

## *New England States' Committee on Electricity*

To: Mike Henderson, ISO-NE  
 From: Heather Hunt, NESCOE  
 Date: August 17, 2009  
 Re: Comments on Draft RSP 09

The New England States' Committee on Electricity ("NESCOE") appreciates the opportunity to comment on the Independent System Operator-New England's ("ISO-NE") Draft 2009 Regional System Plan ("Draft RSP 09").<sup>1</sup> NESCOE values the significant analysis and useful information provided in the Draft RSP 09 and the substantial time that ISO-NE dedicated to preparing it.

In sum, NESCOE recommends that future RSP analysis present more clearly certain information required by Attachment K as a means to help ensure that New England's regulated solutions are backstop solutions and requests greater clarity in several areas associated with transmission projects.

**I. Subsequent RSPs Should Focus On Specific Analysis Contemplated In Attachment K, Which Is Important To Give Effect To New England's Intended Framework Wherein Regulated Solutions Are Backstop Solutions.**

The Draft RSP 09 provides a great deal of useful and interesting information on a broad range of subject matters. Future RSPs, however, would benefit by presenting with greater focus certain analysis expressly set forth in Attachment K. Specifically, Attachment K provides:

"The RSP shall, among other things:

- (i) describe, in a consolidated manner, the assessment of the PTF system needs, the results of such assessments, and the projected improvements;
- (ii) provide the projected annual and peak demands for electric energy for a five- to ten-year horizon, the needs for resources over this period and how such resources are expected to be provided;
- (iii) *specify the physical characteristics of the physical solutions that can meet the needs defined in the Needs Assessments and include information on market responses that can address them; and*
- (iv) *provide sufficient information to allow Market Participants to assess the quantity, general locations, operating characteristics and required availability criteria of the type*

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<sup>1</sup> ISO-NE identified August 11, 2009 as the due date for Written Comments. That turnaround was not workable. NESCOE appreciates ISO-NE's consideration of these Written Comments submitted after that date.

*of incremental supply or demand-side resources, or merchant transmission projects, that would satisfy the identified needs or that may serve to modify, offset or defer proposed regulated transmission upgrades. (Emphasis added.)*

RSP 10 and subsequent plans should present more clearly the particular analysis contemplated by subsection (iii) and (iv), above. To the extent the RSP embeds information on these items throughout the lengthy RSP document, the ISO-NE should separately cross-reference the identified needs with where the specific information contemplated by subsection (iii) and (iv) is presented in the RSP. That analysis should be closely connected to the RSP's discussion of regulated transmission solutions to give effect to New England's framework wherein regulated transmission solutions are backstop solutions.

## **II. The Transmission Projects Identified as Needed by the RSP09 and Associated Cost Data Should be Included In or Attached to the RSP**

Section 10 of the Draft RSP 09 provides a web link to a list of transmission projects identified as needed: "The *Transmission Project Listing* is a summary of needed transmission projects for the region and includes information on project status and cost estimates". (RSP 09 page 124). Because transmission need identification is central to the ISO-NE's RSP, the list of transmission projects identified as needed in RSP 09 should be presented in or as an attachment to the RSP.<sup>2</sup> This suggestion is in furtherance of Attachments K's provision that the RSP shall include a description of proposed regulated transmission solutions that may meet identified needs.

Next, the Draft RSP 09 is essentially silent on transmission costs. This is the case in relation to its discussion of individual transmission projects as well as the aggregate transmission costs that the ISO-NE identifies as needed.<sup>3</sup> The RSP should include per project costs for each project identified as needed in the RSP09 as well as regional transmission investment information. On the latter, for example, the RSP should reflect projected investment information such as that presented in the ISO-NE's power point labeled "*Regional Transmission Plan Transmission Projects July 2009 Update*" on slides 21 (Investment of New England Transmission Projects by Status through 2013), 22 (Cumulative Investment of New England Transmission Projects through 2013) and 26 (Reliability Project Counts and Aggregated Cost Estimates by Project Stage with Applied Accuracy Ranges). New England consumers will likely make material investments in transmission infrastructure identified in RSP 09; the level of their expected

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<sup>2</sup> The RSP could note the ongoing nature of planning and project list development and refer to a site where updates will be posted.

<sup>3</sup> Prior years' RSP included individual and aggregate transmission project cost information. See, for example, RSP 04 Executive Summary. This type of cost information should be included in current and future RSPs.

investment as identified in the RSP on a per project and aggregate basis should be plainly identified in the document.

**III. The RPS 09’s *Transmission Project List* Should Denote Which Projects’ Need or Time of Need Is At Issue, in Conformance with RSP’s Discussion.**

The Draft RSP 09 describes the *Transmission Project List* as a “summary of needed transmission projects for the region and includes information on project status and cost.” (Draft RSP 09 at page 124). The *Transmission Project List* does not distinguish between projects for which need and/or year of need is at issue and for which it is not. Separately, Draft RSP 09 describes projects on the project list for which the need and/or time of need are under current review by the ISO-NE due to new resources, load forecasts or other issues. (Draft RSP 09 at pages 136, 138, 142). The *Transmission Project List* should be revised to conform to the RSP’s discussion of need evaluation by denoting which projects on the list are under active current review with respect to need and/or year of need. The RSP 09 should also indicate an approximate date by when such additional analysis on need and/or time of need is expected to be completed.

This modification to the *Transmission Project List* would help bring clarity to the Draft RSP 09’s *Section 1.2 Actions and Recommendations*, which provides, in part, as follows:

“Based on RSP 09, ISO recommends the following actions for itself, policymakers and stakeholders:

- Complete Identified Transmission Projects – Continue monitoring projected system conditions and update the *Transmission Project Listing* as improvement are identified and projects are completed or eliminated from the listing.
  - *Complete the transmission improvements identified in RSP 09 in a timely manner, which will improve the New England transmission infrastructure and maintain power system reliability over the next 10 years in accordance with federal and regional standards...*” (Emphasis added.)

The suggested notation on the *Transmission Project List* in conformance with the RSP’s discussion of need evaluation will help make evident which projects are identified for completion by RSP ‘09.

#### IV. Miscellaneous Observations and Recommendations

- *Load Forecast*: Section 3 of Draft RSP 09 offers analysis and a *Summary of Key Findings* on current the load forecast. The RSP notes a decline in the load forecast but does not draw a specific link between the decline and its influence on system needs and associated ratepayer investments. Section 3 would benefit from cross-referencing the elements of RSP 09 that are influenced by the lower forecasts. If, on the other hand, the lower forecast has no impact on system needs or associated investment decisions, the RSP should so state.
- *Cost Estimation and Control Work Group*: Section 11 of the Draft RSP 09 describes the Cost Estimation and Control Work Group as a group “formed to develop recommendations leading to more consistent and transparent estimates for proposed transmission projects.” (Draft RSP 09 at page 153.) This should be modified to reflect that the group was formed to address cost estimating practices and potential opportunities for cost control.
- *RSP Availability*: The Draft RSP 09 is presented as confidential and password protected. Most of the information contained therein is publicly available. In the interest of transparency and maximum input on the proposed plan, the Draft RSP should be publicly available with CEII material redacted.

NESCOE appreciates the ISO-NE’s consideration of its comments.