

150 FERC ¶ 61,210
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Southwest Power Pool, Inc.	Docket Nos. ER13-1939-000
Duke Energy Carolinas, LLC	ER13-1928-000
Duke Energy Progress, Inc.	
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 March 19, 2015)

Paragraph Numbers

I. Background	4.
II. Compliance Filings	6.
A. SPP Compliance Filing (Docket No. ER13-1939-000) and SERTP Filing Parties Compliance Filing (Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000)	6.
III. Notice of Filing and Responsive Pleadings	11.
A. SPP Compliance Filing (Docket No. ER13-1939-000)	11.
B. Duke Carolinas Compliance Filing (Docket No. ER13-1928-000)	12.
C. LG&E/KU Compliance Filing (Docket No. ER13-1930-000)	13.
D. OVEC Compliance Filing (Docket No. ER13-1940-000)	14.
E. Southern Companies Compliance Filing (Docket No. ER13-1941-000)	15.

IV. Discussion	<u>16.</u>
A. Procedural Matters	<u>16.</u>
B. Substantive Matters	<u>18.</u>
1. Interregional Transmission Coordination Requirements.....	<u>19.</u>
a. General Requirements	<u>19.</u>
i. Compliance Filings	<u>20.</u>
ii. Protests/Comments	<u>23.</u>
iii. Commission Determination.....	<u>24.</u>
b. Limited Waiver Request	<u>29.</u>
i. SPP Compliance Filing	<u>29.</u>
ii. Protests/Comments	<u>34.</u>
iii. Answers	<u>37.</u>
iv. Commission Determination	<u>41.</u>
c. Implementation of the Interregional Transmission Coordination Requirements....	<u>44.</u>
i. Data Exchange and Identifying Interregional Transmission Facilities	<u>44.</u>
ii. Procedure for Joint Evaluation	<u>71.</u>
iii. Transparency and Stakeholder Participation.....	<u>102.</u>
2. Cost Allocation	<u>117.</u>
a. Compliance Filing	<u>130.</u>
b. Protests/Comments.....	<u>153.</u>
c. Answers	<u>170.</u>
d. Commission Determination	<u>178.</u>
3. Other Proposals.....	<u>198.</u>
a. Compliance Filings.....	<u>198.</u>
b. Protests	<u>202.</u>
c. Commission Determination.....	<u>204.</u>

Appendix A: Abbreviated Names of Intervenors

Appendix B: Abbreviated Names of Initial Commenters

Appendix C: Abbreviated Names of Reply Commenters

Appendix D: eTariff Records

1. On July 10, 2013, Duke Energy Carolinas, LLC and Duke Energy Progress, Inc. (together, Duke Carolinas);¹ Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU);² Southern Company Services, Inc., acting as agent for Alabama

¹ Docket No. ER13-1928-000 (Duke Carolinas Compliance Filing). Duke Carolinas states that its Order No. 1000 interregional compliance filing is submitted under protest. Duke Carolinas Compliance Filing at 3 (citing Duke Carolinas, Request for Rehearing, Docket No. ER13-83-001 (filed March 25, 2013)).

² Docket No. ER13-1930-000 (LG&E/KU Compliance Filing).

Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company (collectively, Southern Companies);³ and Ohio Valley Electric Corporation (OVEC)⁴ (collectively, SERTP Filing Parties)⁵ separately submitted, pursuant to section 206 of the Federal Power Act (FPA),⁶ common revisions to each of their respective Open Access Transmission Tariffs (OATT)⁷ to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000,⁸ with respect to the public utility transmission providers in the Southwest Power Pool, Inc. (SPP) transmission planning region.⁹

³ Docket No. ER13-1941-000 (Southern Companies Compliance Filing). Southern Companies state that they provisionally submit their Order No. 1000 interregional compliance filing under protest, subject to the resolution of any appeals pending before the United States Court of Appeals and subject to the outcome of Southern Companies' request for rehearing of Order No. 1000, and that they do not waive their right to later challenge the application of Order No. 1000's requirements to Southern Companies. Southern Companies Compliance Filing at 3 (citation omitted).

⁴ Docket No. ER13-1940-000 (OVEC Compliance Filing).

⁵ SERTP Filing Parties are the public utility transmission providers that are enrolled in the Southeastern Regional Transmission Planning Process (SERTP) transmission planning region. We refer to the Duke Carolinas Compliance Filing, LG&E/KU Compliance Filing, Southern Companies Compliance Filing, and OVEC Compliance Filing collectively as the SERTP Filing Parties Compliance Filing.

⁶ 16 U.S.C. § 824e (2012).

⁷ Tariff records filed by the entities are listed in Appendix D to this order.

⁸ *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*, 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).

⁹ Each of the SERTP Filing Parties submitted in a single compliance filing separate tariff records to comply with the Order No. 1000 interregional transmission 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: Midcontinent Independent System Operator, Inc. (MISO); PJM Interconnection, L.L.C. (PJM); SPP; South Carolina Regional Transmission Planning (SCRTP); and Florida Reliability Coordinating Council, Inc. (FRCC). In this order, we
(continued...)

2. On July 10, 2013, SPP¹⁰ submitted, pursuant to section 206 of the FPA, revisions to its OATT to comply with the interregional coordination and cost allocation requirements of Order No. 1000, with respect to the public utility transmission providers in the SERTP transmission planning region. SPP also includes, as part of its compliance filing, a request for waiver of Order No. 1000 interregional transmission coordination and cost allocation requirements with respect to the SERTP transmission planning region.

3. In this order, the Commission conditionally accepts the SPP Compliance Filing and the SERTP Filing Parties Compliance Filing, subject to further compliance filings, as discussed below. Additionally, we deny SPP's request for waiver of Order No. 1000 interregional transmission coordination and cost allocation requirements for SPP's seam with SERTP, as discussed below.

I. Background

4. 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. 890¹¹ 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.¹² The Commission concluded that interregional transmission coordination reforms were necessary.¹³ 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:

address SERTP Filing Parties' tariff records related to the SPP region. We address SERTP Filing Parties' tariff records related to the MISO, PJM, SCRTP, and FRCC regions in separate orders.

¹⁰ Docket No. ER13-1939-000 (SPP Compliance Filing).

¹¹ *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).

¹² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 369.

¹³ *Id.* P 370.

(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;¹⁴ and (2) jointly evaluating those interregional transmission facilities that the pair of neighboring transmission planning regions identify, including those proposed by transmission developers and stakeholders.¹⁵ The Commission defined an interregional transmission facility as “one that is located in two or more transmission planning regions.”¹⁶ 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

¹⁴ 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., id.* 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 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.

¹⁵ 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 [a 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).

¹⁶ *Id.* P 494 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 482 n.374).

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.¹⁷ 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.”¹⁸

5. 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.¹⁹ The Commission also required that each public utility transmission provider’s interregional cost allocation method or methods satisfy six interregional cost allocation principles.²⁰ 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.²¹

II. Compliance Filings

A. SPP Compliance Filing (Docket No. ER13-1939-000) and SERTP Filing Parties Compliance Filing (Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000)

6. SPP and SERTP Filing Parties submitted separate but coordinated compliance filings in which they propose to revise their respective OATTs to comply with the

¹⁷ *Id.* P 493 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398).

¹⁸ *Id.* P 522.

¹⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 578, 582; *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603.

²¹ *Id.* P 400.

interregional transmission coordination and cost allocation requirements of Order No. 1000.

7. As an initial matter, SPP requests a limited waiver of the Order No. 1000 interregional transmission coordination and cost allocation requirements with respect to SPP's seam with the SERTP region given that SPP's only interconnection with the SERTP region is through Associated Electric Cooperative, Inc. (Associated Electric Cooperative), a non-public utility that does not intend to revise its OATT to implement the Order No. 1000 interregional coordination and cost allocation reforms.²² Therefore, the tariff revisions that SPP submits in its compliance filing are conditionally proposed.

8. SPP requests if the Commission denies its limited waiver request, that the Commission clarify either: (a) that SPP will not be deemed non-compliant with Order No. 1000 if it is unable to effectuate SPP and SERTP Filing Parties' proposal; or (b) SPP's obligations for complying with the interregional requirements of Order No. 1000 with nonpublic utility transmission providers within the SERTP region that do not have the same obligations under Order No. 1000 as SPP.²³

9. SPP and SERTP Filing Parties state that they worked with stakeholders to develop the proposed tariff language and have agreed to a common approach and parallel tariff language in their respective OATTs to satisfy Order No. 1000's interregional transmission coordination and cost allocation requirements for their collective seam.²⁴ SERTP Filing Parties state that their individual filings each contain a common transmittal letter and common tariff language, with each SERTP Filing Party individually submitting the relevant revised common tariff language to its respective OATT.²⁵ SPP states that, with the exception of two discrete areas, it has agreed with SERTP Filing Parties to use parallel tariff language to describe their interregional transmission coordination and cost

²² SPP Compliance Filing at 11.

²³ *Id.* at 14-15.

²⁴ *Id.* at 15-16; *see, e.g.*, Southern Companies Compliance Filing at 7-8, 37-38.

²⁵ *See, e.g.*, Southern Companies Compliance Filing at 3. Given this uniformity, the Commission will cite to the Southern Companies transmittal letter and OATT when referencing SERTP Filing Parties' proposal. However, SERTP Filing Parties note that the common tariff language will not be absolutely identical across all four of their compliance filings as they reflect slight variations in terminology used in the corresponding OATTs. *See, e.g., id.* at 5. Where differences between or among the filings are addressed, we will cite to that individual filing party's compliance filing or OATT, as appropriate.

allocation proposal in SPP's OATT with substantially similar language, which includes minor adjustments to reflect that the discussion is being provided from SPP's perspective.²⁶ In their proposal, SPP and SERTP Filing Parties address interregional transmission coordination, data exchange, joint evaluation, transparency, and cost allocation issues pursuant to directives from Order No. 1000.²⁷

10. SPP and SERTP Filing Parties disagree on language regarding provisions for the identification of interregional transmission projects by stakeholders²⁸ and provisions for considering transmission projects for purposes of cost allocation.²⁹ Thus, both parties file their preferred tariff language in their respective compliance filings. This conflicting tariff language is explained further and addressed below.

III. Notice of Filing and Responsive Pleadings

A. SPP Compliance Filing (Docket No. ER13-1939-000)

11. Notice of the SPP 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-filed motions to intervene were filed by the entities listed in Appendix A to this order. Protests and comments were filed by the entities listed in

²⁶ SPP Compliance Filing at 15-16. SPP and SERTP Filing Parties state that the tariff language effectuating SPP's and SERTP Filing Parties' proposal is included in their respective OATTs as follows: for Duke Carolinas, the implementing tariff language is found at Attachment N-1 - SPP of Duke Carolinas' Joint OATT; for LG&E/KU, the implementing tariff language is found at Appendix 10 to Attachment K of LG&E/KU's OATT; for OVEC, the implementing tariff language is found at Attachment M-5 of OVEC's OATT; for Southern Companies, the implementing tariff language is found at Attachment K-8, "Interregional Transmission Coordination Between the SERTP and SPP Regions," of Southern Companies' OATT; for SPP, the implementing tariff language is found in Addendum 4 of Attachment O of SPP's OATT. *See, e.g.*, Southern Companies Compliance Filing at 37-38; SPP Compliance Filing at 16.

²⁷ *See* SPP Compliance Filing at 16-21; *e.g.*, Southern Companies Compliance Filing at 38-42.

²⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.2.

²⁹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B.

Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out-of-time. Answers were filed in the SPP Compliance Filing by the entities listed in Appendix C to this order and are addressed below.

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

12. 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. Notices of intervention and timely-filed motions to intervene were filed by the entities listed in Appendix A to this order. On September 10, 2013, PPL PJM Companies submitted a motion to intervene out-of-time. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out-of-time. Answers were filed in the Duke Carolinas Compliance Filing by the entities listed in Appendix C to this order and are addressed below.

C. 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-filed motions to intervene were filed by the entities listed in Appendix A to this order. On September 10, 2013, PPL PJM Companies submitted a motion to intervene out-of-time. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out-of-time. Answers were filed in the LG&E/KU Compliance Filing by the entities listed in Appendix C to this order and are addressed below.

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

14. 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-filed motions to intervene were filed by the entities listed in Appendix A to this order. On September 10, 2013, PPL PJM Companies submitted a motion to intervene out-of-time. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out-of-time. Answers were filed in the OVEC Compliance Filing by the entities listed in Appendix C to this order and are addressed below.

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

15. 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-filed motions to intervene were filed by the entities listed in Appendix A to this order. On September 10, 2013, PPL PJM Companies submitted a motion to intervene out-of-time. Protests and comments were filed by the entities listed in Appendix B to this order and are addressed below. On September 24, 2013, Wind Parties submitted a comment out-of-time. Answers were filed in the Southern Companies Compliance Filing by the entities listed in Appendix C to this order and are addressed below.

IV. Discussion

A. Procedural Matters

16. 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 the proceedings in which they filed them. In addition, given the early stage of these proceedings and the absence of undue prejudice or delay, we grant PPL PJM Companies' late-filed motions to intervene in the Duke Carolinas, LG&E/KU, OVEC, and Southern Companies Compliance Filings and in the SPP Compliance Filing.³⁰

17. 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

18. We find that Order No. 1000 requires that SPP, through its regional transmission planning process, coordinate with the public utility transmission providers in the neighboring SERTP transmission planning region to implement the interregional requirements of Order No. 1000. Accordingly, we deny SPP's request for waiver of the Order No. 1000 interregional coordination and cost allocation requirements for SPP's

³⁰ We note that, although Wind Parties filed comments in these proceedings, they did not file motions to intervene. Pursuant to Rule 102(c) and Rule 211(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.102(c), 385.211(a)(2) (2014), while Wind Parties are a commenter, they are not a party to these proceedings.

seam with SERTP. Further, we find that the SPP Compliance Filing and the SERTP Filing Parties Compliance Filing, with certain modifications, comply with the interregional transmission coordination and cost allocation requirements adopted in Order No. 1000. Accordingly, we conditionally accept the SPP Compliance Filing and SERTP Filing Parties Compliance Filing, subject to further compliance filings as discussed below. We direct SPP and SERTP Filing Parties to submit the further compliance filings within 60 days of the date of issuance of this order.

1. Interregional Transmission Coordination Requirements

a. General Requirements

19. 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. 1000.³¹ 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.³² 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.³³

i. Compliance Filings

20. SERTP Filing Parties explain that they have five neighboring planning regions, which include SPP.³⁴ SERTP Filing Parties explain that they are the public utility transmission providers that sponsor the SERTP region.³⁵ SERTP Filing Parties state that

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

³² *Id.* PP 346, 475; *see also* Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

³³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 346, 475; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 223.

³⁴ *E.g.*, Southern Companies Compliance Filing at 2.

³⁵ *E.g.*, *id.* at 2.

the non-public utility transmission providers that sponsor the SERTP region³⁶ support the SERTP Filing Parties' interregional compliance filings.³⁷

21. As noted above, SPP and SERTP Filing Parties state that they have agreed to a common approach and parallel tariff language in their respective tariffs to comply with the interregional transmission coordination and cost allocation requirements of Order No. 1000, except for proposed tariff sections 1.3.2 and 2.1.B.³⁸ SPP and SERTP Filing Parties, respectively, request that their proposed interregional transmission coordination procedures become effective in the SERTP transmission planning cycle subsequent to their regional transmission planning processes becoming effective, assuming the Commission does not require extensive changes to the regions' transmission planning processes.³⁹ SPP also requests that its other proposed tariff revisions, necessary to implement the interregional transmission coordination procedures, become effective on the same effective date that the Commission approves for SPP's Order No. 1000 regional compliance.

22. SPP and SERTP Filing Parties propose that, among other criteria for an interregional transmission project to be considered for purposes of interregional cost allocation between the SPP and SERTP regions, the interregional transmission project

³⁶ These entities are Associated Electric Cooperative, Dalton Utilities, Georgia Transmission Corporation, MEAG Power, PowerSouth Energy Cooperative, the South Mississippi Electric Power Association, and the Tennessee Valley Authority. These entities, together with the SERTP Filing Parties, are referred to as the SERTP Sponsors.

³⁷ *E.g.*, Southern Companies Compliance Filing at 3.

³⁸ SPP Compliance Filing at 22; *e.g.*, Southern Companies Compliance Filing at 37-38.

³⁹ SPP Compliance Filing at 3, 44; *e.g.*, Southern Companies Compliance Filing at 49. SPP requests an effective date for its proposed interregional coordination procedures the later of March 30th the year after Commission acceptance of SPP's regional planning process or January 1, 2015. SERTP Filing Parties state that, for example, if SERTP Filing Parties' respective regional transmission planning proposals are effective in 2014, then SERTP Filing Parties' respective interregional proposals would become effective on January 1, 2015. However, should the Commission require extensive changes, SERTP Filing Parties state that it may not prove feasible to effectuate those changes to the interregional transmission planning process by January 1, 2015.

must interconnect to the transmission facilities of one or more transmission owners in SPP and the transmission facilities of one or more SERTP Sponsors.⁴⁰

ii. Protests/Comments

23. SERTP Sponsors emphasize that they negotiated in all aspects of interregional coordination with all of the regions in good faith. SERTP Sponsors state that this is best demonstrated by the fact that SERTP Sponsors successfully negotiated complete agreements with all of SERTP's neighboring regions except for SPP, which disagreed with SERTP Sponsors regarding just two discrete issues. Moreover, SERTP Sponsors explain that even with regard to these two areas of disagreement, it bears noting that the final proposal submitted by SERTP Filing Parties directly follows from the stakeholder comment and review process conducted by SPP and SERTP Sponsors and the draft tariff language subsequently provided to stakeholders. Further, SERTP Sponsors state that they believe that their proposed language is compliant with Order No. 1000.⁴¹

iii. Commission Determination

24. We find that SPP's and SERTP Filing Parties' filings partially comply with the general interregional transmission coordination requirements of Order No. 1000. Specifically, as discussed below, we find that SPP and SERTP Filing Parties may not require that an interregional transmission facility interconnect to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of one or more SPP transmission owners.

25. We find that SPP 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 and cost allocation requirements adopted in Order No. 1000 because SPP and SERTP are both transmission planning regions that have proposed procedures to coordinate with each neighboring transmission planning region, including each other.

26. However, we find that SPP and SERTP Filing Parties do not comply with the requirement to develop the same language in each public utility transmission provider's

⁴⁰ Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.A; *e.g.*, SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.A. As discussed below in the Cost Allocation section of this order, SPP and SERTP Filing Parties propose additional criteria for an interregional transmission project to be considered for purposes of interregional cost allocation between the SPP and SERTP regions.

⁴¹ SERTP Sponsors Protest, Docket No. ER13-1939-000, at 12-13.

OATT and both SPP and SERTP Filing Parties acknowledge that they do not propose identical language. We therefore direct further compliance filings as addressed in the Data Exchange and Identifying Interregional Transmission Facilities and the Cost Allocation sections of this order.

27. In addition, we find that SPP's and SERTP Filing Parties' descriptions of an interregional transmission facility that is eligible for interregional cost allocation is overly limiting and inconsistent with Order No. 1000's definition of an interregional transmission facility as one that is located in two or more transmission planning regions.⁴² While SPP's and SERTP Filing Parties' proposal to allow only 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 interregional transmission facilities that interconnect to the transmission facilities of one or more SPP transmission owners and one or more SERTP Filing Parties 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.⁴³ SPP's and SERTP Filing Parties' proposed language would preclude interregional transmission facilities from interconnecting with transmission facilities that are selected in the regional transmission 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 SPP. Thus, we find that this proposed definition does not comply with Order No. 1000.⁴⁴ Accordingly, we direct SPP and SERTP Filing Parties to submit,

⁴² 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).

⁴³ 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 with 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).

⁴⁴ 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 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 (continued...)

within 60 days of the date of issuance of this order, further compliance filings 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.

28. With respect to SPP's and SERTP Filing Parties' requested effective dates, both parties request that the effective date be for "the SERTP transmission planning cycle subsequent to SPP's and SERTP's regional planning processes becoming effective."⁴⁵ SPP's and SERTP Filing Parties' regional transmission planning processes became effective on March 30, 2014 and June 1, 2014, respectively.⁴⁶ Thus, we find the proposed effective date of January 1, 2015 to be reasonable for the SPP and SERTP Filing Parties' proposed interregional coordination procedures and accept these compliance filings effective January 1, 2015. In addition, we also accept SPP's requested effective date of March 30th of the year after the Commission's acceptance of SPP's regional process, for SPP's other tariff provisions that implement the interregional transmission coordination procedures, and accept these tariff provisions effective March 30, 2014.

b. Limited Waiver Request

i. SPP Compliance Filing

29. SPP requests limited waiver of Order No. 1000's interregional transmission coordination and cost allocation requirements with respect to the SERTP region. SPP asserts that its only interconnection to the SERTP region is through Associated Electric Cooperative, "a non-Commission jurisdictional utility that does not intend to revise its OATT to implement the Order No. 1000 interregional coordination and cost allocation reforms."⁴⁷ SPP argues that any proposed OATT language will be impossible to effectuate without Associated Electric Cooperative committing to have the same language in a safe harbor tariff. SPP states that without such commitment, it will not be

process of all such planning regions, consistent with Order No. 1000. *Pub. Serv. Co. of N.M.*, 149 FERC ¶ 61,247, at P 24 (2014).

⁴⁵ SPP Compliance Filing at 3, 44; *e.g.*, Southern Companies Compliance Filing at 49.

⁴⁶ *Sw. Power Pool, Inc.*, 144 FERC ¶ 61,059, at P 20 (2013); SERTP Regional Rehearing and Compliance Order, 147 FERC ¶ 61,241 at P 52.

⁴⁷ See SPP Compliance Filing at 11.

able to effectively engage in meaningful interregional coordination and cost allocation with SERTP sufficient to comply with Order No. 1000.⁴⁸

30. SPP maintains that denying its limited waiver request would place an undue burden on SPP, its members, and its stakeholders by placing language in the SPP OATT that it would likely violate due to the inaction of Associated Electric Cooperative, which is not bound by SPP's OATT.

31. SPP also points to the Commission's grant of Maine Public Service Company's request for waiver of the Order No. 1000 regional requirements, where the Commission found that, "the non-public utility transmission provider to which [the public utility transmission provider] is interconnected does not propose to comply with the requirements of Order No. 1000 . . . [thus the public utility transmission provider] cannot participate in a transmission planning region that meets Order No. 1000's regional scope requirements."⁴⁹ SPP states that the same principle should apply in both cases because Associated Electric Cooperative does not intend to comply with Order No. 1000's interregional requirements through the adoption of SPP and SERTP Filing Parties' proposal in a safe harbor tariff.⁵⁰

32. Finally, SPP states that waiver is appropriate because SPP and Associated Electric Cooperative already engage in interregional coordination through a Joint Operating Agreement (SPP-Associated Electric Cooperative JOA) on file with the Commission. SPP maintains that both parties have committed to explore revisions to the SPP-Associated Electric Cooperative JOA to provide "similar benefits that the requirements of Order No. 1000 intend to provide."⁵¹ They have not yet reached agreement, though SPP states that any such updates to the SPP-Associated Electric Cooperative JOA will be filed for Commission acceptance. SPP believes that for all of these reasons, the Commission should grant its request for limited waiver.

33. SPP requests if the Commission denies its limited waiver request, that the Commission either clarify that SPP will not be deemed non-compliant with Order No. 1000 if it is unable to effectuate SPP and SERTP Filing Parties' proposal and/or clarify SPP's obligations for complying with the interregional requirements of Order

⁴⁸ *Id.*

⁴⁹ *Id.* at 13 (citing *Me. Pub. Serv. Co.*, 142 FERC ¶ 61,129, at P 21 (2013) (Maine Order)).

⁵⁰ *Id.*

⁵¹ *Id.* at 14.

No. 1000 with nonpublic utility transmission providers within the SERTP region that do not have the same obligations under Order No. 1000 as SPP.⁵²

ii. Protests/Comments

34. SERTP Sponsors argue that, notwithstanding any such suggestion by SPP, Associated Electric Cooperative does not have a safe harbor tariff and there is no requirement in Order No. 1000 that requires a non-public utility transmission provider, such as Associated Electric Cooperative, to create a safe harbor tariff.⁵³ SERTP Sponsors also claim that, even if Associated Electric Cooperative had a safe harbor tariff, Order No. 1000 does not require that existing safe harbor tariffs be amended to comply with Order No. 1000.⁵⁴ Additionally, SERTP Sponsors state that they (including Associated Electric Cooperative) have negotiated in good faith⁵⁵ and were able to reach agreement with SPP on all but two issues raised in the development of their mutual interregional coordination procedures.⁵⁶

35. Nevertheless, SERTP Sponsors state that they do not oppose SPP's waiver request. They note, however, that in the waiver request, SPP omits the fact that Associated Electric Cooperative, along with the other non-public utilities that are enrolled in SERTP, filed a joint motion in support of the SERTP Filing Parties' regional compliance filings indicating their continuing commitment to sponsoring the SERTP process in support of meeting Order No. 1000's requirements. SERTP Sponsors state that, though the Commission required revisions to the enrollment approach contained in the SERTP Filing Parties' Order No. 1000 regional compliance filings, as of the date of this filing, Associated Electric Cooperative remains committed to participation in the SERTP region for Order No. 1000 purposes.⁵⁷

36. Western Farmers Electric Cooperative generally supports SPP's filing regarding its seam with SERTP. Western Farmers Electric Cooperative argues that the Commission should grant the requested waiver with SERTP, reasoning that SPP's

⁵² *Id.* at 14.

⁵³ SERTP Sponsors Protest, Docket No. ER13-1939-000, at 13.

⁵⁴ *Id.* at 14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 816).

⁵⁵ *Id.*

⁵⁶ *Id.* at 3.

⁵⁷ *Id.* at 15-16.

interregional compliance efforts will be contingent upon negotiations with Associated Electric Cooperative, which is not required to comply with Order No. 1000. Western Farmers Electric Cooperative states that the Commission should clarify that any failure by SPP to implement the SERTP interregional compliance plan due to Associated Electric Cooperative's unwillingness to participate will not result in a finding of non-compliance by SPP. If the Commission denies SPP's waiver request, Western Farmers Electric Cooperative argues that the Commission should accept SPP's proposed interregional compliance plan, including provisions not supported by SERTP.

iii. Answers

37. Regarding SERTP Sponsors' statements that Associated Electric Cooperative has acted in good faith, SPP agrees without reservation and at face value.⁵⁸ However, SPP contends that SERTP Sponsors also acknowledge that Associated Electric Cooperative neither intends nor is required to comply with the requirements of Order No. 1000 through a tariff.⁵⁹ Further, SPP asserts that SERTP Sponsors do not refute any of SPP's statements regarding the need for a waiver between SPP and SERTP. SPP argues that SERTP Sponsors' protest highlights and reinforces the need for the Commission to either grant SPP's requested waiver, or provide clarification consistent with the SPP Compliance Filing.⁶⁰

38. SPP clarifies that the SPP Compliance Filing was intended to spell out the issue from SPP's perspective. SPP states that it believes the seam between SPP and SERTP is the only SERTP seam without an interconnection between two Commission jurisdictional entities. SPP asserts that this is an important fact that the Commission should consider when reviewing its request for waiver and accompanying requests for clarification.⁶¹

39. SPP argues that SERTP Sponsors' argument that Associated Electric Cooperative has no obligation to implement a safe harbor tariff supports SPP's determination that, absent an executable agreement by Associated Electric Cooperative, there is no tie or contractual obligation with a public utility transmission provider in SERTP with which SPP will engage in interregional coordination that meets SPP's Order No. 1000 requirements. Further, SPP argues that Associated Electric Cooperative's stated commitment to participate in SERTP does not constitute a binding "contractual

⁵⁸ SPP Answer, Docket No. ER13-1939-000, at 4-5.

⁵⁹ *Id.* at 6.

⁶⁰ *Id.* at 4.

⁶¹ *Id.* at 5.

agreement that is equivalent to the obligations SPP and its members will assume by implementing [SPP and SERTP Filing Parties' proposal] in the SPP [OATT]".⁶² Further, SPP states that SERTP Sponsors do not provide any information in its pleading which alleviate SPP's concerns.⁶³

40. SPP notes that SERTP Sponsors admitted that they were "unclear whether any Nonjurisdictional SERTP Sponsors will continue in light of the required changes to the SERTP contained in the SERTP [Regional] Compliance Order," with the caveat that "as of the date of this [protest], [Associated Electric Cooperative] remains an SERTP Sponsor." SPP argues that entities participating in SERTP may leave and, therefore, if the Commission approves SPP and SERTP Filing Parties' proposal, neither SPP nor SERTP will have any contractual or other legal rights related to Order No. 1000 interregional coordination and cost allocation requirements with Associated Electric Cooperative. SPP states that this issue is of great concern for the SPP stakeholders who will be required to invest time and potentially significant resources in SPP and SERTP Filing Parties' proposal. SPP requests that the Commission accept its request for waiver or, in the alternative, clarification.⁶⁴

iv. Commission Determination

41. We find that SPP has misconstrued the finding in Order No. 1000-A that a public utility transmission provider would not be deemed out of compliance with Order No. 1000 if it demonstrates that it made a good faith effort, but was ultimately unable, to reach resolution with a neighboring non-public utility transmission provider on interregional transmission coordination and cost allocation requirements. That finding was related specifically to a stand-alone, non-public utility transmission provider that did not propose to enroll in a transmission planning region or otherwise comply with Order No. 1000. In this case, Associated Electric Cooperative has voluntarily enrolled in the SERTP region, and SPP is interconnected with it.⁶⁵ As a result, SPP and SERTP are neighboring transmission planning regions.⁶⁶ Order No. 1000 therefore requires that

⁶² *Id.* at 7.

⁶³ *Id.* at 7.

⁶⁴ *Id.* at 7-8.

⁶⁵ See *Louisville Gas & Elec. Co.*, 144 FERC ¶ 61,054, at P 30 (2013) (SERTP First Regional Compliance Order); SERTP Regional Rehearing and Compliance Order, 147 FERC ¶ 61,241 at Ex. K-9.

⁶⁶ We note that SPP does not dispute that SPP and SERTP are neighboring transmission planning regions; rather, it asks for waiver because it is interconnected with
(continued...)

SPP, through its regional transmission planning process, coordinate with the public utility transmission providers in the SERTP transmission planning region to implement the interregional transmission coordination and cost allocation requirements of Order No. 1000. SPP is not required to negotiate the same language to comply with Order No. 1000's interregional transmission coordination and cost allocation requirements with Associated Electric Cooperative; rather, it is required to negotiate the same language with the public utility transmission providers enrolled in SERTP through the SERTP regional transmission planning process, who are required to include this same language in their respective OATTs.

42. Additionally, SPP is connected to Associated Electric Cooperative to a greater degree than SPP suggests because SPP shares a large number of interconnections between Associated Electric Cooperative and a number of SPP's members.⁶⁷ Also, SPP does not make an appropriate comparison to the Maine Order because Maine Public Service Company (MPS) is not interconnected to the United States, but rather to Canada. In the Maine Order, the Commission found that MPS's unique geographical and electrical situation made it impossible for it to join a transmission planning region that would be consistent with Order No. 1000's regional scope requirement.⁶⁸ That is not the case here; interregional coordination is possible by virtue of Associated Electric Cooperative's voluntary enrollment in the SERTP region.

43. Accordingly, we deny SPP's request for waiver or clarification, finding that SPP will engage in interregional transmission coordination and cost allocation with the public utility transmission providers in the SERTP transmission planning region, through the SERTP regional transmission planning process. Therefore, SPP's concern that it will be in violation of its OATT because proposed OATT language will be impossible to effectuate without Associated Electric Cooperative committing to have the same language in a safe harbor tariff is unfounded because SERTP's public utility transmission providers have the same obligations as public utility transmission providers in the SPP region to coordinate with the public utility transmission providers in each of its neighboring transmission planning regions within its interconnection to implement the

only a non-public utility transmission provider member of the neighboring SERTP region.

⁶⁷ The following SPP members share interconnection points with Associated Electric Cooperative: AEP Oklahoma, Greater Missouri Operations Company, Empire District Electric Company, Grand River Dam Authority, Kansas City Power & Light Company, Nebraska Public Power District, Oklahoma Gas & Electric, City Utilities of Springfield, Southwestern Power Administration, and Westar Energy.

⁶⁸ See Maine Order, 142 FERC ¶ 61,129 at P 21.

interregional transmission coordination and cost allocation requirements of Order No. 1000.

c. **Implementation of the Interregional Transmission Coordination Requirements**

i. **Data Exchange and Identifying Interregional Transmission Facilities**

44. 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 to identify interregional transmission facilities.⁶⁹ 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.⁷⁰ 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.⁷¹ 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.⁷² 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.⁷³

⁶⁹ 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.

⁷⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 396, 398.

⁷¹ *Id.* P 454.

⁷² *Id.* P 455.

⁷³ *Id.*

45. 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 regions in which the transmission facility is proposed to be located.⁷⁴ 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.⁷⁵

(a) Compliance Filings

46. SPP and SERTP Filing Parties propose that, at least annually, each region shall exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective, then-current regional transmission plan(s).⁷⁶ SPP and SERTP Filing Parties propose that each region designate a representative from their respective regions to facilitate the annual data exchange.⁷⁷ SPP and SERTP Filing Parties propose that this exchange will occur when such data is available in each of the regional transmission planning processes, typically during the first calendar quarter of each year.⁷⁸ SPP and SERTP Filing Parties propose that additional transmission-based models and data used in the development of the respective regional transmission planning processes will be exchanged between each region if requested.⁷⁹ SPP and SERTP Filing Parties also propose that their respective regional transmission plans will be posted on their respective regional planning website consistent with the posting requirements of the respective regional transmission planning process.⁸⁰

⁷⁴ *Id.* P 436; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

⁷⁵ Order No. 1000-A, 139 FERC ¶ 61,132 at P 522.

⁷⁶ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

⁷⁷ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

⁷⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

⁷⁹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

⁸⁰ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.2; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.2.

SPP and SERTP Filing Parties propose that each region will notify the other of such posting.⁸¹

47. Regarding the identification of interregional transmission projects, SPP and SERTP Filing Parties propose that at least biennially, the transmission providers will meet to review the respective regional transmission plans.⁸² SPP's 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. SPP and SERTP Filing Parties propose that this review shall occur on a mutually agreeable timetable, taking into account each region's regional transmission planning process timeline. SPP and SERTP Filing Parties propose that if through this review, the regions identify a potential interregional transmission project that may be more efficient and cost-effective than regional transmission projects, the regions will jointly evaluate the potential interregional transmission project.⁸³

48. SPP and SERTP Filing Parties also propose that stakeholders may propose transmission projects that may be more efficient or cost-effective than transmission projects in the regions' respective regional transmission plans pursuant to the procedures in each region's regional transmission planning processes. In addition, SPP proposes that stakeholders may also propose new transmission projects to address interregional transmission needs pursuant to SPP's and/or SERTP's regional transmission planning processes.⁸⁴ However, SERTP Filing Parties limit their proposal such that it does not allow stakeholders to propose new transmission projects to address interregional transmission needs.⁸⁵

(b) Protests/Comments

49. Four Public Interest Organizations argue that the SPP Compliance Filing and SERTP Filing Parties Compliance Filing limit the type of data they propose to share to

⁸¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.2; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.2.

⁸² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.1.

⁸³ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.1.

⁸⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2.

⁸⁵ *See, e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.2.

power-flow models, associated data, and “additional transmission-based models and data...as necessary and if requested.”⁸⁶ 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.

50. Four Public Interest Organizations request that the Commission require SPP and SERTP Filing Parties to include stability models and other models in the regions’ transmission planning process 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 comprehensive data exchange so the transmission planning regions can effectively identify and evaluate more cost-effective interregional transmission solutions.⁸⁷

51. SERTP Sponsors argue that SPP’s proposal to allow stakeholders to propose new transmission projects to address interregional transmission needs pursuant to each region’s regional transmission planning process would allow stakeholders to assert at the interregional level that there are new transmission needs that should be addressed.⁸⁸ Further, SERTP Sponsors disagree with SPP’s argument that SERTP Filing Parties’ proposal is non-compliant with the requirements of Order No. 1000.⁸⁹ SERTP Sponsors state that Order No. 1000 does not provide for the identification of new transmission needs at the interregional level but instead clearly provides that the identification of transmission needs is to occur at the local and regional levels.⁹⁰ SERTP Sponsors argue that, while SPP’s proposed language discusses new transmission projects, SPP intends to

⁸⁶ 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. SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

⁸⁷ 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 13-14.

⁸⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2.

⁸⁹ SERTP Sponsors Protest, Docket No. ER13-1939-000, at 5 (citing SPP Compliance Filing at 23).

⁹⁰ *Id.* at 5.

allow for a determination of new transmission needs at the interregional level.⁹¹ SERTP Sponsors state that while they support the determination of more efficient or cost-effective transmission solutions at the interregional level, they object to the determination of new transmission needs at the interregional level because doing so would exceed the requirements of Order No. 1000 and be overly disruptive to SERTP Sponsors' bottom-up, integrated resource planning-driven transmission planning processes.⁹²

52. Additionally, SERTP Sponsors state that locally and regionally identified transmission needs are shared at the interregional level in order to allow for the potential determination of more efficient or cost-effective alternatives to meet those regional and local needs. SERTP Sponsors assert that Order No. 1000 repeatedly required the adoption of interregional coordination requirements to obligate transmission providers to identify and jointly evaluate interregional projects that may be more efficient or cost-effective solutions to address the individual needs identified in the respective local and regional transmission planning processes.⁹³ Further, SERTP Sponsors state that Order No. 1000 explains that the consideration of transmission needs driven by public policy requirements,⁹⁴ or the evaluation of economic considerations is to be addressed through their regional transmission planning processes.⁹⁵ SERTP Sponsors explain SERTP Filing Parties' proposed language for stakeholders to propose transmission projects in the regional transmission planning process that may be more efficient or cost-effective than transmission projects included in the regions' respective regional transmission plans is fully consistent with Order No. 1000's interregional requirements.

⁹¹ *Id.* at 5 n.6 (citing SPP Compliance Filing at 23 ("Under SPP's proposed Section 1.3.2, stakeholders may submit new interregional transmission projects to address transmission needs regardless of whether the needs have been previously approved in either the SPP or SERTP's regional planning processes.")).

⁹² *Id.*

⁹³ *Id.* at 5 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 368, 393).

⁹⁴ 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.

⁹⁵ SERTP Sponsors Protest, Docket No. ER13-1939-000, at 5-6 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 401).

53. SERTP Sponsors also argue that SPP's proposal is fundamentally inconsistent with the SERTP's non-RTO market structure because system planning in the SERTP begins with integrated resource planning processes. SERTP Sponsors state that those often state-regulated integrated resource planning processes⁹⁶ are used to identify all of a load serving entities' electric system needs. SERTP Sponsors state that the results of these integrated resource planning processes are then combined with long-term commitments made by third parties under the OATTs to drive the transmission planning processes used in the SERTP. SERTP Sponsors explain that SPP's proposal would fundamentally disrupt the integrated resource planning processes used in the SERTP by allowing stakeholders to assert an entirely different/alternative set of transmission needs than the needs identified in the SERTP regional process. SERTP Sponsors conclude that SPP's proposal is not only inconsistent with Order No. 1000's guidance that the identification of needs is to occur at the local and regional levels, but is also inconsistent with Order No. 1000's holdings that it was not interfering with integrated resource planning processes⁹⁷ and that bottom-up planning is permissible.⁹⁸

54. SERTP Sponsors also state that in SPP's effort to support its position, it cites to paragraph 436 of Order No. 1000; however, SERTP Sponsors claim that paragraph 436 says nothing about the identification of needs. SERTP Sponsors state that since interregional needs are never mentioned in the cited paragraph, and nothing therein supports SPP's desired OATT language, the Commission should reject SPP's proposal and adopt SERTP Filing Parties' proposal, as compliant with Order No. 1000.

(c) Answers

55. SERTP Filing Parties argue that their data exchange proposal meets the requirements of Order No. 1000 and that Four Public Interest Organizations do not identify any additional Order No. 1000 requirement that the parties exchange stability

⁹⁶ *Id.* at 6. SERTP Sponsors explain that integrated resource planning processes identify the load-serving utility's incremental needs, including load growth, and set forth plans for providing or procuring the needed capacity at the lowest overall cost to consumers with those options. SERTP Sponsors also state that integrated resource plans also consider critical factors such as reliability, transmission needs driven by public policy requirements, fuel diversity and stability, and environmental attributes.

⁹⁷ *Id.* at 7 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 154, 156; Order No. 1000-A, 139 ¶ 61,132 at PP 174, 177, 184, 187, 192-194, 215, 620).

⁹⁸ *Id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 158).

models and other models used in the respective regional transmission planning process.⁹⁹ SERTP Filing Parties assert that Order No. 1000 requires parties to 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 power-flow models and associated data that supports each regional transmission plan.¹⁰⁰ 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.¹⁰¹

56. 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.¹⁰² 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.¹⁰³

57. 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 Multi-Regional Modeling Working Group, and other reliability-related processes.¹⁰⁴ 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's interregional transmission coordination requirements.¹⁰⁵ SERTP Filing Parties argue that regions will not disregard data received through other means when reviewing their

⁹⁹ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 15.

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.* at 16.

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

neighbors' regional transmission plans, as such actions are generally required in order for utilities to effectively comply with "duty to serve" requirements.¹⁰⁶

58. SERTP Filing Parties state that each region must share data with several other neighboring 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 region.¹⁰⁷ 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 No. 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.¹⁰⁸

59. 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.¹⁰⁹ SERTP Filing Parties argue that their commitment to engage in identification of potential interregional transmission projects fully satisfies the Order No. 1000 requirement.¹¹⁰

60. 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.¹¹¹

¹⁰⁶ *Id.* at 16-17.

¹⁰⁷ *Id.* at 17.

¹⁰⁸ *Id.* at 19-20.

¹⁰⁹ *Id.* at 4-5.

¹¹⁰ *Id.* at 5.

¹¹¹ *Id.*

61. 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.¹¹² 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.¹¹³ 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.¹¹⁴ 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.¹¹⁵ SERTP Filing Parties argue that the existing OATTs already detail how transmission projects are identified through their bottom-up transmission planning processes¹¹⁶ with the additional interregional transmission coordination required by Order No. 1000-A providing potentially another stimulus for the identification of new transmission projects.¹¹⁷ SERTP Filing Parties assert that, in 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.¹¹⁸

62. 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 SERTP Filing Parties' (who are all load serving

¹¹² *Id.*

¹¹³ *Id.* at 5-6.

¹¹⁴ *Id.* at 6.

¹¹⁵ *Id.* at 6-7.

¹¹⁶ *Id.* at 7 (citing Southern Companies, OATT, Ex. K (0.0.0), §§ 6.6.2, 6.6.3).

¹¹⁷ *Id.*

¹¹⁸ *Id.*

entities) ability to plan and expand the transmission system to satisfy their load serving needs.¹¹⁹

63. In response to Four Public Interest Organizations' protest, SERTP Filing Parties assert that the term "as necessary and if requested"¹²⁰ 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

64. We find that the interregional transmission coordination data and information exchange process specified in the SPP Compliance Filing and the SERTP Filing Parties Compliance Filing partially complies with Order No. 1000, as explained further below. Accordingly, we direct SPP and SERTP Filing Parties to submit, within 60 days of the date of issuance of this order, further compliance filings, as explained further below.

65. SPP and SERTP Filing Parties provide for the exchange of the power-flow models and associated data used in the regional transmission planning process to develop their then-current regional transmission plans, along with additional transmission-based models and data, annually or as requested.¹²¹ In addition, SPP 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. SPP 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 than separate intraregional transmission facilities. Furthermore, if SPP or transmission providers in the SERTP region identify a potential interregional transmission facility that could be more efficient or cost-effective than those transmission facilities included in their respective regional plans, the neighboring transmission planning regions will jointly evaluate the

¹¹⁹ *Id.*

¹²⁰ *Id.* at 20. SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

¹²¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

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,¹²² Order No. 1000 did not require public utility transmission providers to independently identify interregional transmission facilities. Thus, SPP and SERTP Filing Parties have proposed to go beyond this requirement of Order No. 1000. We find that SPP 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.

66. However, SPP 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 projects included in their 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 needs.¹²³ We therefore direct SPP 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.

67. We dismiss Four Public Interest Organizations' concerns related to SPP 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 SPP and SERTP Filing Parties' regional transmission planning processes fail to ensure that sufficient interregional coordination can occur. SPP and SERTP Filing Parties' proposal provides that at least annually, SERTP transmission providers and SPP will exchange power-flow models and associated data used in the regional transmission planning processes to develop their respective then-current regional transmission plans.¹²⁴ SPP 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 SPP 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

¹²² Order No. 1000-A, 139 FERC ¶ 61,132 at P 522.

¹²³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396 (emphasis added).

¹²⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

disagree.¹²⁵ 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).¹²⁶ 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.¹²⁷ For the above reasons, we dismiss Four Public Interest Organizations' argument that the SPP and SERTP Filing Parties' proposal fails to ensure that sufficient interregional transmission coordination can occur.

68. We dismiss Four Public Interest Organizations' concern that the proposed phrase "as necessary and if requested"¹²⁸ for data exchange to occur between transmission providers 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. We agree with SERTP Filing Parties that this phrase allows neighboring transmission planning 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.

¹²⁵ 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* SERTP, Regional Transmission Plan Input Assumptions & Overview (Dec. 2014), *available at* <http://www.southeasternrtp.com/docs/general/2014/2014RegionalTransmissionPlanInputAssumptionsOverview.pdf>.

¹²⁶ *E.g.*, Southern Companies, OATT, Attachment K, § 3.5.1.2 (Presentation and Explanation of Underlying Transmission Planning Study Methodologies) (2.0.0).

¹²⁷ *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.

¹²⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1. We note that the tariff language states "if requested," not "as necessary and if requested."

69. Consistent with Order No. 1000's requirement to identify interregional transmission facilities, we accept the provisions in SPP 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 *regional* transmission needs more efficiently or cost-effectively than separate intraregional transmission facilities.¹²⁹ However, we reject additional language SPP proposes because it is not required to comply with Order No. 1000 and SERTP Filing Parties have not agreed to the additional language. Specifically, the additional language SPP proposes but that is not included in SERTP Filing Parties' proposal states that stakeholders may also propose "new transmission projects to address *interregional* transmission needs pursuant to [SPP]'s and/or the SERTP's regional transmission planning processes."¹³⁰ While Order No. 1000 does not prohibit public utility transmission providers in neighboring pairs of transmission planning regions from agreeing to propose interregional coordination procedures that go beyond the requirements of Order No. 1000 by evaluating interregional transmission facilities that may be more efficient or cost-effective solutions to interregional transmission needs, Order No. 1000 requires only "(1) the sharing of information regarding the respective needs of each region, and potential solutions to those needs; and (2) the identification and joint evaluation of interregional transmission facilities that may be more efficient or cost-effective solutions to those regional needs."¹³¹ Thus, while SPP's proposal may have merit, SERTP Filing Parties have not agreed to it, and because it is not required to comply with the interregional transmission coordination requirements of Order No. 1000, we will not require SERTP Filing Parties to adopt it. Therefore, we direct SPP to submit, within 60 days of the date of issuance of this order, a further compliance filing to delete the additional language about interregional transmission needs that SERTP Filing Parties do not support. In the alternative, if SPP and SERTP Filing Parties come to agreement on how to implement SPP's proposal, SPP and SERTP Filing Parties may include common language in their further compliance filings and the Commission will review the joint proposal at that time.

70. Further, 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

¹²⁹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.2.

¹³⁰ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2 (emphasis added).

¹³¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 396.

is proposed to be located, which will trigger the procedure under which the public utility transmission providers, acting through their regional transmission planning process, will jointly evaluate the proposed interregional transmission project.¹³² 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, SPP 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 SPP and SERTP Filing Parties by submitting the interregional transmission facility into SPP's and SERTP Filing Parties' regional transmission planning processes. Accordingly, we direct SPP and SERTP Filing Parties to submit, within 60 days of the date of issuance of this order, further compliance filings with proposed revisions to their tariffs that satisfy these requirements.

ii. Procedure for Joint Evaluation

71. 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.¹³³ 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.¹³⁴

72. 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.¹³⁵ The Commission

¹³² See *supra* P 45; Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

¹³³ 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.

¹³⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436; Order No. 1000-A, 139 FERC ¶ 61,132 at P 506.

¹³⁵ 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).

explained that, to meet the requirement to conduct the joint evaluation in the same general time frame, 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.¹³⁶

73. 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.¹³⁷ 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 proposed interregional transmission project can be identified and resolved for purposes of jointly evaluating a proposed interregional transmission facility.¹³⁸

(a) Compliance Filings

74. SPP and SERTP Filing Parties propose that representatives of SPP and the SERTP region will meet no less than once per year to facilitate the interregional coordination procedures. SPP and SERTP Filing Parties also propose that representatives of SPP and the SERTP region may meet more frequently during the evaluation of interregional transmission project(s).¹³⁹

¹³⁶ 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.

¹³⁷ *Id.* P 398; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 493. The Commission did not require any particular type of studies be conducted. Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398.

¹³⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at PP 506, 510.

¹³⁹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.1.

75. SPP and SERTP Filing Parties propose that the transmission providers shall act through their respective regional transmission planning processes to evaluate potential interregional transmission projects and 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 transmission projects included in their respective then-current regional transmission plans. SPP and SERTP Filing Parties also propose that initial coordination activities to facilitate such analysis will typically begin during the third calendar quarter. SPP and SERTP Filing Parties propose that such analysis shall be consistent with accepted transmission planning practices of the respective regions and the methods utilized to produce each region's respective regional transmission plan(s).¹⁴⁰

76. SPP and SERTP Filing Parties propose that to the extent possible, and as needed, information will be coordinated between SPP and SERTP, including, but not limited to: (i) planning horizons; (ii) expected timelines/milestones associated with the joint evaluation; (iii) study assumptions and data; (iv) models; and (v) criteria.¹⁴¹

77. SPP and SERTP Filing Parties propose that the public utility transmission providers will exchange status updates for new interregional transmission project proposals or proposals currently under consideration as needed. Such status updates will generally include, if applicable: (i) an update of the region's evaluation of the proposal; (ii) the anticipated timeline for future assessments; and (iii) reevaluations related to the proposal.¹⁴²

78. SPP's and SERTP Filing Parties' proposal also provides specific circumstances under which an interregional transmission project may be removed from the SPP or SERTP regional transmission plans for purposes of cost allocation. These circumstances include: (i) if the project is removed from one of the regions' regional transmission plans pursuant to the requirements of its regional transmission planning process; or (ii) if the developer fails to meet developmental milestones.¹⁴³ SPP's and SERTP Filing Parties'

¹⁴⁰ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

¹⁴¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

¹⁴² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

¹⁴³ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.6; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.6.

proposal specifies that SPP and 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.¹⁴⁴

79. Finally, SPP and SERTP Filing Parties propose to provide annual updates to stakeholders (and more frequently if necessary) and to allow for evaluation of information developed through the regional transmission planning process, including information regarding the interregional transmission projects identified, analyses performed, and the results of such analyses.¹⁴⁵

(b) Protests/Comments

80. Four Public Interest Organizations state that joint evaluation is a central tenet of Order No. 1000's interregional coordination requirements, but they contend that SPP's and SERTP Filing Parties' proposal does not include a formal procedure for joint identification and evaluation.¹⁴⁶ Wind Parties concur that SPP's and SERTP Filing Parties' proposal does not contain a formal procedure for joint identification and evaluation.¹⁴⁷

81. 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.¹⁴⁸ 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.¹⁴⁹

¹⁴⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.6.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.6.1.

¹⁴⁵ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.4; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.4.

¹⁴⁶ 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.

¹⁴⁷ Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 4.

¹⁴⁸ 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.

¹⁴⁹ *Id.*

82. In addition, Four Public Interest Organizations and Wind Parties are concerned that the compliance proposals lack procedures for identifying and resolving differences in data.¹⁵⁰ 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.”¹⁵¹ 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 evaluation and interregional transmission coordination.¹⁵² 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.¹⁵³ Four Public Interest Organizations also contend that the proposal lacks criteria by which decisions to coordinate data differences will be made, and it contains no steps for dispute resolution specific to disagreements over coordinating data.¹⁵⁴ 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.”¹⁵⁵ Four Public Interest Organizations contend that SPP’s and SERTP Filing Parties’ proposal stating that assumptions and models will be coordinated “[t]o the extent possible and as necessary,”¹⁵⁶ is too vague and fails to ensure a minimum level of coordination for purpose of joint evaluation.

¹⁵⁰ *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.

¹⁵¹ 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 Comments, 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)).

¹⁵² 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.

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.* at 12-13.

¹⁵⁶ *Id.* at 12 (citing SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1). While Four Public Interest
(continued...)

83. Wind Parties maintain that there is no backstop provision in the case that regions do not agree on which potential interregional solutions warrant study as an interregional transmission project.¹⁵⁷ 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 projects.¹⁵⁸ 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."¹⁵⁹ Wind Parties request that the Commission require a backstop provision that would allow one party to initiate an interregional study after one year of disagreement and which would provide a way for third parties to initiate a study.¹⁶⁰ 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 planning studies.¹⁶¹

(c) Answers

84. 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

Organizations protest the language in sections § 1.3.3.1 of SPP's and SERTP Filing Parties' proposed tariff language, the actual language of both tariff sections state "To the extent possible, and as needed, information will be coordinated between the Transmission Provider and SPP, including . . .". SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

¹⁵⁷ Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 5.

¹⁵⁸ *Id.*

¹⁵⁹ *Id.* at 5-6.

¹⁶⁰ *Id.* at 6.

¹⁶¹ *Id.*

regional level, and actually requires the utilization of the regional transmission planning process.¹⁶²

85. 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 evaluating the project utilizing its own criteria to determine whether to proceed with the transmission project.¹⁶³

86. 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 they will include coordination of expected milestones and timelines associated with the evaluation, study assumptions, models, and benefit calculations.¹⁶⁴

87. 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.¹⁶⁵

88. 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 will use

¹⁶² 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).

¹⁶³ *Id.* at 9.

¹⁶⁴ *Id.* at 18 (citing SERTP-SPP Proposal at § 1.3.3.1).

¹⁶⁵ *Id.* at 20.

coordinated data and assumptions, making any need to resolve any differences of data unlikely.¹⁶⁶

89. 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 project evaluation, as requested by Four Public Interest 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.¹⁶⁷

90. 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 section 3.2 of their proposed tariff language provides for identification of interregional transmission projects by stakeholders and section 3.3 provides for their evaluation. SERTP Filing Parties also assert that stakeholders may propose system alternatives for consideration and could ask each relevant region to study a project under its economic study process.¹⁶⁸ They contend that the Wind Parties do not appear to understand the role of merchant transmission providers and projects. SERTP Filing Parties assert that merchant transmission projects are not directly subject to all of Order No. 1000's requirements because they do not seek cost recovery under their respective OATTs;¹⁶⁹ rather, interconnection requests to implement such projects would trigger detailed studies and evaluations in accordance with FPA requirements.¹⁷⁰

91. In response to Wind Parties' call for a backstop provision in the case that regions do not agree on which potential interregional transmission solutions warrant study as an interregional transmission project, SERTP Filing Parties state that their proposal allows for flexibility to consider projects "on a case-by-case basis" that do not satisfy all of the requisite threshold criteria but nonetheless provide significant regional benefits.¹⁷¹ SERTP Filing Parties argue that Wind Parties seem to demand that each region be compelled to evaluate interregional transmission projects that are impractical,

¹⁶⁶ *Id.* at 19.

¹⁶⁷ *Id.* at 20.

¹⁶⁸ *Id.* at 13.

¹⁶⁹ *Id.* at 13-14.

¹⁷⁰ *Id.*

¹⁷¹ *Id.* at 12.

unnecessary, or otherwise non-viable, but SERTP Filing Parties contend that Order No. 1000 does not demand such an evaluation.¹⁷²

(d) Commission Determination

92. We find that SPP and SERTP Filing Parties' proposal partially complies with the joint evaluation requirements of Order No. 1000, as discussed below.

93. Specifically, SPP 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.¹⁷³ Furthermore, joint evaluation may be triggered by stakeholders identifying interregional transmission projects.¹⁷⁴ 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 project would be a more efficient or cost-effective transmission project than projects included in their existing transmission plans. Thus, we find that SPP and SERTP Filing Parties' proposed procedures to jointly evaluate interregional transmission facilities comply with, and go beyond, this requirement of Order No. 1000.¹⁷⁵

94. We find that SPP and SERTP Filing Parties have developed a timeline to ensure that neighboring regions conduct joint evaluation of a proposed interregional transmission project, in the same general timeframe as each transmission planning region's individual consideration of a proposed interregional transmission project, as required by Order No. 1000.¹⁷⁶ Specifically, we find that by memorializing that:

¹⁷² *Id.* at 13.

¹⁷³ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.1.

¹⁷⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.2; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.2.

¹⁷⁵ As the Commission discussed in the Data Exchange and Identifying Interregional Transmission Facilities section of this order, SPP and SERTP Filing Parties have proposed to go beyond the requirement of Order No. 1000 to independently identify interregional transmission facilities.

¹⁷⁶ 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.

(1) initial coordination activities regarding new interregional transmission project proposals will typically begin during the third calendar quarter; and (2) SPP and SERTP Filing Parties will exchange status updates for new interregional transmission project proposals or those under consideration as needed, satisfy the Commission's expectation 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 developed through the regional transmission planning process.¹⁷⁷ Moreover, updates to SPP 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 projects to be evaluated, analyses performed, and the results of such analyses.¹⁷⁸

95. We find, however, that SPP 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. 1000.¹⁷⁹ Although SPP 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 studies 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 SPP and SERTP Filing Parties to submit further compliance filings within 60 days of the date of 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.

96. With respect to the proposed revisions governing removal of an interregional transmission project from SPP's or SERTP's regional transmission plans for purposes of cost allocation, we find that these provisions are consistent with SPP's and SERTP Filing Parties' regional evaluation processes. Order No. 1000 requires transmission providers to

¹⁷⁷ *Id.* P 439.

¹⁷⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.4; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.4.

¹⁷⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 398.

identify interregional transmission projects through their regional transmission planning processes, and thus, it is appropriate that an interregional transmission project's removal be consistent with the relevant regional planning provisions.¹⁸⁰

97. We find that SPP's 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 project 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 SPP and SERTP Filing Parties will coordinate assumptions used in joint evaluations, as necessary, including expected timelines/milestones associated with the joint evaluation, study assumptions, and regional benefit calculations.¹⁸¹ The proposals also state that, at least annually, SPP and SERTP Filing Parties will exchange power-flow models and associated data used in their regional transmission planning processes.¹⁸² In addition, they may exchange additional transmission-based models and data if requested.

98. We dismiss Four Public Interest Organizations and Wind Parties' argument that the provisions regarding data exchange and identification of interregional transmission facilities proposed by SPP 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;¹⁸³ however, it left each pair of neighboring regions discretion in the way this requirement was designed and implemented, and did not require that any particular planning horizons or criteria be used.¹⁸⁴

¹⁸⁰ *Id.* PP 396, 398.

¹⁸¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

¹⁸² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.2.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.2.1.

¹⁸³ As noted above, SPP and SERTP Filing Parties comply with this requirement because they have proposed to coordinate assumptions used in joint evaluations, as necessary, including expected timelines/milestones associated with the joint evaluation, study assumptions, and regional benefit calculations. *See supra* P 97.

¹⁸⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 437.

99. We dismiss Four Public Interest Organizations' argument that SPP's and SERTP Filing Parties' proposals lack 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 SPP's and SERTP Filing Parties' 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.

100. Additionally, we disagree with Four Public Interest Organizations' argument that the proposal submitted by SPP and SERTP Filing Parties that states that assumptions and models will be coordinated "as needed"¹⁸⁵ is too vague and possibly limits the coordination of joint evaluation. We agree with SERTP Filing Parties' answer that this provision provides flexibility to coordinate joint evaluation activities as circumstances dictate, and does not limit coordination for joint evaluation.

101. We also decline to require Wind Parties' suggestion that SPP and 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 project, 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 does not require interregional transmission planning.

iii. Transparency and Stakeholder Participation

102. 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.¹⁸⁶ 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.¹⁸⁷

¹⁸⁵ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

¹⁸⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 458.

¹⁸⁷ *Id.*

103. 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.”¹⁸⁸ 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.¹⁸⁹

(a) Compliance Filings

104. SPP and SERTP Filing Parties assert that they propose revisions that are intended to meet the transparency and stakeholder participation requirements of Order No. 1000.¹⁹⁰ SPP and SERTP Filing Parties propose that each transmission provider will utilize the regional transmission planning website for communication of information related to the interregional transmission coordination procedures.¹⁹¹ SPP and SERTP Filing Parties propose that the regions shall coordinate with respect to posting to the regional transmission planning website materials related to the coordinated interregional transmission coordination procedures.¹⁹² SPP and SERTP Filing Parties propose that transmission providers will provide, at a minimum, the following on the regional planning website: (1) a link to the Exhibit K-8, describing interregional transmission coordination between SPP and the SERTP; (2) information related to joint meetings, such as links to materials for joint meetings; (3) documents related to joint evaluations of interregional transmission projects; and (4) procedures for coordination and joint evaluation.¹⁹³ The regional planning websites will also make available access to data

¹⁸⁸ 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).

¹⁸⁹ *Id.* P 522.

¹⁹⁰ SPP Compliance Filing at 21; *e.g.*, Southern Companies Compliance Filing at 42.

¹⁹¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.1.

¹⁹² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.1.

¹⁹³ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.1.

utilized and links to where stakeholders can register for stakeholder committees and distribution lists.¹⁹⁴

105. SPP and SERTP Filing Parties propose that stakeholders will have an opportunity to provide input and feedback within the respective SPP and SERTP regional transmission planning processes related to interregional transmission projects identified, analysis performed, and any determinations/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 between SPP and the SERTP.¹⁹⁵

106. SPP and SERTP Filing Parties propose to provide status updates of proposed interregional transmission projects to stakeholders.¹⁹⁶ 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 transmission facilities to be evaluated, analysis performed, and determinations/results.¹⁹⁷

(b) Protests/Comments

107. Four Public Interest Organizations note that while SERTP Filing Parties' proposal states that updates will describe: "(i) Facilities to be evaluated; (ii) Analysis performed; and (iii) Determinations/results,"¹⁹⁸ and the SPP proposal contemplates more frequent updates as needed, the transparency aspects of the compliance proposals are insufficient to comply with Order No. 1000's obligations and should be strengthened. They propose that: (1) each region should be required to post all studies and documents (subject to CEII and other confidentiality requirements) related to interregional transmission

¹⁹⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.2; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.2.

¹⁹⁵ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.4; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.4.

¹⁹⁶ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 3.3; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.3.

¹⁹⁷ Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.3.

¹⁹⁸ 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 14-15 (citing Southern Companies, OATT, Ex. K-8 (0.0.0), § 3.3).

projects, along with rationales for decisions not to jointly evaluate them; (2) status updates should be provided on interregional transmission projects under consideration when there is new information, including those transmission projects that are no longer under evaluation and why; and (3) summaries of status updates provided at the stakeholder meeting should be posted on all of the regions' websites.¹⁹⁹ 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 projects identified and under consideration, not just those that have already been chosen.²⁰⁰

(c) Answers

108. 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.²⁰¹

109. SERTP Filing Parties state that, while the proposal references an annual update, there will be other opportunities to provide and receive information regarding potential interregional transmission projects through the regional 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 transmission projects.²⁰²

110. 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

¹⁹⁹ *Id.* at 14.

²⁰⁰ *Id.* at 15-16.

²⁰¹ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 18-19.

²⁰² *Id.* at 23.

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 SERTP Filing Parties' 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.²⁰³

(d) Commission Determination

111. We find that SPP and SERTP Filing Parties' proposals comply with the relevant requirements of Order No. 1000. We find that SPP's and SERTP Filing Parties' respective regional planning websites are an adequate location to post communication of 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, documents related to joint evaluation of interregional transmission projects, and status reports on interregional transmission projects 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.

112. SPP and SERTP Filing Parties propose that data and models used in the development of SPP's and SERTP Filing Parties' then-current regional transmission processes and plans will be posted on the pertinent regional transmission planning 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.

113. We also find that SPP 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 their respective regional transmission planning websites information related to interregional transmission coordination procedures, SPP and SERTP Filing Parties propose to provide stakeholders an opportunity, within the respective SPP and SERTP regional transmission planning processes, to provide input and feedback related to

²⁰³ *Id.* at 24.

interregional transmission projects identified, analysis performed, and any determinations/results, as well as to the interregional transmission coordination between SPP and SERTP. SPP and SERTP Filing Parties also propose to provide stakeholders with status updates of proposed interregional transmission projects during the regional transmission processes. We find that these proposals meet the requirements set forth in Order No. 1000 regarding transparency.

114. Furthermore, we find that SPP and SERTP Filing Parties adequately describe in their respective tariffs each region's regional transmission planning process that will allow stakeholders to provide input and feedback with respect to the consideration of interregional transmission facilities. Further, stakeholders may participate in either or both regions' regional transmission planning processes to provide input and feedback regarding the interregional transmission coordination between SPP and SERTP.

115. 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 SPP 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 to support their contention. Therefore, we find Four Public Interest Organizations' protest on this issue unpersuasive.

116. We disagree with Four Public Interest Organizations that, to ensure transparency, the regions should commit to providing status updates about all interregional projects identified and under consideration, not just those that have already 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."²⁰⁴ Providing the level of transparency proposed by Four Public Interest Organizations is therefore not required under Order No. 1000.²⁰⁵

²⁰⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 465.

²⁰⁵ However, we note that, as discussed below in the cost allocation section of this order, we require SPP and SERTP Filing Parties to post a list of all interregional transmission facilities that are proposed for potential selection in the regional
(continued...)

2. Cost Allocation

117. 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.²⁰⁶ The Commission found that the method or methods for interregional transmission cost allocation used by two transmission planning regions may be different from the method or methods used by either of them for regional transmission cost allocation.²⁰⁷ 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.²⁰⁸ 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.²⁰⁹

118. 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

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. *See Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,045, at P 174 (2015); *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,046, at P 161 (2015); *Duke Energy Carolinas, LLC*, 150 FERC ¶ 61,044, at P 187 (2015).

²⁰⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at PP 626, 634.

²⁰⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁰⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²⁰⁹ Order No. 1000-A, 139 FERC ¶ 61,132 at P 627 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 580).

must select the facility in its regional transmission plan for purposes of cost allocation.²¹⁰ 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.²¹¹

119. 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 No. 1000.²¹² The Commission took a principles-based approach because it recognized that regional differences may warrant distinctions in cost allocation methods among transmission planning regions.²¹³ The Commission recognized that a variety of methods for cost allocation, including postage stamp cost allocation, may satisfy the set of general principles.²¹⁴ 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.²¹⁵ The Commission also explained that Order No. 1000 permits participant funding but not as an interregional cost allocation method.²¹⁶

²¹⁰ *Id.* PP 628, 635 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436).

²¹¹ *Id.* P 635.

²¹² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

²¹³ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 604; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

²¹⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 605; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 683.

²¹⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 603; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 638.

²¹⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 723-729; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at PP 718, 726-737.

120. 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.²¹⁷ 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. 1000.²¹⁸ 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 filing proceeding(s) as a basis to develop a cost allocation method or methods that meets the Commission's requirements.²¹⁹

121. 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 meeting transmission needs driven by Public Policy Requirements.²²⁰ Interregional Cost Allocation Principle 1 precludes an allocation where the benefits received are trivial in relation to the costs to be borne.²²¹

122. Order No. 1000 does not prescribe a particular definition of "benefits" or "beneficiaries."²²² 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

²¹⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²¹⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 578; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

²¹⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 607; *order on reh'g*, Order No. 1000-B, 141 FERC ¶ 61,044 at P 66.

²²⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 622; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at PP 654, 681-682, 691.

²²¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 639.

²²² *Id.* P 624; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at PP 655, 674, 676-679.

transmission providers in each transmission planning region to be definite about benefits and beneficiaries for purposes of their cost allocation methods.”²²³ In addition, for a cost allocation method or methods to be accepted by the Commission as Order No. 1000-compliant, the method will have to specify clearly and definitively the benefits and the class of beneficiaries.²²⁴ 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.²²⁵ 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.²²⁶ 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.²²⁷ 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. 2003.²²⁸

123. 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.²²⁹ All cost allocation methods must provide for allocation of the entire prudently incurred cost of a transmission project

²²³ Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

²²⁴ *Id.* P 678.

²²⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 625.

²²⁶ Order No. 1000-A, 139 FERC ¶ 61,132 at P 679.

²²⁷ *Id.* P 746 (noting that it would occur prior to the recovery of such costs through a formula rate).

²²⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 760; *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 680.

²²⁹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 637; *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 at PP 684, 689, 691.

to prevent stranded costs.²³⁰ 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.²³¹

124. 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.²³² 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.²³³ 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.²³⁴

125. 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.²³⁵ Public utility transmission providers located in the neighboring transmission planning regions may choose to use such a threshold to account for

²³⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 640; *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 685; *order on reh’g*, Order No. 1000-B, 141 FERC ¶ 61,044 at P 68.

²³¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 641.

²³² Order No. 1000-A, 139 FERC ¶ 61,132 at P 690; *order on reh’g*, Order No. 1000-B, 141 FERC ¶ 61,044 at P 70.

²³³ Order No. 1000-A, 139 FERC ¶ 61,132 at P 690; *order on reh’g*, Order No. 1000-B, 141 FERC ¶ 61,044 at P 70.

²³⁴ Order No. 1000-B, 141 FERC ¶ 61,044 at P 72.

²³⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

uncertainty in the calculation of benefits and costs.²³⁶ 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.²³⁷

126. The Commission stated that Interregional Cost Allocation Principle 3 did not require the use of a benefit-to-cost ratio threshold.²³⁸ 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.²³⁹ 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.²⁴⁰ 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.²⁴¹ 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.²⁴²

127. Interregional Cost Allocation Principle 4 specifies that costs allocated for an interregional transmission facility must assign costs only to the transmission planning

²³⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

²³⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 692.

²³⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

²³⁹ Order No. 1000-B, 141 FERC ¶ 61,044 at P 64.

²⁴⁰ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

²⁴¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

²⁴² Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 650.

regions in which the interregional transmission facility is located.²⁴³ Costs cannot be assigned involuntarily to a transmission planning region in which that interregional transmission facility is not located.²⁴⁴ However, interregional transmission coordination must identify consequences for other transmission planning regions, such as upgrades 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.²⁴⁵ 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.²⁴⁶

128. 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.²⁴⁷

129. 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.²⁴⁸ Each cost allocation method must be

²⁴³ *Id.* P 657; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

²⁴⁴ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

²⁴⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 696.

²⁴⁶ Order No. 1000-A, 139 FERC ¶ 61,132 at P 629 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 582).

²⁴⁷ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 668.

²⁴⁸ *Id.* P 685.

set out clearly and explained in detail in the compliance filing.²⁴⁹ 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.²⁵⁰

a. Compliance Filing

130. SPP and SERTP Filing Parties have agreed on an interregional cost allocation method to allocate the costs of an interregional transmission project selected for purposes of cost allocation in the regional transmission plans of both SERTP and SPP based on the ratio of each region's displaced or avoided costs of transmission projects identified in the regional plan that are displaced by the selected interregional transmission project compared to the total displaced or avoided costs for both regions, allocating a proposed interregional transmission project's costs between the regions on a *pro rata* basis.²⁵¹

131. SPP and SERTP Filing Parties propose that, among other criteria for an interregional transmission project to be considered for purposes of interregional cost allocation between the SPP and SERTP regions, the interregional transmission project must interconnect to the transmission facilities of one or more transmission owners in SPP and the transmission facilities of one or more SERTP Sponsors and must also meet the criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of regional cost allocation in accordance with the respective regional transmission planning processes of both the SERTP and SPP regions.²⁵² SPP states that its support of this criterion is contingent on the Commission's approval of its proposed language regarding the second criterion that must be met,²⁵³ as discussed below.

132. Second, SPP and SERTP Filing Parties propose competing language for the criterion that would allow SPP and SERTP Filing Parties to consider, in certain circumstances, an interregional transmission project that does not satisfy the first

²⁴⁹ *Id.*

²⁵⁰ *Id.* P 686; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 628; *see also* Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 581.

²⁵¹ SPP Compliance Filing at 38; *e.g.*, Southern Companies Compliance Filing at 10.

²⁵² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.A; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.A.

²⁵³ Testimony of David Kelley (Kelley Test.) at 12.

criterion. SERTP Filing Parties propose that, “*on a case-by-case basis*, [SERTP] and SPP *may* consider an interregional transmission project that does not satisfy all the criteria specified [above] but that: (i) provides *significant* interregional benefits (i.e., a major transmission project effectuating significant bulk electric transfers between the SERTP and SPP); (ii) would be located in both regions; and (iii) would be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in SPP.”²⁵⁴ SPP’s proposed second criterion varies from SERTP Filing Parties’ proposed criterion in that it provides that, “*at the request of either planning region*, [SPP] and SERTP *will* consider an interregional transmission project that does not satisfy all the criteria specified [above] but: (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 SERTP Sponsors and the transmission facilities of a Transmission Owner in SPP.”²⁵⁵

133. Finally, SPP and SERTP Filing Parties agree on the third criterion, which states that the transmission project must be proposed in the SERTP and SPP regional planning processes for purposes of cost allocation, as well as any other regions to which the proposed transmission project would interconnect, in accordance with the procedures of the applicable regional transmission planning processes.²⁵⁶ If a transmission developer proposes the project, the transmission developer must also satisfy all criteria specified in the respective regional transmission planning processes, as applicable.²⁵⁷

134. Regarding its competing proposal for the second criterion,²⁵⁸ SPP asserts that its proposal provides an opportunity for either party to optionally request joint evaluation of interregional transmission facilities that may provide interregional benefits, but which may be outside the scope of either respective planning region’s criteria, and that the Commission should approve SPP’s proposed language for the second criterion.²⁵⁹ SPP explains further that the second criterion²⁶⁰ is intended to provide some flexibility in the

²⁵⁴ *E.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B (emphasis added).

²⁵⁵ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B (emphasis added).

²⁵⁶ *Id.* § 2.1.C; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.C.

²⁵⁷ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.C; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.C.

²⁵⁸ SPP, OATT, Attachment O, Addendum (0.0.0), § 2.1.B.

²⁵⁹ SPP Compliance Filing at 27.

²⁶⁰ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B.

event that an interregional project does not satisfy all of the threshold criteria for both regions.

135. SPP asserts that its proposed second criterion complies with the intent and purposes of Order No. 1000.²⁶¹ SPP argues that SERTP Filing Parties' proposed second criterion is ambiguous and does not clarify which party will make the determination whether to consider an additional project that may provide interregional benefits by "resolving issues identified in the respective regional planning processes in a more efficient and cost-effective manner," and may result in either party never considering an interregional project outside of the scope of the first criterion.²⁶² SPP contends that as the regional planning criteria of SPP and SERTP are considerably different, SERTP Filing Parties' proposed language does not provide an opportunity to consider all interregional transmission projects that may more efficiently or cost-effectively resolve issues identified in the respective regional planning processes.²⁶³ SPP points out that as SPP's regional planning process does consider projects under 300 kV and less than 100 miles in length for reliability, economic, and public policy purposes, SPP strives to keep the opportunity to consider these types of transmission facilities during the joint evaluation of interregional transmission projects if the proposed transmission projects will provide the benefits as outlined in the second criterion.²⁶⁴ SPP contends that implementing SERTP Filing Parties' proposed second criterion would remove lower voltage projects (those under 300 kV) and projects less than 100 miles in length from consideration as potential interregional solutions and may encourage a less cost-effective solution as higher voltage projects are typically more expensive. SPP explains that limiting consideration to only higher voltage projects will bias the cost-effective analysis towards higher cost, and therefore less economically efficient, solutions.²⁶⁵

136. With respect to the proposed second criterion, SERTP Filing Parties assert that the Commission should accept SERTP Filing Parties' proposed language, as it already exceeds the requirements of Order No. 1000. SERTP Filing Parties argue that the SERTP regional threshold criteria for a project to be proposed for purposes of regional cost allocation allows SERTP Filing Parties to consider projects that fall short of the

²⁶¹ Kelley Test. at 14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31-323 at PP 393-394, 396).

²⁶² *Id.* at 11.

²⁶³ *Id.* at 11-12.

²⁶⁴ *Id.* at 13.

²⁶⁵ *Id.* at 16-17.

threshold criteria, but still provide significant regional benefits, and states that SERTP Filing Parties' proposal for the interregional language with SPP allows this same flexibility and is redundant to the case-by-case exception already incorporated in the SERTP regional process.

137. SERTP Filing Parties contend that SPP's modified language regarding the second criterion²⁶⁶ would allow one region (i.e., SPP) to force upon the other region (i.e., SERTP) the consideration of a transmission project that the latter does not consider to provide interregional benefits. SERTP Filing Parties further contend that the "quantifiable" interregional benefit standard under the SPP proposal seems superfluous as it does not appear to actually establish any meaningful criteria for determining the benefits of an interregional project.²⁶⁷ SERTP Filing Parties contend that the only effect that SPP's proposed language would have would be to require SERTP Filing Parties to consider facilities that they would not otherwise consider in their regional process, as SERTP Filing Parties have the ability to consider projects that do not meet the threshold, even without the second criterion.²⁶⁸ Further, SERTP Filing Parties contend that even if SPP's language were to be adopted, it would cause unnecessary disputes and potential litigation because it would force the joint evaluation of a project that SERTP Filing Parties deem *per se* unacceptable (in that it would be neither interregional nor even regional in scope).²⁶⁹

138. Additionally, SPP and SERTP Filing Parties propose that each region, acting through its regional transmission planning process, will evaluate proposals to determine whether the proposed interregional transmission project(s) provides "Regional Benefits" to its respective region.²⁷⁰ SPP and SERTP Filing Parties propose that based upon its evaluation, each region will quantify a Regional Benefit, the calculation of which differs for SPP and SERTP Filing Parties. SPP and SERTP Filing Parties propose that for SPP, the Regional Benefit is the total avoided costs of regional transmission projects that would be displaced if the proposed interregional transmission project was included.²⁷¹

²⁶⁶ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B.

²⁶⁷ *E.g.*, Southern Companies Compliance Filing at 45.

²⁶⁸ *E.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B.

²⁶⁹ *E.g.*, Southern Companies Compliance Filing at 46.

²⁷⁰ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.2.A; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.2.A.

²⁷¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.2.B(i); *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.2.B(i).

Further, SPP and SERTP Filing Parties propose that for SERTP the Regional Benefit is the total avoided costs of transmission projects *included in the then-current regional transmission plan* that would be displaced if the proposed interregional transmission project was included.²⁷² SPP and SERTP Filing Parties propose that updated Regional Benefits calculations will be exchanged in a similar manner to the status updates described above.

139. SPP and SERTP Filing Parties propose that an interregional transmission project will be included in the respective regional transmission plans for purposes of cost allocation after each region has performed all evaluations and the transmission project has obtained all approvals, as prescribed in the respective regional transmission planning processes necessary for it to be included in each regional transmission plan for purposes of cost allocation.²⁷³

140. SPP and SERTP Filing Parties propose that SPP and the SERTP regions will be allocated a portion of an interregional transmission project's costs in proportion to each region's ratio of Regional Benefits to total Regional Benefits identified by both the SPP and SERTP regions.²⁷⁴ SPP and SERTP Filing Parties propose to base the Regional Benefits used for this determination on the last Regional Benefit calculation performed pursuant to the interregional transmission coordination provisions described above, before each transmission planning region included the interregional transmission project in its regional transmission plan for purposes of cost allocation and as approved by each transmission planning region.²⁷⁵

141. SPP and SERTP Filing Parties also propose an additional provision stating that, should one region be willing to bear more costs of the interregional transmission project than those costs identified pursuant to the method described above, the SPP and SERTP

²⁷² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.2.B(ii); *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.2.B(ii).

²⁷³ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.1; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.1.

²⁷⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 1.3.3.2.C; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 1.3.3.2.C.

²⁷⁵ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.3.A; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.3.A.

regions may voluntarily agree, subject to applicable regional approvals, to an alternative cost sharing arrangement.²⁷⁶

142. SPP and SERTP Filing Parties propose that once an interregional transmission project is selected in the respective regional transmission plans for purposes of cost allocation, SPP, the transmission owners in the SERTP region that will be allocated costs of the interregional transmission project, and the transmission developer(s), must mutually agree on an acceptable development schedule including milestones by which the necessary steps to develop and construct the interregional transmission project must occur. Under the proposal, these milestones may include (to the extent not already accomplished) obtaining all necessary rights of way and requisite environmental, state, and other governmental approvals and executing a mutually-agreed upon contract(s) between SPP, the applicable SERTP transmission owner, and the transmission developer. SPP and SERTP Filing Parties propose that if such critical steps are not met by the specified milestones and maintained throughout development of the project, then the transmission projects may be removed from the selected category in the regional transmission plans for purposes of cost allocation.²⁷⁷

143. SPP and SERTP Filing Parties propose that the referenced contracts will address terms and conditions associated with the development of the proposed interregional transmission project included in the regional transmission plans for purposes of cost allocation, including but not limited to: (1) engineering, procurement, construction, maintenance, and operation of the proposed transmission project, including coordination responsibilities of the parties; (2) emergency restoration repair; (3) the specific financial terms and specific total amounts to be charged by the transmission developer of the transmission project to each beneficiary as agreed to by the parties; (4) creditworthiness and project security requirements; (5) milestone reporting, including schedule of projected expenditures; (6) reevaluation of the transmission project; and (7) non-performance or abandonment.²⁷⁸

144. Regarding the six interregional cost allocation principles, SPP and SERTP Filing Parties state that the proposed avoided cost-only method meets Interregional Cost Allocation Principle 1 because this method satisfies the requirement that costs must be

²⁷⁶ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.3.A; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.3.A.

²⁷⁷ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.4; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.4.

²⁷⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.5; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.5.

allocated in a manner roughly commensurate with the estimated benefits to each region by allocating costs in proportion to the quantifiable benefits of avoided or displaced transmission.²⁷⁹ SPP and SERTP Filing Parties note that in the context of cost allocation within a transmission 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.”²⁸⁰ SPP and SERTP Filing Parties state that the Commission specifically 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.”²⁸¹ SPP and SERTP Filing Parties state that utilizing an avoided cost-only allocation metric facilitates the comparison of the costs of an interregional project with a project(s) which has already been determined to provide benefits to the planning region. Therefore, according to SPP and SERTP Filing Parties, replacing an already existing project with a comparable, or more cost efficient, interregional project ensures that the cost and benefits are roughly commensurate in a manner that identifies cost-effective and efficient solutions to address transmission needs.²⁸²

145. SPP and SERTP Filing Parties assert that an avoided cost-only approach to interregional cost allocation is particularly appropriate in light of the purpose of interregional transmission coordination under Order No. 1000. SPP and SERTP Filing Parties note that under Order No. 1000-A, the Commission’s interregional coordination reforms do not require the establishment of interregional 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

²⁷⁹ SPP Compliance Filing at 39; *e.g.*, Southern Companies Compliance Filing at 12.

²⁸⁰ SPP Compliance Filing at 39; *e.g.*, Southern Companies Compliance Filing at 12 (citing *Avista Corp.*, 143 FERC ¶ 61,255, at P 300 (2013) (citing *S.C. Elec. & Gas Co.*, 143 FERC ¶ 61,058, at P 232 (2013); *Pub. Serv. Co. of Colo.*, 142 FERC ¶ 61,206, at P 312 (2013) (WestConnect First Regional Compliance Order)).

²⁸¹ SPP Compliance Filing at 39-40; *e.g.*, Southern Companies Compliance Filing at 12 (citing WestConnect First Regional Compliance Order, 142 FERC ¶ 61,206 at P 312).

²⁸² SPP Compliance Filing at 40; *e.g.*, Southern Companies Compliance Filing at 12.

with public utility transmission providers in neighboring transmission planning regions.”²⁸³ SPP 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 voluntary nature of interregional coordination and results in a close “alignment of transmission planning and cost allocation,” which they assert was a “central underpinning” of Order No. 1000’s interregional coordination reforms.²⁸⁴

146. 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 the Commission found it does not account for economic needs or transmission needs driven by public policy requirements.²⁸⁵ However, they argue that these findings are not determinative or relevant to their interregional filing because the avoided cost method captures transmission needs driven by public policy requirements and economic criteria assessed in the regional transmission planning processes. They argue Order No. 1000 does not require the consideration of transmission needs driven by public policy requirements or economic needs to be repeated at the interregional level, since it requires only interregional transmission coordination, and that the Commission explained that it does not “require . . . interregional transmission planning, including the . . . consideration of transmission needs driven by Public Policy Requirements, or the evaluation of economic considerations.”²⁸⁶ Consequently, according to SERTP Filing Parties, the sole use of an avoided cost-only method is appropriate at the interregional level.²⁸⁷

147. SPP and SERTP Filing Parties state that measuring the benefits of interregional transmission projects for cost allocation purposes through the avoided cost-only approach is also appropriate in light of the ability of each region to decline to select an

²⁸³ SPP Compliance Filing at 40; *e.g.*, Southern Companies Compliance Filing at 12 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 511).

²⁸⁴ SPP Compliance Filing at 40-41; *e.g.*, Southern Companies Compliance Filing at 13-14 (citing Order No. 1000, FERC Stats & Regs. ¶ 31,323 at P 582).

²⁸⁵ *E.g.*, Southern Companies Compliance Filing at 13.

²⁸⁶ *E.g.*, *id.* (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 401).

²⁸⁷ *E.g.*, *id.*

interregional transmission project in its regional transmission plan for cost allocation purposes if the transmission project is not cost-effective for that region.²⁸⁸

148. SPP and SERTP Filing Parties state that the avoided cost-only approach complies with Interregional Cost Allocation Principle 2 because only a transmission provider or transmission owner in the regions in which the interregional transmission facility would be located that avoids transmission costs would be allocated the cost of the project.²⁸⁹

149. SPP and SERTP Filing Parties state that the avoided cost-only method satisfies Interregional Cost Allocation Principle 3 because the proposal for SERTP does not apply an interregional cost benefit analysis.²⁹⁰ SPP explains that Interregional Cost Allocation Principle 3 does not require a cost benefit analysis; therefore, not applying an interregional cost benefit analysis does not violate the requirements of Order No. 1000.²⁹¹ SPP and SERTP Filing Parties state that their proposal provides that proposed interregional transmission projects must be accepted in the respective regional transmission planning processes, meaning that if a regional transmission planning process requires a benefit-to-cost ratio threshold, the portion of the project allocated to such region would be required to satisfy such threshold.²⁹²

150. SPP and SERTP Filing Parties state that the avoided cost-only approach complies with Interregional Cost Allocation Principle 4 because only a transmission provider or transmission owner in the regions in which the transmission facility would be located that avoids transmission costs would be allocated the cost of the transmission project.²⁹³ In response to Interregional Cost Allocation Principle 4, which requires that if there is an agreement to share the costs of upgrades caused in other regions by an interregional

²⁸⁸ SPP Compliance Filing at 40; *e.g.*, Southern Companies Compliance Filing at 13 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at P 512).

²⁸⁹ SPP Compliance Filing at 41; *e.g.*, Southern Companies Compliance Filing at 14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at PP 637, 657).

²⁹⁰ SPP Compliance Filing at 42, *e.g.*, Southern Companies Compliance Filing at 14.

²⁹¹ SPP Compliance Filing at 42 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 646).

²⁹² *Id.*; *e.g.*, Southern Companies Compliance Filing at 14.

²⁹³ SPP Compliance Filing at 41; *e.g.*, Southern Companies Compliance Filing at 14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657).

transmission project, then the cost allocation method must address those costs, SERTP Filing Parties state that the cost allocation approach adopted by the SERTP region with its neighboring transmission planning regions 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.²⁹⁴

151. SPP and SERTP Filing Parties state that the proposed avoided cost-only method also complies with Interregional Cost Allocation Principle 5 because the benefits that form the basis of cost allocation under the avoided cost-only approach are readily quantifiable, and therefore the cost allocation under the avoided cost-only method and data requirements for determining benefits and identifying beneficiaries would be transparent. In addition, SPP 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 facility.²⁹⁵

152. Finally, SPP and SERTP Filing Parties state that the proposed avoided cost-only method complies with Interregional Cost Allocation Principle 6 because it would apply to all types of transmission facilities proposed for interregional cost allocation.²⁹⁶

b. Protests/Comments

153. Four Public Interest Organizations and Wind Parties protest SPP's and SERTP Filing Parties' proposed cost allocation method. Specifically, Four Public Interest Organizations assert that SPP's 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.²⁹⁷

²⁹⁴ *E.g.*, Southern Companies Compliance Filing at 14 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 657).

²⁹⁵ SPP Compliance Filing at 43; *e.g.*, Southern Companies Compliance Filing at 14-15.

²⁹⁶ SPP Compliance Filing at 43; *e.g.*, Southern Companies Compliance Filing at 15 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 685); *see also e.g.*, Southern Companies, OATT, Ex. K-5 (0.0.0), § 4.

²⁹⁷ 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, 17.

154. Regarding their assertion that SPP's and SERTP Filing Parties' proposal fails to include an actual interregional cost allocation method, Four Public Interest Organizations state that SPP's and SERTP Filing Parties' 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.²⁹⁸ 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.²⁹⁹

155. Four Public Interest Organizations and Wind Parties argue that SPP's 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 Principle 1.³⁰⁰ 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.³⁰¹ 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 facility. Wind Parties request that the Commission require SERTP Filing Parties and its neighbors to

²⁹⁸ *Id.* at 19.

²⁹⁹ *Id.* at 20.

³⁰⁰ *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.

³⁰¹ 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.

consider benefits that may accrue to transmission providers in addition to those from avoided regional transmission projects.³⁰²

156. 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.³⁰³ Therefore, Wind Parties ask the Commission to reject the interregional cost allocation proposals between SPP and SERTP Filing Parties, determine an approach to interregional cost allocation that meets the requirements of Order No. 1000, and direct SPP and SERTP Filing Parties to include this approach in their tariffs.³⁰⁴ Four Public Interest Organizations further assert that, while an avoided cost-only method may be appropriate when applied to reliability-driven 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 solution will not be allocated to beneficiaries. They conclude that arguing that 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.”³⁰⁵

157. In response to SPP’s 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

³⁰² 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, 537).

³⁰³ 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 21-22 (citing SERTP First Regional Compliance Order, 144 FERC ¶ 61,054); Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, 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)).

³⁰⁴ Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 10.

³⁰⁵ 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).

regional reliability needs.³⁰⁶ 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.’”³⁰⁷ 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 solutions that can more efficiently and cost-effectively meet regional needs (i.e., it must reasonably consider these types of benefits). Wind Parties and Four Public Interest Organizations argue that otherwise, Order No. 1000’s first interregional 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.³⁰⁸

158. 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.³⁰⁹ 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 plans instead of a distinct interregional plan has no bearing on the

³⁰⁶ *Id.* at 23-24 (citing SERTP Transmittal Letter at 13; Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 368); see Wind Parties Comments, Docket Nos. ER13-1923-000, ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 9.

³⁰⁷ 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)).

³⁰⁸ *Id.* 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.

³⁰⁹ 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 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 (referencing SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at P 254).

reality of the project's benefits.³¹⁰ 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.³¹¹

159. Four Public Interest Organizations state that SPP's and SERTP Filing Parties' proposal requires that for an interregional transmission project to be selected for interregional cost allocation, it must meet the criteria for regional cost allocation in the relevant regions. They note that SPP and the SERTP could not agree on the language for an exception to the requirement. However, Four Public Interest Organizations request that the Commission require SPP and SERTP Filing Parties to adopt SPP's proposed exception in their interregional compliance filing, which, "at the request of either planning region," would allow regions to consider a proposed 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.³¹²

160. 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."³¹³ Four Public Interest Organizations also contend that SPP's and SERTP Filing Parties' proposal "do[es] not ensure comprehensive opportunities for identifying and evaluating more efficient or cost-effective interregional solutions to identified needs."³¹⁴ Four Public Interest Organizations reason that the proposed exceptions are ambiguous, because it is not clear whether one party can cause an exception to be made or whether both regions need to agree to make an exception. They further explain that there may be projects that

³¹⁰ 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 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.

³¹¹ 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.

³¹² *Id.* at 17-18.

³¹³ *Id.*

³¹⁴ *Id.* at 18.

come close but do not satisfy either region's criteria and, therefore, could not be considered despite providing substantial interregional benefits and being located in both regions.³¹⁵

161. SERTP Sponsors state that the intent behind SERTP Filing Parties' proposed second criterion³¹⁶ is to provide for some flexibility in the consideration for purposes of cost allocation of interregional projects that might not satisfy all of the requisite threshold criteria in both the SPP and SERTP regional processes. According to SERTP Sponsors, the difference between SPP's proposed language and SERTP Filing Parties' proposed language is that SPP's proposal requires the consideration of transmission projects for purposes of cost allocation even if the SERTP Sponsors do not consider the project to be interregional in scope. SERTP Sponsors state that SPP's proposed second criterion not only goes beyond what Order No. 1000 requires, but seeks to give SPP more authority over determining which projects that SERTP Sponsors will consider for purposes of Order No. 1000's cost allocation requirements than any entity within the SERTP.³¹⁷

162. SERTP Sponsors argue that Order No. 1000 clearly and repeatedly holds that in order for an interregional project to be selected for purposes of interregional cost allocation, it must be selected for cost allocation purposes under each region's respective regional transmission planning processes.³¹⁸ Thus, SERTP Sponsors contend that Order No. 1000 establishes that for a transmission project to receive interregional cost allocation, it must be selected in both regions' regional processes. SERTP Sponsors argue that the imposition of any additional requirements as sought by SPP in its proposed second criterion goes beyond the requirements of Order No. 1000. SERTP Sponsors state that the general purpose of SPP's second criterion is to force the consideration for purposes of interregional cost allocation projects that would not be eligible to be selected in one of the requisite regional processes. Nonetheless, SERTP Sponsors state that in an

³¹⁵ *Id.*

³¹⁶ *E.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B (emphasis added).

³¹⁷ SERTP Sponsors Protest, Docket No. ER13-1939-000, at 7-8.

³¹⁸ *Id.* at 8 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436) ("Finally, for an interregional transmission facility to receive cost allocation under the interregional cost allocation method or methods developed pursuant to this Final Rule, the transmission facility must be selected in both of the relevant regional transmission planning processes for purposes of cost allocation.").

effort to reach consensus with SPP and offer additional flexibility, SERTP Filing Parties proposed their version of the second criterion.³¹⁹

163. SERTP Sponsors state that the Commission should accept SERTP Filing Parties' proposed language, as it already exceeds the requirements of Order No. 1000. SERTP Sponsors state that the SERTP regional threshold criteria for a project to be proposed for purposes of regional cost allocation, allows the SERTP Sponsors to consider projects that fall short of the threshold criteria, but still provide significant regional benefits. SERTP Sponsors state that SERTP Filing Parties' proposal for the interregional language with SPP allows this same flexibility and, in fact, repeats the case-by-case exception already incorporated in the SERTP regional process.³²⁰

164. Additionally, SERTP Sponsors state that Mr. Kelley, in his prepared testimony, erroneously asserts that the SERTP Sponsors agree with the "quantifiable benefits" threshold; however, SERTP Sponsors argue that the quantifiable interregional benefit standard under the SPP proposal does not appear to actually establish any meaningful criteria for determining the benefits of an interregional project. SERTP Sponsors state that contrary to Mr. Kelley's assertion, the SERTP Sponsors do not support the quantifiable benefits threshold, but rather, they support the "significant interregional benefits" threshold as proposed in their filings.³²¹

165. Additionally, SERTP Sponsors relate that SPP expresses concern that SERTP Filing Parties' proposed "case-by-case" language does not clarify which party will make the determination whether to consider the project that falls outside of the general criteria. However, SERTP Sponsors state that it is clear under the SPP proposal that such party will be SPP. SERTP Sponsors state that the implication of the "case-by-case" proposal is that the exception to the general threshold requirements must be accepted by both the SPP and SERTP regions, not by one region forcing the costs of a project upon its interregional neighbor. SERTP Sponsors state that the only effect that SPP's proposed language would have would be to allow SPP to force the SERTP Sponsors to consider facilities that do not provide sufficient regional benefits, as the SERTP Sponsors have the ability to consider projects that do not meet the bright-line threshold, even without the proposed second criterion. SERTP Sponsors state that because SERTP has the flexibility to consider projects that provide significant regional and interregional benefits, it is unreasonable to allow SPP to force SERTP to consider for potentially binding cost

³¹⁹ *Id.* at 8-9.

³²⁰ *Id.* at 9-10.

³²¹ *Id.* at 9 n.16.

allocation projects that, in the judgment of the SERTP Sponsors, do not provide such benefits.³²²

166. SERTP Sponsors state that SPP seeks to obfuscate the issues by couching its proposal in terms of optionality and by conflating the concepts of joint evaluation and cost allocation.³²³ SERTP Sponsors argue that SERTP Filing Parties' proposal, not the SPP proposal, allows true optionality by ensuring that both regions perceive the proposed project as sufficiently interregional in nature to rise to the level of Order No. 1000 cost allocation.

167. SERTP Sponsors also state that Mr. Kelley confuses the concepts of joint evaluation and cost allocation.³²⁴ SERTP Sponsors state that Mr. Kelley explains that he believes SPP's proposed second criterion³²⁵ complies with Order No. 1000 because of coordination and joint evaluation, which he believes must be included in an interregional transmission planning agreement. SERTP Sponsors state that the proposed second criterion, which is located in the cost allocation section, deals just with the criteria for projects that are eligible to receive interregional cost allocation and does not address the entire universe of interregional projects that will be subject to joint evaluation. SERTP Sponsors argue that much of SPP's defense of its proposed second criterion can be dismissed on this basis. SERTP Sponsors state that through the coordination, data exchange, and joint evaluation activities contained in section 1 of the proposed matching tariff language, the parties have committed "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."³²⁶

³²² *Id.* at 10.

³²³ *Id.* (citing SPP Compliance Filing at 24 ("SPP's proposal provides an opportunity for either party to optionally request joint evaluation of interregional transmission facilities that may provide interregional benefits, but which may be outside the scope of either respective planning region's criteria.")).

³²⁴ *Id.* at 11 (citing Kelley Test. at 14-15, 17 ("SPP's ability to consider interregional transmission projects which are less than 300 kV and less than 100 miles in length is proscriptively limited. As Order No. 1000 requires the identification and joint evaluation of interregional transmission facilities, this limitation is not consistent with the Commission's requirements.")).

³²⁵ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B (emphasis added).

³²⁶ SERTP Sponsors Protest, Docket No. ER13-1939-000, at 11 (citing Kelley Test. at 15).

SERTP Sponsors state that such projects, however, will not necessarily be subject to interregional or regional cost allocation.

168. SERTP Sponsors also argue that Mr. Kelley's arguments challenging SERTP's voltage and mileage criteria³²⁷ are misplaced. SERTP Sponsors state that the proposed second criterion only relates to which projects will qualify for cost allocation, not which projects will be subject to joint evaluation and data exchange. SERTP Sponsors also contend that Mr. Kelley's discussion indicates that SPP is attempting to force the SERTP Sponsors to go beyond what is required by Order No. 1000. SERTP Sponsors reiterate that Order No. 1000 requires that in order for a transmission project to be selected for purposes of interregional cost allocation, it must be accepted through both regional transmission planning processes. SERTP Sponsors state that these arguments underscore that SPP is seeking to have the Commission force on unwilling counter-parties more than is legally required of them by Order No. 1000.³²⁸

169. Additionally, SERTP Sponsors state that there is also an error in Mr. Kelley's testimony that bears addressing. SERTP Sponsors specifically point out Mr. Kelley's assertion that "[l]imiting consideration to only higher voltage projects will bias the cost-effective analysis towards higher cost solutions, and therefore, less economically efficient" is erroneous.³²⁹ SERTP Sponsors explain that projects selected for cost allocation under the avoided cost approach agreed to by SPP and SERTP Filing Parties, regardless of length or voltage, would have to be less expensive than the projects they displace. SERTP Sponsors state that in the absence of severe developer delays or cost overruns, by definition the higher voltage projects will be more economically efficient than the projects they displace.³³⁰

c. Answers

170. Pertaining to SPP's and SERTP Filing Parties' conflicting proposals for implementing a second criterion for determining if a transmission project should be considered for interregional cost allocation,³³¹ SPP notes that SERTP Filing Parties'

³²⁷ *Id.* at 12 (citing Kelley Test. at 16-17).

³²⁸ *Id.*

³²⁹ *Id.* at 14-15 (citing Kelley Test. at 16).

³³⁰ *Id.*

³³¹ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B (emphasis added); *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B (emphasis added).

proposal, at its foundation, does not consider lower voltage projects, which could be more efficient or cost-effective than the “higher voltage projects” to which SERTP limits consideration. SPP disagrees with that approach. According to SPP, it attempted to compromise by accepting SERTP’s imposition of the higher voltage limitation and offered its proposed language that would allow the parties to consider lower voltage projects “at the request of either party.” SPP notes that although SPP stakeholders preferred the option to consider all potential projects, rather than limit consideration to 300+ kV projects, SPP stakeholders approved SPP’s proposed language in compromise as a means to leave the door open for SPP to suggest projects which SPP believed could provide mutually beneficial solutions to reliability issues at the SPP-SERTP seam.³³²

171. SPP states that SERTP Filing Parties rejected SPP’s offered language and filed their own “case by case” language. SPP contends that this allows SERTP the leverage to do what SERTP Filing Parties complain is the problem with SPP’s language: allow one party the authority to force its will on the other party. SPP asserts that under SERTP Filing Parties’ proposed “case by case” language, SERTP has the ability to deny SPP’s request to consider more efficient and more cost-effective interregional solutions to regional issues. SPP contends that SERTP Filing Parties do not appreciate SPP’s suggestion that consideration of projects under 300 kV and less than 100 miles in length might allow the cost-effective analysis to determine the most efficient and most cost-effective solution.³³³ SPP further contends that SERTP’s proposal inherently weights the interregional evaluation toward more expensive and less cost-effective solutions. SPP asserts that its proposed language would give SPP and the SERTP stakeholders the opportunity to consider the least cost and most cost-effective solution. SPP states that irrespective of the disagreements with SERTP, it remains committed to working with Associated Electric Cooperative to develop solutions to meet transmission needs at the seam. Further, SPP states that it is committed to working with SERTP to establish an Order No. 1000 interregional process upon direction by the Commission.³³⁴

172. SERTP Filing Parties dispute Four Public Interest Organizations’ argument that the avoided cost-only method is not an appropriate interregional cost allocation method. 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.³³⁵ Second, SERTP Filing Parties state that the interregional cost allocation is

³³² SPP Answer, Docket No. ER13-1939-000, at 9-10.

³³³ *Id.* at 10.

³³⁴ *Id.* at 11.

³³⁵ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 25.

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.³³⁶ 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.³³⁷ 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 planning on top of regional planning, which is not required by Order No. 1000.³³⁸ Finally, 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.³³⁹

173. 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.³⁴⁰ 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.³⁴¹

174. 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

³³⁶ *Id.* at 26.

³³⁷ *Id.*

³³⁸ *See id.* at 27 (citing Order No. 1000-A, 139 FERC ¶ 61,132 at PP 500, 711).

³³⁹ *Id.* at 26.

³⁴⁰ *Id.* at 27-28.

³⁴¹ *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).

benefits to the extent that it is displacing a regional project that has been identified to meet those needs.³⁴² 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 measureable 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.’”³⁴³ 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 project and who do not bear a direct cost responsibility. Rather, SERTP Filing Parties argue that a cost allocation method fails this test 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.³⁴⁴

175. 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 interregional transmission 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 regionally identified transmission needs but instead determines whether an interregional transmission project may more efficiently or cost-effectively satisfy the identified regional needs. SERTP Filing Parties contend that neither the needs that interregional transmission projects address nor the benefits have changed; instead, the needs that interregional transmission projects address are being addressed in a more cost-effective or efficient manner.³⁴⁵

176. SERTP Filing Parties disagree with Four Public Interest Organizations’ and Wind Parties’ protests that the avoided cost-only method fails to consider transmission needs

³⁴² *Id.* at 29.

³⁴³ *Id.* at 29-30 (quoting Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 622).

³⁴⁴ *Id.* at 30.

³⁴⁵ *Id.* at 31.

driven by public policy requirements and economic transmission 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 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 their “physical” transmission markets employed in the Southeast.³⁴⁶ 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 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 transmission planning processes then ensure that the transmission system is expanded to reliably deliver the power associated with addressing those needs.³⁴⁷ 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.

177. 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 qualify in either regional transmission plan.³⁴⁸ 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.³⁴⁹ 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

³⁴⁶ *Id.* at 33-34.

³⁴⁷ *Id.* at 32-33.

³⁴⁸ *Id.* at 36 (citing 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 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).

³⁴⁹ 16 U.S.C. §§ 824i-824k (2012).

transmission projects seeking cost allocation.³⁵⁰ 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.³⁵¹

d. Commission Determination

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

179. We find that SPP and SERTP Filing Parties have complied with Order No. 1000's requirements that neighboring regions propose a common interregional cost allocation method. Both SPP and SERTP Filing Parties have proposed a common avoided cost-only cost allocation method that they have included in their respective tariffs. Additionally, as permitted by Order No. 1000, SPP and SERTP Filing Parties propose to apply this avoided cost-only method to all selected interregional transmission projects, rather than having separate interregional cost allocation methods for different types of interregional transmission facilities, including interregional transmission facilities for transmission needs driven by reliability, economics, or public policy requirements.³⁵² 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.³⁵³ We also find that SPP and SERTP Filing Parties have complied with Order No. 1000's requirement that an interregional

³⁵⁰ SERTP Filing Parties Answer, Docket Nos. ER13-1928-000, ER13-1930-000, ER13-1940-000, and ER13-1941-000, at 36-37.

³⁵¹ *Id.* at 37.

³⁵² See *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,045 at PP 170, 176-186; *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,046 at PP 157, 165-170, 173-176; *Duke Energy Carolinas, LLC*, 150 FERC ¶ 61,044 at PP 183, 190-195, 197-198, 200-201.

³⁵³ *PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,250, at P 190 (2014).

transmission facility must be selected in each relevant regional transmission plan to be eligible for the proposed interregional cost allocation method.³⁵⁴

180. SPP and SERTP Filing Parties' proposal specifies three criteria that an interregional transmission facility must satisfy to be eligible for interregional cost allocation within SPP and the SERTP regions. As described above, SPP and SERTP Filing Parties agree on the first and third criteria and disagree on the second criterion.

181. With respect to the first criterion, which limits an interregional transmission facility eligible for interregional cost allocation to one that interconnects with the transmission facilities of one or more *SERTP Sponsors* and one or more *SPP transmission owners*, we reiterate our earlier finding in the General Requirements section of this order that this requirement is overly limiting and inconsistent with Order No. 1000.³⁵⁵ Therefore, consistent with our finding in the General Requirements section of this order, we direct SPP and SERTP Filing Parties to submit, within 60 days of the date of issuance of this order, further compliance filings 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.

182. SPP's and SERTP Filing Parties' first criterion also requires that an interregional transmission facility must meet the qualification criteria for transmission projects potentially eligible to be included in the regional transmission plans for purposes of regional cost allocation in accordance with the respective regional transmission planning processes of both regions. To the extent that either SPP's or SERTP Filing Parties' Order No. 1000-compliant regional transmission planning processes contain threshold criteria that a transmission facility must meet to be proposed in the regional transmission planning process and be selected in the regional transmission plans for purposes of cost allocation,³⁵⁶ we find that such a determination that an interregional transmission facility must meet threshold criteria to be proposed in the respective regional transmission planning processes of both regions is appropriate as a criterion for a transmission facility to be eligible for interregional cost allocation.

³⁵⁴ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.A; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.A.

³⁵⁵ 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 SERTP Regional Rehearing and Compliance Order, 147 FERC ¶ 61,241 at P 121.

³⁵⁶ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.A; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.A.

183. However, 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,³⁵⁷ SPP 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 SPP and SERTP regions. In addition, as part of the information that public utility transmission providers must communicate on their website related to interregional transmission coordination procedures,³⁵⁸ SPP 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.³⁵⁹

184. As explained above, SPP and SERTP Filing Parties propose conflicting cost allocation provisions relating to the second criterion.³⁶⁰ SERTP Filing Parties propose that, on a case-by-basis, the transmission providers may consider an interregional transmission project that does not satisfy all the requirements specified in the first criterion if the project: (i) provides significant interregional benefits (i.e., a major transmission project effectuating significant bulk electric transfers between the SERTP and SPP); (ii) would be located in both regions; and (iii) would be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in SPP.³⁶¹ SPP proposes that, at the request of either planning region, SPP and SERTP will consider an interregional transmission project that does not satisfy all the requirements in the first criterion if the project: (i) provides quantifiable interregional benefits; (ii) would be located in both regions; and (iii) would be

³⁵⁷ 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).

³⁵⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 458.

³⁵⁹ *Duke Energy Carolinas, LLC*, 150 FERC ¶ 61,044 at P 187; *PJM Interconnection, L.L.C.*, 150 FERC ¶ 61,046 at P 161; *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,045 at P 174.

³⁶⁰ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B.

³⁶¹ *E.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.B.

interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in SPP.³⁶²

185. Order No. 1000 states that each pair of transmission planning regions can develop its own approach to interregional cost allocation that satisfies both transmission planning regions' transmission needs and concerns, as long as that approach satisfies the interregional cost allocation principles.³⁶³ Here, SPP and SERTP Filing Parties propose creating an exception for when a transmission project could be considered for purposes of interregional cost allocation between the SERTP and SPP regions if the transmission project does not meet the first mutually-agreed upon criterion, although SPP and SERTP Filing Parties disagree on the requirements of the exception. We note that the Commission has found acceptable an exception for interregional transmission facilities that do not meet both regions' regional criteria in other Order No. 1000 interregional compliance filings, finding that there is nothing in Order No. 1000 that requires or precludes a pair of transmission planning regions from proposing an exception to evaluate transmission facilities that do not meet both regions' regional criteria on a case-by-case basis.³⁶⁴ However, such an exception is not required by Order No. 1000. Thus, while an exception is not precluded in the instant compliance filings, SPP and SERTP Filing Parties have not developed the same language for an exception to be included in their respective OATTs. Accordingly, if SPP and SERTP Filing Parties choose to include an exception that broadens the category of transmission projects that would be eligible for interregional cost allocation beyond those transmission facilities that meet both regions' regional criteria, which is not a requirement of Order No. 1000, SPP and SERTP Filing Parties would need to provide a joint proposal, and the Commission would review the joint proposal at that time. However, we note that the requirement that a transmission facility must be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in SPP, as discussed in the General Requirements section of this order, is inconsistent with Order No. 1000. Accordingly, in developing any future joint proposal, we direct SPP and SERTP Filing Parties to remove the requirement that the transmission facility must be interconnected to the transmission facilities of one or more SERTP Sponsors and the transmission facilities of a transmission owner in SPP.

³⁶² SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.B.

³⁶³ Order No. 1000-A, 139 FERC ¶ 61,132 at P 627 (citing Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 580).

³⁶⁴ *Midcontinent Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,045 at P 175.

186. We find that, with respect to the third criterion, the interregional transmission facility must be proposed in the SPP and SERTP regional planning processes for purposes of cost allocation, as well as any other regions to which the proposed transmission project would interconnect, in accordance with the procedures of the applicable regional transmission planning processes, is consistent with the requirements of Order No. 1000. Order No. 1000 expressly states that the developer of an interregional transmission facility must 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.³⁶⁵

187. We find that SPP's and SERTP Filing Parties' interregional cost allocation proposal complies with Order No. 1000's Interregional Cost Allocation Principles. SPP 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 would 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.

188. 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 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.

189. 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/or 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

³⁶⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 436.

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.³⁶⁶ 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.³⁶⁷ A key consideration in the Commission's finding, therefore, was the interplay between the scope of local and regional transmission planning.

190. 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 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."³⁶⁸ 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.³⁶⁹ Thus, in contrast to the concerns that the Commission had with an avoided cost-only cost allocation method when used at the regional level,³⁷⁰ we expect

³⁶⁶ SERTP First Regional Compliance Order, 144 FERC ¶ 61,054 at PP 249-250.

³⁶⁷ *Id.* P 251.

³⁶⁸ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 81.

³⁶⁹ *See, e.g., id.* P 11.

³⁷⁰ 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
(continued...)

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.

191. 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-effectively than transmission solutions identified by individual public utility transmission providers in their local transmission planning process,³⁷¹ Order No. 1000 neither requires 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.³⁷² 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.³⁷³ 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

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.

³⁷¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 148.

³⁷² *See id.* P 399.

³⁷³ *Id.* P 393.

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.

192. We 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.

193. With respect to Four Public Interest Organizations' argument that SPP 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 project 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 SPP's 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.

194. 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 SPP and SERTP transmission planning regions if that transmission facility is selected for purposes of cost allocation in the regional transmission plans of both SPP and SERTP. SPP and SERTP Filing Parties also specify that its proposed tariff revisions apply to an interregional transmission facility that is proposed to be located in both SPP and SERTP. 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 SPP and SERTP Filing Parties propose that neither SPP nor SERTP will be responsible for compensating another transmission planning region for necessary upgrades or other

consequences of interregional transmission projects identified in the interregional coordination process.³⁷⁴ While we find that SPP and SERTP Filing Parties' proposal complies with Interregional Cost Allocation Principle 4, we encourage SPP and SERTP 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.

195. In addition, we find that SPP 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.³⁷⁵

196. Moreover, we find that SPP and SERTP Filing Parties' proposed avoided cost-only cost allocation method complies with Interregional Cost Allocation Principle 5. SPP 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. SPP and SERTP Filing Parties propose to make the analyses and results that determine regional benefits for purposes of allocating costs available to stakeholders. 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.

197. 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.³⁷⁶ SPP 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 SPP's and SERTP Filing Parties' regional transmission planning processes and regional cost allocation methods address regional transmission needs driven by reliability, economic, and public policy requirements, as well as consider the benefits that may accrue from

³⁷⁴ *E.g.*, Southern Companies Compliance Filing at 14.

³⁷⁵ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 647; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 693.

³⁷⁶ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 685 (emphasis added).

addressing regional transmission needs driven by reliability, economic, and public policy requirements.³⁷⁷ Also as previously noted, SPP and SERTP Filing Parties' proposed cost allocation method affirmatively requires that a proposed interregional transmission project must be selected in SPP's and SERTP's respective regional transmission planning processes.³⁷⁸ Taken together, these findings confirm that SPP's and SERTP Filing Parties' proposed avoided cost-only cost allocation method applies to interregional transmission projects that address regional transmission needs driven by reliability, economic, and public policy requirements.

3. Other Proposals

a. Compliance Filings

198. SPP proposes modifications to its OATT to facilitate SPP stakeholder evaluation of proposed interregional transmission projects within SPP's regional transmission planning process. SPP states that these OATT modifications provide a formal procedure for SPP to follow in its regional planning process, and facilitate SPP's part of a joint evaluation of interregional transmission facilities with another planning region.³⁷⁹ Additionally, SPP contends that the OATT modifications are necessary to preserve SPP's adherence to the cost allocation principles of Order No. 1000. SPP asserts that the proposed OATT revisions provide the process whereby approved interregional projects are incorporated into SPP's Transmission Expansion Plan. Further, SPP contends its OATT revisions provide a method to allocate costs for approved interregional projects, a cost recovery mechanism, and revenue distribution for those costs collected by SPP.³⁸⁰

199. SPP proposes to add new defined terms and revise other terms in its OATT to facilitate the incorporation of interregional coordination within the SPP regional planning process.³⁸¹ SPP proposes that costs for approved interregional projects will be recovered regionally through the highway method pursuant to the Commission-approved Highway/Byway cost allocation. SPP proposes modifications to Attachment H to

³⁷⁷ See SERTP Regional Rehearing and Compliance Order, 147 FERC ¶ 61,241; *Sw. Power Pool, Inc.*, 144 FERC ¶ 61,059 at P 357

³⁷⁸ SPP, OATT, Attachment O, Addendum 4 (0.0.0), § 2.1.C; *e.g.*, Southern Companies, OATT, Ex. K-8 (0.0.0), § 2.1.C.

³⁷⁹ SPP Compliance Filing at 28.

³⁸⁰ *Id.*

³⁸¹ SPP, OATT, § 1, Definitions I (1.0.0); *id.* § 1, Definitions R (3.0.0).

facilitate the inclusion of interregional projects into the region-wide annual transmission revenue requirements.³⁸² SPP proposes modifications to Attachment J to facilitate the recovery of costs of interregional projects under the OATT.³⁸³ SPP proposes to revise Attachment L of the OATT to provide terms regarding the treatment of revenues associated with interregional projects.³⁸⁴

200. SPP proposes to revise Attachment O of the OATT to include the evaluation and approval of potential interregional projects in SPP's regional planning process as required by Order No. 1000.³⁸⁵ SPP states that the revisions will incorporate the evaluation of potential interregional projects into the stakeholder process, and will facilitate the adoption of interregional projects into the SPP Transmission Expansion Plan. SPP proposes to include the evaluation of potential interregional projects within SPP's planning process in Attachment O.³⁸⁶ SPP states that the revisions will facilitate a regional review of the potential interregional projects contained in a Coordinated System Plan, or any other proposed interregional project. SPP proposes to revise Attachment O to recognize interregional planning and cost allocation of Order No. 1000.³⁸⁷ SPP proposes to revise Attachment O to differentiate between Order No. 1000 interregional coordination and cost allocation pursuant to Attachment O and transmission facilities that may be constructed on an interregional basis but are excluded from the cost allocation requirements of Order No. 1000.³⁸⁸

201. SPP requests that the Commission accept the proposed modifications to its OATT with an effective date coincident to the effective date of SPP's Order No. 1000 regional compliance.

³⁸² SPP, OATT, Attachment H (28.0.0). SPP states that most interregional projects provide region based benefits and that utilizing a Highway/Byway cost allocation for transmission projects less than 300kV could result in inequitable distribution of costs for benefits received. SPP Compliance Filing at 31-32.

³⁸³ SPP, OATT, Attachment J, § II (1.0.0); *id.* § IV (1.0.0).

³⁸⁴ SPP, OATT, Attachment L, § III (3.0.0).

³⁸⁵ SPP Compliance Filing at 34.

³⁸⁶ *Id.* at 35-36.

³⁸⁷ SPP, OATT, Attachment O, § VIII (1.0.0).

³⁸⁸ SPP, OATT, Attachment O, Addendum 1 (1.0.0).

b. Protests

202. Western Farmers Electric Cooperative maintains that the Commission should direct SPP to revise its cost allocation proposal to more appropriately allocate interregional project costs to beneficiaries. Western Farmers Electric Cooperative notes that SPP proposes to allocate interregional project costs within its region on a region-wide basis regardless of: (a) the zone in which the facilities are located; and (b) whether the facilities satisfy SPP's criteria for "highway" treatment under SPP's Highway/Byway cost allocation process.³⁸⁹

203. Western Farmers Electric Cooperative states that the costs of facilities between 100 kV and 300 kV are allocated one-third region-wide, and two-thirds to the zone in which the facilities are located. Lower voltage facilities' costs are allocated solely to the zone in which they are located. Western Farmers Electric Cooperative argues that SPP ignores these Commission-approved distinctions by proposing to allocate within the SPP region the costs of interregional facilities allocated to SPP. Western Farmers Electric Cooperative argues that the costs of interregional facilities that are between 100 kV and 300 kV should be allocated one-third region-wide and two-thirds to the zones in which the facilities are located. Western Farmers Electric Cooperative states that lower voltage facility costs should be allocated solely to the zones in which the facilities are located.

c. Commission Determination

204. For the reasons discussed below, we accept SPP's proposal for a highway cost allocation method that will allocate the costs of an interregional project on a 100 percent postage stamp basis as that proposal applies to 300 kV and above facilities.³⁹⁰ Order No. 1000 provides that the method or methods for interregional cost allocation used by transmission planning regions may be different from the method or methods used by either of them for regional cost allocation.³⁹¹ Under SPP's Highway/Byway cost

³⁸⁹ Western Farmers Electric Cooperative Comments, Docket No. ER13-1939-000, at 6 (citing *Sw. Power Pool, Inc.*, 131 FERC ¶ 61,252 (2010) (Highway/Byway Order); *order on reh'g*, 137 FERC ¶ 61,075 (2011) (accepting the Highway/Byway cost allocation process).

³⁹⁰ Under SERTP Filing Parties' proposal, a project must, among other things, operate at 300 kV or greater to be considered for evaluation and potential selection in a regional transmission plan for purposes of cost allocation. *See, e.g.*, Southern Companies, OATT, Attachment K, § 15.1.

³⁹¹ Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 733; *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 at P 626.

allocation method, all the costs of transmission facilities that provide primarily regional benefits are allocated on a regional postage stamp basis. When accepting the Highway/Byway cost allocation method, the Commission noted that it “reasonably . . . align[s] the costs associated with transmission expansions with the usage of the system” and “fairly assigns costs among SPP members.”³⁹² However, the Commission further found that

SPP operates its transmission system and energy market on a single-system regional basis to reliably and efficiently integrate resources to serve loads throughout its entire footprint, and is planning to expand its markets to include day-ahead regional markets for energy and operating reserves. SPP conducts regional planning of its [extra-high voltage] transmission network that reflects its single-system regional operations in order to enhance the reliability and efficiency of its regional market operations. The strong regionally-integrated [extra-high voltage] transmission network that results from this process provides benefits to all that are interconnected to it. The fundamental benefits of the [extra-high voltage] facilities supporting regional power flows is the flexibility they provide to deliver energy and operating reserves more efficiently and reliably within and between balancing areas throughout the SPP footprint. Although such benefits may be more appreciated at different times by different customers with respect to different groups of transmission projects that enter the plan, these benefits are experienced by all SPP members and accrue over time.³⁹³

205. The Commission recognized that, by allocating the costs of extra-high voltage facilities that are used more regionally on a regional basis, the highway cost allocation method ensures that costs are allocated roughly commensurate with associated benefits.³⁹⁴ Therefore, SPP’s highway cost allocation method allocates the cost of extra-high voltage transmission facilities in a manner that is at least roughly commensurate with estimated benefits.³⁹⁵

³⁹² Highway/Byway Order, 131 FERC ¶ 61,252 at P 76.

³⁹³ *Id.* P 78 (citation omitted).

³⁹⁴ *Id.*

³⁹⁵ SPP First Regional Compliance Order, 144 FERC ¶ 61,059 at P 348.

206. Western Farmers Electric Cooperative argues that the costs of interregional facilities operating below 300 kV should not be allocated on a regional basis. Based on our finding above that SERTP Filing Parties and SPP would need to submit a joint proposal before the Commission could consider exceptions that would broaden eligible interregional transmission projects beyond each respective regions' regional criteria,³⁹⁶ the SERTP Filing Parties' regional criteria will limit interregional facilities eligible for cost allocation to those operating at 300 kV and above.³⁹⁷ Therefore, Western Farmers Electric Cooperative's arguments pertaining to regional cost allocation for facilities operating below 300 kV have been rendered moot. To the extent SPP and SERTP Filing Parties jointly develop an exception that broadens the category of transmission projects currently eligible for interregional cost allocation, we would require, at that time, that SPP demonstrate why the highway cost allocation method is applicable to this new set of transmission facilities.

207. We find that SPP's proposed modifications to its OATT to facilitate SPP stakeholder evaluation of proposed interregional transmission projects within SPP's regional transmission planning process are just and reasonable and in compliance with the transmission planning and cost allocation requirements of Order No. 1000. We accept SPP's proposed modifications to its OATT to facilitate SPP stakeholder evaluation of proposed interregional transmission projects within SPP's regional transmission planning process, effective March 30, 2014, as requested.

The Commission orders:

(A) SPP's request for waiver of Order No. 1000 interregional coordination and cost allocation requirements with respect to the SERTP transmission planning region is hereby denied;

(B) The SPP Compliance Filing and the SERTP Filing Parties Compliance Filing are hereby accepted, as modified, effective January 1, 2015, subject to further compliance filings, as discussed in the body of this order;

(C) SPP 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; and

³⁹⁶ See *supra* P 185.

³⁹⁷ *E.g.*, Southern Companies, OATT, Attachment K, § 15.1.

(D) SPP's tariff revisions are hereby accepted for filing, effective March 30, 2014, as requested and as discussed in the body of this order.

By the Commission. Commissioner Honorable is not participating.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix A: Abbreviated Names of Intervenor

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

**Intervenors
SPP Compliance Filing
Docket No. ER13-1939-000**

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
American Transmission Company	American Transmission Company LLC
Arkansas Electric Cooperative	Arkansas Electric Cooperative Corporation
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
Climate & Energy Project and the Sustainable FERC Project	Climate & Energy Project and the Sustainable FERC Project
Dalton Utilities	Dalton Utilities
Duke Carolinas	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Duke-American	Duke-American Transmission Company, LLC and DATC Midwest Holdings, LLC
E.ON Climate & Renewables North America	E.ON Climate & Renewables North America, LLC
East Texas Cooperatives	East Texas Cooperatives
Empire District Electric Company	The Empire District Electric Company
Exelon	Exelon Corporation

Four Public Interest Organizations	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Georgia Transmission Corporation	Georgia Transmission Corporation
Indiana Office of Utility Consumer Counselor	Indiana Office of Utility Consumer Counselor
Kansas City Power & Light and KCP&L Greater Missouri	Kansas City Power & Light Company and KCP&L Greater Missouri Operations Company
LG&E/KU	Louisville Gas & 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 Transmission Owners	Ameren Services Company (as agent for Union Electric Company, Ameren Illinois Company, Ameren Transmission Company of Illinois); Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Indiana, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; MidAmerican Energy Company; Minnesota Municipal Power Agency; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern States

	Power Company (Minnesota and Wisconsin corporations); Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.
North Carolina Commission	North Carolina Utilities Commission
OVEC	Ohio Valley Electric Corporation
PowerSouth Electric Cooperative	PowerSouth Electric Cooperative
Rockland Electric Company	Rockland Electric Company
South Carolina Office of Regulatory Staff	South Carolina Office of Regulatory Staff
Southern Companies	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Southern Power Company)
South Mississippi Electric Power Association	South Mississippi Electric Power Association
Sunflower and Mid-Kansas	Sunflower Electric Power Corporation and Mid-Kansas Electric Company, LLC
Tennessee Valley Authority	Tennessee Valley Authority
Transource Energy	Transource Energy, LLC
Western Farmers Electric Cooperative	Western Farmers Electric Cooperative

Xcel Energy

Xcel Energy Services Inc.

Duke Carolinas Compliance Filing
Docket No. ER13-1928-000

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, Trans-Allegheny Interstate Line Company
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
LG&E/KU	Louisville Gas & 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); American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; Michigan Public Power Agency; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company (Minnesota and Wisconsin corporations); Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and

	Wolverine Power Supply Cooperative, Inc.
NCEMC	North Carolina Electric Membership Corporation
North Carolina Commission	North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
OVEC	Ohio Valley Electric Corporation
PJM	PJM Interconnection, L.L.C.
PowerSouth Electric Cooperative	PowerSouth Electric Cooperative
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC
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 Companies	Southern Company Services, Inc. (on behalf of Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Southern Power Company)
South Mississippi Electric Power	South Mississippi Electric Power

Association

Association

SPP

Southwest Power Pool, Inc.

Tennessee Valley Authority

Tennessee Valley Authority

* late intervention

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

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Duke Carolinas	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, Trans-Allegheny Interstate Line Company
Florida Public Service 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

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); Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Indiana, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; Michigan Public Power Agency; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company (Minnesota and Wisconsin corporations); Northwestern Wisconsin Electric Company; Otter Tail Power

	Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.
North Carolina Commission	North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
Organization of MISO States ³⁹⁸	Arkansas Public Service Commission; Illinois Commerce Commission; Kentucky Public Service Commission; City of New Orleans; Public Utility Commission of Texas; 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
OVEC	Ohio Valley Electric Corporation
PJM	PJM Interconnection, L.L.C.
PowerSouth Electric Cooperative	PowerSouth Electric Cooperative
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL

³⁹⁸ Louisiana Public Service Commission abstained from these comments. The Manitoba Public Utilities Board did not participate in these comments. The Indiana Office of Utility Consumer Counselor, as an associate member of the Organization of MISO States, participated in these comments and generally supports these comments.

EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC

Rockland Electric Company

Rockland Electric Company

South Mississippi Electric Power Association

South Mississippi Electric Power Association

Southern Companies

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

SPP

Southwest Power Pool, Inc.

Tennessee Valley Authority

Tennessee Valley Authority

Wisconsin Electric

Wisconsin Electric Power Company

* late intervention

OVEC Compliance Filing
Docket No. ER13-1940-000

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Duke Carolinas	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, Trans-Allegheny Interstate Line Company
Florida Public Service 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
LG&E/KU	Louisville Gas & 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); American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Indiana, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; Michigan Public Power Agency; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company; Northern States Power Company (Minnesota and Wisconsin

corporations); Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

North Carolina Commission

North Carolina Utilities Commission

Old Dominion Electric Cooperative

Old Dominion Electric Cooperative

Organization of MISO States³⁹⁹

Arkansas Public Service Commission; Illinois Commerce Commission; Kentucky Public Service Commission; Mississippi Public Service Commission; City of New Orleans; Public Utility Commission of Texas; 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.

PowerSouth Electric Cooperative

PowerSouth Electric Cooperative

PPL Electric Utilities*

PPL Electric Utilities Corporation; PPL

³⁹⁹ Louisiana Public Service Commission abstained from these comments. The Manitoba Public Utilities Board did not participate in these comments. The Indiana Office of Utility Consumer Counselor, as an associate member of the Organization of MISO States, participated in these comments and generally supports these comments.

EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC

Rockland Electric Company

Rockland Electric Company

Southern Companies

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

South Mississippi Electric Power Association

South Mississippi Electric Power Association

SPP

Southwest Power Pool, Inc.

Tennessee Valley Authority
* late intervention

Tennessee Valley Authority

Southern Companies Compliance Filing
Docket No. ER13-1941-000

Abbreviation	Intervenor(s)
AEP	American Electric Power Service Corporation
Alabama Commission	Alabama Public Service Commission
Alabama Municipal Electric Authority	Alabama Municipal Electric Authority
Associated Electric Cooperative	Associated Electric Cooperative, Inc.
Dalton Utilities	Dalton Utilities
Dominion Resources Services	Dominion Resources Services, Inc.
Duke Carolinas	Duke Energy Carolinas, LLC; Duke Energy Florida, Inc.; Duke Energy Progress, Inc.
Exelon	Exelon Corporation
FirstEnergy Transmission Owners	Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Monongahela Power Company; The Potomac Edison Company, West Penn Power Company, American Transmission Systems, Incorporated, Trans-Allegheny Interstate Line Company
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

LG&E/KU	Louisville Gas & 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); American Transmission Company LLC; Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Indiana, Inc.; Entergy Arkansas, Inc.; Entergy Louisiana, LLC; Entergy Gulf States Louisiana, L.L.C.; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; Entergy Texas, Inc.; Great River Energy; Hoosier Energy Rural Electric; Indiana Municipal Power Agency; Indianapolis Power & Light Company; International Transmission Company; ITC Midwest LLC; Michigan Electric Transmission Company, LLC; Michigan Public Power Agency; MidAmerican Energy Company; Minnesota Power (and its subsidiary Superior Water, L&P); Missouri River Energy Services; Montana-Dakota Utilities Co.; Northern Indiana Public Service Company;

	Northern States Power Company (Minnesota and Wisconsin corporations); Northwestern Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.
North Carolina Commission	North Carolina Utilities Commission
Old Dominion Electric Cooperative	Old Dominion Electric Cooperative
OVEC	Ohio Valley Electric Corporation
PJM	PJM Interconnection, L.L.C.
PowerSouth Electric Cooperative	PowerSouth Electric Cooperative
PPL Electric Utilities*	PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Ironwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL Susquehanna, LLC; Lower Mount Bethel Energy, LLC; PPL New Jersey Solar, LLC; PPL New Jersey Biogas, LLC; and PPL Renewable Energy, LLC
Rockland Electric Company	Rockland Electric Company
South Mississippi Electric Power Association	South Mississippi Electric Power Association
SPP	Southwest Power Pool, Inc.
Tennessee Valley Authority	Tennessee Valley Authority
* late intervention	

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.

Initial Commenters

**SPP Compliance Filing
Docket No. ER13-1939-000**

Abbreviation	Commenter(s)
Arkansas Electric Cooperative +	Arkansas Electric Cooperative Corporation
Climate & Energy Project and the Sustainable FERC Project +	Climate & Energy Project and the Sustainable FERC Project
MISO Transmission Owners +	Ameren Services Company (as agent for Union Electric Company, Ameren Illinois Company, Ameren Transmission Company of Illinois); Big Rivers Electric Corporation; Central Minnesota Municipal Power Agency; City Water, Light & Power (Springfield, IL); Dairyland Power Cooperative; Duke Energy Corporation for Duke Energy Indiana, Inc.; Great River Energy; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Municipal Power Agency; Indianapolis Power & Light Company; MidAmerican Energy Company; Minnesota Municipal Power Agency; Minnesota Power (and its subsidiary Superior Water, L&P); Montana-Dakota Utilities Co.; Northern States Power Company (Minnesota and Wisconsin corporations); Northwestern

Wisconsin Electric Company; Otter Tail Power Company; Prairie Power Inc.; South Mississippi Electric Power Association; Southern Illinois Power Cooperative; Southern Indiana Gas & Electric Company; Southern Minnesota Municipal Power Agency; Wabash Valley Power Association, Inc.; and Wolverine Power Supply Cooperative, Inc.

SERTP Sponsors +

Associated Electric Cooperative Inc.; Dalton Utilities; Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.; Georgia Transmission Corporation; Louisville Gas and Electric Company and Kentucky Utilities Company; the Municipal Electric Authority of Georgia; PowerSouth Energy Cooperative; Southern Company Services, Inc., acting as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company; the South Mississippi Electric Power Association; and the Tennessee Valley Authority

Western Farmers Electric Cooperative

Western Farmers Electric Cooperative

Wind Parties *+

American Wind Energy Association; Wind on the Wires; and The Wind Coalition

Xcel Energy +

Xcel Energy Services Inc.

* out-of-time

+ protest

Duke Carolinas Compliance Filing

Docket No. ER13-1928-000

Abbreviation	Commenter(s)
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
MISO	Midcontinent Independent System Operator, Inc.
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and The Wind Coalition

* out-of-time

+ protest

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

Abbreviation	Commenter(s)
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Indiana Commission +	Indiana Utility Regulatory Commission
MISO	Midcontinent Independent System Operator, Inc.
Organization of MISO States ⁴⁰⁰	Arkansas Public Service Commission; Illinois Commerce Commission; Indiana Utility Regulatory Commission; Iowa Utilities Board, Kentucky Public Service Commission; Michigan Public

⁴⁰⁰ Louisiana Public Service Commission abstained from these comments. The Manitoba Public Utilities Board did not participate in these comments. The Indiana Office of Utility Consumer Counselor, as an associate member of the Organization of MISO States, participated in these comments and generally supports these comments.

Service Commission, Minnesota Public Utilities Commission; Mississippi Public Service Commission; Missouri Public Service Commission; Montana Public Service Commission; City of New Orleans; North Dakota Public Service Commission; South Dakota Public Utilities Commission; and Public Utility Commission of Texas; Wisconsin Public Service Commission

Wind Parties *+

American Wind Energy Association; Wind on the Wires; and The Wind Coalition

Wisconsin Electric +

Wisconsin Electric Power Company

* out-of-time

+ protest

OVEC Compliance Filing
Docket No. ER13-1940-000

Abbreviation	Commenter(s)
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
Indiana Commission +	Indiana Utility Regulatory Commission
MISO	Midcontinent Independent System Operator, Inc.
Organization of MISO States ⁴⁰¹	Arkansas Public Service Commission; Illinois Commerce Commission;

⁴⁰¹ Louisiana Public Service Commission abstained from these comments. The Manitoba Public Utilities Board did not participate in these comments. The Indiana Office of Utility Consumer Counselor, as an associate member of the OMS, participated in these comments and generally supports these comments.

Indiana Utility Regulatory Commission;
 Iowa Utilities Board, Kentucky Public
 Service Commission; Michigan Public
 Service Commission, Minnesota Public
 Utilities Commission; Mississippi
 Public Service Commission; Missouri
 Public Service Commission; Montana
 Public Service Commission; City of
 New Orleans; North Dakota Public
 Service Commission; South Dakota
 Public Utilities Commission; and Public
 Utility Commission of Texas;
 Wisconsin Public Service Commission

Wind Parties *+

American Wind Energy Association;
 Wind on the Wires; and The Wind
 Coalition

* out-of-time

+ protest

Alabama Power Company Compliance Filing
Docket No. ER13-1941-000

Abbreviation	Commenter(s)
Four Public Interest Organizations +	Natural Resources Defense Council, Sierra Club, Southern Environmental Law Center, Sustainable FERC Project
MISO	Midcontinent Independent System Operator, Inc.
Wind Parties *+	American Wind Energy Association; Wind on the Wires; and The Wind Coalition

* out-of-time

+ protest

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.

**SPP Compliance Filing
Docket No. ER13-1939-000**

Abbreviation	Commenter(s)
SPP ⁴⁰²	Southwest Power Pool, Inc.

**Duke Carolinas Compliance Filing
Docket No. ER13-1928-000**

Abbreviation	Commenter(s)
SERTP Filing Parties ⁴⁰³	Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.; Louisville Gas and Electric Company and Kentucky Utilities; Southern Company Services, Inc.; Ohio Electric Valley Corporation

**LG&E/KU Compliance Filing
Docket No. ER13-1930-000**

Abbreviation	Commenter(s)
SERTP Filing Parties ⁴⁰⁴	Duke Energy Carolinas, LLC and Duke

⁴⁰² SPP filed an answer to the protest of SERTP Sponsors on September 9, 2013.

⁴⁰³ SERTP Filing Parties filed an answer to the protests of Wind Parties and Four Public Interest Organizations.

⁴⁰⁴ SERTP Filing Parties filed an answer to the comments of Organization of MISO States and protests of Wind Parties, Wisconsin Electric, Indiana Commission, and Four Public Interest Organizations.

Energy Progress, Inc.; Louisville Gas and Electric Company and Kentucky Utilities; Southern Company Services, Inc.; Ohio Electric Valley Corporation

OVEC Compliance Filing
Docket No. ER13-1940-000

Abbreviation	Commenter(s)
SERTP Filing Parties ⁴⁰⁵	Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.; Louisville Gas and Electric Company and Kentucky Utilities; Southern Company Services, Inc.; Ohio Electric Valley Corporation

Southern Companies Compliance Filing
Docket No. ER13-1941-000

Abbreviation	Commenter(s)
SERTP Filing Parties ⁴⁰⁶	Duke Energy Carolinas, LLC and Duke Energy Progress, Inc.; Louisville Gas and Electric Company and Kentucky Utilities; Southern Company Services, Inc.; Ohio Electric Valley Corporation

⁴⁰⁵ SERTP Filing Parties filed an answer to the comments of Organization of MISO States and protests of Wind Parties, Indiana Commission, and Four Public Interest Organizations.

⁴⁰⁶ SERTP Filing Parties filed an answer to the protests of Wind Parties and Four Public Interest Organizations.

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
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 - SPP, (Interregional Transmission Coordination Between the SERTP and SPP) (0.0.0).	Duke Carolinas, , OATT, Attachment N-1 – SPP (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. 10 (Interregional Transmission Coordination Between the SERTP and SPP Regions) (1.0.0).	LG&E/KU, OATT, Attachment K, app. 10 (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-3, Ex. K (2.0.0).

SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Part I, § 1, Definitions I (Definitions I) (1.0.0).	SPP, OATT, § 1, Definitions I (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Part I, § 1, Definitions R (Definitions R) (3.0.0).	SPP, OATT, § 1, Definitions R (3.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment H (Annual Transmission Revenue Requirement for Network Integration Transmission Service) (28.0.0).	SPP, OATT, Attachment H) (28.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment J, § II (Network Upgrades) (1.0.0).	SPP, OATT, Attachment J, § II (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment J, § VI (Interregional Projects as Network Upgrades) (1.0.0).	SPP, OATT, Attachment J, § VI (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment L, § III (Distribution of Revenues From Base Plan Zonal Charges and Region-wide Charges and Interregional Projects) (3.0.0).	SPP, OATT, Attachment L, § III (3.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, § I (Overview of Planning Process) (1.0.0).	SPP, OATT, Attachment O, § I (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, § II (Roles and Responsibilities) (3.0.0).	SPP, OATT, Attachment O, § II (3.0.0).

SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, § IV (Other Planning Studies) (2.0.0).	SPP, OATT, Attachment O, § IV (2.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, § V (The SPP Transmission Expansion Plan) (1.0.0).	SPP, OATT, Attachment O, § V (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, § VI (Construction of Transmission Facilities) (3.0.0).	SPP, OATT, Attachment O, § VI (3.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, § VIII (Interregional Planning) (1.0.0).	SPP, OATT, Attachment O, § VIII (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, Addendum 1 (Interregional Coordination Agreements) (1.0.0).	SPP, OATT, Attachment O, Addendum 1 (1.0.0).
SPP	ER13-1939-000	SPP, OATT, Sixth Revised Volume No. 1, Attachment O, Addendum 4 (Interregional Transmission Coordination Between the Transmission Provider and the Southeastern Regional Transmission Planning Process) (0.0.0).	SPP, OATT, Attachment O, Addendum 4 (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-5 (Interregional Transmission Coordination Between SERTP and SPP) (0.0.0).	OVEC, OATT, Attachment M-5 (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 Planning Milestones Timeline) (2.0.0).	Southern Companies, OATT, Ex. K-3 (2.0.0).
Southern Companies	ER13-1941-000	Southern Companies, OATT and Associated Service Agreements, Ex. K-8 (Interregional Transmission Coordination - SERTP/SPP Regions) (0.0.0).	Southern Companies, OATT, Ex. K-8 (0.0.0).