



Generation and Other Assets Meeting Minutes

March 12, 2020

Committee Directors:

P	Reginald Beliveau, Swanton	P	Mike Sullivan, Hardwick
P	Craig Myotte, Morrisville		

Other Directors present:

X	Bill Humphrey, Lyndonville	X	Thomas Petraska, Ludlow
X	John Morley, Orleans		

X indicates attendance in person, P indicates attendance by phone.

Others present:

Ken Nolan, VPPSA	Shawn Enterline, VPPSA (phone)	James Gibbons, BED
Heather D'Arcy, VPPSA		

Numbers in bold type correspond with agenda item numbers:

- 1.** Call to Order: The meeting was called to order at 2:13 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.** Director Myotte made a motion to accept the minutes of the September 11, 2019 Committee meeting. The motion was seconded by Director Humphry. The motion was approved.
- 5.** Director Myotte made a motion to accept the minutes of the November 13, 2019 Committee meeting. The motion was seconded by Director Humphry. The motion was approved.
- 6.** Project 10 Update
 - a. 2019 Reserve & Contingency True-Up: A summary of the 2019 Reserve & Contingency True-up was provided to the Board. The total cost of capital improvements for 2019 totaled \$41,342. This represents costs for the installation of a bathroom at the site and transmission upgrades that were started in 2019. After payment related to the capital improvements, there remains excess participant contributions of \$53,482. The Resolution recommends that the excess funds be transferred to the Reserve fund. The committee agreed that VPPSA should make this recommendation to the board.
 - b. 2019 Budget to Actuals: Ms. D'Arcy reviewed the budget to actuals for calendar year 2019 and reviewed the revenue streams that were higher than budgeted and those that were lower. Mr. Nolan asked what caused the variance in capacity revenue. Ms. D'Arcy will



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follow-up with additional information. Mr. Nolan stated that P10 revenue for capacity will reduce but the members' overall cost will also reduce because their cost for capacity will decrease.

- c. Market Revenue Update: Ms. D'Arcy reviewed the charges versus credits. Mr. Gibbons noted that revenue is largely from capacity which is some of the highest seen and it will continue to decrease.
 - d. General Performance: Ms. D'Arcy explained the table shown in the powerpoint presentation. Mr. Gibbons further explained the weighted average of the claim 10/30 process.
- 7.** Load Reducing Resources: Ms. D'Arcy provided an updated on the value received for load reducing hydro facilities. She reiterated that capacity revenues will be reduced through May of 2020 due to lack of water during capacity peak in 2019. Transmission value varies month to month based on coincident output. She also provided a summary of capacity and transmission value for January 2020.
- 8.** Project Updates:
- a. VPPSA Solar Projects: Ms. D'Arcy provided a summary of the current solar projects underway. Mr. Nolan explained the metering issue with Trombley Hill and noted that Bill Ellis suggests we settle and amend the contract. We're currently trying to get the amendment in place. Mr. Nolan also provided additional context for the Bone Hill project because the current economic analysis shows a slight loss; however, it is being used as a hedge against Tier II REC markets. He also noted that the two Standard Offer Projects were required to have testimony because of the litigation from Allco. The PUC is proactively trying to protect the Standard Offer Program from this litigation.
 - b. New Projects: Ms. D'Arcy provided an update for potential future solar projects. Mr. Nolan explained why the provider block pricing wasn't increased for this year.
New Projects:
- 9.** SHEI Update: Ms. D'Arcy reviewed the annual summary of congestion costs from 2016 through 2019 showing that costs have dropped significantly since 2017. Mr. Nolan explained that the DPS is getting pressure from the Governor's office to open up the northern part of the state for renewable energy generation. VELCO hired a consultant to do an analysis on transmission updates and what economic value that might bring to the state. VPPSA is monitoring this effort closely to make sure it accurately describes any upgrade as being valuable to developers but not necessarily Vermont consumers.
- 10.**Phase I Transmission Update: Mr. Nolan discussed the lease transaction hold as well as the upcoming potential for forward movement.

11.Other Business: NONE

The meeting was adjourned at 3.30 p.m.

Respectfully submitted,

Heather D'Arcy

Heather D'Arcy
Acting Committee Secretary