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FERC Order 890
Transmission Planning Principles

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ESPWG Meeting
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Background

- Order 890 is FERC's Final Rule on Open Access Reform
- Adopts a number of modifications to the *pro-forma* OATT originally adopted in Order 888
- Applies to all jurisdictional public utilities—including ISOs and RTOs
- ISO/RTO (and TO members of ISOs/RTOs) Compliance filings due 210 days from publication in Federal Register (Approx Oct 1, 2007)
- This summary focuses on only the Planning Requirements

Transmission Planning

- FERC has adopted nine “Planning Principles” that apply to all public utility transmission providers—including ISOs and RTOs
- FERC has acknowledged that ISOs/RTOs already have FERC approved planning processes that are more open and transparent than non-ISO regions and that its intent is “not to re-open prior approvals”
- Final Rule requires all TO members of ISO/RTOs to participate in the planning process that meets the FERC principles
- FERC indicates its expectation that non-public TOs will also participate

FERC's Nine "Planning Principles"

- NYISO's CRPP already addresses the following FERC planning principles:
 - *Coordination*
 - *Openness*
 - *Transparency*
 - *Information Exchange*
 - *Comparability*
 - *Dispute Resolution*

New Requirement: Economic Planning

- The Final Rule adopts a principle which requires that economic planning must be part of all public utility transmission providers' planning processes:
 - *FERC declines to adopt any specific metrics*
 - *Process must be developed which will allow customers to choose congestion studies that are most valuable to them*
 - *A "defined number" of "high priority" studies are to be conducted annually with the costs recovered from all loads*
 - *Additional studies to be paid for by the requestor*
 - *Studies also to be performed "to identify upgrades to integrate new generation resources or loads on an aggregated or regional basis"*

Other Principles

- To the extent that the following principles also have an economic planning component, the NYISO may have to modify its current procedures as well
- **Regional Participation**
 - *The Northeast ISO/RTO Coordination of Planning Protocol may be utilized to address this principle*
- **Cost Allocation**
 - *To apply to regional projects involving several TO's or to economic projects*
 - *While declining to propose a specific methodology, FERC expresses its "general belief" that "beneficiaries should support the cost"*
 - *Not intended to upset existing cost allocation methods applicable to specific interconnection requests*

FERC's Procedural Schedule

- ISO/RTOs to work with stakeholders to develop a “Strawman” proposal for compliance with each of the planning principles
 - *NYISO intends to address this through the ESPWG*
- Strawman to be posted on OASIS within 75 days of Federal Register publication of Final Rule
- FERC will hold regional Technical Conferences within 90-120 days of publication
- Compliance filing due in 210 days