

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7873

Programmatic Changes to the Standard-Offer Program)

Order entered: 1/22/2016

**ORDER RE: VERMONT SYSTEM PLANNING COMMITTEE 2015 RELIABILITY
PLAN AND ENERGY EFFICIENCY GEOTARGETING RECOMMENDATIONS**

I. INTRODUCTION

On October 26, 2015, the Vermont System Planning Committee¹ ("VSPC") filed recommendations for the geographic targeting of energy efficiency ("geotargeting") as well as the need for reliability plans in accordance with the Screening Framework and Guidelines for Implementation of 30 V.S.A. § 8005a(d)(2) adopted in this proceeding (the "VSPC Recommendations"). In this Order, the Vermont Public Service Board ("Board") adopts the VSPC Recommendations.

II. BACKGROUND AND PROCEDURAL HISTORY

On March 1, 2013, the Board issued an Order implementing significant changes to the standard-offer program as required under 30 V.S.A. §§ 8005a and 8006a.² The March 1 Order established the Screening Framework and Guidelines, pursuant to Section 8005a(d)(2), that were designed to provide potential standard-offer plant developers with adequate information, at least

1. The Vermont System Planning Committee consists of Vermont energy stakeholders, including electric distribution and transmission utilities, public representatives, the Department of Public Service, the energy efficiency utilities, and the standard-offer facilitator. The VSPC was created for the purpose of facilitating least-cost integrated resource planning for Vermont's transmission system. *Investigation into Least-Cost Integrated Resource Planning for Vermont Electric Power Company, Inc.'s Transmission System*, Docket 7081, Order of 6/20/07. As part of its planning efforts, the VSPC has been tasked with making recommendations to the Board regarding transmission- and distribution-constrained areas of Vermont where targeted energy efficiency or distributed generation projects could be beneficial.

2. Docket No. 7873/7874, Order dated March 1, 2013 (the "March 1 Order").

annually, regarding transmission-constrained areas in which renewable generation having particular characteristics may provide "sufficient benefits" to the operation and management of the electric grid. As required by Section 8005a(d)(2) and as implemented in the Screening Framework and Guidelines, projects deemed to provide sufficient benefits do not count toward the 127.5 MW cumulative capacity amount of the standard-offer program.

On January 24, 2014, the Board approved changes to the VSPC processes, such that the VSPC would make concurrent recommendations to the Board regarding areas that require reliability plans,³ as well as any recommendations to continue or discontinue energy efficiency geotargeting in an area.⁴

On February 20, 2014, the Board modified the Screening Framework and Guidelines to address potential sub-transmission and distribution-constrained areas.

On October 26, 2015, the VSPC filed its 2015 Recommendation.

On November 9, 2015, the Board issued a memorandum to the Docket 7873/7874 and energy efficiency utility service lists seeking comments on the VSPC Recommendations.

No comments addressing the VSPC Recommendations have been filed.

III. THE VSPC RECOMMENDATIONS

The VSPC Recommendations consist of three distinct recommendations: (1) There is one newly identified constrained area that "screens in" using the applicable screening tools for the potential to be resolved with non-transmission alternatives ("NTAs"), and the VSPC recommends that a reliability plan be developed for this area; (2) no regulatory action is required at this time related to geographically targeted energy efficiency, as there are no areas currently targeted; and (3) the potential for new geographically targeted energy efficiency to cost-effectively avoid or defer an infrastructure project has not yet been determined pursuant to a reliability plan; therefore, no new geotargeting should be undertaken at this time.

1. New reliability plans

3. Reliability plans are defined in the Screening Framework and Guidelines as least-cost plans to resolve a reliability constraint that include consideration of the use of new standard-offer plants.

4. *In re: VSPC Geographic Targeting Process Improvement Analysis*, EEU-2013-11, Order of 1/24/14.

Paragraph 1 of the Screening Framework and Guidelines for Implementation of 30 V.S.A. § 8005a(d)(2) ("Screening Framework") states:

The Vermont System Planning Committee ("VSPC") processes, reporting mechanisms, public engagement, and subcommittees shall be utilized for the purpose of making recommendations to the Public Service Board ("Board") regarding constraints within the electric grid, and the potential for non-transmission alternatives ("NTAs"), including new Sustainably Priced Energy Enterprise Development ("SPEED") standard-offer plants, to mitigate those constraints, pursuant to 30 V.S.A. § 8005a(d)(2). Generation developers may participate in all VSPC processes and subcommittees subject to applicable procedures for access to Critical Energy Infrastructure Information and consistent with Federal Energy Regulatory Commission Standards of Conduct. The VSPC shall make its recommendations to the Board no later than January 1 of each year, or more frequently if constraints are identified or analysis is completed mid-year.

The Screening Framework directs that transmission constraints shall be screened for their potential to be resolved by NTAs using the NTA screening tool adopted by the VSPC pursuant to the Docket No. 7081 Memorandum of Understanding. Distribution constraints shall be screened for NTA potential using the screening tool established in Docket No. 6290.⁵ Utilities may use either screening tool for the purpose of screening sub-transmission constraints. A host utility with a constraint that "screens in" using the applicable screening tool must file a reliability plan addressing the constraint by April 1, following the January 1 due date of the VSPC recommendation (or sooner if constraints are identified or analyzed mid-year).

The VSPC represents that reports were filed by all Vermont utilities to identify any areas that screened in, and that GMP was the only utility to identify a potential area — Hinesburg. The VSPC recommends that GMP file a reliability plan for the Hinesburg area by April 1, 2016.

The VSPC states that in its 2014 recommendation to the Board, GMP's Hinesburg area was identified as a distribution-constrained area, that the VSPC geotargeting subcommittee held substantive discussions with GMP, and that the full VSPC had not formally accepted the conclusion that the area did not meet all of the relevant screening criteria. Consequently, in its 2014 recommendation, the VSPC characterized the GMP Hinesburg area as remaining the subject of ongoing consideration.

⁵ *Investigation into the establishment of guidelines for distributed utility planning by Vermont electric distribution utilities*, Docket 6290, Order of 1/15/03.

The VSPC states that GMP continues to study the Hinesburg area, including analysis of a non-traditional solution that would include battery storage to address voltage issues coupled with a hybrid reactive compensation system to address both voltage and flicker concerns associated with solar generation and motor starts. The VSPC states that GMP is now determining the cost of these solutions, and that GMP will file a reliability plan for the Hinesburg area by April 1, 2016.

2. No Current Geotargeting

The VSPC states that no area is currently the focus of energy efficiency geographic targeting. Accordingly, the VSPC recommends that no regulatory action be taken at this time.

3. No New Areas Warrant Geotargeting

The VSPC states that no area is currently the focus of a reliability plan, and that it is premature to make a recommendation for the GMP Hinesburg area, as the reliability plan for that area is not yet complete. The VSPC states that if geographically targeted energy efficiency is a component of GMP's Hinesburg reliability plan, the VSPC will subsequently make a recommendation to the Board according to the process approved by the Board in EEU-2013-11.

IV. DISCUSSION AND CONCLUSION

After due consideration, and in the absence of any objection, we adopt the VSPC Recommendations. Therefore, GMP shall file a reliability plan for the Hinesburg area pursuant to the Screening Framework and Guidelines by no later than April 1, 2016. In addition, no areas have been identified at this time where standard-offer plants can provide sufficient benefit to warrant being treated as outside the standard-offer program limits on annual capacity, or where geographically targeted energy efficiency is warranted.

SO ORDERED.

Dated at Montpelier, Vermont, this 22nd day of January, 2016.

<u>s/James Volz</u>)	
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<u>s/Margaret Cheney</u>)	PUBLIC SERVICE
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<u>s/Sarah Hofmann</u>)	BOARD
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)	OF VERMONT

OFFICE OF THE CLERK

FILED: January 22, 2016

ATTEST: s/Judith C. Whitney
Acting Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and Order.