

Rafael Panos  
Engineering Manager  
Transmission Asset Management



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Matthew J. Fossum  
Assistant Consumer Advocate and Director of Regional & Federal Affairs  
NH Office of the Consumer Advocate  
21 S. Fruit St., Ste. 18  
Concord, NH 03301  
(603) 271-0348

Dear Matthew:

Please find the attached responses to the NH OCA questions regarding National Grid's PAC presentations on the 337 and 338 line asset condition projects presented in November and December of 2024.

If you have any follow-up questions please reach out me via email at [rafael.panos@nationalgrid.com](mailto:rafael.panos@nationalgrid.com)

Sincerely,

Rafael Panos  
Engineering Manager  
Transmission Asset Management

**Question 1:**

As described below, the NH OCA notes that it is not clear that either of the above identified projects are properly classified as Asset Condition projects under the relevant ISO-NE tariff provisions. Accordingly, the NH OCA invites any clarifications National Grid may provide on the matter.

As noted in the text of the presentations on both of the above-identified projects, aspects of the preferred solutions for both projects address issues identified in the Boston 2033 Needs Assessment study and/or the 2050 Transmission Study. Page 11 of the Boston 2033 Needs Assessment describes both the 337 line and the 338 line projects and notes that neither is time-sensitive, which the NH OCA takes to mean that the year of need is more than three years from the date of the completion of the Needs Assessment. Also, while the Needs Assessment document does make some reference to proposed asset condition work on the 337 line, it does not appear to make any reference to proposed asset condition work on the 338 line.

Pursuant to Section 4.1(i) of Attachment K of the ISO-NE OATT, “Where the solution to a Needs Assessment will likely be a Market Efficiency Transmission Upgrade, *or where the forecast year of need for a solution that is likely to be a Reliability Transmission Upgrade is more than three years from the completion of a Needs Assessment*, the ISO will conduct a solution process based on a two-stage competitive solution process, as described in Section 4.3 of this Attachment.” (emphasis added).

The NH OCA invites clarification from National Grid on why the proposed solutions to needs that have been identified in a relevant Needs Assessment are being treated as Asset Condition projects directed and controlled by National Grid, rather than being addressed through a competitive solution process directed by ISO-NE under the OATT since the year of need is more than three years out.

**Answer 1:**

The answer to Question 1 was more appropriately answered by the ISO. Their response is as follows.

Asset condition projects are those projects where the Transmission Owner has determined that the facility, or a portion thereof, needs replacement. Under the Transmission Operating Agreement, the Transmission Owner is responsible for performing the necessary work to ensure that the facility continues to operate in a reliable manner. Asset condition projects will move forward independent of whether there are any ISO New England identified needs on the facility, resulting from Needs Assessments, Public Policy studies, or Longer-Term Transmission Studies.

In performing Needs Assessments and any associated solution development under Attachment K of the ISO-NE OATT, ISO New England incorporates known asset condition projects into its baseline assumptions to prevent identification of system needs that are expected to be addressed. To do otherwise would result in a process that could potentially require ratepayers to pay for both a solution to the ISO New England identified need *and* addressing the asset condition issue. This is consistent with the Transmission Planning Technical Guide, Table 2-1 “Base Case Topology”, rows “Transmission Needs Assessment (Steady State and Stability)” and “Transmission Solutions Study/ Competitive Transmission RFP (Steady State and Stability)” and their associated note 12, which reads “Proposed projects are included based on the project status in the RSP Project List and Asset Condition List.” As discussed during the December 18, 2024 PAC meeting when the same question was discussed, the ISO explained that it must coordinate the asset condition projects with its ongoing processes. In this case, the ISO had already discussed the 337 line as part of the Boston needs identification, but the information related to the 338 line emerged more recently.<sup>1</sup> With the information known, the ISO takes these asset condition projects into account when establishing the needs in the Boston area. If the ISO were to ignore this updated information and complete the Needs Assessment without accounting for these asset condition projects, the ISO would be required to update the RSP Project list as described in Section 3.6(c) of Attachment K:

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<sup>1</sup> The source of projects that were evaluated in the Boston 2033 Needs Assessment was the draft Asset Condition Project forecast that was published in [November 2023](#). The 338 line was not included on this list, but is a part of the [August 2024](#) version of the Asset Condition Project forecast.

As part of the periodic updating of the RSP Project List, the ISO: (i) *shall modify (in accordance with the provisions of this Attachment) regulated transmission solutions or Transmission Upgrades to reflect changes to the PTF system configurations, including ongoing investments by Market Participants or other stakeholders*; (ii) may add to and classify accordingly, regulated transmission solutions; (iii) *may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades previously identified in the RSP Project List if the ISO determines that the need for the proposed regulated transmission solution or the approved Transmission Upgrade no longer exists or is no longer feasible*; and (iv) may remove from the RSP Project List regulated transmission solutions or Transmission Upgrades that have been displaced by an Interregional Transmission Project in the circumstances described in Section 3.6(a) of this Attachment.

Therefore, the ISO will account for asset condition projects as much as possible to avoid the inefficient process of completing the Needs Assessment and then having to subsequently revisit the identified needs.

**Question 2:**

The NH OCA questions the validity of the proposed “base alternative” solutions for the above-referenced projects and invites National Grid to clarify their inclusion.

In Section 3 of the latest version of the New England Transmission Owners’ Asset Condition Process Guide (October 2024), the “base alternative” is described as the solution that “addresses known asset condition needs in the most targeted manner possible.” The NH OCA understands from the Process Guide that the base alternative may not always be the preferred solution, but will be developed for comparative purposes to show a targeted solution for correcting identified asset condition needs.

Based upon the above understanding it is not clear that a solution that corrects asset decay concerns while failing to address known and identified system needs qualifies as a base alternative. Slide 19 of National Grid’s December 18 presentation notes that its base alternative for the 337 line solution results in, among other things, the replacement of 119 structures and the addition of OPGW and is estimated to cost more than \$127 million. That solution, however, would do nothing to address the needs identified as part of the Boston 2033 Needs Assessment study or the 2050 Transmission Study.

Thus, even if the base alternative project is completed, additional work will be necessary. In that the base alternative project would not address known needs, implementing such solution while intentionally failing to address those needs might be considered imprudent, even if it otherwise qualified as a “targeted” solution.

In the end, the NH OCA seeks to assure that comparisons between potential alternative projects are based upon rational and appropriate assumptions about the scope of work required to address both known and reasonably expected needs. Therefore, the NH OCA requests information from National Grid on whether there is a realistic scenario where it would undertake the base alternative identified in its presentations. If there is no scenario where National Grid would undertake the base alternative, the NH OCA invites National Grid to explain why the base alternative provides a reasonable alternative against which to evaluate the need for, or value of, the other alternatives presented.

**Answer 2:**

The base alternative is only intended to address the most critical asset condition needs which does not include capacity needs identified in a transmission study. This would result in additional work to be completed in a future project. The preferred alternative is a more long term solution with the added benefits of also addressing future reliability needs.