Order No. 1920 Compliance Proposal Information

This document summarizes content related to Order No. 1920, Order No.1920-A, and Order No. 1920-B ("Order No. 1920" or "the Order") from presentation material across the NEPOOL Principal Committees and the Planning Advisory Committee. See the Order No. 1920 Key Project page for all material related to the project.

Last Update: October 9, 2026

Content	Summary	More Detailed Information
Background Information	**In May 2024, FERC issued Order No. 1920: Building for the Future Through Electric Regional Transmission Planning and Cost Allocation (RM21-17-000). FERC subsequently issued Order No. 1920-A and Order No. 1920-B in November 2024 and April 2025, respectively. The rule ("Order No. 1920" or "the Order") adopts specific requirements addressing how transmission providers must conduct long-term planning for regional transmission facilities and determine how to pay for them to ensure the identification of more efficient or cost-effective regional transmission solutions.** The Order requires the ISO to make several changes 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. The ISO filed its first Informational Report on August 14, 2026, to document its progress in meeting its extended compliance filing dates. Regional and interregional filings are due on June 14, 2027. The first planning process cycle will commence by June 14, 2029 (24 months after the compliance filing deadline).	August 14, 2026, Informational Report **September 2026 TC** • Order No. 1920 Compliance project overview
Future Scenario Planning	**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. Aspects of the Order No. 1920 long-term planning process requirements overlap with many provisions of the Longer-Term Transmission Planning (LTTP) process.** 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 Open Access Transmission Tariff (OATT), the ISO is proposing calling the Order No. 1920 process the Future Scenario Planning (FSP) process. The FSP requirements will include development and analysis of Future Transmission Scenarios, cost allocation, consideration of alternative transmission technologies and right-sizing, evaluation of interconnection-related transmission needs, updates to the Local System Plan process and more. Proposals will be evaluated under a standard set of seven required benefits, including cost savings, reduced transmission losses, mitigation of unexpected system conditions, and more. All seven benefit metrics will be incorporated during Phases 2 and 3 of the FSP process.	**September 2026 TC** • Proposed new terminology • Planning process requirements overview • Scenario factors • Benefit metrics **October 2026 TC** • Benefit metrics clarification
State Engagement	**Order No. 1920 requires the ISO to establish a one-time, six-month engagement period to provide Relevant State Entities (RSEs) with an opportunity to agree to a Future Scenario Transmission Cost Allocation Method(s) and/or State Agreement Process for inclusion in the compliance filing.**	Memo Notice of Six-Month Engagement Period on Long-Term Transmission Cost Allocation **September 2026 TC** • State engagement process

Content	Summary	More Detailed Information
	On July 15, 2026, the ISO sent a notice to the RSEs establishing a six-month State Engagement Period from August 17, 2026, to February 17, 2027. RSEs must communicate any agreement on a Future Scenario Transmission Cost Allocation Method(s) and/or State Agreement Process by February 26, 2027. The RSEs agreed to use NESCOE's existing procedures to reach agreement and provide compliance input.	
New Competitive Model	**The ISO proposes changing from the current sponsorship competitive model to a construction bid competitive model for development of regulated transmission specific to the FSP process being developed in compliance with Order No. 1920.** A sponsorship model evaluates competing solutions provided by developers to solve a system need. A construction bid model solicits construction bids from developers to build the solution developed by the ISO with stakeholder input through the Planning Advisory Committee (PAC). The benefits of a construction bid model include providing for a more cost-effective and efficient RFP process, reducing the disparity between incumbent and non-incumbent access to information during design development, clearly identifying which facilities are eligible for competition and which are reserved for the incumbent PTO, allowing for partial solutions, and avoiding QTPS proposals that include components that do not address the need and/or are not the most cost-efficient solution. Potential concerns with the construction bid model include a lengthy stakeholder process during solution development, the solution development process being viewed as stifling innovation, and the quantity and diversity of proposals may be limited. These potential challenges can be overcome by establishing defined windows for stakeholder input, encouraging robust discussion at the PAC, and clearly identifying competition-eligible project components. The ISO believes that the efficiency improvements and the heightened focus on reducing complexity/cost and increasing collaboration with the construction big model outweigh the concerns that would need to be mitigated.	**September 2026 TC** • Competitive model background • Sponsorship model vs. construction bid model **October 2026 TC** • Competitive model comparison • Construction bid model benefits/concerns • Proposal issues in past RFPs • Competitive model alternatives
Future Scenario Planning Process: Phase 1	**The ISO must initiate the Future Scenario Planning (FSP) process every five years. The FSP process is replacing the Order No. 1000 Public Policy Transmission process. The FSP process contains three phases: development of scenarios and assessment of needs, development of preferred solution, construction RFP. In Phase 1, the ISO develops and analyzes Future Transmission Scenarios.** **Phase 1: Development of Scenarios and Assessment of Needs** Development of Future Transmission Scenarios • The Order requires that the ISO identify any Future Scenarios Transmission Facilities (Phases 1 and 2) within three years of starting this process. • For each FSP cycle, the ISO will consult with NESCOE to create a list of factors to be considered. Stakeholders will have a chance to submit suggested factors and comment on the proposed list at the PAC. The final factors will be published on the ISO website. The ISO will then develop the inputs to at least three Future Transmission Scenarios (FTS) and sensitivities. One sensitivity per FTS will be developed to account for uncertain operational	**September 2026 TC** • FSP process timelines • Phase 1 **October 2026 TC** • FSP process timeline • Phase 1 scenario factors • Phase 1 scenario development • Phase 1 capacity expansion analysis • Phase 1 assessment of FSTNs

Content	Summary	More Detailed Information
	outcomes due to facility outages or extreme weather. At the request of NESCOE, the ISO would develop an FTS to inform Future Scenario Transmission cost allocation. Capacity Expansion Analysis and Assessment of Future Transmission Scenarios • The ISO performs a capacity expansion buildout based on the factors adopted at the beginning of the process and conducts a stakeholder review of the inputs and results of the FTSs at the PAC. The ISO then performs an analysis on the FTSs and sensitivities to identify Future Scenario Transmission Needs (FSTNs) based on economic and reliability drivers and determines which FSTNs should move to solution development. Any FSTNs that move forward are proposed to include at least one element with a base voltage of 345 kV. Once the FSTNs are identified, the ISO initiates a stakeholder review.	
Future Scenario Planning Process: Phase 2	**Phase 2 of the Future Scenario Planning Process is the development of a preferred solution. In this phase, the ISO develops a solution, collects feedback from the PAC and NESCOE, and reviews alternatives. Preferred solutions are presented to PAC for confirmation.** **Phase 2: Development of Preferred Solution** For FSTNs that move forward, the ISO develops a solution considering the inclusion of alternative transmission technologies and reviewing the PTOs 10-year asset condition plans to identify opportunities for right-sizing. After collecting feedback from the PAC and NESCOE, the ISO reviews solution alternatives and develops cost estimates. The ISO calculates the benefits of solutions alternatives using the seven benefits required by the Order. A benefit-to-cost ratio (BCR) of at least 1.25 is necessary to be considered as a potential solution. The preferred solution is presented to PAC for confirmation. Then, once a solution is finalized, the ISO will decide if an RFP will be issued.	**September 2026 TC** • FSP process timelines • Phase 2 **October 2026 TC** • FSP process timeline • Phase 2 development of solution alternatives • Phase 2 benefit calculations • Phase 2 selection of preferred solution
Future Scenario Planning Process: Phase 3	**Phase 3 of the Future Scenario Planning Process involves the ISO issuing a construction RFP for its preferred solution. The ISO evaluates proposals, presents its preferred construction proposal to the PAC, and, when a preferred solution is chosen, issues a final report identifying the preferred construction proposal as a Future Scenario Transmission Upgrade.** **Phase 3: Construction RFP** If the ISO decides to move forward with an RFP, the ISO issues a construction RFP for the preferred solution that defines project scope, components that are eligible for competition, and determines non-competitive components (PTO upgrades). A QTPS could provide a group of components in a single construction proposal or provide individual proposals for each component. A QTPS could also provide a joint construction proposal with another QTPS on a single component or a group of components. The ISO evaluates proposals of competitive components based on their cost and qualitative evaluation factors to select the preferred construction proposal. Once selected, the ISO presents their preliminary preferred construction proposal to the PAC and collects feedback. Once confirmed, ISO issues a final report identifying the preferred construction proposal as a Future Scenario Transmission Upgrade (FSTU).	**September 2026 TC** • FSP process timelines • Phase 3 **October 2026 TC** • FSP process timeline • Phase 3 construction RFP
Future Scenario Planning Process:	**After the construction RFP has been submitted, cost allocation will be determined and the FSTU will be added to the RSP Project List. The QTPS has 30 days to accept and execute a Selected QTPS Agreement.**	**September 2026 TC** • FSP process timelines • Post-RFP activities

Content	Summary	More Detailed Information
Post-RFP Activities	**Post-RFP Activities** Cost allocation will be determined by a combination of ex ante regional method serving as both default and backstop, any State Agreement Process, and voluntary funding. The FSTU is added to the RSP Project List after cost allocation is determined. The QTPS has 30 days to accept and execute a Selected QTPS Agreement (SQTPSA). FSTUs can be re-evaluated if any of the following occurs: delays in development jeopardize the ISO's ability to meet reliability needs, actual or projected costs significantly exceed cost estimates, or significant changes in laws or regulations cause concern that the FSTU no longer meets selection criteria.	**October 2026 TC** • FSP process timeline
Resource Interconnection-Related Transmission	**The ISO will evaluate regional transmission facilities that address interconnection-related transmission needs, originally identified through the generator interconnection process.** The needs must have been identified by the ISO in at least two queue cycles, have a voltage of at least 200 kV, and an estimated cost of at least $30M. The ISO will use the System Efficiency Needs Scenario (SENS) to evaluate the interconnection-related transmission needs identified in the interconnection-related process. The SENS evaluation will review 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.	**September 2026 TC** • Resource interconnection overview
Local System Plan (LSP)	**Each Local System Planning cycle will include three separate meetings (assumptions, needs, and solutions) with material posting deadlines before and comment periods after each meeting. The PTOs will administer the Local System Planning process in accordance with their TOA and OATT roles and responsibilities.**	**September 2026 TC** • Local system plan overview
Alternative Transmission Technologies (ATT)	**Alternative transmission technologies are defined by the Order as dynamic line ratings, advanced power flow control devices, advanced conductors, and transmission switching. The ISO will 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 will apply to the FSP process, the existing Order No. 1000 regional transmission planning process, and cost allocation processes.	**September 2026 TC** • Alternative transmission technologies overview
Right-Sizing	**The ISO will 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.**	**September 2026 TC** • Right-sizing overview
Interregional Transmission Coordination	**The ISO is discussing interregional transmission coordination with PJM and NYISO. Updates to the Amended and Restated Northeast Planning Coordination Protocol are expected.** The interregional compliance filing date for all three regions is June 14, 2027. This topic will be discussed in more depth at the December 11, 2026, Interregional Planning Stakeholder Advisory Committee (IPSAC) meeting.	**September 2026 TC** • Interregional transmission coordination overview • IPSAC webpage

Content	Summary	More Detailed Information
Public Policy Transmission 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.**	**September 2026 TC** • Retirement of Public Policy Transmission Process