

## NEWS RELEASE

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### **Public recommends Southern Loop solutions, statewide planning**

Dozens of local residents this week proposed a host of solutions to growing concerns about southern Vermont's electrical transmission system in a first-of-its-kind public outreach gathering organized by Central Vermont Public Service (CVPS) and Vermont Electric Power Company (VELCO).

CVPS and VELCO are ultimately responsible for proposing solutions to the Vermont Public Service Board, but the companies began an unprecedented public outreach effort in the fall to obtain public input on how to address issues along the Southern Loop, a 66-mile transmission line that runs from Bennington to Brattleboro, before making a filing with regulators.

The recommendations were based on a problem statement created this fall by a Southern Loop Leadership Team comprised of 10 Vermonters, including eight local officials, legislators, planners and public interest group representatives and two utility officials. It read: "Southern Vermont electrical transmission facilities have limited ability to support increased electrical demand and are unable to withstand failures of, or to have preventive maintenance conducted on, key components at present demand levels. The reliability of the regional bulk transmission system that connects southern Vermont, southwestern New Hampshire and northwest Massachusetts is at risk at existing demand levels, with increasing reliability risk as regional electrical demand levels increase."

Participants, who took part in two days of facilitated discussions in what is known as a Utility Search Conference, were chosen based on geography, as well as to represent interests such as local government, the environment, large energy users such as hospitals, manufacturers and ski areas, emergency services, associations, state and federal government, utilities, and local businesses. Late Tuesday, they presented Bob Young, president of CVPS, and John Donleavy, president of VELCO, with their recommendations.

### **Recommendations**

Among the key recommendations were installation of a voltage support device known as a synchronous condenser; targeted, strategic energy efficiency programs to reduce and slow energy demand growth along the loop; development of new generation facilities, preferably renewable, along the Southern Loop; construction of some new line segments in existing transmission line corridors, to be determined, and installation of a new backup transformer in Vernon. Many of the group's recommendations, once implemented, would lessen the need for or reduce the scope of new transmission facilities.

Participants also suggested that utilities, the state and local communities begin a new planning process to look at a host of electrical issues, ranging from local community-based generation and new rules to promote on-site generation, to rules on energy consumption per square foot of new construction and new building codes.

Participants also recommended broad new educational programs on energy efficiency, and efforts to reform the ISO-New England cost allocation process to include energy efficiency, demand-side management, and generation. Under current ISO rules, transmission costs can be spread across New England, so Vermont pays only a small percentage of the cost of upgrades that benefit the state and region, but other investments cannot be cost-allocated in the same way.

Young and Donleavy thanked the participants for their efforts, which they called invaluable. "This has been an eye-opening process for CVPS, VELCO, and I hope all of you," Young said. "If you look at just the technical issues associated with the utility infrastructure and not the community's values and beliefs, you're only getting half the picture. We've received tremendous insight and valuable new perspectives that will inform our thinking and help us to better serve Vermont as we move forward."

A Community Working Group (CWG) of about 20 people will help CVPS and VELCO refine the recommendations and make public presentations on how the proposals were developed. A series of open

houses will be held to keep the public apprised of the Community Working Group's efforts and gain more feedback from the public. Added Donleavy: "VELCO hopes the CWG can complete its work over the next several months, and CVPS and VELCO will provide the CWG with all the necessary resources to support this process. While this process is time-intensive, I'm certain that it will be very valuable in maximizing the public's opportunity to help articulate the best solutions to the existing and growing reliability problem along the Southern Loop."

Though many of the recommendations need to be further fleshed out and long-term planning issues will need to be addressed not only by the utilities but local and state officials, including legislators and regulators, the company officials said they would work with conference participants, the CWG and the public to address the group's recommendations.

Based on the recommendations, Young said CVPS would develop performance specifications and issue a request for proposals for new generation in southern Vermont, and will encourage private businesses, community groups and local governments to consider what roles they could play. "We will also look at the possibilities for CV either building or partnering to create local generation," Young said. The company will also continue ongoing efforts to work with VEIC, a consulting firm concentrating on energy efficiency and renewable energy investment as integrated resources, to examine how much can be done and to work with Efficiency Vermont to reduce loads and load growth through efficiency programs. Donleavy said the companies would work with the Community Working Group and the public to further weigh the costs and values of the suggested transmission alternatives, and incorporate the suggested new generation and energy efficiency recommendations into that process.

On the broader topic of statewide and local planning and education, which goes beyond what the utilities can do alone, and ISO-New England rules, Young and Donleavy pledged to help create a broader dialogue and encourage local residents to participate. "We will work with the communities to reach out to community members, educate people on how to use energy efficiently, in schools or whatever venues the communities would like, and we will happily discuss how to more broadly integrate these discussions with the public," Young said.

Donleavy noted that Vermont utilities and state regulators jointly but unsuccessfully argued for the ISO-New England rule changes, which were approved by the Federal Energy Regulatory Commission, that participants suggested, but pledged to continue that debate.

"We did go to the ISO with a unified position a few years ago, and we lost, but Act 61 requires us to continue to advocate that position, and we will do it," Donleavy said. He also pledged to garner significant public input as VELCO develops a 10-year, statewide plan.

Employees from the Vermont Department of Public Service attended and observed the Utility Search Conference, and were available to provide information to the participants in a manner that would not conflict with its responsibilities in any future regulatory process concerning the Southern Loop.

"This process has given us a solid look at some of the public concerns and desires as we address Southern Loop issues," Young and Donleavy said in a joint statement. "We are committed to working with the public as we move forward, and using their input to inform our thinking as we ultimately prepare to seek regulatory approval for Southern Loop solutions."

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