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Docket Nos. ER13-1938, ER13-1939, ER13-1945, ER13-1955, ER13-1956

Item No. E-5

FERC Accepts Order No. 1000 Interregional Filings by SPP, MISO

The Federal Energy Regulatory Commission (FERC) today accepted Order No. 1000 interregional filings by Southwest Power Pool Inc. (SPP) and Midcontinent Independent System Operator Inc. (MISO). The two regions agreed on many revisions to their joint operating agreement (JOA) related to transmission coordination but disagreed on certain cost allocation methods that must be addressed in further compliance filings.

Order No. 1000 requires neighboring transmission planning regions to identify and jointly evaluate interregional transmission facilities, which are facilities located in two or more neighboring transmission planning regions that may be more efficient or cost-effective solutions to the transmission needs of individual regions. It does not require an interregional transmission plan or interconnection-wide planning.

Given their disagreement on interregional cost allocation, SPP and MISO filed competing proposals. Today's order accepts both filings' proposed use of adjusted production costs to measure benefits in allocating the costs of interregional transmission facilities addressing economic needs.

To allocate the costs of an interregional transmission facility meant to address reliability needs, the order accepts SPP's proposal to use a combination of avoided cost and adjusted production cost savings. MISO proposed to use only adjusted production cost and so was given 60 days to file revisions to its version of the JOA to adopt SPP's costs allocation method.

Neither proposed an acceptable cost allocation method for interregional transmission facilities addressing regional transmission needs driven by public policy requirements. The order gives the grid operators 60 days to file a new cost allocation method for such projects.

Today's order notes, however, that to the extent SPP and MISO propose different interregional cost allocation methods for interregional transmission facilities addressing regional transmission needs driven by reliability, economics, and public policy requirements than accepted in the order, the Commission will address those proposed interregional cost allocation methods in the order on compliance.

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