

Non-Transmission Alternative Analysis:
New England's Regional Framework

FERC/NARUC
Emerging Issues Collaborative Panel

New England States Committee on Electricity
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NTA Framework Background & Objectives

Background: In September 2011, states expressed collective intent to obtain from transmission owners (TOs) non-transmission alternative (NTA) analysis earlier in the planning process than occurs today, which is typically at the end of the planning process – the siting phase. Earlier analysis will help ensure there is no bias in timing between resource type. The states also expressed interest in more uniform analysis from TOs across the region than TOs produce today.

OBJECTIVES

1. To obtain NTA analysis at a point in time in the regional planning process where such analysis provides more practical value to states & market participants than the alternative analysis TOs produce today does.
2. To make state siting processes more efficient by reducing need for states to ask TOs for additional analysis during siting proceedings
3. To obtain more uniform alternative analysis across the region
4. To conduct NTA analyses in an open & transparent process

NTA Framework – Elements

NTA Framework identifies elements of TO's NTA analysis & process in a template for common application across New England. It assumes adaptation to state-by-state requirements and/or preferences.

- NTA Assumptions
- Load Forecast Requirements
- Demand Response Potential
- Generation Resources
- Market Analytics Input
- NTA Solution Design
- Hybrid Solutions
- Economic Analysis
- Policy Considerations

The NTA Framework is at this link: http://www.nescoe.com/Planning_Analysis.html

What the NTA Framework is Not

- Not to disrupt the region's general reliance on markets to select & fund resources to meet needs
- Not to elongate the transmission planning & siting process. To the contrary, more information earlier in the process will make the siting processes more efficient (reduce requests for further analysis at that late stage & provide timely information to stakeholders)
- Not to create new cost allocation mechanisms
- Not to duplicate ISO-NE Market Resource Alternative analysis. Role & scope of NTA analysis revisited as ISO-NE Market Resource Alternative analysis moves along

Connection to ISO-NE Strategic Planning Initiative

- In October 2011, ISO-NE indicated its intent to conduct Market Resource Analysis (MRA) on a going forward basis in connection with major transmission facility proposals. ISO-NE has also proposed to align markets & planning. The states are very supportive of this effort
- Final form of MRA analysis is unknown – ISO-NE is running “pilots”. Further, the design & implementation of market rules to align planning & markets is down the road
- At some point, the MRA analysis & associated market rule changes may supplant the need for some or most NTA analysis. ISO-NE does not, however, intend to conduct *economic analysis* of MRAs or NTAs; the TOs will continue to produce that to satisfy state siting needs irrespective of when & how ISO-NE’s MRA analysis is fully implemented

Next Steps

Each State:

- Modify NTA Framework template, if and as needed, to comply with specific state requirements and/or preferences
- Identify appropriate process to implement NTA Framework, including stakeholder input opportunities
- Work with other states to develop common threshold criteria for project that require NTA analyses
- Send NESCOE a description of state's enabling rules and statutes for NESCOE to compile in order to help all states understand the threshold differences between states that may need to be addressed

NESCOE:

- Assist states in sharing information on implementation and consistency across the region
- Monitor development and implementation of ISO New England MRA Analysis and associated market rule changes to determine whether modifications to the NTA Framework analysis are warranted