

ISO-NE News

Overheard at the 28th NECBC Annual Conference

NE Officials Push for Cooperation Among States, RTO

The rush to transition to clean energy resources, ambitious offshore wind targets and increasing goals for net-zero emissions are combining to spur cooperation among the New England states, officials said last week during the New England-Canada Business Council's 28th Annual Executive Energy Conference.



Connecticut DEEP Commissioner Katie Dykes | NECBC

"Our six different states, with all their diversity, are coming together and speaking with a common voice," Connecticut Department of Energy and Environmental Protection Commissioner Katie Dykes said Thursday.

When the governors of Connecticut, Maine, Massachusetts, Rhode Island and Vermont released a joint statement in October calling for reforms to ISO-NE, they insisted on changes to market design, transmission planning and RTO governance. (See [States Demand 'Central Role' in ISO-NE Market Design.](#))

"We desperately need to pursue a more unified market design to ensure that the renewables we're contracting for are counted and credited appropriately in the capacity market, and that we also can align future procurements with transmission planning," Dykes said. "We're at a really positive moment here with our six states and in partnership with the ISO."



ISO-NE CEO Gordon van Welie | NECBC

ISO-NE CEO Gordon van Welie, who appeared on the preceding panel, said the RTO has long had the same concerns as the states and that its strategic plan "aligns quite well with the recent statements from the governors of New

England." (See "ISO-NE Shares 'Vision for the Future," [NEPOOL Participants Committee Briefs: Nov. 5, 2020.](#))

Offshore Transmission

Foley Hoag partner Kevin Conroy asked whether transmission to support offshore wind generation is a regional asset or one that belongs to the generator.



Clockwise from top left: Dan Dolan, NEPGA; NECBC President Jon Sorenson; Mollie Johnson, Canada Department of Natural Resources; and Cheryl LaFleur, ISO-NE. | NECBC



Kevin Conroy, Foley Hoag | NECBC

"At the scale that we see offshore wind developing, a generator lead line that is developed as part of one individual project will have some limitations in creating a real optimized transmission system," Massachusetts Department of Energy

Resources (DOER) Commissioner Patrick Woodcock said. "I don't think we have arrived at the point where the limitations on the transmission system are going to impede [OSW] development, but we will arrive at that point very quickly." It is important to make sure that the new industry "does not hit a wall, and I am concerned that transmission could bring paralysis to offshore wind development."



Massachusetts DOER Commissioner Patrick Woodcock | NECBC

The idea of a planned and shared OSW grid is earning support both locally and nationally. At a conference in September, New Jersey Board of Public Utilities President Joseph Fiordaliso said the board was committing to a shared network approach after procuring 3,500 MW of offshore wind, lower than half the state's

goal of 7,500 MW by 2035.

More recently, the National Association of Regulatory Utility Commissioners at its annual meeting Wednesday adopted a [resolution](#) urging FERC to consider "that a well planned OSW grid may result in enhanced transmission efficiency and reliability ... [and] may reduce the impacts of OSW development on the marine environment and fishery."

Dykes agreed with Woodcock and said that the commitment to decarbonization by most New England governors provides a strong foundation for discussions on regional cost allocations for a shared OSW transmission system.

"The states need to be in the lead and in control of those cost allocation discussions," Dykes said. "I think that's one of the big tragedies of [FERC] Order 1000 is that it took away some of the state control."



Dan Burgess, Maine | NECBC

"We're very excited about offshore wind," said Dan Burgess, director of the Maine Governor's Energy Office. "We're slated to have the first floating offshore wind project in the country with our University of Maine-developed [Aqua Ventus](#)

floating technology, with one turbine in the Gulf of Maine."

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Simon d'Entremont, Nova Scotia | NECBC

Simon d'Entremont, Nova Scotia's deputy minister of energy and mines, touted the province's work on tidal energy in the Bay of Fundy. In a rare Canadian reference to hockey, he said, "We're not looking to go where the puck is; we're going

where the puck is headed." He welcomed the new U.S. administration as "an opportunity for us to partner on initiatives where we have common supply chains and technologies we want to invest in. ... If you are advancing a green economy, we're doing likewise."

'Weird' Gas Situation

Because the role of natural gas in power production will decline as more renewables come online, some believe that it is irresponsible to think about continuing to use the fuel or invest in anything to do with it.



NERC CEO Jim Robb | NECBC

NERC CEO Jim Robb is not one of those people.

"As we see declining volumes, particularly on the gas system related to power generation because it's being displaced by other fuels, we create this very weird and challeng-

ing situation where there probably, almost certainly, needs to be more investment in gas infrastructure," Robb said.

The pipelines and compressor stations may not be needed for the full 50 or 100 years over which such assets might normally be depreciated, he said.

"However, it may be really important over the next 15 or 20 years, so there is a real pricing issue around how to recover the cost of those assets," Robb said. "The New England electrical system is especially vulnerable during the clean energy transition because of not having invested enough in natural gas infrastructure."



Cheryl LaFleur, ISO-NE | NECBC

Former FERC Chair Cheryl LaFleur, now serving on ISO-NE's Board of Directors, said the region will transition to clean energy by "concentrating on the facts" and relying on solid analysis of greenhouse gas emissions outcomes under

various scenarios.

"In New England, we're used to seeing natural gas as baseload, because it displaced a lot of the coal and oil baseload, and it did so very well," LaFleur said. "But in the future ... given the decarbonization goals, I don't see fossil fuels as a baseload; I see them as a balancing fuel in conjunction with a very heavy portfolio of variable, renewable generation."

ENMAX CEO Wayne O'Connor said the clean energy transition needs "massive" amounts of capital.

"If modernizing time-of-use is our approach, we're in big, big trouble," O'Connor said. He said he disagreed with a *New York Times* *op-ed* on the future of natural gas that decried a "poverty of imagination" in the energy industry. "I think quite the opposite: that our industry has a great deal of imagination; that we're looking for solutions for a better future."

Dan Dolan, president of the New England Power Generators Association, said he



Dan Dolan, NEPGA | NECBC

thought of natural gas's role "less about a fuel or a specific technology, and more about what are the types of services and attributes we need. The reason that we're focusing on natural gas is that today it provides that dispatchable energy

more cost-effectively than a lot of the alternatives, and as long as it continues to serve that role, while hopefully having the constraint within from an emissions standpoint, then we will continue to rely on it."

Energy Security

Asked about his main takeaway from the California power troubles this past summer, van Welie said it was an energy-security problem. There was enough nameplate capacity around the system, but there were unusual demand patterns and insufficient supply, he said.

"It's all around the assumptions one is making about what resources are going to show up and when, and I think it's indicative of the kind of volatility we should expect on a system that's going to be dominated by renewable resources," van Welie said. "The real question is how much insurance do you want to pay for in the region to cover those types of situations."

On FERC's rejection of the RTO's Energy Security Improvements (ESI) proposal, van Welie said, "We hit 'pause' until we can consult with the new commissioners and staff. ... Our basic thought is that the concepts behind ESI are still fundamentally sound." (See *FERC Rejects ESI Proposal from ISO-NE.*) ■

— Michael Kuser

Implications of the Election on Clean Energy/Decarbonization; & Wholesale Market Re-Design

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