

**VERMONT PUBLIC POWER SUPPLY AUTHORITY  
MINUTES OF THE GENERATION AND OTHER ASSETS BOARD COMMITTEE**  
(numbers in bold type correspond with agenda item numbers)

July 19, 2017

- (1) The meeting was called to order at 2:05 p.m. at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.

Committee Directors present (X indicates present):

X	Evan Riordan, Barton (via phone)	Mike Sullivan, Hardwick
X	Craig Myotte, Morrisville	Reginald Beliveau, Swanton

Other Directors present:

Jon Morley III, Orleans	
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Alternates present:

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Others present:

Dave Gagne, VPPSA	Ken Nolan, VPPSA	Crystal Currier, VPPSA
James Gibbons, BED		

- (2) Director Morley chaired this meeting as Chairman Beliveau was unable to attend. Director Morley asked if there were requests for changes and/or modifications to the current agenda. There were none.
- (3) Director Morley asked if there were public comments and/or individuals who would like to address the Board. There was no public presence and therefore no comments were made.
- (4) Director Myotte made a motion to accept the minutes of the May 17, 2017 as presented. The motion was seconded by Director Riordan. Motion approved.
- (5) Project 10. Mr. Gagne stated that everything was going well at Project 10. The plant has not been called to operate yet in July. Fuel tanks are full. Mr. Nolan stated unit performance factor was 100% for Unit #1 and 99.9% for Unit #2. He also reported the Summer Forward Reserve Market auction cleared higher than budgeted– both clearing price (\$/kw-mo) and quantity (MW). FRM revenues will be \$40k per month (Jun-Sep) greater than budget, assuming continued high performance. Unit 1 – FRM Audit completed on 5/24 with performance of 20.99 MW for 10-minute output. VPPSA has not seen the reduction in black start revenues related to the partial failure of May 9, 2017 black start test. Net costs are \$84,000 below budget for the first 6 months.

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(6) Load Reducing Hydro Update. Mr. Nolan reviewed performance for the first six months. There has been \$241k of transmission savings for the VPPSA hydro owners participating.

Mr. Nolan then reported that VPPSA is proceeding with efforts to add Highgate Falls to the load reducing hydro pool of units. ISO will issue the Qualification Determination Notification (QDN) for Highgate Falls by the end of September.

(7) Project Updates.

- VPPSA Solar RFP – Mr. Nolan reported that he has the latest draft of the RFP, project locations have been received from members, and a vendor list is being developed. He expects the RFP to be issued next week. The bidders will be given 2 months to respond. VPPSA expects to review the bids received late fall and award bid by the end of the year.
- 2015 Standard Offer – Mr. Nolan reported the contract for the Lyndonville projects is being reviewed by VPPSA’s attorney. The contract is expected to be executed in the next couple of weeks. Ownership of the property is being done under the State’s BRELLA program to limit liability. The project is expected to be on line before the end of the year providing Standard Offer revenues in 2018.
- 2017 Standard Offer – Mr. Nolan reported that VPPSA’s projects have been recommended for award in the provider block by VEPI but the PUC has asked questions relating to the Brandon project. VPPSA filed responses to the PUC’s questions. We are awaiting the PUC decision. No issues were raised on the Trombley site. Director Myotte reported permitting is underway for the Trombley site. A site visit and hearing were held on July 11. No significant issues were raised. No one attended the hearing. Interrogatories have been received from the ANR and responses are being prepared.
- New England Hydro – Mr. Nolan summarized the reasons for scaling back the contracts from 5 to 3. Signed contracts have been received from 4 members. Contracts from 4 members are outstanding. Mr. Nolan stated that he hopes to have all signed contracts by August 1, 2017.

(8) Project True-ups.

- McNeil – Ms. Currier reported there is a \$50,000 excess for the McNeil project. There was a discussion of whether to return these funds to the McNeil participants or leave them in the project fund to reduce next calendar year billing. The matter will be discussed at the next Board meeting.
- P10 – Ms. Currier reported the P10 reserve fund has a current balance to \$2.5M with another \$200k expected by the end of the year. The meeting participants discussed what levels of funds are needed in the reserve fund to cover a catastrophic failure. The participants believe the fund may be adequate and future

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contributions can be eliminated. The matter will be discussed at the next Board meeting.

- (9) Other Business. Mr. Nolan reported on the Joint Action Agency meeting he attended in Chicago on June 17-18. There are seven (7) entities participating in a conversation about how to pool resources. VPPSA is the only party from the Northeast. The initial focus is on AMI, MDMS, Billing, NERC cyber security, and broader IT services. Another meeting is scheduled for mid-August.

The meeting was adjourned at 3:09 p.m. upon Motion by Director Myotte, second by Director Morley.

Respectfully submitted,

*Kenneth A. Nolan*

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Kenneth A Nolan, General Manager