

## FERC Order No. 1920-A Compliance Update

Stakeholder Workshop March 13, 2025

### Housekeeping reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- This collaborative meeting is intended to stimulate open dialogue and engage different perspectives.
- Please keep comments professional and respectful.
- Please try and be brief and refrain from repeating what has already been said so that we can manage the time efficiently.
- If you need technical assistance during the meeting, please send a chat to the event producer



### Instructions for raising your hand to ask a question

- Open the Participant and Chat panels from the bottom right.
- If you are connected to audio through your computer or used the "call me" option, select the raise hand icon blocated on the bottom of your screen.
  - Note: \*3 only works if you dialed into the meeting.
  - Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to Yelena Kopylov-Alford or to all panelists.



## Orders 1920/1920-A: FERC addresses the need to meet long-term transmission needs

- The Commission issued Order 1920 on May 13, 2024 to address long-term transmission planning and associated cost allocation processes
  - Builds on previous orders including Order 1000
  - Ensures consistent approach to developing long-term transmission plans resulting in efficient and costeffective transmission solutions
- Order 1920-A was issued on November 21, 2024
  - Largely sustains Order 1920 requirements
  - Further enhances the role of Relevant State Entities



#### Summary of FERC Orders 1920 / 1920-A

- Requires transmission providers to conduct long-term planning for regional transmission facilities over a 20-year time horizon to anticipate future needs and to determine how to pay for those transmission facilities
  - Order identifies factors for consideration for development of scenarios and benefits criteria for determining long-term transmission solutions
  - 3 plausible scenarios must be studied with each scenario stress tested to account for extreme weather as a sensitivity
  - Transmission providers to develop 20-year plans at least every 5 years
  - Update interregional coordination processes for sharing of information and the identification and joint evaluation of longterm interregional transmission facilities



#### Summary of FERC Orders 1920 / 1920-A

- Enhances the role of state regulators in the long-term regional transmission planning process, especially in shaping scenario development and cost allocation
- The engagement period for cost allocation discussions can be extended for up to six additional months at the request of state regulators
- Requires local transmission planning inputs in the regional transmission planning process to enhance transparency and right-size facilities
- Requires addressing generation-interconnection-related needs that have arisen multiple times but have not yet been resolved
- Requires the consideration of the use of grid-enhancing technologies (GETs)



### FERC Order No. 1920 requires six-month engagement period with relevant state entities

- Engagement period: November 1, 2024 to May 1, 2025
- Scope of formal engagement period
  - Long-Term Regional Transmission Cost Allocation Method and/or State Agreement Process
  - Regional transmission cost allocation
    - Costs of projects 200 kV and greater are combined for the ISO area and collected by the ISO via uniform system-wide rates
- Given the relative simplicity of the ISO Balancing Area footprint, the ISO is not anticipating changes to the current regional cost allocation method for transmission projects approved in the Long-Term Regional Transmission Planning Process



### Order No. 1920 requires resequencing of the ISO's transmission planning process

- Creates opportunities to align with the other planning regions (WestConnect and Northern Grid) in WECC
- Provides relief from the overlapping 15-month planning cycles
- Establishes longer-term (20-year) planning as a requirement

	California ISO proposed Order No. 1920 transmission planning schedule  YEAR									
	1	2	3	4	5	6	7	8	9	10
Comprehensive Plan (every two years)		Х		х		Х		Х		х
20 Year Plan (every four years)				х				х		
Minimal Reliability Analysis (Alternates with comprehensive plan)	x		х		х		х		x	
	Reliability Analysis: TPL-001-5 compliance, Deliverability Studies, and RA studies	Reliability (detailed), Policy, Economic, 10-year		Reliability (detailed), Policy, Economic, 10-year, <b>20-year</b>	TPL-001-5 compliance,	Reliability (detailed), Policy, Economic, 10-year	Reliability Analysis: TPL-001-5 compliance, Deliverability Studies, and RA studies	Reliability (detailed), Policy, Economic, 10-year, <b>20-year</b>	Reliability Analysis: TPL-001-5 compliance, Deliverability Studies, and RA studies	Reliability (detailed), Policy, Economic, 10-year



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# The CAISO is seeking an extension for compliance filing to align with the other WECC regional planning entities

- CAISO coordinates its interregional planning processes with NorthernGrid and WestConnect as required under FERC 1000
- FERC 1920/1920-Aupdates the existing interregional coordination processes to include coordination on long-term transmission plans
- CREPC's (Committee on Regional Electric Power Cooperation)
   1920 Ad Hoc Committee requested a 6-month extension for compliance filing on February 11, 2025
- To ensure alignment with the planning regions, CAISO is also filing a 6-month extension request on its compliance filing
  - If the Commission grants the extension request, CAISO will need to file its compliance filing by December 12, 2025



### **QUESTIONS AND DISCUSSION**

 Additional questions/comments? Please email <u>RegionalTransmission@caiso.com</u>





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# Appendix A: Factors for consideration during the development of long-term transmission planning scenarios

- Order requires seven factors that transmission providers must incorporate when developing long-term planning scenarios for transmission needs
  - state and federal laws impacting resource mix and demand;
  - state and federal laws regarding decarbonization and electrification;
  - state-approved integrated resource plans;
  - trends in fuel costs and generation technology;
  - resource retirements;
  - generator interconnection requests, and
  - federal, state, and local policy goals affecting long-term transmission needs.



# Appendix B: Order 1920/1920-A benefit criteria for evaluation and selection of long-term regional transmission facilities

- Order requires at least seven economic and reliability benefits that must be considered for the evaluation and selection of long-term regional transmission facilities
  - avoided or deferred reliability transmission facilities and aging infrastructure replacement;
  - either reduced loss of load probability or reduced planning reserve margin;
  - production cost savings;
  - reduced transmission energy losses;
  - reduced congestion due to transmission outages;
  - mitigation of extreme weather events and unexpected system conditions; and
  - capacity cost benefits from reduced peak energy losses.

