



## **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		
----------	----------------------	--	--

*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.

## DRAFT

- 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



**DRAFT**

Acting Committee Secretary