

# Overview of Joint NETO Asset Condition Process Guide

Planning Advisory Committee Meeting

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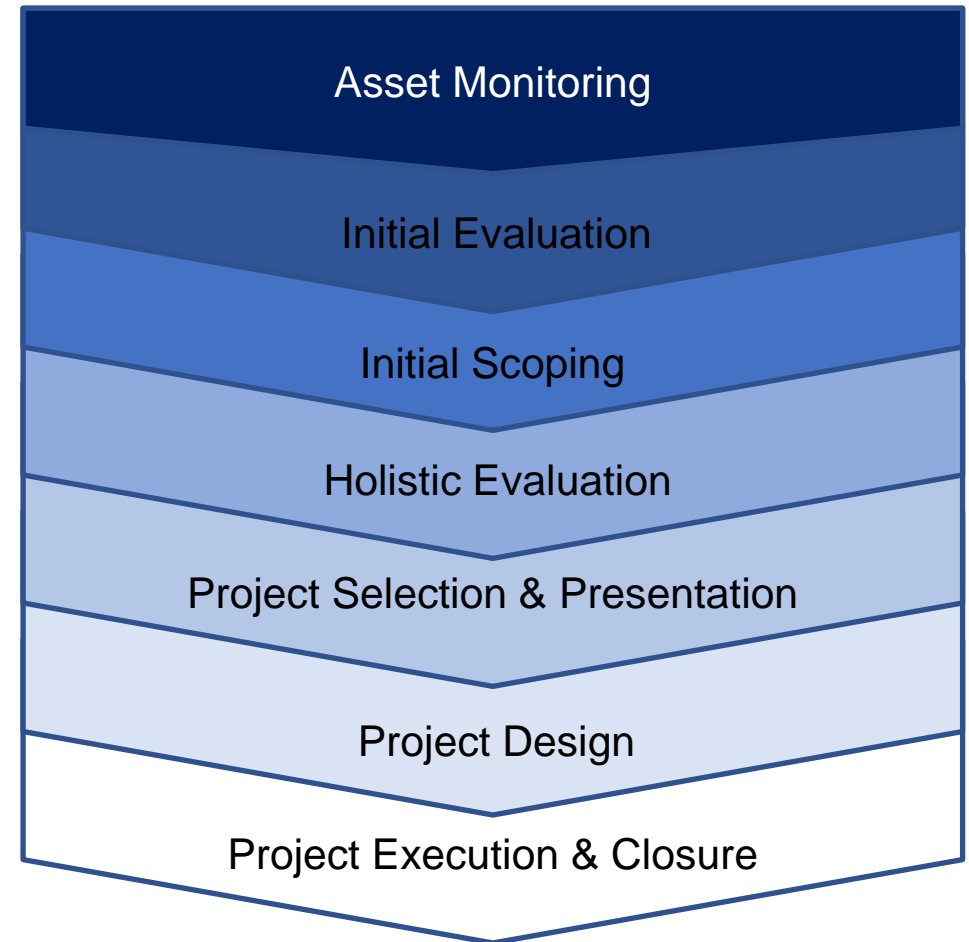
On behalf of Avangrid Networks, Eversource Energy, National Grid, Rhode Island  
Energy, Versant Power and VT Transco

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# Overview

- Six New England Transmission Owners\* have produced and shared the Asset Condition Process Guide to provide stakeholders with greater insights into:
  - the Transmission Owners' decision-making processes for asset condition projects, and
  - the linkages between these decision-making processes, transparency postings, and presentations to regional stakeholder committees
- The document was posted on April 25, 2024
  - [Notice of Posting](#)
  - [Draft Asset Condition Process Guide](#)
- This presentation describes the major sections of the document and the process for stakeholder feedback

## Major Sections of Asset Condition Process Guide



\*Guide was developed jointly by Avangrid Networks, Eversource Energy, National Grid, Rhode Island Energy, Versant Power and VT Transco

# Section 1: Asset Monitoring

- Asset monitoring is an ongoing practice of collecting data regarding the condition of transmission facilities
- The Transmission Owners use various processes to identify and compile information regarding any potentially problematic assets
- Processes include various types of inspections, as well as online and offline testing, depending on the asset

## Section 2: Initial Evaluation

- Transmission Owner personnel review the information collected from asset monitoring, along with other relevant data, such as performance history, obsolescence, etc.
- Data indicating problematic assets is compared to industry standards, guidelines, and company policies
- The results of these analyses provide an initial evaluation as to whether an asset condition project is required

## Section 3: Initial Scoping

- The initial scoping phase integrates the information collected during monitoring and initial evaluation to develop an initial solution concept
- The purpose of defining a solution concept at this stage is not to predetermine the final solution, but rather to allow the development of a realistic project schedule and budget for further evaluation and selection of a preferred solution
  - Additional factors that may lead to a different preferred solution are evaluated during the Holistic Evaluation phase (Step 4)
- At this stage, the Transmission Owner approves a budget and assigns a project team
- Projects are typically added to the Asset Condition Project Forecast once an initial budget and schedule are established
  - 2023 edition of the [Asset Condition Project Forecast](#) was posted to the ISO-NE website last November
  - See the [November 15, 2023, PAC presentation](#) for more information

## Section 4: Holistic Evaluation

- In the Holistic Evaluation stage, an asset condition project has received initial funding for further development
- A project team is assigned to conduct an in-depth assessment of the potential project to develop preferred and alternate solutions
- In most cases, a solution alternative that addresses known asset condition needs in the most targeted manner possible is considered, as well as a more comprehensive solution alternative that addresses additional known issues and potential future asset condition needs
- The Transmission Owner develops sufficient information to perform a comparative analysis of the solution alternatives, which typically includes:
  - Conceptual engineering design
  - Cost estimates at the Order of Magnitude (-50%/+200%) or Conceptual (-25%/+50%) levels
  - Constructability review
  - Siting and permitting requirements
  - Environmental and community impacts

## Section 5: Project Selection and Presentation

- After the completion of the holistic evaluation (Section 4), the Transmission Owner selects a proposed solution and approves a complete budget and schedule
  - Internal project review committees are typically used for this purpose
- The project is then presented to the Planning Advisory Committee (PAC), including the need, solution alternatives, and cost estimates
  - Multiple presentations may be necessary for larger projects
  - At the discretion of the Transmission Owner, projects may also be presented to PAC before alternatives analysis is complete
- Feedback from the external stakeholders at the PAC is considered
  - If a project is modified in response to stakeholder feedback, it would typically be re-presented to the PAC
- After a project is presented to PAC, it is added to the [Asset Condition List](#)
- If the cost estimate increases by more than 50% relative to the last estimate provided to the PAC, the project will be re-presented to the PAC (if increase is \$5 million or more)

## Section 6: Project Design, Siting/Permitting, and Preparation for Construction

- Once a project is approved by the Transmission Owner, a multi-disciplinary project team, led by a project manager, proceeds to:
  - refine the project planning and design,
  - perform additional engineering and constructability reviews,
  - conduct environmental field studies,
  - proceed with the materials procurement process,
  - prepare/submit applications for required permits and siting approvals, and
  - finalize a project schedule
- A Transmission Cost Allocation (TCA) application is submitted to ISO-NE prior to the start of Major Construction



## Section 7: Project Execution and Closure

- The project execution phase extends from the initiation of construction, through the completion of all construction activities, including restoration
- If the estimated or actual costs increase by more than 10%, a revised TCA application is required

# Update Process and Next Steps

- The NETOs are currently accepting stakeholder feedback on our draft version of the Guide until May 29, 2024
- Please submit any written feedback to [pacmatters@iso-ne.com](mailto:pacmatters@iso-ne.com) and [pac.responses@eversource.com](mailto:pac.responses@eversource.com)
- Responses and associated Guide updates will be reviewed at a future PAC meeting
- NETOs will periodically review and discuss further updates to the Guide with the PAC

# Questions

