



New England States Committee on Electricity

To: New England Transmission Owners (NETOs)
From: NESCOE Staff (Contact: Sheila Keane)
Date: December 15, 2023
Subject: Asset Condition Process Improvements – Asset Condition Forecast
CC: ISO-NE; Planning Advisory Committee (PAC)

NESCOE appreciates the opportunity to provide feedback on the NETOs’ “Asset Condition Forecast” (Forecast), which was presented to the PAC on November 15, 2023.

In February 2023, NESCOE requested that the NETOs submit and present to the PAC on an annual basis one-, two- and five-year asset condition project capital spending plans.¹ NESCOE reiterated that request in July 2023, and further requested that the NETOs provide a longer-term, 15-year forecast of the likely timeframe and cost for all asset condition interventions expected to be needed.² We appreciate the NETOs’ ongoing efforts to respond to our requests, including the Forecast.

A longer-term view (at least five years) of possible asset condition projects and estimated costs provides critical information that is necessary for the region to properly evaluate potential future transmission investments. It also provide needed transparency for stakeholders not only to understand what types and level of investment are expected but also to help manage their time and resources as they seek to review project material and participate in the stakeholder process. We appreciate that the Forecast includes some visibility into projects beyond the five-year horizon and encourage the NETOs to continue to build out a comprehensive forecast that looks out over the 15-year horizon.

This data should be consistent and synchronized with other asset condition project data sources available to stakeholders. For that reason, we agree with the NETOs’ suggestion to align the presentation of the Forecast with other forecasts such as the Regional Network Service (RNS) rate forecast. We would also like to discuss with the NETOs and ISO-NE possible ways to align or ideally integrate the information contained in the Forecast with the existing asset condition list maintained by ISO-NE. We are concerned that two separate project listings that contain overlapping data updated by different parties (e.g., NETOS vs. ISO-NE) and potentially at different intervals (annual vs. three times per year) could create inefficiencies and confusion.

NESCOE looks forward to continued dialogue on this important initiative to improve New England’s asset condition project processes to ensure preservation of regional reliability in an affordable manner. Progress on these reforms will set the foundation to commence discussions about right-sizing and sensible, holistic planning.

¹ NESCOE. *Asset Condition Projects and Process Improvements* (Feb. 2023), at https://www.iso-ne.com/static-assets/documents/2023/02/2023_02_08_nescoe_asset_conditions_letter.pdf

² NESCOE. *Asset Condition Process Improvements – Next Steps* (July 2023), at <https://nescoe.com/wp-content/uploads/2023/07/Asset-Cond-NETO-Requestsf-7.14.23-.pdf>.