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**VERMONT PUBLIC POWER SUPPLY AUTHORITY
MINUTES OF LEGISLATIVE AND REGULATORY AFFAIRS BOARD COMMITTEE**
(numbers in bold type correspond with agenda item numbers)

July 19, 2017

(1) The meeting was called to order at 11:50 a.m.

Committee Directors present (X indicates present):

X	John Morley III, Orleans	X	Meredith Birkett, Johnson
X	Reginald Beliveau, Swanton	X	Jonathan Elwell, Enosburg

Other Directors present:

NONE	
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Alternates present:

NONE	
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Others present:

Ken Nolan, VPPSA	Melissa Bailey, VPPSA	
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(2) Director Beliveau called the meeting to order and asked whether there were any changes to the agenda or public comment. There were not. Director Morley moved the approval of minutes from the March 22, May 17, and June 12, 2017 meetings. The motion was seconded by Director Birkett and approved unanimously.

Ms. Bailey provided an update of relevant Public Utility Commission (PUC) proceedings. The PUC has opened an investigation into Alternative Utility Regulation in Vermont and plans to hold a workshop on August 8, 2017. VPPSA and other parties have suggested agenda topics for that workshop, including allowable cash reserve levels for municipals, rate approval timelines, Section 108 approvals, capital investments in hydro facilities, and pilot, limited-duration, and end-use rates. Committee members noted that they have experienced regulatory challenges around seeking approval for bonding, and thus sometimes find it more advantageous to fund capital upgrades through cash reserves. The Section 108 process is also cumbersome, at times.

The issue of transmission/wheeling charges related to Standard Offer projects (Docket 8693) has re-emerged due to a filing from VEPP Inc. requesting that the PUC authorize VEPP sign transmission agreements as an agent for the distribution utilities. Staff and committee members shared concerns about this arrangement. Utilities and the Public Service Department (PSD) will be working to reach an alternative resolution.

Docket 8316, related to data transfers from utilities to Efficiency Vermont, continues to move slowly towards resolution. VPPSA and other utilities provided cost estimates to

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VEIC and is the process of reviewing VEIC's Confidential Information Management System.

Utilities and the PSD met in June to discuss a draft Cyber-security protocol (Docket 7307). The protocol calls on utilities to develop a cyber-security program and share information with regulators and fellow utilities related to cyber-security breaches and attempted breaches.

There was discussion of VPPSA's Renewable Energy Standard Pilot program development. Staff are working on a recommendation to the VPPSA Board at the August 9th meeting and plan to use an electric vehicle (EV) pilot program as an example of how joint VPPSA Tier 3 programs could work. Several EV program designs are under consideration. Outstanding issues to be resolved include allocation of program costs, timeline for participation, and trading of excess Tier 3 credits.

Director Elwell asked about the Nissan Leaf incentives being offered by other utilities. Ms. Bailey explained that the \$10,000 incentive for the purchase of a 2017 Leaf is actually being offered by Nissan and the utilities are partnering with a local Nissan dealer to market this opportunity.

Director Morley mentioned that he had been approached by Sandri/Sunoco, who is potentially looking to install an EV charging station in Orleans for the Agency of Transportation. He helped identify locations near 3-phase power lines in which such a charging station could be located, including at a Park and Ride facility. He wondered whether this could be a Tier 3 eligible measure. Ms. Bailey and Mr. Nolan explained that if the utility facilitated the installation, Orleans could likely claim credit for this measure. Director Birkett noted that Johnson has installed several charging stations, but, to date, use has been very limited.

The committee reviewed the 2017 work plan. This agenda item had been tabled from the May meeting, which lacked a quorum. Pursuant to the work plan, the committee conducted a self-evaluation. The bi-monthly meeting schedule is working for both staff and directors. Legislative priorities will be discussed at the September meeting and the directors will solicit input from their municipalities prior to that meeting. Mr. Nolan noted that he would like to transition the committee meetings towards being more forward-looking rather than recapping past events. Staff will seek to solicit input and prior direction from the directors. Director Birkett noted that, to that end, she would appreciate receiving questions on which staff would like feedback in advance of the committee meetings.

The committee discussed the expiration of the lobbying contract with Primmer and Piper. They felt the relationship was working well, and that issuing an RFP for services was not

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necessary at this time. They directed staff to work with Primmer and Piper to negotiate a new contract.

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,

Melissa Bailey, Acting Secretary
Legislative & Regulatory Committee

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