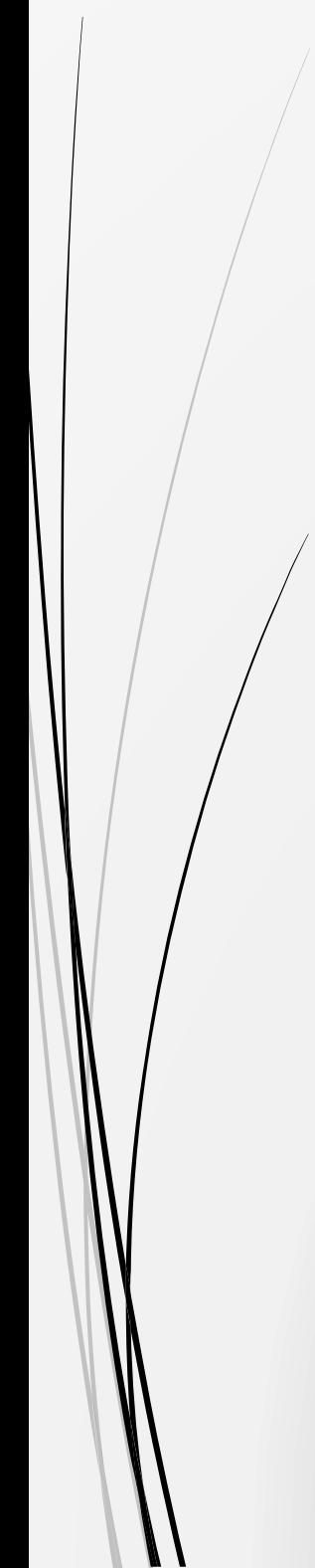


# Vermont Public Power Supply Authority

2016 Annual Report





***VPPSA's Vision:***

***To promote and celebrate public power in Vermont and beyond.***

***VPPSA's Mission:***

***VPPSA's mission is to provide exceptional essential services to its member utilities.***

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**Joint Action at Work**

Vermont Public Power Supply Authority (VPPSA) is a joint action agency established by act of the Vermont General Assembly on July 1, 1979 and codified as Title 30 VSA, Chapter 84. VPPSA is an instrumentality of the State of Vermont, which primarily means that as a govern-

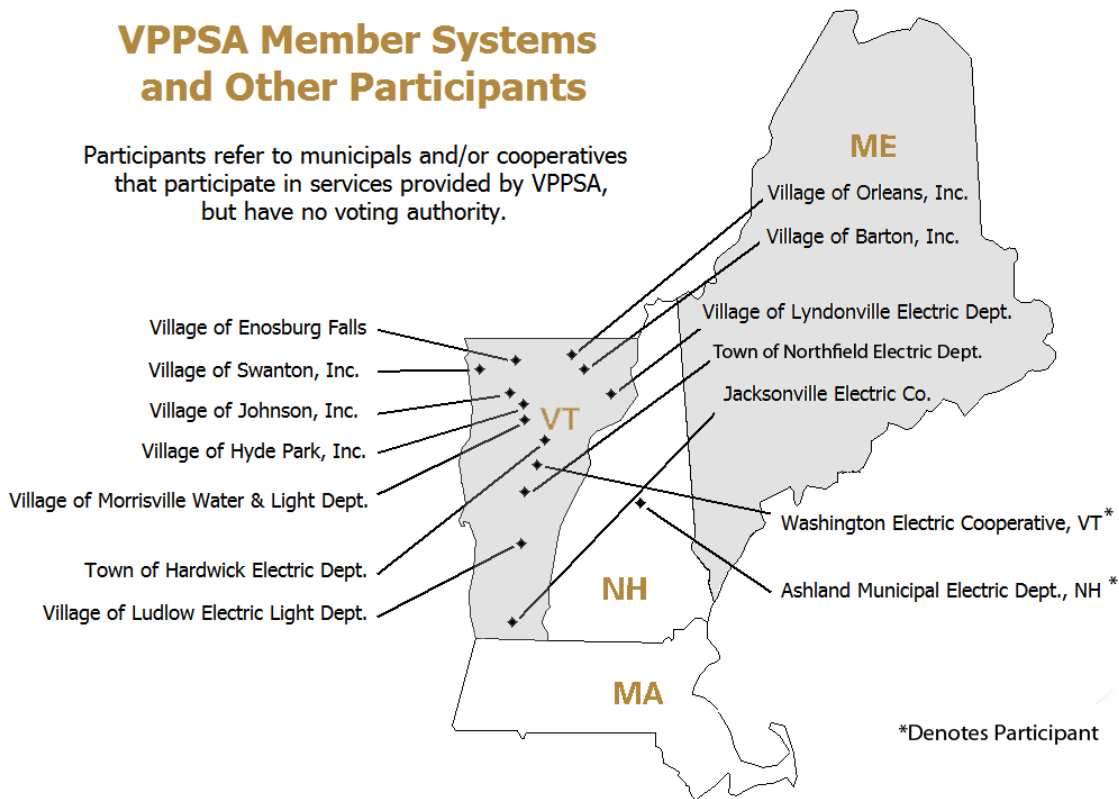
mental agency, bonds or notes issued by VPPSA are exempt from taxation (subject to IRS rules).

In addition, VPPSA is authorized by the State of Vermont to charge sufficient amounts to guarantee recovery of all costs. VPPSA provides its members with a broad spectrum of joint action services, as defined by the VPPSA Board of Directors. VPPSA is governed by a members' Board of Directors. Our membership includes 12 consumer-owned municipals in Vermont. The select board, trustees, or commissioners of each municipality appoints its VPPSA Director. In this way, our member board has equal representation, which consists of one director from each municipality.

VPPSA also provides services to other municipals and cooperatives both within and outside Vermont. These systems are considered participants rather than members. Participants differ from members in that they have no representation on the VPPSA Board. These systems have access to VPPSA's project services at the discretion of the Board. To the extent that participants take part in VPPSA projects, they are bound by the same terms and conditions as the members.

**VPPSA Member Systems and Other Participants**

Participants refer to municipals and/or cooperatives that participate in services provided by VPPSA, but have no voting authority.





## Message from the Chairman

The year 2016 was a year of transition for VPPSA and its twelve member systems. Several members saw new leadership arrive as some long time VPPSA Directors entered well deserved retirements. Barton Village Inc., the Village of Johnson Electric Department, and Lyndonville Electric Department all transitioned to new leadership this year. In September VPPSA said farewell to the steady hand of its well respected General Manager, David Mullett, as he returned to private law practice. The transition to incoming General Manager, Ken Nolan, was extremely smooth, and Ken was able to guide the strategic planning process the Board had begun in 2015 to a successful completion. The final strategic plan builds on our adopted vision “to promote and celebrate Public Power in Vermont and Beyond”, as well as our mission “to provide exceptional essential services to its member utilities” with concrete Goals and Actions for the upcoming 5-year period. VPPSA once again finished the

year in a strong financial position having maintained our positive bond rating on our Swanton Peaker plant. The Swanton peaking units produced positive results for us once again in 2016, and we continue to hold our longstanding ownership interests in McNeil and in the Highgate converter station. With the changes in leadership the Board decided to become more active and implemented a bi-monthly board meeting schedule with meetings of our three committees occurring in alternate months.

The theme of transition continued into the regulatory realm with changes of administration at both the state and federal level. VPPSA continues to be very active at the state, regional and federal levels both directly and through its partnerships with the New England Public Power Association (NEPPA), the American Public Power Association (APPA), and Transmission Access Policy Study (TAPS) group. We continue to participate heavily in Public Service Board matters such as the promulgation of a new net metering rule, revision of Vermont’s longstanding Public Utility Regulatory Policies Act (PURPA) rule, and the establishment of implementation standards and methods under Vermont’s comprehensive Renewable Energy Standard (RES) legislation.

I want to thank our VPPSA Board of Directors and staff for the hard and diverse work that has been done this year to continue not only to meet the challenges before us, but to anticipate future ones in this period of change for our industry and our customers. Though we saw several changes in personnel this year, VPPSA’s dedication to public power and the customers we serve has not changed. Lastly, I would like to thank long-time Board member Ken Mason, who retired this year after serving on the VPPSA Board for 37-years, for his hard work and dedication to VPPSA and to Public Power.

John Morley

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## VPPSA Members

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**Barton Village** - The Village of Barton is located in the northeast corner of Vermont in Orleans County. It was incorporated in 1789 and its electric department was formed in 1893. Its service area is between fifteen and twenty square miles within the Town of Barton boundaries and portions of the Towns of Brownington, Charleston, Irasburg, Orleans, Sutton and Westmore. During 2015, the Village provided electrical service to 2,112 customers, most of which were residential customers accounting for 74% of energy sales, followed by commercial customers at 20%, and the remaining 6% from area lighting and other. During 2015, the Town experienced a peak demand in January of approximately 2,935 kW. **VPPSA Director: Evan Riordan**

**The Village of Enosburg Falls** - The Village of Enosburg Falls is located in the northwest corner of Vermont in Franklin County. It was incorporated in 1886 and its electric department was formed in 1896. It serves a 70 square mile service area within the Village boundaries and the Towns of Enosburg, Sheldon, Bakersfield, Berkshire, Fairfield and Franklin. During 2015, the Village provided electrical service to 1,727 customers, most of which were residential customers accounting for 54% of energy sales, followed by large commercial and industrial sales of 34%, small commercial sales at 7%, and the remaining 5% from area lighting and other. During 2015 the Village experienced a peak demand in January of approximately 4,559 kW. **VPPSA Director: Jonathan Elwell**

**Hardwick Electric Department** - The Town of Hardwick is located in the north central portion of Vermont in Caledonia County. It was incorporated in 1894 and its electric department was formed in 1897. The Hardwick Electric Department serves a 174 square mile service area within the Towns of Hardwick, Craftsbury, Greensboro, Woodbury, Wolcott, Calais, Elmore, Hyde Park, Eden, Stannard and Walden. During 2015, the Town experienced a peak demand in February of approximately 6,687 kW and provided service to 4,493 customers, most of which were residential customers accounting for 71% of energy sales, followed by small commercial sales at 15%, large commercial and industrial sales at 13%, and other sales at less than 1%. **VPPSA Director: Mike Sullivan**

**The Village of Hyde Park** - The Village of Hyde Park was incorporated in 1894 and is located in the north central portion of Vermont in Lamoille County. It serves customers within the Village boundaries and extending throughout the Town of Hyde Park and into a small portion of the Town of Johnson. During 2015, the Village provided electrical service to 1,387 customers, most of which were residential customers accounting for 71% of energy sales, followed by commercial customers at 24%, and the remaining 5% from area lighting and other. During 2015, the Village experienced a peak demand in January of approximately 2,294 kW. **VPPSA Director: Carol Robertson**

**The Village of Jacksonville** - The Village of Jacksonville is located in southern Vermont in Windham County. It was incorporated in 1904 and its electric department was formed the same year. It serves a 50 square mile service area within the Village boundaries and the Town of Whitingham. During 2015, the Village provided electrical service to 698 customers, most of which were residential customers accounting for 70% of energy sales, followed by commercial customers at 29%, and less than 1% from area lighting and other. During 2015, the Village experienced a peak demand in January of approximately 1,075 kW. **VPPSA Director: Joseph Winter**

**The Village of Johnson** - The Village of Johnson is located in the northern part of Vermont in Lamoille County. The Village was chartered in 1894 and its electric and water departments were formed the same year. Its service area is the Village of Johnson, extending a limited distance into the Town of Johnson, comprising approximately 30 miles of distribution lines. During 2015, the Village provided electrical service to approximately 943 customers. Of these, residential customers account for 38% of energy sales, followed by small and large commercial customers at 28%, industrial customers at 27% and the remaining 7% from area lighting and other. The largest user by kWh is Johnson State College. During 2015, the Village experienced a peak demand in February of approximately 2,563 kW. **VPPSA Director: Meredith Birkett**

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## VPPSA Members

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**The Village of Ludlow Electric Dept.** - The Village of Ludlow is located in the south central portion of Vermont in Windsor County. It was incorporated in 1866 and its electric department was formed in 1900. It serves a 23 square mile service area within the Village boundaries and portions of the Towns of Ludlow, Cavendish, Proctorsville and Plymouth. During 2015 the Village experienced a peak demand in December of approximately 12,242 kW and served 3,637 customers. Skiing is an important industry in the area. In 2015, residential customers accounted for 36% of energy sales, large commercial and industrial customers accounted for 25%, and small commercial customers accounted for 38% of energy sales. The remaining less than 1% of sales came from area lighting and other customers. **VPPSA Director: James Pallotta**

**The Village of Lyndonville** - The Village of Lyndonville is located in the north east portion of Vermont in Caledonia County, an area known as the Northeast Kingdom. It was incorporated in 1880 and the electric department was formed in 1894. It serves a 246 square mile service area within the Village boundaries and the Towns of Burke, East Haven, Glover, Kirby, Lyndon, Newark, Sheffield, St. Johnsbury, Sutton, Westmore and Wheelock. The Village provided service in 2015 to 5,742 customers, and experienced a peak demand in January of approximately 12,259 kW. In 2015, residential customers accounted for 50% of energy sales, large commercial and industrial accounted for 20%, small commercial customers accounted for 18% of energy sales, and the remaining 12% came from street lighting and other. **VPPSA Director: Bill Humphrey (appointed Dec. 2016)**

**The Village of Morrisville Water & Light Dept.** - The Village of Morrisville is located in the north central portion of Vermont in Lamoille County. It was incorporated in 1884 and its electric department was formed in 1895. It serves a 73 square mile area within the Village boundaries and the Towns of Morrystown, Elmore, Hyde Park, Stowe, Wolcott and Johnson. During 2015, the Village provided service to 4,012 customers, and had a peak demand in August of approximately 8,957 kW. In 2015, residential customers accounted for 47% of energy sales and commercial and industrial customers accounted for 53% of energy sales and less than 1% came from street lighting and other. **VPPSA Director: Craig Myotte**

**The Town of Northfield Electric Dept.** - The Town of Northfield is located in the central portion of Vermont in Washington County. It was chartered in 1781 and its electric department was formed in 1894. It serves a 13 square mile service area within the Towns of Northfield, Berlin and Moretown. During 2015, the Village served 2,210 customers and had a peak demand in September of approximately 5,119 kW. In 2015, residential customers accounted for 36% of energy sales and commercial and industrial customers 57%, with its largest industrial accounting for 28% of energy sales. The remaining 7% of usage came from area lighting and other. **VPPSA Director: Stephen Fitzhugh**

**The Village of Orleans** - The Village of Orleans is located near the Canadian border in Orleans County. It was incorporated in 1789 and its electric department was formed in 1925. It serves 38 miles of electric line within the Village boundaries and portions of the Towns of Barton, Brownington, Coventry and Irasburg. During 2015, the Village provided electrical service to 669 customers, most of which were residential customers accounting for 31% of energy sales, followed by commercial customers at 13%, and 4% from area lighting and other. The Village's largest customer is an industrial customer that accounts for 52% of energy sales. During 2015, the Village experienced a peak demand in February of approximately 3,402 kW. **VPPSA Director: John Morley III**

**Swanton Village** - Swanton Village is located in the upper northwest portion of Vermont in Franklin County. It was incorporated in 1888 and the electric department was formed in 1894. It serves an area of 56 square miles within the Village boundaries and the Towns of Swanton and Highgate Falls. During 2015 the Village served 3,668 customers, and experienced a peak demand of approximately 10,961 kW in August. In 2015, residential customers accounted for 48% of energy sales, commercial and industrial customers accounted for 50% of energy sales and the remaining 2% from area lighting and other. **VPPSA Director: Reginald Beliveau, Jr.**

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## 2016 Highlights

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### *Rates and Planning*

During 2016 VPPSA continued to support members' ongoing regulatory reporting needs (annual reports, DOE reports, SQRP related reports), and worked collaboratively with the regulators in various areas including ongoing development and filing of multiple member Transmission and Distribution sections for their IRPs. The members' T&D sections have been filed on a rolling-basis. At this time, MOU's related to member IRP T&D sections have been successfully negotiated with DPS for four members, with another four in progress and nearing completion. The remainder are in development. All of the T&D sections that were filed with the DPS have also been filed with the PSB. So far, the PSB has approved the first two.

Significant resources were devoted to net metering related activities including member educational and direct support efforts, participation in development of formal comments submitted in the PSB's Rule 5.100 development process and ultimately development of revised net metering tariffs compliant with the newest revision of Public Service Board Rule 5.100. Revised net metering tariffs were filed on December 1, 2016, becoming effective January 1, 2017. Approval of these tariffs was received December 30, 2016 subject to a subsequent compliance filing. The required compliance filing was submitted in mid-February and is currently awaiting PSB approval. VPPSA continues to support resolution of members' day-to-day net metering related billing challenges.

VPPSA's planning tools used to analyze and project retail revenue, anticipate financing needs, and identify rate increase requirements continue to be refined and expanded. Two rate cases were successfully completed during 2016 and additional revenue cases accompanied by class cost study/rate design cases are anticipated to be filed in the upcoming year. During 2016 the regulatory environment surrounding rate filing activity continued to require a high level of formality, along with an increased likelihood of investigation in any given instance. VPPSA continues to work diligently to maintain an open and positive working relationship with stakeholders and regulators to minimize regulatory risk.

VPPSA participated in the development, filing, and approval of a new member-owned and operated pilot program and corresponding tariff for electric vehicle charging stations, as well as coordinating member response to the Volkswagen Settlement discussions with hopes of receiving money for EV charging infrastructure. Other related projects included participation in the development of the statewide Deep Thunder weather forecasting effort, participation in an NPCC desk audit of VPPSA compliance as well as NPCC compliance and standards workshops and active support of the Municipal Electric Association of Vermont (MEAV) meetings.

Looking toward 2017, VPPSA expects continuing rate case and rate design efforts, an increasing focus on financial planning tools particularly in the areas of capital planning and retail revenue projection, and ongoing regulatory efforts both in reacting to new rules and in assisting members with reporting needs.

### *Information Systems and Support Services*

VPPSA made several enhancements on the Information Technology front in 2016. A project was completed to upgrade the Itron MV90 meter interrogation system to improve VPPSA's ability to interrogate meters, especially utilizing functionality to interrogate over TCP/IP Ethernet.

NERC Critical Infrastructure Protection (CIP) requirements continue to be a significant focus for VPPSA, specifically related to the Project 10 Generating Facility. In addition to compliance efforts, VPPSA began preparing for the change to CIP Version 5 during 2016. This effort will continue toward a 2017 implementation.



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## 2016 Highlights

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Efforts were undertaken to enhance VPPSA's capabilities as a mobile workforce. The telephone systems were upgraded to the latest cloud-based technology using Ring Central as the Voice Over IP vendor. The implementation was completed in late December, with refinements planned for 2017. Video conferencing implementation is planned for early 2017 as part of this project.

Desktop platforms were upgraded to Microsoft Office 365. This effort provides VPPSA staff with the latest productivity technology available and will further enhance communication throughout VPPSA constituencies.

A new automated physical entry system to the VPPSA headquarters building in Waterbury Center was completed. The system utilizes key FOB's to gain entry into the building. This system will enable VPPSA to easily track individuals who have access to the building. The FOB can be activated/deactivated at any time to control access, replacing manual attempts of key tracking. The system positions us well for any security enhancements that may be required in the future.

In addition to managing and maintaining its own building and electronic infrastructure, VPPSA also provided technology support to its members assisting with computer maintenance, cyber security, meter interrogation, and other functions.

During 2016 VPPSA placed greater emphasis on technology and mobile workforce upgrades that will position it, and its members, to adapt to a changing energy industry.

## Legislative and Regulatory Affairs

Throughout 2016 VPPSA staff actively participated in statewide regulatory proceedings at the Public Service Board through workshops, hearings, and the submission of written comments. Significant staff efforts were devoted to the comprehensive revision to the state's net metering program, modifications to Rule 4.100, which is Vermont's implementation of the Public Utilities Regulatory Policies Act (PURPA), and programmatic adjustments to the Standard Offer Program to comply with legislation passed in 2016. Staff also commenced planning for implementation of Vermont's Renewable Energy Standard (RES), which took effect in 2017.

VPPSA was an active participant in the Vermont System Planning Committee (VSPC), including the geotargeting and forecasting subcommittees, on behalf of its municipal member systems. Quarterly meetings were held with staff from Efficiency Vermont to promote coordination between the energy efficiency utility and the VPPSA members.

In 2016 VPPSA actively monitored relevant state legislative proceedings and testified in front of the appropriate House and Senate committees. VPPSA proposed legislation that ultimately passed aligning the voting requirements for power supply purchases by municipal utilities with the voting requirements under Section 248.

At the national level, the VPPSA participated in the Transmission Access Policy (TAPS) group, the American Public Power Association (APPA), and the Northeast Public Power Association (NEPPA) attending Legislative Rally's and helping to craft policy positions before Congress and the Federal Energy Regulatory Commission (FERC).

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## 2016 Highlights

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Looking towards 2017, VPPSA will remain focused on the net metering rulemaking, RES implementation, and potential revisions to the Standard Offer Program to address concerns about program cost allocation.

### Finance

The overall financial integrity of the Authority continues to remain strong. This is attributable to a sound membership with a commitment to timely payments. This provides the Authority with a strong cash flow position and little need to draw on the Authority's operating line of credit. In 2016 and 2015, the Authority realized an increase in net assets of approximately \$2.2M and \$1.9M, respectively (exclusive of other comprehensive income activity).

With the addition of approximately \$29.8M in assets and liabilities since 2008, VPPSA's balance sheet has seen significant growth, doubling its size (63% increase). This growth is primarily due to the 2009 construction of a new generating facility located in Swanton, Vermont known as "Project #10," the cumulative purchases of membership units in Vt. Transco, LLC, (TRANSCO), Vermont's transmission provider, and the facility upgrades implemented at the Highgate Converter Facility, in which VPPSA holds a 9.36% ownership share.

Project 10 became fully operational in 2010, and as of February 1, 2010, the project participants are being invoiced and meeting their obligations as established under the Power Sales Agreements with the Authority. The economic benefits the participants received in 2016 and 2015 exceeded the participant cost by approximately \$62K and \$973K, respectively, making the project beneficial to those participants by reducing their overall power supply costs.

Over the last several years, the distribution utilities have had the opportunity to purchase equity in the form of membership units in Vermont's transmission provider, Vt. Transco, LLC. As an alternative to purchasing the membership units directly, those utilities that are members of the Authority, or are eligible to be a member of Authority, have the option to direct the Authority to purchase the units that are so offered to that utility, should the Authority's Board of Directors authorize overall financing of the purchases. As a result, the Authority has worked with its members and one non-member cooperative, to help facilitate their ability to realize the economic benefits of these offers. As of December 31, 2016, the Authority owns a total of 3,656,239 TRANSCO membership units, at a value of \$36,562,390 for the direct benefit of its members. As shown in the Authority's financial statements, TRANSCO equity purchases earn an average rate of return of 12.51%. Currently, this rate of return is significantly higher than the related debt service, resulting in an economic benefit that is passed on to the members and/or non-members. This provides an additional revenue stream that reduces the members' costs and ultimately the cost to their ratepayers.

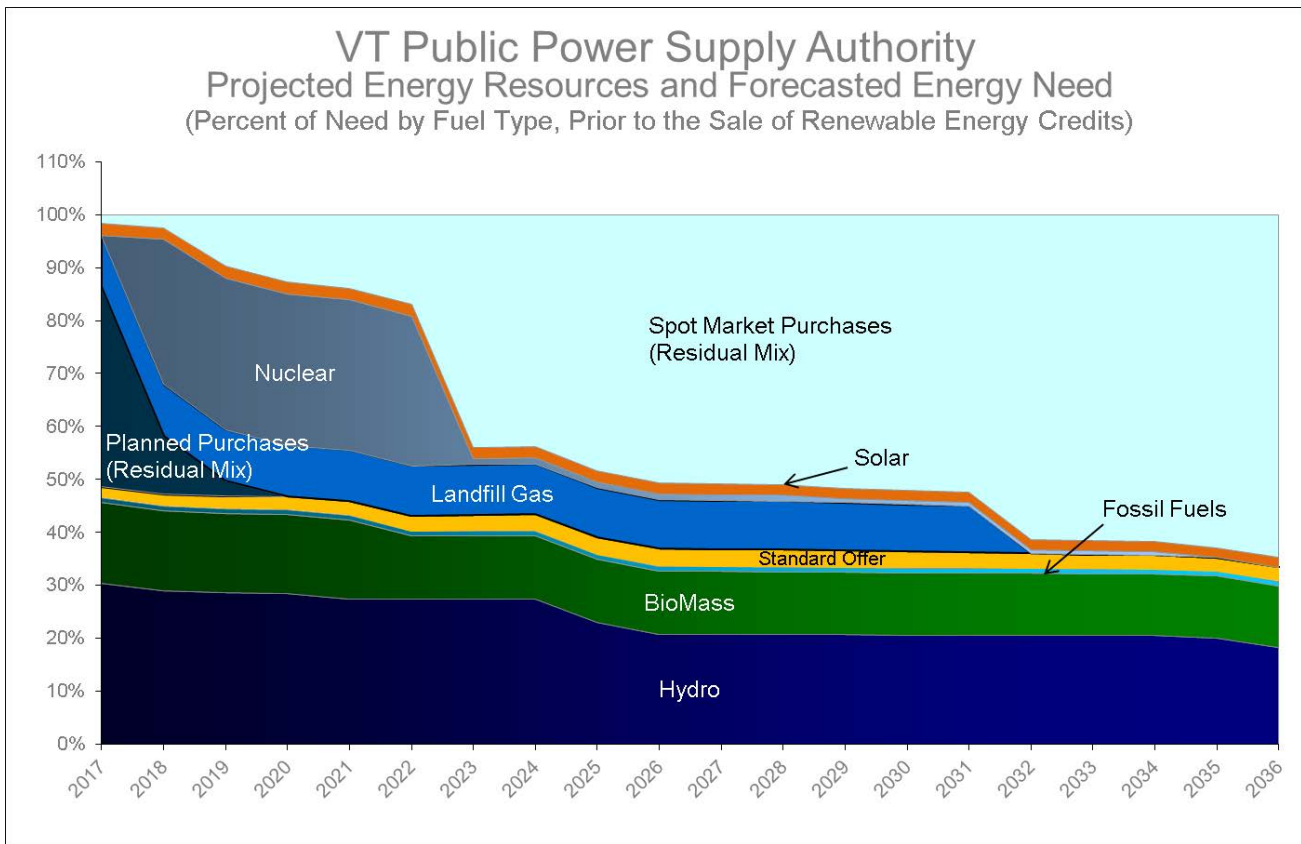
During 2016 and 2015, the Authority continued to pay down principal on existing debt obligations (bonds and long-term debt) in the amount of \$4.9M and \$5.5M, respectively. This decline in debt levels further strengthens the Authority's financial position. A major milestone in 2015 was the maturity of the McNeil bonds that were issued in the 1980's, with the final bond payment paid on July 2, 2015.

In 2016, Moody's Investor Services conducted a review of the rating assigned to the Authority's Project 10 project revenue bonds. Moody's maintained the Project 10 revenue bonds rating of Baa1 with a stable outlook.

# 2016 Highlights

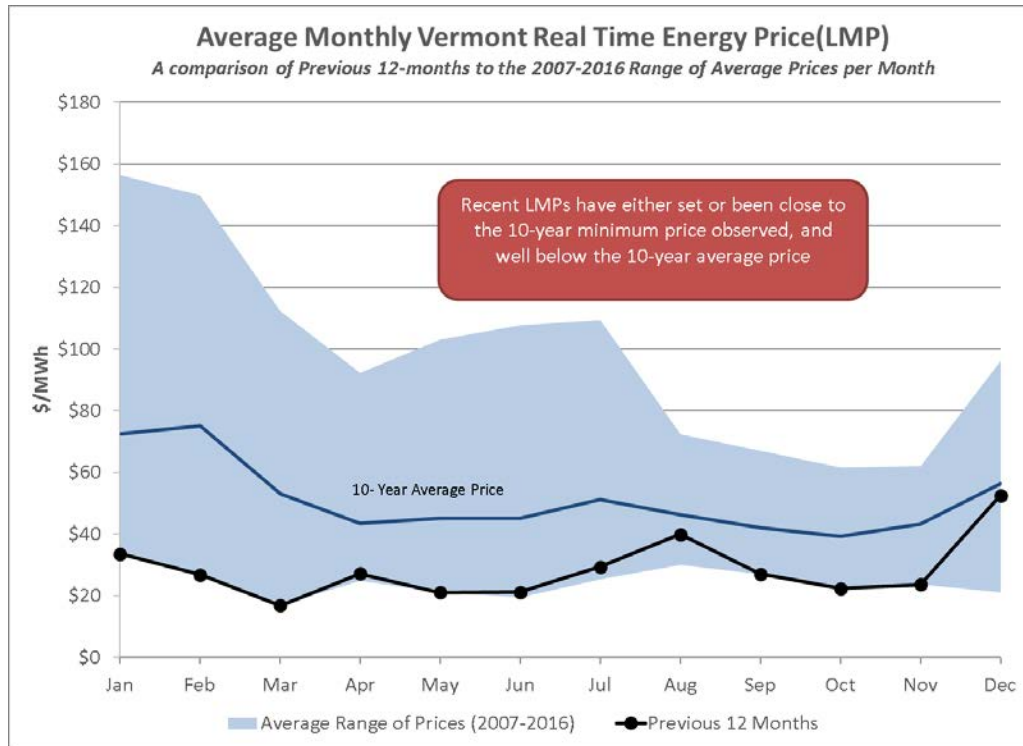
## Power Supply

**Long-Term Portfolio** — VPPSA has remained active in exploring long-term Power Purchase Agreements (PPAs) in 2016. VPPSA membership has indicated that fuel diversity, cost, and flexibility are priorities, and staff continues to review projects with these goals in mind. In 2016, VPPSA discussed potential agreements for the provision of energy generation, capacity, and/or renewable energy attributes from sources including solar, wind, and small hydro, along with medium-term generation fueled by nuclear or firm “market” contracts (sourced by the region’s residual mix). Discussions focused mainly on solar and hydroelectric energy in 2016, with the “New England Hydro” agreement for energy and capacity from approximately 12MW of hydro resources approaching final stages of completion as 2016 closed. The chart below shows VPPSA’s overall energy resource position (not including the potential “New England Hydro” resource, which would satisfy approximately 10% of forecasted need beginning in 2018).



VPPSA currently has resources to cover roughly 90% of its projected needs through the year 2022. As seen above, VPPSA’s portfolio has a diverse set of fuel types. Many of the resources above have fixed and/or known prices, shielding members from sudden price spikes due to fuel price volatility as experienced in the winter periods of 2013 and 2014. The chart on the following page shows that prices for energy in the summer and even the beginning of winter have fallen below the average monthly price since the current market began. In contrast, the winter average price for February 2015 was the second highest average price seen since 2003, highlighting that the energy markets continue to be volatile with extreme highs and lows in recent years. VPPSA’s current portfolio of resources has protected the members from much of this volatility.

## 2016 Highlights



Even with this volatility overall energy prices continued to decline in 2016, helping create a favorable environment for VPPSA to negotiate long-term PPAs and secure additional fixed price contracts.

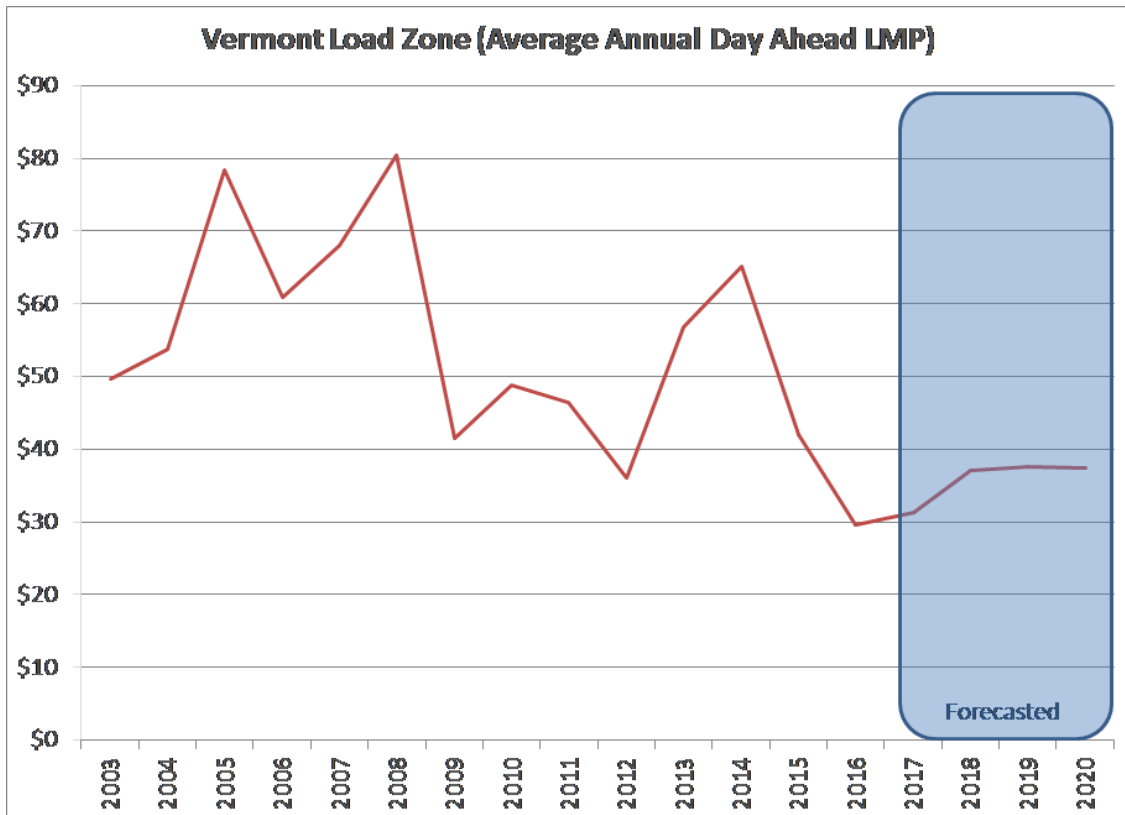
Implementation Rules for Vermont's Renewable Energy Standard (RES), which begins in 2017, were completed in 2016. In response, VPPSA staff began the analysis for the least cost solution to meet its member's obligations – including the best use of currently owned resource attributes and possible new purchases.

**Standard-Offer Program** – In 2015, VPPSA was awarded Standard Offer contracts for 485 and a 500kW solar PV projects in Lyndonville Electric Department's (LED) service territory. During 2016, VPPSA worked toward construction of these projects in coordination with LED and the town of Lyndon, the Northeastern Vermont Development Association, the Vermont Agency of Natural Resources and Public Service Department, and other stakeholders. Applications for Certificates of Public Good for each project were filed in December 2016, and the projects are forecasted to be commissioned in late 2017.

**Planned Purchasing** – VPPSA continued its Planned Purchasing program in 2016. The Planned Purchasing program blends a systematic structure with continual market monitoring and judgement. Under this approach, VPPSA reviews market exposure every six months to analyze the benefits and costs associated with making a market purchase, which if made, reduces exposure to price uncertainty and volatility. By staggering purchases over time, members are able to diversify their counterparties and contract prices. This is akin to the concept of dollar cost averaging used in investing and results in lower realized power price volatility. With low forecasted market prices for energy, opportunities continued in 2016 to lower the average overall cost of the VPPSA energy portfolio. As shown in the chart on the following page, lower than average prices

## 2016 Highlights

are expected to continue in the near term.



**Applications Development** – VPPSA undertook significant software development projects in 2016 to upgrade tools that support core activities. Primary efforts focused on coordination of Central Dispatch Agreement invoices with Power Bill Summary reporting, with the goal of creating a more reliable, streamlined, and transparent process that allows for more direct management, simpler maintenance, and future flexibility. Late-stage implementation testing began as the year ended. Incremental improvements were also made to a variety of applications supporting power supply functions such as market participation, data analysis, and forecasting.

**Transmission Cost Mitigation** – Costs for both regional and local transmission services have increased dramatically over the last decade and make up a significant portion of member’s charges. Mitigating these costs was a significant focus in 2016. Mitigation steps included removing internal generation from regional markets which has the effect of reducing demand system boundary (and therefore charges) during the State’s monthly peak, and implementation of mechanisms to notify members of potential monthly peak hours using the results of Vermont Weather Analytics project.

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## VPPSA Projects

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*The Authority has knowledge, experience, and access to tax-free bond financings. Its current projects include the following:*

**The J.C. McNeil Generating Facility (Project #2)** - The Authority owns 19% of the J. C. McNeil Generating Facility, located in Burlington, Vermont. The McNeil Station is managed by the Burlington Electric Department, which is the majority owner. McNeil continues to provide a reliable source for the project participants. The following chart identifies the capacity and availability factors for the plant over the last ten (10) years and demonstrates that the plant has been, and continues to be, a dependable resource for its owners. A major VPPSA milestone was realized in July 2015 with the maturity of the McNeil revenue bonds that were issued to construct the project in the early 1980's.

Year	Capacity Factor	Availability Factor
2016	69.7%	96.3%
2015	66.3%	82.3%
2014	65.7%	82.5%
2013	72.9%	89.7%
2012	51.3%	83.8%
2011	51.9%	84.9%
2010	62.1%	89.7%
2009	50.8%	89.3%
2008	57.6%	91.9%
2007	64.6%	91.5%

**The Highgate Converter Station (Project #3)** – The Authority owns 9.36% of the 225 mW AC-DC-AC converter station which connects the US and Quebec electric grids at Highgate, Vermont. The converter station provides Vermont with electricity imports from the Hydro-Quebec Trans Energie grid. The converter's availability remains above the industry average of 94-95%, and forced outages have been kept exceptionally low due to proactive maintenance on the facility equipment. Highgate continues to demonstrate outstanding reliability as noted in the table on the following page.

## VPPSA Projects

Year	Availability	Year	Availability
2016	97.5%	2011	97.4%
2015	97.5%	2010	97.6%
2014	97.6%	2009	96.6%
2013	97.6%	2008	97.5%
2012	88.8%	2007	98.0%

The Authority relies on the technical expertise of the Vermont Electric Power Company to provide the operations and maintenance support for the converter station.

***The Swanton Peaker Generating Facility (Project #10)*** – The Authority owns 100% of the peaking generating facility located in Swanton, Vermont. This facility was completed and entered commercial operation in 2010. The project consists of two GE Frame 5N turbines, each rated at 24 MW. As a peaking facility, the project is expected to operate infrequently. The two GE Frame 5N turbines are able to produce maximum capable output (24 MW) within ten minutes of being energized from a standing (off) state. This gives the units “Fast-Start” capabilities with the ISO-NE wholesale markets. The units are remotely controlled by the operators of the New England power grid, allowing the operators to quickly dispatch the units to help keep the power grid stable. The following chart identifies the operating statistics for the plant since it began operation.

Year	Runtime (Hrs)	Generation (MWh)	Capacity Factor	Availability Factor
2016	110	965.2	.3%	99%
2015	126	904.5	.3%	99%
2014	74	225.3	.1%	99%
2013	92	539.9	.2%	99%
2012	42	319.0	.1%	91%
2011	47	362.7	.1%	98%

This report, along with the 2016 Independent Auditors' Report, is included on the CD attached to the back cover in electronic format for your convenience. Questions concerning any of the information found in this report, requests for additional information, or requests for written copies should be directed to:

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The information may also be accessed on our website:  
[www.vppsa.com](http://www.vppsa.com)



Our Audit was performed by:

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