

Article 6 Information

Project Background

Article 6 on the 2020 Village of Johnson ballot is related to a Green Mountain Power (GMP) initiated project involving the B-22 34.5 kV sub-transmission line that is jointly owned by Morrisville Water & Light and Johnson Water & Light. Morrisville Water & Light owns 85% of the B22 line and Johnson Water & Light owns 15% of the line. The B-22 Project is needed to address aging infrastructure and asset management, to address reliability, and to reduce curtailment of existing generation due to the Sheffield Highgate Export Interface (SHEI) constraint. The SHEI constraint limits the ability to export power generated in northeast Vermont to other areas. The export constraint occurs when the energy generation resources exceed the electric demand in the area, and the transmission lines leading out of the area are not sufficient to transport out the excess energy without jeopardizing the reliable operation of the grid. The B-22 project is intended to help alleviate the SHEI constraint.

The B-22 Project rebuilds a 1.5-mile portion of the sub-transmission line with new structures and conductor within the existing right-of-way. The existing B-22 line travels approximately 6.8 miles between the GMP Johnson Substation and Morrisville Water & Light #3 Substation. The B22 Project upgrades the 1.5-mile portion of the line starting near the vicinity of the Cady's Falls tap, at the intersection of Duhamel Road and Cady's Farm Road, and ending at the #3 Substation.

The existing 1.5-mile portion of the B-22 line uses a double-circuit, T-shaped construction, with the B-22 line on an upper crossarm and the 3319 line on a lower crossarm. This portion of the line has 34 structures of various vintages. The B-22 Project replaces the existing structures with 37 new structures using the same double-circuit, T-shaped construction. The locations of the new structures for the B-22 line have been selected to reduce environmental impacts and minimize the number of new structures. During the B-22 Project construction, the existing B-22 line conductors will remain in service until the new B-22 line structures and conductor are installed. The existing structures and conductor will be retired after the new lines are in service.

Required Municipal Approval

Pursuant to 30 V.S.A. § 248(c)(1), any proposed investment, construction, or contract by a municipal department must be approved by a majority of the voters of a municipality "voting upon the question at a duly warned annual or special meeting to be held for that purpose." Therefore, Morrisville and Johnson are seeking voter approval of the B22 Project. The vote will approve the construction of the B22 line and the costs that Morrisville Water & Light and Johnson Water & Light will incur for the B22 Project. Pursuant to Section 248(c)(1), construction will not begin on the B22 Project until voters in Morrisville and Johnson approve the construction and costs of the B22 line upgrades in annual meetings.

Project Costs

Morrisville Water & Light and Johnson Water & Light will pay for a portion of the B22 Project that reflects the benefits that accrue due to avoided future asset-condition-related work. GMP will initially fund the construction of the B22 Project and plans to be reimbursed for approximately

20% of the costs. As discussed above, Johnson Water & Light, which owns 15% of the B22 line, would pay approximately \$31,739. Morrisville Water & Light would pay approximately \$179,852. **Johnson Water & Light will reimburse GMP for the \$31,739 in project costs over five years with no interest.**

Project Risks & Benefits

Pursuant to Section 248(c)(2), the municipal department must provide to the voters a “written assessment of the risks and benefits of the proposed investment, construction, or contract that were identified by the Public Utility Commission” in the issuance of a CPG. Section 248(c)(2) requires the municipal departments in Morrisville and Johnson to provide the voters with a written assessment of the risks and benefits of the B22 Project. **The upgrades to the B22 line will improve safety, reliability, and efficiency of the electric distribution system for the residents in Morrisville and Johnson.** The B22 Project will also help increase the capacity of a local transmission constraint in the SHEI area, which will benefit Morrisville and Johnson electric customers.

Village of Johnson Position

The Village of Johnson supports the B-22 project. It will provide reliability benefits to Johnson residents, businesses, and ratepayers. The Village is also pleased to work cooperatively with Morrisville Water & Light and GMP to address the SHEI constraint, which is negatively impacting power generation in northeast Vermont. The costs the Village will incur (\$31,739) are costs the Village would have had to expend in the near future, regardless of the GMP project, to complete needed maintenance on the B-22 sub-transmission line. Through this project, the Village is able to pay for that necessary work interest-free over five years rather than having to Pay for it all in a single year.