



New England States Committee on Electricity

To: New England Transmission Owners (NETOs)
From: NESCOE Staff (Contact: Sheila Keane)
Date: February 21, 2024
Subject: Asset Condition Process Improvements – Asset Condition Database
CC: ISO-NE; Planning Advisory Committee (PAC)

NESCOE appreciates the opportunity to provide feedback on the NETOs’ Pool Transmission Facility (PTF) Asset Condition Database (Database), which was posted publicly on January 25, 2024. NESCOE is encouraged to see material progress in the first release of the Database, which provides insight into two categories of major PTF assets: transformers and transmission lines. As discussed below, NESCOE requests that the NETOs revise the Database to include certain additional information, including substation data and asset health scores for each asset, as informed by the forthcoming Asset Condition Needs and Solution Guidance Document (Guidance Document). NESCOE also asks the NETOs to fix certain incomplete data included in the initial Database. By making these changes, the NETOs would ensure that the Database, together with the Guidance Document, will enable consistent, criteria-based asset health scoring and decision-making processes for asset condition projects in New England.

Although the data contained in the Database is helpful in some respects, it lacks key information—namely, substation data and asset health metrics—that NESCOE had previously requested that the NETOs include in the Database. The NETOs indicated that they will evaluate the feasibility of adding additional information to the Database in 2024.¹ NESCOE, however, considers the Database incomplete without the requested information.

First, the Database should include substation data. Although substation data may sometimes be more complex to report than other data,² substations are a significant component of the PTF system. Further, we disagree with the NETOs’ assertion that lines and transformers drive the vast majority of asset condition spending.³ Recent information indicates that substation projects comprise nearly \$1 billion, or around 20 percent, of expected future spending on asset condition projects.⁴ Because substation projects today constitute a sizeable portion of expected asset

¹ NETO Update on Asset Condition Project Process Enhancements, PAC Presentation, dated December 20, 2023.

² NESCOE recognizes that reporting substation data presents the NETOs with certain challenges, and NESCOE has therefore offered practical suggestions for beginning this effort. Specifically, we understand that legacy PTF substations may be comprised of major components of differing vintages as a result of targeted upgrades over the years. We recommend that the NETOs initially include a subset of major components such as circuit breakers and control houses in the Database. This data, coupled with transformer data, would suffice to provide a general assessment of any particular PTF substation.

³ NETO Response to NESCOE Comments on PTF Asset Condition Database Proposal, Jan. 24, 2024, at https://www.iso-ne.com/static-assets/documents/100007/2024_01_25_pac_net_response_to_asset_database_comments.pdf.

⁴ ISO-NE. Final Asset Condition List. October 2023.

condition spending, a holistic planning strategy, including right-sizing, cannot overlook these investments.

Similarly, an asset health score is a critical component of a comprehensive and complete asset condition database. We understand that score is expected to be informed by the pending Guidance Document, which is expected, in turn, to inform the development of a consistent metric for scoring each asset in the PTF Database.

Finally, some of the data that the NETOs initially included in the Database is incomplete. For example, there are gaps in the In-Service Year of Oldest Component, Age, and Overhead (OH) % Original Structures Remaining categories for Transmission Line data. Similar gaps exist in the Transformer information. In addition to providing the missing data, we recommend that the NETOs consider breaking out the transmission line age characteristics into structure and conductor in-service years. This breakdown would avoid any confusion as to whether “Oldest Component” refers to the structure or something else and would also provide useful information on the predominant conductor.

NESCOE requests that the NETOs provide the additional information identified here and thereby deliver a complete, comprehensive database by May 1, 2024, as NESCOE originally requested.⁵ A complete Database, coupled with the forthcoming Guidance Document, has the potential to significantly enhance the efficiency and effectiveness of transmission investment. The Database and the Guidance Document will provide comprehensive visibility into PTF assets and their health, while the Guidance Document will serve as an informational reference for stakeholders. More importantly, the Database and the Guidance Document will also help the NETOs align their asset condition practices with one another through consistent criteria-based asset health scoring and decision making. Together, the Database and the Guidance Document will lay a solid foundation upon which to build a right-sizing framework.

NESCOE appreciates the NETOs’ responsiveness to our calls for improved consistency and transparency in evaluating, prioritizing, and advancing asset condition projects. Ratepayers rightfully deserve assurance that the NETOs’ pursued projects effectively address the system’s highest priority needs in a cost-efficient manner. NESCOE looks forward to continued progress and dialogue on improving New England’s asset condition processes and ensuring regional reliability in a considered, cost-conscious manner.

⁵ We understand that the NETOs intend to update the Database in Q4 2024. NESCOE’s requests in this correspondence are not for updates, but for the NETOs to complete the initial database. Thus, these requests should be considered and pursued separately from any ongoing updates.