



Long-Term Transmission Planning Reform Workshop: FERC NOPR

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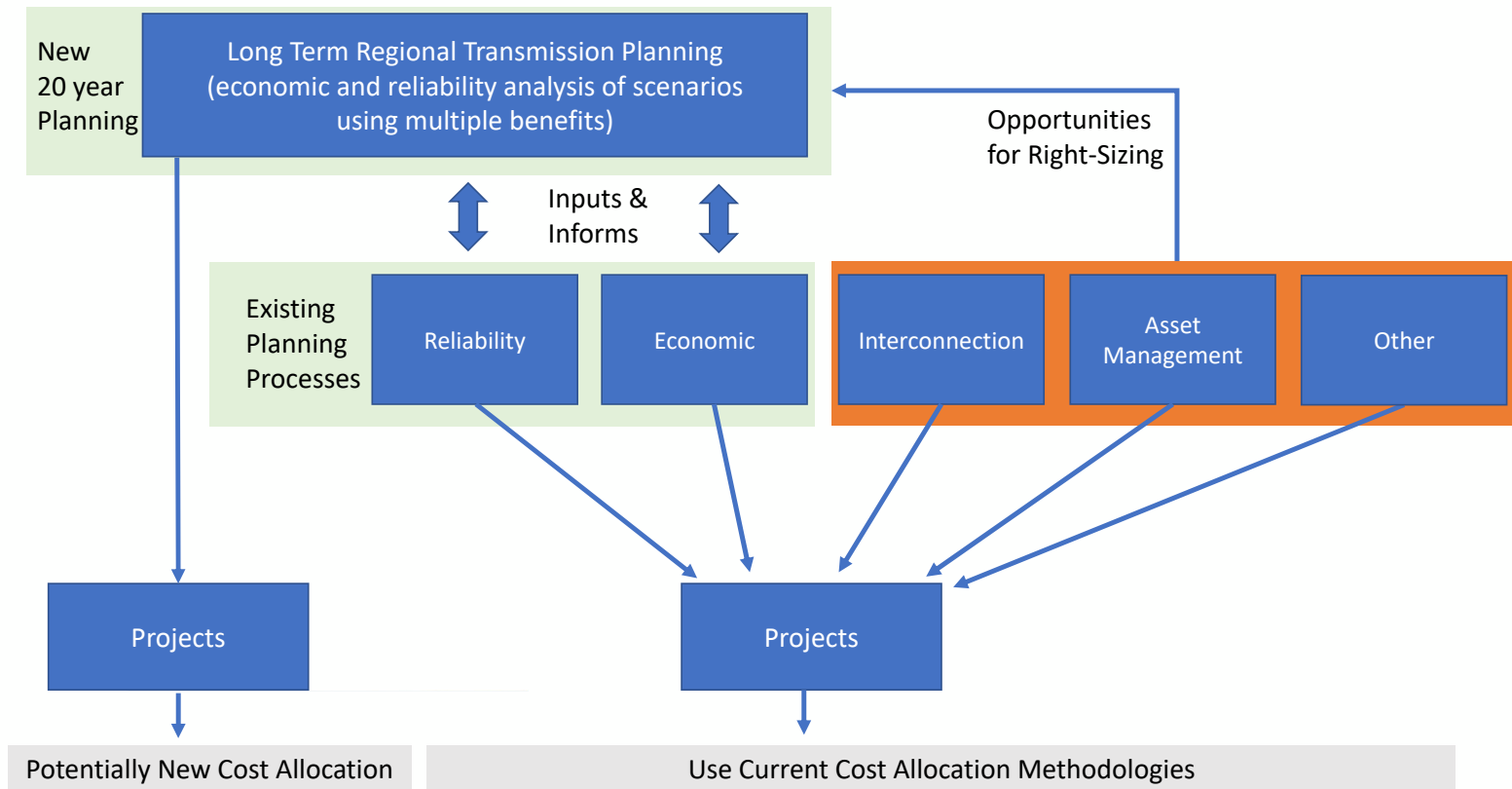
June 7, 2022

AEP Supports Long-term Transmission Planning

- AEP has previously expressed support for many elements of the proposed new long-term process
 - 20-year planning horizon
 - Analysis of four distinct future scenarios, including a baseline future and a range of potential drivers
 - Valuing potential projects based on a multi-value approach, including reliability benefits
 - Establish criteria to select and approve solutions found to be common among multiple scenarios
 - Refresh the scenarios every three years - important that any projects identified as needed and selected to be included in a regional plan must remain in any future scenarios even if those scenarios included revised assumptions
- Certain elements of the long-term planning process in the NOPR appear unnecessary or may have unintended consequences
 - Geographic Renewable Zones: if properly designed, the scenario development process should identify the appropriate assumptions for renewable development
 - Network upgrades identified in past interconnection studies: the long-term planning process will already look to support new generator interconnection.
- Current Reliability and Economic planning processes should continue as before and integrate with the new long-term planning process – depiction on next slide



Long-Term Transmission Planning Construct



Initial Positions on Other Selected NOPR Topics

- Support clear input from States on project selection criteria and potential new cost allocation for long-term projects
 - Regions should not be required to get state consensus or supersede existing rights regarding cost allocation
- Support allowing regional planner to consider "right-sized" alternatives to like-kind replacement of facilities operating at or above 230 kV
 - Must ensure no disruption of transmission owners' ability to address local needs
 - Must maintain confidentiality of end of life projects identified and ability to modify the list as projects mature or expected lives are modified
- Support consideration of DLR and advanced power flow control devices in the transmission planning process for limited duration to address economic issues
 - Should not consider DLR to resolve reliability issues
- Oppose elimination of the CWIP incentive for long-term regional projects because it can benefit customers through lower financing costs, particularly for newer, project-specific companies.



Q & A

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