# Order No. 1920 Compliance

*Reintroduction and High-Level Overview of Requirements and the ISO's Plan for Compliance*
*Revision 2*

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# Project Title: Order No. 1920 Compliance

**Proposed Effective Date:** TBD – Prior to June 14, 2029

- On May 13, 2024, FERC issued Order No. 1920 (Order No. 1920), Building for the Future Through Electric Regional Transmission Planning and Cost Allocation
  - FERC subsequently issued Order No. 1920-A on November 21, 2024, and Order No. 1920-B on April 11, 2025
  - Under the Order No. 1920-set deadlines, the regional compliance filing was due on June 12, 2025, and interregional compliance filing was due on August 12, 2025
  - On January 15, 2025, the ISO, together with the New England States Committee on Electricity (NESCOE) and the Participating Transmission Owners Administrative Committee (PTO AC), filed a Joint Motion seeking an extension of these deadlines, which FERC granted on February 10, 2025
  - The ISO filed its first Informational Report on August 14, 2026, documenting its progress in meeting the extended compliance filing dates
  - The regional and interregional compliance filings are now both due June 14, 2027
- Order No. 1920 mandates significant reforms to the regional system planning process intended to build upon the existing regional and local transmission planning and cost allocation requirements
  - These reforms include the addition of a long-term planning process (at least 20-year horizon) under which long-term scenario analyses must be conducted to identify long-term needs and identify the transmission infrastructure for potential selection to address those needs
- Aspects of the Order No. 1920 long-term planning process requirements overlap with many provisions of the NEPOOL-supported and FERC-approved Longer-Term Transmission Planning (LTTP) process in Attachment K of the ISO's Open Access Transmission Tariff (OATT)
  - Delaying compliance with Order No. 1920 during the conduct of the first request for proposals under the LTTP rules provided experience and lessons that help inform the development of an Order No. 1920 compliance proposal
- The Orders require the first planning process cycle to commence by June 14, 2029 (*i.e.*, 24 months after the compliance filing deadline)

## Project Title: Order No. 1920 Compliance

**Proposed Effective Date:** TBD – Prior to June 14, 2029

- The content in this presentation focuses on:
  - Order No. 1920 major requirements
  - The State Engagement Period with Relevant State Entities (RSEs) on Long-Term Transmission Cost Allocation Method(s) and State Agreement Process
  - Proposed new competitive model for transmission
  - Proposed high-level overview of the new Future Scenario Planning (FSP) process
  - Other Order No. 1920 compliance requirements:
    - Concepts for addressing resource interconnection issues
    - Adjustments needed to Local System Planning process
    - Consideration of alternative transmission technologies and right-sizing in Order No. 1000 processes
    - Interregional transmission coordination
  - Retirement of Public Policy Transmission process

# New Planning Process Terminology

- Order No. 1920 refers to the new planning process as Long-Term Regional Transmission Planning (LTRTP)
- To avoid confusion with the Longer-Term Transmission Planning (LTTP) process in Attachment K of the OATT, the ISO is proposing to call the Order No.1920 process the **Future Scenario Planning (FSP)** process
  - Long-Term Scenarios would be called Future Transmission Scenarios (FTSs), Long-Term Transmission Facilities would be called Future Scenario Transmission Facilities (FSTFs), etc.
  - The presentation uses 'future scenario ___' descriptions going forward

# ORDER NO. 1920

*Major Requirements*

# Planning Process Requirements

- Some of the major requirements of Order No. 1920 include:
  - Creation of a new planning process to be conducted at least every five years
  - Development of at least three Future Transmission Scenarios* to consider seven categories of factors, at least 20 years into the future, each with a sensitivity
  - Analyze the Future Transmission Scenarios and sensitivities and identify any needs
  - Development of a solution to those needs for potential selection within three years of process initiation
  - *Ex ante* cost allocation, along with allowing for a State Agreement Process
    - *Ex ante* cost allocation and the State Agreement Process may be those agreed to by the states during the Engagement Period

* Order No. 1920 refers to them as Long-Term Scenarios

# Planning Process Requirements, cont.

- Consideration of dynamic line ratings, advanced power flow control devices, advanced conductors, and transmission switching in existing processes and the FSP process
- Consideration in the FSP process of right-sizing of asset condition replacements as a way to address both long-term and asset condition needs
- Evaluation of certain interconnection-related transmission needs, originally identified through the generator interconnection process, for potential selection in existing transmission planning processes
- Updates to the Local System Plan (LSP) process
- Conformation of interregional processes to the Order

# Scenario Factors

- The Order requires development of Future Transmission Scenarios that consider seven categories of factors, including:
  1. federal, federally-recognized Tribal, state, and local laws and regulations affecting the resource mix and demand
  2. federal, federally-recognized Tribal, state, and local laws and regulations on decarbonization and electrification
  3. state-approved integrated resource plans and expected supply obligations for load-serving entities
  4. *trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies*
  5. *resource retirements*
  6. *generator interconnection requests and withdrawals*
  7. *utility and federal, federally-recognized Tribal, state, and local policy goals that affect Future Scenario Transmission Needs*
- Factors 4 through 7 may be discounted
  - Whether and how they are discounted would be determined per study cycle

Rev 2

# Benefit Metrics

The Order identifies seven benefits* for evaluating proposals in Future Scenario Planning**:

1. **Avoided or deferred reliability transmission facilities and aging transmission infrastructure replacement**
2. **Reduced loss of load probability or reduced planning reserve margin**
3. **Production cost savings**
4. **Reduced transmission losses**
5. Reduced congestion due to transmission outages
6. Mitigation of extreme weather and unexpected system conditions
7. **Capacity cost savings from reduced peak energy losses**

* Order No. 1920-A set aside the seven benefits when identifying needs and instead required only evaluations of solutions to include these benefits

** Order No. 1920 refers to this as long-term transmission planning

**Bold** indicates benefit metrics similar to those in the LTTP process

# STATE ENGAGEMENT PROCESS

# State Engagement Process

- On July 15, 2026, the ISO sent a notice to the RSEs establishing a six-month State Engagement Period that began on August 17, 2026 and ends on February 17, 2027
  - The notice establishes February 26, 2027 as the date by which the RSEs must communicate any agreement on a Future Scenario Transmission Cost Allocation Method(s) and/or State Agreement Process
  - The notice also identified the ISO's understanding that the RSEs have agreed to use NESCOE's existing procedures to reach agreement and provide input necessary to facilitate compliance
- On July 24, 2026, NESCOE responded with a letter confirming its role on behalf of the RSEs to serve as the regional representative
- The ISO plans to closely engage the RSEs, through NESCOE, throughout the compliance development process

# NEW COMPETITIVE MODEL

# New Competitive Model

- In response to FERC Order No. 1000,* the ISO adopted a ‘sponsorship’ competitive model based on an understanding that such a new model was required under Order No. 1000
- FERC later approved a ‘construction bid’ competitive model in several areas of the country
- The ISO is proposing to change to the construction bid competitive model for development of regulated transmission, specific to the FSP process
  - The following slides describe the ISO’s rationale for this change

* FERC Order No. 1000 was issued on July 21, 2011, and the ISO’s effective date for compliance was May 18, 2015

# Different Types of Competitive Models

- The ‘Sponsorship’ Model
  - Current method used for New England competitive transmission RFPs
  - First, the ISO issues an RFP that identifies the ‘need’ to be solved by a Qualified Transmission Project Sponsor (QTPS)
  - Then, the QTPS submits responses that include the proposed solutions to those needs and how they would physically operate that solution if awarded
  - To inform the selection of a preferred solution, the ISO verifies that the design meets the need through evaluation, that the proposal complies with the Tariff and is constructible, and that the QTPS has the financial capability to build the design

- The ‘Construction Bid’ Model
  - The construction bid model is a method that some other ISO/RTOs currently use (*e.g.*, California ISO and Midcontinent ISO)
  - First, the ISO would identify the need, develop the solution with stakeholder input through the Planning Advisory Committee (PAC), then issue an RFP for construction bids to build the solution
  - The ISO would then evaluate the bids to ensure the QTPS can implement the identified solution and has the financial capability to build the design

# Benefits of a Construction Bid Model

- Provides for a more cost-effective and efficient RFP process
  - The ISO applies its expertise to ensure solutions are fully vetted, efficiently meet the needs, and are viable
  - Allows for greater stakeholder discussion of evaluation factors when considering various solutions
  - Reduces likelihood of eliminating proposals for not meeting performance objectives
  - May allow the ISO to adjust solutions based on updated information
- Reduces the disparity between incumbent and non-incumbent access to information during design development
  - Under the sponsorship model, non-incumbents are not aware if upgrading a line requires only terminal equipment or a full rebuild, which leads to less cost-effective solutions
- Clearly identifies which facilities are eligible for competition and which are reserved for the incumbent PTO
- Allows for partial solutions
- Avoids QTPS proposals that include components that do not address the need and/or are not the most cost-efficient solution (*e.g.*, addition of new breaker vs. reconductoring an entire line to meet the same need)

# Competitive Model Recommendation

- For the reasons detailed earlier, and based on the ISO's experience from running the first two RFPs, the ISO is recommending to switch from the sponsorship model to the construction bid model for FSP RFPs
- This recommendation is currently only for the FSP being developed in compliance with Order No. 1920
  - A separate Section 205 filing would be required to similarly change the competitive model used for reliability, system efficiency, and LTTP RFPs
  - Additional discussions will occur during the LTTP Lessons Learned process starting in Q4 2026 at the PAC

# FUTURE SCENARIO PLANNING PROCESS

# Overall FSP Process Timeline

- In accordance with the Order No. 1920, the ISO must initiate the FSP process every five years
- The FSP process is envisioned as three phases:
  1. Development of scenarios and assessment of needs
  2. Development of preferred solution
  3. Competitive RFP
- Order No. 1920 requires that the ISO identify any Future Scenario Transmission Facilities (phases 1 and 2) within three years (*i.e.*, 36 months) of starting this process

# Phase 1: Development of Future Transmission Scenarios

- The ISO issues a memo with the list of factors to be considered:
  - The ISO consults with NESCOE on these factors
  - Stakeholders* submit suggested factors (federal and state laws, etc.) in writing and comment on the proposed list of factors
  - The ISO publishes the factors to be considered for the current FSP cycle on its website
- The ISO then develops the inputs to at least three Future Transmission Scenarios (FTSs) and sensitivities
  - At the request of NESCOE, the ISO would develop an FTS to inform Future Scenario Transmission cost allocation
  - The ISO develops one sensitivity for each FTS 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

* All stakeholder interaction with the FSP process is envisioned to occur at the PAC

# Phase 1: Assessment of Future Transmission Scenarios

- The ISO performs a capacity expansion buildout based on the factors adopted at the beginning of the process
  - Once the results are deemed reasonable, the ISO initiates a stakeholder review of the inputs and results of the FTSs and adjust/update the scenarios if the ISO determines there is a need to update any assumptions
- The ISO then performs an analysis on the FTSs and sensitivities to identify Future Scenario Transmission Needs (FSTNs) based on economic and reliability drivers
  - The ISO determines which FSTNs should move forward towards development of a solution
  - Any FSTNs that move forward are proposed to include at least one element with a base voltage of 345 kV

# Phase 2: Development of Preferred Solution

- Following the ISO's determination of FSTNs that may be addressed through development of a solution and subsequent potential RFP process, the ISO proceeds with development of a solution
- The ISO solicits feedback from PAC members, including the Participating Transmission Owners (PTOs) and QTPSs, while working to develop its own solution. The ISO would:
  - Consider whether including alternative transmission technologies would be more efficient or cost-effective
  - Consider the PTOs 10-year asset condition plans to evaluate for opportunities for right-sizing
- The ISO consults with and seeks support and input from NESCOE regarding the evaluation, including the selection criteria, used to identify and evaluate Future Scenario Transmission Facilities (FSTFs)

# Phase 2: Development of Preferred Solution, cont.

Reverted back to Original

- Next, the ISO calculates the benefits of solution alternatives, using the seven benefits required in the Order, and develops a cost estimate for the solutions
- A benefit-to-cost ratio (BCR) of at least 1.25 would be achieved to be considered as a potential solution to an FSTN
- The ISO would then evaluate the solution alternatives that meet the BCR threshold against all the other qualitative factors and presents the selected preferred solution to the PAC, followed by a comment period
  - Note: The presentation marks the point at which the ISO selects a preferred solution, which must occur within three years of the start of the FSP process cycle
- After finalizing the preferred solution, the ISO decides whether to issue an RFP

# Phase 3: Construction RFP

- If the ISO issues an RFP, the ISO would issue a construction RFP for the preferred solution that defines the project scope, defines components that are eligible for competition, and determines the non-competitive components of the RFP that are identified as PTO upgrades
- The RFP would consist of a single phase
  - The proposal window would be open for at least 60 days
  - Each proposal would require a $250k refundable study deposit
- Other key RFP design elements:
  - No backstop solution
  - No cost recovery for construction proposal development
  - Allows for joint proposals
  - Allows proposals for individual solution components
- After the RFP window closes, any competitive components that do not receive a proposal would be assigned to the incumbent PTO(s)

# Phase 3: Construction RFP, cont.

- The ISO would evaluate proposals of competitive components based on their cost and qualitative evaluation factors to select the preferred component
  - If proposals have a potential to change the benefits, the ISO may need to recalculate certain benefits of the overall projects
- Construction proposals for the selected competitive components of the RFP and PTO upgrade costs for the non-competitive components of the RFP are combined to determine the total cost of the preferred solution and calculate an updated BCR
  - The ISO would then confirm the combined solution has a BCR of at least 1.25
- The ISO then selects an overall combined solution with its corresponding components as the preliminary preferred construction proposal and presents the selection at a PAC meeting
- Following a stakeholder comment period, the ISO issues a final report identifying the preferred construction proposal as a Future Scenario Transmission Upgrade (FSTU)

# Post-RFP Activities

- Cost Allocation
  - Upon selection of the preferred construction proposal, cost allocation would be determined prior to adding the FSTU to the RSP Project List
  - Cost allocation would be determined by a combination of:
    1. An *ex ante* regional cost allocation method that serves as both default and backstop (such as regionalization)*
    2. State Agreement Process*
    3. Voluntary funding

*Note: Items 1 and 2 are contingent on the outcome of the State Engagement Period

# Post-RFP Activities, cont.

- After cost allocation is determined, the ISO adds the FSTU to the RSP Project List
- The ISO notifies the QTPS(s), and then the QTPS(s) has 30 days to accept and execute a Selected QTPS Agreement(s) (SQTPSA)
- The FSTU moves through the Section I.3.9 process
  - Any additional upgrades on the PTO's system identified as a result of the I.3.9 process would be assigned to the incumbent PTO
- After the I.3.9 process is completed, the FSTU proceeds to construction
- The ISO would re-evaluate FSTUs when:
  - Delays in the development would jeopardize the ISO's ability to meet its reliability needs
  - The actual or projected costs significantly exceed cost estimates used in selection
  - Significant changes in federal, state, or local laws or regulations cause reasonable concern that the FSTU may no longer meet selection criteria

# OTHER ORDER NO. 1920 REQUIREMENTS

# Resource Interconnection Issues

- Order No. 1920 directs the ISO to evaluate regional transmission facilities that address interconnection-related transmission needs, originally identified through the generator interconnection process, in an existing Order No. 1000 regional transmission planning process for potential selection
  - The ISO has identified the needs in at least two queue cycles
  - The needs are at least 200 kV and estimated cost of at least $30M
  - The needs were found no earlier than five years prior to the effective date of Order No. 1920 compliance
  - The Interconnection Request withdrawals associated with the need occurred after the effective date of the Order No. 1920 compliance and no earlier than seven calendar years after the commencement of the next Order No. 1000 cycle
  - The ISO has not identified a Network Upgrade in an existing Generator Interconnection Agreement to meet the need

# Resource Interconnection Issues, cont.

- The ISO is proposing to use the System Efficiency Needs Scenario (SENS) that is part of the existing Economic Study process to evaluate the interconnection-related transmission needs identified in the interconnection-related process
  - The ISO will consider needs as specified in the Order, but proposes voltage criteria at least 115 kV instead of 200 kV to better account for the type of transmission infrastructure comprising the New England system
- The SENS evaluation would look at scenarios with and without the interconnection-related transmission upgrade and associated generation that withdrew to determine if the interconnection-related transmission need meets a >1.0 BCR
- If the BCR is greater than 1.0, then the interconnection-related transmission upgrade would be identified as a solution and move into RFP space, and the remaining SENS evaluation would include the solution in the base case for identification of any additional system efficiency needs

# Local System Plan (LSP)

- Order No. 1920 requires each Local System Planning cycle to include three separate meetings (assumptions, needs, and solutions) with material posting deadlines before and comment periods after each meeting
- The PTOs administer the Local System Planning process in accordance with their roles and responsibilities under the Transmission Operating Agreement and the OATT
  - The ISO will coordinate with the PTOs regarding discussion of this requirement at a future TC meeting

# Alternative Transmission Technologies (ATTs)

- Order No. 1920 requires the ISO to consider whether selecting transmission facilities that incorporate alternative transmission technologies* are more efficient or cost-effective than selecting new regional transmission facilities or upgrades to existing transmission facilities. This applies to:
  - The FSP process,
  - Existing Order No. 1000 regional transmission planning processes, and
  - Cost allocation processes
- The ISO will discuss the incorporation of these requirements at a future TC meeting

* Alternative transmission technologies as defined by the Order: dynamic line ratings, advanced power flow control devices, advanced conductors, and transmission switching

# Right-sizing

- Order No. 1920 requires the ISO to consider whether selecting transmission facilities that incorporate right-sizing is more efficient or cost-effective than planned asset condition projects in the 10-year forecast
- This applies to the FSP process
- The ISO will discuss the incorporation of these requirements at a future TC meeting

# Interregional Transmission Coordination

- Discussions with PJM and NYISO are underway
  - The interregional compliance filing date for all three regions is June 14, 2027
- Updates to the Amended and Restated Northeast Planning Coordination Protocol are expected
- The ISO will discuss incorporation of this interregional planning requirement at a future TC meeting, and the ISO/RTOs expect to discuss the proposal at the upcoming December 2026 IPSAC meeting, including proposed language

# PUBLIC POLICY TRANSMISSION PROCESS

# Retirement of Public Policy Transmission Process

- As part of Order No. 1920, FERC allowed for the existing Order No. 1000 Public Policy Transmission Process to be replaced by the new Future Scenario Planning process
- The ISO is proposing to remove the Tariff provisions relating to the Public Policy Transmission Process, which is set out in Section 4A of Attachment K of the OATT, as the new FSP would replace this process
- The creation of the Public Policy Transmission Process originally fulfilled a requirement of Order No. 1000, and the ISO has initiated this process four times
  - To date, the states have not identified a need for a study through this process
  - The states have since pursed other mechanisms to develop transmission, including the LTTP

# CONCLUSION AND NEXT STEPS

# Conclusion

- Consistent with FERC's approval of the compliance extension request, the ISO is restarting stakeholder discussions on the proposed compliance filing for FERC Order No. 1920
- As part of Order No. 1920 compliance, the ISO is proposing a new Future Scenario Planning process that incorporates all the required aspects of Order No. 1920, along with a new competitive model for transmission and retirement of the existing public policy process
- The ISO's regional and interregional compliance filing date is June 14, 2027, with a required start of the first FSP cycle on or before June 14, 2029
- Any feedback should be submitted to the TC Secretary (jmacura@iso-ne.com) by September 25, 2026

# Stakeholder Schedule

| Stakeholder Committee and Date | Scheduled Project Milestone |
|---|---|
| **Transmission Committee<br>September 19, 2024** | Introductory presentation following issuance of Order No. 1920 |
| **Transmission Committee<br>September 15, 2026** | Reintroduction of Order No. 1920 and high-level overview of proposed FSP process |
| **Transmission Committee<br>October 14, 2026** | Detailed discussion on proposed FSP process and other Order No. 1920 compliance changes and response to stakeholder feedback |
| **Transmission Committee<br>November 19, 2026** | Continued detailed discussion on proposed FSP process and other Order No. 1920 compliance changes and response to stakeholder feedback |
| **Transmission Committee<br>December 15, 2026** | Continued review of proposal updates in response to stakeholder feedback; Introduction to interregional concepts* |

* Interregional concepts will also be discussed at the December 2026 IPSAC meeting

# Stakeholder Schedule, cont.

| Stakeholder Committee and Date | Scheduled Project Milestone |
|---|---|
| **Transmission Committee<br>January 21, 2027** | Introduction of Tariff redlines based on presented concepts and introduction of conceptual stakeholder amendments |
| **Transmission Committee<br>February 23, 2027** | Continued review of incremental Tariff redlines and stakeholder amendments |
| **Transmission Committee<br>March 17, 2027** | Review outcome of Engagement Period with Relevant State Entities, review of incremental Tariff redlines, and review of stakeholder amendment redlines |
| **Transmission Committee*<br>April 28, 2027** | Vote on proposed Tariff revisions and any stakeholder amendments |
| **Participants Committee<br>May 5, 2027** | Vote on proposed Tariff revisions and any stakeholder amendments |

* PTO AC action will be required ahead of the TC/PC votes and FERC filing

# Questions

# Acronyms Used in This Presentation

## *Order No. 1920 Specific Terms*

- Long-Term Regional Transmission Planning (LTRTP)
- Relevant State Entities (RSEs)
- Future Scenario Planning (FSP)
- Future Transmission Scenarios (FTSs)
- Future Scenario Transmission Facilities (FSTFs)
- Future Scenario Transmission Needs (FSTNs)
- Future Scenario Transmission Upgrade (FSTU)

## *Other Defined Terms*

- New England States Committee on Electricity (NESCOE)
- Open Access Transmission Tariff (OATT)
- Planning Advisory Committee (PAC)
- Request for Proposals (RFP)
- Participating Transmission Owners (PTOs)
- Regional System Plan (RSP)
- Local System Plan (LSP)
- System Efficiency Needs Scenario (SENS)
- Benefit-to-Cost Ratio (BCR)
- Qualified Transmission Project Sponsor (QTPS)
- Selected Qualified Transmission Project Sponsors Agreement (SQTPSA)

# About the Presenter


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