

Comments from George Porter of New Brunswick System Operation:

I attended the ISO-NE hosted Scenario Planning meeting last week and wanted to say thanks for the opportunity to attend.

I had one comment that I wanted to make given the desire that was expressed by several people to see the capital cost of each scenario. I can fully appreciate what some of the reasons for ISO-NE not providing that information might be (e.g. this is outside the area of ISO-NE expertise, there are bound to be parties challenging any such estimates, and the study appears to focus on the impact of each scenario on the market, not the impact of the market on investment). I wonder if perhaps there should be a parallel work to the ISO work that could be merged with the work from ISO-NE. I believe it was Steve Whitley that indicated that parallel work or processes might be required, although he was not referring to a specific area of work. The parallel work to which I refer would estimate a range of capital costs for the technologies used in each of the five scenarios. These numbers could then be provided in tabular form along with the “justified market investment” per kW that is to be produced by the ISO-NE work (see slide 30 or so of Mike Henderson’s “Study Methods and Overview of Metrics”). The capital cost estimates provided through the parallel process could be clearly marked with bold caveats that ISO-NE is not the source of the capital costs estimates. In this way the capital costs estimate function remains “out of scope” for ISO-NE, but becomes part of the scope for the larger group that is participating in the exercise.

Clearly the challenge would be to find the right party or parties to lead the parallel process, but no matter who leads it, I expect that some independent, well respected consulting firm would need to come up with and endorse the capital cost estimates.

Just a thought for consideration...

George

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