

MEMORANDUM

FROM: Van Ness Feldman LLP
DATE: December 24, 2024
RE: Overview of Compliance Obligations Under Order 1920 and Order 1920-A

The Federal Energy Regulatory Commission (FERC, or the Commission) established new Long-Term Regional Transmission Planning (LTRTP) as well as other new or modified transmission planning requirements for transmission providers in Order No. 1920, and subsequently modified Order No 1920 in Order No. 1920-A.¹ This memorandum summarizes these requirements and explains changes to Order 1920 made in Order 1920-A.

I. Compliance Timelines

Order 1920 and 1920-A apply to all jurisdictional transmission providers and includes both RTO/ISO and non-RTO/ISO planning regions.² Transmission providers must propose compliant revisions to their Open Access Transmission Tariff (OATT). Compliance filings are generally due on June 12, 2025, ten months after Order 1920's effective date,³ although a separate compliance filing date of August 12, 2025, applies to revisions implementing the Interregional Transmission Coordination requirements.⁴ However, Order 1920-A modified the compliance filing deadline by allowing extensions to accommodate extended engagement periods with Relevant State Entities.⁵

Under Order 1920, transmission providers are required to provide a six-month "State Engagement Period" for negotiating and discussing cost allocation methods with Relevant State Entities *before* proposing a cost allocation method and making their compliance filing to FERC.⁶ The deadline to open this six-month period was December 12, 2024 (six months prior to the June 12, 2025, filing deadline). Order No. 1920-A further provided that FERC will consider and grant

¹ *Building For the Future Through Electric Regional Transmission Planning and Cost Allocation*, Docket No. RM 21-17-000, 187 FERC ¶ 61,068 (2024) (Order 1920), *order on reh'g*, 189 FERC ¶ 61,126 (2024) (Order 1920-A).

² Order 1920 at P 239.

³ Order 1920's compliance filing was set to be 10 months after its effective date. Order 1920 at P 1768. Order 1920's effective date was 60 days after Order 1920 was published in the Federal Register. Order 1920 at P 1792. Order 1920 was published in the Federal Register on June 11, 2024, making the effective date of Order 1920 August 12, 2024. *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, 89 Fed. Reg. 49280 (Jun. 11, 2024).

⁴ Order 1920 at P 1770 (setting the compliance deadline for Interregional Transmission Coordination reforms to 12 months from Order 1920's effective date).

⁵ Order 1920-A at PP 15, 33, 675.

⁶ Order 1920 at PP 1354–59.

Relevant State Entities an extension of the State Engagement Period of up to six months when necessary to resolve questions of cost allocation. If the Commission grants a Relevant State Entity’s request to extend the engagement period, the Commission will also extend the relevant Order 1920 compliance deadlines as appropriate, and indicated the Commission may provide such extensions on its own accord.⁷

The compliance filing must propose a date to begin the initial LTRTP cycle. Order 1920 initially required that this date be no more than one year from June 12, 2025—the date by which the compliance filing is due. However, Order 1920-A modified this to allow a transmission provider to propose a date no later than June 12, 2027, two years from the date of the compliance filing.⁸ The proposed effective date of OATT revisions must also be no later than the date chosen to begin the first LTRTP cycle.⁹ However, earlier effective dates may be proposed to allow transmission providers to implement any aspects of the required OATT reforms before the first LTRTP cycle deadline.¹⁰ Transmission providers must explain why the proposed start date for their LTRTP cycle is necessary and suitable for their transmission planning region.¹¹

The compliance filing must also explain how the LTRTP timing interacts with existing regional transmission planning processes, including any overlap or displacement of the regional processes.¹² Order 1920-A If the transmission provider seeks to align or integrate their existing transmission planning cycles with their LTRTP cycle, in their compliance filing they may seek additional time to begin the LTRTP cycle, with adequate support and explanation.¹³ Key dates are below:

Order Nos. 1920 and 1920-A Key Deadlines	
Dec. 12, 2024	Begin State Engagement Period with Relevant State Entities
June 12, 2025 Subject to extension if State Engagement Period extended.	Initial Compliance Filing due
Aug. 12, 2025	Compliance filing to propose revisions in compliance with the Interregional Transmission Coordination requirements due
June 12, 2027	Long-Term Regional Transmission Planning cycle must begin Last possible effective date of OATT Revisions.

⁷ Order 1920-A at PP 15, 33, 677–78.

⁸ Order 1920 at PP 726, 1768.

⁹ Order 1920 at P 1768.

¹⁰ Order 1920 at P 1768.

¹¹ Order 1920-A at P 508.

¹² Order 1920 at P 1071.

¹³ Order 1920 at PP 726, 1072.

On the Commission’s review of compliance filings, the Commission will evaluate proposed variations from all requirements of Order 1920 under its “consistent with or superior to” standard and will not limit such review to proposed variations from the *pro forma* OATT provisions developed in Order 1920.¹⁴

Last, if a transmission provider proposes a regional transmission planning process that combines the Order 1000 regional planning process with the LTRTP requirements in Order 1920, their compliance filing must demonstrate how they will meet the requirements of both orders. If the terms of the two orders conflict, Order 1920’s terms should be followed in such a filing.¹⁵

II. Summary of Order 1920 and Order 1920-A Compliance Requirements

First, by December 12, 2024, a transmission provider was required begin the State Engagement Period with Relevant State Entities. Under Order 1920, this State Engagement Period was set to be six months but Order 1920-A established that Relevant State Entities may request extensions of up to an additional six months to resolve cost allocation questions.¹⁶ The Commission indicated that should it grant an extension of the State Engagement Period, all compliance deadlines that follow the six-month State Engagement Period will also be extended by the Commission as necessary.¹⁷

Second, the general Initial Compliance Filing due on June 12, 2025, must:

- Specify proposed effective dates for the OATT revisions made to comply with Order 1920;
 - Transmission providers must propose an effective date for the OATT revisions required by Order 1920 that is no later than two (2) years from the commencement of the first Long-Term Transmission Planning cycle.¹⁸
- Explain how the LTRTP cycle will integrate with existing regional planning processes;
- Specify a proposed date to begin the first LTRTP cycle. While Order 1920 set this date to be no later than one year from the date of the initial compliance filing and June 12, 2026, at the latest, Order No. 1920-A extended this to allow the proposed date to extend to two years from the date of the initial compliance filing.
- Demonstrate that a good faith effort was made to consult with Relevant State Entities (RSEs) in developing the evaluation and selection process applicable to Long-Term

¹⁴ This is consistent with Commission practice. Order 1920-A at P 917, 921. Under the “consistent with or superior to” standard, FERC asks whether a proposed deviation is consistent with or superior to the “common starting point” FERC has established; if so, the variation is just and reasonable and should be approved by FERC. *N.Y. State Elec. & Gas Corp.*, 78 FERC ¶ 61,114 (1997), *order on reh’g*, 82 FERC ¶ 61,209, at 61,822 n.4 (1998).

¹⁵ Order 1920 at P 244.

¹⁶ Order 1920-A at PP 15, 33, 675.

¹⁷ Order 1920-A at PP 11, 15, 33, 675.

¹⁸ Order 1920-A at P 31.

Regional Transmission Facilities (LTRTFs);

- Propose revised OATT terms for the LTRTP cycle that:
 - Comply with Order Nos. 890 and 1000’s planning principles and transparency requirements, in addition to specific stakeholder engagement requirements;
 - Provide an LTRTP cycle no more than five years long, with a designated endpoint no later than three years from the starting date of the cycle for making final LTRTF selections;
 - Use a 20-year transmission planning horizon, incorporating seven specified factors¹⁹ and the best available data inputs to develop at least three Long-Term Scenarios (plus a “sensitivity” to extreme weather events) to identify Long-Term Transmission Needs (LTTNs);
 - Order 1920-A requires that transmission providers develop a reasonable number of scenarios in *addition* to the three Long-Term Scenarios required by Order 1920 to inform the development of cost allocation methods if requested to do so by a Relevant State Entity;²⁰
 - Under Order 1920-A, transmission providers are no longer required to use the set of seven benefits identified in Order 1920 to help inform Long-Term Transmission Needs;²¹
 - Use seven specific benefits to evaluate LTRTFs over 20 years from estimated in-service dates, comparing their efficiency and cost-effectiveness in meeting LTTNs;
 - Provide methodologies for measuring benefits and developing best available data;
 - Provide an evaluation process and selection criteria applicable to LTRTFs;
 - Provide an opportunity for RSEs and transmission customers to fund a LTRTF that would not otherwise meet the selection criteria so that it meets the selection criteria;
 - Provide for the reevaluation of selected LTRTFs upon meeting specific criteria;
 - Provide at least one Long-Term Regional Transmission Cost Allocation Method, and may also propose an alternative State Agreement Process to develop cost allocation methods for selected LTRTFs.
 - Provide a process to identify potential opportunities to meet LTTNs by “right-sizing” existing facilities whose replacement is anticipated within 10 years;
 - Will consider using grid-enhancing technologies to meet transmission needs.
- Revise existing Order No. 1000 regional transmission planning processes to:

¹⁹ Order 1920-A slightly modified this requirement by eliminating Order 1920’s requirement that corporate commitments be considered as part of Factor Category Seven. Order 1920-A at P 303.

²⁰ Order 1920-A at P 18.

²¹ Order 1920-A at P 31.

- Evaluate network upgrades that would address identified interconnection-related transmission needs for selection as a regional facility;
- Implement criteria for identifying interconnection-related transmission needs;
- Consider using grid-enhancing technologies to meet transmission needs.
- Revise OATT provisions for local transmission planning under Order No. 890 to enhance the transparency of such proceedings.

Third, the filing due on August 12, 2025, to comply with the Interregional Transmission Coordination requirements must propose revisions to:

- Share information regarding LTTNs and LTRTFs identified to meet those LTTNs;
- Identify and jointly evaluate interregional transmission facilities that may be more efficient or cost-effective in addressing LTTNs;
- Allow an entity to propose an interregional transmission facility as a potential solution to LTTNs;
- Publicize specific materials or information discussed, shared, determined, or developed in the interregional transmission coordination meetings.

Order 1920-A modifies, clarifies, and sets aside some of Order 1920's requirements. Order 1920-A establishes a more robust role for Relevant State Entities in the LTRTP process and greatly enhances transmission providers' affirmative obligations to engage with Relevant State Entities. Specifically, Order 1920-A:

- Requires transmission providers to consult with and consider input from states on the development of Long-Term Scenarios used in the LTRTP process;²²
- Requires transmission providers to include in either the transmittal or as an attachment to Order 1920 compliance filings any ex ante cost allocation methodology or State Agreement Process agreed to by the Relevant State Entities, as well as any information related to the State Engagement Period that Relevant State Entities requests be included;²³
- Requires Transmission providers to consult with Relevant State Entities (1) prior to amending the Long-Term Regional Transmission Cost Allocation Method(s) and State Agreement Process(es) or (2) if a Relevant State Entity requests—consistent with the entity's chosen method to reach agreement—that the transmission provider amend that method or process.;²⁴
- Establishes that the Commission will grant extensions of the State Engagement Period of up to six months for Relevant State Entities when necessary to resolve questions of cost

²² Order 1920-A at PP 15, 242.

²³ Order 1920-A at P 15.

²⁴ Order 1920-A at P 16.

allocation.²⁵

- Explains that if an extension of the State Engagement Period is granted, the Commission will also extend the relevant Order 1920 compliance deadlines as appropriate, *sua sponte*;²⁶
- Clarifies that Order 1920 gives transmission providers and Relevant State Entities sufficient flexibility to adopt cost allocation methods that allocate certain costs across all states in the region based on region-wide economic and reliability benefits, while allocating other costs across a subset of all states based on additional benefits provided to only those states.²⁷

Order 1920-A also clarifies and modifies transmission provider obligations relating to the development of the Long-Term Scenarios used to inform the identification of Long-Term Transmission Needs. In particular, Order 1920-A:

- Requires that transmission providers develop a reasonable number of scenarios in *addition* to the three Long-Term Scenarios required by Order 1920 to inform the development of cost allocation methods if requested to do so by a Relevant State Entity;²⁸
- Eliminates the requirement in Order 1920 that corporate commitments be accounted for under Factor Category Seven when developing the Long-Term Scenarios.²⁹
- Clarifies that Transmission Providers may develop analyses and scenarios in addition to the three Long-Term Scenarios required by Order 1920 to inform cost allocation methods;³⁰

Additionally, under Order 1920-A:

- Transmission providers are no longer required to use the set of seven benefits to help inform Long-Term Transmission Needs;³¹
- Transmission providers must propose an effective date for the OATT revisions required by Order 1920 that is no later than two (2) years from the commencement of the first Long-Term Transmission Planning cycle.³²
- Transmission providers must develop the processes, procedures, and OATT revisions

²⁵ Order 1920-A at PP 15, 33, 675.

²⁶ Order 1920-A at PP 15, 33, 675.

²⁷ Order 1920-A at P 16. The Commission offered the example of scenarios that consider the incremental cost associated with transmission needed to facilitate state laws, policies, regulations in excess of the cost of transmission needed otherwise. In that case, only a subset of states with laws/policies that necessitate new transmission or network upgrades would benefit from the costs associated with those investments. Order 1920 is flexible enough to accommodate a cost allocation model that recoups these kinds of costs across only the subset of entities that benefit from them. Order 1920-A at P 767.

²⁸ Order 1920-A at P 18.

²⁹ Order 1920-A at PP 18, 934.

³⁰ Order 1920-A at P 18.

³¹ Order 1920-A at P 31.

³² Order 1920-A at P 31.

required by Order 1920 in consultation with stakeholders.³³

III. Overview of Long-Term Regional Transmission Planning Requirements

All transmission providers in each transmission planning region are required to participate in Long-Term Regional Transmission Planning (LTRTP).³⁴ LTRTP is “regional transmission planning on a sufficiently long-term, forward-looking, and comprehensive basis to identify Long-Term Transmission Needs,³⁵ identify transmission facilities that meet such needs, measure the benefits of those transmission facilities, and evaluate those transmission facilities for potential selection in the regional transmission plan for purposes of cost allocation as the more efficient or cost-effective transmission facilities to meet Long-Term Transmission Needs.”³⁶

Specific requirements are outlined below:

- LTRTP cycles must (1) identify LTTNs through Long-Term Scenarios and identify Long-Term Regional Transmission Facilities³⁷ (LTRTF) that meet those needs, (2) use seven required benefits to evaluate LTRTFs’ benefits over 20 years from an estimated in-service date, and (3) evaluate and select LTRTF’s based on selection criteria and comparative efficiency or cost-effectiveness in meeting Long-Term Transmission Needs.³⁸
 - In Order 1920-A, the Commission set aside the requirement established in Order 1920 that transmission providers use the set of seven required benefits to inform the identification of LTTNs. The Commission emphasized that LTTNs must be identified based on economic and reliability drivers.³⁹
 - The Commission also clarified that Order No. 1920 does not require that transmission providers include previously selected LTRTFs in planning models used in subsequent LTRTP cycles, though, in most cases, the Commission expects transmission providers will include previously selected LTRTFs in these planning models.⁴⁰
- The cycle “must conclude . . . no later than five years after the date that it began.”⁴¹ Transmission providers are required to determine whether to select LTRTF “no later than three years from the date when the [LTRTP] cycle began.”⁴² The transmission Providers must “designate the point” at which they “conclude[] a [LTRTP] cycle” by no longer

³³ Order 1920-A at P 923.

³⁴ Order 1920 at P 224.

³⁵ “Long-Term Transmission Needs are transmission needs identified through Long-Term Regional Transmission Planning by . . . running scenarios and considering the enumerated categories of factors.” Order 1920 at P 39.

³⁶ Order 1920 at P 38.

³⁷ “[A] Long-Term Regional Transmission Facility is a regional transmission facility that is identified as part of Long-Term Regional Transmission Planning to address Long-Term Transmission Needs.” Order 1920 at PP 41, 250-51.

³⁸ Order 1920 at PP 225, 378.

³⁹ Order 1920-A at PP 223, 379.

⁴⁰ Order 1920-A at P 262.

⁴¹ Order 1920 at P 378.

⁴² Order 1920 at P 379.

evaluating or selecting LTRTFs.⁴³

- The LTRTP cycle must comply with Order Nos. 890 and 1000’s planning principles of: (1) coordination; (2) openness; (3) transparency;⁴⁴ (4) information exchange; (5) comparability; and (6) dispute resolution.⁴⁵

A. Long-Term Scenarios and Their Requirements

Transmission Providers must develop “at least three distinct Long-Term Scenarios” in a LTRTP cycle.⁴⁶ Long-Term Scenarios “incorporate various assumptions using best available data inputs about the future electric power system over a sufficiently long-term, forward-looking transmission planning horizon” in order “to identify Long-Term Transmission Needs and enable the identification and evaluation of transmission facilities to meet such transmission needs.”⁴⁷

Order 1920-A added to Order 1920 by requiring transmission providers “to develop a reasonable number of *additional* scenarios” to inform the application and/or development of cost allocation methods upon request from a Relevant State Entity.⁴⁸ The Commission did not elaborate on what constitutes a “reasonable number” of additional scenarios, but clarified that transmission providers will be allowed to propose processes to determine when additional analyses have been requested and what qualifies as a reasonable number of such analyses.⁴⁹

Transmission providers must further “develop at least one sensitivity” to a widespread “extreme weather event,” similar to a “stress test,” to be “applied to each Long-Term Scenario[] to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area.”⁵⁰ This sensitivity analysis can be conducted before or after identifying potential transmission solutions to the LTTNs identified using the Long-Term Scenarios. *Id.* FERC indicated this sensitivity analysis can help “evaluate the need for, or benefits of, increased Interregional Transfer Capability” as well.⁵¹

Long-Term Scenarios must:

⁴³ Order 1920 at P 381.

⁴⁴ FERC repeatedly emphasized the need for transparency. For example, FERC mentioned that the LTRTP must comply with Order 890 and make transparent the methods behind the analysis for each Long-Term Scenario and sensitivity analysis, including the determination of (i) the Long-Term Transmission Needs, (ii) the LTRTFs, and (iii) the benefits of LTRTFs. Order 1920 at P 956. This is because FERC noted that each Long-Term Scenario and sensitivity analysis may suggest (i) that different Long-Term Transmission Needs exist, (ii) that different LTRTFs would best resolve those needs, or (iii) that LTRTFs would provide different benefits. *Id.*

⁴⁵ Order 1920 at P 224.

⁴⁶ Order 1920 at P 559.

⁴⁷ Order 1920 at P 302.

⁴⁸ Order 1920-A at PP 242, 935 (emphasis added).

⁴⁹ Order 1920-A at P 367.

⁵⁰ Order 1920 at PP 593-94.

⁵¹ Order 1920 at P 599.

- Use no less than a 20-year transmission planning horizon;⁵²
- Represent plausible scenarios, “meaning that each scenario must itself be reasonably probable, and collectively that the set of plausible scenarios must reasonably capture probable future outcomes;”⁵³
- Represent diverse scenarios, meaning “that transmission providers can distinguish distinct transmission facilities or distinct benefits of similar transmission facilities in each” scenario;⁵⁴
- Incorporate⁵⁵ at least the following seven categories of factors:⁵⁶
 - (1) Federal, federally-recognized Tribal, state, and local laws and regulations⁵⁷ affecting the resource mix and demand;⁵⁸
 - (2) Federal, federally- recognized Tribal, state, and local laws and regulations on decarbonization and electrification;⁵⁹
 - (3) State-approved integrated resource plans and expected supply obligations for load-serving entities;⁶⁰
 - (4) Trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies;⁶¹

⁵² Order 1920 at PP 344, 346.

⁵³ Order 1920 at PP 575-76.

⁵⁴ Order 1920 at PP 575-76.

⁵⁵ “Incorporating a category of factors in the development of Long-Term Scenarios means that transmission providers must use factors in the category, for each factor individually or collectively, to determine the assumptions that will be used in the development of Long-Term Scenarios.” Order 1920 at P 413.

⁵⁶ Order 1920 at P 409. “These are the minimum set of known determinants of Long-Term Transmission Needs that transmission providers must incorporate.” *Id.* at P 412. “[A] category of factors (e.g., Factor Category Two: federal, federally-recognized Tribal, state, and local laws and regulations on decarbonization and electrification) differs from a specific factor (e.g., a specific state law with a decarbonization requirement).” Order 1920 at P 416. In Order 1920-A, the Commission stated transmission providers must avoid double counting any overlapping effects of these factors on planning assumptions. The Commission indicated that “where there is overlap between factors in Factor Categories One through Three and factors in Factor Categories Four through Seven, or a factor could arguably be considered in a Factor Category in the first three categories or the last four categories, transmission providers must incorporate that factor in the appropriate Factor Category in the first three categories.” Order 1920-A at 273.

⁵⁷ “Law and regulations” means “enacted statutes (i.e., passed by the legislature and signed by the executive) and regulations promulgated by a relevant jurisdiction.” Order 1920-A at P 324.

⁵⁸ Order 1920 at PP 432-37.

⁵⁹ Order 1920 at PP 440-42.

⁶⁰ Order 1920 at PP 447-49.

⁶¹ Order 1920 at PP 456-58.

- (5) Resource retirements;⁶²
- (6) Generator interconnection requests and withdrawals, including merchant transmission developer interconnection requests per Order 1920-A;⁶³ and
- (7) Utility commitments and federal, federally-recognized Tribal, state, and local policy goals that affect Long-Term Transmission Needs.⁶⁴ While Order 1920 included corporate commitments in factor seven, Order 1920-A removed this requirement.⁶⁵

For the first three categories of factors, transmission providers must assume all legally binding obligations, including state-approved IRPs and expected supply obligations for LSEs, are followed and met.⁶⁶ In Order 1920-A, the Commission clarified that transmission providers must consult with Relevant State Entities and any other entity designated as a representative of an a Relevant State Entity in determining how to account for state laws, policies, and regulations in transmission planning assumptions and how those requirements will be realized.⁶⁷

Transmission providers must identify factors in Factor Categories Four, Five, and Six,⁶⁸ but may rely on stakeholders (e.g., states) to identify specific factors in Factor Categories One, Two, Three, and Seven, as these factors generally arise from decisions and processes that are external to the transmission provider.⁶⁹

Transmission providers have discretion⁷⁰ to determine whether any of the seven Factor Categories affect Long-Term Transmission Needs and do not need to account for factors that, in the provider's determination, do not affect Long-Term Transmission Needs.⁷¹ In Order 1920-A, the Commission clarified that, to the extent a transmission provider elects to use additional factors beyond the categories established in Order 1920, the provider must satisfy the Order 1920 transparency requirements⁷² for those additional factors.⁷³

- Use the best available data inputs, meaning “data inputs that are timely, developed using best practices and diverse and expert perspectives, and adopted via a process” using “the transmission planning principles” and stakeholder processes of Order Nos. 890 and

⁶² Order 1920 at PP 463-66.

⁶³ Order 1920 at PP 472-73; Order 1920-A at P 334.

⁶⁴ Order 1920 at PP 481-84; Order 1920-A at P 308.

⁶⁵ Transmission providers still must consider corporate commitments as part of Long-Term Regional Transmission Planning to the extent such commitments affect Long-Term Transmission Needs. Order 1920-A at P 303.

⁶⁶ Order 1920 at P 507.

⁶⁷ Order 1920-A at PP 241, 936.

⁶⁸ Although transmission providers have an independent obligation to identify factors in Categories Four, Five, and Six, they must consult with Relevant State Entities as well. Order 1920-A at P 349.

⁶⁹ Order 1920-A at P 349.

⁷⁰ Discretion must be exercised in a manner that ensures comparability among transmission providers. Order 1920-A at 308.

⁷¹ Order 1920-A at P 309.

⁷² Order 1920-A at P 331.

⁷³ Order 1920-A at P 331.

1000.”⁷⁴

- Data inputs must “reflect the list of factors” considered by the transmission provider, meaning the factors data inputs gathered and developed must correspond with the factors determined for each category as likely to affect Long-Term Transmission Needs.⁷⁵
- Data inputs must be reassessed every time Long-Term Scenarios are reassessed or revised.⁷⁶
- The information and data inputs used to create each Long-Term Scenario must be publicly disclosed (subject to applicable confidentiality protections), and available to be challenged by interested parties.⁷⁷

The Long-Term Scenarios must be developed through a transparent stakeholder process offering meaningful opportunities for proposals regarding data inputs, probable future outcomes, and potential factors, and for timely input on how to account for specific factors.⁷⁸ Transmission providers must also publish as part of each LTRTP cycle the factors they will consider, any potential factors they will not consider, and their method for incorporating the factors.⁷⁹ In Order 1920-A, the Commission clarified that publication must occur before Long-Term Scenarios are finalized and after allowing for meaningful stakeholder input.⁸⁰

Finally, Long-Term Scenarios must be reassessed and revised at least once every five years, including assessing whether to update the data inputs and factors.⁸¹

B. Measuring the Benefits of LTRTFs

In the LTRTP process, the transmission provider must measure the benefits of LTRTFs under each Long-Term Scenario and use these measured benefits to evaluate the LTRTFs.⁸² Seven benefits are specifically required. Transmission providers may also propose to include additional benefits in their LTRTP process.⁸³ The process for proposing and identifying additional benefits and measurement methodologies must be open and transparent.⁸⁴

The seven required benefits are:

- (1) Avoided or deferred reliability transmission facilities and aging infrastructure

⁷⁴ Order 1920 at P 633-34.

⁷⁵ Order 1920 at P 633.

⁷⁶ Order 1920 at P 633.

⁷⁷ Order 1920 at P 560, 634.

⁷⁸ Order 1920 at PP 528, 560.

⁷⁹ Order 1920 at P 528; Order 1920-A at P 350. Transmission providers are *not* required to include this information with their Order 1920 compliance filings. Order 1920-A at P 350.

⁸⁰ Order 1920-A at P 350.

⁸¹ Order 1920 at P 377. At the start of a new LTRTP cycle, the transmission provider may either develop new Long-Term Scenarios or update their previous Long-Term Scenarios. *Id.*

⁸² Order 1920 at P 719-20; Order 1920-A at P 450.

⁸³ Order 1920 at PP 729, 822.

⁸⁴ Order 1920-A at P 416.

- replacement, meaning “the reduced costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities;”⁸⁵
- (2) A reliability benefit characterized and measured as either (a) reduced loss of load probability (“the reduced frequency of loss of load events”), or (b) reduced planning reserve margin⁸⁶ (“the reduction in capital costs of generation needed to meet resource adequacy requirements”);⁸⁷
 - (3) Production cost savings, meaning “savings in fuel and other variable operating costs of power generation that are realized when transmission facilities allow for displacement of higher-cost supplies through the increased dispatch of suppliers that have lower incremental costs of production”;⁸⁸
 - (4) Reduced transmission energy losses, meaning “the reduced total energy necessary to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to loads”;⁸⁹
 - (5) Reduced congestion due to transmission outages, meaning “reduced production costs resulting from avoided congestion during transmission outages”;⁹⁰
 - (6) Mitigation of extreme weather events and unexpected system conditions through “reduced production costs and reduced loss of load []or emergency procurements necessary to support the system[], including due to increased Interregional Transfer Capability”;⁹¹ and
 - (7) Capacity cost benefits from reduced peak energy losses, meaning the “reduced generation capacity investment needed to meet peak load.”⁹²

Transmission providers’ OATT revisions must describe “how they will measure each of the seven benefits.”⁹³ FERC did not require specific measurement methodologies but specified that the benefits of LTRTFs are to be calculated over a minimum of “20 years starting from the estimated in-service date” of each LTRTF.⁹⁴ This 20-year benefit horizon applies to both

⁸⁵ Order 1920 at PP 745-47.

⁸⁶ Order 1920 “does not require transmission providers to establish a different planning reserve margin than the one established by resource planners or load-serving entities in a particular transmission provider’s system.” Order 1920-A at P 403.

⁸⁷ Order 1920 at PP 755-58. A transmission provider must choose one method, either (a) or (b), but not both as “these are different methods for measuring the same underlying benefit.” *Id.*

⁸⁸ Order 1920 at PP 767-70.

⁸⁹ Order 1920 at PP 781-83.

⁹⁰ Order 1920 at PP 788-89.

⁹¹ Order 1920 at PP 800-09.

⁹² Order 1920 at PP 817-19.

⁹³ Order 1920 at PP 837, 839.

⁹⁴ Order 1920 at P 859. FERC specified that this 20-year horizon does *not* apply to cost allocation, but noted that if transmission providers estimate the costs of LTRTF beyond their in-service date they must also “estimate those future costs over the same time horizon as the estimated benefits.” *Id.*

evaluating and selecting LTRTFs. *Id.*

A transmission provider may “use a portfolio approach” to measure LTRTF benefits, but must publish the details of their approach in their OATT. The transmission provider “may use either or both facility-by-facility and portfolio approaches within the same [LRTRP] cycle.”⁹⁵

C. Evaluating and Selecting LTRTFs

Transmission providers’ compliance filings must update their OATT to include an evaluation process and selection criteria for use in identifying and evaluating LTRTFs for potential selection to meet LTTNs.⁹⁶

In their filing, transmission providers must also show a good faith effort was made to “consult with and seek support from Relevant State Entities regarding the evaluation process, including selection criteria, that transmission providers propose to use to identify and evaluate” LTRTFs.⁹⁷

The LTRTF evaluation process must:

- Be developed in consultation with stakeholders;⁹⁸
- “[S]eek to maximize benefits accounting for costs over time without over-building transmission facilities;”⁹⁹
- Identify LTRTFs that address Long-Term Transmission Needs,¹⁰⁰ and allow nonincumbent transmission developers to propose facilities during the identification stage in the process;¹⁰¹
 - **Note:** Transmission developers “have an affirmative obligation to identify [LTRTFs] that more efficiently or cost-effectively address Long-Term Transmission Needs.”¹⁰²
- Result in selection determinations sufficiently detailed to allow stakeholders to understand why specific LTRTFs were “selected or not selected,” including the measured benefits and costs of each LTRTF or portfolio of LTRTFs;¹⁰³
- Use all seven of the required benefits in evaluation and selection of LTRTFs, although the weight given to different benefits in evaluation may vary (the given examples are weighting based on probability of recognizing the benefit or consistency across Long-

⁹⁵ Order 1920 at P 889.

⁹⁶ Order 1920 at P 911.

⁹⁷ Order 1920 at P 994.

⁹⁸ Order 1920 at P 924.

⁹⁹ Order 1920 at P 964.

¹⁰⁰ Order 1920 at P 924.

¹⁰¹ Order 1920 at P 955.

¹⁰² Order 1920 at P 957.

¹⁰³ Order 1920 at PP 954-55, 966.

Term Scenarios);¹⁰⁴

- Include selection criteria that will ensure more efficient or cost-effective LTRTFs are selected to meet Long-Term Transmission Needs, including by estimating the costs and measuring the benefits of the LTRTFs identified and proposed for selection as well as “any qualitative or other quantitative selection criteria that the transmission providers . . . propose to apply”;¹⁰⁵
- Include an opportunity for Relevant State Entities and transmission customers to voluntarily fund all or part of a LTRTF “that otherwise would not meet the [] selection criteria.”¹⁰⁶ Transmission providers’ proposed opportunities must be transparent and not unduly discriminatory or preferential. *Id.* There are four other requirements specific to this process:
 - Describe the process through which RSEs and customers will receive “timely notice of such opportunities;”
 - Provide the period during which the opportunity may be exercised;
 - Provide the method through which transmission providers will “determine the amount of voluntary funding required to ensure the” LTRTF meets the selection criteria;
 - Provide the formal mechanism of memorializing any voluntary funding agreement (e.g. through a *pro forma* agreement).¹⁰⁷
- Designate a point at which transmission providers will determine whether to select identified LTRTFs in the LTRTP for purposes of cost allocation, no later than three years from the beginning date of the LTRTP cycle.¹⁰⁸

A transmission developer of a selected LTRTF, whether incumbent or nonincumbent, is “eligible to use the applicable cost allocation method for the [LTRTF].”¹⁰⁹

Reevaluation: The compliance filings must include OATT provisions that require reevaluation of previously selected LTRTFs in three circumstances:

- (1) delays in development that will jeopardize the transmission providers ability to meet reliability needs or service obligations;
- (2) actual or projected costs significantly exceed estimates¹¹⁰ used in selection; or
- (3) for a LTRTF with an in-service date in the latter half of the 20-year planning horizon, significant federal, state, local, or Tribal legal changes cause reasonable concern the facility

¹⁰⁴ Order 1920 at P 965.

¹⁰⁵ Order 1920 at PP 924, 955.

¹⁰⁶ Order 1920 at P 1012.

¹⁰⁷ Order 1920 at P 1013.

¹⁰⁸ Order 1920 at PP 381, 916, 955.

¹⁰⁹ Order 1920 at P 912.

¹¹⁰ To allow for reevaluation, the OATT must include a mechanism for tracking the costs of LTRTFs. Order 1920 at P 1052.

may no longer meet the selection criteria.¹¹¹

Reevaluation cannot occur outside the three specified circumstances.¹¹² For circumstances (2) and (3), such reevaluation can only occur within a subsequent LTRTP cycle and must consider updated costs and benefits.¹¹³

The OATT must include specific criteria to determine when one of the three circumstances has occurred, which triggers reevaluation, and the criteria must “seek to maximize benefits accounting for costs over time without over-building transmission facilities.”¹¹⁴ The OATT must provide the process and procedure of reevaluation, including the potential outcomes (e.g. no action, mitigation, reassigning the facility to a new developer, modification, de-selection) and their conditions.¹¹⁵

The OATT must also “designate a point after which all selected [LTRTFs] will no longer be subject to reevaluation” to allow “adequate certainty to make investment decisions.”¹¹⁶

IV. Consideration of Interconnection-Related Transmission Needs in the Order 1000 Regional Transmission Planning Process

Transmission providers must also revise their “regional transmission planning processes in their OATTs . . . to evaluate for selection regional transmission facilities to address certain identified interconnection related transmission needs in their existing Order No. 1000 regional transmission planning and cost allocation processes, rather than in [LTRTP].”¹¹⁷ The evaluation is meant to assess whether the regional transmission facilities can “address[] interconnection-related transmission needs that have been identified in the generator interconnection process as requiring interconnection-related network upgrades.”¹¹⁸

FERC left the choice of how and whether to use any extant Order No. 1000 processes to carry out this evaluation and selection. “Transmission providers may adopt the evaluation method and selection criteria from any of their existing Order No. 1000 regional transmission planning and cost allocation processes (e.g., economic or reliability processes) to evaluate and potentially select these types of transmission facilities.”¹¹⁹

Orders 1920 established four threshold criteria for determining whether a transmission provider must evaluate regional transmission facilities for selection as part of their Order 1000 regional transmission planning processes.¹²⁰ Order 1920-A modified the first and third criteria and added a fifth criterion to resolve confusion about the timing requirements associated with

¹¹¹ Order 1920 at PP 1048-51.

¹¹² Order 1920 at P 1057.

¹¹³ Order 1920 at P 1052.

¹¹⁴ Order 1920 at PP 1050, 1052.

¹¹⁵ Order 1920 at P 1052.

¹¹⁶ Order 1920 at P 1050.

¹¹⁷ Order 1920 at PP 1106-07, 1127.

¹¹⁸ Order 1920 at P 1145.

¹¹⁹ Order 1920 at P 1111 (noting the decision not to require use of a specific process was purposeful).

¹²⁰ Order 1920 at PP 1145, 1160.

this reform.¹²¹

Under the criteria set forth in Orders 1920 and 1920-A, transmission providers must evaluate regional transmission facilities “to address interconnection-related transmission needs that have been identified in the generator interconnection process as requiring interconnection related network upgrades where:”

- (1) Interconnection-related network upgrades have been identified in “interconnection studies to address those interconnection-related transmission needs in at least two interconnection queue cycles”;¹²²
 - If there are no queue cycles, because the transmission provider uses first-come, first served serial interconnection processes, this criterion is met if the need is identified in at least two individual interconnection studies.¹²³
 - **Note:** In Order 1920-A, the Commission modified two of the four threshold criteria established in Order 1920 to clarify that the time period to identify interconnection-related transmission needs during Order 1000 regional transmission planning and cost allocation process cycle will exceed five years.¹²⁴ The Commission removed language in criteria (1) specifying that the interconnection-related needs must have been identified “*during the preceding five years.*”¹²⁵
- (2) An interconnection-related network upgrade meeting those needs has a voltage of at least 200 kV and estimated cost of at least \$30 million;
- (3) The interconnection request(s) that resulted in the identification of the transmission need in two or more queue cycles were withdrawn and the withdrawals occurred within a five-year period;¹²⁶
- (4) “[T]he transmission provider has not identified an interconnection-related upgrade to address the” need in either “an executed generator interconnection agreement” or such agreement filed unexecuted with FERC at the interconnection customer’s request;¹²⁷ and
- (5) The withdrawals associated with the repeatedly identified transmission need occurred no earlier than seven calendar years prior to the commencement of the Order 1000 regional transmission planning and cost allocation cycle.¹²⁸

¹²¹ Order 1920-A at PP 545–46.

¹²² Order 1920 at P 1160; Order 1920-A at P 545.

¹²³ Order 1920 at P 1160 Order 1920-A at P 545

¹²⁴ Order 1920-A at P 544.

¹²⁵ Order 1920-A at P 545.

¹²⁶ The Commission modified this criterion in Order 1920-A. Previously, criterion (3) required that the network upgrades at issue were never developed and are not currently planned to be developed. Order 1920-A at P 545.

¹²⁷ Order 1920 at PP 1145-46.

¹²⁸ The fifth criterion was added in Order 1920-A. Under this criterion, “the initial evaluation should occur in the first Order No. 1000 regional transmission planning and cost allocation cycle to occur after the effective date of the tariff revisions implementing this reform,” and “the transmission provider need not

The modifications made to these criteria by Order 1920-A clarify the following:

- (1) transmission providers are not required to evaluate interconnection-related transmission needs if “the interconnection requests that led to the identification of the interconnection-related transmission need in two or more interconnection queue cycles” were withdrawn more than five calendar years apart;
- (2) transmission providers are only required to evaluate interconnection-related transmission needs as part of the Order 1000 regional transmission planning and cost allocation cycle if the relevant transmission requests occurred within seven calendar years prior to commencement of the Order 1000 cycle; and
- (3) transmission providers need not reevaluate interconnection needs previously evaluated in an Order 1000 cycle.¹²⁹

Under these reforms, transmission providers are only required to determine if the qualifying criteria are satisfied in the seven calendar years prior to commencement of the Order 1000 cycle.¹³⁰ This change means transmission providers will need to consider up to two additional years of withdrawn interconnection requests that required under Order 1920.¹³¹

The Commission provided a helpful example¹³² to highlight the practical effects of these changes:

- Transmission provider identifies interconnection-related transmission need A as necessary to interconnect interconnection request A in interconnection cluster cycle 1.
- Interconnection request A withdraws from interconnection cluster cycle 1 on August 1, 2035.
- In interconnection cluster cycle 2, transmission provider identifies interconnection-related transmission need A as necessary to interconnect interconnection request B.
- Interconnection request B withdraws from interconnection cluster cycle 2 on or before August 1, 2040.
- The first Order No. 1000 regional transmission planning and cost allocation cycle following the withdrawal of interconnection request B commences on January 1, 2042.¹³³

Here, the repeat identification criterion is satisfied because interconnection requests A and B identified the same interconnection-related transmission need in cluster cycles 1 and 2,

evaluate an interconnection-related transmission need that has been evaluated in a previous Order No. 1000 regional transmission planning and cost allocation cycle.” Order 1920-A at P 545.

¹²⁹ Order 1920-A at PP 547, 551.

¹³⁰ Order 1920-A at P 550.

¹³¹ Order 1920-A at PP 550, 552.

¹³² The example assumes the voltage-and-cost threshold criterion is met.

¹³³ Order 1920-A at P 553.

respectively. The withdrawal window criterion is also satisfied because the withdrawals occurred within seven calendar years prior to commencement of the Order 1000 cycle. In this situation, the transmission provider must evaluate transmission need A in the Order 1000 cycle beginning on January 1, 2042.¹³⁴

However, the Commission clarified Order No 1920 does not modify “the existing cost allocation methods in either the generator interconnection or existing Order No. 1000 regional transmission planning process.” Changes made beyond those needed to comply with this final rule must be made in a separate Section 205 action, not in the compliance filing.¹³⁵

Furthermore, actual selection is not required. “[W]e require transmission providers to simply evaluate regional transmission facilities to address interconnection- related transmission needs that meet these criteria for potential selection.”¹³⁶

V. Consideration of Grid-Enhancing Technologies in Regional Transmission Planning

Transmission providers must revise their OATTs to include the consideration of “(1) dynamic line ratings; (2) advanced power flow control devices; (3) advanced conductors;¹³⁷ and (4) transmission switching” to meet “each identified transmission need” in both LTRTP “and existing Order No. 1000 regional transmission planning processes.”¹³⁸

Consideration means transmission providers must determine “whether it may be more efficient or cost-effective to incorporate the enumerated alternative transmission technologies into both new regional transmission facilities and upgrades to existing transmission facilities” than selecting additional new facilities or not incorporating such technologies into new facilities.¹³⁹ This consideration must be consistent with their OATT’s requirements for other transmission solutions, the same way they consider the benefits of other LTRTFs.¹⁴⁰ The resulting determination must therefore “include an explanation that is sufficiently detailed for stakeholders to understand why” the technologies “were or were not incorporated into selected regional transmission facilities.”¹⁴¹

¹³⁴ Order 1920-A at P 553.

¹³⁵ Order 1920 at P 1117.

¹³⁶ Order 1920 at P 1156.

¹³⁷ “[T]ransmission providers must consider the types of advanced conductors that Congress intended to be reviewed in the Energy Policy Act of 2005 and that the US DOE has described in its reports.” Order 1920-A at P 608. Specifically, “advanced conductors include present and future transmission line technologies whose power flow capacities exceed the power flow capacities of conventional aluminum conductor steel reinforced conductors.” Superconducting cables, advanced composite conductors advanced steel cores, high temperature low-sag conductors, fiber optic temperature sensing conductors, and advanced overhead conductors were among the examples of advanced conductors listed in Order 1920-A, and transmission providers are required to consider all six of these advanced conductors. Order 1920-A at P 608

¹³⁸ Order 1920 at P 1198.

¹³⁹ Order 1920 at P 1201. Transmission providers are not required to produce detailed production cost simulations of various transmission technologies and may apply “good engineering judgment” to identify likely candidates for alternative transmission technologies. Order 1920-A at P 598.

¹⁴⁰ Order 1920 at P 1199.

¹⁴¹ Order 1920 at P 1214.

The revisions must provide “sufficient detail” regarding “the point or points in a given process” where “the potential use of alternative transmission technologies” will be considered and where developers “must submit any proposal to incorporate” such technologies.¹⁴²

The transmission developer of the underlying regional transmission facility will be the developer of any selected alternative transmission technologies to be incorporated into the transmission facility, and “eligible to use the applicable regional cost allocation method.”¹⁴³

VI. Cost Allocation and the State Engagement Period

Transmission providers are required to revise their OATT to include at least one Long-Term Regional Transmission Cost Allocation Method for selected LTRTFs.¹⁴⁴ “[A] Long-Term Regional Transmission Cost Allocation Method is an *ex ante* regional cost allocation method for one or more selected Long-Term Regional Transmission Facilities (or a portfolio of such Facilities) that are selected in the regional transmission plan for purposes of cost allocation.”¹⁴⁵

State Engagement Period: Prior to proposing a cost allocation method in their compliance filing, and subsequently for any new cost allocation method, Order 1920 established that transmission providers must provide a six-month “State Engagement Period” for Relevant State Entities¹⁴⁶ where they:

- (1) Provide notice of the State Engagement Period’s start and end date,
- (2) Post contact information to communicate with the transmission providers regarding any agreement on a cost allocation method or a State Agreement Process, and
- (3) Provide a forum for negotiating the Long-Term Regional Transmission Cost Allocation Method and the optional State Agreement Process with meaningful participation by Relevant State Entities.¹⁴⁷

¹⁴² Order 1920 at P 1205.

¹⁴³ Order 1920 at P 1204.

¹⁴⁴ Order 1920 at P 1291. The method “cannot be participant funding.” Order 1920 at P 1408.

¹⁴⁵ Order 1920 at P 43. In Order 1920-A, the Commission clarified that Order 1920 does not preclude transmission providers from recognizing different types of benefits and allocating costs proportionally based on those benefits. Order 1920-A at P 767. The Commission emphasized the flexibility Order No. 1920 affords to transmission providers and Relevant State Entities to determine cost allocation methods appropriate for their region allows for methods that allocate costs commensurate with reliability and economic benefits region-wide, while allocating costs commensurate with additional benefits to a subset of states that agree to such cost allocation. The Commission provides an example of a suitable cost allocation method in Order 1920-A at PP 767–68.

¹⁴⁶ “[A] Relevant State Entity is any state entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by the law of such state. Order 1920 at P 1355. “Entities within a state must determine if they qualify as Relevant State Entities based on the definition the Commission provided in Order No. 1920 and based upon their interpretation of their state laws.” Order 1920-A at P 703.

¹⁴⁷ Order 1920 at PP 1354. To comply with Order 1920, transmission providers must explain how they provided a negotiation forum, provide a general description of the forum, and disclose any deadlines set

Order 1920-A adds an additional requirement: transmission providers must facilitate and participate in cost allocation discussions with Relevant State Entities during the State Engagement Period when requested by a Relevant State Entity.¹⁴⁸ This is apart from the negotiation process for cost allocation methodologies, and it appears the Commission intended to ensure that transmission providers assist Relevant State Entities in understanding the transmission provider's OATT provisions or their processes and business practices.

Order 1920-A modified the State Engagement Period by allowing Relevant State Entities to request that the State Engagement Period be extended by up to an additional six months to allow additional time to complete cost allocation discussions.¹⁴⁹ If the State Engagement Period is extended, the other relevant Order 1920 compliance deadlines will be extended by the Commission accordingly.¹⁵⁰

State Agreement Processes: Under Order 1920, FERC provided transmission providers with discretion to also “include a State Agreement Process, if Relevant State Entities indicate that they have agreed to such a process.”¹⁵¹ The Long-Term Regional Transmission Cost Allocation Method would remain “the backstop” should “a State Agreement Process fail[] to result in a Commission-accepted cost allocation method for that facility or facilities.”¹⁵² The State Agreement Process is “a process by which one or more Relevant State Entities may voluntarily agree to a cost allocation method for Long-Term Regional Transmission Facilities (or a portfolio of such Facilities) either before or no later than six months after the facilities are selected in the regional transmission plan for purposes of cost allocation.”¹⁵³ This allows the negotiation of a SAP *after* selection to displace the default cost allocation method.

OATT revisions implementing an SAP must describe how the SAP will result in a filed cost allocation, which entities can participate in the SAP,¹⁵⁴ what constitutes an agreement in the SAP, how agreement will be communicated, and what information or circumstances are necessary for the transmission provider to file or consider filing the State Agreement.¹⁵⁵

Order 1920-A and State-Filed Methodologies: Order 1920-A changed Order 1920 and limited transmission providers' discretion in limiting the cost allocation methodologies filed. Transmission providers must include in their compliance filing as an alternative to or alongside the transmission provider's preferred methodology any Long-Term Regional Transmission Cost Allocation Method or State Agreement Process agreed to by the Relevant State Entities as well as all information provided by Relevant State Entities regarding state negotiations during the

during the State Engagement Period as well as how those deadlines were communicated. Order 1920-A at P 684.

¹⁴⁸ Order 1920-A at PP 651, 656, 673.

¹⁴⁹ Order 1920-A at P 678.

¹⁵⁰ Order 1920-A at P 678.

¹⁵¹ Order 1920 at P 1291. The Commission will allow stakeholders to continue using of existing state agreement process where consistent with Order 1920's requirements. Order 1920-A at P 717.

¹⁵² Order 1920 at P 1292.

¹⁵³ Order 1920 at P 1402.

¹⁵⁴ The transmission provider may allow entities other than RSEs to participate. Order 1920 at P 1405.

¹⁵⁵ Order 1920 at P 1403.

State Engagement Period.¹⁵⁶ The Commission declined to define how agreement must be shown but noted that existing state committee processes (e.g., Organization of MISO States (OMS), New England States Committee on Electricity (NESCOE), etc.) could inform how Relevant State Entities define agreement.¹⁵⁷

This information must be included in either the transmittal or as an attachment to the provider's compliance filing.¹⁵⁸ This requirement applies even in situations where the transmission provider proposes a different Long-Term Regional Transmission Cost Allocation Method or does not propose to add a State Agreement Process to their tariff.¹⁵⁹ The Commission noted that it will consider the entire record, including the State-endorsed methods and processes, when setting replacement rates:

Specifically, when the Commission reviews transmission providers' compliance filings, the Commission is not required to accept a cost allocation proposal from a transmission provider simply because it may comply with Order No. 1920. Instead, the Commission may adopt any cost allocation method proposed by the Relevant State Entities and submitted on compliance so long as it complies with Order No. 1920.¹⁶⁰

Order 1920-A Ongoing State Consultation Requirement: Order 1920-A further established a requirement that a transmission provider must consult with Relevant State Entities in at least two circumstances: first, prior to amending a cost allocation method or a State Agreement Process. Second, when a Relevant State Entity requests such an agreement or a process be amended.¹⁶¹ Transmission providers can satisfy the consultation requirement by submitting FPA section 205 proposals supported by Relevant State Entities on a voluntary basis.¹⁶²

Transmission providers must include in their respective OATTs a description of how they will consult Relevant State Entities regarding possible future changes to cost allocation methods.¹⁶³ In the event a transmission provider initiates an amendment consultation, the transmission provider must document publicly on OASIS or another public website, the results of their consultation before filing the amendment.¹⁶⁴ A transmission provider must also document the results of a consultation initiated by a Relevant State Entity if the transmission provider opts to not propose any of the State Entity's preferred methods or processes as well as an explanation as to why they are not proposing amendments.¹⁶⁵

Order No. 1000 Cost Allocation Compliance: Any proposed Long-Term Regional

¹⁵⁶ Order 1920-A at PP 242, 651.

¹⁵⁷ Order 1920-A at P 654.

¹⁵⁸ Order 1920-A at PP 242, 651.

¹⁵⁹ Order 1920-A at P 654.

¹⁶⁰ Order 1920-A at P 659 (citing Order 1920 at P 227).

¹⁶¹ Order 1920-A at PP 242, 691

¹⁶² Order 1920-A at P 691 n. 1747.

¹⁶³ Order 1920-A at P 691.

¹⁶⁴ Order 1920-A at P 691.

¹⁶⁵ Order 1920-A at P 691.

Transmission Cost Allocation Method or SAP cost allocation method must comply with five of the six existing Order 1000 regional cost allocation principles:

- (1) Costs of selected transmission facilities must be allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with estimated benefits;
- (2) Those that receive no benefit from transmission facilities, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of those transmission facilities;
- (3) A benefit to cost threshold ratio, if adopted, cannot exceed 1.25 to 1;
- (4) Costs must be allocated solely within the transmission planning region unless another entity outside the region voluntarily assumes a portion of those costs; and
- (5) The method for determining benefits and identifying beneficiaries must be transparent.¹⁶⁶

Compliance with these principles is not required where (i) RSEs indicate they will agree to the filed method as part of the State Engagement Period, or (ii) for SAPs.¹⁶⁷ Any Long-Term Regional Transmission Cost Allocation Method and any SAP cost allocation method cannot establish different methods based on reliability, economic, or public policy transmission facility types.¹⁶⁸

These cost allocation reforms apply only to LTRTFs, not to existing Order 1000 regional transmission planning processes.¹⁶⁹

Publication of Cost Allocation: Once the applicable cost allocation method is determined for a selected Long-Term Regional Transmission Facility, the transmission provider must provide a breakdown of the allocation of costs and estimated benefits by zone on a password-protected portion of OASIS or another website. This requirement attaches at the time of project selection if no State Agreement Process is used.¹⁷⁰

VII. Local Transmission Planning Inputs in the Regional Planning Process

Transmission providers must revise their OATT's regional transmission planning process with respect "only to local transmission planning that is within the scope of Order No. 890 and is therefore already subject to Order No. 890 transparency requirements" to further enhance the transparency of:

- (1) The criteria, models, and assumptions that they use in their local transmission planning process;
- (2) The local transmission needs that they identify through the local transmission

¹⁶⁶ Order 1920 at PP 1469-71.

¹⁶⁷ Order 1920 at P 1470.

¹⁶⁸ Order 1920 at P 1474.

¹⁶⁹ Order 1920 at P 1300.

¹⁷⁰ Order 1920-A at P 937. "Zone" refers to either a transmission provider retail distribution service territory/footprint or RTO/ISO transmission pricing zone. Order 1920-A at PP 242, 773.

planning process; and

- (3) The potential local or regional transmission facilities that they will evaluate to address those local transmission needs.¹⁷¹

This enhanced process must “include at least three publicly-noticed stakeholder meetings per regional transmission planning cycle.” These meetings must concern “the local transmission planning process of each transmission provider that is a member of the transmission planning region,” and occur “before each transmission provider’s local transmission plan can be incorporated into the transmission planning region’s planning models.”¹⁷²

There are four steps:

- (1) This starts with “a stakeholder meeting to review the criteria, assumptions, and models related to each transmission provider’s local transmission planning,” the “Assumptions Meeting.”¹⁷³
- (2) Next, “no fewer than 25 calendar days after the Assumptions Meeting” a second stakeholder meeting “to review identified reliability criteria violations and other transmission needs that drive the need for local transmission facilities” must occur, the “Needs Meeting.”¹⁷⁴
- (3) Finally, “no fewer than 25 calendar days after the Needs Meeting” a third stakeholder meeting “to review potential solutions to those reliability criteria violations and other transmission needs” must occur, the “Solutions Meeting.”¹⁷⁵
- (4) After the Solutions Meeting, transmission providers must allow “no fewer than 25 days . . . to review and consider stakeholder feedback . . . before the local transmission plan can be incorporated in the transmission planning region’s planning models.”¹⁷⁶

Transmission providers must “publicly post the meeting materials” for stakeholder review during the meetings “no fewer than five calendar days prior to each” meeting.¹⁷⁷

Stakeholders must also “have opportunities before and after each meeting to submit comments.”¹⁷⁸ “[T]ransmission providers must respond to questions or comments from stakeholders” to allow meaningful participation.¹⁷⁹ However, transmission providers are not required to incorporate stakeholder proposals into their transmission plans.¹⁸⁰

¹⁷¹ Order 1920 at P 1625.

¹⁷² Order 1920 at P 1626.

¹⁷³ Order 1920 at P 1627.

¹⁷⁴ Order 1920 at P 1627.

¹⁷⁵ Order 1920 at P 1627.

¹⁷⁶ Order 1920 at P 1628.

¹⁷⁷ Order 1920 at P 1628.

¹⁷⁸ Order 1920 at P 1628.

¹⁷⁹ Order 1920 at P 1628.

¹⁸⁰ Order 1920-A at P 861.

VIII. Identifying Opportunities to Right-Size Replacement Transmission Facilities

Transmission providers must revise their OATTs to include consideration of right-sizing in their LTRTP cycle process.¹⁸¹ Right-sizing is defined “as the process of modifying a transmission provider’s in-kind replacement¹⁸² of an existing transmission facility to increase that facility’s transfer capacity,” resulting in a “right-sized replacement transmission facility”¹⁸³ instead of the in-kind replacement.¹⁸⁴

If a “right-sized replacement transmission facility” is identified “as a potential solution to a Long-Term Transmission Need,” then “that right-sized replacement transmission facility” must “be evaluated in the same manner as any other proposed” LTRTF for selection, including considering whether right-sizing meets the selection criteria and would “more efficiently or cost-effectively” address that need.¹⁸⁵

Transmission providers must:

- Evaluate for right-sizing to more efficiently or cost-effectively meet a LTTN transmission identified facilities:
 - (1) Operating above a specified kV threshold; and
 - (2) That the transmission provider that owns the facility anticipates replacing in-kind with a new facility during the next 10 years.”¹⁸⁶
- Propose a kV “threshold that does not exceed 200 kV” to identify potential in-kind replacement transmission facilities for potential right-sizing.¹⁸⁷ The threshold may be set lower than 200 kV.
- Propose a “sufficiently early” point in the LTRTP cycle when “each individual

¹⁸¹ Order 1920 at P 1677.

¹⁸² An “in-kind replacement transmission facility” is a new facility that (1) would replace an existing transmission facility that a transmission provider has identified in its in-kind replacement estimate as needing to be replaced; (2) would result in no more than an incidental increase in capacity over the existing transmission facility identified as needing to be replaced; and (3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced. Order 1920 at P 1678.

¹⁸³ A “right-sized replacement transmission facility” is a new facility that (1) would meet the need to replace an existing transmission facility that a transmission provider identified in its in-kind replacement estimate as one that it plans to replace with an in-kind replacement transmission facility, while also addressing a LTTN; (2) results in more than an incidental increase in the capacity of an existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of, the existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate. Order 1920 at P 1679.

¹⁸⁴ Order 1920 at P 1678.

¹⁸⁵ Order 1920 at P 1681.

¹⁸⁶ Order 1920 at P 1677.

¹⁸⁷ Order 1920 at P 1683. Transmission providers’ in-kind replacement estimates must include all transmission facilities operating at or above 200 kV that are expected to be replaced in the next 10 years. Order 1920-A at P 881.

transmission provider in the transmission planning region will submit its in-kind replacement estimates,”¹⁸⁸ meaning “estimates of the transmission facilities operating at and above the specified kV threshold that an individual transmission provider that owns the transmission facility anticipates replacing in-kind with a new transmission facility during the next 10 years.”¹⁸⁹

- Propose a transparent process to determine and explain “which right-sized replacement transmission facilities have been selected” for regional cost allocation purposes and which “are simply included in the regional plan for informational... purposes.”¹⁹⁰

The OATT revisions must include a right of first refusal held by the transmission provider “that included in its in-kind replacement estimate the existing transmission facility that the right-sized replacement transmission facility would replace” for the right-sized replacement transmission facility; this right of first refusal “extends to any portion of the right-sized replacement facility located within that transmission provider’s retail distribution service territory or footprint.”¹⁹¹

Transmission providers retain flexibility regarding cost allocation for right-sized replacement transmission facilities, but must propose a method “that is just and reasonable and not unduly discriminatory or preferential and, consistent with cost causation, allocates costs in a manner that is at least roughly commensurate with the estimated benefits of such facilities.”¹⁹²

IX. Interregional Transmission Coordination

Transmission providers must “revise their existing interregional transmission coordination procedures to reflect the [LTRTP] reforms,” specifically including:¹⁹³

- (1) The sharing of information regarding their respective Long-Term Transmission Needs, and LTRTFs required to meet those needs;
- (2) The identification and joint evaluation of interregional transmission facilities that may be more efficient or cost-effective transmission facilities to address Long-Term Transmission Needs;
- (3) To allow an entity to propose an interregional transmission facility in the regional transmission planning process as a potential solution to Long-Term Transmission Needs;
- (4) To publicize on their public website or through email distribution lists: the Long-Term Transmission Needs discussed in the interregional transmission coordination meetings; any interregional transmission facilities proposed or identified in response to Long-Term Transmission Needs; the voltage level, estimated cost, and estimated in-service date of the interregional transmission facilities proposed or identified as part of Long-

¹⁸⁸ Order 1920 at P 1681.

¹⁸⁹ Order 1920 at P 1677.

¹⁹⁰ Order 1920 at PP 1716-17.

¹⁹¹ Order 1920 at P 1702.

¹⁹² Order 1920 at PP 1716-17.

¹⁹³ Order 1920 at PP 1751-52

Term Regional Transmission Planning; the results of any cost-benefit evaluation of such interregional transmission facilities, with such results including both any overall benefits identified (which may occur across multiple transmission planning regions), as well as any benefits particular to each transmission planning region; and the interregional transmission facilities, if any, selected to meet Long-Term Transmission Needs.¹⁹⁴

The interregional procedures do not need to hold stakeholder meetings to discuss right-sizing between the neighboring regions.¹⁹⁵

¹⁹⁴ Order 1920 at PP 1751-53.

¹⁹⁵ Order 1920 at P 1755.