



New England States Committee on Electricity

March 6, 2026

On February 24, 2026, ISO-NE issued a request for feedback on the proposed \$30-\$50M threshold range that would trigger asset condition project review and on which guardrails to implement for adherence to threshold rules.¹ NESCOE submitted the following response on March 6, 2026.

ISO-NE Proposal

- *[A project] would be subject to the AC Reviewer process when the proponent forecasts the proposed project to have a PTF cost of greater than or equal to \$30M-\$50M on an individual line or at a single station/substation over a period of five years or less*
 - *For [projects] that have a mix of PTF and non-PTF costs, the determining threshold is based on the PTF cost of the project*
- *Programs that are expected to have aggregated costs greater than or equal to \$30M-\$50M on several lines and/or at several station/substations over a period of five years or less will also be subject to the AC Reviewer process*
- *The threshold will be reevaluated periodically based on impacts of major cost change drivers such as inflation, supply chain issues, etc.*
- *There will be periodic reviews of TO-provided project forecasts to identify projects that should have been captured in the AC Reviewer process*

NESCOE Feedback

Please note we developed our recommendations in part based on our review of the current asset condition list (Oct 2025). We applied the different possible thresholds to the last 5 years of projects (see below). It would be helpful if ISO could provide a similar breakdown when presenting its final recommendations for the thresholds.

¹ ISO-NE. *Asset Condition Reviewer – Continued Discussion of Conceptual Framework*, February 24, 2026, available at https://www.iso-ne.com/static-assets/documents/100032/a03_2026_02_24_tc_ac_reviewer_presentation.pdf.

	Threshold	25M	30M	40M	50M
Total Spend (\$ billion)	7.7				
	Spending that meets threshold	5.76	5.46	4.96	4.54
	% of spending reviewed	75%	71%	65%	59%
Total Projects	276				
	Projects that meet threshold	72	61	47	38
	% of projects review	26%	22%	17%	14%

- We recommend a threshold of \$25 million for individual projects and a \$25 million threshold for programs. This threshold would be consistent with current and pending thresholds for state review, leaving no gap for larger projects to fall through (see CT Public Act 25-173, Sec 25., and the recent bill approved by the House in MA). If ISO is only considering the \$30-\$50 million range proposed, we would recommend \$30 million for both individual project and program thresholds.
 - The definition of program will be an important component of the review process. At the moment, it is difficult to determine which of the past projects would have been considered programs based on ISO's proposed definition. The more clarity ISO can provide in the definition, the smaller any potential gaming opportunities.
- It is important that the majority of spending be subject to review to help ensure that the projects consumers are paying for are reasonable. Based on review of past projects, it seems reasonable to expect that at least 75% of spending should be reviewed each year. We welcome the opportunity to discuss the best way to set this secondary threshold.
- In order to ensure that the thresholds are appropriate, ISO should annually review the total costs of asset condition projects presented to the PAC each year and assess what portion of costs was subject to review against this secondary threshold. If the annual review determines that a materially smaller portion of total costs were reviewed, that should be a trigger to consider revising the thresholds.
- As part of the annual review, ISO should also include a summary of total asset condition projects presented to stakeholders over the year and identify which of the projects over the past year were subject to AC review.
- ISO should work with the TOs to provide a forecast of projects that are expected to be reviewed in the coming year and longer-term as part of the AC Reviewer annual report. Once this forecast is established, ISO should consider including in its annual report an assessment of how well the forecast performed and identify how many forecast projects were reviewed and any additions or changes to the forecast project list.

- As part of this, we reiterate our request to the ISO and the TOs to work together on the 2026 asset condition forecasts the TOs currently provide to begin this work as we head into the first year of AC review in 2027.
- All projects addressing NERC CIP-014 standards or any other standards that may require confidential handling of materials beyond the CEII level regardless of cost. This is important because states, consumer advocates, and stakeholders will not have sufficient access to project details to perform such assessments and will necessarily need to rely on the asset condition reviewer's review and conclusions.