



New England States Committee on Electricity

To: ISO New England and the New England Transmission Owners
From: NESCOE
Date: July 28, 2025
Subject: Information Improvements and Asset Condition Review Project Work Plan
CC: Planning Advisory Committee (PAC)

NESCOE appreciates the effort that ISO-NE has put into its Asset Condition Review (AC Review) Project Work Plan, which ISO-NE issued in June 2025.¹ Given the urgent ongoing need to reform New England's current asset condition project review processes, NESCOE is pleased that ISO-NE's AC Review Project Work Plan includes internal and external tasks for both interim and permanent review processes and that ISO-NE has begun the work.

While ISO-NE is working expeditiously on the interim and permanent review processes, the New England Transmission Owners (NETOs) continue to advance asset condition projects. NESCOE provides initial recommendations, based on its experience to date, on information that the NETOs should provide now to enhance asset condition project reviews and to help standardize project assessments. These recommendations would improve the information available to ISO-NE, states, consumer advocates, and stakeholders now as asset condition projects move forward and would help inform the development of the interim and permanent AC Review processes. These recommendations build on previous requests and relate to several of the [principles](#) that NESCOE identified in June 2025, against which NESCOE will assess the AC Reviewer's proposed duties, structures, and processes.²

To be clear, these information enhancements do not substitute for the holistic regional discussion of all of the components of an effective, independent AC Review process or any single component, such as information requirements. Rather, these information enhancements largely pertain to information that the NETOs possess that will benefit ISO-NE, states, consumer advocates, and stakeholders in their review of asset condition project proposals at this time and going forward.

As asset condition projects are not awaiting the interim or permanent AC Review process, NESCOE respectfully requests that the NETOs implement these recommendations immediately. The ISO-NE led regional discussions ahead will undoubtedly identify additional or refined information, presentation enhancements, and other improvements.

¹ See <https://www.iso-ne.com/static-assets/documents/100024/june-2025-coo-report.pdf>, at 14; for ease of reference, the AC Review Project Work Plan is included here as an Attachment.

² These recommendations also appear to be compatible with several of the Consumer Advocates of New England's (CANE) Asset Condition Review [Priorities](#), which CANE sent to the Planning Advisory Committee on June 20, 2025. NESCOE appreciated the opportunity to review CANE's early perspectives and looks forward to hearing others' views as the process moves forward.

NESCOE looks forward to discussion of these and other aspects of the AC Review during the introductory stakeholder discussions that will take place in September 2025.

I. Project Cost Details and Common Categories

NESCOE had previously requested that the NETOs break out the costs for each project alternative and memorialize the requirement for this cost information in the Guidance Document and the PAC Presentation Guidelines.³ Experience to date confirms that this cost information would provide significant value to ISO-NE, states, consumers advocates, and stakeholders.

NESCOE recommends that the NETOs report costs using common cost categories. These common cost categories would reflect major cost drivers, explain the cost implications of different techniques or decisions that the NETOs consider during solution development, and support cost comparisons of potential alternatives. These cost categories, presented uniformly, should include costs related to access, siting and permitting, material, and labor. For transmission line replacements, the review should include information about an implied per structure cost for each alternative considered. To enable comparative assessments, the review should include the percentage contingency applied to each type of cost estimate (Conceptual, Planning, Engineering, and Construction).

II. Asset Management Plans (AMP)

NESCOE recommends that the NETOs publish their AMPs or similar documentation for each infrastructure type (e.g., transmission lines, transformers, substations, etc.). This newly published document would supplement the current Asset Condition Process Guide and provide more insight into individual NETO approaches to asset management.

Such AMPs should address items such as:

- inspection, maintenance, and testing programs;
- preventative and corrective maintenance practices;
- equipment replacement justification and work plan establishment;
- equipment inventory;
- cost estimation;
- cost-saving strategies;⁴
- alternatives analysis; and
- an explanation of how the AMP informs projects in the Asset Condition Forecast.

³ <https://nescoe.com/resource-center/feedback-on-asset-condition-process-guide/>.

⁴ Cost savings strategies in this context means meeting ratepayers' need for transmission owners to provide safe and reliable electric service at the lowest present value lifecycle cost.

III. Asset Health Grading Alignment

Based on experience to date, further work is needed to align the NETOs on a regional standard for structure grading. This standard would align the NETOs' functional assessments of structure health and improve ISO-NE, state, consumer advocate, and stakeholder understanding of how the NETOs evaluate their assets for potential replacement—which is the key driver of both the pace and scope of the region's asset condition project spending.

IV. Reporting to Provide a Holistic View

A holistic look at past and current projects in a way that aligns with ISO-NE's Asset Condition List and the NETOs' Asset Condition Forecast would be helpful to ISO-NE, states, consumer advocates, and stakeholders.

Consistent with NESCOE's principles, this holistic look should ultimately be part of the permanent AC Review process. In the meantime, another way to achieve this holistic view is for the NETOs to provide a report in parallel with ISO-NE's Asset Condition List that describes projects completed, the difference between budgeted and actual costs, and the status of projects in process.

V. NETOs' PAC Presentation Guidelines Improvement

Simultaneous with the interim and permanent AC Review processes, further improvements to the NETOs' PAC presentations and associated guidelines would provide significant value to ISO-NE, states, consumer advocates, and stakeholders. NESCOE makes the following recommendations for such improvements, which correspond to the NETOs' current PAC Presentation Guidelines.

Section III Project Background

- Include information about how many years of useful life remain for the asset, whether the asset has been fully depreciated and, if not, how many years remain for its depreciation.

Section V Project Needs

- Include a plainly-stated explanation of why the NETO cannot cost-effectively extend the asset's useful life.

Section VI Solution Alternatives

- Include an explanation for proposals to replace structures graded A or B. This explanation should include, for example, financial justification of the present replacement versus returning to replace structures at a later date, accounting for costs such as access costs, and any other costs to enable understanding of the NETO's preferred project.
- Identify any increases to capacity.

- Discuss the suitability and the NETO's consideration of advanced conductors.
- Include one alternative that demonstrates least-cost planning (e.g., using All Dielectric Self Supporting fiber optic cable, or ADSS, in lieu of Optical Ground Wire, or OPGW).
- Include a breakdown of costs, consistent with the common cost categories above, with an implied cost per structure as appropriate.

Section VII Assessment of Solution Alternatives

- Explain how the NETO's design standards influenced the NETO's decision about the solution components (e.g., conductor, communication, etc.).

Section XI Feedback and Next Steps

- Provide for a uniform response time for questions from PAC, i.e., within 15 days.

NESCOE requests quick action on these recommendations, as NESCOE believes they would improve the information available to ISO-NE, states, consumer advocates, and stakeholders and support ISO-NE's effort to establish the interim AC Review process in the nearest-term.

ATTACHMENT

Asset Condition Review—High Level Project Plan



ACTIVITY	Q2 2025		Q3 2025			Q4 2025			Q1 2026			Q2 2026			Q3 2026			Q4 2026		
	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
High Level Project Plan for Permanent ACR process																				
Interim process - selected projects will be reviewed on a project specific basis in 2025/2026																				
Hire consultant: framework development for permanent ACR process																				
ISO onboards consultant																				
Prepares for introductory stakeholder discussion																				
Group meetings as needed																				
Introductory stakeholder discussion *Forum TBD																				
Discuss ISO's May memo and preconditions																				
Discuss project plan timeline for draft AWP																				
Stakeholder perspectives on their objectives for ACR																				
Interim Process: Define criteria for projects selected for ACP review in interim stage; Review selected projects																				
Develop proposed ACR framework for stakeholder discussion																				
Develop objectives																				
Develop scope of work																				
Develop detailed framework for ACP review; defining information needs																				
Identify timeline for reviews																				
Define stakeholder process for reporting																				
Define roles and responsibilities for ISO and stakeholders																				
Finalize staffing and budgetary information																				
Stakeholder discussion and feedback on proposed framework *Forum TBD																				
Progress report to PAC on status																				
Seek PERC approval for budget																				
ISO stands up staffing and prepares for implementation																				
Implementation of ACR																				