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RE: FERC 1920 Compliance Response to Comments from October 24, 2025

NorthernGrid Responses to Comments of Public Interest Organizations

On October 10, 2025, as supplemented on October 24, 2025, Public Interest Organizations¹ submitted written comments on NorthernGrid's proposed tariff revisions to comply with the Federal Energy Regulatory Commission's (FERC) Order No. 1920.² NorthernGrid and its members appreciate the Public Interest Organizations' comments and continued engagement. Below, NorthernGrid responds to key points raised by the Public Interest Organizations in their comments.³

I. Public Interest Organizations' comment: "NorthernGrid's cost allocation mechanism improperly serves as an additional evaluation and selection step."

A. Summary⁴

Public Interest Organizations state their "primary concern remains NorthernGrid's proposal to evaluate 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

¹ Signatories to Public Interest Organizations' comments were the Interwest Energy Alliance, Montana Environmental Information Center, Natural Resources Defense Council, NW Energy Coalition, Renewable Northwest, and Western Resource Advocates.

² See *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 (2024), *order on reh'g*, Order No. 1920-A, 189 FERC ¶ 61,126 (2025), *order on clarification*, Order No. 1920-B, 191 FERC ¶ 61,026 (2025).

³ No other stakeholders submitted written comments on NorthernGrid's proposed tariff revisions.

⁴ Public Interest Organizations, Comment at 2-3 (October 24, 2025).

seven minimum benefits that Order No. 1920 states must be used in evaluating and selecting projects for purposes of cost allocation.” According to Public Interest Organizations, NorthernGrid’s “proposed benefit types will prohibit the 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.”

Public Interest Organizations state further that “Order No. 1920 requires transmission providers to use seven specified benefit metrics in evaluating and selecting projects,” but that NorthernGrid proposes to perform a second narrower evaluation of projects that includes only “Deferred Costs,” “Avoided Capital Costs,” and “Increased Useful Available Transfer Capability” to determine selection for cost allocation eligibility and assignment. Public Interest Organizations assert that, “[i]n 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 ensured to be eligible for cost allocation.”

In addition, Public Interest Organizations state that “allocating costs based on an incomplete set of benefit metrics may 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.’” As an alternative methodology, Public Interest Organizations encourage NorthernGrid 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.” Public Interest Organizations further state that “[t]o the extent . . . NorthernGrid remains concerned about consideration of benefits beyond the three currently included in NorthernGrid’s proposal,” it “could include a provision that allows it to weight each benefit category, and update such weighting at the beginning of each planning cycle, when computing the total benefit.”

B. Response

Public Interest Organizations’ comment appears to conflate the requirements of Order No. 1920 for evaluation and selection into the Long-Term Regional Transmission Plan and the criteria under Order No. 1920 for eligibility for cost allocation. Order 1920 does not support Public Interest Organizations’ comment about requiring the seven benefits for cost allocation. Consistent with Order No. 1920, NorthernGrid proposes to treat these topics as distinct.

NorthernGrid’s proposed approach to identifying, evaluating, and selecting projects into the Long-Term Regional Transmission Plan is consistent with Order No. 1920. NorthernGrid has proposed to use and apply – at a minimum⁵ – the seven specified benefits required by Order No. 1920 to identify, evaluate, and select Long-Term Regional Transmission Facilities that more

⁵ See also Section II.D.2 below. During the Long-Term Regional Transmission Planning cycle’s stakeholder engagement process, additional benefits may be identified for consideration in the Long-Term Regional Transmission Plan, along with the identification and selection of scenarios and sensitivities.

efficiently or cost-effectively address Long-Term Transmission Needs.⁶ NorthernGrid intends to engage with Relevant State Entities and stakeholders in the identification, selection, and evaluation of additional benefits at the commencement of each Long-Term Planning Cycle. The Relevant State Entities and stakeholders will also be engaged when determining how benefits are weighted. This process to identify, evaluate and, if appropriate, select projects into the Long-Term Regional Transmission Plan is distinct from eligibility and selection for purposes of cost allocation, however.

Order No. 1920 requires transmission providers to file one or more *ex ante* cost allocation methods that would apply to selected Long-Term Regional Transmission Facilities. But Order No. 1920 does not require that transmission providers use all seven of the benefits criteria required for evaluation and selection into the plan to also determine cost allocation eligibility and assignment.⁷ Order No. 1920 stated that the Commission would “decline to adopt the NOPR proposal to require transmission providers to identify on compliance the benefits that they will use in Long-Term Regional Transmission Cost Allocation Methods,”⁸ and permitted transmission providers to establish a benefit to cost threshold ratio of 1.25 to 1 for cost allocation purposes.⁹ However, Order No. 1920 does require transmission providers to demonstrate that these types of cost allocation methods will allocate costs in a manner at least roughly commensurate with estimated benefits.¹⁰

As it relates to eligibility for cost allocation, NorthernGrid clarifies that its proposal is for cost allocation eligibility to be determined based on the processes and criteria set forth in sections 2.3 and 2.6 of its Attachment K, which specifies the following eligibility criteria: (1) cost allocation has been requested, (2) the project has a Qualified Sponsor [or Qualified Developer], and (3) the Cost Allocation Project has Estimated Costs exceeding \$20 million.¹¹ NorthernGrid proposes to use these existing tariff provisions, which govern Requests for Cost Allocation under the Regional Transmission Planning process cycle, for eligibility for selection in the Long-Term Regional Transmission Plan for purposes of cost allocation. Under the

⁶ See sections 3.4.3 and 3.4.4 of proposed Attachment K. Note that capitalized words not defined herein have the definitions set forth in Order Nos. 1920, 1920-A, and 1920-B, or in NorthernGrid’s proposed tariff revisions that are the subject of Public Interest Organizations’ comments.

⁷ See Order No. 1920 at P 1302 (stating that “to the extent transmission providers believe that their existing cost allocation methods comply with the requirements adopted in this final rule, they may demonstrate in their compliance filings that such methods, as applied to Long-Term Regional Transmission Facilities, would comply with the requirements of this final rule. This approach is consistent with the approach that the Commission took in Order No. 1000, in which the Commission declined commenter requests to decide in the rule itself whether existing cost allocation methods complied with the requirements of Order No. 1000 and instead required transmission providers to demonstrate on compliance that their existing cost allocation methods met the rule’s requirements.”).

⁸ *Id.* at PP 1505-07 (responding to requests from comments to require alignment between the benefits used in evaluation and selection into the plan versus cost allocation).

⁹ *Id.* at PP 1471-73.

¹⁰ *Id.* at P 1506.

¹¹ See section 3.3.2.3 of proposed Attachment K (stating that the Enrolled Parties shall follow the procedures in section 2.3.2.3.2 and 2.3.2.3.3 in Attachment K for qualifying to request cost allocation); *see also* section 2.6.1 of proposed Attachment K.

proposed tariff provisions to comply with Order No. 1920, all proposals submitted that meet these eligibility criteria will be evaluated under NorthernGrid’s proposed evaluation and selection process, with cost allocation determinations (after selection into the Long-Term Regional Transmission Plan) made in accordance with long-standing principles of cost causation.¹²

In response to feedback, NorthernGrid is willing to consider the use of seven benefits for cost allocation. NorthernGrid looks forward to discussing this with the Relevant State Entities throughout the remainder of the state engagement period.

II. Public Interest Organizations’ comment: “NorthernGrid’s proposal needlessly restricts NorthernGrid’s ability to select beneficial projects without meaningfully strengthening consumer protections.”¹³

Public Interest Organizations state that “[s]everal proposals restrict NorthernGrid’s ability to advance certain beneficial projects” and that “[t]hese restrictions are not needed to ensure that only prudent projects are developed.” According to Public Interest Organizations, this is because 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.

A. Exceeding the 1.25 benefit-to-cost threshold in all scenarios

1. Summary¹⁴

Public Interest Organizations propose that “NorthernGrid . . . allow projects that exceed the 1.25 Benefit-to-Cost threshold for *any* scenario to be eligible for selection and cost allocation rather than requiring projects to exceed the threshold in *all* scenarios to be eligible.” According to Public Interest Organizations, this approach “will allow projects that are likely to provide significant benefits . . . to advance despite falling short in certain scenarios without sacrificing NorthernGrid’s ability and discretion not to select projects that it believes are *unlikely* to benefit consumers.”

Public Interest Organizations also say that “NorthernGrid’s existing proposal is particularly concerning when coupled with proposed section 3.3.5.6, which requires Enrolled Parties to develop additional scenarios if requested by Relevant State Entities.” Public Interest Organizations state that “[t]ogether, these provisions could allow Relevant State Entities to

¹² Order No. 1920 at P 1469 (“We adopt the NOPR proposal, with modification, to require Long-Term Regional Transmission Cost Allocation Methods to comply with five of the six existing Order No. 1000 regional cost allocation principles. Specifically, we require transmission providers in each transmission planning region to demonstrate on compliance with this final rule that any Long-Term Regional Transmission Cost Allocation Methods, that they propose that Relevant State Entities have *not* indicated that they agree to, comply with Order No. 1000 regional cost allocation principles (1) through (5).”).

¹³ Public Interest Organizations, Comment at 3-5 (October 24, 2025).

¹⁴ *Id.* at 3-4.

attempt to veto projects that they dislike by requesting NorthernGrid to develop a potentially unrealistic scenario designed to ensure that a project does not reach the 1.25 Benefit-to-Cost ratio threshold in that scenario.”

2. Response

NorthernGrid declines to adopt Public Interest Organizations’ proposal. NorthernGrid believes its proposal to require that projects reach the 1.25 to 1 benefit-to-cost ratio threshold in all scenarios is reasonable. As long as transmission providers’ evaluation processes and selection criteria comply with Order No. 1920’s requirements, transmission providers have the flexibility to determine how they will evaluate whether Long-Term Regional Transmission Facilities more efficiently or cost-effectively address Long-Term Transmission Needs, including by using benefit-cost ratios, assessing their net benefits and selecting the Long-Term Regional Transmission Facilities that maximize those benefits, and/or using some other method.¹⁵

B. Use of portfolio-based approaches to evaluate Long-Term Regional Transmission Facilities

1. Summary¹⁶

Public Interest Organizations state that NorthernGrid should use portfolio-based approaches to evaluate Long-Term Regional Transmission Facilities and state it should do so because such an approach “would better capture the costs and benefits of projects [since] projects may interact with one another.” Public Interest Organizations further state that NorthernGrid should “evaluate portfolios of projects that exceed a single scenario’s 1.25 Benefit-to-Cost Ratio to be eligible for selection and cost allocation.”

2. Response

Like the current Regional Transmission Planning Process, NorthernGrid’s proposed revisions to Attachment K to comply with Order No. 1920 allow for the grouping of projects into portfolios for consideration and evaluation.¹⁷ For example, when transmission projects are geographically or electrically close and are mutually beneficial, they may be grouped into a portfolio and evaluated for the benefit-to-cost ratio threshold only at the portfolio level, not the individual facility level.

¹⁵ Order No. 1920 at P 958, n. 2109 (stating that “[n]othing in this final rule requires the use of any particular approach, and we clarify that transmission providers may use more than one approach complementarily.”).

¹⁶ Public Interest Organizations, Comment at 4 (October 24, 2025).

¹⁷ See section 3.3.5.2 of proposed Attachment K (stating that “[t]he Enrolled Parties Planning Committee may use either or both facility-by-facility and portfolio approaches to measure Long-Term Regional Transmission Facilities within the same Long-Term Regional Transmission Planning cycle.”).

C. Interaction and engagement with non-jurisdictional entities

1. Summary¹⁸

Public Interest Organizations state “NorthernGrid should continue developing comprehensive regional transmission plans with the region’s non-jurisdictional entities to ensure that a cost-effective regional plan is developed to service all the region’s consumers. We encourage the enrolled transmission providers to expand the NorthernGrid planning agreement to include a pathway to plan for the needs of non-jurisdictional entities should they later decide to assume costs and maintain the process for non-enrolled entities to voluntarily fund transmission projects. . . . If the agreement does not presently provide for the calculation of portfolio and project-specific benefits for the non-enrolled entities, NorthernGrid should add a process to allow and encourage non-enrolled entities to voluntarily participate and assume project or portfolio costs.”

2. Response

The existing NorthernGrid Planning Agreement effectuates the inclusion of non-jurisdictional entities in the regional planning process and will continue to do so as NorthernGrid implements Long-Term Regional Transmission Planning under Order 1920.

D. Consideration of benefits beyond Order No. 1920’s seven minimum benefits, including generation investment cost savings

1. Summary¹⁹

Public Interest Organizations state that seven required benefits for selection and evaluation purposes is the minimum required by FERC to ensure just and reasonable rates and note that Order 1920 states “[t]ransmission providers may also propose to measure and use additional benefits in Long-Term Regional Transmission Planning” Public Interest Organizations therefore encourage NorthernGrid to consider generation investment benefits and other benefits beyond Order No. 1920’s minimum required benefits.

2. Response

NorthernGrid’s proposal includes consideration of the seven benefits required by FERC in Order No. 1920.²⁰ Consistent with Order No. 1920, however, the proposed tariff neither requires nor precludes the consideration of other benefits in addition to the seven required benefits in the future, potentially on a transmission facility or a plan-specific basis.²¹

¹⁸ Public Interest Organizations, Comment at 4-5 (October 24, 2025).

¹⁹ *Id.* at 5.

²⁰ See section 3.4.3 and 3.4.4 of proposed Attachment K.

²¹ See, e.g., Order No. 1920 at P 729.

E. Measurement of benefits over the projected life of the infrastructure rather than only 20 years

1. Summary²²

Public Interest Organizations state that “[m]any transmission facilities have projected useful lives that extend far beyond a 20-year window,” and thus “[m]easuring only the first 20 years of costs and benefits will understate Benefit-to-Cost ratios.” Public Interest Organizations therefore encourage NorthernGrid to consider benefits out to at least 40 years, to annualize project benefits, and to at least allow consideration of benefits that extend beyond the 20-year window.

2. Response

NorthernGrid declines to make the suggested changes to its proposal. As FERC recognized in Order No. 1920, benefits inherently become more speculative as the planning horizon increases.²³ NorthernGrid’s proposal to measure 20 years of benefits is consistent with Order No. 1920’s requirement “to calculate the benefits of Long-Term Regional Transmission Facilities over a time horizon that covers, at a minimum, 20 years starting from the estimated in-service date of the transmission facilities.”²⁴

III. Public Interest Organizations’ comment: “Several other provisions of NorthernGrid’s proposal would benefit from clarifications or other clean-up edits.”²⁵

Public Interest Organizations state that “NorthernGrid should clarify or clean up other ambiguous provisions or other minor omissions in its proposal.”

A. Entity responsible for making planning determinations on behalf of enrolled transmission providers

1. Summary

Public Interest Organizations state that “NorthernGrid should clearly designate NorthernGrid as the entity responsible for making planning process determinations on behalf of

²² Public Interest Organizations, Comment at 5 (October 24, 2025).

²³ Order No. 1920 at P 860 (stating “We find that calculating benefits both for the evaluation and selection of Long-Term Regional Transmission Facilities over a timeline that covers, at a minimum, 20 years starting from the estimated in-service date of the Long-Term Regional Transmission Facility, strikes an appropriate balance. This balance reasonably reflects the benefits that a Long-Term Regional Transmission Facility is likely to provide over its useful life, a time period that can exceed 40 years, while recognizing the inherent difficulties in attempting to predict system conditions too far into the future.”).

²⁴ *Id.* at P 859.

²⁵ Public Interest Organizations, Comment at 6 (October 24, 2025).

all enrolled transmission providers.” According to Public Interest Organizations, “NorthernGrid’s proposal is currently ambiguous in places about whether NorthernGrid or transmission providers are responsible for relevant determinations.” In addition, Public Interest Organizations state the use of “transmission provider” in section 3.4.6 of NorthernGrid’s proposal “appears to be incorrect and should be changed to NorthernGrid.”

2. Response

NorthernGrid declines to make the suggested change. NorthernGrid itself has no compliance obligations to FERC; those obligations rest with the individual transmission providers subject to FERC’s various rules and requirements related to transmission planning.

B. Beginning of first Long-Term Regional Transmission Planning Cycle

1. Summary

Public Interest Organizations state that “NorthernGrid should revise its proposal to avoid a potential delay of up to two years before it starts its first Long-Term Regional Transmission Planning Cycle.” Public Interest Organizations observe that “NorthernGrid’s current proposal provides for the first Long-Term Regional Transmission Planning Cycle to begin upon the start of the Regional Transmission Planning Cycle occurring upon the issuance of a final FERC order accepting NorthernGrid’s Order No. 1920 compliance filing.” According to Public Interest Organizations, this proposal risks “substantial delay if FERC accepts NorthernGrid’s compliance filing shortly after the Regional Transmission Planning Cycle begins.” Public Interest Organizations therefore encourage NorthernGrid to “instead provide for commencement of the first Long-Term Regional Transmission Planning Cycle to begin immediately if FERC accepts NorthernGrid’s compliance filing before the Regional Transmission Planning Cycle study scope approval.”

2. Response

NorthernGrid declines to adopt the proposed change. NorthernGrid has proposed that the initial Long-Term Regional Transmission Planning cycle begin at the same time as the start of a Regional Transmission Planning cycle, on January 1, 2028.²⁶ Coordination of these commencement dates will ensure that the first Long-Term Regional Transmission Planning cycle will benefit from the use of inputs and data from the completed 2026-2027 Regional Transmission Planning cycle. This was a deliberate choice, as this timing will better align the various planning processes and ensure that moving forward NorthernGrid will always have the input of a *completed* Regional Transmission Planning Cycle into a Long-Term Regional Transmission Planning Cycle. This choice to align the planning processes abbreviated the up-to-five-year Order No. 1920 process to four years; adopting this suggestion would further abbreviate the Long-Term Regional Transmission Planning process to closer to three years.

²⁶ See section 3.1 of proposed Attachment K.

C. Definition of “Right-Sizing”

1. Summary

Public Interest Organizations encourage NorthernGrid to revise the definition of “Right-Sizing” by replacing “to instead increase that facility’s transfer capability” with “to meet Long-Term Transmission Needs.” Public Interest Organizations state this latter description more closely aligns with FERC’s description of right-sizing a transmission facility in Order No. 1920.

2. Response

NorthernGrid declines to adopt the proposed edit. The definition of “Right-Sizing” that NorthernGrid has proposed is taken directly from Order No. 1920.²⁷

Please feel free to contact us at nwpp_northernggrid_staff@westernpowerpool.org.

Sincerely,

NorthernGrid Enrolled Parties

²⁷ See Order No. 1920 at P 1678 (“We adopt the NOPR proposal to define ‘right-sizing’ as the process of modifying a transmission provider’s in-kind replacement of an existing transmission facility to increase that facility’s transfer capability.”).