



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE ATTORNEY GENERAL  
ONE ASHBURTON PLACE  
BOSTON, MASSACHUSETTS 02108

ANDREA JOY CAMPBELL  
ATTORNEY GENERAL

(617) 727-2200  
[www.mass.gov/ago](http://www.mass.gov/ago)

To: Eversource, [pac.responses@eversource.com](mailto:pac.responses@eversource.com)  
From: Massachusetts Office of the Attorney General  
Cc: [pacmatters@iso-ne.com](mailto:pacmatters@iso-ne.com)  
Date: December 20, 2024  
Re: Feedback on Eversource's 2024 Local System Plan

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The Massachusetts Attorney General's Office ("Massachusetts AGO") submits the following feedback in response to Eversource's 2024 Local System Plan ("LSP").<sup>1</sup>

As Eversource knows, recently there have been several significant developments with respect to electric power system planning at the federal, regional, and state levels. In just the past year, the Federal Energy Regulatory Commission ("FERC") issued its final rule in *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*,<sup>2</sup> the New England States Committee on Electricity ("NESCOE") requested that ISO New England ("ISO-NE") issue its first regional solicitation under the Longer-Term Transmission Planning process,<sup>3</sup> and the Massachusetts Department of Public Utilities ("MA DPU") approved Eversource's Electric Sector Modernization Plan ("ESMP")<sup>4</sup> and multiple capital investment project proposals for distributed energy resources group studies.<sup>5</sup> Additionally, New England stakeholders, including the New England Transmission Owners ("NETOs"), have continued work on process improvements for Asset Condition Projects at the ISO-NE Planning Advisory Committee ("PAC").<sup>6</sup>

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<sup>1</sup> Eversource Energy 2024 Local System Plan (November 20, 2024).

<sup>2</sup> See *Bldg. for the Future Through Elec. Reg'l Transmission Planning & Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 (2024); see also *Bldg. for the Future Through Elec. Reg'l Transmission Planning & Cost Allocation*, Order on Reh'g, Order No. 1920-A, 189 FERC ¶ 61,126 (2024).

<sup>3</sup> See NESCOE Letter to ISO-NE, Transmission Needs for a Longer-term Transmission Planning RFP (December 13, 2024); see also *ISO New England Inc.*, 188 FERC ¶ 61,010 (2024).

<sup>4</sup> See *NSTAR Electric Company d/b/a Eversource Energy, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and Fitchburg Gas and Electric Light Company, d/b/a Unitil*, D.P.U. 24-10/24-11/24-12 (August 29, 2024).

<sup>5</sup> See *NSTAR Electric Company d/b/a Eversource Energy*, D.P.U. 22-52/22-53/22-54/22-55 (June 5, 2024).

<sup>6</sup> See, e.g., NESCOE Memorandum to NETOs Regarding Asset Condition Projects and Process Improvements (February 8, 2023); New England Transmission Owners, Asset Condition Process Guide – Update (October 23, 2024).

Planning processes across both the transmission and distribution systems present opportunities for forward-looking, holistic planning to meet the Commonwealth’s and New England’s electricity needs. To ensure that investment in these systems is efficient and cost-effective, there must be transparency into<sup>7</sup> and coordination across distribution and local and regional transmission system planning. While local transmission planning currently receives minimal oversight,<sup>8</sup> as shown in the table below, the costs of local transmission investments are significant and increasing over time.

<b>Eversource Local Service Annual Transmission Revenue Requirement 2022–2025<sup>9</sup></b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>NSTAR East</b>	\$93,518,112	\$118,573,034	\$142,316,735	\$140,696,932
<b>NSTAR West</b>	\$33,391,923	\$47,890,578	\$50,269,876	\$55,253,216

Given these mounting costs and the need for coordination across the electric power system, the Massachusetts AGO seeks to improve the transparency of the LSP planning process. Such improvements should address:

- Information regarding the criteria, data, and assumptions used to develop the LSP, including, for example, details regarding how Eversource uses the ISO-NE Capacity, Energy, Loads, and Transmission (“CELT”) Report forecasts and how the company’s ESMP forecasts and demand assessments may impact or interact with Eversource’s transmission planning;

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<sup>7</sup> See, e.g., Order No. 1920, at ¶ 1577 (recognizing the need to “enhance the transparency of local transmission planning processes” to ensure just and reasonable rates).

<sup>8</sup> Under the ISO-NE Open Access Transmission Tariff (“OATT”), each Participating Transmission Owner is responsible for administering the LSP process pertaining to its own Non-Pool Transmission Facilities by presenting LSP information to the PAC, developing needs analysis, and addressing LSP needs within its local area. ISO-NE OATT, Attachment K, Appendix 1, Attachment K – Local, Local System Planning Process, § 1.3. The Local System Planning Process includes opportunities for PAC review and feedback, *see id.* at § 1.2, but transparency enhancements are necessary to facilitate meaningful stakeholder participation. *See also, e.g., Transmission Planning and Cost Management*, FERC AD22-8, Comment of RMI (December 12, 2024) (submitting report, *Mind the Regulatory Gap, How to Enhance Local Transmission Oversight* (November 2024), which discusses the “regulatory gap” for local transmission projects).

<sup>9</sup> Source: Participating Transmission Owners Administrative Committee (“PTO AC”) Annual Informational Filings, available at <https://www.iso-ne.com/participate/filings-orders/ptoac>; 2021/2022, Attachment 8, Local Service Rates, NSTAR (West), NSTAR (East); 2022/2023, Attachment 6, NSTAR East, Local Service Rates, Attachment 6, NSTAR West, Local Service Rates; 2023/2024, Attachment 2, NSTAR East, Local Service Rates, Attachment 2, NSTAR West, Local Service Rates; 2024/2025, Attachment 2, NSTAR East, Local Service Rates, Attachment 2, NSTAR West, Local Service Rates.

- The extent to and manner in which Eversource shares information with ISO-NE, MA DPU, and/or other NETOs or electric distribution companies regarding its local transmission investments;
- Information regarding the extent to which Eversource coordinates with ISO-NE in performing transmission needs studies;
- Whether transmission needs identified in the LSP align with or impact transmission needs identified by ISO-NE or other NETOs;
- Alternatives and technologies considered;
- The estimated costs and projected in-service dates of LSP projects, including any changes to those costs and projected in-service dates and the reasons for such changes;
- Local transmission cost trends over time and forecasts of anticipated future spending; and
- Rate impacts.<sup>10</sup>

Information should be presented in a manner that is readily accessible to PAC participants to provide visibility into the drivers, scope, and cost impacts of LSP spending. The Massachusetts AGO looks forward to engaging with Eversource and other stakeholders on LSP process improvements.

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<sup>10</sup> See, e.g., PTO AC – Rates Working Group Presentation, RNS Rate Effective January 1, 2025, NEPOOL RC/TC Summer Meeting (August 13, 2024).