



New England States Committee on Electricity

To: New England Transmission Owners (NETOs)
From: NESCOE
Date: February 8, 2024
Subject: Asset Condition Guidance Document
Cc: ISO-NE; Planning Advisory Committee (PAC)

A year ago, NESCOE asked the NETOs to reform New England’s asset condition project process.¹ Relatedly, we expressed interest in developing a transmission infrastructure right-sizing approach, which is of mutual interest to NETO shareholders and New England consumers.

In July 2023, we asked the NETOs to prioritize executing these improvements in the nearest term.² We emphasized that these process changes were necessary before ISO-NE, states and stakeholders can have a considered dialogue about transmission infrastructure right-sizing approaches. We also identified the deliverables necessary to increase transparency, predictability, and cost discipline. Chief among these deliverables was the *Asset Condition Needs and Solution Guidance Document* (Guidance Document). Its purpose is to promote a more criteria-based decision-making approach to asset condition projects. Because of the Guidance Document’s central importance to right-sizing discussions, we urged the NETOs to develop it in parallel with the asset condition database and complete it by the end of 2023.

For consumers, timing matters. Consumers already pay for the NETOs’ steep spending on asset condition projects. Moreover, ISO-NE, states and stakeholders are working diligently toward an April 2024 filing with the Federal Energy Regulatory Commission that will create a mechanism to enable grid investment, including upgrades needed to meet the New England states’ renewable resource and electrification policies and mandates. As New England invests in transmission infrastructure, cost consciousness is a priority. Here, the NETOs have a fundamental role to play—efficient investment will include maximizing the use of both existing and new infrastructure. The Guidance Document is a prerequisite to developing sound right-sizing approaches and to ensure that power system investments are efficient and cost-effective.

For that reason, we were troubled to learn that the NETOs intend to delay the release of the Guidance Document until May 2024.³ We were, however, encouraged to hear that the Guidance Document is already largely complete, pending its conversion into a digestible format. We ask

¹ NESCOE. *Asset Condition Projects and Process Improvements* (Feb. 2023), at https://nescoe.com/wp-content/uploads/2023/02/Asset_Condition_Ltr_2-8-23.pdf.

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

³ NETOs. *Response to Consumer Advocates of New England* (Jan. 29, 2024), at https://www.iso-ne.com/static-assets/documents/100007/2024_01_30_pac_netos_response_to_cane_asset_condition_projects.pdf

the NETOs to prioritize completing the Guidance Document to enable state and stakeholder discussion in March 2024, consistent with the expectations that the NETOs had publicly set.⁴

NESCOE is anxious to move forward with ISO-NE and stakeholders on holistic transmission development approaches that center on cost-consciousness.

⁴ NETOs. *Update on Asset Condition Project Process Enhancements* (Dec. 2023), at https://www.iso-ne.com/static-assets/documents/100006/a07_2023_12_20_pac_net0_update_on_asset_condition_project_process_enhancements.pdf.