

197 FERC ¶ 61,042
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

ISO New England Inc.

Docket Nos. ER26-3533-000
ER26-3534-000

ORDER ACCEPTING TARIFF REVISIONS

(Issued October 16, 2026)

1. On August 17, 2026, pursuant to section 205 of the Federal Power Act (FPA)¹ and part 35 of the Commission's regulations,² ISO New England Inc. (ISO-NE), the New England Power Pool (NEPOOL) Participants Committee, and the Participating Transmission Owners Administrative Committee, on behalf of Participating Transmission Owners (PTO) (together, Filing Parties), jointly filed proposed revisions to Section II of the ISO-NE Transmission, Markets and Services Tariff (Tariff) and to the Transmission Operating Agreement (TOA)³ to establish ISO-NE as the region's Asset Condition Reviewer and the processes for ISO-NE to execute this new role.⁴ As

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2025).

³ Capitalized terms used but not defined in this filing are intended to have the meaning given to such terms in the TOA and the Tariff.

⁴ Filing Parties explain that the transmittal letter and attachments submitted in Docket No. ER26-3534-000 are the second part of a two-part contemporaneous submission to the Commission with Docket No. ER26-3533-000. Filing Parties explain that, due to technical limitations associated with the Commission's eTariff system, the Filing Parties were not able to submit the clean and marked changes to the TOA with the ISO-NE Tariff changes and other materials because the TOA is stored in a separate database from ISO-NE's Tariff. Filing Parties explain that, accordingly, the Commission should treat the submissions in Docket Nos. ER26-3533-000 and ER26-3534-000 as a single filing. Transmittal, Docket No. ER26-3533-000, at 2; Transmittal, Docket No. ER26-3534-000, at 2.

discussed below, we accept Filing Parties' proposed Tariff and TOA revisions, effective January 1, 2027, as requested.⁵

I. Background

2. In New England, Asset Condition Projects generally refer to PTO capital projects to replace or reconstruct aging, deteriorating, or obsolete transmission elements, which are undertaken to maintain the integrity of the system.⁶ Under the TOA, which describes the division of responsibilities between ISO-NE and the PTOs for managing the transmission system, the PTOs retain ownership of their Transmission Facilities and have the right and obligation to physically operate, repair, maintain, and replace those facilities.⁷ To meet these responsibilities, the PTOs monitor and evaluate their Transmission Facilities and undertake Asset Condition Projects to maintain the reliability and integrity of the transmission system.⁸ Asset Condition Projects may be warranted for a variety of reasons, such as to replace transmission infrastructure that has reached the end of its useful life due to exposure or damage or that consists of technology that has become unreliable or obsolete.⁹

3. Under the currently effective TOA and Tariff, ISO-NE reviews new or materially changed plans of PTO Transmission Facilities for any significant adverse effects upon transmission system stability, reliability, or operating characteristics resulting from such plans.¹⁰ ISO-NE also reviews PTO Transmission Cost Allocation applications to determine if any Asset Condition Project costs should be "localized," i.e., excluded from the Pool Supported Pool Transmission Facilities rate paid by regional transmission

⁵ See Appendix for tariff records accepted in this order.

⁶ See ISO-NE, *Transmission Owner Asset Management*, <https://www.iso-ne.com/system-planning/transmission-planning/transmission-owner-asset-management>.

⁷ See TOA, §§ 3.01(c), 3.06(a), 3.07(a)(v)-(vi), 3.08(f) (8.0.0).

⁸ Transmittal, Docket No. ER26-3533-000, at 9.

⁹ *Id.*

¹⁰ See Tariff, § I.3.9.1 (10.0.0).

customers.¹¹ ISO-NE also maintains an Asset Condition List that captures Asset Condition Projects, along with cost information, and updates the list three times a year.¹²

II. Filing

4. Filing Parties state that with the PTOs proposing a growing number of Asset Condition Projects to replace or reconstruct aging or deteriorating transmission infrastructure, investments in the asset condition category have increased. Filing Parties explain that New England states' and stakeholders' interest in additional visibility at early stages of Asset Condition Project development led to requests for additional review, and a strong desire in the region to have an independent entity, such as ISO-NE, develop a robust process for independent review of these projects.¹³

5. Filing Parties explain that the proposed Asset Condition Reviewer role is an entirely new function for ISO-NE and is separate and distinct from ISO-NE's existing roles and responsibilities under the TOA and Tariff.¹⁴ Filing Parties state that ISO-NE engaged extensively with the New England states, PTOs, and stakeholders to inform the framework for the Asset Condition Reviewer role.¹⁵ Filing Parties note that the proposed revisions received unanimous support from the New England states, PTOs, consumer advocates, and other stakeholders at NEPOOL.

6. Filing Parties explain that, under the new Asset Condition Reviewer function as specified in the TOA, ISO-NE will provide independent review of PTO Asset Monitoring and Evaluation Practices,¹⁶ Asset Condition Projects, and Asset Condition Project

¹¹ See *id.*, § II, Sched. 12C, Determination of Localized Costs on and After January 1, 2004 at 1 (3.0.0).

¹² ISO-NE, *Regional System Plan and Related Analyses*, <https://www.iso-ne.com/system-planning/system-plans-studies/rsp/>.

¹³ Transmittal, Docket No. ER26-3533-000, at 11.

¹⁴ *Id.* at 12, 14.

¹⁵ *Id.* at 13.

¹⁶ Asset Monitoring and Evaluation Practices refer to a PTO's asset monitoring and evaluation guides, procedures, processes, and practices that lead to the identification for the need, and development, of Asset Condition Projects including, but not limited to any documentation covering asset strategy guides, inventories, inspections, risk assessment, and prioritization. TOA, Schedule 1.01 (Schedule of Definitions) (9.0.0).

Programs.¹⁷ Filing Parties explain that the Asset Condition Reviewer's objectives will be to examine the submitted Asset Condition Projects and Asset Condition Project Programs to: (1) ensure that the PTO has sufficiently demonstrated the technical need for reconstruction or replacement of existing Pool Transmission Facilities; (2) ensure that cost-effectiveness is an integral part of the PTO's solution development; and (3) provide comprehensive reporting on its reviews and conclusions in a timely manner.¹⁸

7. To meet these objectives, Filing Parties further explain that the Asset Condition Reviewer will perform three primary functions: (1) review and report to the ISO-NE Planning Advisory Committee¹⁹ on PTO Asset Monitoring and Evaluation Practices, identify variations and inefficiencies, and facilitate consideration of improvements and best practices; (2) review and report its conclusions on individual Asset Condition Projects to the ISO-NE Planning Advisory Committee, including projects that implement NERC Reliability Standard CIP-014 mitigation plans, and Asset Condition Project Programs that meet specified thresholds; and (3) provide annual and periodic reporting to the ISO-NE Planning Advisory Committee on various asset condition-related matters.²⁰ Filing Parties add that, in order to provide ISO-NE with all of the relevant information, the proposed revisions revise the TOA to provide ISO-NE with access to PTO-equipment level information.²¹

8. Filing Parties add that, under this structure, the PTOs will continue to plan, develop, own, and maintain their Transmission Facilities, consistent with their rights and

¹⁷ An Asset Condition Project Program is a collection of Asset Condition Projects that address a common, documented asset condition need across multiple transmission facilities of a similar type, class, vintage, design, manufacturer, or failure mode. An Asset Condition Project Program has a known and defined scope and is limited to assets that share the same underlying condition-based drivers, including, but not limited to, asset condition assessments, end-of-life milestones, systemic deterioration, or equipment obsolescence. *Id.*

¹⁸ Transmittal, Docket No. ER26-3533-000, at 15.

¹⁹ The ISO-NE Planning Advisory Committee is an open stakeholder forum that provides input and feedback to ISO-NE concerning the regional system planning process, including the development of and review of Needs Assessments, the conduct of Solutions Studies, the development of the Regional System Plan, and updates to the Regional System Plan Project List. Tariff, § II, attach. K (Regional System Planning Process) (34.0.0), § 2.2.

²⁰ Transmittal, Docket No. ER26-3533-000, at 15, 20-21, 28.

²¹ *Id.* at 22.

obligations under the TOA. Filing Parties note that, because the Asset Condition Reviewer function is separate and distinct from other transmission planning activities, it will not impact or change existing processes under the Tariff, such as significant adverse impact reviews or transmission cost allocation reviews.²²

9. Filing Parties state that review of individual Asset Condition Projects and Asset Condition Project Programs will be a core function of the Asset Condition Reviewer.²³ Filing Parties note that only Asset Condition Projects or Asset Condition Project Programs that meet specified thresholds will be subject to review. For Asset Condition Projects, Filing Parties explain that the Asset Condition Reviewer will review projects where the PTO forecasts Pool Transmission Facilities costs are greater than or equal to \$25 million on an individual line or at a single station or substation over a period of five years or less. For Asset Condition Project Programs, the Asset Condition Reviewer will review all programs where: (a) the PTO forecasts the proposed program will have Pool Transmission Facilities costs greater than or equal to \$100 million, or (b) the Asset Condition Project Program meets the following three conditions: (1) impacts 15% or more of the PTO's Pool Transmission Facilities lines or substations; (2) includes PTO forecasted Pool Transmission Facilities costs greater than \$5 million for work on any individual transmission line, station, or substation; and (3) is forecasted by the PTO to cost greater than or equal to \$25 million over a period of five years or less.²⁴

10. Filing Parties explain that, for Asset Condition Projects and Asset Condition Project Programs that trigger the review thresholds, the Asset Condition Reviewer will examine the asset condition that the PTO identified and confirm whether the PTO adequately evaluated and provided sufficient evidence to support the need for the Asset Condition Project or Asset Condition Project Program. Filing Parties add that the Asset Condition Reviewer will also examine and confirm whether the PTO adequately explored, developed, and established alternatives to address the identified need, as well as evaluate and provide its conclusions on the preferred solution that the PTO selects and its rationale.²⁵

11. Filing Parties note that, as part of the implementation of the function, ISO-NE will establish a new group within its System Planning Department that will perform the work

²² *Id.* at 14-15.

²³ *Id.* at 21.

²⁴ *Id.* at 29.

²⁵ *Id.* at 21.

and provide regular reporting to the Board of Directors' System Planning and Reliability Committee on the asset condition process.²⁶

12. Filing Parties note that the proposed Tariff revisions incorporate the same three-step review process for individual Asset Condition Projects and Asset Condition Project Programs: need review, solution and alternatives review, and reporting.²⁷ Filing Parties further explain that each step in the process involves information collection, analysis, and reporting, and that as designed, the process provides for early engagement to allow time for course correction based on feedback from the Asset Condition Reviewer and stakeholders through the Planning Advisory Committee.²⁸ Filing Parties explain that, to ensure transparency and provide meaningful opportunity for engagement, the Asset Condition Review Process will be conducted through an open, transparent process, like the Regional System Planning Process, with the Planning Advisory Committee serving as the primary forum for stakeholder input at multiple stages of the review process.

13. Filing Parties state that the proposed revisions incorporate the following conditions in the TOA: (1) the PTOs will indemnify ISO-NE for any liability related to ISO-NE's reviewer role on Asset Condition Projects, except for ISO-NE's gross negligence or willful misconduct; (2) the Asset Condition Reviewer role is advisory and will not make decisions about whether to proceed with specific Asset Condition Projects, nor will it be the petitioning party in any local, state, or federal regulatory or siting proceeding concerning an Asset Condition Project; and (3) the Asset Condition Reviewer will not make a legal finding on or issue an opinion on the question of whether the costs of any given Asset Condition Project are prudent.²⁹ Filing Parties add that the New England states and transmission owners have agreed to these conditions.

14. Filing Parties request that the Commission accept the proposed revisions, without modification or condition, to be effective January 1, 2027, which is more than 120 days after filing. Filing Parties accordingly request waiver of the Commission's prior notice requirements, contending that sufficient time is needed to develop the internal structure to support the role, including hiring additional staff with specialized skills and knowledge, and developing the necessary documentation to support the work prior to the effective date.³⁰

²⁶ *Id.* at 15.

²⁷ *Id.* at 16, 30.

²⁸ *Id.* (citing Testimony of Alan McBride and Fatou Dieng at 35-41).

²⁹ *Id.* at 12, 19-20.

³⁰ *Id.* at 6. Filing Parties have assigned an effective date of October 17, 2026, to one of the non-substantive eTariff records submitted with this filing (in metadata only) in order

III. Notice of Filing and Responsive Pleadings

15. Notice of the Filing Parties' filing was published in the *Federal Register*, 91 Fed. Reg. 53854 (Aug. 20, 2026), with interventions, comments, and protests due on or before September 8, 2026.

16. Advanced Energy United (AEU); Avangrid Networks, Inc.; Connecticut Office of Consumer Counsel; Conservation Law Foundation (CLF); Edison Electric Institute; Environmental Defense Fund (EDF); Eversource Energy Service Company; Massachusetts Attorney General; National Grid; New England States Committee on Electricity (NESCOE); New Hampshire Office of the Consumer Advocate; Public Systems;³¹ Rhode Island Division of Public Utilities and Carriers; Rhode Island Energy; and Versant Power filed timely motions to intervene in Docket Nos. ER26-3533-000 and ER26-3534-000. New Hampshire Department of Energy and Public Citizen, Inc. filed a timely motion to intervene in Docket No. ER26-3533-000.

17. Maine Office of the Public Advocate (Maine OPA), AEU, NESCOE, Public Systems, and Identified New England Consumer Advocates³² filed comments in support of Filing Parties' proposal. EDF and CLF jointly filed supporting comments. On September 28, 2026, ISO-NE filed an answer to AEU's comments. On October 6, 2026, AEU filed an answer in response to ISO-NE's answer.

18. In its comments, Maine OPA contends that the Asset Condition Reviewer Proposal will provide increased transparency and oversight regarding PTO investment decisions and urges the Commission to accept the Asset Condition Reviewer Proposal as just and reasonable.³³ EDF and CLF contend that the proposal for ISO-NE to act as Asset Condition Reviewer will help increase the transparency, accountability, and affordability of the region's energy system.³⁴ Consumer Advocates contend that the

to effectuate Commission action by this date. Transmittal, Docket No. ER26-3533-000, at 6.

³¹ Public Systems consists of: Connecticut Municipal Electric Energy Cooperative, Massachusetts Municipal Wholesale Electric Company, New Hampshire Electric Cooperative, Inc., and Vermont Public Power Supply Authority.

³² Identified New England Consumer Advocates consists of: Massachusetts Attorney General, New Hampshire Office of the Consumer Advocate, Connecticut Office of Consumer Counsel, and Rhode Island Division of Public Utilities and Carriers.

³³ Maine OPA Comments at 1-3.

³⁴ EDF and CLF Comments at 1-2, 5.

Asset Condition Reviewer and the information and oversight it provides will introduce a much-needed layer of scrutiny.³⁵ AEU states that designating ISO-NE as the Asset Condition Reviewer would improve visibility into project need, scope, alternatives, and cost drivers; promote greater consistency across the region; support energy affordability; and provide stakeholders, states, and the Commission with better information to evaluate proposed transmission investments.³⁶

19. While all commenters support the proposal, some commenters mention that: (1) as the Asset Condition Reviewer, ISO-NE will not address the prudence of any particular project;³⁷ (2) the process to address concerns around Asset Condition Projects will not be complete until ISO-NE's right-sizing process under Order No. 1920 has been implemented;³⁸ (3) ISO-NE should consider whether the Asset Condition Reviewer role can incorporate right-sizing in the future; and (4) the Commission and the states in ISO-NE should track certain metrics to measure the effectiveness of the Asset Condition Reviewer.³⁹

20. In its answer, ISO-NE states that nothing in AEU's comments indicates that AEU takes issue with the proposed revisions or suggests that the changes are in any way unjust and unreasonable.⁴⁰ ISO-NE contends that AEU's comments advocate for additional measures beyond those presented in these proceedings filed pursuant to FPA section 205.⁴¹

³⁵ Identified New England Consumer Advocates Comments at 10-11.

³⁶ AEU Comments at 1-2.

³⁷ Identified New England Consumer Advocates Comments at 8-9.

³⁸ Maine OPA Comments at 3 (citing *Bldg. for the Future Through Elec. Reg'l Transmission Plan. & Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068, *order on reh'g & clarification*, Order No. 1920-A, 189 FERC ¶ 61,126 (2024), *order on reh'g & clarification*, Order No. 1920-B, 191 FERC ¶ 61,026 (2025)); AEU Comments at 11.

³⁹ AEU Comments at 11-12.

⁴⁰ ISO-NE Answer at 3.

⁴¹ *Id.*

21. AEU submitted an answer stating that any topics raised in its comments that are out of scope in this proceeding are not conditions on its support for the Asset Condition Reviewer, but rather are opportunities to keep in mind for future discussion.⁴²

IV. Discussion

A. Procedural Matters

22. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

23. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2025), prohibits an answer to an answer unless otherwise ordered by the decisional authority. We accept ISO-NE and AEU's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

24. For the reasons discussed below, we accept Filing Parties' proposed revisions to the Tariff and TOA, effective January 1, 2027, as requested.⁴³ We find Filing Parties' proposal to establish ISO-NE as the Asset Condition Reviewer to be just and reasonable. In its role as Asset Condition Reviewer, ISO-NE will provide independent review and oversight of Asset Condition Projects and transmission owners' practices for monitoring and evaluating Asset Condition Projects. Among other things, ISO-NE will examine the technical need for the project, the cost-effectiveness of the solution, and potential alternatives. ISO-NE will also provide regular reports to stakeholders. Taken together, we find that the proposed functions of the Asset Condition Reviewer will help bring greater visibility into the need for and planning of Asset Condition Projects in ISO-NE. This additional transparency may also provide greater confidence to stakeholders on the need for and cost-effectiveness of Asset Condition Projects. We further find that the proposed conditions on the Asset Condition Reviewer role are just and reasonable because they clarify the limitations on ISO-NE's role as Asset Condition Reviewer. Finally, we find just and reasonable Filing Parties' proposed revisions that establish the process for ISO-NE to execute its role as Asset Condition Reviewer. The proposed process will provide the opportunity for states and stakeholders to provide more input at

⁴² AEU Answer at 3.

⁴³ We grant Filing Parties' request for waiver of the 120-day notice requirement for good cause shown. 18 C.F.R. § 35.3(a)(1). Filing Parties have also requested an October 17, 2026 effective date for one non-substantive Tariff record, which we accept effective as of that date.

earlier stages of Asset Condition Project development and help to ensure that planned Asset Condition Projects and Asset Condition Project Programs are cost-effective.

25. We note that several commenters discuss further reforms or recommended practices related to Asset Condition Projects. However, we find that those issues are beyond the scope of this FPA section 205 proceeding, which solely addresses Filing Parties' proposal to establish ISO-NE as the Asset Condition Reviewer.

The Commission orders:

Filing Parties' proposed revisions to the Tariff and TOA are hereby accepted, effective January 1, 2027, as discussed in the body of this order.

By the Commission. Commissioner Rosner is concurring with a separate statement attached.

Commissioner Chang is concurring with a separate statement attached.

(S E A L)

Carlos D. Clay,
Deputy Secretary.

Appendix – Tariff Records

Docket No. ER26-3533-000

ISO New England Inc.
ISO New England Inc. Transmission, Markets and Services Tariff

Effective October 17, 2026

- [Section II Title Page, Section II Title Page \(1.0.0\)](#)

Effective January 1, 2027

- [Section II TOC, Section II Table of Contents \(20.0.0\)](#)
- [Attachment R, Asset Condition Review Process \(0.0.0\)](#)

Docket No. ER26-3534-000

ISO New England Inc.
ISO New England Inc. Agreements and Contracts

Effective October 17, 2026

- [Reserved for Future Use, Reserved \(2.0.0\)](#)

Effective January 1, 2027

- [TOA, Transmission Operating Agreement \(9.0.0\)](#)

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England, Inc.

Docket Nos. ER26-3533-000
ER26-3534-000

(Issued October 16, 2026)

ROSNER, Commissioner, *concurring*:

1. I write separately to commend ISO-NE on this first-of-its-kind proposal, which will bring much needed transparency to asset condition transmission projects across the region.
2. States and consumer advocates have long voiced concerns about the need for additional transparency and scrutiny of these utility-planned projects,¹ and ISO-NE listened. In the context of growing demand and an aging electric grid, building trust and confidence in the need for infrastructure will only serve to expedite permitting and improve the likelihood that projects are ultimately constructed.²
3. Here, ISO-NE worked constructively with stakeholders and the New England states to develop an uncontested proposal that advances those objectives. I call on other regions to take note of this model and the spirit of collaboration that made it possible.

For these reasons, I respectfully concur.

David Rosner
Commissioner

¹ See e.g., *The Connecticut Light & Power Co.*, 196 FERC ¶ 61,150 (2026).

² *Id.* (Rosner, Comm’r, concurring, at P 2).

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

ISO New England Inc.

Docket Nos. ER26-3533-000
ER26-3534-000

(Issued October 16, 2026)

CHANG, Commissioner, *concurring*:

1. In today's order, the Commission accepts tariff revisions that establish a new role for ISO New England Inc. (ISO-NE) as the region's Asset Condition Reviewer and set forth the procedures that the Asset Condition Reviewer will follow. In this role, ISO-NE will provide independent technical analysis to stakeholders on asset condition transmission projects, which replace or reconstruct aging, deteriorating, or obsolete transmission elements.¹ I write separately today to commend the New England stakeholders on their collaborative development of this important new role for the region and to urge others to adopt similar processes that will provide transparency into these types of transmission projects.

2. Through the Asset Condition Reviewer role, ISO-NE will provide stakeholders with an unbiased and expert review of the need for new asset condition transmission projects, as well as a review of potential alternative solutions. Specifically, the Asset Condition Reviewer's objectives will be to: (1) ensure that the relevant transmission owner has sufficiently demonstrated the technical need for reconstruction or replacement of existing transmission facilities; (2) ensure that cost-effectiveness is an integral part of the development of potential transmission solutions to address the identified technical need; and (3) provide comprehensive reporting on the Asset Condition Reviewer's assessments and conclusions in a timely manner.² Through this role, ISO-NE will provide stakeholders with the necessary technical expertise by evaluating proposed asset

¹ *ISO New England Inc.*, 197 FERC ¶ 61,042, at P 2 (2026).

² *Id.* P 6; *see also* Proposed ISO-NE, Transmission, Mkts. & Servs. Tariff, § II, Attach. R (Asset Condition Review Process) (0.0.0), § 3(a)(ii) (stating that the Asset Condition Reviewer's role is "...examining and providing conclusions on whether the PTO [Participating Transmission Owner] adequately evaluated and provided sufficient evidence consistent with Good Utility Practice to establish the need for the ACP [Asset Condition Project] or ACP Program, and adequately explored alternatives to that need; and examining and providing conclusions on the preferred solution selected by the PTO and the PTO's rationale for the preferred solution.")

condition transmission projects and the transmission system surrounding the location of the proposed projects.

3. The Asset Condition Reviewer proposal was jointly developed and proposed by the New England transmission owners, ISO-NE, and the New England Power Pool Participants Committee. Stakeholder groups from across New England also filed letters of support in the docket. I call on other regions to create arrangements similar to the Asset Condition Reviewer that New England has established. Doing so will benefit consumers and stakeholders. Finally, as ISO-NE gains experience in this role, I encourage ISO-NE and others who may develop a similar role in their regions to consider whether to extend this expert review and assessment role to consider other types of local transmission projects, beyond what New England categorizes as asset condition projects.

For these reasons, I respectfully concur.

A handwritten signature in cursive script, appearing to read "Judy Chang", with a long horizontal flourish extending to the right.

Judy W. Chang
Commissioner