

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Transmission System Planning Performance     )  
Requirements for Extreme Weather             )

Docket No. RM22-10-000

**COMMENTS OF THE  
NEW ENGLAND STATES COMMITTEE ON ELECTRICITY**

Pursuant to the Notice of Proposed Rulemaking issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) on June 16, 2022 (“NOPR”),<sup>1</sup> the New England States Committee on Electricity (“NESCOE”) files comments on the Commission’s proposal to direct the North American Electric Reliability Corporation (“NERC”) to submit revisions to its mandatory reliability standards “that address concerns pertaining to transmission system planning for extreme heat or cold weather events that impact the reliable operation of the Bulk-Power System.”<sup>2</sup>

**I. DESCRIPTION OF COMMENTER**

NESCOE is the Regional State Committee for New England. It is governed by a board of managers appointed by the Governors of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont and is funded through a regional tariff that ISO New England Inc. (“ISO-NE”) administers.<sup>3</sup> NESCOE’s mission is to represent the interests of the citizens of the New England region by advancing policies that will provide electricity at the

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<sup>1</sup> *Transmission System Planning Performance Requirements for Extreme Weather*, Notice of Proposed Rulemaking, 179 FERC ¶ 61,195 (2022).

<sup>2</sup> *Id.* at P 1 (citations omitted).

<sup>3</sup> *ISO New England Inc.*, 121 FERC ¶ 61,105 (2007).

lowest possible price over the long term, consistent with maintaining reliable service and environmental quality.<sup>4</sup> These comments represent the collective view of the six New England states.

## II. INTRODUCTION

The NOPR responds to “the urgency of addressing the negative impact of extreme weather on the reliability of the Bulk-Power System,” exercising the Commission’s authority under section 215 of the Federal Power Act (“FPA”) to propose that NERC develop new mandatory standards “to improve system planning specifically for extreme heat and cold weather events.”<sup>5</sup> As support for its proposed new planning requirements, the Commission identifies major extreme heat and cold weather events that led to load shedding or presented substantial challenges to maintaining the reliability of the bulk power system.<sup>6</sup> The NOPR draws a connection between climate change and an increasing frequency of extreme weather events and their severity.<sup>7</sup> Commissioner Clements is direct on this point, stating that “climate change poses a severe reliability threat to the bulk electric system.”<sup>8</sup>

The reliability of the electric grid is, of course, paramount. NESCOE understands that ISO-NE is already required to model certain extreme weather scenarios pursuant to Northeast

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<sup>4</sup> See Sept. 8, 2006 NESCOE Term Sheet (“Term Sheet”) that was filed for information as Exhibit A to the Memorandum of Understanding among ISO-NE, the New England Power Pool (“NEPOOL”), and NESCOE (the “NESCOE MOU”). Informational Filing of the New England States Committee on Electricity, Docket No. ER07-1324-000 (filed Nov. 21, 2007). Pursuant to the NESCOE MOU, the Term Sheet is the binding obligation of ISO-NE, NEPOOL, and NESCOE.

<sup>5</sup> NOPR at P 36. See also *id.* at P 1 (citing to section 215(d)(5) of the FPA, 16 U.S.C. § 824o(d)(5)).

<sup>6</sup> *Id.* at PP 4, 24-33.

<sup>7</sup> *Id.* at PP 34-35.

<sup>8</sup> *Id.* (Clements, Comm’r, concurring (“Clements Concurrence”) at P 30).

Power Coordinating Council (“NPCC”) transmission planning standards.<sup>9</sup> Consistent with these existing practices in New England, NESCOE generally supports the NOPR as a step toward providing visibility into the potential implications of extreme hot and cold weather on reliable system operations and, in turn, the approaches available to transmission planners, planning coordinators, and operators to address the potential for cascading outages and other impacts on electric power facilities.

NESCOE’s comments focus primarily on the actions that transmission planners and planning coordinators would take if performance requirements are not met—*i.e.*, “corrective action plans.” While NESCOE generally agrees that responsible entities should have flexibility in fashioning corrective action plans,<sup>10</sup> as discussed below, it is critical that those plans: (i) are informed by state officials’ perspectives, (ii) fully consider different approaches for mitigating deficiencies, and (iii) are accompanied by a detailed explanation of how various options were considered and why certain actions are given priority over others. NESCOE respectfully requests that the Commission include these components of a corrective action plan in any final rule resulting from this proceeding.

NESCOE also expresses its general agreement that additional work beyond the planning standards reforms reflected in the NOPR is needed to promote system reliability.<sup>11</sup> NESCOE has encouraged ISO-NE to explore energy and ancillary services enhancements to support our

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<sup>9</sup> See NPCC Reliability Reference Directory # 1: Design and Operation of the Bulk Power System, R. 9 (“Each Transmission Planner and Planning Coordinator shall assess the impact of extreme system conditions, one condition at a time, subject to **contingencies** as listed in the ‘Extreme System Conditions’ category of Table 2”) (emphasis in original), available at <https://www.npcc.org/content/docs/public/program-areas/standards-and-criteria/regional-criteria/directories/directory-01-design-and-operation-of-the-bulk-power-system.pdf>. Table 2 includes “Peak load conditions resulting from extreme weather” as an “Extreme System Condition.”

<sup>10</sup> See NOPR at P 84.

<sup>11</sup> See Clements Concurrence at PP 26-27, 30; NOPR (Phillips, Comm’r, concurring (“Phillips Concurrence”) at PP 1, 11).

region's transition to a decarbonized grid.<sup>12</sup> That work, currently ongoing through ISO-NE's Future Grid Reliability Study<sup>13</sup> and other initiatives,<sup>14</sup> must remain a priority and NESCOE appreciates ISO-NE's commitment to these efforts.

### III. COMMENTS

#### A. Any Final Rule Should Require Consultation with States on Corrective Actions Plans

In her concurrence, Commissioner Clements describes how a responsible entity's consultation with states in the development of a corrective action plan is important to the success of the planning standard proposed in this proceeding.<sup>15</sup> NESCOE agrees. As Commissioner Clements correctly observes, "many components of such plans could be state jurisdictional."<sup>16</sup> This includes energy efficiency and demand response measures that avoid the siting challenges of other potential solutions and may be materially more cost-effective. Such consultation may also assist state officials in gaining a closer understanding of the cost implications of various approaches and, therefore, better insight into the considerations and tradeoffs inherent in the options available.

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<sup>12</sup> See *NESCOE Observations on the Pathways Study: Holistic market reforms needed for a clean, reliable, affordable 21st century power grid* (May 6, 2022), available at <https://nescoe.com/resource-center/pathways-observations-may-2022/>; *New England Energy Vision Statement: Report to the Governors – Advancing the Vision* (June 2021), at 6-7, available at [https://nescoe.com/resource-center/advancing\\_the\\_vision/](https://nescoe.com/resource-center/advancing_the_vision/).

<sup>13</sup> An anticipated Phase 2 of the Future Grid Reliability Study is expected to assess revenues that new and existing resources would earn from existing markets to identify gaps in revenue sufficiency and, consequently, market changes needed for reliable system operations. Updates on this study are available at <https://www.iso-ne.com/committees/key-projects/new-englands-future-grid-initiative-key-project/>.

<sup>14</sup> ISO-NE has announced a series of priority market initiatives it will be pursuing over the next three years. See ISO-NE, 2022-2025 Roadmap to the Future Grid, NEPOOL Participants Committee Summer Meeting, June 21-23, 2022, at Slides 3-6 (PDF pp. 16-19), available at [https://nepool.com/wp-content/uploads/2022/06/NPC\\_20220621\\_0623\\_Composite4.pdf](https://nepool.com/wp-content/uploads/2022/06/NPC_20220621_0623_Composite4.pdf).

<sup>15</sup> Clements Concurrence at PP 4, 7, 10.

<sup>16</sup> *Id.* at P 10.

Moreover, given the possibility that corrective action plans could include load shedding, it is appropriate to elevate the role of state officials in this process. In the Commission’s separate rulemaking issued earlier this year on regional transmission reform, Commissioner Christie succinctly described the special position that states occupy in transmission planning decisions: “. . . states are not just ‘stakeholders.’ State regulators have the duty to act in the *public interest* and states alone are sovereign authorities with inherent police powers to regulate utilities through their designated state officers. The FPA itself explicitly recognizes state authority.”<sup>17</sup> Indeed, in that proceeding, the Commission proposes to require public utility transmission providers to coordinate with states across a spectrum of activities involved in the contemplated long-term regional transmission planning process.<sup>18</sup> This includes roles for states on the selection criteria for public policy-driven projects and cost allocation for those projects.<sup>19</sup>

The mechanics of responsible entities consulting with states on corrective action plans in connection with the proposed NERC standard should be straightforward. Responsible entities can use existing stakeholder processes to invite feedback during relevant meetings as well as written input as plans are being developed and finalized. In New England, NESCOE expects that this would be done through the Planning Advisory Committee (“PAC”), which is open to the public and includes regular discussion on transmission planning activities and ISO-NE’s assessments of system needs and solutions.<sup>20</sup> Additionally, consultation through the PAC could

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<sup>17</sup> *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Notice of Proposed Rulemaking, 179 FERC ¶ 61,028 (2022) (“Regional Transmission NOPR”) (Christie, Comm’r, concurring at P 13) (emphasis in original).

<sup>18</sup> *See, e.g.*, Regional Transmission NOPR at P 56.

<sup>19</sup> *See, e.g., id.* at PP 241, 244, 303.

<sup>20</sup> *See* <https://www.iso-ne.com/committees/planning/planning-advisory/>.

be supplemented, as needed, through the creation of a working group or special advisory committee.<sup>21</sup>

NESCOE also agrees with Commissioner Phillips that a more formal structure could be helpful in fostering coordination among FERC, NERC, states, and others on the intersection and implications of extreme weather and reliability.<sup>22</sup> The Joint Federal-State Task Force on Electric Transmission has proven successful in facilitating collaboration between the Commission and state officials on complex transmission-related issues.<sup>23</sup> That model could be adapted to develop a task force focusing on extreme weather and grid reliability.

**B. Corrective Actions Plans Should Consider a Broad Range of Options and Be Accompanied by Detailed Explanations Supporting Priority Actions**

The NOPR states that “[c]onsistent with the existing requirements of TPL-001-5.1, we believe it is appropriate to provide responsible entities with the flexibility to determine the *best actions* to include in their corrective action plan to remedy any identified deficiencies in performance.”<sup>24</sup> NESCOE generally agrees with providing this flexibility. However, prior to selecting the “best” options to include in a corrective action plan, any final rule should require that responsible entities consider and explain the full range of approaches they weighed in identifying a preferred path.<sup>25</sup>

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<sup>21</sup> See <https://www.iso-ne.com/committees>.

<sup>22</sup> Phillips Concurrence at P 10.

<sup>23</sup> See <https://www.ferc.gov/TFSOET>.

<sup>24</sup> NOPR at P 84 (emphasis added).

<sup>25</sup> Cf. Clements Concurrence at P 30 (“ . . . if implemented in a comprehensive and cost-effective manner, today’s NOPR promises to be an important and prudent step forward in protecting customers against the effects of extreme weather.”).

The NOPR provides examples of some of the actions a responsible entity could include in a corrective action plan: “additional contingency reserves or implementing new energy efficiency programs to decrease load, increasing intra- and inter-regional transfer capabilities, transmission switching, or adjusting transmission and generation maintenance outages based on longer-lead forecasts.”<sup>26</sup> A number of these measures would not require new infrastructure, which could be a more costly solution than other options and potentially require timely and contentious siting review.

To ensure transparency around the actions prioritized in corrective action plans, the Commission should require responsible entities to accompany those plans with a detailed explanation of the range of actions they considered, including non-infrastructure options, and how they weighed these various approaches in mitigating system performance deficiencies. Key among these considerations will be minimizing loss of load and the duration of that power loss along with the associated costs and implementation risks.

### **C. The Proposed Rule in this Proceeding Underscores the Need for Flexibility in Scenario Development as Part of the Commission’s Contemplated Long-Term Transmission Planning Process**

In comments on the Regional Transmission NOPR, NESCOE expressed appreciation for the proposed rule’s flexibility in allowing regions to pursue multi-value approaches to transmission project development that account for a combination of reliability, economic and public policy benefits.<sup>27</sup> NESCOE also supported the Commission’s decision not to take prescriptive action regarding existing planning processes for reliability and economic projects.<sup>28</sup>

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<sup>26</sup> *Id.*

<sup>27</sup> Initial Comments of the New England States Committee on Electricity, Docket No. RM21-17-000 (filed Aug. 17, 2022) (“NESCOE Initial Comments”), at 20.

<sup>28</sup> *Id.*

Similarly, in response to the proposed requirement that at least one long-term planning scenario model a high-impact, low-frequency event such as extreme weather, NESCOE cautioned the Commission that such a requirement blurred the line between planning for public policy-driven projects and reliability planning contrary to other aspects of that NOPR which made clear that it did not seek to alter the reliability planning process.<sup>29</sup>

Ultimately, affording regions flexibility in how scenarios are developed, including leeway in the time period for the long-term planning horizon, would better facilitate multi-value planning. For example, under the longer-term planning process that ISO-NE recently implemented at NESCOE's request, scenarios are neither limited to the baseline (0-10 year) planning horizon nor longer-term horizons.<sup>30</sup> Accordingly, the scenario-based planning under this process could model extreme heat and cold weather in years five, ten, and twenty, perhaps adding sensitivity analysis around new resources developed pursuant to state law requirements to provide visibility into whether efficiencies could be gained through investment in multi-driver transmission.<sup>31</sup>

Flexibility on scenario development in any final rule arising from the Regional Transmission NOPR would best complement any Commission actions in this proceeding.<sup>32</sup> It

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<sup>29</sup> *Id.* at 32-33.

<sup>30</sup> *ISO New England Inc., New England Power Pool*, 178 FERC ¶ 61,137 at P 6 (2022).

<sup>31</sup> *See* Clements Concurrence at P 11 (“Since efficiencies are gained when considering multiple drivers for new transmission investment . . . it is important to derive stakeholders’ perspectives on how potential performance standards and corrective actions under a revised reliability standard interact with both shorter-term reliability and proposed longer term planning, both in terms of consistency in planning inputs and the selection of cost-effective solutions.”).

<sup>32</sup> NESCOE's comments on the Regional Transmission NOPR generally supported regional flexibility in the longer-term transmission planning process. NESCOE Initial Comments at 7-9. However, NESCOE recognized some areas where the Commission may prefer more specific requirements as part of a more generic rule. In those areas, NESCOE asked the Commission to ensure that transmission providers are allowed to demonstrate that existing tariff provisions are “consistent with or superior to” a final rule. *Id.* at 25, 31.



would help fill the gap that the Commission identifies in regional planning by providing an additional vehicle to study extreme heat and cold weather across *any* time horizon or even multiple horizons. In so doing, regions would be positioned to discuss whether transmission development is a more cost-effective option for remedying system performance deficiencies.

**D. NERC’s Standard Development Process Should Explore the Use of Probabilistic Approaches in Studying Extreme Heat and Cold Weather Events**

The NOPR seeks comments on whether required deterministic modeling should be expanded to include scenarios reflecting a probabilistic approach.<sup>33</sup> NESCOE appreciates the Commission’s attention to probabilistic planning analysis, which can provide awareness about which system components may be most vulnerable and, in turn, inform operator decisions about which elements to prioritize. The NOPR notes how a probabilistic study could, for example, illustrate the effects of extreme heat or cold weather under different demand probability scenarios (90/10, 80/20, 50/50).<sup>34</sup> These types of scenarios define boundaries. With those boundaries defined, conditions occurring outside a given range can be considered “extreme” and modeled as deterministic inputs. To better understand the interplay between probabilistic and deterministic planning—as well as benefits and any tradeoffs—the Commission should direct NERC in any final rule to use its standard development process to explore the use of probabilistic approaches as part of the new planning standard for extreme heat and cold weather conditions.

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<sup>33</sup> NOPR at P 79.

<sup>34</sup> *Id.* at P 73.

#### IV. CONCLUSION

For the reasons stated herein, NESCOE respectfully requests that the Commission consider the above comments in this proceeding.

Respectfully Submitted,

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