### 178 FERC ¶ 61,138 UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Richard Glick, Chairman; James P. Danly, Allison Clements, Mark C. Christie, and Willie L. Phillips.

ISO New England Inc. New England Power Pool Participants Committee Docket No. ER22-733-000

### ORDER ACCEPTING TARIFF REVISIONS

(Issued February 25, 2022)

1. On December 28, 2021, pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> ISO New England Inc. (ISO-NE), joined by the New England Power Pool Participants Committee (collectively, Filing Parties), submitted proposed revisions to ISO-NE's Transmission, Markets and Services Tariff (Tariff) to improve the competitive transmission planning process in New England (Transmission Planning Improvements).<sup>2</sup> In this order, we accept the Transmission Planning Improvements, to become effective February 28, 2022, as requested.

#### I. Background

2. Filing Parties state that ISO-NE conducted the region's first competitively developed transmission solicitation process from December 2019 to July 2020 (Boston RFP).<sup>3</sup> Filing Parties state that shortly after the conclusion of the Boston RFP, ISO-NE engaged in a "lessons learned" discussion with stakeholders to seek potential improvements to the competitive transmission solicitation process. As a result of that process, Filing Parties state that they have developed Tariff improvements related to the competitive solicitation process.

<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Attachment K, Attachment K Regional System Planning Process (27.0.0), Attachment P, Selected Qualified Transmission Project Sponsor Agreement (1.0.0), III.12, III.12 Calculation of Capacity Requirements (24.0.0).

<sup>3</sup> Transmittal at 1.

3. To participate in a competitive transmission solicitation pursuant to Attachment K of the Tariff, any entity that intends to respond to a request for proposal (RFP) for a Reliability Transmission Upgrade, a Market Efficiency Transmission Upgrade, or a Public Policy Transmission Upgrade must first be qualified by ISO-NE as a Qualified Transmission Project Sponsor (Qualified Sponsor).<sup>4</sup> Once an entity qualifies as a Qualified Sponsor, and as long as it maintains that status, it may participate in the competitive transmission solicitation process under sections 4.3 and 4A of Attachment K.<sup>5</sup>

4. Operationally, there are two steps in the competitive transmission solicitation process in which Qualified Sponsors submit information. During the first step, known as "Phase One" for Proposals for Reliability Transmission Upgrades and Market Efficiency Upgrades or as "Stage One" for Public Policy Transmission Upgrades, Qualified Sponsors submit a plan demonstrating that they can solve the needs identified in the RFP and providing general costs and logistics information.<sup>6</sup> ISO-NE reviews these proposals to ensure that they address all identified transmission needs, are cost competitive, and are feasible. After ISO-NE's review, which includes input from stakeholders in the Planning Advisory Committee, ISO-NE determines which Phase One or Stage One proposals will advance to the second step of the competitive transmission solicitation process.<sup>7</sup>

5. If a submission advances to Phase Two for either Reliability Transmission Upgrades and Market Efficiency Upgrades or Stage Two for Public Policy Transmission Upgrades, then the Qualified Sponsor must submit additional details. These details allow ISO-NE to differentiate between the submitted solutions and select the preferred solution.<sup>8</sup> After making its selection, ISO-NE will notify the Qualified Sponsor of the selected project that it has submitted the preferred Phase Two or Stage Two Solution for development and the Qualified Sponsor accepts responsibility by execution of the Selected Qualified Transmission Project Sponsor Agreement.<sup>9</sup>

<sup>4</sup> Oberlin Test. at 4:13-22.

<sup>5</sup> *Id.* at 4:3-4:5. Section 4.3 sets forth the process for Reliability Transmission Upgrades and Market Efficiency Transmission Upgrades, while section 4A sets forth the process for Public Policy Transmission Upgrades.

<sup>6</sup> Id. at 4:7-16.

<sup>7</sup> *Id.* at 4:18-21.

<sup>8</sup> *Id.* at 5:1-11.

<sup>9</sup> *Id.* at 5:14-19. Filing Parties state that the Selected Qualified Transmission Project Sponsor Agreement is an agreement entered into by ISO-NE and the Selected

# II. <u>Filing Summary</u>

6. Filing Parties propose several Tariff revisions to facilitate the Transmission Planning Improvements. Filing Parties state that these revisions are intended to improve the competitive transmission process under Attachment K sections 4.3 and 4A. Generally, Filing Parties explain that the proposed revisions improve the competitive transmission process by allowing a subset of needs identified in that process to be solved by a Qualified Sponsor and allowing for joint proposals other than the Backstop Transmission Solution to be proposed.<sup>10</sup> Filing Parties state that joint proposals may solve all or a subset of the identified needs.<sup>11</sup>

7. Filing Parties propose to revise section 4.3(a) (Initiating the Competitive Solution Process) to allow a Qualified Sponsor to solve all or some of the needs identified in the RFP.<sup>12</sup> Filing Parties state that requiring a Qualified Sponsor to comprehensively solve all the identified needs could limit the number of Qualified Sponsor s that are able to participate in an RFP.<sup>13</sup> Accordingly, Filing Parties propose to revise section 4.3(a) to allow a Qualified Sponsor to submit a Phase One Proposal that "addresses the identified needs or a subset of those needs." Filing Parties argue that allowing a Qualified Sponsor to solve a subset of needs will allow more Qualified Sponsor s to participate, which will make the transmission solicitation process more competitive.<sup>14</sup>

8. Filing Parties state that the Transmission Planning Improvements also revise the solicitation process to allow for the submission of joint proposals.<sup>15</sup> Filing Parties state

- <sup>10</sup> Transmittal at 4.
  <sup>11</sup> *Id*.
  <sup>12</sup> *Id*.
  <sup>13</sup> *Id*. at 5.
- <sup>14</sup> Id.
- <sup>15</sup> Id.

Qualified Sponsor (whether a participating transmission owner (PTO) or non-incumbent developer) following the Qualified Sponsor's selection to develop a project through the competitive transmission process. Filing Parties state that the purpose of the Selected Qualified Transmission Project Sponsor Agreement is to state the terms and conditions relating to development and construction of the selected project, including, among other things, project milestones, status reports, modifications, assignment, termination, and any cost containment.

that, pursuant to the existing language in section 4.3(a), joint proposals are already permitted for the Backstop Transmission Solution if more than one PTO is identified by ISO-NE. Filing Parties propose to revise section 4.3(a) by adding that a Qualified Sponsor may submit "an individual or joint" Phase One Proposal(s). Filing Parties state that under the proposed revisions to section 4.3(a) allowing for joint proposals, all of the parties to a joint proposal must be approved Qualified Sponsors. Filing Parties state that a joint proposal can solve all of the needs or a subset of the needs identified in the RFP. Filing Parties state that if a joint proposal is selected as the Preferred Phase Two Solution, each Qualified Sponsor must execute a separate Selected Qualified Transmission Project Sponsor Agreement and would have their portion of the project added to the Regional System Plan Project List. Further, Filing Parties state that if one of the parties to the joint proposal defaults and does not reassign its upgrades to another Qualified Sponsor under section 8 (Assignment) of the Selected Qualified Transmission Project Sponsor Agreement, the entire solution, or group of solutions, will be cancelled and the Backstop Transmission Solution would be implemented. Filing Parties propose similar revisions in section 4A.6(a) allowing Qualified Sponsors to submit individual or joint Stage One Proposals and requiring where a joint Stage One Proposal is submitted, all parties must be Qualified Sponsors.

9. Filing Parties state that they propose several other competitive transmission solution revisions, including clarifications to the existing Tariff language.<sup>16</sup> As part of these revisions, Filing Parties propose revisions to remove the requirement for life-cycle costs to be provided as part of the Phase One Proposals.<sup>17</sup> Filing Parties state that life-cycle costs do not provide significant value when submitted in the Phase One Proposal because submitted life-cycle cost do not include costs associated with an upgrade(s) located on or connected to a PTO's existing transmission system where the Qualified Sponsor is not the PTO for the existing system element(s). Additionally, Filing Parties propose revisions to the *pro forma* Selected Qualified Transmission Project Sponsor Agreement to modify section 6 to reflect termination under a joint proposal and modify section 7 (Hold Harmless) in order to allow for a project to have multiple Selected Qualified Sponsors.<sup>18</sup> Finally, Filing Parties propose to modify section III.12.6.4 of the Tariff to replace the word "project" with "solution" in several places to more accurately align the terminology with the language in Attachment K.

- <sup>16</sup> Id. at 7.
- <sup>17</sup> Id. at 6.
- <sup>18</sup> Id. at 8.

### III. Notice of Filing and Responsive Pleadings

10. Notice of Filing Parties' filing was published in the *Federal Register*, 87 Fed. Reg. 221 (Jan. 4, 2022), with interventions and protests due on or before January 18, 2022. Advanced Energy Economy (AEE); Champlain VT, LLC; Connecticut Municipal Electric Energy Cooperative, Massachusetts Municipal Wholesale Electric Company (MMWEC), New Hampshire Electric Cooperative, Inc., and Vermont Public Power Supply Authority (collectively, Public Systems); Eversource Energy Service Company; LSP Transmission Holdings II, LLC and LS Power Grid Northeast, LLC (LS Power); Massachusetts Department of Public Utilities; New England Power Company; New England States Committee on Electricity; and RENEW Northeast, Inc. filed timely motions to intervene. Public Systems filed comments and LS Power's request for clarification or protest. ISO-NE filed an answer to Public Systems' comments and LS Power's request for clarification or protest.

# A. <u>Comments and Protests</u>

11. Public Systems state that they support the filing as an incremental improvement over the status quo but argue that broader measures are needed to achieve New England's ambitious policy mandates. Public Systems urge the Commission to take additional steps to expand the role of competition in transmission planning and development, including expanding the use of competitive solicitations to develop new and needed transmission facilities in New England. Public Systems state that they described potential measures beyond those presented in this proceeding in their initial and reply comments in a rulemaking proceeding considering regional transmission planning.<sup>19</sup> Public Systems note that, since the Commission issued Order No. 1000,<sup>20</sup> ISO-NE has only run one competitive solicitation.<sup>21</sup> Public Systems argue that ISO-NE's "'immediate need' exception" has resulted in the region failing to benefit from competition and should be

<sup>20</sup> Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 136 FERC ¶ 61,051 (2011), order on reh'g, Order No. 1000-A, 139 FERC ¶ 61,132, order on reh'g and clarification, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC, 762 F.3d 41 (D.C. Cir. 2014).

<sup>21</sup> Public Systems Comments at 6.

<sup>&</sup>lt;sup>19</sup> See Building the Future Through Electric Regional Transmission Panning and Cost allocation and Generator Interconnection 176 FERC 61,024 (2021) (Regional Transmission Planning ANOPR).

reformed.<sup>22</sup> Public Systems also argue the Commission should direct ISO-NE to prioritize joint ownership projects when selecting the winners of competitive transmission solicitations.<sup>23</sup> Public Systems add that concerns have been raised in stakeholder discussions regarding the need to consider interregional approaches to transmission planning for offshore wind and request that the Commission express support for the idea.

LS Power states that it opposes ISO-NE's proposed Tariff revisions because 12. they fail to address what LS power contends is the most significant issue with the RFP Process: ISO-NE's interpretation of section 4.3(a) as prohibiting a Qualified Sponsor from submitting a proposal that requires the incumbent PTO to build facilities not related to the interconnection of the proposal or on real property in which the facilities are not related to the interconnection of the proposal. LS Power requests that the Commission clarify that section 4.3(a) permits a Qualified Sponsor to include PTO facilities as part of its comprehensive proposal.<sup>24</sup> If the Commission does not grant this clarification, LS Power states that the filing should be rejected because it does not address ISO-NE's discriminatory policy of eliminating proposals from nonincumbent Qualified Sponsors that include building new facilities not related to the interconnection proposal. LS Power contends that the option to solve a subset of needs puts a bidder in a position to rely on an incumbent Transmission Owner, a competitor in the process, to submit PTO Facilities that pair with the nonincumbent's proposal. LS Power contends that this is unjust and unreasonable and may not lead to the identification of the more efficient or cost-effective solution. LS Power also asserts that forcing a nonincumbent Qualified Sponsor to partner with an incumbent to propose the upgrade to the incumbent's transmission system leaves the nonincumbent Qualified Sponsor at a disadvantage.<sup>25</sup>

13. Specifically, with regard to ISO-NE's interpretation of the Tariff, LS Power notes that section 4.3(a) explicitly recognizes that Qualified Sponsors are permitted to offer a "comprehensive solution." LS Power further notes that section 4.3(a) also recognizes that the solution may include upgrades that are "located or connected to" the existing transmission owner's transmission system.<sup>26</sup> LS Power adds that the word "upgrade" is not a defined term in the Tariff. LS Power contends that ISO-NE appears to read the word "upgrade" as limited to Order No. 1000's definition of upgrade, for which a right of

 $^{22}$  Id. at 7.

<sup>23</sup> Id. at 7-8.

<sup>24</sup> Id. at 15.

<sup>25</sup> LS Power Protest at 13.

<sup>26</sup> Id. at 7.

first refusal may be maintained.<sup>27</sup> LS Power argues that, however, there is no indication that the term was meant to be as limiting as ISO-NE is using it. LS Power contends that as long as a transmission facility is located on or connected to an existing transmission owner's system and included in ISO-NE's regional transmission plan to meet system reliability or economic efficiency, a Qualified Sponsor can include a transmission facility as an upgrade to be implemented by the incumbent.<sup>28</sup>

14. LS Power contends that it does not challenge that there may be a right of first refusal for PTO Facilities in the current Tariff.<sup>29</sup> Rather, LS Power requests that the Commission require ISO-NE to comply with the requirement in Order Nos. 890 and 1000 that any stakeholder can propose PTO Facilities for ISO-NE to evaluate in its regional transmission planning process, regardless of to whom the projects are ultimately assigned.

15. LS Power contends that the history of the language of section 4.3(a) further supports LS Power's interpretation. LS Power contends that the relevant language was added to section 4.3(a) as part of a package of reforms made prior the Boston RFP. LS Power explains that ISO-NE stated when it proposed those reforms that it was "propos[ing] to improve the competitive process in Sections 4.3 and 4A by clarifying the applicable procedures . . .."<sup>30</sup> LS Power explains that, in its 2019 filing, ISO-NE stated that a Qualified Sponsor "may propose a *comprehensive* solution that includes an upgrade on a PTO system where the Qualified Sponsor is not the PTO for the upgrade on the existing system."<sup>31</sup>

16. LS Power argues that allowing a Qualified Sponsor to include PTO Facilities to be built by an incumbent in its proposal is consistent with Commission precedent. LS Power contends that, since Order No. 890, the Commission has required more open and transparent transmission planning that includes the participation of all stakeholders. LS Power contends that, as the Commission noted in both Order Nos. 890 and 1000, the Commission "[could] not rely on the self-interest of transmission providers to

<sup>28</sup> Id. at 9.

<sup>29</sup> Id.

<sup>30</sup> *Id.* at 10 (citing ISO-NE, Transmittal Letter, Docket No. ER20-92-000, at 6, (filed Oct. 11, 2019)).

<sup>31</sup> Id.

<sup>&</sup>lt;sup>27</sup> *Id.* at 7 (citing Order No. 1000, 136 FERC ¶ 61,051 at P 426).

expand the grid in a nondiscriminatory manner."<sup>32</sup> LS Power contends that, in particular, the Commission required incumbents to allow any stakeholder to propose a transmission solution for consideration in the regional transmission planning process.<sup>33</sup> LS Power explains that, even as the Commission introduced competition in Order No. 1000, the Commission still carried forward the Order No. 890 requirement that any stakeholder be permitted to propose projects in the regional transmission planning process even if they did not intend to develop them.<sup>34</sup> LS Power contends that there was no restriction on the solutions that a stakeholder could propose, and there should be no restrictions on the solutions that a Qualified Sponsor can include with its proposal, even if part of it is ultimately assigned to the incumbent.

17. LS Power further contends that ISO-NE has misinterpreted section 4.3(b) of Attachment K related to rights-of-way, giving it the power to eliminate from consideration proposals during the RFP process rather than simply determining the more efficient or cost-effective proposal and leaving any property rights issues to the appropriate adjudication. LS Power contends that section 4.3(b) explicitly reserves for the relevant state the right to determine whether a proposal alters the incumbent's use and control of its right-of-way in an impermissible way. LS Power contends that section 4.3(b) is consistent with the Commission's determination in Order No. 1000 in which the Commission stated that "[n]othing in this Final Rule is intended to limit, preempt, or otherwise affect state and local laws or regulations with respect to construction of transmission facilities . . .. "<sup>35</sup> LS Power argues that ISO-NE's decision to eliminate consideration of proposals in the regional transmission planning process that include facilities on a right-of-way in which an incumbent has an interest is at odds with the Commission's determination. LS Power requests that the Commission clarify that neither section 4.3(a) nor section 4.3(b) exclude a Qualified Sponsor from proposing a comprehensive solution that may alter an incumbent's right-of-way.

# B. <u>Answers</u>

18. AEE states that it agrees with and supports the goal of adding flexibility and removing barriers for non-incumbent Qualified Sponsors to respond to an RFP, which would enhance the competitiveness of the process and ensure the region's transmission

<sup>&</sup>lt;sup>32</sup> *Id.* at 11 (citing Order No. 890, 118 FERC ¶ 61,119 at P 422 and Order No. 1000, 136 FERC ¶ 61,051 at P 254).

<sup>&</sup>lt;sup>33</sup> *Id.* (citing Order No. 1000, 136 FERC ¶ 61,051 at n.304).

<sup>&</sup>lt;sup>34</sup> *Id.* at 12 (citing Order No. 1000, 136 FERC ¶ 61,051 at P 284).

<sup>&</sup>lt;sup>35</sup> *Id.* at 14 (citing Order No. 1000, 136 FERC ¶ 61,051 at P 257).

needs are met cost-effectively and reliably.<sup>36</sup> However, AEE argues that absent the clarification sought by LS Power, the changes proposed by ISO-NE and NEPOOL would leave certain barriers to the participation of non-incumbent Qualified Sponsors in the RFP process in place.<sup>37</sup>

19. AEE argues that the changes proposed by Filing Parties in this docket do not remedy the barrier to entry for non-incumbent Qualified Sponsors that results from ISO-NE's reading of section 4.3(a) of Attachment K of the Tariff.<sup>38</sup> AEE asks the Commission to grant LS Power's requested clarification to ensure that ISO-NE's transmission needs RFP process allows full and equal participation by nonincumbent Qualified Sponsors.

20. AEE also argues that the question of allowing storage to be considered as a transmission asset for purposes of implementing solutions to a Needs Assessment or Public Policy Transmission Study remains unresolved.<sup>39</sup> AEE states that ISO-NE has said that it will address this issue in the first quarter of 2022, and AEE looks forward to progress on this issue; AEE encourages the Commission to communicate to ISO-NE and NEPOOL stakeholders that resolving this barrier should be a priority.<sup>40</sup>

21. ISO-NE responds to LS Power and Public Systems that nothing in the pleadings demonstrates that the Transmission Planning Improvements are unjust and unreasonable and argues that neither Public Systems nor LS Power take issue with the proposed Tariff revisions.<sup>41</sup> ISO-NE contends that Public Systems and LS Power argue for additional changes beyond those contained in the Transmission Planning Improvements that thus are outside the scope of this proceeding.<sup>42</sup>

<sup>37</sup> *Id.* at 4.

<sup>38</sup> Id. at 5.

<sup>39</sup> Id. at 6.

<sup>40</sup> *Id.* at 6-7.

<sup>41</sup> ISO-NE Answer at 4.

<sup>42</sup> *Id.* at 5-6.

<sup>&</sup>lt;sup>36</sup> AEE Answer at 3.

22. ISO-NE notes that, because the Transmission Planning Improvements were filed pursuant to section 205 of the FPA, the Commission plays an essentially passive and reactive role in which it can only reject a filing if it finds that the changes proposed by the public utility are not just and reasonable.<sup>43</sup> ISO-NE explains that the Commission limits this inquiry "into whether the rates proposed by a utility are just and reasonable and [this inquiry does not] extend to determining whether a proposed rate schedule is more or less reasonable than alternative rate designs."<sup>44</sup>

23. With regard to LS Power, ISO-NE argues that, rather than arguing that the proposed Tariff revisions are not just and reasonable, LS Power requests that the Commission clarify Tariff language that was not part of the Transmission Planning Improvements filing.<sup>45</sup> Specifically, ISO-NE argues that the changes proposed in the Transmission Planning Improvements do not relate to LS Power's challenge to the existing (and unchanged) Tariff language in sections 4.3(a) and 4.3 (b) of Attachment K. Further, ISO-NE argues that LS's Power's Protest is an impermissible attempt to utilize a responsive pleading in a section 205 proceeding to request a change to the Tariff.<sup>46</sup>

# IV. <u>Discussion</u>

# A. <u>Procedural Matters</u>

24. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2021), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

25. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2021), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept AEE's and ISO-NE's answers because they have provided information that assisted us in our decision-making process.

<sup>43</sup> Id. at 4 (citing City of Winnfield v. FERC, 744 F.2d 871, 876 (D.C. Cir 1984)).

<sup>44</sup> *Id.* at 4-5 (citing *ISO New England Inc.*, 114 FERC ¶ 61,315, at P 33 and n.35 (2005)).

<sup>45</sup> *Id.* at 6.

<sup>46</sup> *Id.* (citing *ISO New England Inc. and New England Power Pool*, 129 FERC ¶ 61,008, at P 30 (2009) (finding, in response to protesters' request to modify tariff provisions addressing mitigation reference level calculations, that the request was "beyond the scope of this proceeding" because "Filing Parties are not proposing, in the August 5, 2009 Filing, to revise their formula for calculating Reference Levels.")).

# B. <u>Substantive Matters</u>

26. We accept the Transmission Planning Improvements, to be effective February 28, 2022, as requested, because the proposed Tariff revisions are just and reasonable and not unduly discriminatory or preferential. The proposed improvements to the competitive transmission planning process include changes that aim to remove barriers for prospective Qualified Sponsors. Specifically, the Transmission Planning Improvements would allow Qualified Sponsors to solve subsets of transmission needs identified in competitive transmission RFPs, enabling a more efficient or cost-effective solution for a subset of needs even if the Qualified Sponsor does not propose to solve all the needs identified in the RFP.<sup>47</sup> These changes would also allow for joint proposals from multiple Qualified Sponsors.<sup>48</sup> Consequently, the Transmission Planning Improvements allow for a larger pool of prospective respondents and also allow for more combinations of potentially more efficient or cost-effective responses to compete in transmission RFP solicitations.<sup>49</sup> We find that, together, these revisions enhance the competitive transmission planning process in New England. We encourage ISO-NE to continue to pursue improvements to the competitive transmission solicitation process as it gains additional experience.

27. Public Systems acknowledge that the Transmission Planning Improvements are an incremental improvement to transmission planning processes in ISO-NE. However, Public Systems also argue that the Commission should pursue other broader issues that Public Systems raised in the Regional Transmission Planning ANOPR proceeding, such as the failure of ISO-NE's immediate need exception to meet its objectives, and steps ISO-NE could take to encourage joint ownership arrangements.<sup>50</sup> Because these issues do not directly pertain to the Tariff revisions proposed in this proceeding and are already being considered elsewhere, we need not discuss these issues here.<sup>51</sup>

<sup>48</sup> *Id.* at 10:6-14.

<sup>49</sup> ISO-NE Answer at 4.

<sup>50</sup> Public Systems Comments at 6-7.

<sup>51</sup> See, e.g., Michigan Pub. Power Agency, 128 FERC ¶ 61,268, at n.47 (2009) ("The Commission has discretion to decide when and where it will resolve an issue.") (citations omitted).

<sup>&</sup>lt;sup>47</sup> Oberlin Test. at 7:1-9.

LS Power's arguments concern the proper interpretation of the Tariff,<sup>52</sup> while the 28. scope of this proceeding is limited to determining whether the proposed Transmission Planning Improvements are just and reasonable.<sup>53</sup> We recognize that LS Power ostensibly argues that Filing Parties' proposal is unjust and unreasonable,<sup>54</sup> but what LS Power in fact objects to is ISO-NE's implementation of existing and unchanged Tariff language in 4.3(a) and 4.3(b) of Attachment K rather than the proposed Tariff revisions themselves. Moreover, under section 205 of the FPA, Filing Parties need not show that a proposal is the most just and reasonable among all possible alternatives, so long as they sufficiently demonstrate that the proposal is just and reasonable,<sup>55</sup> which we find that Filing Parties have done. LS Power also requests that the Commission clarify Tariff language that was not proposed as part of the Transmission Planning Improvements filing, but such a request is not properly part of this proceeding. Nonetheless, we recognize the importance of the issues raised by LS Power. Should LS Power believe that ISO-NE is acting contrary to the Tariff (or Commission precedent), it may pursue the options available to it under the Federal Power Act.

29. Additionally, regarding AEE's question about whether storage will be allowed to be considered as a transmission asset for purposes of implementing solutions to a Needs Assessment or Public Policy Transmission Study, we note ISO-NE's intention to hold stakeholder discussions to address the possibility of allowing storage to be

<sup>52</sup> See, e.g., LS Power Protest at 7-9, 12-13.

<sup>53</sup> Under section 205, the Commission can reject a filing "only if it finds that the changes proposed by the public utility are not 'just and reasonable.'" *Atlantic City Elec. Co. v. FERC*, 295 F.3d 1, 9 (D.C. Cir 2002).

<sup>54</sup> LS Power Protest at 13.

<sup>55</sup> See ISO New England Inc. New England Power Generators Association, Inc. v. ISO New England Inc., 176 FERC P 61,176 (2021); Petal Gas Storage, L.L.C. v. FERC, 496 F.3d 695, 703 (D.C. Cir. 2007) ("FERC is not required to choose the best solution, only a reasonable one."); Cities of Bethany v. FERC, 727 F.2d 1131, 1136 (D.C. Cir. 1984) ("FERC has interpreted its authority to review rates under the FPA as limited to an inquiry into whether the rates proposed by a utility are reasonable—and not to extend to determining whether a proposed rate schedule is more or less reasonable than alternative rate designs.").

considered transmission when addressing reliability concerns.<sup>56</sup> As this issue is also outside the scope of this proceeding, we decline to discuss it here.

### The Commission orders:

The Transmission Planning Improvements are hereby accepted for filing, to become effective February 28, 2022, as discussed in the body of this order.

By the Commission.

(SEAL)

Debbie-Anne A. Reese, Deputy Secretary.

<sup>&</sup>lt;sup>56</sup> AEE Answer at 6-7 (citing "ISO-NE's 2022 Annual Work Plan," Vamsi Chadalavada, ISO-NE, at 16 (Oct. 8, 2021), https://www.iso-ne.com/static-assets/documents/2021/10/2022\_awp\_final\_10\_08\_21.pdf).