

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Petition of Vermont Transco LLC and Vermont Electric Power Company, Inc., pursuant to 30 V.S.A. § 248(j), to amend the certificate of public good issued in Docket No. 4905, as amended in Docket No. 4905-A	Case No. 25-____-PET
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PROPOSAL FOR DECISION
SUBMITTED ON BEHALF OF VERMONT TRANSCO LLC
AND VERMONT ELECTRIC POWER COMPANY, INC.

I. INTRODUCTION

This case involves a petition filed by Vermont Transco LLC and Vermont Electric Power Company, Inc. (collectively, “VELCO”) with the Vermont Public Utility Commission (the “Commission”), pursuant to 30 V.S.A. § 248(j), requesting an amendment to the certificate of public good (“CPG”) issued in Case No. 4905, as amended in Docket No. 4905-A, to authorize increasing the operating capacity of interconnection-line portion of the Highgate Transmission Facilities from 225 MW to 250 MW (the “Capacity Upgrade”). The Capacity Upgrade does not involve any physical changes to the Highgate Transmission Facilities.

In this Proposal for Decision, I recommend that the Commission conclude that, subject to the conditions contained herein, the Capacity Upgrade is of limited size and scope, the Capacity Upgrade does not raise a significant issue with respect to the substantive criteria of 30 V.S.A. § 248, the public interest is satisfied by the procedures authorized by 30 V.S.A. § 248(j), and the Capacity Upgrade will promote the general good of the State. Therefore, I recommend that the Commission grant VELCO’s petition for an amended CPG.

II. PROCEDURAL HISTORY

On October 21, 2025, VELCO filed a petition with supporting testimony and exhibits (the “Petition”) requesting an amended CPG. VELCO also filed a motion for confidential treatment of exhibit Petitioner JP-4 (Conf.) (VELCO’s Highgate Converter Performance Review).

No party has requested an evidentiary hearing or objected to the prefiled testimony and exhibits. Accordingly, the following prefiled testimony and exhibits are admitted as if presented at a hearing: the declaration and prefiled testimony of Jason Pew (“Pew pf.”) and Exhibits PET-JP-1 through PET-JP-4 (Conf.). In addition, I am admitting the Petition into the record.¹

III. FINDINGS

Based upon the Petition and the accompanying record in this proceeding, I have determined that this matter is ready for decision. I report the following findings to the Commission in accordance with 30 V.S.A. § 8(c) based on the evidence of record.

Description of the Capacity Upgrade

1. VELCO is a company as defined by 30 V.S.A. § 201 and is subject to the Commission’s jurisdiction pursuant to 30 V.S.A. § 203. Petition at 1.
2. VELCO operates Vermont’s high-voltage electric transmission system to ensure the integrity of the portion of the regional bulk power system for which it is responsible and to ensure adequate and reliable transmission of electricity to the electric distribution utilities it serves in Vermont. Petition at 1.

¹ If any party has an objection to any of these documents being entered into evidence, the party shall submit its objection within 14 days of the date this Order is entered.

3. The Highgate Interconnection Facilities, which are owned and operated by VELCO, consist of two principal components: (i) a transmission line, designated as the 1429 Line, which was constructed for 345 kV service but operates at 120 kV, and (ii) a back-to-back converter station (the “Converter Station”). The 1429 Line extends approximately 7.5 miles from the U.S.-Canada border near Franklin, Vermont, to the Converter Station in Highgate, Vermont. Pew pf. at 3.

4. The Converter Station converts electricity imported from the Hydro-Québec (“HQ”) electric system to direct current and then back to alternating current, enabling delivery into VELCO’s existing 115 kV transmission system, which is part of the ISO-NE control area. Pew pf. at 3.

5. The Highgate Interconnection Facilities are presently operated at a maximum level of 225 MW in accordance with the certificate of public good issued in Docket No. 4900, as amended in Docket No. 4905-A. Pew pf. at 3.

6. VELCO’s proposed Capacity Upgrade would increase the authorized operating capacity of the interconnection-line portion of the Highgate Interconnection Facilities from 225 MW to 250 MW. VELCO is not seeking to increase the operating capacity of the Converter Station above its current 225 MW limit. Pew pf. at 3.

7. The Capacity Upgrade is administrative in nature and will not involve any construction activities or physical alterations to the Highgate Interconnection Facilities. Pew pf. at 3.

8. The U.S. Department of Energy approved the Capacity Upgrade pursuant to Presidential Permit Amendments 82-3 and 82-4. Pre pf. at 8; exh. PET-JP-2.

9. VELCO is proposing the Capacity Upgrade to enhance the reliability of the electric system in Northern Vermont. In particular, the Capacity Upgrade will allow for increased imports from HQ to provide a backup source of power for Vermont electric customers in the event of an energy shortfall, such as during extended periods of extreme cold. Pew pf. at 3-4.

10. During these circumstances, or during other regional emergencies, ISO-NE may require all transmission facility owners, including VELCO, to shed electrical load within their service territories. Pew pf. at 4.

11. Vermont Electric Cooperative, Inc. (“VEC”) has the unique ability to mitigate this load-shedding risk by disconnecting portions of its electrical load in Northern Vermont from ISO-NE’s system and serving that load directly through power scheduled on the 1429 Line from HQ. VEC’s ability to shift this portion of its load can reduce outages for its members and additional distribution utilities that VEC supplies. This portion of VEC’s system is called the Highgate Block Load. Pew pf. at 4.

12. The Capacity Upgrade would provide up to 23 MW of backup supply to serve VEC’s Highgate Block Load while allowing the Converter Station to operate at its full 225 MW capacity. If implemented, the Capacity Upgrade would increase the Converter Station’s throughput by no more than 2 MW, rather than the full 25 MW of additional capability. Pew pf. at 4.

13. The Converter Station is limited to a maximum throughput of 225 MW due to both physical and regulatory constraints, and VELCO is not proposing to increase that limit. Rather, VELCO proposes to apply a portion of the Capacity Upgrade to offset approximately 2

MW of transmission losses incurred along the 1429 Line between the international border and the Converter Station. Pew pf. at 4.

14. Under the current CPG, which limits the 1429 Line and the Converter Station to 225 MW, these losses have resulted in the Converter Station operating at an effective maximum of about 223 MW. If the Capacity Upgrade is approved, those losses could be offset, enabling the Converter Station to operate at its full 225 MW capability with an interchange at the international border of approximately 227 MW, and with the remaining 23 MW of new capacity available for the Highgate Block Load. Pew pf. at 4-5.

15. In limited circumstances, the Capacity Upgrade has the potential to affect Vermont utilities with resources located in a constrained portion of the transmission system in northern Vermont designated as the Sheffield-Highgate Export Interface (“SHEI”), but VELCO’s analysis indicates that the likelihood of such outcomes is very low. Pew pf. at 5.

16. There are several reasons why adverse effects on the SHEI are unlikely. First, imports over the Converter Station have declined significantly in recent years. For example, utilization in 2024 was 30.2% of the available hours of operation compared to a 10-year average of 83.3%. This reduced utilization provides additional margin in the region that more than offsets the potential 2 MW increase in Converter throughput from the Capacity Upgrade. Pew pf. at 6; exh. PET-JP-3.

17. Second, the operator of the Sheffield Wind Facility, which was commissioned in 2011, has submitted a request to repower the Facility from 40 MW down to 35 MW (ISO-NE Queue Position #1464). This anticipated 5 MW reduction in local generation within the SHEI will lessen the need to export power from within the SHEI. Pew pf. at 6.

18. Third, the Franklin County Line Upgrade (“FCLU”) to the K42 transmission line is anticipated to increase the SHEI export limit by up to 20 MW. Taken together—the reduced usage of the Converter Station, the planned decrease in SHEI generation, and the added transmission capacity from the FCLU—these factors demonstrate that the incremental 2 MW in throughput capability of the Converter Station is highly unlikely to cause adverse impacts within the SHEI. Pew pf. at 6-7.

19. With respect to the use of the Highgate Block Load, VELCO understands that VEC intends to transfer this load onto the 1479 Line either when ISO-NE requires the region to shed load or when the SHEI is not constrained. Utilization of the Capacity Upgrade under either scenario would not cause adverse impacts to the SHEI. Pew pf. at 7.

20. Under the first scenario, ISO-NE would already be directing utilities to reduce load, and shifting the Highgate Block Load to the 1479 Line would serve as an effective mitigation measure by satisfying ISO-NE’s requirement while maintaining electrical service for Vermont electric customers. Under the second scenario, shifting the load when the SHEI is unconstrained would avoid exacerbating existing constraints. Pew pf. at 7.

21. VELCO reviewed the Capacity Upgrade with all potentially affected distribution utilities directly or through representation of the Vermont Public Power Supply Authority. Those utilities discussed potential affects the Capacity Upgrade might have on the SHEI that resulted in an agreement amongst them. After reaching this agreement, affected utilities did not object to the Capacity Upgrade as described in this testimony. Pew pf. at 7-8.

22. The Capacity Upgrade is an administrative exercise and thus the support of the CPG revision, along with procedural modifications, would be the only associated costs. Pew pf. at 8.

Review of the Project under the Section 248 Criteria**Discussion**

Because the Capacity Upgrade requires no physical changes to the Highgate Interconnection Facilities or construction activities, there will be no impact on the criteria of 30 V.S.A. § 248(b)(1), (b)(5), or (b)(8). Therefore, these criteria are not further addressed in this Proposal for Decision.

Need for Present and Future Demand for Service

[30 V.S.A. § 248(b)(2)]

23. The Project will meet the need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures, including those developed pursuant to the provisions of subsection 209(d), section 218c, and subsection 218(b) of Title 30. This finding is supported by the additional findings below.

24. VEC's need for electricity to serve the Highgate Block Load could not be met in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures. Pew pf. at 9.

25. The only practical alternative to the Capacity Upgrade 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 emergencies, such as a winter energy shortage, potentially leaving VEC members and customers without power during extended periods of cold weather and severe weather events. Pew pf. at 9-10.

26. 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. Pew pf. at 10.

Impact on System Stability and Reliability

[30 V.S.A. § 248(b)(3)]

27. The Project will not have an undue adverse effect on system stability and reliability. This finding is supported by the additional findings below. Pew pf. at 10.

28. Impacts on system stability and reliability from the Capacity Upgrade have been evaluated through simulations performed by VELCO within a report entitled *Highgate Converter Updated Performance Review*, which demonstrate no adverse impacts to voltage performance or thermal capability with cross-border flows of up to 250 MW. Pew pf. at 10; exh. PET-JP-4 (Conf.).

29. The Capacity Upgrade will not alter the functionality of the Converter Station, which will continue to operate in the same manner as it does today, and therefore will not adversely affect system stability. Pew pf. at 10-11.

30. The Project will improve overall system reliability by providing a backup energy supply for VEC members and customers within the Highgate Block Load. Pew pf. at 11.

Economic Benefit to the State

[30 V.S.A. § 248(b)(4)]

31. The Project will result in an economic benefit to the State and its residents. This finding is supported by the additional findings below.

32. The Capacity Upgrade will provide significant reliability benefits for VEC and the other Vermont distribution utilities and their customers. Utility customers will enjoy these non-quantified economic benefits when the Capacity Upgrade allows them to avoid service

interruptions during extended periods of cold weather or other emergencies that could lead ISO-NE to order VELCO and other Vermont distribution utilities, such as VEC, to shed load. Pew pf. at 11.

Consistency with Company's Least Cost Integrated Plan

[30 V.S.A. § 248(b)(6)]

33. VELCO does not have an integrated resource plan (“IRP”), but the Capacity Upgrade is consistent with IRP principals insofar as it uses existing resources to the maximum extent possible before looking to other power supply sources. VELCO’s 2024 Vermont Long-Range Transmission Plan addresses the unique challenges associated with winter reliability and how these and other risks could result in load shedding. The Capacity Upgrade will help address this critical issue by providing a backup supply of power during regional emergencies that could require load shedding in Northern Vermont. Pew pf. at 11-12.

Compliance with Twenty-Year Electric Plan

[30 V.S.A. § 248(b)(7)]

34. The Project is consistent with the 2022 Comprehensive Energy Plan (“CEP”) approved by the Department under 30 V.S.A. § 202(f). This finding is supported by the additional findings below.

35. The CEP recognizes that a “‘severe prolonged cold snap’ lasting multiple days, paired inherently with high demand for electricity, could bring about inadequacy in available generation resources such that not all electric load can be served reliably.” The CEP discusses potential strategies to maintain reliability during a cold snap. The Capacity Upgrade is being proposed to address the winter reliability concerns outlined in the CEP. Pew pf. at 12 (quoting CEP at 218-19).

36. The CEP also emphasizes that Vermont should “make efficient use of the transmission system we already have” in order to avoid unnecessary transmission costs, which are the “main driver” of electric bill increases in Vermont. The Capacity Upgrade aligns with this priority because it utilizes existing infrastructure without the need for any improvements or upgrades. Pew pf. at 12 (quoting CEP at 64).

Waste-to-Energy Facility

[30 V.S.A. § 248(b)(9)]

37. The Project does not involve a waste-to-energy facility; therefore, this criterion is not applicable.

Existing or Planned Transmission Facilities

[30 V.S.A. § 248(b)(10)]

38. The Project can be served economically by existing or planned transmission facilities without undue adverse effects on Vermont utilities or customers. The Capacity Upgrade will be served by the existing Highgate Interconnection Facilities without the need for any improvements. In addition, the Capacity Upgrade will enhance winter reliability and strengthen system resilience by providing a backup supply of power that can be deployed during a prolonged cold snap, regional energy shortfalls, or other emergency conditions. Pew pf. at 13.

Woody Biomass Facilities

[30 V.S.A. § 248(b)(11)]

39. The Project will not produce electric energy using woody biomass; therefore, this criterion is not applicable.

IV. CONCLUSION

Based upon the findings above, I recommend that the Commission conclude that the Capacity Upgrade will be of limited size and scope, that the Petition does not raise a significant

issue with respect to the substantive criteria of 30 V.S.A. § 248, that the public interest is satisfied by the procedures authorized by 30 V.S.A. § 248(j), and that the Capacity Upgrade will promote the general good of the State.

This Proposal for Decision has not been circulated to the parties pursuant to 3 V.S.A. § 811 because it is not adverse to any party.

V. PROPOSED ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission of the State of Vermont (the “Commission”) that:

1. The findings, conclusions, and recommendations of the Hearing Officer are adopted. All other findings proposed by parties, to the extent that they are inconsistent with this Order, were considered and not adopted.
2. The increase in the operating capacity of the interconnection-line portion of the Highgate Interconnection Facilities from 225 MW to 250 MW as proposed by Vermont Transco LLC and Vermont Electric Power Company, Inc. (“VELCO”), as described in the evidence submitted in this proceeding, will promote the general good of the State of Vermont pursuant to 30 V.S.A. § 248, and an amendment to the certificate of public good (“CPG”) issued in Docket No. 4905, as amended in Docket No. 4905-A, to that effect will be issued in this matter.
3. As a condition of this order, VELCO must comply with all terms and conditions set out in the CPG issued in Docket No. 4905, the amendment issued in Docket No. 4905-A, and the amendment made by this Order.

DATED at Montpelier, Vermont, this ____ day of _____, 2025.

_____	)	
Edward McNamara	)	PUBLIC UTILITY
	)	
	)	
_____	)	COMMISSION
Margaret Cheney	)	
	)	
	)	OF VERMONT
_____	)	
J. Riley Allen		

OFFICE OF THE CLERK

FILED:

ATTEST: _____
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-____-PET

Petition of Vermont Transco LLC and Vermont Electric Power Company, Inc., pursuant to 30 V.S.A. § 248(j), to amend the certificate of public good issued in Docket No. 4905, as amended in Docket No. 4905-A	
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Entered: _____

AMENDMENT TO CERTIFICATE OF PUBLIC GOOD (“CPG”)
ISSUED PURSUANT TO 30 V.S.A. SECTION 248

IT IS HEREBY CERTIFIED that the Vermont Public Utility Commission (“Commission”) this day found and adjudged that an amendment to the CPG entered on August 10, 1984, in Docket No. 4905, as amended in Docket 4905-A on January 25, 2995, authorizing an increase in the operating capacity of the interconnection-line portion of the Highgate Interconnection Facilities (the “Project”) from 225 MW to 250 MW by Vermont Transco LLC and Vermont Electric Power Company, Inc. (collectively “CPG Holder”) in accordance with the evidence submitted in this proceeding will promote the general good of the State. Accordingly, the CPG is amended as follows:

1. The authorized operating capacity of the interconnection-line portion of the Project is 250 MW, in accordance with the evidence filed with the Commission in this case on October 21, 2025. Any material deviation from these plans or a substantial change to the Project must be approved by the Commission. Failure to obtain advance approval from the Commission for a material deviation from the approved plans or a substantial change to the Project may result in the assessment of a penalty pursuant to 30 V.S.A. §§ 30 and 247.

2. This Amendment to the Certificate of Public Good cannot be transferred without prior approval of the Commission.

The terms and conditions set out in the CPG issued in Docket No. 4905, and the amendment issued in Docket No. 4905-A, shall remain in effect, except as modified herein.

DATED at Montpelier, Vermont, this ____ day of _____, 2025.

_____	)	
Edward McNamara	)	PUBLIC UTILITY
	)	
	)	
_____	)	COMMISSION
Margaret Cheney	)	
	)	
	)	OF VERMONT
_____	)	
J. Riley Allen		

OFFICE OF THE CLERK

Filed:

Attest: _____
Clerk of the Commission

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