



## Generation and Other Assets Committee Meeting

2:00 PM, November 13, 2019  
5195 Waterbury-Stowe Road, Waterbury Center, Vermont

**CALL IN NUMBER: 1-773-231-9226**  
**MEETING ID: 802 244 7678#**

### Directors

Reg Beliveau, Swanton	Mike Sullivan, Hardwick	Craig Myotte, Morrisville
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### Agenda

*Allotted number of minutes set forth in bold type after each item*

1. Call to Order (**1**)
2. Consideration of changes/modifications to agenda (**2**)
3. Public comment (**2**)
4. Review of Draft Committee Meeting Minutes September 11, 2019 (**5**)
5. Project #10 (**30**)
  - a. Capital Plan Update
  - b. Market Revenues Update
  - c. General Performance Update
6. Load Reducing Resources (5)
  - a. Valuation Report Summary
7. Project Updates (5)
  - a. VPPSA Solar Projects
  - b. Standard Offer Projects
8. SHEI Update
9. REC Market Update
10. Other Business

**CC:**

Vacant, Barton	Tin Barton Caplin, Barton	Jonathan Elwell, Enosburg
Gary Denton, Enosburg	Carol Robertson, Hyde Park	Frederika French, Hyde Park
Pam Moore, Jacksonville	Mac Butova, Jacksonville	Meredith Birkett, Johnson
Phil Wilson, Johnson	Thomas Petraska, Ludlow	Deb Keller, Ludlow
Bill Humphrey, Lyndonville	Clay Bailey, Lyndonville	Penny Jones, Morrisville
Stephen Fitzhugh, Northfield	Jeff Schulz, Northfield	John Morley III, Orleans
Marilyn Prue, Orleans	Lynn Paradis, Swanton	

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## Generation and Other Assets Meeting Minutes

September 11, 2019

### Committee Directors:

		<b>P</b>	Mike Sullivan, Hardwick
<b>P</b>	Craig Myotte, Morrisville	<b>X</b>	Reginald Beliveau, Swanton

### Other Directors present:

<b>X</b>	John Morley, Orleans		
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*X indicates attendance in person, P indicates attendance by phone.*

### Alternates present:


### Others present:

Ken Nolan, VPPSA	Shawn Enterline, VPPSA	James Gibbons, BED
Heather D'Arcy, VPPSA	Dave Gagne, VPPSA	Crystal Currier, VPPSA

### Numbers in bold type correspond with agenda item numbers:

- 1.** Call to Order: The meeting was called to order by Director Morley at 2:05 PM.
- 2.** Consideration of changes/modifications to agenda: There were no changes to the agenda.
- 3.** Public comment: No members of the public were present.
- 4.** Review of 07/10/19 Meeting Minutes Draft: Motion was made by Director Myotte, second by Director Sullivan, to approve the minutes of July 10, 2019. Motion was approved unanimously.
- 5.** Project 10 Update
  - a. True-up: Ms. Currier reviewed the remaining true-up funds available for carryover from last fiscal year and asked for committee feedback on whether to refund the money or add it to the capital reserve fund. The committee was open to adding the funds to the reserve fund but asked staff to consider the issue in the context of preparing the FY20 P10 Capital Plan. The committee expressed concern that the capital reserve fund was reaching an adequate level and VPPSA should begin considering ways to reduce future budgeted amounts.
  - b. Capital Plan: Mr. Nolan informed the committee that the FY19 capital projects are moving forward as expected. Staff will be meeting this week to begin development of the FY20 capital plan.



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- c. Market Revenue Update: Mr. Gibbons and Mr. Enterline reviewed the market revenues received since the last meeting. They further informed the committee that capacity revenues would continue to decline over time due to dropping market prices, but that reserve revenues for the next auction period came in higher than anticipated.
  - d. General Performance: Mr. Gagne provided an update on overall performance noting that the plant had one start that didn't comply with reserve requirements. The cause has been addressed and the plant will be conducting a test start to return its rating to previous levels.
- 6.** Load Reducer Value: Mr. Gibbons and Mr. Enterline provided an update on the revenue received for load reducing hydro facilities, noting that revenues will be reduced for the upcoming year due to the lack of water at most facilities at the time of the New England peak.
- 7.** McNeil Capital True-up: Ms. Currier informed that committee that following McNeil's major overhaul last year VPPSA continues to have more than \$800,000 in capital funds collected but not spent. BED has informed VPPSA that they are presently considering replacement of the Economizer at the plant, which is estimated to cost \$3 million. VPPSA's portion would be approximately \$570,000. The committee recommended that VPPSA retain the funds in hand and use them to offset capital billings in FY20.
- 8.** Project Updates:
- a. Solar Projects: Ms. D'Arcy briefed the committee on the status of the various projects under development. Trombley Hill is online and VPPSA is working with the vendor to address some invoicing issues. Lawrence Brook is in permitting and awaiting a PUC decision. The remaining projects are in various stages of negotiation.
  - b. Standard Offer: Mr. Nolan informed the committee VPPSA has been awarded two projects but is still waiting for contracts from VEPPI. Allco Renewables challenged the awards. The PUC rejected all of Allco's arguments but a Motion to Reconsider has now been filed. VEPPI will not issue the contracts for execution until the PUC appeal process has been completed.
- 9.** Phase I: Mr. Nolan informed the committee that discussions on a lease arrangement continue. The VPPSA-Buyer agreements are near final. An agreement between VPPSA and VEC to facilitate the transfer is being developed as are agreements between VPPSA and the Phase I participants. The transaction is on a timeline to commence in November.
- 10.** SHEI: Mr. Gibbons briefed the committee on the status of the GMP \$248 application for SHEI improvements. The utilities are now discussing the calculation of benefits which will form the basis for cost allocation discussions. Mr. Nolan informed the committee that VELCO has now hired GE to perform an analysis of the potential impact on wholesale prices from reconductoring the K-42 line (Highgate to Georgia). The output if that analysis will also likely provide information about potential SHEI locational prices and improvement impacts. VPPSA is monitoring both the VELCO study and the GMP \$248 application closely and is prepared to participate as necessary to protect member interests.
- 11.** Other Business: There was no other business.

The meeting was adjourned at 3:20pm.

Respectfully submitted,

***Ken Nolan***

Ken Nolan



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Acting Committee Secretary



**Asset Committee Meeting  
11/13/2019**

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## **PROJECT 10**

Review market revenues YTD.

6

## **LOAD REDUCING RESOURCES**

Review market value YTD.

7

## **PROJECT UPDATES**

VPPSA solar and standard offer projects.

8

## **SHEI UPDATES**

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9

## **REC MARKET UPDATE**

# 5. P10 Market Revenues July YTD

## Sch. 16 (Blackstart)

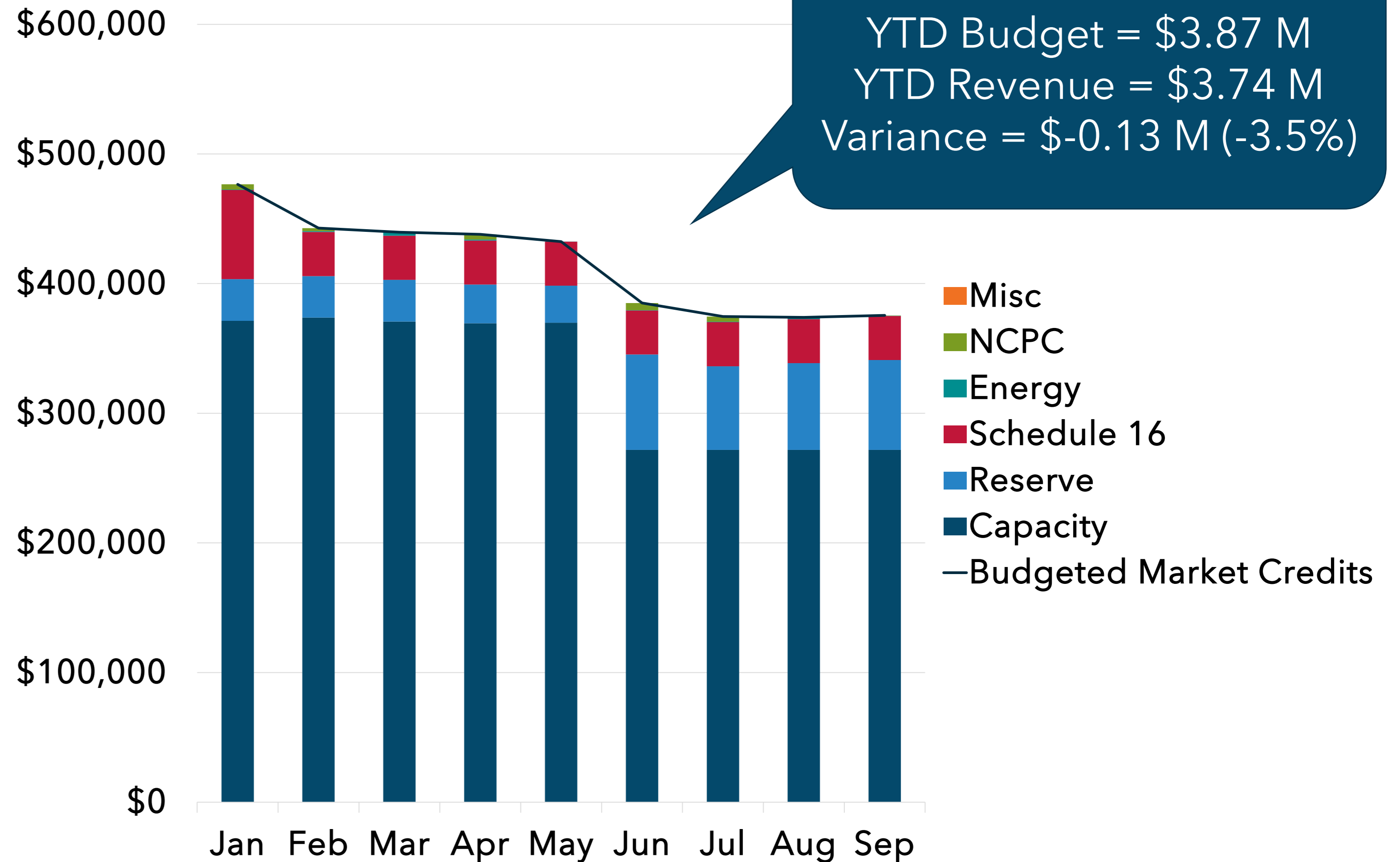
- Revenues declined faster (Feb-19) than expected.

## Reserves

- Revenues are higher than expected in Jun & Jly due to higher mkt. prices.

## Capacity

- Revenues dropped as expected in June due to lower mkt. prices.



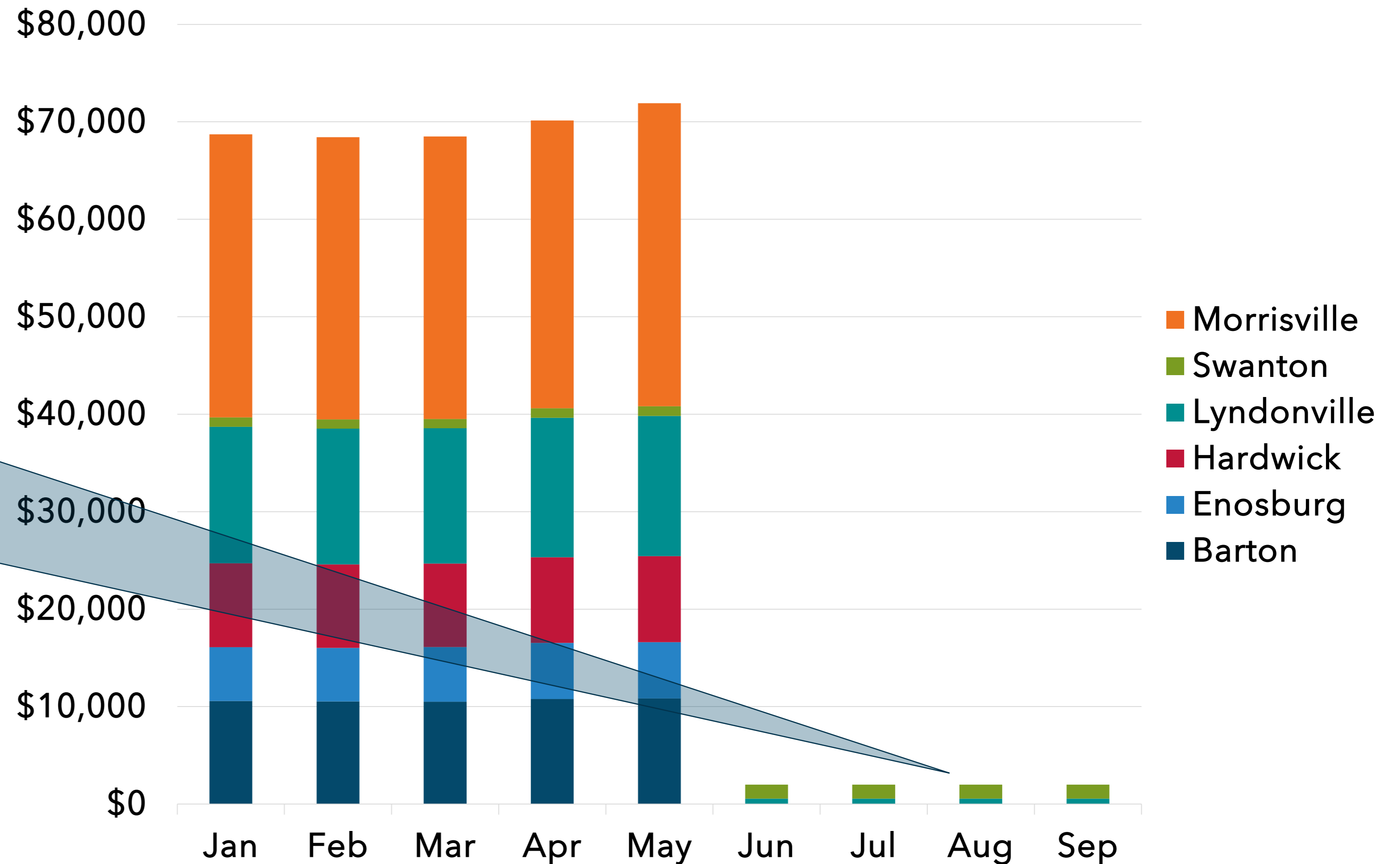


# 6. Load Reducing Hydro: Capacity Value

## Capacity Value

- July YTD

• Capacity value is negligible this coming year due to low and/or no generation at the ISO coincident peak...



# 6. Load Reducing Hydro: Capacity Coincident Output

## Coincident with ISO Peak

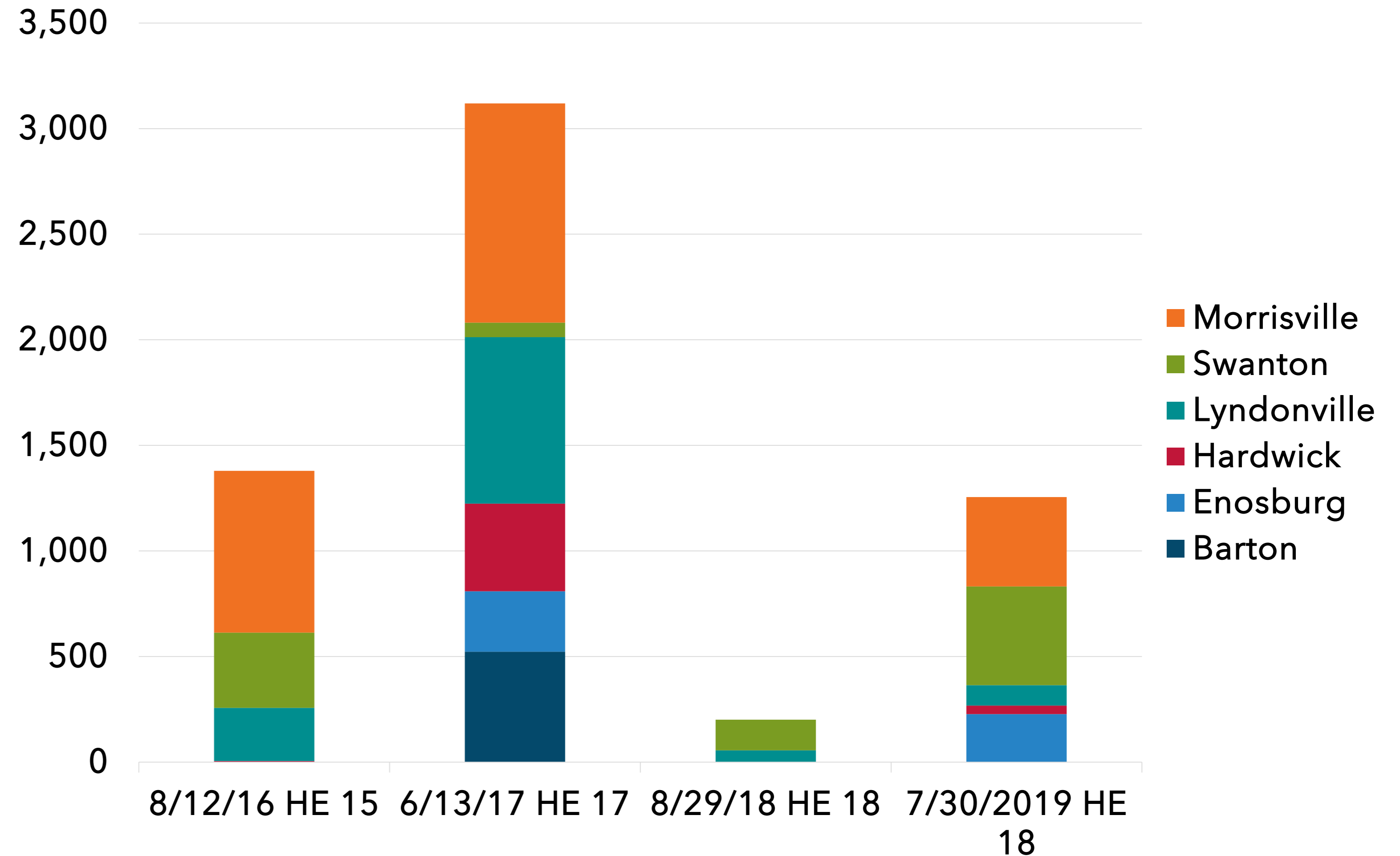
- 2016-2019

### Jun 19 - May 20

- Capacity value is near zero.

### Jun 20 - May 21

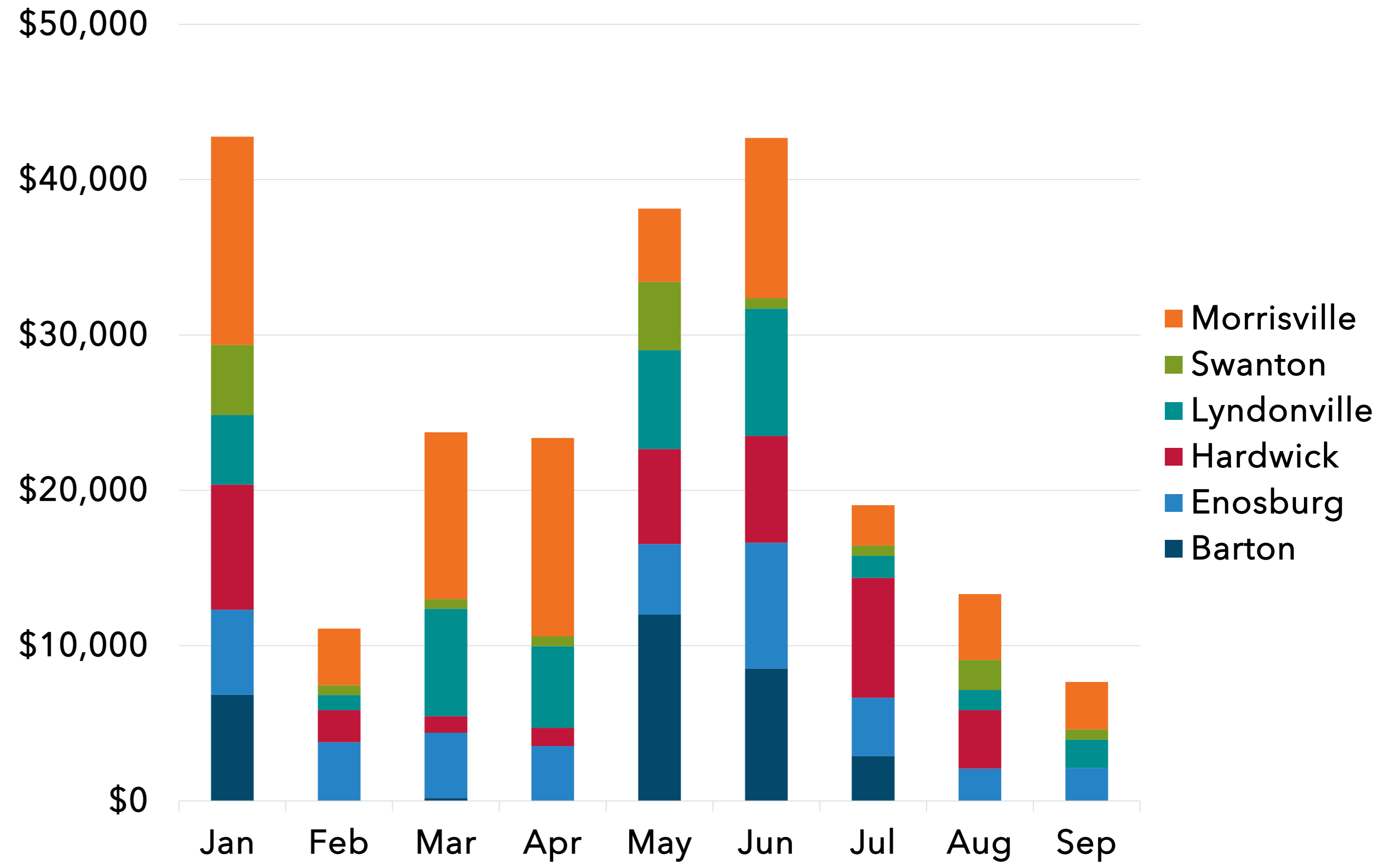
- Capacity value returns to 2016 levels.
- This is still <50% of the 2017 levels.



# 6. Load Reducing Hydro: RNS Value

## RNS Value

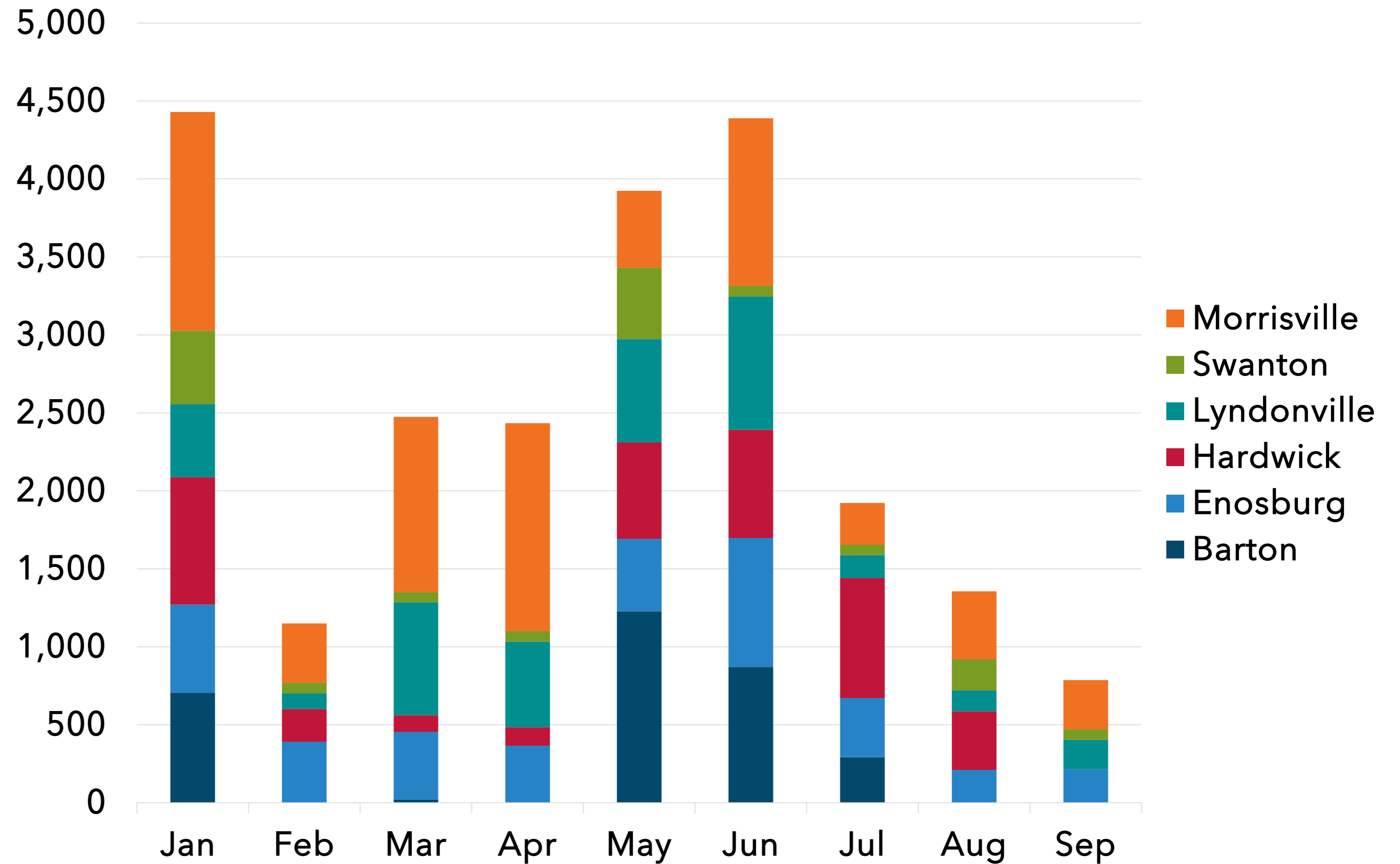
- July YTD



# 6. Load Reducing Hydro: RNS Coincident Output

## Hydro Output

- July YTD
- Coincident with VELCO Peak



# 7. Project Updates Solar

## VPPSA Solar:

- **Trombley Hill (Morrisville):**
  - This is live and has been since May 30<sup>th</sup>. We are working with the owner of the system, SolarSense, to figure out some invoicing issues.
- **Lawrence Brook (Morrisville):**
  - Encore is moving forward with pre-construction tasks. They're coordinating final engineering with MW&L and final pre-construction CPG conditions are being met.
- **Bone Hill (Northfield):**
  - We're adding language in the PPA's to allow the documents to be signed prior to 5.200 waiver.
  - Finalizing PFT for economic benefit
- **Jacksonville (Jacksonville):**
  - This project is on hold due to wheeling charges. Encore is exploring other siting options in other member territories that would avoid wheeling charges.
  - VPPSA is looking at how much solar other nearby members could accommodate with the idea of proposing a different project.
- **Billings Road (Hardwick):**
  - Anticipated filing date is Friday 11/9/2019

## Standard Offer Solar:

- **Salvage Yard Hess (Morrisville, 2019 Award):**
  - We are waiting on the Standard Offer Contract.
- **Center Road Davis (Hardwick, 2019 Award):**
  - We are waiting on the Standard Offer Contract.

# 8. SHEI Updates

## Update:

- GMP/Morrisville have filed a Section 248 filing to cover the upgrades to the B20/B22 sub-transmission lines (PUC Case #19-4464).
- VPPSA was provided an opportunity to comment on GMP's testimony

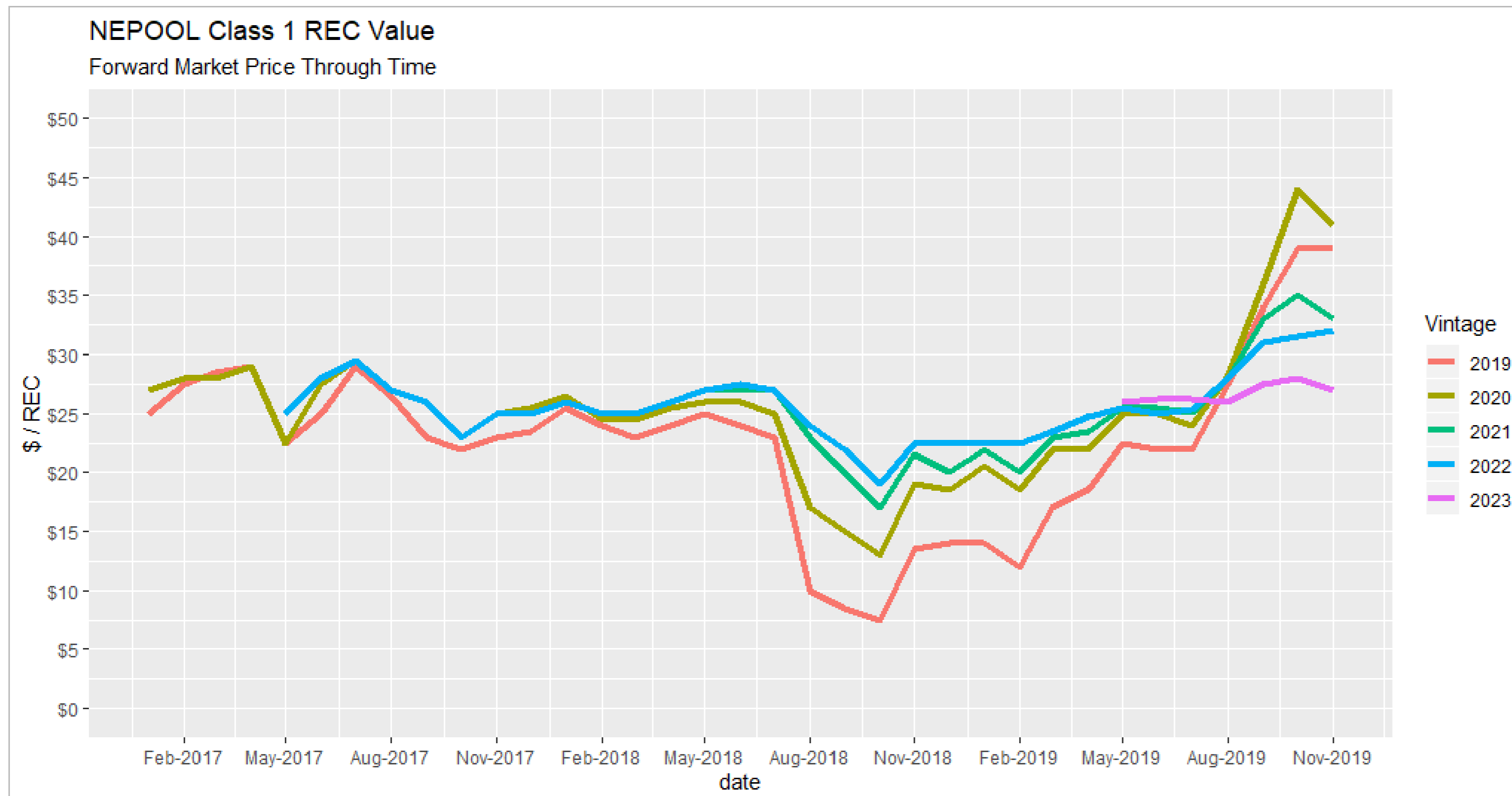
## Next Steps:

- Begin discussions around who benefits from congestion relief, and by how much, to frame any potential sharing of capital costs.
- Follow-up with Sheffield regarding AVR at Sheffield Wind
- Monitor the 248 filing process and draft testimony to determine what level of activity might be needed by VPPSA in the 248 process

# 9. REC Market Update

## Update:

- Barton Hydro now qualified to provide MA Class 2 RECs
- REC Markets have staged a strong comeback in last 10-12 months



# Next Steps

Suggest Agenda Items for Next Meeting

## Suggest Agenda Items for the Next Meeting



# Questions?

## **James Gibbons**

Director of Policy & Planning  
Burlington Electric Department

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