

New England States
Committee on Electricity

To: Mark Babula, ISO New England
From: NESCOE (contact Dorothy Capra)
Date: October 05, 2012
Subject: Comments on Phase II Gas Study Scope of Work

In response to ISO New England's (ISO-NE) September 20, 2012 presentation to the Planning Advisory Committee (PAC), *Draft ISO-NE Natural Gas Study (Phase II) Scope of Work*, the New England States Committee on Electricity (NESCOE) offers some comments and respectfully requests clarification on two items.

First, NESCOE appreciates the effort that ISO-NE has put into studying the gas supply into New England and its proactive approach to analyzing this important issue.

Second, as you know, NESCOE will be conducting a related study on gas-electric coordination. To the extent possible, NESCOE intends its study to complement ISO-NE's work. Accordingly, if there are items important to NESCOE, described below, that ISO-NE will *not* address in its study, we are interested in knowing that fact as soon as possible so that we can consider the way in which NESCOE will consider them in its study.

- Based on Section 7 "Next Steps" of the Draft Report: Assessment of New England's Natural Gas Pipeline Capacity to Satisfy Short and Near-Term Electric Generation Needs (June 15, 2012), NESCOE is unclear whether Phase II of the study was going to look at pipelines at a "more granular geographic level." Such an approach could identify choke points and determine whether one, some, or all pipelines need to be upgraded. NESCOE is interested in the "cost effective combination of options" mentioned on page 65, such as minor compressor upgrades that could add extra capacity at a smaller cost. After the September 20, 2012 presentation to the PAC, NESCOE remained unclear whether Phase II will only look at the New England region as a whole and not at the level of granularity described above. Could you please clarify this?
- NESCOE seeks more information regarding the Regional Natural Gas Market Model that ISO will be developing, as described on slides 14-21 of the

September 20, 2012 presentation. NESCOE views this model as a potentially useful tool for probabilistically analyzing utilization of the gas pipeline infrastructure. However, based on the September 20 presentation, NESCOE is unclear whether *only* the forecast office would be using this model. Could you clarify whether this model will be used for analysis of the system, or only in operations?

- Finally, we also want to ensure that Phase II is sufficiently looking at new gas-fired generation in the queue, whether from repowering or not. We wish to clarify that generation the new Footprint plant at Salem Harbor is included in the study.

Thank you for helping us better understand the intent for the Phase II Study on the points above.