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FERC Addresses Merits of MISO, PJM, WestConnect Order No. 1000 Compliance Filings

The Federal Energy Regulatory Commission (FERC) today issued its first orders on the merits of filings submitted to comply with the requirements of Order No. 1000, the Commission's landmark July 2011 rule on electric transmission planning and cost allocation. In taking these actions, the Commission addressed filings for regions with both organized and bilateral markets.

Order No. 1000 requires public utility transmission providers to improve transmission planning processes, allocate costs for new transmission facilities to beneficiaries of those facilities and align transmission planning and cost allocation. This will remove barriers to development of transmission facilities.

In today's orders, FERC concluded that PJM Interconnection (PJM) and Midwest Independent Transmission System Operator (MISO) have largely complied with the rule's requirements, but directed them to clarify and refine their proposals in certain respects. Among its findings, the Commission:

- Accepted the PJM and MISO regional cost allocation methods, with some conditions.
- Concluded the filings partially comply with the provisions of Order No. 1000 addressing transmission needs driven by public policy requirements, but directed them to propose additional procedures.
- Found that PJM and MISO complied in part with the requirement to eliminate from their Commission-jurisdictional tariffs and agreements provisions that establish a federal right of first refusal for an incumbent transmission provider but directed them to clarify certain issues.

With respect to the WestConnect transmission planning region compliance filings, FERC concluded that they partially comply with the requirements of Order No. 1000. FERC offered guidance to public utility transmission providers in the region and directed further compliance filings that:

- State that WestConnect has an obligation to identify transmission solutions in the regional transmission planning process that more efficiently or cost-effectively meet transmission needs driven by reliability and/or economic considerations or by public policy requirements.
- Address Order No. 1000's requirement to consider transmission needs driven by public policy requirements by including clear procedures for stakeholder input to identify transmission needs driven by such requirements and stakeholder input in evaluating potential solutions to the identified needs.
- Provide that regional cost allocations are binding on identified beneficiaries.

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