

Restructuring Roundtable

September 16, 2011



NEW ENGLAND STATES
COMMITTEE ON ELECTRICITY
ON
FERC ORDER 1000

What is NESCOE?

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- New England's Regional State Committee
- New England Governors appoint Board
- Complicated voting structure, but states seek - & have succeeded in reaching - consensus
- Focus: System Planning & Expansion, Resource Adequacy
- Information, communications at www.NESCOE.com

What We'll Talk About Today

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- **Preliminary** thoughts on Order 1000
 - ✦ It's really early in the Order 1000 process
 - ✦ States have a lot of talking to do
 - ✦ More info: http://www.iso-ne.com/committees/comm_wkgrps/trans_comm/tariff_comm/mtrls/2011/order/index.html
- Quick updates on
 - ✦ Renewable resource development work
 - ✦ Interstate Transmission Siting Collaborative

Identification of Public Policies

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Threshold, not so simple question:
What laws & regulations drive transmission?

States intend to –

- ✦ identify their **collective** view of statutes & regulations appropriate to consider in planning
- ✦ take stakeholder input to inform states' views

Following Stakeholder Input...

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States will provide ISO-NE, stakeholders states' collective view of those statutes & regulations that are

- ✦ appropriate to consider in planning
- ✦ those that are not &
- ✦ the states' rationale for both

Identify any transmission needs states believe are driven by public policy requirements & merit evaluation for potential solutions in the planning process (& those that do not)

Evaluation of Potential Solutions

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- **FERC**: many ways transmission upgrades can be evaluated
 - scenario analyses, production cost, etc.
- **States interested in consumer impact**
& in identifying projects that can serve customers reliably at the **lowest over all cost**
- States will look for consumer impact analysis - from ISO-NE, done by states, or from info obtained through competitive process



Cost Allocation

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FERC: agreement among states on cost allocation particularly important for transmission driven by public policy



States agree. **Projects need to satisfy states** to be sited

States' Goal: Consensus

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- Per FERC principle - costs not assigned to those that receive no benefit - states anticipate **agreement to be achieved by consensus**
- Lots of open questions:
 - ✦ What does consensus means in this context?
 - ✦ What are the means to achieve final determinations about projects proposed to satisfy state laws & regulations?
- **Preserve ability to select & pay for projects following competitive process(es)**

Quick Updates

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RENEWABLE RESOURCE DEVELOPMENT

INTERSTATE SITING COLLABORATIVE

Look Back: Coordinated Procurement

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At Governors' direction, began exploring - in Blueprint & Coordinated Procurement Report - potential for regionally coordinated renewable procurement

Interest in understanding potential to help meet the region's renewable energy goals at lowest "all in" cost

2011 Request for Information sought info on size & location of potential projects

- ✦ Identified large generation potential & representative transmission
- ✦ Potential benefits from coordinated development
- ✦ Did not collect cost information

More Recently

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In July 2011, Governors expressed continued interest in exploring coordinated procurement

States interested in understanding broadly indicative costs for:

- ✦ Resources that could supply renewable energy to New England
and
- ✦ Transmission projects that could integrate those projects

indicative cost information \neq resource plan

Developing *Broadly Indicative* Cost Information

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Generation (Sustainable Energy Advantages)

- ✦ Developing **cost estimates for renewable resources - on & off shore wind** - that could supply energy to New England
- ✦ Independently estimate resource potential to yield “renewable supply curve” for 2 study years - **2016 & 2020**
- ✦ Initial focus on wind potential in **New England & NY**

Transmission (RLC Engineering)

- ✦ Developing **cost estimates for transmission** that could help integrate energy from such projects
- ✦ Initial focus on transmission options in **northern New England**

This Is Not A Plan.



What analysis will **not** indicate:

- ✦ A best or preferred set of generation or transmission projects

What analysis will indicate:

- ✦ Relative costs of various wind resources in New England, NY - on & off shore
- ✦ Cost of transmission to interconnect on-shore wind in northern New England

Interstate Transmission Siting Collaborative

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New England does not have a siting problem to solve – we've sited \$4 B since 2002, with more than that on horizon

However, the Blueprint identified that coordinating siting could help facilitate development of renewable & other resources

Looking at coordination opportunities possible under **current law**

1st Step: **Listening** to New England's transmission owners & developers to identify **what the states could do better in the short & long term**

Who's Who: Siting Collaborative

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Connecticut: Kevin DelGobbo, Chairman, PURA

Maine: Thomas L. Welch, Chairman, PUC

Massachusetts: Rebecca Tepper, General Counsel, DPU, former Executive Director Energy Facility Siting Board

New Hampshire: Thomas Getz, Chairman, PUC

Rhode Island: Nick Ucci, Principal Policy Analyst, PUC & Coordinator, Energy Facility Siting Board

Vermont: John Beling, Attorney, Department of Public Service

Thanks.

More information: www.nescoe.com

Or on Facebook:

<https://www.facebook.com/pages/New-England-States-Committee-on-Electricity/100576639985710>