

East Avenue Loop Transmission Upgrade Project

Summary of 1st Key Stakeholder Meeting

September 21, 2006

In Attendance:

1	Julie Moore	Agency of Natural Resources
2	Nick Warner	Burlington Community & Economic Development Office
3	Steve Goodkind	Burlington Department of Public Works
4	Michael LaPlace	Burlington Planning and Zoning
5	Brad Rawson	Chittenden County Regional Planning Commission
6	Senator Ginny Lyons	Chittenden County Senator
7	Steve Litkovitz	Department of Public Service (DPS)
8	Steven Wark	Department of Public Service (DPS)
9	Peter Irving	Fletcher Allen Hospital
10	Representative Ann D. Pugh	South Burlington District Representative
11	Al Turgeon	University of Vermont
12	Tim Vachereau	Vermont Gas
13	Gerry Myers	Winooski City Manager
14	Clement Bissonnette	Winooski Mayor
15	Will Dodge	VELCO
16	John Marshall	VELCO
17	John Donleavy	VELCO
18	Scott Mallory	VELCO
19	Dean LaForest	VELCO
20	Kerrick Johnson	VELCO
21	Jerry Ostrander	VELCO
22	Chris Dutton	Green Mountain Power (GMP)
23	Dotty Schnure	Green Mountain Power (GMP)
24	Terry Cecchini	Green Mountain Power (GMP)
25	Bob Rogan	Green Mountain Power (GMP)
26	Mary Powell	Green Mountain Power (GMP)
27	Barbara Grimes	Burlington Electric Department (BED)
28	Tom Buckley	Burlington Electric Department (BED)
29	Mary Sullivan	Burlington Electric Department (BED)
30	Munir Kasti	Burlington Electric Department (BED)
31	Jodie Kandel	SGC Engineering LLC

The 1st key stakeholder meeting was held on Thursday, September 21, 2006 at the Holiday Inn in South Burlington from 8 until 10 a.m. Opening comments were provided by executives Barbara Grimes from BED, Chris Dutton from GMP and John Donleavy of VELCO regarding the

importance of the project for reliably serving electricity to the greater Burlington area and in gaining input from the public prior to moving forward. It was also noted that the need for this project has been forestalled through conservation and efficiency investment.

This meeting was facilitated by Tom Buckley, Manager of Customer & Energy Services at Burlington Electric Department. Introductions of attendees and an overview of the stakeholder process were provided.

The key stakeholder process involves a series of three meetings:

- Today – which will provide an overview of the project
- Thursday, October 26 – which will get into project details and provide a forum for feedback on different areas of criteria
- Thursday, November 30 – which provides an opportunity to incorporate feedback from key stakeholder meetings, as well as public open houses, with the intent to be close to a final design for the project.

A series of public open houses will be held during the month of November. These venues provide the opportunity for landowners and other interested parties to meet with project planners regarding different aspects of the project.

These meetings will be scheduled in different community locations within the project area.

Mary Powell, Chief Operating Officer from GMP provided an overview of the Area Specific Collaboration Process (ASC) which was used in preparation for this project.

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- The process was established 4-5 years ago
- It ensures that utilities are working together on project planning, along with the Department of Public Service (DPS) and other interested entities
- It makes sure that all alternatives are considered
- It is a more formal process and ensures that the best alternative is selected and is not only based on "least cost"
- For the East Avenue Loop Project, over 20 alternatives were looked at
- This process has been already used on about seven projects in Vermont

An overview of project was presented by Dean LaForest, VELCO's Manager of Transmission Planning. Maps of the project area were described. (Please see 9.21.06 Stakeholder Presentation for more details).

Questions and Answers

If the poles are to be changed, does the pole height need to change?

- Pole heights may need to change due to safety clearance standards to ensure that a safety hazard does not exist
- Poles currently are 50 – 75 feet
- Best case scenario would be 5 – 10 ft higher; Worst case scenario would be 20 ft higher
- Trade off could be to install more poles in order to lower heights

What are the costs of the poles?

- In the past, poles would cost about \$2K each
- Currently, poles cost anywhere between \$10 K and \$15 K each
- These costs do not include hardware, labor, etc.



Who is paying for the project?

There are 4 distinct components of this project:

1. Add two new 115 kV lines on single poles in 4.6 miles of right of way where today one line exists

This part of the project would be constructed by VELCO and should qualify as PTF. When a project is considered PTF (pooled transmission facilities), the costs are shared by the region. If this project qualifies, such costs would be shared by New England ratepayers (Vermont, Maine, New Hampshire, Massachusetts, Connecticut, and Rhode Island).

2. Build a new 1.4 mile 34.5 kV line with both underground and overhead portions

This portion of line is owned by BED and GMP and would be paid for by both utilities through a cost allocation agreement.

3. Expand an existing VELCO substation (East Avenue) to accommodate the new lines

VELCO will construct this and given the shared use costs would be shared between VELCO, BED and GMP; VELCO expects PTF cost sharing by the region for its portion.

4. Expand an existing 34.5 kV substation (McNeil) to accommodate the new 34.5 kV line and relocate BED facilities from the lakefront

There would be a sharing of costs between GMP and BED.

Is there a risk that the 115 kV line would not be considered regional (part of pooled transmission)?

- There is always a risk that a project may not be considered regional
- There is a Reliability Committee in place which is an advisory committee to the Independent System Operator of New England (ISO-NE) that reviews these projects to ensure they meet the criteria
- Very good chance this project will be considered PTF

Does the committee frequently review the policy for underground lines?

- The committee does review this periodically but the policy has not changed; unless undergrounding is the least cost method, ISO-NE would pay qualifying facilities the equivalent cost for overhead construction.

Will this project remove the lines on the Burlington waterfront?

- This is a multiphase project. Specifically, the East Avenue Loop project is considered Phase 1.
- In the future (around 2010), it will provide GMP with options to deal with waterfront lines.

Is there a way to quantify what we mean by reliability for this project?

- Currently we divert load (i.e., electrical usage) when East Avenue substation is out of service to two other substations feeding Burlington, and rely on the Burlington gas turbine generator.
- If the McNeil generator should go down, there is a potential it would be down for at least one year due to the parts that would be needed for repair.



- If one transformer or one line is lost in the area without McNeil on-line, it might take down about 40% of the load in Burlington and the surrounding area.

Where does East Avenue Substation fit into reliability?

- The East Avenue substation is the main supply substation for BED. It typically supplies 40 to 50% of BED's customer load. It supplies customers like UVM and Fletcher Allen Hospital.

What is the impact on the McNeil Substation?

- McNeil Substation is the 2nd largest power plant in Vermont. It has been used frequently over its 20+ year life in the area and has come to be relied upon for local system reliability.

How much do the four (4) components of this phase of the project cost?

- Original cost estimates are over a year old. Will need to reevaluate costs when we are closer to finalizing the design.
- Cost of the line upgrades will be about one-half of the total project costs, while the work at the substation will constitute about one-third of the total project costs.
- Overall project cost was last estimated at \$20+M

East Avenue Loop is just one reliability project, how does this fit in with other new reliability loops?

- As part of Act 61, the utilities are asked to prepare a 10-year transmission plan
- Currently, no other VELCO transmission line projects in this area are planned during 10-year window
- Need to increase substation reliability
- Will need to increase number of transformers
- There are other phases of this project for sub-transmission needs

What is the length of the time that the benefit will be recognized?

- Phase 2 of the project will involve Gorge Substation for which permitting is planned to begin 2008 / 2009

Has cogeneration been factored into the alternatives?

- Act 61 encourages utilities to review all alternatives which includes cogeneration
- Generation alternatives to this project have been looked at. Some generator cost information will be shared at future meetings.
- The University of Vermont is currently planning to install a separate generating facility of approximately 5 MW
- The University of Vermont cogeneration is not sufficient to meet the reliability need for the area, support of the East Avenue Substation would require 35 MW.
- The University of Vermont's planned cogeneration project was deemed through the ASC process to be insufficient to defer the need for the project.

Key stakeholders were provided with a handout of items to think about (attached) prior to our next meeting on **Thursday, October 26, 2006 at the Holiday Inn, South Burlington, at 8 am.**

