



Keene Road Market Efficiency Transmission Upgrade

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Purpose

- To solicit feedback on the ISO's initial recommendation regarding a potential Market Efficiency Transmission Upgrade (METU) in the Keene Road area



Background

- In the fall of 2016, ISO-NE completed an assessment of the potential for a METU in the Keene Road Area. This assessment considered:
 - Period from 2020 to 2030
 - Multiple transfer limits (existing – 165 MW, 195 MW, 225 MW, and 255 MW)
- Final assessment results located at: [https://www.iso-ne.com/static-assets/documents/2016/12/2016 keene rd metu needs assessment final 1.pdf](https://www.iso-ne.com/static-assets/documents/2016/12/2016_keene_rd_metu_needs_assessment_final_1.pdf)



Production Cost Results Summary*

- New England production cost savings range from \$1.35M per year to \$1.38M per year when the Keene Road Export limit increases from 165 MW to 195 MW
 - Yearly production cost savings averaged \$1.37M over the 10 year period
- Further relieving the Keene Road Export interface beyond 195 MW results in very small annual system-wide production cost savings
 - New England production cost savings range from \$0.10M to \$0.18M per year when the Keene Road Export limit is increased from 195 MW to 225 MW
 - Increasing the Keene Road Export limit from 225 MW to 255 MW does not result in additional production cost savings

*Information taken from slide 9 of the Keene Road Market Efficiency Transmission Upgrades Final Needs Assessment, https://www.iso-ne.com/static-assets/documents/2016/12/2016_keene_rd_metu_needs_assessment_final_1.pdf



Initial Recommendation

- Review of the “RNS Rate Effective June 1, 2016 presentation from the August TC meeting*” shows that annual carrying charges for the incumbent Transmission Owners range from 13.17% (Eversource – NSTAR) to 19.67% (New Hampshire Transmission)
- Using this information, a reasonable range for the upper bound of total project cost is between \$7.0M and \$10.4M
- Previous reviews of potential upgrades necessary to relieve this interface showed costs above these thresholds, which would not qualify as a METU
- Based on stakeholder feedback to date, and given that it appears unlikely that a project could meet the METU test (in which case no need would exist), ISO-NE’s initial recommendation is not to proceed with an RFP
- ISO-NE is looking for any additional feedback today
- Written comments may be submitted to PACmatters@iso-ne.com by February 17, 2017

*https://www.iso-ne.com/static-assets/documents/2016/08/2016_08_09_10_tc_a02_fct.pptx



Next Steps

- ISO-NE will report a final decision at either the March or April PAC meetings



Questions

