



Generation and Other Assets Meeting Minutes

May 14, 2020

Committee Directors:

A	Reginald Beliveau, Swanton (Absent)	P	Mike Sullivan, Hardwick

Other Directors present:

P	Bill Humphrey, Lyndonville	P	Thomas Petraska, Ludlow
P	John Morley, Orleans	P	Penny Jones, Morrisville
P	Steve Fitzhugh		

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

Others present:

Ken Nolan, VPPSA	Shawn Enterline, VPPSA	James Gibbons, BED
Heather D'Arcy, VPPSA	Ken St. Amour, VPPSA	Dave Gagne, VPPSA

Numbers in bold type correspond with agenda item numbers:

- 1.** Call to Order: The meeting was called to order at 2:05 PM by Director Morley.
- 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 draft committee minutes, March 12, 2020. There were no changes to the minutes. Since there was not a quorum present the minutes were tabled to a future meeting.
- 5.** Project 10 Update
 - a. HMI Update - Ken St. Amour reported that VPPSA has been evaluating upgrading the Human-Machine Interface (HMI) computer network. There are seven computers needing upgrade. VPPSA went to bid for three vendors; Casco Systems, Ethos Energy, and Hallam Associates/ICS. Two bidders replied.
 - i. Ethos Energy bid \$115,500.
 - ii. Hallam Associates bid \$75,100.
 Ethos Energy installed the existing system and the experience to date with them has been good. Their support is prompt and effective. It appears that Ethos Energy proposal includes some support costs, while the Hallam was clear that their bid does not provide ongoing support. Staff has reviewed all of the proposals in detail and posed follow up questions to each vendor. At this point the staff recommendation is to proceed with the bid from Ethos Energy and perform the upgrade during Project 10's fall outage.



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The committee posed several detail questions around what Hallam meant when they stated that ongoing support was not provided, as well as exploring staff experience with Ethos Energy in further detail. Following discussion, the committee was supportive of the staff recommendation.

- i. Next Step - the Ethos Energy proposal will be on the June Board agenda for approval to start work in the fall.
 - b. Budget to Actual Results
 - i. Ms. D'Arcy reported that actual YTD revenues are very close to budget.
 - ii. She also reported that the unit had a successful start on April 18th and has a surplus of reserves in the Forward Reserve Market.
- 6. Load Reducing Resources**
 - a. Ms. D'Arcy reported that very little capacity value has been realized due to low hydro production at the annual ISO peak.
 - b. She also reported that transmission value has been substantially higher because the coincident output has been good.
- 7. Project Updates**
 - a. Trombley Hill: Ms. D'Arcy reported that VPPSA is still waiting on a contract amendment to settle the metering dispute.
 - b. Lawrence Brook: Construction is starting next week.
 - c. Bone Hill: Final contracts are completed and interconnection work with NED is ongoing.
 - d. Billings Road: Expect CPG in the coming weeks.
 - e. Center Road: In the CPG process
 - f. Salvage Yard: In the CPG process
 - g. Future Projects: Are on hold due to COVID-19.
- 8. SHEI Update**
 - a. Ms. D'Arcy reported that congestions costs have dropped to low levels since peaking in 2016 and 2017.
 - b. Mr. Nolan reported that GMP and VEC have been asked to analyze the potential for impact fees for new generation within the SHEI interface. In addition, VELCO is trying to find a way to conduct its long-range plan while the legislature discusses increases to the Renewable Energy Standard and is considering the long-term impact on SHEI of possible legislative decisions as part of that work.
- 9. COVID-19 Effects on Load**
 - a. Mr. Enterline reported the loads are down compared to 2019 except for Barton.
 - b. Mr. Nolan reported that the data is shared with the State and with APPA.
 - c. Mr. Fitzhugh suggested that the color scheme should be across all members, not individual members.
- 10. Other Business:**
 - a. Mr. Gibbons reported that VELCO is expecting COVID-related costs to flow through its transmission billings in the coming months due to low loads in New England, which causes lower regional revenues to VELCO, and in turn higher charges to Vermont utilities from VELCO. VELCO has asked FERC for an accounting order to smooth out the impacts over two years. The size of the increase in costs could be up to \$3,000,000 per month or a net of \$10,000,000 over the 2020 calendar year.

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- b. Mr. Morley asked what the cost impact would be if Vermont loads increased faster than New England's as the region's economies re-open. Mr. Gibbons reported that the benefit from getting retail sales back is larger than the cost of increased transmission. Mr. Nolan reported that there is a large variance between utilities in how this impact affects them. However, the cost to VPPSA members appears to be modest.

The meeting was adjourned at 3:11 p.m.

Respectfully submitted,

Shawn Enterline

Shawn Enterline
Acting Committee Secretary