



**Final Meeting Minutes
October 14, 2015
Holiday Inn
Rutland, VT**

The Vermont System Planning Committee (VSPC) held a regular meeting on October 14, 2015, at the Holiday Inn, Rutland, Vermont. Deena Frankel called the meeting to order at 9:35 a.m. She explained that Shana Louiselle would be facilitating the meeting with Ms. Frankel's assistance, in preparation for the January meeting when Ms. Louiselle will facilitate in Ms. Frankel's absence. Ms. Louiselle took over the gavel for the remainder of the meeting.

Approval of the minutes

Steve Litkovitz moved minutes and Hantz Pr sum  seconded approval of the minutes of the July 22, 2015, meeting, which were approved without objection.

Introductions

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

Regional update

Kerrick Johnson presented the regional update slides in the meeting package.

Mike Wickenden asked for clarification concerning ISO-NE's new procedure for load shedding up to 300 MW. Mr. Pr sum  clarified that the 300 MW is an absolute amount; not a percentage of load. He stated that the procedure will become more significant as modeling looks at the 115KV system. Rip Kirby asked how this relates to N-1-1 contingency analysis. Mr. Pr sum  clarified that the planning standard is not affected by the load shedding procedure.

The group discussed the impacts of FERC Order 1000 regarding competition to address identified reliability issues. Mr. Johnson mentioned that the Public Service Board (PSB) is planning to hold an informational workshop on December 2 in Montpelier, with a presentation by VELCO, on the grid impacts of renewable generation.

Eric Wilkinson pointed out two corrections/clarifications in the slide on the ISO-NE interconnection process. Bullet 1 should say that projects greater than 1 MW must apply to ISO-NE if they are participating in the market, and bullet 3 should say that "FERC has recognized Rule 4.100 as Vermont's implementation of PURPA..." rather than "ISO-NE has recognized..."

Ken Nolan asked for clarification regarding who communicates to generators about the need to obtain gets into the ISO-NE process to obtain section I.3.9 approval (the ISO-NE determination of "no adverse

impact” on the transmission system). He asked if the interconnecting utility must tell the generator to apply to ISO-NE. Bill Jordan said that, in a Vermont proceeding for a certificate of public good (CPG), the Board would typically require proof of no adverse impact through completion of a system impact study, but would not specifically condition the CPG on I.3.9 approval under the ISO-NE tariff. Mr. Nolan made the overarching point that the assumption the PURPA units will eventually need to go through the ISO-NE process is not clearly the case. Mr. Wilkinson offered a meeting between ISO-NE and the Vermont utilities to answer the questions arising in the discussion. Mr. Jordan indicated that the PSD would be interested in attending such a meeting. It was informally agreed that the meeting would be arranged, with some alacrity, under the auspices of the VSPC.

Mr. Johnson stated that VELCO is embarking on a study of the viability of grid-level storage as a means to address constraints in the northern area.

Mr. Litkovitz asked if the PSB could require evidence regarding the impact of PURPA Qualifying Facilities (QFs) within the Sheffield-Highgate Export Interface (SHEI), i.e., the potential for curtailment of existing generation as a result of new QFs coming online within the SHEI. Mr. Johnson said VELCO thinks the Board will likely ask for that evidence. Carolyn Anderson said the policy isn’t yet clear concerning where the curtailment issue will land; current rules and law are very outdated and were not set up to deal with the current situation. The issue raises state versus federal jurisdiction issues. The states implement PURPA but must do so consistent with Federal law.

John Woodward asked how much this issue would continue to exist if the QF contracts were not economically attractive. The group speculated that the issue would probably disappear under those circumstances.

Mr. Kirby asked what if developers keep adding one QF after another and can’t be curtailed, but the system can’t handle the additions? How would the resulting reliability issue be resolved? Mr. Jordan said there would have to be upgrades if a reliability issue was identified. Mr. Pr sum  said ISO-NE can ask a plant to back down if it truly poses a threat to system reliability. Such curtailment could even be pre-contingency if a clear reliability issue exists. Mr. Nolan gave an example of Winooski 1 hydro being asked to curtail output some time ago. After the incident, the owner’s attorney advised that the plant could not be curtailed. Had the situation repeated, the owner likely would have resisted ISO’s curtailment request.

Subcommittee reports

GT SUBCOMMITTEE

Mr. Woodward explained the draft letter to the Public Service Board containing VSPC annual geographic targeting recommendations. Mike Wickenden moved and Ken Nolan seconded approval of the letter. Following discussion, the letter was approved as distributed.

FORECASTING SUBCOMMITTEE

The Forecasting Subcommittee will meeting on November 3. It has not met since the last VSPC meeting.

PUBLIC PARTICIPATION SUBCOMMITTEE

The Public Participation Subcommittee will meet on November 5. It has not met since the last VSPC meeting.

COORDINATING SUBCOMMITTEE

Ms. Louiselle corrected the meeting date information in the meeting package. Calendar invitations have been sent to participants with the correct dates. The group confirmed support for holding the July 20 meeting in Middlebury because of the unavailability of space in Montpelier. Corrected meeting dates and locations are as follows:

- January 20, 2016—Doubletree Hotel, South Burlington
- April 27, 2016—Courtyard Marriot, Middlebury
- July 20, 2016—Courtyard Marriot, Middlebury
- October 19, 2016—Holiday Inn, Rutland

Ms. Frankel presented the slides in the package opening a discussion about whether there is a need for changes to the VSPC/Docket 7081 process in light of major changes in the regulatory environment and the grid since the process was established in 2007. The group had a broad discussion about the value of the VSPC process and what changes might be considered. Highlights included the following points, which reflect the discussion, not necessarily consensus among participants:

- The purpose of the discussion was to begin a dialogue with VSPC participants about whether changes are needed. VELCO is asking three questions:
 - What in the VSPC process is working well and should be kept or expanded?
 - What in the VSPC process, if anything, is not adding value and could be curtailed?
 - What should we be doing that we are not?

The intent is to begin a conversation that will continue over the next several months. If specific changes emerge from that process, VELCO will come to the group with specific proposals for any needed change, including whether regulatory approval is needed.

- The slide that says we have “avoided \$400 million of transmission upgrades” should more accurately say “deferred \$400 million of transmission.” Those upgrades could eventually come back if load or other conditions change.
- Dialogue at the VSPC has helped develop a more shared understanding and vision of the current state of affairs in Vermont. No vehicle existed to share that important information before. The force of getting together regularly, having a dialogue about changes underway in the grid, and education on current issues all should be recognized as accomplishments of the process.
- The process should not be scrapped based on an assumption that declining load means no new projects triggering the need for non-transmission alternatives analysis. We cannot assume that load will not grow in the future. New technologies, federal programs aimed at electrifying transportation, uncertain effects of the economy and other trends may increase load. We are just starting a new phase that is very different from past ten years and should not make decisions about altering the process without considering those factors. Although many of these factors were taken into account in the load forecast, Act 56 changes were not fully known at the time. Other changes continue to evolve. Forecasts reflect what is known at the time, and always require updating as events unfold.

- In addition to these trends, effects of large merchant transmission and renewable generation proposals will continue to change the picture in ways that must be understood by stakeholders. VSPC provides a valuable forum for that understanding. It has the right people around the table for the conversation.
- The most recent geographic targeting process was a good example of how the process has adapted to change without any explicit or regulatory action. This year's analysis by GMP was very integrated; not just the traditional, linear reliability analysis. This suggests that we may be able to adapt within the current framework.
- Original participants observed that the process was very sequential at the time VSPC was created—very step-by-step—but current reality is more ground up than top down and has flipped the conversation on its head. The question before us is whether we need to change the process in light of that change. The Central VT reliability issue is a good example: it did not happen in the formal way the Docket 7081 MOU envisioned it, but it was successful anyway.
- VELCO is trying to identify ways to increase the immediacy of the process because the highly formal three-year update tends to be out of date upon publication. Some possible approaches may be to consolidate the annual report and long-range plan processes, provide more frequent updates, and make the reports more streamline. It will be important to do this without increasing regulatory requirements.
- More focus is also needed on providing regular public updates.
- Some participants identified the need for more technical resources to accomplish more integrated, less sequential planning.
- Particular additional value is being achieved through the Geotargeting and Forecasting Subcommittees, the regional updates including the participation of ISO-NE, and the quarterly meetings where all stakeholders are at the table.
- The challenging issues concerning siting and integrating new in-state generation should be a key focus in the near- to mid-term future.
- While the big picture view of the grid may not have been the VSPC's assignment, it is what is relevant today and we should be explicit in the importance of this focus.
- The question was raised regarding whether Vermont should undertake a dedicated process to change the planning approach to optimize distributed energy resources, as is being done in New York and California. If such a process is desirable, is the VSPC a possible forum for that conversation

Ms. Frankel underscored that the purpose of this presentation had been to begin a dialogue about potential future changes. VELCO will take the lead in continuing off-line conversations and coming back to the VSPC with more specific proposals for discussion. Further consideration by the full group will not occur until the April VSPC meeting, unless the group decides to establish a special meeting date in the interim, though the latter was not established as an expectation.

Energy Action Network presentation

Invited guest Andrea Colnes, Executive Director of the Energy Action Network, presented the slides on the Vermont Energy Action Network (EAN) that were included in the meeting package.

The group asked about the treatment of Renewable Energy Certificates (RECs) in the modeling of progress toward the state's goal of 90 percent renewable energy by 2050, and in particular, how RECs would show up on the Community Energy Dashboard being developed by EAN. Ms. Colnes responded that the dashboard was intended to be directionally accurate but not precise, and she was not sure how the resource would show up if the RECs had been sold. She agreed to look into how the RECs are treated in the illustrative numbers.

The group discussed how the Vermont Energy Atlas is coordinating with the GMP distribution mapping project. Ms. Colnes stated that EAN is working closely with all the stakeholders—VEIC, GMP, etc.—in developing the dashboard.

Solar Siting Task Force update

Johanna Miller gave an update on the solar siting task force. Information, including the presentation Ms. Miller shared with the VSPC, is posted here: <http://solartaskforce.vermont.gov/>

Mr. Litkovitz asked the purpose of the legislation to be developed by the task force. Ms. Miller read the purpose statement as follows: "Duties. The Task Force shall study the design, siting, and regulatory review of solar electric generation facilities and shall provide a report in the form of proposed legislation with the rationale for each proposal." [Source: Act 56 of 2015 General Assembly, Section 26g(c).] She acknowledged the relative vagueness of the group's charge and said that it would likely become clearer in the next several meetings. The task force will meet next on October 22. Its process is not yet clear, and limited resources are available to support the effort, however, the level of public concern about solar siting seems to be rising. The group agreed it would like to have an update on the final product at the January VSPC meeting.

Old business

Ms. Anderson gave an update on the interconnection rule revision process stating that we are awaiting the next draft of the rule. The group discussed the challenges of maintaining a project queue. Ms. Jones pointed out that the smaller resources that are not queued because of their small size can, cumulatively, have a large impact on the larger projects' system impact studies. Ms. Anderson said that the working group had talked a lot about how to deal with the queue issues, but there was not a clear solution. Mr. Jordan said that the issue was challenging and the PSD would propose a way to address it in their next draft of the rule.

Ms. Frankel gave a report, provided by Melissa Bailey, on the net metering process. Act 99, passed in 2014, directed the Public Service Board to oversee the process of developing a net metering rule for Vermont that will take effect in 2017. Working groups met throughout the spring to discuss components of the program. Parties submitted initial comments on June 12 and reply comments on July 10. On or before January 1, 2016, the Public Service Board will submit its proposed rule to the relevant House and Senate committees, after completing the public hearing and comment process. A draft rule is expected soon in order to comply with this timeline. The final rule must be adopted by the PSB prior to July 1, 2016, and will take effect January 1, 2017.

Ms. Frankel reported on the discussions regarding tracking databases that have been underway in the context of the Renewable Energy Standard, the Vermont Weather Analytics Center, and the interconnection rule revision working group.

Project reports

Project updates (as listed in 2015 VT Long-Range Transmission Plan)

- CT River Valley (VELCO): Mr. Pr sum  reported that VELCO filed a Section 248 petition for this project in September.
- Rutland (GMP): Ms. Jones stated that the Rutland reliability plan filed in April showed the reliability gap for this area has closed. GMP continues to monitor the area, but data suggests the reliability margin is likely increasing (meaning need for a solution is decreasing). The group discussed the 2015 peak load, which Mr. Pr sum  reported occurred on September 8 at 8 p.m., and was 946 MW statewide.
- Northern Area (VELCO/VEC): Mr. Pr sum  reported that VEC is looking into distribution level solutions.

Other VELCO projects

- PV-20 Cable Replacement (VELCO): Mr. Pr sum  reported that VELCO filed a Section 248 petition for this project in September.
- Structure Replacement Project: Mr. Pr sum  reported that the SCI program is aimed at replacing aging structures. Approximately 200 structures have been replaced in 2015 thus far.

Merchant projects: These projects were identified in Mr. Johnson's presentation and include two HVDC proposals: Grand Isle Intertie and New England Clean Power Link (NECPL). Although these are not VELCO projects, Mr. Pr sum  gave the group a high-level update on current status. It was noted that the order of state and regional processes is opposite in these two examples.

Grand Isle Intertie: ISO-NE's system impact study for Grand Isle Intertie is almost complete. The developer has not yet applied for state approval.

NECPL: The ISO study scope is currently being circulated for review. NECPL is currently in the CPG process at the PSB with technical hearings scheduled for October. Mr. Jordan stated that there is a Memorandum of Understanding (MOU) between NECPL and the PSD, so hearings and briefing will likely be limited. The system impact study for NECPL is in its early stages and will not be complete before the state process is done, the project will require a robust post-CPG process. Mr. Jordan said that NECPL will be required to obtain CPGs for any required system upgrades identified by the system impact study before it can proceed with the NECPL itself.

Adjournment and next meeting

The meeting was adjourned at approximately 2:00 p.m. The next quarterly meeting is scheduled to be held from 9:30 a.m. to 4:00 p.m. on January 20, 2016, at the DoubleTree Hotel in South Burlington.

ATTENDANCE

*Indicates voting member

**Indicates alternate

PUBLIC SECTOR

- *Michael Kirick (Commercial Rep)
- *Johanna Miller (Environmental Rep)
- *Hervey Scudder (Residential Rep)

TRANSMISSION UTILITY (VELCO)

- Kerrick Johnson (VELCO)
- *Hantz Pr sum  (VELCO)

DISTRIBUTION UTILITIES PROVIDING TRANSMISSION (GMP, VEC)

- Carolyn Anderson (GMP)
- Kim Jones (GMP)
- *Steve Litkovitz (GMP)
- Rip Kirby (GMP)
- Dean Denis (VEC)
- Mike Beaulieu (VEC)

LARGE TRANSMISSION-DEPENDENT DISTRIBUTION UTILITIES (BED, WEC)

- *Munir Kastı (BED)
- **Ken Nolan (BED)
- *Bill Powell (WEC)

TRANSMISSION DEPENDENT DISTRIBUTION UTILITIES (MUNICIPALS)

- *Melissa Bailey

SUPPLY & DEMAND RESOURCES

- Gillian Eaton (VEIC)
- Carole Hakstian (VEIC)
- *Mike Wickenden (VEIC)
- David Westman (VEIC)
- Nathaniel Vandal (Generation Developer)

NON-VOTING MEMBERS

- John Woodward (PSD)
- Bill Jordan (PSD)

STAFF

- Deena Frankel (VELCO)
- Shana Louiselle (VELCO)

GUESTS

- Eric Wilkinson (ISO-New England)
- Andrea Colnes, (EAN)