



FEDERAL ENERGY REGULATORY COMMISSION

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OA08-41-000, OA08-58-000 and OA08-21-000

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FERC Accepts First Set of Filings on Order No. 890 Transmission Planning Compliance

The Federal Energy Regulatory Commission (FERC) today conditionally accepted the first set of six compliance filings for the transmission planning process under Order No. 890, three of which are for regional transmission organizations (RTOs). Order No. 890 required regional transmission planning and improvements in transparency of the planning process.

Order No. 890, issued in February 2007, reformed the *pro forma* open access transmission tariff, or OATT, to clarify and expand the obligations of transmission providers to ensure that transmission service is provided on a non-discriminatory basis. The detailed information provided in the proposals accepted today brings more specificity as to how customers and other stakeholders should be treated in the transmission planning processes of utilities, RTOs and independent system operators (ISOs).

“One of my goals as Chairman has been to strengthen the open access transmission tariff,” FERC Chairman Joseph T. Kelliher said. “FERC has a duty to prevent undue discrimination and preference, and Order No. 890 reduced the potential for exercise of market power. But we also must act to strengthen the transmission grid to support competitive wholesale power markets and assure reliability. The U.S. transmission system is comprised of regional power grids. Transmission planning must reflect the regional nature of the grid, so Order No. 890 required regional planning. In these first compliance filings, we are acting to ensure regional plans meet our new standards.”

Order No. 890 directed transmission providers to develop a transmission planning process that satisfies nine principles and make the process a new Attachment to the providers’ OATTs. The nine planning principles are: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects. FERC also directed transmission providers to address the recovery of planning-related costs.

The principles-based reform allows for flexibility in implementation and permits transmission providers to build on transmission planning efforts and processes already under way in many regions of the country, FERC said.

Regarding RTOs and ISOs with FERC-approved transmission planning processes already on file, FERC said that when it approved these processes, it had found them to be consistent with or superior to the existing *pro forma* OATT. Because the *pro forma* OATT was being reformed by Order No. 890, FERC found that it was necessary for each RTO and ISO to either reform its planning process or show it is consistent with or superior to the *pro forma* OATT, as modified by Order No. 890. RTOs and ISOs also were directed to indicate in their compliance filings how all participating transmission owners within their footprints will comply with Order No. 890’s planning requirements.





FERC accepted the following six compliance plans and directed certain modifications to each one. FERC also encouraged each transmission provider to refine and modify its planning process as experience is gained through implementation of the process.

- **PJM Interconnection, LLC** (OA08-32-000). FERC accepted PJM's compliance filing subject to further modification to its cost allocation proposal and its local planning proposal.
- **Midwest Independent Transmission System Operator Inc.** (OA08-53-000). FERC accepted this plan subject to modification of its local planning proposal.
- **Midwest Independent Transmission System Operator and American Transmission Company, LLC** (OA08-42-000). Midwest ISO made this compliance filing jointly with American Transmission Company (underlying transmission owner of Midwest ISO). FERC accepted this compliance filing subject to further modification detailing American Transmission Company's proposal to recover its transmission planning costs.
- **MidAmerican Energy Company** (OA08-41-000). FERC accepted this compliance filing subject to further modification to MidAmerican's regional participation, cost allocation and economic planning studies principles.
- **ISO New England, et al.** (OA08-58-000). FERC accepted this compliance filing subject to further modification to its local transmission system planning proposal, specifically to include a needs assessment provision.
- **Maine Public Service Company** (OA08-21-000). FERC accepted this compliance filing subject to further modification to its dispute resolution proposal and its cost allocation methodology.

Several other compliance filings remain pending at FERC and will be acted upon in future orders.

FERC today also announced it will convene regional technical conferences beginning in 2009 to determine the progress and benefits realized by each transmission provider's planning process, obtain customer and stakeholder input, and discuss any areas that might need improvement.

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