

# ISO New England Update

Consumer Liaison Group

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ISO New England

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# 2010 Summer Outlook

- 2010 projected peak demand: 27,190 MW
  - New England has 32,670 MW of resources
    - Including traditional supply, demand-response, energy efficiency measures and imports from neighboring regions
  - 2009 Peak: 25,100 MW (August 18)
  - Record Peak: 28,130 MW (August 2, 2006)
- Two OP4 events this summer due to high temperatures, humidity and generator outages
  - June 24: Actions 1-5 (including dispatch of Real Time DR; preliminary estimates show that 653 MW of RTDR performed)
  - July 5: Action 1
- Recent heat waves resulted in two “Top 10 Demand Days”\*
  - July 6: 27,154 MW (4<sup>th</sup> all-time demand day)
  - July 7: 26,508 MW (9<sup>th</sup> all-time demand day)

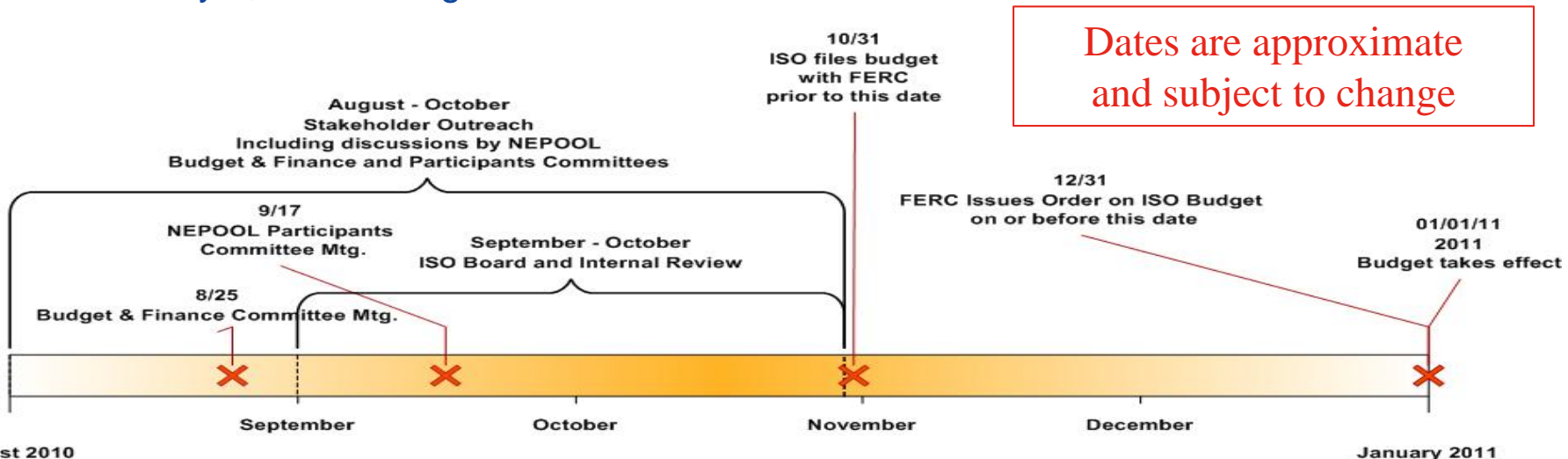
\*Preliminary Data

# FERC FCM Revision Paper Hearing

- In April, FERC accepts proposed rules for FCA-4 and orders Paper Hearing with two sets of briefs (July 1 and September 1)
- ISO's July 1 Brief:
  - Provides alternatives to
    - Alternative Price Rule
    - Modeling of capacity zones
    - Proper value of CONE
  - Requests rules for FCA-4 stay in effect for FCA-5 (“until no earlier than the sixth Forward Capacity Auction”)
    - Will provide adequate time to write and implement market rules consistent with the Commission's determination in the paper hearing.
- ISO provided outreach to stakeholders before and after July 1 filing
- ISO to submit second brief by September 1

# ISO's 2011 Budget Development Schedule

- June 23: ISO issues Five-Year Business Plan
  - Plan provides a long-range context for annual budgeting process
- August 25: Draft budget presented to NEPOOL Budget & Finance Committee
- August-October: Outreach to stakeholders
- By October 31: ISO to file budget with FERC
- By December 31: FERC to issue order
- January 1, 2011: Budget to take effect



August 2010

January 2011

# Transmission Planning Studies

- Needs Assessment Scope of Work Stage
  - Middletown (CT)
- Needs Assessment Stage
  - Greater Boston
  - Greater Hartford
  - NEEWS
    - Interstate Reliability Project and Central Connecticut
  - Southwest Connecticut
  - Vermont-New Hampshire
- Solutions Study Stage
  - Long-term Lower Southeastern Massachusetts (SEMA)
  - Pittsfield (MA)

# FERC Notice of Proposed Rulemaking (NOPR) on Transmission

- Proposal to amend transmission planning and cost allocation requirements
  - Transmission Planning to:
    - Account for transmission needs driven by state and federal public policy requirements
    - Improve coordination between neighboring transmission planning regions
  - Cost Allocation to:
    - Link responsibility for paying the costs of a project with estimated benefits
    - Transmission providers required to develop a method of cost allocation for interregional facilities
  - Seeks to ensure equal treatment of transmission facility developers by removing incumbent “right of first refusal” to build
- NOPR Comments due to FERC by August 30

# 2010 Economic Study

- NESCOE
  - Requests additional studies to evaluate a single year in the 20-year timeframe (~2030), using business-as-usual approach, to provide a baseline to evaluate EIPC scenarios
  - Retire carbon-heavy coal and oil units in New England older than 50 years and replace with either:
    - Efficient natural-gas-fired combined-cycle units, or
    - Renewable resources (solar, biomass, wind, imports)
- New England Independent Transmission Company
  - Evaluate transmission for 700 MW of renewable generation in the queue for northern New Hampshire to reach the regional market
- Sea Breeze Atlantic Regional Transmission System
  - Evaluate “NewSeaBos” submarine HVDC Light cable project from New Hampshire to Boston and SEMA
- **Next Steps:**
  - Assumptions finalized at PAC in July
  - Preliminary results to be presented to PAC in fall 2010

# Eastern Interconnection Planning Collaborative

- EIPC moving from organizational issues toward analysis
  - U.S. Department of Energy finalized EIPC agreement in July
  - Keystone Center, Charles River Assoc. providing logistical and analytical support
  - 29-member Stakeholder Steering Committee includes state and market participant representatives from New England
  - Roll-up of existing 10-yr. regional plans almost complete, analysis to follow
  - SSC to begin to discuss inputs to the macroeconomic analysis
  - Roll-up, macroeconomic modeling and policy working groups established
  - EIPC to develop 8 macroeconomic future resource scenarios
    - Select 3 scenarios for full transmission build-out
  - Eastern Interconnection States Planning Council (EISPC) received DOE grant to provide input to analysis
- Interconnection-wide plans due to DOE in 2011 and 2012

The logo for the Eastern Interconnection Planning Collaborative (EIPC) features the letters 'EIPC' in a bold, green, sans-serif font. The letter 'I' is stylized with a white crosshair or grid pattern inside it.

Eastern Interconnection Planning Collaborative



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# RSP10 Public Meeting

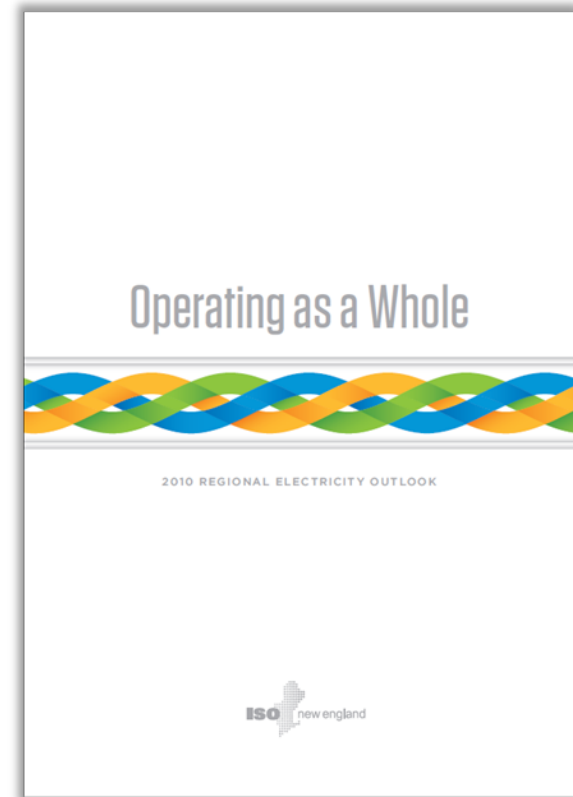
- Public meeting to review the 2010 Regional System Plan
  - September 16, 9:30 a.m. – 3:30 p.m., Colonnade Hotel, Boston,
- Agenda:
  - Overview of RSP10
  - Panel #1: State Planning Initiatives and Non-Transmission Alternatives
  - Lunch
  - Keynote Address: Patricia A. Hoffman, Assistant Secretary for Electricity Delivery and Energy Reliability, U.S. Department of Energy
  - Panel #2: Drivers of the Future Grid
- Advanced registration is required
  - Available through the Calendar at [www.iso-ne.com](http://www.iso-ne.com)

# ISO Engaged in Wind Integration Study

- Wind Integration Study
  - Model on- and off-shore wind capability
  - Recommend technical interconnection requirements
  - Assess operational impacts of varying wind scenarios
  - Target completion date – October
- Preliminary Observations
  - Region has large amounts of high quality wind potential
  - Regional wind variability is moderate and manageable
  - ISO has resources and ability to manage and integrate significant amounts of wind power

# 2010 Regional Electricity Outlook

- A holistic approach:
  - Third annual *Regional Electricity Outlook* describes how integrating cleaner energy resources and new technologies will impact ISO's three core responsibilities
- REO is online:
  - [www.iso-ne.com](http://www.iso-ne.com)



# Tie Benefits

- Straw proposals for calculating tie benefits
  - Reliability Committee supported ISO straw proposals:
    - Calculate tie benefits for individual tie lines to external areas
    - Model internal and external transmission constraints
    - Do not model non-adjacent regions (i.e., PJM and Ontario)
- Next steps
  - Upcoming meetings: September—November
    - Consider tie-benefit calculations based on system conditions using “as is” and “at criteria” assumptions
    - Develop *Design Basis Document* as the basis for tariff changes
    - Develop framework for economic analysis of tie-benefit proposals
  - Filing due to FERC by December 30, 2010

# ISO's Smart Grid Investment Grant from US DOE

- All Transmission Owners will install phasor measurement units (PMU) across the region
  - Enable enhanced monitoring and control by ISO system operators
  - PMU implementation was one of the DOE's key recommendations following the 2003 blackout
- DOE grant will enable this widespread PMU deployment to be completed at a lower cost and allow the region to realize the benefits of smart grid technology much sooner
  - Grant was finalized July 1, 2010
  - Total project cost: \$18 million
    - DOE grant: \$8 million
    - Transmission Owners' cost: \$7.5 million
    - ISO cost: \$2.5 million

# State Legislation: 2010

## New Hampshire

New nuclear fuel tax and generator tax considered (did not pass); RGGI revenues transferred to general fund

## Vermont

Senate rejected continued operation of Vermont Yankee; streamlined siting for renewables; large scale hydro determined to be renewable

## Connecticut

Solar incentives, mechanisms to reduce retail rates and study of ISO benefits and costs

## Maine

Expedited siting for wind projects that show rate and community benefits; goal of 8GW of installed wind energy by 2030 (5GW of which from offshore wind)

## Massachusetts

Expedited siting for approval of onshore wind energy facilities

## Rhode Island

Deepwater/NGRID PPA to be amended to include lower pricing

