

April 24, 2025

To: Parties Entitled to Notice Under Commission Rule 5.413(A)

Re: Capacity Upgrade to Highgate Interconnection Facilities
45-Day Notice of Section 248(j) Project Filing

Dear Recipient:

This letter and the enclosed information describe Vermont Electric Power Company, Inc. and Vermont Transco LLC's (collectively "VELCO") proposed capacity upgrade to the Highgate Interconnection Facilities in the Town of Highgate, Vermont, which consist of a back-to-back direct-current converter terminal at 2694 VT Route 78 and an associated transmission line (the "Project"). The Project seeks an amended Certificate of Public Good ("CPG") from the Public Utility Commission ("Commission") pursuant to the procedures for substantial changes under Commission Rule 5.413(A). VELCO intends to file a petition for an amended CPG on or after June 9, 2025, authorizing implementation of the Project.

This letter, together with the attached aerial photograph of the Project site (**Attachment A**), describe the Project's scope and potential impacts, as well as your opportunities to participate in the Commission's review process. As explained below, the proposed Project does not involve any construction work or physical changes to the existing transmission facilities.

I. Project Description

The Project involves increasing the maximum operational capacity of the Highgate Interconnection Facilities from 225 MW to 250 MW. The Highgate Interconnection Facilities consist of a back-to-back direct-current converter terminal in Highgate, Vermont (the "Highgate Converter") and an associated transmission line.¹ The transmission line extends approximately 7.5 miles from the Highgate Converter to the Canadian border, tying into the Hydro-Québec ("HQ") electrical system. The capacity upgrade is administrative in nature and will not involve any construction activities or physical alterations to the Highgate Interconnection Facilities. The proposal to increase the operating capacity to 250 MW was previously approved by the U.S. Department of Energy in Presidential Permits 82-3 and 82-4, which were required due to the electrical connection at the international border with Canada.

This Project will provide important reliability benefits to the electrical system in Northern Vermont. Prolonged periods of very cold weather can pose power system reliability and energy shortage issues. Under these circumstances or other emergencies, ISO New England ("ISO-NE") could require that all transmission facility owners, including VELCO, shed electrical load

¹ The Highgate Interconnection Facilities were originally approved to operate at 200 MW under a CPG issued in Docket No. 4905 on August 10, 1984. On January 25, 2005, in Docket No. 4905-A, the Commission amended the CPG to allow the facilities to operate up to a level of 225 MW.

within their respective service territories. Vermont Electric Cooperative, Inc. (“VEC”) has the unique ability to disconnect parts of its electrical load in Northern Vermont from the VELCO system and connect it to the HQ system, thus reducing ISO-NE’s load while minimizing outages for its members. This portion of VEC’s system is called the “Highgate Block Load.” The proposed capacity upgrade would provide a backup supply of up to 25 MW of electricity to serve the Highgate Block Load should a reliability issue occur.² Note that the proposal would only increase the power throughput of the Highgate Converter by a few MW rather than the full 25 MW of proposed capacity. The reason for seeking the full 25 MW increase is to increase the amount of HQ power transmissible across the border, thereby serving the Highgate Block Load when it is physically disconnected from VELCO’s system. This capability would mitigate potential power outages resulting from weather or other emergencies, thereby protecting VEC members from any resulting health and safety issues.

II. Impact Assessment

Due to the administrative nature of the Project, increasing the operational capacity of the Highgate Transmission Facilities will not cause an undue adverse impact to any environmental resources, to public health and safety, or to the scenic or natural beauty of the area.

No Construction Activities. The Project will not involve the expansion of or improvements to the Highgate Transmission Facilities. Thus, this Project does not have a site plan showing proposed improvements. Because the Project does not involve any construction activities, it will not result in:

- New impervious surfaces;
- Vegetative clearing;
- Impacts to regulated natural resources;
- Traffic impacts; or
- Undue burdens on fire, police, or water/sewer services.

Aesthetics. The Project will not increase the off-site visibility of the Highgate Interconnection Facilities because it does not involve any physical changes to the Highgate Converter or the transmission lines. For this reason, no landscape mitigation measures are proposed.

Effects on Vermont Utilities and Customers. The Project could, in rare instances, impact Vermont utilities owning resources within the Sheffield Highgate Export Interface (“SHEI”) area when those resources are directed to cease operations due to grid constraints. However, such scenarios are exceedingly unlikely. As explained above, the Project would provide a backup supply of up to 25 MW of electricity to serve the Highgate Block Load should a reliability event occur. This backup power is unlikely to be needed at times when the SHEI area is constrained, since SHEI constraints typically occur only when too much power is being generated. Thus, any potentially adverse impacts would be minimal and temporary, rather than “undue,” and

² Presently, VEC cannot switch the Highgate Block Load to the HQ system when the Highgate Converter is online. The proposed capacity upgrade would allow the Highgate Converter to remain online when HQ serves the Highgate Block Load.

outweighed by the Project's significant reliability benefits for VEC and other Vermont utilities and their customers. VELCO has discussed the Project with all potentially affected distribution utilities, and none of them oppose the proposal.

Alternatives. The only practical alternative to the Project would be to maintain the status quo of the Highgate Interconnection Facilities. VELCO determined that this alternative was unacceptable because it could result in VEC being forced to shed load during winter energy shortages or other emergencies, potentially leaving VEC customers without power during extended periods of cold weather and increasingly severe climate-related weather events. As part of its alternatives analysis, VELCO was unable to identify any other economically or structurally feasible solutions to mitigate outages or supply additional energy to Northern Vermont during potential energy shortages.

III. Comments & Public Participation

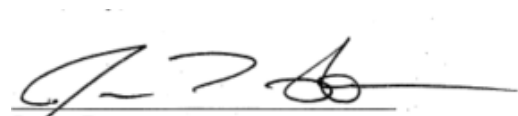
All persons and entities receiving this letter will receive further notice when VELCO files the petition with the Commission, after which the Commission will set a time period of 30 days to file comments concerning the Project. If you experience difficulties electronically accessing this advance submission, you may request a hard copy from VELCO by emailing jpew@velco.com and a hard copy will be provided to you within two business days of such request.

Unless waived, the municipal or regional planning commission may exercise its rights to convene a public hearing on the proposed petition for this Project, under 30 V.S.A. § 248(f)(1)(A), and to submit recommendations to VELCO within 40 days of this advance notice, consistent with 30 V.S.A. § 248 (f)(1)(C). VELCO's subsequent petition for an amended CPG must address any written comments received in response to this 45-day advance submission that relate to the Section 248(b) criteria, as well as any oral comments related to those criteria made at a public hearing conducted pursuant to 30 V.S.A. § 248(f)(1)(A). Each planning commission may make recommendations concerning the Project to the Commission following VELCO's filing of the petition, pursuant to 30 V.S.A. § 248(f)(1)(D).

For additional information regarding the Commission's review process, please refer to the Commission document "Public Participation and Intervention in Proceedings Before the Public Utility Commission" at <https://puc.vermont.gov/document/public-participation-and-intervention-proceedings-public-utility-commission>. You can also review the Commission's procedures for Section 248(j) proceedings at <https://puc.vermont.gov/document/section-248j-procedures>.

If you are interested in further information about this Project, or have comments or concerns, please contact Jason Pew at jpew@velco.com or (802) 770-6234. We look forward to your review and input.

Sincerely,


Jason Pew

Director of Operations and Energy Management Systems
Vermont Electric Power Company, Inc.

Enclosures:

Attachment A – Aerial Site Photograph

Attachment A



MUNICIPAL AND REGIONAL REPRESENTATIVES / OFFICIALS

Via Email Only	
Highgate Selectboard Attn: Vern Brosky III, Chair P.O. Box 189 Highgate Center, VT 05459 Email: vbrosky@highgatevt.org	Highgate Planning Commission Attn: Luc Dupuis, Chair P.O. Box 189 Highgate Center, VT 05459 Email: ldupuis@highgatevt.org
	Northwest Regional Planning Commission Attn: Bethany Remmers and Emily Klofft 75 Fairfield Street St. Albans, VT 05478 Email: bethany@nrpcvt.com eklofft@nrpcvt.com

LANDOWNER

Via EMail Only	
Vermont Transco LLC 366 Pinnacle Ridge Rd Rutland, VT 05701 Email: jpew@velco.com	

ADJOINING LANDOWNERS

Via U.S. Mail Only	
Borderview Farm II SAR, LLC 832 Pigeon Hill Rd. Franklin, VT 05457	Regency Housing LLC P.O. Box 74 Swanton, VT 05488
Michael and Kelly Medor P.O. Box 382 Highgate, VT 05459	Braden Mapes 245 Highgate Rd. Highgate, VT 05459
Frederick and Suzanne Petig P.O. Box 114 Swanton, VT 05488	Nicholas Williams and Brittany Ryea 91 Hilltop Ln. Highgate, VT 05459

ADJOINING LANDOWNERS (Cont'd.)

Via U.S. Mail Only	
Lana and Marcel Renaudette P.O. Box 98 Highgate, VT 05459	Kathleen and Brian Casavant 61 Hilltop Ln. Highgate Center, VT 05459
Lisa and John Wilda 45 Hilltop Ln. Highgate, VT 05459	Joseph Russo, Jr. P.O. Box 82 Waterville, VT 05492
Cheryl Gordon Life Estate Sean Gordon 2839 Rte 78 Highgate Center, VT 05459	Nicole and Benjamin Lowell 2830 VT Rte 78 Swanton, VT 05488
Tracy and Robert Dufresne 97 Middle Rd. Swanton, VT 05488	Tremblay Gilbert Life Estate Kari-Ann, Danielle, Michelle & Suzanne 4 Tremblay Road St. Albans, VT 05478-9708
Lamoille Valley Rail Trail Attn: Jackie Cassino, Rail Trails Program Manager c/ o Vermont Agency of Transportation 219 North Main Street Barre, VT 05641	Vermont Public Power Supply Authority Attention Kenneth Nolan P.O. Box 126 5195 Waterbury-Stowe Rd. Waterbury Center, VT 05677

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