

Residential Ratepayers' Advisory Board
Minutes of the July 29, 2024 Meeting

<i>Present for the Board</i>	<i>Present for the OCA</i>
Thomas Moses, Chair	Donald Kreis, Consumer Advocate
Dana Nute, Vice Chair	Lesley LaPerle, Legal Assistant
Yolanda Baumgartner	Michael Crouse, Staff Attorney
James Garrity	Matthew Fossum, Director of Regional and Federal Affairs and Assistant Consumer Advocate
Matthew Kfoury	Marc Vatter, Director of Economics and Finance
Neal Kurk	Charles Underhill, Director of Rates & Markets Policy
Kenneth Mailloux	
Claira Monier	

Mr. Moses called the meeting to order at 2:01 p.m. No members of the public were present. Sandra Gagnon, Manager of Regulatory Affairs (NH) coordinated the presentation. Mr. Moses announced that Speaker of the House Sherman Packard had approved the reappointment of three board members -- Neal Kurk, James Garrity and Tom Moses -- for an additional term of three years.

1. Minutes of April 22, 2024, Meeting

Mr. Garrity moved to approve the minutes and Mr. Kurk seconded; the motion was approved by all board members, excluding Yolanda Baumgartner who abstained.

2. Presentation from Benjamin D'Antonio, Manager of Transmission Strategy and Economic Analysis - Eversource

Mr. D'Antonio shared a presentation pertaining to FERC Order No. 1920 – “Building for the Future Through Electric Regional Transmission Planning and Cost Allocation”. FERC stands for the Federal Energy Regulatory Commission.

The FERC regulates the interstate transmission of electricity, natural gas, and oil. On May 13, 2024, FERC issued Order no. 1920 to strengthen regional transmission planning by requiring regional transmission providers to use a 20-year planning horizon while also rightsizing forecasted future asset condition projects. The FERC has been known to name its important orders with reference to important events, and here, it gave Order No. 1920 its name as an homage to the year the Federal Power Act was adopted.

Mr. D'Antonio explained the traditional process for transmission planning, which, at the regional level, historically focused on transmission upgrades for reliability. In New England, our regional transmission operator is ISO New England (“ISO NE”). ISO NE is responsible for operating wholesale power markets that trade electricity, capacity, transmission congestion contracts and also administers auctions for the sale of capacity throughout the New England states. Mr. D'Antonio stated generally that there are four factors that are taken into consideration at the start of a transmission planning cycle and these factors, when taken together, simply mean “integrated awareness”. These factors are:

(1) Reliability; (2) Asset Conditions; (3) Generator Interconnection; and (4) Public Policy. Every few years, ISO NE will perform transmission system studies on an ad hoc basis to better gain integrated awareness. New England faces higher costs than other regions throughout the United States given the rising cost of goods, increasing property value, and the challenges posed by winter in the Northeast.

Mr. Kurk asked how New Hampshire could keep costs down for its consumers and if New Hampshire adopted this policy with respect to transmission, would it reduce its contribution to the project. Mr. Fossum shared that there is in fact a policy enabling statute requirement that we avoid or minimize cost to NH consumers as result of decisions made elsewhere.

Mr. D'Antonio said that FERC looks at the system in pieces — meaning, the transmission system is managed by different regional transmission operators (RTOs) throughout the U.S. that FERC regulates. FERC looks to ISO New England to provide an analysis so that FERC can benefit from integrated awareness and determine what transmission will look like in the future based on its vision of what the next 20 years might look like. In phase two, New Hampshire thinks voluntarily would like to give ourselves authority and the state has done this. FERC allows parties to opt-in/out of certain pricing schemes, such as whether or not NH wants to support other states' renewable energy initiatives when it does not have one itself. The Department of Energy is the agency at the table who can decide on things.

The Consumer Advocate discussed how there are a lot of transmission costs that get incurred in connection with interstate wholesale sales of electricity and thinks these costs deserve a high degree of scrutiny; with the ultimate goal of making sure Eversource doesn't gold-plate its system where the bill is ultimately footed by residential customers. The Independent System Monitor reviews plans proposed by transmission owners throughout the region. The two significant transmission owners in New England are Eversource and National Grid. At the NH OCA, our office makes sure those two key players are not unnecessarily spending money as transmission owners, and this is now primarily the responsibility of our Director of Regional and Federal Affairs, Matthew J. Fossum.

Matthew states ISO-NE makes certain decisions regarding transmission system planning. However, with respect to transmission projects being necessary, overbuilt, or costing too much money, the OCA not only has the opportunity but does provide input into the Studies and Solutions part of the process to help assess prudence.

Ms. Baumgartner observed that the process for input, regarding transmission planning, needs to be more robust.

Mr. Fossum responded by stating that observation was accurate since current FERC processes are insufficient (for example, utilities receive a higher ROE for transmission than they would in NH for distribution even though there is less scrutiny for transmission systems). So, when a utility makes a transmission project filing, it is important to address whether the transmission project is prudent and for the parties to provide input at key stages.”

Mr. D'Antonio talked about a self-imposed bottom up approach to transmission planning where the states went to feds and said please allow us to do it. Then FERC Order 1920 says they want everyone to do it and sets more conditions. A key requirement is Long Term Regional Transmission Planning process (LTRTP). LTRTP means the need to look out to 20 years to see what future may hold with seven different factors to consider: (1) Avoided or deferred reliability transmission facilities and aging infrastructure replacement; (2) reduced loss of load probability or reduced planning reserve margin; (3) Production cost savings; (4) Reduced transmission energy losses; (5) Reduced congestion due to transmission outages; (6) Mitigation of extreme weather events and unexpected system conditions; and (7) Capacity cost benefits from reduced peak energy losses.

Mr. Nute inquired whether there were other stakeholders in other regions and whether they worked together on transmission planning. Mr. D'Antonio replied yes and that everyone has new ideas on how to work together on a regular basis.

Mr. D'Antonio talked about how capitalizing cost allocation and the need for a back-up plan, so that when they get to a stage in the process, they're not stuck. He calls it the idea of 'right-sizing' – to consider a lot of things; maybe need to upgrade a circuit because it's old, more demand there, etc. Must look at all together so that you may be able to find the right kind of solution for a bunch of different needs. FERC, through Order 1920, has created a process for LTTP that will take time to comply with. All parties involved should do a cost benefit of the seven factors. New Hampshire may identify the need for transmission line in the future but it's not automatic. If New Hampshire wanted to proceed, it could elect to do so. The region has been given more ability to do more of the long range planning. New Hampshire needs to take advantage of the input lag resulting from Order 1920 and exercise integrated awareness. New Hampshire can also opt out and therefore not pay into policy goals of other states.

Mr. Kreis discussed how New Hampshire is the only New England state in the region without a statutory requirement to reduce greenhouse gas emissions. New Hampshire only follows RGGI (Regional Greenhouse Gas Initiative). If things go along as they are, what could happen is it will be assumed more renewable energy is better, and we're still getting the benefit of it and therefore should pay for it. But, if we don't benefit from it, we don't pay.

Mr. D'Antonio talks about energy efficiency – transmission and use are clearly the first strategy. Simply speculating, New Hampshire is in a regional network, everything connected, and original idea is create big power station and send it out to all. Now, new technology has energy everywhere and then being pushed back onto the grid and it goes everywhere because we want to share it all, as much as we can do local projects to mitigate rise, some of the rise will be challenging because of the network we are in.

3. Other Topics or Issues

Following up to Mr. Kurk's observation about the title of this organization being "Advisory Board" at the last board meeting, he suggested possibly taking votes on a particular policy that anyone can bring up and give formal advice to be shared with the Consumer Advocate. He also stated it takes onus on them. The Residential Ratepayer Advisory Board could react to a particular issue, provide its recommendation to the Consumer Advocate, and

even if its adverse to the ultimate position the OCA takes, the Consumer Advocate would still have the benefit of its Advisory Board's opinion to share with other parties, legislators, etc. We could direct the Consumer Advocate if we thought a particular issue needs to be covered and we could react to them; possibly take stand on some of the legislative bills – which could go against the OCA's position.

4. Case Update

The Board received a current Activity List prior to the meeting. Mr. Moses inquired whether there were any items from the Case Update that the Board needed to address – no one replied.

5. Legislative Update

The Board received a list of House and Senate Bills being tracked by the OCA. Mr. Kfoury suggested the Board sync one of their meetings when the Legislation comes out. Use the Board to get opinions on various things, perhaps talk about subcommittee to help with certain issues.

Mr. Kurk suggested possible Board meeting beginning of January 2025 to go over bills which the Consumer Advocate will testify on and provide input whether advisory or general consensus so that the meeting in October could focus on other things that were mentioned in terms of general discussion about values. The OCA suggested start legislative talk at Board meeting in October 2024; questions germane - is there legislation the OCA would like to ask them to introduce on the Board's behalf? There is a season in the Fall what we'd like to see in the next Legislative session.

6. Adjournment

Mr. Nute moved to adjourn. Ms. Monier seconded the motion, which was adopted unanimously. The meeting was adjourned at 4:18 p.m. The next meeting of the Board will be October 21, 2024, at 2:00 p.m.