

FERC Order 1000: Electric Transmission Planning and Cost Allocation

Order No. 1000 reforms the Federal Energy Regulatory Commission's (FERC) electric transmission planning and cost allocation requirements for public utility transmission providers. The rule builds on the reforms of Order No. 890.

Planning Reform:

- Public utility transmission provider must participate in a regional transmission planning process.
- Those planning processes must consider needs driven by public policy requirements established by state or federal laws or regulations.
- Public utility transmission providers in each pair of neighboring transmission planning regions must coordinate to determine if there are more efficient or cost-effective solutions to their transmission needs.

Cost Allocation Reforms:

- Regional organizations must formulate a method to allocate costs of new transmission facilities.
- Public utility transmission providers in neighboring transmission planning regions must have a common interregional cost allocation method for new interregional transmission facilities that the regions determine to be efficient or cost-effective.
- Participant-funding is permitted, but cannot be used as default method for Cost Allocation

Nonincumbent Developer Reforms:

- As part of its participation in an organized market (Midwest ISO), Montana-Dakota Utilities has an obligation to build needed transmission, and also has a right of first refusal (ROFR), allowing it to claim building rights to projects before others. FERC has now ordered that the ROFR be removed from tariffs for a transmission facility selected in a regional transmission plan for purposes of cost allocation.

Compliance:

- Public utility transmission provider's compliance filings for regional cost allocation and transmission planning are due 10/11/12.
- Public utility transmission provider's compliance filings for interregional transmission coordination and interregional cost allocation are due 4/11/2013.

Energy & Telecommunications Committee Mtg.
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