

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>Connecticut Department of Energy and Environmental Protection,</b>	)	
<b>Connecticut Office of Consumer Counsel,</b>	)	
<b>Connecticut Public Utilities Regulatory Authority, and</b>	)	<b>Docket No. EL26-79</b>
<b>William Tong, Attorney General for the State of Connecticut</b>	)	
<b>v.</b>	)	
<b>ISO New England, Inc.,</b>	)	
<b>The Connecticut Light &amp; Power Company d/b/a</b>	)	
<b>Eversource Energy, and the United Illuminating Company</b>	)	
	)	

**COMMENTS OF THE NEW ENGLAND  
STATES COMMITTEE ON ELECTRICITY**

Pursuant to the Federal Energy Regulatory Commission’s (the “Commission”) June 12, 2026 Combined Notice of Filings #1, the New England States Committee on Electricity (“NESCOE”) hereby submits these comments in the above-captioned proceeding.

As described at greater length below, NESCOE files these comments in support of the Complaint. As the Complainants<sup>1</sup> correctly point out, Connecticut transmission owners are now required by Connecticut state law to join ISO-NE. As a result, their participation in ISO-NE is no longer voluntary and thus the 50-basis-point adder that they receive for participating in ISO-NE (the “RTO Participation Adder”) no longer serves to incent any action. Therefore, it is no longer just and reasonable for the Connecticut transmission owners to continue to collect the RTO Participation Adder. Accordingly, the Commission should direct the Connecticut

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<sup>1</sup> The Complainants are the Connecticut Department of Energy and Environmental Protection, Connecticut Office of Consumer Counsel, Connecticut Public Utilities Regulatory Authority, and William Tong, Attorney General for the State of Connecticut.

transmission owners to eliminate the RTO Participation Adder from their transmission rates and provide customers with the Complainants' requested refunds for the applicable Section 206 refund period.

In addition, consistent with its recommendations in past comments, NESCOE further recommends that the Commission eliminate the RTO Participation Adder in its entirety or adopt the Commission's prior proposal in RM20-10 to limit the RTO Participation Adder's duration to three years after the relevant transmission company joins a Regional Transmission Organization ("RTO").

## **I. DESCRIPTION OF COMMENTER**

NESCOE is the Regional State Committee ("RSC") for New England. It is governed by a board of managers appointed by the Governors of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont and is funded through a regional tariff that ISO New England ("ISO-NE") administers.<sup>2</sup> NESCOE's mission is to represent the interests of the citizens of the New England region by advancing policies that will provide electricity at the lowest possible price over the long term, consistent with maintaining reliable service and environmental quality.<sup>3</sup> These comments represent the collective view of the six New England states.

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<sup>2</sup> *ISO New England Inc.*, 121 FERC ¶ 61,105 (2007).

<sup>3</sup> *See* Sept. 8, 2006 NESCOE Term Sheet that was filed for information as Exhibit A to the Memorandum of Understanding among ISO-NE, the New England Power Pool ("NEPOOL"), and NESCOE (the "NESCOE MOU"). Informational Filing of the New England States Committee on Electricity, Docket No. ER07-1324-000 (filed Nov. 21, 2007). Pursuant to the NESCOE MOU, the Term Sheet is the binding obligation of ISO-NE, NEPOOL, and NESCOE.

## II. BACKGROUND

The New England Transmission Owners (“NETOs”), including those that serve the state of Connecticut, currently collect the RTO Participation Adder, which is a 50 basis-point incentive adder collected on top of the base ROE set by the Commission. The Commission put the RTO Participation Adder in place in the same order that gave ISO-NE permission to operate as an RTO.<sup>4</sup> That order, issued over twenty years ago on March 24, 2004, was made pursuant to the Commission’s general policy at the time to encourage transmission owners to join an RTO.<sup>5</sup> The Commission’s order held that the RTO Participation Adder was appropriate because “of the region-wide benefits that will be set in place by the establishment of RTO-NE.”<sup>6</sup>

On August 8, 2005, subsequent to the Commission’s order, Congress passed the Energy Policy Act of 2005, which, *inter alia*, amended Section 219 of the Federal Power Act to more specifically define the Commission’s authority to award incentives for RTO participation.<sup>7</sup> In relevant part, the Energy Policy Act of 2005 stated that “the Commission shall, to the extent

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<sup>4</sup> See *ISO New Eng., Inc. v. New Eng. Power Pool*, 106 FERC ¶ 61,280, at PP 3, 245 (2004), *corrected*, 107 FERC ¶ 61,051, *reh’g granted in part and denied in part*, 109 FERC ¶ 61,147 (2004), *pet. for review denied sub nom.*, *Maine Pub. Utils. Comm’n v. FERC*, 454 F.3d 278 (D.C. Cir. 2006).

<sup>5</sup> In its order originally granting the RTO Participation Adder to the NETOs, the Commission cited several orders in which it had granted similar incentive participation adders to other transmission owners to join their respective regional transmission organizations. *ISO New Eng.*, 106 FERC ¶ 61,280, at n.149, *citing PJM Interconnection, L.L.C.*, 104 FERC ¶ 61,124 at P 74 (2003); *Allegheny Power System Operating Companies, et al.*, 106 FERC ¶ 61,003 (2004); *Cleco Power LLC, et al.*, 101 FERC P 61,008, at P 142 (2002); *Midwest Independent Transmission System*, 100 FERC ¶ 61,292, at P 31 (2002). In addition, although not cited in *ISO New Eng.*, the Commission on January 15, 2003, had issued a policy statement encouraging the formation of RTOs. See *Proposed Pricing Policy for Efficient Operation & Expansion of Transmission Grid*, 102 F.E.R.C. P61,032 (2003). In that policy statement, the Commission noted that it adopted Order No. 2000 to “encourage voluntary and timely formation of RTOs” and that the Commission had approved “incentive rates for RTO participation and additional levels of independence on a case-by-case basis” in furtherance of this goal. *Id.* at P 3, 6–8.

<sup>6</sup> *ISO New Eng.*, 106 FERC ¶ 61,280, at P 245.

<sup>7</sup> See Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (2005).

within its jurisdiction, provide for incentives to each transmitting utility or electric utility that joins a Transmission Organization [i.e., an RTO].”<sup>8</sup> The Commission implemented the amended Section 219 put in place by the Energy Policy Act of 2005 through Order No. 679.<sup>9</sup>

On July 1, 2025, the Governor of Connecticut signed into law Conn. Pub. Act No. 25-173. Section 28(b) of that law provides that, after the effective date of Conn. Pub. Act No. 25-173, “no electric distribution company shall own or control transmission facilities, as defined in subdivision (1) or (4) of subsection (a) of section 16-50i of the general statutes and located in the state unless such company participates in the regional independent system operator.” On June 11, 2026, the Complainants filed the instant Complaint, seeking (1) an order from the Commission to remove the RTO Participation Adder from the rates of NETOs operating in Connecticut and (2) customer refunds for the applicable statutory period under Section 206 of the Federal Power Act.

### III. COMMENTS

As discussed *supra*, NESCOE agrees with Complainants that the Connecticut NETOs’ participation in ISO-NE is no longer voluntary. Although Section 219 of the Federal Power Act provides that the Commission may grant incentives to join a RTO, the Connecticut NETOs’ participation in ISO-NE is no longer voluntary so there is no longer any action for the RTO Participation Adder to “incent.” As the Complainants correctly point out, federal appellate

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<sup>8</sup> 16 USC § 824s(c).

<sup>9</sup> *Promoting Transmission Inv. through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057, *on reh’g*, *Promoting Transmission Inv.*, Order No. 679-A, 117 FERC ¶ 61,345 (2006), *clarified*, *Promoting Transmission Inv.*, 119 FERC ¶ 61,062 (2007).

courts interpreting Order No. 679 and Section 219 of the Federal Power Act, as amended, have consistently found that when a state law that mandates RTO participation, there is no longer a rational basis to award the utility an “incentive” for RTO participation.<sup>10</sup> Here, the Commission originally awarded the RTO Participation Adder pursuant to its general power to set just and reasonable rates.<sup>11</sup> Subsequent to that order, Congress—through the Energy Policy Act of 2005’s amendment of Section 219—has now more specifically defined the Commission’s power to grant incentives for joining an RTO, and thus the Commission’s actions on the RTO Participation Adder are now governed by Section 219 as amended.<sup>12</sup> Section 219, as construed by the Federal Courts, now defines the boundaries of when the Commission can or cannot award or continue an incentive for participating in an RTO. Accordingly, as the Complainants also correctly point out, it is irrelevant whether the incentive was originally awarded specifically per Section 219 or not.<sup>13</sup>

The Complainants are correct that their request relies on “settled legal principles” and “straightforward facts” that are not meaningfully different than the Commission’s prior decisions on the same issue.<sup>14</sup> Thus, the case before the Commission is clear, and the Commission should find that the Connecticut NETOs’ rates are not just and reasonable, direct the Connecticut

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<sup>10</sup> See Complaint, at 7–8, citing *California Pub. Utils. Comm’n v. FERC*, 879 F.3d 966, 974 (9th Cir. 2018) and *Dayton Power & Light Co. v. FERC*, 126 F.4th 1107, 1123 (6th Cir. 2025).

<sup>11</sup> See *ISO New Eng.*, 106 FERC ¶ 61,280, at P 245. Notably, the Commission’s original decision issued prior to the Energy Policy Act of 2005 found that it was the NETOs’ “voluntary proposal” to hand operational control over to a new RTO that justified the adoption of the RTO Participation Adder. See *id.* As discussed *supra*, Connecticut NETOs’ participation in ISO-NE is no longer voluntary.

<sup>12</sup> See discussion *supra*, at § II.

<sup>13</sup> See Complaint, at 8 (internal citations omitted) (noting that the Sixth Circuit decision in *Dayton Power* affirmed the Commission’s decision to remove an RTO incentive adder from utilities who originally received them from settlement agreements, as opposed to through Section 219).

<sup>14</sup> See *id.*, at 5–6; see also *id.* at 11–14.

NETOs to remove the RTO Participation Adder, and award customers refunds for the applicable statutory period pursuant to Section 206 of the Federal Power Act.

NESCOE respectfully requests that the Commission promptly rule on the Complaint because the region's consumers, including Connecticut's, are struggling with high electricity costs. As a general matter, consumers in New England pay the highest transmission rates of consumers in any RTO area of the United States.<sup>15</sup> As Complainants point out, Connecticut consumers, during January 2026, paid the seventh-highest per-kilowatt hour rates of any state in the country.<sup>16</sup> Importantly, the Complaint provides an opportunity for the Commission to realize the cooperative federalism principle of the Federal Power Act by lowering rates in response to the state of Connecticut's action in passing Conn. Pub. Act No. 25-173, which eliminates any need for the Commission to incent the Connecticut NETOs to participate in ISO-NE.

Although the Commission should act quickly to remove the RTO Incentive Adder for Connecticut NETOs per the Complaint's request, the Complaint could also provide occasion for the Commission to more broadly revisit its pending proposal to place time limits on the RTO Participation Adder. On April 15, 2021, the Commission issued a Supplemental Notice of Proposed Rulemaking in RM20-10 (the "Supplemental NOPR"). In the Supplemental NOPR, the Commission proposed that "this 50-basis-point increase in ROE be available for only the first three years after the transmitting utility transfers operational control of its facilities to the Transmission Organization."<sup>17</sup> In making this proposal, the Commission reasoned that:

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<sup>15</sup> 2024 Assessment of the ISO New England Electricity Markets, Potomac Economic, External Market Monitor for ISO-NE, at 4–5 (June 2025), available at <https://nepool.com/wp-content/uploads/2025/06/2024-EMM-Annual-Report.pdf> (last checked on July 1, 2026).

<sup>16</sup> Complaint, at 4, 4 n.13 (internal citations omitted).

<sup>17</sup> Supplemental NOPR, at ¶ 5.

Given that the statute only directs an incentive for entities that “join” a Transmission Organization, we believe that the Commission has latitude under the statute to tailor this incentive more narrowly to encourage joining, rather than remaining in, a Transmission Organization. We believe that providing the Transmission Organization incentive indefinitely may not be necessary to incentivize a transmitting utility to join a Transmission Organization and, given the large impact that such an incentive has on ratepayers, may not appropriately balance utility and ratepayer interests, particularly given the substantial benefits of Transmission Organization membership to participating utilities.<sup>18</sup>

NESCOE filed comments agreeing with the Commission’s reasoning in the Supplemental NOPR in initial and reply comments,<sup>19</sup> and on June 27, 2025, NESCOE joined the three other Regional State Committees in requesting that FERC adopt its pending proposal to limit the duration of the RTO Incentive Adder or eliminate it entirely.<sup>20</sup> Whichever path the Commission chooses, the end of the RTO Participation Adder in New England is long overdue. As discussed *supra*, the NETOs have been collecting the RTO Participation Adder for over 20 years, which is far beyond the three years that the Commission suggested might be appropriate to incent the NETOs to join the RTOs in the Supplemental NOPR.<sup>21</sup> Continuing the RTO Participation Adder in perpetuity for actions successfully incented two decades ago results in rates that are not just and reasonable. Accordingly, after granting the relief requested in the Complaint, the Commission should revisit the Supplemental NOPR and either impose Commission’s proposed time limits on the RTO Incentive Adder or end the adder altogether.

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<sup>18</sup> *Id.*, at ¶ 8.

<sup>19</sup> *See* RM20-10, Comments of the New England Committee on Electricity (June 25, 2021); RM20-10, Reply Comments of the New England Committee on Electricity (July 26, 2021).

<sup>20</sup> *See* RM20-10, Comments of the Organization of MISO States *et al.* requesting FERC to eliminate its policy of granting the RTO Participation Adder under RM20-10 (June 27, 2025).

<sup>21</sup> Supplemental NOPR, at ¶¶ 5, 8.

#### IV. CONCLUSION

NESCOE respectfully requests that the Commission consider these comments.

Respectfully Submitted,

On behalf of NESCOE:

/s/ Nathan Forster

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Date: July 1, 2026

## CERTIFICATE OF SERVICE

In accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day served by electronic mail a copy of the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Osterville, Massachusetts this 1st day of July, 2026.

*/s/ Nathan Forster*

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