

VELCO Operating Committee Meeting Minutes  
Thursday, July 16, 2009

The Operating Committee meeting for Vermont Electric Power Company, Incorporated was held at VELCO, Rutland, Vermont and was called to order by the Chairman, Neal Robinson, at 11:15a.m.

Committee Members in attendance were Jeff Wright, Ken Nolan, Neal Robinson, Greg White, Ernie Hiatt, Ellen Burt, Don Rendall, Kerrick Johnson and Ken Mason. Other participants were Thad Omand (VELCO), Frank Etori (VELCO), Mike Cromis (VELCO), Patty Richards (VPPSA) and Kevin Perry (VEC).

Under motion duly made and seconded, the minutes of meeting held May 21, 2009 were approved as submitted.

**VEC Incident**

Jeff Wright described the incident which occurred as VEC was pulling wire across route 89. A group including representatives from VEC, VELCO and the Department of Public Service has been assembled to perform a root cause investigation.

**IGAP Credit**

The Committee resumed its discussions of the IGAP credit. The following guidelines were developed and will formally voted upon at the August meeting:

- A generator must receive NEPOOL accreditation credit or the current equivalent credit from the ISO-NE market system in order to qualify for IGAP credit.
- If a generator is connected to a VTA customer's sub transmission or distribution system the purchaser of the capacity entitlement is eligible to receive IGAP credit.
- A generator can be located physically outside of Vermont. However, the generator has to alleviate loading on VT Transco's facilities within a VSPC defined load zone either as a normal or a backup feed.
- A generator installed prior to 7/1/1990 cannot receive IGAP unless it had NEPOOL accreditation credit on or before 7/1/1990.
- The VSPC load zone map will be used to define the associated local load. These load zones will be updated from time to time. If the VSPC load zones change in a manner that is not consistent with the intention of the IGAP credit, VELCO may revise or select new load zones.
- The amount of available IGAP credit for new generation capacity will be allocated based on the amount of remaining annual peak load zone available capacity on a first come, first served basis.

- A generator requesting a replacement or refurbishment of an existing unit will retain its existing IGAP capacity reservation in that load zone as long as it is restored in a reasonable timeframe.
- All generators/block load participants who have received IGAP credit approval from VELCO staff up to 7/16/09 will continue to receive credit regardless of these principals.
- The VELCO Operating Committee will apply these principles in making recommendations to VELCO relating to administration of the IGAP credit.

There being no further business the meeting was adjourned.

Respectfully submitted,

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Neal Robinson, Chair