

DRAFT VELCO Operating Committee MINUTES

DATE: February 17, 2022, 1:00 p.m. – 3:30 p.m.

LOCATION: Virtual Meeting (ZOOM)

PARTICIPATING MEMBERS

- **Burlington Electric Department (BED):** James Gibbons, Munir Kasti
- **Green Mountain Power (GMP):** Josh Castonguay
- **Stowe Electric Department (SED):** Brent Lilley
- **Vermont Electric Cooperative (VEC):** Kris Smith
- **Vermont Electric Power Company (VELCO):** Chris Root, Frank Etori, Tina Stevens
- **Vermont Public Power Supply Authority (VPPSA):** Stephen Fitzhugh
- **Washington Electric Cooperative (WEC):** Bill Powell

OTHER PARTICIPANTS

Brian Connaughton (VELCO), Tom Dunn (VELCO), Erica Ferland (BED), Abe Fitch (VELCO), Isaac Gillen (VEC), Kerrick Johnson (VELCO), Bill Jordan – partial (VT Department of Public Service), Dan Nelson (VELCO), Colin Owyang (VELCO), Hantz Pr sum  (VELCO), Doug Smith (GMP), Allen Stamp (AP Stamp, Inc.), Emily Stebbins-Wheelock (BED)

OPENING REMARKS

Mr. Root verified a quorum and called the meeting to order at 1:02 p.m.

CYBER SECURITY UPDATE

Mr. Jordan reported that the annual meeting between the Department and the Utilities per Docket 7307 has not been established as of yet, due to the inability to meet in person. Mr. Jordan would like these annual meetings to begin in 2022. The group discussed the benefits and preferences for an in-person meeting versus a virtual meeting. The consensus was for a stand-alone, in-person meeting preferably but will be dependent on the circumstances of the pandemic at that time. Mr. Jordan will draft an invite and Mr. Root will forward the invite to the appropriate entities.

DRAFT MINUTES APPROVAL

Mr. Root presented the meeting minutes from January 20, 2022 for approval.

Mr. Powell moved for approval, Mr. Gibbons seconded, and the minutes were approved as presented without objection.

TELECOM WORKING GROUP

Mr. Stamp indicated the group had met yesterday and had discussed what is planned for the upcoming year and provided an update on progress of the project. They have installed approximately 40 miles in the WEC territory to date. They expect this year to be a bigger year. The meeting included a review of the potential work plan for the year and an update on the 3.7 applications. They will continue to submit applications through the spring and expect to continue focus on lease rates and agreements, asset management and administration.

LOAD SHED PROGRESS

Ms. Stevens provided an update on the Vermont Utilities Winter Preparedness Task Force, which

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is meeting bi-weekly. The purpose of the task force is to:

- Maintain awareness of the ISO-NE 21 day Energy Assessment Forecast and Report
- Coordinate plans to accomplish a multi-day load shed event to include load served by utilities without a staffed control center
- Coordinate load shed plans with identified critical loads

Ms. Stevens noted VELCO is distributing ISO-NE's 21-day forecast on a weekly basis. The latest forecast is not predicting an Energy Emergency. Additionally, the fuel inventories appear adequate given the forecast and the fact that winter is almost over.

Good discussions are occurring between the distribution utilities and their customers. There is continued focus and planning surrounding feeder rotation plans. VELCO has left the definition and identification of "critical loads" up to the distribution utilities.

Lastly, Ms. Stevens noted that one of the questions being discussed at the task force is how system load is calculated at the time of an event. There are two options for determining system load: load served vs billable load. Discussion ensued over the pros and cons for each option, noting that agreement and communication with the municipalities is necessary.

ISO UPDATE

Mr. Etori provided an update:

- Winter performance: Oil inventories are low, but 21-day forecast looks good. Likely no issues this winter. Next winter is still a concern with the same potential issues. ISO-NE is currently working on two long-term objectives.
- Energy prices: Prices have been high this winter. In January, second highest energy settlements. Mr. Gibbons noted these have been sustained high average prices, not spikes.
- Minimum Offer Price Rule (MOPR): There have been some attempts to eliminate MOPR. FERC Chairman has indicated MOPR needs to be eliminated. The Participants Committee approved the MOPR filing.
- FERC Order 2222: Enables distributed energy resources to participate in wholesale electricity markets as aggregations. This was approved recently at the Participants Committee meeting and filed at FERC.
- FERC ORDER 881: Requires ambient adjusted ratings for transmission lines. Requires minimum of 4 season ratings, rating methodology posted to the RTO website, and ratings adjusted hourly if necessary. On today's call, there were questions surrounding the definition of transmission and whether or not it applies to 34 and 46 kV. The lawyers are expected to review the question. Compliance time is not an issue, but implementation is big – 2 years to implement. Mr. Etori noted dynamic line ratings are not part of this order.
- K42 Line: Mr. Presume presented this project at the Planning Advisory Committee (PAC) recently and did an excellent job. There was a lot of support by stakeholders. ISO-NE has issued a letter to VELCO in support of the project. While this is not the final answer, it is a great start. Mr. Presume noted he is in the process of preparing for the 248 filing and will be working to help the Public Service Department understand the need for the project.

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2021 KPIS

Mr. Fitch provided an update on the 2021 KPIS. Of the 12 KPIS for 2021, 6 were measured at Distinguished and 6 were measured at Target. The final approved corporate rating was 1.27, which matched last year's performance. Mr. Fitch next provided a review of the proposed KPIS for 2022, which include Safety, Reliability, Compliance, Financial, and Innovation & DEI. See presentation for details.

PACIFIC NORTHWEST NATIONAL LABS (PNNL) PROJECT UPDATE

Mr. Connaughton indicated there is not much to provide as an update this month since a contract has not yet been signed with PNNL. He will provide another update at an upcoming meeting.

VELCO BOARD OF DIRECTORS UPDATE

Mr. Dunn indicated Mr. Owyang was welcomed back as Senior Vice President by unanimous approval. Updates to the board included: year-end financials, an ISO update, working and environmental solution government area, along with a year-end review. Mr. Dunn noted the board accepted the 2021 KPI results and the proposed 2022 KPIS.

OPERATIONAL REPORT

Mr. Root provided a highlight of 2021 operations and construction. The highlight included a review of safety performance and initiatives, system performance, along with reviews for various departments and the capital project program. See presentation for details.

COVID-19 UPDATE

Mr. Root noted VELCO is back to the pre-Christmas plan. It is currently optional for employees to be back in the office and masks are expected to be worn while in the office. The expectation is that more employees will be coming back to the office in the next month or so.

Mr. Powell indicated nothing has changed at WEC at this time and they are seeing the occasional positive test.

Mr. Castonguay noted there has been no change at GMP. Some employees are coming into the office. As the numbers drop, expect more to come in to the office.

Mr. Smith noted VEC's status is the same as indicated at the last meeting. Expect some upcoming changes possibly in March.

Mr. Gibbons noted there are no changes at BED. Some employees are coming in to the office. Currently waiting to see what happens in next month or two.

Mr. Fitzhugh indicated Norwich is relaxing restrictions and easing up on masking. They have kept the mandate for instructional spaces though. They are only seeing the occasional case with mild symptoms. There is currently no Village ordinance.

OTHER BUSINESS

Open discussion

- None

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Next meeting

Date: March 17, 2022, 1:00 p.m. – 3:30 p.m.

Location: Virtual Meeting (ZOOM)

Possible topics for discussion

- Telecom Working Group – standing agenda item
- ISO behind-the-meter update
- Load Shed Progress – standing agenda item (until March)
- COVID-19 update
- PNNL Project update
- Structure Replacement – weighted average
- Florence and N. Rutland project updates – Dan Poulin
- Transmission asks related to federal investment/jobs – Kerrick Johnson
- FERC NOPR on transmission – Karin Stamy

MOTION TO ADJOURN

Mr. Gibbons moved to adjourn, Mr. Fitzhugh seconded, and the meeting was adjourned at 2:58 pm.

Respectfully submitted,

Tina Stevens
VELCO OC Secretary