

DRAFT VELCO Operating Committee MINUTES

DATE: August 20, 2020, 1:00 p.m. – 3:30 p.m.

LOCATION: Virtual Meeting (ZOOM)

PARTICIPATING MEMBERS

- **Burlington Electric Department (BED):** James Gibbons, Munir Kasti
- **Green Mountain Power (GMP):** Mike Burke
- **Stowe Electric Department (SED):** David Kresock
- **Vermont Electric Cooperative (VEC):** Peter Rossi
- **Vermont Electric Power Company (VELCO):** Chris Root, Frank Etori, Jason Pew
- **Vermont Public Power Supply Authority (VPPSA):** Stephen Fitzhugh
- **Washington Electric Cooperative (WEC):** Bill Powell

OTHER PARTICIPANTS

Tom Dunn (VELCO), Abe Fitch (VELCO), Dave Haas (VELCO), Kerrick Johnson (VELCO), Shana Louiselle (VELCO), Dan Poulin (VELCO), Hantz Pr sum  (VELCO), Mark Sciarrotta (VELCO), Doug Smith (GMP), Allen Stamp (AP Stamp, Inc.), Emily Stebbins-Wheelock (BED), and Tina Stevens (VELCO)

OPENING REMARKS

Mr. Root verified a quorum and called the meeting to order at 1:02 p.m.

SAFETY TOPIC

Mr. Burke provided a brief review and update on a recent safety incident that is still under investigation.

DRAFT MINUTES APPROVAL

Mr. Root presented the meeting minutes from July 16, 2020 for approval.

Mr. Rossi moved for approval, Mr. Gibbons seconded, and the minutes were approved as presented without objection.

CURRENT STATUS OF DEPARTMENT/UTILITY NDA

Mr. Sciarrotta provided an update on the status of the Department/Utility NDA. The NDA has been drafted and shared with council from VEC and GMP. Mr. Sciarrotta expects to have feedback this week after which the NDA will be sent to the other distribution utilities for review and comment.

Mr. Sciarrotta provided a warning that information shared with the Department of Public Service, even when shared under an NDA, would likely be considered public information. NDAs are not ironclad and consideration should be given to the sharing of documents.

Mr. Gibbons asked why the draft NDA was shared only with VEC and GMP at this point. Mr. Sciarrotta indicated both VEC and GMP have legal on staff and he wanted a couple of thoughts on the NDA prior to sending it to others. Mr. Gibbons asked who at BED would receive the draft NDA when it is sent. Mr. Sciarrotta indicated he would send the draft NDA to Mr. Gibbons and Ms. Wheelock-Stebbins.

DRAFT VELCO Operating Committee MINUTES

COVID-19 TABLETOP EXERCISE

Mr. Fitch provided an overview of a COVID-19 Tabletop Exercise that VELCO performed during a safety meeting. The exercise included the review of three different scenarios and lessons learned. Scenario #1 included someone showing symptoms of COVID-19, scenario #2 included a contractor exposed to presumed COVID-19, and scenario #3 included a positive COVID-19 case. Additionally, the exercise included a review of basic health and safety requirements, potential exposure notifications, and frequently asked questions. Refer to the presentation for additional details.

Mr. Burke shared information concerning a request for mutual aid in Connecticut. GMP was able to do their own logistics and follow their own covid-19 safety plans.

Mr. Gibbons asked if this tabletop could be shared with others. Mr. Root indicated it could be and is out on the OC site.

NEW HAVEN OPERATIONS FACILITY

Mr. Poulin provided an update on the New Haven Operations facility. This facility will serve as a backup operations facility, operator training facility, data center, incident command center, secondary office building, and an office location for utility related meetings. The benefits associated with this location: meets NERC's required distance from VELCO's main control center, located closer to a number of the state's electric distribution utilities, located on property already owned by VELCO, located close to Route 7, located near reliable utility infrastructure, and have fiber backbone there as well.

VELCO will be seeking LEED certification for this facility. The design of this facility incorporates some lessons learned from the COVID-19 pandemic. This facility will use the same type of technology as the main control center. Mr. Poulin provided a review of the control room layout and data center layout. The data center is partially below grade.

Mr. Poulin provided an overview of the schedule: Naylor and Breen (N&B) was awarded the contract in January 2020. B.A.W Architecture completed Issued for Construction drawings on June 19, 2020. VELCO is currently in the process of reviewing proposals. Certificate of Public Good was issued on August 12, 2020. Construction is expected to start this fall (mid-September) and to continue through winter. Commissioning of all equipment and systems for use expected in August 2022.

DRAFT VELCO Operating Committee MINUTES

FIBER PROJECT UPDATE

Mr. Stamp provided an update on the fiber project. The group is meeting every other week and is expected to continue to do so through mid-September. The group has agreed on the Charter which covers technology deploying, ownership model, fiber count, and regulatory drivers for the work. The regulatory drivers are key and they have hired Utility Services, Inc. (USI) to assist with this. Mr. Stamp indicated they have asked USI to not only look at current regulatory drivers but also to look into possible future regulatory drivers.

Mr. Stamp indicated they are currently looking at proposed routing. They have worked through WEC and VEC and will be engaging both to review. Along the routing lines, they have picked up GMP and VPPSA and are currently working those now. The next meeting is scheduled for next week. Additionally, there is another meeting with USI next week.

Mr. Gibbons asked if the Charter has been shared with the Operating Committee as of yet. Mr. Stamp indicated it has not yet been shared with the OC, but will be shared following this meeting. Mr. Root indicated Mr. Stamp could reach out to Ms. Smith for assistance with distribution of the Charter.

ISO-NE BTM GENERATION

Mr. Etori shared some slides that provided an overview of a presentation shared at the Markets Committee Meeting last Thursday. The presentation focuses on behind-the-meter generation lack of compliance with the New England open access transmission tariff.

As part of the presentation, Mr. Etori reviewed the ISO-NE Internal Market Monitor (IMM) key takeaways.

- Regional Network Load (RNL) is the allocator of transmission costs among network customers and is required to be grossed up (or reconstituted) to account for BTM generation.
- BTM generation is not a tariff defined term but is a well understood concept in the industry.
- There is potential widespread non-compliance with this requirement and/or inconsistent application.
- Under-reporting of RNL results in lower allocation of transmission costs to the under-reporting network customer, and consequently an over-allocation to other.
- BTM generation can have positive impacts in terms of reducing peak load levels and potentially reduction of transmission investment, but under the current tariff provisions the benefits should not be monetized through under-reporting load.
- A number of recommendations are included to address issues raised in the assessment, including:
 - a) Non-compliant PTOs/network customers should change current practices and reconstitute monthly RNL values
 - b) Review tariff for potential helpful specificity and clarification (e.g. definitions, determination of peak load hours)
 - c) Undertake a wider review of the transmission rate structure for consistency with

DRAFT VELCO Operating Committee MINUTES

transmission planning process and benefits due to BTM generation

Each month VELCO submits the peak hour for the month. When VELCO submits RNL, the BTM generation is not added back in. Therefore, the BTM generation acts as a load reducer thereby reducing our contribution to regional transmission costs.

One of the slides presented by Mr. Etori was the ISO Tariff definition of Regional Network Load. Mr. Smith indicated this language was developed in the late 90's or earlier. At that time there were many market facing generators which resulted in less of a draw on the BES. This language was developed to deal with market facing utility generation. Mr. Smith indicated this language did not anticipate non-market generator settlements. Mr. Gibbons responded that he reads the definition as you are responsible for your load base obligation to support that system.

Mr. Smith asked if they are asking for a conversation or regional debate. Mr. Etori indicated they are proposing three things and the third one is the regional debate. Mr. Gibbons questioned if the IMM should even be reviewing this issue. Mr. Etori indicated he had asked the same question and received the response that the tariff is in their purview and they are ensuring compliance with it.

There was some discussion as to whether or not a sub-group of this committee should be developed to review the recommendations and determine the best course of action.

Mr. Etori shared some next steps. Mr. Etori will set up a meeting with Regional Utility Group (RUG) and New England Transmission Owners (NETO) to develop a common position that can be supported regionally. Mr. Powell asked if the department was up to speed on this issue and Mr. Etori indicated they are. Mr. Smith indicated the big question is the second one on regional language and what the language should be. Mr. Johnson indicated we need to understand the financial and load impact, then answer legal questions as to what rights we have, and finally address the advocacy/policy of this issue.

Mr. Etori asked if the next step makes sense with the group: work with the RUG and NETO to develop a common position that can be supported regionally. The group agreed with this next step. Mr. Smith, Mr. Fitzhugh, and Mr. Gibbons also expressed agreement with Mr. Johnson's recommended approach.

Mr. Rossi asked if the cost to VT and the distribution utilities is known for each of the recommendations. The cost is not yet known. Mr. Gibbons indicated estimating the cost impact associated with each option may be beneficial. Helps to quantify the impact. Mr. Johnson indicated members of this forum should try to quantify the costs for their company associated with each recommendation. Mr. Smith indicated a VT load analysis may make sense too and what the implication will be.

Mr. Johnson asked for commitment from Mr. Gibbons, Mr. Smith and Mr. Rossi on doing the cost analysis for their companies. Mr. Gibbons agreed he could do this for BED.

Mr. Root asked for clarification from the group as to whether or not there should be a sub-committee to work on the implications of these changes. Mr. Gibbons disagrees this sub-committee should be a sub-set of the OC. RUG should have this assignment and report back to the OC. Mr. Fitzhugh agrees subcommittee should pool together for team VT. Mr. Johnson

DRAFT VELCO Operating Committee MINUTES

indicated RUG succeeds when we do the work to make it succeed. Mr. Johnson suggests we do the work and share with RUG. Mr. Root indicated a committee should be formed and is looking for a name to lead this endeavor. Mr. Etori volunteered and the group accepted. Mr. Gibbons indicated each DU has its own right under this issue. Mr. Johnson indicated he will assist Mr. Etori in his role.

OTHER BUSINESS

Open discussion

- None

Next meeting

Date: September 17, 2020, CFO/OC Joint Annual, 1:00 p.m. – 3:30 p.m.

Location: Virtual Meeting (ZOOM)

Possible topics for discussion

- Update on New England loads for summer
- Update on progress of RNL and Behind-the-meter generation discussion
- Irasburg update
- Cyber update – Bill Jordan, might have to move due to extended agenda with the inclusion of the Chief Financial Officer (CFO) Forum
- CFO Forum annual joint meeting with the Operating Committee
- Telecom Working Group – Standing agenda item

MOTION TO ADJOURN

Mr. Fitzhugh moved to adjourn, Mr. Gibbons seconded, and the meeting was adjourned at 3:24 pm.

Respectfully submitted,

Tina Stevens