



**ANNUAL REPORT
TO THE PUBLIC UTILITY COMMISSION &
PUBLIC SERVICE DEPARTMENT**

January 30, 2023

INTRODUCTION

In accordance with the Memorandum of Understanding (MOU) approved by the Public Utility Commission in Docket 7081 as amended¹, this document comprises the annual report of the Vermont System Planning Committee (VSPC) detailing activities undertaken in 2022.

Among its provisions, the Docket 7081 MOU requires that the VSPC provide a report to the Public Utility Commission (PUC or Board) and Public Service Department (PSD) by February 15 of each year and post that report on the VSPC website. The report must consist of at least the following:

89. A report on each Reliability Deficiency identified to date in the [Long-Range Transmission] Plan or through the process described in Steps 1 through 6, above, including:
 - i. The status of NTA [Non-Transmission Alternative] Analysis for the Reliability Deficiency.
 - ii. The status of decision-making on the selection of alternative(s) to address the Reliability Deficiency.
 - iii. The status of decision-making on the allocation of costs of the alternative to address the Reliability Deficiency.
 - iv. The strategy chosen for implementing the alternative selected to address the Reliability Deficiency.

¹ Investigation into Least-Cost Integrated Resource Planning for Vermont Electric Power Company, Inc.'s Transmission System. Amended 1/30/2012, 8/1/2012 & 11/6/2013 & Docket 8875 Order of 6/13/2018.

- v. The status of implementation of the alternative(s) to address the Reliability Deficiency.
 - vi. All documentation pursuant to paragraph 86, above, relating to advisory votes within the preceding calendar year.²
90. A statement of the dates and locations of all VSPC meetings held during the preceding year.³

In 2014, the Commission approved a recommendation by the VSPC, designed to harmonize reporting procedures, that the VSPC annual report incorporate annual utility updates on areas that have been approved for energy efficiency geographical targeting.⁴ At this time, no area of the state is designated for energy efficiency geographic targeting so no such annual utility updates are provided for the current year.

This document represents the VSPC annual report on the status of transmission and non-transmission analysis, solution selection, cost allocation, and implementation planning of all identified reliability deficiencies as required by the MOU, as well as the meetings and organizational work of the VSPC during 2022.

VSPC ACCOMPLISHMENTS, MEETINGS AND PROCESS

The past year was the fifteenth full year of VSPC operation. The VSPC had been meeting virtually since March 2020 as a result of the COVID-19 pandemic and federal and state guidance to contain the virus, and was able to reconvene in-person beginning in July 2022. During 2022, the major activities and accomplishments of the Committee included:

- Developed, and filed on November 8, 2022, the annual geographic targeting recommendations to the Commission. The Geographic Targeting Subcommittee developed the recommendations following a full review of transmission and subtransmission issues, as established in Docket 7081, and distribution issues, as established in Docket 7873/7874.
- Received regular briefings on a variety of current policy proceedings, such as the PUC Rulemaking process for rules 5.500 and 5.400, PUC Energy Storage Rulemaking, Vermont Comprehensive Energy Plan, the Public Service Department’s Review of Renewable and Clean Electricity Policy and Programs, and emerging federal funding opportunities for Vermont’s electric grid through the Investment Infrastructure Jobs Act and Bipartisan Infrastructure Law.

² ¶ 86 requires the VSPC to take advisory votes to resolve disputes regarding determinations of affected utilities and cost allocation.

³ Docket 7081 MOU at 35-36.

⁴ Docket EEU-2013-11, In re: VSPC Geographic Targeting Improvement Analysis, 1/24/2014.

- Heard presentations on a wide variety of energy-related initiatives, studies and reports including: New England’s winter reliability challenges and Vermont utility preparedness, grid modernization investment priorities, ISO-New England’s 2050 Transmission Study, VELCO’s Franklin County Line Upgrade and Fiber Reliability Projects, Vermont distribution utility Integrated Resource Planning, and electric transmission’s role in decarbonization.
- Updated participants regularly on significant policy developments at ISO-NE, the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC) with regular participation by an ISO-New England (ISO-NE) representative, and briefings by VELCO. Topics of particular focus included: winter reliability, ISO-New England Future Grid Studies, Vermont Needs Assessment Study, FERC Order 2222, and FERC/NARUC Joint Task Force on Regional Transmission Planning and Cost Allocation.

The VSPC held the following full committee meetings during 2022:

1/26/2022	Virtual quarterly meeting
4/29/2022	Virtual quarterly meeting
7/20/2022	Quarterly meeting, Stowe, VT
10/26/2022	Quarterly meeting, Killington, VT

The subcommittees of the VSPC met throughout the year as follows:

- Coordinating Subcommittee: The Coordinating Subcommittee met by phone January 12, April 8, July 6 and October 10 to plan the agendas for regular VSPC meetings.
- Forecasting Subcommittee: The Forecasting Subcommittee met on April 12, and July 14, and November 1. The focus of the subcommittee was to advise VELCO and its contractor, Itron, on the development of the Vermont statewide load forecast for the 2024 Vermont Long-Range Transmission Plan. In particular, the subcommittee was consulted on various assumptions regarding the treatment of distributed generation, cold-climate heat pumps, electric vehicle adoption, load control, storage, and relevant climate policy measures.
- Geographic Targeting Subcommittee: The Geographic Targeting Subcommittee met on June 1 to carry out its responsibilities regarding geographic targeting recommendations to the full VSPC on energy efficiency and distributed generation.

The calendar of all VSPC meetings is posted on the VSPC website at:

<http://www.vermontspc.com/calendar>

Agendas and meeting minutes for the full VSPC meetings are posted on the VSPC website at:

<http://www.vermontspc.com/vspc-at-work/meetings>

Subcommittee agendas and meeting minutes are posted on the VSPC website at:

<http://www.vermontspc.com/vspc-at-work/subcommittees>

No advisory votes were taken in 2022.

REPORT ON IDENTIFIED RELIABILITY DEFICIENCIES

Paragraph 51 of the Docket 7081 MOU requires that the VSPC, VELCO and the distribution utilities report progress on identified reliability deficiencies at least annually to the Commission. In past years, this portion of the report has included several sections detailing the status of transmission and subtransmission issues identified in the currently applicable Vermont Long-Range Transmission Plan. This year, however, the current plan, published in July 2021, identifies no reliability deficiencies.