

**Consumer Liaison Group
Order 1000 in New England
June 18, 2015**

New England States Committee on Electricity



NESCOE is New England's Regional State Committee, governed by a Board of Managers appointed by each of the New England Governors to represent the collective views of the six New England states on regional electricity matters

- ✧ **Focus:** Resource Adequacy, System Planning & Expansion
- ✧ **Resources:** 6 full-time staff with diverse disciplines & experience. Consultants, primarily for transmission engineering & independent studies
- ✧ **More information:** including filings & comments at
 - www.nescocoe.com
 - Twitter @NESCOEStates

Rulemaking



- NESCOE/states actively participated in rulemaking process
- ***On competition:*** Supported all qualified project proponents having comparable project development & cost recovery opportunity
- ***On public policy:*** Advocated for a process states would use, with a central role for states. Ultimately, state officials, not ISO-NE, decide whether and the means by which to satisfy state laws

States' Proposed Framework: Compliance

- **NESCOE proposed draft framework for Public Policy Projects & associated Cost Allocation**
 - Reflected negotiation and agreement among six states, underscoring interest in addressing challenges as a region
 - States play central role from identification to project selection
 - Order 1000 may be one way, but not the only way, projects that further public policy objectives could move forward in New England. States could use processes such as coordinated procurement to satisfy policy objectives

ISO/TO FERC filing incorporated core elements of NESCOE framework (differences in other areas from from states' position, e.g., ROFR).

May 23 FERC Order: Policy-Driven Transmission

FERC approved deferral to states on public policy identification but rejected as non-compliant proposed process for *project evaluation and selection and cost allocation*.

- Stakeholder opportunity to opine about policies driving Transmission, or not
- Greater ISO-NE role over evaluation and project selection
 - No effect on state siting (but authority, of course, depends on project route)

2015 Rehearing Order

- **FERC affirmed elimination of central states' role in public policy project evaluation and selection process and default cost allocation.**
 - “Clarification” in response to NESCOE/5 state request indicates public policy project selection will be the default action, which is inconsistent with Order 1000
- **FERC accepted proposed 70/30 default cost allocation for public policy project (70% socialized, 30% based on “planning need”)**
 - States split on proposal

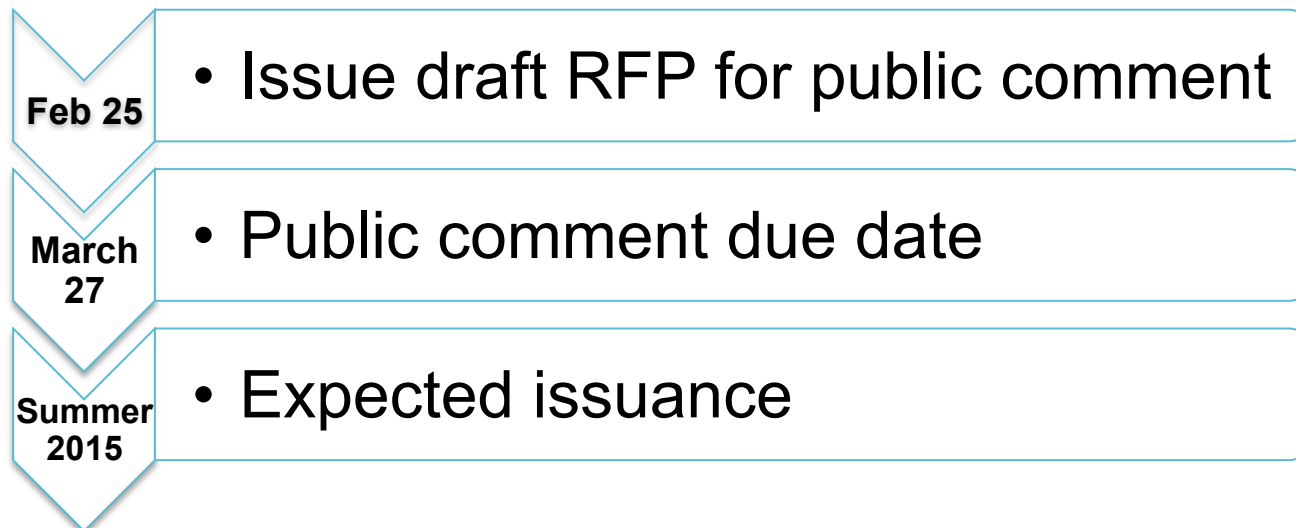
***Will New England states seek to use Order 1000
(or use other means to satisfy policy objectives)?***

- **Imperative that states have confidence that the process truly furthers their state requirements in a way that respects state officials' judgment**
 - Project selection
 - Cost containment
- **Pending litigation in the D.C. Circuit**
 - New rulemaking without process
 - Abrogation of states' authority over stats/regs

Multi-State RFP

Certain state agencies and utilities in CT, MA and RI developed, with NESCOE assistance, a draft joint RFP for clean energy projects based on each state's current authority. www.CleanEnergyRFP.com

Objective: To explore whether a multi-state procurement might attract larger-scale projects and transmission than single state procurements and achieve individual states' clean energy goals more cost effectively than if each state proceeded on its own.



www.nescoe.com