

To: PAC Matters
From: NESCOE
Re: Right-sizing Transmission Projects
Date: April 11, 2022

Background

On January 20, 2022, VELCO presented to the Planning Advisory Committee (PAC) its proposed asset maintenance project for the K42 line.¹ In the presentation, VELCO proposed replacing the conductor with a double bundled 1272 ACSR configuration instead of replacing the conductor with 1351 ACSS as would be typical for this type of project, at an increased cost of \$6.39 million. VELCO pointed to several factors that justified the increased expenditure, including loss reductions and increased system strength. The PAC overwhelmingly supported the project as proposed by VELCO. In a January 26, 2022 memo, ISO-NE stated it would support the project in response to the PAC’s input.² ISO-NE further stated that “... it is unclear how the [ISO-NE] should approach requests for extra transmission system expenditures aimed at potential future needs in a consistent way.” ISO-NE invited feedback generally in this area, concluding that it “looks forward to future discussion at the PAC regarding considerations for preparing the system for the future.”

NESCOE Request

NESCOE understands ISO-NE’s interest in further direction on how to approach similar situations that come before the PAC or in other transmission planning processes. The central issue raised — whether and to what extent to “right-size” transmission to account for broader potential needs — will arise more often in the future as the region considers transmission expansion to account for clean energy resources and state decarbonization requirements. For example, as ISO-NE works with states and stakeholders to consider next steps in the transmission planning process after discussion of the results of the 2050 Transmission Study, a conversation about “right-sizing” projects for future anticipated needs would be timely.³

¹ https://www.iso-ne.com/static-assets/documents/2022/01/a4_velco_k42_transmission_line_replacement_project.pdf.

² https://www.iso-ne.com/static-assets/documents/2022/01/velco_asset_condition_project_k42_transmission_line_replacement.pdf.

³ As the VELCO presentation notes, discussions around more holistic planning approaches may also be timely in light of FERC’s emphasis on this concept in its 2021 ANOPR, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection, Advance Notice of Proposed Rulemaking*, 176 FERC ¶ 61,024 (2021), and any subsequent FERC action in this area.

Prior to the ANOPR, NESCOE presented to PAC a concept—Overlay Network Expansion (“ONE”) Transmission—that similarly described a potential mechanism to de-silo the transmission planning process and consider how to optimize projects to capture multiple benefits. See https://www.iso-ne.com/static-assets/documents/2021/04/a5_nescoe_overlay_network_expansion_transmission_concept_for_discussion.pdf.

Therefore, NESCOE is requesting that ISO-NE include in its 2023 Work Plan an allocation of resources to develop standards or guidelines for right-sizing future transmission projects, including asset condition and reliability projects.

We note that the 2050 Transmission Study is scheduled to be complete by the end of 2022, and it may be possible to use the results from the study to inform which future projects may be appropriate for upsizing. While all upgrades that are indicated in the 2050 Transmission Study may not be appropriate for immediate action, there may be some that are obvious “low-hanging fruit.”

We appreciate ISO-NE raising the need for this discussion. It is particularly timely given the anticipated need to integrate significant levels of clean energy resources as set out in Vision Statement, and the pace of asset replacement projects in New England. We look forward to working with ISO-NE and stakeholders on this important effort.

Further discussion of ONE Transmission could also be timely depending on FERC’s next step on the ANOPR and in light of issues raised here.