

# New England Transmission Owners Asset Condition

January 22, 2025



# Asset condition background

- Largest transmission cost is primarily due to PTF asset condition (AC) related projects
- States have concerns that no transparency and scrutiny exist for regionally-funded asset condition projects
- Some TO projects have undermined credibility

# 5-year AC Forecast

## RNS Rate Forecast – Summary

Table 1		1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029
1	Estimated RNS Rate Impact (\$/kW-Yr) (Line (5) / CY Load <sup>(1)</sup> held constant)	\$ 31	\$ 12	\$ 12	\$ 8	\$ 12
2	Estimated RNS Rate Forecast (\$/kW-Yr)	\$ 185 <sup>(2)</sup>	\$ 184 <sup>(3)</sup>	\$ 197	\$ 205	\$ 217
3	Estimated RNS Rate Forecast (\$/kWh) (Assumes a 54.7% <sup>(4)</sup> Load Factor)	\$ 0.029	\$ 0.029	\$ 0.031	\$ 0.032	\$ 0.034
4	Estimated Incremental Additions In-Service and CWIP (\$ in Millions) <sup>(5)</sup>	\$ 1,635 <sup>(6)</sup>	\$ 1,396	\$ 1,449	\$ 988	\$ 1,441
5	Forecasted Revenue Requirement (\$ in Millions) (Line 4 * Carry Charge Factor)	\$ 239	\$ 212	\$ 220	\$ 150	\$ 223

# Asset Condition Process improvements

NETOs addressed transparency with:

Asset Condition Process Guide

Appendix C: Structure grading standard

Appendix D: Review Process for ACP

Appendix E: Guidelines for ACP PAC Presentations

NETO also provide databases:

AC forecast

Major PTF assets with age

All AC info contained on website

Category	Recommended Action <sup>2</sup>
	Structure type:
A	No replacement required due to deterioration
B	Consider replacement in conjunction with other structure replacements
C	Initiate planned structure replacement project <b>or</b> Replace as part of upcoming structure replacement project
D	Replace immediately (emergency replacement) <sup>9</sup>

<https://www.iso-ne.com/system-planning/transmission-planning/transmission-owner-asset-management>

# Enhancements to AC process

- NETOs have worked very hard to address the need for AC transparency.
- More work needed to have an independent prudency review

# Tentative agreement on Prudency review

- NE states and NESCOE want a prudency review conducted for major AC investments.
- NETOs working on a draft outline
  - Non-binding review
  - Mutually agreed on entity (ISO-NE)
  - NETOs would like right-sizing
- More work still to do
  - Asset condition prudency scope, entity, and staffing
  - Enhance Trust

