

BY EMAIL

*Submitted via email to: [nwpp\\_northerngrid\\_staff@westernpowerpool.org](mailto:nwpp_northerngrid_staff@westernpowerpool.org)*

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CC: Tammy Cordova, Nevada PUC, CREPC Order 1920 Ad Hoc Committee Co-Chair  
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Robin Arnold, Western Interstate Energy Board  
Kate Griffith, Gridworks

RE: FERC Order No. 1920 Compliance

October 10, 2025

Dear NorthernGrid Public Utility Transmission Providers,

The undersigned organizations (“Public Interest Organizations”) write to express our appreciation of your efforts to develop a proposal to comply with the Federal Energy Regulatory Commission’s (FERC) Order No. 1920 and your commitment to engaging stakeholders in this tariff development process. However, given our very brief window to comment on NorthernGrid’s proposal, we have been unable to address all potential issues raised by NorthernGrid’s proposed revisions to Attachment K in these comments.<sup>1</sup> We urge NorthernGrid to provide additional time and opportunities to review, comment, and engage with NorthernGrid’s proposed compliance revisions. These comments do not attempt to engage with the myriad issues raised in the compliance proposal given the short time frame for review, but we highlight a central deficiency of the proposal: while NorthernGrid proposes to carry out an initial evaluation of proposed transmission facilities using Order No. 1920’s seven minimum required benefits in an effort to

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<sup>1</sup> The proposed tariff language we refer to is the draft dated 9/25/2025 and posted by NorthernGrid at [https://www.northerngrid.net/private-media/documents/REDLINE\\_-\\_DRAFT\\_ATTACHMENT\\_K\\_TEMPLATE\\_-\\_NORTHERNGRID\\_-\\_SEP25-2025.pdf](https://www.northerngrid.net/private-media/documents/REDLINE_-_DRAFT_ATTACHMENT_K_TEMPLATE_-_NORTHERNGRID_-_SEP25-2025.pdf) (NorthernGrid Proposed Tariff).

“maximize benefits accounting for costs over time without over-building,”<sup>2</sup> this initial evaluation does not actually select projects for purposes of cost allocation. Instead, a project’s costs may only be allocated under the NorthernGrid proposal if a narrower set of only three benefits exceeds a 1.25 Benefit-to-Cost ratio.<sup>3</sup> This step, which expressly disregards the Order No. 1920 minimum benefits in its evaluation of projects, will render the proposed transmission and cost allocation unworkable. Overall, unless this central deficiency is addressed, we anticipate that the proposed process will fail to spur the development of infrastructure, even where identified projects make practical sense for the region’s consumers and would enhance system reliability and affordability.

### **NorthernGrid should provide more opportunities for stakeholders to engage with its proposal**

As an initial matter, we request an extension until October 24, 2025, 5:00 PM Pacific to submit comments on NorthernGrid’s proposed revisions to Draft Attachment K to comply with Order No. 1920. The proposed revisions are broad, technically complicated, and, in places, ambiguously drafted. The 15-day comment window that NorthernGrid provided is too short for stakeholders to meaningfully engage with proposed revisions of this scope and complexity. Unfortunately, this abbreviated comment period is emblematic of a broader pattern. We believe that meaningful stakeholder engagement is critical to develop a long-term transmission planning process that ensures cost-effective transmission development and is accepted by FERC. Accordingly, NorthernGrid must extend the comment deadline until October 24, 2025, to allow stakeholders the additional time needed to understand and engage with NorthernGrid’s proposals. We further request that NorthernGrid provide 30-day comment periods at future critical steps of the Order No. 1920 compliance process to allow for meaningful stakeholder engagement.<sup>4</sup> We also request that NorthernGrid host a virtual session to allow stakeholders to ask questions about its proposed revisions to Draft Attachment K, clarify ambiguities, and explain concerns.

### **NorthernGrid’s cost allocation mechanism improperly serves as an additional evaluation and selection step**

Our primary concern is that NorthernGrid’s proposal evaluates projects for cost allocation consideration based only on a narrow set of three benefits that ignore a broad range of value created by proposed projects and fall well short of the seven minimum benefits that Order No. 1920 states must be used in evaluating projects.<sup>5</sup> This overly-narrow view of proposed project benefits will prohibit consideration of tangible and potentially large cost savings and reliability benefits from regional transmission investments in violation of the letter and spirit of Order No. 1920. As a result, the process will fail to adequately alleviate grid constraints, exposing consumers to higher prices and limiting the region’s ability to position itself for future economic growth and

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<sup>2</sup> Order No. 1920, 187 FERC ¶ 61,068, at P 964 (2024).

<sup>3</sup> See NorthernGrid Proposed Tariff, § 2.6.5.2

<sup>4</sup> NorthernGrid should also extend its proposal to provide only 15 days for stakeholders to comment on Long-Term Scenarios. See *id.* § 3.3.5.4.

<sup>5</sup> See *id.* §§ 2.6.4, 2.6.5, & 3.6; Order No. 1920, 187 FERC ¶ 61,068 at PP 3 n. 8, 719-720, 965. A group of Committee on Regional Electric Power Cooperation (CREPC) state regulators expressed similar concerns in an August 5, 2025 letter to the NorthernGrid utilities. CREPC, Letter to NorthernGrid FERC-Jurisdictional Utilities (August 5, 2025), [https://www.westernenergyboard.org/wp-content/uploads/Letter-to-NorthernGrid\\_08052025.pdf](https://www.westernenergyboard.org/wp-content/uploads/Letter-to-NorthernGrid_08052025.pdf) (“[T]he three benefits considered for purposes of cost allocation are too narrow in scope. Instead, NorthernGrid’s cost allocation methodology should rely on each of the seven benefits FERC requires transmission providers to utilize when assessing the benefit-cost ratio of each project.”).

investment. In addition, it may allow transmission customers that benefit significantly from transmission projects to avoid paying their fair share of costs, leaving others to pick up the slack. Moreover, the proposal to limit consideration to three benefits is not necessary to protect consumers from paying for imprudent projects, which can be screened out in project selection.

NorthernGrid’s proposal also fails to comply with the requirements of Order No. 1920. Order No. 1920 requires transmission providers to use seven specified benefit metrics in evaluating and selecting projects.<sup>6</sup> NorthernGrid’s proposal, however, provides for a narrower evaluation of projects that includes only “Deferred Costs,” “Avoided Capital Costs,” and “Increased Useful Available Transfer Capability,” and states that “[i]n the event that the Benefit-to-Cost Ratio for the . . . Project is less than 1.25” (using only this narrower set of benefits) “such project is no longer eligible for cost allocation.”<sup>7</sup> In effect, the proposal’s initial “selection” of projects does not truly evaluate and select such projects for purposes of cost allocation as required by Order No. 1920, because projects “selected” in this first step are not eligible for cost allocation.

NorthernGrid’s proposal to ignore measured benefits will also cause unfair allocation of project costs. NorthernGrid proposes to use the same limited set of benefit metrics used to determine cost allocation eligibility—Deferred Costs, Avoided Capital Costs, and Increased Useful Available Transfer Capability—to allocate costs.<sup>8</sup> Allocating costs based on an incomplete set of benefit metrics will allow certain beneficiaries to free-ride on other transmission customers who are allocated more than their fair share of costs, resulting in a cost allocation that is not “roughly commensurate with benefits.”<sup>9</sup> In our view, a better approach would be to use a simpler cost allocation method that allocates *all* costs of projects that are selected through an evaluation process that considers all of the minimum benefits set forth in Order No. 1920.<sup>10</sup> To the extent that NorthernGrid continues to adhere to a benefits quantification approach to cost allocation, we urge NorthernGrid to, at minimum, use the same benefit metrics, including at least Order No. 1920’s required benefit metrics, for cost allocation purposes that it uses for selection purposes.

Importantly, limiting NorthernGrid’s consideration to only three benefits is not needed to ensure that only prudent projects are developed. Notably, Order No. 1920 does not require “that transmission providers select any particular Long-Term Regional Transmission facility—even where a particular transmission facility meets the transmission providers’ selection criteria in their OATTs.”<sup>11</sup> If, after rigorous analysis that examines the full suite of cost savings and other benefits,

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<sup>6</sup> Order No. 1920, 187 FERC ¶ 61,068 at PP 719-720, 965. Order No. 1920’s seven required benefits are: (1) Avoided or deferred reliability transmission facilities and aging transmission infrastructure replacement; (2) either Reduced Loss of Load Probability or Reduced Planning Reserve Margin; (3) Production cost savings; (4) Reduced transmission energy losses; (5) Reduced congestion due to transmission outages; (6) Mitigation of extreme weather events and unexpected system conditions; and (7) Capacity cost benefits from reduced peak energy losses. *Id.* P 720.

<sup>7</sup> See NorthernGrid Proposed Tariff, §§ 2.6.5.2.

<sup>8</sup> See *id.* §§ 2.6.4, 2.6.5, & 3.6.

<sup>9</sup> Order No. 1920, 187 FERC ¶ 61,068 at P 1506.

<sup>10</sup> We note that many regions that have implemented effective regional transmission planning processes do not use a granular benefits quantification approach to cost allocation, but rather spread costs regionally using simpler methods (e.g. MISO usage-rate approach, SPP highway/byway approach). Such methods have been found to meet FERC’s “roughly commensurate” standard where they allocate costs in a manner that is roughly proportionate to benefits.

<sup>11</sup> Order No. 1920, 187 FERC ¶ 61,068 at P 1026. However, Order No. 1920 does require transmission providers to make a determination of why a project was or was not selected based on the benefit metrics. *Id.* P 966 (“the evaluation process must culminate in a determination that is sufficiently detailed for stakeholders to understand why a particular Long-Term Regional Transmission Facility was selected or not selected to address Long-Term Transmission Needs.”).

a transmission provider determines that a proposed project will not tangibly benefit customers, it may decline to select the project. NorthernGrid can consider a more holistic set of project benefits while still retaining the ability to prevent projects that are not expected to produce sufficient benefits to consumers from moving forward. In other words, the results of allowing more flexible and comprehensive analysis will greatly outweigh the potential risks.

### **Additional concerns**

In addition to the above concerns, we also urge NorthernGrid to revise its proposal in order to:

- Clearly designate NorthernGrid as the entity responsible for making these planning process determinations on behalf of all enrolled transmission providers;<sup>12</sup>
- Allow projects that exceed the 1.25 Benefit-to-Cost threshold for *any* scenario to be eligible for cost allocation rather than requiring projects to exceed the threshold in *all* scenarios to remain eligible;<sup>13</sup>
- Select projects that exceed an overall Benefit-to-Cost ratio of 1.0 rather than 1.25;<sup>14</sup>
- Provide flexibility to allow the first Order No. 1920 planning cycle to start more quickly in the event that FERC issues an order accepting NorthernGrid’s compliance filing very soon after the start of a Regional Transmission Planning Cycle;
- Require use of portfolio-based approaches to measure Long-Term Regional Transmission Facilities within the same Long-Term Regional Transmission Planning cycle as the default method for measuring benefits rather than providing discretion between portfolio and facility-by-facility approaches;<sup>15</sup>
- Measure the benefits for Long-Term Regional Transmission Facilities over the projected life of the infrastructure rather than 20 years;<sup>16</sup> and
- Allow non-jurisdictional non-enrolled entities to subsequently opt into a transmission planning process after they see the benefits of a plan.

### **Next steps**

Granting our requested comment deadline extension to October 24, 2025, would provide more time to develop and work through our concerns with these aspects of NorthernGrid’s proposal.

Order No. 1920 offers a timely and much needed opportunity for transmission providers to cost-effectively plan and build the infrastructure needed for a reliable grid. Evaluating and selecting

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<sup>12</sup> Compare NorthernGrid Proposed Tariff, § 2.1 (designating NorthernGrid as the entity that will “develop a Regional Transmission Plan each Planning Cycle”) with § 2.4.3 (providing that “the Transmission Provider will determine whether it may be more efficient or cost-effective to incorporate the enumerated alternative transmission technologies into both new regional transmission facilities and upgrades to existing transmission facilities than selecting additional new facilities or not incorporating such technologies into new facilities.”).

<sup>13</sup> *Id.* § 3.7.

<sup>14</sup> See *id.* § 3.4.4. See also § 2.6.5.6.

<sup>15</sup> See *id.* § 3.3.5.2. A portfolio-based approach better captures the costs and benefits of projects because projects may interact with one another. NorthernGrid could provide exceptions where individual projects are advanced outside of the standard planning cycle process, but the default approach should be to measure benefits using the more accurate portfolio-based method.

<sup>16</sup> *Id.* § 3.4.3.

projects for cost allocation eligibility using a method that excludes important benefits threatens to squander this opportunity, causing grid constraints and inefficiencies that drive rates higher and new loads (and investments) to other regions.

We urge you to make all efforts necessary to enable the Order No.1920 planning process to be useful in providing more affordable, resilient, and reliable power grid, and we are eager for further opportunities to collaborate in efficiently confronting these complex issues.

Sincerely,

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