



**Final Meeting Minutes
July 20, 2016
Middlebury Inn
Middlebury, VT**

The Vermont System Planning Committee (VSPC) held a regular meeting on July 20, 2016, at Middlebury Inn, Middlebury, Vermont. Deena Frankel called the meeting to order at 9:35 a.m.

Bill Powell moved approval of the April 27, 2016, minutes, Rip Kirby seconded. ISO-NE requested minor edits as follows: On page four, in the 6th line down, the sentence should read “study work with stakeholders will continue to take place through the Planning Advisory Committee.” The April 27, 2016, minutes, were approved as amended.

Introductions

Participants introduced themselves. A list of attendees by sector appears on page 6 of these minutes.

Subcommittee Reports

GEOGRAPHICAL TARGETING SUBCOMMITTEE

Ms. Frankel reported that the subcommittee met on May 24 to review NTA/NWA screenings for identified reliability issues as part of the annual process required by the Docket 7874 Screening Framework. The 2016 list did not identify new issues. If any issues had been identified, further analysis would have taken place during the summer leading to the October VSPC recommendation to the PSB for new reliability plans.

The annual letter will be circulated to full VSPC committee in August/September for approval by email.¹ The committee recognized that utilities were providing differing amounts of detail and types of information in the process. The subcommittee will revisit the guidelines what information utilities are asked to bring to the table annually to help facilitate an efficient, fair process and ensure meaningful conversations.

FORECASTING SUBCOMMITTEE

Ms. Frankel reported that the subcommittee met in July to discuss the timing and work plan for the 2018 Vermont Long-Range Transmission Plan forecast. The subcommittee identified the need for an earlier start to the forecast due to complexities within the regulatory landscape. VELCO will work with Itron to develop a more detailed work plan to bring back to the Forecasting Subcommittee at the October 5 meeting when the subcommittee will begin implementing the work plan. Dave Westman

¹ Note: upon checking, staff clarified that the due date for the annual VSPC geographic targeting recommendations to the Public Service Board is due November 1, so the draft will be reviewed at the October VSPC meeting.

commented that the outcome should be driven by clear and early deliverables by VELCO to enable a smooth process.

COORDINATING SUBCOMMITTEE

Ms. Frankel provided a membership update on the VSPC seat vacancies. The primary residential representative, Hervey Scudder, submitted his resignation to the Public Service Board and residential alternate Jim Wilbur is expected to submit a resignation in the next few weeks. Gabrielle Stebbins, the Supply Resources alternate has left Renewable Energy Vermont, and will step down from the alternate seat. The PSB is expected to solicit letters of interest to fill all four vacancies. VSPC members are encouraged to share the solicitation with their network to publicize the openings.

The next VSPC quarterly meeting is scheduled for October 19 in Rutland. Capitol Plaza in Montpelier is not available on July 19. VSPC staff will find another space in Montpelier or will secure space in Burlington and send meeting notices when meeting space is confirmed. VSPC meeting through 2017 are:

October 19, 2016—Holiday Inn, Rutland
January 25, 2017—DoubleTree, Burlington
April 26, 2017—Middlebury Inn, Middlebury
July 19, 2017—DoubleTree, Burlington
October 18, 2017—Holiday Inn, Rutland

VSPC Charter

Ms. Frankel reported that an ad hoc committee had finalized the draft charter discussed at the April meeting. The charter's purpose is to update the VSPC's statement of work and provide a more transparent and clear articulation than the 54-page memorandum of understanding from Docket 7081. The committee incorporated input from the April meeting to strike an appropriate balance between recognizing grid transformation and avoiding expanded roles and workloads before specific needs can be identified.

After discussion, the committee agreed to separate the glossary from the charter as an addendum and remove the language of the Docket 7081 definition of subtransmission in the glossary.

Kim Jones moved and Bill Powell seconded to approve the charter language with one amendment to add the term "merchant project" under the purposes of the charter. The motion was adopted without objections.

Presentation: Acadia Center

Abigail Anthony, Director of Grid Modernization Initiative at the Acadia Center, a nonprofit public interest organization focused on climate change, energy and advocacy, presented on Acadia's non-wire alternative (NWA) priorities. Ms. Anthony discussed the disconnection between the growing regional expenditure on transmission for reliability and states' priorities for increasing energy efficiency, distributed energy resources and large-scale renewables. Transmission expenditure in New England is rising faster than the rest of the nation and Acadia Center is advocating reforming transmission planning

and investment policies to avoid the cost risks of overpaying for resources and making redundant investments on the grid. Many states are investing in cost-effective energy efficiency and New England is close to achieving 13% of regional electric consumption through energy efficiency.

Ms. Anthony discussed Acadia Center's approach to building a modern grid, including raising awareness that the current transmission planning and financing processes are not considering options that are potentially cleaner and lower cost; developing creative solutions to NTA cost-allocation and analysis; and advocating improvements to ISO-NE's load forecasting model so that it does not overestimate regional energy consumption and peak demand.

Acadia Center is currently engaged in several efforts including: creating a straw proposal for cost allocation for NTAs and a process for considering NTAs in transmission planning; advocating adoption of transmission planning and cost allocation policies that facilitate transmission needed to achieve renewable portfolio standards and greenhouse gas reduction goals; and improving stakeholder input in ISO-NE committee and planning structures.

Regional/ISO-New England Updates

Mark Sciarrotta provided updates on the three-state clean energy request for proposal, the upcoming NEPOOL stakeholder working group meetings, the regional discussion on pool transmission facilities (PTF) components of local transmission projects, recent Reliability Committee meetings and the Northern Pass projects. The three-state RFP received more than 20 bids, which are currently undergoing review. Contracts are expected to be signed in September 2016 and go through regulatory approval by the end of the year. Announcements will be made on 7/26/16.

A stakeholder working group will meet in August to make proposals to ISO-NE about how to integrate public policy into the markets. Skeleton proposals will be available later in the year. Updates will be available at future meetings.

The question remains open regarding whether local need-driven transmission projects with PTF components will require a competitive process for their PTF components, as required by Order 1000. Transmission Owners and ISO-NE are asking FERC for an exemption for these projects.

Mr. Sciarrotta briefly mentioned the SEMA Rhode Island Project, a large transmission project, which is under discussion at the Reliability Committee.

ISO-NE issued an I.3.9 approval on July 19 for the Northern Pass Project despite a negative recommendation from the Reliability Committee, though there had been a high number of abstentions in the vote.

Molly Connors provided an update on several reports and activities available on the ISO-NE website, including the updated regional system plan project list, the 2015 Annual Markets Report and the 2016 CELT report. Links to the reports are available in the ISO-NE presentation. ISO-NE submitted comments to the Department of Energy Quadrennial Review for a second time stressing the reliability risks in New England, including inadequate natural gas infrastructure, power plant retirements and renewable resource integration.

Eric Johnson from ISO-New England reported on how ISO-NE will integrate the concepts of competition mandated by FERC Order 1000 and perform interregional planning. Several companies have applied to be Qualified Transmission Project Sponsors (QTPS) and the software vendor has been selected to support receipt and processing of responses to RFPs. ISO-NE issued a notice reminding interested parties to file QTPS applications in order to qualify for a possible 2016 Market Efficiency Transmission Upgrade RFP.

Policy and Project Updates

LEGISLATIVE WRAP UP

Shana Louiselle provided a legislative update on the Energy Development Act, Act 174. The purpose of the Act is to improve regional and town energy planning and to enhance community input into the siting of energy projects. The legislation provides regional planning commissions and towns with a greater voice before the Public Service Board when their plans have been determined to be consistent with state energy policy. The Department of Public Service must issue final standards for assessing local and regional plans by November 1, 2016. The Act outlines several requirements (see meeting materials) including the assistance of utilities to provide electric grid information to the relevant municipalities detailing the location of electric transmission and distribution infrastructure and the capacity of that infrastructure to accept additional electric generation facilities without modifications.

The Vermont Legislature directed the formation of a working group to review the current processes for citizen participation in PSB proceedings. The mission of the working group is to recommend ways facilitate citizen participation in 248 proceedings. As part of the review the working group will submit written recommendations in December 2016 to the House and Senate Committees on Natural Resources and Energy, the Senate Committee on Finance and the Joint Energy Committee.

The committee agreed to have an update on the implementation of Act 174 at the October quarterly meeting.

NET METERING RULE UPDATE

Melissa Bailey reported that the PSB issued an order containing a new draft of the net metering rule on June 30, 2016. Motions to reconsider were due July 15. Ten parties filed motions and or comments on the latest draft. The proposed changes can be found in the meeting materials in the Net Metering Rule Update presentation. The earlier proposed rule has currently been withdrawn from the formal rulemaking process, and once the motions for reconsideration have been addressed, a new draft rule will be pre-filed with ICAR and filed with the Secretary of the State, which will restart the rulemaking process and commence additional hearings and another comment period. It is unclear whether a new rule can be formally adopted by January 1, 2017.

VT WEATHER ANALYTICS CENTER SECOND JOINT DEVELOPMENT AGREEMENT

Kerrick Johnson reported a second joint development agreement was approved to continue the Vermont Weather Analytics Center (VWAC) project. The new JDA brings a stronger operational focus to the project by linking VWAC data to VELCO's Energy Management System, and seeks to deliver a customized data stream to meet individual distribution utility needs and to reduce costs. In addition,

statewide performance metrics will be established to track the project's operation objectives by quantifying the technical measurement, performance results and the economic and societal benefits.

The project will continue to develop partnerships with environmental and agricultural agencies for safety and water quality impacts, and disaster cost recovery benefits, as well as partnerships with weather dependent businesses (ski areas, agriculture, and tourism) to deliver weather intelligence.

Project Updates

STATUS UPDATE OF REMAINING DEFICIENCIES

Connecticut River Valley: Mr. Sciarrotta reported that VELCO received a CPG in June. Project construction will begin in fall 2016 and is expected to be complete in 2018.

Northern area: Mr. Sciarrotta reported the project remains on hold as there is no increase in load. Currently, no project anticipated in that area.

Rutland: Rip Kirby reported the situation has not changed. GMP is waiting for peak load data for this summer and will continue to monitor the data.

Hinesburg: Kim Jones reported GMP and VEC held a site visit to look at the options. Cost components will be analyzed for each option. GMP expects analysis to be complete by August. A Geotargeting Subcommittee meeting will be scheduled the second week of September.

PV 20: Mr. Sciarrotta reported VELCO received a CPG. Construction will begin in 2016 on the New York side. Cable replacement will take place in 2017.

Structure Replacement Project: VELCO continues to replace 300 transmission structures per year.

Regional Projects: The Vermont Green Line Project and the New England Clean Power Link are both in the ISO-NE queue at different stages. The Green Line studies are nearly complete and the NECPLINK studies are half way done.

Adjournment and next meeting

The meeting was adjourned at approximately 2:40 p.m. The next quarterly meeting is scheduled to be held from 9:30 a.m. to 4:00 p.m. on October 19, 2016, at the Holiday Inn, Rutland.

ATTENDANCE

*Indicates voting member

**Indicates alternate

Public Sector

Johanna Miller, VNRC
Michael Kirick

Transmission Utility (VELCO)

Mark Sciarrotta, VELCO

Distribution Utilities Providing Transmission (GMP, VEC)

**Kim Jones, GMP
*Cyril Brunner, VEC

Large Transmission-Dependent Distribution Utilities (BED, WEC)

*Bill Powell, WEC
*Munir Kastj, BED

Transmission Dependent Distribution Utilities (Municipals)

*Melissa Bailey, VPPSA

Supply & Demand Resources

Nathan Vandal,
Gillian Eaton, VEIC

Non-Voting Members

John Woodward, PSD

Staff

Deena Frankel, VELCO
Shana Louiselle, VELCO

Guests

Carolyn Anderson, GMP
Kerrick Johnson, VELCO
Molly Connors, ISO-NE
Eric Johnson, ISO-NE
Allan St. Peter, PSD
Jenny Knernschild, VELCO Intern
Abigail Anthony, Acadia Center
Mary Coombs, VELCO
Mike Wickenden
Rip Kirby, GMP