

**VERMONT SYSTEM PLANNING COMMITTEE
MEETING MINUTES
JANUARY 28, 2015
VERMONT TECHNICAL COLLEGE
RANDOLPH, VT**

The Vermont System Planning Committee (VSPC) held a regular meeting on January 28, 2015, at Vermont Technical College, Randolph, Vermont. Deena Frankel called the meeting to order at 9:40 a.m.

Steve Litkovitz moved approval of the October 8, 2014, minutes, Mike Wickenden seconded and the minutes were approved without objection.

INTRODUCTIONS

Participants introduced themselves. A list of attendees by sector appears on page 5 of these minutes.

ANNUAL REPORT

Hantz Pr sum  moved and Mr. Litkovitz seconded approval of the draft VSPC Annual Report to the Public Service Board and Public Service Department. The motion was approved without objection.

LONG-RANGE TRANSMISSION PLAN

Mr. Pr sum  provided an overview of the 2015 Vermont Long-Range Transmission Plan draft and solicited feedback from VSPC committee members. VELCO staff collected the extensive comments and suggestions for improvement to be included in a second draft to be posted on February 6, 2015. The committee agreed that additional comments by the VSPC would be due no later than February 13, 2015, with the goal to have completed the revision process and be ready for public comment by March 6, 2015. According to the Docket 7081 process, all VSPC comments will be incorporated, or VELCO will explain why they were not adopted.

There were no objections to the schedule. VSPC staff will send an email to confirm these steps.

SUBCOMMITTEE REPORTS

GEOGRAPHICAL TARGETING SUBCOMMITTEE

TJ Poor reported that the subcommittee met to focus on the Rutland area (more detail in project updates) and the Hinesburg area. A substation in Charlotte that provides service to the Hinesburg area has system protection concerns and the system is weak in voltage regulation. GMP analysis determined that protection can be achieved at a lower cost by "distance relaying." The voltage issues with the system may be addressed with other non-infrastructure upgrades. More analysis needs to be done. GMP estimated the one-year deferral of the project to be valued at \$600,000. Results will be presented to the VSPC at another date. Mr. Poor noted that the subcommittee's discussion demonstrates the value the VSPC process brings to Vermont ratepayers. The Hinesburg area project wasn't on a deferral list, but the GT Subcommittee discussion helped lead to the identification of workable alternatives.

The Subcommittee will next shift its attention to non-transmission alternatives screening process for reliability projects identified in the 2015 Long-Range Transmission Plan. In addition, distribution utilities will be asked to review any distribution constraints, as required by the Docket 7873/7874 screening framework.

Ms. Frankel gave an overview of the NEEP Conference in Baltimore that highlighted the extensive amount of geographical targeting work occurring around the country to avoid or defer transmission and distribution infrastructure upgrades. Ms. Frankel presented Vermont's geotargeting successes at the conference. NEEP recently commissioned a geographical targeting study highlighting examples around the country. Vermont has a leadership role with the use of geotargeting energy efficiency. Ms. Frankel encouraged review of the report and, particularly, the Con Ed case study with its sophisticated targeting of energy efficiency to avoid distribution investments. The report is available at <http://www.neep.org/energy-efficiency-transmission-and-distribution-resource-using-geotargeting-report-0>.

FORECASTING SUBCOMMITTEE

The Subcommittee is scheduled to meet in late March and will report at the April quarterly meeting.

COORDINATING SUBCOMMITTEE

Ms. Frankel proposed to change the meeting location for the April 29 quarterly meeting to a location in Middlebury, Vermont. Without any objection from the committee, VSPC Staff agreed to search for a new location and update the committee with the new meeting details.

Shana Louiselle gave an update on the communication preference survey results. VSPC participants will be included on the full VSPC email distribution list by default to ensure receipt of important notifications and messages, with the option to be included in subcommittee distribution lists and outlook invitation opt-in lists. All participants are encouraged to fill out the communication survey to better inform VSPC staff of communication preferences.

PUBLIC PARTICIPATION SUBCOMMITTEE

Ms. Frankel discussed the conceptual idea of holding a State of the Grid summit in the spring to have a broader discussion of energy issues with Vermont stakeholders. Mr. Poor expressed concern that this timing and purpose might conflict with Comprehensive Energy Plan forums to be held by the Public Service Department in summer 2015.

REGIONAL/ISO-NEW ENGLAND UPDATES

DISTRIBUTED GENERATION FORECAST WORKING GROUP UPDATE

Mr. Poor reported that all the New England states presented their forecasts at the Distributed Generation Forecast Working Group (DGFWG) meeting in December 2014. Vermont and Rhode Island forecasts reflected significant increases in distributed generation as compared to 2013. ISO-NE now has all the state data and will next create production data.

At a recent Power Supply Planning Committee meeting, ISO-NE described how it will evaluate solar generation using four types of consideration in the DG forecast—PV as a capacity resource in Forward

Capacity Market, settlement only resources, behind the meter resources, and behind the meter PV not embedded in load. ISO-NE is considering how to fully include both types of behind the meter resources in installed capacity (ICR) calculations, but ISO-NE does not anticipate incorporating the settlement-only resources in ICR calculations as settlement-only resources qualified in FCM are already in ICR.

NEW BUSINESS

NET METERING AND INTERCONNECTION PROCESSES UPDATE

Mr. Poor reported that the department recommended a collaborative process to redesign the net metering as required by Act 99 of the 2014 legislature. The current statute sunsets in 2017. The Board must implement a new rule to take its place by 2016. The Department proposes to form working groups related to interconnection, rate design, and administration with application process. The Board is expected to respond soon. Proposals will be developed in the rulemaking process. The PSD applied for assistance from National Renewable Energy Laboratory (NREL) on the rate design aspect of net metering. It turned into a multi-state net metering rate design collaborative—Vermont has a much shorter timeline than other states.

VELCO AGREEMENT WITH TDI AND STATUS OF TDI PERMIT APPLICATIONS

Chris Root updated the group on the agreement between VELCO and TDI. TDI's New England Clean Power Link is a proposed 1000MW underground line that would connect to the grid at VELCO's Coolidge substation. If completed, VELCO would receive annual payments at an initial rate of \$2.5M/year escalating 1.5% for 40-year project life for \$136M total in reduced transmission costs that would otherwise be paid by Vermont electric customers. The agreement is non-exclusive and VELCO remains neutral on the project in the approval process and publically. TDI does not have a confirmed power supply or buyer and they have not filed with ISO-NE's task force yet.

PROJECT UPDATES

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

Rutland: Kim Jones reported that the Rutland Reliability Plan is due to the Public Service Board by April 1. VEIC is evaluating the efficiency potential for the small focus area and expanding beyond to see how much energy efficiency is achievable. GMP expects to have draft report in March on which it will seek Geographic Targeting Subcommittee feedback. GMP wants to focus on water heater control to help reduce the reliability gap, as well as a microgrid that could supply storage. GMP is adding controls to a number of water heaters. The company will determine how much of the gap can be eliminated by the measures already being done. The rest of the gap will be filled with energy efficiency measures.

St. Albans/East Fairfax: Ms. Jones reported GMP received the CPG and the project is under construction. GMP expects the project to be commission in May/June 2015.

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

St. Albans Distribution Reliability Plan: Ms. Jones reported 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. Pr sum  reported that VELCO plans to have approval from ISO-NE Task Forces by February and Reliability Committee approval in March.

Northern area: Mr. Pr sum  reported that VELCO is coordinating with VEC.

PV 20: Mr. Pr sum  reported that VELCO is coordinating efforts with NYPA. The project is in the engineering stage, and still 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 type of cable with three conductors and a spare. 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. Pr sum  stated that an analysis of the area is completed and under review by engineering to find opportunities to improve performance of Essex area. VELCO believes the system is designed adequately, however there may be ways to improve the protection. VELCO will replace the Essex Statcom next year. At the Essex substation there is a piece of equipment (STATCOM) that regulates voltage and uses electronics to mimic a generator. VELCO is considering replacing controls to the STATCOM. Proposals from various consultants are currently being reviewed.

Hartford/Ascutney: Ms. Jones reported GMP is waiting for the White River Junction Certificate of Public Good to install the capacitor bank.

ADJOURNMENT AND NEXT MEETING

The meeting was adjourned at approximately 2:46 p.m. The next quarterly meeting is scheduled to be held from 9:30 a.m. to 4:00 p.m. on April 29, 2015, at a place to be determined in Middlebury.

ATTENDANCE

*Indicates voting member

**Indicates alternate

PUBLIC SECTOR

Johanna Miller, Environmental Rep

TRANSMISSION UTILITY (VELCO)

*Hantz Pr sum  , VELCO

DISTRIBUTION UTILITIES PROVIDING TRANSMISSION (GMP, VEC)

*Steve Litkovitz, GMP

*Kris Smith, VEC

LARGE TRANSMISSION-DEPENDENT DISTRIBUTION UTILITIES (BED, WEC)

*Bill Powell, WEC

TRANSMISSION DEPENDENT DISTRIBUTION UTILITIES (MUNICIPALS)

*Melissa Bailey, VPPSA

SUPPLY & DEMAND RESOURCES

Nathan Vandal,

Michael Wickenden, VEIC

NON-VOTING MEMBERS

TJ Poor, DPS

Allan St. Peter, DPS

STAFF

Deena Frankel, VELCO

Shana Louiselle, VELCO

GUESTS

Carolyn Anderson

Carole Hakstian, VEIC

Gillian Eaton, VEIC

Chris Root, VELCO

Kim Jones, GMP

Rip Kirby, GMP

Eric Wilkenson. ISO-NE