



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 624-3687 (voice) 711 (TTY)
www.Maine.gov/meopa

Janet T. Mills
GOVERNOR

William S. Harwood
PUBLIC ADVOCATE

MAINE PUBLIC ADVOCATE JOINS NEW ENGLAND UTILITY CONSUMER ADVOCATES CALLING FOR PROPER SCRUTINY OF EXPENDITURES BY REGION'S TRANSMISSION OWNERS

Advocates want ISO New England to thoroughly examine more than \$5 billion in new spending by transmission owners

MEDIA CONTACT: William Harwood, 207-624-3687, William.Harwood@maine.gov

September 14, 2023 | HALLOWELL, ME – Maine Public Advocate has joined the Massachusetts Attorney General's Office, the Connecticut Office of Consumer Counsel, the New Hampshire Office of the Consumer Advocate, and the Rhode Island Division of Public Utilities and Carriers (collectively Consumer Advocates of New England) in expressing their concern to ISO New England (ISO-NE)¹ regarding the projected dramatic increase in expenditures by New England Transmission Owners (NETOs).

The NETOs recently increased their estimate of the cost of upgrading the New England transmission system by 50% from previous estimates. Specifically, there are now approximately \$5 billion in “asset condition” projects proposed, planned, or under construction.

Asset condition projects involve the replacement of existing transmission facilities with new facilities that will perform the same function. The decision to replace the existing facilities is based on the age or physical condition of the facilities rather than a desire to expand the capacity of the facilities or increase their reliability for reasons other than the condition of the facilities. Under existing rules, such projects are not generally subject to scrutiny by ISO-NE as part of its planning process in the same manner as transmission upgrades.

“This favorable treatment appears to assume that it’s always reasonable to replace projects nearing the end of their expected lives or suffering significant deterioration,” said William Harwood, Maine’s Public Advocate. “Some transmission owners in New England are now taking advantage of this exception by accelerating the construction schedule for asset condition projects ahead of previous projections without clear justification. Further, some appear to be using the opportunity to upgrade existing facilities without subjecting the projects to the review required for transmission upgrades. This is unfair to New England Ratepayers.”

The New England consumer advocates are now challenging the lack of scrutiny given to asset condition projects under the ISO-NE planning approval process. “My colleagues in the other New England states and I are asking that the development of asset condition projects be paused while objective criteria-based standards are implemented for the review of proposed asset condition projects,” added Harwood.

Such standards would establish appropriate criteria for determining when an asset condition project is necessary as well as the appropriate scope of such a project. Delaying a project, even for a short period, or more carefully targeting a project to address areas of greatest need provide significant opportunities for savings to ratepayers. Such standards would also ensure the process is more disciplined and more transparent.

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¹ ISO New England is the independent system operator created by the Federal Energy Regulatory Commission (FERC) to oversee bulk electricity transmission lines in Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.