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Priorities for MISO's Compliance with FERC Order 1920

MISO will file its compliance plan in June 2026 – What are the most important items for states to support?

Why it matters

Significant investment in our outdated transmission grid is needed to maintain reliability and bring new, affordable clean energy online. MISO is already a leader in regional transmission planning, having scored a B on a recent scorecard of regional transmission planning, which ranked it above other regions.[1] However, there are still opportunities for improvement and **compliance with FERC Order 1920[2] is an opportunity for the MISO region to build upon a successful history of collaboration to ensure cost-effective transmission buildout.**

To ensure strong compliance that maximizes benefits to the region, states can:

- Champion the strengths and importance of the order as an enabler of forward-looking regional transmission planning
- Ensure strong compliance and implementation by participating in state engagement opportunities that FERC requires transmission providers to make available to provide input on analysis and planning inputs, needs assessments, evaluation, and cost allocation
- Participate in ongoing MISO planning processes while compliance plays out
- Exercise strong oversight of utility planning to ensure that transmission needs are addressed by regionally planned, competitively bid lines whenever possible.

This document summarizes key opportunities for state action and identifies the major differences between the requirements of FERC Order 1920 and MISO's current Long Range Transmission Planning ("LRTP") process.

[1] https://www.cleanenergygrid.org/portfolio/transmission-planning-development-regional-report-card/
[2] A full summary of Order 1920 and 1920-A is available here: https://advancedenergyunited.org/hubfs/2025%20Folder/FERC's%20Transmission%20Planning%20and%20Cost%20Allocation%20Reforms.pdf

What should states advocate for as MISO undergoes compliance?

- Ensure continued progress on existing transmission planning processes including:
    - Supporting developer selection for projects within the LRTP Tranche 2.1 portfolio as projects progress through the regulatory process into the building phase. These, along with future Tranches will provide the MISO footprint with a backbone 765kV transmission infrastructure.
- Engaging on MISO's refresh of its Futures, the scenarios used for planning, to ensure they address all of the factors included in Order 1920
    - Following the 2024 informational study with PJM on interregional transfer capability and encouraging the RTOs to continue collaborating through participation in the Interregional Planning Stakeholder Advisory Committee (IPSAC) processes with PJM and SPP.
    - Supporting partnerships with other states to identify solutions to implement transmission enhancements along the MISO seams
- Encourage MISO to build upon its already robust long-term transmission planning process as it complies with Order 1920 by prioritizing:
    - Robust inclusion of alternative transmission technologies (ATTs)
    - Evaluation of solutions to address transmission needs identified during the Generator Interconnection Process
    - Development of a Cost Allocation methodology across the entire MISO footprint
- Make progress on issues beyond Order 1920 that will bring greater benefit to the MISO region, including:
    - Planning for increased interregional transfer capability and participation in FERC's ongoing proceeding to evaluate needs and requirements for interregional transmission
    - Create pathways for the use of HVDC transmission, including developing a cost allocation methodology

How does MISO's current planning process line up with the FERC Order?

Issue	FERC Order	MISO's Current Rules
Long-term Regional Planning	Evaluation of 3 future scenarios that consider 7 factors driving transmission needs, with an extreme weather sensitivity. Minimum 20-year planning horizon. Requires that transmission providers take state input into scenarios and factors, and that they conduct a "reasonable number" of additional scenarios/analyses requested by states.	Long-term, regional needs addressed through Long Range Transmission Planning (LRTP) looking out 20 years and beyond. Consideration of baseline reliability needs, market efficiency, generator interconnection, and transmission delivery service. Three future scenarios, updated annually.
Benefit evaluation	Mandatory consideration of each of the following 7 benefits over a 20-year horizon: (1) avoided or deferred reliability transmission facilities and aging infrastructure replacement, (2) reduced loss of load probability or reduced planning reserve margin, (3) production cost savings, (4) reduced transmission energy losses, (5) reduced congestion, (6) mitigation of extreme weather events, (7) capacity cost benefits from reduced peak energy losses.	Evaluates the following benefits: congestion and fuel cost savings, avoided capital costs of local resource investment, avoided future transmission investment, avoided risk of load shedding, decarbonization. Other metrics under development for Tranche 2 include energy savings from reduced losses, mitigation of reliability issues, and reduced risk of extreme weather impact.

Project Selection	Must create transparent evaluation process and selection criteria using benefit-cost ratios, net benefits, least regrets, weighted benefits, and/or some other method, and to propose additional qualitative and quantitative criteria, and maintains a minimum benefit-cost ratio of 1.25 to 1. Project selection is up to the transmission provider and selection of any project is not required; decisions must be explained in detail.	Multi-Value Projects must satisfy one or more of the following: (1) Enable more reliable and economic energy delivery; (2) Benefit-to-Cost ratio of 1.0 or higher; (3) Address at least one Transmission Issue associated with a projected violation of a NERC or Regional Entity reliability standard and provide economic value across multiple pricing zones.
Cost allocation	Must have at least one *ex ante* cost allocation method(s) on file. Six-month "engagement period" during compliance process allows states to develop an ex-ante method(s) and/or a State Agreement Process, whereby states can develop an alternative cost allocation after project(s) selection. Transmission providers must (1) file states' preference (even if they propose a different *ex-ante* method(s)) and (2) participate during the six-month "engagement period," prior to compliance filings, when states finalize their preferred cost allocation.	MISO North: "beneficiaries pay" cost allocation methodology of spreading costs within sub-regions based on benefits accrued using a postage stamp allocation of 100% to load for the same class of projects. MISO South: No cost allocation agreement currently in place; the region opposes a postage stamp allocation.[3]
Consideration of Grid-Enhancing Technologies	Must consider dynamic line ratings, advanced power flow control devices, advanced conductors, and transmission switches for new and upgraded facilities.	No formal inclusion in process

[3] States have proposed 90% based on adjusted production costs savings and avoided reliability projects and 10% to new generation on a flow based methodology. MISO has suggested 50% to the subregion using load-ratio postage stamp rate and 50% to subzones where the projects are located, but the Entergy Regional State Committee opposes that approach that approach.

Interconnection-Related Network Upgrades	Must consider certain network upgrades originally identified through generator interconnection process as part of Order No. 1000 planning process	In its transmission planning process, MISO considers network upgrades that were identified in ongoing Generation Interconnection studies for projects which have signed Interconnection Agreements.
Transparency and Tie-in with Local Planning and Interregional Planning	Must increase transparency of local planning inputs; must evaluate right-sizing lines; right of first refusal (ROFR) for right-sizing projects; requires integration and coordination of existing interregional transmission plans.	MISO planning staff conducts the regional planning process, including the organization and facilitation of stakeholder meetings and committees. MISO evaluates and validates a "bottom-up" category of transmission projects developed by Transmission Owners to address localized issues, which may be subject to a ROFR, depending on the state. MISO planning staff coordinates transmission expansion studies with interconnected transmission providers, such as PJM, SPP, and TVA. The Interregional Planning Stakeholder Advisory Committee (IPSAC) meets to discuss and plan interregional studies and projects.