

Order 890 Regional Planning Process Attachment K

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Order 890: Transmission Planning Process Requirements

- Implement coordinated, open and transparent transmission planning process, following nine principles:
 - Coordination
 - Openness
 - Transparency
 - Information Exchange
 - Comparability
 - Dispute Resolution
 - Regional Coordination
 - Economic Planning Studies
 - Cost Allocation

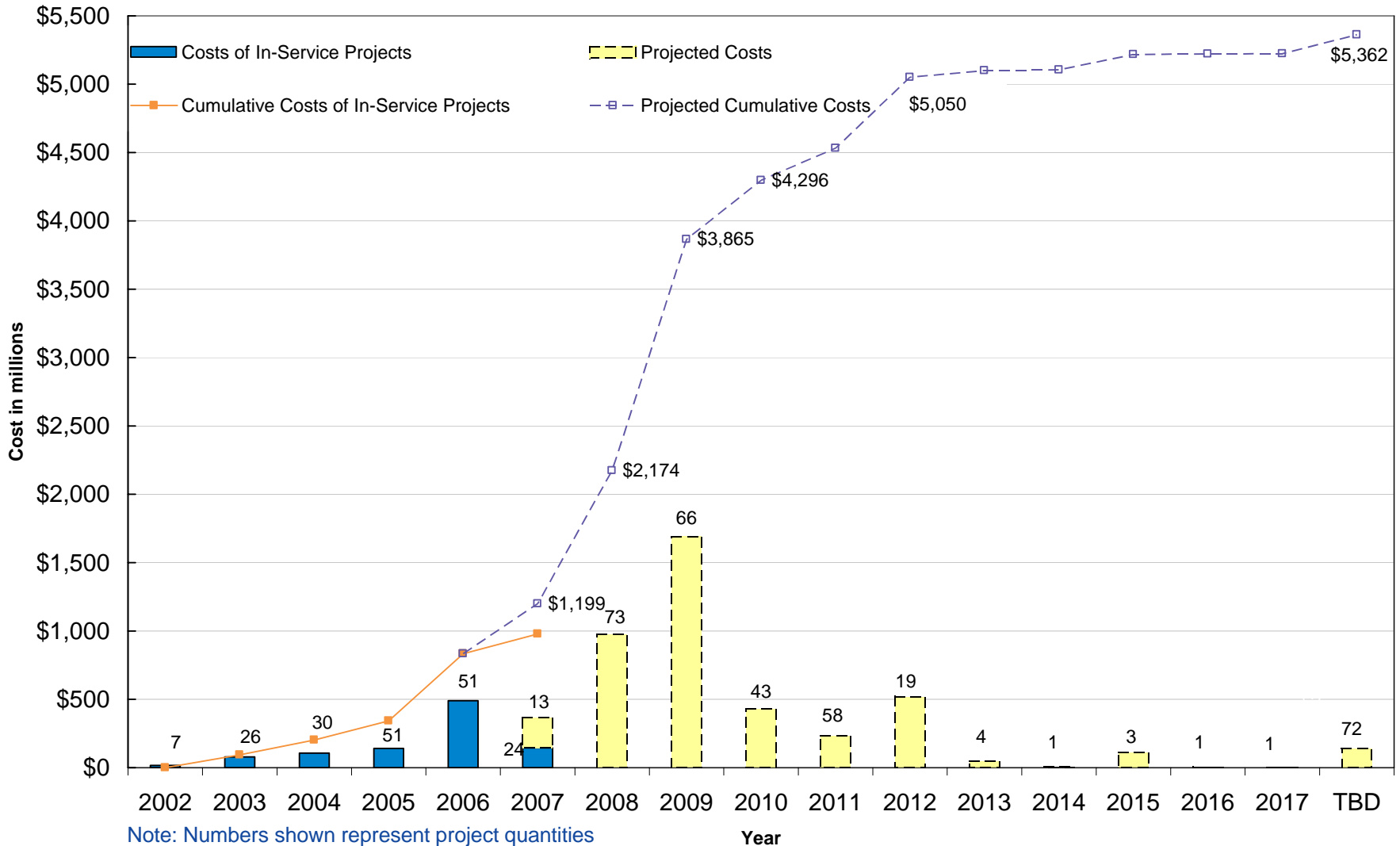
Stakeholder Involvement

- Order 890 Working Group
 - Created to solicit input for the development of Attachment K and other Order 890 Related Tariff changes
 - Consisted of members from the NEPOOL Participants as well as New England State Regulators
 - Met monthly from May thru September, sometimes jointly with other NEPOOL Committees

Conclusions from Order No. 890 Review

- Existing regional planning process in New England follows Order 890 principles and has been successful at getting new transmission built
- Existing transmission cost allocation methodology is providing certainty to Transmission Owners while excluding from regional rate recovery non-essential locally driven costs
- Market mechanisms and the planning process are more fully incorporating demand resources
- Inter-regional planning structure is in place across the northeast region

Investment in New England Transmission Projects



Note: Numbers shown represent project quantities

Regional Planning Process Improvements

- **To comply with Order 890 and in response to stakeholders' and other interested parties' input**
 - Added provisions for economic studies, including a mechanism for selecting and prioritizing requests for economic planning studies
 - Added detail for evaluating proposed market solution response to determine whether response meets identified need
 - Added Dispute Resolution Process to address planning-related disputes, particularly define disputable issues and parties subject to the process

Improvements, cont'd...

- Added clarity and transparency to the method for evaluating whether proposed regulated transmission solution meets the identified need and can be included in the Regional System Plan project list
- Expanded current Planning Advisory Committee process and reformatted Regional System Plan project list to accommodate local planning issues and indicate status of local projects

Dispute Resolution Process

- Provides Planning Advisory Committee Members a new vehicle to address their procedural and substantive issues that may arise at specific points during the transmission planning process (Note: PAC Members include State Regulators, NEPOOL Participants and others)
- Items subject to dispute resolution
 - Results of a needs assessment
 - Updates to the RSP Project List
 - Results of regulated transmission solution studies
 - Considerations of market responses
 - Substance and/or prioritization of Economic Studies

Summary

Order 890 Attachment K Provisions (P602)	Section of ISO-NE Tariff that meets Order 890 Provision
a) Process for consulting with customers and neighboring transmission providers	Sections 2 and 6 of Attachment K of the ISO-NE OATT
b) Notice procedures and anticipated frequency of meetings or planning related communications	Sections 2 and 7 of Attachment K of the ISO-NE OATT
c) Written description of the methodology, criteria, and processes used to develop transmission plans	Sections 3, 4, 5 and 7 of Attachment K of the ISO-NE OATT

Summary, cont'd...

Order 890 Attachment K Provisions (P602)	Section of ISO-NE Tariff that meets Order 890 Provision
d) Method of disclosure of transmission plans and related studies and the criteria, assumptions and data underlying those plans and studies	Sections 4 and 7 of Attachment K of the ISO-NE OATT
e) Obligations of and methods for customers to submit data to the transmission provider	Section 5 of Attachment K of the ISO-NE OATT
f) Dispute Resolution Process	Section 12 of Attachment K of the ISO-NE OATT

Summary, cont'd...

Order 890 Attachment K Provisions (P602)	Section of ISO-NE Tariff that meets Order 890 Provision
g) Transmission provider's study procedures for economic upgrades to address congestion or the integration of new resources	Section 4 of Attachment K of the ISO-NE OATT
h) Relevant cost allocation procedures or principles	Schedule 12, 12A, 12B, and 12C of ISO-NE OATT

Questions?