

# Testimony on S. 115

Vermont Public Power Supply Authority

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# VPPSA Members

Barton Village, Inc. Electric Department (1893) 2,170

Village of Enosburg Falls Water & Light Department (1896) 1,706

Town of Hardwick Electric Department (1897) 4,492

Village of Hyde Park Electric Department (1894) 1,383

Village of Jacksonville Electric Company (1904) 700

Village of Johnson Water & Light Department (1894) 944

Village of Ludlow Electric Light Department (1900) 3,758

Village of Lyndonville Electric Department (1894) 5,664

Village of Morrisville Water & Light Department (1895) 3,986

Northfield Electric Department (1894) 2,223

Village of Orleans Electric Department (1925) 669

Swanton Village, Inc. Electric Department (1894) 3,632



# SHEI Implications for VPPSA

- ▶ Not all Vermont utilities are affected by this constraint in the same manner.
  - ▶ Utilities that have ISO-NE compensated *generation* within the constrained area are being harmed by curtailments and low energy prices.
  - ▶ However, utilities that serve *load* in Vermont are seeing lower energy prices due to the impacts of the constraint on Vermont load charges.
  - ▶ Most VPPSA systems do not have generating resources located within the SHEI.
- ▶ Overall, VPPSA's members will likely see somewhat **increased costs** from a solution to the SHEI constraint given the way regional market rules work.



# SHEI Solutions

- ▶ The distribution utilities, VELCO and the Department are actively working on selecting a solution or set of solutions to the SHEI constraint that works for all affected utilities.
- ▶ Cost allocation is included in these discussions.
  - ▶ Those who benefit from the solution should bear the costs.
- ▶ Not all curtailments are as problematic as those imposed in the SHEI.



# S. 115 Considerations

- ▶ Is the goal of this bill to avoid ALL curtailments?
  - ▶ Is that reasonable/desirable?
  - ▶ Should there be parameters around the reason for curtailment, duration, likelihood of recurrence or magnitude of impacts?
  - ▶ Who decides when a curtailment has become problematic?
- ▶ The bill language is limited to the transmission system.
  - ▶ Generators could interconnect to a distribution line instead; the language should be broadened to include distribution lines.



## S. 115 - Impacts on VPPSA

- ▶ The bill would restrict the VPPSA member utilities' ability to build projects *within their own territory* to serve their own load.
  - ▶ Renewable Energy Standard obligations
  - ▶ Capturing the full value of solar requires that it be built within your own utility territory.
  - ▶ The PUC should make the determination of whether a utility's project provides a public good to the state.
- ▶ Utility–owned projects are distinct from Merchant projects (including Standard Offer).



## S. 115 - Future Considerations

- ▶ VPPSA supports modifications to the State's interconnection or 248 process that would identify potential negative impacts of new generation on existing generation *before* the projects are built.
  - ▶ The PUC could then evaluate impacts and determine whether a proposed project was in the public good for the state through the Section 248 process.
- ▶ In the interim, VPPSA would support a 1-year moratorium on projects within the SHEI (or on constrained transmission and distribution lines.)
  - ▶ Ban should ultimately be replaced by PUC decision-making framework.
  - ▶ An ongoing ban will undercut other State policy goals.

