UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Public Service Company of Colorado	)	Docket Nos.	ER26-2801-000
	)		
Tucson Electric Power Company	)		ER26-2803-000
	)		
UNS Electric, Inc.	)		ER26-2804-000
	)		
Deseret Generation & Transmission Co-operative, Inc.	))		ER26-2805-000
	)		
El Paso Electric Company	)		ER26-2806-000
	)		
Black Hills Power, Inc.	)		ER26-2811-000
	)		
Black Hills Colorado Electric, LLC	)		ER26-2816-000
	)		
Cheyenne Light, Fuel and Power Company	)		ER26-2817-000
	)		
Tri-State Generation and Transmission Association, Inc.	))		ER26-2822-000
	)		
Arizona Public Service Company	)		ER26-2828-000
	)		
Public Service Company of New Mexico	)		ER26-2831-000

ACORE PROTEST OF WESTCONNECT PLANNING REGION TRANSMISSION PROVIDERS' ORDER NO. 1920 COMPLIANCE FILINGS

Pursuant to Rule 211 of the Federal Energy Regulatory Commission ("Commission") Rules of Practice and Procedure,[1] ACORE submits this protest of the Order No. 1920 Compliance Filings submitted by each of the WestConnect Transmission Providers

[1] 18 C.F.R. § 385.211.

("Transmission Providers"),[2] who explain that they are "filing contemporaneous Order No. 1920 Compliance Filings with largely identical tariff changes and largely identical transmittal letters."[3]

ACORE's protest primarily addresses the Transmission Providers' proposed methods for determining the benefits of and selecting regional transmission facilities to meet identified regional transmission needs. By doing so, we are not endorsing other provisions in the Compliance Filings. Rather, as discussed in this protest, a correct evaluation of benefits and transmission selection is at the core of Order No. 1920's purpose to ensure just and reasonable rates. The Commission's action on these Compliance Filings is important not only for this region, but for overall consistency and adherence to the practices established in Order No. 1920.

Recognizing the need to move forward expeditiously with the transmission planning process required by Order No. 1920, ACORE requests that the Commission issue a deficiency letter to the Transmission Providers identifying the specific areas where they are not in compliance and allowing them to correct these deficiencies in a timely manner.

I. Minimizing Costs to Consumers Requires an Accurate Assessment of the Full Scope of Transmission Benefits

ACORE strongly agrees with the Commissioners' concerns about and commitment to addressing energy affordability,[4] and reiterates that a core benefit of the transmission planning

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[2] Arizona Public Service Company; Black Hills Colorado Electric, LLC; Black Hills Power, Inc.; Cheyenne Light, Fuel, and Power Company; Deseret Generation & Transmission Cooperative; El Paso Electric Company; Public Service Company of Colorado; Public Service Company of New Mexico; Tri-State Generation and Transmission Association, Inc.; Tucson Electric Power Company; and UNS Electric, Inc.

[3] Tri-State Generation and Transmission Association, Inc., *Order No. 1920 OATT Compliance Filing for the WestConnect Planning Region* (June 12, 2026) at 1 ("Tri-State Compliance Filing"). Because the filings are essentially identical, ACORE will use citations from the Tri-State Compliance Filing for the Transmission Providers' proposals.

[4] See for example, *Written Testimony of Laura V. Swett,* Chairman, Federal Energy Regulatory Commission before the Committee on Energy & Natural Resources, United States Senate (July 22, 2026), https://www.energy.senate.gov/services/files/7A9F16C5-74DF-46B7-99E2-5ABE2335C30C, noting the "significant pressures from rising energy costs," and that "higher utility bills are debilitating burdens with personal consequences."

reforms in Order No. 1920 is to minimize consumer costs. The Commission stated in the Order that "inadequate or poorly designed transmission planning processes can lead to relatively inefficient or less cost-effective transmission investment, with customers footing the bill for piecemeal, inefficient, and less cost-effective transmission solutions designed to meet short-term or small-scale transmission needs."[5] This finding was affirmed in a recent analysis of seven national transmission studies, demonstrating that "significant transmission expansion is cost-optimal for serving new demand, integrating additional resources, and supporting grid reliability"[6] and that an important best practice is a multi-value quantification of the full range of transmission's economic and reliability benefits.[7]

In Order No. 1920, the Commission required transmission providers not only to establish new long-term planning processes but also "evaluation processes, including selection criteria, that they believe will ensure that more efficient or cost-effective Long-Term Regional Transmission Facilities are selected to address the transmission planning region's Long-Term Transmission Needs,"[8] and explained "that this determination must include the estimated costs and measured benefits of each alternative Long-Term Regional Transmission Facility (or portfolio of such Facilities)."[9] In recognition of the importance of a multi-value analysis, the Commission required the measurement of seven economic and reliability benefits in this selection process.[10]

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[5] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 (May 2024) at P 100.

[6] Mai et al., *What can we learn from US national transmission studies?,* Joule (2026), https://doi.org/10.1016/j.joule.2026.102339 at 1.

[7] *Ibid* at 4.

[8] Order No. 1920 at P 924.

[9] *Ibid.* at P 966.

[10] *Ibid.* at PP 719-721.

The Commission subsequently affirmed the centrality of the benefits evaluation for the selection of the most cost-effective transmission facilities in Order No. 1920-A, stating that "transmission providers must measure, at a minimum, this set of seven required benefits and then use them to evaluate Long-Term Regional Transmission Facilities in order to ensure just and reasonable rates."[11]

II. WestConnect Transmission Providers Fail to Comply with Order No. 1920's Required Benefits Assessment

Given the direct connection between an accurate benefits assessment and cost savings for consumers, transmission providers that deviate from the required benefits assessment are unlikely to achieve just and reasonable rates. The Transmission Providers do not comply with this core requirement of Order No. 1920 for the following reasons:

A. <u>Benefits are Limited Only to Those that Accrue to the Transmission Providers</u>

The Compliance Filings explain that: "For each proposed facility, the Transmission Providers will calculate the degree to which *each enrolled transmission provider* would realize each type of benefit."[12] This is in direct contrast to Order No. 1920's requirement that the "measurement of these benefits represents the value that the transmission providers expect a particular Long-Term Regional Transmission Facility *to provide to transmission customers* in the transmission planning region."[13] The Commission therefore clearly required in Order No. 1920 that the benefits analysis be conducted from the customer perspective.

The Transmission Providers do not explain how this transmission provider-centered analysis will be conducted where the Transmission Provider is also the owner of generation

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[11] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Order No. 1920-A, 189 FERC ¶ 61,126 (Nov. 2024) at P 380.

[12] Tri-State Compliance Filing at 30. (Emphasis added.)

[13] Order No. 1920 at P 269. (Emphasis added.)

assets, as are many of the WestConnect enrolled Transmission Providers, and whether avoided generation construction costs will be reduced by the lost opportunity to expand their rate base assets; or how benefits are affected when a transmission line allows for greater access to a lower cost resource owned by a different Transmission Provider. For these reasons, the customer perspective must be the basis for the benefits evaluation.

Moreover, the Commission specifically addressed this issue in Order No. 1920, finding that "the assertion that costs allocated to transmission providers in non-RTO/ISO transmission planning regions… must be based on benefits to the transmission provider, not benefits realized by others, such as generators and load-serving entities, to be misplaced."[14]

B. The Production Cost Savings Calculation Ignores Actual Quantifiable Benefits

In the proposed redlines to their tariffs, the Transmission Providers constrain the specific circumstances under which production cost savings (Order No. 1920, Benefit #3) are to be calculated, to the following: "(a) modeling shows persistent congestion (prolonged congestion that is independent of isolated events or outages); (b) modeling accounts for the owned and contracted-for generation of the Transmission Provider; (c) the increase or decrease in generation can be reasonably expected; (d) transmission service is available (or would become available using the Long-Term Regional Transmission Facility) between the location of the existing and planned generation resources and the location of the loads of the Transmission Provider to be served by those generation resources as identified in the production cost modeling; (e) existing and planned generating units shown in the modeling results as serving the load of the Transmission Provider are capable of making such sales to the Transmission Provider's load; (f) the modeling accounts for any changes in the projected loads or resources of the Transmission

[14] Order No. 1920 at P 1514.

Provider since the base case was developed; and (g) all fuel contract obligations continue to be met, such as take-or-pay fuel supply contracts."[15]

Several of these criteria would result in a benefits assessment that ignores substantial consumer cost savings. For example, the calculation would omit cost savings where the congestion is not persistent and would exclude "isolated events." However, congestion data show that it is precisely in a small number of isolated events when the greatest dollar amount of congestion occurs. The Department of Energy (DOE) recently released the draft National Transmission Needs Study, which points out that the value of transmission in reducing congestion "is concentrated in 5% of the hours during which transmission is extremely valuable."[16]

As a result of these significant restrictions, the quantification of this benefit will not encompass the full potential cost savings to be achieved by a transmission facility. The Transmission Providers provide no justification for limiting the calculation of this benefit in this manner.

C. The Proposed Calculation of Reduced Costs During Extreme Weather Events Will Understate this Value of Transmission

The Transmission Providers' proposed calculation of the reduction in production costs during extreme weather events (Order No. 1920 Benefit #6) will "be bounded by observed historical system conditions in the WestConnect LTPR, as determined by the Transmission Provider."[17] In contrast, when describing this benefit in Order No. 1920, the Commission clearly

[15] Tri-State Redline to Attachment K (Transmission Planning Process), Section IX, Part G at 116.

[16] US Department of Energy, *National Transmission Needs Study: Draft for Consultation and Public Comment* (July 2026) at 43, https://www.energy.gov/documents/national-transmission-needs-study-draft-july-2026 ("Draft Transmission Needs Study").

[17] Tri-State Redline to Attachment K (Transmission Planning Process), Section IX, Part G.1 at 117.

stated that this benefit "is distinct from other benefits" because "transmission providers must model different system conditions (extreme weather events and unexpected system conditions)."[18] The DOE's aforementioned draft National Transmission Needs Study recognizes that a significant challenge to the bulk power system is that: "Severe weather events are becoming increasingly frequent and severe."[19] With the increased frequency and scope of extreme weather events, limiting this benefit only to historical conditions will minimize one of the most important benefits of transmission expansion.

III. The Criteria Used to Select Facilities May Result in the Selection of Transmission that Does Not Maximize Benefits to the Region

The Transmission Providers propose that for the selection of a transmission facility, the "base case Long-Term Regional Planning Scenario must demonstrate that the Long-Term Regional Transmission Facility would provide Quantified Benefits to each of two or more enrolled transmission providers in an amount at least 1.25 times the estimated costs of the Long-Term Regional Transmission Facility."[20] Further, the Compliance Filings state that "enrolled transmission owner's estimated share of project benefits is compared against the costs allocated to that enrolled transmission provider to determine whether the project satisfies the required benefit-to-cost ratio on an identified beneficiary-specific basis, so that one beneficiary is not made to subsidize benefits that would flow to others."[21]

This approach reflects the flawed transmission-provider-centered perspective also present in the proposed benefits analysis. Shifting the benefit-cost ratio away from the Long-Term

[18] Order No. 1920 at P 803.

[19] Draft National Transmission Needs Study at 56.

[20] Tri-State Transmittal Letter at 31.

[21] *Ibid.*

Regional Transmission Facility to the ratio only for each transmission provider could result in a scenario where facilities with the greatest benefits for the WestConnect region are not selected. For example, assume a transmission facility that crossed transmission providers A and B, with A having a share of $150,000 of the benefits and $100,000 of the costs, resulting in a ratio of 1.5 and net benefits of $50,000; and B estimated to receive $11,000 of the benefits and incur $10,000 of the costs, equal to a 1.1 ratio and net benefits of $1,000. The weighted ratio would be 1.46 and total net benefits would be $51,000. Under the proposed criteria, the line would not be selected due to the ratio in transmission provider B. However, a hypothetical line with the same costs but a 1.25 ratio calculated separately for A and B would be selected even though it would have a lower ratio and net benefits ($27,500).

This approach, combined with the underestimation of a transmission facility's benefits as described, could result in a facility requiring a regional benefit-cost ratio of greater than 1.25 to be selected, which is prohibited by Order No. 1920.[22]

The Transmission Providers' argument that this selection methodology would prevent cross-subsidization between Transmission Providers ignores the fact that Order No. 1920 addressed regional transmission needs and not those of an individual Transmission Provider (in those regions that encompass multiple Transmission Providers). Moreover, because the benefits analysis must address the benefits to transmission customers, it is these customers who would be allocated the costs in accordance with such benefits. The Commission found in Order No. 1920 that in non-RTO/ISO transmission planning regions, "transmission providers will establish

[22] Order No. 1920 at P 958, stating that "transmission providers may not impose as a selection criterion a minimum benefit-cost ratio that is higher than 1.25-to-1.00."

arrangements to implement the cost allocation methods for Long-Term Regional Facilities and recover the costs of such facilities from the *transmission customers that benefit from them*."[23]

In other parts of the Compliance Filings, the Transmission Providers recognize the need for a regional approach, stating that "requiring physical interconnection between two or more Transmission Providers appropriately ties cost allocation to demonstrable regional benefit sharing, aligning investment responsibility with the geographic and operational scope of benefits."[24]

In contrast, the NorthernGrid Transmission Providers' compliance filings, which also encompass multiple enrolled Transmission Providers in one region, propose a benefits evaluation form the perspective of the transmission line, not the Transmission Provider, stating that "each proposed Long-Term Regional Transmission Facility or Long- Term Regional Combination, each of the preceding seven Required Benefits will be calculated as an annualized cost or savings, which will be summed to determine the overall Benefit cost or savings of the Long-Term Regional Transmission Facility."[25]

When combined with the proposed evaluation of benefits as those that accrue to the Transmission Provider, the combined outcome of these two approaches could result in what the Commission sought to avoid in Order No. 1920 – having consumers foot the bill for unneeded transmission.

IV. The Cost Responsibility Opt-Out Violates Cost Allocation Principles and Significantly Disrupts Transmission Planning

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[23] *Ibid* at P 1514. (Emphasis added.)

[24] *Ibid* at 33.

[25] *Order No. 1920 Compliance Filing of PacifiCorp*, Transmittal Letter at 42, referencing proposed revised Attachment K at section 3.4.4.

For those transmission facilities that would actually be selected through this problematic process, the Transmission Providers provide themselves with a vaguely worded opt-out, stating that they "will not assume cost responsibility for any Long-Term Regional Transmission Facility if the cost of the project is not reasonably expected to be recoverable in [the Transmission Provider's] retail and/or wholesale transmission rates."[26] No additional explanation is provided of what the circumstances would be that prevent a Transmission Provider from obtaining state or federal regulatory approval to recover the costs of a transmission facility for which net benefits have been demonstrated (putting aside all of the prior critiques of the benefits assessment). Instead, this provision appears to allow for a Transmission Provider to avoid even requesting approval for such cost recovery and could simply say that it is "unlikely." This would be a clear violation of Order Nos. 1920 and 1000.

Order No. 1920 requires transmission providers "to file one or more *ex ante* cost allocation methods that apply to selected Long-Term Regional Transmission Facilities," which must comply with five of the six existing Order No. 1000 regional cost allocation principles.[27] The first such principle states that "costs are allocated to those who benefit in a manner that is at least roughly commensurate with estimated benefits."[28] This opt-out provision would therefore either result in a direct violation of Order No. 1000 since the Transmission Provider receiving benefits from the facility could opt-out, or could result in the cancellation of a selected facility that was determined to provide net benefits above a 1.25 ratio to its costs, rendering the process unjust and unreasonable.

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[26] Tri-State Attachment K at p. 132.

[27] Order No. 1920 at P 1291 and 1469.

[28] *Ibid.* at P 1471.

V. CONCLUSION

ACORE respectfully requests that the Commission recognize the critical need to adhere to the core provisions of Order No. 1920 that are necessary to achieve cost savings to consumers and issue a deficiency letter requiring all WestConnect Transmission Providers to address these and other fundamental flaws in their Order No. 1920 Compliance Filings as expeditiously as possible.

Respectfully submitted,

/s/ Elise Caplan
Elise Caplan
Vice President, Regulatory Affairs
ACORE
1150 Connecticut Ave NW, Suite 401
Washington, D.C. 20036
caplan@acore.org

August 5, 2026

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of this pleading has been served this day upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated this 5th day of August, 2026.

/s/ Elise Caplan
Elise Caplan