

# Recent Events in Vermont and Region



*NARUC Energy Regulatory Partnership Program*

*The Georgian National Energy and Water Regulatory Commission  
and*

*The Vermont Public Service Board*

*by*

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**Vermont Public Service Board**

**December 15, 2008**



# *Recent Events in Vermont*

- ❖ Generation Resources
- ❖ Transmission Resources
- ❖ Efficiency Resources
- ❖ Alternative Regulation
- ❖ Other Significant Issues



# *Generation Resources*

- ❖ Board reviewing petitions for the following generation resources:
  - 20-year license extension of Vermont's only nuclear plant
  - New 30 MW wind project
  - New 40 MW gas-fired peaking generator
- ❖ Largest electric utilities are collaborating on two solicitations for new generation resources, one for 100 MW, one for 150 MW
  - Proposals due January 2009



# *Transmission Resources*

- ❖ Board reviewing major new transmission project
  - New 51-mile 345 kV line
  - 2 new substations; expansion of one existing substation
- ❖ Board reviewing many condemnation petitions related to two other new transmission lines, including Vermont's largest new transmission line in 30 years



# *Energy Efficiency Resources*

- ❖ Board recently established electric Energy Efficiency Utility (EEU) budgets for 2009-2011 (increase from \$30.75 to \$40.7 million)
- ❖ Board's contract with EEU contractor expires at the end of 2008; Board is currently negotiating a three-year contract extension
- ❖ New legislation in 2008 requires EEU to deliver unregulated fossil-fuel energy efficiency services for the first time



# *Alternative Regulation*

- ❖ Board approved new alternative regulation plan for largest electric utility
- ❖ Third-largest electric utility filed a proposed alternative regulation plan
  - Different from previously-approved plans because quarterly adjustments only apply to transmission costs, not all power costs



## *Other Significant Issues*

- ❖ Corporate restructuring of the nuclear plant's owner is pending before the Board
- ❖ Sale of a small municipal electric utility is pending before the Board
- ❖ Board is reviewing Integrated Resource Plans for only gas utility and several electric utilities



## *Recent Activities in the Region*

- ❖ Regional Greenhouse Gas Initiative (RGGI)
- ❖ Forward Capacity Market



# RGGI

- ❖ The first mandatory, cap-and-trade program in the United States to reduce greenhouse gas emissions.
- ❖ Ten Northeastern and Mid-Atlantic states will cap and then reduce CO<sub>2</sub> emissions from the power sector 10% by 2018.
- ❖ Each electric power generator (> 25 MW) must hold allowances covering its emissions of CO<sub>2</sub>



# RGGI

- ❖ States will sell emission allowances through quarterly auctions and invest proceeds in consumer benefits: energy efficiency, renewable energy, and other clean energy technologies.
  - Vermont will use auction proceeds to create All-Fuels Efficiency Program.
- ❖ First RGGI auction occurred in September 2008
  - Vermont received \$621,000
- ❖ Second auction will occur in December 2008



# *Forward Capacity Market*

- ❖ New regional market
- ❖ Capacity resources, including energy efficiency, compete in auctions to provide capacity in a future period
- ❖ Second auction will take place  
December 8, 2008



# Looking Ahead

- ❖ Contracts that provide two-thirds of Vermont's electric power supply will expire in the 2012-2015 time period
  - Vermont Yankee nuclear power plant
  - Hydro-Quebec
- ❖ Board is considering changing the structure of the EEU from a contract to an appointment model
- ❖ In 2012 Board must determine whether 2005-2012 load growth has been met by new renewable resources; if not, renewable portfolio standard will take effect