



Asset Condition Reviewer

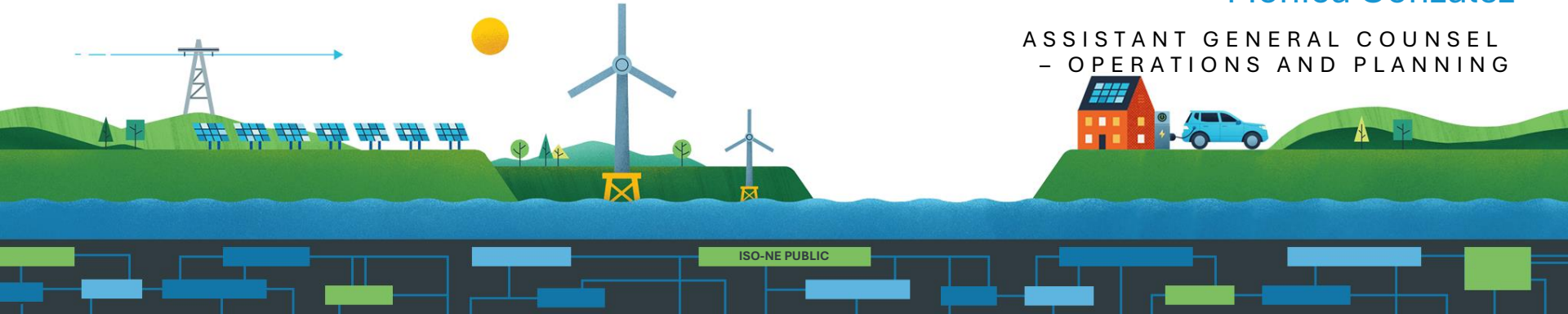
*Review of incremental changes to the framework
and proposed TOA and Tariff revisions*

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Asset Condition (AC) Reviewer

Proposed Effective Date: January 1, 2027

- The ISO is developing a new function to provide oversight of Asset Condition Projects (ACPs) of the Participating Transmission Owners (PTOs)
 - ISO is supportive of states' and stakeholders' request that it take on this advisory role and develop a robust process for additional, independent review of ACP proposals
- Changes to the Transmission Operating Agreement (TOA) and ISO's Transmission, Markets, and Services Tariff (Tariff), including the Open Access Transmission Tariff (OATT), are required to establish this new function
- Today's presentation focuses on incremental changes to the conceptual Asset Condition (AC) Reviewer framework and proposed TOA and Tariff revisions
 - Note: New attachment in the OATT was re-designated to Attachment R instead of Attachment P
 - Additional background on the framework was provided at the [January](#), [February](#), [March](#), and [April](#) TC meetings
 - Initial revisions to the Tariff and TOA were provided at the [April](#) TC meeting

ASSET CONDITION REVIEWER

Framework Updates



CIP-014 PROJECT REVIEW



CIP-014 ACP Review

- CIP-014* ACPs that meet the \$25M threshold at a single substation over five years or less will be subject to the AC Reviewer process
 - There will be a needs review followed by a solution and alternatives review
- CIP-014 ACPs shall be treated as confidential in accordance with the ISO New England Information Policy and will not be subject to public disclosure given the nature of the information
- The AC Reviewer will post on the ISO's website a summary of the reviews performed for each CIP-014 ACP
 - PAC presentations will not be required for the needs review or the solution and alternatives review

*CIP-014 refers to NERC Reliability Standard CIP-014 requiring the identification and protection of critical transmission stations and substations

ACP PROGRAM THRESHOLD REFINED



ACP Program Threshold Refined

- The previous threshold proposed:
 - ACP Program that the PTO forecasts to have an aggregated PTF cost greater than or equal to \$25 million on several lines or at several stations or substations over a period of five years or less
- Refined threshold:
 - An ACP Program is subject to AC Reviewer review if all three (3) conditions are met (over a period of five years or less):
 1. System Impact
 - Impacts \geq 15% of the PTO's PTF lines or substations
 2. Facility Materiality
 - Includes \geq \$5M on any individual line or substation
 3. Program Size
 - Total forecasted PTF cost \geq \$25M
- Note that the additional criteria applies to the ACP Program threshold; the individual ACP \$25M threshold is unchanged

ACP Program Threshold Impact

- Scales automatically with PTO size
- Targets system-level programs, such as:
 - Relay fleets with uniform end-of-life or obsolescence indicators
 - Breaker populations with systemic failure modes or parts unavailability
 - Insulator assemblies with demonstrated manufacturer-specific deterioration patterns
- Focuses review where it adds value: broad scope and material facilities
- Screens out smaller or low-impact programs

Example

- Small PTO (25 PTF lines)
 - 15% threshold → 4 lines
 - Must include:
 - \geq \$5M on at least one facility
 - \geq \$25M total program cost
- Large PTO (500 PTF lines)
 - 15% threshold → 75 lines
 - Must include:
 - \geq \$5M on at least one facility
 - \geq \$25M total program cost

AC REVIEW PROCESS EXEMPTIONS



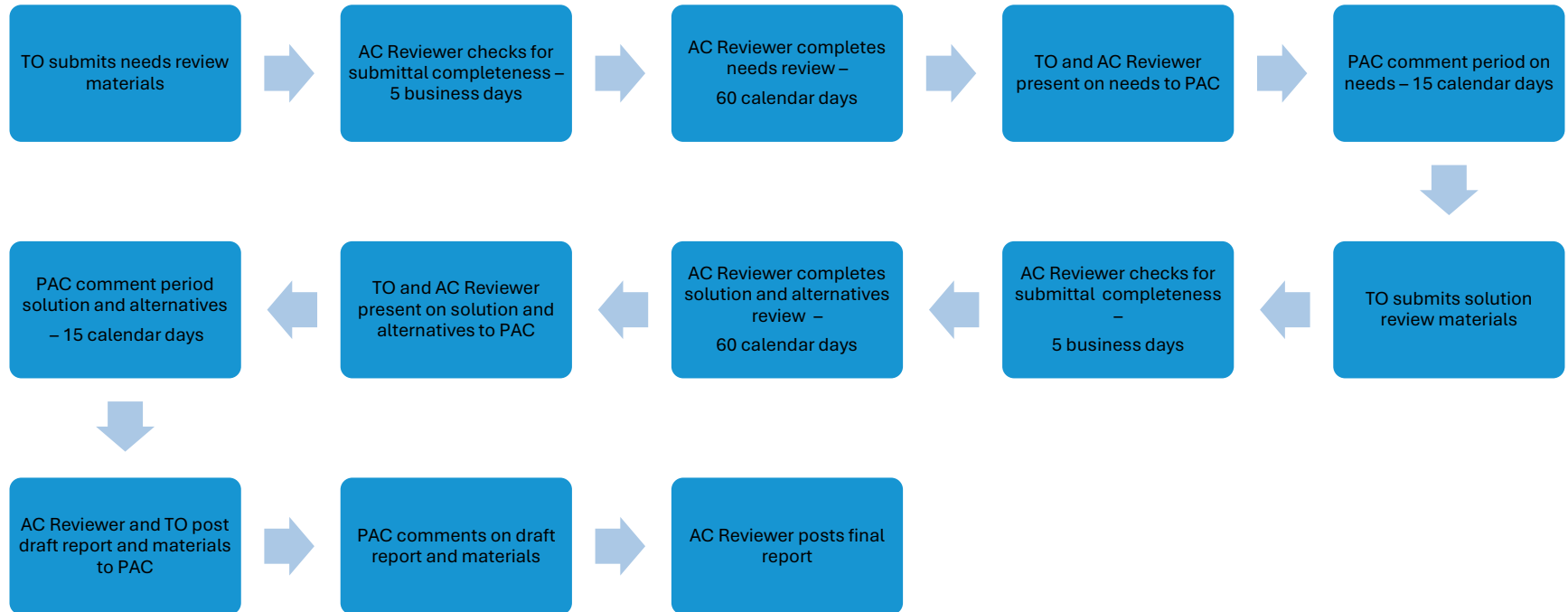
Review Exemptions for ACPs and ACP Programs

- Existing and previously reviewed ACPs and ACP Programs will continue forward without being reviewed under the new Attachment R, Section 6 process
 - This includes ACPs and ACP Programs presented to the PAC and recorded on the Asset Condition List with the following statuses before Attachment R's effective date (January 1, 2027):
 - Proposed
 - Planned
 - Under Construction
 - In-Service
 - Program
 - ACPs already under ISO review using the interim process also would not be reviewed under the new Attachment R

TIMELINES

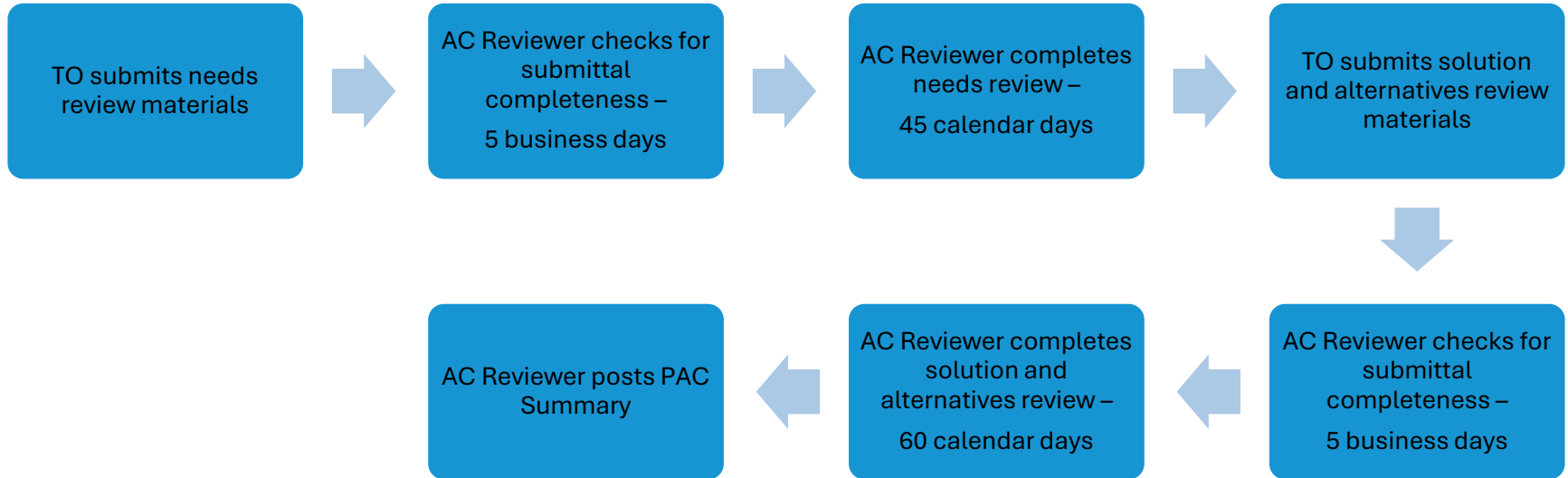


Timelines for Non-CIP-014 ACPs



A [revised workflow](#) detailing the review steps has been posted to the [key project page](#)

Timelines for CIP-014 ACPs



A [revised workflow](#) detailing the review steps has been posted to the [key project](#) page

TOA AND OATT INCREMENTAL REVISIONS



Overview of Incremental TOA and OATT Revisions

- The ISO has updated the TOA and OATT to incorporate language addressing those items previously identified as subject to further discussions with the PTOs, including:
 - Filing rights
 - Threshold for ACP Programs
 - Review process exemptions
 - Review process applicable to CIP-014 projects
 - Timelines for steps in the AC Reviewer review process
 - PTO asset condition information for posting
- Additionally, the ISO has updated the TOA and OATT to provide clarity and address ministerial errors, including:
 - Re-designate new attachment in the OATT as Attachment **R**, and update all references accordingly
 - Update Asset Condition List term to align with current name, and describe the project status levels captured on the list
 - Clarify PTO reporting requirement to increase format flexibility
 - Provide for stakeholder comments to be submitted to the PTO and AC Reviewer
 - Clarify the intent of regional status to be provided in AC Reviewer annual reporting
 - Reflect ministerial changes throughout (e.g., spell out numerical values)

Summary of Incremental TOA Revisions

TOA Section	Reason for Change
Throughout TOA	<ul style="list-style-type: none">- Update all references to Attachment P with Attachment R
Section 2.08(b)	<ul style="list-style-type: none">- Add “solely” before “advisory role”- Add clarification to make it explicit that any modifications to the limitations of the AC Reviewer role require a TOA amendment, pursuant to Section 11.04
Section 2.08(e)	<ul style="list-style-type: none">- Provide for revisions to either the threshold criteria for ACPs or ACP Programs or the timelines contained in Attachment R to be filed only when there is agreement between the ISO and PTOs. All other revisions to Attachment R (except revisions over which ISO has unilateral filing rights) may be filed for FERC’s consideration even in the event of a disagreement between the ISO and the PTOs- Reformat for clarity
Schedule 1.01	<ul style="list-style-type: none">- Improve readability of ACP definition by addressing inclusion of CIP-014 projects in separate sentence

Summary of Incremental OATT Revisions: Attachment R

Attachment R Section	Reason for Change
Throughout Attachment R	- Update all references to Attachment P with Attachment R
Section 1: Introduction	- Update to reflect ministerial changes
Section 2: Definitions	<ul style="list-style-type: none">- Update defined term for Asset Condition List to align with current name- Improve definition of ACP to reflect the inclusion of CIP-014 projects in a separate sentence
Section 3: Functions of AC Reviewer; Role of PAC	- Add “solely” in Section 3(b), consistent with revision added in the TOA

Summary of OATT Revisions: Attachment R, continued

Attachment R Section	Reason for Change
Section 4: Information Provision Requirements: Introduction	<ul style="list-style-type: none">- Add “timing” among the items to be addressed in the guide; this refers to the timing for the PTO to provide information the AC Reviewer requests
Section 6: Review of ACPs and ACP Programs	<ul style="list-style-type: none">- Add refinement to the threshold for ACP Programs- Add transition provision, reflecting ACP/ACP Programs exempted from Attachment R review process- Add clarification to make it explicit that ACP Programs exclude CIP-014 projects; these projects will be reviewed as individual ACPs- Add timelines for AC Reviewer to review information submitted by a PTO for completeness, review needs, review solution and alternatives, and stakeholder comment period- Update PTO reporting requirement to provide flexibility in format- Add requirement for AC Reviewer to finalize its review promptly- Add review process applicable to CIP-014 ACPs- Update to reflect ministerial changes

Summary of OATT Revisions: Attachment R, continued

Attachment R Section	Reason for Change
Section 7: Significant changes to an ACP or ACP Program Preferred Solution Subsequent to Completion of the AC Reviewer Process	<ul style="list-style-type: none">- Update to reflect ministerial changes
Section 8: Annual and Periodic Reporting	<ul style="list-style-type: none">- Add clarification to the regional status being provided in the AC Reviewer annual report to conditions of the region's existing transmission assets- Update to reflect ministerial changes
Section 9: ACP List; Asset Condition Forecasts and Database	<ul style="list-style-type: none">- Update references to Asset Condition List and added description of project status levels to be captured on the list- Update threshold references to capture refinement to the threshold for ACP Programs- Replace references to database with major asset condition information and list minimum information to be included

Conclusion

- The ISO is developing the AC Reviewer function to bring greater visibility, consistency, and regional confidence to the PTOs' ACP submissions, so stakeholders have the information needed for their roles and responsibilities
- PTOs have had an opportunity to review the additional TOA and OATT revisions, and they reflect input received to date
- Participants interested in reserving time on the June TC agenda to present amendments should contact the TC Secretary (jmacura@iso-ne.com) by June 5, 2026
- The ISO is looking forward to continued feedback on the proposed framework and the TOA and OATT revisions

Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
Transmission Committee January 21, 2026*	Introduction to conceptual framework and incorporation of stakeholder feedback received to date
Transmission Committee February 24, 2026	Continued discussion of conceptual framework
Transmission Committee March 18, 2026	Continued discussion of conceptual framework
Transmission Committee April 21, 2026	Continued review of incremental proposal adjustments and introduction to TOA and Tariff redlines
Transmission Committee May 28, 2026	Continued review of incremental proposal adjustments and TOA and Tariff redlines; introduction of stakeholder amendments
Transmission Committee June 24, 2026**	Continued review and vote on incremental proposal adjustments and TOA and Tariff redlines and stakeholder amendments
Participants Committee August 6, 2026	Vote on ISO proposal and potential amendments

* Progress updates will be provided to the PAC in January and July

** PTO AC action will be required ahead of the PC vote and FERC filing. The BFS will review related Section IV revisions at its June meeting



Questions



About the Presenters

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