

# Non-Transmission Analysis: Regional Framework

NEPOOL Participants Committee Meeting

*June 27, 2012*

# Non-Transmission Alternatives Analysis Regional Framework



- High level explanation of NTA Framework
- This is *not* an assessment of ISO-NE's *Aligning Planning & Markets* June 2012 paper
- NTA Framework is simply a template for analysis by New England Transmission Owners
  - NTA Framework not novel: CMP, VELCO, for example, already conduct such NTA analysis
- NTA Framework based on current ISO-NE planning processes & state processes that consider alternatives

## Background & Process

- In early September 2011, states expressed collective intent to obtain from transmission owners (TOs) non-transmission alternative (NTA) analysis *earlier* in the planning process than occurs today, which is typically at the end of the planning process – the siting phase [http://www.nescoe.com/uploads/NTA\\_Analysis\\_9.7.11.pdf](http://www.nescoe.com/uploads/NTA_Analysis_9.7.11.pdf)
- In developing NTA Framework, NESCOE shared a draft with ISO-NE to be sure it 1) accurately reflected ISO-NE planning process & 2) did not identify analysis that would be duplicative of ISO-NE's MRA analysis
- *Next step*: NESCOE talk with TOs in July 2012, consider feedback before implementing
- *Ongoing*: Continue to talk to ISO-NE, assess MRA analysis to avoid duplication

# NTA Framework Objectives

- ✓ To obtain NTA analysis at an *earlier point in time* in the regional planning process where such analysis provides more practical value to states & market participants than the analysis TOs produce today does.
- ✓ To make state siting processes *more efficient* by reducing need for states to ask TOs for additional analysis during siting proceedings
- ✓ To obtain *more uniform* alternative analysis across the region
- ✓ To conduct NTA analyses in an *open & transparent* process

## What the NTA Framework is *Not*

- ✓ *Not* to disrupt the region's general reliance on markets to select & fund resources to meet needs
- ✓ *Not* to elongate the transmission planning & siting process. To the contrary, more information earlier in the process will reduce requests for further analysis at that late stage
- ✓ *Not* to create new cost allocation mechanisms
- ✓ *Not* to duplicate ISO-NE MRA analysis - need for & scope of NTA analysis will be revisited as ISO-NE MRA analysis moves along

## Connection to ISO-NE Strategic Planning Initiative

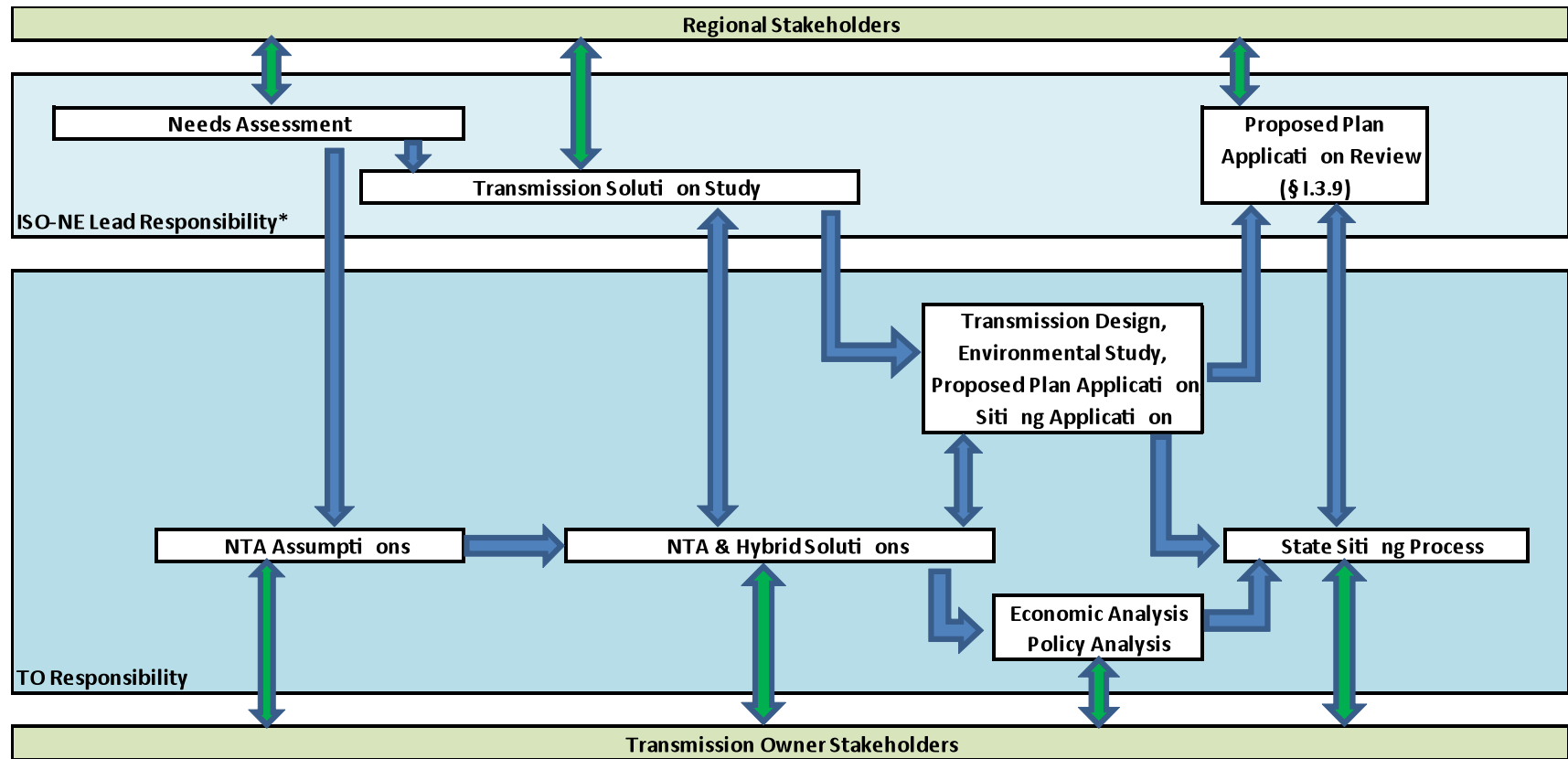
- In October 2011, ISO-NE indicated intent to conduct MRAs in connection with major transmission proposals. ISO-NE has also proposed to align markets & planning. *The states support this concept but do not yet have a view on ISO-NE's June 2012 Aligning Planning & Markets Whitepaper*
- The timing, final form & effectiveness of MRA analysis & the design & implementation of market rules to align planning & markets is unknown, however, **nothing in the ISO Whitepaper appears to invalidate or conflict with NTA Framework**
- At some point, the MRA analysis & associated market rules may supplant the need for some or most NTA analysis. ISO-NE does not, however, intend to conduct *economic analysis* of MRAs; the TOs will continue to produce that to satisfy state siting needs irrespective of when & how ISO-NE's MRA analysis is fully implemented

# NTA & MRA Process Observations

## NTA Analysis Framework contemplates that:

1. ISO-NE & the TOs conduct *coordinated, parallel alternative resource studies* to inform regional planning process & state siting proceedings (assuming ISO-NE continues to prepare MRA Analysis)
2. ISO-NE & TOs will *coordinate & share alternative analysis* early in the planning process to enable evaluation of whether alternatives would satisfy reliability needs
3. The TOs' NTA Analysis may *change over time* as ISO-NE's MRA & market mechanisms are developed & implemented; as ISO-NE will not conduct *economic* analysis of alternative resources, the TOs will continue to produce that element of the TO NTA analysis over time

# Planning Process Overview



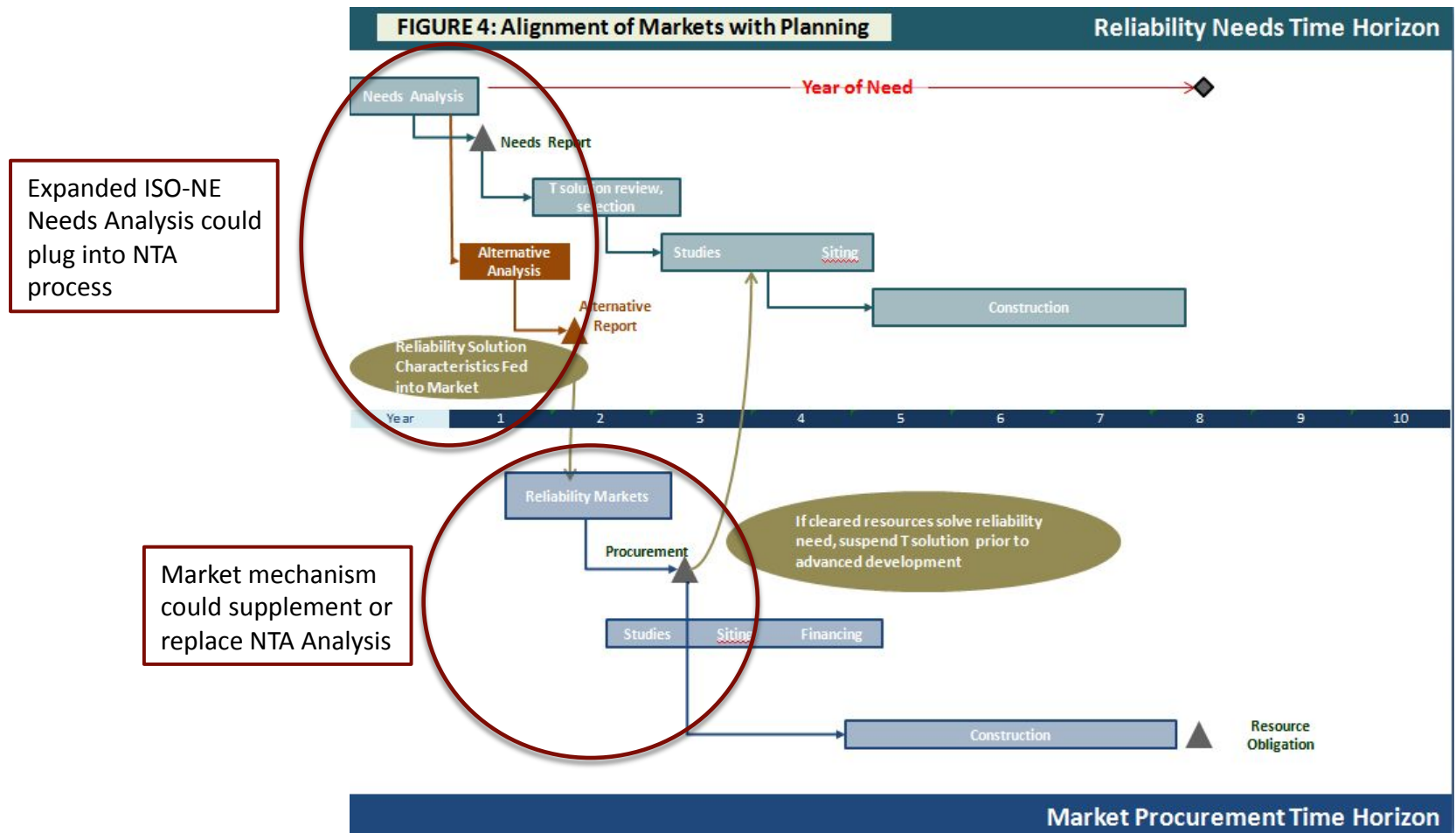
\* ISO-NE Lead Responsibility - analysis may be conducted by the TO or other members of the Study Group

\* Analysis Steps are depicted by the boxes and blue information arrows; stakeholder involvement is depicted in green information arrows

NOTE: This diagram does not include any of the ISO's proposed MRA processes



# ISO-NE Proposed MRA Process



Source: ISO-NE October 2011 "Aligning Planning & Markets" Whitepaper