
Eversource Comments on Longer-Term Transmission Planning Letter of Interest

November 22, 2024

On October 16, 2024, NESCOE issued a letter of interest to ISO-NE identifying potential needs to be solved through the first Longer-Term Transmission Planning Request for Proposals (“the RFP”). NESCOE’s letter expressed interest in increasing power transfer capabilities between Maine, New Hampshire, and Southern New England, and facilitating the interconnection of incremental renewable resources in Northern Maine.

Eversource Energy Service Company (“Eversource”) appreciates the significant thought and effort that ISO-NE and NESCOE have dedicated to the Longer-Term Transmission Planning process and welcome any effort to encourage much-needed transmission expansion in support of the public policy goals of the New England states. Notwithstanding Eversource’s view that customers would be better served by an open, collaborative, and iterative planning process in lieu of a competitive RFP, Eversource offers the following comments on behalf of its transmission-owning utility affiliates.¹

In short, Eversource strongly agrees with NESCOE’s desire for a “reasonable, measured approach to explore needed transmission investment.”² Consistent with this objective, Eversource recommends a simple, discrete scope for the initial RFP. A targeted RFP is more likely to be successful and would not foreclose the possibility of pursuing a larger transmission expansion program via a sequence of several additional RFPs over time.

1. An RFP with a simple, discrete scope is the best approach for customers and has the greatest chance of success

In general, smaller transmission projects carry less uncertainty and risk than larger projects. The transmission system connecting Maine to the rest of New England is complex, with multiple interrelated thermal, voltage, and stability constraints. As described in more detail below, there are also potential risks to the RFP associated with changes to the generation interconnection queue and other assumptions. These factors will create challenges for the evaluation of any projects seeking to increase the transfer capability between Maine and the rest of New England. However, the challenges will be more acute for larger projects. At the same time, it has been many years since the transmission system between Maine and the rest of New England was

¹ Eversource’s transmission-owning utility affiliates are The Connecticut Light and Power Company, NSTAR Electric Company, and Public Service Company of New Hampshire.

² See “Letter on Potential Transmission Needs for a Longer-term Transmission Planning RFP”, <https://nescoe.com/resource-center/ltfp-rfp-letter/>

expanded, and there are likely significant customer benefits that could be delivered by a series of smaller transmission solutions without the risk and uncertainty of a larger RFP.

Additionally, smaller solutions are more likely to be at a more advanced stage of design when they are offered into the RFP, yielding more accurate cost estimates. Smaller solutions are also more likely to receive community acceptance compared to larger projects. Bidders will need to expend significant financial resources to develop proposals, and these expenditures cannot be recovered under the current tariff, even if a proposal is successful. A broad RFP seeking large, complex projects may limit the *quality* of the solutions proposed because bidders may be hesitant to dedicate significant resources to sufficiently developing very large projects. A more narrowly focused, well-defined RFP will encourage bidders to develop well-thought-out, well-designed solutions that are less likely to encounter unforeseen challenges or community opposition. While Eversource appreciates that there may be interest in an open-ended RFP that allows a wide variety of proposals, vaguely defined requirements may limit meaningful participation in a solicitation.

Finally, it will also be easier for ISO-NE to perform a like-for-like evaluation of proposed transmission solutions if the RFP scope is simple and discrete, potentially accelerating the RFP timeline. Even if the RFP is more broadly scoped, ISO-NE should perform a rigorous evaluation of incremental, lower-cost solutions over more costly and risky large-scale solutions that are not yet necessary in New England.

2. The RFP should focus on increasing the capability of the Maine-New Hampshire Interface

Focusing on the Maine-New Hampshire Interface addresses a high-likelihood concern and offers the best opportunity for a successful RFP. For several reasons, a more broadly scoped RFP is less likely to be successful and will likely lead to higher customer costs for uncertain benefits.

First, it has been many years since the Maine-New Hampshire Interface has been upgraded. Some historically constrained interfaces, such as North-South, have been recently expanded. Others may be affected by ongoing upgrades, such as the New England Clean Energy Connect (NECEC) transmission project. These factors increase the chance of Maine-New Hampshire becoming a key constraint in the future. At the same time, upgrades to improve the stability performance of the Maine-New Hampshire interface may also provide incremental benefits to other interfaces, increasing the overall benefit to customers with limited additional cost.

Second, a broader RFP is likely to attract proposals that extend deep into Northern Maine and/or Eastern Massachusetts. These areas currently have a significant number of proposed generation and energy storage projects in the interconnection queue. The advancement or withdrawal of these resources affects the performance of nearby transmission projects and could affect the evaluation of proposed transmission solutions or require modifications to transmission solutions after the RFP has concluded. There are relatively few generator interconnection requests in the vicinity of the Maine-New Hampshire Interface, which lessens the risk of disruption to an RFP in this area.

Third, the 2050 Transmission Study on which the RFP will be based includes many significant assumptions about long-term patterns for load growth and generation development within New England. While Eversource has long supported the type of holistic, longer-term planning that ISO-NE performed for the first time with the 2050 Transmission Study, transmission development based on the study should proceed incrementally to moderate the impact to customer bills. Large transmission projects that derive their benefits from a specific set of assumptions or scenarios carry a higher degree of risk because many key assumptions – relative cost of different technologies (including tax credits), degree of government support for certain policies, ability to site generation in particular locations, etc. – can change over time. Smaller, incremental projects are usually less sensitive to changes in assumptions and are likely to provide benefits under a wide range of potential futures. Seeking to increase the Maine-New Hampshire Interface carries little risk that a large transmission project with uncertain benefits would be selected.

A focus on the Maine-New Hampshire Interface also preserves flexibility to integrate incremental clean energy through a variety of resource types that may be developed in different parts of Maine, including onshore wind, energy storage, and solar, as well as offshore wind that may be connected to the transmission system along the Maine coast.

Finally, an RFP that is too broad may limit meaningful participation, as described above.

3. If NESCOE selects an RFP with an expanded scope, clear and transparent benefit calculations can help build regional consensus for larger solutions

As described above, Eversource supports a simple RFP with a discrete scope. If NESCOE recommends an expanded scope for the RFP, Eversource recommends that the RFP clearly define the benefit metrics that will be used and how they will be quantified. Because some proposed transmission solutions may be very large and very costly, regional consensus will be important to ensure that any selected projects can proceed with minimal controversy or delay. Clearly defining the assumptions and methodologies that will be used to measure and quantify benefits will help build regional support. For example, the RFP must be clear and transparent about the generation mix and the capacity expansion modeling that will be utilized in the evaluation process and, as noted below, the assumptions that will be used to arrive at these potential futures. The RFP should also clearly explain how the value of resource adequacy will be measured, particularly for import-constrained areas such as the Boston load pocket.

4. Regardless of the RFP scope, ISO-NE will need to define clear parameters for RFP evaluation and provide all relevant models

The RFP will need to clearly define the technical methodology and assumptions that will be used to evaluate submitted proposals. Additional clarity on the assumptions used for future generation will be particularly critical because it appears that the primary goal of the RFP will be to identify transmission solutions that allow the delivery of new, future generation from Maine into Southern New England. Bidders must know the location of the assumed new generators, as well as their performance characteristics, to accurately model the expected benefits of their potential transmission solutions.

Eversource also strongly recommends that ISO-NE clearly define the methodology that will be used to simulate additional transfers across the key interfaces when evaluating bids and encourages the ISO to make public as many study parameters as feasible. For example, during the October 23, 2024 Planning Advisory Committee meeting, ISO-NE mentioned that capacity expansion modeling may be used to predict the types and locations of future generation. If capacity expansion modeling is used for this purpose, this approach represents an excellent example of an evaluation methodology that should be further explained and clarified.

The RFP should also confirm the interconnection standard that will be applied to new, future generation. Eversource recommends that ISO-NE assume that new generation will connect under the Capacity Capability Interconnection Standard (CCIS), which is consistent with most recent state-run RFPs for new clean energy generation. Seeking deliverability in excess of the CCIS is not advisable because it may add excessive cost for relatively little incremental benefit to the region, and no deliverability standard in excess of CCIS is currently defined in the ISO-NE Tariff.

Finally, the RFP should clearly identify how it will treat changes to key assumptions and parameters that occur during the bid evaluation process, such as changes to the generator interconnection queue or the load forecast. Due to the complexity of the transmission system around the Maine/New Hampshire interface, Eversource agrees that the relatively long RFP timeline contemplated by ISO-NE is necessary. However, a long timeline also increases the potential for the underlying assumptions to materially change during the evaluation window. Eversource recommends clearly identifying in the RFP how such material changes will be incorporated into the evaluation process so that bidders can appropriately plan for such contingencies.