

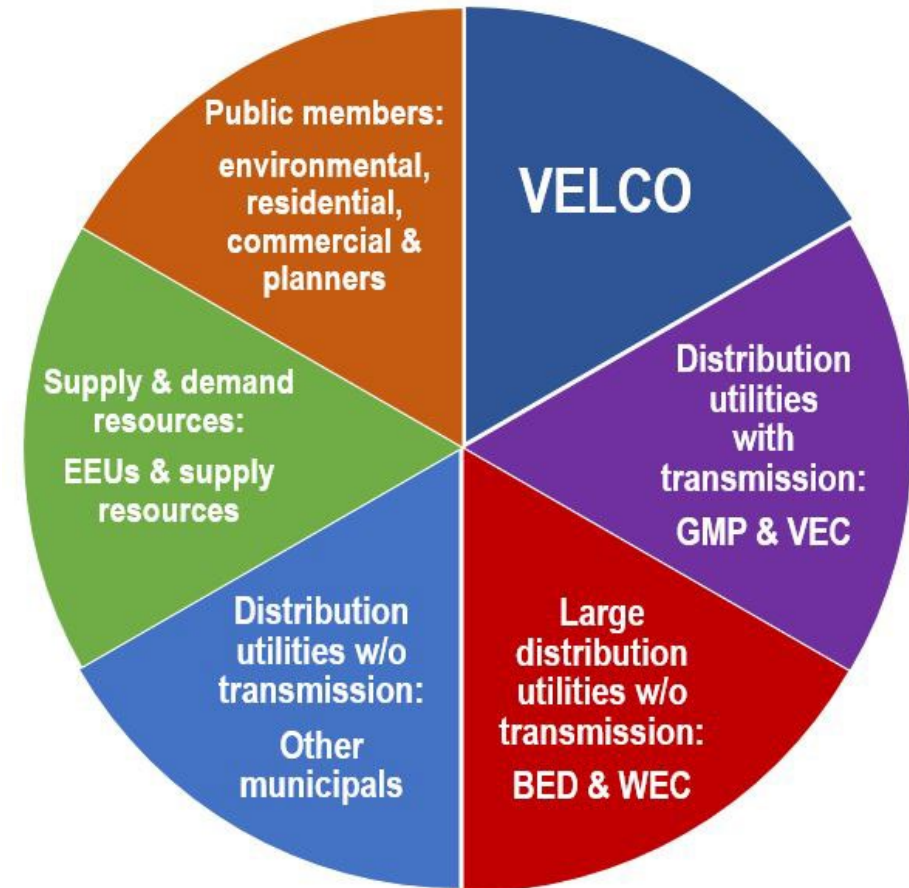


## **Docket 7081 Process & Requirements**

April 17, 2024

# Mandate & purpose of the VSPC

- ▶ [Act 61 of 2005 Legislature \(30 V.S.A. § 218c\)](#):
  - ▶ Prepare a 10-year transmission plan at least every three years beginning July 1, 2006.
  - ▶ *“Identify potential need for transmission system improvements as early as possible, in order to allow sufficient time to plan and implement more cost-effective nontransmission alternatives to meet reliability needs, wherever feasible.”*
- ▶ Public Utility Commission Docket 7081 established VSPC in 2007
  - ▶ Participants: VELCO, distribution utilities, 4 public reps named by PUC, generation developer, Energy Efficiency Utilities, Public Service Department
  - ▶ Requires 20-year long-range transmission plan

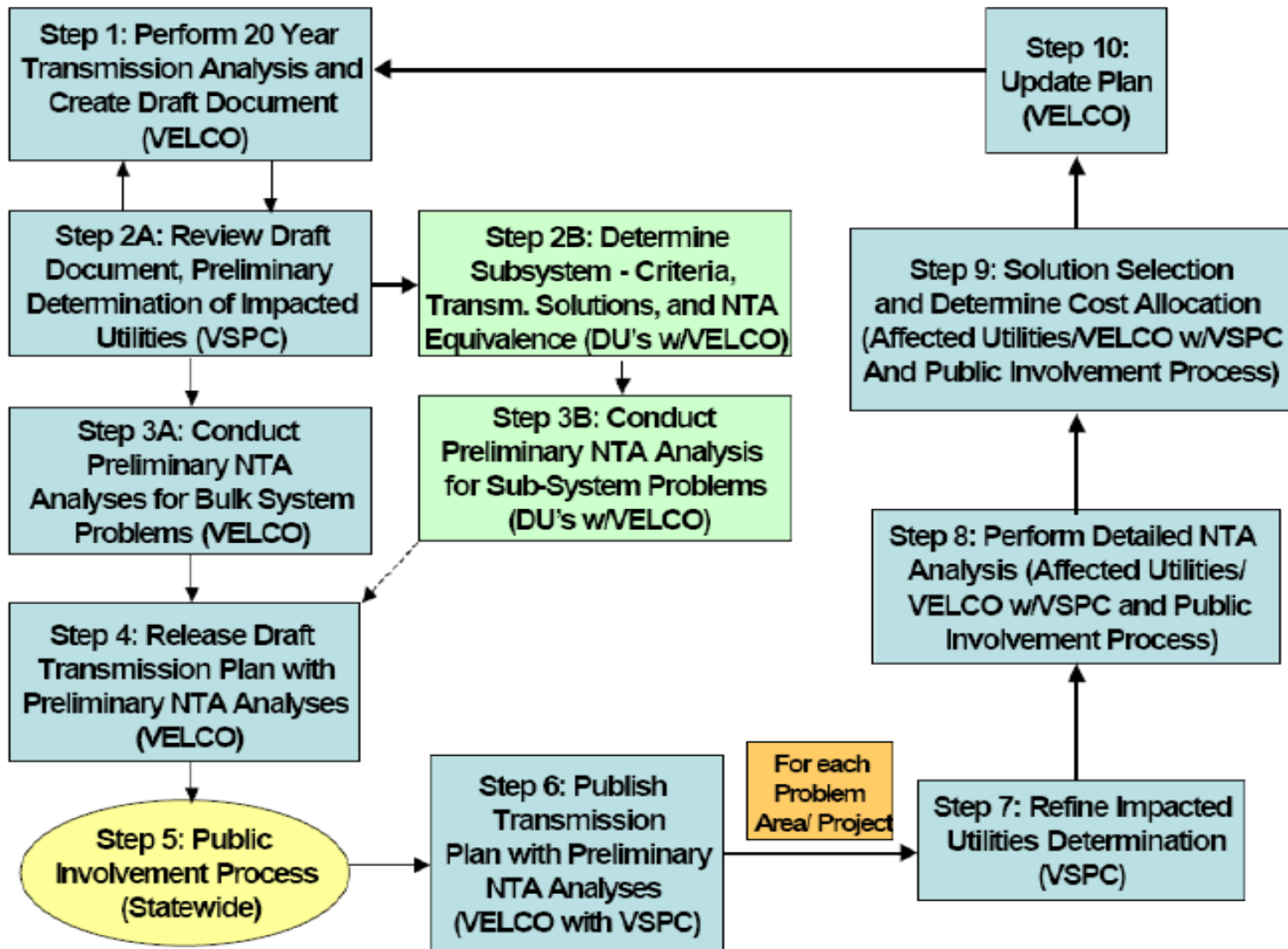


# Multiple objectives embedded in 7081 MOU

- ▶ Transparent , public process
- ▶ Structured process and time frames intended to:
  - ▶ Ensure early and consistent collaboration among affected utilities.
  - ▶ Move deliberately from reliability deficiency ID, through NTA analysis, solution selection, cost allocation and implementation strategy.
  - ▶ Enforce a rigorous process for NTA analysis.
- ▶ Provide for a deeper level of public engagement based on stated principles.
  - ▶ “...informed involvement of the public in VT electric transmission planning....”

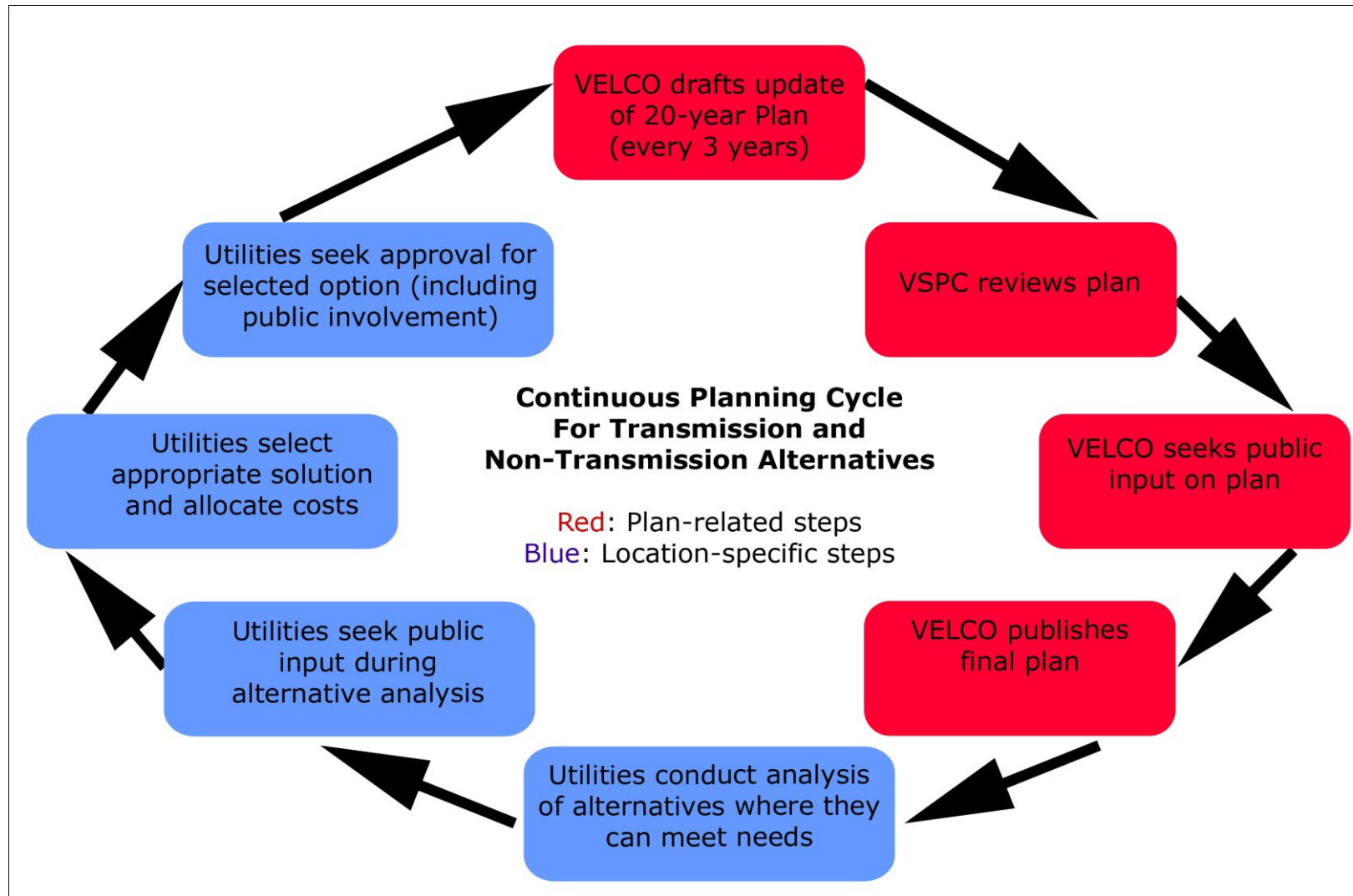
# MOU ¶ 70: VSPC Purposes

- Coordinate among VT utilities
- Facilitate full, fair consideration of NTAs
- Provide transparency & accountability for transmission planning
- Encourage & facilitate the resolution of disputes
- Encourage & facilitate informed public involvement
- Recommend process improvements to PUC/DPS
- Take advisory votes on Affected Utilities, solution selection, cost allocation and implementation strategy
- Take binding votes (where utilities disagree) on system level and lead DU assignment



# Docket 7081 Process Flowchart

*For reliability issues requiring NTA analysis*



# MOU ¶ 28: Plan requirements

- What reliability deficiencies (RDs) exist?
- When and at what load will each RD will likely occur?
- Which RDs will NOT require transmission and why?
- For those which a Transmission solution is planned:
  - Describe the likely transmission solution
  - ID likely in-service
  - Estimates the likely costs transmission
  - ID potential obstacles
  - State and explain project priority
  - State the preliminary determination of Affected Utilities
  - State the comments of the VSPC and VELCO's response
  - Results of the preliminary NTA analyses (screening)
  - Identification of the Lead DU assigned to oversee and coordinate the tasks necessary to complete full NTA analysis.
  - Equivalence criteria
  - Date by which incomplete subsystem analyses will be completed

# NTA analysis

- Each affected DU must supply human and financial resources and information (§§33).
- Lead DU can recover costs of analysis in cost allocation for the resulting project (§§33).
- When subsystem issues affect only one DU, that DU is responsible for NTA analysis (§§33).
- Must analyze (§§40):
  - Rate and bill impacts (with and w/o PTF, RECs, tax credits).
  - Financial feasibility.
  - Ability to implement timely.
  - Relative economic benefits.
  - Other significant costs and benefits.
- Must complete within one year of plan publication unless project-specific action plan incorporates a different date.



# Process coordination with ISO-NE

- **Coordination with ISO-NE is important**

- While ISO-NE is not bound by the 7081 MOU, it plays a critical role as the transmission planner for Vermont, determining if a transmission upgrade warrants regional funding and if an NTA sufficiently addresses the need.
- ISO-NE's planning process may not immediately include identified transmission upgrades; however, conducting the NTA study ensures compliance with Vermont's planning process and reduces system deficiency risk until ISO-NE's planning catches up.
- Implementing the NTA solution demonstrates reliability of the NTA and reduces the system deficiency risk, helping meet reliability gaps until ISO-NE's planning process catches up, as it may not consider subtransmission system limitations.

# Solution selection, cost allocation

- Must be complete within two years of plan publication unless project-specific action plan provides alternative timing (§50).
- If no solution in two years (or alternative plan), VSPC advisory vote on solution selection, cost allocation & implementation strategy (§53).

# Cost allocation

- Transmission: allocated according to ISO tariff/1991 VT Transmission Agreement.
- Generation that defers or avoids transmission:
  - Reliability costs allocated to each DU in the same manner as the avoided transmission solution would have been allocated.
  - Costs of development apart from reliability costs borne by the developer.
  - Payment of reliability costs to generator may be discontinued if project fails to meet performance guarantees.
- Supplemental DSM that defers or avoids transmission:
  - Reliability costs allocated to each DU in the same manner that the avoided transmission solution would have been allocated.
  - Net costs other than reliability allocated to each DU in whose territory DSM is implemented.
  - Utilities may petition PUC for EEC adder to fund DSM.
  - VELCO and/or Affected DUs not precluded from agreeing on alternative cost allocation. (§58).
  - Each DU is responsible for implementation when DSM is selected. DUs may purchase from EEU (§65).

\* We are not limited to solutions and technologies outlined in the MOU.

# Timing of 7081 cycle associated with 2012 Plan

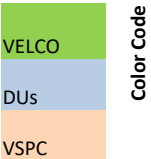
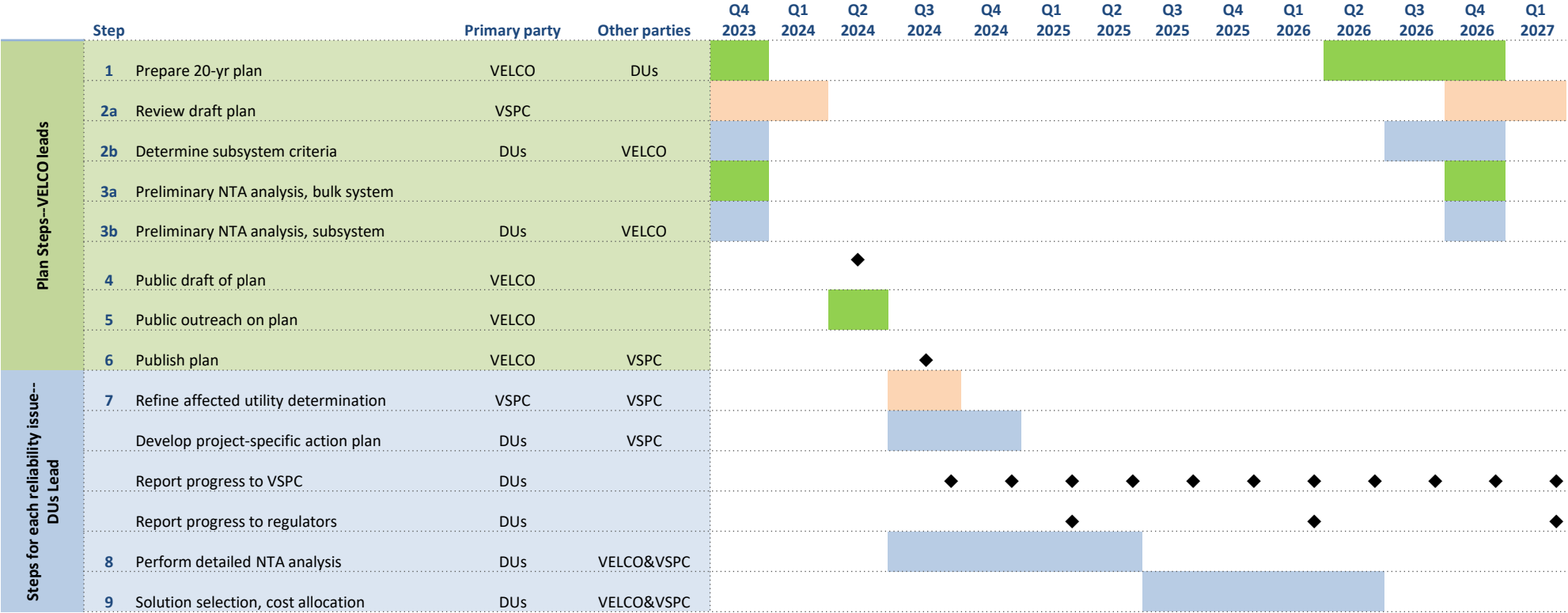


Chart represents process outlined in MOU. In practice, Vermont may not have the full two years to conduct NTA analysis, solution selection and cost allocation for a given deficiency.

