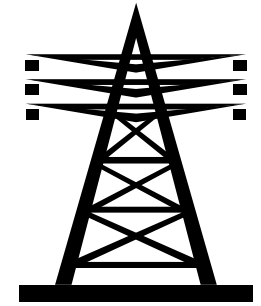


Developing Public Support for Utility Infrastructure: How STAR Group's Structured Approach to Stakeholder Involvement is Achieving Positive Results in the U.S.

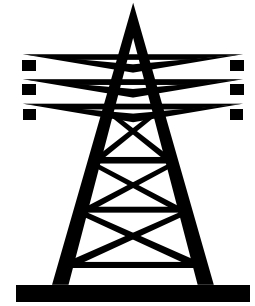


Irish Wind Energy Association
Autumn Meeting
October 1, 2009
Galway, Ireland

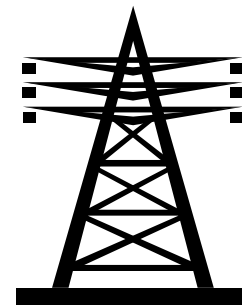
Christopher G. Kenny, President
STAR Group, LLC
4100 Marble, N.E.
Albuquerque, NM 87110
www.stargroupconsulting.com



About STAR Group, LLC



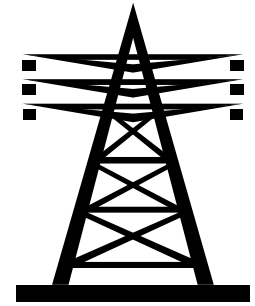
- Established in 1995
- Specialize in the design and facilitation of stakeholder-driven problem-solving processes for the utility industry
- Developers of the Utility Search Conference®



What Do the Parties Want?

<u>Stakeholders</u>	<u>Utility</u>
To be certain that the project truly is needed	To obtain timely regulatory approval
To know that their input is valued	To build the project on time
To see that the utility is willing to explore areas of concern	To build the project within budget
To find that the utility is willing to consider recommendations	To retain control over the project

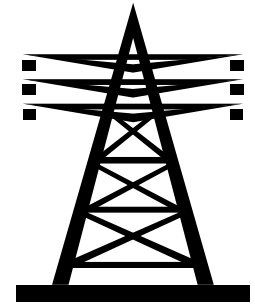
Why is the Utility Search Conference® Effective?



The Utility Search Conference®:

- * Is a structured **problem-solving** process
- * Is built on **proven** community involvement techniques
- * Provides a **neutral space** for **constructive** dialogue
- * Engages community **leaders** and key **influencers** in **balanced representation**
- * Includes utility representatives in **every phase** of the process
- * Enables participants to understand the true scope of the **problem** and the range of **possible solutions**
- * Builds upon areas of **common ground**
- * Reinforces the utility's duty to make the **final decisions**
- * Develops **recommendations** that **all** will support

Case Study



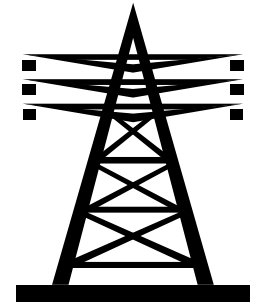
Vermont's Southern Loop Transmission Upgrade Project



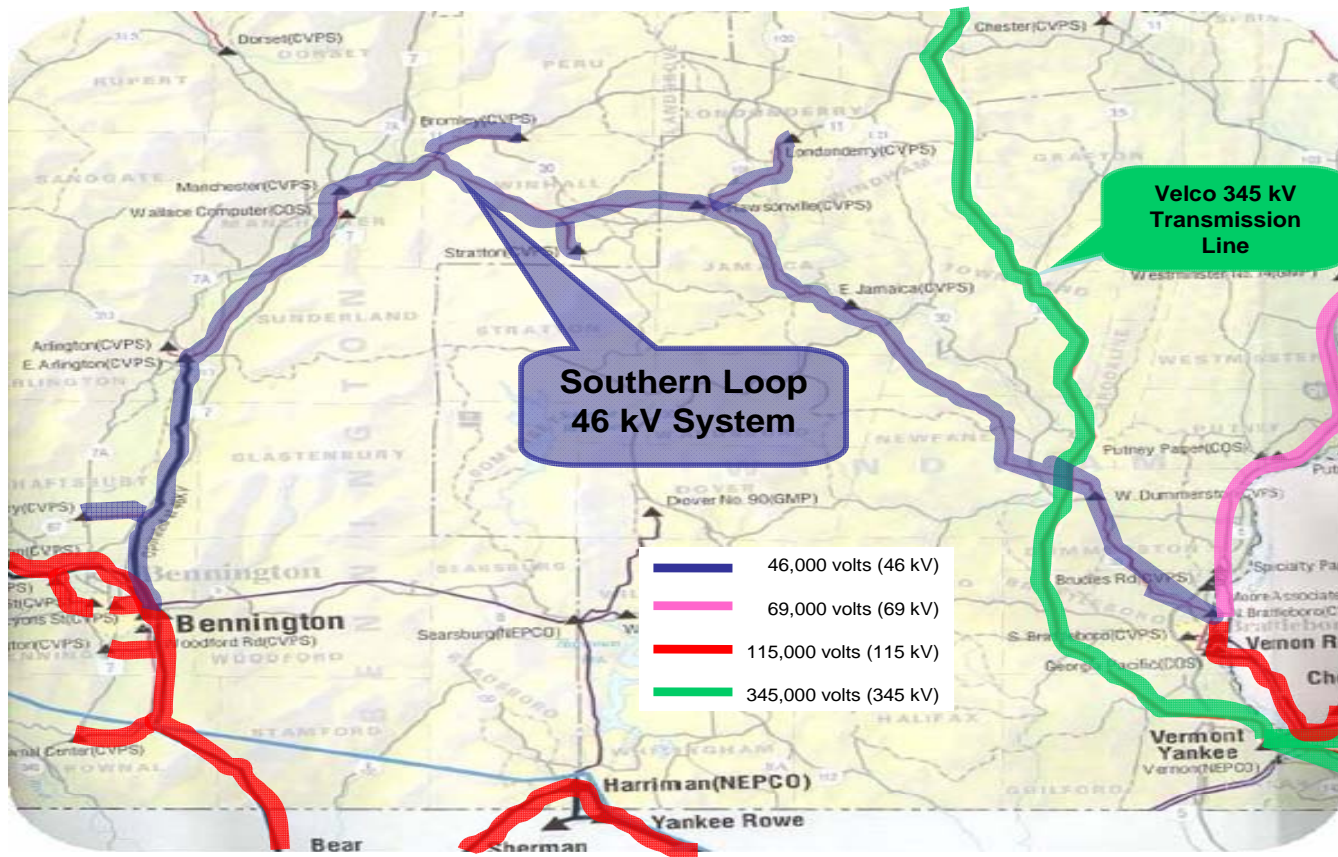
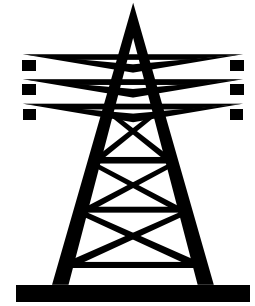
Central Vermont Public Service

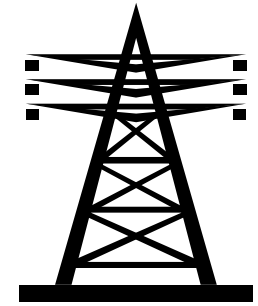


Case Study: Vermont



Case Study: Vermont



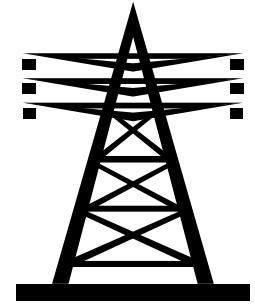


Case Study: Vermont

System Problems & Possible Engineering Solutions:

<ul style="list-style-type: none">● Inability to perform even routine maintenance	<ul style="list-style-type: none">● Upgrade/rebuild the 66-mile (106km) 46kV line to 115kV
<ul style="list-style-type: none">● 46kV system vulnerable to unplanned loss of a transmission line or a transformer	<ul style="list-style-type: none">● Stopgap: build 2 synchronous condensers (voltage regulators) along the 46kV system
<ul style="list-style-type: none">● High risk of rolling blackouts and regional system problems (significant penalties)	<ul style="list-style-type: none">● Install a second T-4 transformer at Vermont Yankee nuclear power plant
<ul style="list-style-type: none">● Existing 345kV line (60% of VT load) has no redundancy	<ul style="list-style-type: none">● Build a second 345kV overhead transmission line through 56 miles (90km) of dense, scenic forest
<ul style="list-style-type: none">● Load hitting system capacity in both summer and winter	<ul style="list-style-type: none">● Reduce system-wide demand throughout the State

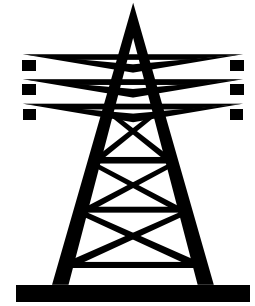
Case Study: Vermont



Challenges for Public Involvement:

- Relatively **large** geographic area
- Very **scenic** region
- Prior attempt to upgrade the line was **rejected** in favor of more conservation and Demand Side Management efforts
- **Extremely** active state and local environmental/alternative energy advocacy groups
- **Fallout** from the Northwest Reliability Project.....

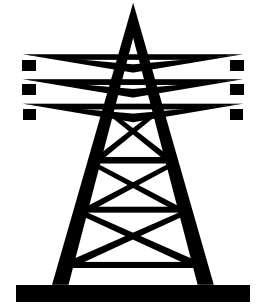
Case Study: Vermont



Vermont Public Service Board Final Order - Northwest Reliability Project (Docket 6860):

“[W]e are **deeply troubled** that, in the present case, we have **no viable option** but to approve a transmission solution for a reliability problem that might have been either deferred or more cost effectively addressed through demand-side measures or local generation, if there had been sufficient advance planning by VELCO and its owners [including CVPS]...**we [will] open a separate investigation** into ways to ensure that cost-effective non-transmission alternatives are given full, fair and **timely** consideration...”

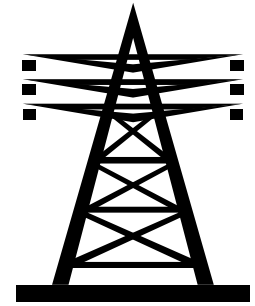
Case Study: Vermont



And did I mention.....

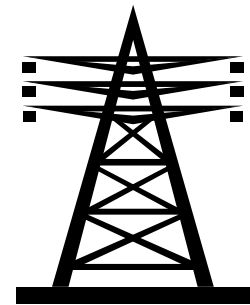


Case Study: Vermont

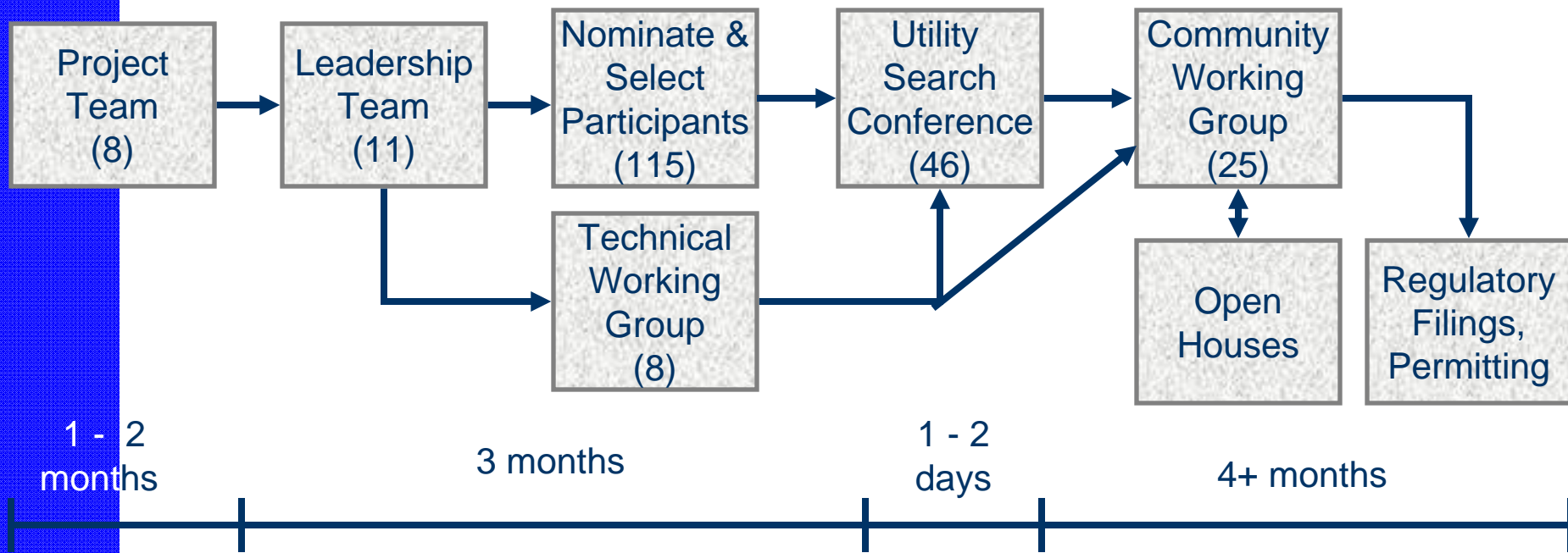


Our Clients' Goals for Solution Set:

1. Obtain regulatory approval
2. Ensure reliability
3. Restore credibility
4. Reflect the public's priorities

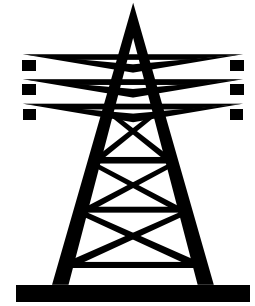


Case Study: Vermont



TIMELINE

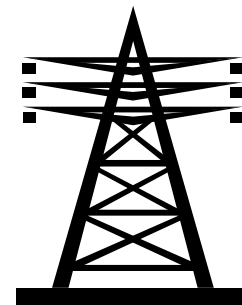
Case Study: Vermont



Utility Search Conference® Recommendations:

1. Move forward “immediately” with two synchronous condensers on the 46kV line;
2. Move forward with construction of a new 345kV line;
3. Help fund additional demand side management and distributed generation programs for the region; and
4. Ask the New England Independent System Operator to change its funding formula to include incentives for non-transmission (DG and DSM) initiatives.

(Note: Recommendation #4 was not accepted by VELCO and CVPS)

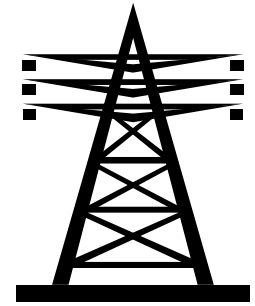


Case Study: Vermont

<u>Goal:</u>	<u>Result:</u>
Ensure reliability	<ul style="list-style-type: none">● Synchronous condenser● 56-mile 345kV transmission line
Restore credibility	<ul style="list-style-type: none">● Unanimous PSB approval● Testimony by participants
Reflect the public's priorities	<ul style="list-style-type: none">● Synchronous condenser design● Non-transmission initiatives

As for Regulatory Approval.....

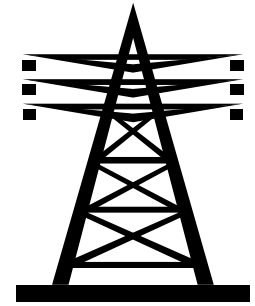
Case Study: Vermont



Vermont Public Service Board Final Order - Southern Loop Transmission Upgrade Project (Docket 7373):

“The Petitioners [VELCO and CVPS] have presented final design detail plans, have completed or nearly completed all critical environmental review and permit applications, and have engaged in both **an extensive public outreach process** and **collaborative efforts** with other parties, including local communities and the affected permitting agencies. **We recognize and appreciate these efforts** undertaken on behalf of all of the parties, and believe that they have been **instrumental** in producing an **efficient process** and **positive result.**”

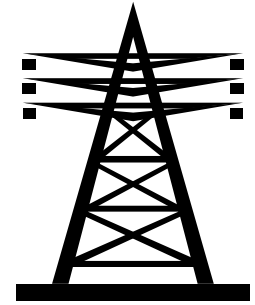
Case Study: Vermont



Epilogue:

1. Two new synchronous condensers have been installed and are operational on the 46kV line.
2. CVPS hired a VT-based company to construct a 50kW solar project on CVPS property. The project will also include a renewable education program for elementary school students.
3. Demand side management and distributed generation studies were funded by CVPS and completed in 2009; three new DSM projects and 2 new DG projects presently are under evaluation.
4. The new 56-mile (90km) 345kV transmission line is now under construction.

Case Study: Vermont

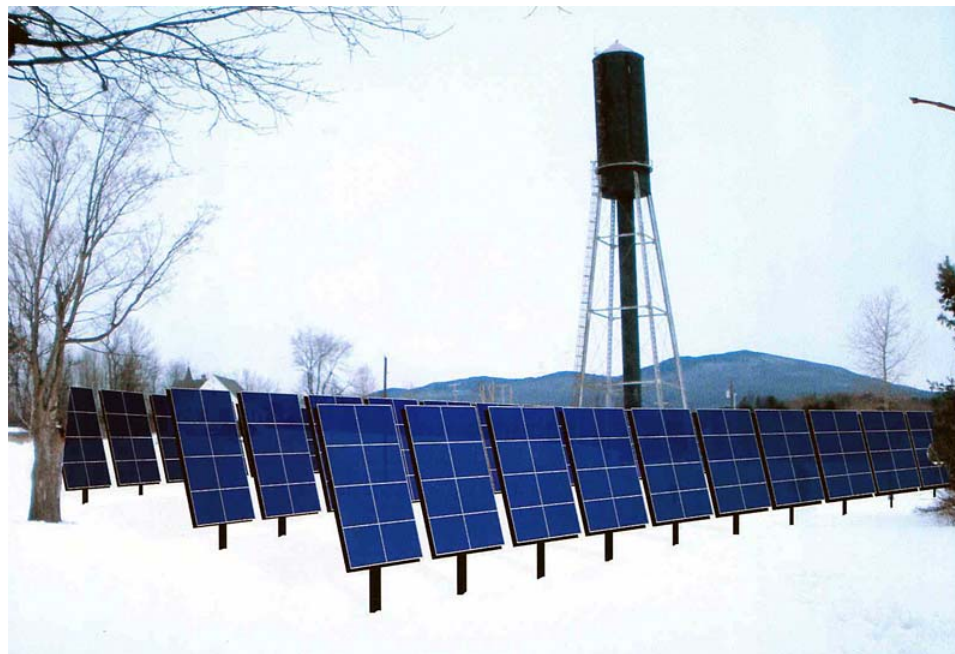
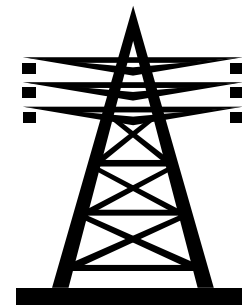


Synchronous Condensers



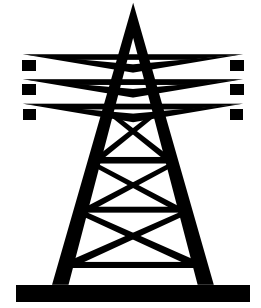
Housing Structure for Synchronous Condensers
Winhall, VT

Case Study: Vermont



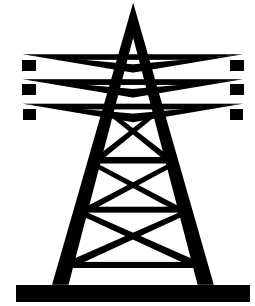
Rendering of Planned CVPS Solar Facility
Rutland, VT

Case Study: Vermont



New 345kV Line Under Construction - Vermont

Case Study: Vermont

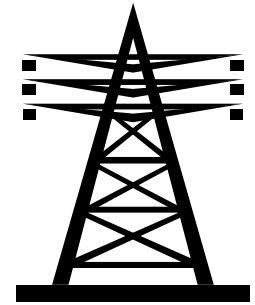


New 345kV Substation Being Constructed in Former Gravel Pit



New 345kV Switch Yard Under Construction Adjacent to Vermont Yankee Nuclear Power Plant

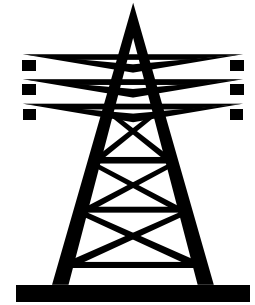
Conclusions



Public involvement for transmission projects **will** produce **positive outcomes**, even in a hostile regulatory and/or public climate, when....

- the process of obtaining public input is **structured**, with stakeholder interests represented in a **balanced** manner so that no single perspective dominates;
- “**ownership**” of the problem and the range of possible solutions are not **limited** to those prepared by the utility;
- stakeholders come to understand the broad **implications** of the problem as well as the range of **possible solutions** and are not asked **only** to give input regarding the utility’s preferred option; and
- the utility **demonstrates** its willingness seriously to discuss and evaluate alternative and complementary solutions to transmission.

Thank You!



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