



Federal Energy Regulatory Commission
March 21, 2013
Open Commission Meeting
Staff Presentation
Item E-1, E-2 & E-3

"Good morning Chairman Wellinghoff and Commissioners.

"Issued on July 21, 2011, Order No. 1000 adopted reforms to the Commission's electric transmission planning and cost allocation requirements for public utility transmission providers. Order No. 1000's regional transmission planning requirements include development of regional transmission plans and consideration of transmission needs driven by public policy requirements established by federal, state or local laws or regulations. In addition, Order No. 1000 promotes competition in regional transmission planning processes by removing from FERC-approved tariffs and agreements a federal right of first refusal for transmission facilities selected in a regional transmission plan for purposes of cost allocation, subject to certain limitations. Order No. 1000's regional cost allocation requirements include development of regional cost allocation methods that meet six principles, including that allocated costs be "roughly commensurate" with estimated benefits, and that those who do not benefit from transmission do not have to pay for it.

"The draft orders before you today address the compliance filings of the public utility transmission providers in three transmission planning regions - MISO, PJM, and WestConnect. These draft orders thus address issues related to compliance with Order No. 1000 in both regions that have a Regional Transmission Organization or Independent System Operator and a region that is not part of an RTO or ISO.

"The three draft orders find that MISO, PJM, and the WestConnect public utility transmission providers partially comply with the regional transmission planning and cost allocation requirements of Order No. 1000, but require further compliance filings to clarify and refine aspects of each transmission planning region's regional transmission planning process and regional cost allocation methods. These further compliance filings must be submitted within 120 days of the date of the orders.

"I would like to conclude by recognizing all of the Commission staff who contributed to the development of these draft orders, including staff from the Office of Energy Market Regulation, the Office of the General Counsel, the Office of Energy Policy and Innovation, and the Office of Electric Reliability. I would like to thank these Commission staff members for their dedication and hard work. Would the teams that developed these three draft orders please stand to be recognized...

"Staff would be happy to answer any questions."

