



November 22, 2024

Via email: NESCOEstates@gmail.com, pacmatters@iso-ne.com

RE: VELCO and Grid United Comments on Potential Transmission Investment Needs for a Longer-Term Transmission Planning RFP

VELCO and Grid United appreciate the opportunity to provide input on advancing the first Longer-Term Transmission Planning (LTPP) RFP and are committed to supporting cost-effective solutions that enhance regional energy resilience and efficiency. We agree the first investment need identified, i.e., to increase transfer capability within the New England transmission system to allow more power to flow from Maine to New Hampshire and into southern New England, is a logical request. Our comments reflect VELCO's unique financial and governance structure and are informed by our experience with recent and ongoing policy-driven transmission projects including Granite State Power Link, New England Clean Power Link (NECPL), Twin State Clean Energy Link, and now Alliance Transmission. VELCO's agreement with NECPL remains in effect and we continue to coordinate closely with the TDI team. These comments, however, are co-submitted with Grid United with whom VELCO is actively developing an interregional transmission project that solves the Northwest Vermont need identified in the ISO-NE 2050 Transmission Study and contributes to north/south 2050 Roadmaps solutions.

Our project, Alliance Transmission, is an innovative, affordable, and constructible bi-directional intertie to deliver mutual New England-Québec energy value. If approved, Alliance will introduce a modernized HVDC intertie to Northwest Vermont, offering full deliverability to the major demand centers of New England.

Alliance leverages impending reliability-driven infrastructure upgrades for the greater benefit of New England ratepayers. Further, the project provides a solution for local congestion and curtailment issues in Vermont, for regional objectives outlined in NESCOE/ISO-NE planning processes, and the Interregional Planning Stakeholder Advisory Committee (IPSAC) and DOE interregional transfer capacity objectives. Thus, we would respectfully request that NESCOE give strong consideration to this project for its second LTPP solicitation.

Below, please find our comments on the potential transmission needs for a Longer-Term Transmission Planning RFP announced by NESCOE on October 16, 2024:

1. Advance the Northwest Vermont solution: The identified Northwest Vermont reliability need offers an early opportunity to deliver LTPP goals, addressing NESCOE/ISO-NE objectives in an affordable manner that benefits New England ratepayers. The Northwest Vermont needs solution would be delivered within existing ROWs and VELCO-owned substation areas. The Northwest Vermont solution combined with a north/south solution may offer more impactful regional benefits by increasing deliverability into southern New England. These benefits include bolstering VELCO's Coolidge substation (a key regional energy asset), reinvigorating Vermont

Yankee injection benefits for the Boston area, and benefits along the western portion of Vermont into Massachusetts and Connecticut.

2. Issue the early RFPs under the current study basis: New regional transmission system studies require significant effort and time that would delay follow-on RFP issuances. Any study updates should be well coordinated with the RFP processes to avoid process misalignment that produce unnecessary delays and conflicting market signals.
3. Advance RFPs in overlapping sequence: To ensure timely, responsive, and meaningful progress, we believe the LTPP process should include identifying the follow-on needs during the consideration period of the first RFP or consider identifying a schedule for all the needs. Such a “portfolio” construct offers faster action in this long-incubation sector, informs grid cost and collaboration considerations, and sends a clear and reassuring signal to investment markets. Sequencing complementary projects will create efficiencies, synergies, and encourage innovative solutions.
4. Flexible definitions: We recommend maintaining flexible definitions to encourage a diverse range of innovative responses. This will offer more thoughtful responses and meet the region's goals toward a longer view. The proposed evaluation structure (Benefit Cost Ratio/BCR and non-financial) provides a filter and is a more suitable limiter. Broader definitions are important in this dynamic sector to create the best solutions, as many of the assumptions/study determinants are changing (e.g., offshore wind timetable). Remarks supporting our recommendation were offered by presenters on the August 9 Cost Containment Forum hosted by NESCOE on long-range perspective and opportunity driven solutions as a key goal for the LTPP.
5. Interconnection limits: Transmission solutions identified as part of the LTPP process may exceed the current interconnection limit of 1,200MW. We believe it is important to progress this optionality to exceed 1,200MW in line with the current objectives of the IPSAC to raise this limit.
6. Evaluation, model basis, reference details released early 2025: As discussed in the NESCOE portion of the October 23 PAC meeting, project sponsors will be seeking clarity from ISO-NE as soon as practicable. We appreciated your responses to the call (as well as updates presented during the November 20 PAC meeting) and are grateful this work is underway. We are hopeful further details will continue to be forthcoming.
7. Obstacles to energy exchanges must be addressed as we seek to build a more cost-effective reliable grid. These include exit fees referred to as ‘OATT Schedule 8 – Through or Out Service - The POOL PTF RATE’ codified within ISO-NE’s Open Access Transmission Tariff. We are actively considering solutions, will share the results. To be clear, we welcome broader, deeper engagement to enable greater two-way exchange of electricity between New England and Québec.

We applaud the forethought and leadership that was demonstrated by NESCOE, NESCOE Managers, and ISO-NE in designing and launching the LTPP process. While designed to procure regional projects, the LTPP process provides a positive signal nationally and importantly, to adjacent balancing authorities, including in eastern Canada.

Thank you for your review and consideration of the VELCO and Grid United comments on the first potential transmission need for a longer-term transmission planning RFP. We look forward to continuing to collaborate with NESCOE and ISO-NE to achieve a more resilient, reliable, affordable and sustainable regional energy system. We welcome the opportunity to further discuss our comments and Alliance Transmission's role in supporting the region's goals.

Brian Connaughton
Vice President
Transmission Services and Asset Maintenance
VELCO

Lawrence Mott
Vice President
Development East
Grid United