NESCOE
New England States Committee on Electricity

NESCOE Submission Regarding
Transmission Needs Driven by State and Federal Public Policy Requirements

April 28, 2023

Pursuant to Section 4A.1 of Attachment K of the ISO New England Inc. ("ISO-NE") Open Access Transmission Tariff (the "OATT"),[1] the New England States Committee on Electricity ("NESCOE") hereby provides this submission to ISO-NE regarding transmission needs driven by state and federal Public Policy Requirements ("PPRs"). The Tariff defines a PPR as "a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (*e.g.*, municipal or county) government."[2]

NESCOE has carefully considered the input that members of the ISO-NE Planning Advisory Committee (the "Stakeholders") have provided regarding state or federal policy-driven transmissions needs.[3] Two Stakeholders, Shell Energy North America (US), L.P. ("Shell Energy") and Shell New Energies US, LLC ("Shell New Energies US") (together, "Shell") and Rhode Island Energy, identified PPRs or other actions that, in their view, drive transmission needs.

NESCOE is not requesting that ISO-NE initiate a Public Policy Transmission Study for the current planning cycle.[4] For the reasons discussed in this submission, there are no Stakeholder-identified state or federal PPRs "driving transmission needs relating to the New England Transmission System" at this time.[5]

As part of this communication, in accordance with Section 4A.1, NESCOE explains why Stakeholder-identified transmission needs should not be evaluated for potential solutions. While not required under Section 4A.1, given Stakeholders' focus on individual state laws, the explanation regarding those state laws is provided in the form of responses from a NESCOE Manager of each relevant New England state. These responses, which are attached, are hereby incorporated into and made a part of this NESCOE submission. Regarding Shell's assertion that

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1 The OATT is Section II of the ISO-NE Transmission, Markets, and Services Tariff (the "Tariff"). Capitalized terms not defined herein are intended to have the meaning given to such terms in the Tariff.

2 Tariff Section I.2.2.

3 ISO-NE has posted submissions from Stakeholders at https://www.iso-ne.com/static-assets/documents/2023/03/2023_public_policy_requirements_stakeholder_submittals_combined.pdf.

4 This communication does not reflect NESCOE's perspective or the perspective of any NESCOE Manager in connection with any particular project proposal(s). Moreover, this communication should not be read as foreclosing transmission developed pursuant to various state laws but rather as a response that there are no Stakeholder-identified PPRs that at this time warrant the study of regionalized, customer-supported transmission solutions.

5 Section 4A.1.

there are federal PPRs that drive a transmission need, NESCOE discusses below its evaluation of this assertion.

Stakeholder-identified state PPRs driving a transmission need

For the reasons each state provides in the attached responses, there are no state PPRs "driving transmission needs relating to the New England Transmission System" for the current planning cycle pursuant to Section 4A.1.

Stakeholder-identified federal PPRs driving a transmission need

Only one Stakeholder, Shell, asserts that there are federal policies that, in its view, drive a transmission need. Stakeholders identifying PPRs that drive a transmission need are required to submit a public policy input form that specifies the statutes, regulations, or other actions underlying such a need.[6] In its public policy input form, Shell cites to the Federal Energy Regulatory Commission's ("FERC") Notice of Proposed Rulemaking ("NOPR") related to reliability standards to address inverter-based resources as one of the PPRs driving such a need.[7]

In addition to the PPR raised in its public policy input form, Shell identifies other federal actions as driving the need for transmission: the Bureau of Ocean Energy Management Wind Leases in Rhode Island; two White House Fact Sheets related to the expansion of offshore wind; the White House National Climate Task Force; the Department of Energy's ("DOE") "Building a Better Grid" Initiative; the DOE's Floating Offshore Wind Shot; and the US Grid Deployment Office's Grid and Transmission Program Conductor Guide.[8]

While NESCOE appreciates Shell's efforts to explore approaches intended to "maximize customer savings, minimize impacts on the environment and communities, allow for the integration of future projects, and avoid permanently foreclosing certain transmission solutions," none of the federal actions it identifies meet the standard for a PPR under the Tariff. The Tariff defines a PPR as "a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (*e.g.*, municipal or county) government."[9] Section 4A.1 of Attachment K limits stakeholders to providing input on PPRs.[10] The NOPR cited by Shell is still an open proceeding at FERC and no regulations have been promulgated. Thus, the NOPR is not a PPR. Likewise, the additional federal actions that Shell identifies do not fall

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6 *See* Memorandum from Brent Oberlin, Director of Transmission Planning, ISO New England, to Planning Advisory Committee, Public Notification for Public Policy Requirements Submittals, Jan. 13, 2023 (providing instructions and link to template), available at https://www.iso-ne.com/static-assets/documents/2023/01/2023_public_policy_announcement.pdf.

7 *See* Shell Energy, Public Policy Input Form, at Row 6.

8 *See* Shell Energy Public Policy Transmission Request at 5 (Feb. 27, 2023).

9 Section I of the Tariff.

10 In contrast, under Section 4A.1, NESCOE may identify not only a PPR as the basis for a Public Policy Transmission Study request but also any other "public policy-related transmission needs."

under the definition of PPRs. ISO-NE's commencement of a Public Policy Transmission Study based on the Shell submission would expand the PPR definition to more general regulatory activities, announcements, or issuances beyond what the Tariff prescribes. Under the existing Tariff, there is not a sufficient basis for ISO-NE to commence a Public Policy Transmission Study in response to Shell's request.

Conclusion

A thoughtfully planned and appropriately sized transmission system is central to a reliable, affordable, clean grid.

NESCOE looks forward to continuing collaboration with ISO-NE this year to progress to transmission development. We appreciate the substantial work ISO-NE has undertaken at our request on the *2050 Transmission Study,* and the tariff changes to make such analysis a continuing part of planning in New England. The work will help inform decisions, now and going forward, about transmission infrastructure investment to integrate clean energy resources. We look forward to ISO-NE advancing the next phase of tariff changes that will allow States the opportunity to operationalize study results through an ISO-NE-administered competitive transmission procurement. The States are working actively on inputs to the development of such a framework, including cost allocation.

NESCOE appreciates ISO-NE's efforts in initiating the 2023 planning cycle for considering public policy-driven transmission needs. Should the need for a public policy-related transmission study emerge in 2024 or 2025, ahead of the next three-year cycle, one or more States or NESCOE will request such a process consistent with the flexibility Section 4A offers.

April 28, 2023

To: Heather Hunt, Executive Director, NESCOE

Re: Connecticut's Response to Planning Advisory Committee Members' Comments Regarding State and Federal Policy Requirements Identified as Driving Transmission Needs Relating to the New England Transmission System

Pursuant to Section 4A.1 of Attachment K of the ISO-NE, Inc. (ISO-NE) Transmission, Markets and Services Tariff (Tariff), the State of Connecticut is informing the New England Committee on Energy (NESCOE) that none of the federal or Connecticut state statutes and regulations identified by members of the Planning Advisory Committee as Public Policy Requirements (PPRs) drive transmission needs.[1] Additionally, Connecticut is informing NESCOE that, at this time, there is no federal or Connecticut State "public policy-related transmission need" that should be evaluated pursuant to Section 4A.1 of Attachment K.[2]

Pursuant to the process laid out in Section 4A.1 of Attachment K of the Tariff (Section 4A Process), ISO-NE initiated the Public Policy Transmission Study on January 13, 2023 by requesting input from stakeholders on potential state, federal, and local PPRs that drive transmission needs. In response to the ISO's request, two entities submitted input and comments by the submission deadline. For the reasons detailed below, none of the PPRs identified by stakeholders establish a need for an ISO-NE study at this time.

Response to Stakeholder-Identified Connecticut Public Policy Requirements

A PPR is defined in Section I of the Tariff as "a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local government."[3] A PPR identified under Section 4A.1 *must drive* a transmission need; it is not a public policy that *could* be met through transmission upgrades.[4]

Shell Energy North America (US), L.P. and Shell New Energies US, LLC (collectively, "Shell")

[1] NESCOE explains in its transmittal to ISO-NE that the asserted federal PPRs that drive a transmission need identified by stakeholders do not drive a transmission need and that an ISO-NE study on the basis of a federal PPR is not warranted at this time.

[2] Under Section 4A.1 of Attachmen`t K, a PPR is distinct from the much broader term "public policy-related transmission needs" which allows the states to request a public policy transmission study, for example, to evaluate if a transmission upgrade is appropriate to address a state policy that can be met through means other than transmission.

[3] *See also, Emera Maine et. al v. FERC*, 854 F. 3d 662, 672 (D.C. Cir. 2017) ("Public policy requirements that could give rise to transmission needs include enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level") (internal citations omitted).

[4] *ISO-New England, Inc.*, Order on Rehearing, 150 F.E.R.C. P 61,209, at P 132 (Mar. 19, 2015 ("Transmission needs driven by public policy requirements, and not the public policy requirements themselves, are what must be considered by public utility transmission providers under Order No. 1000."). *See also, Emera Maine,* 854 F. 3d at 672 ("ISO-NE has no role in setting public policy for the states" such as "public policy requirements chosen by . . . state officials.").

were the only entities to identify a Connecticut statute or regulation that drives transmission needs. Shell cites Connecticut Public Act No. 19-71 (the "Act") as a requirement reflected in statute that drives a transmission need for the State of Connecticut because DEEP is "to procure 2,000 MW of offshore wind energy by December 31, 2030. Further, Shell asserts that "[u]pgrades to transmission infrastructure are required in order to integrate large injections of offshore wind." For the reasons described below, the Act does not drive a transmission need in Connecticut and is therefore not a Public Policy Requirement.

Public Act 19-71

The Act permits, but does not require, the Commissioner of the Connecticut Department of Energy and Environmental Protection (DEEP), after consultation with other specified Connecticut state entities, to procure up to 2,000 megawatts of offshore wind and any associated transmission. While Public Act 19-71 requires the Commissioner of DEEP to solicit up to 2,000 MWs of offshore wind by December 31, 2030, the authority to actually procure the generation from offshore wind and associated transmission is discretionary.[5] DEEP must weigh, in consultation with its specified sister agencies, specific factors to determine whether to select any proposals made in response to the solicitation(s).[6] Further, the precise schedule for such solicitation(s) and possible procurement(s) is also left to the DEEP Commissioner's discretion.[7]

DEEP has recently announced that it intends to conduct another offshore wind solicitation pursuant to the Act. However, as discussed above, the statute does not require DEEP to procure such offshore wind or associated transmission. At this point in time, it is premature to suggest that the statute drives a transmission need when the generation that requires the transmission may not even be procured. In addition, the Act became effective on June 7, 2019. Neither Connecticut nor any other stakeholder identified the Act as a public policy requirement during the last Order No. 1000 planning cycle in 2020, despite DEEP conducting a solicitation and selection of offshore wind and associated transmission in the 2019-2020 timeframe.

Future Transmission Needs

Connecticut recognizes that the clean energy transition will require substantial investments in clean energy and the transmission required to unlock these forms of energy. In recognition of these needs, Connecticut facilitated a multi-state effort in New England to request information to explore investment in electric transmission infrastructure needed to integrate clean energy such as offshore wind. In response, the participating states received more than 40 comments from interested stakeholders. The participating states also conducted a technical meeting and sought presentations from interested stakeholders on this topic. This process has helped Connecticut as it actively works with its sister states to pursue federal funding for transmission infrastructure and plan for future transmission needs. Connecticut acknowledges that given all ongoing state-led transmission-related activity, a need for a public policy-related transmission study may arise before the region's next three-year Order No. 1000 cycle begins. Should that need arise, Connecticut will inform ISO-NE and stakeholders by submitting a

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[5] *See* Conn. Gen. Stat. § 16a-3n(c) ("The commissioner *may* direct the electric distribution companies to enter into power purchase agreements for energy, capacity, any transmission associated with such energy derived from offshore wind facilities that are Class I renewable energy sources . . . .") (emphasis added).

[6] *See* Conn. Gen. Stat. § 16a-3n(b).

[7] *See* Conn. Gen. Stat. § 16a-3n(a)(1) ("The Commissioner of Energy and Environmental Protection . . . *may* . . . solicit proposals, in one solicitation or multiple solicitations, from providers of energy derived from offshore wind facilities that are Class I renewable energy sources, as defined in section 16-1, and any associated transmission ….") (emphasis added); *see id.* ("Any such solicitation or solicitations issued pursuant to this section . . . shall be for quantities of energy and within the timing and schedule determined by the commissioner . . . .").

request to initiate the Section 4A Process prior to the next cycle.

Sincerely,

Katherine S. Dykes
Commissioner
Connecticut Department of
Energy and Environmental Protection

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MEMORANDUM

TO: Heather Hunt, Executive Director, NESCOE

FROM: Jason Marshall
Deputy Secretary for Federal and Regional Energy Affairs

RE: Response to Stakeholder Input Regarding Massachusetts Public Policy Requirements

DATE: April 28, 2023

On January 13, 2023, ISO New England Inc. ("ISO-NE") issued a public notification to provide an opportunity for members of the Planning Advisory Committee to identify transmission needs driven by public policy requirements ("PPRs") pursuant to Section 4A.1 of Attachment K of ISO-NE's Open Access Transmission Tariff ("OATT").[1] Shell Energy North America (US), L.P. and Shell New Energies US, LLC (together, "Shell") submitted comments identifying purported Massachusetts PPRs driving transmission needs. The states, through the New England States Committee on Electricity ("NESCOE"), are provided the opportunity to review and respond to stakeholder submissions as part of the OATT process under Section 4A. Upon review of the statutory references that Shell identified, Massachusetts does not request that ISO-NE initiate a Public Policy Transmission Study in the current planning cycle.

In short, as explained below, a Public Policy Transmission Study is not a useful tool at this time to advance transmission to achieve Massachusetts' clean energy and decarbonization

[1] ISO-NE's tariff defines a PPR as "a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (e.g., municipal or county) government."

requirements. Massachusetts has existing authorities as well as multiple activities underway with other New England states to take tangible steps this year toward procuring transmission infrastructure to enable the deployment of clean energy resources.

Analysis and study are, and will remain, an important part of our transmission planning process. However, we are at an inflection point for action. Commencement of the Public Policy Transmission Study process this year, which requires ISO-NE resources and substantial state and stakeholder attention, could impede ongoing work that better positions Massachusetts and the region to transform our energy grid with the urgency that is required. Working with regional partners, Massachusetts will assess whether the Public Policy Transmission Study Process could be a helpful vehicle in 2024 to complement our efforts this year.

A. Background

The Global Warming Solutions Act ("GWSA"), as most recently amended by Chapter 8 of the Acts of 2021 ("2021 Climate Act"), requires Massachusetts to achieve Net Zero greenhouse gas emissions ("GHG") in 2050. The requirement has two primary components: (1) achieve gross emissions reductions of at least 85% below 1990 levels, and (2) ensure that the total statewide GHG emissions released into the atmosphere are less than or equal to the amount removed from the atmosphere. Under the GWSA, GHG emissions reductions are achieved through investments in various sectors, including the transportation sector, the gas distribution system, and energy efficiency. This holistic approach is flexible and iterative by design. Electric transmission, while not the only avenue to achieve the requirements of the GWSA and complementary polices,[2] plays an important role in these efforts.[3]

Beginning in 2008, Section 83 of the Green Communities Act ("GCA") required the Massachusetts electric distribution companies ("EDCs") to "solicit proposals from renewable energy developers and, provided reasonable proposals have been received, enter into cost-effective long-term contracts to facilitate the financing of renewable energy generation . . . ." Since the first Section 83 procurements, the GCA has been amended several times, including the additions of Section 83A, Section 83C, and Section 83D. These authorities and subsequent procurements have resulted in the execution of contracts between the Massachusetts EDCs and several clean energy projects. In 2021, under Section 91 of the 2021 Climate Act, the Legislature increased the total mandatory offshore wind procurements to 5,600 MW.[4]

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[2] For example, Massachusetts incentivizes clean energy generation through state regulations governing environmental attributes, including the Renewable Energy Portfolio Standard and the Clean Energy Standard.

[3] *See* Massachusetts Clean Energy and Climate Plan for 2025 and 2030 (https://www.mass.gov/doc/clean-energy-and-climate-plan-for-2025-and-2030/download) and Massachusetts Clean Energy and Climate Plan for 2050 (https://www.mass.gov/doc/2050-clean-energy-and-climate-plan/download).

[4] *See also* Sections 69 and 72 of Chapter 24 of the Acts of 2021, An Act Making Appropriations for the Fiscal Year 2022.

B. Shell's Identified Massachusetts PPRs

In its comments, Shell identified *An Act Driving Clean Energy and Offshore Wind* (the "Drive Act"),[5] passed by the Massachusetts Legislature in August 2022 to bolster Massachusetts' efforts to increase clean energy. Shell identified this legislation as authorizing the Massachusetts Department of Energy Resources ("DOER") to procure 5,600 MW of offshore wind.[6] Shell also appears to identify Section 53 of the Drive Act, which amends existing law to require the Massachusetts EDCs to develop electric-sector modernization plans to, among other things, "proactively upgrade the distribution and, where applicable, transmission systems[.]"[7]

C. Transmission Initiatives

The Commonwealth is currently pursuing a number of transmission initiatives to achieve our GHG reduction requirements by supporting the development of regional clean energy, such as activities to interconnect offshore wind resources. These initiatives include the potential to utilize new offshore wind transmission procurement authority, pursuing federal funding for offshore wind development in conjunction with state partners, and participating in ISO-NE's 2050 Transmission Study and a related effort to operationalize those study results.

1. Transmission Procurements

The Drive Act authorized DOER to competitively solicit and procure offshore wind energy transmission, provided that such transmission service shall be made available for use by more than one wind energy generation project.[8] DOER is further authorized to coordinate with other New England states and ISO-NE and may select proposals that include federal funding, cost sharing among states, or recovery of transmission costs through federal rates.

In 2018, following a competitive solicitation, the Massachusetts EDCs executed contracts for the New England Clean Energy Connect transmission line to deliver approximately 1,200 MW of hydropower from Québec to Maine.[9] This project will enable Massachusetts utilities to purchase from Hydro Québec up to 9.45 TWh per annum of clean, reliable power for the next 20 years.[10]

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5 2022 Mass. Acts ch. 179.

6 Drive Act, § 61.

7 Drive Act, § 53.

8 Drive Act, § 70.

9 2008 Mass. Acts ch. 169, § 83D, as amended by 2016 Mass. Acts ch. 188.

10 While this project has been delayed due to changes in Maine law, the Maine Supreme Court issued a favorable ruling in August 2022, and, earlier this month, a jury found in favor of the project in a proceeding on remand in the Maine Business and Consumer Court.

2. Regional Offshore Wind Transmission

Massachusetts is working in collaboration with other New England states on pursuing funding from the U.S. Department of Energy ("DOE") to support an offshore wind transmission network as part of a Joint State Innovation Partnership.[11] This network, which could be expanded inter-regionally, would unlock the Northeast's significant offshore wind potential. Massachusetts and the other participating states have expressed an intent to investigate a multi-state process to competitively solicit a broad set of transmission solutions in connection with this initiative and DOE funding opportunities.

3. 2050 Transmission Study and Longer-Term Planning

At the request of the New England states, ISO-NE initiated a longer-term regional transmission planning study that will identify transmission system deficiencies and potential upgrades for the years 2035, 2040, and 2050 ("2050 Study"). The 2050 Study will help inform Massachusetts, other states, and stakeholders about the transmission infrastructure needed to integrate clean energy resources and meet state energy requirements. ISO-NE presented the results in 2022 and is continuing work throughout this year to finalize the analysis.

The 2050 Study is not just a one-off analysis. Under recently adopted tariff rules, ISO-NE can undertake these public-policy driven studies at the states' request as a routine process. Moreover, a planned second phase of tariff development work is ongoing. These contemplated changes would allow states to operationalize ISO-NE's longer-term study results by requesting that ISO-NE administer competitive transmission procurements. The New England states are actively working to provide ISO-NE with input on this process, including cost allocation.

D. Conclusion

Massachusetts is working to leverage the transmission initiatives described above to initiate actionable projects that will support the deployment of offshore wind and other clean energy resources as soon as possible. An ISO-NE Public Policy Transmission Study is not useful at this time to advance potential transmission solutions. Moreover, when considering the optimal allocation of ISO-NE's resources, a Public Policy Transmission Study may delay or disrupt existing and ongoing efforts. While it is not the appropriate time to request a Public Policy Transmission Study, Massachusetts is mindful that we can reassess this need without waiting for another cycle three years from now. The OATT provides flexibility to request a Section 4A process in 2024 or 2025.[12]

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[11] More information about this regional effort, including the concept paper, can be found here: https://newenglandenergyvision.com/new-england-states-transmission-initiative/.

[12] Section 4A.1 states that the process contained therein can take place "*no less often* than every three years." (emphasis added)

COMMISSIONER
Jared S. Chicoine

DEPUTY COMMISSIONER
Christopher J. Ellms, Jr.

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April 24, 2023

To Heather Hunt NESCOE Executive Director, and interested parties:

This letter is New Hampshire's official statement of position made in response to recent comments regarding Public Policy Requirements (PPRs) submitted by ISO-New England (ISO-NE) Planning Advisory Committee (PAC) members in accordance with Section 4A.I of Attachment K to the ISO-NE Open Access Transmission Tariff (OATT).[1] I present this statement of position pursuant to my authority as the New Hampshire Manager for the New England States Committee on Electricity (NESCOE), directly appointed by our State's Governor. If there is any implication of conflict between the NESCOE transmittal letter and this statement of position, for the purposes of establishing New Hampshire's own position, this statement controls.

On January 19, 2023, ISO-NE issued a public solicitation for PAC members to identify any existing PPRs that, in their opinion, would potentially drive public policy transmission needs within the ambit of FERC Order No. 1000, associated FERC Orders, and associated ISO-NE OATT provisions.[2] Comments were submitted by Shell Energy and Rhode Island Energy. These comments are available at the ISO-NE website here: https://www.iso-ne.com/static-assets/documents/2023/03/2023_public_policy_requirements_stakeholder_submittals_combined.pdf

Shell Energy North America (U.S), LP and Shell New Energies US, LLC (collectively "Shell") contend that the states have a public policy need to "advance the timely, efficient and

[1] Section 4A of Attachment K of the ISO-NE OATT details the region's Public Policy Transmission Study process pursuant to the Federal Energy Regulatory Commission's (FERC) Order No. 1000. (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 76 Fed. Reg. 49,841 (Aug. 11, 2011), *order on reh'g*, Order No. 1000-A. 77 Fed. Reg. 32,184 (May 31, 2012)). FERC has defined "Public Policy Requirements" as public policy requirements established by state or federal laws and regulations, including "enacted statutes (*i.e.*, passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level," and including "duly enacted laws or regulations passed by a local governmental entity, such as a municipal or county government." Order No. 1000-A at "319 (footnote omitted). (*Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000-A, 77 Fed. Reg. 32,184 (May 31, 2012)).

[2] Memo from Brent Oberlin, ISO-NE Director of Transmission Planning to PAC, January 19, 2023. available at: https://www.iso-ne.com/static-assets/documents/2023/01/2023_public_policy_announcement.pdf

coordinated transmission needed for offshore wind [and] create the conditions for holistic and comprehensive planning not otherwise available in ISO-NE today or in the near future..." Rhode Island Energy claims a need to upgrade transmission lines within Rhode Island to move solar generation around the state, maintain voltage performance of the Rhode Island transmission system, and allow integration of offshore wind generation. These submittals do not meet a policy need of New Hampshire.

Each stakeholder-identified Public Policy Requirements submittal is addressed below.

Shell

Shell requests that the region use the Order 1000 process to develop transmission that would "integrat[e] offshore wind and achieve state and federal climate goals." Shell points to individual resource procurements by Connecticut, Massachusetts, and Rhode Island, as well as Massachusetts' grid modernization plans and a FERC Notice of Proposed Rulemaking addressing inverter-based resources as the public policies driving the need for transmission. Notably, Shell does not identify any New Hampshire policies.

I concur that New Hampshire does not have any public policy need for transmission associated with offshore wind. New Hampshire has studied the impacts of offshore wind but has not currently chosen to pursue any procurements. There is no statute or regulation that directs New Hampshire to purchase, develop, or incentivize offshore wind projects.

Rhode Island Energy

Rhode Island Energy claims that Rhode Island's mandates to reduce greenhouse gas emissions, expand offshore wind resources, and require 100% of the state's electricity demand be met by renewable resources require transmission upgrades. Rhode Island Energy solely identifies Rhode Island state policies as driving a PPR need. There are no identified public policy needs of New Hampshire. Accordingly, there is no need for New Hampshire to develop any transmission solutions.

Other Policies

Additionally, there are no New Hampshire state statutes, local laws, or regulations that drive a specific need for transmission. I have identified no PPRs driving transmission needs relating to the New England Transmission System at this time.

Jared S. Chicoine, Commissioner

To: Heather Hunt, Executive Director, NESCOE

From: RIPUC Chairman Ronald T. Gerwatowski and RIOER Commissioner Christopher Kearns, Rhode Island NESCOE Co-Managers

Re: Concurrence with NESCOE's Response Regarding State and Federal Policy Requirements Identified as Driving Transmission Needs and Additional Comment on Rhode Island Policy

Date: April 28, 2023

On January 13, 2023, pursuant to Section 4A.1 of Attachment K of the ISO New England Open Access Transmission Tariff, ISO New England Inc. ("ISO-NE") issued public notification for stakeholders to provide input to the New England States Committee on Electricity (NESCOE) regarding state and federal Public Policy Requirements (PPR) identified as driving transmission needs and particular transmission needs driven by those PPR.[1] On March 2, 2023, ISO-NE published a memo summarizing the submittals received in response to their notice and included the full responses received. ISO-NE's combined response template included a submittal by Shell[2] that identified both federal and state PPR and a submittal by Rhode Island Energy that identified state PPR. [3]

The Need for Regional Transmission

Without question, in order for the New England states to meet their clean energy goals, additions to regional transmission will be necessary in the future. However, timing is an important consideration, along with project specifics. Further, at this time, there are no specific projects in Rhode Island that implicate the need for a transmission study in this planning cycle which are arising out of Rhode Island PPRs. Thus, it would be premature for ISO-NE to begin a Public Policy Transmission Study at this time. For that reason, Rhode Island concurs with NESCOE not to request that ISO-NE begin a Public Policy Transmission Study in the current planning cycle.

Response to Comments of Rhode Island Energy and Shell

Rhode Island also has reviewed the stakeholder submittals to ISO-NE and carefully considered the Rhode Island PPRs identified in those submittals. For the reasons below, none of the Rhode Island PPRs identified by stakeholders are driving transmission needs in this planning cycle.

We note that Rhode Island Energy filed a comment suggesting that Rhode Island policy in place today will require transmission in Rhode Island. With respect to Rhode Island Energy's assertion that DER penetration in the state will drive transmission, it is important to note that the Public Utilities Commission has before it two dockets which will be addressing the extent to which

[1] Per Section I of ISO-NE's Transmission, Markets, and Services Tariff a PPR "is a requirement reflected in a statute enacted by, or a regulation promulgated by, the federal government or a state or local (e.g., municipal or county) government."

[2] Per their February 27, 2023 cover letter to ISO-NE, "Shell" collectively refers to Shell Energy North America (US), L.P. ("Shell Energy") and Shell New Energies US, LLC ("Shell New Energies US)

[3] ISO-NE's January 13, 2023 notice also sought input to ISO-NE "regarding local (e.g., municipal and county) Public Policy Requirements identified as driving transmission needs relating to the New England Transmission System, and regarding particular transmission needs driven by those Public Policy Requirements." Neither of the two submittals identified in ISO-NE's March 2, 2023 Memo regarding the 2023 Stakeholder Public Policy Requirements addressed local requirements.

DER penetration could affect reliability of service in Rhode Island. Until the Commission completes those dockets, it would be premature to base the need for an ISO-NE study on those generalized assertions at this time.

Rhode Island Energy also cites three Rhode Island statutes that it maintains will be driving the need for transmission. The letter is very short and general, without any specificity. It also is based on what may be a fundamental misunderstanding of the three laws referenced by the utility in its attachment. Each are addressed below.

Renewable Energy Standard

Rhode Island Energy identified the Rhode Island Renewable Energy Standard (RES) as a PPR that is driving transmission needs. Rhode Island does not agree with Rhode Island Energy's assessment as it relates to near-term planning and for the reasons below determines that the RES does not warrant a request that ISO-NE begin a Public Policy Transmission Study.

The RES (RI. Gen. Laws § 39-26) requires the State's retail electricity providers (referred to as Obligated Entities), excluding Pascoag Utility District and Block Island Power Company, to supply a defined proportion of their annual retail electricity sales from Eligible Renewable Energy Resources. In 2022, the RES statute was amended so that the annual increases begin to escalate faster beginning in Compliance Year 2023 and culminate in a 100% RES in Compliance Year 2033 and each year thereafter.[4] Obligated Entities demonstrate compliance with the RES on an annual basis through the procurement and retirement of eligible NEPOOL GIS Certificates, known as Renewable Energy Certificates (RECs), and/or Alternative Compliance Payments (ACPs). Thus, meeting the PPR of the RES means sourcing RECs from eligible renewable generators or paying ACPs.

It is conceivable that there is a future period in which the need for a new supply of eligible RECs is constrained by transmission needs, such as those longer-term periods considered in the New England State's Energy Vision and currently being studied in ISO-NE's first Longer-Term Transmission Study, known as the 2050 Transmission Study. The RIPUC's April 2023 Annual Report on the status of the RES, however, found that there is likely an adequate supply of renewable energy (and thus eligible RECs) to meet the RES over the coming years, and that because Rhode Island has the highest ACP in New England, Obligated Entities' demand for Rhode Island-eligible RECs is likely to be met.[5] Given this, the RES is not currently driving transmission needs.

Act on Climate

Rhode Island Energy also identified the Act on Climate as a PPR that is driving transmission needs. Rhode Island does not agree with Rhode Island Energy's assessment as it relates to near-term planning and for the reasons below determines that the Act on Climate does not warrant a request that ISO-NE begin a Public Policy Transmission Study.

[4] R.I. Gen. Laws § 39-26-4(a); P.L. 2022, ch. 218, § 1, effective June 27.

[5] Current and past Annual Reports on the RES can be accessed here: https://rhodeislandres.com/ripuc-annual-reports/.

On April 10, 2021, Governor McKee signed the Act on Climate into law, thereby amending R.I. Gen. Laws § 42.6-2 *et seq*. Among other effects, the Act on Climate updated the existing greenhouse gas (GHG) emissions reductions requirements and timeline so that economy-wide reductions targets are accelerated and progress to net zero by 2050,[6] established that the economy-wide targets are mandatory upon "the state",[7] and established enforcement provisions on the emissions reductions mandate.[8] Rhode Island is proud of the bold step taken in enactment of the Act on Climate and is unquestionably committed to meeting the requirements therein.

In addition, the Act on Climate amended aspects of the Executive Climate Change Coordinating Council (EC4)[9], whose many purposes include coordinating the efforts of state agencies and to creating quinquennial Net Zero Plans beginning in 2025. Net Zero Plans are intended to establish a strategy for meeting the requirements of the Act on Climate.[10] While the Act on Climate has not yet resulted in a Net Zero Plan, it is reasonable to assume, as Rhode Island Energy does, that more energy use in Rhode Island will need to be electrified and that electricity will need to be sourced from clean energy resources to meet the emissions mandates.

The Act on Climate leaves the exact method of reporting progress on the emissions reduction mandates to the EC4.[11] Currently the Rhode Island Department of Environmental Management executes the emissions inventory for the state and uses a REC-based accounting system that is consistent with the RES.[12] Therefore, constraints on Rhode Island's ability to meet the Act on Climate emissions mandates *within the electric sector* are nearly identical to constraints in meeting the RES.

As discussed above, while it is imaginable that there is a future period in which the need for a new supply of eligible RECs is constrained by transmission needs, those longer-terms constraints exist beyond the near-term planning cycle and are better addressed in ISO-NE's 2050 Transmission Study. The near-term outlook is that there is an adequate supply of renewable energy to decarbonize the Rhode Island electric sector consistent with the requirements of the Act on Climate. Thus, the Act on Climate is not currently driving transmission needs.

Affordable Clean Energy and Security Act

Both Shell and Rhode Island Energy cite R.I. Gen. Laws § 39-31 the Affordable Clean Energy and Security Act (ACES) and make specific reference to the recently enacted requirement that Rhode Island Energy solicit proposals for at least 600 MW and no more than 1000 MW of

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[6] R.I. Gen. Laws §§ 42-6.2-2(a)(2(i) and 42-6.2-9.

[7] R.I. Gen. Laws § 42-6.2-9.

[8] R.I. Gen. Laws § 42-6.2-10.

[9] The EC4 comprises "officials from state agencies with responsibility and oversight relating to assessing, integrating, and coordinating climate change efforts." The PUC is not included in the statutory membership of the EC4, nor has a PUC official been added to the EC4 through the unlimited membership provision in the statute.

[10] R.I. Gen. Laws § 42-6.2-2(a)(2)(iv).

[11] R.I. Gen. Laws § 42-6.2-7.

[12] Rhode Island Department of Environmental Management 2019 Rhode Island Greenhouse Gas Emissions Inventory, at 12. https://dem.ri.gov/sites/g/files/xkgbur861/files/2022-12/ridem-ghg-inventory-2019.pdf.

"newly-developed offshore wind capacity no later than October 15, 2022." [13] Shell also makes reference to a separate section of the statute that authorizes the Rhode Island Office of Energy Resources to participate in the development of regional or multistate competitive solicitations for, among other things, "... the development and construction of regional electric-transmission projects that would allow for the reliable transmission of eligible renewable energy resources, including offshore wind..." [14] For the reasons below, however, ACES does not warrant a request that ISO-NE begin a Public Policy Transmission Study in the current planning cycle.

Unlike Rhode Island's Act on Climate and Renewable Energy Standard, addressed above, ACES does not create a mandated and perpetual PPR. In other words, no section of ACES operates like a minimum contracting standard that must eventually be met. While Rhode Island is confident that offshore wind will play a critical role in our clean energy future, ACES leaves open a clear possibility that the that Rhode Island Energy's solicitation for new offshore wind capacity can be met without driving new transmission needs beyond the interconnection of the new resources.[15] Whether or not ACES drives new generation projects that could in turn drive transmission needs is a project-specific determination. Without specific projects identified and mandated as a result of both the procurement and regulatory processes prescribed in the statute, it is premature to request ISO-NE to begin a Public Policy Transmission Study.

Ronald T. Gerwatowski, Chairman
Rhode Island Public Utilities Commission
Rhode Island NESCOE Co-Manager

Christopher Kearns, Acting Commissioner
Rhode Island Office of Energy Resources
Rhode Island NESCOE Co-Manager

[13] R.I. Gen. Laws § 39-31-10.

[14] R.I. Gen. Laws § 39-31-4.

[15] Pursuant to R.I. Gen. Laws § 39-31-6, the result of the solicitation for 600 MW to 1000 MW of new offshore wind capacity would only result in a mandate to procure such capacity if the terms of the contract are found to be net beneficial to Rhode Islanders, among other necessary regulatory findings, pursuant to a regulatory proceeding.

VERMONT

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April 26, 2023

Heather Hunt
NESCOE Executive Director

Dear Director Hunt:

Please accept this letter as Vermont's response to recent comments regarding Public Policy Requirements ("PPRs") submitted by the members of the ISO-New England ("ISO-NE") Planning Advisory Committee ("PAC") pursuant to Section 4A.1 of Attachment K to the ISO-NE Open Access Transmission Tariff ("OATT").[1] In expressing this position, I am acting pursuant to my authority as the Vermont Manager for the New England States Committee on Electricity ("NESCOE"), directly appointed by Vermont Governor Phil Scott. Should Vermont's position conflict in any way with the positions articulated on this matter by any one of the other five NESCOE member states or the NESCOE transmittal letter, then please treat this statement as controlling for purposes of establishing Vermont's position.

On January 19, 2023, ISO-NE issued a public solicitation for PAC members to identify any existing PPRs that, in their opinion, would potentially drive public policy transmission needs within the scope of FERC Order No. 1000, associated FERC Orders, and associated ISO-NE OATT provisions.[2] Responses were submitted by Shell Energy ("Shell") and Rhode Island Energy ("RIE").

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[1] Section 4A of Attachment K of the ISO-NE OATT details the region's Public Policy Transmission Study process pursuant to the Federal Energy Regulatory Commission's (FERC) Order No. 1000. *(Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities,* Order No. 1000, 76 Fed. Reg. 49,841 (Aug. 11, 2011), *order on reh'g,* Order No. 1000-A. 77 Fed. Reg. 32,184 (May 31, 2012)). FERC has defined "Public Policy Requirements" as public policy requirements established by state or federal laws and regulations, including "enacted statutes *(i.e.,* passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level," and including "duly enacted laws or regulations passed by a local governmental entity, such as a municipal or county government." Order No. 1000-A at "319 (footnote omitted). *(Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000-A, 77 Fed. Reg. 32,184 (May 31, 2012)).

[2] Memo from Brent Oberlin, ISO-NE Director of Transmission Planning to PAC, January 19, 2023. Available at: https://www.iso-ne.com/static-assets/documents/2023/01/2023_public_policy_announcement.pdf

Shell contends that the New England states have a public policy need to "advance the timely, efficient and coordinated transmission needed for offshore wind [and] create the conditions for holistic and comprehensive planning not otherwise available in ISO-NE today or in the near future…" In turn, RIE claims a need to upgrade transmission lines within Rhode Island to move solar generation around the state, maintain voltage performance of the Rhode Island transmission system, and allow integration of offshore wind generation. These asserted needs do not directly implicate Vermont's transmission interests or policy needs.

Each stakeholder-identified Public Policy Requirements submittal is addressed below.

Shell

Shell requests that the region use the Order 1000 process to develop transmission that would "integrat[e] offshore wind and achieve state and federal climate goals," Shell points to individual resource procurements by Connecticut, Massachusetts, and Rhode Island, as well as Massachusetts' grid modernization plans and a FERC Notice of Proposed Rulemaking addressing inverter-based resources as a public policies driving the need for transmission. Significantly for the purposes of this letter, Shell does not identify any pertinent or implicated Vermont policies.
Indeed, Vermont does not have a public policy need for transmission associated with offshore wind. Moreover, there is no statute or regulation that directs Vermont to purchase, develop, or incentivize offshore wind projects.

RIE

RIE claims that Rhode Island's mandates to reduce greenhouse gas emissions, expand offshore wind resources, and require 100% of the state's electricity demand be met by renewable resources require transmission upgrades. RIE only identifies Rhode Island state policies as driving a PPR need. RIE has cited no Vermont transmission interests or public policy needs. Accordingly, there is no need for Vermont to develop any transmission solutions.

Other Policies

Additionally, there are no Vermont state statutes, local laws, or regulations that drive a specific need for transmission. I have identified no PPRs driving transmission needs relating to the New England Transmission System at this time.

Please do not hesitate to contact me should you have any questions about this letter.

Kind regards,

DocuSigned by:
June E. Tierney
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June E. Tierney
Commissioner
Vermont Department of Public Service