



ANNUAL REPORT TO THE PUBLIC UTILITY COMMISSION & PUBLIC SERVICE DEPARTMENT

February 2, 2024

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 2023.

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 2023.

VSPC ACCOMPLISHMENTS, MEETINGS AND PROCESS

The past year was the sixteenth full year of VSPC operation. During this year, the major activities and accomplishments of the Committee included:

- Developed, and filed on November 30, 2023, 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 PUC Rulemaking process for rule 5.500, the Public Service Department’s Review of Renewable and Clean Electricity Policy and Programs, North American Electric Reliability Council’s evolving regulation for inverter-based resources, and emerging federal funding opportunities for Vermont’s electric grid through the Investment Infrastructure Jobs Act and Bipartisan Infrastructure Law.
- Heard presentations on a wide variety of energy-related initiatives, studies and reports including: regional electric transmission development initiatives, 2024 Vermont Long-Range Transmission Plan load forecast and scenario planning, Vermont’s National Electric Vehicle Infrastructure Program, grid modernization

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.

investment applications submitted to the Department of Energy by Vermont electric utilities, ISO-New England’s 2050 Transmission Study, VELCO’s Franklin County Line Upgrade, Vermont’s cluster study potential and lessons learned from DER cluster studies in New England, potential economic costs to controlled outages, and the Public Service Department’s Renewable Energy Standard Working Group.

- 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 challenges, ISO-New England Future Grid Studies, Vermont Needs Assessment Study, FERC Notice of Proposed Rulemaking on reliability standards to address inverter-based resources, grid transformation and implications of the IEEE 1547-2018 standard, operational impact of extreme weather, and ISO-New England’s 2024 work plan and proposed operating and capital budgets.

The VSPC held the following full committee meetings during 2023:

1/25/2023	Quarterly meeting, South Burlington, VT
4/19/2023	Quarterly meeting, Middlebury, VT
7/12/2023	Virtual quarterly meeting
10/25/2023	Quarterly meeting, Killington, VT

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

- Coordinating Subcommittee: The Coordinating Subcommittee met by phone January 13, April 7, June 26 and October 13 to plan the agendas for regular VSPC meetings.
- Forecasting Subcommittee: The Forecasting Subcommittee met on April 12, and June 22. 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 21 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 2023.

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.