

Proposed process for RFP exemptions under Longer-Term Transmission Planning

Dave Burnham
Director, Transmission Policy, Eversource Energy
david.burnham@eversource.com

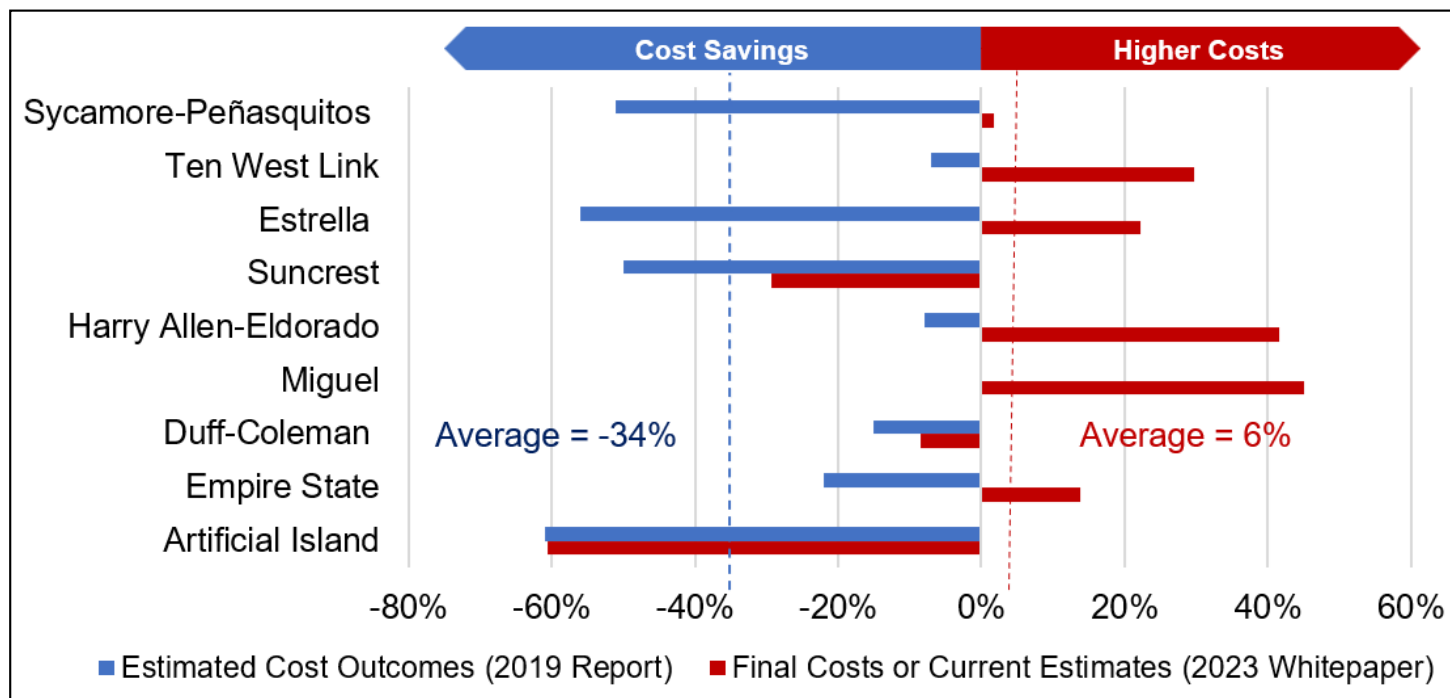
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Background

- At the October 17 TC meeting, ISO-NE discussed the possibility of assigning certain needs/solutions to incumbent TOs prior to issuing an RFP to address system concerns arising from a Longer-Term Transmission Study (LTTS)
- At the November 21 TC meeting, ISO-NE indicated that it is proposing to remove this concept from the Phase 2 effort
 - Only mechanism to address system concerns identified in an LTTS would be a competitive RFP
- Eversource is concerned that overreliance on competitive RFPs will:
 - Limit flexibility in solution selection during RFP process or post-award
 - Encourage greenfield projects, which have greater community and environment impact than upgrades to existing facilities
 - Increase risk of duplicative transmission investment (i.e., a new line is constructed, and an existing line is later reconstructed due to asset condition issues that arise during the planning horizon)

Competition Has Not Been Shown To Provide Cost Savings For Customers

- 2019 study suggested cost savings of 20-30 percent based on estimates available at the time
- Same methodology using current data (including actual costs) shows cost *increases* of 6 to 19 percent



See December 15, 2023 [Supplemental Comments](#) of DATA Coalition under RM21-17

Objective For Exemption Process

- Eversource proposes that ISO-NE consider a process to determine which system concerns (needs) should be addressed by an RFP, and which are exempt
- The process should be:
 - Criteria-based (outlined on slide 4)
 - Focused on needs that could be addressed with lower-impact projects

Proposed Exemption Process

- After completion of an LTTS and identification of “high-likelihood needs” for which solutions will be developed, ISO-NE would screen the needs and determine which needs would be “exempt” (see following slide)
- ISO-NE would review results of screening with PAC
- ISO-NE would use a process similar to the Solutions Study process to develop solutions to exempt needs
 - Existing Solutions Study process would be adapted to include a role for NESCOE

ISO-NE Discretion

- In some cases, it could make sense to include a need in an RFP, even if the need qualifies as an exempt need
 - For example, if many line rebuilds would be needed to address a need, a single greenfield solution could be more appropriate
- ISO should have the discretion to include an exempt need in the RFP if a greenfield solution could be significantly more cost effective than one or more QLIPs
 - This decision would be made after discussing with PAC

Proposed Screening Criteria

- Needs would be exempt from an RFP if they could be addressed by one or more “Qualifying Low-Impact Projects”
- Qualifying Low-Impact Projects would be defined as:
 1. Upgrades, modifications, or replacements of existing transmission lines or transformers that are “old,” and upgrades, modifications, or replacements of substation equipment (breakers, protection systems, etc.)
 2. New transmission facilities, provided that they can be constructed primarily within existing properties/ROWs that already contain electric infrastructure, and only “old” facilities would need to be modified or relocated
 3. Nontraditional solutions using Grid Enhancing Technologies (GETs)
- Facilities could be classified as “old” once they are substantially depreciated (i.e., more than 50% depreciated)

Conclusion

- Eversource proposes a modification to ISO-NE's Longer-Term Transmission Planning proposal to identify and exempt certain needs from the competitive process
- Exemption is focused on needs that can be addressed cost-effectively by upgrades to existing facilities or by maximizing use of existing properties/ROWs