



**Meeting Minutes
January 23, 2019
Trader Duke's Hotel
South Burlington, VT**

The Vermont System Planning Committee held a regular meeting on January 23, at Trader Duke's Hotel, South Burlington, Vermont. Shana Louiselle called the meeting to order at 9:35 a.m.

Hantz Pr sum  moved approval of the October 23, 2018, minutes; Michael Wickenden seconded. The minutes were approved without objection.

Introductions

Participants introduced themselves. A list of attendees by sector appears at the end of these minutes.

Geographical Targeting Subcommittee

Mr. Pr sum  reported that the Geographic Targeting Subcommittee met on January 17 to review the Non-Transmission Analysis (NTA) screening for VELCO's Berlin substation upgrade. The proposed project would replace the protection and control system, and expand the fence to accommodate the construction of a larger control building. The committee concluded the project was asset management driven and screened out of consideration for NTA alternatives.

Mr. McNamara, Director of the Planning and Energy Resources Division of the Public Service Department, reported that the Department submitted its legislatively mandated report on issues constraining generation on Vermont's transmission and distribution systems on January 15. The report includes strategies to mitigate the constraints in order to facilitate deployment of renewable generation including grouping infrastructure upgrade costs, applying locational values for generation, developing flexible loads, choreographing load and generation, energy storage, and curtailment. The Department recommends the evaluation of a variety of technologies and policies to implement appropriate solutions.

Following discussion on the generation constraint report, Mr. McNamara discussed the potential for the VSPC to implement some informal process to explore policies to cost effectively unlock generation constrained areas, and proposed the establishment of an ad hoc subcommittee. The subcommittee would be a voluntary process not requiring changes to the Docket 7081 Memorandum of Understanding, or recommendations to the Public Utility Commission. VSPC participants discussed the value of a subcommittee and credited the VSPC process as a transparent and collaborative forum that would foster valuable dialogue among diverse stakeholders.

Mr. Wickenden moved and Dave Westman seconded approval of the establishment of an ad hoc subcommittee to address generation constraints. The motion was adopted without objection.

VSPC staff will convene a meeting of interested stakeholders in the near future to determine next steps.

Forecasting Subcommittee

Mr. Pr sum  reported that the Forecasting Subcommittee met on November 8 to advance the forecasting discussion in between long-range planning cycles. The subcommittee plans to revise its charter, including revision of and addition to the schedule of activities, and to complete the forecast by 2020. The group will meet regularly in 2019 to discuss study assumptions and technologies that impact the forecast.

Vermont System Planning Committee Annual Report

Ms. Louiselle reported that the draft annual report has been sent to the full committee for review.

Mr. Litkovitz moved and Mr. Pr sum  seconded approval of the draft annual report. The motion was adopted without objection.

[Note: the report was filed on February 5, 2019 and is available on the VSPC website.]

Renewable Energy Standard/Tier III Update

The distribution utilities provided an overview of their 2019 Tier 3 annual plans.

Tom Lyle reported that Burlington Electric Department (BED) will continue their focus on transportation, including electric vehicles, electric bikes, electric buses, and plug-in hybrids. Cold climate heat pumps have not been as popular with low oil and gas prices.

Jeff Monder reported that Green Mountain Power (GMP) is focused on offsetting fossil fuel use through energy transformation programs such as deployment of cold climate heat pumps, Level 2 EV chargers, for which GMP customers can receive an incentive and are auto-enrolled in a GMP control program. GMP received 98% participation with the EV charging curtailment signal.

Andrea Cohen reported that Vermont Electric Cooperative (VEC) has been advancing clean load projects with commercial and industrial customers through their Clean Air Program. VEC continues to focus on cold climate heat pumps, and providing financial incentives through bill credits for Tier III programs.

Bill Powell reported that Washington Electric Cooperative (WEC) will continue its focus on weatherization efforts, as their membership is comprised of mostly residential customers, with few commercial and industrial customers. Additionally, cold climate heat pumps are offered to reduce overall thermal load.

Melissa Bailey presented Vermont Public Power Supply Authority's (VPPSA) Tier III efforts, noting that the requirements apply to their member municipalities in aggregate. VPPSA launched an EV pilot in 2018, which will carry into 2019, and has focused on electrification in order to minimize cost shifting. Cold climate heat pumps and heat pump hot water heaters have also been pursued, with an additional rebate if the customer's home has been weatherized.

Coordinating Subcommittee

Ms. Louiselle reported that the terms for the two Supply Resources seats will expire on April 8. VSPC staff will write to request that the PUC solicit candidates and fill the vacancies for new five-year terms in advance of the April VSPC meeting. Additionally, a VSPC orientation will be scheduled for new members, and is open to interested participants.

Sheffield-Highgate Export Interface Working Group

Doug Smith, Power Supply Director for Green Mountain Power, provided an update to the status of the SHEI working group. GMP has been continuing its work with Enel to install and test voltage control equipment at the Sheldon Springs hydro facility to improve the SHEI export limit. Other options are under consideration that could potentially be stacked together as a hybrid solution to address the bulk of existing curtailments. Additionally, further evaluation of batteries and non-transmission alternatives, such as load building or load shifting, will take place in the coming months. The group plans to address cost allocation in future meetings.

Regional Update

Molly Connors, ISO-New England External Affairs Representative, reported that the bi-annual process for the Regional System Plan will commence on February 13 at a meeting of the Planning Advisory Committee. ISO-NE analyzed the potential impact of additional offshore wind during the historic cold snap in winter 2018-2019. The findings indicate that energy costs and environmental emissions would have been lower had there been additional offshore wind available.

ISO-NE continues to address fuel security concerns. In December, the Federal Energy Regulatory Commission (FERC) accepted ISO-NE's proposed tariff changes to retain, on the basis of fuel security, resources seeking retirement, with the expectation that the measure would only be in effect until 2025. Going forward ISO-NE is considering long-term changes to the markets that would extend day-ahead markets to a six-day horizon, integrate ancillary services in that market, and provide incentives for maintaining fuel supply. ISO-NE expects to submit a proposal to FERC for changes to the markets by November 15.

Forward Capacity Auction #13 is scheduled to take place on February 4, and will implement the first Competitive Auction with Sponsored Policy Resources (CASPR), a substitution auction designed to accommodate state-sponsored policy resource, while preserving competitively based capacity pricing for other resources.

Policy Updates

Ms. Louiselle provided an overview of the DPS reports to the legislature released on January 15, including the reports on identifying and addressing electric generation constraints; activities of the Clean Energy Development Fund; costs and benefits of the Renewable Energy Standard (RES); and progress of Comprehensive Energy Plan. Additionally, the Joint Fiscal Office released a decarbonization report, intended to evaluate recommendations of the Climate Action Commission, on January 22. On March 15, a RES rate impact report will be released for public comment.

The PUC issued a closing order for the Standard Offer docket on January 15, mandating a two-year moratorium on utilities qualifying for exemption status from the program. Utilities that already have

exempt status will retain it, provided that all requirements are met. The Commission determined not to make changes to the RFP process based on grid impacts, and noted that the 248 process is the best place to assess such impacts.

Mr. Lyle reported that the Commission has an open docket to investigate promotion of electric vehicles (EV), from which a report is due by July 1. Topics include charging infrastructure deployment, determination of roles, methods to reduce charging rates, and methods to have EV owners contribute to maintenance of roadway systems.

Dave Westman, Directory of Regulatory Affairs for Efficiency Vermont, reported on the ongoing investigation into improved regulations on energy efficiency utilities (EEUs). The focus of the first phase of the investigation has been on improvements to Tier III coordination between EEU and distribution utilities, improvements to the Demand Resources Plan proceeding, and review of the fiscal agent responsible for managing the energy efficiency funds. The second and third phase will focus on the evaluation and measurement verification processes, and reporting requirements.

Project Updates

Hinesburg: Mr. Litkovitz reported that the GMP Hinesburg substation, sourced from a 10 mile feeder from Charlotte, would experience voltage drop if a large customer were to switch from diesel to electric motors as planned. As such, GMP is installing a DVAR (a type of reactive power device) to mitigate voltage concerns.

Barre Asset Condition Project: Mr. Pr sum  reported that a project to replace equipment at the VELCO Barre substation based on asset condition would begin soon. The proposed improvements to the substation will require the installation of a temporary substation, to prevent a line outage during construction. The project is expected to be completed in September 2019.

Merchant elective transmission upgrades: Mr. Pr sum  reported that the Vermont Green Line project was not selected in the most recent Connecticut RFP; the future of the project remains uncertain.

Attendance

* Indicates voting member

** Indicates alternate

Public Sector

- *Michael Wickenden, Residential representative
- **Tim Duggan, Residential representative
- **Jeff Forward, Commercial representative
- *Taylor Newton, Planning representative

Transmission Utility (VELCO)

- *Hantz Pr sum , VELCO

Distribution Utilities Providing Transmission (GMP, VEC)

- *Steve Litkovitz, GMP
- **Doug Smith, GMP
- **Mike Beaulieu, VEC

Large Transmission-Dependent Distribution Utilities (BED, WEC)

- *Munir Kastl, BED
- *Bill Powell, WEC

Transmission Dependent Distribution Utilities (Municipals)

Melissa Bailey, VPPSA

Supply & Demand Resources

- *Dave Westman, EVT
- *Nathaniel Vandal, Supply representative

Non-Voting Members

Ed McNamara, PSD

Staff

Shana Louiselle, VELCO
Lou Cecere, VELCO

Guests

Ryan Darlow, VERA
Mark Sciarrotta, VELCO
Andrea Cohen, VEC
Tom Lyle, BED
Jeff Monder, GMP
Molly Connors, ISO-NE
Eric Harrold, VELCO
Betsy Bloomer, VELCO
Neil Watlington, NextEra
Derek Moretz, Encore