


ACADIA CENTER EXPLAINS

The Need for an Independent Transmission Monitor (ITM)

Spring 2025


EXECUTIVE SUMMARY



In coming years, hundreds of millions of consumer dollars will be called upon to upgrade transmission lines in the New England electricity grid. These costs come at a time where increased buildout of the power grid is crucial to meet reliability, climate, and clean energy goals create a modern electricity system for the future. Although it is the electric ratepayers who pay for these projects, the current system provides nearly no public oversight of the costs and projects proposed by transmission owners. Transmission owners are free to propose projects with only minimal public review, are free to ignore even the limited input the public can provide, and do not have to show they have chosen the most cost-effective options. The current system allows transmission owners to recover all of their project costs without public scrutiny. Too often, lower cost approaches that would deliver equal or better results are ignored because they do not provide the same return on investment to the transmission owners as more expensive options. Transmission costs are now the fastest growing part of customer bills, representing up to 20% of total residential electric bills today.¹


To fill this gap of accountability in spending consumer dollars, an Independent Transmission Monitor (ITM) is an effective and common sense approach. An ITM would provide public oversight and review of proposed grid projects that can individually cost hundreds of millions and, in the aggregate, billions of dollars. Independent oversight by an ITM would ensure these investments are scoped to maximize public benefit and affordability. This explainer offers Acadia Center's overview of the value proposition of establishing an ITM in the New England region and next steps to garner public support to make it happen.

WHAT IS AN INDEPENDENT TRANSMISSION MONITOR?



The ITM would be an independent organization to evaluate and monitor proposed transmission spending, serving the public interest by independently assessing need and cost assumptions used in projects, and determining whether viable lower, cost-effective solutions have either been considered as alternatives or designed into the project. ITM staff would be professional engineers and analysts, creating public reports regarding transmission planning and costs. There would ideally be an ITM in every transmission operating region in the U.S.; Acadia Center is advocating that one be established in the six state New England grid, to engage in grid planning with ISO-New England, the regional grid operator for the six New England states. The ITM should be funded separately from ISO-New England to avoid conflicts of interest.

WHY IS ACADIA CENTER RECOMMENDING AN ITM?



An ITM is needed for two reasons. First, New England's peak electricity demand—the peak period each year with the greatest electricity consumption—is expected to double in the next quarter century.² ISO-New England has estimated that the cost of increasing the capacity of the transmission system to meet this growing peak will cost between \$16 billion and \$26 billion dollars.³ In short, the region is about to make a significant investment increasing the capacity of its transmission system. Consumers are about to be asked to fund these projects. An ITM would provide a missing and sorely needed public interest forum to ensure that the many transmission projects that will be proposed have been fully vetted, are cost-competitive, and can be fully integrated into proactive and holistic system and transmission planning processes.

Second, transmission owners have near total discretion when it comes to advancing projects to upgrade or replace legacy transmission lines—referred to as “asset condition projects” (ACPs) in industry jargon. The number and cost of these projects have ballooned in recent years—they may be the costliest component of your electricity bill you've never heard of. By 2023, \$2.8 billion of these projects had been completed and another \$3.3 billion were proposed, planned, or under construction.⁴ Transmission owners earn revenue based on the costs passed on, and the only approvals that these projects require is a presentation in front of a singular committee at ISO-New England, called the Participants Advisory Committee.

Additionally, transmission owners currently have little incentive, and are under no requirement, to consider effective and lower cost alternatives to expensive transmission line upgrades. For example, Grid Enhancing

Technologies (GETs) are technologies that can often provide comparable or better transmission solutions by maximizing the capacity of existing lines, and at far lower costs than full line reconstruction. In Pennsylvania, the utility PPL spent less than \$300,000 to install GETs on their lines, saving about \$50 million in upfront costs and \$20 million in annual costs from grid congestion (think: rush-hour traffic)⁵—showing a far more economic choice than the higher-cost line reconstruction.

An ITM would provide needed oversight to ensure that the need for and scope of ACPs receive sufficient scrutiny, and that GETs and other solutions are considered for transmission projects, just like in the above example from Pennsylvania.

BACKGROUND ON EXISTING ITM WORK

An ITM has not yet been implemented in the U.S. However, there is strong support for an ITM in the ISO-New England region. In 2021, the Federal Energy Regulatory Commission (FERC), which oversees entities like ISO-New England, sought information from stakeholders on their interest in an ITM. In response, a coalition of 45+ stakeholders, including the influential New England States Committee on Electricity (NESCOE), filed comments in support. Although FERC ultimately did not adopt ITM considerations in its final rulemaking, NESCOE and the New England states are actively seeking to establish an ITM in ISO New England.

WHAT ARE THE NEXT STEPS IN DEVELOPING AN ITM?

Acadia Center believes that the creation of an ITM would fill a critical gap in protecting and serving the public. To succeed, greater public awareness and support is needed in order to make the case to initiate an ITM in this region. Acadia Center is working to build on past ITM support with other stakeholders, and is working in coordination with entities such as the Massachusetts Attorney General's Office and NESCOE to engage the support of consumer advocates, energy companies, towns, and many stakeholders. Our goal is to spur support and action by building a coalition to advance the creation of an ITM at the regional grid level. Parallel oversight improvements are also needed at the state level.

ACADIA CENTER RECOMMENDATIONS:

Acadia Center is exploring the following action to advance awareness of the need for an ITM and organize support:

- **Coalition Building:** Build a diverse and supportive ITM coalition by engaging a wide range of stakeholders to develop ITM advocacy strategy, including: consumer advocates, state agencies, NESCOE, municipalities and others impacted to create an organized multistate network of support and resources across the Northeast.
- **Policy:** Engage with governor's offices and other state decision makers to ensure the conversation about the ITM moves forward; join in position letters and meetings.
- **Public Awareness:** Provide a central repository of information and opportunities for comment and interest, with the goal of supporting and eliciting services for a full campaign
- **Scoping:** Flesh out the full implications of the ITM proposal (funding, scope, etc) which has been supported by NESCOE since 2021
- **Media:** Engage media in highlighting the need for public oversight of what could be billions of dollars in projects to be paid for by consumers.

For more information:

[Acadia Center Explains: Common Sense Ways to Improve the Power Transmission System Communities and Clean Grid Project](#)
[The Northeast Grid Planning Forum Framing Paper](#)

¹ RMI Mind The Regulatory Gap Report, p 13.

² "The Energy is About to Shift," Acadia Center and Clean Air Task Force (Dec. 2024)

https://acadiacenter.wpenginepowered.com/wp-content/uploads/2024/11/AC_CATF_EnergyShift_Report_2024_R10-1.pdf

³ 2050 Transmission Study, ISO New England Inc. (Feb. 2024)

https://www.iso-ne.com/static-assets/documents/100008/2024_02_14_pac_2050_transmission_study_final.pdf

⁴ NESCOE letter to New England Transmission Owners (Feb. 8, 2023) https://nescoe.com/wp-content/uploads/2023/02/Asset_Condition_Ltr_2-8-23.pdf

⁵ [Electrifying everything is the right way to go](#) - Commonwealth Beacon