

Generation Subcommittee Potential Charter Changes

It was suggested at the PSB workshop on the VSPC and at later VSPC meetings that the generation committee might want to consider a charter change. The generation committee has met and discussed this at some length and concurs that a change to the charter is desirable. Given the limited time of committee members to develop/maintain assumptions on a recurring basis, we would instead propose to focus the generation committee charter on reviewing generation-related assumptions in VELCO and or ISO-NE transmission plans (or in specific NTA analyses) for reasonableness in light of then-available information. The requirement for development of standardized generation assumptions in advance of NTA analyses causes concerns to the committee both in terms of their validity and in the difficulty in their development and maintenance though maintaining such data for a proxy peaking unit (and possibly a combined cycle or biomass facility) may be viable. Confidentiality concerns may also limit group member's ability to provide actual cost assumptions in their possession but the committee thinks they might not bar the ability to comment on the reasonableness of specific evaluations.

Also, in the interest of keeping all possibilities open, the committee discussed whether there was a need for a generation sub-committee of the VSPC. The general opinion was that as one of the three "legs" of a transmission analysis and given the comparatively early stage of the VSPC in reviewing specific transmission needs it might be premature to do away with the committee completely (though we grant it has seen little activity to date).

As long as generation is an alternative that can be on the table, a group of persons with a frame of reference focused on generation and the markets available to generation would seem to have value. Many generation options however may be so case specific that attempting to maintain what amounts to generation screening values would require time disproportionate to their value.

A proposed revised Charter for the Generation sub-committee based on this would be:

- 1 Develop and periodically review, and update if needed, generic generation costs for proxy unit type(s) specifically including peaking generation, and potentially select other generation types to the extent they are considered meaningful alternatives to transmission.**
- 2 Review and comment on generation assumptions contained in VELCO's and/or ISO-NE's Long Range Plan.**
 - a) Reviewing and assessing the reasonableness of the generation assumptions for new and existing resources in VELCO's and/or ISO-NE's load flow model (availability, outage rate estimates etc.).

b) Providing possible guidance related to inclusion of future generation proposals (or retirements of existing units) in VELCO and/or ISO-NE studies.

3 Review and comment on generation assumptions contained in individual NTA analyses.

- a. Receive presentations from lead DUs on generation option analyses, and provide feedback on assumptions.
- b. Reviewing and assessing the reasonableness of the generation assumptions for generation as an alternative in specific NTA analyses.
- c. Providing input into equivalence determinations.

4. Acting as the entity that receives “open door” proposals within the VSPC, and provides VELCO and/or Lead DUs with recommendations (based on the committee’s evaluation of technical, economic, feasibility, or other considerations) related to inclusion of such proposals in future long range transmission planning assumptions and detailed NTA Analyses.

- a. Acting as a sounding board and clearing house for information related to detailed NTA generation analyses on specific projects when requested.
- b. Provide information on potential or known generation options.
- c. Communicate to interested generation developers where identified generation needs may exist

The generation committee would propose that the treatment of DG and small scale (typically net metered) generation (covered in the current charter as follows), “Developing and maintaining protocols for treatment of distributed generation resources such as Combined Heat & Power (CHP), solar, residential wind, etc. within NTA analyses” would be more easily treated as a load reduction and therefore might be more of a forecasting function.

Finally, the Generation Committee would request that, if the above charter change is accepted, that procedures be put in place to clearly communicate to the committee when any of the above tasks are required as the committee members are not generally in the habit of attending the quarterly meetings. A clear hand-off of a needed review would facilitate the committee making sure that any review is completed in a timely manner and that no “balls are dropped.”