

From: Doug Smith
Sent: Tuesday, May 30, 2017 5:30 PM
To: Hantz Presume
Cc: Josh Castonguay
Subject: Follow-up question on SHEI Interface Solutions

Hello Hantz,

We have another GMP follow-up question for you, to inform evaluation of potential solutions to the SHEI interface limits: how representative was the past year of conditions that Vermont will experience in the future – particularly in terms of the depth and duration of transmission facility outages that affected the SHEI interface?

The background here is that GMP has been looking at market data and KCW dispatch results, particularly for the period from June 2016 forward, when ISO-NE's DNE dispatch framework was in full effect. It appears that while the SHEI interface can be constrained and KCW generation can be limited during some conditions in almost any month, the impacts (in terms of lost generation and LMP effects) become particularly pronounced when the interface limit is reduced from typical levels (for example, during much of March-April 2017, and October-November 2016). Our understanding is that during these periods, there were significant outages of transmission equipment that affects the SHEI limit. Thus, we'd ideally like to understand VELCO's perspective on whether the planned or unplanned outage levels experienced over the past year were reasonably representative of those that may affect the SHEI limit in the future. Or, alternatively, did the past year feature unusually high levels or durations of outages that are unlikely to recur regularly in the future?

We don't know exactly how this question would ideally be addressed (e.g., by examining past or future equipment outage schedules?), but expect that VELCO will likely have the best available perspective on it. We'd be glad to discuss this with you at your convenience, if that would be helpful!

Peace.

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