

**PARTICIPATING TRANSMISSION OWNERS’ SUMMARY OF
LOCAL PLANNING REQUIREMENTS
UNDER ORDER NO. 890**

Requirement of Final Rule

In order for an RTO’s or ISO’s planning process to be open and transparent, transmission customers and stakeholders must be able to participate in each underlying transmission owner’s planning process. This is important because, in many cases, RTO planning processes may focus principally on regional problems and solutions, not local planning issues that may be addressed by individual transmission owners. These local planning issues, however, may be critically important to transmission customers... [Therefore] individual TOs must, to the extent that they perform transmission planning within an RTO or ISO, comply with the Final Rule as well.Accordingly, as part of their compliance filing RTOs and ISOs must indicate how all participating transmission owners within their footprint will comply with the planning requirement in the final rule (P440)

Specifically, the Commission expects that transmission customers and stakeholders must be able to participate in a planning process which addresses each underlying transmission owner’s local planning issues. The Commission leaves the mechanics of such compliance to each RTO and ISO.

Transmission Planning Obligation	Paragraph Reference	Proposed Compliance Actions
Planning Principles		
<p>Coordination – TP must meet with transmission customers and interconnected neighbors to develop a transmission plan on a nondiscriminatory basis, TPs are allowed, with input from their customers and other stakeholders, to craft coordination requirements that work for those TPs and their customers and other stakeholders.</p>	<p>451, 453, 460</p>	<p>Through the Regional System Plan (RSP) process set forth in Section II.48 of the ISO-NE OATT, a Planning Advisory Committee (PAC) has been devised as a means to provide coordinated, open and transparent stakeholder advisory input to the regional transmission planning process. However, the RSP does not, for the most part, address planning for local transmission facilities.</p>
<p>Coordination – TPs are required to craft a process that allows for reasonable and meaningful opportunity to meet or otherwise interact meaningfully. TPs are not required</p>		<p>Through Section I.3.9 of the ISO-NE OATT, any entity, including a TO, is required to submit for review by the ISO any new or materially changed plan for additions, retirements of, or changes in</p>

<p>to meet with customers and other stakeholders that choose not to meet.</p> <p>Openness – Transmission planning meetings are required to be open to all affected parties including, but not limited to, all transmission and interconnection customers, state commissions, and other stakeholders.</p>		<p>the capacity for both regional and local transmission facilities rated 69 kV or above. The I.3.9 process matches the study effort and review effort appropriate to the complexity of the proposed changes. The ISO examines the proposed plans and evaluates the potential for significant adverse impact on the stability, reliability, or operating characteristics of the interconnected system. However, the present I.3.9 process does not provide coordination or transparency with all transmission customers and interconnected neighbors during the planning process associated with such proposals submitted to the ISO.</p> <p>The majority of PTOs support an expansion of the PAC process to allow stakeholder input to transmission planning for local transmission facilities. However, care should be given to ensure that such an expansion of the PAC would not result in bogging down the current process for review of regional transmission facilities. Several means have been identified for reducing impact to the PAC process:</p> <ol style="list-style-type: none"> 1. Each PTO would be responsible for developing a needs analysis for its own local transmission facilities and would develop and present a plan for addressing those needs. 2. Each PTO would take responsibility for addressing customer or stakeholder issues raised through additional “off-line” meetings. 3. Each PTO would be responsible for reporting proposed solutions addressing both FERC and any applicable state-mandated criteria. 4. The PAC could periodically travel from state-to-state focusing its attention on transmission needs in the local area where the meeting is held. <p>Some PTOs have not committed to this position or are continuing to seek a different solution that may more appropriately address specific concerns.</p>

<p>Openness – TPs in consultation with affected parties are to develop mechanisms to manage confidentiality and CEII concerns.</p>	<p>460</p>	<p>ISO-NE protects all confidential information provided to it pursuant to the Attachment D ISO Information Policy of the ISO-NE Tariff. While this policy may need to be modified to comply with Order 890, the policy should apply to regional and local planning efforts alike. The ISO and PTOs will work together to develop a CEII process that will need to be completed by July 13, consisting of two prongs:</p> <ol style="list-style-type: none"> 1. Ensure that participants are fully aware of CEII requirements; and 2. Ensure that providers of data are properly marking CEII documents as non-public.
<p>Transparency – TPs are to disclose all customer and other stakeholders the basic criteria, assumptions, and data that underlie their transmission system plans. TPs are required to reduce to writing and make available the basic methodology, criteria, and processes they use to develop their transmission plans, including how they treat retail native loads.</p>	<p>471,478</p>	<p>The ISO compiles all projects that have a regional impact into the Regional System Plan. This plan contains the assumptions and processes used to develop these projects. The Regional System Plan must comply with North American Electric Reliability Council (NERC) and Northeast Power Coordinating Council (NPCC) criteria and standards and ISO planning and operating procedures. Planning for local transmission facilities should also conform with these criteria to the extent applicable, as well as to transmission owner criteria. The ISO website would contain links to PTO local planning criteria.</p>
<p>Transparency – TPs are required to make available information regarding the status of upgrades identified in their transmission plans in addition to the underlying plans and related studies.</p>	<p>472</p>	<p>Upgrades that have regional effects are included in a quarterly listing of projects which include the status of the project. However, no similar means exists to post transmission plans for local facilities. In order to comply with the Commission’s order, a similar listing of local transmission projects would be posted on the ISO’s website. The ISO would have a separate page for each PTO. [Note: The ISO is updating its project listing to include additional information]</p>
<p>Transparency – Where demand resources are capable of providing the functions assessed in a transmission planning process, and can be relied upon on a long-term</p>	<p>479</p>	<p>Per the ISO OATT, the purpose of the Regional System Plan is to identify system reliability and market efficiency needs and types of resources that may satisfy such needs so that Market Participants</p>

<p>basis, they should be permitted to participate in that process on a comparable basis.</p>		<p>may provide efficient market solutions (e.g. demand-side projects, distributed generation and/or merchant transmission) to identified needs. The purpose of the RSP is also to assess the ability of proposed market solutions to address identified needs with due cognizance of the operational characteristics of those proposed market solutions and to identify a regulated transmission solution to be built by one or more PTO(s) in the event that market responses do not meet identified needs or that additional transmission infrastructure may be required to facilitate the market. To the extent that demand response resources are identified that could impact planning for local transmission facilities, each PTO will be responsible for taking those proposals and/or plans into account when developing its local system plan. ISO currently has demand response data related to FCM markets. Can't release at this time, but will determine a means to disclose to PTOs for planning purposes.</p>
<p>Information Exchange – TPs, in consultation with their customers and other stakeholders, are required to develop guidelines and a schedule for the submittal of information. The information exchanges principles are for both network and point-to-point transmission customers. The information collected by transmission providers to provide transmission service to their native load customers must be transparent and, to that end, equivalent information must be provided by transmission customers to ensure effective planning and comparability. The information must be made available at regular intervals to be identified in advance. The frequency of information exchange should be addressed in the transmission provider's compliance filing.</p>	<p>486</p>	<p>Per the ISO-NE OATT, the TOs, those entities requesting transmission service or interconnection, and any other entities proposing to provide facilities to be integrated into the New England Control Area or alternatives to such facilities shall supply upon request and subject to applicable confidentiality requirements any information and data reasonably required to prepare an RSP or to perform a transmission enhancement and expansion study. However, the RSP extends only to regional facilities, not local facilities. In addition, neither the RSP nor the local facilities plans have written guidelines with an identified schedule for the submittal of information by transmission customers. The PTOs propose that a form be devised that would be used region-wide for submittal of such information by all network and point-to-point transmission customers on a periodic basis. The PTOs have taken an action item to sift through the data that the ISO needs for modeling and provide an initial list of the information that would be requested using the forms. After review, the ISO and PTOs will consider if and how such information will be posted and rolled-up into the ISO's modeling.</p>
<p>Comparability – TPs after considering the data and</p>		<p>Comparability language of this nature should be inserted into the</p>

<p>comments supplied by customers and other stakeholders are to develop a transmission system plan that (1) meets the specific service requests of its transmission customers, and (2) otherwise treats similarly-situated customers comparably in transmission system planning.</p>		<p>tariff if not already present.</p>
<p>Dispute Resolution – The Commission requires the transmission providers to develop a dispute resolution process to manage disputes that arise from the Final Rule’s planning process and offers the following alternatives: (1) An existing dispute resolution process may be used but must specifically address how its procedures will be used to address planning disputes:</p> <ul style="list-style-type: none"> • Address both procedural and substantive planning issues • A means for parties to resolve all disputes related to the Final Rule’s planning process before turning to the Commission. <p>(2) The Commission offered the Commission’s Dispute Resolution Service; or (3) A process, such as requiring senior executives to meet prior to the filing of any complaint, and using a 3rd party neutral mediator</p>	<p>501</p>	<p>Currently, for any dispute arising under the ISO-NE OATT, Section I.6 of the tariff currently states that “Each affected party shall designate one or more representatives with the authority to negotiate the matter in dispute to participate in such negotiations. The affected parties shall engage in such good faith negotiations for a period of not less than sixty (60 days...[a] dispute that is not resolved through good-faith negotiations may be submitted by any party for resolution to the Commission.... This provision should apply to the regional and local transmission planning process alike.</p>
<p>Regional Participation – Each Transmission Provider is required to coordinate with interconnected systems to share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data, and identify system enhancements that could relieve “significant and recurring” transmission congestion.</p>	<p>523</p>	<p>The ISO-NE RSP PAC process invites all interested stakeholders in the region to participate. To ensure adequate participation from all interested stakeholders within the region with respect to local transmission facilities, the PAC process would be expanded to ensure that all interested stakeholders in the region would have the opportunity to comment on local transmission plans of each PTO that will be publicly posted on the ISO’s PAC website. The PTOs would use the ISO-NE RSP PAC process as the mechanism to communicate expansion needs and determinations for local facilities. Each PTO would take individual responsibility for any further communications or any issue resolution arising out of the PAC meetings.</p>

		<p>The PAC may also hold meetings in different states as a means to focus on local transmission issues within that state. In that case, local PTOs would be responsible for coordinating and hosting such meetings.</p>
<p>Economic Planning Studies – The Commission requires transmission providers to prepare studies, at the transmission customer’s request, identifying “significant and recurring” congestion and post such studies on their OASIS. The studies must analyze and report on:</p> <ul style="list-style-type: none"> (1) the location of magnitude of the congestion, (2) possible remedies for the elimination of the congestion, in whole or in part, (3) the associated costs of congestion, and the cost associated with relieving congestion through system enhancements <p>The study should encompass the study of upgrades to integrate new resources or loads on an aggregated or regional basis</p>	<p>542, 546, 548, 550</p>	<p>The ISO-NE RSP already makes provision for economic planning that encompasses regional transmission facilities. Likewise, planning for local facilities should identify significant and recurring congestion on local facilities and propose remedies for the elimination of the congestion. To the extent that associated costs of congestion are known only to the ISO, such costs shall be provided to the PTO on an as needed basis. Planning for both regional and local facilities needs to include a forum to respond to customer requests for studies.</p>
<p>Cost Allocation for New Projects – The Transmission Provider’s planning process, in order to comply with the Final Rule, must address the allocation of costs of new facilities. The cost allocation process should consider the following factors:</p> <ul style="list-style-type: none"> (1) does it fairly assign costs (2) does it provide adequate incentive to build (3) is it supported by state authorities and participants across the region 	<p>557</p>	<p>The ISO-NE OATT and local tariff provisions already contain cost allocation provision that address allocation of costs for new facilities. According to the Commission’s orders establishing the RTO in New England, the current allocations procedure for regional facilities is locked-in under a rate moratorium through January 2010. Nothing further is needed to comply with Order 890. However, the PTOs and NECPUC will be examining this issue for possible changes that may be implemented after the rate moratorium.</p>