

New England States *Committee on Electricity*

To: Michael Henderson, ISO-NE
From: New England States Committee on Electricity
Date: April 23, 2010
Re: NESCOE Comments on Draft Northeast Coordinated System Plan

The New England States Committee on Electricity (NESCOE) appreciates the opportunity to review and provide comment on the Draft 2009 Northeast Coordinated System Plan (NCSP). We sets forth below a few recommendations and requests for clarification that we believe could improve the Draft NCSP. We appreciate your consideration of our views.

- 1.) Eastern Interconnection Planning** (page 32- 33): The explanation of Eastern Interconnection Planning should include reference to the creation and function of the Eastern Interconnection States' Planning Council (EISPC).

At the same time the U.S. Department of Energy (DOE) provided economic support to the planning authorities' organization, the Eastern Interconnection Planning Collaborative, to enable it to conduct interconnection-wide technical analysis, the DOE provided economic support to the eastern interconnection states' organization, the Eastern Interconnection States' Planning Collaborative (EISPC). The EISPC will provide policy guidance to the eastern interconnection planning process, conduct studies and prepare white papers to inform the technical analysis. The EISPC's participation will include, for example, development of the reference case (including its inputs and assumptions), significant input into the macroeconomic future scenarios and to the conceptual transmission scenario build-outs.

In addition, within the EISPC construct, New England and New York is one region, which presents an opportunity for increased communication on analysis in the northeast.

- 2.) Eastern Wind Integration and Transmission Study** (Page 55 - 56): In the context of discussing the Eastern Wind Integration and Transmission Study (EWITS), the NCSP properly notes the need for additional work associated with the EWITS analysis but also represents that "...EWITS may be considered as an input to future national transmission planning efforts." Draft NSCP at page 56.

NESCOE has serious concerns with and questions about EWITS. As a few examples, EWITS does not provide analysis of achieving 20% - 30% wind penetration through regional renewable development, which precludes consideration of means to achieve energy and environmental goals in the most cost-effective way; understates material operational issues and associated costs; does not contemplate the costs of compensating power generators required for reliability but rendered uneconomic by massive new cross-country transmission that would transmit both wind and traditional sources of energy from the mid-west; and, assumes only minimal expansion of clean Canadian generating resources located close to New England load. Without further analysis in these and other areas, EWITS' use is limited. While some data from EWITS may be used in interconnection wide analysis, at this time, EWITS, viewed in its entirety, has too many unanswered questions and incomplete analysis to be suitable input into interconnection wide analysis. (Page 56) That point should be made clear.

- 3.) Imports from Eastern Canada** (Page 66): The initial paragraph in Section 8.3 references plans in eastern Canada to build non-emitting power resources and to sell excess power into New England and elsewhere. It may be useful to reference a Resolution¹ adopted by the New England Governors and Eastern Canadian Premiers in September 2009, which provides for a cross-border dialogue concerning potential terms and conditions for the procurement of regional power and the development of a sample regional *Request for Proposal* for the procurement of renewable power.

Toward compliance with this Resolution, New England has formed a *Renewable Procurement Work Group* to begin development of such a sample regional *Request for Proposal*.

- 4.) Summary** (page 1-3): The NCSP Summary could be improved by adding a table or some similar presentation that provides an overview of the various planning groups and studies discussed elsewhere, including the studies' and groups' purposes, and how they interrelate.

¹ The NEGC/ECP Renewable Resolution at this link: http://www.negc.org/documents/Res_33-2.pdf. The Work Group is also working on directives in the NEGC's Blueprint Resolution at this link: http://www.nescoe.com/uploads/NEGC_Blueprint_Resolution.pdf

- 5.) Market Efficiency Analysis** (page 23): The Draft NCSP references an assumption as follows: “Resource Expansions, Retirements, and Replacements reflect ISO/RTO expansion plans based on capacity markets and other “firm” plans for generation expansion.” It would be helpful to explain, in a footnote or elsewhere, what “firm” means in this context and whether and how it might limit the study.
- 6.) Renewable Portfolio Standard Conclusion** (page 54): Limiting analysis of renewable resources and the potential to meet Renewable Portfolio Standard (RPS) goals to resources now in the interconnection queues does not provide a realistic view of RPS compliance. While the conclusion as drafted makes general references to limitations in this respect, it would be improved by specifically noting that: (1) the development timeline for many projects is shorter than the planning horizon and therefore, many projects not now in the queues will be developed within the planning horizon; (2) there are and will be small and behind the meter renewables that are not reflected in the queues; (3) there will be additional imports from neighboring regions; (4) states’ demand response and energy efficiency programs and policies will minimize or possibly even reverse load growth; and, (5) in the event cost of renewables are exceedingly high, RPS compliance obligations can in many cases be met through alternative compliance payments, which are in some cases directed toward advancing renewable resources. The conclusion should make clear that comprehensive analysis of the outlook for RPS compliance has to include these elements.
- 7.) Figure 7.1 RPS** (page 52): Figure 7.1 shows new RPS in New England of almost 5000GWh in 2009. It would be helpful to explain in a footnote or otherwise what “new” means in this context and, since the table reaches back to 2009, whether any of that “new” is in service at this time.
- 8.) New England – Update on the New England Wind Integration Study** (page 58 - 63): This section could be improved by setting out more clearly ISO-NE’s plan to study how smart grid could help integrate more wind. Also, it could be helpful to add information, as a supplement to Figure 8.1, showing deep offshore resource potential.
- 9.) Reliability *First Corporation*** (page 27) should be defined in the first sentence.