

151 FERC ¶ 61,133
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

ISO New England Inc. New York Independent System Operator, Inc. PJM Interconnection, L.L.C.	Docket Nos. ER13-1957-000
New York Independent System Operator, Inc.	ER13-1942-000 ER13-1946-000
ISO New England Inc. New England Power Pool Participants Committee	ER13-1960-000
PJM Interconnection, L.L.C.	ER13-1947-000
PJM Interconnection, L.L.C. Duquesne Light Company	ER13-1926-000 (not consolidated)

ORDER ON COMPLIANCE FILINGS

(Issued May 14, 2015)

Paragraph Numbers

I. Background	5.
II. Compliance Filings	7.
A. Proposed Revisions to the Northeastern Protocol	7.
B. Proposed Revisions to the NYISO-PJM JOA	8.
C. Other Proposed Revisions	10.
III. Notice of Filings and Responsive Pleadings	14.
A. Northeastern Protocol Parties Compliance Filing (Docket No. ER13-1957-000)	14.
B. NYISO Compliance Filing (Docket No. ER13-1946-000)	16.
C. PJM Compliance Filing (Docket No. ER13-1947-000)	18.

D. NYISO and New York Transmission Owners Compliance Filing (Docket No. ER13-1942-000).....	<u>20.</u>
E. PJM Transmission Owners Compliance Filing (Docket No. ER13-1926-000).....	<u>22.</u>
F. New England Filing Parties Compliance Filing (Docket No. ER13-1960-000)	<u>24.</u>
IV. Discussion	<u>26.</u>
A. Procedural Matters	<u>26.</u>
B. Substantive Matters	<u>28.</u>
1. Interregional Transmission Coordination Requirements.....	<u>29.</u>
a. General Requirements	<u>29.</u>
i. Compliance Filings.....	<u>30.</u>
ii. Protests/Comments	<u>39.</u>
iii. Commission Determination.....	<u>40.</u>
b. Implementation of the Interregional Transmission Coordination Requirements	<u>49.</u>
i. Data Exchange and Identifying Interregional Transmission Facilities	<u>49.</u>
(a) Compliance Filings	<u>51.</u>
(b) Commission Determination	<u>65.</u>
ii. Procedure for Joint Evaluation	<u>74.</u>
(a) Compliance Filings	<u>77.</u>
(1) Order No. 1000 Compliance	<u>77.</u>
(2) NYISO-PJM JOA Proposal.....	<u>88.</u>
(b) Protests/Comments	<u>93.</u>
(c) Answers.....	<u>95.</u>
(d) Commission Determination	<u>102.</u>
(1) Order No. 1000 Compliance	<u>102.</u>
(2) NYISO-PJM JOA Proposal.....	<u>112.</u>
iii. Transparency and Stakeholder Participation.....	<u>113.</u>
(a) Compliance Filings	<u>115.</u>
(b) Protests/Comments	<u>120.</u>
(c) Answers.....	<u>121.</u>
(d) Commission Determination	<u>123.</u>
2. Cost Allocation	<u>127.</u>
a. Compliance Filings.....	<u>140.</u>
i. Interregional Transmission Cost Allocation Proposal Applicable to Northeastern Protocol Parties	<u>140.</u>
ii. Summary of the Interregional Cost Allocation Method	<u>142.</u>
iii. Regional Allocation of Interregional Transmission Facility Costs	<u>148.</u>
iv. Interregional Cost Allocation Principles	<u>155.</u>
b. Protests/Comments.....	<u>162.</u>
c. Answers	<u>165.</u>
d. Commission Determination	<u>169.</u>
3. Existing Northeastern Protocol Language and Additional Revisions	<u>182.</u>
a. Compliance Filings	<u>182.</u>

b. Commission Determination[190.](#)

V. Appendix A: Abbreviated Names of Intervenors

VI. Appendix B: Abbreviated Names of Initial Commenters

VII. Appendix C: Abbreviated Names of Reply Commenters

VIII. Appendix D: eTariff Records

1. On July 11, 2013,¹ pursuant to section 206 of the Federal Power Act (FPA),² ISO New England Inc. (ISO-NE) submitted, in Docket No. ER13-1957-000, on behalf of itself, PJM Interconnection, L.L.C. (PJM), and New York Independent System Operator, Inc. (NYISO) (collectively, Northeastern Protocol Parties), revisions to the Northeastern ISO/RTO Planning Coordination Protocol (Amended Northeastern Protocol) to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000³ (Northeastern Protocol Parties Compliance Filing). The Northeastern Protocol Parties Compliance Filing also includes certificates of concurrence from NYISO and PJM.⁴ On July 10, 2013, pursuant to section 206 of the FPA,⁵ NYISO and PJM each submitted filings designating ISO-NE as the filing party for the Amended Northeastern

¹ On July 10, 2013, ISO-NE mistakenly submitted the referenced filing in Docket No. ER13-1934-000 using an incorrect eTariff filing code. The filing was withdrawn and resubmitted in Docket No. ER13-1957-000 on July 11, 2013.

² 16 U.S.C. § 824e (2012).

³ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g*, 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).

⁴ Northeastern Protocol Parties explain that, consistent with Order No. 714, ISO-NE has served as the official filing party for the Amended Northeastern Protocol, with NYISO and PJM filing certificates of concurrence with the Commission. See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008), *order on clarification*, Order No. 714-A, 147 FERC ¶ 61,115 (2014). Northeastern Protocol Parties Compliance Filing, Docket No. ER13-1957-000 at 1.

⁵ 16 U.S.C. § 824e (2012).

Protocol – in Docket Nos. ER13-1946-000 (NYISO Compliance Filing) and ER13-1947-000 (PJM Compliance Filing), respectively.

2. On July 11, 2013,⁶ pursuant to section 206 of the FPA, ISO-NE submitted, in Docket No. ER13-1960-000, on behalf of itself and the Participating Transmission Owners Administrative Committee, joined by the New England Power Pool Participants (collectively, New England Filing Parties), revisions to section I (i.e., General Terms and Conditions) and section II (Open Access Transmission Tariff (OATT or tariff)) of ISO-NE's Transmission, Markets and Services Tariff (ISO-NE Tariff), to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000 (New England Filing Parties Compliance Filing).⁷

3. On July 10, 2013, pursuant to section 206 of the FPA, NYISO and New York Transmission Owners submitted, on behalf of NYISO and PJM, in Docket No. ER13-1942-000, revisions to the Joint Operating Agreement between NYISO and PJM (NYISO-PJM JOA) to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000 (NYISO and New York Transmission Owners Compliance Filing).⁸ The filing also included revisions to NYISO's OATT.⁹ On the

⁶ On July 10, 2013, ISO-NE mistakenly submitted the referenced filing in Docket No. ER13-1933-000 using an incorrect eTariff filing code. The filing was withdrawn and resubmitted in Docket No. ER13-1960-000 on July 11, 2013.

⁷ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 1.

⁸ Unless otherwise noted, we refer to NYISO individually, and NYISO and New York Transmission Owners, as NYISO. The footnote will indicate if the argument was made individually by NYISO or jointly by NYISO and the New York Transmission Owners.

⁹ NYISO notes that the New York Transmission Owners join NYISO as it relates to additional proposed revisions to Attachment Y of NYISO's OATT as discussed below. NYISO further notes that although Consolidated Edison Company of New York, Inc. (Con Edison), Long Island Lighting Company (LIPA), New York Power Authority (NYPA), and Orange & Rockland Utilities, Inc. (O&R) support the NYISO and New York Transmission Owners' compliance filing, they disagree with the application of the avoided cost method to an interregional transmission facility that costs more than the cost of the displaced regional projects and reserve the right to file a protest to this aspect of the filing. See NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 1 & n.2.

same day, pursuant to section 205 of the FPA, PJM Transmission Owners submitted, in Docket No. ER13-1926-000, a filing supporting NYISO's revisions to the NYISO-PJM JOA that address the allocation of costs of interregional transmission facilities (PJM Transmission Owners Compliance Filing).¹⁰

4. In this order, we find that New England Filing Parties', Northeastern Protocol Parties', NYISO's, NYISO and New York Transmission Owners', PJM's, and PJM Transmission Owners' compliance filings partially comply with the interregional transmission coordination and cost allocation requirements adopted in Order No. 1000. Accordingly, we conditionally accept New England Filing Parties', Northeastern Protocol Parties', NYISO's, NYISO and New York Transmission Owners', PJM's, and PJM Transmission Owners' compliance filings, subject to further compliance filings, as discussed below. We direct New England Filing Parties, Northeastern Protocol Parties, NYISO, NYISO and New York Transmission Owners, PJM, and PJM Transmission Owners to submit the further compliance filings within 60 days of the date of issuance of this order.

I. Background

5. In Order No. 1000, the Commission adopted a package of reforms addressing transmission planning and cost allocation that, taken together, are designed to ensure that Commission-jurisdictional services are provided at just and reasonable rates and on a basis that is just and reasonable and not unduly discriminatory or preferential. In particular, the Commission determined that the transmission planning requirements of Order No. 890¹¹ were too narrowly focused geographically and failed to provide for adequate analysis of the benefits associated with interregional transmission facilities in

¹⁰ PJM Transmission Owners explain that, while they have the "exclusive rights to file pursuant to [s]ection 205 of the FPA for any changes in or relating to the establishment and recovery of their transmission revenue requirements or the transmission rate design in PJM," they "have authorized PJM and NYISO to enter into and file the cost allocation provisions in Section 35.10.2 through Section 35.10.6 of the [NYISO-PJM] JOA." PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 9.

¹¹ *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

neighboring transmission planning regions.¹² The Commission concluded that interregional transmission coordination reforms were necessary.¹³ Thus, the Commission required each public utility transmission provider to establish further procedures with each of its neighboring transmission planning regions for the purpose of: (1) coordinating and sharing the results of the respective regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities;¹⁴ and (2) jointly evaluating those interregional transmission facilities that the pair of neighboring transmission planning regions identify, including those proposed by transmission developers and stakeholders.¹⁵ The Commission defined

¹² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 369.

¹³ *Id.* P 370.

¹⁴ While the Commission required public utility transmission providers to establish further procedures with each of its neighboring transmission planning regions to coordinate and share the results of their respective regional transmission plans to identify possible interregional transmission facilities that could address regional transmission needs more efficiently or cost-effectively than separate regional transmission facilities, the Commission neither required nor precluded public utility transmission providers from conducting interregional transmission planning. *See, e.g.*, Order No. 1000, FERC Stat. & Regs. ¶ 31,323 at P 399 (clarifying that “the interregional transmission coordination requirements that [the Commission] adopt[s] do not require formation of interregional transmission planning entities or creation of a distinct interregional transmission planning process to produce an interregional transmission plan” and, “[t]o the extent that public utility transmission providers wish to participate in processes that lead to the development of interregional transmission plans, they may do so and, as relevant, rely on such processes to comply with the requirements of this Final Rule.”). The Commission also required that “the developer of an interregional transmission [facility] to first propose its transmission project in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located.” *Id.* P 436.

¹⁵ Order No. 1000-A, 139 FERC ¶ 61,132 at P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396). The Commission clarified that “the requirement to coordinate with neighboring regions applies to public utility transmission providers within a region as a group, not to each individual public utility transmission provider acting on its own. For example, within an [Regional Transmission Owner (RTO) or Independent System Operator (ISO)], the RTO or ISO would develop an interregional cost allocation method or methods with its neighboring regions on behalf of its public

(continued ...)

an interregional transmission facility as “one that is located in two or more transmission planning regions.”¹⁶ Furthermore, the Commission required each public utility transmission provider to describe the methods by which it will identify and evaluate interregional transmission facilities and to include a description of the type of transmission studies that will be conducted to evaluate conditions on neighboring systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities.¹⁷ Consistent with the requirement that public utility transmission providers must describe the methods by which they will identify and evaluate interregional transmission facilities, the Commission explained that “each public utility transmission provider must explain in its OATT how stakeholders and transmission developers can propose interregional transmission facilities for the public utility transmission providers in neighboring transmission planning regions to evaluate jointly.”¹⁸

6. In addition, in Order No. 1000, the Commission required that each public utility transmission provider in a transmission planning region have, together with the public utility transmission providers in its own transmission planning region and a neighboring transmission planning region, a common method or methods for allocating the costs of a new interregional transmission facility among the beneficiaries of that transmission facility in the two neighboring transmission planning regions in which the transmission facility is located.¹⁹ The Commission also required that each public utility transmission provider’s interregional cost allocation method or methods satisfy six interregional cost allocation principles.²⁰ To be eligible for interregional cost allocation, an interregional

utility transmission owning members.” *Id.* P 630 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 584).

¹⁶ *Id.* P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

¹⁷ *Id.* P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398).

¹⁸ *Id.* P 522.

¹⁹ Order No. 1000, FERC Stat. & Regs. ¶ 31,323 at PP 578, 582; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁰ Order No. 1000, FERC Stat. & Regs. ¶ 31,323 at P 603.

transmission facility must be selected in the relevant transmission planning regions' regional transmission plans for purposes of cost allocation.²¹

II. Compliance Filings

A. Proposed Revisions to the Northeastern Protocol

7. Northeastern Protocol Parties submit the Amended Northeastern Protocol to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000.²² Northeastern Protocol Parties explain that the Amended Northeastern Protocol builds on existing inter-ISO and interregional stakeholder committees and processes to implement the interregional coordination elements of Order No. 1000.²³ They summarize the Northeastern Protocol, which was originally adopted in 2004, noting that it: (1) has served as the vehicle for exchange of data and information among these systems; (2) establishes the committee structure for the coordination of

²¹ *Id.* P 400.

²² Northeastern Protocol Parties submitted the eTariff record for the Amended Northeastern Protocol to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000. Northeastern Protocol Parties state that ISO-NE, NYISO, and PJM will refer to the Amended Northeastern Protocol in their individual filings, made concurrent with the Northeastern Protocol Parties Compliance Filing, to comply with the interregional coordination requirements of Order Nos. 1000 and 1000-A. See Northeastern Protocol Parties Compliance Filing, Docket No. ER13-1957-00 at 1-2. The filings made by ISO-NE, NYISO, and PJM include: New England Filing Parties Compliance Filing, Docket No. ER13-1960-000; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000; and PJM Compliance Filing, Docket No. ER13-1947-000. NYISO and PJM each submitted filings designating ISO-NE as the filing party for the Amended Northeastern Protocol in Docket Nos. ER13-1946-000 and ER13-1947-000, respectively. PJM notes that the PJM Transmission Owners, not PJM, address the cost allocation aspects of the Amended Northeastern Protocol as well as the NYISO-PJM JOA in their compliance filing in Docket No. ER13-1926-000. Therefore, citations to statements from Northeastern Protocol Parties (either collectively or individually) as to the compliance with the interregional requirement of Order No. 1000 will, as a general matter, refer to the transmittals of the individual filings noted above.

²³ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 5; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 11; PJM Compliance Filing, Docket No. ER13-1947-000 at 4.

inter-area planning activities; and (3) describes the Northeastern Coordinated System Plan that integrates the individual system plans prepared periodically by ISO-NE, NYISO, and PJM.²⁴ Northeastern Protocol Parties explain that after receiving input from stakeholders and the states, they developed changes to the Northeastern Protocol to clarify and document their processes, where necessary, and propose reforms consistent with Order No. 1000, where appropriate.²⁵

B. Proposed Revisions to the NYISO-PJM JOA

8. NYISO submits, on behalf of itself and PJM, proposed revisions to the NYISO-PJM JOA, including PJM's certificate of concurrence.²⁶ NYISO states that the revisions to the NYISO-PJM JOA establish the cost allocation requirements for interregional transmission facilities.²⁷ PJM notes that the cost allocation method applicable to interregional transmission facilities in the NYISO and PJM regions was negotiated by the NYISO and PJM transmission owners. Therefore, PJM explains that the PJM Transmission Owners, not PJM, address the cost allocation aspects of both the Amended Northeastern Protocol and the NYISO-PJM JOA in their compliance filing in Docket No. ER13-1926-000.²⁸ PJM Transmission Owners explain that they support the proposed interregional transmission cost allocation revisions to the NYISO-PJM JOA filed by NYISO in Docket No. ER13-1942-000. PJM Transmission Owners assert that the proposed revisions ensure the costs of interregional transmission facilities selected by the

²⁴ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 5-6; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 9-10; PJM Compliance Filing, Docket No. ER13-1947-000 at 6.

²⁵ *See, e.g.*, PJM Compliance Filing, Docket No. ER13-1947-000 at 5.

²⁶ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000.

²⁷ *Id.* at 19. Unless otherwise noted, we refer to "interregional transmission project(s)" as "interregional transmission facility(ies)."

²⁸ PJM Compliance Filing, Docket No. ER13-1947-000 at 4 n.12.

NYISO and PJM regions are allocated in a manner that is just and reasonable and complies with the interregional cost allocation requirements of Order No. 1000.²⁹

9. NYISO and PJM also propose a new section to the NYISO-PJM JOA to provide for an enhanced coordination process between both regions with regard to the impact on a neighboring region of transmission projects located entirely in one region.³⁰

C. Other Proposed Revisions

10. New England Filing Parties and NYISO separately submit revisions that contain parallel language to new Schedule 15 of the ISO-NE OATT and Attachment Y of the NYISO OATT, respectively, to comply with the interregional cost allocation requirements of Order No. 1000 as it pertains to interregional transmission facilities between ISO-NE and NYISO.

11. NYISO, joined by the New York Transmission Owners, also submits additional revisions to Attachment Y of NYISO's OATT that: (1) integrate the interregional transmission planning process and interregional transmission facilities into NYISO's regional transmission planning process;³¹ (2) acknowledge the Order No. 1000 requirement that an interregional transmission facility must be selected in both regions' regional transmission plans to be eligible for interregional cost allocation;³² (3) provide that NYISO will allocate its region's share of the costs of an interregional transmission facility based on the type of regional transmission project that is being displaced by the interregional transmission facility;³³ (4) provide a revised overview of the applicable interregional transmission planning process;³⁴ (5) enable NYISO to identify

²⁹ PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 5.

³⁰ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 31-32; PJM Compliance Filing, Docket No. ER13-1947-000 at 18-19.

³¹ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 33-36.

³² *Id.* at 36-37.

³³ *Id.* at 37-39.

³⁴ *Id.* at 39.

consequences of its regional planning process for neighboring ISO/RTO systems to inform the interregional planning process;³⁵ (6) provide that, for purposes of any matter addressed in NYISO's Attachment Y, any interested entity is eligible to participate in NYISO's Interregional Planning Task Force (IPTF), irrespective of whether the entity has become a party to NYISO's Independent System Operator Agreement;³⁶ (7) revise Attachment Y to provide that NYISO will adopt procedures, with input from all interested parties, to implement and administer the Comprehensive System Planning Process (CSPP) requirements set forth in the Amended Northeastern Protocol;³⁷ and (8) revise or insert definitions.³⁸ NYISO also proposes ministerial revisions to Attachment Y of its OATT, which it asserts "will not alter the substance of NYISO's transmission planning process."³⁹ NYISO states that these changes include correcting internal cross-references and applying defined terms consistently throughout Attachment Y.

12. New England Filing Parties also propose additional revisions to the ISO-NE Tariff including: (1) revisions to Attachment K of the OATT to add provisions describing the interregional coordination provisions included in the Amended Northeastern Protocol, as well as adding other provisions facilitating the consideration by ISO-NE and its stakeholders of interregional solutions to regional needs; (2) revisions to Schedule 12 of the OATT describing the regional cost allocation within New England of the costs of approved interregional transmission facilities; and (3) conforming changes to section I of the ISO-NE Tariff.⁴⁰

13. Finally, PJM states that it also proposes to amend Schedule 6 of its Operating Agreement to include the PJM website link to PJM's interregional agreements for stakeholders to follow how interregional transmission coordination will be conducted.⁴¹

³⁵ *Id.* at 37-40.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.* at 37-41.

³⁹ *Id.*

⁴⁰ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 7.

⁴¹ PJM Compliance Filing, Docket No. ER13-1947-000 at 2.

III. Notice of Filings and Responsive Pleadings

A. Northeastern Protocol Parties Compliance Filing (Docket No. ER13-1957-000)

14. Notice of Northeastern Protocol Parties' compliance filing was published in the *Federal Register*, 78 Fed. Reg. 43,197 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. The entities that filed notices of intervention and motions to intervene are listed in Appendix A to this order and are addressed below. An out-of-time motion to intervene was filed by PPL Electric Utilities. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below.⁴²

15. Answers to the Northeastern Protocol Parties compliance filing were filed by the entities listed in Appendix C to this order and are addressed below.

B. NYISO Compliance Filing (Docket No. ER13-1946-000)

16. Notice of NYISO's compliance filing was published in the *Federal Register*, 78 Fed. Reg. 43,197 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. The entities that filed notices of intervention and motions to intervene are listed in Appendix A to this order and are addressed below. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below.

17. Answers to the NYISO compliance filing were filed by the entities listed in Appendix C to this order and are addressed below.

C. PJM Compliance Filing (Docket No. ER13-1947-000)

18. Notice of PJM's compliance filing was published in the *Federal Register*, 78 Fed. Reg. 43,197 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. The entities that filed notices of intervention and motions to intervene are listed in Appendix A to this order and are addressed below. An out-of-time motion to intervene was filed by PPL Electric Utilities. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below.

⁴² The party abbreviations given in the appendices will be used throughout this order.

19. Answers to the PJM compliance filing were filed by the entities listed in Appendix C to this order and are addressed below.

D. NYISO and New York Transmission Owners Compliance Filing (Docket No. ER13-1942-000)

20. Notice of NYISO and New York Transmission Owners' compliance filing was published in the *Federal Register*, 78 Fed. Reg. 43,197 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. The entities that filed notices of intervention and motions to intervene are listed in Appendix A to this order and are addressed below. An out-of-time motion to intervene was filed by PPL Electric Utilities. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below.

21. Answers to the NYISO and New York Transmission Owners compliance filing were filed by the entities listed in Appendix C to this order and are addressed below.

E. PJM Transmission Owners Compliance Filing (Docket No. ER13-1926-000)

22. Notice of PJM Transmission Owners' compliance filing was published in the *Federal Register*, 78 Fed. Reg. 43,197 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. The entities that filed notices of intervention and motions to intervene are listed in Appendix A to this order and are addressed below. An out-of-time motion to intervene was filed by NYISO and PPL Electric Utilities. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below.

23. Answers to the PJM Transmission Owners compliance filing were filed by the entities listed in Appendix C to this order and are addressed below.

F. New England Filing Parties Compliance Filing (Docket No. ER13-1960-000)

24. Notice of New England Filing Parties' compliance filing was published in the *Federal Register*, 78 Fed. Reg. 43,197 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. The entities that filed notices of intervention and motions to intervene are listed in Appendix A to this order and are addressed below. An out-of-time motion to intervene was filed by NYISO and PPL Electric Utilities. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below.

25. Answers to the New England Filing Parties compliance filing were filed by the entities listed in Appendix C to this order and are addressed below.

IV. Discussion

A. Procedural Matters

26. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceeding(s) in which they were filed. In addition, given the early stage of these proceedings and the absence of undue prejudice or delay, we grant NYISO's and PPL Electric Utilities' untimely motions to intervene.

27. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We accept the answers filed in these proceedings because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

28. We find that New England Filing Parties', Northeastern Protocol Parties', NYISO's, NYISO and New York Transmission Owners', PJM's, and PJM Transmission Owners' compliance filings partially comply with the interregional transmission coordination and cost allocation requirements adopted in Order No. 1000. Accordingly, we conditionally accept New England Filing Parties', Northeastern Protocol Parties', NYISO's, NYISO and New York Transmission Owners', PJM's, and PJM Transmission Owners' compliance filings, subject to further compliance filings, as discussed below. We direct New England Filing Parties, Northeastern Protocol Parties, NYISO, NYISO and New York Transmission Owners, PJM, and PJM Transmission Owners to submit the further compliance filings within 60 days of the date of issuance of this order.

1. Interregional Transmission Coordination Requirements

a. General Requirements

29. The Commission required each public utility transmission provider through its regional transmission planning process to coordinate with the public utility transmission providers in each of its neighboring transmission planning regions within its interconnection to implement the interregional transmission coordination requirements adopted in Order No. 1000.⁴³ The Commission also required public utility transmission providers in each pair of neighboring transmission planning regions to develop the same

⁴³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 415.

language to be included in each public utility transmission provider's OATT that describes the interregional transmission coordination procedures for that particular pair of regions.⁴⁴ Alternatively, if the public utility transmission providers so choose, the Commission allowed these procedures to be reflected in an interregional transmission coordination agreement among the public utility transmission providers within neighboring transmission planning regions that is filed with the Commission.⁴⁵

i. Compliance Filings

30. The Amended Northeastern Protocol states that it “describes the foundation for processes and procedures through which coordination of system planning activities will be implemented by the ISOs and RTOs of the northeastern United States and Canada.”⁴⁶ The Amended Northeastern Protocol further states that the parties to the Amended Northeastern Protocol are ISO-NE, NYISO, and PJM,⁴⁷ and that Ontario's Independent Electricity System Operator (IESO), Hydro-Québec (TransÉnergie), and New Brunswick Power:

are not Parties to this agreement but have agreed to participate, at their convenience, in the data and information exchange process set forth in [the Amended Northeastern] Protocol, and in regional planning studies for projects that may have interregional impact to ensure better coordination in the development of the interconnected power system.[⁴⁸]

⁴⁴ *Id.* PP 346, 475; *see also* Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

⁴⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 346, 475; Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

⁴⁶ ISO-NE, Amended Northeastern Protocol, § 1 (1.0.0).

⁴⁷ The Amended Northeastern Protocol defines ISO-NE, NYISO, and PJM collectively, as “Parties” and individually, as “Party.” *See id.* However, for purposes of clarity, we refer to ISO-NE, NYISO, and PJM collectively as “Northeastern Protocol Parties” when discussing provisions of the Amended Northeastern Protocol in this order.

⁴⁸ *Id.* The Amended Northeastern Protocol further notes that the Canadian entities are not participating in any sharing of the costs, as proposed under [the Amended Northeastern] Protocol, of future system upgrades or modification. *See id.*

31. NYISO acknowledges that ISO-NE and PJM are its two Commission-jurisdictional neighboring transmission system operators.⁴⁹ Additionally, New England Filing Parties and NYISO assert that “the Amended Northeastern Protocol facilitates the consideration of...interregional transmission projects spanning *three* regions, encompassing not only the entire Northeast United States, but areas of the Midwest, Mid-Atlantic, and Southern regions, rather than just between two neighboring regions as required by Order No. 1000.”⁵⁰ New England Filing Parties and NYISO further assert that this exceeds the requirements of Order No. 1000.

32. Northeastern Protocol Parties propose to comply with the interregional transmission coordination requirements of Order No. 1000 through the Amended Northeastern Protocol, which is an amended version of the existing Northeastern Protocol.⁵¹ Northeastern Filing Parties explain that ISO-NE, NYISO, and PJM have been engaged in interregional coordination since the adoption of the existing Northeastern Protocol in 2004.⁵² The Amended Northeastern Protocol states that “[t]he overall goal of the Protocol is to contribute to the on-going reliability and the enhanced operational and

⁴⁹ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 10.

⁵⁰ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 12; *see also* NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 13.

⁵¹ Northeastern Protocol Parties Compliance Filing, Docket No. ER13-1957-000 at 1.

⁵² New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 12; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942 at 9; PJM Compliance Filing, Docket No. ER13-1947-000 at 5 (noting that neighboring Canadian regions, specifically Ontario’s IESO, Hydro-Québec (TransÉnergie), and New Brunswick Power, have also participated in transmission coordination activities). NYISO and New York Transmission Owners also note that these non-jurisdictional neighboring transmission system operators in Canada have been part of the discussions related to the proposed compliance changes, but that these entities will not be joining the filing and will not be directly impacted by the proposed changes. NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 2 & n.6.

economic performance of the [Northeastern Protocol] Parties' regions through coordinated planning.”⁵³

33. ISO-NE, on behalf of Northeastern Protocol Parties, submitted the Amended Northeastern Protocol in addition to certificates of concurrence from NYISO and PJM.⁵⁴ NYISO and PJM separately filed revisions to their tariffs to make clear that ISO-NE is the designated filing party for the Amended Northeastern Protocol.⁵⁵ Northeastern Protocol Parties note that they are also each making concurrent individual Order No. 1000 interregional compliance filings to comply with the interregional coordination requirements of Order No. 1000. New England Filing Parties and NYISO state that, in addition to filing the Amended Northeastern Protocol, they included a summary of the interregional coordination procedures in their respective OATTs.⁵⁶ They assert that this is consistent with the Commission's statement in Order No. 1000 that public utility transmission providers can include interregional coordination procedures in an interregional agreement, with a summary of the agreement included in the regional OATTs.⁵⁷

⁵³ ISO-NE, Amended Northeastern Protocol, § 1 (1.0.0).

⁵⁴ Northeastern Protocol Parties explain that, consistent with Order No. 714, ISO-NE has served as the official filing party for the Amended Northeastern Protocol, with NYISO and PJM filing certificates of concurrence with the Commission. See *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008), *order on clarification*, Order No. 714-A, 147 FERC ¶ 61,115 (2014). Northeastern Protocol Parties Compliance Filing, Docket No. ER13-1957-000 at 1.

⁵⁵ NYISO, NYISO Agreements, Designation (Northeast Planning Protocol-Designation of Filing Party) (0.0.0); PJM, Interregional Agreements, Northeastern ISO/RTO - Designation (Northeastern ISO/RTO Planning Coordination Protocol - Designation of Filing Party) (0.0.0).

⁵⁶ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 19; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 18, 39 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 346, 475; Order No. 1000-A, 139 FERC ¶ 61,132 at P 522); *see also* ISO-NE, Tariff, Attachment K - Regional System Planning Process, § 6.3(a) (10.0.0); NYISO, OATT, Attachment Y, §§ 31 (0.0.0), 31.1.6 (3.0.0).

⁵⁷ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 19; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000, at 18, 39 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323

(continued ...)

34. Northeastern Protocol Parties state that their individual filings explain the manner in which the Amended Northeastern Protocol, together with conforming changes to region-specific documents, assists in satisfying the respective regions' compliance requirements.⁵⁸ NYISO further explains that there is substantial overlap among the three transmission planning regions' interregional compliance filings, because each is largely concerned with the same proposed amendments to the same proposed interregional planning arrangements.⁵⁹

35. Northeastern Protocol Parties believe that the Amended Northeastern Protocol, along with proposed revisions to each region's tariff, currently meets, and in many respects exceeds, the interregional transmission coordination requirements of Order No. 1000.⁶⁰ Nevertheless, PJM states that Northeastern Protocol Parties have agreed to revisions to further clarify and improve upon the existing coordination of interregional transmission facilities, as discussed more fully below.⁶¹ However, PJM asserts that its agreements with its immediate neighbor, NYISO, regarding revisions to the NYISO-PJM JOA, are insufficient to fully meet Order No. 1000's requirements for interregional coordination, as also discussed more fully below.⁶²

36. New England Filing Parties state that, consistent with the terms of Order No. 1000, an "interregional transmission project" is defined in the Amended Northeastern Protocol as "a transmission project that will be located within two or more neighboring transmission planning regions,"⁶³ where the regions are those administered by the

at PP 346, 475; Order No. 1000-A, 139 FERC ¶ 61,132 at P 522); *see also* ISO-NE, OATT, Attachment K - Regional System Planning Process, § 6.3(a) (10.0.0); NYISO, OATT, Attachment Y, § 31.1.6 (3.0.0).

⁵⁸ Northeastern Protocol Parties Compliance Filing, Docket No. ER13-1957-000 at 2.

⁵⁹ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 2.

⁶⁰ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 11; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 4; PJM Compliance Filing, Docket No. ER13-1947-000 at 5.

⁶¹ PJM Compliance Filing, Docket No. ER13-1947-000 at 5.

⁶² *Id.* at 2.

⁶³ ISO-NE, Amended Northeastern Protocol, § 1 n.1 (1.0.0).

respective Northeastern Protocol Parties.⁶⁴ Meanwhile, NYISO proposes to define an “interregional transmission project” in Attachment Y of its OATT as:

[a] transmission facility located in two or more transmission planning regions that is evaluated under the Interregional Planning Protocol^[65] and proposed to address an identified Reliability Need, congestion identified in the [Congestion Assessment and Resource Integration Study (CARIS)] for economic planning,^[66] or a transmission need driven by a Public Policy Requirement pursuant to Order No. 1000 and the provisions of this Attachment Y.^[67]

Finally, in its proposed Schedule 15 of its OATT, ISO-NE defines an “interregional transmission project” as “a transmission project located within the New England Control Area and one or more of the neighboring transmission planning regions.”⁶⁸

37. Northeastern Protocol Parties request that the Amended Northeastern Protocol become effective on July 10, 2013. NYISO and PJM similarly request a July 10, 2013

⁶⁴ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 10 n.34. Other types of projects may be identified pursuant to the periodic interregional assessments and system expansion planning studies performed by the Joint ISO/RTO Planning Committee with Interregional Planning Stakeholder Advisory Committee input (*see* ISO-NE, Amended Northeastern Protocol, § 6 (1.0.0)), but these are handled on a case-by-case basis and not pursuant to the Order No. 1000-related procedures of section 7 of the Amended Northeastern Protocol.

⁶⁵ NYISO proposes Interregional Planning Protocol as a new term in Attachment Y of its OATT to mean the “[Amended Northeastern Protocol], or any successor to that protocol.” NYISO, OATT, Attachment Y, § 31.1 (5.0.0).

⁶⁶ CARIS is defined in Attachment Y of NYISO’s OATT as, “The Congestion Assessment and Resource Integration Study for economic planning developed by the ISO in consultation with the Market Participants and other interested parties pursuant to Section 31.3 of this Attachment Y.” *Id.* § 31.3 (3.0.0).

⁶⁷ *Id.* § 31.1.1 (5.0.0); NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 3; NYISO, OATT, Attachment Y, § 31.1 (5.0.0).

⁶⁸ ISO-NE, OATT, Schedule 15, § I.2.2 (50.0.0); New England Filing Parties Compliance Filing, Docket No. ER13-1960-000.

effective date for their respective filings designating ISO-NE as the filing party for the Amended Northeastern Protocol.

38. NYISO requests an effective date of January 1, 2014, for the proposed revisions to its tariff including NYISO and PJM's proposed changes to the NYISO-PJM JOA. New England Filing Parties also request an effective date of January 1, 2014, for the proposed revisions to the ISO-NE Tariff.⁶⁹ Similarly, PJM requests an effective date of January 1, 2014 or, in the alternative, the date requested by NYISO and granted by the Commission.⁷⁰ PJM Transmission Owners request an effective date for the cost allocation provisions of the NYISO-PJM JOA coincident with the date the Commission permits the corresponding planning-related revisions to the NYISO-PJM JOA and the Amended Northeastern Protocol filed by NYISO and PJM to take effect. PJM requests, to the extent necessary, waiver of the Commission's notice provisions to permit such an effective date.⁷¹

ii. Protests/Comments

39. New England States Committee on Electricity (NESCOE) states that it generally supports the compliance filings made in these dockets. NESCOE notes, however, that the compliance filings, and in particular the tariff modifications, do not reflect changes proposed by the New England Filing Parties in their Order No. 1000 regional compliance filings made in Docket Nos. ER13-193-000 and ER13-196-000 on October 25, 2012. Therefore, NESCOE reserves the right to further comment on the compliance filings in these dockets should the substance of the changes therein change as a result of relevant and substantive modifications to the regional transmission planning and cost allocation processes, whether as a result of a Commission order responding to the November 15, 2013 compliance filing of New England Filing Parties or of a Commission order or court ruling on the underlying issues addressed in the regional compliance filings.⁷²

⁶⁹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 30.

⁷⁰ PJM Compliance Filing, Docket No. ER13-1947-000 at 23.

⁷¹ *Id.* at 23.

⁷² NESCOE Comments, Docket Nos. ER13-1957-000 and ER13-1960-000 at 6-7.

iii. Commission Determination

40. We find that Northeastern Protocol Parties partially comply with the general interregional transmission coordination requirements of Order No. 1000. Specifically, we find that Northeastern Protocol Parties comply with the requirement to coordinate with the neighboring public utility transmission providers within their interconnection to implement the interregional transmission coordination requirements adopted in Order No. 1000. ISO-NE, NYISO, and PJM are neighboring transmission planning regions in the eastern interconnection with interconnections at several points along the ISO-NE-NYISO and NYISO-PJM seams. In addition, each public utility transmission provider, through its regional transmission planning process, proposes procedures to coordinate with the public utility transmission providers in each of its neighboring transmission planning regions. We recognize that IESO, TransÉnergie, and New Brunswick Power are not parties to this agreement but have agreed to participate, at their convenience, in the data and information exchange process set forth in the Amended Northeastern Protocol, and in regional planning studies for projects that may have interregional impacts to ensure better coordination in the development of the interconnected power system.

41. Further, we find that by including the interregional coordination procedures and a description of the interregional cost allocation methods in the Amended Northeastern Protocol filed for approval by the Commission, Northeastern Protocol Parties have submitted common OATT language, which complies with Order No. 1000's requirement to develop the same language to be included in each OATT that describes the interregional transmission coordination and cost allocation procedures for that particular pair of regions.⁷³ We accept the Amended Northeastern Protocol for filing subject to further compliance filings as detailed below. Therefore, we direct Northeastern Protocol Parties to submit further compliance filings within 60 days of the date of issuance of this order as detailed below.

42. In addition, we find that ISO-NE and NYISO, individually, have also proposed in their respective OATTs sufficient descriptions of the interregional transmission coordination procedures and interregional cost allocation methods contained in the Amended Northeastern Protocol for stakeholders to follow how interregional transmission coordination will be conducted.⁷⁴ However, we find that PJM has not

⁷³ See Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 475; *see also id.* P 346; *see also* Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

⁷⁴ NYISO, OATT, Attachment Y, §§ 31.1.6, 31.1.8.2, 31.1.8.3, 35.10 (5.0.0); ISO-NE, OATT, Attachment K -Regional System Planning Process, § 6.3(a) (10.0.0).

proposed revisions to its OATT that sufficiently describe the interregional transmission coordination procedures and interregional cost allocation methods contained in the Amended Northeastern Protocol. Therefore, we direct PJM to submit a further compliance filing within 60 days of the date of issuance of this order, to revise its OATT to include a summary of the Amended Northeastern Protocol consistent with the summaries proposed by New England Filing Parties and NYISO.⁷⁵

43. We also find that the relevant provisions in the NYISO-PJM JOA, as well as in ISO-NE's and NYISO's respective tariffs governing interregional cost allocation capture substantively parallel cost allocation methods between ISO-NE and NYISO and between NYISO and PJM for interregional transmission facilities.⁷⁶ We agree with Northeastern Protocol Parties that this approach will "allow for the use of the same cost allocation method for any [i]nterregional [t]ransmission [p]roject that spans all three regions."⁷⁷ While ISO-NE, NYISO, and PJM have submitted generally common language governing interregional transmission coordination, their individual tariff language contains some differences. However, we find that the differences are non-substantive.

44. We find that Northeastern Protocol Parties' proposed definitions of an interregional transmission facility partially comply with Order No. 1000's definition of an interregional transmission facility.⁷⁸ Order No. 1000 defines an interregional transmission facility as "a transmission facility that is located in two or more transmission planning regions."⁷⁹ First, we find that the proposal to define an interregional transmission facility in the Amended Northeastern Protocol, as "a transmission project that will be located within two or more neighboring transmission planning regions," is consistent with the definition in Order No. 1000. Second, ISO-NE and NYISO also propose to adopt similar definitions of the term in their respective tariffs, which are substantially comparable to the definition in the Amended Northeastern

⁷⁵ See ISO-NE, OATT, Attachment K – Regional System Planning Process, § 6.3(a) (10.0.0); NYISO, OATT, Attachment Y, § 31.1.6 (3.0.0).

⁷⁶ ISO-NE, OATT, Attachment K -Regional System Planning Process, § 6.3 (10.0.0); NYISO, OATT, Attachment Y, § 31.5.7 (4.0.0); NYISO, NYISO-PJM JOA, § 35.10.2 (1.0.0).

⁷⁷ See NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 3.

⁷⁸ See Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 475 n.372.

⁷⁹ *Id.* P 482 n.374.

Protocol, though the language is tailored to reflect regional terms and procedures. We find that, despite the differences in language, NYISO's and ISO-NE's proposed definitions are each consistent with Order No. 1000's definition and compatible with each other's definitions. Finally, we find that PJM has not proposed a definition of an interregional transmission facility applicable to transmission facilities that are located in NYISO and PJM in its own tariff. Therefore, we direct PJM to submit a further compliance filing, within 60 days of the date of issuance of this order, proposing a definition that is consistent with Order No. 1000's definition and compatible with NYISO's and ISO-NE's definitions.

45. Northeastern Protocol Parties, PJM, and NYISO propose an effective date of July 10, 2013, for the Amended Northeastern Protocol and the designation of ISO-NE as the filing party for the Amended Northeastern Protocol. NYISO explains that this date is consistent with the date that the Amended Northeastern Protocol was executed by the Chief Executive Officers of ISO-NE, NYISO, and PJM, respectively.⁸⁰ We accept the Amended Northeastern Protocol, subject to further compliance filings as further discussed below, effective on July 10, 2013.

46. In addition, New England Filing Parties, NYISO, and PJM are consistent in their individual proposals for a January 1, 2014 requested effective date applicable to: (1) proposed revisions to ISO-NE's tariff, (2) proposed revisions to NYISO's tariff, and (3) proposed revisions to the NYISO-PJM JOA. We find that the proposed effective dates are reasonable because the Commission has sufficiently addressed ISO-NE's, NYISO's, and PJM's regional Order No. 1000 compliance filings⁸¹ to allow the respective regional

⁸⁰ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000, at 2 n.4 ("ISO-NE proposes an effective date of July 10, 2013 for the Northeastern ISO/RTO Planning Coordination Protocol, which is its date of executive by the CEOs of ISO-NE, PJM and NYISO"). While the footnote states that July 10, 2013 is "the date of *executive* by CEOs of ISO-NE, PJM and NYISO", an examination of the text of the Amended Northeastern Protocol confirms that July 10, 2013 is the date that the Amended Northeastern Protocol was *executed*. See ISO-NE, Amended Northeastern Protocol, at 13 ("WHEREFORE, this [A]mended [Northeastern] Protocol is executed as of July 10, 2013, which is the effective date of the [Amended Northeastern] Protocol.") (emphasis added). Therefore, it appears that the text of the footnote reflects an inadvertent grammatical error in the transmittal.

⁸¹ See PJM First Regional Compliance Order, 142 FERC ¶ 61,214, *order on reh'g and compliance*, 147 FERC ¶ 61,128 (2014); NYISO First Regional Compliance Order, 143 FERC ¶ 61,059 (2013) *order on reh'g and compliance*, 148 FERC ¶ 61,044 (2014);

transmission planning and cost allocation provisions to be implemented in conjunction with the interregional transmission coordination and cost allocation procedures proposed in this proceeding. Therefore, we accept New England Filing Parties', Northeastern Protocol Parties', NYISO's, NYISO and New York Transmission Owners', PJM's, and PJM Transmission Owners' compliance filings, subject to further compliance filings discussed below, effective on January 1, 2014.

47. New England Filing Parties state that Attachment K of ISO-NE's OATT contains a placeholder for the URL under which the Amended Northeastern Protocol will be posted on the ISO-NE website, which is being utilized because it would be inappropriate to post the Amended Northeastern Protocol until it has been accepted by the Commission. New England Filing Parties state that the URL will be included, in an appropriate clean-up filing once the Amended Northeastern Protocol is accepted.⁸² Accordingly, we direct ISO-NE to revise its OATT, within 60 days of the date of issuance of this order, to include the URL for the Amended Northeastern Protocol, as it has committed.

48. We acknowledge NESCOE's concern that it wants to reserve the right to further comment on the compliance filings in these dockets should there be any substantive modifications to the regional transmission planning and cost allocation processes, whether as a result of a Commission order responding to New England Filing Parties' November 15, 2013 compliance filing in Docket Nos. ER13-193-000 and ER13-196-000, or of a Commission order or court ruling on the underlying issues addressed in the regional compliance filings.⁸³ Nothing in this proceeding is meant to modify any Commission order or court ruling addressing either New England Filing Parties' regional compliance filing or the underlying issues. Furthermore, nothing in this proceeding limits or alters any rights available to NESCOE to respond to a Commission order addressing ISO-NE's compliance with the regional requirements of Order No. 1000.

ISO-NE First Regional Compliance Order, 143 FERC ¶ 61,150 (2013) *order on reh'g and compliance*, 150 FERC ¶ 61,209 (2015).

⁸² New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 19 n.55.

⁸³ NESCOE Comments, Docket Nos. ER13-1957-000 and ER13-1960-000 at 6-7.

b. Implementation of the Interregional Transmission Coordination Requirements

i. Data Exchange and Identifying Interregional Transmission Facilities

49. In Order No. 1000, the Commission required each public utility transmission provider to establish procedures with each of its neighboring transmission planning regions to coordinate and share the results of their respective regional transmission plans to identify interregional transmission facilities.⁸⁴ As part of this requirement, the Commission required the public utility transmission providers to enhance their existing regional transmission planning process to provide for the identification of interregional transmission facilities that may be more efficient or cost-effective solutions to their respective regional transmission needs.⁸⁵ The Commission also required each public utility transmission provider to adopt interregional transmission coordination procedures that provide for the exchange of transmission planning data and information at least annually.⁸⁶ The Commission found that the interregional transmission coordination procedures must include the specific obligations for sharing transmission planning data and information rather than only an agreement to do so.⁸⁷ However, the Commission did not dictate the specific procedures or the level of detail for the procedures pursuant to which transmission planning data and information must be exchanged. The Commission allowed each public utility transmission provider to develop procedures to exchange transmission planning data and information, which the Commission anticipated would reflect the type and frequency of meetings that are appropriate for each pair of regions and will accommodate each pair of region's transmission planning cycles.⁸⁸

50. In addition, the Commission required the developer of an interregional transmission facility to first propose its transmission project in the regional transmission

⁸⁴ Order No. 1000-A, 139 FERC ¶ 61,132 at P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396); *see also* Order No. 1000, FERC Stat. & Regs. ¶ 31,323 at PP 399, 436.

⁸⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396; *see also* Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398.

⁸⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 454.

⁸⁷ *Id.* P 455.

⁸⁸ *Id.*

planning processes of each of the neighboring regions in which the transmission facility is proposed to be located.⁸⁹ Thus, the Commission required that each public utility transmission provider explain in its OATT how stakeholders and transmission developers can propose interregional transmission facilities for joint evaluation.⁹⁰

(a) Compliance Filings

51. PJM states that the Northeastern Protocol currently provides for coordination between Northeastern Protocol Parties through two formal committees: (1) the Joint ISO/RTO Planning Committee,⁹¹ which is comprised of staff representatives of the three parties to the Northeastern Protocol; and (2) the Interregional Planning Stakeholder Advisory Committee,⁹² which is a committee open to stakeholders from all three regions.⁹³

52. Under the Amended Northeastern Protocol, the Joint ISO/RTO Planning Committee is tasked with coordinating interregional planning activities, among other activities. The Amended Northeastern Protocol further states that the interregional planning activities that the Joint ISO/RTO Planning Committee coordinates include, but are not limited to, the conduct of planning analyses, the identification and evaluation of interregional transmission facilities for regional consideration by each Northeastern Protocol Party, and the production of the Northeastern Coordinated System Plan.⁹⁴

53. The Amended Northeastern Protocol explains that the Joint ISO/RTO Planning Committee, with input from the Interregional Planning Stakeholder Advisory Committee, shall develop the Northeastern Coordinated System Plan and shall:

⁸⁹ *Id.* P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

⁹⁰ Order No. 1000-A, 139 FERC ¶ 61,132 at P 522.

⁹¹ The responsibilities and activities of the Joint ISO/RTO Planning Committee are detailed in section 2.1 of the Amended Northeastern Protocol. *See* ISO-NE, Amended Northeastern Protocol, § 2.1 (1.0.0).

⁹² The responsibilities and activities of the Interregional Planning Stakeholder Advisory Committee are detailed in 2.2 of the Amended Northeastern Protocol. *See* ISO-NE, Amended Northeastern Protocol, § 2.2 (1.0.0).

⁹³ PJM Compliance Filing, Docket No. ER13-1947-000 at 9.

⁹⁴ *See* ISO-NE, Amended Northeastern Protocol, § 2.1 (1.0.0).

1) incorporate the regional system plans of the [Northeastern Protocol] Parties, 2) reflect on-going load growth and retirements or deactivations of infrastructure, market-based additions to system infrastructure, such as generation or merchant transmission projects, and distributed resources, such as demand side and load response programs, 3) describe transmission projects identified jointly by the [Northeastern Protocol] Parties pursuant to Section 6 hereof to resolve seams issues, or to enhance the coordinated performance of the regions, and 4) describe [i]nterregional [t]ransmission [p]rojects identified in response to FERC Order No. 1000 requirements pursuant to Section 7 [(Identification and Evaluation of Potential [i]nterregional [t]ransmission [p]rojects pursuant to FERC Order No. 1000 Requirements)] that can meet needs of more than one region more efficiently or cost-effectively than separate regional solutions.^[95]

54. The Amended Northeastern Protocol addresses specific obligations for exchanging and sharing planning data and information between the transmission planning regions at least annually. Specifically, the Amended Northeastern Protocol provides that the data and information specified in the Amended Northeastern Protocol “shall be exchanged on an annual basis, recognizing the varying planning cycles of the respective regions.”⁹⁶ In addition, the Amended Northeastern Protocol states that the Joint ISO/RTO Planning Committee shall set the date for exchanging data and information so that it corresponds to the appropriate point in the annual transmission planning processes of each transmission planning region, and reports of planning or operational analyses and evaluations will be provided in a timely manner.⁹⁷ Moreover, the Amended Northeastern Protocol requires that each of the Northeastern Protocol Parties:

shall provide the others with information, as agreed by the [Joint ISO/RTO Planning Committee], that may be required for the performance of reliability, economic and public policy planning studies. [Northeastern Protocol] *Parties shall also exchange such data and information as is needed for each*

⁹⁵ *Id.* § 8 (1.0.0).

⁹⁶ *Id.* § 3.2 (1.0.0).

⁹⁷ *Id.*

[Northeastern Protocol] *Party to plan its own system accurately and reliably and to assess the impact of conditions existing on the system of the other* [Northeastern Protocol] *Parties.*^{98]}

The Amended Northeastern Protocol lists several categories of data and information that Northeastern Protocol Parties shall provide each other, including data: (1) required for system planning analyses,⁹⁹ (2) regarding regional plans,¹⁰⁰ (3) regarding interconnection requests,¹⁰¹ and (4) regarding transmission service over pertinent interfaces.¹⁰² As to data required for system planning analysis, the Amended Northeastern Protocol specifies that each Northeastern Protocol Party “shall provide the others with all data required for system planning analysis, such as data required for: production cost modeling, the development of power flow cases, short-circuit cases, and stability cases, including ten-year load forecasts and retirements or deactivations of transmission or generation facilities.”¹⁰³ In addition, the Amended Northeastern Protocol requires that all critical assumptions used in the development of such cases shall be included, as well as system planning documents. The Amended Northeastern Protocol also provides that the Joint ISO/RTO Planning Committee shall determine the specific data to be exchanged in a given planning cycle, depending on the anticipated scope of planning for that cycle.¹⁰⁴

55. With respect to data required regarding regional plans, the Amended Northeastern Protocol specifies that each Northeastern Protocol Party “shall exchange information regarding their respective regional transmission system plans, including the determination of transmission needs based upon reliability, public policy and economic considerations as well as the regional transmission solutions identified to meet those needs.”¹⁰⁵

⁹⁸ *Id.* § 3.1(a) (1.0.0) (emphasis added).

⁹⁹ *Id.* § 3.1(b) (1.0.0).

¹⁰⁰ *Id.* § 3.1(c) (1.0.0).

¹⁰¹ *Id.* § 3.1(d) (1.0.0).

¹⁰² *Id.* § 3.1(e) (1.0.0).

¹⁰³ *Id.* § 3.1(b) (1.0.0).

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* § 3.1(c) (1.0.0).

56. As noted above, the Amended Northeastern Protocol also requires each transmission planning region to share data related to interconnection requests that are expected to affect the operation of other regions' systems¹⁰⁶ and transmission services on all interfaces relevant to interregional planning coordination.¹⁰⁷

57. The Amended Northeastern Protocol states that the Joint ISO/RTO Planning Committee is comprised of representatives of the Northeastern Protocol Parties, and (a) coordinates interregional planning activities; (b) identifies and facilitates resolution of issues related to the interregional planning process; and (c) undertakes the activities described in sections 6 and 7 of the Amended Northeastern Protocol.¹⁰⁸ The Joint ISO/RTO Planning Committee is comprised of one representative, one alternate, and one person with primary responsibility for all coordinated interregional system planning analyses performed under the Amended Northeastern Protocol – all of which are named by each Northeastern Protocol Party.¹⁰⁹

58. The Amended Northeastern Protocol provides that the Interregional Planning Stakeholder Advisory Committee is intended to facilitate stakeholder review and input to (a) coordinated interregional system planning activities; (b) Joint ISO/RTO Planning Committee activities under sections 6 and 7 of the Amended Northeastern Protocol; and (c) modifications to the interregional coordination procedures therein.¹¹⁰ The Interregional Planning Stakeholder Advisory Committee members include the advisory committees of the Northeastern Protocol Parties, market participants within the regions, governmental agencies, regional state committees, provincial entities, regional reliability councils, and any other party with an interest in the coordination of planning being addressed by the Interregional Planning Stakeholder Advisory Committee.¹¹¹

59. The Amended Northeastern Protocol requires that the Joint ISO/RTO Planning Committee will, on an annual basis or at the request of any of the Northeastern Protocol Parties, proactively review regional needs and solutions identified in the regional

¹⁰⁶ *Id.* § 3.1(d) (1.0.0).

¹⁰⁷ *Id.* § 3.1(e) (1.0.0).

¹⁰⁸ *Id.* § 2.1 (1.0.0).

¹⁰⁹ *Id.*

¹¹⁰ *Id.* § 2.2 (1.0.0).

¹¹¹ *Id.*

planning processes of the Northeastern Protocol Parties. New England Filing Parties and PJM state that during this proactive review, Northeastern Protocol Parties will share their regional transmission needs and identify potential interregional transmission facilities.¹¹² In addition, the Joint ISO/RTO Planning Committee will identify, with input from the Interregional Planning Stakeholder Advisory Committee, whether there are concepts for potential interregional transmission facilities that could, in the reasonable engineering judgment of the Joint ISO/RTO Planning Committee, meet regional needs of more than one region (whether driven by reliability, economic or public policy requirements)¹¹³ more efficiently *and* cost-effectively than separate regional transmission projects.¹¹⁴ Under the Amended Northeastern Protocol, in order to assist its review (and its subsequent analysis of interregional transmission facilities), the Joint ISO/RTO Planning Committee shall utilize data and information exchanged and reconciled pursuant to section 3 of the Amended Northeastern Protocol.¹¹⁵ The Amended Northeastern Protocol specifies that the Joint ISO/RTO Planning Committee will use the information exchanged regarding Northeastern Protocol Parties' respective regional transmission system plans to identify and evaluate interregional transmission facilities which may have the potential to meet the respective regional transmission needs in a more efficient or cost-effective manner.¹¹⁶

60. In addition, the Amended Northeastern Protocol provides that:

if . . . an [i]nterregional [t]ransmission [p]roject is proposed in
the transmission planning process of more than one region to

¹¹² *Id.* § 7.1 (1.0.0); *see also* New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 16; PJM Compliance Filing, Docket No. ER13-1947-000 at 13.

¹¹³ Order No. 1000 defined Public Policy Requirements as requirements established by local, state or federal laws or regulations (i.e., enacted statutes passed by the legislature and signed by the executive and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level). Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 2. Order No. 1000-A clarified that Public Policy Requirements included local laws and regulations passed by a local governmental entity, such as a municipal or county government. Order No. 1000-A, 139 FERC ¶ 61,132 at P 319.

¹¹⁴ *See* ISO-NE, Amended Northeastern Protocol, §7.1 (1.0.0) (emphasis added).

¹¹⁵ *See id.* § 7.2 (1.0.0).

¹¹⁶ *Id.* § 3.1(c) (1.0.0).

address system needs identified in the planning processes of those respective regions, the [Northeastern Protocol] Parties with the identified needs shall analyze whether the [i]nterregional [t]ransmission [p]roject may be more efficient *and* cost-effective than the separate regional transmission projects, and shall post results on the interregional pages of websites of the region.^{117]}

61. According to the Amended Northeastern Protocol, stakeholders may provide input into the Joint ISO/RTO Planning Committee's proactive review of regional transmission needs and solutions to identify concepts for potential interregional transmission facilities.¹¹⁸ Specifically, "the [Joint ISO/RTO Planning Committee] shall present the results of the [Joint ISO/RTO Planning Committee's] studies and analysis of a proposed [i]nterregional [t]ransmission [p]roject to the [Interregional Planning Stakeholder Advisory Committee] for its input as soon as practicable upon completion, to allow the regional stakeholder processes to benefit from the study results and consider [Interregional Planning Stakeholder Advisory Committee] input."¹¹⁹

62. Regarding procedures to allow stakeholders and transmission developers to propose interregional transmission facilities for joint evaluation, the Amended Northeastern Protocol states that:

On an annual basis, or at the request of any of the [Northeastern Protocol] Parties, the [Joint ISO/RTO Planning Committee] will proactively review regional needs and solutions identified in regional planning process of the [Northeastern Protocol] Parties and identify, *with input from the Interregional Planning Stakeholder Advisory Committee*, whether there are concepts for potential [i]nterregional [t]ransmission [p]rojects that could – in the reasonable engineering judgment of the [Joint ISO/RTO Planning Committee] – meet regional needs of more than one region

¹¹⁷ *Id.* § 7.3 (1.0.0) (emphasis added).

¹¹⁸ *Id.*

¹¹⁹ *Id.*

more efficiently and cost-effectively than separate regional transmission projects. [¹²⁰]

63. New England Filing Parties state that ISO-NE's OATT provides that any stakeholder may propose an interregional transmission facility in the ISO-NE planning process for evaluation under the applicable provisions.¹²¹ Specifically, stakeholders may propose an interregional transmission facility in response to ISO-NE's identification of transmission needs through its Needs Assessment.¹²² In addition, New England Filing Parties explain that an interregional transmission facility may displace a regional reliability or market efficiency project where ISO-NE has determined that the interregional project is "more efficient *and/or* cost effective."¹²³ In the case of interregional projects that could meet public policy requirements, the interregional project may displace a Public Policy Transmission Upgrade pursuant to section 4A of Attachment K.¹²⁴

¹²⁰ *Id.* § 7.1 (1.0.0) (emphasis added).

¹²¹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 16 (citing ISO-NE, OATT, Attachment K – Regional System Planning Process, § 6.3(a) (10.0.0)).

¹²² ISO-NE's needs assessments analyze whether the Pool Transmission Facilities in the New England Transmission System: (1) meet applicable reliability standards; (2) have adequate transfer capability to support local, regional, and inter-regional reliability; (3) support the efficient operation of the wholesale electric markets; (4) are sufficient to integrate new resources and loads on an aggregate or regional basis; or (5) otherwise examine various aspects of its performance and capability. A needs assessment shall also identify: (1) the location and nature of any potential problems with respect to the Pool Transmission Facilities and (2) situations that significantly affect the reliable and efficient operation of the Pool Transmission Facilities along with any critical time constraints for addressing the needs of the Pool Transmission Facilities to facilitate the development of market responses and to initiate the pursuit of regulated transmission solutions. *See ISO New England, Inc.*, 143 FERC § 61,150, at n.35 (2013) (citing ISO-NE, OATT, Attachment K, § 4.1 (Secondary Version)).

¹²³ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 16-17 (citing ISO-NE, OATT, Attachment K – Regional System Planning Process, § 3.6(a) (10.0.0)) (emphasis added).

¹²⁴ *Id.*

64. Furthermore, NYISO proposes revisions to Attachment Y of its OATT to provide that “[i]nterregional [t]ransmission [p]rojects may be proposed as regulated backstop solutions, alternative regulated solutions, or market-based solutions.”¹²⁵ Such proposals are solicited by NYISO when a reliability need is identified by NYISO’s Reliability Needs Assessment.¹²⁶ NYISO further proposes revisions to Attachment Y of its OATT to provide that transmission developers may propose an interregional transmission facility in the regional transmission planning process in response to NYISO’s Congestion Assessment and Resource Integration Study.¹²⁷ Additionally, NYISO proposes revisions to Attachment Y of its OATT to allow stakeholders to propose interregional transmission facilities to meet identified public policy requirements.¹²⁸ Also, according to NYISO’s proposed language, any interested entity is eligible to participate in NYISO’s Interregional Planning Task Force,¹²⁹ which enables NYISO stakeholders to provide input and guidance to NYISO regarding technical and economic aspects of interregional planning.¹³⁰

¹²⁵ NYISO, OATT, Attachment Y, § 31.2.4.2 (4.0.0); *see also* NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 34-35.

¹²⁶ NYISO, OATT, Attachment Y, § 31.2.4.3.1 (4.0.0); *see New York Independent System Operator, Inc.*, 143 FERC ¶ 61,059 (2013) at P 32 (explaining that NYISO’s Comprehensive System Planning Process begins with the local transmission planning process, during which each Transmission Owner develops a local transmission plan. Next, in the reliability transmission planning process, NYISO utilizes the local transmission plans as inputs into the Reliability Needs Assessment, through which NYISO identifies reliability transmission needs).

¹²⁷ NYISO, OATT, Attachment Y, § 31.3.2.4 (3.0.0); *see also* NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 35-36.

¹²⁸ NYISO, OATT, Attachment Y, § 31.4.3 (1.0.0); *see also* NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 36.

¹²⁹ NYISO, OATT, Attachment Y, § 31.1.7 (5.0.0); NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000.

¹³⁰ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 40.

(b) Commission Determination

65. We find that the interregional data exchange provisions and the procedures for identifying interregional transmission facilities proposed by Northeastern Protocol Parties collectively, as well as individually by NYISO and New England Filing Parties, and NYISO and PJM respectively, partially comply with the data and information exchange requirements of Order No. 1000.

66. We find that, through the Amended Northeastern Protocol, Northeastern Protocol Parties comply with the requirement that each public utility transmission provider develop procedures to exchange transmission planning data and information. The Amended Northeastern Protocol provides that Northeastern Protocol Parties “shall exchange information regarding their respective regional transmission system plans, including the determination of transmission needs based upon reliability, public policy and economic considerations as well as the regional transmission solutions identified to meet those needs.”¹³¹ The Amended Northeastern Protocol also provides that Northeastern Protocol Parties shall annually share all data required for system planning analyses.¹³² Specifically, Northeastern Protocol Parties shall exchange, among other things, all critical assumptions used in the development of power flow, short circuit, and stability cases used in system planning analyses, as well as system planning documents.¹³³ In addition, the Amended Northeastern Protocol requires Northeastern Protocol Parties to exchange data regarding interconnection requests that are expected to affect the operation of other Northeastern Protocol Parties’ systems,¹³⁴ as well as information regarding long-term firm transmission service and other transmission services on all interfaces relevant to coordination of planning among the regions.¹³⁵

67. We find that, through the Amended Northeastern Protocol, Northeastern Protocol Parties partially comply with the requirements to identify interregional transmission

¹³¹ ISO-NE, Amended Northeastern Protocol, § 3.1(c) (1.0.0).

¹³² *Id.* § 3.1(b) (1.0.0).

¹³³ *Id.*

¹³⁴ *Id.* § 3.1(d) (1.0.0). The Amended Northeastern Protocol specifically requires each party to exchange data related to interconnection requests that are expected to affect the operation of other Parties’ systems as determined pursuant to section 4 of the protocol, which addresses the analysis of interconnection queue requests.

¹³⁵ *Id.* §3.1(e) (1.0.0).

facilities. The Amended Northeastern Protocol provides “[t]hat this information shall be used by the Joint ISO/RTO Planning Committee to identify and evaluate potential [i]nterregional [t]ransmission [p]rojects which may have the potential to meet the respective regional transmission needs in a more efficient or cost-effective manner...”¹³⁶ The Amended Northeastern Protocol provides that the Joint ISO/RTO Planning Committee will, on an annual basis or at the request of any of the Northeastern Protocol Parties, proactively review regional needs and solutions identified in the regional planning processes of the Northeastern Protocol Parties.¹³⁷ In addition, the Joint ISO/RTO Planning Committee will identify, with input from the Interregional Planning Stakeholder Advisory Committee, whether there are concepts for potential interregional transmission facilities that could, in the reasonable engineering judgment of the Joint ISO/RTO Planning Committee, meet regional needs of more than one region (whether driven by reliability, economic or public policy requirements) more efficiently *and* cost-effectively than separate regional transmission projects.¹³⁸ Finally, the Amended Northeastern Protocol provides that, if as a result of this review an interregional transmission facility is proposed in the regional transmission planning process of more than one region to address transmission system needs identified in the regional transmission planning process of those respective regions, then the transmission planning regions with the identified transmission needs shall analyze “whether the [i]nterregional [t]ransmission [p]roject may be more efficient *and* cost-effective than the separate regional transmission projects, and shall post results on the interregional pages of websites of the regions.”¹³⁹ We note that while Order No. 1000 required each public utility transmission provider to explain in its OATT how stakeholders and transmission developers can propose interregional transmission facilities for joint evaluation,¹⁴⁰ Order No. 1000 did not require public utility transmission providers to independently identify interregional transmission facilities. Thus, we find that Northeastern Protocol Parties’ proposal goes beyond this requirement of Order No. 1000 and is therefore accepted.

68. However, in the process of identifying and evaluating potential interregional transmission facilities, the Amended Northeastern Protocol repeatedly provides that the Joint ISO/RTO Planning Committee and/or Northeastern Protocol Parties will identify,

¹³⁶ *Id.* § 3.1(c) (1.0.0).

¹³⁷ *Id.* § 7.1 (1.0.0).

¹³⁸ *Id.* (emphasis added).

¹³⁹ *Id.* § 7.3 (1.0.0) (emphasis added).

¹⁴⁰ Order No. 1000-A, 139 FERC ¶ 61,132 at P 522.

evaluate, and analyze, respectively, interregional transmission facilities that may be “more efficient *and* cost effective” or that may meet regional needs of more than one region more efficiently *and* cost-effectively.”¹⁴¹ Order No. 1000 requires neighboring transmission planning regions to enhance their regional transmission planning processes to provide for “the identification and joint evaluation of interregional transmission facilities that may be more efficient *or* cost-effective solutions” to regional needs.¹⁴² Accordingly, we direct Northeastern Protocol Parties to submit, within 60 days of the date of issuance of this order, further compliance filings that make this correction throughout the Amended Northeastern Protocol.

69. Similarly, we note that New England Filing Parties state that an interregional transmission facility may displace a regional reliability transmission project or market efficiency transmission upgrade where ISO-NE has determined that it is a “more efficient *and/or* cost effective solution.”¹⁴³ As noted above, Order No. 1000 requires neighboring transmission planning regions to enhance their regional transmission planning processes to provide for “the identification and joint evaluation of interregional transmission facilities that may be more efficient *or* cost-effective solutions” to regional needs.¹⁴⁴ However, nothing in Order No. 1000 prohibits the expansion of the universe of interregional transmission facilities that can be considered so long as the expansion is *in addition to, not instead of* interregional transmission facilities that may be more efficient *or* cost-effective solutions to regional needs, as required by Order No. 1000. Therefore, New England Filing Parties must modify their Attachment K to make clear that an interregional transmission facility may displace a regional reliability transmission project or market efficiency transmission upgrade where ISO-NE has determined that it is a “more efficient *or* cost-effective solution,” and an interregional transmission facility may also displace a regional reliability transmission project or market efficiency transmission upgrade where ISO-NE has determined that in addition to being “more efficient *or* cost-effective,” the interregional transmission facility is also a “more efficient *and* cost-effective” solution. Accordingly, we direct New England Filing Parties to submit, within 60 days of the date of issuance of this order, a further compliance filing that make this clarification to their Attachment K.

¹⁴¹ ISO-NE, Amended Northeastern Protocol, §§ 7.1, 7.3 (1.0.0) (emphasis added).

¹⁴² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396.

¹⁴³ ISO-NE, OATT, Attachment K – Regional System Planning Process, § 3.6(a) (10.0.0).

¹⁴⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396.

70. Consistent with the Order No. 1000 requirement to identify interregional transmission facilities, we accept the provisions in the Amended Northeastern Protocol that provide the ability for stakeholders and transmission developers to propose interregional transmission facilities and for public utility transmission providers to use those proposals, along with their own reasonable engineering judgment, to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than separate regional transmission facilities.¹⁴⁵

71. However, the Commission required the developer of an interregional facility to first propose its interregional transmission facility in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located, which will trigger the procedure under which the public utility transmission providers, acting through their regional transmission planning processes, will jointly evaluate the proposed transmission project. We find that Northeastern Protocol Parties have partially complied with this requirement. First, we find that New England Filing Parties have sufficiently explained how ISO-NE's current OATT allows a proponent of an interregional transmission facility to submit the interregional transmission facility into ISO-NE's regional transmission planning processes. As detailed above, in ISO-NE's regional transmission planning process, stakeholders may propose an interregional transmission facility in response to ISO-NE's identification of transmission needs through its Needs Assessment.

72. It is unclear where and when, in NYISO's regional transmission planning process, stakeholders can propose interregional transmission facilities. NYISO's proposed revisions provide that through NYISO's regional transmission planning process, transmission developers may propose an interregional transmission facility in response to NYISO's Reliability Needs Assessment, Congestion Assessment and Regional Integration Study, or to meet an identified public policy requirement. However, unlike New England Filing Parties' explanation, it is unclear where and when, in NYISO's regional transmission planning process, stakeholders can propose interregional transmission facilities. Accordingly, we direct NYISO to submit a further compliance filing within 60 days of the date of issuance of this order, revising the NYISO OATT to explain how a stakeholder may propose an interregional transmission facility for joint evaluation.

73. Similarly, PJM has not proposed any revisions to its regional transmission planning process that would explain how stakeholders and transmission developers can propose interregional transmission facilities. Accordingly, we direct PJM to submit a further compliance filing within 60 days of the date of issuance of this order, revising the

¹⁴⁵ ISO-NE, Amended Northeastern Protocol, §§ 7.1, 2.1 & 2.2 (1.0.0).

PJM OATT to explain how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by Northeastern Protocol Parties by submitting the interregional transmission facility into PJM's regional transmission planning process.

ii. Procedure for Joint Evaluation

74. In Order No. 1000, the Commission required each public utility transmission provider to establish procedures with each of its neighboring transmission planning regions in its interconnection to jointly evaluate interregional transmission facilities.¹⁴⁶ The submission of an interregional transmission facility in each regional transmission planning process will trigger the procedure under which the public utility transmission providers, acting through their regional transmission planning processes, will jointly evaluate the proposed transmission project.¹⁴⁷

75. The Commission required that joint evaluation be conducted in the same general timeframe as, rather than subsequent to, each transmission planning region's individual consideration of the proposed interregional transmission facility.¹⁴⁸ The Commission explained that, to meet the requirement to conduct the joint evaluation in the same general time frame, it expected public utility transmission providers to develop a timeline that provides a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information developed through the regional transmission planning process and, similarly, provides a meaningful opportunity to review and use in the regional transmission planning process information developed in the interregional transmission coordination procedures.¹⁴⁹

¹⁴⁶ Order No. 1000-A, 139 FERC ¶ 61,132 at P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396); *see also* Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 435. As explained in the previous section of this order, a developer must first propose an interregional transmission facility in each regional transmission planning processes in which the transmission facility is proposed to be located.

¹⁴⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

¹⁴⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 439).

¹⁴⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 439. Order No. 1000 does not require that interregional transmission facilities be evaluated simultaneously by both

(continued ...)

76. In addition, the Commission required that the compliance filing by public utility transmission providers in neighboring transmission planning regions include a description of the types of transmission studies that will be conducted to evaluate conditions on their neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities.¹⁵⁰ Additionally, the Commission directed each public utility transmission provider to develop procedures by which differences in the data, models, assumptions, transmission planning horizons, and criteria used to study a proposed interregional transmission facility can be identified and resolved for purposes of jointly evaluating a proposed interregional transmission facility.¹⁵¹

(a) Compliance Filings

(1) Order No. 1000 Compliance

77. As noted above, the Amended Northeastern Protocol states that the Joint ISO/RTO Planning Committee will, on an annual basis or at the request of any of the Northeastern Protocol Parties, proactively review regional needs and solutions identified in the regional planning processes of the Northeastern Protocol Parties. New England Filing Parties and PJM state that during this proactive review, the transmission planning regions will share their regional transmission needs and identify potential interregional transmission facilities.¹⁵² In addition, the Joint ISO/RTO Planning Committee will identify, with input from the Interregional Planning Stakeholder Advisory Committee, whether there are concepts for potential interregional transmission facilities that could (in the reasonable engineering judgment of the Joint ISO/RTO Planning Committee) meet regional needs of more than one region (whether driven by reliability, economic or public

regions or in joint sessions of both regions' stakeholders. *Id.* P 438.

¹⁵⁰ *Id.* P 398; Order No. 1000-A, 139 FERC ¶ 61,132 at P 493. The Commission did not require any particular type of studies to be conducted. *Id.*

¹⁵¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 506, 510.

¹⁵² ISO-NE, Amended Northeastern Protocol, § 7.1 (1.0.0); *see also* New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 16; PJM Compliance Filing, Docket No. ER13-1947-000 at 13.

policy requirements) more efficiently *and* cost-effectively than separate regional transmission projects.¹⁵³ In addition, the Amended Northeastern Protocol requires that:

[i]f, in response to [Joint ISO/RTO Planning Committee] review under Section 7.1 or otherwise, an [i]nterregional [t]ransmission [p]roject is proposed in the planning process of more than one region to address system needs identified in the planning process of those respective regions, the [Northeastern Protocol] Parties with the identified needs shall analyze whether the [i]nterregional [t]ransmission [p]roject may be more efficient *and* cost-effective than the separate regional transmission projects... [¹⁵⁴]

78. The Amended Northeastern Protocol states that each affected Northeastern Protocol Party that has a need within its region addressed by an interregional transmission facility shall consider the proposed interregional transmission facility in the same general timeframe in its regional planning process.¹⁵⁵ The Amended Northeastern Protocol provides that “[t]he [Joint ISO/RTO Planning Committee] shall coordinate all interregional studies deemed necessary by the [Northeastern Protocol] Parties to allow the effective consideration by the regions, in the same general timeframe, of an [i]nterregional [t]ransmission [p]roject.”¹⁵⁶ Furthermore, the Amended Northeastern Protocol requires the Joint ISO/RTO Planning Committee to present the results of its studies and analysis of a proposed interregional transmission facility to the Interregional Planning Stakeholder Advisory Committee as soon as practicable upon completion to allow the regional stakeholder processes to benefit from the study results as well as consider the input of the Interregional Planning Stakeholder Advisory Committee.¹⁵⁷

¹⁵³ See ISO-NE, Amended Northeastern Protocol, § 7.1 (1.0.0) (emphasis added).

¹⁵⁴ *Id.* § 7.3 (1.0.0) (emphasis added).

¹⁵⁵ *Id.* § 7.4 (1.0.0).

¹⁵⁶ *Id.* § 7.3 (1.0.0). Section 7.4 indicates that each affected party that has a transmission need addressed by a particular interregional project will consider that interregional project, “in the same general timeframe,” in its regional planning process. *Id.* § 7.4.

¹⁵⁷ *Id.* § 7.3 (1.0.0).

79. NYISO and New York Transmission Owners propose revisions to Attachment Y of the NYISO OATT that provide for coordination of regional and interregional transmission planning processes and the inclusion of interregional transmission facilities in regional transmission plans.¹⁵⁸ NYISO and New York Transmission Owners explain that section 7 of the Amended Northeastern Protocol establishes a process to identify and jointly evaluate interregional transmission facilities. They assert that in line with implementing procedures for the identification and joint evaluation by neighboring regions of interregional transmission facilities, they propose revisions to Attachment Y of the NYISO OATT to provide for an interregional transmission facility to be proposed and evaluated comparably with regional projects within NYISO's reliability, economic, and public policy requirements transmission planning processes. In addition, NYISO and New York Transmission Owners propose to specify that the interregional planning processes will be conducted in parallel with these intraregional processes.¹⁵⁹ NYISO and New York Transmission Owners specifically propose revisions that provide:

...the interregional planning process shall be conducted in parallel with the reliability planning process, the economic planning process, and the Public Policy Requirements planning process to identify and evaluate [i]nterregional [t]ransmission [p]rojects that may more efficiently or cost-effectively meet the needs of the region than a regional transmission project.[¹⁶⁰]

80. The Amended Northeastern Protocol defines an interregional transmission facility as a transmission project that will be located within two or more neighboring transmission planning regions, where the regions are those administered by Northeastern Protocol Parties.¹⁶¹ Northeastern Protocol Parties explain that other types of projects may be identified, pursuant to the periodic interregional assessments and system expansion planning studies performed by the Joint ISO/RTO Planning Committee with input from the Interregional Planning Stakeholder Advisory Committee.¹⁶² Northeastern Protocol

¹⁵⁸ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 33.

¹⁵⁹ *Id.* at 33-34.

¹⁶⁰ NYISO, OATT, Attachment Y, § 31.1.8.2 (5.0.0).

¹⁶¹ ISO-NE, Amended Northeastern Protocol n.1 (1.0.0).

¹⁶² *See, e.g.*, New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at n.34; *see also* ISO-NE, Amended Northeastern Protocol, § 6 (1.0.0).

Parties state that these will be handled on a case-by-case basis and not pursuant to the Order No. 1000-related procedures of section 7 of the Amended Northeastern Protocol.

81. Northeastern Protocol Parties state that the Amended Northeastern Protocol meets the requirement of Order No. 1000 that the neighboring regions describe the types of transmission studies conducted to evaluate conditions on neighboring systems for determining whether interregional facilities are more efficient or cost-effective than regional facilities as a result of two particular provisions.¹⁶³ First, Northeastern Protocol Parties offer that the Amended Northeastern Protocol requires that:

[Northeastern Protocol] Parties shall, as necessary, prepare and document procedures for the development of common power system analysis models used to perform the analyses required to develop the [Northeastern Coordinated System Plan] and to assist with FERC Order 1000-related efforts specified in Section 7 hereof. Models shall be developed for necessary interregional system planning analyses such as power flow analyses, short circuit analyses, stability and production cost analyses.... Changes to baseline data and updates to the power system analysis models shall be performed annually to capture all system upgrades and allow analyses to accurately identify cross border impacts. Coordination of power system analysis models shall rely upon existing working groups to the maximum extent practical.^[164]

Second, Northeastern Protocol Parties offer that the Amended Northeastern Protocol provides that:

The [Joint ISO/RTO Planning Committee] shall coordinate all interregional studies deemed necessary by the Parties to allow

¹⁶³ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 15; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000, at 15; PJM Compliance Filing, Docket No. ER13-1947-000 at 14-15.

¹⁶⁴ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 15; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000, at 15; PJM Compliance Filing, Docket No. ER13-1947-000 at 14 (citing ISO-NE, Amended Northeastern Protocol, § 3.5 (1.0.0)).

the effective consideration by the regions, in the same general timeframe, of an [i]nterregional [t]ransmission [p]roject. The studies performed by [Joint ISO/RTO Planning Committee] may include, but are not limited to: power flow, production cost, stability and short-circuit studies.^[165]

82. PJM states that the Amended Northeastern Protocol describes the models and format to be provided as well as the identification and harmonization of regional data and information.¹⁶⁶ New England Filing Parties and NYISO specify that two sections of the Amended Northeastern Protocol address the Order No. 1000 requirement for the development of procedures for the identification and resolution of differences in data, models, assumptions, planning horizons and criteria used to study a proposed transmission project for purposes of jointly evaluating the proposed facility.¹⁶⁷ First, New England Filing Parties and NYISO offer that section 3.3 of the Amended Northeastern Protocol addresses this requirement of Order No. 1000. The Amended Northeastern Protocol provides that:

To the extent practical, the maintenance and exchange of power system modeling data shall be implemented through databases. The formats of the databases exchanged shall be agreed upon by the [Northeastern Protocol] Parties exchanging the data. Other information such as geographical system maps and one-line diagrams shall be provided in an electronic format agreed upon by the [Northeastern Protocol] Parties exchanging the information.^[168]

¹⁶⁵ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 15; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000, at 15; PJM Compliance Filing, Docket No. ER13-1947-000 at 14-15 (citing ISO-NE, Amended Northeastern Protocol, § 7.3 (1.0.0)).

¹⁶⁶ PJM Compliance Filing, Docket No. ER13-1947-000 at 17.

¹⁶⁷ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 14; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437).

¹⁶⁸ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 14; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 14 (citing ISO-NE, Amended Northeastern Protocol, § 3.3 (1.0.0)).

83. Second, New England Filing Parties and NYISO offer that section 3.4 of the Amended Northeastern Protocol also addresses the data harmonization requirement of Order No. 1000. This section indicates that Northeastern Protocol Parties will identify differences in their data, and other information, to be used in the joint evaluation of proposed interregional transmission facilities. In addition, it provides that Northeastern Protocol Parties will reconcile those differences, to the extent possible, and where differences cannot be reconciled, they may use other means such as scenario analysis for interregional transmission studies. Moreover, section 3.4 provides that where reconciliation cannot be reached, Northeastern Protocol Parties will document the reasons underlying the division for discussion with the Interregional Planning Stakeholder Advisory Committee, and they may also utilize the dispute resolution procedures in section 10.1 when differences cannot be reconciled.¹⁶⁹

84. New England Filing Parties and NYISO state that the Joint ISO/RTO Planning Committee utilizes the data and information that are exchanged and reconciled per the provisions described above to assist in its review of regional needs and solutions, as well as to conduct its subsequent analysis of interregional transmission facilities.¹⁷⁰

85. New England Filing Parties similarly submitted OATT revisions in addition to the Amended Northeastern Protocol. New England Filing Parties contend that their evaluation of interregional transmission facilities occurs pursuant to sections 6.3(a) and 3.6(a) of Attachment K to the ISO-NE OATT.¹⁷¹ Section 6.3(a) provides, in relevant part, that “[a]ny stakeholder may propose in the New England planning process...an [i]nterregional [t]ransmission [p]roject (or project concept) that may be more efficient or cost-effective than a regional transmission solution.” Section 3.6(a) states:

[a]n [i]nterregional [t]ransmission [p]roject developed pursuant to Section 6.3 of this Attachment K may displace a regional Reliability Transmission Upgrade or Market

¹⁶⁹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 14; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000, at 14 (citing ISO-NE, Amended Northeastern Protocol, § 3.4 (1.0.0)).

¹⁷⁰ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 14; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 14.

¹⁷¹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 16-17.

Efficiency Transmission Upgrade on the [Regional System Plan] Project list where the ISO has determined that the [i]nterregional [t]ransmission [p]roject is a more efficient and/or cost-effective solution. In the case of an interregional transmission facility that could meet the needs met by a Public Policy Transmission Upgrade, the associated Public Policy Transmission Upgrade may be removed from the [Regional System Plan] Project List in the circumstances described, and using the procedures specified in Section 4A of Attachment K.

86. PJM contends that although the agreements submitted as part of this compliance filing are an improvement over agreements presently in effect, its revised agreements with NYISO are “insufficient to fully meet Order No. 1000’s requirements for interregional coordination,”¹⁷² because they fail to address direct interconnections between the two regions needed for reliability. PJM asserts that while the Amended Northeastern Protocol addresses interregional transmission facilities, which address and displace regional projects needed simultaneously *in more than one of the three regions*, there is no similar agreement to address the more common need for one region to tie-in to its neighboring region’s transmission facilities to meet a specific single regional reliability need.¹⁷³ PJM states that although such projects may not be as expansive as major new transmission lines that physically span more than one but possibly all three regions, these inter-ties are especially critical given the highly intertwined nature of the NYISO and PJM regions, and the unique nature of the NYISO/PJM seam.¹⁷⁴ PJM further states that in working with NYISO to develop procedures to identify and jointly evaluate transmission facilities to be located in both neighboring transmission planning regions, NYISO proposed that PJM should be subject to the NYISO tariff either as a merchant transmission developer under the NYISO interconnection process or as a NYISO transmission owner under the NYISO Transmission Expansion Process.¹⁷⁵ PJM asserts that these proposals are not applicable to baseline reliability facilities needed by

¹⁷² PJM Compliance Filing, Docket No. ER13-1947-000 at 2.

¹⁷³ *Id.* at 20.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.* at 21 (referencing 106 FERC ¶ 61,251 (2004)) (citing *TRANSLink Transmission Co., L.L.C.*, 99 FERC ¶ 61,106 (2002)).

an RTO to ensure reliability, and undermine “Commission precedent holding that ‘coordination between and among RTOs should be done at the RTO level.’”¹⁷⁶

87. PJM further asserts that:

Procedures for such direct [inter-ties] are at the heart of Order No. 1000’s requirements. While Order No. 1000 provides that neighboring regions must establish procedures to coordinate and share results of their respective regional plans to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost effectively than a separate regional transmission facility,^[177] the Final Rule specifically mandates that neighboring RTOs develop a formal procedure to identify and jointly evaluate interregional transmission facilities that are proposed to be located in neighboring transmission planning regions.^[178]

Therefore, PJM requests that the Commission order NYISO and PJM to amend the NYISO-PJM JOA to memorialize procedures that provide for coordination by the RTOs, at the RTO level, for reliability transmission inter-ties which need to be made across a seam to address an identified region’s reliability need.¹⁷⁹

(2) NYISO-PJM JOA Proposal

88. NYISO and PJM propose to add a new section to the NYISO-PJM JOA to provide a formal process that details the rights and responsibilities regarding the exchange of planning data and cost responsibility for reliability transmission projects within one region that may have an impact on its neighboring region.¹⁸⁰ PJM acknowledges that in Order No. 1000 the Commission declined to require joint evaluation of the effects of a

¹⁷⁶ *Id.* (citing *TRANSLink Transmission Co., L.L.C.*, 99 FERC ¶ 61,106 (2002)).

¹⁷⁷ *Id.* at 21-22 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396).

¹⁷⁸ *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 435).

¹⁷⁹ *Id.* at 22.

¹⁸⁰ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 31-32; PJM Compliance Filing, Docket No. ER13-1947-000 at 17-19.

new transmission facility proposed to be located entirely within one planning region.¹⁸¹ However, PJM states that the Commission also specifically provided that nothing in Order No. 1000 precluded neighboring regions from developing and proposing an interregional process for that purpose.¹⁸² PJM further acknowledges that Order No. 1000 also made clear that one region need not pay for transmission facilities in a neighboring region absent the region's voluntary consent.¹⁸³

89. Specifically, NYISO and PJM propose to add language to the NYISO-PJM JOA to include a process that provides for the coordination of transmission planning studies regarding reliability transmission projects located solely within one region.¹⁸⁴ First, NYISO and PJM propose that they will coordinate to share their respective regional baseline reliability analyses at the same time they share it with their stakeholders through their respective committee processes.¹⁸⁵ Second, NYISO and PJM propose that each RTO is responsible to identify potential negative impacts to the reliability of its system based on analyses provided by its neighboring region.¹⁸⁶ PJM asserts that the regions have agreed that if any such impacts are identified they will discuss the identified impacts and coordinate any special studies.¹⁸⁷ Third, the RTOs propose that each region shall be responsible for performing studies of such potential impacts, but they may agree on the most efficient way to perform special studies on a case-by-case basis.¹⁸⁸ PJM asserts that this language is consistent with Order No. 1000, which does not require that regions jointly evaluate the effects of a new transmission facility located solely within one region.¹⁸⁹ Fourth, NYISO and PJM propose to require the RTOs to: (1) provide

¹⁸¹ PJM Compliance Filing, Docket No. ER13-1947-000 at 17 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 415).

¹⁸² *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 416).

¹⁸³ *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657).

¹⁸⁴ NYISO, NYISO-PJM JOA, § 35.10.7 (1.0.0).

¹⁸⁵ *Id.* § 35.10.7.1 (1.0.0).

¹⁸⁶ *Id.* § 35.10.7.2 (1.0.0).

¹⁸⁷ *Id.* § 35.10.7.3 (1.0.0).

¹⁸⁸ *Id.* § 35.10.7.3.1 (1.0.0).

¹⁸⁹ PJM Compliance Filing, Docket No. ER13-1947-000 at 18 (referencing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 416).

each other with the technical information needed to perform the necessary studies; (2) coordinate the timing and conduct of the studies; and (3) be responsible for their respective study costs.¹⁹⁰ Fifth, NYISO and PJM propose language that they assert ensures that the potentially impacted region will provide timely study results so that the regions have an opportunity to discuss potential alternative solutions.¹⁹¹ Finally, NYISO and PJM propose that each region shall be responsible for the cost of addressing the impacts on its respective system.¹⁹² PJM asserts that this newly proposed language not only meets but exceeds the requirements of Order No. 1000 by adding a clear and transparent procedure that will facilitate the sharing of information and potential solutions, including potential alternative solutions, across the seams of these two neighboring transmission planning regions.¹⁹³

90. New England Filing Parties state that within New England, the Order No. 1000 requirement that neighboring regions communicate information related to interregional transmission coordination procedures is met in section 1 of Attachment K by the posting on the ISO-NE website of a “cumulative list reflecting the regulated transmission solutions proposed in response to Needs Assessments (the Regional System Plan Project List).¹⁹⁴ New England Filing Parties explain that the Regional System Plan Project List is a cumulative representation of the regional transmission planning expansion efforts ongoing in New England.¹⁹⁵ New England Filing Parties offer that their proposed revisions to section 3.1 of Attachment K details that the Regional System Plan Project List will “include the portions of [i]nterregional [t]ransmission [p]rojects located within the New England Control Area.”¹⁹⁶ In addition, New England Filing Parties state that the

¹⁹⁰ NYISO, NYISO-PJM JOA, § 35.10.7.3 (1.0.0).

¹⁹¹ *Id.* § 35.10.7.4 (1.0.0).

¹⁹² *Id.* § 35.10.7.5 (1.0.0).

¹⁹³ PJM Compliance Filing, Docket No. ER13-1947-000 at 19 (referencing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 368, 398).

¹⁹⁴ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 345, 400, 458).

¹⁹⁵ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18.

¹⁹⁶ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18 (citing ISO-NE, OATT, Attachment K – Regional System Planning Process, § 3.1 (10.0.0)).

proposed revisions to section 3.6(a) of Attachment K state that an interregional transmission facility “may displace a regional Reliability Transmission Upgrade or Market Efficiency Transmission Upgrade on the RSP Project List where the ISO has determined that the [i]nterregional [t]ransmission [p]roject is a more efficient *and/or* cost-effective solution.”¹⁹⁷ Finally, New England Filing Parties offer that this section, as revised, also provides that a Public Policy Transmission Upgrade may be displaced on the Regional System Plan Project List by an Interregional Transmission Project.¹⁹⁸

91. New England Filing Parties and NYISO emphasize that proposed new section 7.1 of the Amended Northeastern Protocol provides that the Joint ISO/RTO Planning Committee will post on each regional’s interregional planning webpages the results of its review, with Interregional Planning Stakeholder Advisory Committee input, of whether there are interregional transmission facility concepts that could meet multiple regional needs more efficiently and cost-effectively than separate regional projects. Proposed new section 7.3 provides that the Joint ISO/RTO Planning Committee will present the results of its studies and analyses regarding a proposed interregional transmission facility to the Interregional Planning Stakeholder Advisory Committee for its input as soon as practicable upon their completion.¹⁹⁹

92. The Northeastern Protocol Parties explain that projects other than defined interregional transmission facilities may be identified, pursuant to the periodic interregional assessments and system expansion planning studies performed by the Joint ISO/RTO Planning Committee, with input from the Interregional Planning Stakeholder Advisory Committee.²⁰⁰ Northeastern Protocol Parties state that these will be handled on

¹⁹⁷ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18 (citing ISO-NE, OATT, Attachment K – Regional System Planning Process, § 3.6(a) (10.0.0)) (emphasis added).

¹⁹⁸ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18 (citing ISO-NE, OATT, Attachment K – Regional System Planning Process, § 3.6(a) (10.0.0)).

¹⁹⁹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 19; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942 at 18 (citing ISO-NE, Amended Northeastern Protocol, §§ 7.1, 7.3 (1.0.0)) (emphasis added); see NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 8.

²⁰⁰ See, e.g., New England Filing Parties Compliance Filing, Docket No ER13-1960-000 at n.34; see also ISO-NE, Amended Northeastern Protocol, § 6 (1.0.0).

a case-by-case basis and not pursuant to the Order No. 1000-related procedures of section 7 of the Amended Northeastern Protocol.

(b) Protests/Comments

93. FirstEnergy Transmission Owners support PJM's request that the Commission direct NYISO and PJM to amend the NYISO-PJM JOA to include procedures for the RTOs to coordinate (at the RTO level) the development of direct interconnections between the two regions if needed for reliability. FirstEnergy Transmission Owners state the need for a formal agreement and procedures between NYISO and PJM is highlighted by the difficulties faced by one of its transmission projects that involves cross-border transmission facilities identified by PJM as necessary for reliability, but which have had to request waiver of NYISO's OATT as a result of interconnecting to or looping with transmission lines owned by NYISO members and under the operational control of NYISO.²⁰¹ FirstEnergy Transmission Owners assert that without an agreement and formal procedures, it will continue to be difficult to identify, plan, and develop reliability transmission inter-tie projects, which are critical for regional system reliability.²⁰² FirstEnergy Transmission Owners further assert that PJM's request that the Commission direct NYISO and PJM to develop an agreement and procedures for reliability transmission inter-ties is consistent with Order No. 1000.²⁰³

94. NYISO argues that PJM's request for amendments to the NYISO-PJM JOA is beyond the scope of Order No. 1000 and the Commission should, therefore, deny PJM's request.²⁰⁴ NYISO believes that Order No. 1000 does not impose, and PJM does not point to, any requirements to revise its interconnection procedures or to exempt proposed transmission facilities from existing interconnection procedures. NYISO and New York Transmission Owners state that "the Commission indicated that interconnection issues do not have to be addressed in interregional planning compliance filings when it emphasized that 'issues related to the generator interconnection process and to interconnection cost

²⁰¹ FirstEnergy Transmission Owners Comments, Docket No. ER13-1947-000 at 3-4 (referencing two cross-border reliability projects in Pennsylvania that PJM, as part of its Regional Transmission Expansion Plan, identified as necessary: the Mainesburg and Farmers Valley Projects, which will be constructed by Trans-Allegheny Interstate Line Company, a FirstEnergy Transmission Owner).

²⁰² *Id.* at 4.

²⁰³ *Id.*

²⁰⁴ NYISO Limited Protest, Docket No. ER13-1947-000, at 2, 4.

recovery are outside the scope of' Order No. 1000.”²⁰⁵ In addition, NYISO asserts that PJM Regional Transmission Expansion Plan projects seeking to interconnect, or modify an existing interconnection, to the New York State Transmission System are subject to the Commission-approved interconnection procedures set forth in NYISO’s OATT. NYISO argues that PJM has not demonstrated why it is necessary for Regional Transmission Expansion Plan projects that connect or modify an existing interconnection to the New York State Transmission System to be evaluated under a different process not applicable to other projects in NYISO’s interconnection queue.²⁰⁶ New York Transmission Owners further argue that PJM has not attempted to demonstrate that NYISO’s existing interconnection tariff is unjust or unreasonable.²⁰⁷

(c) Answers

95. In its answer, PJM asserts that Order No. 1000 clarified that each transmission provider must, *inter alia*, develop and implement procedures for neighboring transmission providers to “identify and jointly evaluate transmission facilities that are proposed to be located in both regions.”²⁰⁸ PJM argues that in its protest, NYISO interprets interregional coordination so narrowly that it “rewrites Order No. 1000 to apply solely to a more narrow and constrained set of interregional facilities, even though such limitation has never been presented to the Commission nor adopted in Order No. 1000.”²⁰⁹

96. PJM explains that the NYISO-PJM seam is highly complex and intertwined, and has required numerous inter-tie facilities to meet specific regional reliability needs, which PJM refers to as Regional Transmission Expansion Plan inter-tie projects.²¹⁰ PJM states

²⁰⁵ *Id.* at 5; New York Transmission Owners Protest, Docket No. ER13-1947-000, at 3 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 760).

²⁰⁶ NYISO Limited Protest, Docket No. ER13-1947-000 at 6.

²⁰⁷ New York Transmission Owners Protest, Docket No. ER13-1947-000 at 4-5.

²⁰⁸ PJM Answer to Protests, Docket No. ER13-1947-000 at 2.

²⁰⁹ *Id.* at 3.

²¹⁰ As detailed in the Orders on PJM’s compliance with the regional requirements of Order No. 1000, a Regional Transmission Expansion Planning project refers to a transmission enhancement or expansion that is needed to comply with the criteria that PJM plans for in its regional transmission planning process. *See PJM Interconnection, L.L.C.*, 142 FERC § 61,214 (2013).

that it recently included two inter-tie projects under its Regional Transmission Expansion Plan, determining that both projects were needed for the reliability of the PJM transmission system, and that both of the lines at issue would interconnect with transmission lines that are under NYISO control. PJM contends that NYISO determined that its OATT required NYISO to study the two inter-tie projects under its generator/merchant interconnection procedures pursuant to Attachment X of the NYISO OATT rather than through interregional coordination at the RTO level. PJM notes that it expressed concern to NYISO that if the projects were subject to NYISO's Attachment X interconnection queue, it could subordinate the reliability nature of these projects to other merchant projects and delay their construction beyond their required in-service dates. PJM argues that although NYISO ultimately supported the project based on a one-time Commission waiver of certain eligibility requirements, this example illustrates the need for a more clear and organized process for interregional transmission facilities, such as Regional Transmission Expansion Plan inter-ties, that interconnect to a neighboring region.²¹¹

97. PJM asserts that neither the Amended Northeastern Protocol nor the NYISO-PJM JOA provide for a process that addresses transmission facilities proposed to be physically located in both regions to meet one region's reliability needs within a required in-service date (i.e., Regional Transmission Expansion Plan inter-tie projects).²¹² PJM argues that in its Order No. 1000 interregional compliance filing, it proposes to correct that void and develop formal procedures in the NYISO-PJM JOA to identify and jointly evaluate Regional Transmission Expansion Plan inter-tie projects. It further argues that NYISO and New York Transmission Owners have provided no basis for the Commission requiring inclusion of cross-border mega-projects but not Regional Transmission Expansion Plan projects needed to address reliability.²¹³

98. Finally, PJM argues that NYISO's attempts to force RTO coordination needs into a regional tariff designed for merchant transmission interconnection projects is inconsistent with the requirements of Order No. 1000 as well as Commission precedent which dictates that "coordination between and among RTOs should be done at the RTO level."²¹⁴

²¹¹ PJM Answer to Protests, Docket No. ER13-1947-000 at 5-6.

²¹² *Id.* at 9.

²¹³ *Id.* at 10.

²¹⁴ *Id.* at 11 (citing *TRANSLink Transmission Co., L.L.C.*, 99 FERC ¶ 61,106, at 42 (2002) (stating that the "RTO needs to work with neighboring RTOs at removing seams

99. In response to PJM, New York Transmission Owners assert that NYISO's existing interconnection rules facilitate interconnection of these projects, that PJM's request is not required by Order No. 1000, and that PJM's request falls outside the scope and intent of Order No. 1000. New York Transmission Owners contend that Order No. 1000 requires that neighboring planning regions develop formal procedures to identify and jointly evaluate interregional transmission facilities that are proposed to be *physically* located in two or more neighboring regions in order to identify interregional solutions that may resolve *each region's needs* more efficiently or cost-effectively.²¹⁵ New York Transmission Owners argue that PJM attempts to blur the distinction between the facilities governed by Order No. 1000 and those under PJM's proposal that would address needs solely within PJM, and would not be proposed in or evaluated under NYISO's regional transmission planning process for purposes of addressing needs within NYISO.²¹⁶ New York Transmission Owners assert that such facilities are not within the scope of the interregional coordination provisions of Order No. 1000.²¹⁷

100. New York Transmission Owners argue that PJM continues to overlook the Commission's Order No. 1000 holdings that interregional coordination should be voluntary,²¹⁸ and that interconnection tariffs are outside the scope of Order No. 1000 compliance proceedings.²¹⁹ Contrary to PJM's assertions, the New York Transmission Owners argue that the examples used by PJM above do not illustrate a need to revise the NYISO-PJM JOA and, in fact, actually demonstrate that there are mechanisms available to address special cases that warrant deviation from the existing interconnection rules.²²⁰

101. Finally, the New York Transmission Owners assert that NYISO is currently engaged with PJM in voluntary discussions regarding the interconnection process between the two regions, and has stated its willingness to explore revisions to its

in the bulk power market between RTOs.'')).

²¹⁵ New York Transmission Owners Answer, Docket No. ER13-1947-000 at 2 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 435) (emphasis added).

²¹⁶ *Id.*

²¹⁷ *Id.* at 3.

²¹⁸ *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657).

²¹⁹ *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 760).

²²⁰ *Id.* (citing PJM Answer, Docket No. ER13-1947-000 at 3-5).

interconnection procedures to address PJM's concerns outside of the Order No. 1000 interregional compliance proceeding.²²¹

(d) Commission Determination

(1) Order No. 1000 Compliance

102. We find that Northeastern Protocol Parties' proposed procedures for joint evaluation of potential interregional transmission facilities partially comply with Order No. 1000's interregional requirements for joint evaluation. The procedures provided in the Amended Northeastern Protocol, as well as in Attachment Y of NYISO's OATT, describe the methods by which the neighboring transmission planning regions identify and evaluate interregional transmission facilities.²²² Pursuant to section 7.1 of the Amended Northeastern Protocol:

[o]n an annual basis, or at the request of any of the [Northeastern Protocol] Parties, the [Joint ISO/RTO Planning Committee] will proactively review regional needs and solutions identified in the regional planning processes of the [Northeastern Protocol] Parties and identify, with input from the [Interregional Planning Stakeholder Advisory Committee], whether there are concepts for potential [i]nterregional [t]ransmission [p]rojects that could – in the reasonable engineering judgment of the [Joint ISO/RTO Planning Committee] – meet regional needs of more than one region (whether driven by reliability, economic or public policy requirements) more efficiently and cost-effectively than separate regional transmission projects.²²³

103. We find that these procedures satisfy the requirement that each public utility transmission provider establish procedures with each of its neighboring transmission planning regions in its interconnection to jointly evaluate interregional transmission facilities that the transmission planning regions identify that will be located in more than

²²¹ *Id.* (citing NYISO Protest, Docket No. ER13-1947-000 at 6-7).

²²² See ISO-NE, Amended Northeastern Protocol, § 7.1 (1.0.0); Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398.

²²³ ISO-NE, Amended Northeastern Protocol, § 7.1 (1.0.0).

one transmission planning region.²²⁴ However, we reiterate our prior finding that Northeastern Protocol Parties must provide on compliance revisions to the Amended Northeastern Protocol to ensure that it uses the term “more efficient *or* cost-effective” throughout, rather than “more efficient *and* cost-effective,” in reference to the criterion used to evaluate proposed interregional transmission facilities.²²⁵

104. We find that, through the Amended Northeastern Protocol, Northeastern Protocol Parties partially comply with Order No. 1000’s requirements that the submission of an interregional transmission facility in each regional transmission planning process will trigger the procedure under which the public utility transmission providers will jointly evaluate the proposed transmission project and that the joint evaluation must be conducted in the same general timeframe as, rather than subsequent to, each transmission planning region’s individual consideration of the proposed transmission project.²²⁶ Under the Amended Northeastern Protocol, each neighboring region that identifies a transmission need within its region addressed by an interregional transmission facility will consider the proposed interregional transmission facility, in the same general timeframe in its regional planning process, and if approved, select the interregional transmission facility in its respective regional transmission plan for purposes of cost allocation.²²⁷ We find that this provision satisfies the requirement that the proposed transmission facility and the joint evaluation must be conducted in the same general timeframe as, rather than subsequent to, each transmission planning region’s individual consideration of the proposed transmission project.

105. The Amended Northeastern Protocol also provides that:

If, in response to Joint ISO/RTO Planning Committee review under section 7.1 *or otherwise*, an [i]nterregional [t]ransmission [p]roject is proposed in the planning process of more than one region to address system needs identified in the planning process of those respective regions, the

²²⁴ See Order No. 1000-A, 139 FERC ¶ 61,132 at P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396); *see also*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 435.

²²⁵ See *supra* § IV.B.1.b.i.(b); Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 148 (emphasis added).

²²⁶ See Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436.

²²⁷ ISO-NE, Amended Northeastern Protocol, § 7.4 (1.0.0).

[Northeastern Protocol] Parties with the identified needs shall analyze whether the [i]nterregional [t]ransmission [p]roject may be more efficient and cost-effective than the separate regional transmission projects, and shall post results on the interregional pages of websites of the regions.^[228]

106. While we find that Northeastern Protocol Parties have sufficiently described how an interregional transmission facility may be identified and jointly evaluated, we find that it is unclear how an interregional transmission facility could be “otherwise” identified as implied in the language quoted above. The term “or otherwise” is vague, as well as undefined and unaddressed in the proposed Amended Northeastern Protocol or elsewhere. Therefore, we direct Northeastern Protocol Parties to submit further compliance filings within 60 days of the date of issuance of this order detailing how an interregional transmission facility can “otherwise” be identified as contemplated by the proposed language and providing an explanation of how this proposed language complies with the requirements of Order No. 1000.

107. We find that, through the Amended Northeastern Protocol, the Northeastern Protocol Parties comply with Order No. 1000’s requirement that public utility transmission providers in neighboring regions include a description of the types of transmission studies conducted to evaluate conditions on their neighboring transmission systems for the purposes of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities. The proposal provides that the Joint ISO/RTO Planning Committee shall coordinate all interregional transmission studies that Northeastern Protocol Parties deem necessary to allow the effective consideration of an interregional transmission facility.²²⁹ The proposed language further provides that the Joint ISO/RTO Planning Committee shall present the results of the transmission studies and analysis of a proposed interregional transmission facility to the Interregional Planning Stakeholder Advisory Committee for its input and allow the regional stakeholder processes to benefit from the study results and consider such stakeholder input.²³⁰

108. We find that the proposed language in the Amended Northeastern Protocol also satisfies Order No. 1000’s requirement that each public utility transmission provider develop procedures by which differences in data, models, assumptions, planning

²²⁸ *Id.* § 7.3 (1.0.0) (emphasis added).

²²⁹ *Id.*

²³⁰ *Id.*

horizons, and criteria used to study a proposed interregional transmission facility can be identified and resolved for purposes of joint evaluation for several reasons. Northeastern Protocol Parties propose Amended Northeastern Protocol language states that Northeastern Protocol Parties will identify differences in their data and, to the extent possible, reconcile those differences that exist.²³¹ The proposed Amended Northeastern Protocol further details that in the event differences cannot be harmonized, Northeastern Protocol Parties shall document the reasons for discussion at the Interregional Planning Stakeholder Advisory Committee, and if they are unable to reconcile differences, they may initiate dispute resolution procedures.²³²

109. In response to PJM and FirstEnergy Transmission Owners, we decline to require NYISO and PJM to amend the NYISO-PJM JOA to provide for coordination by the RTOs (at the RTO level) of the development of transmission inter-ties that would connect one transmission planning region to its neighboring transmission planning region, where such transmission facilities are not interregional transmission facilities proposed to be located in neighboring transmission planning regions. Order No. 1000's interregional transmission coordination requirements apply only to interregional transmission facilities that are proposed to be located in neighboring transmission planning regions,²³³ and requires that each public utility transmission provider develop a method or set of methods for allocating the costs of new interregional transmission facilities that two (or more) neighboring transmission planning regions determine resolve the individual needs of each region more efficiently or cost-effectively.²³⁴ The Commission defined an interregional transmission facility as a transmission facility "that is located in two or more transmission planning regions"²³⁵ and specifically declined to expand the definition to include a new transmission facility proposed to be located solely in a single transmission planning region.²³⁶ As NYISO notes, the PJM Regional Transmission Expansion Plan projects at issue are not proposed in or evaluated under NYISO's regional transmission planning process for purposes of addressing a need in NYISO; rather, the projects at issue

²³¹ *Id.* § 3.4 (1.0.0).

²³² *Id.*

²³³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 435.

²³⁴ *Id.* P 482.

²³⁵ *Id.* P 482 n.374 (adding that "[a] transmission facility that is located solely in one transmission planning region is not an interregional transmission facility").

²³⁶ Order No. 1000-A, 139 FERC ¶ 61,132 at P 502.

are solely submitted to and evaluated through PJM's regional transmission planning process to resolve a need in PJM.²³⁷ Thus we find that PJM's request, which FirstEnergy Transmission Owners support, that the Commission direct the submission of an agreement to address the development of direct interconnections between two transmission planning regions, specifically transmission inter-ties that would connect one transmission planning region to its neighboring transmission planning region, is not required to comply with the interregional requirements of Order No. 1000. We find that PJM's request is beyond the scope of this proceeding and decline to require NYISO and PJM to amend the NYISO-PJM JOA to include procedures for the RTOs to coordinate (at the RTO level) the development of direct interconnections between two regions if needed for reliability. Order No. 1000 does not require an RTO to amend its interconnection procedures and in fact, it clearly states that Order No. 1000 proceedings are not the proper proceedings for parties to raise issues about the interconnection agreements and procedures under Order Nos. 2003, 2006, or 661.²³⁸

110. However, Order No. 1000 also makes note of the importance of evaluating the impact of interconnection requests during transmission planning and expressly does not limit the ability of public utility transmission providers to use requests for interconnections in developing assumptions to be used in the transmission planning process.²³⁹ We recognize the complexity of the seam between NYISO and PJM²⁴⁰ and reiterate our concerns that the lack of coordinated transmission planning processes across the seams of neighboring transmission planning regions could be needlessly increasing

²³⁷ NYISO Limited Protest, Docket No. ER13-1947-000 at 5.

²³⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 760 (citing *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008); *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, *order on reh'g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006); and *Interconnection for Wind Energy*, Order No. 661, FERC Stats. & Regs. ¶ 31,186, *order on reh'g*, Order No. 661-A, FERC Stats. & Regs. ¶ 31,198 (2005)).

²³⁹ *Id.*

²⁴⁰ See PJM Answer to Protests, Docket No. ER13-1947-000 at 3-4.

costs for customers of transmission providers.²⁴¹ We encourage NYISO and PJM, together with their stakeholders, to continue working together to explore whether any additional avenues exist or can be created to address proposed inter-tie projects that may be used to address regional transmission needs of either the NYISO or PJM regional transmission system, which could benefit the reliability of each regional transmission system, as well as the NYISO-PJM seam.

111. We find that Northeastern Protocol Parties sufficiently describe the procedure under which they, acting through their regional transmission planning processes, will jointly evaluate a proposed interregional transmission facility.²⁴² Section 7.4 of the Amended Northeastern Protocol provides:

Each affected [Northeastern Protocol] Party that has a need within its region addressed by an [i]nterregional [t]ransmission [p]roject shall consider the proposed [i]nterregional [t]ransmission [p]roject, in the same general timeframe, in its regional planning process. If the proposed [i]nterregional [t]ransmission [p]roject is approved in each region by including it in the respective regional transmission plans in accordance with procedures for each [Northeastern Protocol] Party's reliability, economic, and/or public policy transmission planning processes, the corresponding existing regional transmission projects shall be displaced, and the costs of the [i]nterregional [t]ransmission [p]roject shall be allocated as described in Section 9 hereof.

(2) NYISO-PJM JOA Proposal

112. PJM correctly acknowledges that in Order No. 1000, the Commission declined to expand interregional transmission coordination requirements to require joint evaluation of the effects of a new transmission facility proposed to be located solely in a single planning region; however, the Commission clearly stated that nothing in Order No. 1000 precludes public utility transmission providers from developing and proposing interregional processes for that purpose.²⁴³ We find that the new section that NYISO and

²⁴¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 350.

²⁴² See *id.* P 436; see also Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

²⁴³ See PJM Compliance Filing, Docket No. ER13-1947-000 at 17 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 416).

PJM propose to add to the NYISO-PJM JOA exceeds the requirements of Order No. 1000 and provides more robust joint evaluation procedures to enhance coordination between the two regions. We therefore accept section 35.10.7 of the NYISO-PJM JOA as its provisions will facilitate the sharing of information and potential solutions, including potential alternative solutions, across the seams of these two neighboring transmission planning regions.

iii. Transparency and Stakeholder Participation

113. The Commission required public utility transmission providers, either individually or through their transmission planning region, to maintain a website or e-mail list for the communication of information related to interregional transmission coordination procedures.²⁴⁴ While public utility transmission providers may maintain such information on an existing public utility transmission provider's website or a regional transmission planning website, the information must be posted in a way that enables stakeholders to distinguish between information related to interregional transmission coordination and information related to regional transmission planning.²⁴⁵

114. In order to facilitate stakeholder involvement, the Commission required public utility transmission providers, "subject to appropriate confidentiality protections and [Critical Energy Infrastructure Information] requirements," to "make transparent the analyses undertaken and determinations reached by neighboring transmission planning regions in the identification and evaluation of interregional transmission facilities."²⁴⁶ The Commission also required that each public utility transmission provider describe in its OATT how the regional transmission planning process will enable stakeholders to provide meaningful and timely input with respect to the consideration of interregional transmission facilities.²⁴⁷

(a) Compliance Filings

115. Northeastern Protocol Parties state that several provisions of the Amended Northeastern Protocol provide that they will communicate information related to the

²⁴⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 458.

²⁴⁵ *Id.*

²⁴⁶ Order No. 1000-A, 139 FERC ¶ 61,132 at P 520 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 465 n.365).

²⁴⁷ *Id.* P 522.

interregional transmission coordination process using websites and email lists.²⁴⁸ First, New England Filing Parties and NYISO note that under the Amended Northeastern Protocol, among the responsibilities of the Joint ISO/RTO Planning Committee is the communication of information related to the coordinated planning process, which includes the identification and approval of a Northeastern Protocol Party's materials produced under the Amended Northeastern Protocol to be posted on each other's website and maintenance of required e-mail lists.²⁴⁹ In addition, the Amended Northeastern Protocol provides that information related to interregional coordination and studies conducted in accordance with the Amended Northeastern Protocol will be clearly identified and posted on each Northeastern Protocol Party's website subject to confidentiality and Critical Energy Infrastructure Information (CEII) restrictions of each respective region.²⁵⁰ Second, Northeastern Protocol Parties state that the Amended Northeastern Protocol provides that the results of the Joint ISO/RTO Planning Committee's proactive review of regional needs and solutions, as well as the committee's identification of concepts for potential interregional transmission facilities that could meet the regional needs of more than one region more efficiently *and* cost-effectively than separate regional transmission projects will be posted "on the interregional pages of the websites of the regions."²⁵¹ Third, Northeastern Protocol Parties state that the Amended Northeastern Protocol provides:

If, in response to Joint ISO/RTO Planning Committee review under section 7.1, or otherwise, an [interregional transmission

²⁴⁸ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18-19; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 17-18; PJM Compliance Filing, Docket No. ER13-1947-000 at 16-17.

²⁴⁹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 17 (citing ISO-NE, Amended Northeastern Protocol, § 2.1 (1.0.0)).

²⁵⁰ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 17 (citing ISO-NE, Amended Northeastern Protocol, § 2.1 (1.0.0)).

²⁵¹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 17; PJM Compliance Filing, Docket No. ER13-1947-000 at 16 (citing ISO-NE, Amended Northeastern Protocol, § 7.1 (1.0.0)) (emphasis added).

facility] is proposed in the planning process of more than one region to address system needs identified in the planning process of those respective regions, the [Northeastern Protocol] Parties with the identified needs will analyze whether the interregional transmission facility may be more efficient *and* cost-effective than the separate regional transmission projects, and the results will be posted “on the interregional pages of the websites of the regions.”^{252]}

116. New England Filing Parties and NYISO emphasize that proposed new section 7.1 of the Amended Northeastern Protocol provides that the Joint ISO/RTO Planning Committee will post on each region’s interregional planning webpages the results of its review, with Interregional Planning Stakeholder Advisory Committee input, of whether there are interregional transmission facility concepts that could meet multiple regional needs more efficiently and cost-effectively than separate regional projects. Proposed new section 7.3 provides that the Joint ISO/RTO Planning Committee will present to the Interregional Planning Stakeholder Advisory Committee for its input the results of its studies and analysis regarding a proposed interregional transmission facility as soon as practicable upon their completion.²⁵³ Northeastern Protocol Parties assert that these same provisions meet Order No. 1000’s requirement that transmission providers make transparent the analysis undertaken and determinations reached by neighboring regions in identifying and evaluating interregional facilities.²⁵⁴ New England Filing Parties state that within New England, transparency is ensured by the fact that each interregional transmission facility proposed in each of the pertinent regions will be considered by

²⁵² New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 18; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 17; PJM Compliance Filing, Docket No. ER13-1947-000 at 16 (citing ISO-NE, Amended Northeastern Protocol, § 7.3 (1.0.0)) (emphasis added).

²⁵³ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 19; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 18 (citing ISO-NE, Amended Northeastern Protocol, §§ 7.1, 7.3 (1.0.0)) (emphasis added); see NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 8.

²⁵⁴ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 17; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 16; PJM Compliance Filing, Docket No. ER13-1947-000 at 16-17 (citing ISO-NE, Amended Northeastern Protocol, §§ 7.1, 7.3 (1.0.0)).

ISO-NE and the Planning Advisory Committee.²⁵⁵ In addition, New England Filing Parties state that ISO-NE provides to, and discusses with, the Planning Advisory Committee a draft of the Regional System Plan,²⁵⁶ which New England Filing Parties state will include any efficient *and* cost-effective Interregional transmission facilities approved in the affected regions. Moreover, the final issuance of the Regional System Plan follows a public meeting held with a subcommittee of ISO-NE Board of Directors to receive input and discuss proposed revisions to the plan.²⁵⁷

117. NYISO and New York Transmission Owners also propose to revise section 31.1.7 of NYISO's OATT to provide that, for purposes of any matter addressed in NYISO's Attachment Y, any interested entity is eligible to participate in NYISO's Interregional Planning Task Force, irrespective of whether the entity has become a party to NYISO's Independent System Operator Agreement.²⁵⁸ They state that the Interregional Planning Task Force was formed to enable NYISO stakeholders to provide input and guidance to the NYISO regarding technical and economic aspects of interregional planning.²⁵⁹

118. PJM provides the link to the PJM website for the Interregional Planning Stakeholder Advisory Committee as discussed in the Amended Northeastern Protocol. PJM states that the web page includes: (1) a description of the Interregional Planning Stakeholder Advisory Committee – New York/New England; (2) a summary of the interregional planning activities between PJM/NYISO/ISO-NE as they relate to the Interregional Planning Stakeholder Advisory Committee; (3) a link to the Amended Northeastern Protocol; (4) postings and recent documents; and (5) a list of past and

²⁵⁵ The Planning Advisory Committee provides input and feedback to ISO-NE concerning the regional system planning process. Its makeup and role are described in ISO-NE, OATT, Attachment K – Regional System Planning Process, § 2 (10.0.0).

²⁵⁶ The Regional System Plan is based on periodic comprehensive assessments of ISO-NE's systemwide needs to maintain reliability. Its principles, scope, and contents are described in ISO-NE, OATT, Attachment K – Regional System Planning Process, § 3 (10.0.0).

²⁵⁷ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 17 (citing ISO-NE, Attachment K –Regional System Planning Process, § 7.2 (10.0.0)) (emphasis added).

²⁵⁸ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 28.

²⁵⁹ *Id.* at 40.

upcoming Interregional Planning Stakeholder Advisory Committee meetings, as well as meeting materials. PJM states that in addition the web page contains a “related information” column that includes: (1) “frequently asked questions;” (2) a roster update form; (3) WebEx information; (4) stakeholder process templates; and (5) industry resources.²⁶⁰

119. PJM states that through the Interregional Planning Stakeholder Advisory Committee as outlined in the Amended Northeastern Protocol, stakeholders are provided an opportunity to review and submit input into the coordinated system planning process.²⁶¹ PJM further states that the “Northeast Coordinated System Plan” proposes to factor in time for Interregional Planning Stakeholder Advisory Committee review and provide input into the study process, including the development of potential solutions. In addition, PJM states that the “Northeast Coordinated System Plan” is not finalized until the Interregional Planning Stakeholder Advisory Committee is afforded an opportunity to review and comment. Finally, PJM asserts that “[t]he [Northeastern Protocol Parties’] propose[d] revisions are intended to meet the requirements of Order No. 1000 by providing stakeholders with an open and transparent process as well as the opportunity to provide meaningful input into the coordinated system planning process that will afford them numerous opportunities to participate at every stage of the process.”²⁶²

(b) Protests/Comments

120. Public Interest Organizations state that they are concerned that the Amended Northeastern Protocol does not assure that all relevant data and other information derived in the Joint ISO/RTO Planning Committee process will be made available to the Interregional Planning Stakeholder Advisory Committee or that the timing of disclosure will be sufficient. They argue that inadequacies in the extent or timing of data or information transparency could significantly curtail stakeholder involvement through the Interregional Planning Stakeholder Advisory Committee. Public Interest Organizations suggest that, in order to avoid this risk, the Commission should order the Amended Northeastern Protocol to be revised to require the Joint ISO/RTO Planning Committee to post or present to the Interregional Planning Stakeholder Advisory Committee not only the results of the required studies and analyses, but also (1) *all* of the studies and documents related to interregional transmission facilities that have been jointly identified

²⁶⁰ PJM Compliance Filing, Docket No. ER13-1947-000 at 16-17.

²⁶¹ *Id.* at 17 (citing ISO-NE, Amended Northeastern Protocol, §§ 2.1, 2.2, 3.4, 6, 7.1, 7.3 (1.0.0)).

²⁶² *Id.*

and that are under review by the Joint ISO/RTO Planning Committee; (2) rationales for decisions not to jointly evaluate identified interregional projects proposed by stakeholders; and (3) timely and relevant status updates related to ongoing studies and analyses. Public Interest Organizations emphasize that its suggestion to post or present all of the studies and documents would be subject to critical energy infrastructure and other Commission-approved confidentiality requirements.²⁶³

(c) Answers

121. NYISO argues that the Commission should reject Public Interest Organizations' protest and not require additional compliance revisions. NYISO asserts that Public Interest Organizations provide no basis for their allegation that the transmission planning regions would somehow use the Joint ISO/RTO Planning Committee to deprive Interregional Planning Stakeholder Advisory Committee members of information needed to enable stakeholders to review and provide input regarding the evaluation of needs and potential interregional transmission solutions. NYISO states that the transmission planning regions have provided transmission study inputs, analyses and draft reports to all interested parties through the Interregional Planning Stakeholder Advisory Committee since the original Northeastern Protocol was implemented in 2004. Nonetheless, NYISO asserts that the Amended Northeastern Protocol provides for greater transparency and stakeholder participation in the interregional transmission planning process than the Commission requires. NYISO points to modifications made in the Amended Northeastern Protocol that, it asserts, provides for greater stakeholder involvement through the Interregional Planning Stakeholder Advisory Committee. NYISO also highlights modifications to the Amended Northeastern Protocol, which it asserts exceeds the transparency and stakeholder participation requirements of Order No. 1000. Therefore, NYISO asserts that the Commission should reject Public Interest Organizations' unsupported and unnecessary request.²⁶⁴

122. ISO-NE argues that the Commission should reject Public Interest Organizations' Protest because the Amended Northeastern Protocol incorporates measures ensuring comprehensive transparency in interregional coordination that exceed the requirements of Order Nos. 1000 and 1000-A.²⁶⁵ ISO-NE specifically asserts that those requirements are

²⁶³ Public Interest Organizations Protest, Docket Nos. ER13-1947-000, ER13-1933-000, and ER13-1960-000 at 9-10.

²⁶⁴ NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 5-9.

²⁶⁵ ISO-NE Answer, Docket Nos. ER13-1957-000 and ER13-1960-000 at 7.

exceeded by the inclusion in the Amended Northeastern Protocol of: (1) a standing interregional committee at the ISO/RTO level (i.e., the Joint ISO/RTO Planning Committee) that undertakes data exchange, the joint study of potential interregional transmission concepts and projects, and the provision of assistance in each region's consideration of interregional transmission facilities; and (2) a standing interregional planning stakeholder advisory committee (i.e., the Interregional Planning Stakeholder Advisory Committee) that provides input to the Joint ISO/RTO Planning Committee in its conduct of studies and analyses, as well as input to the regional consideration of interregional transmission facilities.²⁶⁶ ISO-NE contends that these committees have already established a strong history of cooperation.²⁶⁷

(d) Commission Determination

123. We find that Northeastern Protocol Parties' proposal partially complies with the relevant transparency and stakeholder participation requirements of Order No. 1000.²⁶⁸ We find that each region's interregional website is an adequate location to post communication of information related to interregional transmission coordination procedures, as provided in section 7.1 of the Amended Northeastern Protocol. We find that, by establishing a designated page or pages on each transmission planning region's website, stakeholders may distinguish between information related to interregional transmission coordination and information related to regional transmission planning.

124. We also find that the parties provide sufficient transparency with respect to disclosing the analyses undertaken and determinations reached in identifying and evaluating interregional transmission facilities. Section 7.1 also sufficiently explains that the Joint RTO/ISO Planning Committee will post the results of its evaluation and review on the websites.

125. In addition to posting on the interregional website information related to interregional transmission coordination procedures, the parties propose to provide stakeholders an opportunity, within the respective regional transmission planning processes, to provide meaningful and timely input regarding the identification and evaluation of interregional transmission facilities. We find that the Amended

²⁶⁶ *Id.*

²⁶⁷ *Id.*

²⁶⁸ See *supra* § IV.B.1.b.i.(b), in which the Commission directs Northeastern Protocol Parties to submit further compliance filings to correct the term "more efficient and cost-effective" throughout the Amended Northeastern Protocol.

Northeastern Protocol's Interregional Planning Stakeholder Advisory Committee –which is open to any stakeholder with an interest in planning coordination – has direct input into and review of the Joint ISO/RTO analyses.²⁶⁹ Specifically, the Interregional Planning Stakeholder Advisory Committee is empowered to identify potential interregional transmission facilities, to provide input regarding the nature of the assessments and studies to be performed under section 6 of the Amended Northeastern Protocol, to provide input on the scope of analysis and assumptions upon which the development of the Northeastern Coordinated System Plan shall be based, and to review and provide feedback on the preliminary results of the coordinated system planning analysis and to provide feedback on sensitivity analyses that may be required.²⁷⁰ We find these proposals regarding transparency and stakeholder participation to meet the requirements set forth in Order No. 1000.

126. We disagree with Public Interest Organizations that the transparency aspects of the compliance proposals are insufficient to comply with Order No. 1000 and should be revised to require the posting or presentation of all transmission studies and other additional information. As stated above, we find that the parties provide sufficient transparency with respect to disclosing the analyses undertaken and determinations reached in identifying and evaluating interregional transmission facilities and that requiring additional transparency, as suggested by Public Interest Organizations, goes beyond the requirements of Order No. 1000. Additionally, Public Interest Organizations point to no provision of Order No. 1000 that requires the posting or presentation of these added materials to achieve the transparency required by the Commission in the rule. Therefore, we find Public Interest Organizations' protest on this issue unpersuasive.

2. Cost Allocation

127. In Order No. 1000, the Commission required each public utility transmission provider in a transmission planning region to have, together with the public utility transmission providers in its own transmission planning region and a neighboring transmission planning region in its interconnection, a common method or methods for allocating the costs of a new interregional transmission facility among the beneficiaries of that transmission facility in the two neighboring transmission planning regions in which the transmission facility is located.²⁷¹ The Commission found that the method or

²⁶⁹ See NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, ER13-1960-000 at 5; *see also* ISO-NE, Amended Northeastern Protocol, §§ 2.1, 2.2, 3.4, 6, 7.1, and 7.3 (1.0.0).

²⁷⁰ ISO-NE, Amended Northeastern Protocol, § 2.2 (1.0.0).

²⁷¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; Order No. 1000-A,

methods for interregional transmission cost allocation used by two transmission planning regions may be different from the method or methods used by either of them for regional transmission cost allocation.²⁷² The Commission added that the method or methods for allocating a region's share of the cost of an interregional transmission facility may differ from the method or methods for allocating the cost of a regional transmission facility within that region.²⁷³ The Commission clarified that it would not require each transmission planning region to have the same interregional cost allocation method or methods with each of its neighbors, but rather that each pair of transmission planning regions could develop its own approach to interregional cost allocation that satisfied both transmission planning regions' transmission needs and concerns, as long as that approach satisfied the interregional cost allocation principles.²⁷⁴

128. The Commission required that, for an interregional transmission facility to be eligible to receive interregional cost allocation, each of the neighboring transmission planning regions in which the interregional transmission facility is proposed to be located must select the transmission facility in its regional transmission plan for purposes of cost allocation.²⁷⁵ The Commission clarified that, if one of the regional transmission planning processes does not select the interregional transmission facility to receive interregional cost allocation, neither the transmission developer nor the other transmission planning region may allocate the costs of that interregional transmission facility under the provisions of Order No. 1000 to the region that did not select the interregional transmission facility.²⁷⁶

129. The Commission required each public utility transmission provider to show on compliance that its cost allocation method or methods for interregional cost allocation are

139 FERC ¶ 61,132 at PP 626, 634.

²⁷² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁷³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁷⁴ Order No. 1000-A, 139 FERC ¶ 61,132 at P 627 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 580).

²⁷⁵ *Id.* PP 628, 635 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436).

²⁷⁶ *Id.* P 635.

just and reasonable and not unduly discriminatory or preferential by demonstrating that each method satisfies the six interregional cost allocation principles described in Order No. 1000.²⁷⁷ The Commission took a principles-based approach because it recognized that regional differences may warrant distinctions in cost allocation methods among transmission planning regions.²⁷⁸ The Commission recognized that a variety of methods for cost allocation, including postage stamp cost allocation, may satisfy the set of general principles.²⁷⁹ The Commission stated that the cost allocation principles do not apply to other new, non-Order No. 1000 transmission facilities and therefore did not foreclose the opportunity for a developer or individual customer to voluntarily assume the costs of a new transmission facility.²⁸⁰ The Commission also explained that Order No. 1000 permits participant funding but not as an interregional cost allocation method.²⁸¹

130. The Commission stated that, in an RTO or ISO transmission planning region, the cost allocation method or methods must be filed in the RTO or ISO OATT; while, in a non-RTO/ISO transmission planning region, the method or methods must be filed in the OATT of each public utility transmission provider in the transmission planning region.²⁸² The Commission stated that, in either instance, such cost allocation method or methods must be consistent with the interregional cost allocation principles in Order No. 1000.²⁸³ The Commission noted that, if public utility transmission providers in a region or pair of regions could not agree, the Commission would use the record in the relevant compliance

²⁷⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603; Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

²⁷⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 604; Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

²⁷⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 605; Order No. 1000-A, 139 FERC ¶ 61,132 at P 683.

²⁸⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603; Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

²⁸¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 723-729; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 718, 726-737.

²⁸² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁸³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

filing proceeding(s) as a basis to develop a cost allocation method or methods that meets the Commission's requirements.²⁸⁴

131. Interregional Cost Allocation Principle 1 specifies that the costs of a new interregional transmission facility must be allocated to each transmission planning region in which that transmission facility is located in a manner that is at least roughly commensurate with the estimated benefits of that transmission facility in each of the transmission planning regions. In determining the beneficiaries of interregional transmission facilities, transmission planning regions may consider benefits including, but not limited to, those associated with maintaining reliability and sharing reserves, production cost savings and congestion relief and/or meeting Public Policy Requirements.²⁸⁵ Interregional Cost Allocation Principle 1 precludes an allocation where the benefits received are trivial in relation to the costs to be borne.²⁸⁶

132. Order No. 1000 does not prescribe a particular definition of "benefits" or "beneficiaries."²⁸⁷ The Commission stated in Order No. 1000-A that, "while Order No. 1000 does not define benefits and beneficiaries, it does require the public utility transmission providers in each transmission planning region to be definite about benefits and beneficiaries for purposes of their cost allocation methods."²⁸⁸ In addition, for a cost allocation method or methods to be accepted by the Commission as Order No. 1000-A compliant, the method will have to specify clearly and definitively the benefits and the class of beneficiaries.²⁸⁹ A benefit used by public utility transmission providers in an interregional cost allocation method or methods must be an identifiable benefit, and the transmission facility cost allocated must be roughly commensurate with that benefit.²⁹⁰

²⁸⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 607; Order No. 1000-B, 141 FERC ¶ 61,044 at P 66.

²⁸⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 622; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 654, 681-682, 691.

²⁸⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 639.

²⁸⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 624; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 655, 674, 676-679.

²⁸⁸ Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

²⁸⁹ *Id.* P 678.

²⁹⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 625.

The Commission stated that, once beneficiaries are identified, public utility transmission providers would then be able to identify what is the more efficient or cost-effective transmission solution or assess whether costs are being allocated at least roughly commensurate with benefits.²⁹¹ Each regional transmission planning process must provide entities who will receive interregional cost allocation an understanding of the identified benefits on which the cost allocation is based.²⁹² Order No. 1000-A stated that public utility transmission providers in each transmission planning region, in consultation with their stakeholders, may consider proposals to allocate costs directly to generators as beneficiaries that could be subject to interregional cost allocation, but any such allocation must not be inconsistent with the generator interconnection process under Order No. 2003.²⁹³

133. Interregional Cost Allocation Principle 2 specifies that a transmission planning region that receives no benefit from an interregional transmission facility that is located in that region, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of that transmission facility.²⁹⁴ All cost allocation methods must provide for allocation of the entire prudently incurred cost of a transmission project to prevent stranded costs.²⁹⁵ To the extent that public utility transmission providers propose a cost allocation method or methods that consider the benefits and costs of a group of new transmission facilities and adequately support their proposal, Interregional Cost Allocation Principle 2 would not require a showing that every individual transmission facility in the group of transmission facilities provides benefits to every beneficiary allocated a share of costs of that group of transmission facilities.²⁹⁶

²⁹¹ Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

²⁹² *Id.* P 746 (noting that it would occur prior to the recovery of such costs through a formula rate).

²⁹³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 760; Order No. 1000-A, 139 FERC ¶ 61,132 at P 680.

²⁹⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 637; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 684, 689, 691.

²⁹⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 640; Order No. 1000-A, 139 FERC ¶ 61,132 at P 685; Order No. 1000-B, 141 FERC ¶ 61,044 at P 68.

²⁹⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 641.

134. The Commission clarified in Order No. 1000-A that public utility transmission providers may rely on scenario analyses in the preparation of a regional transmission plan and the selection of new transmission facilities for cost allocation.²⁹⁷ Interregional Cost Allocation Principle 2 would be satisfied if a project or group of projects is shown to have benefits in one or more of the transmission planning scenarios identified by public utility transmission providers in their Commission-approved Order No. 1000-compliant cost allocation methods.²⁹⁸ The Commission clarified in Order No. 1000-B that, when it made this finding, it did not intend to remove the “likely future scenarios” concept from transmission planning and that likely future scenarios can be an important factor in public utility transmission providers’ consideration of transmission projects and in the identification of beneficiaries consistent with the cost causation principle.²⁹⁹

135. Interregional Cost Allocation Principle 3 specifies that, if a benefit to cost threshold ratio is used to determine whether an interregional transmission facility has sufficient net benefits to qualify for interregional cost allocation, the ratio must not be so large as to exclude a transmission facility with significant positive net benefits from cost allocation.³⁰⁰ Public utility transmission providers located in the neighboring transmission planning regions may choose to use such a threshold to account for uncertainty in the calculation of benefits and costs.³⁰¹ If adopted, such a threshold may not include a ratio of benefits to costs that exceeds 1.25 unless the pair of regions justify and the Commission approves a higher ratio.³⁰²

²⁹⁷ Order No. 1000-A, 139 FERC ¶ 61,132 at P 690; Order No. 1000-B, 141 FERC ¶ 61,044 at P 70.

²⁹⁸ Order No. 1000-A, 139 FERC ¶ 61,132 at P 690; Order No. 1000-B, 141 FERC ¶ 61,044 at P 70.

²⁹⁹ Order No. 1000-B, 141 FERC ¶ 61,044 at P 72.

³⁰⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

³⁰¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

³⁰² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

136. The Commission stated that Interregional Cost Allocation Principle 3 did not require the use of a benefit to cost ratio threshold.³⁰³ The Commission did not specify whether or how an interregional benefit-cost threshold should be applied when selecting a project in the regional transmission plan for purposes of cost allocation or which costs should be included when calculating a benefit-cost threshold to use in this selection process.³⁰⁴ However, if a transmission planning region chooses to have such a threshold, Interregional Cost Allocation Principle 3 limited the threshold to one that is not so high as to block inclusion of many worthwhile transmission projects in the regional transmission plan.³⁰⁵ The Commission allowed public utility transmission providers in a transmission planning region to use a lower ratio without a separate showing and to use a higher threshold if they justify it and the Commission approves a greater ratio.³⁰⁶ The Commission stated that, if the issue of whether any benefit to cost ratio threshold for an interregional transmission facility may supersede the ratio for a transmission planning region's regional transmission cost allocation should be presented on compliance, the Commission would address it then based on the specific facts in that filing.³⁰⁷

137. Interregional Cost Allocation Principle 4 specifies that costs allocated for an interregional transmission facility must assign costs only to the transmission planning regions in which the interregional transmission facility is located.³⁰⁸ Costs cannot be assigned involuntarily to a transmission planning region in which that interregional transmission facility is not located.³⁰⁹ However, interregional transmission coordination must identify consequences for other transmission planning regions, such as upgrades that may be required in a third transmission planning region and, if the transmission

³⁰³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at 693.

³⁰⁴ Order No. 1000-B, 141 FERC ¶ 61,044 at P 64.

³⁰⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at 693.

³⁰⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at 693.

³⁰⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 650.

³⁰⁸ *Id.* P 657; Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

³⁰⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

providers in the regions in which the interregional transmission facility is located agree to bear costs associated with such upgrades, then the interregional cost allocation method must include provisions for allocating the costs of such upgrades among the beneficiaries in the transmission planning regions in which the interregional transmission facility is located.³¹⁰ The Commission noted that, given the option for a transmission planning region in which an interregional transmission facility is not located to voluntarily be assigned costs, regions are free to negotiate interregional transmission arrangements that allow for the allocation of costs to beneficiaries that are not located in the same transmission planning region as any given interregional transmission facility.³¹¹

138. Interregional Cost Allocation Principle 5 specifies that the cost allocation method and data requirements for determining benefits and identifying beneficiaries for an interregional transmission facility must be transparent with adequate documentation to allow a stakeholder to determine how they were applied to a proposed interregional transmission facility.³¹²

139. Interregional Cost Allocation Principle 6 specifies that the public utility transmission providers located in neighboring transmission planning regions may choose to use a different cost allocation method for different types of interregional transmission facilities, such as interregional transmission facilities needed for reliability, congestion relief, or to achieve Public Policy Requirements.³¹³ Each cost allocation method must be set out clearly and explained in detail in the compliance filing.³¹⁴ If public utility transmission providers choose to have a different cost allocation method for each type of transmission facility, there can be only one cost allocation method for each type.³¹⁵

³¹⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

³¹¹ Order No. 1000-A, 139 FERC ¶ 61,132 at P 629 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 582).

³¹² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 668.

³¹³ *Id.* P 685.

³¹⁴ *Id.*

³¹⁵ *Id.* P 686; Order No. 1000-A, 139 FERC ¶ 61,132 at P 628; *see also*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 581.

a. **Compliance Filings**

i. **Interregional Transmission Cost Allocation
Proposal Applicable to Northeastern Protocol
Parties**

140. Northeastern Protocol Parties propose, under the Amended Northeastern Protocol, that the costs of interregional transmission facilities involving NYISO and PJM shall be allocated in accordance with the NYISO-PJM JOA³¹⁶ among and between NYISO and PJM, while the costs of interregional transmission facilities involving ISO-NE and NYISO will be allocated in accordance with NYISO's and ISO-NE's respective OATTs.³¹⁷ Under the Amended Northeastern Protocol, with respect to cost allocation for interregional transmission facilities identified through the Amended Northeastern Protocol, the NYISO-PJM JOA as it relates to NYISO and PJM, and the respective tariffs of ISO-NE and NYISO, these agreements and OATT provisions will not be changed without the mutual consent of the entities who hold FPA section 205 filing rights in each region.³¹⁸ Northeastern Protocol Parties add that nothing in the Amended Northeastern Protocol will convey, expand, limit or otherwise alter any rights of the regions, transmission owners, transmission developers, market participants or other entities to submit filings under section 205 with regard to cost allocation or any other matter.³¹⁹

141. In addition, the Amended Northeastern Protocol states that if a proposed interregional transmission facility is approved in each region and included in the respective regional transmission plan, the corresponding existing regional transmission projects will be displaced and the costs allocated as described in section 9 of the Amended Northeastern Protocol.³²⁰

³¹⁶ The NYISO-PJM JOA is located in Attachment CC of NYISO's OATT.

³¹⁷ ISO-NE, Amended Northeastern Protocol, § 9 (1.0.0).

³¹⁸ *Id.*

³¹⁹ *Id.*

³²⁰ *Id.* § 7.4 (1.0.0).

ii. **Summary of the Interregional Cost Allocation Method**

142. Although Northeastern Protocol Parties include their respective cost allocation proposals in different documents, New England Filing Parties, NYISO and PJM Transmission Owners propose similar cost allocation methods. Specifically, they propose to allocate the costs of an interregional transmission facility between each pair of regions using an avoided cost method.³²¹ In particular, the interregional cost allocation method provides:

The share of the costs of an Interregional transmission facility allocated to a region will be determined by the ratio of the present value of the estimated costs of such region's displaced regional transmission project or projects to the total of the present values of the estimated costs of the displaced regional transmission projects in the regions that have selected the Interregional transmission facility in their regional transmission plans.^[322]

143. Northeastern Protocol Parties propose that the present value of the estimated costs of each region's displaced regional transmission project will be based on a common base date that will be the beginning of the calendar month of the cost allocation analysis for the proposed interregional transmission facility.³²³ To perform the analysis described above, Northeastern Protocol Parties provide that the estimated cost of the displaced regional transmission projects shall specify the year's dollars in which those estimates are provided.³²⁴ They add that the present value analysis for all displaced regional

³²¹ PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 4; New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 26; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 21.

³²² NYISO, NYISO-PJM JOA, § 35.10.2(b) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.1(b) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(b). A mathematical example illustrating the application of the cost allocation method is set forth in section 35.10.2(j) of the NYISO-PJM JOA, section 31.5.7.1(f) of Attachment Y of the NYISO OATT, and section I.1.(f) of Schedule 15 of the ISO-NE Tariff.

³²³ NYISO, NYISO-PJM JOA, § 35.10.2(c) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.1(b)(i) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1.(b)(i).

³²⁴ NYISO, NYISO-PJM JOA, § 35.10.2(d) (1.0.0); NYISO, OATT,

(continued ...)

transmission projects shall use a mutually agreed upon discount rate.³²⁵ Northeastern Protocol Parties propose that, through the Interregional Planning Stakeholder Advisory Committee review process, the regions having displaced projects will review and determine, in consultation with their respective transmission owners, that comparable cost estimating procedures have been used prior to applying the proposed interregional cost allocation.³²⁶

144. New England Filing Parties and NYISO explain that the cost allocation method for interregional transmission facilities involving ISO-NE and NYISO is substantially identical to the method used by NYISO and PJM.³²⁷ For example, New England Filing Parties state that section 9 of the Amended Northeastern Protocol was developed by the transmission owners of the ISO-NE, NYISO and PJM regions to cross-reference the respective OATTs and agreements developed in the three regions to address cost allocation for interregional transmission facilities.³²⁸ NYISO clarifies that the proposed cost allocation provisions between ISO-NE and NYISO are substantially identical in all material respects to the parallel cost allocation provisions proposed in the NYISO-PJM JOA and any minor language differences are not intended to introduce substantive differences.³²⁹ NYISO states that this “would allow for the use of the same cost allocation methodology for any Interregional transmission facility that spans all three regions,”³³⁰ adding that such an interregional transmission facility must be selected in all

Attachment Y, § 31.5.7.1(b)(ii) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(b)(ii).

³²⁵ NYISO, NYISO-PJM JOA, § 35.10.2(e) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.1(b)(iii) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(b)(iii).

³²⁶ NYISO, NYISO-PJM JOA, § 35.10.2(f) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.1(b)(iv) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(b)(iv).

³²⁷ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 24-25; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 3.

³²⁸ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 22.

³²⁹ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 32 and n.101.

³³⁰ *Id.* at 3.

three regional transmission plans for purposes of cost allocation to be eligible for interregional cost allocation.³³¹

145. Consistent with the Amended Northeastern Protocol, New England Filing Parties and NYISO propose substantially similar revisions to their respective tariffs to incorporate their proposed interregional cost allocation method.³³² Similarly, NYISO and PJM Transmission Owners submit revisions to the NYISO-PJM JOA³³³ to incorporate their proposed interregional cost allocation method.³³⁴ New England Filing Parties, NYISO and PJM Transmission Owners state that the primary purpose of the agreed upon interregional cost allocation method is to allocate costs between each pair of regions.³³⁵

146. New England Filing Parties and NYISO propose that, for an interregional transmission facility to be eligible for interregional cost allocation, the interregional transmission facility must be selected in the regional transmission plan for purposes of cost allocation in each of the transmission planning regions in which the transmission project is proposed to be located.³³⁶ Similarly, NYISO and PJM Transmission Owners

³³¹ *Id.* at 3 and n.10.

³³² *Id.* at 32; New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 26.

³³³ The NYISO-PJM JOA is incorporated into the NYISO OATT in Attachment CC and approved by the PJM Transmission Owners acting through the Consolidated Transmission Owners Agreement pursuant to section 9.1 of the PJM OATT. PJM Transmission Owners state that since PJM is not directly interconnected with ISO-NE, an agreement on interregional cost allocation among all three regions was not necessary. PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at n.9.

³³⁴ As indicated above, NYISO is the designated filing party for the NYISO-PJM JOA and, as such, submitted the document in Docket No. ER13-1942-000 on behalf of itself and PJM.

³³⁵ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 26; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 19; PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 4.

³³⁶ NYISO, OATT, Attachment Y, § 31.5.7.1(a) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(a).

propose that, for an interregional transmission facility to be eligible for interregional cost allocation, the interregional transmission facility must be selected in both the NYISO and PJM regional transmission plans for purposes of cost allocation.³³⁷ The NYISO-PJM JOA also requires that an interregional transmission facility must be planned for construction in both the NYISO and PJM regions.³³⁸ New England Filing Parties, NYISO and PJM Transmission Owners identify their proposed interregional cost allocation agreements as the exclusive means by which any costs of an interregional transmission facility may be allocated between or among the pairs of regions.³³⁹

147. New England Filing Parties, NYISO and PJM Transmission Owners propose revisions to their respective OATTs and the NYISO-PJM JOA which provides that “[n]o cost shall be allocated to a [transmission planning region] that has not selected the Interregional transmission facility in its regional transmission plan.”³⁴⁰ In addition, the NYISO-PJM JOA specifies that:

When a portion of an Interregional transmission facility evaluated under the Protocol is included by a region (Region 1) in its regional transmission plan but there is no regional need or displaced regional transmission project in Region 1 and the neighboring region (Region 2) has a regional need or displaced regional project for the Interregional transmission facility and selects the Interregional transmission facility in its regional transmission plan, all of the costs of the Interregional transmission facility shall be allocated to Region 2 in accordance with the methodology in this Section 35.10.2 and none of the costs shall be allocated to Region 1.^{341]}

New England Filing Parties and NYISO also propose similar language; however, their proposed OATT language provides an exception for a region that voluntarily agrees to

³³⁷ NYISO, NYISO-PJM JOA, § 35.10.2(a) (1.0.0).

³³⁸ *Id.*

³³⁹ *Id.* § 35.10.3(a) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.2 (4.0.0); and ISO-NE, OATT, Schedule 15, § I.2(a).

³⁴⁰ NYISO, NYISO-PJM JOA, § 35.10.2(g) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.1(c) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(c).

³⁴¹ NYISO, NYISO-PJM JOA, § 35.10.2(h) (1.0.0).

use an alternative cost allocation method. The proposed language states:

[i]f a portion of an Interregional transmission facility evaluated under the Protocol is included by a region (Region 1) in its regional transmission plan, but there is no regional need or displaced regional transmission project in Region 1 and the neighboring region (Region 2) has a regional need or displaced regional project for the Interregional transmission facility and includes the Interregional transmission facility in its regional transmission plan, all of the costs of the Interregional transmission facility shall be allocated to Region 2 in accordance with the [Northeastern Interregional Cost Allocation Method] and none of the costs will be allocated to Region 1. *However, Region 1 may voluntarily agree, with the mutual consent of the Section 205 rights holders, in the affected regions (including the Long Island Power Authority and the New York Power Authority if in the NYISO region), to use an alternative cost allocation method filed with and accepted by the Commission.*^[342]

iii. Regional Allocation of Interregional Transmission Facility Costs

148. New England Filing Parties, NYISO and PJM Transmission Owners propose that costs allocated to a transmission planning region under the interregional cost allocation method are then further allocated by each transmission planning region under the applicable tariffs and agreements on file with the Commission.³⁴³ New England Filing Parties and NYISO propose further revisions to their respective OATTs to incorporate their proposed interregional cost allocation method into their regional transmission planning procedures. For example, New England Filing Parties propose to revise Schedule 12 of the ISO-NE OATT to include a new section 7, which provides the means for allocating the costs of interregional transmission facilities among transmission customers in the New England Control Area and specifies that costs related to

³⁴² NYISO, OATT, Attachment Y, § 31.5.7.1(d) (4.0.0); ISO-NE, OATT, Schedule 15, § I.1(d) (emphasis added).

³⁴³ NYISO, NYISO-PJM JOA, § 35.10.2(i) (1.0.0); NYISO, OATT, Attachment Y, § 31.5.7.1(e) (4.0.0); ISO-NE, OATT, Schedule 12, § 7 (5.0.0); New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 23.

interregional transmission facilities will be allocated using the existing cost allocation methods that have already been accepted by the Commission.³⁴⁴ Similarly, NYISO proposes to revise its OATT to allocate its regional share of the costs of an interregional transmission facility in accordance with the provisions for reliability, economic or public policy transmission projects, as applicable and as provided under the NYISO OATT.³⁴⁵

149. In addition, ISO-NE proposes OATT revisions that, under certain circumstances, allow ISO-NE to agree to accept the costs of transmission projects located outside of the New England Control Area.³⁴⁶ ISO-NE proposes to add a new term, External Transmission Project, which is defined as “a transmission project comprising facilities located wholly outside the New England Control Area and regarding which an agreement has been reached whereby New England ratepayers will support all or a portion of the cost of the facilities.”³⁴⁷ ISO-NE states that an External Transmission Project is distinguished from an interregional transmission facility as contemplated by Order No. 1000.³⁴⁸

150. The interregional cost allocation methods between NYISO and PJM and between New England Filing Parties and NYISO both permit applicable parties to enter into alternate agreements on a voluntary basis for allocating the costs of an interregional transmission facility, though the exact language is not identical. In particular, the ISO-NE OATT and the NYISO OATT provide that:

³⁴⁴ ISO-NE, OATT, Schedule 12, § 7 (5.0.0). New England Filing Parties note that, at the time of filing, the Commission had not accepted their proposed regional cost allocation for public policy transmission upgrades. New England Filing Parties have reserved section 6 of Schedule 12 for the regional cost allocation method ultimately accepted by the Commission for allocating the costs of public policy transmission upgrades and will apply this approved cost allocation method to an interregional transmission facility determined in the regional transmission planning process to relate to public policy transmission upgrades. New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 23 and n.59.

³⁴⁵ NYISO, OATT, Attachment Y, § 31.5.1.7 (4.0.0).

³⁴⁶ ISO-NE, OATT, Schedule 12, § 7 (5.0.0)

³⁴⁷ ISO-NE, OATT, § I.2.2 (50.0.0).

³⁴⁸ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at n.52.

[n]othing in the FERC-filed documents of ISO-NE, [NYISO], or PJM shall preclude agreement by entities with cost allocation rights under Section 205 of the Federal Power Act for their respective regions (including the Long Island Power Authority and the New York Power Authority in the [NYISO] region) to enter into separate agreements to allocate the cost of Interregional transmission facilities proposed to be located in their regions as an alternative to the [interregional cost allocation method], or other transmission projects identified pursuant to Section 6 of the [Amended Northeastern Protocol]. Such other cost allocation methodologies must be approved in each region pursuant to the Commission-approved rules in each region, filed with and accepted by the Commission, and shall apply only to the region's share of the costs of an Interregional transmission facility or other transmission projects pursuant to Section 6 of the [Amended Northeastern Protocol], as applicable.³⁴⁹

151. Similarly, the NYISO-PJM JOA provides that:

[s]ubject to the filing rights described in Section 34.10.4 and any stakeholder processes required prior to the exercise of such filing rights, transmission owners and transmission developers in PJM and the NYISO and the [transmission planning regions] may enter into a separate agreement to allocate the cost of an [i]nterregional [t]ransmission [p]roject, and other transmission projects identified pursuant to Section 6 of the Protocol in a manner other than as set forth in Section 35.10.2, provided that any such agreement is filed with and accepted by FERC in accordance with the filing rights set forth in Section 35.10.4, and such agreement shall apply only to the share of the costs of such [i]nterregional [t]ransmission [p]roject or such other transmission projects allocation to the PJM Region and the NYISO Region.³⁵⁰

³⁴⁹ ISO-NE, OATT, Schedule 15, § 2(b); NYISO, OATT, Attachment Y, § 31.5.7.2(b) (4.0.0).

³⁵⁰ NYISO, NYISO-PJM JOA, § 35.10.3(b) (1.0.0).

152. This alternative cost allocation provision is also identified under section 6 of the Amended Northeastern Protocol. Under the Amended Northeastern Protocol, such agreements must: (1) be filed with and accepted by the Commission, (2) have been filed consistent with each of the party's filing rights and any stakeholder process required prior to the exercise of these filing rights, and (3) shall apply only to the share of the costs of the subject project within the region.³⁵¹

153. ISO-NE, NYISO, and PJM Transmission Owners propose similar OATT language that ensures that there is no cost responsibility for impacts on neighboring systems. NYISO's OATT provides that:

Except as provided herein in sections 35.10.2 and 35.10.3 of this Agreement, or where cost responsibility is expressly assumed by NYISO or PJM in other documents, agreements or tariffs on file with FERC, neither the NYISO region nor the PJM region shall be responsible for compensating another region or each other for required upgrades or for any other consequences in another planning region associated with regional or interregional transmission facilities, including but not limited to, transmission projects identified pursuant to Section 6 of the Protocol and Interregional transmission facilities identified pursuant to Section 7 of the Protocol.^[352]

154. Similarly, ISO-NE's OATT states:

Except as provided in this Schedule 15 or where cost responsibility is expressly assumed by the ISO-NE region in other documents, agreements or tariffs on file with FERC, the ISO-NE region shall not be responsible for compensating another region for required upgrades or for any other consequences in another planning region associated with regional or interregional transmission facilities, including but not limited to, transmission projects identified pursuant to Section 6 of the Restated Northeastern Planning Coordination Protocol or Interregional transmission facilities identified pursuant to Section 7 of the Restated Northeastern Planning

³⁵¹ ISO-NE, Amended Northeastern Protocol, § 6 (1.0.0).

³⁵² NYISO, NYISO-PJM JOA, § 35.10.6 (1.0.0).

Coordination Protocol.^[353]

iv. Interregional Cost Allocation Principles

155. New England Filing Parties, NYISO and PJM Transmission Owners assert that the proposed cost allocation method set forth in the Amended Northeastern Protocols, the ISO-NE OATT, the NYISO OATT and the NYISO-PJM JOA comply with Order No. 1000's six interregional cost allocation principles. NYISO states that the proposed cost allocation method satisfies Interregional Cost Allocation Principle 1 because costs are allocated in proportion to the quantifiable benefits of avoided or displaced transmission. NYISO explains that the proposed method calculates the benefits of an interregional transmission facility as the avoided costs due to the project replacing less efficient or higher cost regionally-planned transmission projects.³⁵⁴ NYISO argues that an avoided cost approach is appropriate because the purpose of interregional coordination is "to determine whether an interregional project might beneficially displace one or more projects included in regional or local plans."³⁵⁵ New England Filing Parties, NYISO, and PJM Transmission Owners state that the cost of the displaced transmission projects "represent a reasonable measure of the benefits of the interregional project for cost allocation purposes."³⁵⁶

156. New England Filing Parties and NYISO state that the benefits of an interregional transmission facility are essentially ascertained in the underlying regional planning process, because the regional transmission project that is being displaced will already have been found sufficiently beneficial to be selected in the regional system plan. They therefore argue that the default allocation method properly calculates the benefits of an interregional transmission facility as the avoided costs associated with the transmission project, e.g., the cost savings achieved by replacing the regionally-planned transmission projects with the more efficient or cost-effective proposed interregional transmission facility that addresses regional transmission needs that would have been addressed by the

³⁵³ ISO-NE, OATT, Schedule 15, § I.5.

³⁵⁴ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 24-26.

³⁵⁵ *Id.* at 24-25.

³⁵⁶ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 24-25; PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 6; New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 28.

displaced regional transmission projects – already found to be beneficial, efficient and cost-effective by the regions.³⁵⁷ NYISO asserts that Order No. 1000 does not require the consideration of public policy or economic benefits at the interregional level.³⁵⁸

157. New England Filing Parties and NYISO agree that since the purpose of interregional coordination is to determine whether an interregional project might beneficially displace one or more projects included in regional or local plans, the cost of the displaced projects represents a reasonable measure of the benefits of the interregional project for cost allocation purposes.³⁵⁹ New England Filing Parties believe that while the Commission has held that the sole use of an avoided cost method does not comply with the principles applicable to regional cost allocation because it does not account for economic or public policy benefits,³⁶⁰ these findings are not relevant with respect to interregional cost allocation since Order No. 1000 does not require the consideration of public policy or economic benefits at the interregional level.

158. New England Filing Parties, NYISO and PJM Transmission Owners argue that Interregional Cost Allocation Principles 2 and 3 are satisfied because NYISO's and PJM's cost allocation method does not allocate the costs of an interregional transmission facility to a region if it has not been selected in the region's transmission plan and it does not establish a benefit/cost threshold for interregional cost allocation.³⁶¹ NYISO believes that Interregional Cost Allocation Principle 4 is satisfied since its cost allocation method does not allocate the costs of an interregional transmission facility to a region if it has not been selected in the region's transmission plan and NYISO and PJM have specified that they would not agree to be responsible for sharing the costs of upgrades that might be required in a region in which an interregional transmission facility is not located.

³⁵⁷ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 25-26.

³⁵⁸ *Id.* at 25.

³⁵⁹ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 28.

³⁶⁰ *See S.C. Elec. & Gas Co.*, 143 FERC ¶ 61,058, at P 226 (2013).

³⁶¹ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 26-27; PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 6-7; New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 29.

159. New England Filing Parties declare that Interregional Cost Allocation Principle 4 requires that the interregional planning process identify the consequences of an interregional facility for other regions, such as required upgrades, and if there is an agreement to share the costs of such upgrades, the allocation method must address those costs.³⁶² New England Filing Parties state that the cost allocation method does not allocate the costs of an interregional transmission facility to a region if it has not been selected in the region's transmission plan.³⁶³ New England Filing Parties also state that the proposed cost allocation method expressly addresses limitations on the cost consequences to other planning regions.³⁶⁴

160. NYISO asserts that the proposed cost allocation method satisfies Interregional Cost Allocation Principle 5 because it is described in detail in the NYISO-PJM JOA and Attachment Y of NYISO's OATT. They further assert that the Amended Northeastern Protocol provides for transparency, input, and review by stakeholders through the Interregional Planning Stakeholder Advisory Committee. PJM Transmission Owners state that Interregional Cost Allocation Principle 5 is satisfied and the cost allocation method and data requirements for determining benefits and identifying benefits are transparent because the benefits that form the basis of cost allocation under the avoided cost approach are readily quantifiable.³⁶⁵ PJM Transmission Owners further contend that

³⁶² New England Filing Parties state that the transmission owners in the ISO-NE, NYISO, and PJM regions had the opportunity during negotiations concerning interregional cost allocation to address Interregional Cost Allocation Principle 4 and jointly developed an approach concerning consequences to other regions that is set forth in section 5 of new Schedule 15 to the ISO-NE OATT. Entitled, "Consequences to Other Regions from Regional or Interregional transmission facilities," the New England Filing Parties believe that section 5 of Schedule 15 addresses Cost Allocation Principle 4 with respect to both regional and interregional transmission facilities. New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 24.

³⁶³ ISO-NE, OATT, Schedule 15, § I.1.(b).

³⁶⁴ Section 5 of ISO-NE's Schedule 15 states: "Except as provided in this Schedule 15 or where cost responsibility is expressly assumed by the ISO-NE region in other documents, agreements or tariffs on file with FERC, the ISO-NE region shall not be responsible for compensating another region for required upgrades or for any other consequences in another planning region associated with regional or interregional transmission facilities...."

³⁶⁵ PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 7.

as a result, there would be sufficient documentation to allow stakeholders to determine how the cost allocation method was applied to a proposed interregional transmission facility.³⁶⁶ Finally, NYISO and PJM Transmission Owners argue that the proposal satisfies Interregional Cost Allocation Principle 6 because it applies to all eligible interregional transmission facilities involving NYISO and PJM, regardless of the purpose that the transmission facility will serve.³⁶⁷

161. New England Filing Parties state that the cost allocation approach satisfies Interregional Cost Allocation Principles 5 and 6 because Schedule 15 provides a transparent formula that will allow stakeholders to determine how the cost allocation method was applied to a proposed facility and apply to all types of interregional transmission facilities.

b. Protests/Comments

162. NESCOE states that the compliance filings in these proceedings appropriately ensure that, as a precondition for interregional cost allocation, projects must first be approved and selected in all of the relevant regional transmission plans, and, consistent with the intent of Order No. 1000, the interregional coordination procedures contained in the Amended Northeastern Protocol and in the ISO-NE Tariff have the ability to provide potential benefits to New England consumers in the form of cost savings where interregional solutions can displace more costly regional solutions.³⁶⁸

163. Public Interest Organizations state that ISO-NE, NYISO and PJM Transmission Owners' proposed cost allocation approach oversimplifies the analysis of benefits by focusing only on the avoided costs of regional transmission projects, and ignores the fact that the selected interregional transmission facility may address regional transmission needs but have "different attributes, functions, and even location than the displaced regional [transmission] projects" and, therefore, a different benefit profile than the displaced regional transmission projects. They note that the proposed cost allocation method does not consider the public policy benefits of regional transmission projects when estimating avoided costs of an interregional transmission facility.³⁶⁹ Public Interest

³⁶⁶ *Id.*

³⁶⁷ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 29; PJM Transmission Owners Compliance Filing, Docket No. ER13-1926-000 at 7.

³⁶⁸ NESCOE Comments, Docket Nos. ER13-1957-000 and ER13-1960-000 at 4-5.

³⁶⁹ Public Interest Organizations Protest, Docket Nos. ER13-1947-000, ER13-

Organizations ask that the Commission order the transmission providers to revise their proposal to comply with the first interregional cost allocation principle (costs allocated in a way that is roughly commensurate with benefits).³⁷⁰

164. Indicated Transmission Owners protest ISO-NE, NYISO and PJM Transmission Owners' proposal to use an avoided cost method as unreasonable when the costs of interregional transmission facilities are more expensive than the sum of the regional projects they displace.³⁷¹ Indicated Transmission Owners state that there are no such avoided cost savings when a more expensive interregional transmission facility is selected and a different cost allocation that reflects benefits must be established to assess the potential benefits provided by that more expensive interregional transmission facility.³⁷² Indicated Transmission Owners recommend that the Commission require that ISO-NE, NYISO and PJM make an additional compliance filing (with their transmission owners as appropriate), following consultations with their stakeholders, to 1) develop methods for evaluating all benefits (reliability, economic, public policy, et al.) of interregional transmission facilities costing more than displaced regional projects; 2) identify further procedures to ensure full consideration of such costs and benefits; and 3) establish a default allocation.³⁷³

c. Answers

165. NYISO states that displaced regional project costs represent a reasonable and relatively easily quantified measure of the benefits a region will realize from an interregional transmission facility, because each displaced project will necessarily have been found to be beneficial, efficient and cost-effective by the region.³⁷⁴

166. NYISO states that the fundamental flaw in the Public Interest Organizations' argument is its failure to account for the relationship, and the differences, between the

1933-000, and ER13-1960-000 at 12.

³⁷⁰ *Id.* at 7.

³⁷¹ Indicated Transmission Owners Protest, Docket No. ER13-1942-000 at 1.

³⁷² *Id.* at 2.

³⁷³ *Id.* at 3.

³⁷⁴ NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 10.

regional and interregional cost allocation processes. NYISO states that Order No. 1000 specifies that “the method . . . for interregional cost allocation used by two transmission planning regions may be different from the method or methods used by either of them for regional cost allocation.” NYISO and PJM Transmission Owners argue that Order No. 1000 did not require that public policy or economic benefits be considered in the interregional planning process; however, PJM Transmission Owners state that the regional planning process and regional cost allocation methods in NYISO and PJM address reliability and market efficiency needs and take into account public policy considerations.³⁷⁵

167. NYISO argues that the purpose of the interregional coordination process is to “consider whether the local and regional transmission planning processes result in transmission plans that meet local and regional transmission needs more efficiently and cost-effectively, after considering opportunities for collaborating with public utility transmission providers in neighboring transmission planning regions.”³⁷⁶ PJM Transmission Owners clarify that the interregional coordination process does not change the need for the project, but instead determines whether an interregional project may more efficiently and cost-effectively satisfy the identified regional needs. PJM Transmission Owners add that measuring the benefits of interregional transmission facilities for cost allocation purposes through the avoided cost approach is appropriate in light of the ability of each region to decline to select an interregional project in its regional transmission plan for cost allocation purposes.³⁷⁷

168. NYISO and PJM Transmission Owners state that the Commission should reject and/or disregard Indicated Transmission Owners’ protest. NYISO and PJM Transmission Owners generally agree that the proposed cost allocation method is a just and reasonable way to allocate costs for all interregional transmission facilities in a manner that is roughly commensurate with their benefits.³⁷⁸ However, NYISO states that an interregional transmission facility must be selected by the regional planning process in each region in which it is to be located, and each region can decline to select a project

³⁷⁵ *Id.* at 12; PJM Transmission Owners Answer, Docket No. ER13-1947-000 at 5.

³⁷⁶ NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 12 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 511).

³⁷⁷ PJM Transmission Owners Answer, Docket No. ER13-1947-000 at 5-6.

³⁷⁸ NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 12, PJM Transmission Owners Answer, Docket No. ER13-1947-000 at 6.

that is not cost-effective from its perspective.³⁷⁹ NYISO believes that it is unlikely that an interregional transmission facility that was expected to cost more than the sum of the costs of displaced regional projects would ever be approved by all three ISO/RTO regions.³⁸⁰ Similarly, PJM Transmission Owners state that regional transmission providers will not likely approve an interregional transmission facility that is merely more expensive to build than the regional transmission projects that it displaces; however, an interregional project that is more expensive than the regional projects it displaces might be built because it provides for additional benefits that exceed those of the displaced regional projects.³⁸¹ PJM Transmission Owners add that if the regional transmission providers disagree, they can propose a different allocation if they determine that avoided cost method is not appropriate. PJM Transmission owners state that it is important to recognize that if one region does not want such a project built because it is more expensive than the sum of the displaced regional projects, it can decide not to support the project.³⁸²

d. Commission Determination

169. We find that Northeastern Protocol Parties' proposed interregional transmission cost allocation methods comply with the interregional transmission cost allocation requirements of Order No. 1000.

170. We find that Northeastern Protocol Parties comply with Order No. 1000's requirement that neighboring transmission planning regions propose a common interregional cost allocation method. Northeastern Protocol Parties propose a common avoided cost-only cost allocation method, which each pair of neighboring transmission regions have proposed in the NYISO OATT, ISO-NE OATT, and the NYISO-PJM JOA. Additionally, as permitted by Order No. 1000, Northeastern Protocol Parties propose to apply their proposed avoided cost-only cost allocation method to all selected interregional transmission facilities, rather than having separate interregional cost allocation methods for different types of interregional transmission facilities, including interregional transmission facilities for transmission needs driven by reliability, economic, or public policy requirements. These proposals are also consistent with our

³⁷⁹ NYISO Answer, Docket Nos. ER13-1942-000, ER13-1947-000, ER13-1926-000, and ER13-1960-000 at 18.

³⁸⁰ *Id.* at 18-19.

³⁸¹ PJM Transmission Owners Answer, Docket No. ER13-1947-000 at 8.

³⁸² *Id.*

determination that public utility transmission providers, through their regional transmission planning process, must have an interregional cost allocation method or methods that apply to interregional transmission facilities that address regional reliability and economic needs as well as transmission needs driven by public policy requirements.³⁸³

171. We also find that Northeastern Protocol Parties' interregional cost allocation proposals comply with Order No. 1000's six Interregional Cost Allocation Principles. Northeastern Protocol Parties propose to quantify the regional benefits of a proposed interregional transmission facility based upon the cost of regional transmission projects in each of their regional transmission plans that could be displaced by the proposed interregional transmission facility. Such a proposal is an "avoided-cost only method," meaning a cost allocation method that relies exclusively on avoided-costs to account for benefits associated with transmission needs driven by reliability, economic, and public policy requirements. The Commission previously concluded that an avoided-cost only method was not permissible as the sole cost allocation method for *regional* transmission projects proposed for selection in the regional transmission plan for purposes of cost allocation. As explained below, we conclude that an avoided-cost only method is permissible as the sole cost allocation methodology for *interregional* transmission facilities proposed for interregional cost allocation.

172. As an initial matter, we find that the interplay between the regional transmission planning and interregional coordination requirements of Order No. 1000 address, at the interregional level, the Commission's concerns regarding use of the avoided-cost only method at the regional level. The Commission previously found that an avoided cost-only method for allocating the costs of new regional transmission facilities selected in the regional transmission plan for purposes of cost allocation at the regional level did not comply with Regional Cost Allocation Principle 1.³⁸⁴

173. Specifically, the Commission stated that using a regional cost allocation method that relies solely on avoided costs to capture the potential benefits associated with

³⁸³ *PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,250, at P 190 (2014).

³⁸⁴ See *Louisville Gas and Elec. Co. and Kentucky Utilities Co., et al.*, 144 FERC ¶ 61,054, at P 248 (2013) (SERTP First Regional Compliance Order). However, the Commission found that such an approach may be used to identify the beneficiaries of reliability transmission projects when separate cost allocation methods are used for transmission projects to address transmission needs driven by regional reliability, economic, and public policy requirements. See, e.g., *Public Service Co. of Colorado, et al.*, 142 FERC ¶ 61,206, at P 312 (2013).

transmission needs driven by regional reliability, economic, and public policy requirements does not allocate costs in a manner that is at least roughly commensurate with estimated benefits because it does not adequately assess the potential benefits provided by that transmission facility. Rather, an avoided cost-only cost allocation method when used at the regional level would consider as benefits only the cost savings that result when a local transmission project is avoided due to the selection of a regional transmission facility in the regional transmission plan for purposes of cost allocation, failing to account for benefits that were not identified in the local transmission planning processes, but that could be recognized at the regional level through a regional analysis of more efficient or cost-effective solutions to regional transmission needs.³⁸⁵ Additionally, in rejecting an avoided cost-only cost allocation method at the regional level, the Commission stated that a regional transmission facility that resulted in a more efficient or cost-effective transmission solution than what was included in the roll-up of local transmission plans would not be eligible for regional cost allocation if there was no transmission facility in the local transmission plans that it would displace. A key consideration in the Commission's finding, therefore, was the interplay between the scope of local and regional transmission planning.

174. However, we conclude that the regional transmission planning and interregional transmission coordination reforms required by Order No. 1000 address these concerns regarding the use of an avoided-cost only method at the interregional level. Through the reforms implemented by Order No. 1000, we expect that the regional transmission planning process will result in the identification of regional transmission facilities that potential interregional transmission facilities may displace. In Order No. 1000, the Commission required reforms to existing transmission planning processes to ensure that public utility transmission providers "adequately assess the potential benefits of alternative transmission solutions at the regional level that may meet the needs of a transmission planning region more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning process."³⁸⁶ For instance, the Commission required public utility transmission providers to work within a transmission planning region to create a regional transmission plan that identifies transmission facilities needed to meet reliability, economic, and public policy requirements, and reflects fair consideration of transmission facilities proposed by incumbent and nonincumbent transmission developers, as well as interregional

³⁸⁵ See SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at PP 249-250.

³⁸⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 81.

transmission facilities.³⁸⁷ Thus, in contrast to the concerns that the Commission had with an avoided cost-only cost allocation method when used at the regional level,³⁸⁸ we expect there will be regional transmission facilities identified in the regional transmission planning process that are needed to meet transmission needs driven by reliability, economic, and/or public policy requirements that potential interregional transmission facilities may displace.

175. As noted above, the relationship between the regional transmission planning and interregional transmission coordination requirements of Order No. 1000 is central to our finding here. Order No. 1000's interregional coordination requirements build upon and complement the reforms required in the regional transmission planning processes; as a result, use of an avoided cost-only cost allocation method at the interregional level would consider as benefits the cost savings that result when a regional transmission project selected in a regional transmission plan for purposes of cost allocation is avoided due to the selection of a more efficient or cost-effective interregional transmission facility. Whereas Order No. 1000 requires public utility transmission providers to evaluate through the regional transmission planning process alternative transmission solutions that might meet the needs of the transmission planning region more efficiently or cost-effectively than transmission solutions identified by individual public utility transmission providers in their local transmission planning process,³⁸⁹ Order No. 1000 does not require public utility transmission providers to conduct interregional transmission planning, nor does it require public utility transmission providers to produce an interregional transmission plan that considers transmission solutions to meet interregional transmission needs identified separately at the interregional level.³⁹⁰ Rather, Order No. 1000's interregional transmission coordination requirements obligate public utility transmission providers to identify and jointly evaluate interregional transmission facilities that may more efficiently or cost-effectively address the individual needs identified in their

³⁸⁷ See, e.g., *id.* P 11.

³⁸⁸ In the SERTP First Regional Compliance Order, the Commission stated that a regional transmission facility that resulted in a more efficient or cost-effective transmission solution than what was included in the roll-up of local transmission plans would not be eligible for regional cost allocation if there was no transmission facility in the local transmission plans that it would displace. SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 251.

³⁸⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 148.

³⁹⁰ See *id.* P 399.

respective local and regional transmission planning processes.³⁹¹ Since the interregional coordination procedures do not require an interregional analysis of more efficient or cost-effective solutions to interregional transmission needs, but only a joint evaluation of interregional transmission facilities that may more efficiently or cost-effectively address regional transmission needs, the selected interregional transmission facility will address transmission needs driven by regional reliability, economic, and/or public policy requirements that have already been identified and evaluated for potential transmission solutions at the regional level. Thus, an avoided cost-only cost allocation method when used at the interregional level will account for benefits that were identified in the regional transmission planning processes and therefore complies with Interregional Cost Allocation Principle 1.

176. We disagree with Public Interest Organizations’ assertion that an avoided cost-only interregional cost allocation method fails to sufficiently consider all of the benefits that may accrue from an interregional transmission facility. While Public Interest Organizations argue that an avoided cost-only method ignores the fact that a selected interregional transmission facility may address regional transmission needs but have different attributes, functions, and location than a displaced regional transmission project, and therefore a different benefit “profile,” we agree with PJM Transmission Owners’ response. Specifically, we agree that the interregional transmission coordination process does not change the regional transmission needs that the interregional transmission facility addresses, but instead determines whether the interregional transmission facility addresses those regional transmission needs more efficiently or cost-effectively.³⁹²

177. We disagree with Indicated Transmission Owners’ protest regarding the use of the avoided cost method in a situation where allocation of the costs of interregional transmission facilities are more expensive than the sum of the regional projects they displace. Contrary to Indicated Transmission Owners’ argument, there are safeguards in place in this particular situation because each region must find that a proposed interregional transmission facility is more efficient or cost-effective, and it is unlikely that an interregional transmission facility that would cost significantly more than the combined costs of the displaced regional transmission projects would be selected in each regional transmission plan for purposes of cost allocation.

178. Furthermore, we find that the proposed avoided cost-only method complies with Interregional Cost Allocation Principles 2 and 4 because the costs of an interregional

³⁹¹ *Id.* P 393.

³⁹² See, e.g., *Duke Energy Carolinas, LLC, et al.*, 150 FERC ¶ 61,044, at P 195 (2015).

transmission facility will be allocated between the NYISO and PJM transmission planning regions, or the ISO-NE and NYISO transmission planning regions if that transmission facility is selected for purposes of cost allocation in the regional transmission plans of each respective region. Further, costs of an interregional transmission facility will only be allocated to the transmission planning regions in which that transmission facility is located.³⁹³ We note that PJM Transmission Owners and NYISO propose that neither PJM nor NYISO will be responsible for sharing of costs of upgrades that might be required in a region in which an interregional transmission facility is not located.³⁹⁴ While we find that PJM Transmission Owners and NYISO's proposal complies with Interregional Cost Allocation Principle 4, we encourage ISO-NE, NYISO, and PJM to work with neighboring regions pursuant to any existing arrangements, and to consider new opportunities that might arise, to address impacts on other regions. Order No. 1000 was not intended to disrupt or impede any such arrangements.

179. In addition, we find that Northeastern Protocol Parties' proposed avoided cost-only allocation method complies with Interregional Cost Allocation Principle 3 because they do not propose to apply an interregional benefit-to-cost ratio. In Order No. 1000, the Commission stated that Interregional Cost Allocation Principle 3 did not require the use of a benefit-to-cost ratio threshold.³⁹⁵

180. Moreover, we find that Northeastern Protocol Parties' proposed cost allocation methods comply with Interregional Cost Allocation Principle 5. We find that the Amended Northeastern Protocol provides for input, transparency, and review by stakeholders through the Interregional Planning Stakeholder Advisory Committee.³⁹⁶ We also find that ISO-NE and NYISO's proposed cost allocation method provides a transparent formula that will permit stakeholders to determine how the cost allocation method was applied to a proposed interregional transmission facility.³⁹⁷ PJM Transmission Owners argue that because benefits that form the basis of cost allocation are quantifiable, the cost allocation method and data requirements for determining

³⁹³ *E.g.*, ISO-NE, OATT, Schedule 15, § 1.1(c); NYISO, NYISO-PJM JOA § 35.10.2 (1.0.0).

³⁹⁴ NYISO, NYISO-PJM JOA § 35.10.6 (1.0.0).

³⁹⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

³⁹⁶ *See* ISO-NE, Amended Northeastern Protocol §§ 2.2, 7.1, 7.3 (1.0.0).

³⁹⁷ *E.g.*, ISO-NE, OATT, Schedule 15.

benefits and identifying beneficiaries are transparent. We agree and similarly find that the NYISO-PJM JOA language also ensures that stakeholders will have access to adequate documentation that describes how the interregional cost allocation method was applied to a proposed interregional transmission facility.³⁹⁸

181. Finally, we find that the proposed interregional cost allocation methods comply with Interregional Cost Allocation Principle 6. Order No. 1000 states that under Interregional Cost Allocation Principle 6, public utility transmission providers located in neighboring transmission planning regions may choose to use a different cost allocation method for different types of interregional transmission facilities.³⁹⁹ Northeastern Protocol Parties have chosen not to propose different cost allocation methods for different types of transmission facilities. We agree with NESCOE and find that the compliance filings in these proceedings appropriately ensure that, as a precondition for interregional cost allocation, projects must first be approved and selected in all of the relevant regional transmission planning processes.⁴⁰⁰ As NESCOE points out, the Amended Northeastern Protocol provides that only if “the proposed [i]nterregional [t]ransmission [p]roject is approved in each region by including it in the respective regional transmission plans in accordance with procedures for each [Northeastern Protocol] Party’s reliability, economic, and/or public policy transmission planning process” will the costs of the interregional transmission facility be allocated as described in section 9 of the Amended Northeastern Protocol.⁴⁰¹

3. Existing Northeastern Protocol Language and Additional Revisions

a. Compliance Filings

182. As explained in this order, the Amended Northeastern Protocol, which Northeastern Protocol Parties submitted in the proceedings to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000, constitutes revisions to their existing Northeastern ISO/RTO Planning Coordination. Northeastern Protocol Parties note that the Northeastern Protocol as originally adopted in 2004 has served a number of functions, including: (1) serving as

³⁹⁸ NYISO, NYISO-PJM JOA § 35.10.2 (1.0.0).

³⁹⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 685 (emphasis added).

⁴⁰⁰ NESCOE Comments, Docket Nos. ER13-1957-000 and ER13-1960-000 at 4-5.

⁴⁰¹ *Id.* (citing ISO-NE, Amended Northeastern Protocol, § 7.4 (1.0.0)).

the vehicle for exchange of data and information among these systems; (2) establishing the committee structure for the coordination of inter-area planning activities; and (3) describing the Northeastern Coordinated System Plan that integrates the individual system plans prepared periodically by ISO-NE, NYISO, and PJM.⁴⁰² Therefore, Northeastern Protocol Parties explain, the Amended Northeastern Protocol builds on existing inter-ISO and interregional stakeholder committees and processes to implement the interregional coordination elements of Order No. 1000.⁴⁰³

183. In addition to proposed revisions that Northeastern Protocol Parties assert meet or exceed the interregional transmission coordination requirements of Order No. 1000, which are summarized and discussed previously in the body of this order, the Amended Northeastern Protocol also includes provisions: (1) obligating the coordination of studies required for determining the impact of a request for queued generator or transmission interconnection;⁴⁰⁴ (2) obligating the coordination of studies required for determining the impact of a request for long term firm transmission service;⁴⁰⁵ and (3) governing dispute resolution,⁴⁰⁶ liability, and indemnity.⁴⁰⁷

184. Under the dispute resolution provisions, if Northeastern Protocol Parties cannot resolve an issue, then any Party may refer the matter to the Chief Executive Officers (CEO) of Northeastern Protocol Parties, who shall schedule a meeting to resolve the issue or to provide direction, as appropriate, on a priority basis.⁴⁰⁸ The provisions further state

⁴⁰² New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 5-6; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 9-10; PJM Compliance Filing, Docket No. ER13-1947-000 at 6.

⁴⁰³ New England Filing Parties Compliance Filing, Docket No. ER13-1960-000 at 5; NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 11; PJM Compliance Filing, Docket No. ER13-1947-000 at 4.

⁴⁰⁴ ISO-NE, Amended Northeastern Protocol, § 4 (1.0.0).

⁴⁰⁵ *Id.* § 5 (1.0.0).

⁴⁰⁶ *Id.* § 10.1 (1.0.0).

⁴⁰⁷ *Id.* § 10.2 (1.0.0).

⁴⁰⁸ *Id.* § 10.1 (1.0.0).

that, if the CEOs do not reach agreement within ten days, then any of the Northeastern Protocol Parties may refer the issue to the FERC Dispute Resolution Service.⁴⁰⁹

185. Meanwhile, the liability and indemnity provisions state, among other things, that Northeastern Protocol Parties agree that:

Each [of the Northeastern Protocol Parties] agrees to indemnify, defend, and hold each other Party and the officers, employees, directors, agents, and assigns thereof harmless from and against any and/or all claims, damages, judgments, awards, demands, liabilities, losses, and all other obligations asserted against [each of the Northeastern Protocol Parties] by a third-party to the extent that such injury is the result from, or arises out of, or is related to the Party's acts or omissions within its RTO or ISO...^[410]

186. NYISO and New York Transmission Owners also propose additional revisions to Attachment Y of the NYISO OATT.⁴¹¹ First, NYISO and New York Transmission Owners propose to revise section 31.1.8.1 of NYISO's OATT to provide that NYISO will adopt procedures, with input from all interested parties, to implement and administer the Comprehensive System Planning Process requirements set forth in the Amended Northeastern Protocol.⁴¹²

187. Second, NYISO and New York Transmission Owners also propose ministerial modifications to Attachment Y which include correcting internal cross-references and applying defined terms consistently throughout Attachment Y.⁴¹³ NYISO and New York Transmission Owners assert that the Commission has previously authorized NYISO to include these kinds of limited, but necessary, clarifications in compliance filings and

⁴⁰⁹ *Id.*

⁴¹⁰ *Id.* § 10.2 (1.0.0).

⁴¹¹ NYISO and New York Transmission Owners Compliance Filing, Docket No. ER13-1942-000 at 33.

⁴¹² *Id.* at 40.

⁴¹³ *Id.* at 41.

NYISO and New York Transmission Owners further assert that the Commission should follow that precedent in this instance.⁴¹⁴

188. Finally, NYISO and New York Transmission Owners propose to revise or insert the following definitions in Attachment Y of the NYISO OATT:

CSPP: The Comprehensive System Planning Process set forth in this Attachment Y, and in the Interregional Planning Protocol, which covers reliability planning, economic planning, Public Policy Requirements planning, cost allocation and cost recovery, and the interregional planning process coordination.

Interregional Planning Protocol: The Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol, or any successor to that protocol.

Interregional Transmission Project: A transmission facility located in two or more transmission planning regions that is evaluated under the Interregional Planning Protocol and proposed to address an identified Reliability Need, congestion identified in the CARIS, or a transmission need driven by a Public Policy Requirement pursuant to Order No. 1000 and the provisions of this Attachment Y.

IPTF: The Interregional Planning Task Force, or any successor ISO stakeholder working group or committee designated to fulfill the functions assigned to the IPTF in this tariff.

ISO/RTO Region: One or more of the three ISO or RTO regions known as PJM, ISO-New England, and NYISO, which are the “Parties” to the Interregional Planning Protocol.

Order No. 1000: The Final Rule entitled Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, issued by the Commission on July 21, 2011, in Docket RM10-23-001, as modified on rehearing,

⁴¹⁴ *Id.* at 41 n.109 (citing *New York Independent System Operator, Inc.*, 125 FERC ¶ 61,206 (2008), *reh’g*, 127 FERC ¶ 61,042 (2009)).

or upon appeal. (See FERC Stats & Regs. ¶ 31,323 (2011) (“Order No. 1000”), on reh’g and clarification, 139 FERC ¶ 61,132 (“Order No. 1000-A”), on reh’g and clarification, 141 FERC ¶ 61,044 (2012) (“Order No. 1000-B”).^[415]

189. New England Filing Parties also propose to insert the following definitions to implement the Order No. 1000 interregional transmission coordination requirements. Specifically, they propose the following definitions in Schedule 15 of the ISO-NE OATT:

External Transmission Project is a transmission project comprising facilities located wholly outside the New England Control Area and regarding which an agreement has been reached whereby New England ratepayers will support all or a portion of the cost of the facilities.

Interregional Planning Stakeholder Advisory Committee (IPSAC) is the committee described as such in the Northeast Planning Protocol.

Interregional transmission facility is a transmission project located within the New England Control Area and one or more of the neighboring transmission planning regions.

Joint ISO/RTO Planning Committee (JIPC) is the committee described as such in the Northeastern Planning Protocol.

Northeastern Planning Protocol is the Amended and Restated Northeastern ISO/RTO Planning Coordination Protocol on file with the Commission.

Planning Authority is an entity defined as such by the North American Electric Reliability Corporation.^[416]

b. Commission Determination

190. At the outset, we acknowledge that the Northeastern ISO/RTO Planning Coordination Protocol, which, as Northeastern Protocol Parties state, is the basis for the

⁴¹⁵ See *id.* at 40-41; see also NYISO, OATT, Attachment Y, § 31.1.1 (5.0.0).

⁴¹⁶ ISO-NE, Tariff, § I.2 (50.0.0).

Amended Northeastern Protocol submitted as part of the their proposal to comply with the interregional transmission coordination requirements of Order No. 1000, is a longstanding agreement between ISO-NE, NYISO, and PJM. However, we note that this is the first time that Northeastern Protocol Parties have filed it for acceptance by the Commission. As part of its Order No. 890 compliance filing, NYISO submitted the Northeastern ISO/RTO Planning Coordination Protocol as part of its Order No. 890 compliance proceeding to demonstrate NYISO's compliance with the regional participation principle in Order No. 890.⁴¹⁷ Although the Commission referenced the Northeastern ISO/RTO Planning Coordination Protocol in finding that NYISO complied with the requirements of the regional participation principle, the Commission neither specifically accepted the agreement for filing, nor addressed the merits of the agreement.⁴¹⁸ Therefore, consistent with the Commission's regulations, we address the merits of the Amended Northeastern Protocol which have not already been addressed in the body of this order.

191. While we address the majority of the provisions throughout this order, we did not address section 4, "Analysis of Interconnection Queue Requests;" section 5, "Analysis of Long Term Firm Transmission Service Requests;" and section 10, "General Provisions," including the dispute resolution and liability and indemnity provisions. These sections are not required for Northeastern Protocol Parties to comply with Order No. 1000; however, they are part of the agreement and are related to the interregional transmission coordination requirements in Order No. 1000. Section 4 provides procedures for Northeastern Protocol Parties to coordinate the conduct of any studies required for determining the impact of a request for queued generator or transmission interconnection, and requires the results of such coordinated studies to be included in the impacts reported to the interconnection customers. Section 5 provides procedures for Northeastern Protocol Parties to coordinate studies required in determining the impact of long-term firm transmission service requests, and requires the results of such studies to be included in the impacts reported to the transmission service customers. Although both of these sections go beyond the requirements of Order No. 1000 compliance, we note that no party has opposed these provisions and we find them to be just and reasonable; therefore, we accept them.

192. We find that the dispute resolution, indemnity, and liability provisions provided in the Amended Northeastern Protocol exceed the requirements of Order No. 1000.⁴¹⁹

⁴¹⁷ NYISO Filing in Docket No. OA08-52-000, at Attachment 3 (filed December 7, 2007).

⁴¹⁸ *N.Y. Indep. Sys. Operator, Inc.*, 125 FERC ¶ 61,068, at P 70 (2008).

⁴¹⁹ See Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 157.

However, we find them to be just and reasonable; therefore, we accept them. In addition, we note that no party has opposed these provisions. We also note that parties may utilize the dispute resolution provisions of Northeastern Protocol Parties' OATTs or file a complaint with the Commission if they find that the interregional transmission coordination procedures described in an OATT are not being implemented properly.⁴²⁰

193. We also find that the revisions to sections 31.1.7 and 31.1.8.1 of NYISO's OATT comply with Order No. 1000 and that the proposed definitions of ISO-NE and NYISO provide clarity to the OATTs; therefore, we find them just and reasonable.

The Commission orders:

(A) New England Filing Parties', NYISO's and New York Transmission Owners', PJM's, and PJM Transmission Owners' compliance filings are hereby accepted, effective January 1, 2014, subject to further compliance filings, as discussed in the body of this order. The Amended Northeastern Protocol is hereby accepted, effective July 10, 2013, as requested, subject to further compliance filings, as discussed in the body of this order.

(B) New England Filing Parties, Northeastern Protocol Parties, NYISO, NYISO and New York Transmission Owners, PJM, and PJM Transmission Owners are hereby directed to submit further compliance filings, within 60 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁴²⁰ *Id.* P 404.

V. Appendix A: Abbreviated Names of Intervenorors

The following tables contain the abbreviated names of intervenors that are used in this Order on Compliance Filings.

Intervenors

**Northeastern Protocol Parties Compliance Filing
Docket No. ER13-1957-000**

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Dominion Resources Services	Dominion Resources Services, Inc.
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
NEPOOL	New England Power Pool Participants Committee
NESCOE	New England States Committee on Electricity
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
PJM	PJM Interconnection, L.L.C.
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek,

LLC; PPL Montour, LLC; PPL
Susquehanna, LLC; Lower Mount
Bethel Energy, LLC; PPL New Jersey
Solar, LLC; PPL New Jersey Biogas,
LLC; and PPL Renewable Energy, LLC

PSEG Companies

Public Service Electric and Gas
Company, PSEG Power LLC, PSEG
Energy Resources & Trade LLC

Rockland Electric Company

Rockland Electric Company

* late intervention

NYISO and New York Transmission Owners Compliance Filing
Docket No. ER13-1942-000

Abbreviations	Intervenor(s)
AEP	American Electric Power Service Corporation
Dominion Resources Services	Dominion Resources Services, Inc.
Duke	Duke Energy Corporation on behalf of Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Duke Energy Indiana, Inc., Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., Duke Energy Florida, Inc. and Duke Energy Commercial Asset Management, Inc., Duke Energy Retail Sales, LLC, Duke Energy Hanging Rock II, LLC, Duke Energy Washington II, LLC, Duke Energy Lee II, LLC, Duke Energy Fayette II, LLC, as well as Duke Energy Business Services, LLC
E.ON Climate & Renewables North America	E.ON Climate & Renewables North America, LLC
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
Maryland Public Service Commission	Maryland Public Service Commission
Multiple Intervenors	Multiple Intervenors

New York State Public Service
Commission

New York State Public Service
Commission

Old Dominion Electric Cooperative

Old Dominion Electric Cooperative

PPL Electric Utilities*

PPL Electric Utilities Corporation; PPL
EnergyPlus, LLC; PPL Brunner Island,
LLC; PPL Holtwood, LLC; PPL
Ironwood, LLC; PPL Martins Creek,
LLC; PPL Montour, LLC; PPL
Susquehanna, LLC; Lower Mount
Bethel Energy, LLC; PPL New Jersey
Solar, LLC; PPL New Jersey Biogas,
LLC; and PPL Renewable Energy, LLC

PSEG Companies

Public Service Electric and Gas
Company, PSEG Power LLC, PSEG
Energy Resources & Trade LLC

Rockland Electric Company

Rockland Electric Company

* late intervention

NYISO Compliance Filing
Docket No. ER13-1946-000

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
E.ON Climate & Renewables North America	E.ON Climate & Renewables North America, LLC
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
Rockland Electric Company	Rockland Electric Company

New England Filing Parties Compliance Filing
Docket No. ER13-1960-000

Abbreviation	Intervenor(s)
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
NESCOE	New England States Committee on Electricity
NYISO*	New York Independent System Operator, Inc.
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC
Public Interest Organizations	Conservation Law Foundation, Environment Northeast, Natural Resources Defense Council, Pace Energy and Climate Center and the Sustainable FERC Project
Rockland Electric Company	Rockland Electric Company

* late intervention

PJM Compliance Filing
Docket No. ER13-1947-000

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Dominion Resources Services	Dominion Resources Services, Inc.
Duke	Duke Energy Corporation on behalf of Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Duke Energy Indiana, Inc., Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., Duke Energy Florida, Inc. and Duke Energy Commercial Asset Management, Inc., Duke Energy Retail Sales, LLC, Duke Energy Hanging Rock II, LLC, Duke Energy Washington II, LLC, Duke Energy Lee II, LLC, Duke Energy Fayette II, LLC, as well as Duke Energy Business Services, LLC
E.ON Climate & Renewables North America	E.ON Climate & Renewables North America, LLC
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
Maryland Public Service Commission	Maryland Public Service Commission
NYISO	New York Independent System Operator, Inc.

New York Transmission Owners	Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC
PSEG Companies	Public Service Electric and Gas Company, PSEG Power LLC, PSEG Energy Resources & Trade LLC
Public Interest Organizations	Conservation Law Foundation, Environment Northeast, Natural Resources Defense Council, Pace Energy and Climate Center and the Sustainable FERC Project
Rockland Electric Company	Rockland Electric Company

PJM Transmission Owners Compliance Filing
Docket No. ER13-1926-000

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Dominion Resources Services	Dominion Resources Services, Inc.
E.ON Climate & Renewables North America	E.ON Climate & Renewables North America, LLC
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
Maryland Public Service Commission	Maryland Public Service Commission
NYISO*	New York Independent System Operator, Inc.
New York Transmission Owners	New York Transmission Owners
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
PHI Companies	Pepco Holdings, Inc.; Potomac Electric Power Company; Delmarva Power & Light Company; and Atlantic City Electric Company
PJM Transmission Owners	PJM Transmission Owners
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island,

LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC

PSEG Companies

Public Service Electric and Gas Company, PSEG Power LLC, PSEG Energy Resources & Trade LLC

Rockland Electric Company

Rockland Electric Company

VI. Appendix B: Abbreviated Names of Initial Commenters

The following tables contain the abbreviated names of initial commenters that are used in this Order on Compliance Filings.

Initial Commenters**Northeastern Protocol Parties Compliance Filing
Docket No. ER13-1957-000**

Abbreviation	Commenter(s)
NEPOOL	New England Power Pool Participants Committee
NESCOE	New England States Committee on Electricity

NYISO and New York Transmission Owners Compliance Filing
Docket No. ER13-1942-000

Abbreviation

Commenter(s)

Indicated Transmission Owners+

Long Island Power Authority, its operating subsidiary, Long Island Lighting Company, Consolidated Edison Company of New York, Inc., Orange & Rockland Utilities, Inc., the New York Power Authority, and Central Hudson Gas & Electric Corporation

+ protest

NYISO Compliance Filing
Docket No. ER13-1946-000

Abbreviation

Commenter(s)

No protests or comments were filed in this docket.

New England Filing Parties Compliance Filing
Docket No. ER13-1960-000

Abbreviation	Commenter(s)
NESCOE	New England States Committee on Electricity
Public Interest Organizations+	Conservational Law Foundation, Environment Northeast, Natural Resources Defense Council, Pace Energy and Climate Center and the Sustainable FERC Project
+ protest	

PJM Compliance Filing
Docket No. ER13-1947-000

FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, and Trans-Allegheny Interstate Line Company
NYISO+	New York Independent System Operator, Inc.
New York Transmission Owners+	New York Transmission Owners
Public Interest Organizations+	Conservation Law Foundation, Environment Northeast, Natural Resources Defense Council, Pace Energy and Climate Center and the Sustainable FERC Project

+ protest

PJM Transmission Owners Compliance Filing
Docket No. ER13-1926-000

No protests or comments were filed in this docket.

VII. Appendix C: Abbreviated Names of Reply Commenters

The following tables contain the abbreviated names of reply commenters that are used in this Order on Compliance Filings.

Reply Commenters

**Northeastern Protocol Parties Compliance Filing
Docket No. ER13-1957-000**

Abbreviation	Commenter(s)
ISO-NE ⁴²¹	ISO New England Inc.

**NYISO and New York Transmission Owners Compliance Filing
Docket No. ER13-1942-000**

Abbreviation	Commenter(s)
NYISO ⁴²²	New York Independent System Operator, Inc.
PJM Transmission Owners ⁴²³	PJM Transmission Owners

⁴²¹ ISO-NE filed an answer to the protest of Public Interest Organizations and comments of NEPOOL on September 24, 2015 (Docket Nos. ER13-1957-000 and ER13-1960-000).

⁴²² NYISO filed an answer to the protests of Indicated Transmission Owners and Public Interest Organizations on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1947-000, and ER13-1960-000).

⁴²³ PJM Transmission Owners filed an answer to the protest of Public Interest Organizations and Indicated Transmission Owners on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1946-000, and ER13-1947-000).

NYISO Compliance Filing
Docket No. ER13-1946-000

Abbreviation	Commenter(s)
PJM Transmission Owners ⁴²⁴	PJM Transmission Owners

New England Filing Parties Compliance Filing
Docket No. ER13-1960-000

Abbreviation	Commenter(s)
ISO-NE ⁴²⁵	ISO New England Inc.
NYISO ⁴²⁶	New York Independent System Operator, Inc.

PJM Compliance Filing
Docket No. ER13-1947-000

Abbreviation	Commenter(s)
NYISO ⁴²⁷	New York Independent System

⁴²⁴ PJM Transmission Owners filed an answer to the protest of Public Interest Organizations and Indicated Transmission Owners on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1946-000, and ER13-1947-000).

⁴²⁵ ISO-NE filed an answer to the protest of Public Interest Organizations and comments of NEPOOL on September 24, 2015 (Docket Nos. ER13-1957-000 and ER13-1960-000).

⁴²⁶ NYISO filed an answer to the protests of Indicated Transmission Owners and Public Interest Organizations on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1947-000, and ER13-1960-000).

⁴²⁷ NYISO filed an answer to the protests of Indicated Transmission Owners and Public Interest Organizations on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1947-000, and ER13-1960-000).

	Operator, Inc.
New York Transmission Owners ⁴²⁸	New York Transmission Owners
PJM ⁴²⁹	PJM Interconnection, L.L.C.
PJM Transmission Owners ⁴³⁰	PJM Transmission Owners

PJM Transmission Owners Compliance Filing
Docket No. ER13-1926-000

Abbreviation	Commenter(s)
NYISO ⁴³¹	New York Independent System Operator, Inc.
PJM Transmission Owners ⁴³²	PJM Transmission Owners

⁴²⁸ New York Transmission Owners filed a response to PJM's Answer on October 30, 2013 (Docket No. ER13-1947-000).

⁴²⁹ PJM filed an answer to the protests of NYISO and the New York Transmission Owners on October 15, 2013 (Docket No. ER13-1947-000).

⁴³⁰ PJM Transmission Owners filed an answer to the protests of Public Interest Organizations and Indicated Transmission Owners on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1946-000, and ER13-1947-000).

⁴³¹ NYISO filed an answer to the protests of Indicated Transmission Owners and Public Interest Organizations on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1947-000, and ER13-1960-000).

⁴³² PJM Transmission Owners filed an answer to the protests of Public Interest Organizations and Indicated Transmission Owners on September 24, 2015 (Docket Nos. ER13-1926-000, ER13-1942-000, ER13-1946-000, ER13-1947-000).

VIII. Appendix D: eTariff Records

The following table contains the eTariff records that are addressed in this Order on Compliance Filings. Shorthand eTariff record citations are only provided for those records that are explicitly addressed in this Order on Compliance Filings.

Filing Party Short Cite	Docket No.	Tariff Record Citation	Shorthand Tariff Record Citation
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 31 (Attachment Y-New York ISO Comprehensive System Planning Process), § 31.1 (New York Comprehensive System Planning Process) (5.0.0).	NYISO, OATT, Attachment Y, § 31.1 (5.0.0).
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 31 (Attachment Y-New York ISO Comprehensive System Planning Process), § 31.2 (Reliability Planning Process) (4.0.0).	NYISO, OATT, Attachment Y, § 31.2 (4.0.0).
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 31 (Attachment Y-New York ISO Comprehensive System Planning Process), § 31.3 (Economic Planning Process) (3.0.0).	NYISO, OATT, Attachment Y, § 31.3 (3.0.0).
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 31 (Attachment Y-New York ISO Comprehensive System Planning Process), § 31.4 (Public Policy Requirements Planning Process) (1.0.0).	NYISO, OATT, Attachment Y, § 31.4 (1.0.0).
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 31 (Attachment Y-New York ISO Comprehensive System	NYISO, OATT, Attachment Y, § 31.5 (4.0.0).

		Planning Process), § 31.5 (Cost Allocation and Cost Recovery) (4.0.0).	
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 31 (Attachment Y-New York ISO Comprehensive System Planning Process), § 31.6 (Other Provisions) (3.0.0).	NYISO, OATT, Attachment Y, § 31.6 (3.0.0).
NYISO	ER13-1942-000	NYISO, NYISO Tariffs, OATT, § 35 (Attachment CC- Joint Operating Agreement Between NYISO and PJM), § 35.10 (Coordination of Transmission Planning Studies) (1.0.0).	NYISO, NYISO-PJM JOA, § 35.10 (1.0.0).
NYISO	ER13-1946-000	NYISO, NYISO Agreements, Designation (Northeast Planning Protocol-Designation of Filing Party) (0.0.0).	NYISO, Agreements, Designation (0.0.0).
PJM	ER13-1947-000	PJM, Interregional Agreements, Northeastern ISO/RTO - Designation (Northeastern ISO/RTO Planning Coordination Protocol - Designation of Filing Party) (0.0.0).	PJM, Interregional Agreements, Northeastern ISO/RTO - Designation (0.0.0).
ISO-NE	ER13-1957-000	ISO-NE, ISO-NE Agreements and Contracts, N.E. ISO/PTO Planning (Northeastern ISO/RTO Planning Coordination Protocol Agreement) (1.0.0).	ISO-NE, Amended Northeastern Protocol (1.0.0).
ISO-NE	ER13-1960-000	ISO-NE, ISO-NE Transmission, Markets and Services Tariff (Tariff), § I.2 (Rules of Construction; Definitions) (50.0.0).	ISO-NE, Tariff, § I.2 (50.0.0).

ISO-NE	ER13-1960-000	ISO-NE, ISO-NE Transmission, Markets and Services Tariff, Section II (OATT), TOC (Table of Contents) (9.0.0).	ISO-NE, OATT, TOC (9.0.0).
ISO-NE	ER13-1960-000	ISO-NE, ISO-NE Transmission, Markets and Services Tariff, Section II (OATT), Schedule 12 (Transmission Cost Allocation On/After January 1, 2004) (5.0.0).	ISO-NE, OATT, Schedule 12 (5.0.0).
ISO-NE	ER13-1960-000	ISO-NE, ISO-NE Transmission, Markets and Services Tariff, Section II (OATT), Attachment K - Regional System Planning Process (10.0.0).	ISO-NE, OATT, Attachment K - Regional System Planning Process (10.0.0).