

On November 21, 2024, [FERC issued Order No. 1920-A](#) as a rehearing and clarification of Order No. 1920, which largely upholds Order No. 1920. The Order was bipartisan and issued unanimously (See abstained and Christie concurred in part with a [separate statement](#)). Order No. 1920-A includes several clarifications and modifications based on arguments raised on rehearing.

Given the changes in Order No. 1920-A, projects now do not have to be selected until the end of 2030.

### **Key Changes in Order No. 1920-A:**

#### **1. Role of Relevant State Entities (RSEs):**

- Enhanced Participation: Strengthens RSEs' involvement in scenario development and cost allocation for Long-Term Regional Transmission Planning.
  - Transmission providers must include in their compliance filings any *ex ante* cost allocation methodology or State Agreement Process agreed upon by RSE's, even if the providers propose alternative versions. Transmission providers must also share information provided by RSE's about the states' negotiation process.
  - FERC retains the authority to evaluate all submissions independently and is not obligated to adopt the transmission providers' proposed methodology or process.
  - The Commission may approve the RSEs' proposal if it determines it is just and reasonable and aligns with the beneficiary-pays principle.
- State Input on Scenarios: Requires transmission providers to incorporate state input in compliance filings and include agreed-upon cost allocation methods from RSEs, even if not formally adopted by the provider.

#### **2. No Impacts on Existing State Agreement:**

- Providers may continue rely on existing State Agreement Processes.
- Must demonstrate on compliance that existing approach complies with Order 1920.
- Clarified that existing State Agreement Processes, such as PJM's, are impacted by the Order.

#### **4. Consultation Requirements:**

- Mandates transmission providers consult with RSEs before amending cost allocation methods or processes that are on file with the Commission.
- Requires public posting of consultation results and explanations if amendments preferred by RSEs are not adopted.

#### **5. Additional Scenario Flexibility:**

- While maintaining the requirement for three Long-Term Scenarios, allows development of additional scenarios, including additional scenarios at the RSEs' request to inform cost allocation discussions.
6. Cost Allocation and Pricing Zones:
- Transmission providers must provide the Relevant State Entities with a detailed breakdown of allocated costs by zone and quantify the benefits assigned to each zone when cost allocation is agreed to through a State Agreement Process or when a Long-Term Regional Transmission Facility is selected.
7. Factor Category Seven Modification:
- Removes the requirement to include corporate commitments in Factor Category Seven for Long-Term Transmission Needs.
8. Benefits:
- Clarifies that identification of Long-Term Transmission Needs should rely on economic and reliability drivers rather than seven specific benefit categories.
  - Clarifies that Order 1920 provides flexibility for transmission providers to (1) identify different types of benefits and (2) allocate costs in proportion to those benefits and with more granularity. For example, transmission providers might allocate costs tied to reliability and economic benefits across an entire region, while assigning costs for other benefits to a subset of states willing to cover them (e.g., costs associated with transmission needed to comply with state laws/regulations or to realize state policy goals in excess of transmission costs in the absence of such laws and policies). These additional benefits and associated costs could be identified using scenario analyses conducted by the transmission providers.
9. Extended Deadlines:
- Allows up to a six-month extension of the Engagement Period for RSEs to complete cost allocation discussions.
  - Corresponding compliance deadlines under Order No. 1920 are extended accordingly.
10. Updated Planning Timelines:
- Extends the start of the first Long-Term Regional Transmission Planning cycle to no later than two years after initial compliance filings (previously no later than one year).