Addison County Regional Planning Commission

Full Commission Meeting

Wednesday, January 08, 2003

The Addison County Regional Planning Commission's Full Commission Meeting was held on January 8, 2003, at Middlebury College's Kirk Alumni Center with Harvey Smith presiding.

ROLL CALL:

Addison:		*Orwell:*	David King
Bridport:	Andrew Manning Ed Payne	*Panton:*	
Bristol:	Jim Peabody Bill Sayre Peter Grant	*Ripton:*	Jeremy Grip
Cornwall:	Don Shall Bill McQuillan	*Salisbury:*	
Ferrisburgh:		*Shoreham:*	
Goshen:		*Starksboro:*	
Leicester:		*Vergennes:*	Randy Friday
Lincoln:	Rick Good Steve Revell	*Waltham:*	Tom Yager
Middlebury:	Fred Dunnington Karl Neuse	*Weybridge:*	
Monkton:	Thea Gaudette Charles Huizenga	*Whiting:*	Ellen Kurrelmeyer
New Haven:	Harvey Smith Allen Karnatz		

CITIZEN INTEREST REPRESENTATIVES:
AC Chamber of Commerce:
AC Community Action Group:
AC Economic Development Corp:
Otter Creek Audubon Society:

STAFF:
Adam Lougee
Brandy Saxton
Kevin Behm
Nell Fraser
Tim Bouton

Public Program

The full commission met to discuss electric transmission in Addison County and to gather public input for inclusion in the commission's updated Utilities and Facilities Section of the Regional Plan. Representatives of VELCO were also on hand to discuss the company's plans to improve its transmission system. The public portion of the meeting focused on a panel of experts to help answer the communities' questions regarding electric power transmission. The panel included Velcro's Tom Dunn; Richard Sedano, director of the Regulatory Assistance Project and former commissioner of the Department of Public Service (DPS); Steve Litkovitz, electrical engineer with DPS; and Hans Mertens, chief engineer with DPS.

Harvey began the public program by introducing Tom Dunn, who presented an overview of the electric power grid

in Vermont. In November 2001, the company saw a significant increase in the demand for electricity. They've continued to see these increases since then, and peak summer demand has increased by 9% since 1999. They also have experienced both a summer and winter peak, which makes line maintenance more difficult.

Tom said that the system has currently reached capacity. There have been no major additions to the facilities since the 1980s, and no new power plants are being built in Vermont, while the rest of New England has seen new construction. Tom also presented a load forecast, which shows summer demand growing faster than winter demand and surpassing it in the near future. Demand for both seasons is predicted to increase. (Summer peak demand last year was 1023 MW.)

VELCO must comply with the Regional Reliability Criteria, which means making sure that systems are maintained properly to keep reliability high. Tom described the company's ideas for solving the reliability problem. In addition to looking for transmission solutions, the other ideas are demand-side management, building a new generation plant, and other transmission alternatives. By the end of January, they will submit a report -- called The Northwest Vermont Reliability Project (NRP) – to the DPS. They have held over 50 meetings with environmental groups, business leaders, and town officials to discuss the problems and potential solutions.

If the transmission project is deemed the best solution, they will begin seeking regulatory approvals with a completion date of 2007. The project will comprise a new 345 kV line from West Rutland to New Haven, a new 115 kV line from New Haven to Queen City in S. Burlington. The cost is estimated to be $125-150 million.

With regard to Addison County, they're looking at 20.2 miles of 345 kV line next to the existing 115 kV line and 13.6 miles of 115 kV line replacing an existing line. The estimated investment for the county is $27 million. Additionally, Addison County will benefit from increased reliability. Even though the largest demand comes from Chittenden County and the rest of Northwest Vermont, power outages have a tendency to spread down the line.

Tom also discussed EMFs, saying they come from transmission lines as well as electrical appliances and household wiring. The National Institutes of Health has a great deal of information on the subject available on its website at http://www.niehs.nih.gov/emfrapid.

Rich Sedano, director of the Regulatory Assistance Project, addressed the commission next. RAP is a nonprofit organization that provides workshops and education assistance to state government officials on electric utility regulation. Rich said that their major goals and priorities are: safety, reliability, environmental quality, reasonable cost, and efficiency. When you think about building a power line or a new plant, the question to ask is: "Have we done everything we could reasonably do to avoid this solution?" If the answer is yes, then it is logical to continue with the project.

Transmission lines are just one way to meet the growing demand for power, Rich explained. Other solutions include large generation, local resources (energy efficiency, small generation), power electronics, which extend the system at the plant level, and pricing (including "demand response").

The system needs to serve normal load and actual growth. It needs to survive contingencies, and promote power sales (improve utilization of existing generation). Lines are usually built by monopoly-oriented companies, so the money spent is the consumer's money, which is being risked. The risk to the environment also creates the need for regulations. But as long as the decision-making process is open and sound, the best solutions will be found.

Rich added that if a line is needed, they must balance current and future needs with cost. It must be sited balancing all priorities (aesthetics do matter), and more expensive siting options (underground, etc.) should be considered. Other considerations include power pool rules concerning transmissions (cost of reliability-driven projects in New England are divided among all, but the costs of the alternatives are not shared); the availability of innovative technologies; and maximizing rights of way (reliability effect of concentrating lines). Rates are an important consideration. Everyone wants them to be lower, but reliability is costly.

Steve Litkovitz, electrical engineer with the DPS addressed the commission next. The DPS was created by the legislature to represent ratepayers in front of the Public Service Board, providing testimony and their opinion. The PSB is a quasi-judicial body is the ultimate decision maker in this case. If VELCO does file a 248 with the board,

the DPS will be in attendance.

The 248 process dictates that the PSB must approve any improvement (see the legislature's website under statues online). Testimony will be presented, and then there will be a procedure for questioning the participants. They expect it will take 3-12 months from when VELCO submits its 248. VELCO must show that the project would not interfere with orderly development, is needed to meet present or future loads, and that these needs cannot be served more cost-effectively with other means (i.e., conservation), provide an economic benefit to the state, and have no undue adverse effects on aesthetics, environment, public health.

Steve explained that there are three ways the public can get involved. They can attend the public hearing held in front of the board, write a letter to the clerk of the board, or they can seek "intervener status," the most effective way to become involved, because they can then provide witnesses, testimony, and question VELCO representatives.

DPS has asked VELCO to explain the need for the project prior to submitting a 248 to the board. They also wanted VELCO to look at the alternatives very carefully. Lastly, they have asked VELCO to tell them the lowest cost solution. The DPS is currently in an information-collection mode. A formal discovery process within the 248 process will allow the DPS to ask more questions and then file its recommendation the board.

The floor was then opened up for questions from the audience.

Peter Grant asked about the configuration of the towers. Tom said the existing 115 kV line from New Haven is a 2-pole structure with a cross arm across the top. It's a 60-foot pole with a static wire and two phase wires. Sometimes a fiber optic cable is also attached. The 345 kV pole would be about 75 feet tall, and would have a wider footprint than the other with two-phase wires and two static wires. The 115 kV line from New Haven to Queen City is currently a single pole with cross arms, about 65 feet tall, three wires. They would like to replace the pole with a single pole with three insulators with wires, no cross arms. The existing line from Rutland has a 150-foot clearance around the line. The new 345 kV line would require another 75-100 feet of new corridor around the line. VELCO has an easement with most of that property. They will have to acquire additional easement for a 1.5-mile section currently owned by 3 property owners in Middlebury. The line to South Burlington has a corridor maintained by Green Mountain Power, but additional easements will be likely.

Karl Neuse asked Rich Sedano about his statement regarding increasing power production for the Northwest region of Vermont rather than transmitting power to the area. He specifically asked about the dam being removed in West Milton in 20 years. Rich answered that it was a difficult negotiation between the interested parties, and he thinks that it was the best compromise the state could come up with. The 20-year timeframe to make up the 6 MW is sufficient. Tom added that the during heat waves, the amount of hydro-generated electricity is relatively small due to the low water levels in the rivers. So the loss of this dam shouldn't have an enormous impact on meeting summer demand.

Karl asked about gas pipelines. Tom said they could be built if there were a customer at the end of the pipeline, which would be a generating plant. No one has proposed that at this time. Rich added that it's not impossible to permit those pipelines. Hans Mertens, chief engineer with DPS, said that a pipeline is a much bigger question than many understand. There are a number of planning groups involved that must look at the entire regional system. If a generator is told that they can make money by siting into Northwest Vermont, they will begin exploring the area. The group they've formed within the department must analyze how to attract generators to the area. Northwest Vermont was only identified as a problem one year ago. In Vermont, you have quality of life issues, but a reliable energy supply is equally important. If some actions aren't taken, more outages will be possible, reliability will be compromised.

Bill Sayre asked what the additional capacity to generation would be if a gas pipeline were built. Hans said there is no pipeline even in the drafting stage, so it would be difficult to estimate the capacity. If a generator comes in, Vermont Gas will build the pipeline to fill that need. The generator will have to take the risk, though.

Bill asked for an estimate on the amount of power that could be generated. Hans said that you could site a plant if there is excess capacity in the existing pipe system. You could then build a plant to meet that excess capacity. It depends on the project. Ideally, a plant would look at many factors to determine the size of the plant.

Karl asked if the current pipeline is being sized to accommodate a generator. Hans said no, but there are ways of increasing capacity on an existing pipeline (looping). The system is built for its gas customers, not a new electric load. If that entity were IBM, for instance, the gas company could expand its line. Tom said that looping is really like laying a new pipeline.

Rick Good asked Steve about the role of DPS in the process and why they have asked VELCO to investigate the alternatives and not do that themselves. Steve answered that they are, but they have asked VELCO to do it first. Then DPS will review VELCO's study and come to its own conclusions. Hans added that it's a very integrated process where there is constant interaction between the two sides (VELCO and the DPS).

A member of the audience asked why they're considering installing a line 100 times larger than what we need, and what steps they're taking to move existing lines and site new lines away from people. Tom answered that the capacity of the 345 kV line is dependent because the line is part of an integrated network. You have to look at how the line performs at peak load. They have determined that a 345 kV line is appropriate from West Rutland to New Haven.

A member of the audience asked why they are stopping at New Haven and then splitting into two 115 kV lines? Tom answered that they want to provide some cushion for themselves. Depending on how growth continues, the project will give them 5-10 years. They are minimizing the amount of 345 kV lines necessary by providing a fifth path for power. One comes from NY, one from Hydro Quebec, one from W. Rutland, and one from the Connecticut River. In terms of the position of the lines, they don't have any detail in terms of location for the new line, but it will be addressed during the hearing process.

Jeremy Grip asked about how they decide between the three transmission alternatives. He wonders if the relationship between PSB and the generation side has changed due to deregulation and asked how that affects the state's ability to make those decisions. Hans answered that Vermont is unique in New England in that it is not deregulated. The other states have divested the utilities. They don't own the generation. Vermont has the ability to approve generators, and that's what the study group is specifically looking at right now. "Repowering" is a way to increase power generation at existing plants. Demand-side management (efficiency) has saved tons of money and they will continue to put effort in that area. Not consuming is always the best way to solve the problem. He says what VELCO comes up with may be a hybrid and not just a transmission solution. Rich added that if generation is deemed appropriate and the utilities don't step up to do it, then will the regulators consider ordering the generators to step up.

Ken Wheeling (from the concerned citizens of Monkton) asked Tom about the percentage of the usage will transmit power into Vermont as opposed to transmitting power through Vermont. Tom answered that basically all of the project is for Vermont. It doesn't provide a pathway from Hydro Quebec. It could in the future, but a line would have to be built from S. Burlington to Hydro Quebec.

Ellen Kurrelmeyer asked if there will need to be additional substations built or improvements to existing substations in the count. Tom said yes, they would need to add new transformers, circuit breakers, and the footprint at New Haven will be significantly larger than it is today at a cost of $10 million (part of the total project cost). In Vergennes, two transformers will be needed. Also, N. Ferrisburgh, Charlotte and Shelburne as well.

A member of the audience noted that this discussion has been taking place for probably 6-7 years, and that VELCO gave the same presentation now as they did then. He asked if the PSB and the Energy Efficiency Utility will be an intervening party in these hearings. He also asked the panel to define reliability and how these towers will be any more reliable than the alternatives. Tom responded that the project he was referring to was a different project, which sought to increase ties from New York and bring a 345 kV line from Quebec to Burlington and from Burlington to West Rutland. That project was about bringing power down through Vermont for commercial interests as well as addressing the reliability problems. That project didn't materialize. In terms of reliability, Tom answered that the newer towers will perform as well as they're designed to perform. The reliability is more in terms of the entire network. During a peak load, if you take out a key component, will the system fail? By building a transmission option, you reduce the probably of that blackout occurring.

Hans added that there is an industry standard for reliability. The criteria are extensive. If a facility is built to that standard, it is considered well built. The ice storm of several years ago brought up new issues, which has helped them to improve the system to lessen the risk of major power outages again. Regarding the Energy Efficiency Utility, VELCO has to demonstrate that they've met the "least-cost standard." The EEU may go along, but they will be looking closely at this issue. When the report is issued, we will have those answers. Rich said the EEU will probably not be a party. The question they will look at is where the money will come from. The PSB may have to decide whether to accept 5% of an expensive project rather than a project that would cost Vermonters more but cost less overall. Tom added that they will do an analysis for a full cost of the transmission project compared to the full cost of conservation, etc.

Jeremy Grip asked who decides who picks up what portion of the cost. Rich said the current rules of how to allocate cost will continue. There is an indication that many in the industry would like to change it to make users pay more. But the transition will be hard on the first state that encounters any new rule.

Harvey thanked the panel, and the public program ended at 9:25 pm.

Business Meeting

The business meeting began at 9:35 pm.

Approval of Minutes: December 11, 2002

Peter moved to approve the minutes as written from December 11, 2002. Steve seconded the motion. Rick Good wanted to amend the minutes to say the stop sign near Bristol was moved closer to Lincoln. **The motion passed unanimously.**

Executive Board Minutes:

There was no discussion.

Treasurer's Report

Adam said that there's a big balance due to a payment they received from DCA. Expenses are running at 38% or so, and they have received about half of the balance.

Peter moved to approve the Treasurer's Report as presented. Rick seconded the motion. The motion passed unanimously.

Committee Reports

TAC: Tom said the proposed bylaws will be presented at the next Executive Board meeting.

Local Government: Thea Gaudette, Chair of the Local Government Committee stated that the Committee had held a public hearing on Dec. 17th in Weybridge with the Weybridge Planning Commission. As a result of that hearing and the Committees analysis of the Webridge Town Plan, the Committee recommends the commission confirm that Weybridge is engaged in a planning process and approve the Weybridge Town Plan. **Thea then moved to confirm**

Weighbridge's planning process and to approve the Weybridge town plan. Karl seconded the motion. The motion passed unanimously.

Act 250: Fred said no new applications have been filed. Adam noted that we had received an application from the Peet airport, to permit the construction of improvements already made to the land in question. Adam noted that for this reason, the committee chose not to act on the Peet application..

Natural Resources: A meeting is scheduled for next Monday. Adam then introduced Nell Fraser, the new watershed planner, who will be working with the committee.

Economic Development: Jim said they're still gathering data on employers and employees and will hold a meeting Jan. 24th at the commission office.

Utilities and Facilities: Jim said they discussed wastewater treatment and the resolution that Charlie brought at the last commission meeting regarding a recommendation over the VELCO issue. They did not come to any conclusions on the issue. It can either come back to the full commission or hold onto it for now. Harvey responded that the committee should come up with a recommendation.

Staff/Delegate Recognition

Harvey thanked Adam for putting together tonight's panel, who in turn thanked the rest of the staff for their assistance.

Old Business

Joint Partners Mid-Year Report: Adam noted that the report documents work completed jointly with the Chamber and economic Development Corporation over the first half of this year and opened up the floor for questions. There were none.

Audit Report FY2002: Adam said the audit report is very clean. The one finding they had was a consistent finding in terms of computerizing the books. The commission is making progress in this area.

New Business

Other: Fred said that permit reform is a hot issue, which started with an effort to address the affordable housing situation. As a result, a report was prepared, but no action was taken by the legislature. The committee continued meeting, however, and there is now a draft revision of Chapter 117. The effort is not to force change on towns but to find a way to coordinate efforts. Fred suggested that the commission convene a panel to discuss the components of this revision, which would directly impact regional planning. One thing proposed is to reorganize who hears Act 250 applications. Another provision allows the majority of the Selectboard could vote to exempt applicants. Adam will look at scheduling this discussion for a future meeting, probably February or March.

Adjournment

Peter moved to adjourn. Steve seconded the motion. The meeting was adjourned at 10:05 pm.

Submitted by Ursula Jones