

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 21-3732-PET

Petition of Vermont Transco LLC, and Vermont Electric Power Company, Inc. for a certificate of public good, pursuant to 30 V.S.A. § 248, authorizing replacement of the Florence substation in Pittsford, Vermont	
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Order entered: 03/21/2022

FINAL ORDER GRANTING CERTIFICATE OF PUBLIC GOOD

In this Order, the Vermont Public Utility Commission (“Commission”) adopts the following proposal for decision.

PROPOSAL FOR DECISION

I. INTRODUCTION

This case involves a petition filed by Vermont Transco LLC and Vermont Electric Power Company, Inc. (collectively “VELCO” or the “Petitioner”) with the Vermont Public Utility Commission (“Commission”) requesting a certificate of public good (“CPG”) under 30 V.S.A. § 248 authorizing the construction of a new substation to replace an adjacent substation at 8040 Whipple Hill Road in Pittsford, Vermont (the proposed “Project”). Upon commissioning the new substation, VELCO will remove the existing substation

In this Proposal for Decision, I recommend that the Commission approve the Project and issue a CPG, subject to conditions.

II. PROCEDURAL HISTORY

On September 3, 2021, the Petitioner filed a petition with supporting testimony and exhibits (the “Petition”) requesting a CPG to construct a substation in Pittsford, Vermont.

On October 6, 2021, the Rutland Regional Planning Commission (“RRPC”) filed public comments on the Project stating that the Project is consistent with the Rutland Regional Plan.

On December 16, 2021, the Vermont Division for Historic Preservation (“DHP”) filed comments on the Project stating that the Project would have no effect on historic resources.

On January 11, 2022, the Petitioner filed a Memorandum of Understanding (“MOU”) between itself and the Vermont Agency of Natural Resources (“ANR”). The Petitioner and ANR request that the conditions contained in the MOU be added to the CPG issued for the Project. I find this to be reasonable and recommend that the conditions be included in the CPG.

On January 12, 2022, the Vermont Department of Public Service (“Department”) filed a determination under 30 V.S.A. § 202(f) stating that the Project is consistent with the Vermont Electric Plan.

March 14, 2022, the Petitioner filed supplemental testimony in response to the Hearing Officer’s request for additional information regarding rock crushing associated with Project construction.

No other comments on the petition were received by the Commission.

No party has requested an evidentiary hearing or objected to the prefiled testimony and exhibits. Accordingly, the following prefiled testimony and exhibits are admitted as if presented at a hearing: Dan Poulin, VELCO, prefiled and supplemental testimony and exhibits 1-8; Edward McGann, VELCO, prefiled and supplemental testimony and exhibits 1-8; Michael Buscher, VELCO, prefiled testimony and exhibits 1-2; Jacob Reed, VELCO, prefiled and supplemental testimony and exhibits 1-8; the MOU between VELCO and ANR (exh. MOU-1); Bill Jordan, Department, prefiled testimony. The comments filed by the Department and DHP are also admitted.

III. FINDINGS

Based upon the Petition and the accompanying record in this proceeding, I have determined that this matter is ready for decision. Based on the evidence of record, I hereby report the following findings to the Commission in accordance with 30 V.S.A. § 8(c).

Description of the Project

1. VELCO’s Florence substation is located at 8040 Whipple Hollow Road, in Pittsford, Vermont, and is connected to the VELCO 115 kV electric transmission network in Rutland County, Vermont and to Green Mountain Power’s (“GMP”) 46 kV system in the Florence area. Poulin pf. at 3; exh. DP-2 (Confidential); exh. EJM-2

2. The VELCO Florence substation was originally built in 1978 to serve the OMYA Plant, which is located to the east of the substation, and has had various modifications and improvements over its nearly 43 years of service. VELCO has identified several major deficiencies in the existing substation. VELCO proposes to address the substation concerns by constructing a new substation adjacent to the existing substation and then, after commissioning the new substation, transferring the load to the new substation and removing the existing substation. Poulin pf. at 4-5.

3. VELCO developed an evaluation tool that it used to conduct a condition assessment of the substation. The assessment identified the need to replace some of the equipment due primarily to condition, but design standards and operating practices were also taken into consideration. VELCO identified deficiencies in equipment such as the protection and controls system, 115 kV circuit switcher, 46 kV breakers, switches, capacitor bank, and control building. Poulin pf. at 4.

4. VELCO considered addressing the condition-related concerns identified in the assessment by performing specific equipment refurbishments, replacements, and upgrades to the existing substation in its current, radial bus configuration. While further analyzing this potential solution, VELCO learned that GMP would require VELCO to install a temporary substation for the duration of construction in the vicinity of the existing substation to provide service to GMP customers while performing the identified improvements. This temporary substation would cost approximately \$1 million and would require temporarily filling in an identified Class 2 wetland. Avoiding the temporary impact to the wetland would cost significantly more than the estimated \$1 million. Poulin pf. at 4.

5. VELCO investigated whether it could avoid installing a temporary substation and such investigation led to the current proposed Project: constructing a new substation to the north and adjacent to the existing substation in a ring bus configuration as opposed to the existing radial bus configuration, and then after commissioning the new substation, transferring the load to the new substation and removing the existing substation. This alternative to the temporary substation approach obviates the need for the temporary substation and therefore allows VELCO to use monies it would have used for a temporary component (temporary substation), on a long-

term substation ring-configuration. In addition, it avoids the need to fill in the wetland area to construct the temporary substation. Poulin pf. at 5.

6. The Project will require clearing approximately one acre of vegetation. Poulin pf. at 17; exh. DP-3.

7. VELCO will need to perform blasting to remove approximately 20,000 cubic yards of ledge where VELCO will construct the new substation. VELCO will follow its rock removal specification, as well as the Vermont Department of Environmental Conservation (“DEC”) best management practices (“BMPs”) for blasting. VELCO will provide this rock removal specification to contractors and will include the BMPs. Poulin pf. at 17; exh. DP-4.

8. After the necessary ledge has been blasted, VELCO’s contractor will process the rock on site, using a diesel powered, portable rock crusher. Because the rock will be processed as it is removed, processing will not be continuous but may take up to 4 to 8 weeks. During the process, the contractor will manage dust by spraying water on the conveyor and jaws of the crusher as necessary. The temporary sound generated from the crusher will be consistent with sound generated by nearby industrial operations, such as a permanent rock crushing operation and the nearby OMYA facility. Poulin pf. at 17-18.

9. Rock crushing will be performed over approximately thirty 9-hour days. The estimated sound level from the temporary rock crushing at the nearest residence is expected to be between 53 and 63 dBA. The preconstruction sound level was measured as 52 dBA during the day at the nearest residence and the cumulative sound level for the crusher would be between 56 and 63 dBA. Poulin 3/14/22 supp. pf. at 2-4.

10. VELCO had proposed a condition limiting the temporary rock crushing operations to the hours of 8:00 A.M. to 5:00 P.M. Monday through Friday with no crushing on weekends or state or federal holidays. Poulin 3/14/22 supp. pf. at 4.

11. VELCO is also evaluating an option to contract with an existing rock-crushing facility to crush the rock generated from the Project offsite and would like the option to either crush the rock onsite in accordance with VELCO’s proposed construction hour condition, or to contract with an existing rock crushing facility. Poulin 3/14/22 supp. pf. at 4-5.

12. VELCO will upgrade the existing driveway access from Whipple Hollow Road. VELCO is proposing to widen the turning radius of the driveway where it intersects with

Whipple Hollow Road to allow large trucks to enter and exit the driveway without having to go on the property directly across from the driveway. The positioning of the substation requires minimal adjustment of the access road alignment to access the entry gates on the northwest fence line. McGann pf. at 6; exh. EJM-5.

13. VELCO will use the existing substation parcel and VELCO right-of-way easements to stage any material needed during construction. These staging areas are within the Project area that VELCO studied for impacts to environmental criteria. Poulin pf. At 33.

14. The total cost of the Project is estimated at \$17,681,390. The total cost estimate is comprised of \$9,022,522 of Direct Costs (encompassing Material, Labor and Equipment), \$4,993,368 of Indirect Costs, \$388,388 in Escalation, \$489,405 in Capital Interest, and \$2,787,707 in Contingency. Poulin pf. 20; exh. DP-5.

Discussion

VELCO has proposed that Project construction take place between the hours of 7:00 A.M. and 7:00 P.M. Monday through Friday, and between 8:00 A.M. and 5:00 P.M. on Saturdays and that no construction will take place on Sundays, or state or federal holidays. However, VELCO seeks to conduct some construction activities on Bennington Battle Day given the short summer construction season, and because the holiday is not widely granted as a paid day off for many of the workers likely to be working on the Project. VELCO requests that these construction hour restrictions also do not apply to: 1) construction activities that VELCO must perform during any required outages that may be needed to maintain system reliability; and 2) work that VELCO must perform related to filling the power transformer with oil.

VELCO has proposed limits on the hours of construction for the Project that are consistent with those normally imposed by the Commission. However, VELCO seeks some exceptions from those standard limits. First, VELCO asks that it be allowed to engage in construction activities on Bennington Battle Day, a State of Vermont holiday that takes place on August 16. VELCO seeks this exception because of the short Vermont construction season and because Bennington Battle Day is not generally granted as a paid holiday to many of the individuals that will be working on the Project. I believe this request is reasonable and recommend that the Commission include it in any CPG issued for the project.

VELCO has also proposed limits on the hours of rock crushing at the Project site associated with Project construction. VELCO is also evaluating an option to have the rock crushed offsite. I believe the proposed limit on crushing hours at the site is a reasonable proposal should VELCO ultimately decide to crush the rock onsite, and I recommend that the Commission include it in any CPG issued for the Project. I also recommend that VELCO be permitted to retain the option to have the rock crushed offsite if it finds this is viable.

VELCO also seeks a partial exemption from a standard condition that the Commission includes in Section 248 CPGs that requires a petitioner to obtain and comply with all necessary collateral permits before beginning site preparation or construction. VELCO states that it needs to obtain a Wastewater System and Potable Water Supply Permit and Division of Fire Safety Permit for the Project. While VELCO believes that it will obtain these two permits before it begins construction, it acknowledges that this may not occur and therefore seeks authority to begin site preparation and construction upon receipt of its CPG of activities that would not be subject to those permits. I believe that this request is also reasonable and recommend that the Commission amend its standard permit condition to reflect the request.

Lastly, VELCO seeks permission to cut five potential bat roosting trees prior to receiving all state and federal permits. VELCO would like to cut the five trees upon receipt of the CPG and any necessary approvals from the US Army Corps of Engineers (“USACE”) subject to the conditions in the MOU with ANR. VELCO argues it needs this flexibility because of the tree cutting timing restrictions related to the Indiana bat and the consequences for the Project’s budget and schedule.

I recommend that the Commission approve VELCO’s request to perform the tree cutting before all Project permits are received subject to the requirements set forth in the MOU, and considering the benefits of allowing VELCO to perform limited tree cutting in a discrete area and the low risks associated with such work.¹ Relatedly, the Commission usually requires, before construction begins, that petitioners file with the PUC and the parties a letter stating that they have fulfilled all requisite CPG conditions, and that they intend to commence construction

¹ Case No. 19-4582, Petition of Vermont Transco LLC and Vermont Electric Power Company, Inc., for a certificate of public good, pursuant to 30 V.S.A. § 248, authorizing the construction of the New Haven Operations Facility in New Haven, Vermont, (8/12/20), pages 9-10 (allowing VELCO to perform certain activities prior to the issuance of the project’s operational stormwater permit and wastewater system and potable water supply permit given agreement with ANR, lack of objection from any party, and nature of project)

of the Project. The Commission will not require the Petitioner in this case to submit this notice before cutting the five potential bat roosting trees because this work is limited, VELCO may have only a small window to perform this work, and the substantial construction work will not begin until VELCO receives all collateral state and federal permits unrelated to the cutting of the bat roosting trees.

Review of Project Under the Section 248 Criteria

Orderly Development of the Region

[30 V.S.A. § 248(b)(1)]

15. The Project will not unduly interfere with the orderly development of the region, with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. The Project is consistent with the Rutland Regional Plan and the Pittsford Town Plan and will improve the reliability of the region's existing electrical supply. Poulin pf. at 27-29; exh. DP-7; RRPC comments.

Need for Present and Future Demand for Service

[30 V.S.A. § 248(b)(2)]

16. The Project will meet the need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures, including but not limited to those developed pursuant to the provisions of subsection 209(d), section 218c, and subsection 218(b) of Title 30. The existing substation's condition is the main driver of the need for the Project. This problem could not be resolved through energy efficiency and load management actions. Poulin pf. at 29-31; Jordan pf. at 1-2.

17. VELCO also presented the proposed Project to the Vermont System Planning Committee ("VSPC") Geotargeting Subcommittee. The Geotargeting Subcommittee concluded that the Project screened out of the VSPC's test for Non-Transmission Alternative ("NTA") analysis. Thus, VELCO did not perform an NTA analysis. VELCO presented the Project and

NTA screening form at the meeting, which does not require specific project design details and cost information. Poulin pf. at 30; exh. DP-8.

18. VELCO examined other potential approaches to resolving the deficiencies and rejected those approaches. The assessment demonstrated that VELCO needs to address condition-related concerns at the existing substation. VELCO considered upgrading the existing substation and using of a temporary transformer. An analysis of the proposed Project demonstrated that building a new substation configured in a ring bus arrangement adjacent to the existing substation is the most efficient and cost-effective way to address the condition-related concerns while at the same time improving the reliability and maintainability of the substation. This new substation will be built while the existing substation is still providing service to GMP customers and would thus avoid the expense of building a temporary substation as required for the alternative. Furthermore, VELCO conducted preliminary review of project alternatives and estimated costs with Department staff. Poulin pf. at 30-31; exh. Petitioner DP-2 (Confidential).

Impact on System Stability and Reliability

[30 V.S.A. § 248(b)(3)]

19. The Project will not have an adverse effect on system stability and reliability. The Project will improve system safety and reliability by replacing aging and inadequate equipment. In addition, a ring bus provides improved reliability and maintainability over a radial bus, as any of the circuit breakers can be opened and isolated for maintenance without interruption of service. In addition, in the event of a fault, the breakers trip on both sides of the faulted circuit, and thereby isolate the fault, while the other circuits remain in service. Poulin pf. at 31.

Economic Benefit to the State

[30 V.S.A. § 248(b)(4)]

20. The Project will result in an economic benefit to the State and its residents. The Project will increase property tax revenues based on the capital investment required for the substation upgrade. Poulin pf. at 32.

Aesthetics, Historic Sites, Air and Water Purity, the Natural Environment, the Use of Natural Resources, and Public Health and Safety

[30 V.S.A. § 248(b)(5)]

21. Subject to the conditions described below, the Project will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment, the use of natural resources, or public health and safety, with due consideration having been given to the criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K), impacts on primary agricultural soils as defined in 10 V.S.A. § 6001, and greenhouse gas impacts. This finding is supported by the additional findings below, which give due consideration to the criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K).

Outstanding Resource Waters

[10 V.S.A. § 1424a; 30 V.S.A. § 248(b)(8)]

22. The Project will not affect any outstanding resource waters as defined by 10 V.S.A. § 1424a(d) because there are no outstanding resource waters in the Project area. Reed pf. at 6; exh. JR-3.

Air Pollution and Greenhouse Gas Impacts

[30 V.S.A. § 248(b)(5); 10 V.S.A. § 6086(a)(1)]

23. The Project will not result in undue air pollution or greenhouse gas emissions. This finding is supported by the additional findings below.

24. Operation of the Project will not produce any regulated air emissions. Project construction will result in the release of minor emissions associated with the operation of vehicles and equipment, earthmoving, blasting, rock crushing, and other general construction activities. These activities, however, will be limited in nature and duration. Reed pf. at 6-7; exh. JR-3.

25. VELCO will need to perform blasting to remove approximately 20,000 cubic yards of ledge where VELCO will construct the new substation. VELCO will follow its rock removal specification, as well as the Vermont Department of Environmental Conservation (“DEC”) BMPs for blasting. VELCO will provide this rock removal specification to contractors and include the Agency of Natural Resources’ (ANR) BMPs. If ANR updates its BMPs, VELCO will update its rock removal specification. Poulin pf. at 17; exh. DP-4.

26. After the necessary ledge has been blasted, VELCO's contractor will process the rock on site, utilizing a diesel powered, portable rock crusher. The rock will be processed as it is removed and therefore will not be continuous but may take a period of 4 to 8 weeks. During the process, the contractor will manage dust by spraying water on the conveyer and jaws of the crusher as necessary. The temporary sound generated from the crusher that VELCO would use during construction is consistent with sound generated by nearby industrial operations, such as a permanent rock crushing operation and the OMYA facility. Poulin pf. at 17-18

27. Sound modeling confirms that the overall sound level change resulting from the new substation will not be perceptible at the nearest residence. McGann pf. at 10-11; exh. EJM-7.

28. VELCO retained Resource Systems Group, Inc. ("RSG") to conduct a sound assessment of the site, which included a pre-construction sound monitoring study to determine the existing sound conditions at the Florence substation, and the closest residence. McGann pf. at 9; exh. EJM-7.

29. RSG performed sound measurements of the existing Florence substation and the closest residence to determine existing sound levels. The closest residence to the substation is located approximately 255 meters (836 feet) northeast of the power transformer. McGann pf. at 10; exh. Petitioner EJM-7.

30. Long-term sound level measurements at the closet residence to the substation registered a daytime sound level of 38 dBA L90 and 52 dBA Leq, and a nighttime sound level of 39dBA L90 and 47dBA Leq. McGann pf. at 10; exh. EJM-7.

31. Any dust from construction activities will be suppressed in accordance with the Vermont Department of Environmental Conservation Standards for Erosion Prevention and Sediment Control. Reed pf at 6-7; exh. JR-3.

32. VELCO will ensure proper handling and recycling of SF6 gas-containing equipment during the Project through implementation and adherence to its SF6 Policy, which has been reviewed and approved by ANR Air Quality and Climate Division as part of previous collaborative review meetings for VELCO substation upgrade projects. In compliance with the U.S. Environmental Protection Agency ("EPA") Greenhouse Gas Reporting Program, VELCO will report its SF6 leakage quantities to the EPA on an annual basis. VELCO provides this same

SF6 leakage quantity information to ANR as a result of previous agreements. Reed pf. at 23-24; exh. JR-6.

Water Pollution

[10 V.S.A. § 6086(a)(1)]

33. The Project will not result in undue water pollution. This finding is supported by the additional findings below and by the findings under the criteria of headwaters through soils, below.

34. VELCO will obtain and comply with a Vermont Department of Environmental Conservation (“DEC”) Construction Stormwater Discharge Permit for the Project. Reed pf. at 7; exh. JR-5.

35. The Florence substation is included in VELCO’s Spill Prevention, Control, and Countermeasure (“SPCC”) Plan, which includes site-specific drainage pathways and detailed information on spill response measures to ensure protection of waters adjacent to the substation in the event of a release of oil or hazardous material to the environment. Implementation and adherence to the Vermont Standards and Specification for Erosion Prevention and Sediment Control (“ESPC”), and VELCO’s Environmental Guidance Manual (“VEGM”), SPCC Plan, and environmental compliance oversight inspections will ensure the protection of water quality. Reed pf. at 7-8; exh. JR-3.

36. If a release of a hazardous material were to occur during the Project’s construction phase, VELCO would take appropriate steps to contain it; report the release to the Vermont DEC (as necessary); remove the contaminated material from the site for proper disposal; and restore the area in accordance with the VEGM and applicable State and Federal Regulations. Obtaining and complying with the Construction Stormwater Discharge Permit, the VEGM and applicable regulations will maintain existing water quality at the Project site. As such, there will be no undue adverse effect to water quality. Reed pf. at 8; exh. JR-5.

Discussion

In the MOU, VELCO and ANR have agreed to conditions related to spill prevention and stormwater discharge to further ensure that water quality is not impacted by the Project. I find these conditions to be reasonable and recommend that the Commission include them in the CPG.

Headwaters

[10 V.S.A. § 6086(a)(1)(A)]

37. The Project is not located in a headwaters area. Reed pf. at 9; exh. JR-3.

Waste Disposal

[10 V.S.A. § 6086(a)(1)(B)]

38. The Project will meet all applicable health and DEC regulations regarding the disposal of wastes and will not involve the injection of waste materials or any harmful or toxic substances into groundwater or wells. This finding is supported by the additional findings below.

39. The Project will involve limited waste disposal, with the majority associated with the construction phase. VELCO will handle and dispose of the decommissioned substation and overhead utility line materials, construction debris, and waste generated because of this Project in compliance with State of Vermont Solid Waste Management Rules, and VELCO's Environmental Management Plan for Decommissioning and Reclamation of Electrical Facilities. Reed pf. at 10; exh. Petitioner JR-7.

40. Metal equipment such as structural steel, chain link fence, disconnect switches, and the control building will be recycled as scrap metal. Reed pf. at 1.

41. VELCO will extract the SF6 gas and containerize it into compressed gas cylinders for inventory quantification and recycling purposes. VELCO will dispose of porcelain insulators as solid waste in an onsite dumpster for transport to a solid waste landfill. The protection and control systems generally consist of microprocessor, solid state, or electric mechanical relays, which constitute recyclable metal and/or e-waste. VELCO will take the wire and cables (copper and aluminum) and metal enclosures to a scrap metal facility for recycling. VELCO will properly dispose of any replaced or decommissioned relays according to their material makeup in accordance with the applicable waste disposal rules and regulations. Smaller oil-filled equipment, such as instrument voltage transformers and bushings, will be handled and disposed of by a licensed commercial entity, whereby the oil is tested and recycled according to federal regulations and metal is recycled as scrap metal. Oil circuit breakers are tested for polychlorinated biphenyls (PCBs) and the oil is recycled accordingly at an approved facility.

VELCO will then transport the metal tank and frame to a scrap metal facility for recycling. Reed pf. at 10-11.

42. As the proposed Project includes the replacement of the existing VELCO control building at the substation, VELCO performed an asbestos and lead-based paint survey of its control building to determine the presence/absence of these hazardous building materials and the associated disposal requirements. The survey and associated laboratory results indicated that the building does not contain lead-based paint and that decommissioned materials from the building can be disposed of as general construction and demolition debris. The building does, however, contain asbestos-containing materials (“ACMs”), which will be disposed of properly by a licensed professional as part of the building demolition. Any additional ACMs not previously identified due to inaccessibility during equipment operations at the time of sampling will also be properly handled and disposed of during decommissioning of the building. VELCO will design, permit and conduct the removal of ACMs in accordance with the applicable Vermont Department of Health and Environmental Protection Agency rules and regulations. Reed pf. at 11.

43. VELCO is still in the siting and design phase of its proposed onsite water supply and wastewater system. As part of this effort, VELCO will evaluate the viability of utilizing the existing well and septic system for the new control building. VELCO will obtain the necessary Wastewater and Potable Water Supply Permit from the DEC Drinking Water and Groundwater Protection Division for the Project. VELCO will design and construct its wastewater system and associated connections for the new control building in accordance with its DEC permit and the Wastewater System and Potable Water Supply Rules administered by the DEC. Reed pf. at 11-12.

44. In consultation with the Vermont DEC Waste Management and Prevention Division, VELCO evaluated the substation soils and concrete to determine the potential for contaminants and, as a result of site assessments, determined that non-PCB mineral oil contamination is present in two locations beneath oil-filled operational equipment. VELCO will remediate the non-PCB mineral oil impacted soil by excavating and disposing of it at an appropriate facility, such as a solid waste landfill. Reedpf. at 12-13.

45. VELCO will install a passive secondary containment system for the single transformer that is proposed. The passive secondary containment system will align with VELCO's design objectives by providing containment for 110% of the volume from the largest piece of oil containing equipment plus the amount of precipitation from a 25-year, 24-hour storm event. Reed pf. at 13; McGann pf. at 3; exh. EJM-5; exh. EJM-6.

46. The secondary containment system's outfall pipe discharges rainwater and snowmelt under normal operating conditions. The outfall pipe location is driven by site topography, and the invert elevation of the sump and catchment. VELCO is striving to minimize impacts to the nearby Class 2 wetland and associated buffer with its outfall pipe location; however due to site-specific constraints, impacts will be unavoidable. VELCO proposes to locate the passive secondary containment system outfall pipe west of the proposed substation within the adjacent Class 2 wetland, as that low portion of the property affords gravity-fed drainage. This containment outfall location will be sufficiently stabilized to prevent erosion in the wetland resource and installed in accordance with the Vermont Standards and Specifications for Erosion and Sediment Control and the Project's Construction Stormwater Discharge permit. Impacts associated with the drainage pipe outfall will be incorporated in the necessary wetland impact calculations and permitted accordingly. The proposed Project will improve the overall quality of the site regarding waste disposal; specifically, as it pertains to the proposed passive secondary oil containment system and the remediation of ACMs within the control building. VELCO will update the Florence substation section of its system-wide SPCC Plan, as applicable. Therefore, the Project will not have an undue, adverse effect on waste disposal. Reed pf. at 13-14; exh. JR-3; McGann pf. at 3; exh. EJM-5.

Discussion

In the MOU, VELCO and ANR have agreed to conditions related to oil containment, oil contamination, asbestos removal, and utility pole removal to further ensure that any waste generated by the Project will be disposed of properly. I find these conditions to be reasonable and recommend that the Commission include them in the CPG.

Water Conservation
[10 V.S.A. §§ 6086(a)(1)(C)]

47. The Project will not have an undue adverse effect on water conservation. The Project will incorporate measures to conserve and recycle water where feasible. Water will be used during construction, but only in small amounts and for a limited period of time. Post-construction water usage will be limited to intermittent use of a single bathroom by maintenance personnel. Reed pf. at 15; exh. JR-3

Floodways

[10 V.S.A. § 6086(a)(1)(D)]

48. A portion of the Project is located in a floodway, but it will not restrict or divert the flow of floodwaters, or endanger the health, safety, and welfare of the public or of riparian owners during flooding, and will not significantly increase the peak discharge of the river or stream within or downstream from the area of development. This finding is supported by the additional findings below.

49. Generally, the floodplain boundary follows the Class 2 wetland boundary around the existing substation site. VELCO evaluated several Project alternatives and went through several design iterations to minimize floodplain impacts, however some unavoidable impacts to the floodplain are still required to facilitate Project construction. The Project as designed will result in the substation yard and associated equipment being above the 100-year and 500-year floodplain elevations. Reed pf. at 16-18; exh. JR-3.

50. The Project will not have an undue, adverse effect on floodways. VELCO met with the DEC's Western Vermont Floodplain Manager on-site to discuss the Project, the floodplain boundary revision, the site constraints and the minimal impacts proposed. VELCO will apply for the necessary Floodplain Permit from the DEC Rivers Program. VELCO confirmed with the DEC that the proposed Project upgrades are located outside the regulated River Corridor. VELCO will adhere to the Floodplain Permit, Construction Stormwater Discharge permit, Project-specific EPSC plan, and VEGM to minimize the Project's potential impacts to floodplains during construction. The Project will not restrict or divert the flow of flood waters, or endanger the health, safety, and welfare of the public or of riparian owners during flooding, and will not significantly increase the peak discharge of the river or stream within or downstream from the area of development. Reed pf. at 17-18; exh. JR-3.

Discussion

In the MOU, VELCO and ANR have agreed to a condition related to floodplain impacts, to further ensure that the floodplain will not be adversely impacted by the Project. I find this condition to be reasonable and recommend that the Commission include it in the CPG.

Streams

[10 V.S.A. § 6086(a)(1)(E)]

51. The Project will not have an undue adverse effect on streams because there are no streams in the Project area. Reed pf. at 18; exh. JR-3

Shorelines

[10 V.S.A. § 6086(a)(1)(F)]

52. The Project is not located on a shoreline. Reed pf at 18; exh. JR-3

Wetlands

[10 V.S.A. § 6086(a)(1)(G)]

53. The Project will not have an undue adverse effect on wetlands. This finding is supported by the additional findings below.

54. VELCO identified one large wetland (comprised of three sections, designated as PI-6d, PI-6e, and PI-6f) within the assessment area pursuant to the United States Army Corps of Engineers (USACE) wetland delineation methodology. All wetland sections are adjacent to the proposed Project activities and will require permit approval for regulated impacts. Wetland PI-6d is a large, approximately 1.43-acre, Class 2 wetland immediately west of the existing substation, and wetland PI-6e is a very small 0.02-acre Class 2 wetland that is connected to PI-6d via a culvert and is located to the north of the existing substation. PI-6f is a moderate sized wetland approximately 0.88 acres in size. Reed pf. at 19; Reed supp. pf. at 3-4; exhs. JR-3 and 8.

55. VELCO has designed the Project to minimize impacts to the wetland and its 50-foot buffer. However, impacts are necessary to accommodate the Project. As part of the Project, two new three-pole transmission line structures and associated guy anchors are proposed within the wetland, which will require tree clearing within the wetland and wetland buffer. Expansion of the existing access road will also impact the wetland and wetland buffer. Reed pf. at 19; Reed supp. pf. at 3-4; exhs. JR-3 and 8.

56. VELCO will obtain the necessary authorization from the DEC Wetlands Program and the USACE for its proposed wetland and buffer impacts and will adhere to its Construction Stormwater Discharge permit, Project-specific EPSC plan, and VEGM to minimize the Project's potential impacts to wetlands during construction. Reed pf. at 19-20; exh. JR-3.

Discussion

In the MOU, VELCO and ANR have agreed to a condition requiring VELCO to obtain a wetlands permit prior to site preparation and construction, to further minimize any adverse impacts to wetlands as a result of the Project. I find this condition to be reasonable and recommend that the Commission include it in the CPG.

Sufficiency of Water and Burden on Existing Water Supply

[10 V.S.A. §§ 6086(a)(2) and (3)]

57. There is sufficient water available for the reasonably foreseeable needs of the Project. Reed pf. at 16.

58. The Project will not cause an unreasonable burden on an existing water supply because the facility will have a limited demand for water post-construction related to intermittent bathroom usage. Reed pf. at 16; exh. JR-3.

Soil Erosion

[10 V.S.A. § 6086(a)(4)]

59. The Project will not cause unreasonable soil erosion or reduce the capacity of the land to hold water so that a dangerous or unhealthy condition may result. VELCO will obtain and comply with the conditions of a Construction Stormwater Discharge Permit to ensure that soil erosion during construction is minimized. VELCO will develop and adhere to a detailed EPSC plan for the Project to facilitate compliance and proper implementation of stormwater BMPs that VELCO can implement to avoid and minimize soil erosion during construction. Reed pf. at 20; exh. JR-3.

Transportation

[10 V.S.A. § 6086(a)(5)]

60. The Project will not cause unreasonable traffic or congestion because the Project will cause only a small increase in traffic for a short duration during construction. During delivery of any large equipment, VELCO will employ the services of traffic control to manage traffic and will obtain all required highway permits associated with the work. Poulin pf. at 32-33.

Educational Services

[10 V.S.A. § 6086(a)(6)]

61. The Project will not place an unreasonable burden on the ability of a municipality to provide educational services because the Project will not require or affect educational services. Poulin pf. at 33.

Municipal Services

[10 V.S.A. § 6086(a)(7)]

62. The Project will not place an unreasonable burden on the ability of the affected municipality to provide municipal or government services because the Project will not require or affect local services. Poulin pf. at 34.

Aesthetics, Historic Sites, and Rare and Irreplaceable Natural Areas

[10 V.S.A. § 6086(a)(8)]

63. The Project will not have an undue adverse impact on aesthetics or on the scenic or natural beauty of the area, nor will the Project have an undue adverse effect on historic sites or rare and irreplaceable natural areas. This finding is supported by the additional findings below.

Aesthetics

64. The Project is located along Whipple Hollow Road, which is accessed from West Creek Road to the east. The area near the substation includes a variety of industrial and utility uses, including the existing VELCO Florence substation and transmission lines, sub-transmission, and distribution infrastructure, and the OMYA Florence processing facilities. Existing vegetation and landform significantly limit visibility from nearby roads and properties, and partially screen the Project from locations that would have visibility. The Project replaces an existing substation with a new substation and will, therefore, not appear out of context with the existing surroundings. Accordingly, the Project will not have an adverse impact on aesthetics. Buscher pf. at 2-3; exh. Petitioner MJB-2

Historic Sites

65. The Project will not have an undue adverse effect on historic properties because there are none in the vicinity of the Project. Reed pf. at 3-4; DHP comments.

Rare and Irreplaceable Natural Areas

66. The Project will not have an undue adverse effect on rare and irreplaceable natural areas because there are no rare and irreplaceable natural areas within the Project area. Reed pf. at 21-22; exh. JR-3.

Necessary Wildlife Habitat and Endangered Species

[10 V.S.A. § 6086(a)(8)(A)]

67. The Project will not have an undue adverse effect on any endangered species or necessary wildlife habitat. This finding is supported by the additional findings below.

68. Based on a database inquiry of the U.S. Fish & Wildlife Service (“USFWS”) Information for Planning and Consultation database, two federally listed species have known ranges within the Assessment Area: the Indiana bat which is Federally Endangered, and the northern long-eared bat which is Federally Threatened. Reed pf. at 21-22; exh. JR-3.

69. VELCO conducted an Indiana bat habitat assessment in accordance with Vermont Fish & Wildlife (“F&W”) guidelines. Several potential roosting trees were identified as part of this survey. VELCO anticipates clearing these trees prior to April 1, 2022. If this is not achievable, VELCO will develop a project-specific bat impact mitigation plan, which would likely include, targeted surveys and the implementation of potential mitigation measures to allow for the clearing of trees between April 1 and October 31 in accordance with VELCO’s Bat BMPs (included in the VEGM), applicable Vermont and federal guidelines and in consultation with F&W and USFWS. Reed pf. at 21-22; exh. JR-3.

70. VELCO will also follow the site-specific Non-native and Invasive Species Monitoring and Control Plan (“NNIS”). Reed pf. at 6; exh. JR-4.

Discussion

In the MOU, VELCO and ANR have agreed to a condition allowing for the cutting of the five bat roosting trees between April 1 and October 31 under certain conditions should it prove necessary to do so, and a condition requiring VELCO to comply with its NNIS. I find these conditions to be reasonable and recommend that the Commission include them in the CPG.

Development Affecting Public Investments

[10 V.S.A. § 6086(a)(9)(K)]

71. The Project will not unnecessarily or unreasonably endanger any public or quasi-public investment in a facility, service, or lands, or materially jeopardize or interfere with the function, efficiency, or safety of, or the public's use or enjoyment of, or access to any such facility, service, or lands. Poulin pf. at 34.

Public Health and Safety

[30 V.S.A. § 248(b)(5)]

72. The Project will not have any undue adverse effects on the health, safety, and welfare of the public because all Project work will be performed in accordance with the National Electrical Safety Code requirements. VELCO will adhere to prudent utility construction practices throughout the construction phase of the Project and will operate the Project in a safe manner. McGann pf. 6 and 9; Poulin pf. at 32.

73. The substation is an existing facility and not accessible to the general public. VELCO has designed and will construct the Project in accordance with industry safety standards. The substation will be fenced in at all times during and after construction to protect against unauthorized access. McGann pf. at 9.

74. VELCO followed its Substation Design Standards for the design of the Florence substation upgrades. VELCO's Substation Design Standards are based on industry standards, including the NECS, Institute of Electrical and Electronic Engineers, American National Standards Institute, and National Electrical Manufacturer's Association. McGann pf. at 6.

Primary Agricultural Soils

[30 V.S.A. § 248(b)(5)]

75. The Project will not have any undue adverse effects on primary agricultural soils as defined in 10 V.S.A. § 6001. No areas associated with the Project are currently used for agriculture, and the surrounding industrial development largely precludes agricultural use of the land. Reed pf. at 25; exh. JR-3.

Consistency With Company's Least Cost Integrated Plan

[30 V.S.A. § 248(b)(6)]

76. As a transmission-only company, VELCO does not have an integrated resource plan. As a transmission-only company, VELCO periodically produces transmission studies. Specifically, VELCO issued a 2021 Vermont Long-Range Transmission Plan. The 2021 Plan acknowledges that VELCO is assessing the Florence substation for potential refurbishments. Poulin pf. at 34-35.

Compliance with Twenty-Year Electric Plan

[30 V.S.A. § 248(b)(7)]

77. The Project is consistent with the 2016 Comprehensive Energy Plan approved by the Department under 30 V.S.A. § 202(f) because it seeks to ensure the reliability of the grid while minimizing environmental impacts. Poulin pf. at 35.

78. The Plan also strives for the protection of public safety, preservation of the environment, and least-cost planning. Similarly, the Plan recognizes statutory goals in which Vermont meets its energy service needs in a manner that is adequate, reliable, secure, and sustainable and that ensures affordability. Poulin pf. at 35.

79. VELCO has proposed a Project that restores and maintains system reliability and safety. Moreover, VELCO's proposal to perform the Project in an area that already hosts other electric infrastructure limits the environmental impact. In addition, the proposed Project avoids the substantial cost to install a temporary substation that would not provide long-term system benefits as compared with the ring-bus configuration that VELCO proposes to install in the new substation. Poulin pf. at 35-36.

80. The Department has determined pursuant to 30 V.S.A. § 202(f) that the Project is consistent with the 2016 Comprehensive Energy Plan. Determination Under 30 V.S.A. § 202(f) signed by Bill Jordan, dated January 12, 2022.

Waste-to-Energy Facility

[30 V.S.A. §248(b)(9)]

81. The Project does not involve a waste-to-energy facility; therefore, this criterion is not applicable.

Existing or Planned Transmission Facilities

[30 V.S.A. § 248(b)(10)]

82. The Project can be served economically by existing or planned transmission facilities without undue adverse effects on Vermont utilities or customers. The Project consists of upgrades to an existing substation, which are designed to enhance the existing utility system and improve service to customers. Best pf. at 36.

Woody Biomass Facilities

[30 V.S.A. § 248(b)(11)]

83. The Project will not produce electric energy using woody biomass; therefore, this criterion is not applicable.

IV. MEMORANDUM OF UNDERSTANDING

84. VELCO has entered into an MOU with ANR and has agreed to comply with all conditions therein. Exh. MOU-1

Discussion

I recommend the Commission accept the MOU with all of its provisions and conditions without material change or condition and require VELCO to comply with the terms and conditions of the MOU as a condition of approval of the Project.

V. CONCLUSION

Based upon the evidence in the record, I recommend that the Commission conclude that the Project, subject to the conditions set forth herein:

(a) will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, and the recommendations of the municipal legislative bodies;

(b) will meet a need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures, including those developed pursuant to the provisions of subsection 209(d), section 218c, and subsection 218(b) of Title 30;

(c) will not adversely affect system stability and reliability;

(d) will result in an economic benefit to the state and its residents;

(e) will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment, the use of natural resources, and public health and safety, with due consideration having been given to the criteria specified in 10 V.S.A. §§ 1424a(d), impacts on primary agricultural soils as defined in 10 V.S.A. § 6001, and 6086(a)(1) through (8) and (9)(K), and greenhouse gas impacts;

(f) is consistent with the *Vermont Twenty-Year Electric Plan*;

(g) does not involve a facility affecting or located on any segment of the waters of the State that has been designated as outstanding resource waters by the Secretary of Natural Resources;

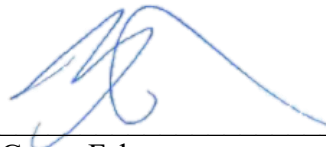
(h) does not involve a waste-to-energy facility;

(i) can be served economically by existing or planned transmission facilities without undue adverse effect on Vermont utilities or customers;

(j) does not involve an in-state generation facility that produces electric energy using woody biomass.

This Proposal for Decision has not been circulated to the parties pursuant to 3 V.S.A. § 811 because it is not adverse to any party.

Date: 21st day of March, 2022



Gregg Faber
Hearing Officer

VI. ORDER

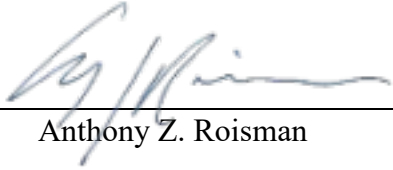
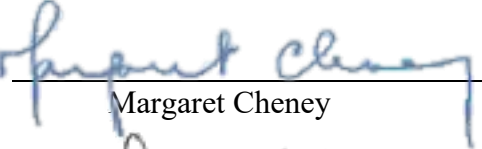
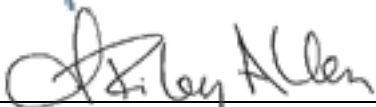
IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission (“Commission”) of the State of Vermont that:

1. The findings, conclusions, and recommendations of the Hearing Officer are adopted. All other findings proposed by parties, to the extent that they are inconsistent with this Order, were considered and not adopted.

2. In accordance with the evidence and plans submitted in this proceeding, the replacement of a substation (the “Project”) proposed for construction and operation by Vermont Transco LLC and Vermont Electric Power Company, Inc. (collectively the “CPG Holder”) at 8040 Whipple Hill Road in Pittsford, Vermont, will promote the general good of the State of Vermont pursuant to 30 V.S.A. § 248, and a certificate of public good (“CPG”) to that effect shall be issued in this matter.

3. As a condition of this Order, the CPG Holder shall comply with all terms and conditions set out in the CPG issued in conjunction with this Order.

Dated at Montpelier, Vermont, this 21st day of March, 2022.

 _____)) PUBLIC UTILITY)) COMMISSION) OF VERMONT
Anthony Z. Roisman)	
_____)	
 _____)	
Margaret Cheney)	
_____)	
 _____)	
J. Riley Allen)	

OFFICE OF THE CLERK

March 21, 2022

Filed:

Attest:



Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 21-3732-PET - SERVICE LIST

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