

# VELCO Operating Committee

## Proposed Revisions to V-TAM

### 1. V-TAM Revision Protocol

Please become familiar with the Revision Protocol found on page REV-1 of the V-TAM as we will be discussing the practical application of the Protocol and might want to consider revisions to the Protocol.

### 2. IGAP Credit

IGAP = Purchaser's Internal Generation Adjustment, expressed in kilowatts, to be calculated each month for the second previous month for the Purchaser, which shall equal 50% of the Purchaser's entitlement to NEPOOL accredited generation capacity installed on or directly connected to the system of any Purchaser on July 1, 1990, plus Purchaser's entitlement to NEPOOL accredited generation capacity installed after 7/1/90 which is connected, with associated load, to the system of any Purchaser, to the extent that such capacity, in addition to previously installed capacity, does not exceed the historical peak load of such associated local load. If the Purchaser sells for a full month to an out-of-state purchaser an entitlement to internal generation for which an Internal Generation Adjustment would otherwise be granted, the Adjustment shall be retained by the seller.

The objective of the IGAP credit is to encourage local generation that can reduce the loading on VT Transco's facilities. Based on this objective, IGAP's definition in the VTA includes the specific terms: "installed on or directly connected to the system of any Purchaser" and "associated load." The VTA defines a Purchaser as "any Vermont Distribution Utility receiving transmission service from VT Transco." The requirement that the generation capacity be "installed on or directly connected to the system of any Purchaser" is to insure that its generation would have the ability to reduce the amount of load that VT Transco would need to transmit to the Purchaser. The requirement to have "associated load" or "associated local load" is to insure that the power produced does not have to be transmitted over VT Transco's system to support load, but instead passes only over the Purchaser's system, thereby reducing the load on VT Transco's facilities.

To determine the historical peak of such associated load, all load from the transmission substation(s) to the point of interconnection with the generation entitlement shall be considered associated load. VELCO shall calculate the historical peak associated load at the VELCO substation(s) that the generation could potentially backfeed. In order to be properly included in the Purchaser's Peak Billing Demand calculation at the July 1, 1991 implementation date, 50% of both pre and post July 1, 1990 accredited generation capacity receive credit.

VELCO shall provide IGAP credit to a Purchaser for any NEPOOL accredited generation that is installed on or directly connected to a Purchaser's system where there is load, through primary or backup support, where the generation can alleviate, or potentially alleviate, the loading on VT Transco's facilities.

### 3. Revision to Definition of Exclusive Facilities under Section 3

VELCO is proposing to add the following language to the definition of Exclusive Facilities under Section 3, Cost Allocation for Substation Facilities:

"In a ring bus situation, the number of breakers that will be treated as specific costs will be equal to the number of sources plus one. For example, if a ring bus has four breakers and two sources, three of those breakers will be treated as specific cost and one as exclusive cost. *The ownership lines of demarcation between specific and exclusive facilities will be the load side terminals of the outermost transformer bank breaker disconnects (see diagram below).*"

