraph 69 of the Docket No. 7081 Memorandum of Understanding, VELCO shall provide administrative staff support to the VSPC and such staff shall be responsible for scheduling VSPC meetings in a timely manner, preparing meeting agendas, minutes, and reports required by Section VII of the MOU, creating and maintaining the VSPC website, and performing those other administrative tasks necessary to the functions assigned to the VSPC.

SECTION VI: AMENDMENTS

- A. NOTICE OF PROPOSED AMENDMENT.** Notice of any proposed amendment to these Rules, along with the text of the proposed amendment, shall be posted on the VSPC website not less than sixty days prior to the meeting at which a vote on the amendment is proposed to be taken.
- B. REQUIREMENTS FOR APPROVAL OF AMENDMENT.** Amendment of these Rules shall require approval of four of the five sectors identified in the VSPC Vote Tally Sheet approved by the Vermont Public Service Board in the Docket 7081 Order.
- C. WAIVER.** Any provision of these Rules may be waived at any meeting by the unanimous consent of the voting members present at that meeting.

Attachment 3.3.1 to the 3/11/08 VSPC meeting packet
Charter for the VSPC Forecast and Energy Efficiency Subcommittee

Purpose

The Forecasting Subcommittee was created to provide the VSPC with technical guidelines for performing load forecasts, especially with regard to the incorporation of Demand Side Management and Demand Response programs. This subcommittee will specifically be responsible for the following:

1. Provide guidelines for developing baseline forecasts (before Demand Side Management and Demand Response programs) of area-specific or statewide peak load;
2. Provide guidelines for integrating DSM, DR and other load management programs, into area-specific or statewide load forecasts;
3. Provide guidelines for determining what DSM and DR programs are appropriate to include in peak load forecasts;
4. Provide guidelines for characterizing the likelihood of projected peak loads (e.g., using 50/50 and 90/10 weather events);
5. Provide guidelines for assessing the risk and uncertainties associated with peak forecasts in the context of the decision to build or not build new transmission/distribution;
6. Identify appropriate complementary data sources, such as building permits/applications, sewer and water capital budgets that may inform the forecasts;
7. Identify appropriate methods for sharing information among VSPC subcommittees, Vermont utilities, state government and other entities, in regard to the relevant constrained areas, the relevant loads and the impacts of DSM and DR programs on the constrained areas;
8. Provide a summary of the differences in the various peak forecasts available for Vermont and its sub areas;
9. Provide guidelines for integrating non-transmission alternatives into peak load forecasts.
10. Provide specific recommendations to the Vermont Public Service Board as described in Paragraph 61 of the Board's Memorandum of Understanding in Docket 7081;

DSM and DR practices relevant to these guidelines shall consist of all resources on the customer side of the meter. These resources include net metered projects, customer-sited Combined Heat and Power projects and all activities to limit or replace load during peak periods or periods relevant to issues surrounding Transmission & Distribution investments.

This subcommittee will not actually generate forecasts. This will be the work of the project area subgroups, individual utilities, VELCO and the EEU (for DSM forecasts) informed and guided by this subcommittee's recommendations. In short, the

responsibility of this subcommittee is to provide guidance, standards, and best practices for developing baseline forecasts (pre-DSM, DR), integrating DSM and DR into peak load forecasts and providing context for such forecasts.

Protocol and Operating Procedures

It is the objective of this subcommittee to provide forecasting guidelines for the VSPC and others. This subcommittee hopes to accomplish this objective through the collective efforts of people with expertise in forecasting, energy efficiency, and electrical transmission and planning, as well as the public. It is expected that all members will meet regularly to produce the proposed set of guidelines. Once the guidelines have been accepted by a majority of the subcommittee, the members will meet on an “as needed” basis, as determined by the VSPC committee, or upon requests from other subcommittees or study groups. However, the subcommittee will meet at least once annually to revisit the guidelines and the need for modifications.

The Chair will take responsibility for organizing, operating and documenting the meetings of this subcommittee, consistent with the expectations and procedural requirements of the VSPC. At a minimum, the subcommittee will require a Chairperson and Assistant Chairperson (who will run meetings in the Chair’s absence and document the meetings).

The subcommittee recognizes that every member has a contribution to make. Therefore, the subcommittee will operate its meetings in an open, free-exchange atmosphere. Any member is free to introduce and discuss whatever topic he/she deems is appropriate to fulfilling the aforementioned guidelines, provided that: (1) best efforts are made to provide notice of the topic prior to the meeting, and (2) time permits. The Chair, or a subcommittee appointee, will represent the subcommittee before the VSPC or other groups. However, this should in no way restrict or limit the participation of any subcommittee member from contributing to the deliberations on subcommittee matters before the VSPC or any other committee or subgroup. The acceptance of all recommendations to the VSPC concerning guidelines will be subject to a majority vote of the attending members, although best efforts will be made to establish a consensus.

Deliverables

By February 1, 2008 the subcommittee will provide specific recommendations to the Public Service Board in regard to its MOU in Docket 7081: 1) a workable and useful definition of sub state areas to be used in EVT’s efficiency savings forecast; 2) the date EVT should expect to receive the requisite account information from the utilities.; and 3) the statistical confidence level this forecast should satisfy.

By Friday, June 6, 2008, the subcommittee will provide, to the VSPC, written guidelines that satisfy the aforementioned 6 criteria in the statement of purpose.

Meeting Attachment 3.5.1
Upgrade list from 2006 Long Range Plan
As Presented for Action to 3/11/08 VSPC Meeting

Reliability problem identified	Transmission solution examined in analysis	Load level need (estimated)	Year of need (estimate based on forecast)	Affected System	Corresponding Planning Study/project	Address in VSPC	Responsible Entities	Status Update	Priority
Loss of St. Johnsbury 115/34.5 kV transformer results in loss of all load at St. Johnsbury	Install second 115/34.5 kV transformer at St. Johnsbury with requisite station expansion	400	2006	Sub-system	Lyndonville	Yes	CVPS	Proposed load growth at Burke Mountain, fed off Lyndonville Electric, has resulted in a first draft (November 2007) of a Transmission Alternative Analysis.	4
Loss of the New Haven 115/46 kV transformer results in unacceptable low voltages (loss of all load following completion of NRP)	Install second 115/46 kV transformer at New Haven with requisite station expansion (or build Middlebury to New Haven 46 kV line)	700	2006	Sub-system	Middlebury	Yes	CVPS	In Appendix F	3
Loss of 115/46 kV transformers into Bennington or Brattleboro area causes loss of significant load in Southern Vermont	Add West Dummerston substation on new line between Vermont Yankee to Coolidge. CVPS adds reactive supply in 46 kV system between Bennington to Brattleboro	760	2006	Sub-system	Southern Loop	Yes	CVPS	In Appendix F	2
Loss of Middlebury 115/46 kV transformer causes unacceptable low voltages locally	Install second 115/46 kV transformer at Middlebury with requisite station expansion (or build Middlebury to New Haven 46 kV line)	760	2006	Sub-system	Middlebury	Yes	CVPS	In Appendix F	3
Loss of Vermont Yankee 345/115 kV auto transformer places Brattleboro area load at high risk until replacement transformer installed	Install second Vermont Yankee 345 / 115 kV transformer with requisite station expansion	800	2006	Bulk system	Southern Loop	Yes	VELCO	In Appendix F	2
Loss of one St. Albans 115/34.5 kV transformer overloads the other	Install two 50 MVA 115 / 34.5 kV transformers at St. Albans	850	2006	Sub-system	St. Albans	Yes	CVPS	In Appendix F	5
Loss of West Rutland - Blissville 115 kV line causes unacceptable low voltages locally	Install 16.2 MVAR of capacitor banks at Blissville	920	2006	Sub-system	Not started	No	CVPS	Will apply screening tool to determine if not applicable for VSPC since Capacitor Bank Installation	7
Loss of one Essex 115/34.5 kV transformer may overload the other (with McNeil unavailable), with consequent load shedding	Install larger transformers at Essex, or pursue other local solution to address transformer load distribution	920	2006	Sub-system	East Ave Loop	No	GMP	Previous ASC, 248 Permit Filed	1
Loss of either the North Rutland or Cold River 115/46 kV transformer overloads the other unit with unacceptable low voltages locally	Install second 115/46 kV transformer at North Rutland with requisite station expansion	930	2006	Sub-system	Not started	Yes	CVPS	In Appendix F	6
Loss of the St. Albans transformers with loss of the 115 kV line or the East Fairfax transformer causes local voltage collapse	Install old St. Albans transformers at new Milton station	950	2006	Sub-system	St. Albans	Yes	CVPS	In Appendix F	5
Loss of the Hartford 115/46 kV transformer causes unacceptable low voltages locally	Install second 115/46 kV transformer at Hartford with requisite station expansion	950	2006	Sub-system	Not started	Yes	CVPS	Will revisit in 2009 Study Cycle	8
Low voltage or voltage collapse in northern Vermont for loss of transmission at either end	Install reactive power device at Irasburg substation with requisite station expansion	1000	2006	Primarily Bulk system	Not started	Yes	VELCO/ CVPS	May be addressed as part of Lyndonville Study	4
Breaker failure at Georgia substation results in unacceptable voltage / thermal performance locally	Rebuild Georgia station to 6 breaker ring bus	1100	2006	Primarily Bulk system	Georgia	Yes	VELCO/ CVPS	Will be reviewed in relation to the St Albans project	5
Long term loss of PV20 underground causeway cable with many other outages can cause severe & widespread voltage / thermal concerns	Install 2nd parallel PV20 causeway underground cable	1100	2006	Bulk system	Not started	Yes	VELCO	Will revisit in 2009 Study Cycle	9
Loss of the Vermont Yankee to Coolidge 345 kV line causes significant voltage / thermal concerns	Four alternatives considered - least cost option builds line parallel to Vermont Yankee - Coolidge line in same right of way (ROW) with expansions to two existing substations (Coolidge and Vermont Yankee) and addition of reactive power device at Coolidge	1200	2011	Bulk system	Southern Loop	No	VELCO	In Appendix F	2
Overload of the Coolidge to Cold River 115 kV line	Rebuild Coolidge to Cold River 115 kV line	1200	2011	Bulk system	Not started	Yes	VELCO	In Appendix F	12
Breaker failure at Acutney substation results in unacceptable voltage / thermal performance locally	Improve Acutney station from current radial bus configuration with 115 kV cap bank and 2nd 115 /46 kV transformer	1200	2011	Primarily Bulk system	Not started	Yes	VELCO/ CVPS	Will revisit in 2009 Study Cycle	10
Loss of one Bennington 115/46 kV transformer overloads the other	Install two 75 MVA 115 / 46 kV transformers at Bennington	1200	2011	Sub-system	Southern Loop	No	CVPS	In Appendix F	2
Loss of the Williston to Tafts Corners 115 kV line, with heavy flows from south to north, overloads the Queen City 115/34.5 kV transformer	Install second 115/34.5 kV transformer at Queen City with requisite station expansion (or automatically sectionalize the underlying subtransmission network)	1200	2011	Primarily Bulk system	Not needed	No	VELCO/GMP	These constraints have been addressed by an application to automatically sectionalize the 34.5 kV system. No additional upgrades needed at this time.	N/A
Loss of the Barre to Berlin 115 kV line section, when heavily loaded from east to west, overloads the Barre transformer	Install either a larger transformer or a second 115/34.5 kV transformer at Barre with any requisite station expansion (or automatically sectionalize the underlying network)	1200	2011	Primarily Bulk system	Not needed	No	VELCO/GMP		N/A
Loss of the Berlin to Middlesex 115 kV line section, when heavily loaded from east to west, overloads the Berlin transformer	Install a second 115/34.5 kV transformer at Berlin with any requisite station expansion (or automatically sectionalize the underlying subtransmission network)	1200	2011	Primarily Bulk system	Not needed	No	VELCO/GMP		N/A
Long term loss of Coolidge 345/115 kV transformer causes voltage / thermal concerns in central VT	Install second Coolidge 345 / 115 kV transformer with requisite station expansion	1250	2013	Bulk system	Southern Loop	Yes	VELCO	In Appendix F	11
Overload of the Barre to Berlin 115 kV line	Rebuild Barre to Berlin 115 kV line	1300	2016	Bulk system	Not started	Yes	VELCO	Will revisit in 2009 Study Cycle	12
Overload of the Florence to West Rutland 115 kV line	Rebuild the Florence to West Rutland 115 kV line	1300	2016	Bulk system	Not started	Yes	VELCO	Will revisit in 2009 Study Cycle	12
Overload of the Cold River to North Rutland 115 kV line	Rebuild Cold River to North Rutland 115 kV line	1300	2016	Bulk system	Not started	Yes	VELCO	Will revisit in 2009 Study Cycle	12
Overload of New Haven to Williston 115 kV line	Rebuild New Haven to Williston 115 kV line	1325	2017	Bulk system	Not started	Yes	VELCO	In Appendix F	13

Priorities 1 to 4 were based on the actual and expected 248 filing dates

The East Avenue Loop project was filed first

The Southern Loop project was filed second. Deficiencies that are affected by the Southern Loop project were given the same priority level.

It is expected that the Middlebury project will be filed next. It will also address the New Haven deficiency, which was given the same priority level as Middlebury.

The St Johnsbury priority level depends on the Burke Mountain proposed expansion plan

Other priority levels were assigned based on the status of studies, the load level where the deficiency is identified, and the amount of load that may be affected.

The Saint Albans area study is about to start. Projects that affect the Saint Albans area were given the same priority level.

The Rutland area study is expected to start in the first quarter of 2008.

The Hartford deficiency was given the next priority level due to the load level at which the deficiency occurs.

The transmission projects were prioritized based on the load level at which they occur, and whether there are operational actions that can remove the concerns.

The PV20 concern, although it emerges at the 1100 MW load level, it can be re-evaluated at the same time as the other transmission concerns.

It is expected that the solution to the other transmission deficiencies will likely be a common one.

These transmission concerns are far enough in the future, that it makes sense to re-evaluate them to account for a new load forecast to be completed in Q1 2008, and projected generation additions.

For the Coolidge 345/115 kV transformer, the Southern loop project includes a Coolidge station upgrade that makes provisions for the 2nd transformer to be installed at a later date

Attachment 3.5.2 to 3/11/08 VSPC meeting package Charter for the VSPC Transmission Subcommittee

Background

As noted in step 1 of the planning chart in the 7081 MOU, VELCO and the DUs would perform planning studies and create a draft document for review by the VSPC. This first step is a significant effort that includes the modeling of the electrical system, the determination of system conditions and contingencies that need to be assessed, the interpretation of results, the evaluation of alternative solutions, and the selection of a preferred solution. The transmission subcommittee, particularly if there is no study group assigned to the study, can provide valuable assistance to those performing planning studies. It is envisioned that the details of studies can be vetted at the transmission subcommittee. There is no requirement for transmission studies to be reviewed by the subcommittee. The subcommittee provides a forum for peer review and in-depth study discussions to the extent transmission planners find this option useful before bringing draft studies to the VSPC. The subcommittee does not intend to approve or disapprove studies.

Purpose

The Transmission sub-committee shall be a standing committee of the VSPC tasked with overseeing the following actions:

1. Update electric system model, including load, Generation, and system topology.
2. Advise the VSPC regarding transmission planning studies including
 - a. Assumptions regarding load, Generation, and system topology
 - b. Criteria that dictate how to evaluate system performance
 - c. Solutions to mitigate system concerns identified
3. Review and monitor system performance and other concerns that are not project specific, and recommend solution strategy as appropriate.
4. Advise the VSPC regarding preliminary and detailed analyses of non-transmission alternatives (NTA) that would defer or avoid a transmission solution in whole or in part (i.e., a hybrid NTA/transmission solution).
 - a. Advise the VSPC regarding the viability of NTAs as a solution to the reliability concern to be addressed.
 - b. Advise the VSPC regarding the parameters of an NTA that would meet criteria, and therefore postpone the transmission solution.
 - c. Advise the VSPC regarding the parameters of an NTA that would achieve Equivalence with the transmission solution.
5. Advise the VSPC regarding Affected Utilities.
6. Provide data for the preparation of the annual report.

I propose we delete the following sections. Any thoughts?

Deliverable

There are no specific deliverables.

Critical Success factors

None that I know.

Decision making process

Discussions around the table with effort to reach consensus.

Ground rules

No specific rules, except to be courteous, respectful and fair.

Operating procedures

Meetings will be called on an as needed basis.

Plan

Lead utilities will present their work. Members will review within two weeks or within an agreed-upon delay. Concerning the annual report, lead utilities will review their plan and provide to the Public Participation committee a status update of studies by the end of November.

ATTACHMENT 3.7.1 TO THE VSPC 3/11/08 MEETING PACKAGE
PROPOSED DRAFT LETTER FROM VSPC TO ISO-NE

March __, 2008

Gordon van Welie
ISO New England Inc.
One Sullivan Road
Holyoke, Massachusetts 01040

Dear Mr. vanWelie:

The purpose of the letter is to recommend that that ISO New England Inc. (ISO) propose and adopt procedures to revise the process for determining what costs are eligible for region-wide cost allocation under the ISO New England Inc. FERC Electric Tariff No. 3 (the Tariff), specifically, to include costs incurred to support non-transmission alternatives (NTAs). The letter is filed on behalf of the Vermont System Planning Committee (VSPC), an entity established by the Vermont Public Service Board (the Board or PSB) to ensure full, fair and timely consideration of cost-effective non-transmission alternatives. The VSPC is comprised of all Vermont distribution utilities, the Vermont Electric Power Company as operator of Vermont's bulk transmission system, public representatives appointed by the Board, the Department of Public Service, Efficiency Vermont and the Sustainably Priced Energy Enterprise Development facilitator.

Vermont's approach to electric system planning is designed for the provision of service to customers at least-cost. To achieve these ends, Vermont utility regulation recognizes the potential to cost-effectively defer or avoid transmission upgrades through investment in NTAs. In part, cost-effective NTAs may be funded at least in part through energy sales, the forward capacity market (FCM), the sale of ancillary services, or through enrollment in ISO demand response programs. However, while the Vermont planning approach emphasizes the potential equivalence of transmission and non-transmission alternatives, the incumbent system for funding Pooled Transmission Facilities has not directly recognized the costs to support transmission and NTA elements on a comparable non-discriminatory basis. Since it is important to the NEPOOL system that all bulk transmission facilities meet either market efficiency or reliability standards, and since the NTA costs that may be incurred as a part of Vermont's integrated planning strategies may be incurred, at least in part, to assure market efficiency and/or reliability on these systems, the VSPC believes that the ISO should open a dialogue on the necessity and reasonableness of adapting the regional funding mechanisms for Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades so as to further policies that treat transmission and NTA resources deployed for system efficiency or reliability purposes on an equivalent basis for pool transmission funding purposes.

Developing policies that promote resource parity in transmission planning is explicitly articulated state policy. In 2005 Vermont General Assembly¹ directed regulators and utilities to

¹ Act 61 of the 2005 Vermont General Assembly, copy attached.

advocate at the ISO, in proceedings before the Federal Energy Regulatory Commission, and in all other relevant venues, to support an efficient reliability policy that achieves:

...regional cost support for the least cost solution with equal consideration and treatment of all available resources, including transmission, strategic distributed generation, targeted energy efficiency, and demand response resources on a total cost basis.

Id. at Section 8(6). Vermont’s policy is to use, as a principal criterion for approving and selecting a solution to a system-wide constraint, “whether it is the least-cost solution to a system need on a total cost basis.” Id. at Section 8(2). For reliability-related projects in Vermont, subject to the review of the PSB, “regional financial support should be sought and made available for transmission and for distributed resource alternatives to transmission on a resource-neutral basis.” Id. at Section 8(4). The goals that underlie Vermont’s policies recognize that the strategies to assure efficient and reliable service should be pursued creatively so as to help reduce the costs incurred in the provision of electric service for all of society. In short, we strongly believe that NTAs could play an important role in ensuring system efficiency and reliability and that their value ought to be supported in full. To the extent that these resources can resolve system-wide constraints more cost-effectively than transmission, they should be eligible for the same funding treatment afforded a transmission solution.

All New England states have adopted policies that favor investment in energy conservation. Many support distributed resources, and many of these resources may be employed more cost-effectively than transmission investments in pursuit of efficient and reliable least-cost service. The VSPC believes that it is appropriate to reconsider the approaches currently being employed within the region to provide equitable financial support for NTA reliability and efficiency investments that can resolve a system-wide constraint at lower cost than a transmission solution.

The VSPC stands ready to work with the ISO and interested stakeholders to address this issue and looks to the ISO to take leadership in getting the matter under review.

Respectfully yours,

[signed by all members or _____?]

TECHNICAL COORDINATING SUBCOMMITTEE CHARTER

BACKGROUND

The Technical Coordinating Working Group of the Vermont System Planning Committee was created at the initial meeting of the group to act as a bridge among the various other subcommittees and to explore crosscutting and overlapping issues that may come before the other subcommittees and the full committee. The Technical Coordinating Subcommittee can serve as a microcosm of the whole process; it can allow something short of having to convene the whole VSPC to get some guidance and direction on an issue. The overall charge to this group is to coordinate and ensure that the standing subcommittees and project study groups are working in a coordinated and positive way.

A secondary role for this subcommittee is to cover cross-cutting issues that are not neatly placed in one of the other subcommittees. This subcommittee could also serve as an ad hoc filter for the work of other committees, assisting in framing issues for consideration by the VSPC. Specific tasks will include:

1. Provide guidance on all cross-cutting, detailed technical assumptions.
2. Help to set work priorities of the other subgroups to fit the needs of other subcommittees .
3. Serve as a bridge between the individual utilities and the subgroups on issues that affect more than one subgroup (so that tasks can be efficiently moved forward).
4. Review the assignments/responsibilities of the other standing subcommittees for overlap and/or gaps.
5. Frame for VSPC consideration issues of general concern such as equivalence and cost allocation .
6. Recommend additional subcommittees or project study groups.

DELIVERABLES

The Technical Coordinating Subcommittee has two primary deliverables:

1. The agenda, meeting plan and materials for each meeting of the full VSPC.
2. Action between meetings as needed to keep the work of the VSPC moving forward and to take actions that have time sensitivity, with ratification by the full VSPC to be sought at the meeting following such action.

CRITICAL SUCCESS FACTORS

Success of the TCSC will be measured by the timely preparation and distribution of the agenda and meeting materials prior to each quarterly meeting of the VSPC.

DECISION MAKING PROCESS

The subcommittee will seek to operate on a consensus basis. Committee members who remain in disagreement with the majority conclusion will be free to make alternate arguments to the VSPC where issues will be resolved under the voting structure adopted for that group. While the TCSC is comprised of members of the other sub-committees, it anticipates soliciting, from time to time, input from other members of other subcommittees, VELCO, as well as other experts in other related fields who may have insight to offer. To the extent that there is a need for this group to “referee” actions of other committees, this will be done in a written recommendation to the VSPC for its action.

OPERATING PROCEDURES

The Subcommittee will meet as necessary between VSPC meetings to fulfill its role. Notice of meetings will be distributed to the full VSPC at least five days in advance of each meeting. An agenda and any necessary support materials will be distributed in advance of each meeting to all Subcommittee members and to other interested persons. Minutes will be taken at each meeting and distributed and posted to the VSPC website following each meeting.