

DRAFT Operating Committee MINUTES

June 21, 2017, 11 a.m. – 3:00 p.m.

GMP Montpelier, VT

PARTICIPATING MEMBERS

Mike Burke (Green Mountain Power), Frank Etori (VELCO), James Gibbons (Burlington Electric Department), David Kresock (Stowe Electric Department), Craig Myotte (VT Public Power Supply Authority/Morrisville Water and Light Department) by phone, Jason Pew (VELCO), Peter Rossi (Vermont Electric Cooperative).

**Next Meeting
July 19, 2018
11 a.m. – 3 p.m.
GMP, Montpelier**

1-866-720-4556
Code: 6027065

OTHER PARTICIPANTS

Tom Dunn (VELCO), Mike Fiske (VELCO), Tim Follensbee (VELCO), Laurie McMahon (VELCO), Colin Owyang (VELCO), Dan Poulin (VELCO), Mark Sciarrotta (VELCO), and Chris Smith (Vermont Electric Cooperative),

OPENING REMARKS

Mr. Etori verified a quorum and called the meeting to order at 11:00 a.m.

Prior to the meeting, Patricia Richards Alternate Member for Washington Electric Cooperative provided James Gibbons with proxy regarding Hyde Park and the potential to register them as a settlement only generator; an item on today's agenda.

Additionally, to accommodate schedules, the animal mitigation update on the schedule will be moved to the beginning of the meeting.

SAFETY TOPIC

Mr. Fiske reported on an incident that recently occurred on a VELCO 115kV line right of way. An articulating loader was carrying a load on uneven ground when it turned to place the load off the edge of the access road when it turned over on to its side. The Operator was wearing a seatbelt and was uninjured. The loader sustained minor damage and was virtually unharmed. Key takeaways included:

- Reaffirms the importance of seat belts
- Good housekeeping in the cap prevented objects from becoming projectiles
- Spill kits were readily available to reduce potential environmental impacts

MINUTES APPROVAL

Mr. Pew presented the meeting minutes from May 17, 2018.

Mr. Gibbons moved for approval, Mr. Rossi seconded, and the minutes were approved as presented.

HYDE PARK TO BECOME AN ISO PARTICIPANT

Mr. Etori reported that Hyde Park is investigating the possibility of registering as an ISO-NE Market Participant.

Ms. McMahon presented on the unique accounting challenges that would occur during

times of high solar PV generation when it would exceed the local Hyde Park load. This would result in a positive load, appearing as a generator, for such hours. This is a problem, as ISO-NE will not accept positive load values.

Under the current structure as part of VT Public Power Supply Authority (VPPSA) any excess generation is negated by the other VPPSA members and is not an issue. Thus far in 2018, there have been 18 days, a total of 56 hours, where generation would have exceeded load within the Hyde Park system.

A potential solution proposed by VELCO would be for Hyde Park to register as a settlement only generator (SOG) with ISO-NE. If this occurred, VELCO's Power Accounting would run their metering calculation and when hours of positive load were determined, they would re-run the calculation and submit the positive load under the SOG registration. This additional time to run the settlement calculation would be borne by Hyde Park.

Mr. Gibbons stated that he had some concern over setting a precedent for what might result in unknown or unanticipated effect in VT and New England. Additionally, Mr. Gibbons requested investigating if other entities in New England have already implemented similar agreements. He continued to explain that there is already a process for settling unsettled load. Ms. McMahon has taken an action item to investigate similar agreements within NE.

Mr. Dunn reported that Hyde Park should be involved in the discussion moving forward. Mr. Myotte currently represents Hyde Park as a member of VPPSA.

A discussion regarding a new seat on the Operating Committee for Hyde Park if they leave VPPSA. Mr. Owyang reviewed the Vermont Transco Transmission Administration Manual (V-TAM) and reported that, pursuant to Section 2.10 of the VELCO Operating Committee Bylaws, Hyde Park is eligible to participate in the Operating Committee, regardless of its VPPSA membership, provided it comply with the Bylaws' other applicable provisions such as those contained in Section 2.20 Members and Alternates regarding nominating procedures.

AGENCY OF NATURAL RESOURCES UPDATE

Mr. Follensbee presented on three topics, as seen in their entirety within the meeting materials: Structure Condition Improvement (SCI) program, Threatened and Endanger Species, and Pentachlorophenol (Penta) treated wooden utility structures.

The SCI program update included the status of the program and an overview of specific work within a VT State Park that spawned questions from the VT Agency of Natural Resources (ANR). The work within the State Park and subsequent communication with the ANR were reported by Mr. Follensbee at the February 2018 Operating Committee. As reported in February, ANR requested a follow-up meeting. On May 30, 2018 VELCO representatives again met with ANR and determined that they were still in agreement that an additional 248 permit/approval was not necessary for the access road work, the work that originally prompted questions, required to complete the structure replacement within the State Park. Mr. Sciarrotta reported that it was his belief the questions from ANR were unique in that the State is acting as a landowner and regulator within the state park with regard to the access road improvement.

The Threatened and Endangered Species update included a timeline of events involving the

Right-of-Way Best Maintenance Practices (MBP), VELCO's request to the ANR for a general permit, as well as a report out on two specific incidents on VELCO ROW where there was accidental takings of a Threatened species.

Mr. Follensbee discussed how the nature of the ROW being maintained with the BMPs actually encourage the growth of some Threatened and Endangered species by providing a habitat that is suitable for them to thrive. This has been the challenge for VELCO due to the new populations that have developed since original inventories were recorded. The creation of a general permit for ROW work would require adherence to the BMPs which promote and maintain habitat while reducing the risk of non-compliance due to incidental takings. In 2015, 10 VSA Chapter 123 was amended to require the creation of a general permit for utilities and was to be implemented on or before September 1, 2017. As of today, a general permit has been issued.

VELCO has had two separate incidents (2016 and 2017) in which Greene's Rush plants have been inadvertently taken. Each incident was self-reported to the ANR, investigated internally within VELCO, and corrective actions were initiated. Investigation reports were provided to the ANR for each incident. On May 1 2018, VELCO was notified by ANR that they would be seeking a violation and associated fine resulting from the 2017 incident. VELCO's Attorney has met with the ANR following the notification that resulted in a stay on issuing a violation and fine until mid to late June when a site visit can be performed and populations can be inventoried.

Mr. Smith expressed his concern of the VELCO proposed general permit and its potential impact on the distribution providers without the resources to meet the BMPs.

Mr. Sciarrotta provided that participation in a general permit and its requirement to employ the BMPs would be voluntary. It would be up to the individual VDUs to not adopt the BMPs and assume the risk associated with unintended takings.

The Penta update included a timeline of Penta use in VT by utilities, an overview of a group formed to review the use of Penta treated structures in VT and its subsequent report, and a status of Penta use in VT.

COOLIDGE SOLAR PROJECT

Mr. Poulin provided an overview of a 20MW solar project in Ludlow, VT. 82,000 individual 320 watt solar panels spanning roughly 88 acres. The facility will connect at the VELCO Coolidge Substation in Cavendish, VT to an existing open bay once used for 115kV transmission line prior to the build out of the 345kV system from that same station.

The project does require some minor updates to the VELCO facilities to accommodate metering and protection for the short radial line to the solar facility. The facility will be the largest solar facility in VT and will be the first to connect directly to transmission assets.

VELCO was required to have its own 248 permit above that of the permit required by the facility owner to construct and connect. A question as to why VELCO required an additional 248 permit to accommodate the project as the VELCO substation already had an open bay. VELCO had petitioned, initially, to not require a 248 as the facility was not substantially changing. The Public Utilities Commission (PUC) determined because of the updated current

transformers with metering accuracy, relocation of the existing voltage transformers within the substation, and the general use of the existing bay would be changed all contributed to the need to the for the additional 248 filing by VELCO.

VELCO is currently scheduled to commission the updated infrastructure on August 31, 2018. Coolidge Solar is currently scheduled to begin commercial operation in November of 2018.

Mr. Gibbons inquired about the monthly operation and maintenance carrying charge and how it compared with the Sheffield substation. Mr. Poulin reported that it is essentially the same.

ANIMAL MITIGATION UPDATE

Mr. Fiske provided an overview of the Green Jacket animal mitigation installation project thus far. The majority of the VELCO facilities identified has been completed with only those stations requiring the use of the mobile substation for the product installation remaining. Those stations requiring the mobile substation will be coordinated with maintenance activities at each location to make the installation as efficient as possible.

Mr. Fiske further reported that the product chosen for the VELCO facilities was specified as ANSI Grey to blend in more with the existing equipment in the substations. The ANSI Grey product is, after only a few weeks, turning a dull olive green. Green Jacket has been notified and they are evaluating options moving forward.

VELCO BOARD OF DIRECTORS UPDATE

Mr. Dunn reported on the latest VELCO Board of directors meeting. This included

- An introduction of VELCO's new Vice President of Strategic Business Development John Flynn
- Sheffield Highgate Export Interface (SHEI) and the current progress toward constraint mitigation
- Potential impact from system events on the solar production within NE (reference the previous presentation on the topic from last month's Operating Committee)
- Vermont Energy Investment Corporation (VEIC) leadership
- Key performance indicator (KPI) update, on-track and looking good
- VELCO's NPCC NERC Audit results, a great success

VELCO 2019/20 BUDGET

Mr. Pew reminded those in attendance to provide VELCO (Patty Smith) with any items that require VELCO budget allocation as discussed last month.

OTHER BUSINESS

Next meeting

- Ken Couture to report on texting and driving (originally scheduled for today's meeting)
- Hyde Park update; report on other similar situations in New England
- SHEI update; if necessary

Open discussion

- Mr. Pew reported that VELCO Operations is pursuing a change to its Emergency

Operating Procedure distribution that will now require an assigned username/password to the VELCO SFTP site. No objections were noted.

- Mr. Smith discussed the current VT Joint Utilities and State Agencies Emergency Preparation Program contact list. He reported that the contact list is huge and the rollcall that takes place is very burdensome. Mr. Pew reported that he would provide this information to Dave Haas (Director of VELCO Operations and EMS) who is currently setting the agenda for the annual meeting for the group.

MOTION TO ADJOURN

Mr. Rossi moved to adjourn, Mr. Burke seconded, and the meeting was adjourned at 1:49pm.

Respectfully submitted,
Jason Pew
VELCO OC Secretary