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**Public Service Board approves Southern Loop-Coolidge Connector upgrades**

Rutland, VT – The Vermont Public Service Board, in an order praising public outreach efforts and utility planning in southern Vermont, has approved a series of transmission upgrades designed to improve electricity reliability in Vermont and across the region.

The 122-page order, issued late Wednesday, approves construction of a 345-kilovolt transmission line between Vernon and Vermont Electric Power Company’s (VELCO) Coolidge Substation in Cavendish. The board also approved a new substation in Vernon and an expansion of the Coolidge Substation. These components are collectively known as “the Coolidge Connector.” To address local reliability problems on Central Vermont Public Service’s system, the board also approved a new Newfane substation and an approximately one-mile 345 kV loop between Newfane and the planned 345 kV Vernon-to-Cavendish line. The combined projects are known as the “Southern Loop Project.”

“We conclude that the Southern Loop Project is essential to address regional and local reliability problems that are both significant and pressing,” the PSB wrote. “We further conclude that the need for the Project cannot be replaced or deferred by alternatives, including demand-side management measures, local generation, and smart-grid technologies.”

VELCO and CVPS filed a petition with the PSB in 2007, outlining multiple strategies to support electric system reliability. The strategies, consistent with recommendations that resulted from an unprecedented public outreach process, included the work approved Wednesday by the PSB; deferring a second 49-mile transmission line; and the use of non-transmission alternatives to enhance local reliability. CVPS is completing more than \$11 million in work to install voltage support equipment approved earlier as part of the plan. In addition, targeted demand response measures and energy efficiency are being used to reduce customer demand. CVPS is also looking for new generation sites in the region as part of the broader reliability plan.

“We have carefully considered a wide range of possible alternatives, both traditional transmission upgrades and non-transmission alternatives, to address these local and regional reliability problems,” the board said. “Among traditional transmission solutions, the proposed Project is the clearly superior option, because it is the lowest-cost transmission alternative that effectively resolves the reliability concerns. Non-transmission alternatives, including demand-side management measures, local generation, and smart-grid technologies, cannot resolve the regional and local reliability problems that confront VELCO and CVPS... These possible alternatives suffer from various deficiencies, ranging from an inability to resolve effectively the fundamental reliability issues, to excessive costs compared to the proposed Project, to significant barriers that preclude timely implementation.”

The board rejected recent criticism of the project, much of it claiming the project was unneeded.

“We recognize that load growth in Vermont has been held in check in recent years in large part due to energy efficiency efforts,” the board said. “We also recognize that electric loads will likely be lower over the near term, due to the current economic downturn. These factors have led some public commenters to call for a delay in approving the Southern Loop Project, to provide an opportunity to develop alternatives to the Project that focus on energy efficiency, local generation, and smart grid technologies. However, close inspection has revealed that there are no alternative solutions that would be sufficient to avoid or defer the need for the Project for the fundamental reason that the load threshold for the needed upgrades was exceeded years ago.”

CVPS President Bob Young and VELCO President John Donleavy welcomed the order. “We have worked extremely hard over the past several years to be open, transparent and collaborative with affected towns and landowners as we addressed the reliability concerns that the project is intended to solve,” they said in a joint statement. “Projects of this scale will always require substantial public dialogue, at times difficult, but this project and this order demonstrate that, done well, a public dialogue can produce outcomes that meet both utility and public needs.”

The board recognized that dialogue, and praised CVPS’s and VELCO’s efforts.

“The Petitioners have presented final design detail plans, have completed or nearly completed all critical environmental review and permit applications, and have engaged in both an extensive public outreach process and collaborative efforts with other parties, including local communities and the affected permitting agencies,” the board wrote. “We recognize and appreciate these efforts undertaken on behalf of all of the parties, and believe that they have been instrumental in producing an efficient process and positive result.”