

150 FERC ¶ 61,046
 UNITED STATES OF AMERICA
 FEDERAL ENERGY REGULATORY COMMISSION

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

PJM Interconnection, L.L.C. Duquesne Light Company	Docket Nos. ER13-1927-000
PJM Interconnection, L.L.C.	ER13-1936-000
Duke Energy Carolinas, LLC Duke Energy Progress, Inc.	ER13-1928-000
Louisville Gas and Electric Company	ER13-1930-000
Ohio Valley Electric Corporation	ER13-1940-000
Alabama Power Company	ER13-1941-000
	(not consolidated)

ORDER ON COMPLIANCE FILINGS

(Issued January 23, 2015)

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1. On July 10, 2013, pursuant to section 206 of the Federal Power Act (FPA),¹ in Docket No. ER13-1928-000, Duke Energy Carolinas LLC and Duke Energy Progress, Inc. (Duke Carolinas) (together, Duke Carolinas Compliance Filing); in Docket No. ER13-1941-000, Southern Company Services, Inc. acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power

¹ 16 U.S.C. § 824e (2012).

Company (collectively, Southern Companies) (Southern Companies Compliance Filing); in Docket No. ER13-1930-000, Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU) (LG&E/KU Compliance Filing); and in Docket No. ER13-1940-000, Ohio Valley Electric Corporation (OVEC) (OVEC Compliance Filing) (collectively, SERTP Filing Parties), separately submitted revisions to each of their respective open access transmission tariffs (OATT)² to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000,³ with respect to the neighboring PJM Interconnection, L.L.C. (PJM) transmission planning region.⁴

2. On July 10, 2013, pursuant to section 206 of the FPA, PJM submitted in Docket No. ER13-1936-000, a new Schedule 6-A of its Operating Agreement (Schedule 6-A), as well as related revisions to Schedule 6 of its Operating Agreement,⁵ to comply with the interregional transmission coordination requirements of Order No. 1000 (PJM Compliance Filing).

3. On July 10, 2013, in Docket No. ER13-1927-000, PJM Transmission Owners submitted pursuant to section 206 of the FPA a new Schedule 12-B of the PJM OATT to comply with the interregional transmission cost allocation requirements of Order No. 1000 (Schedule 12-B) (PJM Transmission Owners Compliance Filing).

² Tariff records filed by the entities are listed in Appendix D to this order.

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 and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

⁴ Each of the SERTP Filing Parties submitted in a single compliance filing separate tariff records to comply with the Order No. 1000 interregional coordination and cost allocation requirements with respect to the public utility transmission providers in all five of the SERTP region's neighboring transmission planning regions: PJM; Midcontinent Independent System Operator, Inc. (MISO); Southwest Power Pool, Inc. (SPP); South Carolina Regional Transmission Planning (SCRTP); and Florida Reliability Coordinating Council, Inc. (FRCC). In this order, we address the SERTP Filing Parties' tariff records related to the PJM region. We will address the SERTP Filing Parties' tariff records related to the MISO, SPP, SCRTP, and FRCC regions in separate orders.

⁵ Schedule 6 governs the PJM Regional Transmission Expansion Planning (RTEP) process.

4. In this order, the Commission conditionally accepts the PJM Compliance Filing, PJM Transmission Owners Compliance Filing, and SERTP Filing Parties' Compliance Filings, subject to further compliance filings, as discussed below.

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. 890⁶ were too narrowly focused geographically and failed to provide for adequate analysis of the benefits associated with interregional transmission facilities in neighboring transmission planning regions.⁷ The Commission concluded that interregional transmission coordination reforms were necessary.⁸ 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;⁹ and (2) jointly evaluating those interregional transmission

⁶ *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).

⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 369.

⁸ *Id.* P 370.

⁹ 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 Stats. & 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

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facilities that the pair of neighboring transmission planning regions identify, including those proposed by transmission developers and stakeholders.¹⁰ The Commission defined an interregional transmission facility as “one that is located in two or more transmission planning regions.”¹¹ 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.¹² 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.”¹³

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 project 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.

¹⁰ 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 Organization (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 utility transmission owning members.” *Id.* P 630 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 584).

¹¹ *Id.* P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

¹² *Id.* P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398).

¹³ *Id.* P 522.

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.¹⁴ The Commission also required that each public utility transmission provider's interregional cost allocation method or methods satisfy six interregional cost allocation principles.¹⁵ To be eligible for interregional cost allocation, an interregional transmission facility must be selected in the relevant transmission planning regions' regional transmission plans for purposes of cost allocation.¹⁶

II. Compliance Filings

A. PJM Compliance Filing (Docket No. ER13-1936-000) and SERTP Filing Parties Compliance Filings (Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1936-000, ER13-1940-000, and ER13-1941-000)

7. SERTP Filing Parties¹⁷ and PJM¹⁸ submitted separate but coordinated interregional compliance filings in which they propose to revise their respective regional transmission planning processes to comply with the interregional transmission coordination requirements of Order No. 1000. SERTP Filing Parties state that their individual compliance filings each contain a common transmittal letter and common tariff language, with each filing party individually submitting relevant revised common tariff language to its respective OATT.¹⁹ PJM states they have agreed to a common approach

¹⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 578, 582; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

¹⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603.

¹⁶ *Id.* P 400.

¹⁷ SERTP Filing Parties filed their respective compliance filings in Docket Nos. ER13-1928-000 (Duke Carolinas), ER13-1930-000 (LG&E/KU), ER13-1940-000 (OVEC), and ER13-1941-000 (Southern Companies).

¹⁸ PJM and PJM Transmission Owners filed their respective compliance filings in Docket No. ER13-1936-000 (PJM).

¹⁹ *See, e.g.*, PJM Compliance Filing, Docket No. ER13-1936-000, at 2; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 3. Given this uniformity,

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and parallel language to be included in their respective tariffs to satisfy Order No. 1000's requirements for their collective seam. In this order, we refer to SERTP Filing Parties and PJM Filing Parties as SERTP Filing Parties and PJM.

8. Additionally, SERTP Filing Parties²⁰ and PJM Transmission Owners²¹ submitted separate but coordinated interregional compliance filings. PJM Transmission Owners explain that SERTP Filing Parties and PJM Transmission Owners have substantively identical tariff provisions and coordinated regarding the contents of the transmittal letters regarding their respective cost allocation provisions.²² SERTP Filing Parties explain that SERTP Filing Parties, PJM and PJM Transmission Owners having Section 205 filing rights for cost allocation purposes agreed to a common approach and parallel tariff language in their respective tariffs to satisfy Order No. 1000's interregional coordination and cost allocation requirements for their collective seam.²³

9. PJM and SERTP Filing Parties proposals explain that SERTP and PJM will evaluate potential interregional transmission projects through their respective regional transmission planning processes to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than projects included in the respective then-current regional transmission plans.²⁴ Each filing party's proposal explains that initial evaluation of interregional transmission projects proposed for interregional cost allocation purposes typically will begin during the third calendar quarter, with analysis conducted in the same manner as analysis of other interregional transmission projects identified by SERTP,

the Commission will cite to Southern Companies' transmittal letter and OATT when referencing SERTP Filing Parties' proposal and will cite to PJM's transmittal letter and OATT when referencing PJM's proposal.

²⁰ SERTP Filing Parties filed their respective compliance filings in Docket Nos. ER13-1928-000 (Duke Carolinas), ER13-1930-000 (LG&E/KU), ER13-1940-000 (OVEC), and ER13-1941-000 (Southern Companies).

²¹ PJM Transmission Owners filed their compliance filing in Docket Nos. ER13-1927-000.

²² *See, e.g.*, PJM Compliance Filing, Docket No. ER13-1936-000, at 2.

²³ *See, e.g.*, Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 27.

²⁴ Southern Companies, OATT, Attachment K, Ex. K-6, § 3.1 (0.0.0).

PJM, or stakeholders.²⁵ Each of the filing parties further explains that an interregional transmission project proposed for interregional cost allocation in SERTP and PJM will be included in the respective regional transmission plans for purposes of cost allocation only after it has been selected in both the SERTP and PJM regional transmission planning processes to be included in their respective regional transmission plans for purposes of cost allocation.²⁶

B. PJM Transmission Owners Compliance Filing (Docket No. ER13-1927-000) and SERTP Filing Parties Compliance Filings (Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1936-000, ER13-1940-000, ER13-1941-000)

10. PJM Transmission Owners and the SERTP Filing Parties propose an interregional cost allocation method based on the avoided costs of regional transmission projects that are displaced by interregional transmission projects selected by PJM and SERTP, allocating the proposed interregional transmission project's costs between the transmission planning regions on a *pro rata* basis.²⁷

III. Notice of Filings and Responsive Pleadings

A. Duke Carolinas Compliance Filing (Docket No. ER13-1928-000)

11. Notice of the Duke Carolinas Compliance Filing was published in the *Federal Register*, 78 Fed. Reg. 43,192 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013.

²⁵ PJM, Intra-PJM Tariffs, OA, Schedule 6-A (Interregional Transmission Coordination Between the SERTP and PJM Regions) (0.0.0); PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 3.4 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0); Alabama Power Company, OATT and Associated Service Agreements, Ex. K-6 (Interregional Transmission Coordination – SERTP/PJM Regions) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.4 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0).

²⁶ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 3.5 (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.5 (0.0.0).

²⁷ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B (Allocation of Costs of Certain Interregional Transmission Projects Located in the PJM and SERTP Regions) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5 (Cost Allocation) (0.0.0).

Notices of intervention and timely motions to intervene were filed by the entities noted in Appendix A to this order.²⁸ On September 10, 2013, PPL Electric Utilities filed a motion to intervene out of time. Protests and comments were filed by the entities noted in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out of time.

12. Answers to the Duke Carolinas Compliance Filing were filed by the entities noted in Appendix C to this order and are addressed below.

B. LG&E/KU Compliance Filing (Docket No. ER13-1930-000)

13. Notice of the LG&E/KU Compliance Filing was published in the *Federal Register*, 78 Fed. Reg. 43,192 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. Notices of intervention and timely motions to intervene were filed by the entities noted in Appendix A to this order. On September 10, 2013, PPL Electric Utilities filed a motion to intervene out of time. Protests and comments were filed by the entities noted in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out of time.

14. Answers to the LG&E/KU Compliance Filing were filed by the entities noted in Appendix C to this order and are addressed below.

C. PJM Compliance Filing (Docket No. ER13-1936-000)

15. Notice of the PJM Compliance Filing was published in the *Federal Register*, 78 Fed. Reg. 43,192 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. Notices of intervention and timely motions to intervene were filed by the entities noted in Appendix A to this order. On September 10, 2013, PPL Electric Utilities filed a motion to intervene out of time. Protests and comments were filed by the entities noted in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out of time.

16. Answers to the PJM Compliance Filing were filed by the entities noted in Appendix C to this order and are addressed below.

²⁸ The entity abbreviations listed in Appendices A, B, and C are used throughout this order.

D. OVEC Compliance Filing (Docket No. ER13-1940-000)

17. Notice of the OVEC Compliance Filing was published in the *Federal Register*, 78 Fed. Reg. 43,192 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. Notices of intervention and timely motions to intervene were filed by the entities noted in Appendix A to this order. On September 10, 2013, PPL Electric Utilities filed a motion to intervene out of time. Protests and comments were filed by the entities noted in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out of time.

18. Answers to the OVEC Compliance Filing were filed by the entities noted in Appendix C to this order and are addressed below.

E. Southern Companies Compliance Filing (Docket No. ER13-1941-000)

19. Notice of the Southern Companies Compliance Filing was published in the *Federal Register*, 78 Fed. Reg. 43,192 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. Notices of intervention and timely motions to intervene were filed by the entities noted in Appendix A to this order. On September 10, 2013, PPL Electric Utilities filed a motion to intervene out of time. Protests and comments were filed by the entities noted in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out of time.

20. Answers to the Southern Companies Compliance Filing were filed by the entities noted in Appendix C to this order and are addressed below.

F. PJM Transmission Owners Compliance Filing (Docket No. ER13-1927-000)

21. Notice of the PJM Transmission Owners Compliance Filing was published in the *Federal Register*, 78 Fed. Reg. 43,192 (2013), with interventions and protests due on or before August 26, 2013, which the Commission subsequently extended to September 9, 2013. Notices of intervention and timely motions to intervene were filed by the entities noted in Appendix A to this order. On September 10, 2013, and September 12, 2013, respectively PPL Electric Utilities Companies and Dominion Resources Services, Inc. filed motions to intervene out of time. Protests and comments were filed by the entities noted in Appendix B to this order and are addressed below.

22. Answers to the PJM Transmission Owners Compliance Filing were filed by the entities noted in Appendix C to this order and are addressed below.

23. On December 30, 2013, the Commission issued an order conditionally accepting the PJM Transmission Owners Compliance Filing, subject to the outcome of this order.²⁹

IV. Discussion

A. Procedural Matters

24. 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 these proceedings. In addition, given the early stage of these proceedings and the absence of undue prejudice or delay, we grant PPL Electric Utilities', Dominion Resources Services', and Wind Parties' late-filed motions to intervene in the Duke Carolinas, LG&E/KU, OVEC, and Southern Companies Compliance Filings and in the PJM and PJM Transmission Owners Filings.

25. 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

26. We find that PJM and SERTP Filing Parties' Compliance Filings, subject to certain modifications, comply with the interregional transmission coordination requirements in Order No. 1000. In addition, we find that PJM Transmission Owners' and SERTP Filing Parties' Compliance Filings, subject to certain modifications, comply with the interregional cost allocation requirements in Order No. 1000. Accordingly, we conditionally accept PJM's, PJM Transmission Owners', and SERTP Filing Parties' Compliance Filings subject to further compliance filings, as discussed below. We direct PJM, PJM Transmission Owners, and SERTP Filing Parties to submit the further compliance filings within 60 days of the date of issuance of this order.

²⁹ *PJM Interconnection, L.L.C.*, 145 FERC ¶ 61,291, at P 1 (2013) ("In this order, we conditionally accept the proposed cost allocation method for filing, to be effective January 1, 2014, subject to refund and to future orders in PJM's and SERTP's related Order No. 1000 interregional compliance proceedings.").

1. Interregional Transmission Coordination Requirements

a. General Requirements

27. 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. 1000.³⁰ The Commission also required public utility transmission providers in each pair of neighboring transmission planning regions to develop the same 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.³¹ 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.³²

i. Compliance Filings

28. SERTP Filing Parties explain that they have five neighboring transmission planning regions, including PJM.³³ SERTP Filing Parties explain that they are the public utility transmission providers that sponsor the SERTP process.³⁴ SERTP Filing Parties state that the non-public utility transmission providers that sponsor the SERTP region³⁵

³⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 415.

³¹ *Id.* P 475; *see also id.* P 346; Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

³² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 346, 475; Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

³³ Southern Companies Compliance Filing, Docket No. ER14-1941-000, at 2.

³⁴ *Id.*

³⁵ SERTP Filing Parties state that the non-public utility transmission providers that sponsor the SERTP region are: Associated Electric Cooperative Inc., Dalton Utilities, the Municipal Electric Authority of Georgia, PowerSouth Energy Cooperative, Georgia Transmission Corporation, the South Mississippi Electric Power Association, and the Tennessee Valley Authority.

support SERTP Filing Parties interregional transmission coordination compliance filings.³⁶

29. PJM and SERTP Filing Parties propose to define an interregional transmission project as “a facility or set of facilities that would be physically located in both the SERTP and PJM regions and would interconnect to the transmission facilities of one or more SERTP transmission owners and one or more PJM transmission owners.”³⁷ Similarly, PJM Transmission Owners and SERTP Filing Parties propose that, for an interregional transmission facility to be considered for interregional cost allocation within the SERTP and PJM transmission planning regions, it must be interregional in nature, which requires that it must: (1) be physically located in both the SERTP and PJM transmission planning regions; (2) interconnect to the transmission facilities of one or more SERTP transmission owners and the transmission facilities of one or more PJM transmission owners; and (3) meet the threshold criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and PJM transmission planning regions, pursuant to their respective regional transmission planning processes.³⁸

30. PJM and SERTP Filing Parties state that they have agreed to a common approach and parallel language to be included in their respective tariffs to comply with the interregional transmission coordination requirements of Order No. 1000.³⁹ PJM Transmission Owners state that they and SERTP Filing Parties have agreed to a common approach and parallel language in their respective tariffs to satisfy the interregional cost allocation requirements of Order No. 1000.⁴⁰

³⁶ Southern Companies Compliance Filing, Docket No. ER14-1941-000, at 3.

³⁷ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, Interregional Transmission Planning Principles (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, Interregional Transmission Planning Principles (0.0.0).

³⁸ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.A (0.0.0).

³⁹ Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 27; PJM Compliance Filing, Docket No. ER13-1936-000, at 1-2.

⁴⁰ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 8.

31. SERTP Filing Parties request an effective date of the transmission planning cycle subsequent to their regional transmission planning processes becoming effective. SERTP Filing Parties state that they assume that their regional transmission planning proposals likely will become effective January 1, 2014, and as a result, they believe this will make their interregional transmission planning process effective January 1, 2015.⁴¹

32. PJM requests that the revisions adding Schedule 6-A to its Operating Agreement be made effective January 1, 2014, or in the alternative, the effective date requested by SERTP Filing Parties.⁴² Additionally, PJM Transmission Owners request that the revisions adding Schedule 12-B to the PJM OATT be made effective January 1, 2014, or in the alternative, the effective date requested by SERTP Filing Parties.⁴³

ii. Commission Determination

33. We find that PJM and SERTP Filing Parties have partially complied with the general interregional transmission coordination requirements of Order No. 1000. Specifically, as discussed below, we find that PJM and SERTP Filing Parties may not require that an interregional transmission facility interconnect to the transmission facilities of one or more SERTP transmission owners and the transmission owners and the transmission facilities of one or more PJM transmission owners. We find that PJM and SERTP Filing 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, because PJM and SERTP are both planning regions that have proposed procedures to coordinate with each neighboring transmission region, including each other.

34. We also find that PJM and SERTP Filing Parties partially comply with the requirement to develop the same language in each public utility transmission provider's OATT. While PJM and SERTP Filing Parties do not propose identical language, the differences are generally ministerial in nature. A noted exception to this finding is the difference in tariff language as it relates to FPA section 205 rights in the cost allocation section of the proposed revisions. This issue is addressed in detail in the cost allocation section of this order.

⁴¹ Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 49.

⁴² PJM Compliance Filing, Docket No. ER13-1936-000, at 6-7.

⁴³ PJM Transmission Owners' Filing, Docket No. ER13-1927-000, at 10.

35. We find that PJM and SERTP Filing Parties' proposed definition of an interregional transmission facility and the proposed criteria to define a transmission project as interregional in nature partially comply with Order No. 1000's definition of an interregional transmission facility as one that is located in two or more transmission planning regions.⁴⁴ Specifically, the requirement in the proposed definition and proposed criteria that the transmission facility must interconnect to the transmission facilities of one or more SERTP transmission owners and the transmission facilities of one or more PJM transmission owners⁴⁵ are overly limiting and inconsistent with Order No. 1000. While PJM and SERTP Filing Parties' proposal to allow interconnecting interregional transmission facilities to be eligible for interregional cost allocation is consistent with the requirements of Order No. 1000, limiting this interconnection to only those transmission projects that will interconnect to the transmission facilities of one or more SERTP transmission owners and one or more PJM transmission owners is unduly limiting. Order No. 1000 did not limit stakeholders and transmission developers to proposing only interregional transmission facilities that would interconnect to *existing* transmission facilities of an *existing* transmission owner, or a transmission owner *enrolled* in the respective transmission planning regions.⁴⁶ PJM and SERTP Filing Parties' proposed language would preclude interregional transmission facilities from interconnecting with transmission facilities that are selected in the regional plan for purposes of cost allocation but that are currently under development by a transmission developer who has not yet become a sponsor in SERTP or a transmission owner in PJM. Thus, we find that this proposed definition does not comply with Order No. 1000.⁴⁷ Accordingly, we direct

⁴⁴ Order No. 1000-A, 139 FERC ¶ 61,132 at P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

⁴⁵ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.A (0.0.0).

⁴⁶ In its orders on compliance with the regional transmission and cost allocation requirements of Order No. 1000, the Commission required regions to remove or clarify proposals that required a transmission provider to own, control, or provide service over transmission facilities within the respective regions in order to enroll in the respective region, finding that this logic appears circular in nature. *See Louisville Gas & Elec. Co.*, 147 FERC ¶ 61,241, at P 53 (2014) (SERTP Regional Rehearing and Compliance Order); *Tampa Elec. Co.*, 148 FERC ¶ 61,172, at P 43 (2014).

⁴⁷ We note that the Commission found other definitions of an interregional transmission facility to comply with Order No. 1000. For example, in its December 2014 order, the Commission found Western Filing Parties' proposal to define an interregional

(continued ...)

PJM, SERTP Filing Parties, and PJM Transmission Owners to submit further compliance filings within 60 days of the date of issuance of this order that include a definition of an interregional transmission facility that is consistent with Order No. 1000, which defines an interregional transmission facility as one that is located in two or more transmission planning regions.

36. We find PJM and SERTP Filing Parties' requested January 1, 2015 effective date for revisions to SERTP Filing Parties' respective OATTs and to Schedule 6 of PJM's Operating Agreement to be reasonable. This date corresponds to the planning cycle subsequent to SERTP Filing Parties' effective date for their regional compliance filings.⁴⁸ We also find PJM Transmission Owners requested effective date of January 1, 2014, for Schedule 12-B of the PJM OATT to be reasonable. This effective date is consistent with an earlier Commission order conditionally accepting PJM Transmission Owners' proposed Schedule 12-B, effective January 1, 2014, subject to the outcome of this order.⁴⁹

b. Implementation of the Interregional Transmission Coordination Requirements

i. Data Exchange and Identifying Interregional Transmission Facilities

37. 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

transmission project as a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more planning regions, and that would be submitted into the regional transmission planning process of all such planning regions, consistent with Order No. 1000. *Pub. Serv. Co. of New Mexico*, 149 FERC ¶ 61,247, at P 24 (2014) (Western Interregional Order).

⁴⁸ See, e.g., *Duke Energy Carolinas, LLC*, 145 FERC ¶ 61,059, at P 6 (2013). In the order, the Commission accepted the SERTP Public Utility Sponsors' proposal to adopt a June 1, 2014 effective date for implementation of their revised Order No. 1000 regional transmission planning and cost allocation processes.

⁴⁹ *PJM Interconnection, L.L.C.*, 145 FERC ¶ 61,291, at P 1 (2013) ("In this order, we conditionally accept the proposed cost allocation method for filing, to be effective January 1, 2014, subject to refund and to future orders in PJM's and SERTP's related Order No. 1000 interregional compliance proceedings.").

to identify interregional transmission facilities.⁵⁰ 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.⁵¹ 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.⁵² 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.⁵³ 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.⁵⁴

38. In addition, the Commission required the developer of an interregional transmission project to first propose its transmission project in the regional transmission planning processes of each of the neighboring transmission planning regions in which the transmission facility is proposed to be located.⁵⁵ 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.⁵⁶

⁵⁰ 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 PP 399, 436.

⁵¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396; *see also id.* P 398.

⁵² *Id.* P 454.

⁵³ *Id.* P 455.

⁵⁴ *Id.*

⁵⁵ *Id.* P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

⁵⁶ *Id.* P 522.

(a) **Compliance Filings**

39. PJM and SERTP Filing Parties propose revisions that are intended to meet the model and data exchange requirements of Order No. 1000.⁵⁷ PJM and SERTP Filing Parties propose that at least annually, they shall exchange power-flow models and associated data used in their respective regional transmission planning processes to develop their respective then-current regional transmission plans. PJM and SERTP Filing Parties propose that this exchange will occur when such data is available in each of the transmission planning processes, typically during the first calendar quarter. PJM and SERTP Filing Parties further propose that additional transmission-based models and data may be exchanged between the SERTP transmission providers and PJM as necessary and if requested. PJM and SERTP Filing Parties also propose for purposes of the interregional transmission coordination activities, only data and models used in the development of PJM's and SERTP transmission provider's then-current regional transmission plans and used in their respective regional transmission planning processes will be exchanged.⁵⁸

40. PJM and SERTP Filing Parties propose to post data and models used in the development of PJM and SERTP Filing Parties' on the then-current regional transmission process websites, consistent with the posting requirements of the respective regional transmission processes.⁵⁹ PJM and SERTP Filing Parties propose that each transmission provider will notify the other of such posting.⁶⁰

41. Regarding the identification of interregional transmission projects, PJM and SERTP Filing Parties propose that biennially, the transmission providers shall meet to review the respective regional transmission plans. PJM and SERTP Filing Parties' proposal states that such transmission plans include each region's transmission needs as prescribed by each region's transmission planning process. PJM and SERTP Filing Parties propose that this review shall occur on a mutually agreeable timetable, taking into

⁵⁷ PJM Compliance Filing, Docket No. ER13-1936-000, at 4; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 29.

⁵⁸ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 2.1 (Data Exchange) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 2.1 (Data Exchange) (0.0.0).

⁵⁹ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 2.1 (Data Exchange) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6 § 2.1 (Data Exchange) (0.0.0).

⁶⁰ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 2.1 (Data Exchange) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6 § 2.1 (Data Exchange) (0.0.0).

account each region's regional transmission planning process timeline.⁶¹ PJM and SERTP Filing Parties propose that if through this review, the transmission providers identify a potential interregional transmission project that may be more efficient and cost-effective than regional transmission projects, the transmission providers shall jointly evaluate the potential interregional transmission project.⁶² PJM and SERTP Filing Parties also propose that stakeholders and transmission developers may propose interregional transmission projects that may be more efficient or cost-effective than regional transmission projects pursuant to the procedures in each region's regional transmission planning process.⁶³

(b) Protests/Comments

42. Four Public Interest Organizations argue that PJM's and SERTP Filing Parties' compliance filings limit the type of data they propose to share to power-flow models, associated data, and "additional transmission-based models and data...as necessary and if requested."⁶⁴ They state that the phrase "as necessary and if requested" is open to interpretation, and does not ensure data necessary for joint identification and evaluation will be shared between regions absent criteria around which to base related decisions.

43. Four Public Interest Organizations request that the Commission require PJM and SERTP Filing Parties to include stability models and other models in the regions' transmission planning processes as part of Order No. 1000's requirement for the identification of interregional transmission facilities that may be more efficient or cost-effective transmission solutions than existing regional transmission planning needs. Four Public Interest Organizations argue that these clarifications are necessary to ensure a

⁶¹ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 1.1 (Review of Respective Regional Transmission Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 1.1 (Review of Respective Regional Transmission Plans) (0.0.0).

⁶² PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 3.1 (Identification of Interregional Transmission Projects) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.1 (Identification of Interregional Transmission Projects) (0.0.0).

⁶³ PJM, Intra-PJM Tariffs, OA, Schedule 6, § 3.2 (Identification of Interregional Transmission Projects by Stakeholders) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.2 (Identification of Interregional Transmission Projects by Stakeholders) (0.0.0).

⁶⁴ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 13.

comprehensive data exchange so the transmission planning regions can effectively identify and evaluate more cost-effective interregional transmission solutions.⁶⁵

(c) Answers

44. SERTP Filing Parties argue that their data exchange proposal meets the requirements of Order No. 1000 and that Four Public Interest Organizations identify no additional Order No. 1000 requirement that the parties exchange stability models and other models used in the respective regional transmission planning process.⁶⁶ SERTP Filing Parties assert that Order No. 1000 requires that parties exchange data sufficient to make neighboring regions aware of each other's transmission plans and the assumptions and analysis that support those plans, which their proposal achieves through the exchange of the power-flow models and associated data that support each regional transmission plan.⁶⁷ Moreover, SERTP Filing Parties state that, while power-flow models and associated data will be provided automatically each year, their proposal provides SERTP and its neighboring regions with the means to request additional information if needed, and the regions are free to make such requests.⁶⁸

45. SERTP Filing Parties state that Order No. 1000 did not require that regions exchange all information and every data point used or considered in developing their annual transmission plan.⁶⁹ SERTP Filing Parties further argue that, depending on the type of analysis included in the power-flow models, the "associated data" will likely include the type of stability information that Four Public Interest Organizations claim is lacking.⁷⁰

46. In addition, SERTP Filing Parties state that the regions exchange transmission-related data and planning information regularly through the SERC Reliability Corporation (SERC), the Eastern Interconnection Reliability Assessment Group, the

⁶⁵*Id.* at 13-14.

⁶⁶ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 15.

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹*Id.* at 16.

⁷⁰*Id.*

Multi-Regional Modeling Working Group, and other reliability-related processes.⁷¹ SERTP Filing Parties contend that these pre-existing activities will not be diminished or eliminated but rather complemented by data exchanges pursuant to Order No. 1000 interregional transmission coordination requirements.⁷² SERTP Filing Parties argue that regions will not disregard data received through other means when reviewing their neighbors' regional transmission plans, as such actions are generally required in order for the utilities to effectively comply with their "duty to serve" requirements.⁷³

47. SERTP Filing Parties state that each region must share data with several other neighboring transmission planning regions; by starting with the power-flow models and associated data, and then providing additional information as needed, the initial data being shared between and among the regions will be consistent, while providing needed flexibility to conform data produced to the individual needs of each neighboring transmission planning region.⁷⁴ Therefore, SERTP Filing Parties state that there is no basis to Four Public Interest Organizations' assertion that neighboring transmission planners will not cooperate with their interregional counterparts in providing useful and necessary data. SERTP Filing Parties argue that assuming transmission planning is an inherently litigious process is counter to the interregional transmission coordination policies of Order Nos. 890 and 1000, as well as inconsistent with the cooperative nature of transmission planning in the Southeast which operates in accordance with "duty to serve obligations."⁷⁵

48. SERTP Filing Parties argue that Four Public Interest Organizations' desire for a joint identification mandate exceeds the requirements of Order No. 1000. SERTP Filing Parties assert that Order No. 1000 only requires joint evaluation, not joint identification.⁷⁶ SERTP Filing Parties argue that their commitment to engage in identification of potential interregional transmission projects fully satisfies the Order No. 1000 requirement.⁷⁷

⁷¹ *Id.*

⁷² *Id.*

⁷³ *Id.* at 16-17.

⁷⁴ *Id.* at 17.

⁷⁵ *Id.* at 19-20.

⁷⁶ *Id.* at 5.

⁷⁷ *Id.*

49. Moreover, SERTP Filing Parties contend that although Order No. 1000 requires “transmission planning” on a regional level, it only requires “transmission coordination” on an interregional level. SERTP Filing Parties assert that Four Public Interest Organizations’ request appears to call for top-down, interregional transmission planning, where identification of transmission projects must be a joint effort.⁷⁸

50. SERTP Filing Parties explain that, consistent with Order No. 1000’s requirements that a formal process be included, they committed to perform a biennial review for the purpose of identifying interregional transmission projects.⁷⁹ SERTP Filing Parties further explain that, in conjunction with that formal process, each transmission planning region, with input from their stakeholders, can identify interregional transmission projects at any time and bring them to the attention of the other region.⁸⁰ SERTP Filing Parties argue that the “identification process,” itself is not described beyond the general timeframe and procedure because it is no different than the process for identifying regional transmission projects, local projects, or any sort of project.⁸¹ SERTP Filing Parties explain that in SERTP transmission planners review their transmission needs—which are transmission capacity requirements required to reliably satisfy long-term transmission commitments such as network resource designations, firm long-term point-to-point reservations, generation commitments, and native load service—using models to analyze how such demands can best be met.⁸² SERTP Filing Parties argue that their existing, respective OATTs already detail how transmission projects are identified through their bottom-up transmission planning processes⁸³ with the additional interregional transmission coordination required by Order No. 1000-A providing potentially another stimulus for the identification of new transmission projects.⁸⁴ SERTP Filing Parties assert that, in

⁷⁸*Id.*

⁷⁹ *Id.*

⁸⁰ *Id.* at 5-6.

⁸¹ *Id.* at 6.

⁸²*Id.* at 6-7.

⁸³*Id.* at 7 (citing Southern Companies, OATT, Attachment K, § 6.6.2 (A Description of How the Various Reliability Study Processes Interact with Each Other), .6.3 [RESERVED] (2.0.0)).

⁸⁴ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 7.

addition to the identification of transmission projects by the transmission providers, the SERTP processes also allow for stakeholders and transmission developers to identify transmission projects for consideration.⁸⁵

51. SERTP Filing Parties argue that requiring the inclusion in their respective OATTs of an even more prescriptive, detailed description of exactly how transmission planning must be performed would limit the flexibility that transmission planners need to address specific circumstances, thereby harming the ability of SERTP Filing Parties' (who are all load serving entities) ability to plan and expand the transmission system to satisfy their load serving needs.⁸⁶

52. In response to Four Public Interest Organizations' protest, SERTP Filing Parties assert that the term "as necessary and if requested"⁸⁷ provides SERTP and its neighboring regions with the flexibility to determine the type and quantity of additional information to be provided under a given set of circumstances without having to determine in advance what those circumstances are or the type of data to be exchanged.

(d) Commission Determination

53. We find that the interregional transmission coordination data and information exchange process specified in PJM and SERTP Filing Parties' Compliance Filings partially complies with Order No. 1000.

54. PJM and SERTP Filing Parties provide for the exchange of the power-flow models and associated data used in the regional transmission planning process, along with additional transmission-based models and data biennially or as requested. In addition, PJM and SERTP Filing Parties propose that for purposes of the interregional transmission coordination activities, the transmission planning regions will post their own regional transmission plans on their respective regional transmission planning websites. PJM and SERTP Filing Parties propose to coordinate between public utility transmission providers in neighboring transmission planning regions for transmission facilities that are proposed to be located in both regions, as well as interregional transmission facilities that are not proposed but which could address transmission needs more efficiently or cost-effectively

⁸⁵*Id.* (citing Southern Companies, OATT, Attachment K, § 3.5.3.3, 15 (2.0.0)).

⁸⁶*Id.* at 7-8.

⁸⁷ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 20 (citing Southern Companies, OATT, Attachment K, Ex. K-5, § 2.1 (0.0.0)).

than separate intraregional transmission facilities. Furthermore, if PJM or transmission providers in the SERTP region identify a potential interregional transmission facility that could be more efficient and cost-effective than those transmission facilities included in their respective regional plans, the neighboring transmission planning regions will jointly evaluate the potential transmission facility. 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,⁸⁸ Order No. 1000 did not require public utility transmission providers to independently identify interregional transmission facilities. Thus, PJM and SERTP Filing Parties have proposed to go beyond this requirement of Order No. 1000. We find that PJM and SERTP Filing Parties' procedures for the exchange of data and information, so that neighboring transmission planning regions are aware of and are able to utilize each other's regional transmission plans, including underlying assumptions and analysis, satisfy Order No. 1000's data exchange requirements.

55. PJM and SERTP Filing Parties propose to review each other's then-current regional transmission plans to identify potential interregional transmission facilities that could be "more efficient *and* cost-effective" than transmission facilities included in their respective regional transmission plans. 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 transmission needs.⁸⁹ We therefore direct PJM and SERTP Filing Parties to submit further compliance filings within 60 days of the date of issuance of this order to make this correction in their OATTs.

56. We dismiss Four Public Interest Organizations' concerns related to PJM and SERTP Filing Parties' proposed process for identification of interregional transmission facilities that may be more efficient or cost-effective transmission solutions to their respective regional transmission needs. Specifically, we reject Four Public Interest Organizations' argument that PJM and SERTP Filing Parties' regional transmission planning processes fail to ensure that sufficient interregional coordination can occur. PJM and SERTP Filing Parties' proposal provides that at least annually, SERTP transmission providers and PJM will exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-

⁸⁸ Order No. 1000-A, 139 FERC ¶ 61,132 at P 522.

⁸⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396 (emphasis added).

current regional transmission plans.⁹⁰ PJM and SERTP Filing Parties' proposal also enables transmission providers to request additional transmission-based models and data if needed. As to Four Public Interest Organizations' argument that PJM and SERTP Filing Parties' proposal fails to call for the exchange of stability models and other modeling used in their respective regional transmission planning processes, we disagree.⁹¹ SERTP Filing Parties' respective OATTs provide that during its first quarter meeting the transmission provider will present and explain its transmission study methodologies, which may include the following types of studies: (1) steady state thermal analysis; (2) steady state voltage analysis; (3) stability analysis; (4) short-circuit analysis; (5) nuclear plant off-site requirements; and (6) interface analysis (i.e., import and export capability).⁹² Further, SERTP Filing Parties explain that the regions routinely exchange transmission-related data and planning information on a regular basis through SERC, the Eastern Interconnection Reliability Assessment Group, the Multi-Regional Modeling Working Group, and other reliability-related processes.⁹³ For the above reasons, we dismiss Four Public Interest Organizations' argument that the PJM and SERTP Filing Parties' proposal fails to ensure that sufficient interregional transmission coordination can occur.

57. We dismiss Four Public Interest Organizations' concern that the proposed phrase "as necessary and if requested" for data exchange to occur between transmission providers⁹⁴ is open to interpretation and does not ensure data necessary for joint

⁹⁰ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 2.1 (Data Exchange) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 2.1 (Data Exchange) (0.0.0).

⁹¹ *See* Southeastern Regional Transmission Planning (SERTP), Regional Transmission Planning Analysis (Dec. 2014), *available at* <http://www.southeasternrtp.com/docs/general/2014/SERTP%20Regional%20Transmission%20Planning%20Analyses%20Summary.pdf>; *see also id.*, Regional Transmission Plan Input Assumptions & Overview (Dec. 2014), *available at* <http://www.southeasternrtp.com/docs/general/2014/2014RegionalTransmissionPlanInputAssumptionsOverview.pdf>.

⁹² *E.g.*, Southern Companies OATT, Attachment K, § 3.5.1.2 (Presentation and Explanation of Underlying Transmission Planning Study Methodologies) (2.0.0).

⁹³ *E.g.*, Southern Companies OATT, Attachment K, § 6 (Regional Participation) (2.0.0). Southern Companies notes that in accordance with Order No. 1000, this planning principle only applies to the transmission provider's local transmission planning process.

⁹⁴ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 12.

identification and evaluation will be shared between regions absent criteria around which to base related decisions. We agree with SERTP Filing Parties that this phrase allows neighboring regions the flexibility to determine the type and quantity of additional information to be provided under a given set of circumstances without having to determine in advance what those circumstances are or the type of data to be exchanged.

58. Consistent with Order No. 1000's requirement to identify interregional transmission facilities, we accept the provisions in PJM and SERTP Filing Parties' OATTs that provide the ability for stakeholders and transmission developers to propose interregional transmission facilities and for public utility transmission providers to use those proposals to identify possible interregional transmission facilities that could address transmission needs more efficiently or cost-effectively than separate intraregional transmission facilities.⁹⁵ However, the Commission required the developer of an interregional transmission 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 interregional transmission project. While we accept the proposals to rely on the regional transmission planning processes as the forum for stakeholders and transmission developers to propose interregional transmission facilities for joint evaluation, PJM and SERTP Filing Parties have not explained how a proponent of an interregional transmission facility may seek to have its interregional transmission facility jointly evaluated by PJM and SERTP Filing Parties by submitting the interregional transmission facility into PJM and SERTP Filing Parties' regional transmission planning processes. Accordingly, we direct PJM and SERTP Filing Parties to submit compliance filings within 60 days of the date of issuance of this order, with proposed revisions to their tariffs that satisfy these requirements.

ii. Procedure for Joint Evaluation

59. 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.⁹⁶

⁹⁵ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 3 (Joint Evaluation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3 (Joint Evaluation) (0.0.0).

⁹⁶ 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 project in each regional transmission planning processes in which the transmission facility is proposed to be located.

The submission of an interregional transmission project 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.⁹⁷

60. 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 project.⁹⁸ The Commission explained that, to meet the requirement to conduct the joint evaluation in the same general timeframe, 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.⁹⁹

61. 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.¹⁰⁰ 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

⁹⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

⁹⁸ 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).

⁹⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 439. Order No. 1000 does not require that interregional transmission projects be evaluated simultaneously by both regions or in joint sessions of both regions' stakeholders. *Id.* P 438.

¹⁰⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398; Order No. 1000-A, 139 FERC ¶ 61,132 at P 493. The Commission did not require any particular type of studies be conducted. *Id.*; *see also, e.g., Louisville Gas & Electric Co.*, 144 FERC ¶ 61,054, at P 198 (2013) (SERTP First Regional Compliance Order); *Pub. Serv. Co. of Colo.*, 142 FERC ¶ 61,206, at P 283 (2013) (WestConnect First Regional Compliance Order); *N.Y. Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61,044, at P 257 (2014).

proposed interregional transmission project can be identified and resolved for purposes of jointly evaluating a proposed interregional transmission facility.¹⁰¹

(a) **Compliance Filings**

62. PJM and SERTP Filing Parties propose that representatives of the SERTP and the staff of PJM will meet no less than once per year to facilitate the interregional transmission coordination procedures. PJM and SERTP Filing Parties also propose that representatives of the SERTP and PJM staff may meet more frequently during the evaluation of interregional transmission projects proposed for purposes of interregional cost allocation between the SERTP and PJM transmission planning regions.¹⁰²

63. PJM and SERTP Filing Parties propose that the transmission providers shall act through their respective regional transmission planning processes in the joint evaluation of identified potential interregional transmission projects to determine whether the inclusion of any potential interregional transmission projects in each region's regional transmission plan would be more efficient or cost-effective than regional transmission projects.¹⁰³ PJM and SERTP Filing Parties propose that such analysis shall be consistent with the accepted transmission planning practices of the respective regions and the methods utilized to produce each region's respective regional transmission plan.¹⁰⁴

64. PJM and SERTP Filing Parties also propose that initial coordination activities regarding potential interregional transmission projects will typically begin during the third quarter of each calendar year. PJM and SERTP Filing Parties propose that the transmission providers will exchange status updates regarding interregional transmission projects that are newly proposed or that are currently under consideration as needed.

¹⁰¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 506, 510.

¹⁰² PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 1.1 (Review of Respective Regional Transmission Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 1.1 (Review of Respective Regional Transmission Plans) (0.0.0).

¹⁰³ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.3 (Evaluation of Interregional Transmission Projects) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.3 (Evaluation of Interregional Transmission Projects) (0.0.0).

¹⁰⁴ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.3 (Evaluation of Interregional Transmission Projects) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.3 (Evaluation of Interregional Transmission Projects) (0.0.0).

Under the proposal, these status updates will generally include, if applicable, (i) an update of the region's evaluation of the proposal(s), (ii) the latest calculation of benefits, and (iii) the anticipated timeline for future assessments.¹⁰⁵

65. PJM and SERTP Filing Parties propose to coordinate assumptions and data used in joint evaluations, as necessary, including items such as (i) expected timelines and milestones associated with the joint evaluation, (ii) study assumptions, (iii) models, and (iv) benefit calculations.¹⁰⁶

66. PJM and SERTP Filing Parties' proposal also provides specific circumstances under which an interregional transmission project may be removed from the PJM or SERTP regional plans for purposes of cost allocation. These circumstances include: (i) where the developer fails to meet developmental milestones; (ii) situations pursuant to the reevaluation procedures specified in the respective regional transmission planning processes; and (iii) where the project is removed from one of the region's regional transmission plan(s) pursuant to the requirements of its regional transmission planning process.¹⁰⁷ PJM and SERTP Filing Parties' proposal specifies that PJM or SERTP Transmission Providers shall notify each other if an interregional transmission project or a portion thereof is likely to be, and/or is removed from its regional transmission plan.¹⁰⁸

(b) Protests/Comments

67. Four Public Interest Organizations state that joint evaluation is a central tenet of Order No. 1000's interregional transmission coordination requirements, but they contend

¹⁰⁵ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 1.2 (Review of Proposed Interregional Transmission Projects) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 1.2 (Review of Respective Regional Transmission Plans) (0.0.0).

¹⁰⁶ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 1.3 (Coordination of Assumptions Used in Joint Evaluation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 1.3 (Coordination of Assumptions Used in Joint Evaluation) (0.0.0).

¹⁰⁷ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.6 (Removal from Regional Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.6 (Removal from Regional Plans) (0.0.0).

¹⁰⁸ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.6.1 (Removal from Regional Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.6.1 (Removal from Regional Plans) (0.0.0).

that PJM and SERTP Filing Parties' proposal does not include a formal procedure for joint identification and evaluation.¹⁰⁹ Wind Parties concur that the PJM and SERTP Filing Parties' proposal does not contain a formal procedure for joint identification and evaluation.¹¹⁰

68. Moreover, Four Public Interest Organizations maintain that, aside from slightly varying commitments to coordinate assumptions and modeling, the proposed procedures do not appear to include any joint evaluation process.¹¹¹ In their view, the proposed joint evaluation involves the regions engaging in their own regional transmission planning process using assumptions that may be coordinated with the other relevant regions.¹¹²

69. In addition, Four Public Interest Organizations and Wind Parties are concerned that the compliance proposals lack procedures for identifying and resolving differences in data.¹¹³ Wind Parties and Four Public Interest Organizations state that Order No. 1000 requires transmission providers to "develop procedures by which such differences can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility."¹¹⁴ Four Public Interest Organizations similarly argue that, besides language stating that assumptions and modeling will be coordinated the proposal contains no additional specifics about how differences in data will be handled as part of joint

¹⁰⁹ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 7-8.

¹¹⁰ Wind Parties Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 4.

¹¹¹ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 9.

¹¹² *Id.*

¹¹³ *Id.* at 12; Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 4.

¹¹⁴ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 11; Wind Parties Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 6 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437).

evaluation and interregional transmission coordination.¹¹⁵ For example, Four Public Interest Organizations assert that the proposal contains no reference to potential disputes over differences in preferred inputs or assumptions or the potential implications of such differences on joint evaluation.¹¹⁶ Four Public Interest Organizations also contend that the proposal lacks criteria by which decisions to coordinate data differences will be made and that it contains no steps for dispute resolution specific to disagreements over coordinating data.¹¹⁷ Thus, Four Public Interest Organizations argue, the proposal fails “to ensure some minimum level of coordination for purposes of joint evaluation and therefore fail[s] to comply with the reconciliation of data process obligations in paragraph 437 of Order No. 1000.”¹¹⁸ Four Public Interest Organizations contend that PJM and SERTP Filing Parties’ proposal stating that assumptions and models will be coordinated “[t]o the extent possible and as necessary,”¹¹⁹ is too vague and fails to ensure a minimum level of coordination for purpose of joint evaluation.

70. Wind Parties maintain that there is no backstop provision in the case that regions do not agree on which potential interregional transmission solutions warrant study as an interregional transmission project.¹²⁰ They contend that it is critical to include such a provision, so that a single region might initiate a coordinated system plan. Moreover, in Wind Parties’ view, such a provision should not include a requirement that two years pass without agreement between the regions before the backstop mechanism applies; this requirement would mean a two-year delay for the study of potentially beneficial

¹¹⁵ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 12.

¹¹⁶*Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.* at 13.

¹¹⁹ *Id.* at 12 (citing PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.5 (0.0.0); Southern Companies, FERC Electric Tariff, Attachment K, Exhibit K-6 (Interregional Transmission Coordination - SERTP/PJM), § 3.3 (0.0.0)). While Four Public Interest Organizations protest the language in sections 3.5 and 3.3 of PJM’s and SERTP Filing Parties’ proposed tariff language, the actual language of both tariff sections reads, “[t]o the extent possible and as needed, assumptions and models will be coordinated between the Transmission Provider and PJM.”

¹²⁰ Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 5.

transmission projects.¹²¹ Wind Parties also state that they “see no clear path for stakeholders like [themselves], or merchant transmission owners to propose an interregional transmission issue or project for study.”¹²² Wind Parties request that the Commission require a backstop provision that would allow one party to initiate an interregional transmission study after one year of disagreement and which would provide a way for third parties to initiate a study.¹²³ Finally, with respect to harmonizing, Wind Parties ask the Commission to direct SERTP and the RTOs to provide details on the procedures they will use to resolve any differences in models, data, and scenarios to be used for interregional transmission planning studies.¹²⁴

(c) **Answers**

71. In response to Four Public Interest Organizations’ concerns, SERTP Filing Parties argue that the Commission did not define joint evaluation as a single evaluation with one set of evaluation criteria and one outcome applicable to both regions. Rather, SERTP Filing Parties argue that Order No. 1000 in no way requires that the process for jointly identifying and evaluating potential interregional transmission projects be entirely separate from the project identification and evaluation procedures already in place at the regional level, and actually requires the utilization of the regional transmission planning process.¹²⁵

72. SERTP Filing Parties further contend that the approach proposed by Four Public Interest Organizations is not efficient, arguing that even if there were a joint evaluation with one set of criteria, such joint evaluation would have to be repeated by each region

¹²¹ *Id.* at 6.

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ SERTP Filing Parties assert that the Commission explained that “[t]he submission of the interregional transmission project in each regional transmission planning process will trigger the procedure under which the public utility transmission providers acting through their regional transmission planning process will jointly evaluate the proposed transmission project.” SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 8-9 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436).

evaluating the transmission project utilizing its own criteria to determine whether to proceed with the transmission project.¹²⁶

73. SERTP Filing Parties contend that their proposed tariff provisions include a process pursuant to which the applicable regions will coordinate the assumptions and data that will be used when jointly evaluating an interregional transmission project. SERTP Filing Parties state that the PJM and SERTP Filing Parties' proposal provides for coordination of expected timelines/milestones associated with joint evaluation, study assumptions, and regional benefit calculations.¹²⁷

74. Additionally, SERTP Filing Parties argue that Four Public Interest Organizations fail to recognize that the proposal's use of terms such as "as necessary" and "as needed" with regard to data coordination provides SERTP and neighboring regions with flexibility to coordinate joint evaluation activities as circumstances dictate. SERTP Filing Parties assert that their proposal allows a workable and efficient process that ensures a coordinated approach to selecting interregional transmission projects for purposes of cost allocation.¹²⁸

75. SERTP Filing Parties argue that Four Public Interest Organizations incorrectly claim that there are no procedures for identifying and resolving differences in data. SERTP Filing Parties assert that they and neighboring regions have taken a proactive approach to harmonization of data that will be used in joint evaluation and that they will use coordinated data and assumptions, making any need to resolve any differences of data unlikely.¹²⁹

76. Finally, SERTP Filing Parties state that Order No. 1000 does not require a dispute resolution procedure specifically for disputes regarding data and assumptions used in interregional transmission project evaluation, as requested by Four Public Interest

¹²⁶ *Id.* at 9.

¹²⁷ *Id.* at 18 (citing Alabama Power Company, OATT and Associated Service Agreements, Attachment K-6, § 1.3 (Coordination of Assumptions Used in Joint Evaluation) (0.0.0); PJM, Intra-PJM Tariffs, Schedule 6-A, § 1.3 (Coordination of Assumptions Used in Joint Evaluation) (0.0.0)).

¹²⁸ *Id.* at 20.

¹²⁹ *Id.* at 19.

Organizations. SERTP Filing Parties claim that if such a dispute should occur, each region already has dispute resolution procedures, which can be deployed if necessary.¹³⁰

77. In response to Wind Parties' claim that there is no clear path for stakeholders and merchant transmission developers to propose transmission projects for study, SERTP Filing Parties state that stakeholders and transmission developers may also propose interregional transmission projects through their respective regional transmission planning processes, which will in turn be considered through the coordinated biennial review.¹³¹ SERTP Filing Parties also assert that stakeholder identification is also not bound by any timing requirements, although there typically are formal deadlines relating to the cost allocation project proposal process.¹³²

78. In response to Wind Parties' call for a backstop provision in the case that regions do not agree on which potential interregional solutions warrant study as an interregional transmission project, SERTP Filing Parties state that Wind Parties misunderstand the SERTP Filing Parties' proposals and existing Attachment K provisions. SERTP Filing Parties assert that section 3.2 of their proposed tariff language provides for identification of interregional projects by stakeholders and section 3.3 provides for their evaluation.¹³³ SERTP Filing Parties argue that Wind Parties seem to demand that each region be compelled to evaluate interregional transmission projects that are impractical, unnecessary, or otherwise non-viable.¹³⁴ They contend that the Wind Parties do not appear to understand the role of merchant transmission providers and projects. They further argue that merchant transmission projects are not directly subject to all of Order No. 1000's requirements because they do not seek cost recovery under the OATT; rather, interconnection requests to implement such projects would trigger detailed studies and evaluations in accordance with FPA requirements.¹³⁵

¹³⁰ *Id.* at 20.

¹³¹ *Id.* at 13 (citing Southern Companies, FERC Electric Tariff, Attachment K (Interregional Transmission Coordination - SERTP/MISO), §§ 3.5.3.3, 15 (0.0.0)).

¹³² *Id.* at 6.

¹³³ *Id.* at 13.

¹³⁴ *Id.*

¹³⁵ *Id.*

(d) Commission Determination

79. We find that PJM and SERTP Filing Parties' proposals partially comply with joint evaluation requirements of Order No. 1000, as discussed below.

80. PJM and SERTP Filing Parties propose to review one another's transmission plans, and if potentially more efficient or cost-effective interregional transmission projects are identified through this review, then the regions will engage in joint evaluation of such transmission projects.¹³⁶ After coordinating the assumptions that they will use in their respective regional evaluations, the public utility transmission providers in the two regions will evaluate through their respective regional transmission planning processes whether the proposed interregional transmission facility would be a more efficient or cost-effective transmission facility than transmission facilities included in their existing regional transmission plans. Thus, we find that PJM and SERTP Filing Parties proposed procedures to jointly evaluate interregional transmission facilities that comply with, and go beyond, this requirement of Order No. 1000.¹³⁷

81. We find that the PJM and SERTP Filing Parties have developed a timeline to ensure that neighboring regions conduct joint evaluation of a proposed interregional transmission facility, in the same general timeframe as each transmission planning region's individual consideration of a proposed interregional transmission facility, as required by Order No. 1000.¹³⁸ Specifically, we find that by memorializing (1) initial coordination activities regarding new interregional transmission facility proposals typically will begin during the third calendar quarter and (2) PJM and SERTP Filing Parties will exchange status updates for new interregional transmission facility proposals or those under consideration, as needed, PJM and SERTP Filing Parties satisfy the Commission's expectation provided in Order No. 1000 that, in developing a timeline to conduct joint evaluations, such timeline will provide a meaningful opportunity to review and evaluate through the interregional transmission coordination procedures information

¹³⁶ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.1 (Identification of Interregional Transmission Projects) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.1 (Identification of Interregional Transmission Projects) (0.0.0).

¹³⁷ *See supra* § IV.B.1.b.i (Data Exchange and Identifying Interregional Transmission Facilities).

¹³⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 439. Order No. 1000 does not require that interregional transmission projects be evaluated simultaneously by both regions or in joint sessions of both regions' stakeholders. *Id.* P 438.

developed through the regional transmission planning process.¹³⁹ Moreover, updates to PJM and SERTP stakeholders will also allow for evaluation of information developed through the regional transmission planning process, as the updates will include information regarding the interregional transmission facilities to be evaluated, analyses performed, and the results of such analyses.¹⁴⁰

82. We find, however, that PJM and SERTP Filing Parties do not indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities, as required by Order No. 1000.¹⁴¹ Although PJM and SERTP Filing Parties generally cross reference the relevant regional transmission planning processes throughout their compliance filings, there is no description of the type of transmission studies that will be conducted. While the Commission does not require any particular type of study to be conducted, it does require public utility transmission providers, at a minimum, to indicate the type of transmission studies that will be conducted to evaluate conditions on neighboring transmission systems for the purpose of determining whether interregional transmission facilities are more efficient or cost-effective than regional transmission facilities. We therefore direct PJM and SERTP Filing Parties to submit further compliance filings within 60 days of the issuance of this order listing either the type of transmission studies that will be conducted or cross references to the specific provisions in the respective tariffs that reference such studies at the regional transmission planning level.

83. We find that PJM and SERTP Filing Parties' proposed procedures by which differences in the data, models, assumptions, 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 comply with Order No. 1000. We find that both interregional proposals explain that PJM and SERTP Filing Parties will coordinate assumptions used in joint evaluations, as necessary, including expected timelines/milestones associated with the joint evaluation, study assumptions,

¹³⁹ *Id.* P 439.

¹⁴⁰ See PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 4.3 (Transparency); Southern Companies, OATT, Attachment K, Ex. K-6, § 4.3 (Transparency) (0.0.0).

¹⁴¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398.

and regional benefit calculations.¹⁴² The proposals also state that, at least annually, PJM and SERTP Filing Parties will exchange power-flow models and associated data used in their regional transmission planning processes.¹⁴³ In addition, they may exchange additional transmission-based models and data as necessary and if requested.

84. We dismiss Four Public Interest Organizations and Wind Parties argument that the provisions regarding data exchange and identification of interregional transmission facilities proposed by PJM and SERTP Filing Parties lack procedures for identifying and resolving differences in data, models, assumptions, planning horizons, and criteria. The Commission directed each public utility transmission provider, through its transmission planning region, to develop procedures by which such differences can be identified and resolved for purposes of jointly evaluating the proposed interregional transmission facility; however, it left each pair of neighboring regions discretion with respect to the way this requirement was designed and implemented and did not require that any particular planning horizons or criteria be used.¹⁴⁴

85. We dismiss Four Public Interest Organizations' and generally Wind Parties argument that PJM and SERTP Filing Parties' proposal lacks specific procedures for dispute resolution relating to coordination. Disputes concerning interregional transmission planning issues may be resolved consistent with the dispute resolution process contained in the respective OATTs. We find this information provides a sufficient process to identify and resolve disputes in implementing the interregional transmission coordination requirements for data exchange.

86. Additionally, we disagree with Four Public Interest Organizations' argument that the proposal submitted by PJM and SERTP Filing Parties that states that assumptions and models will be coordinated "as necessary" is too vague and possibly limits the coordination of joint evaluation. We agree with SERTP Filing Parties that this phrase allows neighboring regions flexibility to determine the type and quantity of additional information to be provided under a given set of circumstances without having to determine in advance what those circumstances are or the type of data to be exchanged.

¹⁴² PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 2.1 (Coordination of Assumptions Used in Joint Evaluation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 1.3 (Coordination of Assumptions Used in Joint Evaluation) (0.0.0).

¹⁴³ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 2.1 (Data Exchange) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 2.1 (Data Exchange) (0.0.0).

¹⁴⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437.

87. We also decline to require Wind Parties' suggestion that PJM and the SERTP Filing Parties adopt a backstop provision in cases where regions do not agree on which potential interregional transmission solutions warrant study as an interregional transmission facility, as Order No. 1000 does not require this measure. While it may be worthwhile to investigate all potential interregional transmission solutions more fully, Order No. 1000 did not require such an evaluation process and did not require interregional transmission planning.

iii. Transparency and Stakeholder Participation

88. 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.¹⁴⁵ 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.¹⁴⁶

89. 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."¹⁴⁷ 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.¹⁴⁸

¹⁴⁵ *Id.* P 458.

¹⁴⁶ *Id.*

¹⁴⁷ 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).

¹⁴⁸ *Id.* P 522.

(a) **Compliance Filings**

90. PJM and SERTP Filing Parties assert that they propose revisions that are intended to meet the transparency and stakeholder participation requirements of Order No. 1000.¹⁴⁹ PJM and SERTP Filing Parties propose that the transmission providers will coordinate with respect to the posting of material related to the interregional transmission coordination procedures on each region's regional transmission planning website.¹⁵⁰

91. PJM and SERTP Filing Parties propose that both planning regions will make available, subject to the appropriate clearance, as applicable (such as Critical Energy Infrastructure Information (CEII) and confidential non-CEII) on their respective regional website, links to where stakeholders can register for the stakeholder committees or distribution lists of the other planning region.¹⁵¹

92. In addition, PJM and SERTP Filing Parties propose to post data and models used in the development of PJM and SERTP Filing Parties' then-current regional transmission process websites, consistent with the posting requirements of the respective regional transmission processes, and subject to the applicable treatment of CEII.¹⁵²

93. PJM and SERTP Filing Parties propose that stakeholders will have an opportunity to provide input and feedback within the respective PJM and SERTP Filing Parties' regional transmission planning processes related to interregional transmission facilities identified, analysis performed, and any determination/results. They also propose that stakeholders may participate in either or both regions' regional transmission planning processes to provide their input and feedback regarding the interregional transmission coordination activities between SERTP and PJM.¹⁵³

¹⁴⁹ PJM Compliance Filing, Docket No. ER13-1936-000, at 5-6; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 30.

¹⁵⁰ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 1.4 (Posting of Materials on Regional Planning Websites) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 1.4 (Posting of Materials on Regional Planning Websites) (0.0.0).

¹⁵¹ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 4.2 (Transparency) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6 § 4.2 (Transparency) (0.0.0).

¹⁵² PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 2.1 (Data Exchange) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6 § 2.1 (Data Exchange) (0.0.0).

¹⁵³ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 4.4 (Transparency) (0.0.0);

(continued ...)

94. PJM and SERTP Filing Parties propose to provide status updates of proposed interregional transmission projects to stakeholders. Specifically, PJM will provide status updates of SERTP regional activities to the Transmission Expansion Advisory Committee. SERTP Filing Parties propose that, at the fourth quarter SERTP Summit, or as necessary due to current activity of proposed interregional transmission projects, SERTP transmission providers will provide status updates of interregional activities including the facilities to be evaluated, analysis performed, and determination/results.¹⁵⁴

(b) Protests/Comments

95. Four Public Interest Organizations note that while the SERTP Filing Parties proposal limits the updates to once annually, the PJM proposal contains no similar limitation. Four Public Interest Organizations believe that the transparency aspects of the compliance proposals are insufficient to comply with Order No. 1000's obligations and should be strengthened. Four Public Interest Organizations propose that: (1) each region should be required to post all of the studies and documents (subject to CEII and other confidentiality requirements) related to interregional projects, along with rationales for decisions not to jointly evaluate them; (2) status updates should be provided on interregional projects under construction when there is new information, including those projects that are no longer under evaluation—and why; and (3) summaries of the status updates provided at the stakeholder meetings should be posted on all of the regions' websites.¹⁵⁵ Four Public Interest Organizations argue that to require any less will allow for varying interpretations of the language provided from each set of regions, which may not ensure sufficient transparency to satisfy Order No. 1000's obligations. Four Public Interest Organizations also note that some of the status report language refers to status reports only for transmission projects already selected for purposes of cost allocation. Four Public Interest Organizations argue that, to ensure transparency, the regions should commit to providing status updates about all interregional transmission projects identified and under consideration, not just those that have already been chosen.¹⁵⁶

Southern Companies, OATT, Attachment K, Ex. K-6 § 4.4 (Transparency) (0.0.0).

¹⁵⁴ PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 4.3 (Transparency) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6 § 4.3 (Transparency) (0.0.0).

¹⁵⁵ Four Public Interest Organizations Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 15.

¹⁵⁶ *Id.* at 15-16.

(c) **Answer**

96. SERTP Filing Parties explain that SERTP's implementation of the requirements of Order No. 1000 will be made in accordance with SERTP's existing transmission planning processes that have been found to comply with Order No. 890's open, transparent, and coordination planning principles.¹⁵⁷

97. SERTP Filing Parties state that, while their proposal references an annual update, there will be other opportunities to provide and receive information regarding potential interregional projects through the regional transmission planning processes and updates may be more frequent if circumstances dictate. SERTP Filing Parties note that SERTP and its neighbors have had several years of experience under Order No. 890 and other transmission planning requirements without complaints regarding insufficient data or explanation. SERTP Filing Parties assert that Four Public Interest Organizations have provided no reason to believe that SERTP or its neighbors will not be open and transparent with regard to interregional evaluation of projects.¹⁵⁸

98. In addition, SERTP Filing Parties state that it is not necessary to share all data or documentation in order for regions to understand and assess each other's transmission plans, or for stakeholders to understand analysis performed and determinations made during the interregional evaluation process. SERTP Filing Parties argue that Four Public Interest Organizations overlook provisions in the proposal for posting of data regarding interregional evaluations on the regional websites. In addition, SERTP Filing Parties claim that posting all interregional documents is unreasonable, would serve no purpose, and would potentially confuse stakeholders by commingling relevant materials with extraneous information. Finally, SERTP Filing Parties state that Four Public Interest Organizations can point to no provision of Order No. 1000 that requires such a level of transparency.¹⁵⁹

(d) **Commission Determination**

99. We find that PJM and SERTP Filing Parties' proposals comply with the relevant transparency and stakeholder participation requirements of Order No. 1000. We find that PJM and SERTP Filing Parties' respective regional transmission planning websites are an

¹⁵⁷ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 18-19.

¹⁵⁸ *Id.* at 23.

¹⁵⁹ *Id.* at 24.

adequate means to post communication information related to interregional transmission coordination procedures. We further find that, as a result of posting on their respective regional transmission planning websites information regarding interregional transmission coordination and cost allocation procedures,¹⁶⁰ documents related to joint evaluation of interregional transmission facilities, and status reports on interregional transmission facilities selected for purposes of interregional cost allocation, stakeholders should be able to distinguish between information related to interregional transmission coordination and information related to regional transmission planning.

100. PJM and SERTP Filing Parties propose that data and models used in the development of PJM and SERTP Filing Parties' then-current regional transmission processes and plans will be available on the pertinent regional transmission planning process website, consistent with the posting requirements of the respective regional transmission planning processes and subject to the applicable treatment of confidential data and CEII. We find that these provisions also meet the transparency requirements of Order No. 1000, by allowing transmission providers to communicate information related to the interregional transmission coordination procedures.

101. We also find that PJM and SERTP Filing Parties provide sufficient transparency with respect to disclosing the analyses undertaken and determinations reached in identifying and evaluating interregional transmission facilities. In addition to posting on the regional transmission planning website information related to interregional transmission coordination procedures, PJM and the SERTP Filing Parties propose to provide stakeholders an opportunity, within the respective PJM and SERTP regional transmission planning processes, to provide input and feedback related to interregional transmission facilities identified, analysis performed, and any determinations made from the interregional transmission coordination between PJM and SERTP Filing Parties.¹⁶¹ PJM and SERTP Filing Parties also propose to provide stakeholders with status updates of proposed interregional transmission facilities during those regional transmission planning processes.

102. Furthermore, we find that PJM and SERTP Filing Parties adequately describe in their respective tariffs each region's regional transmission planning process that will allow stakeholders to provide meaningful and timely input and feedback with respect to the consideration of interregional transmission facilities. Further, stakeholders may

¹⁶⁰ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 4.2 (Transparency) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 4.2 (Transparency) (0.0.0).

¹⁶¹ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 4.4 (Transparency) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 4.4 (Transparency) (0.0.0).

participate in either or both regions' regional transmission planning processes to provide input and feedback regarding the interregional transmission coordination between SERTP and PJM.

103. We disagree with Four Public Interest Organizations that the transparency aspects of the compliance proposals are insufficient to comply with Order No. 1000 and should be strengthened. As stated above, we find that PJM and SERTP Filing 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 Four Public Interest Organizations, goes beyond the requirements of Order No. 1000. We agree with SERTP Filing Parties that it is not necessary to share all data or documentation for regions to understand and assess each other's transmission plans or for stakeholders to understand analyses performed and determinations made during the process of evaluating interregional transmission facilities. Additionally, Four Public Interest Organizations point to no provision of Order No. 1000 that requires the suggested level of transparency. Therefore, we find Four Public Interest Organizations' protest on this issue unpersuasive.

104. We disagree with Four Public Interest Organizations that, to ensure transparency, the regions should commit to providing status updates about all interregional transmission facilities identified and under consideration, not just those that already have been chosen. Order No. 1000 requires "public utility transmission providers to make transparent the analyses undertaken and determinations reached by neighboring transmission planning regions in the identification and evaluation of interregional transmission facilities."¹⁶² Providing the level of transparency proposed by Four Public Interest Organizations is therefore not required under Order No. 1000.

2. Cost Allocation

105. 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.¹⁶³ The Commission found that the method or methods for interregional transmission cost allocation used by two transmission planning

¹⁶² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 465.

¹⁶³ *Id.* P 578; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 626, 634.

regions may be different from the method or methods used by either of them for regional transmission cost allocation.¹⁶⁴ 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 facility within that region.¹⁶⁵ 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.¹⁶⁶

106. 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 facility in its regional transmission plan for purposes of cost allocation.¹⁶⁷ 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.¹⁶⁸

107. The Commission required each public utility transmission provider to show on compliance that its cost allocation method or methods for interregional cost allocation are just and reasonable and not unduly discriminatory or preferential by demonstrating that each method satisfies the six interregional cost allocation principles described in Order

¹⁶⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

¹⁶⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

¹⁶⁶ Order No. 1000-A, 139 FERC ¶ 61,132 at P 627 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 580).

¹⁶⁷ *Id.* PP 628, 635 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436).

¹⁶⁸ *Id.* P 635.

No. 1000.¹⁶⁹ The Commission took a principles-based approach, because it recognized that regional differences may warrant distinctions in cost allocation methods among transmission planning regions.¹⁷⁰ The Commission recognized that a variety of methods for cost allocation, including postage stamp cost allocation, may satisfy the set of general principles.¹⁷¹ 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.¹⁷² The Commission also explained that Order No. 1000 permits participant funding but not as an interregional cost allocation method.¹⁷³

108. 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.¹⁷⁴ 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. 1000.¹⁷⁵ 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

¹⁶⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603; Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

¹⁷⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 604; Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

¹⁷¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 605; Order No. 1000-A, 139 FERC ¶ 61,132 at P 683.

¹⁷² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603; Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

¹⁷³ 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.

¹⁷⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

¹⁷⁵ 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.¹⁷⁶

109. 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.¹⁷⁷ Interregional Cost Allocation Principle 1 precludes an allocation where the benefits received are trivial in relation to the costs to be borne.¹⁷⁸

110. Order No. 1000 does not prescribe a particular definition of "benefits" or "beneficiaries."¹⁷⁹ 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."¹⁸⁰ 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.¹⁸¹ 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.¹⁸²

¹⁷⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 607; Order No. 1000-B, 141 FERC ¶ 61,044 at P 66.

¹⁷⁷ 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.

¹⁷⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 639.

¹⁷⁹ 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.

¹⁸⁰ Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

¹⁸¹ *Id.* P 678.

¹⁸² 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.¹⁸³ 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.¹⁸⁴ 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. 2003.¹⁸⁵

111. 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.¹⁸⁶ All cost allocation methods must provide for allocation of the entire prudently incurred cost of a transmission project to prevent stranded costs.¹⁸⁷ 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.¹⁸⁸

¹⁸³ Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

¹⁸⁴ *Id.* P 746 (noting that it would occur prior to the recovery of such costs through a formula rate).

¹⁸⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 760; Order No. 1000-A, 139 FERC ¶ 61,132 at P 680.

¹⁸⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 637; Order No. 1000-A, 139 FERC ¶ 61,132 at PP 684, 689, 691.

¹⁸⁷ 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.

¹⁸⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 641.

112. 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.¹⁸⁹ 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.¹⁹⁰ 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.¹⁹¹

113. 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.¹⁹² 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.¹⁹³ 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.¹⁹⁴

¹⁸⁹ Order No. 1000-A, 139 FERC ¶ 61,132 at P 690; Order No. 1000-B, 141 FERC ¶ 61,044 at P 70.

¹⁹⁰ Order No. 1000-A, 139 FERC ¶ 61,132 at P 690; Order No. 1000-B, 141 FERC ¶ 61,044 at P 70.

¹⁹¹ Order No. 1000-B, 141 FERC ¶ 61,044 at P 72.

¹⁹² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

¹⁹³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

¹⁹⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

114. The Commission stated that Interregional Cost Allocation Principle 3 did not require the use of a benefit to cost ratio threshold.¹⁹⁵ 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.¹⁹⁶ 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.¹⁹⁷ 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.¹⁹⁸ 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.¹⁹⁹

115. 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.²⁰⁰ Costs cannot be assigned involuntarily to a transmission planning region in which that interregional transmission facility is not located.²⁰¹ However, interregional transmission coordination must identify consequences for other transmission planning regions, such as upgrades

¹⁹⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

¹⁹⁶ Order No. 1000-B, 141 FERC ¶ 61,044 at P 64.

¹⁹⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

¹⁹⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

¹⁹⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 650.

²⁰⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

²⁰¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

that may be required in a third transmission planning region and, if the transmission 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.²⁰² 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.²⁰³

116. 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.²⁰⁴

117. 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.²⁰⁵ Each cost allocation method must be set out clearly and explained in detail in the compliance filing.²⁰⁶ 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.²⁰⁷

²⁰² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

²⁰³ Order No. Order No. 1000-A, 139 FERC ¶ 61,132 at P 629 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 582).

²⁰⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 668.

²⁰⁵ *Id.* P 685.

²⁰⁶ *Id.*

²⁰⁷ *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

118. PJM Transmission Owners and SERTP Filing Parties propose an avoided cost-only approach to allocate the costs of an interregional transmission project selected by SERTP and PJM between the regions on a *pro rata* basis. PJM Transmission Owners explain that “[t]he proposal calculates the benefits of an interregional [transmission] project as the avoided costs due to the project, i.e., the cost savings achieved by replacing higher cost regionally-planned transmission projects with the more efficient and cost-effective proposed interregional [transmission] project that addresses long-term needs that would have been addressed by the displaced projects.”²⁰⁸

119. PJM Transmission Owners and SERTP Filing Parties propose three criteria that must all be met for an interregional transmission project to be considered for interregional cost allocation. Specifically, the interregional transmission project must be: (1) interregional in nature; (2) proposed for purposes of cost allocation in both the SERTP region and the PJM Region; and (3) selected both in the regional transmission plan of the SERTP region and in the Regional Transmission Expansion Plan for the PJM Region.

120. PJM Transmission Owners and SERTP Filing Parties’ proposal also specifies certain requirements that must be fulfilled for an interregional transmission project to meet each of these three criteria and thus be considered for interregional cost allocation within the PJM and SERTP regions. First, in order for an interregional transmission project to meet the first criterion that it be interregional in nature, PJM Transmission Owners and SERTP Filing Parties’ proposal requires that the transmission project must: (1) be physically located in both the SERTP region and the PJM region; (2) interconnect to the transmission facilities of one or more SERTP transmission owner(s) and the transmission facilities of one or more PJM transmission owner(s); and (3) meet the threshold criteria for transmission projects potentially eligible to be included in the

²⁰⁸ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 4; Southern Companies Compliance Filing, ER13-1941-000, at 10; *see also* PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 3.D ((Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0)); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.2.D (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0).

regional transmission plans for purposes of cost allocation in both the SERTP region and the PJM region, pursuant to the regional transmission planning processes of the SERTP and PJM regions.²⁰⁹

121. Second, in order to meet the criterion that the interregional transmission project must be proposed for purposes of cost allocation in both the SERTP region and the PJM region, PJM Transmission Owners and SERTP Filing Parties' proposal specifies that: (1) the transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission planning processes; and (2) the proposal should be submitted in the timeframes outlined in the respective regional transmission planning processes.²¹⁰

122. Finally, in order to meet the criterion that the interregional transmission project must be selected for purposes of cost allocation in both the SERTP region and the PJM region, PJM Transmission Owners and SERTP Filing Parties' proposal specifies that: (1) the costs of the interregional transmission project eligible for interregional cost allocation shall only be allocated to a region if that region has selected the interregional transmission project in its regional transmission plan for purposes of cost allocation; and (2) no cost shall be allocated to a region that has not selected the interregional transmission project in its regional transmission plan for purposes of cost allocation.²¹¹

123. PJM Transmission Owners and SERTP Filing Parties propose that each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the interregional transmission project(s) proposed for interregional cost allocation purposes addresses transmission needs currently being addressed with projects in its regional transmission plan(s), and, if so, which projects in the regional

²⁰⁹ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.A (0.0.0).

²¹⁰ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.B (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.B (0.0.0).

²¹¹ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.C (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.C (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0).

transmission plan(s) could be displaced by the proposed project(s).²¹² PJM Transmission Owners and SERTP Filing Parties' proposal states that based on its evaluation, each region will quantify a Regional Benefit based upon the transmission costs that each region is projected to avoid due to its transmission projects being displaced by the proposed interregional transmission project.²¹³ PJM Transmission Owners and SERTP Filing Parties propose that, for purposes of interregional cost allocation, "Regional Benefit"²¹⁴ means: (i) for the SERTP transmission providers, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included and (ii) for PJM, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included.²¹⁵

124. PJM Transmission Owners and SERTP Filing Parties propose that an interregional transmission project proposed for interregional cost allocation will be included in the respective regional plans for purposes of cost allocation only after the transmission facility has been selected for purposes of cost allocation in both the SERTP and PJM regional transmission plans.²¹⁶ For the PJM region, this means that all requisite

²¹² PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.4.2 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.4.2 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0).

²¹³ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.4.1 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.4.1 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0).

²¹⁴ The proposed calculation of Regional Benefits is addressed later in the Cost Allocation section of this order.

²¹⁵ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.4.3 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.4.3 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0).

²¹⁶ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.5 (Inclusion of Interregional Projects Proposed for Interregional Cost Allocation Purposes in Regional Transmission Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.5 (Inclusion of

(continued ...)

approvals needed for a project to be included in the PJM regional transmission plan for purposes of cost allocation are obtained. For the SERTP region, this means that all requisite approvals needed for a project to be included in the SERTP regional transmission plan for purposes of cost allocation, including any regional benefit-to-cost ratio calculations, are obtained.²¹⁷ PJM Transmission Owners and SERTP Filing Parties propose that for purposes of the SERTP regional benefit-to-cost ratio, the anticipated allocation of costs of the interregional transmission project will be based on the ratio of SERTP's Regional Benefit to the sum of Regional Benefits identified for both SERTP and PJM.²¹⁸

125. For interregional transmission facilities that have been selected in the regional transmission plans by both SERTP and PJM, PJM Transmission Owners and SERTP Filing Parties propose that the share of the costs of an interregional transmission project allocated to a region will be determined by the ratio of the present value(s) of the estimated costs of each region's displaced regional transmission project(s) to the total cost of the displaced regional transmission projects in all regions that have selected the interregional transmission project in their regional transmission plans for purposes of cost allocation.²¹⁹ PJM Transmission Owners and SERTP Filing Parties' proposal also details that the present values used in the cost allocation shall be based on a common date, comparable cost components, and the latest cost estimates used in the determinations to

Interregional Projects Proposed for Interregional Cost Allocation Purposes in Regional Transmission Plans) (0.0.0).

²¹⁷ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.5.1 (Inclusion of Interregional Projects Proposed for Interregional Cost Allocation Purposes in Regional Transmission Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.5.1 (Inclusion of Interregional Projects Proposed for Interregional Cost Allocation Purposes in Regional Transmission Plans) (0.0.0).

²¹⁸ PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.5.1 (Inclusion of Interregional Projects Proposed for Interregional Cost Allocation Purposes in Regional Transmission Plans) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 3.5.1 (Inclusion of Interregional Projects Proposed for Interregional Cost Allocation Purposes in Regional Transmission Plans) (0.0.0).

²¹⁹ Southern Companies, OATT, Attachment K, Ex. K-6, § 5.2A. (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 3.A (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0).

include the project in the pertinent regional plans for cost allocation purposes.²²⁰ PJM Transmission Owners and SERTP Filing Parties note that the discount rate used in the calculation of the present value of the cost estimates will be different for the PJM and SERTP regions.²²¹ PJM Transmission Owners and SERTP Filing Parties' proposal states that the applicable discount rate(s) used for the SERTP region may be determined on a case-by-case basis, and the SERTP region may have multiple discount rates should there be multiple SERTP transmission owners whose projects would be displaced by the proposed interregional transmission project. PJM Transmission Owners and SERTP Filing Parties' proposal also states that the applicable discount rate for the PJM region shall be the discount rate included in the assumptions that are reviewed with the PJM Board of Managers each year for use in the economic planning process.²²²

126. PJM Transmission Owners and SERTP Filing Parties also propose that, when all or a portion of an interregional transmission project is to be located within a region in which there is no displaced regional transmission project, such region may, at its sole discretion, select the interregional transmission project for inclusion in its regional transmission plan; provided, however, that no portion of the costs of the interregional transmission project shall be allocated to such region pursuant to the interregional cost allocation method.²²³ In addition, they propose that, except for voluntary agreement, the interregional cost allocation provisions are the exclusive means by which any costs of an interregional transmission project selected for interregional cost allocation purposes between the SERTP region and the PJM region may be allocated between or among those regions. Under the proposal, a transmission owner(s) or transmission developer(s) may

²²⁰ Southern Companies, OATT, Attachment K, Ex. K-6, § 5.2A. (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 3.A (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0).

²²¹ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 9; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 31.

²²² Southern Companies, OATT, Attachment K, Ex. K-6, § 5.2A. (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 3.A (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0).

²²³ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 3.B (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.2.B (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0).

propose to fund or allocate, on a voluntary basis, the cost of an interregional transmission project selected for interregional cost allocation purposes using an allocation other than the allocation that results from the interregional cost allocation method, provided that, should the allocation of cost of such interregional transmission project be subject to the Commission's jurisdiction, such cost allocation proposal is accepted for filing by the Commission in accordance with the relevant PJM filing rights and provided that no allocation shall be made to any region that has not agreed to that allocation.²²⁴

127. PJM Transmission Owners and SERTP Filing Parties propose that, except as provided, in sections of their respective tariffs²²⁵ when all or a portion of an interregional project is to be located within a region in which there is no displaced regional transmission project, nothing in the proposed cost allocation provisions will convey, expand, limit or otherwise alter any rights of the transmission owners, transmission developers or other market participants to submit filings under section 205 of the FPA regarding cost allocation or any other matter.²²⁶

128. PJM Transmission Owners and SERTP Filing Parties also propose that the cost allocation provisions shall not be modified under section 205 of the FPA without the mutual consent of the holders of the FPA section 205 rights with respect to interregional

²²⁴ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 5 (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.4 (0.0.0).

²²⁵ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 5 (Exclusivity with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes (0.0.0)); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.4 (Exclusivity with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes (0.0.0)); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

²²⁶ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.A. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.A. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); *see also* PJM Transmission Owners Compliance Filing, ER13-1927-000, at 10; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 32.

cost allocation in the SERTP and PJM regions. However, they propose that “if the requirements adopted by Order No. 1000 et seq. and related orders are abrogated, vacated, and/or reversed, such that the mandate for public utility transmission providers to have interregional cost allocation methodologies in the nature of [the proposed cost allocation provisions] no longer applies, then the transmission providers in the SERTP region and the PJM Transmission Owners, in accordance with [section 6(C) and section 5.5.(B) of the proposed provisions], may unilaterally take actions consistent with the disposition of such mandate.”²²⁷

129. PJM Transmission Owners and SERTP Filing Parties detail in section 6(C) and section 5.5.B of their respective tariffs, that with respect to the PJM region, the proposed provisions have been approved by the PJM Transmission Owners acting through the Consolidated Transmission Owners Agreement pursuant to section 9.1²²⁸ of the Tariff and Article 7²²⁹ of the Consolidated Transmission Owners Agreement, SERTP Filing Parties and PJM Transmission Owners also propose that any amendment to the provisions of this proposal allocating the costs of interregional transmission projects selected for interregional cost allocation purposes among the SERTP and PJM regions shall require approval by the PJM Transmission Owners acting through the Consolidated Transmission Owners Agreement pursuant to section 9.1 of the Tariff and Article 7 of the Consolidated Transmission Owners Agreement and shall be filed pursuant to section 205 of the FPA. They also state that nothing in their proposal shall limit or alter the rights of the PJM Transmission Owners set forth in the Tariff and Consolidated Transmission Owners Agreement to submit filings under section 205 of the FPA.²³⁰

²²⁷ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.A. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); *see also* PJM Transmission Owners Compliance Filing, ER13-1927-000, at 10; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 32.

²²⁸ PJM, Rate Schedule FERC No. 42, Consolidated Transmission Owners Agreement, § 9.1 (Relationship of the Parties) (0.0.0).

²²⁹ PJM, Rate Schedule FERC No. 42, Consolidated Transmission Owners Agreement, Article 7 (Changes to Rate Design and Tariff Terms and Conditions; Distribution of Revenues) (0.0.0).

²³⁰ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.C. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional

(continued ...)

130. Regarding the six interregional cost allocation principles, PJM Transmission Owners and SERTP Filing Parties state that the proposed avoided cost-only method meets Interregional Cost Allocation Principle 1 because costs are allocated in proportion to the quantifiable benefits of avoided/displaced transmission. PJM Transmission Owners and SERTP Filing Parties note that in the context of cost allocation within a planning region, the Commission has found that a cost allocation that includes avoided costs “could be a reasonable approach for allocating costs in a manner that is roughly commensurate with benefits.”²³¹

131. PJM Transmission Owners and SERTP Filing Parties assert that an avoided cost-only method for interregional cost allocation is particularly appropriate given that Order No. 1000 requires interregional transmission coordination rather than interregional transmission planning. PJM Transmission Owners and SERTP Filing Parties note that under Order No. 1000-A, the Commission’s interregional transmission coordination reforms do not require the establishment of interregional transmission planning processes to develop integrated interregional transmission plans, but rather call upon public utility transmission providers 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

Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B. (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); *see also* PJM Transmission Owners Compliance Filing, ER13-1927-000, at 10; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 32.

²³¹ PJM Transmission Owners Compliance Filing at 5; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 12 (citing *Avista Corp.*, 143 FERC ¶ 61,255, at P 300 (2013); *South Carolina Elec. & Gas Co.*, 143 FERC ¶ 61,058, at P 232 (2013); WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 312). PJM Transmission Owners and SERTP Filing Parties specifically note that the Commission approved an avoided cost-only approach for allocating the cost of reliability projects within a region, finding that it “reasonably captures the benefits of such projects.” *See* PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 5; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 12 (citing WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 312).

regions.”²³² PJM Transmission Owners and SERTP Filing Parties therefore assert that the purpose of interregional transmission coordination is “to determine whether an interregional [transmission] project might beneficially displace one or more projects included in regional or local plans.” As a result, PJM Transmission Owners and SERTP Filing Parties aver that “the cost of the displaced projects represents a reasonable measure of the benefits of the interregional [transmission] project” for purposes of cost allocation.²³³

132. PJM Transmission Owners and SERTP Filing Parties state that they recognize that the Commission has found that an avoided cost-only method does not comply with the six regional cost allocation principles because such a method does not account for economic or public policy benefits. However, they argue that these findings are not determinative or relevant to their interregional filing, as Order No. 1000 does not require consideration of public policy or economic benefits at the interregional level.²³⁴ Moreover, they argue that the avoided cost-only method is appropriate in light of the fact that each region may choose not to select an interregional transmission project in its regional transmission plan for cost allocation purposes if the proposed project is not cost-effective for that region.²³⁵ PJM Transmission Owners and SERTP Filing Parties conclude that an avoided cost-only method, which allocates the costs of an interregional transmission project in proportion to costs of the displaced regional transmission project(s), accounts for the “essentially voluntary nature of interregional [transmission] coordination,” and results in a close “alignment of transmission planning and cost

²³² PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-00, at 5-6; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 12 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 511).

²³³ PJM Transmission Owners Compliance Filing, ER13-1927-000, at 5-6; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 12.

²³⁴ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 6 (citing *South Carolina Elec. & Gas Co.*, 143 FERC ¶ 61,058, at P 226 (2013)); Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 13.

²³⁵ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 6 (discussing “essentially voluntary nature of interregional coordination” and citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 512); Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 13 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 512).

allocation,” which they assert was a “central underpinning” of Order No. 1000’s interregional transmission coordination reforms.²³⁶

133. PJM Transmission Owners and SERTP Filing Parties assert that the proposed cost allocation method complies with Interregional Cost Allocation Principles 2 and 4 because a facility is eligible for interregional cost allocation only if it is selected in the regional transmission plan of the SERTP region *and* in the Regional Transmission Expansion Plan for the PJM region. PJM Transmission Owners add that either SERTP or PJM may avoid involuntary cost allocation simply by not selecting the interregional transmission project in its own regional transmission plan. In addition, PJM Transmission Owners and SERTP Filing Parties further state that by only allocating costs to regions that are able to avoid costs, the “agreed-upon approach” (i.e., the avoided cost-only method) assures that there will be no allocation to a region that does not benefit.²³⁷ Regarding Interregional Cost Allocation Principle 4, PJM Transmission Owners and SERTP Filing Parties’ proposal does not provide for the sharing of costs of upgrades that might be required in a region in which an interregional transmission facility is not located.²³⁸ SERTP Filing Parties add that their proposal contains explicit language in that regard.²³⁹

134. Specifically, PJM Transmission Owners and SERTP Filing Parties’ proposed tariff revisions provide that the costs of the interregional transmission project will only be allocated to a region that has selected the project in its regional transmission plan for purposes of cost allocation.²⁴⁰ In addition, neither PJM Transmission Owners nor

²³⁶ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 6 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 582); Southern Companies Compliance Filing, ER13-1941-000, at 13-14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 582).

²³⁷ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 6-7; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 14.

²³⁸ PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 6-7; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 14.

²³⁹ Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 14; *see also, e.g.*, PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation Purposes) (0.0.0).

²⁴⁰ Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1C. (Proposal of Interregional Transmission Projects for Interregional Cost Allocation Purposes) (0.0.0);

(continued ...)

SERTP Filing Parties is responsible for compensating another planning region for required upgrades or for any other consequences in another planning region associated with interregional transmission projects identified in the interregional transmission coordination process.²⁴¹

135. PJM Transmission Owners and SERTP Filing Parties state that the proposed avoided cost-only method complies with Interregional Cost Allocation Principle 3 because it does not establish a benefit to cost threshold for interregional cost allocation.²⁴²

136. PJM Transmission Owners and SERTP Filing Parties assert that the proposed cost allocation method also complies with Interregional Cost Allocation Principle 5 because the benefits that form the basis of cost allocation under the avoided cost-only method are readily quantifiable and, therefore, the cost allocation method and data requirements for determining benefits and identifying beneficiaries would be transparent. In addition, PJM Transmission Owners and SERTP Filing Parties assert that there would be sufficient documentation to allow stakeholders to determine how the cost allocation method was applied to a proposed interregional transmission facility.²⁴³

137. Finally, PJM Transmission Owners and SERTP Filing Parties state that the proposed cost allocation method complies with Interregional Cost Allocation Principle 6 because it would apply to all transmission facilities proposed for interregional cost allocation.²⁴⁴

PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.C. (Proposal of Interregional Transmission Projects for Interregional Cost Allocation Purposes) (0.0.0).

²⁴¹ Southern Companies, OATT, Attachment K, Ex. K-6, § 5.6 (Consequences to Other Regions from Interregional Transmission Projects) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 7 (Consequences to Other Regions from Interregional Transmission Projects) (0.0.0).

²⁴² Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 14; PJM Compliance Filing, Docket No. ER13-1936-000, at 7.

²⁴³ Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 14-15; PJM Compliance Filing, Docket No. ER13-1936-000, at 7.

²⁴⁴ PJM Transmission Owners Compliance Filing, Docket No. ER13-1936-000, at 7; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 15.

b. Protests/Comments

138. Four Public Interest Organizations assert that PJM Transmission Owners and SERTP Filing Parties' proposal fails to meet the requirements of Order No. 1000 because: (1) it does not include an actual interregional cost allocation method; and (2) the proposed avoided cost-only method fails to satisfy the first cost allocation principle of Order No. 1000, namely, that costs must be allocated in a manner roughly commensurate with benefits.²⁴⁵

139. Regarding their assertion that PJM Transmission Owners and SERTP Filing Parties' proposal fails to include an actual interregional cost allocation method, Four Public Interest Organizations state that the proposal is "missing the Order No. 1000-required step in which a clearly defined interregional method is applied in the same manner by the involved regions before each region then divides its regional share according to its chosen Order No. 1000 compliance method." They assert that, without an interregional cost allocation method, the benefits and beneficiaries of a proposed interregional transmission project will be not captured fully.²⁴⁶ Four Public Interest Organizations further assert while the SERTP-PJM proposal includes the "use of 'a common date, comparable cost components and the latest cost estimates' in cost determinations," the meaning of these terms is unclear, and "in any case, the use of a common date and comparable cost components does not constitute an interregional method for initial interregional cost allocation."²⁴⁷ They contend that allowing each region to determine its own *pro rata* share of the costs and benefits of an interregional transmission project, instead of utilizing a shared mechanism to allocate costs roughly commensurate with benefits among the regions, may not account for all benefits and costs, fails to satisfy Order No. 1000's obligation, and will not result in just and reasonable rates and the avoidance of undue discrimination.²⁴⁸

140. Four Public Interest Organizations and Wind Parties argue that the PJM Transmission Owners and SERTP Filing Parties' cost allocation proposal fails to sufficiently consider all of the benefits that may accrue from an interregional transmission project, and therefore does not comply with Interregional Cost Allocation

²⁴⁵ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 6, and 17.

²⁴⁶ *Id.* at 19.

²⁴⁷ *Id.* at 20.

²⁴⁸ *Id.*

Principle 1.²⁴⁹ In Four Public Interest Organizations' view, focusing only on the avoided costs of regional transmission projects oversimplifies the analysis of benefits, ignoring the fact that the selected interregional transmission project 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 project.²⁵⁰ Wind Parties add that, in their view, an avoided cost-only method oversimplifies the identification of beneficiaries, and assert that Order No. 1000 clearly required cost allocation to consider those who expect to benefit from a new transmission facility but did not necessarily cause the need for the new transmission facility. Wind Parties request that the Commission require SERTP and its neighbors to consider benefits that may accrue to transmission providers in addition to those from avoided regional transmission projects.²⁵¹

141. Additionally, Four Public Interest Organizations and Wind Parties assert that the Commission has rejected an avoided cost-only approach in several regional compliance filings, including those of SERTP Filing Parties, because such an approach does not allocate costs in a manner that is roughly commensurate with benefits.²⁵² Therefore, Wind Parties ask the Commission to reject the interregional cost allocation proposals between PJM Transmission Owners and SERTP Filing Parties, determine an approach to interregional cost allocation that meets the requirements of Order No. 1000, and direct PJM Transmission Owners and SERTP Filing Parties to include this approach in their

²⁴⁹ *Id.* at 21; Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 7.

²⁵⁰ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 21.

²⁵¹ Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 7-8 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323, at PP 535, 536, 537).

²⁵² Four Public Interest Organizations RTO Protest at 22 (citing SERTP First Regional Compliance Order, 144 FERC ¶ 61,054); Wind Parties Comments at 7 (citing WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 312; SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 254; *NorthWestern Corp.*, 143 FERC ¶ 61,056, at P 157 (2013)).

tariffs.²⁵³ Four Public Interest Organizations further assert that, while an avoided cost-only method may be appropriate when applied to reliability-driven transmission projects under certain circumstances, it is not appropriate to address all potential drivers of transmission needs at the interregional level because some benefits of the more cost-effective or efficient interregional transmission solution will not be allocated to beneficiaries. They conclude that arguing that Interregional Cost Allocation Principle 1 should be applied differently at the interregional level “amounts to a *post hoc* disagreement with [Order No. 1000’s] requirements for interregional cost allocation.”²⁵⁴

142. In response to PJM Transmission Owners and SERTP Filing Parties’ assertion that Order No. 1000 does not require the consideration of public policy or economic benefits at the interregional level, Four Public Interest Organizations and Wind Parties claim that Order No. 1000 does not limit the consideration of benefits at the interregional level to meeting regional reliability needs.²⁵⁵ Rather, Four Public Interest Organizations state that the Commission’s intention for interregional transmission coordination “is to ensure that transmission providers can ‘identify more efficient or cost-effective solutions *to the individual needs* identified in their respective local and regional transmission planning processes.’”²⁵⁶ Wind Parties join Four Public Interest Organizations in concluding that if regional transmission planning processes consider transmission needs driven by economics and public policy requirements, the interregional cost allocation method must be appropriate to apply to potential interregional transmission solutions that can more efficiently and cost-effectively meet regional transmission needs (i.e., it must reasonably consider these types of benefits). Wind Parties and Four Public Interest Organizations

²⁵³ Wind Parties Comments, Docket Nos. ER13-1923, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 10.

²⁵⁴ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 22-23 (citing WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 312).

²⁵⁵ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 23 (citing SERTP Transmittal Letter at 13; PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 6; Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 368); Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 9.

²⁵⁶ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 23 (quoting Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 368 (emphasis added)).

argue that otherwise, Order No. 1000's first cost allocation principle is violated and the Commission's intent in requiring a default interregional cost allocation method—to ensure that the most cost-effective and efficient transmission solutions to grid needs are the ones chosen in regional transmission plans—is undermined.²⁵⁷

143. Four Public Interest Organizations and Wind Parties assert that the Commission's statement that, in the regional context, accounting for the costs avoided by replacing a local transmission project with a regional transmission project fails to ensure that all the benefits of the regional transmission project are captured, applies equally in the context of interregional transmission projects replacing a planned regional transmission project.²⁵⁸ Specifically, Four Public Interest Organizations and Wind Parties state that the fact that interregional transmission projects chosen for purposes of cost allocation end up in separate regional transmission plans instead of a distinct interregional transmission plan has no bearing on the reality of the transmission project's benefits.²⁵⁹ Four Public Interest Organizations also contend that the proposals appear to only envision consideration of interregional transmission projects that replace specific regional transmission projects and effectively prohibit consideration of interregional transmission projects that would address other regional system needs for which "local or regional" projects are not currently planned.²⁶⁰

144. Four Public Interest Organizations take issue with the threshold criteria in PJM Transmission Owners and SERTP Filing Parties' proposal. They assert that PJM

²⁵⁷ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 23-24; Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 9.

²⁵⁸ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 22; Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 8 (referencing SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 254).

²⁵⁹ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 19, 24-25; Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 8-9.

²⁶⁰ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 9-10.

Transmission Owners and SERTP Filing Parties' proposal require that for an interregional transmission project to be selected for interregional cost allocation, it must meet criteria for regional cost allocation in all of the relevant regions. They note that the SERTP-MISO and SERTP-SPP interregional compliance filings propose exceptions to this requirement, but state that the lack of any exception in the SERTP-PJM proposal is problematic. Four Public Interest Organizations request that the Commission require PJM Transmission Owners and SERTP Filing Parties to adopt SPP's proposed exception (as proposed in the SERTP-SPP compliance filing) in their interregional compliance filing, which, "at the request of either planning region," would allow regions to consider a proposed transmission project for interregional cost allocation if it would provide quantifiable interregional benefits, would be located in both regions, and would be interconnected to the transmission facilities of at least one transmission owner in each region.²⁶¹

145. Four Public Interest Organizations contend that, without SPP's proposed exception, there may be no "consequential opportunity to consider all interregional transmission projects that may more efficiently or cost-effectively resolve issues identified in the respective regional [transmission] planning process."²⁶²

c. Answers

146. SERTP Filing Parties dispute Four Public Interest Organizations' argument that the avoided cost-only method is not an appropriate interregional cost allocation method.

²⁶¹ Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 17 (referencing SPP Compliance Filing, Docket No. ER13-1939-000, at 26; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 45). Four Public Interest Organization note that as part of the SERTP-SPP compliance proposal, SERTP and SPP could not agree on the language for an exception to the requirement. Therefore, while SERTP put forth the same exception contained in the MISO proposal, SPP proposed a broader exception under which "at the request of either planning region," the regions will consider a project for interregional cost allocation so long as the project "(i) provides quantifiable interregional benefits; (ii) would be located in both regions; and (iii) would be interconnected to the transmission facilities of" one or more transmission owners in both regions. *See* Four Public Interest Organizations RTO Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 17.

²⁶² *Id.* at 17-18 (citing SPP Transmittal Letter, Docket No. ER13-1939-000, at 25, 26).

First, SERTP Filing Parties argue that the provisions cited by Four Public Interest Organizations as part of their argument are not part of the section dealing with joint cost allocation.²⁶³ Second, SERTP Filing Parties state that the interregional cost allocation is based on total project benefits and costs, and the fact that the individual regions may use different methods to determine their benefits within their region for purposes of regional cost allocation does not undercut the fact that this approach is a common method for interregional cost allocation.²⁶⁴ They explain that an interregional transmission project must have been shown at the regional level to produce benefits for each region; thus, logically, each region's specific provisions addressing the determination of benefits should govern. Third, SERTP Filing Parties argue that the proposed interregional cost allocation method does not seek to impose a new definition of benefits or beneficiaries upon an interregional transmission project because to do so would impose interregional transmission planning on top of regional transmission planning, which is not required by Order No. 1000.²⁶⁵ Fourth, SERTP Filing Parties aver that Four Public Interest Organizations recognize that there is no requirement in Order No. 1000 that the interregional cost allocation method must be the same as the participating regions' regional cost allocation methods or that both regions must employ the same regional cost allocation method.²⁶⁶ Finally, with respect to Four Public Interest Organizations' argument that PJM Transmission Owners and SERTP Filing Parties' proposal to use a common date, comparable cost components, and the latest cost estimates in cost

²⁶³ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 25, 27 (responding to Four Public Interest Organizations' comments regarding Southern Companies, OATT, Attachment K, Ex. K-6, §§ 3.4.3 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes), 5.2.A (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0)).

²⁶⁴ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 26.

²⁶⁵ *See* SERTP Filing Parties Answer Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 27 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at PP 500, 711); *see also* PJM Transmission Owners Answer at 4 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 511) (Order No. 1000 did not require separate interregional transmission planning process unrelated to regional transmission planning processes).

²⁶⁶ SERTP Filing Parties Answer Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 26.

determinations does not constitute an interregional cost allocation method, SERTP Filing Parties respond that the cited provisions do not contain the proposed cost allocation formula.²⁶⁷

147. PJM Transmission Owners add that the proposal “does set forth a common cost allocation principle: a universally-applied *pro rata* cost allocation method according to each region’s identified benefits.”²⁶⁸ Moreover, they state that just because individual regions may use different methodologies to determine their regional benefits does not undercut the fact that what is proposed is a common method for interregional allocation. PJM Transmission Owners add that determining regional benefits according to the regional transmission plan is inherent in the concept of interregional transmission coordination: “[f]or an interregional transmission project to be eligible for interregional cost allocation, the project must have satisfied each region’s regional criteria for inclusion in the regional [transmission] plan.”²⁶⁹ According to PJM Transmission Owners, beneficiaries are identified at the regional level.

148. SERTP Filing Parties also challenge Four Public Interest Organizations and Wind Parties’ argument that the avoided cost-only method must be rejected since the Commission previously rejected the avoided cost-only method as the sole regional cost allocation method.²⁷⁰ SERTP Filing Parties find that this argument ignores crucial differences between Order No. 1000’s regional transmission planning obligations and the interregional transmission coordination obligations. They assert that, unlike at the regional level, Order No. 1000 does not require neighboring regions to engage in economic and public policy planning at the interregional level, and there is no obligation placed on transmission providers to identify interregional transmission needs.²⁷¹

149. PJM Transmission Owners add that it is precisely the different purposes of regional planning and of interregional transmission coordination that make the avoided cost method appropriate for the latter. PJM Transmission Owners explain that the role of

²⁶⁷*Id.* at 27.

²⁶⁸ PJM Transmission Owners Answer, Docket No. ER13-1927-000, at 4-5.

²⁶⁹ *Id.* at 5.

²⁷⁰ SERTP Filing Parties Answer Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 27-28.

²⁷¹*Id.* at 28 (citing WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at PP 311-313; Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 401).

the interregional process is “to enhance, not substitute for, the local and regional planning processes by identifying interregional [transmission] projects to the extent that such projects can more economically or efficiently address regional or local needs identified in the regional [transmission planning] process.”²⁷²

150. To further highlight this difference, PJM Transmission Owners reiterate the argument from their compliance filing that the avoided cost approach is appropriate in light of the fact that each region may choose not to select an interregional transmission project in its regional transmission plan for cost allocation purposes if the proposed project is not cost-effective for that region. They add that “this ability to determine whether to support an interregional [transmission] project is not available in the regional planning process.”²⁷³ Similarly, PJM Transmission Owners argue that the avoided cost method will accurately capture the benefit each region receives by supporting the interregional transmission project. Thus, they assert in the context of interregional planning and cost allocation, the avoided cost approach allocates the costs of that project in a just and reasonable manner that is consistent with the requirements of Order No. 1000.²⁷⁴

151. Contrary to Four Public Interest Organizations and Wind Parties’ argument that the avoided cost-only method will fail to capture all benefits and therefore will leave some costs unallocated to beneficiaries, SERTP Filing Parties argue that a selected interregional transmission solution will necessarily capture economic and public policy benefits to the extent that it is displacing a regional transmission project that has been identified to meet those transmission needs.²⁷⁵ SERTP Filing Parties also argue that the avoided cost-only method captures all “transmission needs” in that it encompasses all needs driving the physical expansion of the transmission system (i.e., transmission capacity needed to reliably satisfy long-term firm transmission commitments). SERTP Filing Parties argue that “[b]ecause the relevant and measurable benefits are captured, the avoided cost-only method meets the cost causation principle underlying the Commission’s first interregional cost allocation principle, which requires the allocation of costs ‘in a manner that is at least roughly commensurate with estimated benefits.’”²⁷⁶

²⁷² *Id.* at 8.

²⁷³ *Id.* at 9.

²⁷⁴ *Id.* at 11.

²⁷⁵ SERTP Filing Parties Answer Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 29.

²⁷⁶ *Id.* at 29-30 (quoting Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 622).

SERTP Filing Parties contend that a cost allocation method does not violate the cost causation principle merely because there may be some customers who might receive some other, purported benefit from a transmission project and who do not bear a direct cost responsibility. Rather, SERTP Filing Parties argue that a cost allocation method fails to meet the cost causation principle only if the omission of some other “benefits” or beneficiaries causes the resulting cost allocation not to be “roughly commensurate” with the distribution of benefits. SERTP Filing Parties assert that Four Public Interest Organizations offer no analysis to support a finding that the ancillary benefits that they suggest may exist are so great that they cause the avoided cost-only method to fall short of the “roughly commensurate” standard.²⁷⁷

152. Similarly, PJM Transmission Owners disagree with Four Public Interest Organizations’ argument that focusing on avoided cost oversimplifies the benefits analysis and ignores the potential for an interregional transmission project to have attributes, functions, location, and benefits that differ from the displaced projects, and also fails to consider public policy benefits.²⁷⁸ PJM Transmission Owners contend that Four Public Interest Organizations misunderstand the cost causation principles underlying the Commission’s first interregional cost allocation principle. Like SERTP Filing Parties, PJM Transmission Owners assert that a cost allocation method does not violate this principle merely because there may be some customers who might receive some benefit from a project but who escape cost responsibility.²⁷⁹ Rather, PJM Transmission Owners argue that an allocation method fails this test only if the omission of some benefits or beneficiaries causes the resulting cost allocation not to be “roughly commensurate” with the distribution of benefits. PJM Transmission Owners point out that Four Public Interest Organizations offer no analysis to support this.²⁸⁰

153. In response to Four Public Interest Organizations’ position that the avoided cost-only method is defective because it does not take into account instances in which a selected project may differ in some respect from the displaced regional transmission projects, SERTP Filing Parties contend that this argument ignores the nature of the interregional transmission coordination process. SERTP Filing Parties explain that the interregional transmission coordination process does not change the locally and

²⁷⁷ *Id.* at 30.

²⁷⁸ PJM Transmission Owners Answer, Docket No. ER13-1927-000, at 6 (quoting Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 622).

²⁷⁹ *Id.*

²⁸⁰ *Id.* at 6-7.

regionally identified transmission needs but instead determines whether an interregional transmission project may more efficiently or cost-effectively satisfy the identified transmission needs. SERTP Filing Parties contend that neither the transmission needs that interregional transmission projects address nor the benefits have changed; instead, the transmission needs that interregional transmission projects address are being addressed in a more cost-effective or efficient manner.²⁸¹

154. SERTP Filing Parties disagree with Four Public Interest Organizations and Wind Parties' protests that the avoided cost-only method fails to consider public policy and economic needs, SERTP Filing Parties argue that Order No. 1000 holds that economic and public policy transmission needs, need not be addressed at the interregional level because these needs will have already been addressed at the local and regional levels. However, SERTP Filing Parties state that the reason they do not categorize either transmission projects or needs into "the three buckets" (i.e., as economic, public policy, or reliability) is because such buckets do not reflect meaningful categories related to the transmission planning performed for the "physical" transmission markets employed in the Southeast.²⁸² SERTP Filing Parties explain that in these non-RTO markets, resource-related transmission needs are identified and addressed in the underlying integrated resource planning processes, with the long-term transmission commitments made to effectuate those integrated resource planning determinations then driving the transmission planning performed by the transmission planners in the Southeast. SERTP Filing Parties further explain that as a result, the economic and transmission needs driven by public policy requirements, as well as transmission needs triggered by the requirement to have sufficient generation and demand-side resources to serve load reliably, are first identified in those state-regulated processes, while the transmission planning processes then ensure that the transmission system is expanded to reliably deliver the power associated with addressing those needs.²⁸³ SERTP Filing Parties argue that this aspect of the non-RTO, physical transmission markets employed in the SERTP region reinforces the use of an avoided cost-only method.

155. Finally, SERTP Filing Parties argue that the protestors rely on a number of assumptions that are without merit, including that the avoided cost-only method will result in interregional transmission projects not being built because they would not

²⁸¹ SERTP Filing Parties Answer Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 31.

²⁸² *Id.* at 33-34.

²⁸³ *Id.* at 32-33.

qualify in either regional transmission plan.²⁸⁴ SERTP Filing Parties contend that any customer can request that a transmission project be built for any reason, subject to the cost allocation rules of the relevant tariffs and/or sections 210-212 of the FPA.²⁸⁵ SERTP Filing Parties further clarify that limits on criteria for transmission projects to potentially be included in the regional transmission plans for purposes of cost allocation relate to transmission projects seeking cost allocation.²⁸⁶ SERTP Filing Parties state that, as already noted, no interregional transmission project needs to qualify for Order No. 1000 interregional cost allocation to be built. In addition, although not directly protested by the parties, SERTP Filing Parties state that, assuming the criticism was directed at the limited subset of interregional transmission projects referred to as installed capacity projects (ICAP), ICAP projects present a more economic or cost-efficient transmission solution to regionally identified transmission solutions in each region.²⁸⁷

d. Commission Determination

156. We find that the PJM Transmission Owners and SERTP Filing Parties' proposed interregional transmission cost allocation method partially complies with the interregional cost allocation requirements of Order No. 1000.

157. We find that PJM Transmission Owners and SERTP Filing Parties have partially complied with Order No. 1000's requirements that neighboring regions propose a common interregional cost allocation method. While PJM Transmission Owners and SERTP Filing Parties do not propose identical language, the differences are generally ministerial in nature, with a noted exception to this related to FPA section 205 rights in PJM Transmission Owners' cost allocation proposal which is addressed below. Additionally, as permitted by Order No. 1000, PJM Transmission Owners and SERTP Filing Parties propose to apply their proposed avoided cost-only cost allocation method to all selected interregional transmission projects, rather than having separate interregional cost allocation methods for different types of interregional transmission facilities,

²⁸⁴*Id.* at 36 (citing Four Public Interest Organizations Protest, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 25); Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 8-9).

²⁸⁵ 16 U.S.C. §§ 824*i* through 824*k* (2012).

²⁸⁶ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 36-37.

²⁸⁷*Id.* at 37.

including interregional transmission facilities for transmission needs driven by reliability, economic, or public policy requirements.²⁸⁸ These proposals are also consistent with our 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 projects that address regional reliability and economic needs as well as transmission needs driven by public policy requirements.²⁸⁹ We also find that PJM Transmission Owners and SERTP Filing Parties have complied with Order No. 1000's requirement that an interregional transmission facility must be selected in each relevant regional transmission plan to be eligible for the proposed interregional cost allocation method.

158. However, PJM Transmission Owners explain that “[t]he proposal calculates the benefits of an interregional [transmission] project as the avoided costs due to the project, i.e., the cost savings achieved by replacing higher cost regionally-planned transmission projects with the more efficient *and* cost-effective proposed interregional [transmission] project that addresses long-term needs that would have been addressed by the displaced projects.” In addition, PJM Transmission Owners and SERTP Filing Parties provide an illustrative example as part of their proposed revisions to their OATTs, of how the proposed avoided cost-only interregional cost allocation would function.²⁹⁰ The example they provide states that as an initial step, the interregional transmission project is included in both regional plans for purposes of cost allocation and is determined to address both regions' transmission needs more efficiently and cost-effectively. As previously noted, PJM and SERTP Filing Parties also propose to identify potential interregional

²⁸⁸ Order No. 1000-A, 139 FERC ¶ 61,132 at P 500. 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.

²⁸⁹ *PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,250, at P 190 (2014).

²⁹⁰ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 3 (D) (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.2 (D) (Allocation of Costs for Interregional Transmission Projects Between the SERTP and PJM Regions) (0.0.0) (emphasis added).

transmission facilities that could be “more efficient *and* cost-effective” than transmission projects included in their respective regional transmission plans, which we found to be inconsistent with Order No. 1000. 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 [transmission] solutions” to regional transmission needs.²⁹¹ We therefore direct PJM Transmission Owners and SERTP Filing Parties to submit further compliance filings within 60 days of the date of issuance of this order to correct their OATTs to make clear that in order to be eligible for interregional cost allocation, an interregional transmission facility will be determined to address both regions’ transmission needs more efficiently *or* cost-effectively.

159. We find that the three criteria and the associated requirements that PJM Transmission Owners and SERTP Filing Parties propose must all be met for an interregional transmission facility to be *considered* for interregional cost allocation, partially comply with Order No. 1000. Specifically, PJM Transmission Owners and SERTP Filing Parties propose that the interregional transmission facility must be: (1) interregional in nature; (2) proposed for purposes of cost allocation in both the SERTP region and the PJM region; and (3) selected both in the regional transmission plan of the SERTP region and in the Regional Transmission Expansion Plan for the PJM region.²⁹² PJM Transmission Owners and SERTP Filing Parties’ proposal also specifies certain requirements that must be fulfilled for an interregional transmission facility to meet each of these three criteria and thus be considered for interregional cost allocation within the PJM and SERTP regions.

160. With respect to the first criterion that the transmission facility must be interregional in nature, PJM Transmission Owners and SERTP Filing Parties propose that the transmission facility must: (1) be physically located in both the SERTP region and PJM region; (2) interconnect to the transmission facilities of one or more SERTP transmission owners and the transmission facilities of one or more PJM transmission

²⁹¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396 (emphasis added); *see also, e.g.*, SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 198; WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 283; *New York Indep. Sys. Operator, Inc.*, 148 FERC ¶ 61,044, at P 257 (2014).

²⁹² PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2 (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.C (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0) (emphasis added).

owners; and (3) meet the threshold criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and PJM regions, pursuant to their respective regional transmission planning processes.²⁹³ We find that these requirements partially comply with Order No. 1000. We reiterate our earlier finding in the General Requirements section of this order that the proposed criterion for defining a transmission facility as interregional in nature that the transmission facility must interconnect to the transmission facilities of one or more SERTP transmission owners and the transmission facilities of one or more PJM transmission owners, respectively, is overly limiting and inconsistent with Order No. 1000. Therefore, consistent with our finding in the General Requirements section of this order, we direct PJM Transmission Owners and SERTP Filing Parties to submit further compliance filings within 60 days of the date of issuance of this order revising this criterion to remove the requirement that for an interregional transmission facility to be interregional in nature requiring, that the transmission facility must interconnect to the transmission facilities of one or more SERTP transmission owner(s) and one or more PJM transmission owners.

161. With respect to the additional requirement under this criterion that an interregional transmission facility must meet the threshold criteria for transmission facilities potentially eligible to be included in the regional transmission plans for purposes of cost allocation in both the SERTP and PJM regions, we find that to the extent that either PJM or SERTP's Order No. 1000-compliant regional transmission planning processes contain threshold criteria that a transmission facility must meet in order to be proposed in the regional transmission planning process and be included in the regional transmission plans for purposes of cost allocation,²⁹⁴ such a determination is appropriate as a criterion for a transmission facility to be eligible for interregional cost allocation.²⁹⁵ However,

²⁹³ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.A (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0).

²⁹⁴ For example, SERTP Filing Parties' existing OATT requires a proposed transmission project to, among other things, operate at a voltage of 300 kV or greater. *See* Second Compliance Order, 147 FERC ¶ 61,241 at P 121.

²⁹⁵ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2. (Proposal of Interregional Transmission Projects for Interregional Cost Allocation Purposes) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1 (Proposal of Interregional Transmission Projects for Interregional Cost Allocation Purposes) (0.0.0).

consistent with the requirement that public utility transmission providers make transparent the analyses undertaken and determinations reached by neighboring transmission regions in the identification and evaluation of interregional transmission facilities,²⁹⁶ PJM and SERTP Filing Parties must allow stakeholders to propose, and must keep a record of, interregional transmission facilities that are found not to meet the minimum threshold criteria for transmission facilities potentially eligible for selection in a regional transmission plan for purposes of cost allocation in both the SERTP and PJM regions. In addition, as part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures,²⁹⁷ PJM and SERTP Filing Parties must post a list of all interregional transmission facilities that are proposed for potential selection in the regional transmission plans for purposes of cost allocation but that are found not to meet the relevant thresholds, as well as an explanation of the thresholds the proposed interregional transmission facilities failed to satisfy.

162. With respect to the second criterion that the transmission facility must be proposed for purposes of cost allocation in both the SERTP region and the PJM Region, to be considered for interregional cost allocation, PJM Transmission Owners and SERTP Filing Parties propose that: (1) the transmission developer and project submittal must satisfy all criteria specified in the respective regional transmission processes; and (2) the proposal should be submitted in the timeframes outlined in the respective regional transmission processes.²⁹⁸ We find that PJM Transmission Owners and SERTP Filing Parties' proposal complies with Order No. 1000 because the requirements under this criterion memorialize that in proposing an interregional transmission facility for purposes of cost allocation, such a project must meet all of the criteria and requirements of each region in which it is proposed and the project and its developer must satisfy the qualification criteria and submittal requirements of the pertinent regions. We find that these requirements are consistent with the requirement in Order No. 1000 that a transmission developer of an interregional transmission project first propose its

²⁹⁶ 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).

²⁹⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 458.

²⁹⁸ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.B (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.B (0.0.0).

transmission project in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located.²⁹⁹

163. Finally, with respect to the third criterion that the transmission facility must be selected both in the regional transmission plan of the SERTP region and in the Regional Transmission Expansion Plan for the PJM region,³⁰⁰ we find that this criterion does not comply with Order No. 1000. Order No. 1000 notes that an interregional transmission facility must be *selected* in both of the relevant regional transmission planning processes for purposes of cost allocation in order to be *eligible* for interregional cost allocation pursuant to a cost allocation method required under Order No. 1000.³⁰¹ Order No. 1000 does not place such a limit for an interregional transmission facility to be *considered* for interregional cost allocation. Additionally, Order No. 1000 states that an interregional transmission facility must be proposed in the regional transmission planning processes of each of the neighboring regions in which the transmission facility is proposed to be located.³⁰² Each transmission planning region's individual *consideration*³⁰³ and joint evaluation by the neighboring regions of the proposed interregional transmission project will determine if there are more efficient or cost-effective interregional transmission solutions than regional solutions identified by the neighboring transmission planning regions.³⁰⁴ Finally, each region must select such a facility in its regional transmission plan for purposes of cost allocation in order for it to be *eligible* for interregional cost allocation.³⁰⁵ We further note that PJM Transmission Owners' and SERTP Filing Parties' proposed OATT revisions already include a separate provision that details the requirements that an interregional transmission facility must meet to be selected in both

²⁹⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

³⁰⁰ PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 2.C (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0); Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.C (Proposal of Interregional Transmission Projects for Interregional Cost Allocation) (0.0.0).

³⁰¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 582 (emphasis added).

³⁰² *See id.* P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

³⁰³ *See* Order No. 1000-A, 139 FERC ¶ 61,132 at P 513 (emphasis added).

³⁰⁴ *See* Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

³⁰⁵ *Id.* (emphasis added).

the SERTP and PJM regional plans for purposes of cost allocation.³⁰⁶ Therefore, the proposed criterion at issue here is unnecessary. We direct PJM Transmission Owners and SERTP Filing Parties to submit further compliance filings within 60 days of the date of issuance of this order to remove this criterion.

164. We also decline to require PJM Transmission Owners and SERTP Filing Parties to adopt SPP's proposed exception regarding proposed criteria for interregional cost allocation (as proposed in the SERTP-SPP compliance filing) in their interregional compliance filings. We agree with PJM Transmission Owners that it is inconsistent with Order No. 1000 to require that a transmission project meet the criteria for regional cost allocation in order to be eligible for interregional transmission coordination. We find that while RTOs/ISOs and transmission planning regions may provide interregional cost allocation on a voluntary basis for transmission facilities that would not meet the criteria for regional cost allocation, there is nothing in Order No. 1000 that requires it. We find that nothing in Order No. 1000 requires an exception to evaluate transmission facilities that do not meet both regions' regional criteria on a case-by-case basis.

165. We find that PJM Transmission Owners and SERTP Filing Parties' interregional cost allocation proposals have complied with Order No. 1000's six Interregional Cost Allocation Principles. PJM Transmission Owners and SERTP Filing 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 projects proposed for interregional cost allocation.

166. 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

³⁰⁶ Southern Companies, OATT, Attachment K, Ex. K-6, § 3.5 (Inclusion of Interregional Projects Proposed for Interregional CAP in Regional Transmission Plans) (0.0.0); PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 3.5 (Inclusion of Interregional Projects Proposed for Interregional CAP in Regional Transmission Plans) (0.0.0).

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 1.³⁰⁷

167. Specifically, the Commission stated that using one regional cost allocation method that relies solely on avoided costs to capture the potential benefits associated with 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.³⁰⁸ 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.³⁰⁹ A key consideration in the Commission's finding, therefore, was the interplay between the scope of local and regional transmission planning.

168. 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

³⁰⁷ See SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 248. 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., WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 312.

³⁰⁸ SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at PP 249-250.

³⁰⁹ SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 251.

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.”³¹⁰ 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 transmission facilities.³¹¹ Thus, in contrast to the concerns that the Commission had with an avoided cost-only cost allocation method when used at the regional level,³¹² 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.

169. 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-

³¹⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 81.

³¹¹ See *e.g.*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 11.

³¹² As noted above, 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.

effectively than transmission solutions identified by individual public utility transmission providers in their local transmission planning process,³¹³ 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.³¹⁴ 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 respective local and regional transmission planning processes.³¹⁵ 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.

170. We also disagree with Wind Parties and Four 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 project. While protestors 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 SERTP Filing Parties 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.

³¹³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 148.

³¹⁴ *See* Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 399.

³¹⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 393.

171. With respect to Four Public Interest Organizations' argument that PJM Transmission Owners and SERTP Filing Parties' proposal to allow each region to determine its own *pro rata* share of the costs and benefits of an interregional transmission facility fails to meet Order No. 1000's requirement for a common interregional cost allocation method, we agree with SERTP Filing Parties that allowing each region to use its own method to determine benefits does not undercut the fact that an avoided cost method may constitute a common interregional cost allocation method. We agree that because PJM Transmission Owners and SERTP Filing Parties' proposal requires that an interregional transmission project be shown at the regional level to have benefits for each region, it is appropriate that each region's specific provisions addressing the determination of benefits should apply.

172. With respect to PJM Transmission Owners and SERTP Filing Parties' proposal to allocate, between the SERTP and PJM regions, the costs of an interregional transmission facility that is selected in both regions' regional transmission plans for purposes of cost allocation by determining the ratio of the present values of the estimated costs of such region's displaced regional transmission projects to the total of the present values of the estimated costs of the displaced regional transmission projects in all regions that have selected the transmission facility, we find that such an interregional cost allocation method is reasonable. However, to calculate the present values, PJM Transmission Owners and SERTP Filing Parties propose that the applicable discount rate for the SERTP region may be determined on a case-by-case basis, and there may be multiple discount rates if there are multiple SERTP transmission owners, whereas for PJM, the applicable discount rate will be the rate included in the assumptions used every year in the economic planning process, as reviewed by the PJM Board of Directors. PJM Transmission Owners and SERTP Filing Parties have not provided enough detail to describe how these discount rates will be determined and how they will apply together. Accordingly, we require PJM Transmission Owners and SERTP Filing Parties to submit further compliance filings, within 60 days of the date of issuance of this order, that further explain in their respective tariffs: (1) how SERTP Filing Parties will determine discount rates on a case-by-case basis, and (2) how the applicable discount rate for the PJM region reviewed by the PJM Board of Directors each year in their economic planning process will be applied to SERTP's potential multi-discount rates for jointly evaluated interregional transmission facilities.

173. 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 transmission facility will be allocated between the SERTP and PJM transmission planning regions if that transmission facility is selected for purposes of cost allocation in the regional transmission plans of both SERTP and PJM. PJM Transmission Owners and

SERTP Filing Parties also propose that only a transmission project that is located in both regions will be considered for interregional cost allocation.³¹⁶ Thus, a transmission planning region that receives no benefit from an interregional transmission facility located in that region will not be involuntarily allocated costs of that transmission facility. Further, costs of an interregional transmission facility will only be allocated to the transmission planning regions in which that transmission facility is located. We note that PJM Transmission Owners and SERTP Filing Parties propose that neither PJM Transmission Owners nor SERTP Filing Parties will be responsible for compensating another planning region for required upgrades or for any other consequences in another planning region associated with interregional transmission projects identified in the interregional transmission coordination process.³¹⁷ While we find that PJM Transmission Owners and SERTP Filing Parties' proposal complies with Interregional Regional Cost Allocation Principle 4, we encourage SERTP 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.

174. In addition, we find that PJM Transmission Owners and SERTP Filing 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.³¹⁸

175. Moreover, we find that PJM Transmission Owners and SERTP Filing Parties' proposed cost allocation method complies with Interregional Cost Allocation Principle 5. PJM Transmission Owners and SERTP Filing Parties argue that because benefits that form the basis of cost allocation are quantifiable, the cost allocation method and data requirements for determining benefits and identifying beneficiaries would be transparent. We agree. PJM Transmission Owners and SERTP Filing Parties propose to make the

³¹⁶ *E.g.*, Southern Companies, OATT, Attachment K, Ex. K-6, § 5.1.A (0.0.0).

³¹⁷ Southern Companies, OATT, Attachment K, Ex. K-6 § 5.6 (Consequences to Other Regions from Interregional Transmission Projects) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 7 (Consequences to Other Regions from Interregional Transmission Projects) (0.0.0).

³¹⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

analyses and results which determine Regional Benefits³¹⁹ for purposes of allocating costs available to stakeholders.³²⁰ Similarly, we also find that these proposed tariff revisions regarding transparency will also ensure that stakeholders will have access to adequate documentation that describes how the interregional cost allocation method was applied to a proposed interregional transmission facility.

176. Finally, we find that the proposed interregional cost allocation method complies 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.³²¹ PJM Transmission Owners and SERTP Filing Parties have chosen not to propose different cost allocation methods for different types of transmission facilities. However, the Commission previously found that PJM Transmission Owners and SERTP Filing Parties' regional transmission planning processes and regional cost allocation methods address regional transmission needs driven by reliability, economic, and/or public policy requirements, as well as consider the benefits that may accrue from addressing regional transmission needs driven by reliability, economic, and/or public policy requirements.³²² Also as previously noted, PJM Transmission Owners and SERTP Filing Parties' proposed cost allocation method affirmatively requires that a proposed interregional transmission facility must be selected in SERTP's and PJM's respective regional transmission planning processes.³²³

³¹⁹ Regional Benefit means: (i) for the transmission provider, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included and (ii) for PJM, the total avoided costs of projects included in the then-current regional transmission plan that would be displaced if the proposed interregional transmission project was included. *See* Southern Companies, OATT, Attachment K, Ex. K-6, § 3.4 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 6-A, § 3.4 (Evaluation of Interregional Transmission Projects Proposed for Interregional Cost Allocation Purposes) (0.0.0).

³²⁰ Southern Companies, OATT, Attachment K, Ex. K-6, § 4 (Transparency) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 4 (Transparency) (0.0.0).

³²¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 685 (emphasis added).

³²² *See* SERTP Regional Rehearing and Compliance Order, 147 FERC ¶ 61,241; PJM Regional Rehearing and Compliance Order, 147 FERC ¶ 61,128 (2013).

³²³ Southern Companies, OATT, Attachment K, Ex. K-6, § 3.5 (Inclusion of Interregional Projects Proposed for Interregional CAP in Regional Transmission Plans)

(continued ...)

Taken together, these findings confirm that PJM Transmission Owners and SERTP Filing Parties' proposed avoided cost-only cost allocation method applies to interregional transmission facilities that address regional transmission needs driven by reliability, economic, and/or public policy requirements.

177. We find that PJM Transmission Owners' proposed Schedule 12-B contains a provision, which is not contained in the SERTP Filing Parties' proposed OATT, and that PJM Transmission Owners have not justified the proposed language as necessary to comply with the requirements of Order No. 1000. Specifically, Schedule 12-B, section 6.C. states

C. With respect to the PJM Region:

The provisions of this Schedule 12-B have been approved by the PJM Transmission Owners acting through the Consolidated Transmission Owners Agreement pursuant to Section 9.1 of the Tariff and Article 7 of the Consolidated Transmission Owners Agreement, and any amendment to the provisions of this Section 6 or any other provision of this Schedule 12-B allocating the costs of interregional transmission projects selected for interregional cost allocation purposes among the SERTP region and PJM Region, shall require approval by the PJM Transmission Owners acting through the Consolidated Transmission Owners Agreement pursuant to Section 9.1 of the Tariff and Article 7 of the Consolidated Transmission Owners Agreement and shall be filed pursuant to Section 205 of the Federal Power Act in accordance with Section 9 of the Tariff and Article 7 of the Consolidated Transmission Owners Agreement.

Nothing in this Schedule 12-B shall limit or alter the rights of the PJM Transmission Owners set forth in the Tariff and Consolidated Transmission Owners Agreement to submit filings under Section 205 of the Federal Power Act.³²⁴

(0.0.0); PJM, Intra-PJM Tariffs, OA, Schedule 6-A, § 3.5 (Inclusion of Interregional Projects Proposed for Interregional CAP in Regional Transmission Plans) (0.0.0).

We find that this proposed provision is unnecessary because sections 6.A and 6.B of Schedule 12-B³²⁵ as proposed already include an explicit acknowledgement that “nothing in this Schedule 12-B will convey, expand, limit or otherwise alter any rights of the transmission owners, transmission developers or other market participants to submit filings under Section 205 of the FPA.”³²⁶ In the PJM Rehearing and Compliance Order, the Commission stated that, “[u]nder Schedule 12 [of the PJM OATT], the costs of all Required Transmission Enhancements are recovered through charges assessed to customers taking Network Integration Transmission Service, which is a service a transmission owner provides using its own assets. Therefore, the right to make a FPA section 205 filing to change the cost allocation method for Required Transmission Enhancements in PJM is appropriately the exclusive right of PJM Transmission Owners.”³²⁷ We note that nothing in this proceeding limits or alters this exclusive right of the PJM Transmission Owners’, as set forth in the PJM OATT and the Consolidated Transmission Owners Agreement, to submit filings under section 205 of the FPA.

178. In addition, we note that both PJM Transmission Owners and SERTP Filing Parties’ proposals do not contain tariff revisions detailing whether or not in the SERTP region there are also entities with the rights to submit filings under section 205 of the FPA even though other parts of their proposal allude to the fact that indeed there are

³²⁵ *See id.* § 6.A (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); and PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³²⁶ Unlike section 6.C, sections 6.A and 6.B of Schedule 12-B are mirrored in SERTP Filing Parties’ respective OATTs. *See* Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.A (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); and Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³²⁷ PJM Rehearing and Compliance Order, 147 FERC ¶ 61,128 at P 262 (internal citations omitted).

holders of such rights in the SERTP region.³²⁸ That these rights are not expressly spelled out in PJM Transmission Owners and SERTP Filing Parties' proposals does not eliminate any such rights. On the contrary, as with the PJM Transmission Owners, nothing in this proceeding limits or alters this exclusive right of any such holder in the SERTP region, to submit filings under section 205 of the FPA.

179. Moreover, we interpret section 6.B of Schedule 12-B, which states that “[t]he cost allocation provisions in this Schedule 12-B shall not be modified under Section 205 of the FPA without the *mutual consent* of the holders of the FPA Section 205 rights with respect to interregional cost allocation in the SERTP region and the PJM Region,”³²⁹ as requiring the approval of both SERTP and the PJM Transmission Owners, who have the FPA section 205 rights in the PJM region. We find it reasonable that the modifications to the interregional cost allocation applicable to interregional transmission facilities that are eligible for cost allocation as a result of the interregional transmission coordination procedures between the PJM and SERTP regions, must be consented to by parties who have such rights. For all the reasons stated above, we direct PJM Transmission Owners and SERTP Filing Parties to submit further compliance filings within 60 days of the date

³²⁸ See Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0) (which state, in relevant part “The cost allocation provisions in this Section 5 shall not be modified under Section 205 of the FPA without the mutual consent of the holders of the FPA Section 205 rights with respect to interregional cost allocation in the SERTP and PJM regions. However, [if certain circumstances arise] then the transmission providers in the SERTP region and the PJM Transmission Owners, acting in accordance with Section 6(C) or 5.5(C)] of this [Schedule 12-B or Section 5] may unilaterally take actions consistent with the disposition of such mandate.”). See also PJM Transmission Owners Compliance Filing, Docket No. ER13-1927-000, at 10; Southern Companies Compliance Filing, Docket No. ER13-1941-000, at 32 (discussing holders of FPA section 205 rights in either SERTP or PJM).

³²⁹ Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5 (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6 (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0) (emphasis added).

of issuance of this order removing section 6.C of Schedule 12-B, as well as other references to this section in Schedule 12 and references to section 5.5(C) in their respective OATTs.

180. Furthermore, we also require removal of an additional proposed revision to PJM Transmission Owners and SERTP Filing Parties' common cost allocation language. Specifically, PJM Transmission Owners and SERTP Filing Parties propose that:

However, if the requirements adopted by Order No. 1000 *et seq.* and related orders are abrogated, vacated, and/or reversed, such that the mandate for public utility transmission providers to have interregional cost allocation methodologies in the nature of this [Schedule 12-B³³⁰ or Section 5³³¹] no longer applies, then the transmission providers in the SERTP region and the PJM Transmission Owners, acting in accordance with Section 6(C)³³² or 5.5(C)³³³ of this [Schedule 12-B³³⁴ or Section 5³³⁵] may unilaterally take actions consistent with the disposition of such mandate.^[336]

³³⁰ See PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³³¹ See Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³³² See PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³³³ See Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³³⁴ See PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³³⁵ See Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for

(continued ...)

We reject this provision as unnecessary to meet the requirements of Order No. 1000. In the event that “the requirements adopted by Order No. 1000 et seq. and related orders are abrogated, vacated, and/or reversed, such that the mandate for public utility transmission providers to have interregional cost allocation methods in the nature of this [Schedule 12-B or Section 5] no longer applies,” PJM Transmission Owners and SERTP Filing Parties will need to file for acceptance with the Commission, any proposed revisions to their respective OATTs and/or Operating Agreement required by any court opinion that abrogates, vacates and/or reverses the requirements adopted by Order No. 1000 and related orders, consistent with the directives of any such court opinion.³³⁷ Thus, we direct PJM Transmission Owners and SERTP Filing Parties to submit further compliance filings within 60 days of the date of issuance of this order removing this sentence from section 6.B of Schedule 12-B or section 5.5B of their OATTs, as well as any other references to this sentence in Schedule 12 or OATTs, respectively.

The Commission orders:

(A) PJM’s, PJM Transmission Owners’, and SERTP Filing Parties’ compliance filings are hereby conditionally accepted, as modified, subject to further compliance filings, as discussed in the body of this order.

Interregional Cost Allocation Purposes) (0.0.0).

³³⁶ See Southern Companies, OATT, Attachment K, Ex. K-6, § 5.5.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0); PJM, Intra-PJM Tariffs, OATT, Schedule 12-B, § 6.B (Section 205 Filing Rights with Respect to Interregional Transmission Projects Selected for Interregional Cost Allocation Purposes) (0.0.0).

³³⁷ We note that the U.S. Court of Appeals for the D.C. Circuit recently upheld the Commission’s authority underlying Order No. 1000 and all of the requirements therein. See *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

(B) PJM, PJM Transmission Owners, and SERTP Filing Parties 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. Commissioner Honorable is voting present.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix A: Abbreviated Names of Intervenors

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

- * late intervention
- + protest

**PJM Compliance Filing
Docket No. ER13-1927-000**

Abbreviation	Intervenor(s)
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
AEP	American Electric Power Service Corporation
Dalton Utilities	Dalton Utilities
Dominion Resources Services*	Dominion Resources Services, Inc.
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Duke	Duke Energy Corporation
E.ON Climate & Renewables North Carolina	E.ON Climate & Renewables North America
Exelon	Exelon Corporation
Florida Commission	Florida Public Service Commission
Georgia Transmission Corporation	Georgia Transmission Corporation
Jersey Central Power	Jersey Central Power & Light Company
Louisville Gas & Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
Maryland Commission	Maryland Public Service Commission

MEAG Power	Municipal Electric Authority of Georgia
NCEMC	North Carolina Electric Membership Corporation
North Carolina Utilities Commission	North Carolina Utilities Commission, Public Staff-North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
Pepco	Pepco Holdings, Inc.
PJM	PJM Interconnection, L.L.C.
PowerSouth Energy Cooperative	PowerSouth Energy Cooperative
PPL Electric Utilities *	PPL Electric Utilities Corporation
PSEG Companies	Public Service Electric and Gas Company, PSEG Power LLC, and PSEG Energy Resources & Trade LLC
Four Public Interest Organizations	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Rockland Electric Company	Rockland Electric Company
South Carolina Office of Regulatory Staff	South Carolina Office of Regulatory Staff
South Mississippi Electric Power Association	South Mississippi Electric Power Association
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)

Tennessee Valley Authority

Tennessee Valley Authority

Wind Parties

American Wind Energy Association;
Wind on the Wires; and Mid-Atlantic
Renewable Energy Coalition

Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.
Docket No. ER13-1928

Abbreviation	Intervenor(s)
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
AEP	American Electric Power Service Corporation
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Exelon	Exelon Corporation
Florida Commission	Florida Public Service Commission
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Georgia Transmission Corporation	Georgia Transmission Corporation
Jersey Central Power	Jersey Central Power & Light Company
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
MEAG Power	Municipal Electric Authority of Georgia
Midwest TDUs	Madison Gas and Electric Company, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, and WPPI Energy
MISO +	Midcontinent Independent System Operator, Inc.
MISO Transmission Owners	Ameren Services Company (as agent for Union Electric Company, Ameren

Illinois Company, Ameren Transmission Company of Illinois); City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Great River Energy; Hoosier Energy Rural Electric; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern States Power Company (Minnesota and Wisconsin corporations); Otter Tail Power Company; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; and Wabash Valley Power Association, Inc.

NCEMC

North Carolina Electric Membership Corporation

North Carolina Utilities Commission

North Carolina Utilities Commission, Public Staff-North Carolina Utilities Commission

Old Dominion Electric Cooperative

Old Dominion Electric Cooperative

Ohio Valley Electric Corporation

Ohio Valley Electric Corporation

PJM

PJM Interconnection, L.L.C.

PowerSouth Energy Cooperative

PowerSouth Energy Cooperative

Wind Parties *+

American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.
Docket No. ER13-1928

Abbreviation	Intervenor(s)
PPL Electric Utilities *	PPL Electric Utilities Corporation
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
PSEG Companies	Public Service Electric and Gas Company, PSEG Power LLC, and PSEG Energy Resources & Trade LLC
Rockland Electric Company	Rockland Electric Company
South Carolina Office of Regulatory Staff	South Carolina Office of Regulatory Staff
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
South Mississippi Electric Power Association	South Mississippi Electric Power Association
Southwest Power Pool	Southwest Power Pool, Inc.
Tennessee Valley Authority	Tennessee Valley Authority

Louisville Gas and Electric Company and Kentucky Utilities Company
Docket No. ER13-1930

Abbreviation	Intervenor(s)
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
AEP	American Electric Power Service Corporation
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Exelon	Exelon Corporation
Florida Commission	Florida Public Service Commission
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Georgia Transmission Corporation	Georgia Transmission Corporation
Indiana Commission +	Indiana Utility Regulatory Commission
Indiana Office of Utility Consumer Counselor	Indiana Office of Utility Consumer Counselor
Jersey Central Power & Light	Jersey Central Power & Light Company
MEAG Power	Municipal Electric Authority of Georgia
Midwest TDUs	Madison Gas and Electric Company, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, and WPPI Energy

MISO +	Midcontinent Independent System Operator, Inc.
MISO Transmission Owners	Ameren Services Company (as agent for Union Electric Company, Ameren Illinois Company, Ameren Transmission Company of Illinois); City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Great River Energy; Hoosier Energy Rural Electric; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern States Power Company (Minnesota and Wisconsin corporations); Otter Tail Power Company; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; and Wabash Valley Power Association, Inc.
North Carolina Commission	North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
Organization of MISO States	Indiana Utility Regulatory Commission; Iowa Utilities Board; Michigan Public Service Commission; Minnesota Public Utilities Commission; Missouri Public Service Commission; Montana Public Service Commission; North Dakota Public Service Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
PJM	PJM Interconnection, L.L.C.
PowerSouth Energy Cooperative	PowerSouth Energy Cooperative

Southern Company

Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)

Wind Parties *+

American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Louisville Gas and Electric Company and Kentucky Utilities Company
Docket No. ER13-1930

Abbreviation	Intervenor(s)
PPL Electric Utilities *	PPL Electric Utilities Corporation
PSEG Companies	Public Service Electric and Gas Company, PSEG Power LLC, and PSEG Energy Resources & Trade LLC
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Rockland Electric Company	Rockland Electric Company
South Mississippi Electric Power Association	South Mississippi Electric Power Association
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
Southwest Power Pool	Southwest Power Pool, Inc.
Tennessee Valley Authority	Tennessee Valley Authority
Wisconsin Electric Power	Wisconsin Electric Power Company

PJM Interconnection, L.L.C.
Docket No. ER13-1936

Abbreviation	Intervenor(s)
Associated Electric Cooperative, Inc.	Associated Electric Cooperative, Inc.
AEP	American Electric Power Service Corporation
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Duke	Duke Energy Corporation
E.ON Climate & Renewables North America	E.ON Climate & Renewables North America, LLC
Exelon	Exelon Corporation
Florida Commission	Florida Public Service Commission
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Georgia Transmission Corporation	Georgia Transmission Corporation
Jersey Central Power & Light	Jersey Central Power & Light Company
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
Maryland Commission	Maryland Public Service Commission
MEAG Power	Municipal Electric Authority of Georgia

NCEMC	North Carolina Electric Membership Corporation
New York Transmission Owners	New York Transmission Owners
North Carolina Commission	North Carolina Utilities Commission
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
PowerSouth EnergyCooperative	PowerSouth Energy Cooperative
PSEG Companies	Public Service Electric and Gas Company, PSEG Power LLC, and PSEG Energy Resources & Trade LLC
Rockland Electric Company	Rockland Electric Company
South Carolina Office of Regulatory Staff	South Carolina Office of Regulatory Staff
South Mississippi Electric Power Association	South Mississippi Electric Power Association
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
Southwest Power Pool	Southwest Power Pool, Inc.
Tennessee Valley Authority	Tennessee Valley Authority
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Ohio Valley Electric Corporation
Docket No. ER13-1940

Abbreviation	Intervenor(s)
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
AEP	American Electric Power Service Corporation
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Florida Commission	Florida Public Service Commission
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Georgia Transmission Corporation	Georgia Transmission Corporation
Indiana Commission +	Indiana Utility Regulatory Commission
Indiana Office of Utility Consumer Counselor	Indiana Office of Utility Consumer Counselor
Jersey Central Power & Light	Jersey Central Power & Light Company
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
MEAG Power	Municipal Electric Authority of Georgia
Midwest TDUs	Madison Gas and Electric Company, Missouri Joint Municipal Electric

	Utility Commission, Missouri River Energy Services, and WPPI Energy
MISO +	Midcontinent Independent System Operator, Inc.
MISO Transmission Owners	Ameren Services Company (as agent for Union Electric Company, Ameren Illinois Company, Ameren Transmission Company of Illinois); City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Great River Energy; Hoosier Energy Rural Electric; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern States Power Company (Minnesota and Wisconsin corporations); Otter Tail Power Company; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; and Wabash Valley Power Association, Inc.
North Carolina Utilities Commission	North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
OMS +	Indiana Utility Regulatory Commission; Iowa Utilities Board; Michigan Public Service Commission; Minnesota Public Utilities Commission; Missouri Public Service Commission; Montana Public Service Commission; North Dakota Public Service Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission
PJM	PJM Interconnection, L.L.C.
Southern Company	Southern Company Services, Inc. (on

behalf of Alabama Power Company,
Georgia Power Company, Gulf Power
Company and Southern Power
Company)

Wind Parties *+

American Wind Energy Association;
Wind on the Wires; and Mid-Atlantic
Renewable Energy Coalition

Alabama Power Company
Docket No. ER13-1941

Abbreviation	Intervenor(s)
Associated Electric Cooperative, Inc.	Associated Electric Cooperative, Inc.
AEP	American Electric Power Service Corporation
Alabama Commission	Alabama Public Service Commission
AMEA	Alabama Municipal Electric Authority
Dalton Utilities	Dalton Utilities
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Exelon	Exelon Corporation
Florida Commission	Florida Public Service Commission
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Georgia Transmission Corporation	Georgia Transmission Corporation
Jersey Central Power & Light	Jersey Central Power & Light Company
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
MEAG Power	Municipal Electric Authority of Georgia
Midwest TDUs	Madison Gas and Electric Company, Missouri Joint Municipal Electric Utility Commission, Missouri River Energy Services, and WPPI Energy

MISO +	Midcontinent Independent System Operator, Inc.
MISO Transmission Owners	Ameren Services Company (as agent for Union Electric Company, Ameren Illinois Company, Ameren Transmission Company of Illinois); City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Great River Energy; Hoosier Energy Rural Electric; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern States Power Company (Minnesota and Wisconsin corporations); Otter Tail Power Company; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; and Wabash Valley Power Association, Inc.
North Carolina Utilities Commission	North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
Ohio Valley Electric Cooperative	Ohio Valley Electric Cooperative
PJM	PJM Interconnection, L.L.C.
PowerSouth Energy Cooperative	PowerSouth Energy Cooperative
PPL Electric Utilities *	PPL Electric Utilities Corporation
Rockland Electric Company	Rockland Electric Company
South Mississippi Electric Power Association	South Mississippi Electric Power Association
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power

Company and Southern Power
Company)

Southwest Power Pool

Southwest Power Pool, Inc.

Tennessee Valley Authority

Tennessee Valley Authority

Wind Parties *+

American Wind Energy Association;
Wind on the Wires; and Mid-Atlantic
Renewable Energy Coalition

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.

***late comment
+ protest**

PJM Compliance Filing
Docket No. ER13-1927-000

Abbreviation	Intervenor(s)
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project

Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.
Docket No. ER13-1928

Abbreviation

Intervenor(s)

Four Public Interest Organizations +

Natural Resources Defense Council,
Sierra Club, Southern Environmental
Law Center, Sustainable FERC Project

Louisville Gas and Electric Company and Kentucky Utilities Company
Docket No. ER13-1930

Abbreviation	Intervenor(s)
MISO +	Midcontinent Independent System Operator, Inc.
Organization of MISO States	Indiana Utility Regulatory Commission; Iowa Utilities Board; Michigan Public Service Commission; Minnesota Public Utilities Commission; Missouri Public Service Commission; Montana Public Service Commission; North Dakota Public Service Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission
Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project

PJM Interconnection, L.L.C.
Docket No. ER13-1936

Abbreviation

Intervenor(s)

Four Public Interest Organizations +

Natural Resources Defense Council,
Sierra Club, Southern Environmental
Law Center, Sustainable FERC Project

Ohio Valley Electric Corporation
Docket No. ER13-1940

Abbreviation	Intervenor(s)
Indiana Commission +	Indiana Utility Regulatory Commission
MISO +	Midcontinent Independent System Operator, Inc.
OMS +	Indiana Utility Regulatory Commission; Iowa Utilities Board; Michigan Public Service Commission; Minnesota Public Utilities Commission; Missouri Public Service Commission; Montana Public Service Commission; North Dakota Public Service Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project

Alabama Power Company
Docket No. ER13-1941

Abbreviation	Intervenor(s)
MISO +	Midcontinent Independent System Operator, Inc.
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project

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.

*late comment
+ protest

PJM Compliance Filing
Docket No. ER13-1927-000

Abbreviation	Intervenor(s)
PJM Transmission Owners	PJM Transmission Owners
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.
Docket No. ER13-1928

Abbreviation	Intervenor(s)
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Louisville Gas and Electric Company and Kentucky Utilities Company
Docket No. ER13-1930

Abbreviation	Intervenor(s)
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

PJM Interconnection, L.L.C.
Docket No. ER13-1936

Abbreviation	Intervenor(s)
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Ohio Valley Electric Corporation
Docket No. ER13-1940

Abbreviation	Intervenor(s)
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

Alabama Power Company
Docket No. ER13-1941

Abbreviation	Intervenor(s)
Duke Energy	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Louisville Gas and Electric Company and Kentucky Utilities Company	Louisville Gas and Electric Company and Kentucky Utilities Company
Ohio Valley Electric Corporation	Ohio Valley Electric Corporation
Southern Company	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company and Southern Power Company)
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and Mid-Atlantic Renewable Energy Coalition

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
PJM Transmission Owners	ER13-1927-000	PJM, Intra-PJM Tariffs, OATT, Schedule 12-B (Allocation of Costs of Certain Interregional Transmission Projects Located in the PJM and SERTP Regions) (0.0.0).	PJM, OATT, Schedule 12-B
Duke Carolinas	ER13-1928-000	Duke Carolinas, Tariffs, Rate Schedules and Service Agreements, Tariff Volume No. 4 (Joint OATT of Duke Energy Carolinas, LLC, Duke Energy Florida, LLC, and Duke Energy Progress), Attachment N-1 – PJM (Interregional Transmission Coordination Between the SERTP and PJM Regions) (0.0.0).	Duke Carolinas, LLC, OATT, Attachment N-1 – PJM (0.0.0).
LG&E/KU	ER13-1930-000	LG&E/KU, Transmission, LGE and KU Pro Forma OATT, Part V, Attachment K (Transmission Planning Process) (5.0.0).	LG&E/KU, OATT, Attachment K (5.0.0).
LG&E/KU	ER13-1930-000	LG&E/KU, Transmission, LGE and KU Pro Forma OATT, Attachment K, app. 4 (Reserved) (2.0.0).	LG&E/KU, OATT, Attachment K, app. 4 (2.0.0).
LG&E/KU	ER13-1930-000	LG&E/KU, Transmission, LGE and KU Pro Forma OATT, Attachment K, app. 8 (Interregional Transmission Coordination Between the SERTP and PJM Regions)	LG&E/KU, OATT, Attachment K, app. 8 (1.0.0).

		(1.0.0).	
LG&E/KU	ER13-1930-000	LG&E/KU, Transmission, LGE and KU Pro Forma OATT, Attachment K, Ex. K-3 (Regional and Inter-Regional Reliability and Economic Planning Milestones Timeline) (2.0.0).	LG&E/KU, OATT, Attachment K, Ex. K-3 (2.0.0).
PJM	ER13-1936-000	PJM, Intra-PJM Tariffs, OA, Schedule 6, § 1.5 (Procedure for Development of the Regional Transmission Expansion Plan) (4.0.0).	PJM, OA, Schedule 6, § 1.5 (4.0.0).
PJM	ER13-1936-000	PJM, Intra-PJM Tariffs, OA, Schedule 6-A (Interregional Transmission Coordination Between the SERTP and PJM Regions) (0.0.0).	PJM, , OA, Schedule 6-A (0.0.0)
OVEC	ER13-1940-000	OVEC, OVEC OATT, Attachment M (Transmission Planning Process) (3.0.0).	OVEC, OATT, Attachment M (3.0.0).
OVEC	ER13-1940-000	OVEC, OVEC OATT Attachment M-3 (Interregional Transmission Coordination Between SERTP and PJM) (0.0.0).	OVEC, OATT, Attachment M-3 (0.0.0).
Southern Companies	ER13-1941-000	Southern Companies, OATT and Associated Service Agreements, Attachment K (The Southeastern Regional Transmission Planning Process) (2.0.0).	Southern Companies, OATT, Attachment K (2.0.0).
Southern Companies	ER13-1941-000	Southern Companies, OATT and Associated Service Agreements, Ex. K-2 ([Reserved]) (1.0.0).	Southern Companies, OATT, Ex. K-2 ([Reserved]) (1.0.0).
Southern Companies	ER13-1941-000	Southern Companies, OATT and Associated Service Agreements, Ex. K-3 (Regional and Reliability	Southern Companies, OATT, Ex. K-3 (2.0.0).

Southern Companies	ER13-1941-000	Planning Milestones Timeline) (2.0.0). Southern Companies, OATT and Associated Service Agreements, Ex. K-6 (Interregional Transmission Coordination - SERTP/PJM Regions) (0.0.0).	Southern Companies, OATT, Ex. K-6 (0.0.0).
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