

VERMONT SYSTEM PLANNING COMMITTEE (VSPC)

In 2007 the Public Service Board established a new process for the way Vermont will plan to address electric system reliability issues. The purpose of the new process is to ensure “full, fair and *timely* consideration of cost-effective non-transmission alternatives.”¹

The centerpiece of the new process is an entity called the Vermont System Planning Committee, whose purpose is “to identify the potential need for transmission system improvements as early as possible, in order to allow sufficient time to plan and implement more cost-effective non-transmission alternatives to meet reliability needs, wherever feasible.”² The committee includes public representatives appointed by the Public Service Board, representatives of all Vermont utilities including VELCO, the Department of Public Service, Efficiency Vermont, and the facilitator of the Sustainably Priced Energy Enterprise Development program.

The VSPC and related planning process constitute a substantial departure from the previous process, and perhaps an unprecedented approach nationally. The new process has a number of characteristics that, taken together, transform the way Vermont utilities interact with each other and the public in planning solutions to electric system reliability issues. These characteristics include:

- A transparent process that includes access by the public and participants to all aspects³ of the VSPC’s activities and information through a website and an effective meeting notice process.
- A formal structure for public involvement in the planning committee through formal Board appointment of three public members to the VSPC representing the interests of residential consumers, commercial and industrial consumers, and environmental protection respectively.
- A high level of public involvement in the planning process based on principles of effective public engagement that are spelled out in the MOU.
- A long-term planning horizon of 20 years. While Act 61 required a 10-year planning horizon, the MOU recognizes the need to go beyond this term, while also acknowledging that forecasts will be more precise in the first half of the 20-year cycle.
- The ability to take advisory votes regarding affected utility determinations, potential reliability deficiency solutions, and potential cost allocations through the committee’s process.

¹ Docket No. 6860, Order of 1/28/05 at 11, emphasis in original.

² 30 V.S.A. § 218c(d)(1).

³ The MOU treats information associated with the VSPC process as public information in accordance with 1 V.S.A. § 317, the Vermont public records law. By March 20, 2008, the VSPC must adopt and file with the PSB a protocol for handling information it believes should be exempt from public records access pursuant to one of the exemptions 1 V.S.A. § 317(c).

- Procedures for facilitating assignment of responsibility for planning and implementation work through the committee's process.
- An explicit process for analysis and explicit standards for evaluation of cost-effective non-transmission alternatives to solving reliability deficiencies.
- A clearly established set of expectations and processes for coordination among stakeholders, including all utilities, public representatives, DPS, the Energy Efficiency Utility (EEU), and the Sustainably Priced Energy Enterprise Development (SPEED) Facilitator.
- Appropriate consideration of market-based approaches to assessing non-transmission alternatives, including market testing using RFPs or public solicitations of interest, as well as an open door policy for encouraging potential vendors to approach the participants to discuss projects.

The VSPC website maintains a website, www.vermontspc.com, which is designed to track all aspects of the committee and subcommittee process.

VSPC and the Gorge Area Reinforcement Project

Planning to address the electric system reliability deficiencies that would be addressed by the Gorge Area Reinforcement Project had been underway for some time when the Public Service Board approved the VSPC process. As a result of the timing, GAR components under consideration through the current public outreach and planning processes did not go through the formal VSPC steps. However, the current public involvement process, of which today's meeting is one step, are intended to provide the kind of intensive public outreach that is required for projects that must go through the actual VSPC process. In addition, the utilities responsible for reliability of the electric system have incorporated the many lessons learned from recent public outreach efforts on Vermont's electric future and on other recent reliability projects.