



Newport Substation Project

July 11, 2024

Town of Newport Selectboard
Town of Newport Planning Commission
Northwest Regional Planning Commission
ePUC Statutory Entities
Adjoining Landowners

Re: Newport Substation Project
Certificate of Public Good – Section 248(j) Permit Process
45-Day Notice of Project Filing

Dear Statutory Entities and Adjoining Landowners:

This letter and the enclosed information describe the Vermont Electric Power Company Inc. and Vermont Transco LLC's (collectively "VELCO") proposed Newport Substation Project (the Project) to upgrade the existing transformer within the substation fence at VELCO's existing substation at 917 Clyde Street in Newport, Vermont.

We anticipate filing our formal petition with the Vermont Public Utility Commission (Commission) on August 27, 2024, requesting a Certificate of Public Good for the Project under Section 248(j) because such facilities will be of limited size and scope, and the Project does not raise a significant issue with respect to the substantive Section 248 criteria. The state permitting process requires VELCO to notify the Commission, the City of Newport Planning Commission and Selectboard, the Regional Planning Commission, adjoining landowners, and several state agencies at least 45 days before a formal filing with the Commission.¹ For your information, we have attached a Project overview and substation site layout. You will also receive notice of our petition when, after filing, it is deemed complete by the Commission.²

Before the Project is filed with the Commission, VELCO will conduct informal discussions to address concerns you may have about the Project's impact. On August 5, 2024, VELCO will hold an in-person public meeting to share information, collect feedback, and address concerns from affected communities. You will also receive notification of our petition when it is filed with the Commission.

Under Commission Rule 5.402(C), the municipal and regional planning commissions may convene a public hearing on the proposed petition under 30 V.S.A. § 248(f)(1)(A). The municipal and regional planning commissions have the right under 30 V.S.A. § 248(f)(1)(C) to make recommendations, if any, to the

¹ The process is governed by Public Utility Commission Rule 5.400, which can be viewed on the Commission's website at: <https://puc.vermont.gov/document/commission-rule-5400-requirements-construct-electric-gas-facilities-pursuant-30-vsa-248>.

² As noted earlier, we anticipate filing the formal petition on August 27, 2024. However, the formal notice of the petition may not go out until a few days later, as the Commission must first determine whether the petition is complete.

Commission and VELCO within 40 days of the submission of this notice to the planning commissions, which is August 20, 2024.

VELCO’s application to the Commission must address any written comments provided to it in response to the 45-day advance submission that are related to the Section 248(b) criteria and any oral comments related to those criteria made at a public hearing conducted pursuant to 30 V.S.A. § 248(f)(1)(A).

Please note that affected municipal and regional planning commissions have the right under 30 V.S.A. § 248(f)(1)(D) to make recommendations to the Commission after a petition is filed. The Commission will give due consideration to any such recommendations. Recommendations made to the Commission pursuant to Section 248(f), or the lack of such recommendations, shall not preclude municipal and regional planning commissions and municipal legislative bodies from exercising their right to appear as parties pursuant to 30 V.S.A. § 248(a)(4)(G)-(I). While Section 248(f) focuses only on the Planning Commission comment process, VELCO welcomes feedback from the affected municipal bodies, state agencies, and adjoining landowners. So that VELCO has sufficient time to incorporate your feedback prior to the August 27, 2024, anticipated filing date, VELCO is requesting that comments be submitted by August 20, 2024.

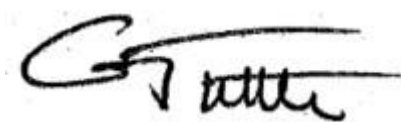
For additional information regarding the Commission’s processes, including your right to participate in the proceeding, please refer to the Commission document titled, “Public Participation and Intervention in Proceedings Before the Public Utility Commission,” found on the Commission’s website at <https://puc.vermont.gov/document/publicparticipation-and-intervention-proceedings-public-utility-commission>.

The Commission’s website also includes a Section 248 procedures document found on the Commission’s website at <https://puc.vermont.gov/document/section-248-procedures>.

As VELCO plans to file the petition under Section 248(j), the Commission’s Section 248(j) procedures document can be found on the Commission’s website at <https://puc.vermont.gov/document/section-248j-procedures>.

As the Project is still in the design phase, we will continue discussions and expect to receive feedback on this Project from various stakeholders. Please note that we expect to make the formal filing with the Commission on August 27, 2024. If you are interested in a presentation on this Project, have comments, or want further information, please contact Gunner Tuttle, Project Manager, at 802-779-5486 or gtuttle@velco.com. Please contact us before August 20, 2024, so that we may better address any questions or concerns you may have. **This letter, and the documents that accompany this letter, have been electronically filed using ePUC.**

Sincerely,



Gunner Tuttle, Project Manager
Vermont Electric Power Company, Inc.
Enclosures:

- Attachment A – Project Overview
- Attachment B – Newport Substation – Overall Ortho Plan



Newport Substation Project Overview

Introduction

Vermont Electric Power Company Inc. (VELCO) was formed when local distribution utilities joined together to create the nation's first statewide "transmission only" company to provide access to clean hydro power and build and maintain the state's high-voltage electric transmission grid.* VELCO constructs, owns, and operates most of this in-state, high-voltage transmission grid (essentially 115 kV and above) that connects Vermont to the regional and national electric power supply system. VELCO's network also provides the electric supply to Newport's local distribution utility, Vermont Electric Cooperative, Inc. (VEC).

The Newport Substation Project (the Project) is driven by the need to improve the condition of VELCO's existing facilities in Newport and is comprised of replacing the transformer within the substation fence at VELCO's existing Newport Substation. As is explained in this overview, we expect to file a request on August 27, 2024, with the Vermont Public Utility Commission (Commission) for permission to undertake this Project. Assuming the Commission and other approvals are granted, we currently plan for it to be constructed and in service by September 2025.

This proposed Project overview describes the following:

- Deficiencies at VELCO's Newport Substation
- Alternatives evaluated for this Project
- The Project's description
- The Project's impact
- The anticipated Project filing date with the Commission

Description of the VELCO Newport Substation Deficiencies

Electric energy remains a cornerstone of our local and state economies, our quality of life, and our communities. Households, businesses, and public services like schools and hospitals all rely on electricity for communication, lighting, heating, ventilation, and the operation of appliances and equipment. If transmission facilities fail, large geographic areas can lose their electric service. Transmission utilities such as VELCO are required to design, operate, and maintain a transmission network according to national and regional reliability standards. In addition, VELCO continuously assesses the adequacy of its system to ensure Vermont's transmission network meets national and regional reliability criteria.

* Transmission refers to the part of the electric system that operates at high voltage and carries large amounts of electricity from generation plants to the lower-voltage distribution system, which supplies electricity to local areas.

The VELCO Newport Substation is connected to VELCO’s electric transmission network in the Newport area. The Substation is connected to the sub-transmission systems of Vermont Electric Cooperative Inc. (VEC) in the Newport area. VEC’s distribution systems are fed from the sub-transmission system and in turn serve VEC’s customers.

This substation currently has an existing 116/43.8 kV (15 MVA with no fans/20 MVA with fans) “T1” transformer that was built in 1958 (over 65 years ago). This transformer supports the 46 kV and VEC local distribution circuits that are radially served. Load increases are not the reason for the need to replace the existing transformer. Rather, the VELCO asset maintenance team has determined that due to the existing transformer’s age and condition, it is approaching the end of its usable life expectancy, and if the transformer were kept in service, it would risk causing an outage due to equipment failure.

VELCO proposes to replace the existing transformer with a spare in-stock transformer that VELCO currently stores at the VELCO Newport substation as a backup in the event of a failure occurring. This replacement transformer is rated for 115/46 kV (33.6 MVA with no fans/44.8 MVA with fans/56 MVA with second bank of fans on), was built in 1971 by General Electric, is already on site, and is available for VELCO to use now.

Alternatives Evaluated

An analysis of the Project demonstrated that replacing the existing transformer at the VELCO Newport Substation is the most efficient way to address the condition-related concerns. This analysis included a review of the Project timing and Project cost and viability, as well as the effectiveness of the transmission solutions considered. VELCO evaluated replacing the existing transformer with a new transformer but concluded that using the spare transformer was the lowest cost option.

VELCO screened the Project for its potential to be resolved through non-transmission alternatives (e.g., energy efficiency or new generation) using the tool developed by the Vermont System Planning Committee (VSPC). The screening determined that the Project was not a candidate for a non-transmission solution because the proposed upgrades are being driven by the conditions of the substation equipment. Thus, non-transmission alternatives could not resolve the present problems at the VELCO Newport Substation. The VSPC Geographic Targeting Subcommittee reviewed the screening conclusion on May 21, 2024.

Project Description

The Project involves replacing the existing 116/43.8 kV (15/20 MVA transformer) with an in-stock 115/46 kV (33.6/44.8/56 MVA) transformer and associated equipment.

The Project does not require tree clearing or blasting. The existing oil containment system is consistent with VELCO’s current standard and has adequate capacity to support the replacement transformer. There are no site modifications expected to execute this scope of work.

While the Project is constructed, VELCO will take advantage of the opportunity to perform regular condition-based maintenance and in-kind replacements at the substation. This opportunity work is not associated with the Project.

Assuming regulatory approval, construction is expected to start in May 2025 with a targeted completion of September 2025.

Although the engineering for the Newport Project is not yet complete, Attachment B depicts a preliminary design layout for the replacement transformer work at the Newport Substation.

Project's Impacts

Aesthetics - Commission Rule 5.804 and 5.402

The Project will not change the aesthetics of the Newport Substation as the transformer that VELCO proposes to install is currently at the substation. VELCO would perform all work within the existing fence. For these reasons, landscape mitigation is not needed.

Transportation

The Project poses no long-term traffic impacts in Newport. The Petitioners anticipate only minor, short duration traffic impacts, if any, due to deliveries of equipment and material to the substation site during the construction period (expected to be from May 2025 to September 2025). Such deliveries will use existing roads with vehicles that are commonly used on public roads. During delivery of any large equipment, Petitioners will employ the services of traffic control personnel to manage traffic flow.

Environmental

Because VELCO will perform all work within the existing substation fence, the Project will not impact any natural resources. VELCO will also perform a sound study to assess any sound impacts from the replacement transformer.



LEGEND

- APPROXIMATE BOUNDARY LINE
- APPROXIMATE RIGHT-OF-WAY LINE
- ↑ SUBSTATION FENCE
- ⊕ UTILITY POLE

COLOR KEY

- EXISTING INFRASTRUCTURE TO REMAIN
- PROPOSED OR RELOCATED INFRASTRUCTURE

0	01.09.23	MRS	JWK	ISSUED FOR PERMIT
REV	DATE	DR	CK	DESCRIPTION
				VERMONT ELECTRIC POWER CO., INC. RUTLAND, VERMONT NEWPORT SUBSTATION
SITE PLAN 115/46/12.5KV YARD WILLISTON, VERMONT				
SCALE: AS NOTED		DRAWN BY: MRS		APPROVED BY:
DATE: 01.09.23		CHECKED BY: JWK		DATE
DRAWING NUMBER: 270-ORTHO				0
PLOT: 1=1				REV.
				FILE: 270_ORTHO



NEWPORT
DERBY