

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7873

Programmatic Changes to the Standard-Offer Program)

Order entered: 1/29/2015

**ORDER RE: VERMONT SYSTEM PLANNING COMMITTEE RELIABILITY PLAN
AND ENERGY EFFICIENCY GEOTARGETING RECOMMENDATIONS**

I. INTRODUCTION

On October 30, 2014, the Vermont System Planning Committee¹ ("VSPC") filed recommendations for the geographic targeting of energy efficiency ("geotargeting") as well as the need for reliability plans in accordance with the Screening Framework and Guidelines for Implementation of 30 V.S.A. § 8005a(d)(2) adopted in this proceeding (the "VSPC Recommendations"). In this Order, the Vermont Public Service Board ("Board") adopts the VSPC Recommendations.

II. BACKGROUND AND PROCEDURAL HISTORY

On March 1, 2013, the Board issued an Order implementing significant changes to the Sustainably Priced Energy Enterprise Development ("SPEED") standard-offer program as required under 30 V.S.A. §§ 8005a and 8006a.² The March 1 Order established a Screening Framework and Guidelines, pursuant to Section 8005a(d)(2), that provides potential standard-offer plant developers with adequate information, at least annually, regarding transmission-

1. The Vermont System Planning Committee was created for the purpose of facilitating least-cost integrated resource planning for Vermont's transmission system. *Investigation into Least-Cost Integrated Resource Planning for Vermont Electric Power Company, Inc.'s Transmission System*, Docket 7081, Order of 6/20/07. As part of its planning efforts, the VSPC has been tasked with making recommendations to the Board regarding transmission- and distribution-constrained areas of Vermont where targeted energy efficiency or distributed generation projects could be beneficial.

2. Docket No. 7873/7874, Order dated March 1, 2013 (the "March 1 Order").

constrained areas in which renewable generation having particular characteristics may provide "sufficient benefits" to the operation and management of the electric grid. As required by Section 8005a(d)(2) and as implemented in the Screening Framework and Guidelines, projects deemed to provide sufficient benefits shall not count toward the cumulative capacity amount of the standard-offer program.

On May 30, 2013, the Board concluded that there were currently no transmission-constrained areas where such renewable generation projects would provide sufficient benefits to the operation and management of the grid. The Board also directed affected utilities to continue to analyze any identified constraints and to submit Reliability Plans in 2014 consistent with the requirements of the Screening Framework and Guidelines.

On January 24, 2014, the Board issued an Order in proceeding number EEU-2013-11 approving the VSPC Process Improvement Analysis (the "VSPC Analysis") that was filed on October 7, 2013. As part of the VSPC Analysis, the VSPC created a geotargeting process map, which includes a step for making concurrent recommendations to the Board regarding areas that require Reliability Plans, as well as any recommendations to discontinue energy efficiency geotargeting in an area.

On February 20, 2014, the Board modified the Screening Framework and Guidelines to address potential sub-transmission and distribution-constrained areas.

On May 30, 2014, the Board concluded — based on analyses submitted by the VSPC and Green Mountain Power Corporation ("GMP") — that there were currently no constrained areas where renewable generation projects would provide sufficient benefits to the operation and management of the grid, with the potential exception of the Rutland area. The Board also noted that GMP had not filed a final Reliability Plan. Therefore, the Board had insufficient information to determine whether standard-offer projects might provide sufficient benefits to mitigate the Rutland area's reliability deficiency. Accordingly, the Board directed GMP to provide a final Reliability Plan for the Rutland area, as required by the 2014 Screening Framework, as soon as practical, but no later than April 1, 2015. In addition, the Board directed GMP to file, within

30 days of its Order, a complete timeframe with clear milestones indicating specifically when the final Reliability Plan for the Rutland area would be completed.³

On October 30, 2014, the VSPC filed its Recommendations for 2015, which includes areas served by GMP.

On November 6, 2014, the Board issued a memorandum to the Docket 7873/7874 and energy efficiency utility service lists seeking comments on the VSPC Recommendations.

No comments addressing the VSPC Recommendations have been filed.

III. THE VSPC RECOMMENDATIONS

The VSPC Recommendations consist of three distinct recommendations: (1) there are no newly identified areas that "screen in" using the applicable screening tools for the potential to be resolved with non-transmission alternatives ("NTAs"); therefore, no new reliability plans are required; (2) no regulatory action is required at this time related to previous Board determinations to discontinue geotargeting in St. Albans in 2015; and (3) no new areas have been identified where geotargeting has the potential — as defined in the applicable screening tool — to cost-effectively avoid or defer an infrastructure project; therefore, no new geotargeting should be undertaken.

1. No new reliability plans

Paragraph 1 of the Screening Framework and Guidelines for Implementation of 30 V.S.A. § 8005a(d)(2) ("Screening Framework") states:

The Vermont System Planning Committee ("VSPC") processes, reporting mechanisms, public engagement, and subcommittees shall be utilized for the purpose of making recommendations to the Public Service Board ("Board") regarding constraints within the electric grid, and the potential for non-transmission alternatives ("NTAs")⁴, including new Sustainably Priced Energy Enterprise Development ("SPEED") standard-offer plants, to mitigate those constraints, pursuant to 30 V.S.A. § 8005a(d)(2). Generation developers may participate in all VSPC processes and subcommittees subject to applicable

3. GMP did not make the timeframe filing required by the Board's May 30, 2014, Order.

4. For the purposes of this document, the term "NTA" refers to alternatives that could address constraints on transmission, sub-transmission, or distribution systems.

procedures for access to Critical Energy Infrastructure Information and consistent with Federal Energy Regulatory Commission Standards of Conduct. The VSPC shall make its recommendations to the Board no later than January 1 of each year, or more frequently if constraints are identified or analysis is completed mid-year.

The VSPC states that the Screening Framework directs that transmission constraints shall be screened for their potential to be resolved by NTAs using the NTA screening tool adopted by the VSPC pursuant to the Docket No. 7081 Memorandum of Understanding. Distribution constraints shall be screened for NTA potential using the screening tool established in Docket No. 6290. Utilities may use either screening tool for the purpose of screening sub-transmission constraints. A host utility with a constraint that "screens in" using the applicable screening tool must file a reliability plan addressing the constraint by April 1, following the January 1 due date of the VSPC recommendation (or sooner if constraints are identified or analyzed mid-year).

The VSPC represents that reports were filed by the utilities for any constrained areas that screened in. GMP and the Vermont Electric Power Company, Inc. ("VELCO") presented upcoming infrastructure projects and vetted the results of screening using the applicable screening tool. Between May and September, 2014, GMP and VELCO presented the NTA screening results of all currently identified reliability constraints to the VSPC Geotargeting Subcommittee ("GTS"). The VSPC review process revealed that no new areas screen in that would require new reliability plans.

VELCO Connecticut River

The VSPC states that VELCO updated the NTA Screening Analysis for the Connecticut River reliability region identified in the 2012 Vermont Long-Range Transmission Plan. The outcome of that analysis was a change to the infrastructure solution — from installing a second line to rebuilding the existing line. The VSPC contends that NTA re-screening showed that an NTA would not be a viable solution.

GMP St. Albans

The VSPC states that GMP's analysis of St. Albans shows that the need date for a reliability solution, even under an aggressive growth scenario, is not until 2021, and even then it

is unlikely that major upgrades would be necessary to address the deficiency. GMP will continue to monitor the area. Accordingly, a new reliability plan for St. Albans is not required at this time.

GMP Rutland

The VSPC states that GMP's plan for Rutland was preliminary and that further analysis is currently underway. The VSPC observes that the further analysis may reveal the potential for cost-effectively addressing the reliability gap with targeted energy efficiency, demand response, battery storage, distributed generation, or a combination thereof. GMP will file its updated reliability plan in April 2015.

GMP Hinesburg

The VSPC states that the Hinesburg area remains the subject of ongoing consideration. The VSPC represents that GMP contends that the Hinesburg area cannot feasibly be addressed with NTAs due to the long distance between the load center and the substation supply. The GTS held substantive discussions, and its questions were satisfied. Formal acceptance of the GTS recommendation — that the reliability constraint screens out for NTA consideration — has not yet occurred.

2. Discontinue Geotargeting in St. Albans

The VSPC states that St. Albans is the only area where geotargeting is currently taking place, and that the St. Albans geotargeting program is scheduled to be discontinued in 2015, consistent with GMP's reliability plan for that area. The VSPC reiterates that according to the St. Albans reliability plan, declining loads have deferred the need for any measures until at least 2021. St. Albans was geotargeted in the three-year period from 2012-2014, and based on GMP's analysis, cessation of geotargeting in St. Albans was incorporated into Efficiency Vermont's plans for 2015. Accordingly, the VSPC contends that no regulatory action is required at this time and geotargeting will be discontinued.

3. No New Areas Warrant Geotargeting

The VSPC recommends that, as with the first recommendation, because no new area has been identified by any utility that "screens in" and therefore requires a reliability plan pursuant to the Screening Framework, no new geotargeted energy efficiency is needed at this time. This also means that there are no newly identified areas where distributed generation can provide sufficient benefit to merit being treated as outside the standard-offer program limit on capacity. The VSPC observes that the two reliability plans filed by GMP in April 2014 for St. Albans and Rutland did not call for geotargeting. The Rutland area continues to be under study, and upon the completion of GMP's analysis, geotargeting may be a component of the NTA solutions proposed in GMP's reliability plan, which is to be filed in April 2015. The VSPC will make a recommendation regarding any future geotargeting in Rutland upon review of the April 2015 reliability plan.

IV. DISCUSSION AND CONCLUSION

After due consideration, and in the absence of any objection, we adopt the VSPC Recommendations. Therefore, no new reliability plans pursuant to the Screening Framework are required at this time, and no geotargeting of energy efficiency in 2015 is approved at this time. In addition, no areas have been identified where standard-offer plants can provide sufficient benefit to warrant being treated as outside the standard-offer program limits on annual capacity.

SO ORDERED.

Dated at Montpelier, Vermont, this 29th day of January, 2015.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/John D. Burke</u>)	BOARD
)	
)	OF VERMONT
<u>s/Margaret Cheney</u>)	

OFFICE OF THE CLERK

FILED: January 29, 2015

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

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