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VIA ELECTRONIC MAIL:

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Comments from Con Edison Transmission, Inc. in Response to NESCOE's Request for Stakeholder Feedback on Potential Transmission Needs for a Longer-term Transmission Planning RFP

I. Executive Summary

Con Edison Transmission ("CET") applauds the New England States Committee on Electricity ("NESCOE") for its October 16 letter requesting that ISO-NE initiate a Request for Proposals ("RFP") for new transmission projects under its newly adopted Long Term Transmission Planning ("LTP") Process.¹ New transmission is necessary to increase the supply of new clean electricity to meet current and increasing customer demand for electricity to power their homes, businesses, and increasingly transportation needs. The NESCOE letter rightly points out that long-standing transmission constraints within Maine and between Maine and New Hampshire have greatly hindered the ability of New England residents and businesses to benefit from Maine's abundant supply of renewable energy. As NESCOE understands it is not until these constraints are resolved that customers in New England will be able to avail themselves of significant renewable power supply from Maine. Nor will Maine's renewable power developers be able to find a market for their clean energy.

¹ NESCOE letter to ISO-NE, October 16, 2024: [NESCOE RFP Letter-final](#).

Getting this RFP right is the key to getting much needed new transmission built. A successful RFP will provide an opportunity for incumbent transmission owners to upgrade their systems while also providing transmission developers with an opportunity to propose new projects.

Planning for the long-term is a critical piece of this process. Accordingly, the RFP should be scoped and structured to encompass the electric needs anticipated in New England over the long-term. NESCOE has appropriately prioritized increasing the transmission capability in Maine and south of Maine to facilitate the development of affordable renewable energy resources in Maine for the benefit of the broader region. We agree with this initial focus, but we also urge NESCOE to plan for the future in order to meet increasing customer needs with grid expansion that will provide access to clean energy and a stable, flexible and reliable grid that also speeds interconnection of clean energy supplies. For example, increasing the transmission capability from Maine to Boston should be a key element of the RFP. We think NESCOE can achieve this by shaping the need to facilitate the delivery of at least 3 GW of Northern Maine renewables over southern congested interfaces, and thus reach a broader set of electric customers in New England. The ISO-NE 2050² study supports the need for transmission infrastructure in the near and long-term. As such, limiting the RFP to just incremental increases over select interfaces may not adequately capture the broader, long-term, reliable grid expansion that New England needs for its future, and that this LTP process was intended to pursue.

Additionally, we suggest that NESCOE and ISO-NE structure the RFP in a manner that allows transmission sponsors to propose optional elements to expand transmission capability

² ISO-NE 2050 Transmission Study: [2024_02_14_pac_2050_transmission_study_final.pdf](#).

in addition to the targeted interfaces. This will enable NESCOE and ISO-NE to evaluate the proposals on a portfolio basis which, when armed with a broader set of benefits in its evaluation process, will help the States achieve the most cost-efficient and effective solution for customers.

Finally, we urge NESCOE to stay involved as the process moves forward. To that end, we look forward to working with NESCOE and ISO-NE in this important process and supporting a successful outcome for the long-term energy needs of New England.

II. Background

CET is a transmission developer in New York, New Jersey and New England, and is an affiliate of Con Edison Company of New York, Inc. (“CECONY”) and Orange and Rockland Utilities, Inc. (“ORU”), the utilities serving electric, gas, and steam to over nine million New Yorkers in New York City, Westchester, Orange and Rockland counties.

CET is the largest owner of NY Transco, a joint venture with Avangrid, National Grid Ventures, and Central Hudson Electric Transmission, LLC with over \$1 billion in operating transmission assets in New York State. Through NY Transco, CET has extensive experience participating in the New York Independent System Operator’s (“NYISO’s”) Public Policy Transmission Planning process and its Public Policy Transmission Needs (“PPTN”) solicitations. NY Transco won competitive transmission projects in the Hudson Valley to relieve historic congestion in New York State, and most recently was selected, with its partner New York Power Authority, to build the \$2.8 billion Propel NY Energy project to improve transmission between Long Island, New York City and Westchester County.³ NY Transco also recently proposed its

³ Propel NY Energy Website: [Propel NY Energy](#).

Energy Link NY project, a comprehensive offshore to onshore transmission solution to deliver offshore wind to New York City, in response to NYISO's latest PPTN solicitation in 2024.

CET, along with its partner National Grid Ventures, proposed the Garden State Energy Path project in New Jersey that if selected by the New Jersey Board of Public Utilities will facilitate delivery of offshore wind.⁴

CET has also proposed projects in New England in prior State-run transmission solicitations. In 2018, we proposed the Maine Power Express project as part of the Massachusetts 83D solicitation.⁵ In 2022, we proposed the Maine Power Link project as part of the Maine Public Utility Commission RFP for Northern Maine renewables.⁶ While both of these projects were innovative, cost-effective solutions to deliver renewable energy from Northern Maine, neither were selected at the time.

III. Discussion

1. Defining And Structuring The Need

a. Increasing Delivery From Maine To New Hampshire, Southern New England And Boston Is A Top Priority

We endorse NESCOE's identification of the need to increase delivery from Maine to the rest of New England as the top priority and focus for the first RFP utilizing the newly approved LTPP process. As NESCOE points out, constraints along various transmission interfaces between Orrington, ME and the greater Boston area have limited the delivery of affordable, low-cost renewable energy resources from Maine. It has also been apparent over many years that

⁴ CET and NGV Press Release for Garden State Energy Path: [Garden State Energy Path | Coned Transmission](#).

⁵ MA 83D: [83D – Massachusetts Clean Energy](#).

⁶ MPUC Northern Maine Transmission RFP: [Request for Proposals for Renewable Energy Generation and Transmission Projects Pursuant to the Northern Maine Renewable Energy Development Program | MPUC](#).

Northern Maine has a significant number of renewable resources that can be developed for delivery to the rest of New England once the transmission constraints within Maine and over the system south of Maine are addressed. In the four northernmost Maine counties, Aroostook, Penobscot, Piscataquis, and Somerset, 63 queue positions totaling 9,088 MWs of renewable energy have been proposed and withdrawn in the past two decades due in large part to transmission constraints and the costs associated with relieving those constraints. The 26 active queue positions (*i.e.*, updated within the past four years) totaling 4,409 MWs could suffer the same fate without this LTTP process.⁷ These resources are attractive for two key reasons: (a) they include a diverse mix of low-cost wind and solar, and (b) they would bring significant economic development to economically depressed areas of New England.⁸ Such resources need to be unbottled to make significant progress on clean energy goals of New England States and meeting increasing customer demand throughout New England.⁹

A number of efforts have been made to procure and develop the necessary transmission. Sixteen Elective Transmission Upgrades (“ETUs”) aimed at delivering these resources have been proposed and withdrawn over the past decade.¹⁰ Notable is the unsuccessful procurement of Northern Maine transmission in 2022 through the Maine PUC’s procurement.¹¹ An RFP through the LTTP process can succeed where other processes fell short and spur the development of the transmission necessary to make available affordable Maine renewable energy for the benefit of all New Englanders, including identification of an interconnection point

⁷ ISO-NE Interconnection Queue: [Interconnection Request Queue](#).

⁸ American Clean Power Association Report: Market and Environmental Benefits of New England Renewable Generation, 2022: https://cleanpower.org/gateway.php?file=2022/12/ACP_Daymark_MarketEnv_Benefits_Final_Public.pdf.

⁹ See ISO-NE, Economic Planning for the Clean Energy Transition at <https://www.iso-ne.com/static-assets/documents/100016/2024-epcet-report.pdf>.

¹⁰ ISO-NE Interconnection Queue: [Interconnection Request Queue](#).

¹¹ See Maine Public Utilities Commission Docket 2021-000369.

in a location that would facilitate renewable generation development with an appropriate generator lead line.

**b. The Minimum Need Should Be Broadened to Garner Competitive Proposals
For Needed New Infrastructure**

CET urges NESCOE to consider broadening the scope of the need defined in the RFP to deliver between 3 - 5 GW of Maine renewables to a broader set of New England customers to support future reliability and increasing customer demand. This broadly framed request would naturally include increases to the transfer capability over the Maine-NE Hampshire, Surowiec South, the Orrington-South, and North-South interfaces. NESCOE's letter recognizes the needs to increase transfer capability over Surowiec South interface and Maine-New Hampshire interface, however, the suggested increases are relatively modest after accounting for the impact of NECEC and its upgrades.¹² We suggest that to achieve the objective of unbottling 3-5 GW of Maine renewables, the interface increases would likely need to be increased well beyond these levels.

Stability analysis is likely to indicate that new infrastructure (*i.e.*, additional high-voltage circuits) are needed over these interfaces. While it is possible that upgrades alone could satisfy a modest incremental increase, a Longer-Term Solution that involves upgrades alone is unlikely to offer enough of an improvement to the transfer capability such that large quantities of renewable energy in Maine will find their way into Southern New England, and may not achieve the broader, longer-term grid enhancements that the 2050 Study contemplated, and the broader purpose of the LTP process.

¹² NESCOE's letter suggests increasing Surowiec-South to 3,200MW and Maine-New Hampshire to 3,000MW. After incorporating the anticipated increases from the NECEC project and its upgrades, these would be incremental increases of about 400MW and 1000MW, respectively.

While we recommend the more broadly stated need described above, if in the alternative NESCOE wishes to focus on setting targets for interface improvements, we suggest increasing the minimum interface increases so that the RFP is targeting the long-term energy supply of renewables and meeting significant increases in customer demand. For instance, the RFP could target at least a 1,000-2,000 MW increase over each of the interfaces, which could also include Orrington South. This would help strengthen the system, anticipating the transmission needed to interconnect large amounts of renewables, and even future interregional connections to Canada, which have been identified as a priority in NERC's Interregional Transfer Capability Study (ITCS) report.¹³ Expanding the need to include increased delivery over North-South and delivery of Maine renewables directly into the Boston metro area would also help make the affordable renewables deliverable, and the commensurate energy cost reductions available to a wider set of New England customers, which is appropriate given the broad cost allocation of the Longer-Term solutions.

Finally, potential ISO-NE concerns about extreme contingencies such as loss of rights-of-way could impact solution designs; accordingly, these concerns should be taken into account as requirements specified up-front so that proposals are offered that meet desired resiliency criteria.¹⁴

¹³ NERC Interregional Transfer and Capability Study, 2024: [Report](#).

¹⁴ ISO-NE's Second Cape Cod Cluster Study is an example where the loss of ROW was studied as an extreme contingency (slide 4 and 9): https://www.iso-ne.com/static-assets/documents/2022/09/a03_second_cape_cod_resource_integration_study_status_update.pdf

**c. The RFP Process Would Benefit From a Portfolio Approach Comprised of
Optional Elements**

The RFP could allow transmission developers to propose optional elements to expand transmission capability in addition to the targeted interfaces. Allowing for a comprehensive solution that includes optional elements could provide additional flexibility for meeting transmission needs. Customers will benefit from this approach as it will enable NESCOE and ISO-NE to evaluate the optional elements on a portfolio basis, which will help the States achieve the most cost-efficient and effective solution for customers.

As part of this approach, we encourage NESCOE to incorporate Northern Maine Transmission as an optional segment or extension in the RFP which will allow developers to offer different, creative solutions and give New England States options to select the most cost-efficient and effective solution for New Englanders.

We believe Attachment K of the ISO-NE Tariff gives room for this approach. It provides that Transmission Project Sponsors can propose “...a Longer-Term Proposal offering a comprehensive solution that addresses all the needs identified in the request.”¹⁵ Attachment K does not limit NESCOE and ISO-NE from requesting optional elements, which can be evaluated as part of a developer’s proposed comprehensive solution to the needs indicated in the RFP.

**d. The RFP Should Allow Developers to Propose Solutions That Complement
the Future Integration of Offshore Wind**

The 2050 Study, relying upon the All Options Pathway in the Massachusetts 2050 Decarbonization Roadmap, reinforced the fact that significant incremental offshore wind

¹⁵ ISO NE Regional System Planning Process, Attachment K, Section 16.4(b).

resources of up to 32 MW are necessary to meet New England’s growing demand in the years to come.¹⁶ While not a focus of this first RFP, there certainly is the potential for transmission from Maine to Massachusetts to complement future transmission needed for offshore wind from the Gulf of Maine. It is becoming apparent from challenges up and down the East Coast that coordinated, advanced procurements of offshore wind transmission are necessary for feasible and cost-effective integration of offshore wind. Notable are efforts in New York and New Jersey to independently procure transmission corridors along common landfall and routes to minimize impact to communities and the environment. Further, use of strategic interconnection points or hubs is a focus, which is important to supporting cost-effective, multi-value upgrades to the grid.

In its August 2024 Presentation, “Results from Additional Analysis on Offshore Wind Screening,”¹⁷ ISO-NE indicates that offshore wind may be able to be interconnected at high levels at multiple interconnection points along the coastline, including in and around Boston and north of Boston without significant upgrades to the system (we note here that only a thermal analysis was performed by ISO-NE). While New England has the good fortune that the grid may be able to electrically accommodate high amounts of offshore wind injection at diverse locations, routing multiple lines from offshore to onshore may benefit from a more coordinated approach using common corridors and interconnection hubs. For instance, routing multiple lines through Stellwagen Bank should probably be done along a common corridor. This would

¹⁶ ISO-NE 2050 Study Page 12: [2024_02_14_pac_2050_transmission_study_final.pdf](https://www.mass.gov/doc/ma-2050-decarbonization-roadmap/download), and also MA 2050 Decarbonization Roadmap: <https://www.mass.gov/doc/ma-2050-decarbonization-roadmap/download>.

¹⁷ ISO-NE 2050 Additional POI Analysis: https://www.iso-ne.com/static-assets/documents/100014/a07_2050_additional_poi_analysis.pdf.

eliminate the need for disruption to multiple shoreline communities and environments.¹⁸

Radial connections to some of the ISO-NE identified onshore substations require routing through dense suburban communities, increasing the complexity and project risk. A hub-based approach, while it may add upfront costs, has the advantage of co-locating electrical equipment, like HVDC converter stations, in a well thought out design that can offer additional system upgrades to enhance reliability.

2. Evaluation

It is important that NESCOE provide input on the evaluation of benefits, costs and tradeoffs for New England customers to choose the best solution for long-term energy needs. NESCOE and ISO-NE have already been very effective at coordination in establishing this process and can build on that success through this next phase.

a. The Benefit Cost Evaluation Criteria Should Be Expanded to Encompass the Additional Benefits Associated With Delivering Renewable Energy

i. Financial Benefits

In order to garner the greatest competition and to more accurately reflect the full benefits, NESCOE should coordinate with ISO-NE to expand the financial benefit factors in the evaluation to effectively value the portfolio of transmission solutions capabilities to meet the States' clean energy ambitions and growing demand forecasts. Attachment K provides that "factors to be considered during the evaluation process for identification of the preferred

¹⁸ New Jersey Prebuild Infrastructure Solicitation: [New Jersey Offshore Wind Prebuild Infrastructure Solicitation](#).

solution may include, but are not limited to...”¹⁹ Thus, Attachment K anticipates that ISO-NE and NESCOE could add additional evaluation factors that would reflect the specific benefits associated with making renewable energy available throughout New England.

Additional factors that should be included in the evaluation criteria and the benefit-to-cost ratio are: a quantification of the environmental and health benefits associated with delivering renewable energy throughout New England; a comparison of the proposed new transmission solutions coupled with Northern Maine renewables to alternate means of providing comparable amounts of renewable or even fossil-powered energy to meet growing customer demand; construction and related job benefits; tax benefits for local communities; and air quality and clean energy benefits for local communities, among other benefits. These factors, coupled with the financial benefits factors detailed in the Tariff will support NESCOE and ISO-NE's ability to consider a more comprehensive selection of preferred Longer-Term Transmission Solutions and capture the best value for customers.

ii. Expansion Capability and Complementary Nature to Future Offshore Wind

As discussed above, offshore wind is a critical resource needed to reliably serve growing New England demand. To encourage creative solutions in this RFP that facilitate future offshore wind transmission, NESCOE should encourage bidders to demonstrate how solutions can be expanded or co-located with future offshore wind transmission.

¹⁹ ISO NE Regional System Planning Process, Attachment K, Section 4.2(b). While this section provides a list of potential evaluation factors, Attachment K clearly intends that this list is not exhaustive.

iii. Resiliency

As performance under extreme contingencies is an evaluation criterion, ISO-NE can further specify if there are any limits to the transfer capacity along particular transmission rights-of-way (“ROW”) that it would prefer or require are maintained. If resiliency is a priority, which we believe it is, the requirements and preferences for this metric should be specified up front.

iv. Cost Containment

Cost containment has been a key feature of competitive transmission development across the country over the past ten years, showcasing a variety of approaches and mixed success. In evaluating cost containment proposals, we urge NESCOE and ISO-NE to consider the quality of the cost containment proposals in its evaluation, and also consider defining up-front limited cost containment parameters or features that sponsors can consider in their proposals.

Transmission is highly complex and involves many layers of development risk over a long time-horizon, in particular siting and permitting. Some examples of cost containment frameworks that have been approved by FERC include cost sharing splits with customers (*i.e.*, NYISO requires a minimum 20% cost sharing with customers), exclusions from cost containment for upgrades and factors beyond a developer’s reasonable control, inflation adjustments, and pass-through treatment of debt cost and O&M. Additionally, both NYISO and PJM use independent cost estimates as a check which has highlighted significant issues with some bids, and has been factored into the overall evaluation of the quality of the cost containment proposal made.

Structuring, and in some cases limiting, the cost containment parameters that sponsors can propose tends to keep the evaluation focused on factors that will have a material impact for customers.

3. RFP Structure and Timing

The ISO-NE tariff allows for developers to incorporate upgrades into their solutions with the facts at their disposal and under the understanding that the incumbent Transmission Owner will build said upgrades and that the cost will fall outside the developer's proposed cost containment. This approach is similar to what is done in other regions and allows developers to optimize a comprehensive solution, while respecting the incumbent Transmission Owner's rights to upgrade its system to serve its customers. The definition of upgrades in the ISO-NE tariff is broad and we believe may involve transmission expansions within existing transmission rights-of-way.

To make this RFP a competitive success, it should be clear that the need for new infrastructure defined in the RFP is outside of the ROFR rights of incumbent transmission owners and that the RFP is being issued so that transmission developers have an opportunity to add value. Defining upgrades and making sure they are available to be incorporated into all developer bids on a non-discriminatory basis is essential to achieving this outcome.²⁰ ISO-NE should allow developers adequate time to develop proposals, for instance a six-month window

²⁰ We note that DOE recently selected Avangrid's Aroostook Renewable Project for a capacity contract in its Transmission Facilitation Program, as part of the Inflation Reduction Act, which would significantly offset costs for customers. If this capacity contract is finalized in the coming months between Avangrid and DOE, it could apply to Avangrid's project, and NESCOE and ISO-NE could choose to establish the project as a common element to any portfolio chosen through the LTTP process.

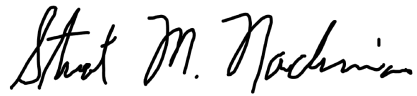
would be welcome. An ample window will encourage quality, mature proposals. Further, release of study case models as early in the process as possible will be helpful.

4. Conclusion

CET appreciates the opportunity to comment on this important process. We hope our comments and suggestions based on experience in competitive transmission are helpful for the NESCOE and ISO-NE. It is important to get this process right as it will set the stage for not only critical grid expansions needed in Maine and south of Maine but will also set the standard for the solicitations to come to accomplish the full suite of transmission needed for New England over the long-term.

Respectfully submitted,

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