



Acadia Center

Advancing the Clean Energy Future

Transmission Policy for a Distributed World

Vermont System Planning Committee

July 20, 2016

Middlebury, Vermont

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Overview

1. Transmission Policy for a Distributed World: **Why is this issue important to Acadia Center?**
2. Building a Modern Energy Grid: **What is Acadia Center's approach?**
3. Advancing Consumer-Friendly Reforms: **Acadia Center's current activities; up-coming highlights; gaps.**

Growing Disconnect between Transmission System and State Priorities

Regional expenditure on transmission for reliability
continues to grow.

vs.

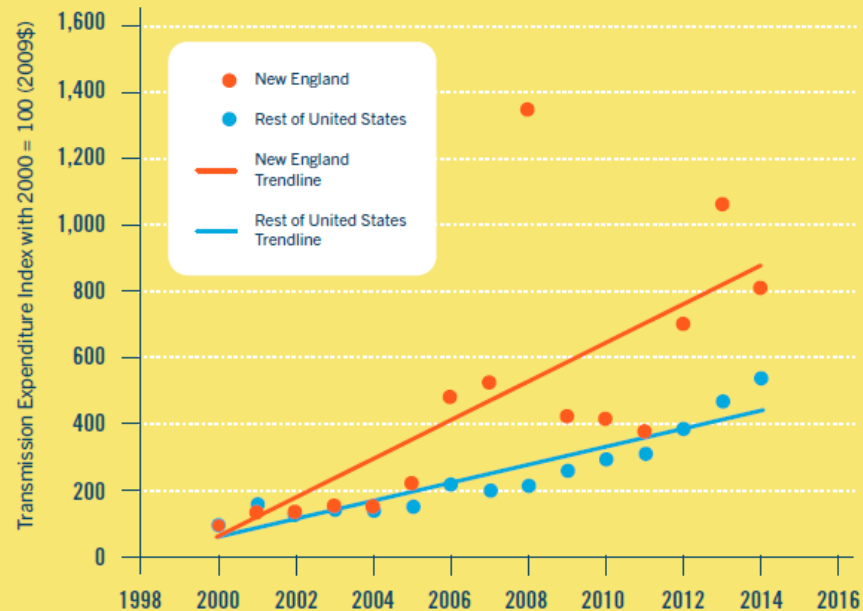
State priorities for increasing energy efficiency, distributed
energy resources, large-scale renewables.

Consumer & Environmental Goals at Risk

- Ratepayers may be paying for transmission that doesn't make sense in a distributed world.
- We still need transmission to connect remote, large-scale renewables.

Transmission System Trends

Transmission expenditures in New England have risen faster than the rest of the United States

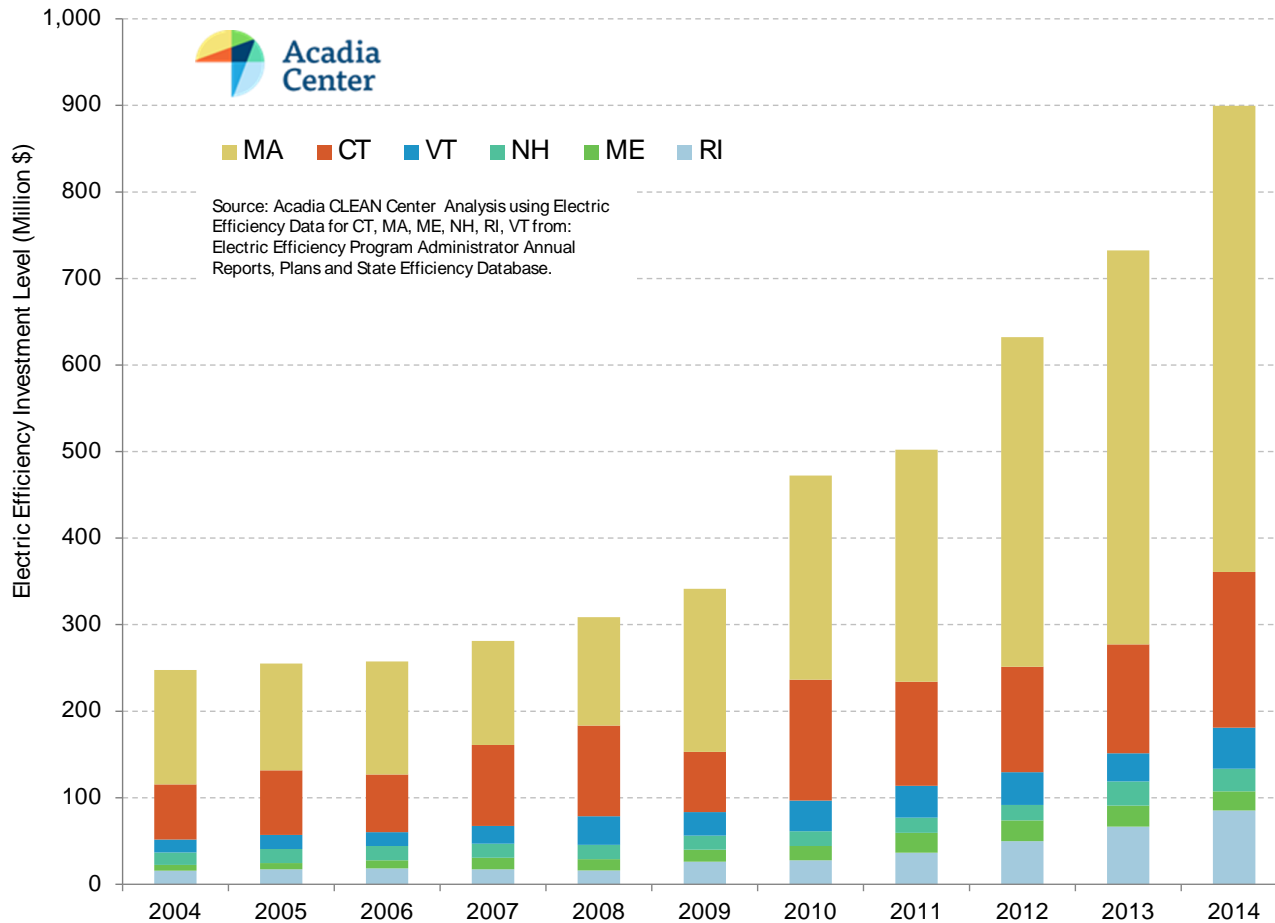


Source: Acadia Center analysis of FERC Form 1, Plant in Service for 2000-2014;

Increasing adoption of DER that do not rely on power being transmitted

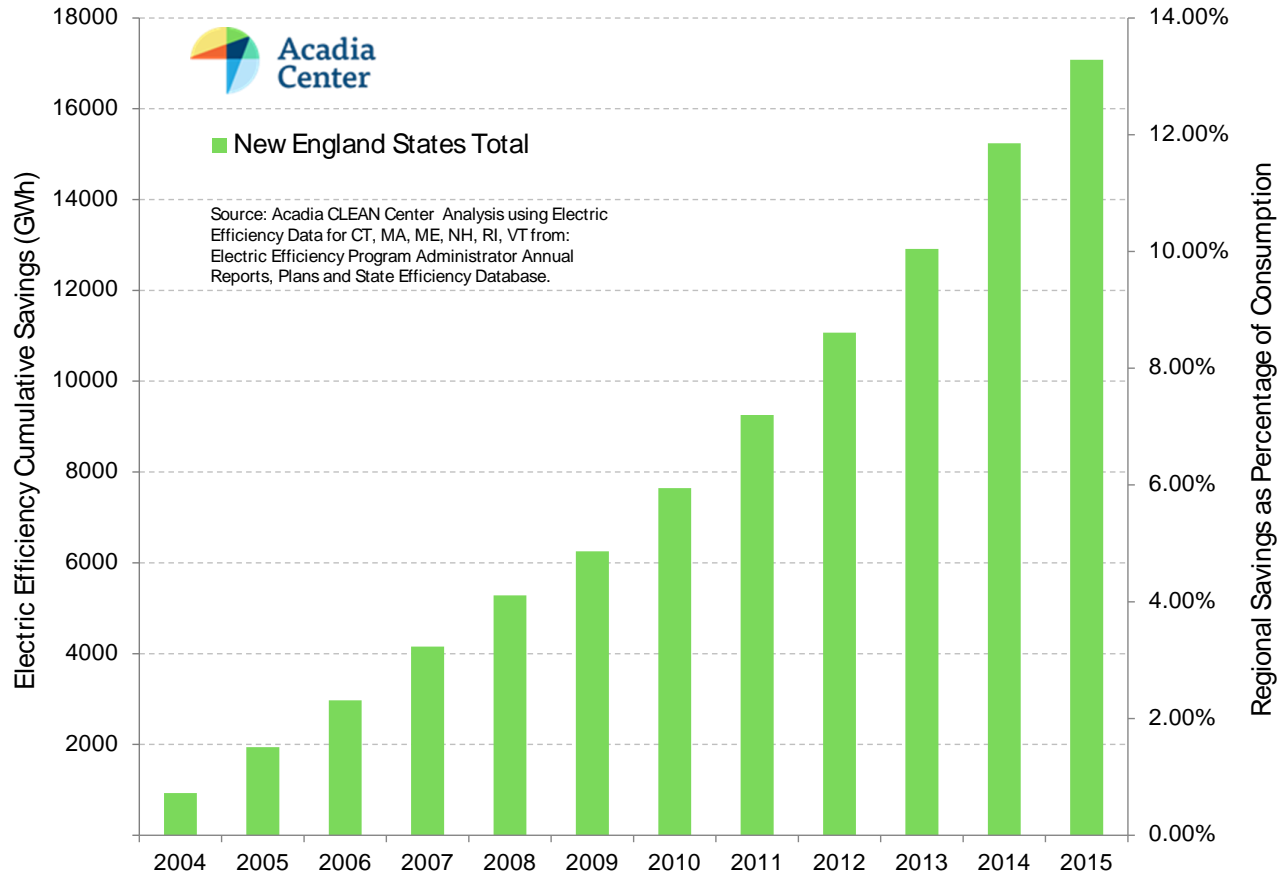


State Trends: Prioritizing all cost-effective energy efficiency



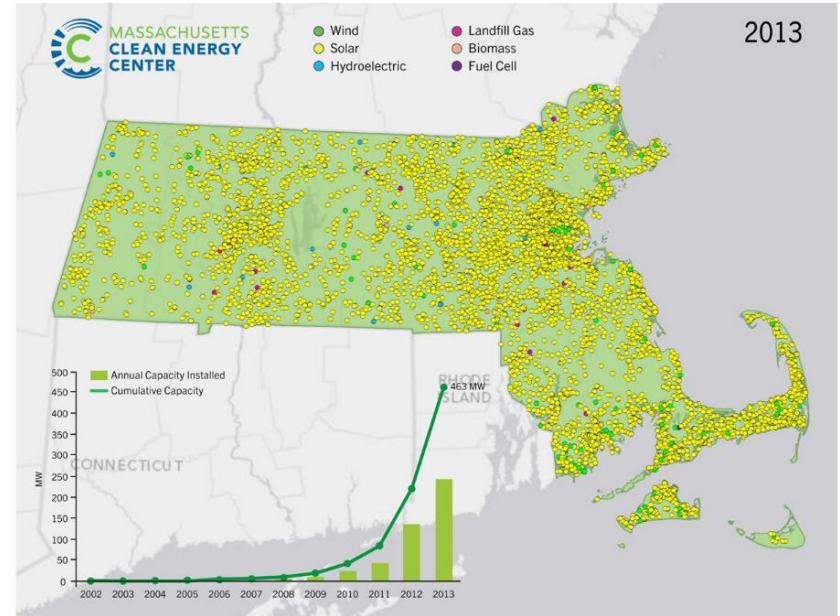
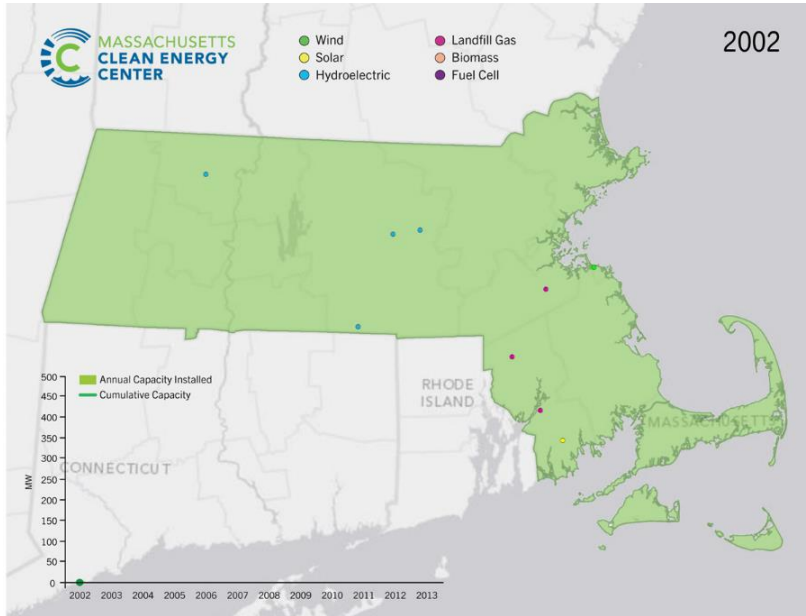
State Trends:

Cost-effective EE is meeting ~13% of regional electric consumption



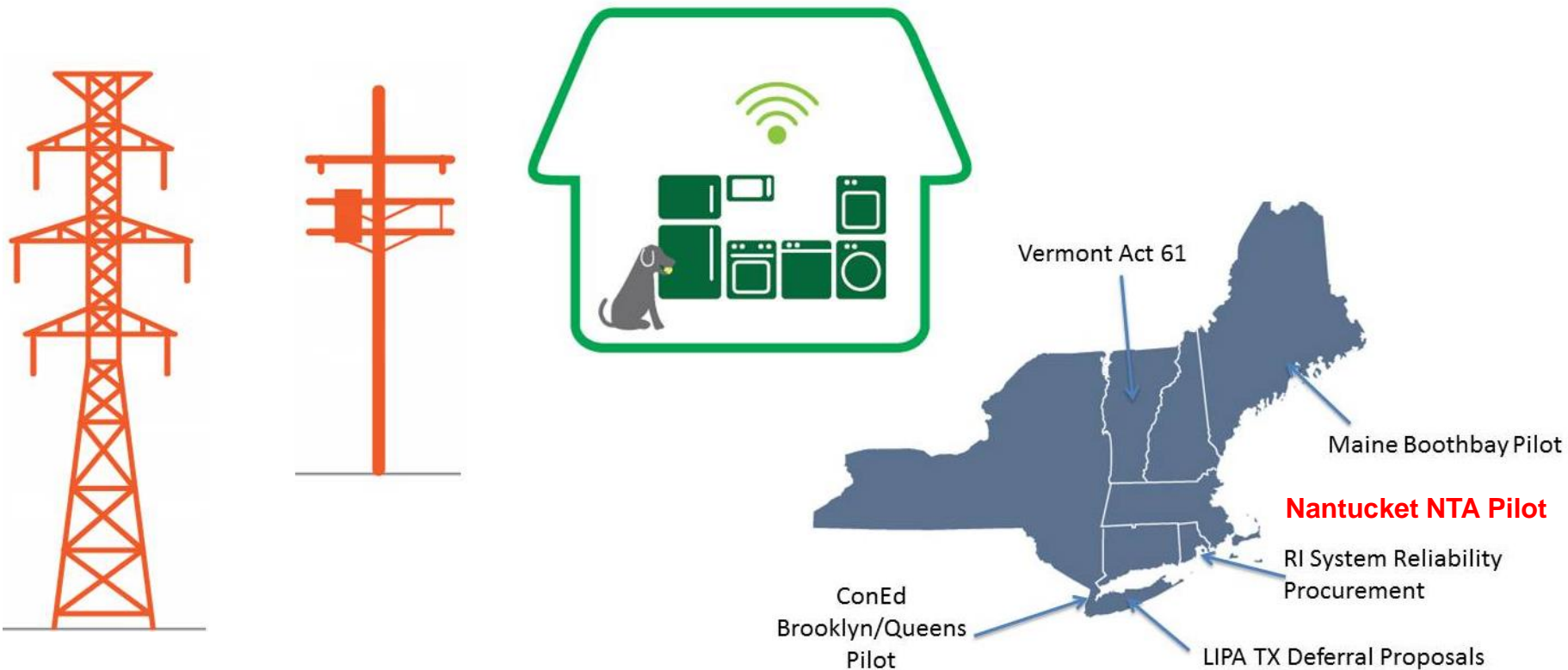
State Trends:

Increasing adoption of distributed energy resources



State Trends:

Pilots deploying local energy resources as substitutes for T&D infrastructure



Building a Modern Grid: Acadia Center's Approach

- **Raise awareness** that the current transmission planning and financing processes are not considering options that are potentially cleaner and lower cost.
- **Develop creative solutions to NTA cost-allocation** problem based on legal research: jurisdictional issues related to RTO, state, and FERC authority over financing NTAs.
- **Analysis and advocacy to support improvements to ISO-NE load forecast model** so that it does not overestimate regional energy consumption and peak demand.

Key Outcomes

- Continued improvement of ISO-NE energy and capacity forecasting methodology.
- Straw proposal for cost-allocation for NTAs and a process for considering NTAs in transmission planning.
- Adoption of transmission planning and cost allocation policies that facilitate transmission needed to achieve RPS and GHG goals.
- Improve stakeholder input in ISO committee and planning structures.

Current Activities: What Acadia Center is doing to advance a consumer-friendly energy grid

- Raising awareness
 - UtilityVision & Community|EnergyVision
 - Hidden Costs of Transmission
 - Analysis of utilities' financial incentives

Current Activities: What Acadia Center is doing to advance a consumer-friendly energy grid

- Developing new ideas at regional & state levels:
 - E4 Group and Maine NTA pilots & proceedings
 - Next Generation Solar Framework
 - Rhode Island System Reliability Procurement Standards

Current Activities: What Acadia Center is doing to advance a consumer-friendly energy grid

- Analysis to inform decision-making
 - EnergyVision 2030: Modeling the quantity of renewables needed to meet RPS targets in New England and New York
 - Improve ISO load forecasting and resource planning

Challenges

- Opportunities for NTA advocacy within current law?
- Identify provisions in existing rules that frustrate a level playing field for NTAs.
- Bring a specific project within ISO-NE processes?
- Building broad-based stakeholder support for change.

Public Policy Transmission

- Ensure state and regional renewables planning processes are responsive to public policy goals and facilitate transmission development needed to meet RPS targets and GHG reduction goals.
- Develop and adopt a cost-allocation framework that is consistent with FERC requirements and facilitates the development of cost-effective investment in transmission for renewables.

Contact Information

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