



Extended-Term/Longer-Term Transmission Planning Phase 2

*Discussion of Minor Additional Tariff
Modifications and Vote – Supplemental Process*

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Project Title: Attachment K Extended-Term/Longer-Term Transmission Planning*

Proposed Effective Date: August 2024

- In the [New England States' Vision for a Clean, Affordable, and Reliable 21st Century Regional Electric Grid](#) (Vision Statement), the New England states recommended that ISO identify process changes to allow for a routine transmission planning process to help “inform all stakeholders of the amount and type of transmission infrastructure needed to cost-effectively integrate clean energy resources” and enumerated certain criteria for that framework
 - These changes were addressed through Tariff changes under the Phase 1 effort, which were accepted by [FERC in February 2022](#)
- This effort, Phase 2, establishes the rules that enable the states to achieve their policies through the development of transmission to address anticipated system concerns and the associated cost allocation method

*The name of this effort was originally “Extended-Term.” During the review process, the Tariff language was changed to “Longer-Term.”

Background and Purpose

- The second phase of Tariff changes is intended to establish the processes to facilitate the states' achievement of their policy-based goals
 - Enable the development of transmission infrastructure to address the findings of a Longer-Term Transmission Study (LTTTS) by:
 - Codifying NESCOE and the ISO's respective roles throughout the process
 - Establishing the cost recovery methodology for resulting transmission
 - Additionally, in [July 2023](#), the New England states indicated the potential for increased reliance on the ISO to provide technical assistance in connection with state procurements and efforts to secure transmission-related funding
- The content discussed in this presentation is the outcome of joint discussions between the ISO and NESCOE on the processes to address the states' requests
- This is the sixth meeting at the Transmission Committee to discuss these changes, which are anticipated to be filed with FERC in Q2 2024
 - Today's discussion is focused on four additional proposed changes to the supplemental process, which builds on the core process
 - The ISO is requesting a vote on the supplemental process

Problem Statement

- Modifications to the Tariff are needed to support the states' efforts to meet their State-identified Requirements*

*Tariff Section I.2.2: State-identified Requirement refers to a legal requirement, mandate or policy of a New England state or local government that forms the basis for a Longer-Term Transmission Study request submitted to the ISO pursuant to the process set out in Section 16 of Attachment K of the OATT



TARIFF REVISIONS TO THE ORIGINAL PROPOSAL

This section discusses Tariff Revisions which have been added or modified since the February 2024 TC meeting. Modifications to the core process and minor edits are not shown.



Proposed Tariff Changes – Schedule 12

Tariff Section	Tariff Change	Reason for Change
Schedule 12, Section 10(b)	<p><u>(b) Longer-Term Transmission Upgrades that do not meet the greater than 1.0 benefit-to-cost ratio threshold: A portion of the cost of the Longer-Term Transmission Upgrades determined by multiplying the benefit-to-cost ratio, as calculated pursuant to Section 16.4(h) of Attachment K to this OATT, by the total cost of the Longer-Term Transmission Upgrades shall be allocated in the same manner as Regional Benefit Upgrades. The remaining portion of the cost of the Longer-Term Transmission Upgrades shall be allocated to Regional Network Load in each of the New England states that voluntarily agree to fund the remaining portion of the cost in accordance with the cost allocation that may be filed by the applicable PTO pursuant to the TOA or a Qualified Transmission Project Sponsor that is not a PTO pursuant to the NTDOA that implements the cost allocation requested by NESCOE in a written communication to the ISO pursuant to Section 16.4(j) of Attachment K to this OATT and is approved by the Commission.</u></p>	Preserves PTO filing rights

Proposed Tariff Changes – Attachment K

Tariff Section	Tariff Change	Reason for Change
Section II – OATT Attachment K, Section 16.4(j)	<p><u>do not meet the greater than 1.0 benefit-to-cost ratio threshold. If NESCOE identifies Longer-Term Proposals for further analysis, the ISO will perform further analysis of these proposals, present its findings to the Planning Advisory Committee for input, and post that input on its website. A Longer-Term Proposal is eligible for NESCOE’s identification as a preferred Longer-Term Proposal if the ISO, at its sole discretion, has determined that it addresses all the needs in the timeframes specified in the request for proposal(s) and is viable. The ISO will cancel the request for proposal in accordance with Section 16.6 of this Attachment K after 15</u></p>	Establishes “guardrails” around the proposal that NESCOE may select
Section II – OATT Attachment K, Section 16.8(b)	<p><u>Within 30 days of the ISO’s notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed under Section 16.8(a) of this Attachment K, the Qualified Transmission Project Sponsor shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of the Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Within 30 days of the ISO’s notification to the Qualified Transmission Project Sponsor that NESCOE has elected to proceed under Section 16.8(a) of this Attachment K inclusion of the project in the Regional System Plan or RSP Project List, each Qualified Transmission Project Sponsor that is part of the joint proposal shall submit to the ISO its acceptance of responsibility to proceed with the preferred Longer-Term Transmission Solution by execution of a Selected Qualified Transmission Project Sponsor Agreement (Attachment P to the OATT). Any cost cap or cost containment</u></p>	Corrects the initiating event for QTPSSs to move forward with the Selected Qualified Transmission Project Sponsor Agreement.

Proposed Tariff Changes – Attachment K, cont.

Tariff Section	Tariff Change	Reason for Change
Section II – OATT Attachment K, Section 16.8(b)	<p>Notwithstanding the foregoing, a PTO is not precluded from recovering, pursuant to the applicable rates and appropriate financial arrangements set forth in the Tariff and the TOA, all prudently incurred costs associated with meeting its obligations to plan and maintain its Transmission Facilities as defined in Section 2.01 of the TOA.</p>	Addresses PTO AC concern for recovery of costs related to asset condition projects that were under development*

*The same change was discussed at the February 29, 2024 in Section 16.5(b) of Attachment K. During the discussion, the ISO noted that the change was also needed in Section 16.8(b), but had been inadvertently omitted.

Conclusion

- Today's discussion included for additional corrections to Attachment K and Schedule 12
- The ISO is requesting a vote on the supplemental process, which builds upon the core process



Stakeholder Schedule

Proposed Effective Date – August 2024

Stakeholder Committee and Date	Scheduled Project Milestone
October 17, 2023 TC	Discussion of concepts to be included in upcoming Tariff revisions
November 21, 2023 TC	Respond to stakeholder questions from previous meeting and further discussion of concepts to be included in upcoming Tariff revisions
December 21, 2023 TC	Respond to stakeholder questions from previous meeting and initial review of proposed redlines
January 9, 2023 PTO AC	Introduction and discussion of redlines
January 19, 2023 PTO AC	Discussion of redlines
January 23, 2024 TC	Respond to stakeholder questions from previous meeting and continued review of proposed redlines
February 9, 2024 PTO AC	Continued discussion on the proposed Tariff revisions
February 13-14, 2024 RC	Initial discussion of proposed redlines
February 29, 2024 TC	Respond to stakeholder questions from previous meeting and review of incremental changes to proposed redlines
March 8, 2024 PTO AC	Vote on the proposed Tariff revisions
March 19, 2024 RC	Vote on the proposed Tariff revisions and any proposed amendments
March 27, 2024 TC	Vote on the proposed Tariff revisions and any proposed amendments
Participants Committee April 4, 2024	Vote

Questions

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