



Meeting Minutes July 17, 2024 Stowe, Vermont

The Vermont System Planning Committee held a quarterly meeting on July 17, 2024. Shana Louiselle called the meeting to order at 9:30 a.m. Ms. Louiselle reviewed the agenda for the meeting.

Kamran Hassan moved to approve the April 17, 2024 minutes, and Hantz Présumé seconded. The minutes were approved without objection.

Introductions

A list of attendees by sector appears at the end of these minutes.

Geographic Targeting Subcommittee Report

Shana Louiselle reported the Geographic Targeting Subcommittee met in June to conduct its annual project review and complete the non-transmission alternative (NTA) screening process for identified reliability issues. Green Mountain Power, Washington Electric Cooperative and Stowe Electric Department reported on their capital projects. No new issues were found to “screen in” for additional analysis. Vermont Electric Cooperative, Burlington Electric Department, Hyde Park Electric and Vermont Public Power Supply Authority (on behalf of their members) reported no projects requiring NTA screening. VELCO reviewed two NTA screenings for the Newport Substation Transformer Replacement Project and the SmartValve Project. Both projects qualified as asset maintenance projects and screened out of consideration for additional NTA analysis. There were no objections to the findings.

Technical Working Group Report

Lou Cecere, Electrical & Planning Engineer at the Vermont Public Service Department, reported the Technical Working Group met in June. The group discussed its renewed focus on identifying the specific technologies, policies, and collaborative initiatives required to make load flexibility a practical solution for Vermont's grid challenges. Following a discussion on the findings of the 2024 Vermont Long-Range Transmission Plan, the group further discussed the potential for NTAs to address identified transmission constraints, potential technologies for consideration, and the need for further analysis to identify the scale, duration, timing, and locational value of load reduction. VELCO committed to refining the analysis to better understand the scope of the reliability issues.

Flexible Load Management Working Group Report

Anne Margolis, Assistant Director of the Regulated Utility Planning Division at the Vermont Public Service Department (PSD), reported on the June meeting of the working group. The group discussed its mission statement, order of activity and timeframes to complete the work, and reviewed a draft

template for collecting information for a Flexible Load Management inventory. The PSD consultant, GDS, gave a presentation on the residential flexible load management potential in Vermont. The working group will meet next in August.

Coordinating Subcommittee

Shana Louiselle, VSPC Facilitator, reported that the Vermont Public Utility Commission (PUC) issued a memorandum seeking comment on candidates for open public member seats. The PUC received two letters of interest for the primary and alternate seats representing supply resources, and two letters of interest for the alternate seat representing commercial and industrial electric consumers. In addition, the PUC shared their plans to assign GF Power to the VSPC membership category for large distribution utilities without transmission. The deadline for comments on public member candidates and GF Power's assignment is July 10, 2024. Interested persons may file comments with the Commission as public comments in either matter in Case No. 24-1513-INV by July 10, 2024.

Hydro-Québec & 2035 Action Plan

Serge Abergel, Chief Operating Officer at Hydro-Québec (HQ) Energy Services – US, provided an overview of [Hydro Québec's 2035 Action Plan](#), which aims to meet growing demand for renewable energy by adding 60 terawatt-hours (approximately 9,000 MW) of new capacity, primarily from wind, hydropower, and energy efficiency measures by 2035. The plan involves investments of \$155-180 billion (CAD) and addresses challenges such as rate affordability, the transition from fossil fuels, and improving reliability. Mr. Abergel noted that while they have observed some load growth, HQ has not yet met its load projections, recognizing the timing of electrification may not occur as fast as expected. The full Plan is available [here](#).

Alliance Transmission Project Overview

Betsy Bloomer, Director of Communications and Strategy at VELCO, provided an overview of the proposed Alliance transmission project, a bi-directional line connecting Québec and Vermont, with the potential to inject 750 megawatts into Vermont's grid. The project aims to address reliability concerns identified in the 2050 Transmission Study and the Vermont Long-Range Transmission Plan, facilitate the exchange of renewable energy resources, and leverage existing rights-of-way and infrastructure. If successful, the project would replace the aging Highgate Converter station, and relocate it out of the Sheffield Highgate Interface Export. The project is being advanced through the Department of Energy's (DOE) Grid Resilience and Innovation Program (GRIP) application process and includes a community benefit plan. Discussions are ongoing with Vermont and New York stakeholders regarding potential interconnections. VELCO and partner Grid United expect the DOE project selections to take place by the end of the year.

Longer Term Transmission Planning (LTP) Reform Panel

Representatives from VELCO, New England States Committee On Electricity (NESCOE) and the Vermont Public Service Department engaged in a panel discussion focused on ISO New England's longer-term transmission planning initiative and FERC Order 1920, which mandates a 20-year planning horizon and consideration of state policies for carbon reduction. Mark Sciarrotta, General Counsel at VELCO, provided an overview of FERC Order 1920, highlighting its legal challenges and the potential for cost socialization.

Sarah Adams, External Affairs Representative at ISO New England (ISO-NE) described the Long Term Transmission Planning (LTTP) process and how ISO-NE collaborates with NESCOE. Sarah described the following process:

1. NESCOE identifies needs and provides ISO-NE with the list of long-term transmission needs.
2. Stakeholder input: ISO-NE shares the needs list publicly and gathers feedback through the Planning Advisory Committee.
3. RFP and project selection: ISO-NE issues the RFP for transmission solutions, then evaluates proposals based on costs and benefits, aiming for a cost-benefit ratio greater than 1.
4. Cost allocation: If the benefit-cost ratio exceeds 1, a standard cost allocation method is used, distributing costs across the ISO-NE footprint base on load ratio. If the benefit-cost ratio is less than 1, NESCOE can request an alternative cost allocation, which requires FERC approval.

Sheila Keane, Director of Analysis at NESCOE, discussed the development of the states' vision for a clean energy grid and highlighted the work the crucial role ISO-NE played in the process. First, ISO-NE conducted the 2050 Transmission Study, which analyzed future energy needs and identified potential transmission solutions to support a cleaner grid. Following the study, NESCOE shifted to the second phase of the initiative: developing a framework for prioritizing and implementing these solutions. This framework is designed to ensure all states feel comfortable moving forward with projects, regardless of their individual energy policies. The approach fostered greater collaboration and consensus among stakeholders with varying priorities than previous initiatives.

Lou Cecere concluded the panel and offered insights on the challenges of long-term transmission planning in the face of evolving energy needs and uncertainties, highlighting the need to be cautious about long-term predictions and the importance for accurate inputs for load, generation and their locations, and to continue iterative planning and consensus building among states. The PSD recognized the great work done by NESCOE and ISO-NE and deemed the upcoming RFP process to be a crucial test for the new approach.

ISO-New England Update

Sarah Adams, Vermont External Affairs Representatives for ISO-NE, provided updates on the regional market highlights, ISO-NE's 2025 budget proposal, the regional energy shortfall threshold, system planning updates, and FERC Order 2023.

Market highlights: Electricity prices in May were around \$26/MWh, with nearly half of generation coming from natural gas. The Internal Market Monitor's 2023 annual report showed lower wholesale costs driven by lower natural gas prices.

Budget proposal: ISO New England's proposed 2025 budget includes 16 new full-time staff to support longer-term transmission planning and RFP development, among other initiatives. The budget is subject to stakeholder review and approval.

Extreme Weather Impacts: ISO New England is developing a regional energy shortfall threshold (REST) based on the findings of the Operational Impacts of Extreme Weather Events study, which would establish a level of energy shortage risk that the region is comfortable with, and lay out defined actions the ISO-NE or states could take when such a risk is identified. ISO-NE is planning to conduct the first REST assessment for the winter of 2025/26.

System planning updates: The 2024 Capacity, Energy, Loads, and Transmission (CELT) report forecasts increasing demand due to electrification, with impacts from energy efficiency and behind-the-meter solar. Managed electric vehicle charging assumptions were included for the first time.

FERC Order 2023: FERC issued Orders 2023 and 2023A in July to reform interconnection procedures nationwide. These orders shift from a first-come, first-served system to a first-ready, first-served system, prioritizing projects with a high likelihood of development. ISO-NE filed its proposal in May to bring the region into compliance and requested an effective date of August 12, 2024.

The full presentation is available [here](#).

Policy and Project Updates

2024 Vermont Long-Range Transmission Plan Areas of Concern: Kamran Hassan of Green Mountain Power provided an update on the Non-Transmission Alternatives (NTA) analysis which will begin later this year. GMP will lead the NTA study group in coordination with all affected utilities, and examine the specific areas of grid concern as identified in the 2024 VT Long-Range Transmission Plan. Before exploring potential solutions, the study group will need to understand the scope of each issue, including its operational impact, duration, and frequency.

Renewable Energy Standard update: Jonathan Dowds provided an overview of the updated Vermont Renewable Energy Standard, which aims to quadruple the state's use of new renewable energy by 2035, with targets ranging from 35-40% of power coming from post-2010 renewable resources across utilities. The modified standard includes different tier targets for utilities, cost containment mechanisms, and provisions for recovering net metering RECs. The updated RES is comprised of five tiers: 1) Total Renewable Energy; 2) Distributed In-state Renewable Generation; 3) Energy Transformation; 4) New Renewable Energy; and 5) Load Growth Renewable Energy. The Joint Fiscal Office estimated a potential rate impact of 2.2-6.7% by 2035, with transmission cost uncertainties contributing to the range.

ISO-NE Planning/Operating Procedures update: Dan Kopin, Innovation Manager for VELCO, outlined proposed changes to ISO New England's planning and operating procedures:

1. Planning Procedure 12 (Procedure for Distributed Energy Resource Data Collection): ISO-NE proposes a new Planning Procedure to formalize and standardize the data collection of size, location and characteristics of all distributed energy resources (DERs), including detailed parameters such as facility import/export limits and storage injection capabilities. This aims to improve planning and modeling of DER impacts. The changes are going through the NEPOOL stakeholder process. If approved, the first cycle of data collection will begin in January 2025.
2. Planning Procedure 5-6 (Affected System Operator Study Coordination): ISO-NE proposes new requirements for level 3 (PSCAD) studies for distributed energy resources between 1-5 MW if electrically close to an aggregation of distributed energy resources. This could lead to significant delays and costs for developers. ISO-NE expects ISO-NE approval by August 12, 2024.
3. Operating Procedure 17 (Load Power Factor): ISO-NE proposed mandatory corrective action plans for transmission owners and load customers operating outside of load power factor requirements, subject to auditing. This represents a significant change from current practices. The NEPOOL stakeholder process is reviewing these changes with a vote scheduled in September 2024.

Attendance

* Indicates voting member

** Indicates alternate

Public Sector

- *Tim Duggan, Residential representative
- **Susan Paruch, Residential representative
- *Taylor Newton, Regional Planning rep
- *Johanna Miller, Environmental representative
- **Steve Crowley, Environmental representative
- *Michael Kirick, Commercial representative

Transmission Utility (VELCO)

- *Hantz Présumé, VELCO
- **Frank Ettori, VELCO

Distribution Utilities Providing Transmission (GMP, VEC)

- *Kamran Hassan, GMP
- **Doug Smith, GMP

Large Transmission-Dependent Distribution Utilities (BED, WEC)

- *Bill Powell, WEC

Transmission Dependent Distribution Utilities (Municipals)

Sarah Braese, VPPSA
Tom Petraska, Ludlow Light and Electric
John Dasaro, Enosburg Water & Light

Supply & Demand Resources

- *Dave Westman, EVT
- *Nathaniel Vandal, Supply Representative

Non-Voting Members

TJ Poore, PSD
Lou Cecere, PSD

Staff

Shana Louiselle, VELCO
Lucan Looman, VELCO

Guests

Anne Margolis, PSD
Betsy Bloomer, VELCO
Brad Williams, BED
Brian Connaughton, VELCO
Brian Hall, VEC
Cam Twarog, GMP
Dan Kopin, VELCO
David Mullet, AllEarth Renewables
Drew Clayson, VPPSA
Henry Swayze, Royalton Community Radio
Isaac Gillen, VEC
Jackie Pratt, Stowe
Jay Pilliod, VEIC
Jeff Cram, GF
JJ Vandette, WEC
Jonathan Dowds, REV
Khalid Osman, VELCO
Laura Coriell, Lightshift
Lawrence Mott, Grid United
Marc Allen, VELCO
Mark Sciarrotta, VELCO
Mary Jo Krolewski, PUC
Mike Fiske, VELCO
Molly Connors, NEPGA
Morgan Casella, Dynamic Organics
Paul Lambert, VEIC
Sarah Adams, ISO-NE
Serge Abergel
Tom Dunn, VELCO
Tom Knauer, PUC

Tom Lyle, BED
Warren Coleman, MMR