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NESCOE

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Conservation Law Foundation; Union of Concerned Scientists; Natural Resources Council of Maine; Sustainable FERC Project (Natural Resources Defense Council); National Wildlife Federation; Environmental Defense Fund; Acadia Center; and Massachusetts Climate Action Network submit this letter in support of NESCOE's proposal to initiate a request for proposals ("RFP") pursuant to Phase 2 of ISO-NE's Longer-Term Transmission Planning ("LTTP") process. We represent a coalition of stakeholders from the NEPOOL End User Sector that share NESCOE's belief that proactive, long-term transmission planning is essential to meet New England states' emissions reduction targets and clean energy policies, maintain reliability, and to facilitate a cost-effective transition to a decarbonized electricity system in New England. We support NESCOE's interest in moving forward with an RFP under LTTP Phase 2 and offer the following comments on NESCOE's preliminary proposal.

We generally support NESCOE's interest in focusing the first LTTP solicitation on increasing transfer capability to allow more power flow from Maine to New Hampshire and into southern New England. The existing and potential future constraints on the Maine-New Hampshire and North-South interfaces are well documented¹ and it is appropriate for NESCOE to focus on increasing the capacity of these interfaces, as well as other interfaces within Maine. For example, the 2050 Transmission Study found that some overloads on the Maine-New Hampshire and North-South interfaces will begin in 2035 and extend all the way through 2050. The study observed overloads in both the winter peak and summer daytime peak snapshots. The study also found that overloads during the winter peak snapshots were precipitated by the expected large volume of offshore wind production flowing from Maine and New Hampshire into southern New England and that the expected total generation in northern New England would be a factor in these overloads.² An LTTP solicitation focused on the Maine-New Hampshire and other interfaces listed in NESCOE's letter would begin to address these constraints.

Although we strongly support NESCOE's preliminary proposal, we make the following observations. First, NESCOE should consider soliciting proposals that will increase the Maine-New Hampshire interface capacity above 3,000 MW and the Surowiec-South

¹ See, e.g., 2050 Transmission Study, ISO-NE, at 22 (Feb. 12, 2024).

² *Id.*

interface capacity above 3,200 MW. As recognized by NESCOE, the current limit for the New Hampshire interface is 2,000 MW and the current limit for the Surowiec-South interface is 1,800 MW.³ NESCOE states that its interest in increasing the limits of these interfaces is, in part, driven by facilitating the integration of up to 3,000 MW of new generation in northern Maine,⁴ of which the majority of new generation would likely be onshore wind generation.

NESCOE's proposal, however, does not mention the potential for energy generated from offshore wind to interconnect to Maine or New Hampshire and flow into southern New England. While ISO-NE's analysis on offshore wind points of interconnection, conducted in connection with the 2050 Transmission Study, indicates that energy generated from offshore wind projects in the Gulf of Maine could interconnect at several points of interconnection in Massachusetts and points further south with only minimal transmission upgrades, ISO-NE's analysis also identifies several promising points of interconnection in Maine.⁵ In late October, the Bureau of Ocean Energy Management ("BOEM") auctioned off four of eight lease areas offered for sale, including lease area OCS-A 562, which has a potential installation capacity of 1,600 MW.⁶ Given the relative proximity of lease area OCS-A 562 to Maine's coast, when compared to the coasts of New Hampshire and Massachusetts, there is some likelihood that the energy generated from a project developed in OCS-A 562 would interconnect in Maine. Additionally, for lease area OCS-A 563, which BOEM did not lease in the October auction but might lease in the next several years and has an installation capacity of 1,700 MW, and other northern areas within the Gulf of Maine Wind Energy Area, there is some likelihood of interconnection in Maine due to their locations.⁷

The increases to the Maine-New Hampshire and Surowiec-South interfaces described in NESCOE's preliminary proposal do not appear to contemplate the potential for additional energy from offshore wind energy projects in the Gulf of Maine to interconnect to the grid in Maine and to be transferred to points south. There may also be potential for energy from new utility scale solar projects to interconnect to the grid in Maine and to be transferred to the rest of New England. Focusing solely on the potential

³ Maine Transfer Limit Updates, ISO-NE Presentation to the PAC Committee, at Slide 11 (June 20, 2024).

⁴ NESCOE Letter on Potential Transmission Needs for LTTP RFP, at 2 (Oct. 16, 2024).

⁵ 2050 Transmission Study: Results from Additional Analysis on Offshore Wind Screening, at Slides 30-31 (Aug. 21, 2024).

⁶ Potential Energy Impact of the Gulf of Maine Offshore Wind Energy Lease Sale, BOEM (last visited Nov. 6, 2024),

https://www.boem.gov/sites/default/files/images/2024_maine_potential_energy_impact_handout_data.jpg.

⁷ *Id.*; Gulf of Maine Final Lease Areas, BOEM (Aug. 30, 2024),

https://www.boem.gov/sites/default/files/images/GulfofMaine_FSN_grey.png.

integration of 3,000 MW of new onshore generation from northern Maine could result in a lack of grid transfer capacity for offshore wind and other resources that interconnect in Maine, which, in turn, could have a chilling effect on investments in such projects in a less densely populated area of the region that may present fewer siting challenges than other areas to the south. Accordingly, NESCOE should consider addressing the possibility of these additional resources interconnecting to the grid in Maine by soliciting proposals to increase the Maine-New Hampshire interface capacity above 3,000 MW and the Surowiec-South interface capacity above 3,200 MW, including proposals designed to facilitate such increases in the future.

Next, we agree with NESCOE that the scope of the solicitation should not be overly prescriptive and that the solicitation should be structured to “defin[e] any need as a minimum value that would set the floor but would not preclude bidders from proposing larger costs.”⁸ Structuring the solicitation so that it is not overly prescriptive and sets a floor for longer-term transmission needs that must be addressed by proposals, but opens the door for proposals to address other specified needs beyond the floor, would increase flexibility for proposals. Increased flexibility for proposals, in turn, would likely lead to more bids and to a greater likelihood of the actual selection of a cost-effective solution. Further, any proposal addressing the minimum floor of needs would likely meet the requirements of Section 16.4(b) of Attachment K to ISO-NE’s Open Access Transmission Tariff (“OATT”). Section 16.4(b) of Attachment K to the OATT requires that proposals submitted in response to an RFP “offer[] a comprehensive solution that addresses all the needs identified in the request.” By setting a minimum need that proposals must address, while giving proposals the option to address other longer-term transmission needs, any proposal that addresses the minimum need would be “offering a comprehensive solution that addresses all the [mandatory] needs in the request.” Although the solicitation should be structured to provide bidders with flexibility to propose a variety of solutions, more comprehensive solutions are more likely to provide increased and multi-varied benefits to multiple New England states, thereby easing cost-allocation tensions and reducing the concentration of costs on a smaller number of consumers.

Notwithstanding our recommendation that NESCOE consider increasing the interface capacities above those specified in the preliminary proposal, we are also generally supportive of the preliminary list of four longer-term transmission needs that NESCOE seeks to address in the first LTTP solicitation. Given the desire to promote project flexibility and to receive a significant number of bids in response to a solicitation,

⁸ NESCOE Letter on Potential Transmission Needs for LTTP RFP, at 2 (Oct. 16, 2024).

NESCOE may wish to consider specifying that the minimum need that all projects *must* address is to increase the Maine-New Hampshire and Surowiec-South interfaces, while defining the other three transmission needs as optional needs that projects *may* address.

Additionally, NESCOE should work with ISO-NE to structure the solicitation so that any projects that ISO-NE selects avoid and minimize impacts to communities, in particular environmental justice communities. To do so, the RFP must ensure that communities, and especially environmental justice communities, will be given the opportunity to provide meaningful input on projects early and often during the planning process.⁹ NESCOE and ISO-NE could prioritize selecting projects that avoid and minimize impacts to environmental justice communities by providing extra points to bids based on the extent to which they reduce such impacts. This is similar to the approach used by Massachusetts for its recent offshore wind procurements.¹⁰

Finally, because we must urgently expand the grid to meet the needs identified in the 2050 Transmission Study, NESCOE and ISO-NE should conduct the first transmission solicitation under LTTP Phase 2, as well as subsequent solicitations, as soon as possible. NESCOE should consider the possibility of initiating a second solicitation before the completion of the first. Because this would be the first solicitation conducted pursuant to LTTP Phase 2, to evaluate the success of the initial solicitation, NESCOE may intend to wait for the completion of the first solicitation before initiating a second solicitation. However, it may be possible to begin a second solicitation before the first one is completed once lessons have been learned from key stages of the first solicitation. Regardless, to address longer-term transmission needs in other sub-areas of New England, NESCOE should initiate a second solicitation as soon as possible.

We appreciate your consideration of these comments. Our organizations are committed to helping to ensure that the first solicitation under LTTP Phase 2 is a success and look forward to participating in the process as it moves forward.

⁹ States have adopted different definitions of environmental justice communities. See, e.g. M.G.L. c. 30, § 62, <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter30/Section62> and the MA EJ viewer, <https://mass-eoea.maps.arcgis.com/apps/webappviewer/index.html?id=1d6f63e7762a48e5930de84ed4849212>. NESCOE and ISO-NE could apply the definition of the state in which the project will be located. For multi-state projects, the definitions of the host states could be applied and for projects in states without definitions, the CEQ Climate and Economic Justice Screening Tool, <https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5>, and/or EPA EJ Screening Tool, <https://www.epa.gov/ejscreen>, could be used as tools for identifying environmental justice communities.

¹⁰ See Appendix J to the Massachusetts 83C-IV Offshore Wind RFP, <https://macleanenergy.com/wp-content/uploads/2023/08/83c-rd4-rfp-8.30.2023.pdf>.

Sincerely,

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