



Order No. 1920-A: Key Points for New England

**Presentation to NEPOOL Transmission
Committee**

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December 19, 2024



Overview

- This presentation provides a high-level summary some of the key points of Order 1920-A for New England. More detail is provided in the NEPOOL counsel memo, dated December 4, available [here](#).
- Order 1920-A largely affirms Order 1920 but makes some modifications and clarifications, especially regarding state involvement in the planning and cost allocation in the Long-Term Regional Transmission Planning (LTRTP) process
- Continues to allow for supplemental planning processes, such as the New England Longer-Term Transmission Planning (LTTP) process

Overview

- Five requests for rehearing and numerous requests for clarification granted- see NEPOOL counsel memo.
- Most of the modifications and clarifications relate to LTRTP and related cost allocation- the more significant changes and clarifications pertain to state involvement.
- Some additional clarifications related to generator interconnection coordination with LTRTP, alternative transmission technologies, local transmission processes and inputs into LTRTP, and compliance.
- Absent an extension, compliance still due June 2025 for regional planning requirements and August 2025 for interregional.
- Nothing in the final rule or the order on rehearing requires the development of any particular transmission facilities or any specific substantive outcome of the LTRTP.

Key Point - State Role in LTRTP and Cost Allocation

- Role of Relevant State Entities (RSE) is strengthened:
 - Transmission Providers (TPs) must consult with RSE regarding how to account for state public policy requirements in Long Term Scenarios (LTS).
 - When RSE request, TPs must develop a reasonable number of additional LTS to help inform the development or application of cost allocation methods.
 - When RSE request, TPs must facilitate and participate in cost allocation discussions during the Engagement Period with RSE.
 - When RSE agree on a Long-Term Regional Transmission Cost Allocation Method or State Agreement Process resulting from the Engagement Period, TPs must include that method or process in the transmittal or as an attachment to their compliance filing, even if TPs do not agree with it. Must include supporting justification and evidence. Commission will decide based on entire record. **Like a “jump ball” filing for NEPOOL.**

Key Point - State Role in LTRTP and Cost Allocation

- Role of RSE is strengthened:
 - TPs must consult with RSE prior to amending the Long-Term Regional Transmission Cost Allocation Method(s) and/or State Agreement Process(es).
 - The Commission will grant extensions of time requested by RSE for developing compliance cost allocation proposal where there is a showing that additional time is needed to resolve cost allocation discussions, up to a period of an additional six months. If granted, the extension would apply to entire compliance filing deadline.
 - TPs must provide the opportunity for RSE from all states in each transmission planning region to participate in the Engagement Period.
 - TPs and RSE may consider in their proposed cost allocation methods the incremental cost of transmission needed to achieve state laws, policies, and regulations beyond the cost of transmission needed in the absence of those laws, policies, and regulations.

Key Point - Use of Supplemental Processes Affirmed

- The Commission makes clear that Order No. 1920 does not require re-justification of existing supplemental transmission planning processes, such as the PJM State Agreement Approach or the New England LTTP provisions, *unless* such processes are proposed to be used in place of the LTRTP requirements.
- Use of existing supplemental provisions in place of the Order 1920/1920-A requirements will require justification of those provisions as being consistent with or superior to the Order 1920/1920-A requirements.
- Given that (1) supplemental processes can coexist on a separate track with Order 1920/1920-A requirements without further justification, and (2) substituting or integrating existing processes with Order 1920/1920-A will require extra justification and could result in Commission modification to those processes on compliance, then the LTTP provisions might be better as an entirely separate supplemental process under the Tariff. ISO, the RSE, the PTOs and NEPOOL will need to consider.

Key Changes/Clarifications Regarding LTRTP

- Requests for Rehearing Granted:
 - TPs not required to use the set of seven required benefits to help inform their identification of Long-Term Transmission needs.
 - Factor Category Seven for LTS no longer includes corporate commitments.
 - TPs must propose an effective date for the Tariff revisions that is no later than two years from the date on which they will commence LTRTP cycle.

Key Changes/Clarifications Regarding LTRTP

- While TPs are obligated to develop three LTS that meet all of the requirements of the rule, Order No. 1920 permits TPs to develop additional analyses, including other scenarios, to help inform who pays for the selected facilities.
- Nothing in LTRTP is intended to relitigate or dispute outcomes of underlying integrated resource plans, resource projects or laws and regulations that are or are not incorporated into the development of LTS. Any state resource planning process is a separate process.
- TPs do not need to include information regarding the factors to be incorporated into the development of LTS with their compliance filings. This must be posted on OASIS.
- TPs evaluation process must culminate in a *determination* – not selection criteria – that is sufficiently detailed for stakeholders to understand why a particular LTRTF was selected or not.

Key Clarifications Regarding Cost Allocation

- In order to comply with Order No. 1920's engagement and forum requirement, TPs must at a minimum disclose any deadlines set during the Engagement Period and how they communicated such deadlines to the Relevant State Entities and provide a general description of the forum for negotiation.
- FERC upheld its decision to require compliance with Order No. 1000 regional cost allocation principles 1-5 and to exclude regional cost allocation principle 6, which allowed for project-type limited cost allocation methods and methods that allocate costs based on a single method.
- FERC reiterated that cost allocation methods must comply with the fundamental cost causation principle that costs are allocated in a manner that is roughly commensurate with estimated benefits. Order No. 1920 does not prevent TPs from recognizing different types of benefits and using them to allocate costs in proportion to those benefits.

Other Key Items in Order 1920-A

- FERC addressed, and justified its determination in Order 1920 against various legal challenges, including:
 - Whether it had met its burden under Section 206 of the FPA
 - Whether it exceeded its statutory authority under the FPA
 - Whether it gave adequate notice per the Administrative Procedure Act of changes from the NOPR
- Regarding dynamic line ratings and advanced power flow control devices, FERC upheld Order No. 1920, clarifying that it is not requiring detailed production cost simulations to measure costs and benefits for each technology, but TPs should apply good engineering judgment.
- FERC upheld its decision not to address now the ROFR issues regarding regional planning (except with respect to local transmission right-sized for regional planning) and the CWIP incentive, but indicated more comprehensive treatment of these topics later in other proceedings

Key Points Regarding Local Transmission

- Sustains Order 1920 requirements regarding local planning transparency and coordination with regional planning.
- Sustains the ROFR for right-sized replacement transmission facilities. Absent the ROFR in these circumstances, the local transmission owner might opt to develop the less efficient or cost-effective in-kind replacement transmission facility rather than a right-sized replacement transmission facility.
- Information on local asset management projects need not be included in the information on local transmission planning inputs that transmission providers must include for stakeholder review as part of the Assumptions, Needs, and Solutions Meetings
- TPs are not obligated to incorporate stakeholder proposals or comments resulting from the stakeholder meeting process into their local transmission plans.

Key Points Regarding Compliance

- Order 1920-A does not extend the compliance dates.
- Compliance can be extended by 6-months if states in a region request extra time to develop cost allocation proposal.
- Any other extensions will need to be requested and justified on a case-by-case basis. The FERC recently granted MISO's request for a 12-month extension. The FERC does not seem amenable to granting a generic extension nationally.
- Any deviations from Orders 1920/1920-A on compliance must be justified under the "consistent with or superior to" standard. No special flexibility for RTOs/ISOs.

Contact for Follow-Up

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