



Consumer Liaison Group Event Focuses On Electric Transmission Competition And Accessing Renewable Energy

September 11, 2017

Consumer Counsel Elin Swanson Katz and OCC Attorney Joe Rosenthal attended the regional Consumer Liaison Group (“CLG”) forum on September 7, 2017, in Vermont, with the topic being new federal transmission rules designed to promote competition and greater access to renewable energy. The CLG conducts quarterly forums, administered through ISO-New England, which address topics of interest to electric consumers, with a particular focus on business customers with significant electric load. Joe Rosenthal is a Connecticut representative on the Coordinating Committee of the CLG and would be glad to add your name to the mailing list for future events if you contact him at joseph.rosenthal@ct.gov. The forums are free and open to the public.

During this forum, speakers representing various government and business interests spoke to the potential benefits and difficulties of promoting transmission competition. In this context, “transmission” refers to the high-voltage transmission lines that crisscross the region carrying bulk power, as opposed to the local distribution lines which run down residential and commercial streets. Traditionally, utilities like Eversource and The United Illuminating Company have been the driving force for the financing and development of transmission lines, and over the last 20 years or so the process has involved analyses of need by and coordination with ISO-New England, the regional grid operator. However, federal government policy developed by the Federal Energy Regulatory Commission (FERC), as promulgated in FERC’s Order 1000 (2011), has been to encourage competition, improve transmission planning, and provide appropriate cost allocation among states for transmission projects that support the public policies of several states in a region.

Transmission competition has significant potential benefits to reduce the costs of these very expensive projects, but developing competition carries its own costs and challenges, as detailed during the forum. There will costs for consumers related to ISO-New England developing a request for proposals and analyzing bids. It is also questionable whether and to what extent bidders may seek some consumer compensation for the development of a bid (including engineering studies), or whether that cost will be placed solely on the bidder. It is even questionable whether FERC will ultimately enforce cost containment provisions in bids.

Without assurance of enforcement, any expected benefits of competition for reducing costs may turn out to be illusory. Notwithstanding these hurdles, there are regions that have moved faster and further on transmission competition than New England has to date, with some apparent successes.

In this context, there was also discussion at the forum regarding certain transmission-related bids that were entered into the recent Massachusetts clean energy request for proposals (“RFP”), including the Eversource Northern Pass project and the New England Clean Power Link offered by TDI, which would each be able to bring hydropower and wind from facilities in Quebec. These projects would be subject to the competitive selection process in the RFP, and it is not certain whether other New England ratepayers (like Connecticut’s) will eventually be asked to contribute through the regional development processes.

The forum also included an update from ISO-New England regarding the status of markets and transmission planning as well as the benefits that customers have received from transmission upgrades to date, including lower net costs (due to being able to access lower-cost power) and better reliability.

Overall, the forum was highly educational and thought-provoking and we would invite interested consumers to attend one or more of these quarterly forums. The next event is scheduled for December 7 at a Boston location to be determined.



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