

## CLEAN ENERGY TRANSMISSION WORKING GROUP (CETWG)

### MEETING MINUTES

**Friday, August 25, 2023**

Virtual Zoom Meeting

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<b>Members Present:</b>	Jason Marshall, Jamie Van Nostrand, Kelly Caiazzo, Michael J. Barrett, Doug Howgate, Hilary Pearson, Liz Delaney, Sheila Keane, Barry Ahern
<b>Members Absent:</b>	Jeffrey N. Roy, Brooke M. Thomson, Johannes Pfeifenberger, Dave Burnham
<b>Member Designees:</b>	Mark Tremblay for Dave Burnham
<b>ISO-NE Staff Present:</b>	Marissa Ribeiro Dahan, Dan Schwarting
<b>DOER Staff Present:</b>	Colin Carroll, Paul Holloway, Sarah McDaniel, Joanna Troy
<b>EEA Staff Present:</b>	Mary Nuara
<b>DPU Staff Present:</b>	Shirley Barosy, John Slocum
<b>Other Participants:</b>	Cobi Frongillo, Caleb Oakes (Representative Roy’s Office)
<b>Public Speakers:</b>	Lilli-Ann Green (Wellfleet Assembly Delegate)

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#### 1. Welcome, Agenda, Roll Call

Co-Chair Marshall called the meeting to order at 09:00 AM. Holloway reviewed the meeting agenda (slide 2) and stated that the CETWG welcomes written comments at any time. Holloway conducted roll call and confirmed a meeting quorum. Marshall thanked the members for attending and ISO-NE for its willingness to present the 2050 study. Van Nostrand expressed his appreciation to all.

#### 2. Review and vote on Meeting Minutes (slide 4)

Marshall introduced the draft Meeting Minutes for the July 28, 2023 CETWG meeting. The members noted no corrections or revisions to the draft Minutes. Delaney motioned and Keane seconded to approve the draft meeting minutes. By roll call vote the CTEWG approved the Meeting Minutes.

#### 3. Public comment (slide 5)

Marshall welcomed members of the public and asked those wishing to address the CETWG to limit their remarks to a maximum of three minutes. Lilli-Ann Green stated that Massachusetts citizens value local control and regional oversight and urged the legislature to protect these principles in its consideration of the issues to be addressed by the CETWG. Marshall invited other members of the public to raise their hands if they wished to speak. There were no other public comments.

Marshall expressed his appreciation for the public comments.

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#### **4. ISO-New England’s 2050 transmission study (slide 6)**

Marshall introduced Dan Schwarting, Manager, Transmission Planning with ISO-NE, and Sheila Keane, Director of Analysis, New England States Committee on Electricity (“NESCOE”), to present on ISO-NE’s 2050 transmission study. Marshall expressed his appreciation of ISO-NE’s efforts on the 2050 study; he described it as a comprehensive study of regional transmission needs and potential costs that aligns well with the CETWG’s scope.

Keane explained that NESCOE requested ISO-NE to conduct this study to provide the states with a high-level projection of the type and magnitude of transmission investment the region will need to reach its clean energy future by 2050 and what it would cost. Keane expressed appreciation for how quickly ISO-NE responded to this request, including the study itself and tariff changes that will allow ISO-NE to undertake this type of analysis periodically in the future. She highlighted states drove the selection of 2050 study assumptions, which are based on the Massachusetts’ Energy Pathways to Deep Decarbonization study. Keane emphasized the 2050 study is informative only; ISO-NE has no obligation to act on ultimate findings. In addition to the recently-enacted Phase 1 tariff change implementing this longer-term planning process, Keane explained the states and ISO-NE are currently discussing Phase 2 tariff changes designed to implement a process for states to select and fund transmission upgrades identified in the longer-term studies.

Schwarting explained that ISO-NE does not have responsibility for distribution system needs and the 2050 study does not address generation interconnection needs; this study only addresses a portion of the total regional transmission and distribution investments needed to achieve the clean energy transition. After presenting the study analysis and findings, Schwarting explained ISO-NE is now developing high-level cost estimates for potential transmission solutions and has retained a consultant to estimate solutions and cost estimates for certain more complex upgrades. ISO-NE is planning to release a final report in November this year.

#### ***Discussion***

Barrett expressed his appreciation for the useful and clear presentation. He stated that the Legislature is interested in gaining a better understanding of federal versus regional versus state jurisdictional authority for transmission. Keane responded all states struggle with this issue, but the 2050 study is designed to focus on potential multi-state efforts. Marshall noted that individual state action can facilitate regional/multi-state action and encouraged members to continue this discussion in the next agenda item.

Delaney asked Keane for further information about the intended decisional role for states in the proposed Phase 2 tariff change process, specifically, will the states be able to address non-transmission issues such as demand response? Keane explained states are approaching the Phase 2 tariff change process from a narrower transmission solutions perspective, but are looking at the 2050 study holistically and acknowledge the study results show demand side action can be quite impactful. Delaney then asked if the scope of the CETWG could be expanded to include non-transmission matters? Marshall again suggested that the CETWG discuss this in the next agenda item.

Marshall noted ISO-NE’s presentation touched on the topic of rightsizing transmission investments (slides 15, 25) and NESCOE, ISO-NE, and transmission owners are currently

discussing tariff changes in this space. Ahern stated National Grid sees rightsizing as especially high value work and believes the 2050 study could be very helpful to provide visibility on this topic because transmission projects take many years to develop. Ahern also noted that the 2050 study's findings on offshore wind points of interconnect is very important, but recommended a greater focus on the onshore transmission needs associated with offshore wind interconnection.

Barrett noted the contrast between the measured, thoughtful analysis in the 2050 study and the sense of urgency dominating transmission discussions in the legislature. He sought guidance on distinguishing urgent needs from those that can wait for further analysis. Schwarting pointed to the 2050 study's high likelihood concerns as more urgent (e.g., North to South constraint). In contrast, he thought the region could wait to gather better information (e.g., load growth from local adoption of EVs) before planning incremental upgrades to serve specific substations or local areas. Keane noted an urgent need to enact the Phase 2 tariff change process to allow the region to address the region's high likelihood concerns or other state goals.

Pearson asked if ISO-NE was considering grid enhancing technologies ("GETS") such as dynamic line ratings in the 2050 study before identifying more traditional transmission upgrades such as reconductoring. She stated there are regions in New England that are well suited for GETS (e.g., SE MA). Schwarting stated ISO-NE was keeping an eye on this issue, but was not explicitly exploring GETS in the 2050 study to limit the study's complexity. He observed sometimes there is a limit on the degree to which GETS can provide long-term solutions. Marshall noted the Massachusetts Executive Office of Energy and Environmental Affairs recently hosted a [GETS forum and has information available on its website](#).

Howgate asked how the CETWG should think about transmission planning and project selection given the long time it takes to develop transmission infrastructure. Schwarting explained the Phase 2 tariff changes are designed to address this issue. Barrett noted the CETWG should address that process and expressed concern with who will have decisional authority, particularly with allowing private economic actors to drive the process. Van Nostrand suggested a future CETWG meeting should address the issue of jurisdictional authority, including Order 1000 process and state siting/permitting. Barrett and Marshall agreed this would be helpful for addressing the CETWG's legislative mandate.

Tremblay highlighted that optimizing offshore wind interconnection points to the onshore grid may just increase costs consumers pay to generators to bring energy to shore. Schwarting acknowledges these tradeoffs are largely beyond the scope of the 2050 study because ISO-NE doesn't have good visibility to generator interconnection costs.

Barrett, citing the NECEC project, asked how the CETWG should address and minimize the political friction associated with siting and permitting projects perceived to serve consumers in other locations. Marshall observed that the Phase 2 tariff changes are indirectly designed to address this issue; it envisions a multi-state collaborative process based on a recognition that transmission brings reliability, economic and environmental benefits to the entire region.

Ahern saw a need to better integrate distribution system upgrades for local needs with ISO-NE's incremental upgrades roadmap.

Howgate noted the 2050 study utilizes a 2050 peak load projection based on Massachusetts' Energy Pathways to Deep Decarbonization study. He asked about the standard errors of long-term load forecast estimates and how ISO-NE accounts for or manages this.

Schwarting responded that load estimate standard error is significant and like other input assumptions (e.g., battery storage technology and costs) reflects many unknowable factors. Schwarting noted the 2050 study found that there are certain prudent high likelihood regional transmission investments regardless of forecast error. Howgate emphasized the need for a highly adaptable transmission decision-making process.

Marshall thanked Schwarting for his clear and understandable presentation.

## **5. Discussion on CETWG deliverable and schedule and agendas for future CETWG meetings**

Van Nostrand introduced a proposed schedule and agenda topics for future CETWG meetings (slide 7). He provided an overview of the proposed remaining meeting topics, invited members to volunteer to take the lead on topics of interest, and asked staff to prepare an outline of the final report to include a section addressing jurisdictional authorities for transmission development. Marshall added that the outline should address the nexus of transmission and load response. The co-Chairs directed staff to reach out to members after the meeting to determine their interest in serving as leads for upcoming meeting agenda topics and to work with staff on report drafting.

### ***Discussion***

Caiazzo supported adding jurisdictional authority as a meeting agenda topic and suggested that the cost allocation agenda discussion address federal funding opportunities. She noted Ahern's observation that distribution system upgrades can impact transmission investments and supported discussion of this topic and coordination with the grid modernization advisory council at the distribution system planning and operations agenda meeting. Barrett supported Caiazzo's comments regarding jurisdictional authority and federal funding.

Delaney noted several topics of interest, including governance of transmission planning and Massachusetts' role, integration of onshore renewables with offshore wind to address the full scope of regional transmission needs, and generator interconnection/Order 2023.

In response to a request in the previous meeting, Frongillo provided further context and legislative intent with respect to the following provision in Section 71 of the 2022 Climate Law establishes the CETWG: *“Include a cost-benefit analysis to identify regulatory and legal challenges associated with obtaining and streamlining tariff approvals to accommodate increased clean energy penetration across New England.”* Frongillo explained that this objective refers to the exploration of improvements to how clean energy transmission costs are allocated across the ISO-NE region. ISO-NE's [Open Access Transmission Tariff](#) (OATT) currently provides for region-wide cost allocation only for reliability projects. Transmission projects that achieve other non-reliability goals (e.g. greenhouse gas reductions) are not allocated across the region; rather, the developer or a specific customer (i.e., Massachusetts ratepayer) pays 100% of the costs. Frongillo states that this cost allocation structure constrains potential new clean energy capacity. He explained that the legislature would like to see the CETWG evaluate potential modifications to ISO-NE's tariff

to improve grid planning in a way that reflects current New England states' climate and energy objectives/laws. Key questions include:

- How can objectives be met under the current tariff and cost allocation model?
- What does it take to change the ISO-NE OATT to reflect future energy system goals?
- What are alternative paths for investment and contracting, such as merchant or bilateral transmission systems?

Frongillo concluded that the legislative provision in Section 71 of the 2022 Climate Law directing the CETWG to assess and review cost allocation measures in other jurisdictions is an extension of this overall aim.

Marshall again noted that the Phase 2 tariff change discussion is underway and appears to be responsive to this legislative intent.

## **6. Close and Next Steps** (slide 8)

In closing Van Nostrand reviewed the schedule of future meetings. The next meeting will be September 22<sup>nd</sup> at 9:00 AM and will include a further opportunity for public comment and a presentation on the report outline and offshore wind transmission.

### ***Discussion***

There was no member discussion.

Holloway conducted a roll call vote to adjourn the meeting. The CETWG voted unanimously to adjourn. The co-Chairs adjourned the meeting at 11:01 AM.

Meeting Materials:

- Agenda
- Draft Meeting Minutes for the July 25, 2023 meeting
- ISO-NE presentation