83E and the ISO-NE Capacity Capability Interconnection Standard

Charlie McClelland
Director, Transmission

CCIS Is Not the Best Interconnection Standard for CPS Program

CCIS requirement would introduce uncertainty into the 83E procurement process, resulting in fewer eligible projects and higher costs to MA customers without increasing environmental benefits

CCIS requirement would be hamper the CPS Program's ability to procure least-cost resources

- Would exclude potentially viable projects that could cost-effectively deliver environmental benefits (CPECs)
- CCIS is not a valid indicator of a project's ability to displace GHGs, which is largely driven by the carbon intensity of neighboring generation resources, and how economically competitive a resource is relative to its neighbors

CCIS is not mandated by 83E statutes, and could produce unintended consequences counter to 83E objectives

- Clean Peak Standard already ensures that storage resources contribute to grid reliability by shifting generation into peak hours (i.e., daily dispatch windows)
- CCIS does not confer any priority to CNR generators during stressed system conditions except for very rare scarcity events; dispatch of any particular resource is nearly always dependent upon offer price
- Since CCIS would in most cases increase project costs, which *would reduce a project's ability to offer competitively* into the market and thereby displace fossil generation

CCIS requirement would overly-complicate the bid and selection processes under the CPS Program:

- CCIS triggers an additional, incremental layer of interconnection studies in the ISO-NE study process, introducing complexity and uncertainty into project costs, timelines, and overall viability
- Projects without previously completed FCM studies face uncertainty with respect to CCIS outcomes → feasibility, cost and timeline of as-yet studied projects will not be fully derisked prior to 83E bid & contract execution

Shifting to NCIS Requirement Would Better Support 83E Objectives

Statements from DOER's June 18, 2025 Information Request:

1. *DOER: By requiring CCIS, transmission (and any distribution) upgrade costs driven by resource interconnection are included in the costs of the new resource, enabling an apples-to-apples comparison of various bids.*
   - CCIS identifies costs associated with interconnection (reliability) and resource deliverability (capacity)
   - NCIS is sufficient to identify *all costs necessary to reliability interconnect* the project to the transmission system

2. *DOER and the Distribution Companies elected to require a CCIS-equivalent interconnection level in Round 1 based on a screening analysis that most projects eligible for Round 1 sought or were seeking Capacity Network Resource Interconnection Service.*
   - ISO-NE evaluates all projects under the NCIS (NR Interconnection Service); conversely, only projects requesting CNR Interconnection Service are studied under the CCIS
   - Queue projects can change CNR elections prior to the start of Transitional Studies → some projects may be forced to drop or reduce CNR prior to the start of studies due to expected outcomes

3. *DOER and Distribution Companies determined that it was appropriate to incorporate the CCIS requirement due to the timing constraints and associated complexities with evaluating multiple levels of interconnection service.*
   - ISO-NE evaluates all projects under the NCIS (NR Interconnection Service); conversely, only projects requesting CNR Interconnection Service are studied under the CCIS
   - CCIS is effectively a second, incremental level of interconnection service for capacity-specific upgrades → this more stringent standard greatly increases the uncertainties associated with project feasibility, timeline and costs

ISO-NE Large Generator Interconnection Process: Definitions

Capacity Capability Interconnection Standard (CCIS): interconnection standard to determine whether a generator is deliverable without redispatch of neighboring resources.

- Projects seeking Capacity Network Resource (CNR) interconnection service are studied under CCIS
- Project must resolve any deliverability issues before qualifying for Capacity Supply Obligation

Network Capability Interconnection Standard (NCIS): interconnection standard to determine whether a generator would cause reliability violations

- All projects are studied for Network Resource (NR) interconnection service (NR) under NCIS
- NCIS identifies most basic (minimum) requirements for interconnecting to the transmission system

Importantly, ISO-NE studies <u>all projects</u> under the NCIS up to their full nameplate, regardless of whether requesting NR or CNR interconnection service.