

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Petition of Green Mountain Power Corporation)
for approval to modify service territory) Case No. 21-____-PET
pursuant to 30 V.S.A. § 249)

**PETITION OF GREEN MOUNTAIN POWER CORPORATION
TO MODIFY SERVICE TERRITORY**

Petitioner Green Mountain Power Corporation (“GMP”) hereby submits this Petition to the Vermont Public Utility Commission (“Commission”) in support of a limited modification to GMP’s service territory, pursuant to 30 V.S.A. § 249, in order to separate GLOBALFOUNDRIES U.S. 2 LLC’s (“GF”) Essex, Vermont facility from its current customer service area in the event that the Commission approves GF’s separately-filed petition under 30 V.S.A. § 231 to operate a Self-Managed Utility (“SMU”) (the “GF 231 Petition”).¹

GMP supports GF’s proposed SMU, so long as it is implemented consistent with the three-party Memorandum of Understanding (“Transmission MOU”) between GF, GMP, and Vermont Transco LLC & Vermont Electric Power Company Inc. (latter two referred to together as “VELCO”), as described further in GMP’s motion to intervene in GF’s 231 Petition proceeding. In the event the Commission approves the GF 231 Petition, GF will cease to take service from GMP under Transmission Rate Class 70 retail service for its Essex Campus starting on October 1, 2022, and instead will take Local Network Service directly from VELCO’s

¹ Petition of GLOBALFOUNDRIES U.S. 2 LLC for a Certificate of Public Good, pursuant to 30 V.S.A. § 231 to operate a Self-Managed Utility, Case No. 21-1107-PET, submitted March 17, 2021.

transmission system. As a result, the limited alteration of GMP's service territory is necessary to reflect this change and to ensure the accuracy of GMP's service territory map going forward.

In support of this Petition, GMP offers the following:

1. GMP is a Vermont corporation operating as an integrated electric utility and certified B-Corp in the State of Vermont, and is subject to the regulatory authority of the Commission under 30 V.S.A. § 203.
2. As recognized in previous proceedings, GF is a unique GMP customer.² GF is currently GMP's largest retail customer by a significant margin, and the only customer taking service under GMP Transmission Class Tariff (Rate 70). Under this tariff, GF takes service through several substations on the GF Essex Campus at the 115kV level, delivered through its extensive distribution grid, which GF already owns and maintains. GF is the only retail customer in the state with 115kV service.
3. In the GF 231 Petition, GF is requesting approval to become its own utility serving only itself. As such, GF would independently manage its own distribution system and supply its own load through the region's wholesale power market as separate and distinct from GMP.
4. GF proposes to commence operating as its own utility beginning on October 1, 2022, which coincides with the expiration of GMP's current Multi-Year Regulation Plan.
5. GF, GMP, and VELCO have executed a Memorandum of Understanding (the "Transmission MOU") setting forth terms for the transition of GF from GMP customer to

² See e.g., Case No. 18-2850-TF (Order of 12/21/18) (GMP Rate Design Proceeding) (noting GF's status as GMP's largest customer and only transmission class customer, and recognizing "the importance of GlobalFoundries' contributions to Vermont's economy...").

SMU (Exh. GMP-JC-1). The Transmission MOU incorporates a Letter of Intent between GF and GMP which includes the payment of certain fees to GMP during a four-year transition period and also includes payments to ensure other Vermont Distribution Utilities are made whole for expected changes in transmission costs, among other terms. (Exh. MOU-1 to Transmission MOU). The Transmission MOU also defines the area that will be excluded from GMP's current service territory and where GF will serve its own electric needs, and outlines the transfer of certain equipment and facilities necessary to give effect to the proposed structure.

6. If GF's 231 Petition is approved, only the area of the GF campus located within the Village of Essex Junction and the Town of Essex (the "GF Essex Campus") would be transferred out of GMP's customer service territory, as delineated in the map included with the Transmission MOU (Exh. MOU-2 to Transmission MOU). GMP's service territory otherwise would remain unaltered.
7. GF's property in the Town of Williston will continue to be part of GMP's service territory. After implementation of the SMU and related facility transfers, GMP will own the substation there and serve any customers who operate at that site. GMP and GF will cause the metering point to move to the Williston property so that it is entirely separate from the GF Essex Campus.
8. The technical aspects of GF's separation from GMP as a customer and its operation as an SMU will be reviewed by the Commission in the GF 231 Petition matter, including approval of the Transmission MOU. This § 249 Petition is limited to review of the

modification to GMP's service territory necessary to give effect to GF's transition to an SMU, only in the event that the Commission approves GF's § 231 Petition as proposed.³

9. As described further in the prefiled direct testimony of Josh Castonguay, submitted with this Petition and concurrently with GMP's motion to intervene in GF's § 231 Petition proceeding, GMP supports GF's request to serve itself as an SMU, so long as it is implemented consistent with the Transmission MOU and the Letter of Intent appended to it. The proposed approach is acceptable to GMP because it mitigates the risk of GF's departure from the state, which could result in significant costs for GMP customers and other utility customers, and significant economic disruption for Vermont. At the same time, the SMU transaction provides GMP customers reasonable financial terms and a clear timeline for a smooth transition to a system that recognizes GF's unique status in Vermont and allows GF to control its own power supply needs, while shifting the market and operational risk associated with that responsibility from GMP customers to GF. The structure is designed to help GF to invest in its operations in Vermont and maintain its presence as a significant employer, taxpayer, and wholesale transmission customer.
10. The proposed removal of the GF Essex Campus from GMP's service territory is based on the unique nature of GF's current infrastructure and interconnection at the transmission level infrastructure. This will allow GF to take service directly from VELCO's 115kV transmission system with minimal system changes and minimal cost to our other customers.

³ In addition to this Petition and the GF 231 Petition, GF and GMP, with VELCO as needed, will jointly seek Commission approval for substitution or transfer of Section 248 CPGs and any other appropriate approvals necessary to give effect to the SMU and the proposed modification to GMP service territory, as described in Mr. Castonguay's testimony.

11. The limited modification of GMP service territory to allow GF to serve itself as an SMU is therefore consistent with the general good of the State of Vermont because it will help ensure GF's continued presence in the state and will provide for more certainty and less risk for GMP customers with respect to GF's contribution toward costs of service and electric supply.
12. In order to protect GMP customers in the future, the Transmission MOU includes a clause that requires any successors in ownership of GF's Essex Campus be assigned all obligations required under any CPG that may be issued by the Commission for operation of the SMU under Section 231 in order to continue this proposed structure. In the event that GF ceases operations, or a successor fails to obtain approval for the assumption of such obligations, the Essex Campus would revert back into GMP's service territory. GF and GMP have requested the Commission include this condition in GF's § 231 CPG, and for clarity and consistency between these two related proceedings, GMP requests that the Commission include this same condition in its approval of this Petition as well.⁴
13. In approving a modification to utility service territories under § 249, the Commission gives consideration to the following factors:
- (1) existing service areas;
 - (2) any voluntary agreements between or among two or more such companies filed with the Commission which define service territories of the companies;
 - (3) consistency with the orderly development of the region;
 - (4) natural geographic boundaries;

⁴ See Prefiled Direct Testimony of Gregory L. Rieder, filed on behalf of GF in Case No 21-1107-PET (GF 231 Petition).

(5) compatibility with the interests of all consumers; and

(6) all other relevant factors (which typically includes consideration of the general good of the State).

14. As addressed in detail in Mr. Castonguay's testimony, these factors favor Commission approval of the proposal to remove GF's Essex Campus from GMP's service territory. GMP and GF have entered into a voluntary agreement defining the separation of the Essex Campus from GMP's service territory, and which clearly defines the benefits to GMP's other customers. Furthermore, the modification to GMP's service territory will follow the boundaries of GF's Essex Campus property line and the natural geographic boundaries of the town lines between Essex and Williston along the Winooski River, and will help ensure the future of the property as a manufacturing facility to the benefit of the orderly development of the region. The overall plan supports GF's continued operations in Vermont, is compatible with the interests of all consumers, and supports the general good of the State.

WHEREFORE, GMP respectfully requests that the Commission take the following steps:

1. Provide due notice to interested parties and hold a hearing as required by 30 V.S.A. § 249;
2. Consolidate any proceeding for this Petition with GF's separate Section 231 Petition;
3. Make findings of fact and conclusions of law that the proposed modification to GMP's service territory is consistent with the general good of Vermont;

4. Issue an order approving this Petition, contingent upon the Commission's approval of the GF 231 Petition, to take effect on a date as approved by the Commission for commencement of GF's operation as an SMU, but not before October 1, 2022; and
5. Impose conditions as part of this proceeding and the related GF Section 231 proceeding to require reversion of GF's Essex Campus territory to GMP's service territory in the event that GF ceases operations of its SMU, or any successor does not assume all obligations and restrictions applicable to GF's operation of the SMU and all other conditions as set forth in the Transmission MOU and any Commission Orders issued in conjunction with these related proceedings.
6. Take such other actions as in the Commission's judgment are necessary or advisable in connection with this Petition.

Signed this 17th day of March, 2021 in Burlington, Vermont.

By:



Geoffrey H. Hand, Esq.
Victoria M. Westgate, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand PLLC
91 College Street
Burlington, VT 05401
(802) 860-1003 x. 110
ghand@dunkielsaunders.com
vwestgate@dunkielsaunders.com