

STATE OF VERMONT
PUBLIC SERVICE BOARD

EEU-2013-11

In re: VSPC Geographic Targeting Process)
Improvement Analysis)

Order entered: 1/24/2014

**ORDER RE: VERMONT SYSTEM PLANNING COMMITTEE
PROCESS IMPROVEMENT ANALYSIS**

I. INTRODUCTION

On October 7, 2013, the Vermont System Planning Committee ("VSPC")¹ filed with the Vermont Public Service Board ("Board") a Geographic Targeting Process Improvement Analysis (the "VSPC Analysis") for the Board's consideration. In today's Order, the Board approves, with one clarification, the VSPC's recommendation to replace the requirement that utilities file annual plans associated with areas that had previously been approved for energy efficiency geographic targeting ("GT") on November 1 of each year with a requirement that utilities file a status report to be included as part of the VSPC Annual Report, which is due on February 15 of each year. This change shall take effect with the VSPC Annual Report that is due February 15, 2014.

II. BACKGROUND AND PROCEDURAL HISTORY

In the spring and summer of 2013 the Geographic Targeting Subcommittee of the VSPC undertook the task of identifying ways to better coordinate the requirements of three public policy streams:

1. The VSPC is made up of representatives of Vermont's transmission and distribution utilities, energy efficiency utilities, the Department of Public Service, the Sustainably Priced Energy Enterprise Development ("SPEED") Facilitator, and four public members representing residential, commercial and industrial, environmental, and supply resources sectors. The VSPC and its associated planning process were created in Docket No. 7081 (the Board's investigation into least-cost integrated resource planning for Vermont Electric Power Company, Inc.'s transmission system) to facilitate consideration of cost-effective non-transmission alternatives to new transmission projects. The VSPC provides for increased collaboration among Vermont utilities and transparency in the planning process.

1. Reliability planning for the transmission and distribution system through the Docket No. 7081 Memorandum of Understanding;
2. Geographic targeting of energy efficiency, as most recently approved in energy efficiency utility ("EEU") proceeding EEU-2010-06; and
3. Recommendations for areas where standard-offer generation could provide "sufficient benefits to the operation and management of the electric grid", pursuant to 30 V.S.A. § 8005a(d)(2), as established in Docket Nos. 7873/7874.

The October 7, 2013, VSPC Analysis reflected this work, and identified two recommendations that require Board action. The first recommendation, to formally conduct energy efficiency geographic targeting ("GT")² outside of Demand Resources Plan ("DRP")³ proceedings, has already been addressed in EEU-2013-05. The second recommendation relates to the timing of distribution utility GT annual plans. The VSPC recommends that such plans, which are currently required to be filed annually on November 1, coincident with the filing of EEU annual plans, be filed instead on February 15 of each year in order to coincide with the filing of the VSPC Annual Report.

On November 12, 2013, a workshop was convened to discuss the VSPC Analysis.

On December 13, 2013, the Department of Public Service ("Department") filed comments in support of the VSPC Analysis, which the Department represented were supported by Green Mountain Power Corporation ("GMP") and Vermont Electric Power Company, Inc. ("VELCO"). Also on this date, Vermont Energy Investment Corporation ("VEIC") indicated that it supports the Department's comments.

No other comments have been received.

2. Energy Efficiency geographic targeting efforts are energy efficiency services that are targeted at customers served by circuits and substations that are facing capacity constraints, with the objective of avoiding or deferring costly system upgrades.

3. A DRP is a set of long-term assumptions pursuant to which an EEU shall operate. These planning assumptions consist of: year-by-year demand-side electricity estimated savings for a twenty-year period; budgets for electric resource-acquisition and non-resource-acquisition activities by calendar year for a twenty-year period; year-by-year thermal energy process fuels ("TEPF") estimated savings by calendar year for a ten-year period; and three-year performance goals for both electricity and TEPF activities. For more information about the content of a DRP, see Docket No. 7466, Order of 11/24/09, and the Process and Administration of an Energy Efficiency Utility Order of Appointment document (the "Process and Administration" document) which was approved in Docket No. 7466, Order of 12/20/10.

III. DISCUSSION AND CONCLUSION

Pursuant to an Order dated February 16, 2012, in EEU-2010-06, host distribution utilities have been required to file GT annual plans no later than November 1 of each year. Such annual plans were to include, at a minimum: the constraint(s) identified by the VSPC; the projected costs and resources available to alleviate the constraint(s); specific resource-acquisition targets and dates; and what non-transmission alternatives ("NTA") the host utility will pursue on its own to complement the GT services. These annual plans were required to also include a discussion of the projected efficacy of GT programs and other NTA initiatives in these areas.

The VSPC Analysis includes a recommendation to eliminate the November 1 host utility GT annual plan, and replace it with a GT area status report to be included as part of the VSPC Annual Report, which is due annually on February 15th. This change will better harmonize two distinct regulated utility planning systems that have been developed independently over time. We adopt this recommendation based on the support of the Department, GMP, VELCO, and VEIC. We clarify, however, that the GT area status report that will now be included as part of the VSPC Annual Report must include, at a minimum, the specific information that was previously required as part of host utility GT annual reports.

SO ORDERED.

Dated at Montpelier, Vermont, this 24th day of January, 2014.

<u>s/ James Volz</u>)	
)	
)	PUBLIC SERVICE
<u>s/ John D. Burke</u>)	
)	BOARD
)	
)	OF VERMONT
<u>s/ Margaret Cheney</u>)	

OFFICE OF THE CLERK

FILED: January 24, 2014

ATTEST: s/ Susan M. Hudson
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@state.vt.us)

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.