

2025 RNS Rate Overview and Forecast

August 21, 2024

Background

This presentation contains a high-level overview of materials presented at the RC/TC summer meeting on August 13th. The meeting materials are located on the ISO-NE website at: [Transmission Committee \(iso-ne.com\)](https://www.iso-ne.com/transmission-committee).

The Regional Network Service (RNS) rate is used by ISO-NE to calculate monthly charges for wholesale regional transmission service in New England.

Summary of 2025 RNS Rate Change

RNS Rate (\$/kW-year) as of January 1, 2024 = **\$154.35**

Forecast

- PTOs' 2024 & 2025 5Q average Regional project additions ~\$2.1B
- Incremental forecasted revenue requirements ~\$50M
- 2023 actual RR lower than forecasted incremental RR ("base")

\$10.20

True-Up

- Difference between prior year billed, including forecast, and current year actual costs
- Under-collection of \$192M or ~6.8% on \$2.8B RR largely driven by ~5.3% lower 2023 12CP load compared to 2021 12CP load utilized to develop the 2023 RNS rate accounting for \$11/kW-year of increase^(a)

\$13.80

Billing Determinant

- Decrease in 2023 12CP load of 518MW or ~2.8%

\$5.21^(a)

Other Revenue Requirements

- PTO-specific Prior Year adjustment variances

\$1.71

\$30.92^(b)

RNS Rate (\$/kW-year) as of January 1, 2025 = **\$185.28**

(a) Total impact of lower 2023 12CP load on overall RNS rate change is \$16.21/kW-year [\$11/kW-year + \$5.21/kW-year] or ~52% .

(b) \$0.01 variance between the beginning and ending rates due to rounding.

RNS Rate Forecast - Disclaimer

The 2026-2029 forecast herein provides an indicative RNS Rate trend solely related to incremental revenue requirements attributable to forecasted capital investments; it should be used for illustrative purposes only. The forecast calculations performed were based on estimated data, and do not contain all the provisions set forth in Attachment F of the ISO-NE OATT.

The estimated data utilized by the PTO AC to develop this forecast of RNS Rates is based upon estimated capital additions provided by all the New England Participating Transmission Owners to the Rates Working Group. Estimates for 2024 capital additions will be trued up during the normal annual update for the RNS Rate effective January 1, 2026 to reflect actual capital additions.

The PTO AC acknowledges that this 2026-2029 forecast is based on a number of assumptions and variables including, among others, estimated project need, design, scope, labor and materials costs, inflation, siting and permitting approvals, transmission in-service dates, estimated carrying charges and coincident peak network loads. It is therefore expected that such estimates and assumptions will change over time as more current data becomes available.

In addition, the 2026-2029 forecast reflects gross costs and does not include assumptions pertaining to savings (e.g., associated with congestion, unlocked capacity, etc.) or prior year true-up adjustments.

RNS Rate Forecast – Summary

Table 1		1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029
1	Estimated RNS Rate Impact (\$/kW-Yr) (Line (5) / CY Load ⁽¹⁾ held constant)	\$ 31	\$ 12	\$ 12	\$ 8	\$ 12
2	Estimated RNS Rate Forecast (\$/kW-Yr)	\$ 185 ⁽²⁾	\$ 184 ⁽³⁾	\$ 197	\$ 205	\$ 217
3	Estimated RNS Rate Forecast (\$/kWh) (Assumes a 54.7% ⁽⁴⁾ Load Factor)	\$ 0.029	\$ 0.029	\$ 0.031	\$ 0.032	\$ 0.034
4	Estimated Incremental Additions In-Service and CWIP (\$ in Millions) ⁽⁵⁾	\$ 1,635 ⁽⁶⁾	\$ 1,396	\$ 1,449	\$ 988	\$ 1,441
5	Forecasted Revenue Requirement (\$ in Millions) (Line 4 * Carry Charge Factor)	\$ 239	\$ 212	\$ 220	\$ 150	\$ 223

Table 2 ⁽⁷⁾		Regional System Plan Projects	Asset Condition Listing Project	Other Projects ⁽⁸⁾	Total
1	Forecasted 2024 Regional Investments	\$ 622	\$ 814	\$ 237	\$ 1,673
2	Forecasted 2025 Regional Investments	\$ 254	\$ 965	\$ 175	\$ 1,394

⁽¹⁾ 2023 12CP Average Monthly RNL (kW) = 17,913,050 (kW)

⁽²⁾ Forecasted RNS Rate effective January 1, 2025, filed with FERC on July 31, 2024, utilizing Attachment F of the ISO-NE OATT

⁽³⁾ January 1, 2026 estimated RNS Rate excludes \$12 kW-Yr related to the prior true-up and PTO-specific prior year adjustments

⁽⁴⁾ ISO-NE Internal Market Monitor: [2023 Annual Markets Report](#)

⁽⁵⁾ Forecasted incremental additions for 2026 through 2029 are the forecasted Regional additions projected in the respective year without considering averaging as PTOs do not forecast long range additions by quarter

⁽⁶⁾ January 1, 2025 RNS Rate includes the incremental change in 2024 forecasted Regional plant in-service and CWIP additions (as compared to the 2024 5Q average Regional plant in-service and CWIP additions included in the January 1, 2024 RNS Rate), plus the 5Q average 2025 forecasted Regional plant in-service and CWIP additions

⁽⁷⁾ Break out by Transmission Owner included within the RC/TC August 13th meeting materials

⁽⁸⁾ Regional projects that do not qualify for listing on the Asset Condition List or Regional System Plan Project list. Generally, this includes projects with an estimated total cost of less than \$5M

Disclaimer: Forecasted rates for 2026-2029 are preliminary and for illustrative purposes only. The forecast calculations performed were based on estimated data, and do not contain all the provisions set forth in Attachment F of the ISO-NE OATT. Estimated data is consistent with the March 2024 RSP and does not reflect revised ISO forecasts.