vermont electric power company
VELCO

Middlebury Substation Project

November 10, 2022

Town of Middlebury Selectboard
Town of Middlebury Planning Commission
Addison County Regional Planning Commission
ePUC Statutory Entities

Re: Middlebury Substation Project
Certificate of Public Good – Section 248 Permit Process
45-Day Notice of Project Filing

Dear Statutory Entities:

This letter and enclosed information describe the Vermont Electric Power Company Inc. and Vermont Transco LLC (collectively "VELCO") proposed Middlebury Substation Project (the Project), which includes upgrades to VELCO's existing facilities in the Town of Middlebury, and generally consists of upgrading VELCO's substation located at 522 Quarry Road.

We anticipate filing our formal petition with the Vermont Public Utility Commission (Commission) on December 27, 2022, requesting a Certificate of Public Good to construct the Project. The state permitting process requires VELCO to provide notice to the Commission, Town of Middlebury planning commission and selectboard, and Regional Planning Commission at least 45 days prior to a formal filing with the Commission[1]. For your information, we have attached a Project overview and a substation site layout to this letter.

Before the Project is filed with the Commission, VELCO will conduct informal discussions to address concerns you may have about the Project's impact. On Tuesday, November 29, 2022, from 5:30 PM to 6:30 PM, VELCO will hold an in-person meeting on at the Middlebury Town Office at 77 Main Street in Middlebury to share information, collect feedback, and address concerns from affected communities. You will also receive a notification of our petition when it is filed with the Commission. Please note that the Planning Commissions may make recommendations to VELCO within 40 days of the submission of this 45-day notice, – December 21, 2022 in this case. Relatedly, Commission Rule 5.402(A) establishes that municipal and regional Planning Commissions "shall make recommendations, if any, to the [Commission] and to the petitioner at least 7 days prior to filing the petition with the [Commission]." Planning Commissions also have the right to make revised recommendations within 45 days after the date the Petition is filed with the Commission, if the Petition contains new or more detailed information that was not previously included in these plans. While Section 248(f) and Commission Rule 5.402(A) focus only on the Planning Commission comment process, VELCO welcomes feedback from the affected municipal bodies and state agencies. So that VELCO has sufficient time to incorporate your feedback prior to the December 27, 2022 anticipated filing date, VELCO is requesting that comments be submitted by December 21, 2022.

[1] The process is governed by Commission Rule 5.400, which can be viewed on the Commission's website at http://puc.vermont.gov/.

For additional information regarding the Commission's processes, including your right to participate in the proceeding, please refer to the Commission document titled "Public Participation and Intervention in Proceedings Before the Public Utility Commission," found on the Commission's website at https://puc.vermont.gov/document/public-participation-andintervention-proceedings-public-utility-commission.

The Commission's website also includes a Section 248 procedures document found on the Commission's website at https://puc.vermont.gov/document/section-248-procedures.

As the Project is still in the design phase, we will continue discussions and expect to receive feedback on this Project from various stakeholders. Please note that we expect to make the formal filing with the Commission on December 27, 2022. If you are interested in a presentation on this Project, have comments, or want further information, please contact Dan Poulin, Project Manager, at 802-770-6387 or dpoulin@velco.com. So that we may better address any questions or concerns you may have, please contact us before December 21, 2022.

The documents that accompany this letter have been electronically filed using ePUC.

Sincerely,

Daniel Poulin, Project Manager
Vermont Electric Power Company, Inc.

Enclosures:

Attachment A – Project Overview

Attachment B – Middlebury Substation – Overall Ortho Plan with Vegetation Clearing and Proposed Landscape Mitigation

Middlebury Substation Project Overview

Introduction

Vermont Electric Power Company Inc. (VELCO) was formed when local distribution utilities joined together to create the nation's first statewide "transmission only" company to provide access to clean hydro power and build and maintain the state's high-voltage electric transmission* grid. VELCO constructs, owns, and operates most of this in-state, high-voltage transmission grid (essentially 115 kV and above), that connects Vermont to the regional and national electric power supply system. VELCO's network also provides the electric supply to Middlebury's local distribution utility, Green Mountain Power, Inc. (GMP).

The Middlebury Substation Project (the Project) is driven by the need to improve the condition of VELCO's existing facilities in the Town of Middlebury and comprises improvements to VELCO's Middlebury Substation. As is explained in this overview, we expect to file a request on December 27, 2022 with the Vermont Public Utility Commission (Commission) for permission to undertake this Project and, assuming the Commission and other approvals are granted, currently plan for it to be constructed and in service by June 2024.

This proposed project overview describes the following:

- Deficiencies at VELCO's Middlebury Substation
- Alternatives evaluated for this Project
- The Project's description
- The Project's impact
- The anticipated Project filing date with the Commission
- Local and Regional Planning Commissions' Rights to comment on the Project Plans

Description of the VELCO Middlebury Substation Deficiencies

Electric energy remains a cornerstone of our local and state economies, our quality of life, and our communities. Households, businesses and public services like schools and hospitals all rely on electricity for communication, lighting, heating, ventilation, and the operation of appliances and equipment. If transmission facilities fail, large geographic areas can lose their electric service. Transmission utilities such as VELCO are required to design, operate, and maintain a transmission network according to national and regional reliability standards. In addition, VELCO continuously assesses the adequacy of its system to ensure Vermont's transmission network meets national and regional reliability criteria.

* Transmission refers to the part of the electric system that operates at high voltage and carries large amounts of electricity from generation plants to the lower-voltage distribution system, which supplies electricity to local areas.

The VELCO Middlebury Substation is connected to VELCO's electric transmission network in Addison County Vermont. The Substation is connected to GMP's sub-transmission system in the Middlebury area. GMP distribution systems are fed from the sub-transmission system and in turn serve GMP customers.

The VELCO Middlebury Substation was originally built in 1969 with various modifications and improvements occurring over the nearly fifty years of service. VELCO conducted a condition assessment of the Substation and identified the need to replace some of the equipment due to condition. The primary deficiency is the existing control building.

To correct this deficiency, VELCO proposes to replace the existing control building with a larger control building, and replace and expand a portion of the existing fence to accommodate the new control building on the northeast side of the existing facility. This work will require VELCO to expand the fence by approximately 30 feet on the east side, and approximately 72 feet on the north side to accommodate the new control building. VELCO will address other elements of the Substation by in-kind replacement and modifications of the existing equipment.

To maintain electrical transmission while executing corrective actions with minimal necessary outages, VELCO proposes to use a temporary substation. The proposed location of the temporary substation will be to the southwest of the existing substation. This temporary facility will maintain electrical transmission by routing the lines through its equipment while the existing substation is taken out of service and deficiencies are corrected. VELCO will energize the existing substation upon completion of the corrective measures and then remove the temporary substation and all associated temporary infrastructure.

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The attached orthographic plan (Attachment B) identifies the proposed new control building in red, and identifies the existing control building that VELCO proposes to remove in blue.

Alternatives Evaluated

An analysis of the Project demonstrated that upgrading the VELCO Middlebury Substation is the most efficient way to address the condition-related concerns. This analysis included a review of the Project timing and Project cost and viability, as well as the effectiveness of the transmission solutions considered. VELCO evaluated replacing the entire VELCO Middlebury Substation with a new substation. After successful commissioning of the new substation, VELCO would then remove the existing substation. This would have alleviated the need for utilizing a temporary substation. After evaluation, VELCO concluded that performing specific equipment upgrades of the existing VELCO Middlebury Substation and utilizing a temporary substation would be the lowest cost option.

VELCO screened the Project for its potential to be resolved through non-transmission alternatives (e.g., energy efficiency or new generation) using the tool developed by the Vermont System Planning Committee (VSPC). The screening determined that the Project was not a candidate for a non-transmission solution because the proposed upgrades are being driven by the conditions of the substation equipment. Thus, non-transmission alternatives could not resolve the present problems at the VELCO Middlebury Substation. The screening conclusion was reviewed by the VSPC Geographic Targeting Subcommittee on May 21, 2021.

Project Description

The Project consists of the following primary components:

- Replace the existing control building with a larger control building that can accommodate a new protection and control system, redundant AC & DC station services, communication equipment, security systems and new bathroom facilities
- Replace the existing perimeter fence and expand the northeast substation yard area to accommodate new control building
- Replace water supply & wastewater systems for control building facilities
- Installation of a temporary substation and associated temporary access road and temporary fenced in yard to maintain electrical transmission for the Project's duration (to be returned to existing conditions upon commissioning of the permanent substation)
- Rerouting of an existing stream that an underground culvert presently routes under the Substation so it no longer runs under the existing Substation
- Redesign existing access road
- Replacement of the oil containment system at the transformer (typically maintenance work that does not require any regulatory procedures but is included as a component of this project)

VELCO will also need to perform vegetation clearing to accommodate the expanded area for the new control building and at the outlet of the rerouted stream. Assuming regulatory approval, construction is expected to start in June of 2023 with a targeted completion date of June 2024.

Although the engineering for the Middlebury Project is not yet complete, Attachment B depicts a preliminary design layout for the Substation.

Project's Impacts

Aesthetics

Both the Vermont Natural Resources Board and the Commission utilize the so-called Quechee Lakes standard [set forth in the decision Quechee Lakes Corporation, #3EW0411-EB and #3O439- EB (1986)] to guide their aesthetics analysis. According to the Quechee Lakes standard, regulators must first determine whether a project will have an adverse impact on aesthetics and scenic and natural beauty. A project has an adverse impact if it is out of character with its surroundings. Specific factors that regulators use to make this evaluation include the nature of the project surroundings, the compatibility of the project design with those surroundings, the suitability of the project colors and materials with the immediate environment, the visibility of the project, and the impact of the project on open space. If regulators conclude that a project will have an adverse effect, the next step in the two-part test is to determine whether the adverse effect of the project is "undue." The adverse effect is considered undue when regulators find that any one of the following questions is answered yes: (1) Does the project violate a clear, written community standard intended to preserve the aesthetics or scenic beauty of the area? (2) Have the applicants failed to take generally available mitigating steps which a reasonable person would take to improve the harmony of the

project with its surroundings? (3) Does the project offend the sensibilities of the average person? Is it offensive or shocking because it is out of character with its surroundings or significantly diminishes the scenic qualities of the area? For transmission upgrades, the Commission's aesthetic analysis, however, does not end with the results of the Quechee test. In addition, the Commission's aesthetic assessment is "significantly informed by overall societal benefits of the project." Public Service Board Docket No. 6860, Order of 1/28/05 (footnotes omitted)[†].

VELCO's aesthetic consultant, T. J. Boyle Associates, LLC (TJB), a landscape architecture and planning firm, has reviewed initial design plans and performed a preliminary visual analysis of the area near the proposed Project upgrades. TJB's preliminary analysis indicates that the Project will not result in an undue adverse impact on aesthetics and scenic and natural beauty of the area. The Project will consist of a minor incremental increase to the footprint of the existing substation. There is already a significant presence of electrical transmission infrastructure within the immediate context of the substation. The new components proposed as part of the Project will be similar in character to the existing transmission infrastructure in the area. However, the Project will result in portions of the substation yard expanding closer to Quarry Road. The Project will also result in some limited vegetation clearing, some of which currently helps to screen and soften views towards the substation. As indicated on Attachment B, new landscape mitigation will be proposed along the reconstructed access road to help screen visibility from Quarry Road and also to be consistent with previously approved mitigation plans for this location. VELCO's Petition to be filed December 27, 2022 shall address any comments received on the proposed plan and will include a full analysis of potential aesthetic impacts and proposed landscaping mitigation measures. TJB will work with VELCO, the Town of Middlebury, the Regional Planning Commission, and other interested parties and if it is determined that additional mitigation plantings are necessary, VELCO will provide a mitigation plan that includes locations and specifications of proposed plantings.

Noise

No noise generating equipment is planned to be replaced or added as part of this project, in part, because VELCO is not installing a new transformer. Therefore, no adverse impacts are expected at the residences closest to the Substation.

Transportation

The Project poses no long-term traffic impacts in Middlebury. The Petitioners anticipate only minor, short duration traffic impacts, if any, due to deliveries of equipment and material to the Substation site during the construction period (expected to be from June 2023 to June 2024). Such deliveries will use existing roads with vehicles that are commonly used on public roads. During delivery of any large equipment, Petitioners will employ the services of traffic control personnel to manage traffic flow. Equipment deliveries will be crossing an active rail line and the Petitioner will communicate with the railroad regarding such deliveries.

[†] The Public Utility Commission was formerly called the Public Service Board.

Right of the Local and Regional Planning Commissions to Comment on the Project Plans

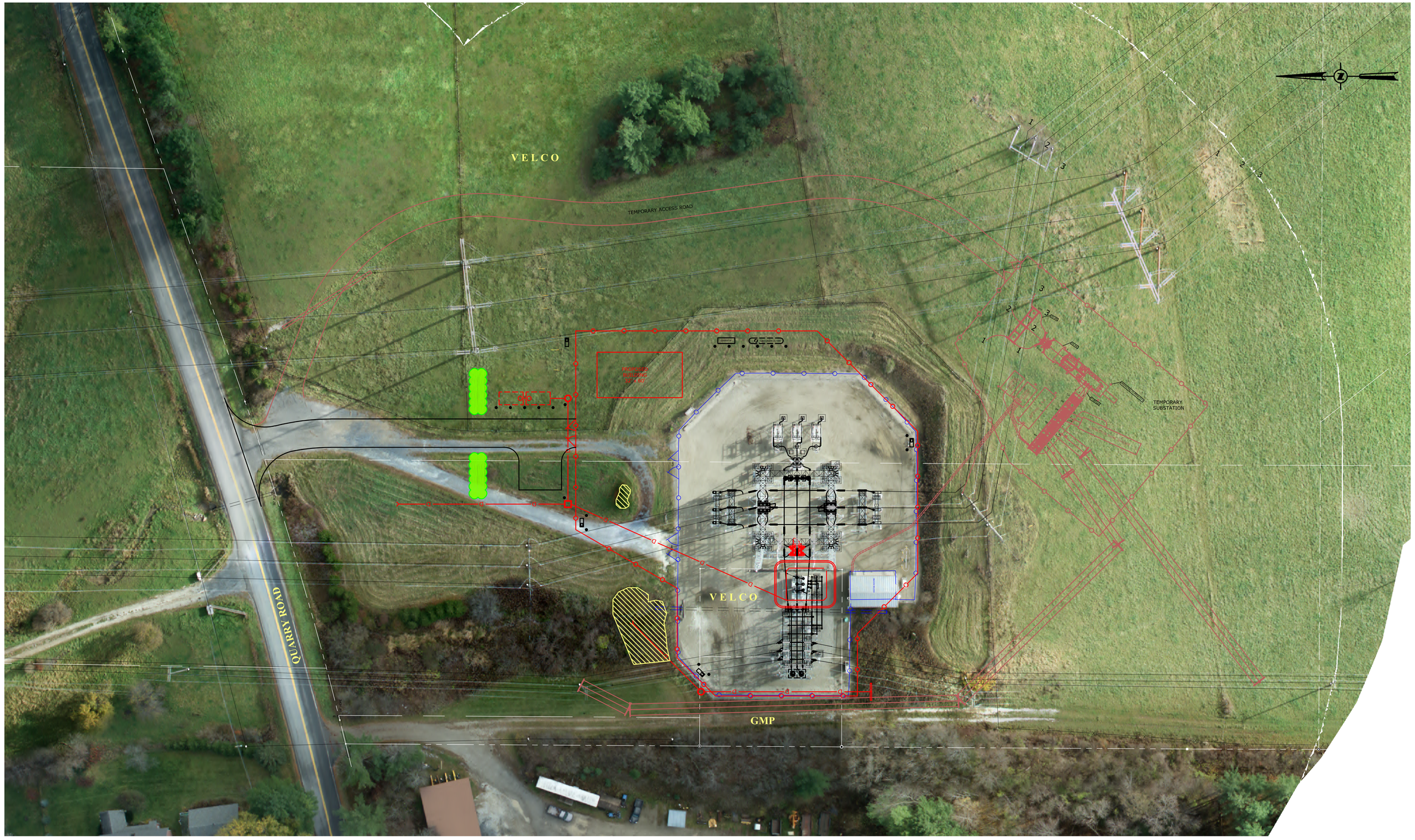
Section 248(f) of Title 30 of the Vermont Statutes Annotated provides that municipal and regional Planning Commissions are entitled to receive notice of projects proposed under the Section 248 statute and to make recommendations to the Commission and to the petitioner. More specifically, municipal, and regional Planning Commissions may make recommendations regarding the Project as follows: First, 30 V.S.A. § 248(f)(1)(C), states local and regional Planning Commissions may, "Make recommendations to the petitioner [VELCO] within 40 days of the petitioner's submittal to the planning commission under this subsection." Forty days from the date the letter and this Attachment will be provided to municipal and regional Planning Commissions is December 21, 2022. Second, Section 248(f)(1)(D) states that, once the petition is filed with the Commission, such local and regional Planning Commissions may make recommendations to the Commission "by the deadline for submitting comments or testimony set forth in the applicable provision of this section, Commission rule, or scheduling order issued by the Commission." Relatedly, Commission Rule 5.402(A) establishes that municipal and regional Planning Commissions "shall make recommendations, if any, to the [Commission] and to the petitioner at least 7 days prior to filing the petition with the [Commission]." Third, as stated in Commission Rule 5.402(A)(2), local and regional Planning Commissions also have the opportunity to "provide revised recommendations within 45 days of the date on which petitioner has filed a petition with the Commission if the petition contains new or more detailed information that was not previously included in the petitioner's filing with the municipal and Regional Planning commissions." Recommendations made to the Commission under Section 248(f), or the lack of such recommendations, do not preclude municipal and regional Planning Commissions from presenting evidence during technical hearings if they exercise their right to appear as a party.

For additional information regarding the Commission's processes, including your right to participate in the proceeding, please refer to a Commission document titled, "Public Participation and Intervention in Proceedings Before the Public Utility Commission," found on the Commission's website at https://puc.vermont.gov/document/public-participation-andintervention-proceedings-public-utility-commission.

The Commission's website also includes a Section 248 procedures document found on the Commission's website at https://puc.vermont.gov/document/section-248-procedures.

As the Project is still in the design phase, we will continue discussions and expect to receive feedback on this Project from various stakeholders. Please note that the Commission Petition and filing anticipated for December 27, 2022 as well as other pertinent Project updates, will be posted on VELCO's website at: http://www.velco.com/Middlebury. Those interested in a presentation on this Project, have comments or request further information, please contact Dan Poulin, Project Manager, at 802-282-6031 or dpoulin@velco.com.

Attachment B



811 DigSafe
AS REQUIRED BY 30 V.S.A. § 7004, NO PERSON SHALL ENGAGE IN EXCAVATION ACTIVITIES WITHOUT FIRST GIVING AT LEAST FORTY-EIGHT (48) HOURS NOTICE TO DIGSAFE. VELCO HAS NOT VERIFIED THE EXISTENCE AND/OR LOCATION OF ANY UNDERGROUND UTILITIES.
CALL 811

COLOR KEY

- EXISTING INFRASTRUCTURE TO REMAIN
- EXISTING INFRASTRUCTURE TO BE REMOVED
- PROPOSED OR RELOCATED INFRASTRUCTURE
- TEMPORARY INFRASTRUCTURE

LEGEND

- SUBSTATION FENCE
- FIELD FENCE
- EXISTING 2' CONTOUR
- 420 EXISTING 10' CONTOUR
- PROPOSED 2' CONTOUR
- 420 PROPOSED 10' CONTOUR
- EXISTING UTILITY POLE
- ANCHOR
- APPROXIMATE BOUNDARY LINE
- APPROXIMATE ROW LINE
- WETLAND
- WETLAND BUFFER
- VEGETATION CLEARING
- MIXED DECIDUOUS & EVERGREEN MITIGATION PLANTINGS

GENERAL NOTE:
1. THIS PLAN DOES NOT CONSTITUTE A BOUNDARY SURVEY.

30 0 30 60 90 120

REV	DATE	DR	CK	DESCRIPTION
0	11/1/22	JJO	JWK	ISSUED FOR PERMIT

VELCO
VERMONT ELECTRIC POWER CO., INC.
RUTLAND, VERMONT
MIDDLEBURY SUBSTATION
OVERALL ORTHO PLAN
115/46 kV YARD

SCALE: AS SHOWN	DRAWN BY: JJO	APPROVED BY:	
DATE: 11/01/22	CHECKED BY: JWK		DATE
SHEET NUMBER: 208-ORTHO			REV.

FILE: