

TO: Mike Henderson, ISO-NE
FROM: NESCOE
RE: Additional Analysis on Needs Assessment
DATE: September 20, 2010

Following ISO-NE's NEEWS, Interstate Reliability Project Needs Reassessment presentation at the August 2010 PAC meeting, NESCOE identified several areas that would benefit from further information. They are set forth below. If ISO-NE will address these issues in presentations at subsequent PAC meeting(s), ISO-NE need not provide the information requested below in writing to NESCOE.

1. Please present analysis that assumes Vermont Yankee is in operation. The request for such analysis does not represent, or request, a judgment about whether Vermont Yankee will be in operation in any particular year. The purpose is to enable consideration of data.
2. Please present analysis that assumes demand response and energy efficiency measures in New England grow as presented in NESCOE's communications to ISO-NE in connection with the 2010 draft Regional System Plan and the 2010 Economic Study, i.e., assume the average level of energy efficiency in New England's first three forward capacity auctions continues. Again, the purpose is to enable consideration of data.
3. Regarding the Rhode Island area, please clarify whether there are reliability criteria violations at today's load level. If there are not, please indicate the load level at which they would occur.
4. Please indicate whether ISO-NE has conducted or will conduct analysis that identifies whether the addition of new resources or generation at certain sites would relieve the projected reliability criteria violations. (i.e., per Attachment K, "Needs Assessments will identify high-level functional requirements and characteristics for regulated transmission solutions and market responses that can meet the needs described in the assessment." See also NESCOE's RSP 10 comments regarding the specification of the physical characteristics of the physical solutions that can meet the needs defined in the Needs Assessments and information on market responses that can address them.)

Similarly, please indicate whether ISO-NE has conducted or will conduct analysis to determine whether any operating procedures (such as, for example, agreements with existing generation) could cost-effectively solve the projected reliability criteria violations.

Finally, at the next PAC meeting where this analysis will be discussed, NESCOE is interested in hearing more from ISO-NE (and stakeholders) about assumptions concerning generator outages for modeling of a stressed system.