



Asset Condition Project Forecast

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Background

- This presentation summarizes a New England Transmission Owner (NETO) proposal to provide an asset condition project forecast for use by ISO-NE and regional stakeholders
- Developed in response to February 8 NESCOE [letter](#) detailing requested asset condition project process improvements
 - This requested that NETOs “submit and present to the PAC, on an annual basis, one-, two-, and five-year Asset Condition Project capital spending plans.”
 - A July 14 [follow-up letter](#) repeated the request, with some additional details
 - Two-year spending plans were provided at the July PAC meeting

Forecast of Upcoming Asset Condition Projects

- Forecast materials have been posted with the materials for today's PAC meeting
- Materials are comprised of:
 - This presentation
 - Excel spreadsheet with forecasted projects from six New England Transmission Owners
- This presentation provides:
 - Explanations of certain fields in the spreadsheet
 - Additional context, interpretation, and disclaimers

Data Field Descriptions

- Line Number or Station Name/Number
- Voltage level for lines or high/low voltage for stations
- Primary Equipment Owner
- State or region
- Asset Condition List (ACL) ID
 - ACL ID is provided for projects already listed on the ISO-NE Asset Condition list *as of October 2023*:
 - [October ACL List](#)
- Current Asset Condition
 - Brief description of condition requiring action or attention
- Project Stage
- Anticipated solution
 - Planned or most likely solution

Project Stage Definitions

- Projects listed on the Regional System Plan Project List and the Asset Condition List use stages defined in Attachment K and PP-4: Concept, Proposed, Planned, In-Service
- For the purposes of the Asset Condition Project Forecast, the NETOs have defined three additional stages:
 - Under Evaluation – Facility is currently being evaluated for possible asset condition project, but no formal scope/cost estimates have been developed
 - Under Development – Project planning is underway; project scope and conceptual cost estimates are currently being developed
 - Developed – Project has been presented to PAC with a full scope and conceptual cost estimate. Additional project tracking occurs via ISO-NE Asset Condition List updates

Cost and Schedule Data

- For projects listed as “Developed”, the following information is available:
 - PAC Presentation Date
 - Status on Asset Condition List (Concept, Proposed, Planned, Under Construction)
 - Estimated Cost (\$)
 - Estimated In Service Date (ISD), Year
- For projects listed as “Under Development”, the following information is available:
 - Anticipated PAC Presentation date, Month & Year
 - Anticipated Cost Category
 - \$0-10M
 - \$10-25M
 - \$25-100M
 - \$100M+
 - Planning Horizon (anticipated in-service dates)
 - 2 Year
 - 3-5 Year
 - 6-10 Year
- For projects listed as “Under Evaluation”, the information above is provided where available

TOs have focused on projects expected within the next 5 years, but included information on projects anticipated within the 6-10 year timeframe where available

Disclaimers

- The asset condition project forecast is provided on a good faith basis, is non-binding and indicative only, and is based on many assumptions and variables including, among others, estimated project need, design, scope, labor & materials costs, inflation.
- Assumptions will change over time as more current data becomes available, and may result in revisions to the forecast, such as the current asset condition and anticipated solution for individual asset condition projects.
- TOs continually assess the condition of our facilities and may identify needs for additional projects not shown on the current forecast.
 - These projects will be presented to PAC as they are developed.

Alignment with other forecasts

- TOs internal forecasting process are used to produce several deliverables
 - Annual budgets
 - 2-year forecast used to develop RNS rate (published annually on June 15)
 - Includes individual projects and total investment
 - 5-year RNS rate forecast (published for the RC/TC Summer Meeting)
 - Total investment only; no project-level detail
- Asset condition project forecast is intended to supplement the 5-year RNS rate forecast from July 2023
 - Investments associated with the asset condition projects included in this forecast are **already included** in the 5-year RNS rate forecast provided in July – they are **not** incremental to the 5-year RNS rate forecast
- The 5-year RNS rate forecast also includes additional investments associated with:
 - Forecasted Regional System Plan projects
 - Anticipated future asset condition needs for which specific projects have not yet been identified
 - Projects below the \$5 million threshold which would not require listing on the Asset Condition List

Summary

- TOs anticipate providing this information annually, but likely in Q2 or Q3 to better align with other forecasting efforts
- General feedback process
 - Please send general feedback to David.Burnham@eversource.com and pacmatters@iso-ne.com by December 15, 2023
 - Feedback will be posted to ISO-NE website
 - TOs will respond to feedback in writing in Q1 2024 and will post responses to the ISO-NE website
 - TOs will consider revisions to the 2024 asset condition project forecast based on the feedback received
- Project-specific questions
 - Please submit project-specific questions to TO representatives identified in the spreadsheet

Questions

