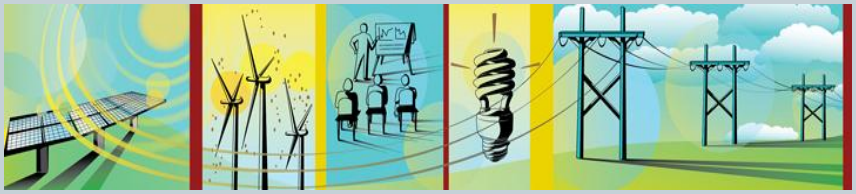
Vermont System Planning Committee & Docket 7081 Overview

COLLABORATION AMONG UTILITIES AND PUBLIC STAKEHOLDERS FOR PLANNING TRANSMISSION AND NON-TRANSMISSION ALTERNATIVES

VT policy favors cost-effective, non-transmission alternatives

Definition: Generation and/or demand-side resources in a configuration that can address a need that would otherwise be met with a regulated transmission solution.



Vermont requirement: Full, fair and timely consideration of cost-effective, non-transmission alternatives *(PSB order in Docket 7081)*.

VT law requires regulators to "encourage and facilitate the resolution of reliability deficiencies through nontransmission alternatives, where those alternatives would better serve the public good." *(30 V.S.A. 218c)*

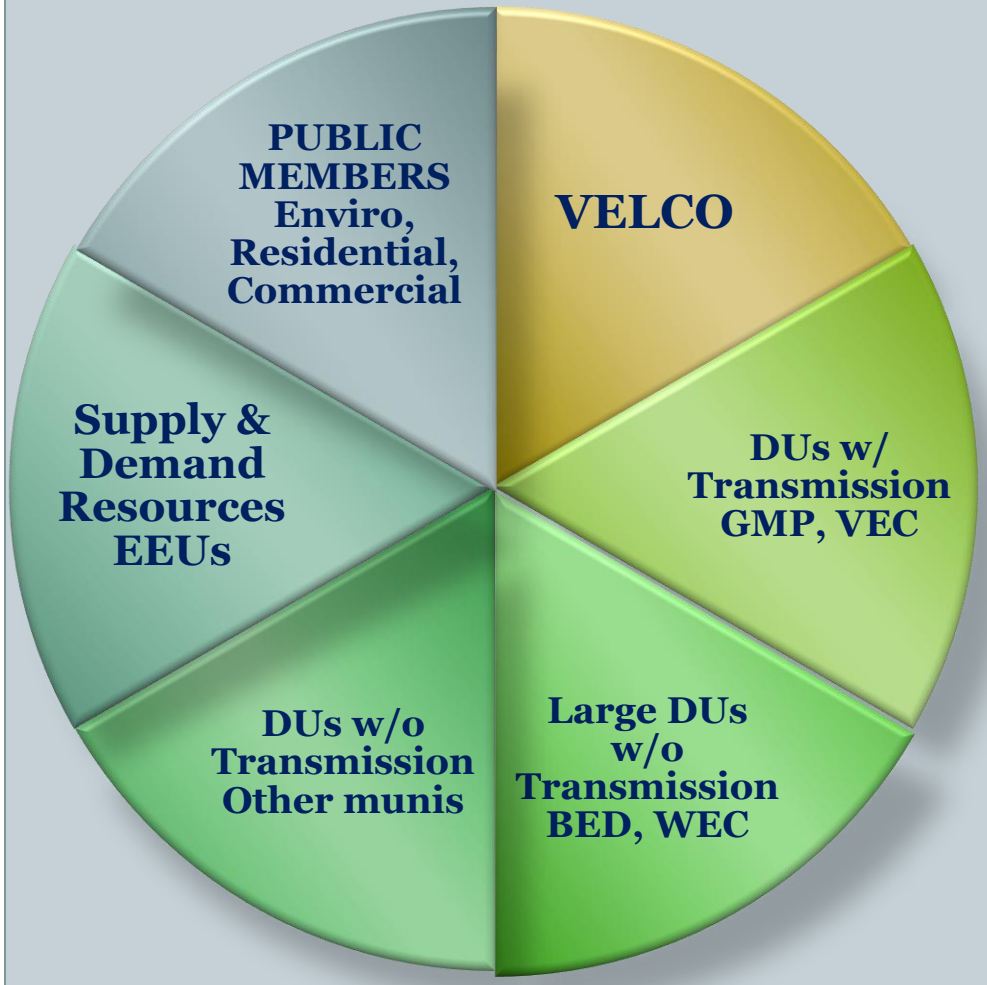
Vermont law requires utilities and public agencies "***to advocate for regional cost support for the least cost solution with equal consideration and treatment of all available resources****, including transmission, strategic distributed generation, targeted energy efficiency, and demand response resources on a total cost basis."*

(Act 61, 2005 General Assembly)

VSPC established to implement NTA policies

- Formed in 2007 by Memorandum of Understanding in Docket 7081
  - Negotiated by parties, approved by Public Service Board
- VELCO responsible for organizing & supporting

Vermont System Planning Committee structure



Key concepts:

Broadly inclusive stakeholder process

Six sectors with equally weighted votes

Advisory and binding votes

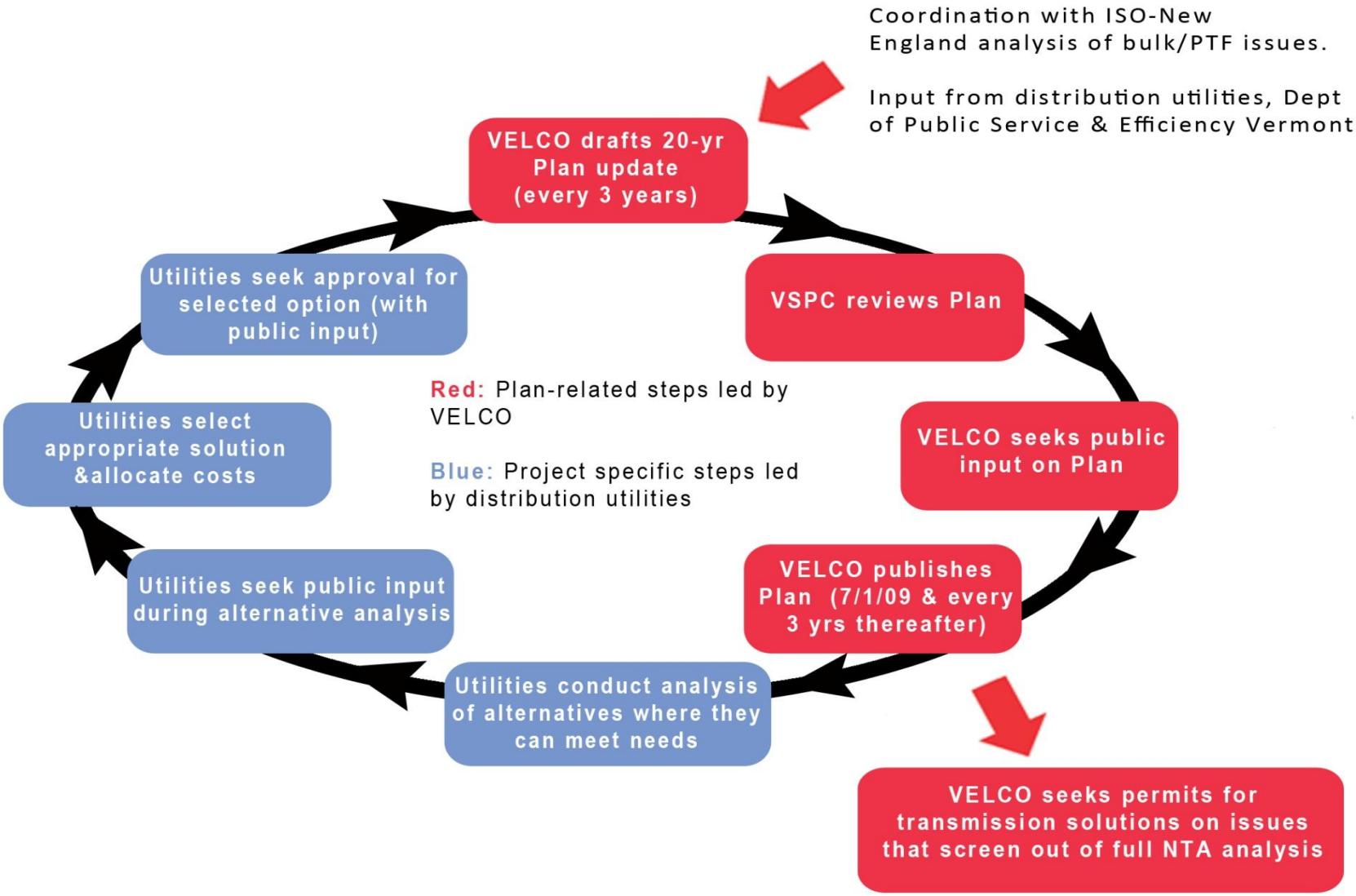
Transparency

Public engagement

VSPC Activities

- Quarterly meetings.
- Annual report to PSB & DPS.
- Long-range planning cycle (slide 6).
- Other analyses and evaluations.
- Subcommittees:
  - Coordinating
  - Geographical Targeting
  - Forecasting
  - Public Participation
  - Study Groups for specific reliability issues
  - Ad hoc subcommittees as needed

Vermont planning process



Evaluating non-transmission alternatives

- Step 1: All projects are screened during Long-Range Plan development using PSB-approved NTA screening tool to determine when to analyze NTAs in depth
  - Is an NTA "impracticable"? (screens out)
  - Is the need date imminent? (screens out)
  - Could the need be met by a 25% or smaller load reduction or off-setting generation of the same magnitude? (screens in)
  - Is the likely reduction in costs from the potential elimination or deferral of all or part of the upgrade greater than $2.5 million? (screens in)
- Step 2: Full NTA analysis if "screened in"
  - All "affected utilities" led by "lead utility" (as defined by 7081 MOU) required to participate

Roles In 7081 Planning Process – VSPC

Decision-Making:

- Affected utility determination
- Classification of reliability deficits
  - Bulk system, predominantly bulk system, subsystem, predominantly subsystem
- Determination of lead utility to do NTA analysis

Advisory:

- Review draft transmission plan and preliminary determination of impacted utilities
- Participate in performance of detailed NTA analyses, solution selection, and determination of cost allocation

Roles In 7081 Planning Process -- VELCO

- Schedule meetings, prepare agendas, minutes, reports, create and maintain a VSPC website, and perform other administrative tasks
- Facilitate VSPC meetings and public involvement process
- "Take lead in performing an analysis of Transmission related needs . . . includ[ing] identification of potential Reliability Deficiencies for the Bulk Transmission System and Subsystem."
- Create, publish and update 20-yr plan
- Conduct preliminary NTA analyses for bulk system, and determine NTA equivalence

Electric System Planning Step	Timing	Associated Public Input Process
Identify reliability deficiencies Develop long-range transmission plan.	Updated every three years Next publication: 7/1/2015 VSPC input: Jan – Feb 2015 General public input period on draft April -May 2015.	All VSPC meetings are open to the public. At least two public meetings in proximity to possible transmission solutions are required.
Analyze non-transmission alternatives to address each identified reliability deficiency.	Conducted for each reliability problem identified in the long-range plan for which alternatives are feasible based on approved screening criteria.	VSPC reviews and provides input on each non-transmission alternative analysis as it is completed. MOU requires a public engagement step specific to NTA analysis.
Transmission project planning.	If it is determined that a transmission upgrade is the best solution, the responsible utility prepares its application for a Certificate of Public Good from the Vermont Public Service Board.	Extensive public outreach to individual landowners adjacent to any proposed construction, and towns where construction will be located. Public input process objectives: inform and gather input regarding the proposal's impacts and ways the impacts may be mitigated.
Formal application for "section 248" approval from the Public Service Board.	When responsible utility has incorporated public input and is ready to make a formal application.	Members of the public can become formal "parties" in the case. PSB holds formal public hearings during the case. The public can also provide comments in writing to the PSB. Department of Public Service meets with selectboards in affected towns.