New England States' Committee on Electricity

March 27, 2009

ISO-NE Planning Advisory Committee c/o Mr. Stephen Rourke Vice President, System Planning ISO New England Inc. One Sullivan Road Holyoke, MA

Re: New England States' Committee on Electricity
Request for Economic Study

On behalf of the Governors of the six New England states, the New England States' Committee on Electricity ("NESCOE") submits this request for a set of economic studies to ISO New England, Inc. ("ISO-NE"), pursuant to Attachment K of ISO-NE's Open Access Transmission Tariff ("OATT").

As you know well, New England is fortunate to have vast renewable resources vying to enter the region's market, as well as considerable potential for further renewable and low carbon resource development. This request is to advance the broad objective of identifying the significant sources of renewable energy available to New England, the most effective means to integrate them into our power grid, and estimated costs. To that end, NESCOE requests that ISO-NE conduct studies of potential renewable generation in New England and the associated transmission infrastructure required to integrate them. The studies will inform decisions about the most sensible way forward to meet the New England Governors' shared goal of cost-effective, low carbon, secure energy.

More specifically, the studies would: (1) collect and organize information available from market proposals and past studies related to potential on- and off-shore renewable resource development and associated system interconnection requirements; (2) provide a technical and substantive basis for a regional resource planning blueprint for New England, to be developed and overseen by state officials; and, (3) identify resources, technologies, or opportunities that would benefit from additional funding from federal or state programs related to technology development and/or regional renewable resource planning studies.

See, Letter from Maine Governor John E. Baldacci to ISO-NE dated January 22, 2009 and ISO-NE response dated February 2, 2009, attached.

The study should provide an overview of potential resources, conceptual layouts of associated transmission system interconnections, and related information and data on: (1) associated combined costs of generation and transmission; (2) changes in transmission system operation and reliability; (3) differences across scenarios in total, and by state, in generation (MWh) from renewable resources under various scenarios; and, (4) differences across scenarios in total, and by state, in emissions of CO₂, NO_x, and SO₂.

NESCOE will assign a representative to serve as the primary contact with the ISO in discussions to: (1) establish a study framework; (2) establish a schedule; and (3) identify the critical input assumptions, resource mix alternatives, and other factors.

NESCOE looks forward to an opportunity to present this request to the Planning Advisory Committee. In the meantime, please let us know if you have any questions or would like to discuss this request in further detail.

Sincerely,

Heather Hunt Executive Director

cc: Gordon Van Welie, ISO New England Inc.
William Nugent, New England Conference of Public Utilities Commissioners
John Shea, New England Governors' Conference