

VERMONT ELECTRIC COOPERATIVE

Vermont Senate Committee on Finance
February 23, 2018



Purpose and Outline

□ Purpose

■ Explain:

- Impact of curtailment in Sheffield Highgate Export Interface (SHEI) on Vermont Electric Cooperative (VEC)
- What VEC is doing to help alleviate constraints
- VEC's perspective on S.115

□ Outline

- Curtailments of generation in the SHEI
- Financial Impact
- What is VEC doing to relieve curtailments
- VEC view on S.115

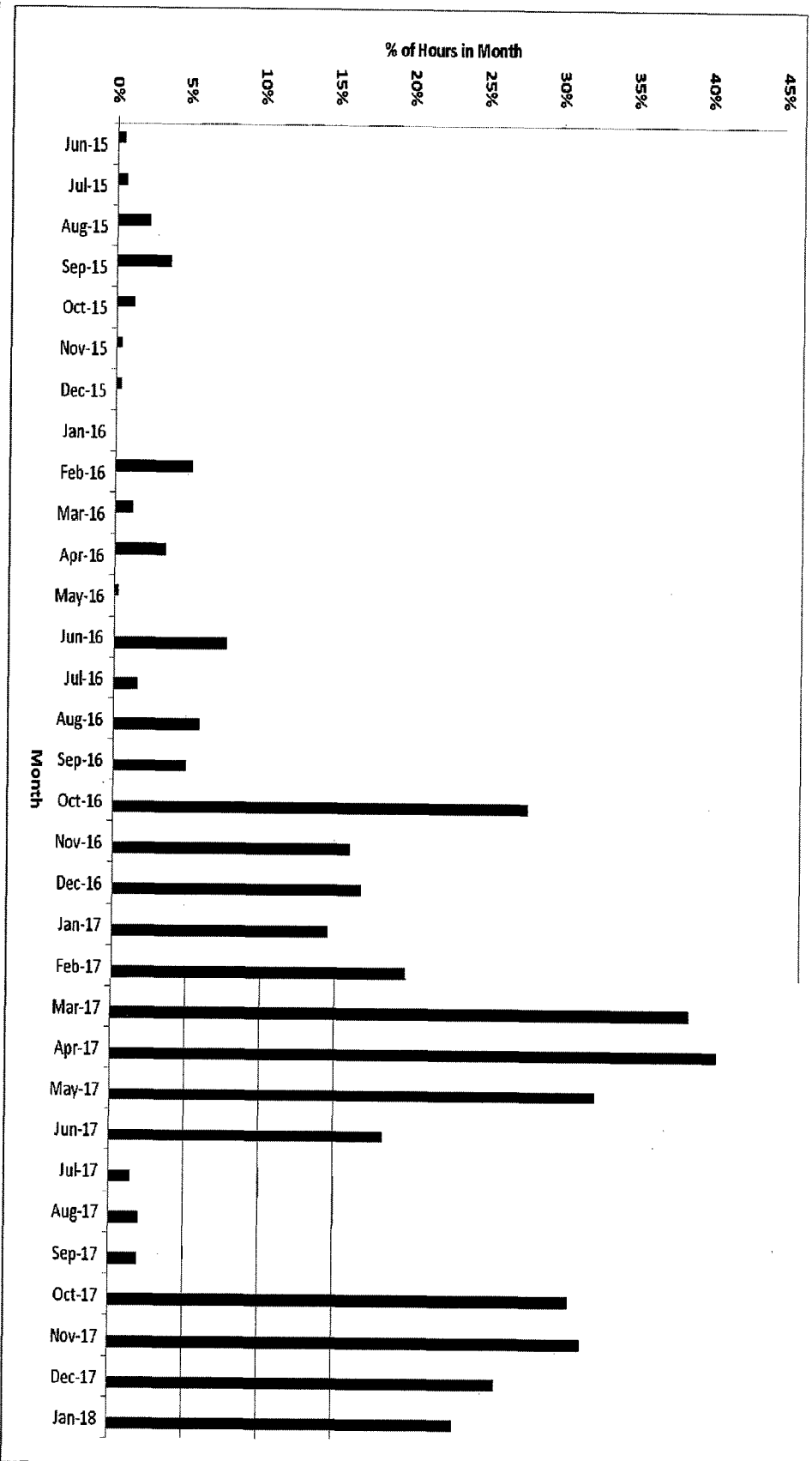


Curtailment in the SHEI

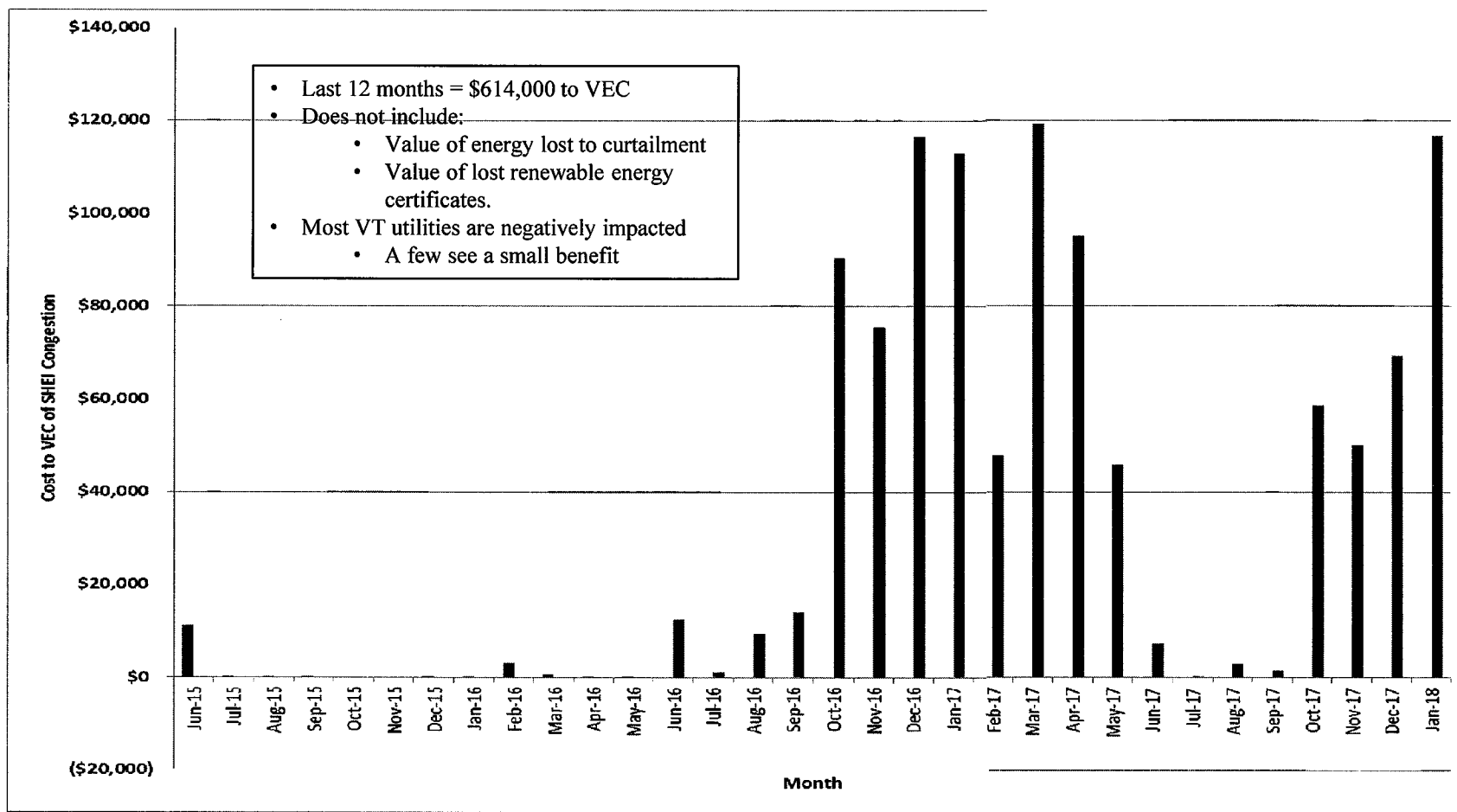
- Localized issue where the amount of generation resources in the region minus load (energy consumed in the region) is greater than the transmission capability to send energy out of the region.
[Resources – Load] - Transmission Capability Out > 0
- ISO-NE rule change on May 26, 2016 caused increase in costs to VT utilities.



% of Hours Financial Impact (Reduced Prices) in SHEI



\$ Impact to VEC of Reduced Prices in SHEI



VEC Actions to alleviate the problem?

- More aggressively keeping load connected to VT that could otherwise be connected to either VT or Hydro-Quebec.
 - Helps increase load in the area that consumes the electricity generated before it needs to be exported through the interface.
 - Manage this to be least expensive to our members. In past have been conservative and tied to HQ more than we are now.

- Working with other DU's on benefit/cost analyses of potential solutions identified in the VELCO/EIG study.

- Intervening in Certificate of Public Good applications for new generation in the area (except for projects smaller than 150 kW)
 - Don't enjoy doing this, but, as a non-for-profit, believe it is in the best interest of our members.
 - Over 45 MW pending projects in the area.
 - 5+ MW Net Metering
 - 2.5+ MW Standard Offer
 - 40 MW Other merchant generation



S.115

- We support the general intent
 - Suspension of new projects in the SHEI affected area until a solution has been implemented that allows for more generation without curtailments.
- Have some suggested wording changes.
- Open to coming back and discussing in more detail when time is appropriate.

