# *Getting it Done: How Can Better Planning Deliver the Grid We Need*

***New England Clean Energy Transmission Summit***

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***President & CEO***

***PowerOptions, Inc.***

PowerOptions

**Leveraging the power of non-profits**

# *What Is PowerOptions?*

- A nonprofit energy purchasing consortium formed in 1996 for all nonprofits, cities/towns and state governmental entities in Massachusetts. Currently over 500 members.
- Nonprofits join PowerOptions as members and receive access to pre-negotiated electricity, natural gas and demand response contracts.
- Total annual electric and gas commodity sales of $160-200M
- 220 MW load and 1 billion kWhs of electricity
- 12 million dekatherms of natural gas
- Funded through nominal membership fees and supplier administrative fees

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## *Perspective: A wholesale market that results in reliable supply at stable, predictable and reasonable cost*

- Recognition of state mandates
- Escalating transmission rates
- Potential impacts of generation retirements
- Preservation of competition (FCM redesign)

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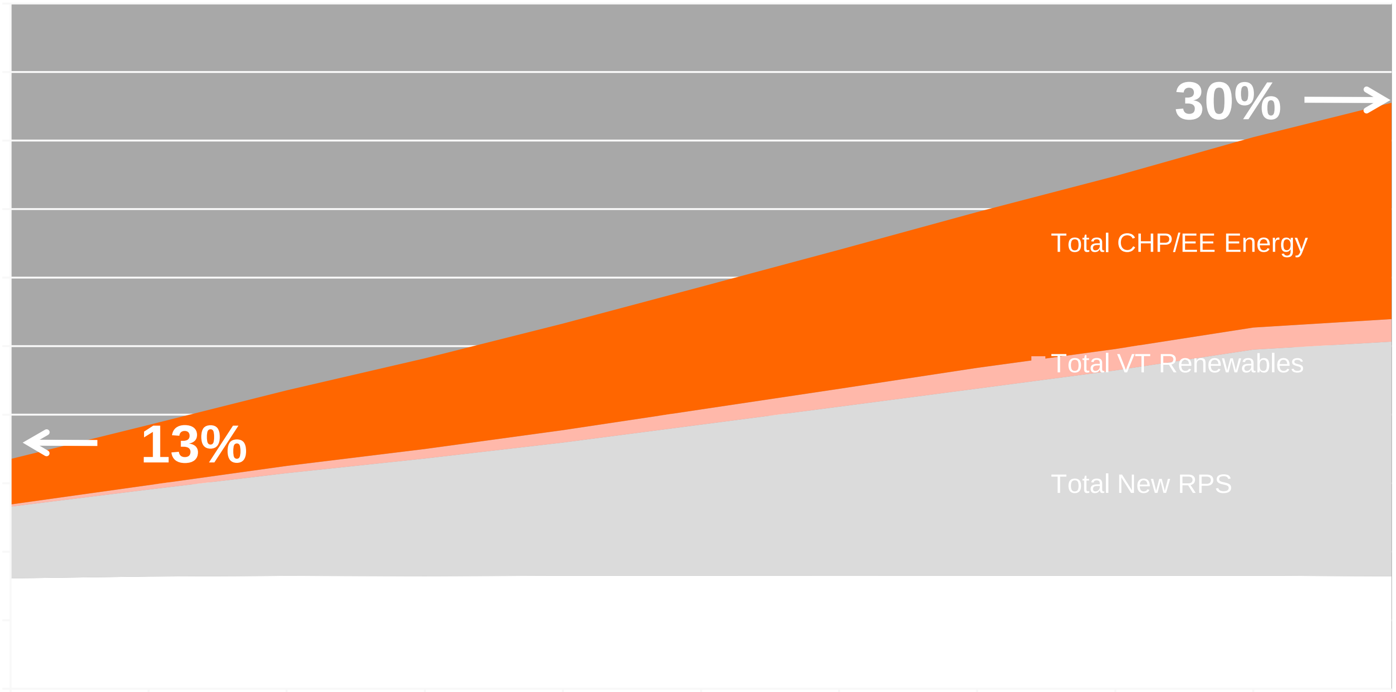
# *Better Planning Means Different Planning*

- Legacy system designed for a pre-restructuring regime
- State mandates outside scope of regional planning process
- Large scale renewables treated like any other generation
- Impacts of small scale renewables dealt with incrementally at distribution level
- No effort to target alternatives to avoid infrastructure upgrades
- Result: need to change planning process and market rules

# *ISO Projection of New England's Renewable Portfolio Standards and Targets for Energy Efficiency to 2020*

## Total RPS/Renewable/EE/CHP Energy Targets By Type




- RPS energy and energy efficiency as a percent of total electric energy

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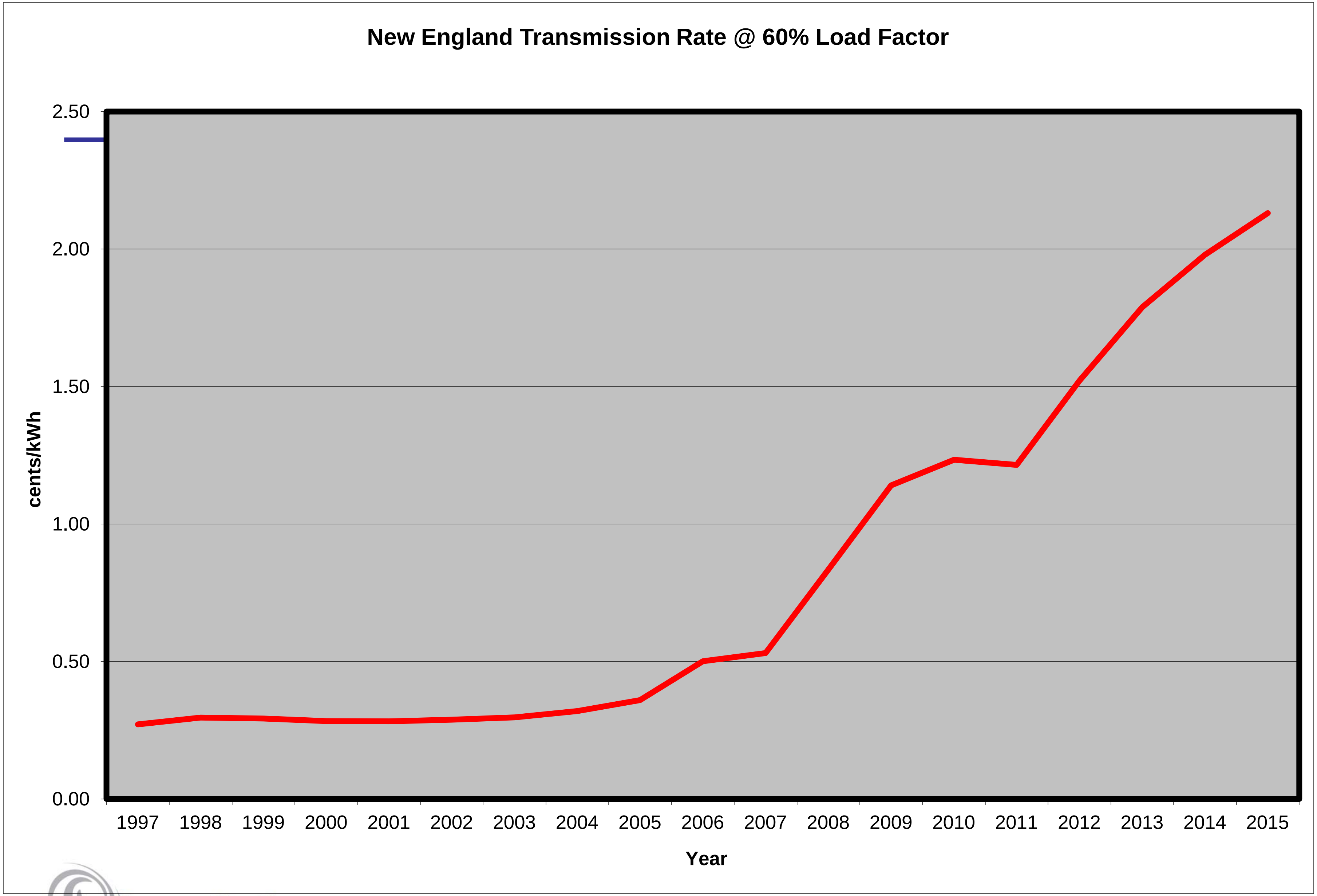
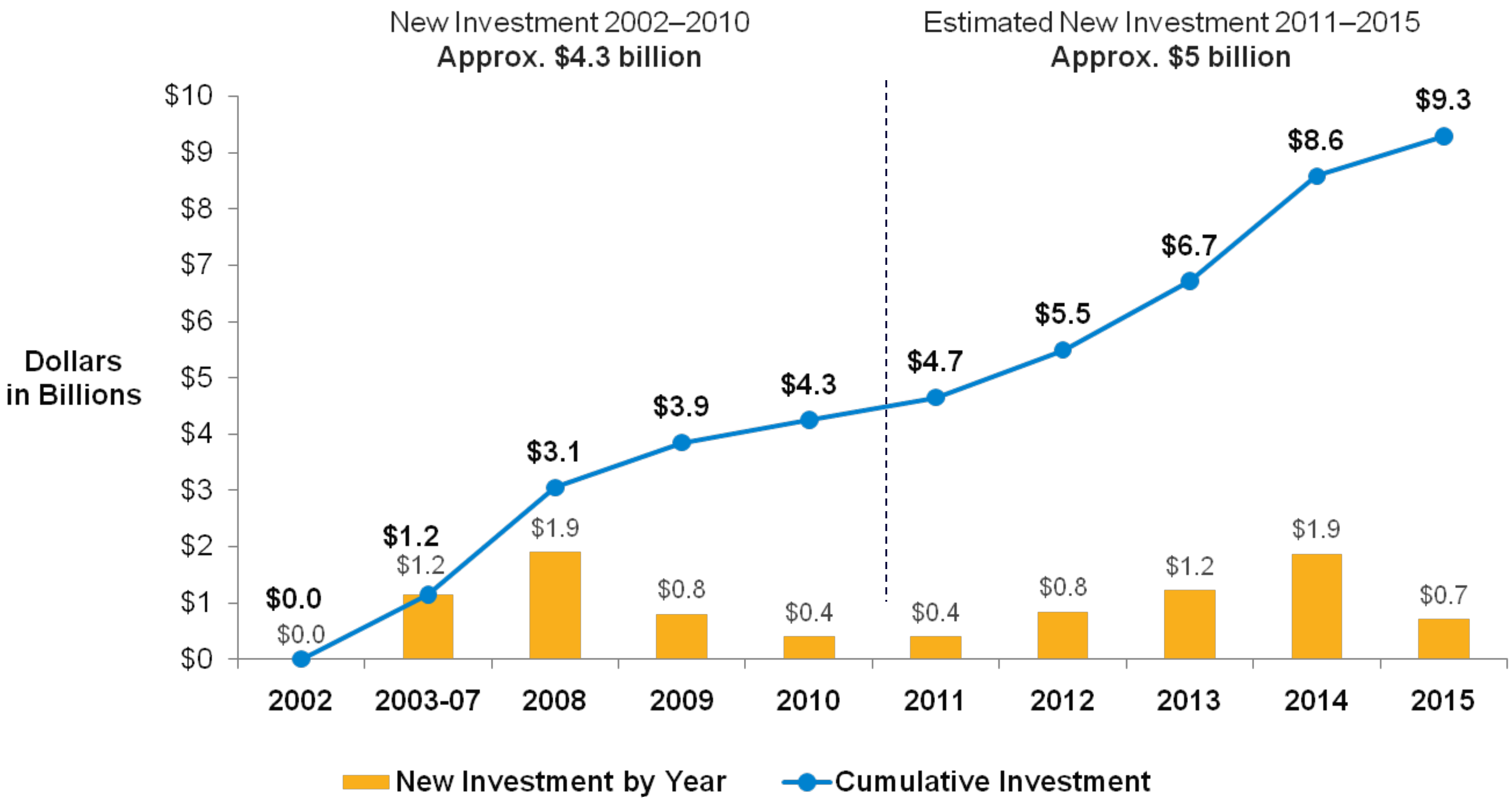
# *Transmission No Longer Small Portion of Total Bill*

- Regional Network Service rate has doubled and will double again
- Planning process does not allow enough time for meaningful consideration of non-transmission alternatives
- Revisit planning assumptions?
- Are infrastructure upgrades really needed?


New England Transmission Rate @ 60% Load Factor
2.50
2.00
1.50
1.00
0.50
0.00
cents/kWh
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
Year

# Transmission Investment in New England

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# *How to Reduce Cost Impact to Consumers*

- **Reduce ROE to transmission companies to current market conditions**
- **Eliminate unneeded incentives**
- **Target energy efficiency and distributed generation to eliminate or defer infrastructure upgrades**
- **Guard against merchant generation proposals than are disguised as needed transmission**