

## ATTACHMENT K

### Transmission Planning Process

#### I. El Paso Electric Company Local Transmission Planning

##### A. El Paso Electric Company Planning Process

Participation in El Paso Electric Company's ("EPE") planning process is open to all affected and interested parties, including, without limitation, potential and current Transmission Customers, interconnection customers, regulatory and state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders (jointly, "Stakeholders").

##### 1. Overview

The EPE transmission planning process will consist of an assessment of the following needs:

- a. Providing adequate transmission to access sufficient resources (supply or demand resources) in order to reliably and economically serve retail, wholesale and network loads in the EPE service area;
- b. Where feasible, identifying non-transmission alternatives such as demand response resources that could meet or mitigate the need for new transmission;
- c. Supporting EPE's local transmission and sub-transmission systems; and
- d. Coordinating new interconnections with other transmission systems.

##### 2. Transmission Planning Cycle, 10-Year System Expansion Plan and EPE Transmission System

- a. The EPE 10-Year System Expansion Plan ("Plan") will be developed and published no less frequently than on a biennial calendar year basis. The Plan will be reviewed annually to verify that the modeling, assumptions and planned facilities remain appropriate. If the modeling, assumptions and planned facilities require modification, one or more special studies will be performed to evaluate the impact of the modifications. Any modifications

resulting from a special study will be incorporated in the next planning cycle as necessary. To the extent required by system changes, a Plan may be issued in the years between the planned issuances. EPE may opt to develop and publish its Plan annually on a regular basis in conjunction with regional biennial transmission planning in compliance with FERC Order No. 1000.

- b. The purpose of the Plan will be to identify and evaluate, on a regular basis, any future electric transmission system modifications and additions or alternatives that may be required to serve the anticipated area load growth or other customers' transmission needs in the EPE service territory for a ten year planning horizon. The transmission facilities in EPE's local transmission plan are not subject to approval at the regional level unless EPE seeks to have such transmission facilities selected in the regional plan for purposes of regional cost allocation.
- c. Stakeholders may participate in each stage of EPE's development of the Plan and any annual update for EPE's local transmission system. Participation opportunities include two meetings within the twelve month period in which the Plan is developed and other EPE meetings and opportunities to review data, submit data and request studies (each as further described below). EPE has attached hereto as Exhibit 1 a flowchart of the EPE transmission planning process.
- d. EPE will post on its Open Access Same-Time Information System ("OASIS") the executive summaries of its Plan. Additional information, including a complete copy of the Plan will be available upon request, subject to appropriate confidentiality measures if needed.
- e. EPE's transmission system includes (i) jointly owned transmission facilities in Arizona that are part of the Arizona Nuclear Power Project Valley Transmission System ("ANPP VTS") Participation Agreement and within the balancing authority area of Salt River Project ("SRP") and (ii) transmission facilities in New Mexico and Texas that are within EPE's balancing authority area, some of which are jointly owned or operated with other regional utilities. For purposes of Stakeholder participation in planning activities for any EPE transmission facilities other than the ANPP VTS, Stakeholders may contact EPE pursuant to information provided on the EPE website at [www.EPElectric.com](http://www.EPElectric.com). Stakeholders should contact SRP pursuant to information on the SRP website at [www.SRPnet.com](http://www.SRPnet.com) to

participate in the planning activities for projects related to the ANPP VTS. EPE will work with the Stakeholder and SRP as necessary to ensure the Stakeholder is put in contact with the appropriate SRP planning representatives.

3. Stakeholder's Responsibility for Providing Data

- a. As outlined in the planning flow chart (Exhibit 1), the EPE planning cycle typically will commence with the issuance by EPE of a notice to Stakeholders that wish to have their needs considered, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, or other non-transmission alternatives, in EPE's Plan to submit information and data regarding their needs (as specified in Section I.A.3.d below).
- b. EPE will use the information and data provided by such Stakeholders to, among other things, assess network load and generation and demand resource projections, transmission needs, operating dates and retirements for generation resources in EPE's system and to update regional models used to conduct planning studies.
- c. EPE will post date-specific schedules on its OASIS at least one month in advance of the due dates that identify when Stakeholder data and information are due in order to be included within EPE's next Plan. If customer data is not submitted in a timely manner pursuant to scheduled due dates, then the data submitted may not be able to be incorporated into the then-current planning cycle, although it will be included in the next annual review and/or planning cycle, if applicable.
- d. Information Submitted by Stakeholders
  - (i) Point-to-point Transmission Customers, Network Customers, interconnected generators, prospective providers of demand-side management and sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, and other customers must provide information to EPE over a ten year planning horizon regarding their needs, proposed expansion plans and updates to previously provided forecasts to the extent they wish to have such information included in developing the EPE Plan. The obligation to make such submittals, however,

will not replace or supersede any requirements related to service or interconnection requests of point-to-point Transmission Customers and Network Customers or interconnected generators under other relevant sections and appendices of EPE's Open Access Transmission Tariff ("OATT").

- (ii) Information for projected loads and resources, including demand response resources, provided by Stakeholders must be submitted in a form that matches the load and resource information developed by System Planning at EPE. The specific power flow and stability program used by EPE and the related data format for both load and generator data will be posted on EPE's OASIS.
- (iii) For loads and demand response resources, the submitted data must include both MW and MVAR (both peak and off-peak values) and for generators, it must include D-Curves, terminal voltage, MW maximum and minimum capabilities and step-up transformer data. Stability data will depend on the type of generator. The format for this information will be supplied to the generator as needed.
- (iv) The data must be submitted electronically to EPE System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com) or on a readable CD or DVD in a readily readable format compatible with EPE's designated power flow and stability program. EPE will treat all similarly-situated Stakeholders and their data on a comparable basis to one another and will consider on a basis comparable to its own data all data submitted by Network Customers, point-to-point Transmission Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, demand-side management providers and generators ("customer data"). EPE will work with the entity submitting the customer data to format the information for inclusion in the planning process.
- (v) In order to preserve the effectiveness of the EPE planning cycle, Stakeholders must provide relevant data for their ten year needs as described above for the following, consistent with protection requirements for Critical Energy Infrastructure Information ("CEII") and proprietary and confidential

information:

- (a) Generators – planned additions or upgrades (including status and expected in-service date), planned retirements, and environmental restrictions. Such data submittals, however, will not replace or supersede any requirements for interconnected generators under other relevant sections and appendices of EPE’s OATT.
  - (b) Demand response resources – existing and planned demand resources and their impacts on demand and peak demand.
  - (c) Network Customers – forecast information for load and resource requirements and identification of demand response reductions.
  - (d) Point-to-point Transmission Customers – projections of need for service, including transmission capacity, duration and receipt and delivery points. Such data submittals, however, will not replace or supersede any requirements for transmission service requests under other relevant sections and appendices of EPE’s OATT.
  - (e) Transmission sponsors – planned additions or upgrades (including status and expected in-service date) and planned retirements.
- e. Each Stakeholder will be responsible for submitting in a timely fashion a written notice of material changes in information and data previously provided by that Stakeholder pursuant to this Attachment K pertaining to load, resources, including demand response resources and generation, transmission service, or other aspects of their facilities and operations, to ensure EPE’s Plan reflects current information to the extent reasonably possible.

#### 4. Types of Planning Studies

- a. Reliability Studies. EPE will conduct reliability studies to ensure that all of the North American Electric Reliability Corporation or its successor (“NERC”), Western Electricity Coordinating Council or its successor (“WECC”) and local reliability standards are met for its planning horizon for service to all EPE and Stakeholder planned loads and resources (based on available information). These

reliability studies will be coordinated with the other regional transmission planning organizations through studies conducted by EPE's subregional planning organization (*i.e.*, the Southwest Area Transmission Planning Group or its successor ("SWAT") within WestConnect<sup>1</sup> or its successor ("WestConnect")). Reliability studies will be paid for by EPE and EPE will recover the costs of such studies through its transmission rates. [1. WestConnect was originally formed under a memorandum of understanding ("MOU") voluntarily entered into by transmission –providing electric utilities in the Western interconnection. EPE is a party of the WestConnect MOU. Following the effective date of EPE's Attachment K tariff provisions under which compliance with FERC Order No. 1000 is implemented, as well as the effective dates of the Order No. 1000 compliance filings of other FERC-jurisdictional transmission providers in WestConnect, the members of WestConnect will establish a regional planning management committee which will be responsible for regional transmission planning.]

- b. Economic Studies. Economic planning studies may be performed to identify significant and recurring congestion and/or address the integration of new resources and loads on the EPE transmission system. Subject to the provisions of Sections I.A.5, I.A.6 and I.A.7, such studies will be conducted upon request by a Stakeholder (which may include EPE) to analyze (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, (iv) the cost associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and load.
- c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or modeled in the local planning studies. For example, EPE incorporates existing and planned energy efficiency, demand response and distributed generation programs that are required as a result of state-mandated renewable energy standards and energy efficiency rules in its transmission planning analysis. Proposed public policy (public

policy proposed before a governmental authority but not yet enacted) may be studied if time and resources permit.

5. Economic Planning Study Requests

- a. Any EPE Stakeholder (“Requester”) may submit a study request for an economic planning study directly to EPE or WECC’s Transmission Expansion Planning Policy Committee or its successor (“TEPPC”). All requests submitted to EPE should be addressed and sent to the Director, System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com). To the extent the Requester does not receive from EPE a confirmation of receipt of the study request within seven calendar days after its submittal, the Requester should contact the EPE Director, System Planning directly pursuant to the contact information provided on EPE’s OASIS.
- b. All economic planning study requests, whether or not the study work is performed by EPE, will be forwarded to TEPPC for inclusion in the TEPPC master list of economic studies for the Western Interconnection (“TEPPC Master List”) (see “EPE URL Master List” at <http://www.epelectric.com/site/transmission.nsf/transmission?openform>) and/or forwarded directly to WestConnect.
- c. Requester’s request for economic planning studies and responses to such requests will be posted on the EPE OASIS and the WestConnect website, (see “EPE URL Master List”), subject to CEII and confidentiality requirements.
- d. If a Requester submits its economic planning study request directly to EPE, EPE will review the request with input from its Stakeholders in a public meeting called for that purpose and noticed on EPE’s OASIS. EPE will determine whether the study should be considered a local request (i.e., if the study request does not appear to affect the interconnected transmission systems outside of EPE’s balancing authority area, any new facilities would be confined to EPE’s balancing authority area, and the study requested could be performed by EPE). If the study request appears to involve a subregional or regional area, EPE will transfer the request to TEPPC or WestConnect.
- e. If EPE determines, with input from Stakeholders, that the economic planning study request is a local study and the request should be

designated as a priority local study for the applicable year (“Local Priority Study”), then EPE or its third party contractor will conduct the study and coordinate assumptions and results with its Stakeholders, subject to the below limit on the number of Local Priority Studies conducted by EPE or its contractor per calendar year. The factors, in addition to those listed above in Section I.A.5.d above, considered in a determination of whether the study request is a Local Priority Study are: (i) the number of pending local study requests, (ii) the expected effect on reliability, (iii) whether the modification proposed to be studied would affect multiple system users and (iv) whether the request raises fundamental design issues of interest to multiple parties. EPE will have no obligation to conduct and pay for more than three Local Priority Studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a Local Priority Study. All economic planning studies performed by EPE, its contractor or TEPPC, will utilize the TEPPC public data base.

- f. In the event that more than three economic planning studies are designated as Local Priority Studies in one calendar year (each such Local Priority Study beyond the limit to be conducted by EPE or its contractor, a “Non-conducted Local Priority Study”), the Requester of each Non-conducted Local Priority Study may perform, or request that EPE assist the Requester in having a third party perform, its economic planning study at the Requester’s expense. The Requester of a Non-conducted Local Priority Study will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC. EPE will support such Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.
- g. In the event the study is transferred to TEPPC, TEPPC will review economic planning study requests received from Transmission Providers, subregional transmission planning groups, and Requesters during its open stakeholder meeting (see TEPPC website for meeting schedules) and, together with its stakeholders, will prioritize requests for economic planning studies. Both EPE and Requester will have an opportunity to participate in the TEPPC prioritization process and provide input as to why the study should be included in the TEPPC study plan. For more detail regarding TEPPC’s economic planning study process study request window and criteria utilized to prioritize requests for regional economic studies, the URL to the TEPPC economic planning process is listed in the “EPE URL Master List.”



- h. If either EPE or TEPPC determines, after reviewing through an open stakeholder process, that the request for an economic planning study is not a Local Priority Study or TEPPC priority, respectively, the Requester may perform, or request that EPE assist the Requester in having a third party perform, the economic planning study at the Requester's expense. The Requester will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC, and EPE will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.
- i. EPE may determine that any number of Requesters' economic planning study requests should be studied together or a Requester may ask that EPE study its request together with other requests. EPE will combine such studies as it deems appropriate in accordance with the following criteria:

1. *EPE Proposed Clusters*

In the event that EPE proposes to cluster certain Local Priority Studies on any reasonable grounds, including without limitation, upon its determination that the proposed cluster of studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notice to each Requester that EPE proposes to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of the notice from EPE. If a Requester desires to opt out, it must provide notice to that effect in writing to EPE's Director of System Planning pursuant to the contact information provided on EPE's OASIS.

2. *Requester Proposed Clusters*

If a Requester wishes to propose a cluster study, such request must be given in writing to EPE's Director of System Planning pursuant to the contact information provided on EPE's OASIS. Prior to submitting an economic planning study cluster request to EPE, the Requester must contact all of the other Requesters whose requests it proposes to cluster, and obtain their written consent to have their request clustered. EPE will reasonably determine whether the economic planning study requests that the Requester proposes to cluster, and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied

together. EPE reserves the right to reject a Requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or if the proposed clustering impairs administration or timely processing of the economic study process. EPE will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

6. Economic Planning Study Cycle. EPE will coordinate the timing of its economic planning study cycle process with the TEPPC process. EPE will post on its OASIS the submission date by which a Requester must submit its study request, which will be at least one month prior to the beginning of the study request window required for the TEPPC study process (see “EPE URL Master List”). If the Requester misses this deadline, the Requester may submit its request directly to TEPPC or the request will be processed with the next EPE economic planning study cycle, which will be scheduled in coordination with the next TEPPC study process.
7. Cost Responsibility for Economic Studies
  - a. Local Priority Studies conducted pursuant to Section I.A.5.e, whether individual or clustered, will be performed by EPE or a third party chosen by EPE and paid for by EPE. EPE will recover the costs of such studies through its transmission rates.
  - b. Non-conducted Local Priority Studies will be paid for by the Requester pursuant to Section I.A.5.f above.
  - c. The costs of economic planning studies performed by WECC (through TEPPC) will be recovered through WECC’s membership dues.
  - d. Studies not characterized as a Local Priority Study or TEPPC priority will be performed at the Requester’s expense. EPE will have the option to perform such study or work with the Requester and its third party contractor, which in turn would perform the study.
8. Exchange of Data Unique to Economic Planning Studies
  - a. EPE will obtain all data used for its economic planning studies from the TEPPC data base.

- b. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures, as described on WECC's website.

9. EPE Planning Methodology and Protocols

- a. Data, Assumptions and Criteria. EPE's power flow base cases for the Plan will be structured using data from WECC base cases. EPE will review and modify as needed transformer and transmission line data, substation load data as per the most recent native system load forecast and resource data, including Stakeholder data received in a timely manner. The Stakeholder data will include data from sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. EPE planning case assumptions will be chosen to model the maximum stress on the EPE system. EPE will use reliability criteria established by WECC and NERC, such as Reliability Standards TPL-001 through TPL-004, and internal EPE criteria as published in EPE's annual Federal Energy Regulatory Commission ("FERC") Form No. 715, to determine if system plan cases meet acceptable criteria and, if not, what facilities are needed to meet that requirement. Data compiled by EPE in connection with the development of its Plan will be provided to regional and subregional planners, through EPE's data submittal to the WECC database as outlined in Exhibit 1, to update their models, which in turn will be used in subsequent system Plans by EPE and potentially by others. This data will then be used in the economic planning studies performed by WestConnect, TEPPC, EPE or a Requester.
- b. EPE and Stakeholder Alternative Solutions Evaluation Basis. EPE's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section I.A.3 of this Attachment K), including transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, whether presented by EPE or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to

practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

c. Planning for Public Policy Requirements in the Local Planning Process.

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting EPE's point of contact at EPESystemPlanning@epelectric.com. In addition, stakeholders have the opportunity to offer input or make proposals at EPE's open meetings held pursuant to this Attachment K.

The process by which EPE is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the EPE dedicated email address, through which a stakeholder desiring to communicate directly with EPE transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in EPE's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, EPE is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

EPE is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if EPE chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, EPE will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. EPE's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, EPE is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

## 2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in EPE's open meetings) to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by EPE for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, EPE is to determine whether to select a particular local solution in its local transmission plan. EPE will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

### 3. Posting of Public Policy Needs

EPE will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

- d. Disclosure of Data, Assumptions and Criteria. Stakeholders may obtain the WECC base cases (including power flow base cases and associated files for stability cases) through WECC. The EPE data and assumptions and internal criteria (including EPE's FERC Form No. 715) will be made available to Stakeholders (i) through EPE's OASIS or web postings, to the extent possible, (ii) at the EPE planning meeting(s) held within the period in which the Plan is developed and other EPE planning meetings and (iii) upon request, in each case subject to applicable confidentiality, CEII and standards of conduct requirements. The WECC and NERC reliability criteria may be obtained from the WECC and NERC websites, respectively.
- e. Subject to any confidentiality requirements, EPE will post copies of planning studies on EPE's OASIS when completed or make them available upon request, and will make copies of the Plan available upon request. Stakeholders may contact EPE's Director of System

Planning to discuss specific planning issues. Contact information is provided on EPE's OASIS.

B. Confidentiality and CEII

Although the EPE transmission planning process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII.

1. EPE's transmission planning studies may include base case data that are WECC proprietary or classified as CEII by FERC. Access to this information will require membership in WECC or execution of a WECC confidentiality agreement and a review by WECC (as well as compliance with any additional CEII protection measures required by law or regulation). Any person submitting planning data to EPE will be deemed to have consented to allow such information to be used in the development of regional and subregional models and to be made available to others through the WECC base cases, including WECC power flow and stability databases.
2. Certain models and information may be proprietary to third parties. EPE's release or use of proprietary information made available to it by a third party will be governed by the applicable licensing or use agreements. Stakeholders that seek access to or use of models or information subject to such agreements that are inconsistent with EPE's rights to provide such access will be required to secure the rights they require from the third party holder of the rights.
3. Standards of Conduct. EPE is subject to the standards of conduct set forth at 18 C.F.R. Part 358 of FERC's regulations. Stakeholders that obtain non-public transmission information through access to EPE's planning process must protect against disclosure of that information to wholesale market participants to the extent required under 18 C.F.R. Part 358.
4. To the extent confidentiality issues arise that are not otherwise covered above, input from Stakeholders will be solicited, accepted and reviewed to determine the appropriate level of information sharing, the timeline for disclosure of the information as well as the procedures for gaining access to such data and the liability for breach. Such standards and procedures will be posted on EPE's OASIS as developed. However, in all cases, (i) rules regarding information sharing will permit the disclosure of data as required to comply with law, governmental regulations or the order of a judicial or

governmental authority with jurisdiction to require its disclosure (provided the party required to make the disclosure seeks to utilize available procedures to limit further disclosure, such as filing under seal) and (ii) any person that releases confidential or proprietary information in contravention of the standards and procedures adopted, willfully or through gross negligence, will be denied continued or future access to all such information. EPE will reserve the right to avail itself of legal and equitable rights and remedies it may have under federal and state laws and regulations to enforce the confidentiality provisions and the right to require reasonable, nondiscriminatory limits on access to information that, if released to the general public, could reasonably be expected to cause commercial harm. EPE will not use the confidentiality measures for discriminatory purposes.

5. To the extent a confidentiality agreement will need to be executed by Stakeholders, EPE will provide notice of such requirement on EPE's OASIS.

### C. EPE Open Public Meetings

EPE will conduct open public planning meetings during its local planning cycle.

1. Stakeholder Input. Opportunity for Stakeholder comment and input to the EPE planning process will be provided through the regular periodic transmission planning meetings during the planning cycle. In addition, Stakeholders may submit written comments to EPE regarding any issues that may arise during the development of the EPE Plan, such comments to be addressed and sent to Director, System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com).
2. Regular Periodic Meetings. EPE will hold at least two open public transmission planning meetings a year, in coordination with the SWAT open public transmission planning meetings, to allow for EPE planning activities to be coordinated with all Stakeholders on a transparent, non-discriminatory and comparable basis. All transmission planning meetings will be open to any Stakeholders, including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives. In the event this number of meetings is found inadequate, EPE will increase the frequency of the meetings.
3. Purpose. Each public transmission planning meeting will be arranged to (i) allow EPE to maximize its understanding of its customers' forecast needs for the EPE transmission system, (ii) foster discussion and create a



transparent planning process and (iii) provide an opportunity for Stakeholders to be informed about and offer input and advice on the Plan during the planning process and before Plan finalization. It is anticipated that the 1st meeting of the local planning cycle will be used to discuss existing and planned facilities and Plan development and the 2nd meeting of the local planning cycle will be used to discuss the results of the Plan studies and any required facilities arising from those study results.

4. Process

- a. Meeting Notice and Contact Information. Notice of the specific date, time, location and agenda for EPE transmission planning meetings will be posted on EPE's OASIS at least fourteen calendar days in advance of the particular meeting. In addition to posting meeting announcements on OASIS, EPE procedures and contact information, including names and e-mail addresses of EPE contacts, will be supplied on EPE's OASIS. A Stakeholder may send an e-mail to any of the contacts listed requesting its name be added to a distribution list ("E-mail List"). EPE will send via e-mail all meeting notices or announcements regarding transmission planning issues to the E-mail List. In the event that significant projects develop or other significant events occur pursuant to development of the Plan, EPE will post the nature of those events on its OASIS, along with any related planning meetings scheduled to address them, so Stakeholders may elect to participate. EPE will also communicate these events via e-mail to the E-mail List. Any such OASIS posting or e-mail communication may be limited by confidentiality and CEII requirements. To the extent possible and subject to confidentiality and CEII requirements, study results or other information to be discussed at an EPE planning meeting will be posted with the meeting notice to facilitate Stakeholder preparation and constructive comments from the meeting participants.
- b. Meeting Reports. Reports resulting from planning meetings will be posted on EPE's OASIS; however only public information will be posted. In order to permit all Stakeholders access to the information, E-mail List recipients will also receive either copies of the non-public information or information on how to access it, to the greatest extent possible consistent with any applicable confidentiality and CEII requirements.
- c. Meeting Format. The planning meetings will be informal and will

be facilitated by a representative from EPE System Planning to encourage an open and transparent process and exchange of information. Accommodations will be made for phone bridges.

## II. Subregional Coordination – SWAT

### A. Overview

EPE will coordinate its transmission planning efforts over the WestConnect footprint, a region encompassing a large number of interconnected transmission owners in the Western and Southwestern United States, with SWAT. EPE will continue to participate in the subregional SWAT transmission planning process to ensure that EPE's planning data and assumptions are coordinated with the SWAT subregional transmission plan, which in turn is coordinated with the other subregional groups, such as Colorado Coordinated Planning Group ("CCPG") and the Sierra Coordinated Planning Group ("Sierra"), to produce the ten year WestConnect transmission plan covering the WestConnect footprint.

### B. SWAT's Role in the Subregional Transmission Planning Process

1. SWAT's Role. SWAT is tasked with bringing transmission planning information together and sharing updates on active projects. SWAT is comprised of both footprint-wide and smaller geographically-based work groups, which are overseen by the SWAT Oversight Committee. SWAT neither conducts nor has a role in conducting economic studies. The geographically-based work groups address transmission planning issues within their geographic areas.
2. SWAT Participation. Participation within SWAT and related work groups is open to all interested Stakeholders on a voluntary basis. EPE will participate in SWAT and relevant SWAT work groups (such as the NM work group, AZ/NM work group and the Southern Arizona Transmission System work group) and will submit its Plan to the relevant work group. EPE's Plan, including the Stakeholder data and projects originating from EPE's local planning process and included in its Plan, will ultimately be incorporated within the regional transmission plan of WestConnect in accordance with the regional transmission planning provisions of this Attachment K. EPE will incorporate any applicable information, data or study results from SWAT into the EPE planning process. EPE Stakeholders are encouraged to participate in SWAT and related work groups. These groups provide an open forum where (i) any party interested in the planning of the transmission system in the SWAT footprint, which includes Arizona, New Mexico, and parts of California, Nevada, and Texas,

can go to obtain information regarding base cases, plans, and projects and provide input regarding their needs as they relate to the transmission system, (ii) project sponsors can introduce their specific projects, including projects of sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives, to interested stakeholders and potential partners and (iii) initiation of joint studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties, may occur.

3. EPE Assistance. Upon request by a Stakeholder, EPE will assist the Stakeholder to contact the appropriate SWAT work group representatives for transmission planning purposes.
4. SWAT Meetings. The SWAT work groups meet or have conference calls on a regular basis. These meetings and conference calls are open to all Stakeholders and are posted on the WestConnect website ([www.westconnect.com](http://www.westconnect.com)). The SWAT Oversight Committee conducts four open meetings per calendar year, generally one each quarter.

### **III. Coordination at the Regional Level with WECC/TEPPC and the Development of a Regional Transmission Plan by WestConnect**

#### **A. Role of WECC**

1. As a member of WECC, EPE will participate in the WECC/TEPPC planning process, as appropriate and pursuant to its agreement with WECC and WECC's procedures, to ensure data and assumptions are coordinated within the Western Interconnection-wide economic studies. These economic studies are conducted by WECC/TEPPC in an open stakeholder process through regular region-wide stakeholder meetings. Stakeholders may review the WECC/TEPPC planning process and protocols on the WECC website (see "EPE URL Master List").
2. WECC develops and maintains the Western Interconnection-wide data bases that EPE and other parties utilize for power flow and stability studies. EPE submits its planning data, including Stakeholder data and projects originating from EPE's local planning process and included in its Plan, to the WECC data base.
3. WECC develops, through the NERC and WECC processes, all regional reliability criteria that are used by EPE in its planning studies. These criteria are posted on the WECC website (see "EPE URL Master List").

B. Role of TEPPC. EPE will coordinate economic studies through WECC’s TEPPC, as further described in Section I.A.5 above (Economic Planning Study Requests). In relation to the EPE transmission planning process, EPE will work with TEPPC, which (i) develops and maintains the west-wide economic study database that may be used to run economic congestion studies and is compiled from publicly available data, (ii) performs economic planning studies through a regular study cycle described in the TEPPC protocols (see “EPE URL Master List”) in which TEPPC updates databases and develops and approves a study plan that includes customer high priority economic study requests determined by the open TEPPC stakeholder process, and (iii) documents the study results in a report.

1. Stakeholders must be a member of WECC or execute a WECC confidentiality agreement to obtain the actual system models that enable the running of congestion studies.
2. Stakeholders may find more detail on TEPPC and its Transmission Planning Protocol on the WECC website (see “EPE URL Master List”).

C. The Development of a Regional Transmission Plan in Accordance with FERC Order No. 1000 Principles in the WestConnect Planning Region

1. Overview

EPE participates in the regional planning process mandated in FERC Order No. 1000 through its participation in the WestConnect planning region (“WestConnect Planning Region”). The WestConnect Planning Region is defined by the transmission owner and transmission provider members (sometimes referred to generally in this Section III.C and in Section VI) as “transmission owners”) participating in the WestConnect regional transmission planning process and for whom WestConnect is conducting regional transmission planning (“Regional Planning Process”). The service areas of the transmission owners consist of all or portions of nine states: Arizona, California, Colorado, New Mexico, Nebraska, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the “Regional Plan”) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, posted on the

WestConnect website [www.westconnect.com](http://www.westconnect.com) (the “Business Practice Manual”).

2. WestConnect Planning Participation Agreement

Following the effective date of EPE’s September 20, 2013 Order No. 1000 compliance filing (“Effective Date”), as well as the effective dates of the compliance filings of other FERC-jurisdictional transmission providers in the WestConnect Planning Region, the WestConnect Order No. 1000 regional transmission planning management committee (the “Planning Management Committee” or “PMC”) will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect’s intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect’s compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.

In connection with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the members’ relationships and establish obligations among them.

EPE has been a party to the WestConnect Project Agreement for Subregional Transmission Planning (“WestConnect STP Project Agreement”) for purposes of coordinating the local transmission plan of EPE with those developed through subregional and regional transmission planning processes. The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no

authority over the PMC and the PMC's decisionmaking in implementing the Regional Planning Process.

3. Enrollment

WestConnect has two types of members: (a) transmission owners that enroll in WestConnect in order to comply with the Commission's Order No. 1000 planning and cost allocation requirements, as well as transmission owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (b) stakeholders who wish to have voting input on the methodologies, studies, and decisions made in the execution of those Order No. 1000 requirements.

a. Joining the WestConnect Planning Region

A transmission owner that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement.

b. Exiting the WestConnect Planning Region

Should a transmission owner wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect Planning Region expenditures approved prior to the effective date of the formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tucson Electric Power Company
- UNS Electric, Inc.

4. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing FERC Order No. 890 principles carried forward in Order No. 1000:

- Coordination
- Openness
- Transparency
- Information exchange
- Comparability
- Dispute Resolution

EPE, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate transmission plans into a single, ten-year Regional Plan for the WestConnect Planning Region by:

- a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;

- c. Providing funding for the Planning Participation Agreement planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting on the WestConnect website detailed notices of all regional planning meeting agendas; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

5. Roles in the Regional Transmission Planning Process

a. WestConnect PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a Regional Plan that treats similarly-situated customers (e.g., network, and native load) comparably in transmission system planning.

The Planning Management Committee is charged with development and approval of the Regional Plan. The Planning Management Committee will be comprised of representatives from each stakeholder sector. The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

b. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) by joining one of five WestConnect



regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement.

Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because they will be the default source of funding to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect regional planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

#### c. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

#### d. Stakeholder Meetings

WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with thirty (30) days advanced notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and sent via e-mail to the Regional Planning Process e-mail distribution list.

The meeting agendas for all WestConnect transmission planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

6. WestConnect Planning Governance Process

a. Membership Sectors

The Regional Planning Process will be governed by the Planning Management Committee, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five Planning Management Committee stakeholder sectors is available:

- Transmission Owners with Load Serving Obligations
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligations sector, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector. Only transmission owners with load serving obligations may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as coordinating transmission owners.

b. Planning Management Committee

The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the Planning Management Committee; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The Planning Management Committee is to manage the Regional Planning Process,

including approval of the Regional Plan that includes application of regional cost allocation methods.

The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (“PS”) and Cost Allocation Subcommittee (“CAS”). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the Planning Management Committee (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting within at least three sectors approve a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligations sector; or

- 75% of the members voting within the four member sectors other than the Transmission Owners with Load Serving Obligations sector approve a motion, and where two-thirds (2/3) of the members voting within the Transmission Owners with Load Serving Obligations sector also approve the same motion.

Each entity within a membership sector is entitled to one vote on items presented for decision, except that transmission owners in the Transmission Owners with Load Serving Obligations sector that are not enrolled in the WestConnect Planning Region are not eligible to vote on the regional cost allocation decisions of the PMC.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether actual or threatened).

7. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K.

a. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect Planning Region member's (for

example, EPE's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to, load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days notice will be given for customers to submit any required data and data submissions will generally be able to be made via e-mail or by posting information to a designated website.

#### b. Independent Transmission Developers and Owners

Transmission developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

#### c. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect Planning Region will be asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

d. **Transmission Owners with Load Serving Obligations**

Transmission owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information through the Regional Planning Process.

At the beginning of each regional transmission planning cycle, transmission owners that are participating in the WestConnect Regional Planning Process will be responsible for verifying the accuracy of any data (including, but not limited to, system topology and project proposal information) they have previously submitted. Transmission owners will also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with the section below. Transmission owners will also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

8. **Transmission Project Submittals**

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.C.3.

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
  - Scope
  - Points of interconnection to existing (or planned) system
  - Operating Voltage and Alternating Current or Direct Current status
  - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
  - Impedance Information
  - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line

- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis and if the request can be performed within the planning cycle timeframe.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5<sup>th</sup>) quarter of the WestConnect planning cycle (or first (1<sup>st</sup>) quarter of the second (2<sup>nd</sup>) year of the planning cycle). Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals determined incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it will identify the information it believes is not necessary and provide a justification for its omission. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC will post a document



on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

#### 9. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5<sup>th</sup>) quarter of the WestConnect planning cycle (or first (1<sup>st</sup>) quarter of the second (2<sup>nd</sup>) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or other non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files, if available)

As with entities submitting a transmission project under Section III.C.8, those who submit under Section III.C.9 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

10. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect Planning Management Committee will develop and publish a Regional Plan every other year.

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion and within the means permitted by PMC funds. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.C.12 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements, or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the Planning Management Committee to be a more efficient or cost-effective

solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- a. Regional reliability solutions.
- b. Regional economic solutions
- c. Regional transmission needs driven by Public Policy Requirements.
- d. Non-transmission alternatives

EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached as Exhibit 2.

All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

## 12. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to the relevant NERC Transmission Planning Standards through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies, as more specifically outlined in the Business Practice Manual. If a reliability violation is identified in the power flow process, the violation will be referred back to the appropriate transmission owner.

The PMC will identify projects to resolve any regional violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria that impact more than one transmission owner. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete, and the

timing of the need. Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects.

13. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also is to utilize WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that have subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC is to identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective.

14. WestConnect Public Policy Planning Process

a. Procedures for Identifying Regional Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual transmission owners in the WestConnect Planning Region (through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual transmission owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region, a solution identified at the

local level to satisfy the local needs of the affected transmission owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect transmission owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section I of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual transmission owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual transmission owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the transmission owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current

planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

b. Procedures for Identifying Solutions to Identified Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through

membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified regional transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning Process, whether or not submitted for purposes of cost allocation.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.C.13 (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Regional Transmission Needs Driven by Public Policy Requirements

WestConnect will maintain on its website (i) a list of all regional transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested regional transmission needs driven by Public Policy Requirements will not be evaluated.

15. Consideration of Non-Transmission Alternatives in the Regional Planning Process

Non-transmission alternatives submitted for evaluation in the Regional Planning Process will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid

equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet regional grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

16. Approval of the WestConnect Regional Transmission Plan

Upon completion of studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

The Planning Management Committee is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following the Effective Date. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified



beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
  - Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
  - Projects with a change in the calculation of benefits or benefit/cost (“B/C”) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
- Example 1: Where an increase in the selected project’s costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region’s B/C ratio and can be found to be a more efficient and cost effective solution under current cost information.
  - Example 2: A selected project’s benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region’s B/C ratio and can be found to be a more efficient and cost effective solution under current benefit information.

- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.

- State and federal approval processes completed and approved (including cost recovery approval under section 205 of the Federal Power Act as applicable);
- All local, state and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission provider's transmission planning (TPL) standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and

- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date of the WestConnect FERC-jurisdictional transmission owners' Order No. 1000 compliance filings also will not be subject to reevaluation under the Regional Planning Process:

- Projects of transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

#### 18. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time, the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in and/or execute a non-disclosure agreement with WECC; (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; and/or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to [NDA@westconnect.com](mailto:NDA@westconnect.com). The NDA can be accessed on the WestConnect website.

#### **IV. Recovery of Planning Costs**

Unless EPE allocates planning-related costs to an individual Stakeholder as permitted

under the Tariff, all costs incurred by EPE related to EPE's Transmission Planning process or the sub-regional or regional planning process (including the interregional activities set forth in Section VII) shall be included in the EPE transmission rate base or recorded as O&M expenses, as applicable.

## **V. Dispute Resolution**

- A. In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:
1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures will apply.
  2. Non-WECC disputes. For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the WestConnect Planning Management Committee (which disputes will be subject to separate dispute resolution provisions set forth in the Planning Participation Agreement), the dispute resolution procedures set forth in Section 12 of EPE's OATT will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of EPE's OATT apply only to EPE and Transmission Customers, Section 12 of EPE's OATT will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.
  3. Notwithstanding anything to the contrary in this Section V, any affected party may refer the matter to FERC for resolution at any time, for example, by filing with FERC a complaint, a request for declaratory order or a change in rate.
- B. For disputes between members of the PMC, the following dispute resolution procedures are to apply:
1. The disputing PMC member(s) must initiate its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended

course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.

2. A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.
3. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate. A disputing PMC member first must pursue resolution under the provisions of the Planning Participation Agreement before referring a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution.

All disputes, whether they arise under this Attachment K or between members of the PMC, must be initiated no later than thirty (30) calendar days from the date on which the conduct that gives rise to the dispute occurs.

## **VI. Cost Allocation for New Projects**

- A. EPE will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:
  1. Open Season Solicitation of Interest. For any project identified in an EPE planning study (for reliability and/or economic projects) in which EPE is the project sponsor, EPE may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by EPE to hold an open season solicitation of interest for a project, EPE will:
    - a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
    - b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
    - c. Post information *via* WECC's planning project review reports.
    - d. Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist

interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

2. EPE Coordination within a Solicitation of Interest Process. EPE, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be.
3. EPE Projects without a Solicitation of Interest. EPE may elect to proceed with small and/or reliability projects without an open season solicitation of interest, in which case EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
4. Allocation of Costs
  - a. Proportional Allocation. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants subject to approval of the participation agreement by FERC. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.
  - b. Economic Benefits or Congestion Relief. For a project wholly on the EPE system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
  - c. EPE Rate Recovery. Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.
  - d. Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles above.

B. Local Transmission Projects

Local Transmission Projects are projects located within a transmission owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.<sup>2</sup> A transmission owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan and not subject to the provisions governing regional cost allocation set forth below. [2. The reference to a transmission owner's "footprint" refers to the electrical footprint of the transmission owner (i.e., the location of that transmission owner's electrical assets) and not necessarily to the physical/spatial footprint. Where a transmission owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term, footprint, would refer to the location of the transmission facilities of such transmission-only company.]

For any transmission project where EPE is the sole owner or such project is to be built within or for the benefit of the existing EPE system such as local, small and/or reliability transmission projects, EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provide economic benefits to the EPE system and which fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

EPE may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

### C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project enrolled in the WestConnect Planning Region, as identified in this Attachment K. A project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner located within the WestConnect Planning Region, but not enrolled in the WestConnect Planning Region is not eligible for regional cost allocation. Similarly, a project that electrically interconnects with, or that is

demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner not enrolled in any planning region is not eligible for regional cost allocation.

The Planning Management Committee, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied. If an entity other than a transmission owner enrolled in the region (see Section III.C.3.c) is an identified beneficiary, the project is not eligible for regional cost allocation.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits shall not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs shall be allocated solely within the WestConnect Planning Region, unless other entities or regions voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the Planning Management Committee will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional



details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to enrolled transmission owners for system reliability improvements that are necessary for their system to meet the NERC TPL Standards, the WestConnect cost allocation procedure will allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a transmission owner's local transmission plan will be included in the Regional Plan and will be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis will be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards, and stakeholders will be afforded an opportunity to propose projects that are more efficient or cost effective than components of multiple transmission owner local plans as outlined in Section III.C.12 above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue will be included in the Regional Plan and the cost will be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost effectively by a single regional project, that regional project will be approved for selection in the Regional Plan and the cost shared by those enrolled transmission owners in proportion to the cost of alternatives that could be pursued by the individual transmission owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

The costs for regional reliability projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

1 is the cost of local reliability upgrades necessary to avoid

construction of the regional reliability project in the relevant enrolled transmission owner's retail distribution service territory or footprint

- 2 is the total cost of local reliability upgrades in the combination of enrolled transmission owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant enrolled transmission owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

## 2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each enrolled transmission owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit

based on the amount of benefits calculated to each respective transmission owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
  - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
  - Company 1 allocation:  $90/150 (100) = \$60$  million
  - Company 1 B/C ratio:  $90/60 = 1.5$
  - Company 2 allocation:  $60/150 (100) = \$40$  million
  - Company 2 B/C ratio:  $60/40 = 1.5$

Other than through the reevaluation process described in Section III.C.17 of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process will consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.

- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.C of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities will be allocated costs for economic projects, WestConnect will compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company will be calculated based on the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant enrolled transmission owner
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project

4 is the total cost allocated to the relevant enrolled transmission owner

Any enrolled transmission owner with benefits less than or equal to one percent of total project benefits will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified enrolled transmission owner, such benefits will be re-allocated to all other identified enrolled beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

2. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy requirements, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy will be reported by each entity for its own service territory. Decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a transmission owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed elsewhere in this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy Public Policy Requirements will be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the Regional Plan for purposes of cost allocation. The

identification of beneficiaries of these projects will be the entities that will access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity will need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost
- 4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources is provided for under the generator interconnection section of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements will be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which the PMC applied this methodology to each public policy project will be described in the Regional Plan.

#### 4. Combination of Benefits

In developing a more efficient or cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project will be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation will be shared according to the amount of cost that is justified by each type of benefit.

## 5. Transmission Developer Qualification Criteria

### 1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer.

The PMC is not a governmental authority.

2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

a) Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

b) Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c) Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability



Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

- d) **Participation in the Regional Planning Process**  
A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.
- e) **Project Execution**  
A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.
- f) **Right-of-Way Acquisition Ability**  
The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.
- g) **Financial Health**  
The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate

financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available.

Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h) Safety Program

The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety performance record and has executed its safety program.

i) Transmission Operations

The applicant must: demonstrate that it has control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.

j) Transmission Maintenance

The applicant must demonstrate that they have, or have plans

to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.

k) Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional reliability standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements.

l) Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for meeting these criteria, the transmission developer must submit an affidavit from the third-parties stating their willingness to perform the tasks identified by the transmission developer. Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m) WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

- n) Other  
Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current

qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

6. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's

jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under section 205 of the Federal Power Act. In no event will identified beneficiaries enrolled in the WestConnect Planning Region from whom project costs are sought to be recovered under section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case, the project beneficiary would instead receive an ownership percentage in proportion to its capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a

beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.C.6 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for

project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

7. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

8. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

9. EPE Rate Recovery



Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale transmission rates.

10. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement, or any cost allocation under this Attachment K or the Business Practice Manual shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation; (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation; or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section VI.C of this Attachment K; (2) the right and obligation of a Eligible Transmission Developer to make a filing under section 205 or other applicable provision

of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.<sup>1</sup>

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect

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<sup>1</sup> An Eligible Transmission Developer may not be subject to the Commission's section 205 jurisdiction. See Section VI.C.6. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

The cost for projects undertaken in connection with requests for generation interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles of this Section VI.C above.

## **VII. Interregional Coordination, Evaluation and Cost Allocation**

This Section VII of this Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VII in accordance with the provisions of this Section VII and the other provisions of this Attachment K.

Nothing in this section will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this section to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

## A. Definitions

The following capitalized terms were used in this Section VII of Attachment K, are defined as follows:

**Annual Interregional Coordination Meeting:** shall have the meaning set forth in Section VII.C below.

**Annual Interregional Information:** shall have the meaning set forth in Section VII.B below.

**Interregional Cost Allocation:** means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

**Interregional Transmission Project (“ITP”):** means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

**Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language:** means this Section VII, which relates to Order 1000 interregional provisions.

**Planning Region:** means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

**Relevant Planning Regions:** means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

## B. Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other

Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect or any of the members of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **C. Annual Interregional Coordination Meeting**

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31<sup>st</sup>. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

### **D. ITP Joint Evaluation Process**

#### **1. Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31<sup>st</sup> of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

#### **2. Joint Evaluation of an ITP**

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

## **E. Interregional Cost Allocation Process**

### **1. Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in

which Interregional Cost Allocation is being requested.

## 2. Interregional Cost Allocation Process

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its



regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;

- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

## **F. Application of Regional Cost Allocation Methodology to Selected ITP**

### **1. Selection by All Relevant Planning Regions**

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

### **2. Selection by at Least Two but Fewer than All Relevant Regions**

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

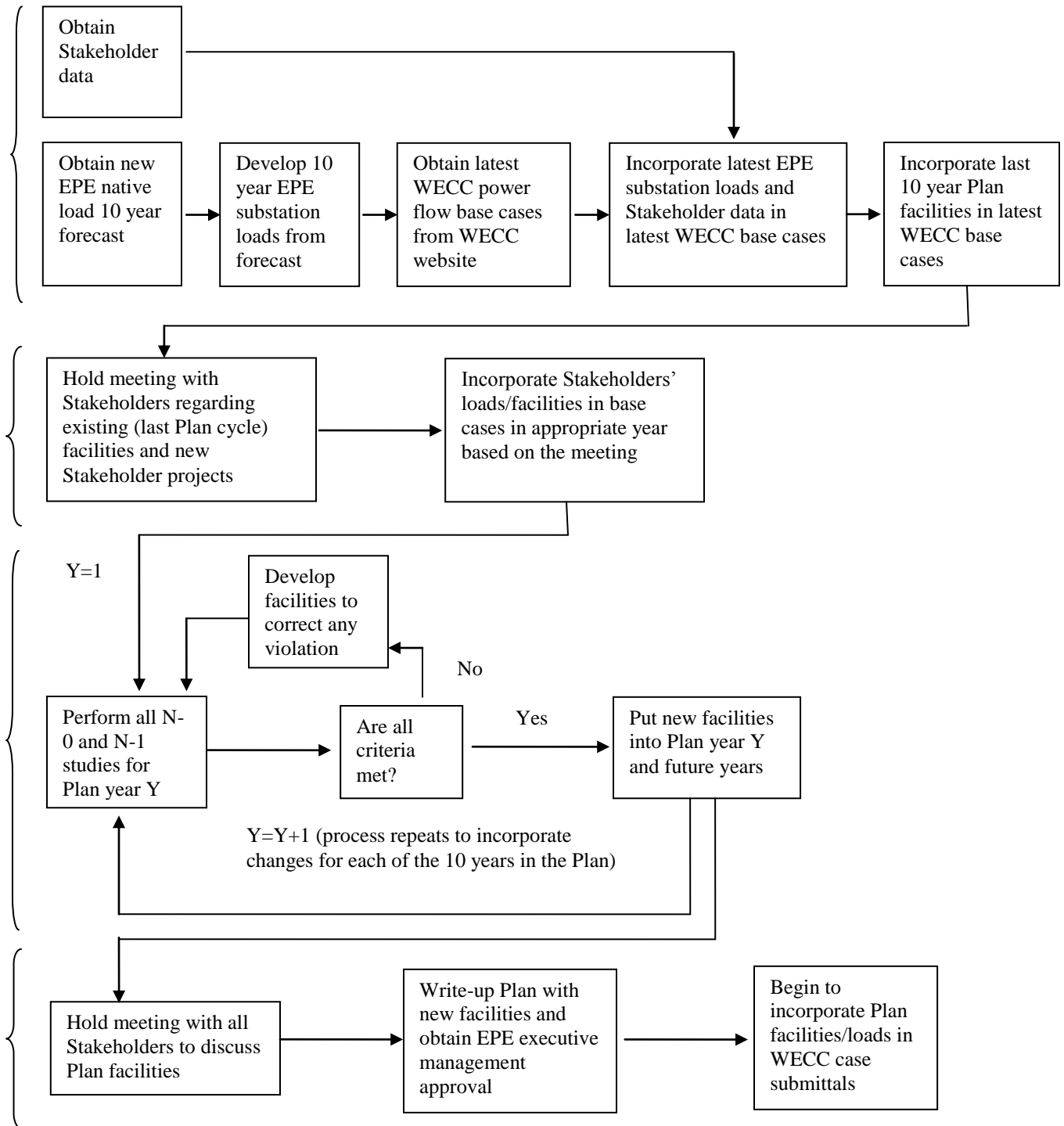
If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied

to ITPs.

#### VIII. Role of the Transmission Provider

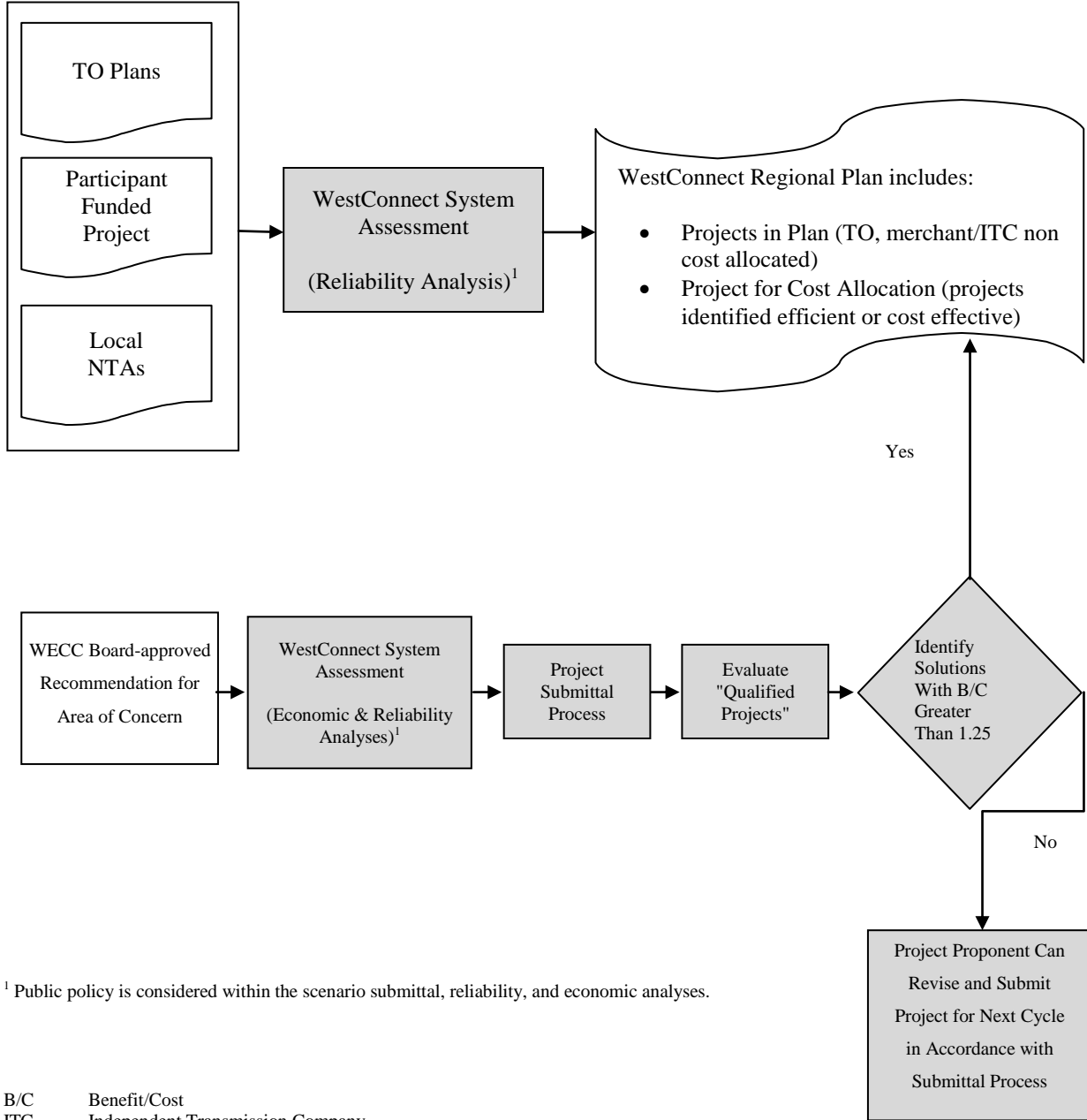
EPE is the Transmission Provider under this Tariff and the entity conducting local transmission planning under this Attachment K. In addition, EPE is a participating utility in the regional entity, WestConnect, which entity is comprised of other utilities, as well as state representatives, customers, and other stakeholders. WestConnect is to perform the functions of regional transmission planning in the WestConnect region and is to coordinate and jointly evaluate ITPs with other planning regions as set forth in this Attachment K. Attachment K speaks in terms of what WestConnect and the other Relevant Planning Regions are to do, when they are to do it, and how. However, it is to be understood that EPE does not control WestConnect or any other planning region. Any failure of any planning region to perform the regional and interregional activities set forth herein is not to be deemed to be a failure of EPE. EPE's duty is to cooperate with and support WestConnect in its implementation of responsibilities under this Attachment K.

### Exhibit 1 EPE Planning Process



## Exhibit 2

### WestConnect Regional Transmission Planning Process Chart



<sup>1</sup> Public policy is considered within the scenario submittal, reliability, and economic analyses.

B/C      Benefit/Cost  
 ITC      Independent Transmission Company  
 NTA      Non-Transmission Alternative  
 TO        Transmission Owner  
 WECC    Western Electricity Coordinating Council



## ATTACHMENT K

### Transmission Planning Process

#### I. El Paso Electric Company Local Transmission Planning

##### A. El Paso Electric Company Planning Process

Participation in El Paso Electric Company's ("EPE") planning process is open to all affected and interested parties, including, without limitation, potential and current Transmission Customers, interconnection customers, regulatory and state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders (jointly, "Stakeholders").

##### 1. Overview

The EPE transmission planning process will consist of an assessment of the following needs:

- a. Providing adequate transmission to access sufficient resources (supply or demand resources) in order to reliably and economically serve retail, wholesale and network loads in the EPE service area;
- b. Where feasible, identifying non-transmission alternatives such as demand response resources that could meet or mitigate the need for new transmission;
- c. Supporting EPE's local transmission and sub-transmission systems; and
- d. Coordinating new interconnections with other transmission systems.

##### 2. Transmission Planning Cycle, 10-Year System Expansion Plan and EPE Transmission System

- a. The EPE 10-Year System Expansion Plan ("Plan") will be developed and published no less frequently than on a biennial calendar year basis. The Plan will be reviewed annually to verify that the modeling, assumptions and planned facilities remain appropriate. If the modeling, assumptions and planned facilities require modification, one or more special studies will be performed to evaluate the impact of the modifications. Any modifications

resulting from a special study will be incorporated in the next planning cycle as necessary. To the extent required by system changes, a Plan may be issued in the years between the planned issuances. EPE may opt to develop and publish its Plan annually on a regular basis in conjunction with regional biennial transmission planning in compliance with FERC Order No. 1000.

- b. The purpose of the Plan will be to identify and evaluate, on a regular basis, any future electric transmission system modifications and additions or alternatives that may be required to serve the anticipated area load growth or other customers' transmission needs in the EPE service territory for a ten year planning horizon. The transmission facilities in EPE's local transmission plan are not subject to approval at the regional level unless EPE seeks to have such transmission facilities selected in the regional plan for purposes of regional cost allocation.
- c. Stakeholders may participate in each stage of EPE's development of the Plan and any annual update for EPE's local transmission system. Participation opportunities include two meetings within the twelve month period in which the Plan is developed and other EPE meetings and opportunities to review data, submit data and request studies (each as further described below). EPE has attached hereto as Exhibit 1 a flowchart of the EPE transmission planning process.
- d. EPE will post on its Open Access Same-Time Information System ("OASIS") the executive summaries of its Plan. Additional information, including a complete copy of the Plan will be available upon request, subject to appropriate confidentiality measures if needed.
- e. EPE's transmission system includes (i) jointly owned transmission facilities in Arizona that are part of the Arizona Nuclear Power Project Valley Transmission System ("ANPP VTS") Participation Agreement and within the balancing authority area of Salt River Project ("SRP") and (ii) transmission facilities in New Mexico and Texas that are within EPE's balancing authority area, some of which are jointly owned or operated with other regional utilities. For purposes of Stakeholder participation in planning activities for any EPE transmission facilities other than the ANPP VTS, Stakeholders may contact EPE pursuant to information provided on the EPE website at [www.EPElectric.com](http://www.EPElectric.com). Stakeholders should contact SRP pursuant to information on the SRP website at [www.SRPnet.com](http://www.SRPnet.com) to

participate in the planning activities for projects related to the ANPP VTS. EPE will work with the Stakeholder and SRP as necessary to ensure the Stakeholder is put in contact with the appropriate SRP planning representatives.

3. Stakeholder's Responsibility for Providing Data

- a. As outlined in the planning flow chart (Exhibit 1), the EPE planning cycle typically will commence with the issuance by EPE of a notice to Stakeholders that wish to have their needs considered, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, or other non-transmission alternatives, in EPE's Plan to submit information and data regarding their needs (as specified in Section I.A.3.d below).
- b. EPE will use the information and data provided by such Stakeholders to, among other things, assess network load and generation and demand resource projections, transmission needs, operating dates and retirements for generation resources in EPE's system and to update regional models used to conduct planning studies.
- c. EPE will post date-specific schedules on its OASIS at least one month in advance of the due dates that identify when Stakeholder data and information are due in order to be included within EPE's next Plan. If customer data is not submitted in a timely manner pursuant to scheduled due dates, then the data submitted may not be able to be incorporated into the then-current planning cycle, although it will be included in the next annual review and/or planning cycle, if applicable.
- d. Information Submitted by Stakeholders
  - (i) Point-to-point Transmission Customers, Network Customers, interconnected generators, prospective providers of demand-side management and sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, and other customers must provide information to EPE over a ten year planning horizon regarding their needs, proposed expansion plans and updates to previously provided forecasts to the extent they wish to have such information included in developing the EPE Plan. The obligation to make such submittals, however,



will not replace or supersede any requirements related to service or interconnection requests of point-to-point Transmission Customers and Network Customers or interconnected generators under other relevant sections and appendices of EPE's Open Access Transmission Tariff ("OATT").

- (ii) Information for projected loads and resources, including demand response resources, provided by Stakeholders must be submitted in a form that matches the load and resource information developed by System Planning at EPE. The specific power flow and stability program used by EPE and the related data format for both load and generator data will be posted on EPE's OASIS.
- (iii) For loads and demand response resources, the submitted data must include both MW and MVAR (both peak and off-peak values) and for generators, it must include D-Curves, terminal voltage, MW maximum and minimum capabilities and step-up transformer data. Stability data will depend on the type of generator. The format for this information will be supplied to the generator as needed.
- (iv) The data must be submitted electronically to EPE System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com) or on a readable CD or DVD in a readily readable format compatible with EPE's designated power flow and stability program. EPE will treat all similarly-situated Stakeholders and their data on a comparable basis to one another and will consider on a basis comparable to its own data all data submitted by Network Customers, point-to-point Transmission Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, demand-side management providers and generators ("customer data"). EPE will work with the entity submitting the customer data to format the information for inclusion in the planning process.
- (v) In order to preserve the effectiveness of the EPE planning cycle, Stakeholders must provide relevant data for their ten year needs as described above for the following, consistent with protection requirements for Critical Energy Infrastructure Information ("CEII") and proprietary and confidential

information:

- (a) Generators – planned additions or upgrades (including status and expected in-service date), planned retirements, and environmental restrictions. Such data submittals, however, will not replace or supersede any requirements for interconnected generators under other relevant sections and appendices of EPE’s OATT.
  - (b) Demand response resources – existing and planned demand resources and their impacts on demand and peak demand.
  - (c) Network Customers – forecast information for load and resource requirements and identification of demand response reductions.
  - (d) Point-to-point Transmission Customers – projections of need for service, including transmission capacity, duration and receipt and delivery points. Such data submittals, however, will not replace or supersede any requirements for transmission service requests under other relevant sections and appendices of EPE’s OATT.
  - (e) Transmission sponsors – planned additions or upgrades (including status and expected in-service date) and planned retirements.
- e. Each Stakeholder will be responsible for submitting in a timely fashion a written notice of material changes in information and data previously provided by that Stakeholder pursuant to this Attachment K pertaining to load, resources, including demand response resources and generation, transmission service, or other aspects of their facilities and operations, to ensure EPE’s Plan reflects current information to the extent reasonably possible.

#### 4. Types of Planning Studies

- a. Reliability Studies. EPE will conduct reliability studies to ensure that all of the North American Electric Reliability Corporation or its successor (“NERC”), Western Electricity Coordinating Council or its successor (“WECC”) and local reliability standards are met for its planning horizon for service to all EPE and Stakeholder planned loads and resources (based on available information). These

reliability studies will be coordinated with the other regional transmission planning organizations through studies conducted by EPE's subregional planning organization (*i.e.*, the Southwest Area Transmission Planning Group or its successor ("SWAT") within WestConnect<sup>1</sup> or its successor ("WestConnect")). Reliability studies will be paid for by EPE and EPE will recover the costs of such studies through its transmission rates. [1. WestConnect was originally formed under a memorandum of understanding ("MOU") voluntarily entered into by transmission –providing electric utilities in the Western interconnection. EPE is a party of the WestConnect MOU. Following the effective date of EPE's Attachment K tariff provisions under which compliance with FERC Order No. 1000 is implemented, as well as the effective dates of the Order No. 1000 compliance filings of other FERC-jurisdictional transmission providers in WestConnect, the members of WestConnect will establish a regional planning management committee which will be responsible for regional transmission planning.]

- b. Economic Studies. Economic planning studies may be performed to identify significant and recurring congestion and/or address the integration of new resources and loads on the EPE transmission system. Subject to the provisions of Sections I.A.5, I.A.6 and I.A.7, such studies will be conducted upon request by a Stakeholder (which may include EPE) to analyze (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, (iv) the cost associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and load.
- c. Consideration of Public Policy Requirements. For purposes of this Attachment K, "Public Policy Requirements" means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements~~Enacted federal, state and local public policy requirements~~, as applicable, are incorporated into the load forecasts and/or modeled in the local planning studies. For example, EPE incorporates existing and planned energy efficiency, demand response and distributed generation programs that are required as a result of state-mandated renewable energy standards and energy efficiency rules in its

transmission planning analysis. Proposed public policy (public policy proposed before a governmental authority but not yet enacted), ~~although not enacted~~, may be studied ~~through the scenario planning analysis~~ if time and resources permit.

## 5. Economic Planning Study Requests

- a. Any EPE Stakeholder (“Requester”) may submit a study request for an economic planning study directly to EPE or WECC’s Transmission Expansion Planning Policy Committee or its successor (“TEPPC”). All requests submitted to EPE should be addressed and sent to the Director, System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com). To the extent the Requester does not receive from EPE a confirmation of receipt of the study request within seven calendar days after its submittal, the Requester should contact the EPE Director, System Planning directly pursuant to the contact information provided on EPE’s OASIS.
- b. All economic planning study requests, whether or not the study work is performed by EPE, will be forwarded to TEPPC for inclusion in the TEPPC master list of economic studies for the Western Interconnection (“TEPPC Master List”) (see “EPE URL Master List” at <http://www.epelectric.com/site/transmission.nsf/transmission?openform>) and/or forwarded directly to WestConnect.
- c. Requester’s request for economic planning studies and responses to such requests will be posted on the EPE OASIS and the WestConnect website, (see “EPE URL Master List”), subject to CEII and confidentiality requirements.
- d. If a Requester submits its economic planning study request directly to EPE, EPE will review the request with input from its Stakeholders in a public meeting called for that purpose and noticed on EPE’s OASIS. EPE will determine whether the study should be considered a local request (i.e., if the study request does not appear to affect the interconnected transmission systems outside of EPE’s balancing authority area, any new facilities would be confined to EPE’s balancing authority area, and the study requested could be performed by EPE). If the study request appears to involve a subregional or regional area, EPE will transfer the request to TEPPC or WestConnect.

- e. If EPE determines, with input from Stakeholders, that the economic planning study request is a local study and the request should be designated as a priority local study for the applicable year (“Local Priority Study”), then EPE or its third party contractor will conduct the study and coordinate assumptions and results with its Stakeholders, subject to the below limit on the number of Local Priority Studies conducted by EPE or its contractor per calendar year. The factors, in addition to those listed above in Section I.A.5.d above, considered in a determination of whether the study request is a Local Priority Study are: (i) the number of pending local study requests, (ii) the expected effect on reliability, (iii) whether the modification proposed to be studied would affect multiple system users and (iv) whether the request raises fundamental design issues of interest to multiple parties. EPE will have no obligation to conduct and pay for more than three Local Priority Studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a Local Priority Study. All economic planning studies performed by EPE, its contractor or TEPPC, will utilize the TEPPC public data base.
  
- f. In the event that more than three economic planning studies are designated as Local Priority Studies in one calendar year (each such Local Priority Study beyond the limit to be conducted by EPE or its contractor, a “Non-conducted Local Priority Study”), the Requester of each Non-conducted Local Priority Study may perform, or request that EPE assist the Requester in having a third party perform, its economic planning study at the Requester’s expense. The Requester of a Non-conducted Local Priority Study will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC. EPE will support such Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.
  
- g. In the event the study is transferred to TEPPC, TEPPC will review economic planning study requests received from Transmission Providers, subregional transmission planning groups, and Requesters during its open stakeholder meeting (see TEPPC website for meeting schedules) and, together with its stakeholders, will prioritize requests for economic planning studies. Both EPE and Requester will have an opportunity to participate in the TEPPC prioritization process and provide input as to why the study should be included in the TEPPC study plan. For more detail regarding TEPPC’s economic planning study process study request window and criteria utilized to prioritize

requests for regional economic studies, the URL to the TEPPC economic planning process is listed in the “EPE URL Master List.”

- h. If either EPE or TEPPC determines, after reviewing through an open stakeholder process, that the request for an economic planning study is not a Local Priority Study or TEPPC priority, respectively, the Requester may perform, or request that EPE assist the Requester in having a third party perform, the economic planning study at the Requester’s expense. The Requester will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC, and EPE will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.
- i. EPE may determine that any number of Requesters’ economic planning study requests should be studied together or a Requester may ask that EPE study its request together with other requests. EPE will combine such studies as it deems appropriate in accordance with the following criteria:

1. *EPE Proposed Clusters*

In the event that EPE proposes to cluster certain Local Priority Studies on any reasonable grounds, including without limitation, upon its determination that the proposed cluster of studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notice to each Requester that EPE proposes to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of the notice from EPE. If a Requester desires to opt out, it must provide notice to that effect in writing to EPE’s Director of System Planning pursuant to the contact information provided on EPE’s OASIS.

2. *Requester Proposed Clusters*

If a Requester wishes to propose a cluster study, such request must be given in writing to EPE’s Director of System Planning pursuant to the contact information provided on EPE’s OASIS. Prior to submitting an economic planning study cluster request to EPE, the Requester must contact all of the other Requesters whose requests it proposes to cluster, and obtain their written consent to have their request clustered. EPE will reasonably determine whether the economic planning study requests that the Requester proposes to cluster, and for which the other affected

Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. EPE reserves the right to reject a Requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or if the proposed clustering impairs administration or timely processing of the economic study process. EPE will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

6. Economic Planning Study Cycle. EPE will coordinate the timing of its economic planning study cycle process with the TEPPC process. EPE will post on its OASIS the submission date by which a Requester must submit its study request, which will be at least one month prior to the beginning of the study request window required for the TEPPC study process (see “EPE URL Master List”). If the Requester misses this deadline, the Requester may submit its request directly to TEPPC or the request will be processed with the next EPE economic planning study cycle, which will be scheduled in coordination with the next TEPPC study process.
7. Cost Responsibility for Economic Studies
  - a. Local Priority Studies conducted pursuant to Section I.A.5.e, whether individual or clustered, will be performed by EPE or a third party chosen by EPE and paid for by EPE. EPE will recover the costs of such studies through its transmission rates.
  - b. Non-conducted Local Priority Studies will be paid for by the Requester pursuant to Section I.A.5.f above.
  - c. The costs of economic planning studies performed by WECC (through TEPPC) will be recovered through WECC’s membership dues.
  - d. Studies not characterized as a Local Priority Study or TEPPC priority will be performed at the Requester’s expense. EPE will have the option to perform such study or work with the Requester and its third party contractor, which in turn would perform the study.
8. Exchange of Data Unique to Economic Planning Studies

- a. EPE will obtain all data used for its economic planning studies from the TEPPC data base.
- b. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures, as described on WECC's website.

9. EPE Planning Methodology and Protocols

- a. Data, Assumptions and Criteria. EPE's power flow base cases for the Plan will be structured using data from WECC base cases. EPE will review and modify as needed transformer and transmission line data, substation load data as per the most recent native system load forecast and resource data, including Stakeholder data received in a timely manner. The Stakeholder data will include data from sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. EPE planning case assumptions will be chosen to model the maximum stress on the EPE system. EPE will use reliability criteria established by WECC and NERC, such as Reliability Standards TPL-001 through TPL-004, and internal EPE criteria as published in EPE's annual Federal Energy Regulatory Commission ("FERC") Form No. 715, to determine if system plan cases meet acceptable criteria and, if not, what facilities are needed to meet that requirement. Data compiled by EPE in connection with the development of its Plan will be provided to regional and subregional planners, through EPE's data submittal to the WECC database as outlined in Exhibit 1, to update their models, which in turn will be used in subsequent system Plans by EPE and potentially by others. This data will then be used in the economic planning studies performed by WestConnect, TEPPC, EPE or a Requester.
- b. EPE and Stakeholder Alternative Solutions Evaluation Basis. EPE's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section I.A.3 of this Attachment K), including transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, whether presented by EPE or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against



one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.

c. Planning for Public Policy Requirements in the Local Planning Process.

1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting EPE's point of contact at EPESystemPlanning@epelectric.com. In addition, stakeholders have the opportunity to offer input or make proposals at EPE's open meetings held pursuant to this Attachment K.

The process by which EPE is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the EPE dedicated email address, through which a stakeholder desiring to communicate directly with EPE transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in EPE's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, EPE is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

EPE is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if EPE chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, EPE will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. EPE's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, EPE is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

## 2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in EPE's open meetings) to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by EPE for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, EPE is to determine whether to select a particular local solution in its local transmission plan. EPE will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

## 3. Posting of Public Policy Needs

EPE will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

b.d. Disclosure of Data, Assumptions and Criteria. Stakeholders may obtain the WECC base cases (including power flow base cases and associated files for stability cases) through WECC. The EPE data and assumptions and internal criteria (including EPE's FERC Form No. 715) will be made available to Stakeholders (i) through EPE's OASIS or web postings, to the extent possible, (ii) at the EPE planning meeting(s) held within the period in which the Plan is developed and other EPE planning meetings and (iii) upon request, in each case subject to applicable confidentiality, CEII and standards of conduct requirements. The WECC and NERC reliability criteria may be obtained from the WECC and NERC websites, respectively.

e.e. Subject to any confidentiality requirements, EPE will post copies of

planning studies on EPE's OASIS when completed or make them available upon request, and will make copies of the Plan available upon request. Stakeholders may contact EPE's Director of System Planning to discuss specific planning issues. Contact information is provided on EPE's OASIS.

B. Confidentiality and CEII

Although the EPE transmission planning process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII.

1. EPE's transmission planning studies may include base case data that are WECC proprietary or classified as CEII by FERC. Access to this information will require membership in WECC or execution of a WECC confidentiality agreement and a review by WECC (as well as compliance with any additional CEII protection measures required by law or regulation). Any person submitting planning data to EPE will be deemed to have consented to allow such information to be used in the development of regional and subregional models and to be made available to others through the WECC base cases, including WECC power flow and stability databases.
2. Certain models and information may be proprietary to third parties. EPE's release or use of proprietary information made available to it by a third party will be governed by the applicable licensing or use agreements. Stakeholders that seek access to or use of models or information subject to such agreements that are inconsistent with EPE's rights to provide such access will be required to secure the rights they require from the third party holder of the rights.
3. Standards of Conduct. EPE is subject to the standards of conduct set forth at 18 C.F.R. Part 358 of FERC's regulations. Stakeholders that obtain non-public transmission information through access to EPE's planning process must protect against disclosure of that information to wholesale market participants to the extent required under 18 C.F.R. Part 358.
4. To the extent confidentiality issues arise that are not otherwise covered above, input from Stakeholders will be solicited, accepted and reviewed to determine the appropriate level of information sharing, the timeline for disclosure of the information as well as the procedures for gaining access to such data and the liability for breach. Such standards and procedures will

be posted on EPE's OASIS as developed. However, in all cases, (i) rules regarding information sharing will permit the disclosure of data as required to comply with law, governmental regulations or the order of a judicial or governmental authority with jurisdiction to require its disclosure (provided the party required to make the disclosure seeks to utilize available procedures to limit further disclosure, such as filing under seal) and (ii) any person that releases confidential or proprietary information in contravention of the standards and procedures adopted, willfully or through gross negligence, will be denied continued or future access to all such information. EPE will reserve the right to avail itself of legal and equitable rights and remedies it may have under federal and state laws and regulations to enforce the confidentiality provisions and the right to require reasonable, nondiscriminatory limits on access to information that, if released to the general public, could reasonably be expected to cause commercial harm. EPE will not use the confidentiality measures for discriminatory purposes.

5. To the extent a confidentiality agreement will need to be executed by Stakeholders, EPE will provide notice of such requirement on EPE's OASIS.

### C. EPE Open Public Meetings

EPE will conduct open public planning meetings during its local planning cycle.

1. Stakeholder Input. Opportunity for Stakeholder comment and input to the EPE planning process will be provided through the regular periodic transmission planning meetings during the planning cycle. In addition, Stakeholders may submit written comments to EPE regarding any issues that may arise during the development of the EPE Plan, such comments to be addressed and sent to Director, System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com).
2. Regular Periodic Meetings. EPE will hold at least two open public transmission planning meetings a year, in coordination with the SWAT open public transmission planning meetings, to allow for EPE planning activities to be coordinated with all Stakeholders on a transparent, non-discriminatory and comparable basis. All transmission planning meetings will be open to any Stakeholders, including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives. In the event this number of meetings is found inadequate, EPE will increase the frequency of the meetings.

3. Purpose. Each public transmission planning meeting will be arranged to (i) allow EPE to maximize its understanding of its customers' forecast needs for the EPE transmission system, (ii) foster discussion and create a transparent planning process and (iii) provide an opportunity for Stakeholders to be informed about and offer input and advice on the Plan during the planning process and before Plan finalization. It is anticipated that the 1st meeting of the local planning cycle will be used to discuss existing and planned facilities and Plan development and the 2nd meeting of the local planning cycle will be used to discuss the results of the Plan studies and any required facilities arising from those study results.
4. Process
  - a. Meeting Notice and Contact Information. Notice of the specific date, time, location and agenda for EPE transmission planning meetings will be posted on EPE's OASIS at least fourteen calendar days in advance of the particular meeting. In addition to posting meeting announcements on OASIS, EPE procedures and contact information, including names and e-mail addresses of EPE contacts, will be supplied on EPE's OASIS. A Stakeholder may send an e-mail to any of the contacts listed requesting its name be added to a distribution list ("E-mail List"). EPE will send via e-mail all meeting notices or announcements regarding transmission planning issues to the E-mail List. In the event that significant projects develop or other significant events occur pursuant to development of the Plan, EPE will post the nature of those events on its OASIS, along with any related planning meetings scheduled to address them, so Stakeholders may elect to participate. EPE will also communicate these events via e-mail to the E-mail List. Any such OASIS posting or e-mail communication may be limited by confidentiality and CEII requirements. To the extent possible and subject to confidentiality and CEII requirements, study results or other information to be discussed at an EPE planning meeting will be posted with the meeting notice to facilitate Stakeholder preparation and constructive comments from the meeting participants.
  - b. Meeting Reports. Reports resulting from planning meetings will be posted on EPE's OASIS; however only public information will be posted. In order to permit all Stakeholders access to the information, E-mail List recipients will also receive either copies of the non-public information or information on how to access it, to the greatest extent possible consistent with any applicable confidentiality and

CEII requirements.

- c. Meeting Format. The planning meetings will be informal and will be facilitated by a representative from EPE System Planning to encourage an open and transparent process and exchange of information. Accommodations will be made for phone bridges.

## II. Subregional Coordination – SWAT

### A. Overview

EPE will coordinate its transmission planning efforts over the WestConnect footprint, a region encompassing a large number of interconnected transmission owners in the Western and Southwestern United States, with SWAT. EPE will continue to participate in the subregional SWAT transmission planning process to ensure that EPE’s planning data and assumptions are coordinated with the SWAT subregional transmission plan, which in turn is coordinated with the other subregional groups, such as Colorado Coordinated Planning Group (“CCPG”) and the Sierra Coordinated Planning Group (“Sierra”), to produce the ten year WestConnect transmission plan covering the WestConnect footprint.

### B. SWAT’s Role in the Subregional Transmission Planning Process

1. SWAT’s Role. SWAT is tasked with bringing transmission planning information together and sharing updates on active projects. SWAT is comprised of both footprint-wide and smaller geographically-based work groups, which are overseen by the SWAT Oversight Committee. SWAT neither conducts nor has a role in conducting economic studies. The geographically-based work groups address transmission planning issues within their geographic areas.
2. SWAT Participation. Participation within SWAT and related work groups is open to all interested Stakeholders on a voluntary basis. EPE will participate in SWAT and relevant SWAT work groups (such as the NM work group, AZ/NM work group and the Southern Arizona Transmission System work group) and will submit its Plan to the relevant work group. EPE’s Plan, including the Stakeholder data and projects originating from EPE’s local planning process and included in its Plan, will ultimately be incorporated within the regional transmission plan of WestConnect in accordance with the regional transmission planning provisions of this Attachment K. EPE will incorporate any applicable information, data or study results from SWAT into the EPE planning process. EPE Stakeholders are encouraged to participate in SWAT and related work

groups. These groups provide an open forum where (i) any party interested in the planning of the transmission system in the SWAT footprint, which includes Arizona, New Mexico, and parts of California, Nevada, and Texas, can go to obtain information regarding base cases, plans, and projects and provide input regarding their needs as they relate to the transmission system, (ii) project sponsors can introduce their specific projects, including projects of sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives, to interested stakeholders and potential partners and (iii) initiation of joint studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties, may occur.

3. EPE Assistance. Upon request by a Stakeholder, EPE will assist the Stakeholder to contact the appropriate SWAT work group representatives for transmission planning purposes.
4. SWAT Meetings. The SWAT work groups meet or have conference calls on a regular basis. These meetings and conference calls are open to all Stakeholders and are posted on the WestConnect website ([www.westconnect.com](http://www.westconnect.com)). The SWAT Oversight Committee conducts four open meetings per calendar year, generally one each quarter.

### **III. Coordination at the Regional Level with WECC/TEPPC and the Development of a Regional Transmission Plan by WestConnect**

#### **A. Role of WECC**

1. As a member of WECC, EPE will participate in the WECC/TEPPC planning process, as appropriate and pursuant to its agreement with WECC and WECC's procedures, to ensure data and assumptions are coordinated within the Western Interconnection-wide economic studies. These economic studies are conducted by WECC/TEPPC in an open stakeholder process through regular region-wide stakeholder meetings. Stakeholders may review the WECC/TEPPC planning process and protocols on the WECC website (see "EPE URL Master List").
2. WECC develops and maintains the Western Interconnection-wide data bases that EPE and other parties utilize for power flow and stability studies. EPE submits its planning data, including Stakeholder data and projects originating from EPE's local planning process and included in its Plan, to the WECC data base.
3. WECC develops, through the NERC and WECC processes, all regional



reliability criteria that are used by EPE in its planning studies. These criteria are posted on the WECC website (see “EPE URL Master List”).

B. Role of TEPPC. EPE will coordinate economic studies through WECC’s TEPPC, as further described in Section I.A.5 above (Economic Planning Study Requests). In relation to the EPE transmission planning process, EPE will work with TEPPC, which (i) develops and maintains the west-wide economic study database that may be used to run economic congestion studies and is compiled from publicly available data, (ii) performs economic planning studies through a regular study cycle described in the TEPPC protocols (see “EPE URL Master List”) in which TEPPC updates databases and develops and approves a study plan that includes customer high priority economic study requests determined by the open TEPPC stakeholder process, and (iii) documents the study results in a report.

1. Stakeholders must be a member of WECC or execute a WECC confidentiality agreement to obtain the actual system models that enable the running of congestion studies.
2. Stakeholders may find more detail on TEPPC and its Transmission Planning Protocol on the WECC website (see “EPE URL Master List”).

C. The Development of a Regional Transmission Plan in Accordance with FERC Order No. 1000 Principles in the WestConnect Planning Region

1. Overview

EPE participates in the regional planning process mandated in FERC Order No. 1000 through its participation in the WestConnect planning region (“WestConnect Planning Region”). The WestConnect Planning Region is defined by the transmission owners and transmission provider members (sometimes referred to generally in this Section III.C and in Section VI) as “transmission owners”) ~~in the Western and Southwestern United States enrolled to participate~~ in the WestConnect regional transmission planning process and for whom WestConnect is conducting regional transmission planning (“Regional Planning Process”). The service areas of the transmission owners consist of all or portions of nine states: Arizona, California, Colorado, New Mexico, Nebraska, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the “Regional Plan”) and provide a process for

evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, posted on the WestConnect website [www.westconnect.com](http://www.westconnect.com) (the “Business Practice Manual”).

2. WestConnect Planning Participation Agreement

~~EPE has been a party to the WestConnect Project Agreement for Subregional Transmission Planning (“WestConnect STP Project Agreement”) for purposes of coordinating the local transmission plan of EPE with those developed through subregional and regional transmission planning processes.~~ Following the effective date of EPE’s September 20, 2013 Order No. 1000 compliance filing (“Effective Date”), as well as the effective dates of the compliance filings of other FERC-jurisdictional transmission providers in the WestConnect Planning Region, the WestConnect ~~members will terminate the WestConnect STP Project Agreement and will establish a WestConnect~~ Order No. 1000 regional transmission planning management committee (the “Planning Management Committee” or “PMC”), ~~which committee~~ will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect’s intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect’s compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.

In connection with ~~the creating the new PMC~~ termination of the WestConnect STP Project Agreement, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements. The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the ~~parties~~members' relationships and establish obligations among them.

EPE has been a party to the WestConnect Project Agreement for Subregional Transmission Planning ("WestConnect STP Project Agreement") for purposes of coordinating the local transmission plan of EPE with those developed through subregional and regional transmission planning processes. The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decisionmaking in implementing the Regional Planning Process.

### 3. Enrollment

WestConnect has two types of members: (a) transmission owners that enroll ~~join~~ WestConnect in order to comply with the Commission's Order No. 1000 planning and cost allocation requirements, as well as transmission owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (b) stakeholders who wish to have voting input on the methodologies, studies, and decisions made in the execution of those Order No. 1000 requirements.

#### a. Joining the WestConnect Planning Region

A transmission owner ~~with a load-serving obligation~~ that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning ~~Management~~Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, ~~and~~ paying annual dues, and complying with applicable provisions as outlined in such agreement.

#### b. Exiting the WestConnect Planning Region

Should a transmission owner wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect Planning Region expenditures approved prior to the effective date of the formal notice of

withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

~~To the extent a WestConnect Planning Region member is allocated costs through a voluntary cost-sharing arrangement to support a Planning Management Committee approved regional project, following its exit from the WestConnect Planning Region that member will remain responsible for its portion of those project costs in accordance with the terms of the relevant voluntary cost-sharing arrangement for that project.~~

c. List of Enrolled Entities

~~A list of entities enrolled in the WestConnect Planning Region is maintained on the WestConnect website and included in the Business Practice Manual. Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:~~

- ~~• Arizona Public Service Company~~
- ~~• Black Hills Colorado Electric Utility Company, LP~~
- ~~• Black Hills Power, Inc.~~
- ~~• Cheyenne Light, Fuel, & Power Company~~
- ~~• El Paso Electric Company~~
- ~~• NV Energy, Inc. Operating Companies~~
- ~~• Public Service Company of Colorado~~
- ~~• Public Service Company of New Mexico~~
- ~~• Tucson Electric Power Company~~
- ~~• UNS Electric, Inc.~~

4. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing FERC Order No. 890 principles carried forward in Order No. 1000:

- Coordination

- Openness
- Transparency
- Information exchange
- Comparability
- Dispute Resolution

EPE, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate transmission plans into a single, ten-year Regional Plan for the WestConnect Planning Region by:

- a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Planning Participation Agreement planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting on the WestConnect website detailed notices of all regional planning meeting agendas; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

## 5. Roles in the Regional Transmission Planning Process

### a. WestConnect PMC Role

~~WestConnect~~The PMC is responsible for bringing transmission planning information together and sharing updates on active projects.

~~WestConnect~~The PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the

WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members and other interested stakeholders, ~~WestConnect~~the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a Regional Plan that treats similarly-situated customers (e.g., network, and native load) comparably in transmission system planning.

~~WestConnect will form a~~The Planning Management Committee is charged with development and approval of the Regional Plan. The Planning Management Committee will be comprised of representatives from each stakeholder sector. The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

#### b. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) by joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is ~~voluntary and~~ open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because they will be the default source of funding to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect regional planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

c. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

d. Stakeholder Meetings

WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with thirty (30) days advanced notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and sent via e-mail to the Regional Planning Process e-mail distribution list.

The meeting agendas for all WestConnect transmission planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

6. WestConnect Planning Governance Process

a. Membership Sectors

The Regional Planning Process will be governed by the Planning Management Committee, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the management of the Regional Planning Process, one of five Planning Management Committee stakeholder sectors are available:

- Transmission Owners with Load Serving Obligations
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligations sector, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector.

Only Qualified transmission owners with load serving obligations may join only the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as coordinating transmission owners.

#### b. Planning Management Committee

The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the Planning Management Committee; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. ~~The responsibilities of the Planning Management Committee will be set forth in the Planning Management Agreement is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methods.~~

The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (“PS”) and Cost Allocation Subcommittee (“CAS”). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.



The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the Planning Management Committee (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting within at least three sectors approve a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligations sector; or
- 75% of the members voting within the four member sectors other than the Transmission Owners with Load Serving Obligations sector approve a motion, and where two-thirds (2/3) of the members voting within the Transmission Owners with Load Serving Obligations sector also approve the same motion.

Each entity within a membership sector is entitled to one vote on items presented for decision, except that transmission owners in the Transmission Owners with Load Serving Obligations sector that are not enrolled in the WestConnect Planning Region are not eligible to vote on the regional cost allocation decisions of the PMC.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether actual or threatened).

7. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data

submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition,  
 consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. ~~The data necessary for any project submitted will be listed in the Business Practice Manual.~~ Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K.

a. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect Planning Region member's (for example, EPE's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not limited to, load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

~~Adequate~~ No less than thirty (30) days advance notice will be given for customers to submit any required data and data submissions will generally be able to be made via e-mail or by posting information to a designated website.

b. Independent Transmission Developers and Owners

Transmission developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

c. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need~~ideas~~, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect Planning Region will be asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the

applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

~~The data required of merchant transmission developers will be listed in the Business Practice Manual.~~

#### d. Transmission Owners with Load Serving Obligations

Transmission owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information through the Regional Planning Process.

At the beginning of each regional transmission planning cycle, transmission owners that are participating in the WestConnect Regional Planning Process will be responsible for verifying the accuracy of any data (including, but not limited to, system topology and project proposal information) they have previously submitted. Transmission owners will also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan ~~for purposes of cost allocation~~ to address an identified regional need in accordance with the section below. Transmission owners will also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

#### 8. Transmission Project Submittals ~~Seeking Regional Cost Allocation~~

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.C.3. The following criteria must be satisfied in order for a project submittal to be evaluated for purposes of cost allocation under the Regional Planning Process:

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
  - Scope
  - Points of interconnection to existing (or planned) system
  - Operating Voltage and Alternating Current or Direct Current status
  - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
  - Impedance Information
  - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- ~~If seeking cost allocation through WestConnect, a \$25,000 deposit fee~~ to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis and if the request can be performed within the planning cycle timeframe.

There is to be aAn open submission period for project proposals to address identified regional needs ~~will be conducted during the fourth calendar quarter of the regional transmission planning cycle.~~ Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5<sup>th</sup>) quarter of the WestConnect planning cycle (or first (1<sup>st</sup>) quarter of the second (2<sup>nd</sup>) year of the planning cycle). Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals determined incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the Planning Management Committee.

Any stakeholder wishing to present a project ~~idea~~submittal to address an identified regional need shall be required to submit the data listed above to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it will identify the information it believes is not necessary and provide a justification for its omission. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, ~~WestConnect~~the PMC will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of ~~WestConnect~~the Planning Management Committee in its sole discretion.

#### 9. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than

thirty (30) days. The submission window will end by the fifth (5<sup>th</sup>) quarter of the WestConnect planning cycle (or first (1<sup>st</sup>) quarter of the second (2<sup>nd</sup>) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or other non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files, if available)

As with entities submitting a transmission project under Section III.C.8, those who submit under Section III.C.9 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) ~~the same submittal fees~~ as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

10. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect Planning Management Committee will develop and publish a Regional Plan every other year, ~~with the first WestConnect Regional Plan to be produced no earlier than two calendar years (and no later than three calendar years) following final Commission action on the Order No. 1000 compliance filings of all jurisdictional public utility transmission providers who formally enroll in the WestConnect Planning Region.~~

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion and within the means permitted by PMC funds. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.C.12 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with ~~p~~Public ~~P~~olicy ~~R~~requirements, or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the Planning Management Committee to be a more efficient or cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- a. Regional reliability solutions.
- b. Regional economic solutions



- c. Regional transmission needs driven by ~~p~~Public ~~p~~Policy ~~r~~Requirements.
- d. Non-transmission alternatives

EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached as Exhibit 2.

All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

## 12. WestConnect Reliability Planning Process

~~All WestConnect Transmission Owners with Load Serving Obligations will be responsible for submitting their local transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models. Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which~~  
The base case system models will then be checked for adherence to the relevant NERC Transmission Planning Standards through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies, as more specifically outlined in the Business Practice Manual. If a reliability violation is identified in the power flow process, the violation will be referred back to the appropriate transmission owner.

The ~~Regional Plan~~PMC will identify projects to resolve any ~~potential regional~~ violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria that impact more than one transmission owner. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that ~~replace components of multiple transmission owner local transmission plans, provided they are found to be~~ more efficient or cost effective than to other proposed solutions. The ~~PMC~~Regional Planning Process will then identify the more efficient or cost effective regionalmost appropriate transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete, and the timing of the need. Because

~~Under the Regional Planning Process, the Planning Management Committee will secure the approval of the applicable local transmission owner(s) before modifying their local transmission plans, since local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects.~~

13. WestConnect Economic Planning Process

As part of the Regional Planning Process, ~~WestConnect~~the PMC is to will analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also is to utilize~~WestConnect will analyze economic projects upon a~~ WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that have subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC is to identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective.

14. WestConnect Public Policy Planning Process

a. Procedures for Identifying Regional Transmission Needs Driven by Public Policy Requirements

~~As part of the Regional Planning Process, WestConnect will analyze projects that have the potential to aid in meeting regional transmission needs driven by public policy requirements, as they may be established. During the initial stages of each regional transmission planning cycle, WestConnect stakeholders will review enacted public policy requirements and determine which regional transmission needs will be included in the~~

~~modeling for that cycle.~~

~~At a minimum, any regional transmission needs driven by enacted state or federal public policy requirements will be included in the transmission system models underlying the development of the Regional Plan. Regional transmission needs driven by proposed public policy requirements may be evaluated in the scenario planning analysis if time and resources permit. It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual transmission owners in the WestConnect Planning Region (through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual transmission owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected transmission owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.~~

~~WestConnect transmission owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section I of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual transmission owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.~~

~~The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual transmission owners in the WestConnect region.~~

~~The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the transmission owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy~~

Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with stakeholders, identified above

(open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

b. Procedures for ~~Identifying~~Evaluating Solutions to Identified Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified regional transmission needs driven by ~~p~~Public ~~p~~Policy ~~R~~Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning Process, whether or not submitted for purposes of cost allocation.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.C.13 (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

e.d. Posting of Regional Transmission Needs Driven by Public Policy Requirements

WestConnect will maintain on its website (i) a list of all regional transmission needs identified that are driven by ~~p~~Public ~~p~~Policy ~~r~~Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested regional transmission needs driven by ~~p~~Public ~~p~~Policy ~~r~~Requirements will not be evaluated.

15. Consideration of Non-Transmission Alternatives in the Regional Planning Process

Non-transmission alternatives submitted for evaluation in the Regional Planning Process will be evaluated to determine if they will provide a more efficient or cost-effective solution to an identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet regional grid needs driven by ~~p~~Public ~~p~~Policy ~~r~~Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

16. Approval of the WestConnect Regional Transmission Plan

Upon completion of studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

The Planning Management Committee is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a

transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following the Effective Date. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation.~~determining, during each planning cycle, when and if projects are to be reevaluated. Any project that is reevaluated according to the criteria below may also be subject to modification of its status as a project selected for regional cost allocation, with any costs reallocated under Section VI.C as if it were a new project. Projects subject to~~ Conditions that trigger reevaluation are include, but are not limited to:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- ~~Projects with any change in participatory or cost allocation entities that result in a project that is not fully funded; and~~

- Projects with a change in the calculation of benefits or benefit/cost (“B/C”) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
  - Example 1: Where an increase in the selected project’s costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region’s B/C ratio and can be found to be a more efficient and cost effective solution under current cost information.
  - Example 2: A selected project’s benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region’s B/C ratio and can be found to be a more efficient and cost effective solution under current benefit information.
  - Example 3: Where a project’s estimated benefits include benefits in the form of avoided costs (e.g., a regional project’s ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region’s B/C ratio and can be found to be a more efficient and cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.



- State and federal approval processes completed and approved (including cost recovery approval under section 205 of the Federal Power Act as applicable);
- All local, state and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so, the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission provider's transmission planning (TPL) standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- ~~Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation; and~~
- ~~Projects that have been approved by WestConnect in previous planning cycles unless agreed upon by the beneficiaries identified in the approved project.~~

Projects meeting any of the following criteria ~~prior to~~ as of the ~~last~~ effective ~~date~~ of the WestConnect FERC-jurisdictional transmission owners' Order No. 1000 compliance filings also will not be subject to reevaluation under the Regional Planning Process:

- Projects of transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the ~~last e~~Effective d~~Date of the FERC jurisdictional transmission owners' Order No. 1000 compliance filings.~~

#### 18. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time, the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in and/or execute a non-disclosure agreement with WECC; (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; and/or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to [NDA@westconnect.com](mailto:NDA@westconnect.com). The NDA can be accessed on the WestConnect website.

#### **IV. Recovery of Planning Costs**

Unless EPE allocates planning-related costs to an individual Stakeholder as permitted under the Tariff, all costs incurred by EPE related to EPE's Transmission Planning process or the sub-regional or regional planning process (including the interregional activities set forth in Section VII) shall be included in the EPE transmission rate base or recorded as O&M expenses, as applicable.

#### **V. Dispute Resolution**

- A. In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:
1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures will apply.
  2. Non-WECC disputes. For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the WestConnect Planning Management Committee (which disputes will be subject to separate dispute resolution provisions set forth in the Planning Participation Agreement), the dispute resolution procedures set forth in Section 12 of EPE's OATT will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of EPE's OATT apply only to EPE and Transmission Customers, Section 12 of EPE's OATT will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.
  3. Notwithstanding anything to the contrary in this Section V, any affected party may refer the matter to FERC for resolution at any time, for example, by filing with FERC a complaint, a request for declaratory order or a change in rate.

B. For disputes between members of the PMC, the following dispute resolution procedures are to apply:

1. The disputing PMC member(s) must initiate its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.
2. A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

3. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate. A disputing PMC member first must pursue resolution under the provisions of the Planning Participation Agreement before referring a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution.

All disputes, whether they arise under this Attachment K or between members of the PMC, must be initiated no later than thirty (30) calendar days from the date on which the conduct that gives rise to the dispute occurs.

## **VI. Cost Allocation for New Projects**

- A. EPE will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:
1. Open Season Solicitation of Interest. For any project identified in an EPE planning study (for reliability and/or economic projects) in which EPE is the project sponsor, EPE may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by EPE to hold an open season solicitation of interest for a project, EPE will:
    - a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
    - b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
    - c. Post information *via* WECC's planning project review reports.
    - d. Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

2. EPE Coordination within a Solicitation of Interest Process. EPE, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be.
3. EPE Projects without a Solicitation of Interest. EPE may elect to proceed with small and/or reliability projects without an open season solicitation of interest, in which case EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
4. Allocation of Costs
  - a. Proportional Allocation. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants subject to approval of the participation agreement by FERC. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.
  - b. Economic Benefits or Congestion Relief. For a project wholly on the EPE system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
  - c. EPE Rate Recovery. Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.
  - d. Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles above.

B. Local Transmission Projects

Local Transmission Projects are projects located within a transmission owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.<sup>2</sup> A transmission owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for

inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan and not subject to the provisions governing regional cost allocation set forth below. [2. The reference to a transmission owner's "footprint" refers to the electrical footprint of the transmission owner (i.e., the location of that transmission owner's electrical assets) and not necessarily to the physical/spatial footprint. Where a transmission owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term, footprint, would refer to the location of the transmission facilities of such transmission-only company.]

For any transmission project where EPE is the sole owner or such project is to be built within or for the benefit of the existing EPE system such as local, small and/or reliability transmission projects, EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provide economic benefits to the EPE system and which fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

EPE may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project enrolled in the WestConnect Planning Region, as identified in this Attachment K, and who agree to participate in such regional project. A project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner located within the WestConnect Planning Region, but not enrolled in the WestConnect Planning Region is not eligible for regional cost allocation. Similarly, a project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner not enrolled in any planning region is not eligible for regional cost allocation.

The Planning Management Committee, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied. If an entity other than a transmission owner enrolled in the region (see Section III.C.3.c) is an identified beneficiary, the project is not eligible for regional cost allocation.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits shall not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs shall be allocated solely within the WestConnect Planning Region, unless other entities or regions voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the Planning Management Committee will consider the following

projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to customersenrolled transmission owners for system reliability improvements that are necessary for their system to meet the NERC TPL Standards, the WestConnect cost allocation procedure will allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a transmission owner's local transmission plan will be included in the Regional Plan and will be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis will be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards, and stakeholders will be afforded an opportunity to propose projects that are more efficient or cost effective than~~replace~~ components of multiple transmission owner local plans as outlined in Section III.C.12 above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue will be included in the Regional Plan and the cost will be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost effectively by a single regional project ~~and the utilities approve the change to their local plans~~, that regional project will be approved for selection in the Regional Plan and the cost shared by those utilitiesenrolled transmission owners in proportion to the cost of alternatives that could be pursued by the individual utilitytransmission



owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

The costs for regional reliability projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant enrolled transmission owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of enrolled transmission owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant enrolled transmission owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

## 2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each enrolled transmission owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically justified and receive

cost allocation associated with economic projects, the project must have a WestConnect will establish a Benefit to Cost (B/C) ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least of 1.25 under all reasonable scenarios evaluated for a project to be considered economically justified and receive cost allocation associated with economic projects. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
  - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
  - Company 1 allocation:  $90/150 (100) = \$60$  million
  - Company 1 B/C ratio:  $90/60 = 1.5$
  - Company 2 allocation:  $60/150 (100) = \$40$  million
  - Company 2 B/C ratio:  $60/40 = 1.5$

Other than through the reevaluation process described in Section III.C.17 of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process will consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined

by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.C of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

In determining which entities will be allocated costs for economic projects, WestConnect will compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost

receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company will be calculated based on the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant enrolled transmission owner's ~~retail distribution service territory or footprint~~
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant enrolled transmission owner's ~~retail distribution service territory or footprint~~

Any enrolled transmission owner's ~~retail distribution service territory or footprint~~ with benefits less than or equal to one percent of total project benefits will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified enrolled transmission owner, such benefits will be re-allocated to all other identified enrolled beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

## 2. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from ~~enacted~~ pPublic pPolicy requirements, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy ~~needs that are not legislated~~ will be reported by each entity for its own service territory. ~~D;~~ decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by pPublic pPolicy ~~R~~Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a transmission owner's local planning process, arising out of a local need for transmission infrastructure to satisfy

Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed elsewhere in this Attachment K), aAny projects arising out of a regional need for transmission infrastructure to satisfy ~~the p~~Public ~~p~~Policy ~~r~~Requirements will be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the Regional Plan for purposes of cost allocation. The ~~costs~~ identification of beneficiaries of these projects will be ~~shared with~~ the entities that will access the resources enabled by the project in order to meet their ~~p~~Public ~~p~~Policy ~~r~~Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity will need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost

- 4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources is provided for under the generator interconnection section of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT.

~~Regional Requests for~~ transmission ~~needs~~ ~~service~~ necessary to meet ~~Public Policy Requirements~~ will be addressed through the ~~Public Policy Requirements~~ section of the Regional Planning Process.

The manner in which the PMC applied this methodology to each public policy project will be described in the Regional Plan.

#### 4. Combination of Benefits

In developing a more efficient or cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project will be made through the WestConnect stakeholder process; ~~however, the value of economic benefits may only be considered in response to a WECC Board approved recommendation to study congestion in the WestConnect footprint, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K.~~ In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation will be shared according to the amount of cost that is justified by each type of benefit.

#### 5. Transmission Developer Qualification Criteria

## 1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission facilities constructed, owned and/or operated.

The governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

## 2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

### a) Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

### b) Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

c) Compliance History

The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

d) Participation in the Regional Planning Process

A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.

e) Project Execution

A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project



development and execution.

f) Right-of-Way Acquisition Ability

The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g) Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h) Safety Program

The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety

performance record and has executed its safety program.

i) Transmission Operations

The applicant must: demonstrate that it has control center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.

j) Transmission Maintenance

The applicant must demonstrate that they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.

k) Regulatory Compliance

The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional reliability standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements.

l) Affiliation Agreements

A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for

meeting these criteria, the transmission developer must submit an affidavit from the third-parties stating their willingness to perform the tasks identified by the transmission developer. Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m) WestConnect Membership

A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

n) Other

Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded

an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change, the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer’s eligibility status until any deficiency in the transmission developer’s qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer’s eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

#### 6. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under section 205 of the Federal Power Act. In no event will identified beneficiaries enrolled in the WestConnect Planning Region from whom project costs are sought to be recovered under section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

~~If To the extent a project beneficiary elects to participate in a project approved for cost allocation in the Regional Plan, the beneficiary will receive~~ transmission transfer capability on the project in exchange for transmission service payments. ~~In addition, a such project beneficiary with transfer capability on the project may resell the transfer capability. Alternatively, a project~~ If the beneficiary could seek to makes a direct

capital contribution to the project construction cost (in lieu of making transmission service payments) in which case, ~~the project beneficiary would instead will~~ receive an ownership percentage in proportion to its capital contribution (“Ownership Proposal”). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm’s length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary’s allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project’s construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost

allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.C.6 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

67. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required

steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

**78.** Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

**89.** EPE Rate Recovery

Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale transmission rates.

**109.** No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement, or any cost allocation under this Attachment K or the Business Practice Manual shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation; (4)



obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation; or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section VI.C of this Attachment K; (2) the right and obligation of a Eligible Transmission Developer to make a filing under section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.<sup>1</sup>

<sup>1</sup> An Eligible Transmission Developer may not be subject to the Commission's section 205 jurisdiction. See Section VI.C.6. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

## 12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

## 13. Exclusions

The cost for projects undertaken in connection with requests for generation interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles of this Section VI.C above.

## **VII. Interregional Coordination, Evaluation and Cost Allocation**

This Section VII of this Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VII in accordance with the provisions of this Section VII and the other provisions of this Attachment K.

Nothing in this section will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this section to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

### **A. Definitions**

The following capitalized terms were used in this Section VII of Attachment K, are defined as follows:

**Annual Interregional Coordination Meeting:** shall have the meaning set forth in Section VII.C below.

**Annual Interregional Information:** shall have the meaning set forth in Section VII.B below.

**Interregional Cost Allocation:** means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

**Interregional Transmission Project ("ITP"):** means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is

submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

**Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language:** means this Section VII, which relates to Order 1000 interregional provisions.

**Planning Region:** means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

**Relevant Planning Regions:** means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

## **B. Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its

regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect or any of the members of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **C. Annual Interregional Coordination Meeting**

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31<sup>st</sup>. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and

- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

#### **D. ITP Joint Evaluation Process**

##### **1. Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning process and no later than March 31<sup>st</sup> of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

##### **2. Joint Evaluation of an ITP**

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional

transmission planning process;

- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

## **E. Interregional Cost Allocation Process**

### **1. Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### **2. Interregional Cost Allocation Process**

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and

- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;
- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

## **F. Application of Regional Cost Allocation Methodology to Selected ITP**



1. Selection by All Relevant Planning Regions

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

2. Selection by at Least Two but Fewer than All Relevant Regions

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

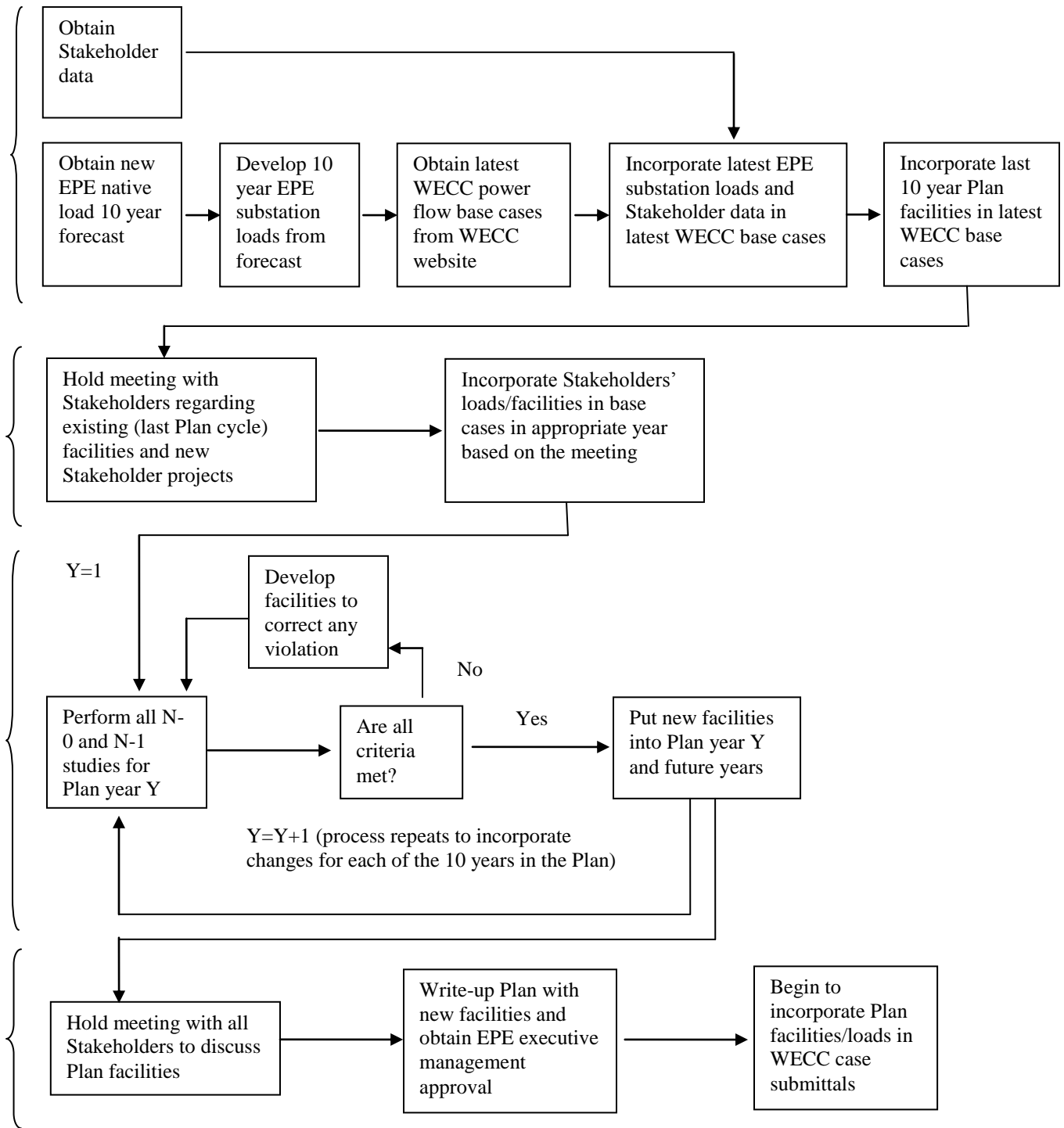
If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

VIII. Role of the Transmission Provider

EPE is the Transmission Provider under this Tariff and the entity conducting local transmission planning under this Attachment K. In addition, EPE is a participating utility in the regional entity, WestConnect, which entity is comprised of other utilities, as well as state representatives, customers, and other stakeholders. WestConnect is to perform the functions of regional transmission planning in the WestConnect region and is to coordinate and jointly evaluate ITPs with other planning regions as set forth in this Attachment K. Attachment K speaks in terms of what WestConnect and the other Relevant Planning Regions are to do, when they are to do it, and how. However, it is to be understood that EPE does not control WestConnect or any other planning region. Any failure of any planning region to perform the regional and interregional activities set forth herein is not to be deemed to be a failure of EPE. EPE's duty is to cooperate with and

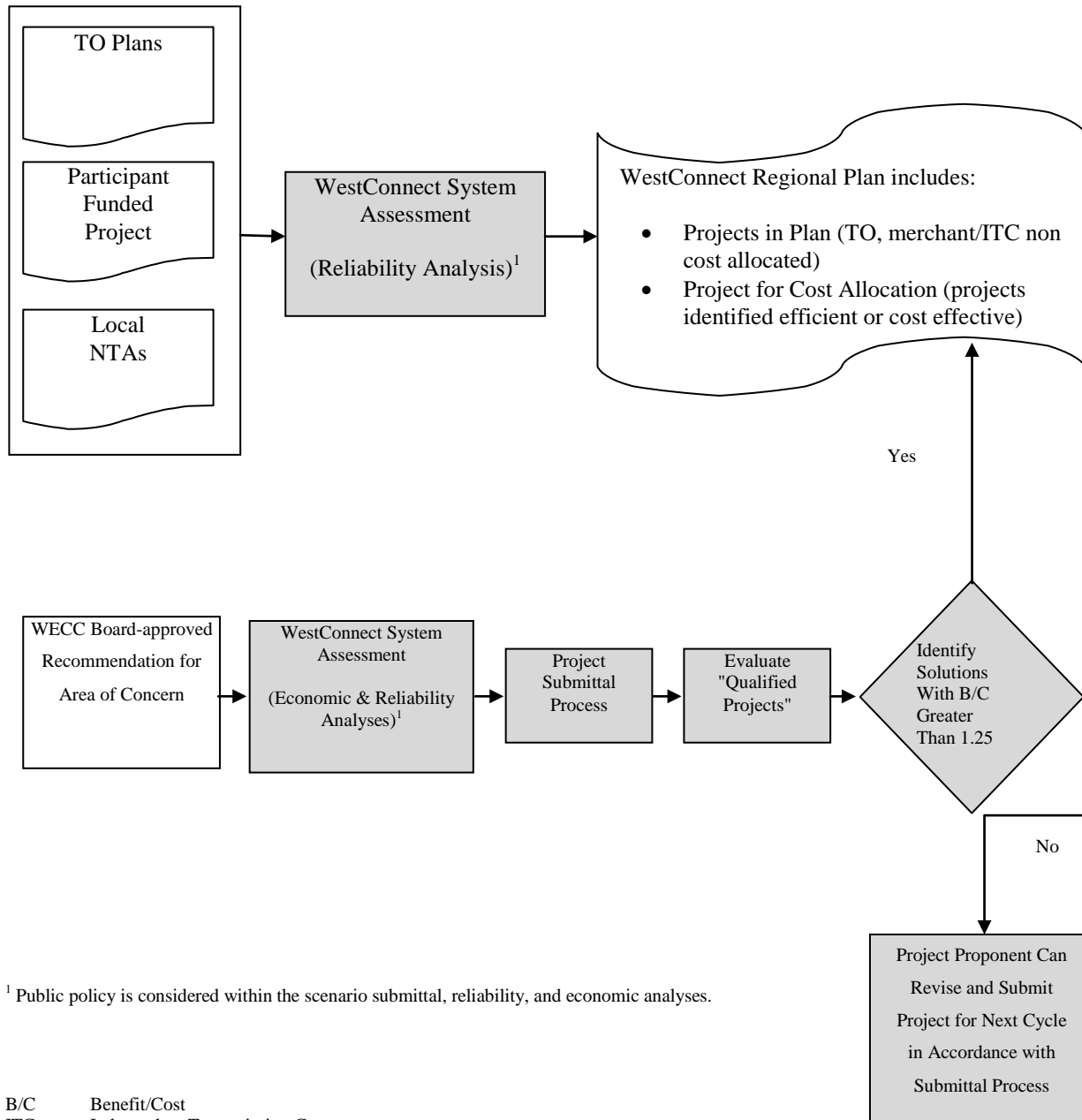
support WestConnect in its implementation of responsibilities under this Attachment K.

### Exhibit 1 EPE Planning Process



## Exhibit 2

### WestConnect Regional Transmission Planning Process Chart



<sup>1</sup> Public policy is considered within the scenario submittal, reliability, and economic analyses.

B/C      Benefit/Cost  
 ITC      Independent Transmission Company  
 NTA      Non-Transmission Alternative  
 TO        Transmission Owner  
 WECC    Western Electricity Coordinating Council





September 20, 2013

VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Re: El Paso Electric Company  
Docket No. ER13-91-\_\_\_\_  
Order No. 1000 OATT Compliance Filing

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission" or "FERC") Order on Compliance, issued in this docket on March 22, 2013,<sup>1</sup> Section 206 of the Federal Power Act ("FPA"),<sup>2</sup> and Order No. 1000<sup>3</sup> issued by the Commission, the WestConnect Filing Parties<sup>4</sup> ("Filing Parties") hereby submit this compliance filing to reflect changes to the Attachment K<sup>5</sup> of their respective Open Access Transmission Tariffs ("OATT").<sup>6</sup> Attachment K of the OATT is included with this filing in both clean and redline formats,<sup>7</sup> with an effective date of January 1 of the year following FERC conditional or full acceptance of the instant filing. The Filing Parties believe the changes

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<sup>1</sup> Public Service Company of Colorado, et al., 142 FERC ¶ 61,206 (2013) ("March 22 Order")

<sup>2</sup> 16 U.S.C. 824e (2006).

<sup>3</sup> *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 76 Fed. Reg. ¶ 49,842 (Aug. 11, 2011), FERC Stats. & Regs. ¶ 31,323 (2011), order on reh'g and clarification, Order No. 1000-A, 139 FERC ¶ 61,132 (2012) ("Order No. 1000").

<sup>4</sup> The WestConnect Filing Parties are: Arizona Public Service Company ("APS"), Black Hills Power, Inc. ("Black Hills Power"), Basin Electric Power Cooperative, Powder River Electric Cooperative, Black Hills Colorado Electric Utility Company, LP ("Black Hills Colorado"), Cheyenne Light, Fuel, & Power Company ("Cheyenne LF&P"), El Paso Electric Company ("EPE" or "El Paso Electric"), NV Energy, Inc. Operating Companies ("NV Energy"), Xcel Energy Services, Inc. ("Xcel"), on behalf of Public Service Company of Colorado ("PSCo"), Public Service Company of New Mexico, Tucson Electric Power Company ("Tucson Electric"), and UNS Electric, Inc. ("UNS Electric").

<sup>5</sup> The transmission planning process for Public Service Company of Colorado is incorporated into Attachment R-PSCo to the Xcel Energy OATT. The transmission planning process for Arizona Public Service Company is incorporated into Attachment E of its OATT.

<sup>6</sup> This compliance filing is without prejudice to the Filing Parties' pending request for rehearing of the March 22 Order in these dockets.

<sup>7</sup> The Attachment K included in this filing is redlined from the Attachment K included with the interregional compliance filing submitted to FERC on May 10, 2013 in Docket No. ER13-1465-000.

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proposed in their respective OATT Attachment Ks satisfy the Commission's directives in its March 22 Order.<sup>8</sup>

## I. COMMUNICATIONS

For El Paso Electric Company ("EPE"), communications regarding this filing should be sent to the following individuals:

Lorenzo Nieto  
El Paso Electric Company  
P O Box 982  
El Paso, TX 79960  
Phone: 915.543.5897  
Email: lorenzo.nieto@epelectric.com

Robin M. Nuschler, Esq.  
P O Box 3895  
Fairfax, VA 22038-3895  
Phone: 202.487.4412  
Email: fercsolutions@aol.com

Cynthia Henry  
El Paso Electric Company  
P O Box 982  
El Paso, TX 79960  
Phone: 915-351-4201  
Email: cynthia.henry@epelectric.com

## II. DESCRIPTION OF THE FILING PARTY

EPE is a vertically integrated electric utility whose primary business is serving native load in far west Texas and southern New Mexico, providing retail electric service to about 370,000 customers in an area of approximately 10,000 square miles. EPE owns distribution facilities through which it provides service to its customers at retail rates, and owns transmission facilities over which it offers service under its OATT. EPE has been an active participant in regional and subregional transmission planning organizations, including the Western Electricity Coordinating Council ("WECC"), WestConnect, as well as the Southwest Area Transmission ("SWAT") planning group. EPE is also enrolled in the WestConnect Planning Region for Order No. 1000 transmission planning purposes.

## III. BACKGROUND

On October 11, 2012, EPE, together with Arizona Public Service Company ("APS"), Black Hills Power, Inc. ("Black Hills Power"), Black Hills Colorado Electric Utility Company, LP ("Black Hills Colorado"), Cheyenne Light, Fuel, & Power Company

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<sup>8</sup> Filing Parties note that the term Attachment K is used for simplicity as that is the location of the local and regional planning process information in the *pro forma* OATT. Some Filing Parties use different OATT attachments for their planning process information; for example, APS uses Attachment E and PSCo uses Attachment R-PSCo.

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(“Cheyenne LF&P”), NV Energy, Inc. Operating Companies (“NV Energy”), Xcel Energy Services, Inc. (“Xcel”), on behalf of Public Service Company of Colorado (“PSCo”), Public Service Company of New Mexico, Tucson Electric Power Company (“Tucson Electric”), and UNS Electric, Inc. (“UNS Electric”) respectively submitted revisions to their transmission planning processes under their respective OATTs to comply with Order No. 1000. In its March 22 Order, the Commission accepted the Filing Parties’ compliance filings, as modified, subject to further compliance filings due within 120 days of the March 22 Order. On June 19, 2013, the Filing Parties requested an additional 60 days to respond to the March 22 Order. On July 5, 2013, the Commission granted the request for extension and set the Filing Parties’ deadline to respond for no later than September 20, 2013. The instant filing is intended to satisfy the Filing Parties’ compliance obligations arising from the March 22 Order.

#### **IV. TRANSMISSION PLANNING REGION**

In PP 24-26 of the March 22 Order, the Commission directed the Filing Parties to formally enroll in a transmission planning region and evidence such enrollment by listing the enrolled transmission providers in their respective OATTs. To address the Commission’s directives, the Filing Parties have modified Section III of their respective OATT Attachment Ks to include the transmission providers formally enrolled in the WestConnect Order No. 1000 Planning Region. As discussed in more detail below, the list in Section III.C.3.c of Attachment K includes only the FERC-jurisdictional transmission providers formally enrolled in the Transmission Owners with Load Serving Obligations sector of the WestConnect Planning Region.<sup>9</sup>

Non-jurisdictional transmission owners can participate by formally enrolling as a Transmission Owner with Load Serving Obligations, in which case the Filing Parties will file revisions to their respective OATT Attachments to indicate the formal enrollment of a new transmission provider. Non-jurisdictional transmission owners can also choose not to formally enroll, but instead participate in the Transmission Owners with Load Serving Obligations (“TOLSO”) sector as a “Coordinating Transmission Owner.” Coordinating Transmission Owners will not be formally enrolled in the WestConnect Planning Region; therefore, they will not be listed in the respective OATT Attachments of the Filing Parties.

#### **V. PROVIDING FOR THE PARTICIPATION OF BOTH JURISDICTIONAL AND NON-JURISDICTIONAL TRANSMISSION OWNERS IN REGIONAL TRANSMISSION PLANNING**

In the March 22 Order, the Commission directed the elimination of what it ruled to be the voluntary nature of project participation in the WestConnect Planning Region. In particular, the Commission found inconsistent with Order No. 1000 the ability of

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<sup>9</sup> The section numbers in the Filing Parties’ OATTs vary from company to company. For ease of reference, EPE has identified the section numbers used in its Attachment K.



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transmission owners to elect to participate in a regional transmission project selected in the regional plan for purposes of cost allocation.<sup>10</sup> This finding triggered a several-month process within the region to restructure the WestConnect compliance plan to comport with the order. The result of this process is a structure that is characterized by a region with two types of regional transmission owners: (a) those transmission owners subject to the Commission's jurisdiction and to the mandates of Order No. 1000, who are required to enroll in the region for purposes of complying with Order No. 1000; and (b) those transmission owners not subject to the Commission's jurisdiction who may participate in regional transmission planning without enrolling in the region. Non-jurisdictional transmission owners may choose to enroll in the region (in which case, they will be subject to Order No. 1000 cost allocation provisions), or they may choose to participate in the regional planning process by executing the WestConnect Order No. 1000 Planning Participation Agreement ("Planning Participation Agreement") and becoming a member of the Planning Management Committee ("PMC").

The Commission's Order No. 1000 requirements are aimed at improving the existing transmission planning processes throughout the country. Broad participation in planning by all transmission owners within the region should contribute to the success of the WestConnect regional transmission planning process. As discussed in more detail below, for those non-jurisdictional transmission owners that choose not to enroll in the region, the proposed structure allows for their continued participation in the WestConnect transmission planning process as coordinating transmission owners. The coordinating transmission owner provisions allow for the breadth of participation that the region enjoys today, and maintains the broad scope of funding of regional transmission planning activities that the region historically has experienced. In short, the coordinating transmission owner provisions allow for compliance with Order No. 1000 by the Filing Parties while maintaining the participation of non-jurisdictional transmission owners in the WestConnect regional transmission planning process to the fullest extent possible.

WestConnect presented this revised structure to stakeholders last month in a public meeting held on August 19, 2013. No stakeholder voiced opposition to it at the August meeting (or since). The Filing Parties present it to the Commission as a just and reasonable response to its compliance directives in the March 22 Order, and offer additional details on its characteristics, below:

A. The Difference Between Enrolling and Participating in the Region

To enroll in the region means being subject to the entirety of Order No. 1000 regional planning, including Order No. 1000's regional cost allocation provisions. Transmission owners that do not enroll in the region are allowed to participate in the regional process in the same way as enrolled transmission owners in every aspect *except* Order No. 1000 regional cost allocation, including:

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<sup>10</sup> March 22 Order at P 306, *et seq.*

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- They are allowed to become members of the PMC
- They are allowed to propose a project for study in the regional process
- They are allowed to comment on the projects proposed by others
- They are allowed to vote on matters before the PMC for decision, except for decisions on Order No. 1000 cost allocation
- They will fund the regional process in a manner comparable to that of transmission owners enrolled in the region

For those transmission owners that do not enroll in the region, their signing the Planning Participation Agreement (for PMC membership) will serve as an indicator of an individual transmission owner's commitment to participate in the WestConnect regional transmission planning process. For ease of reference, transmission owners not enrolled in the region, but participating in the regional transmission planning process will be called Coordinating Transmission Owners if they join the PMC's TOLSO member sector.<sup>11</sup>

#### B. The Scope of Regional Planning for Coordinating Transmission Owners

Even though a Coordinating Transmission Owner does not "enroll" in the region, it may submit a new proposed regional transmission facility for study in the WestConnect regional planning process. A Coordinating Transmission Owner may not seek Order No. 1000 cost allocation in the WestConnect Planning Region, however, for its proposed regional project. In addition, a Coordinating Transmission Owner may not seek Order No. 1000 cost allocation in the WestConnect Planning Region for any proposed project that is shown through the study process to provide quantifiable benefits, as defined in the respective OATT Attachment Ks, to itself or other Coordinating Transmission Owners.<sup>12</sup>

The same treatment would apply without regard to whether the transmission facility is proposed by a Coordinating Transmission Owner or by someone else. Order No. 1000 cost allocation in the WestConnect Planning Region would not be applicable to any facility that electrically interconnects with a facility of a Coordinating Transmission Owner<sup>13</sup> (i.e., any transmission owner located within but not enrolled in the region). In addition, Order No. 1000 cost allocation in the WestConnect Planning Region would not be applicable to any proposed project that is shown through the WestConnect study process to provide quantifiable benefits, as defined in the respective OATT Attachment Ks, to a Coordinating Transmission Owner, or to any other transmission owner not enrolled in any region. Proposed transmission projects not eligible for Order No. 1000 cost allocation are eligible for study in the WestConnect regional transmission planning

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<sup>11</sup> Timely and orderly withdrawal from enrollment in the WestConnect Planning Region, the continuing obligations of withdrawing entities toward the WestConnect Planning Region, and any conditions on re-enrollment will be addressed in the Planning Participation Agreement.

<sup>12</sup> Any project proposed through the regional process that connects to one or more Enrolled Transmission Owners would be eligible to be studied for Order No. 1000 cost allocation.

<sup>13</sup> Owned wholly or in part.

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process as more efficient or cost-effective solutions to identified regional needs. The OATT has been revised to expressly provide for such eligibility. See Section III.C.8.

Other forms of cost responsibility may be pursued for such proposed regional projects, including, for example, participant funding. Participant funding is allowed, but will not serve as the method of Order No. 1000 cost allocation. Therefore, stakeholders interested in pursuing regional projects for which Order No. 1000 cost allocation is not available could pursue other forms of cost allocation outside of the parameters of Order No. 1000 cost allocation. Cost responsibility for participant funded projects will not be governed by the WestConnect Order No. 1000 regional cost allocation methods.

C. The Benefit of Proposing a Regional Project for Study by WestConnect When that Project is One for which Order No. 1000 Cost Allocation is Not Available

One benefit of proposing a regional project for study by WestConnect when that project is one for which Order No. 1000 cost allocation is not available would be the opportunity to have the facility's impacts (and benefits) identified and quantified holistically within a transparent, stakeholder-driven regional planning process, which could spur interest in the project's development among other parties. This will serve the Commission's goal of having a regional process that will identify projects that are more efficient or cost effective for the region. Even though Order No. 1000 cost allocation will not be available for every proposed transmission project in the region, this does not mean that projects that produce large benefits across the region will lag behind projects for which Order No. 1000 cost allocation is available. The expected outcome is that the better projects will get pursued, without regard to whether the cost allocation applicable to that project is Order No. 1000 cost allocation, or some other method.<sup>14</sup> The process that identifies impacts (benefits) may be the tipping point for discussions among interested parties to take place.

D. Consideration of a Less Inclusive Planning Structure

Given the Commission's determinations that drive these issues (that non-jurisdictional transmission owners are not subject to Order No. 1000 and its cost allocation directives, that projects cannot be selected for Order No. 1000 cost allocation unless their costs are commensurate with their benefits, and that projects selected for Order No. 1000 cost allocation must not result in free ridership concerns), an alternative might be to create a structure in which only public utility transmission owners *enroll and participate* in the WestConnect regional transmission planning process. That alternative is less attractive to the range of transmission owners in the WestConnect Planning Region because it removes from the regional planning process a large part of the current transmission system in the WestConnect region and bars participation by historical contributors of

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<sup>14</sup> In this manner, cost allocation functions much like a project where all impacted parties have to agree to pursue the project before it moves forward.

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both financial and human resources for regional planning activities. In contrast, the proposal presented in the instant filing strives to retain within the region all transmission owners in the region for purposes of *the process of regional transmission planning*, while acknowledging that with respect to Order No. 1000 cost allocation, non-jurisdictional transmission owners are free to decide whether or not to be subject to Order No. 1000 cost allocation. Those that enroll, whether jurisdictional or non-jurisdictional, will be subject to Order No. 1000's cost allocation provisions. Those that do not enroll will not be subject to Order No. 1000's cost allocation provisions, but still will be able to participate in the region's planning process in all other respects. By retaining a WestConnect governance structure that permits the maximum possible involvement of all transmission owners in the region, combined with the affirmative obligation required by the Commission in its March 22 Order, should better permit the development and study of regional projects that will better serve the region's needs.

#### E. Consideration of Other Alternatives

The Filing Parties evaluated a structure under which a proposed regional project identified as one that would provide quantifiable benefits, as such benefits are defined in EPE's Attachment K, to an entity not enrolled in the WestConnect Planning Region would have its project costs allocated exclusively to enrolled transmission owners through an identification of the costs that would have otherwise been attributed to unenrolled beneficiaries in proportion to their overall benefits, and a re-allocation of those costs onto enrolled transmission owners. This kind of structure was rejected as contrary to Order No. 1000. Under Order No. 1000's Regional Cost Allocation Principle 1, allocated costs must be roughly commensurate with benefits. If benefits to entities not enrolled in the region are identified and quantified, then it would be counter to Order No. 1000 to re-assign those benefits solely to enrolled entities, where the allocation would no longer be roughly commensurate with benefits. The proposed project's cost allocation must align with the project's identified beneficiaries in order to be eligible for regional cost allocation under Order No. 1000. That is why WestConnect selected the alternative that if a proposed project's benefits are identified to include an entity not enrolled in the region (and therefore not within the reach of the region's Order No. 1000 cost allocation), that project is not eligible for Order No. 1000 cost allocation.<sup>15</sup> To do otherwise would be to violate the Commission's Regional Cost Allocation Principle 1, and permit free ridership through the re-allocation of quantified benefits away from entities not subject to Order No. 1000 and not enrolled in the region, and onto the shoulders of enrolled entities.

#### F. Impact on Funding of Regional Transmission Planning Activities

Under the proposed WestConnect structure, annual funding responsibilities for WestConnect's administrative and planning functions of both Enrolled Transmission Owners and Coordinating Transmission Owners will be set forth in the Planning

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<sup>15</sup> In this manner, cost allocation functions much like a project where all impacted parties have to agree to pursue the project before it moves forward.

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Participation Agreement, which is being developed to govern the rights and obligations of all PMC members. Historically, transmission owners that would make up the Coordinating Transmission Owner group have contributed approximately half (sometimes a little more than half) of the overall funding for WestConnect transmission planning activities. Providing a means for Coordinating Transmission Owners to participate in the WestConnect regional planning process through membership on the PMC should help mitigate the anticipated increase in the cost to execute the WestConnect Order No. 1000 Regional Planning Process—costs which would otherwise fall on other PMC members. In other words, it avoids the harsh and burdensome cost impacts that would come with a structure that loses the financial contributions of Coordinating Transmission Owners to fund the regional planning process.

#### G. Impact on Interregional Cost Allocation

The proposed structure does not trigger any change to the eligibility criteria for interregional cost allocation. Under the common interregional tariff language presented to the Commission by all four Order No. 1000 planning regions in the West, including WestConnect, for an interregional project to be eligible for interregional cost allocation, it must be selected in the regional transmission plans of at least two of the four western planning regions. This requirement remains unchanged. As a result, if a proposed regional transmission project in the WestConnect Planning Region electrically interconnects with transmission facilities of a transmission owner located within, but not enrolled in, the WestConnect Planning Region, or is shown through the study process to provide quantifiable benefits to that transmission owner, the proposed regional project would not be eligible for Order No. 1000 cost allocation in the WestConnect Planning Region. This would not affect the eligibility of the project for interregional cost allocation among the other three regions in the West. Under the common interregional tariff language, a project that interconnects with, but is not selected by, an individual region remains eligible for selection by the other relevant regions.<sup>16</sup>

## VI. PMC GOVERNANCE-RELATED COMPLIANCE CLARIFICATION

In response to the Commission's directive in the March 22 Order at P 139, the Filing Parties incorporated new language into Section III.C of their respective OATT Attachments Ks to clarify that the WestConnect Steering Committee, and other historical committees of WestConnect, are to have no right to approve or deny the actions of the new PMC. In other words, the PMC is to be independent of the other committees and activities of WestConnect.

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<sup>16</sup> As is the case with any other proposed interregional project, any project that does not meet the requirements for cost allocation as an interregional project would be eligible for completion as a participant-funded project. In this case, the project would have a full analysis of benefits to assist in development discussions.

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## VII. OPENNESS

In PP 51-55 of the March 22 Order, the Commission directed the Filing Parties to clarify that closed executive sessions of the PMC would only be used to address matters outside the Regional Planning Process. The Filing Parties had no intent to exclude stakeholders from the Regional Planning Process; however, to address the Commission directive, the Filing Parties have added language to Section III.C of their respective OATT Attachment Ks clarifying that closed executive sessions of the PMC will be used for matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation. The Filing Parties believe these executive sessions, if necessary, will have no impact on the Regional Planning Process nor will they exclude stakeholders from meaningful participation.

In PP 51-57 of the March 22 Order, the Commission also directed the Filing Parties to include the process for stakeholders to access and submit non-disclosure agreements with WestConnect planning members. The Filing Parties have included additional language in Section III.C.18 of their respective OATT Attachment Ks directing any entity wishing to access confidential information to the WestConnect website in order to access a non-disclosure agreement and instructions for submitting the agreement.

## VIII. DISPUTE RESOLUTION

The March 22 Order directed the Filing Parties to further revise the dispute resolution section of their respective OATT Attachments to include all procedures to address disputes arising from the regional transmission planning process.<sup>17</sup> The Commission noted that the Filing Parties' dispute resolution provision did not address disputes that might arise between PMC members.<sup>18</sup>

As part of the instant filing, the Filing Parties added a new section to the dispute resolution provisions of their respective OATT Attachments to address the Commission's directive. The new section describes the procedures applicable to disputes that might arise between members of the PMC, and requires that disputes, whether arising under the OATT Attachment or between PMC members, be initiated on a timely basis, as further described in the OATT Attachment. The procedures incorporate a process whereby (i) the disputing PMC members must first seek to resolve the dispute through negotiation and the adoption by the PMC of a recommended course of action; or (ii) if a resolution is not adopted by the PMC, alternatively, the disputing parties may refer the dispute to arbitration in accordance with the provisions of the Planning Participation Agreement. If the disputing PMC members are unable to resolve their dispute using the avenues described above, a disputing PMC member may refer either a procedural or substantive matter within the Commission's jurisdiction to FERC for resolution, such as by filing a

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<sup>17</sup> March 22 Order at 95.

<sup>18</sup> *Id.*

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complaint, request for declaratory order or a change in rate, in accordance with its rights under the Federal Power Act.

## **IX. COMPARABILITY**

The Commission directed the Filing Parties to address the tariff's omission of a requirement that "WestConnect, after considering the data and comments supplied by customers and other stakeholders, will develop a transmission system plan that meets the specific service requests of their transmission customers and otherwise treats similarly-situated customers (e.g., network and retail native load) comparably in transmission system planning."<sup>19</sup> In response, the Filing Parties have incorporated into Section III.C of their respective OATT Attachment Ks a statement that "the PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a regional transmission plan that treats similarly-situated customers (e.g., network, retail network, and native load) comparably in transmission system planning." Filing Parties point out that the reference to "a transmission system plan that meets the specific service requests of their transmission customers" does not appear in the compliance tariff. This is because the PMC has no transmission customers, and does not receive or evaluate specific service requests for transmission service on any individual transmission system. The PMC can, and will, accept the charge that its development of the regional transmission plan not reflect the unduly discriminatory treatment of similarly-situated customers in transmission system planning. In addition, Section III.C of the Filing Parties' respective Attachment Ks makes clear that the regional plan developed by the PMC is to identify projects that more efficiently or cost effectively meet identified regional transmission needs. With respect to the obligation to reliably satisfy individual transmission service requests on an individual transmission system, that obligation is left in the hands of each individual transmission provider in a manner consistent with the Commission's instructions in the March 22 Order at P 336 ("Order No. 1000 does not require that the transmission facilities in a public utility transmission provider's local transmission plan (whether developed individually or jointly) be subject to approval at the regional or interregional level, unless the public utility transmission provider seeks to have any of those facilities selected in the regional transmission plan for purposes of cost allocation").

Second, in P 89 of the March 22 Order, the Commission directed the parties to provide that sponsors of non-transmission alternatives are to have an opportunity to demonstrate that information required for a project submittal should not be required for a specific non-transmission alternative proposal, because that opportunity is afforded to sponsors of transmission proposals. The Filing Parties have done so in Section III.C of their respective OATT Attachment Ks.

Third, in P 90 of the March 22 Order, the Commission found that the scope of the application of the Filing Parties' proposed \$25,000 project submittal fee "might be unjust, unreasonable, and unduly discriminatory." The Commission concluded that the filing fee

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<sup>19</sup> *Id.* at P 87.

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appeared to have been developed for projects eligible for regional cost allocation, and then questioned its application to projects not eligible for regional cost allocation (identifying, specifically, non-transmission alternatives). In response, the Filing Parties have restructured the scope and method of collecting fees associated with studying projects for the regional transmission plan in Section III.C of their respective OATT Attachment Ks. First, any project may seek study by the PMC to address an identified regional need, without regard to whether the project seeks regional cost allocation. Second, all projects seeking to be studied by the PMC as a more efficient or cost effective solution to an identified regional need are to pay for the cost of such study, without regard to whether the project is a transmission project or a non-transmission alternative, and without regard to whether the project seeks regional cost allocation. Finally, the method of collecting reimbursement for such study costs has been changed from a \$25,000 flat fee to a structure somewhat more akin to the way in which generator interconnection study costs are collected (by submission of a \$25,000 deposit, subject to true-up based upon actual study costs). As restructured, the collection of study costs is comparable for all projects seeking study by the PMC to address an identified regional need.

## **X. OBLIGATION TO PLAN**

In PP 116-119 of the March 22 Order, the Commission directed that the PMC may not solely rely on stakeholders and other interested parties to propose more efficient or cost effective solutions, finding that it has an affirmative obligation to identify solutions that more efficiently or cost effectively meet regional transmission needs, even in the absence of requests by stakeholders. In response, the Filing Parties have incorporated into Section III.C of their respective OATT Attachment Ks a statement to make clear that the PMC has this affirmative obligation, even in the absence of requests by stakeholders. In addition, the Filing Parties have expanded the OATT Attachment K language to describe the process by which the PMC will conduct its regional analysis through power flow studies, production cost analyses and other methods. See OATT Attachment K Sections III.C.11-14 for the additions.

## **XI. TRANSPARENCY**

In P 61 of the March 22 Order, the Commission found that the original compliance tariffs complied with the transparency principle. The Commission simply cautioned in P 62 that as tariff revisions are developed to comply with other directives in the March 22 Order, the Filing Parties are to evaluate whether additional revisions are necessary to remain in compliance with the transparency principle. In response, the Filing Parties developed the instant compliance revisions with the transparency principle in mind. Not only was care taken not to erode the transparency reflected in the original as-filed compliance tariff, the Filing Parties expanded upon it by improving the description of how stakeholders may participate in each transmission provider's local transmission planning processes with



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respect to transmission needs driven by Public Policy Requirements in Section I.A.9.c of their respective OATT Attachment Ks.

## **XII. INFORMATION EXCHANGE**

In P 67 of the March 22 Order, the Commission concluded that WestConnect had not provided sufficient clarity about the timing of information submissions in the WestConnect Regional Planning Process. According to the Commission, the proposal “only generally describes the timing of such submissions and the notice that will be provided to stakeholders and other entities responsible for submission of such data.”<sup>20</sup>

To address this directive, the WestConnect Filing Parties have established a more detailed schedule of information submission windows for stakeholders providing information for the WestConnect Regional Planning Process. Under the proposed language, WestConnect will provide a window of at least 30 days whenever WestConnect requests information from members and stakeholders. This is consistent with the language in the WestConnect Filing Parties’ existing tariffs specifying a 30-day window for information requested from transmission customers, independent transmission developers and owners, merchant transmission developers, and transmission owners with load serving obligations. In addition, the proposed language clarifies that transmission project submittals and non-transmission alternative submittals that address an identified regional need may be made through the 5th quarter of the planning cycle.<sup>21</sup>

## **XIII. INFORMATION REQUIREMENTS**

Order No. 1000 required planning regions to identify the information that project sponsors must submit for any projects that project sponsors sought to have considered in the regional planning process.<sup>22</sup> In the March 22 Order, the Commission found that the WestConnect Filing Parties had proposed sufficiently detailed information requirements, but also found that the WestConnect Filing Parties’ tariffs had not included in their tariff language all of the information requirements for proposed projects that are included in their draft Business Practices. To remedy this, the Commission directed the WestConnect Filing Parties to include in their tariffs the requirement that prospective project sponsors provide the project’s in-service date and other applicable requirements.<sup>23</sup>

In compliance, the WestConnect Filing Parties have revised their respective tariffs so that the list of information that project sponsors must provide in order for a project to be considered in the regional plan includes the project in-service date, among other

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<sup>20</sup> March 22 Order at P 67.

<sup>21</sup> Proposed Attachment K Section III.C.8 (“Transmission Project Submittals”); Proposed Attachment K Section III.C.9 (“Submission of Non-Transmission Alternatives”).

<sup>22</sup> Order No. 1000 at P 325.

<sup>23</sup> March 22 Order at P 226. The Commission explained that these changes are only necessary if the WestConnect utilities intend to require that transmission project sponsors provide this information. *Id.*

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identified requirements for a project proponent to submit its project in the regional planning process to address an identified regional need.<sup>24</sup>

To address possible impacts from the proposed transmission project on other regions, the information requirements for proposed projects will require that the sponsor provide transmission system impact studies showing the system reliability impacts on neighboring transmission systems or other transmission planning regions, including the identification of all costs associated with upgrades required to mitigate the adverse impacts on other transmission systems. If such studies are not available, the project sponsor can request that they be performed by WestConnect at the sponsor's expense as part of WestConnect's analysis of the proposed project.<sup>25</sup>

#### **XIV. MERCHANT TRANSMISSION DEVELOPERS**

In the March 22 Order, the Commission held that the WestConnect proposed tariff language on merchant transmission developers partially complied with Order No. 1000.<sup>26</sup> However, the Commission concluded that WestConnect Filing Parties should clarify their OATTs to specify the information requirements for merchant transmission developers. In particular, the Commission found that the WestConnect Filing Parties had indicated that merchant transmission developers must submit the same project information as is required for other transmission projects submitted through the WestConnect Regional Planning Process, must have proper NERC registrations, and must comply with Reliability Standards, but that the proposed tariff language had not made this clear.

In compliance with the Commission's directive on merchant developers, the WestConnect Filing Parties have proposed clarifications to their tariff language. In the description of the information collection requirements of the regional planning process, the description of the information to be submitted by merchant transmission developers has been expanded to specify that merchant transmission developers are subject to the same Reliability Standards as transmission owners with load-serving obligations, and are responsible for NERC registration and compliance with Regional Reliability Standards and other applicable local, state, and federal requirements governing their activities.<sup>27</sup>

#### **XV. QUALIFICATION CRITERIA**

In PP 217-218 of the March 22 Order, the Commission concluded that the WestConnect Planning Region did not include the qualification criteria that WestConnect would use to establish a potential transmission developer's eligibility to develop a transmission project selected in the WestConnect Regional Plan for purposes of cost allocation. As stated in Order No. 1000, these criteria "must provide each potential transmission developer the

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<sup>24</sup> Proposed Attachment K Section III.C.8.

<sup>25</sup> Proposed Attachment K Section III.C.8.

<sup>26</sup> March 22 Order at P 144.

<sup>27</sup> Proposed Attachment K Section III.C.7.c.

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opportunity to demonstrate that it has the necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities.”<sup>28</sup> The instant filing complies with the Commission’s directive on developer qualification criteria.

WestConnect Filing Parties have specified that any entity may propose projects for consideration in the regional planning process if they provide the relevant information, but has established separate qualification criteria for entities seeking to be eligible to develop projects selected in the regional plan for cost allocation. This is consistent with the Commission’s clarification that these developer qualification criteria apply only to transmission developers seeking to be eligible to use the WestConnect regional cost allocation process to develop projects identified in the WestConnect Regional Plan for purposes of cost allocation, and that any entity that does not seek to itself develop projects should be eligible to propose projects for consideration in the Regional Plan without pre-qualification.<sup>29</sup> Thus, Section III.C of Attachment K explains that any entity may “propose a project for selection in the Regional Plan” so long as the project proponent submits the necessary information and is “an active member in good standing within one of the five PMC membership sectors.” To become a member of a PMC membership sector, an entity must execute the WestConnect Planning Participation Agreement, and pay any dues, and comply with the provisions (as applicable) under that agreement.<sup>30</sup> As the dues for membership sectors such as “transmission customers,” “state regulatory commissions,” and “key interest groups” are minimal, the requirement to execute the WestConnect Planning Participation Agreement should not prevent any entity from proposing a project that it does not intend to develop itself.

If any entity wishes to propose a project for selection in the regional plan for purposes of cost allocation and be eligible to develop that project, WestConnect has provided criteria that such developers must meet to demonstrate that they have the “necessary financial resources and technical expertise to develop, construct, own, operate and maintain transmission facilities.”<sup>31</sup>

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<sup>28</sup> Order No. 1000 at P 323.

<sup>29</sup> Order No. 1000 at P 324 n.304 (“[Q]ualification criteria . . . should not be applied to an entity proposing a transmission project for consideration in the regional transmission planning process if that entity does not intend to develop the proposed transmission project.”); *PacifiCorp*, 143 FERC ¶ 61,151 at P 156 (“Whether a transmission project is *proposed* during the regional transmission planning process is different than whether there is an entity qualified to *develop* such a project. Therefore, we direct Filing Parties to clarify in their OATTs that: (1) any entity may submit a transmission project into the regional transmission planning process for consideration for purposes of cost allocation; and (2) their proposed qualification criteria will only apply to a transmission developer that intends to develop a transmission project that it submits into the regional transmission planning process for purposes of cost allocation.”).

<sup>30</sup> Proposed Attachment K Section III.C.8.

<sup>31</sup> March 22 Order at P 211. Although a prospective transmission developer may satisfy these criteria, this does not entitle that developer to construct, own, and operate a transmission project in the WestConnect Planning Region. As noted in Proposed Attachment K Section VI.C.5.1, only governmental authorities have the authority to grant those rights. This is consistent with the Commission’s statement that “Nothing

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These criteria, included in Section VI.C.5 of Attachment K, consist of the following:

- *Overview:* Section VI.C.5 requires a prospective transmission developer to provide a brief overview of its capability to finance, own, construct, operate, and maintain regional transmission projects consistent with Good Utility Practice, including the prospective developer's history of constructing, owning, operating, and maintaining transmission projects.
- *Business Practices:* Section VI.C.5 requires a prospective transmission developer to describe its processes and history of developing transmission projects, including the types of resources it brings to transmission projects, including relevant capability and experience contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way and land acquisition, construction and project management related to the construction of transmission projects.
- *Compliance History:* Section VI.C.5 requires a prospective transmission developer to describe its compliance history related to violations of NERC and/or Regional Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any Alternate Qualifying Entity. This will provide valuable information to the PMC about the applicant's ability to comply with the regulatory requirements governing the development of transmission projects. To the extent the applicant and any Alternate Qualifying Entity it may rely upon to meet these criteria lacks such a compliance history, this section provides them the flexibility to provide equivalent information regarding any electric distribution or generation facilities it has developed, constructed, owned, operated and/or maintained.
- *Participation in the Planning Process:* Section VI.C.5 requires a prospective transmission developer to describe its participation in the WestConnect Regional Planning Process or other planning forums for the identification, analysis, and communication of transmission projects as a way of determining the applicant's participation in the industry's efforts related to transmission development.
- *Project Execution:* Section VI.C.5 requires a prospective transmission developer to explain why it has the capability and experience to comply with the on-going scheduling, operating, and maintenance activities associated with project development and execution.
- *Right-of-Way Acquisition Ability:* Section VI.C.5 requires a prospective transmission developer to describe its procedures and practices for addressing the

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in this Final Rule preempts or limits any obligations or requirements that a nonincumbent transmission developer may be subject to under state or local laws." Order No. 1000 at P 339. See also March 22 Order at P 269 ("The determination of which transmission developer may use the regional cost allocation method for a selected transmission project does not necessarily confer rights to construct the project.").

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transmission project siting and right-of-way acquisition requirements necessary for transmission development.

- *Financial Health*: Section VI.C.5 requires a prospective transmission developer to demonstrate that it is sufficiently creditworthy and has adequate capital resources to finance transmission projects. In order to provide the flexibility sought by the Commission in this area,<sup>32</sup> WestConnect provides several methods by which applicants can demonstrate their financial health. An applicant can demonstrate that it has an investment grade credit rating from both S&P and Moody's. Alternatively, an applicant can provide corporate financial statements for the most recent five years. If an applicant does not have a credit rating and is less than five years old, the applicant can submit corporate financial statements for each year those statements are available. As an alternative, the applicant can provide copies of their guarantees, surety bonds, letters of credit or other forms of security for the PMC's review. If an applicant is providing financial statements, the applicant must provide the funds from operations-to-interest coverage ratio, the funds from operation-to-total debt ratio, and the total debt-to-total capital ratio. The applicant must also indicate the levels of these ratios that the applicant will maintain during and after construction of the transmission project.
- *Safety Program*: Section VI.C.5 requires a prospective transmission developer to demonstrate that it has an adequate internal safety program, contractor safety program, safety performance record, and has executed its safety program.
- *Transmission Operations*: Section VI.C.5 requires a prospective transmission developer to demonstrate it has the ability to operate a transmission project after it is complete. This includes, among other things, demonstrating that the applicant has control center operations capabilities, the ability to obtain required path ratings, a NERC compliance process and compliance history, as applicable, the required NERC certifications or the ability to obtain any applicable NERC certifications, the ability to establish Total Transfer Capability, storm/outage response and restoration plans, and a record of past reliability performance, as applicable. Recognizing that transmission developers might rely on other entities for these capabilities, WestConnect asks that the applicant provide a statement of which entity(ies) will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.
- *Transmission Maintenance*: Section VI.C.5 requires a prospective transmission developer to demonstrate that it has an adequate transmission maintenance program or, alternatively, plans to develop such a program. Such a maintenance program would cover staffing and crew training and transmission facility and equipment maintenance. This would also address the applicant's record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program. Recognizing that transmission developers might rely on other entities for these

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<sup>32</sup> See, e.g., *Louisville Gas & Electric Co.*, 144 FERC ¶ 61,054 at P 154 (2013).

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capabilities, WestConnect asks that the applicant provide a statement of which entity(ies) will be maintaining the completed transmission facilities.

- *Regulatory Compliance:* Section VI.C.5 requires a prospective transmission developer to demonstrate that it has the ability (or plans to develop the ability) to comply with Good Utility Practice, WECC criteria and regional Reliability Standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements, as these are the regulatory requirements most closely related to successfully developing, operating, and maintaining a regional transmission project.
- *Affiliation Agreements:* Section VI.C.5 provides a prospective transmission developer an opportunity to rely on other entities, called “Alternate Qualifying Entities,” to fulfill the transmission developer qualification criteria. This is consistent with Commission directives in other orders, which have stressed flexibility in the arrangements that prospective developers can rely upon to fulfill developer qualification criteria.<sup>33</sup> Under the WestConnect proposal, a transmission developer can rely on its own qualification, the qualifications of a corporate affiliate, or the qualifications of an unaffiliated third-party that submits an affidavit stating its willingness to perform the tasks identified by the prospective transmission developer.
- *WestConnect Membership:* Section VI.C.5 requires a prospective transmission developer to either be a member of WestConnect in the Transmission Owners with Load Serving Obligations sector or Independent Transmission Developers and Owners sector or to agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and sign the Planning Participation Agreement. The Commission has accepted a similar commitment in another region.<sup>34</sup>
- *Other:* Section VI.C.5 permits the applicant to provide any additional information about its project development experience that the applicant believes would demonstrate its expertise related to the developer criteria.

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<sup>33</sup> *Avista Corp.*, 143 FERC ¶ 61,255 at P 187 (2013) (“Given the potential for a prospective transmission developer to rely on third-party contractors to construct, own, operate and maintain transmission facilities, it is unreasonable to require such a developer to demonstrate that it has the capability to do so without also providing an opportunity for a transmission developer to satisfy this showing through reliance on relevant third-party experience.”); *Southwest Power Pool, Inc.*, 144 FERC ¶ 61,059 at P 227 (2013) (“that it is premature at the qualification stage to require a potential transmission developer to enter into executed contracts with any entity the transmission developer may rely on to meet the managerial qualification criteria.”).

<sup>34</sup> *Avista Corp.*, 143 FERC ¶ 61,255 at P 181 (“[W]e find reasonable the requirement that any transmission developer who intends to sponsor a transmission project in the ColumbiaGrid transmission planning region execute the Restated PEFA before requesting Order No. 1000 cost allocation for a transmission project that it proposed.”).

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The necessary information demonstrating qualification under these criteria must be submitted by potential transmission developers during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information.<sup>35</sup> By September 30 each year, the PMC will notify each prospective transmission developer whether it has satisfied these criteria. If an applicant did not satisfy the criteria, the PMC will provide that applicant with 30 days to correct the deficiency and the PMC will notify the applicant within 45 days after receiving the new information whether the applicant has satisfied the qualification criteria.<sup>36</sup> Then, by December 31 each year, the PMC will post on the WestConnect website a list of the transmission developers who satisfy the transmission developer criteria. Transmission developers found to meet the qualification criteria are “Eligible Transmission Developers.”<sup>37</sup>

By June 30 each subsequent year, Eligible Transmission Developers must submit a notarized letter to WestConnect stating that the developer continues to meet the qualification criteria or identifying changes to the information in its initial application. Each Eligible Transmission Developer that is not yet a WestConnect member and current on its membership dues must submit an annual certification fee, which is equal to the membership fee they would pay each year as a member of WestConnect. WestConnect members that are current on their membership dues need not submit this annual certification fee.<sup>38</sup> Equality in this area ensures that no entity is unduly advantaged or disadvantaged based on its membership or lack of membership in WestConnect.

Each Eligible Transmission Developer will have an ongoing obligation to notify the PMC chair of changes to the information provided in the developer’s transmission developer application. Such notifications must be submitted within 30 days of the change. After receiving notification of the change, the PMC will either (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer, (2) suspend the transmission developer’s eligibility status until any deficiency in the transmission developer’s qualifications is cured, (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency, or (4) terminate the transmission developer’s eligibility status.<sup>39</sup>

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<sup>35</sup> Proposed Attachment K Section VI.C.5. This discretion ensures that the PMC can provide a larger submission window as needed to accommodate the many prospective transmission developers who will be preparing to submit this information for the first time.

<sup>36</sup> This is consistent with the Commission’s directive in other proceedings that regions provide “procedures for timely notifying potential transmission developers of whether they satisfy the qualification criteria and providing opportunities to remedy any deficiencies.” *PacifiCorp*, 143 FERC ¶ 61,151 at P 157 (2013).

<sup>37</sup> Proposed Attachment K Section VI.C.5.

<sup>38</sup> Proposed Attachment K Section VI.C.5.

<sup>39</sup> Proposed Attachment K Section VI.C.5.

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The PMC has the authority to terminate a transmission developer's Eligible Transmission Developer status if the Eligible Transmission Developer (1) fails to submit its annual certification letter, (2) fails to pay the applicable WestConnect membership fees, (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer, (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer, (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change, or (6) fails to execute the Planning Participation Agreement within a reasonable time defined by the PMC after seeking to be an entity eligible to use the cost allocation methodology for a project selected in the regional plan for purposes of cost allocation.

## **XVI. REEVALUATION PROCESS**

In the March 22 Order, the Commission explained that Order No. 1000 requires public utility transmission providers in a region to set forth the circumstances under which they will reevaluate the regional transmission plan to determine if delays in the development of a transmission facility selected in the regional plan for purposes of cost allocation require evaluation of alternative transmission solutions.<sup>40</sup> The purpose of this requirement is to ensure that "adequate processes are in place to determine whether delays associated with the completion of a transmission facility selected in a regional plan for purposes of cost allocation have the potential to adversely affect an incumbent transmission provider's ability to fulfill its reliability needs or service obligations."<sup>41</sup> The Commission stated that while it interpreted the Filing Parties proposed language concerning reevaluation as addressing this requirement, the Commission directed the Filing Parties to revise their OATTs to the extent necessary to conform them to the Commission's description of the requirements of Order No. 1000.<sup>42</sup> In connection with this directive, the Commission further ordered the Filing Parties to revise their OATTs to: (1) allow an incumbent transmission provider to propose solutions that it would implement within its retail distribution service territory or footprint if an evaluation of alternatives is needed; and (2) if the proposed solution is a transmission facility, provide for the facility's evaluation for possible selection in the regional transmission plan for purposes of cost allocation.<sup>43</sup>

As revised, the Filing Parties' proposed reevaluation process is fully consistent with the Commission's description of the requirements of Order No. 1000. Under the process set out in the Filing Parties' OATT Attachment Ks, the PMC shall reevaluate the Regional Plan and transmission facilities selected in the Regional Plan for purposes of cost allocation to determine if alternative transmission solutions are necessary if: (1) a project is delayed and fails to meet its in-service date by more than 2 years; (2) there are changes to underlying projects characteristics or beneficiaries, including a project's failure to

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<sup>40</sup> March 22 Order at P 254.

<sup>41</sup> See Order No. 1000-A at P 477.

<sup>42</sup> March 22 Order at P 254.

<sup>43</sup> *Id.*



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secure a developer or a project developer's non-compliance with the qualification criteria set out in the OATT Attachment Ks; (3) there are significant physical changes to the project, including rating changes and changes to the number of transmission elements or point of interconnection; or (4) there is a change in the calculation of benefits or the cost-benefit ratio of the project that may affect whether the project remains an efficient or cost effective solution to meeting regional needs. Individual projects are subject to reevaluation until: (1) state and federal approval processes are completed and approved; (2) all local, state, and federal siting permits have been approved; and (3) major construction contracts have been issued. When reevaluation is required, the PMC will determine whether alternative transmission solutions are needed using the same regional planning processes and procedures that it uses in identifying solutions to regional transmission needs. Further, consistent with the Commission's directive, if an alternative solution is needed, an incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service or footprint and may submit any proposed transmission project for possible selection in the Regional Plan for purposes of cost allocation.

The criteria established by the Filing Parties ensures that the PMC will consider the need for alternative transmission solutions anytime that a project fails to meet its in-service date by a prescribed period of time or the project exhibits other characteristics, such as project, developer, or system changes, that are hallmarks that a project will be delayed or ultimately will not be constructed. Thus, consistent with the Commission's discussion, the Filing Parties have established a process by which the PMC will engage in ongoing review of project delays and the need for alternative solutions and which ensures that any such delays will not adversely affect an incumbent transmission provider's ability to fulfill its reliability needs or service obligations.

Moreover, the process established by the Filing Parties meets the other requirements of the March 22 Order. The Filing Parties have revised Section III.C.17 of their respective OATT Attachment Ks to clarify that the PMC is required to reevaluate the Regional Plan – not just individual projects – and that only the PMC has the authority to modify the status of a transmission project selected for purposes of cost allocation from the Regional Plan. In addition, the Filing Parties proposed revisions establish defined triggers for reevaluation, provide additional detail concerning changes to costs and benefits that trigger reevaluation, and clarify that the PMC will reevaluate projects selected in the Regional Plan for purposes of cost allocation and the need for alternative transmission solutions using the same processes that it uses when evaluating projects for selection in the Regional Plan for purposes of cost allocation in the first instance. Also, the Filing Parties have eliminated the concept of voluntary participant funding of projects in its reevaluation criteria. Finally, the Filing Parties have clarified that local or single system projects that have been selected in the Regional Plan for purposes of cost allocation are subject to reevaluation and have eliminated the exemption from reevaluation for planned transmission system upgrades selected in the Regional Plan for purposes of cost allocation and projects that have been approved by the PMC in previous planning cycles.

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## **XVII. TRANSMISSION NEEDS DRIVEN BY PUBLIC POLICY REQUIREMENTS IN LOCAL AND REGIONAL PROCESS**

The March 22 Order set forth a variety of directives for the Filing Parties to further revise their respective OATTs to fully comply with the Order No. 1000 directives to consider transmission needs driven by public policy requirements in the local and regional transmission planning process. The Filing Parties' instant filing contains various revisions, as summarized below, to satisfy these directives.

As required by the March 22 Order, the Filing Parties revised their respective OATT Attachment Ks to include a definition of public policy requirements.<sup>44</sup> Specifically, this definition is set forth in Section I.A.4.c of the Filing Parties' respective OATT Attachment Ks and defines "Public Policy Requirements" to mean those requirements enacted by state or federal laws or regulations, including those laws enacted by local governmental entities, such as a municipality or county. This definition is used in both the Filing Parties' local and regional transmission planning sections of the OATT Attachment Ks. The Filing Parties also revised their respective OATT Attachment Ks to explain their reference to the term "proposed public policy requirements", as required by the Commission.<sup>45</sup> As a preliminary matter, the Filing Parties replaced the term "proposed public policy requirements" with the term "proposed public policy" in the OATT Attachment Ks, which more accurately reflects that such public policy has not yet been enacted and, therefore, is not yet a requirement. As used in the Filing Parties' OATT Attachment Ks, "proposed public policy" refers to public policy that has been proposed before a governmental authority, but not yet enacted.<sup>46</sup>

The terms "Public Policy Requirements" and "proposed public policy" are used in both the local and regional transmission planning sections of the Filing Parties' OATT Attachment Ks. A summary of the other changes made to the Filing Parties' respective OATT Attachments to address consideration of Public Policy Requirements in both the local and regional transmission planning processes is set forth below.

### A. Consideration of Public Policy Requirements in the Regional Transmission Planning Process

In response to the Commission's directives in the March 22 Order, the Filing Parties added provisions that describe how stakeholders can submit what they believe are transmission needs driven by Public Policy Requirements and how the proposed process for evaluating solutions to transmission needs in the regional transmission planning process provides an opportunity for stakeholders to provide input during the evaluation of

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<sup>44</sup> March 22 Order at PP 168, 196.

<sup>45</sup> *Id.* at PP 169, 196.

<sup>46</sup> *See* Section I.A.4.c of the Filing Parties OATT Attachment Ks.

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potential solutions to identified needs.<sup>47</sup> In addition, the Commission directed the Filing Parties to address how they would identify which transmission needs driven by Public Policy Requirements would be evaluated for solutions, among the larger set of transmission needs driven by Public Policy Requirements.<sup>48</sup>

Regional transmission needs driven by Public Policy Requirements will be addressed initially within the local planning cycles of the Filing Parties through the consideration of local transmission needs driven by Public Policy Requirements. For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region (as defined in the OATT Attachment Ks), a solution identified at the local level to satisfy the local needs of the affected transmission owner(s) may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region. As such, stakeholders will have the opportunity to first offer input on or make proposals of what they believe are transmission needs driven by Public Policy Requirements at the local transmission planning meetings held by the respective Filing Parties. Stakeholders will also have the opportunity to participate in the open meetings held under the Regional Planning Process (as defined in the respective OATT Attachment Ks) to discuss transmission needs driven by Public Policy Requirements and the evaluation of solutions to such needs. During these open meetings, stakeholders may propose transmission needs driven by Public Policy Requirements and possible solutions to such needs, or offer comments on proposals of others. Stakeholders that sign the WestConnect Planning Participation Agreement and become members of the PMC will perform regional transmission planning functions, which will also provide opportunities to identify regional transmission needs driven by Public Policy Requirements and develop solutions to those needs through membership on the PMC subcommittees.

Notice of both regional and local transmission planning meetings in which stakeholders may participate will be posted on the WestConnect website.

Finally, the Filing Parties revised their respective OATT Attachment Ks to describe a just and reasonable and not unduly discriminatory process for identifying the transmission needs driven by enacted Public Policy Requirements for which solutions will be evaluated in the regional transmission planning process. The Filing Parties also explain in their compliance filings how their open and transparent regional transmission planning process determines whether to move forward regarding transmission needs driven by Public Policy Requirements.<sup>49</sup>

#### B. Consideration of Public Policy Requirements in the Local Transmission Planning Process

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<sup>47</sup> March 22 Order at PP 170, 176.

<sup>48</sup> *Id.* at P 172.

<sup>49</sup> March 22 Order at P 172.

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Each of the Filing Parties revised its respective OATT Attachment K to include new provisions<sup>50</sup> that address: “(1) procedures to identify transmission needs driven by public policy requirements that allow stakeholders an opportunity to provide input and to offer proposals regarding the transmission needs they believe are driven by public policy requirements, and (2) a just and reasonable and not unduly discriminatory process for identifying, out of this larger set of needs, those needs for which transmission solutions will be evaluated” in response to the Commission’s directives in the March 22 Order.<sup>51</sup> The new provisions describe how stakeholders will have a meaningful opportunity to submit what the stakeholders believe are transmission needs driven by Public Policy Requirements, and provides for an open and transparent transmission planning process in compliance with the March 22 Order by incorporating stakeholder input at various stages of the local planning process.<sup>52</sup>

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting the respective Filing Parties’ point of contact directly at the email address provided in its OATT Attachment K. Additionally, stakeholders may offer input on or make proposals for local transmission needs driven by Public Policy Requirements at the Filing Parties’ open meetings under their local transmission planning processes set forth in their OATT Attachment Ks.

The Filing Parties revised their respective OATT Attachment Ks to describe a just and reasonable and not unduly discriminatory process for identifying the local transmission needs driven by enacted Public Policy Requirements for which solutions will be evaluated in the regional transmission planning process. The Filing Parties also explain in their compliance filings how their open and transparent transmission planning process determines whether to move forward regarding local transmission needs driven by Public Policy Requirements.<sup>53</sup>

Stakeholders may also participate in the evaluation of solutions to those local transmission needs driven by Public Policy Requirements that are selected by each Filing Party for further evaluation. Stakeholders may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs during the respective Filing Parties’ open local transmission planning meetings. After seeking the input of stakeholders, each Filing Party will determine whether to select a particular local solution in its local transmission plan using the same procedures used to evaluate any other project proposed in the local planning process.

Additionally, the Filing Parties included in these new provisions a requirement to post on each of their own respective websites: (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in its respective local

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<sup>50</sup> See Section I.A.9.c of the respective Filing Parties OATT Attachment Ks.

<sup>51</sup> March 22 Order at P 200.

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

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planning studies; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

### **XVIII. OWNERSHIP RIGHTS**

To address the Commission's concerns discussed in P 340 of the March 22 Order, the Filing Parties propose additional language to what was originally proposed in Section VI.C.6 of their respective OATT Attachment Ks. The additional language clarifies that the Filing Parties did not intend to create a right of first refusal for transmission beneficiaries, but instead intended ownership as an alternative if the parties involved negotiated an arm's length transaction that allowed an identified beneficiary to receive an ownership percentage of the project rather than paying an allocated share of project costs through transmission service payments. If the parties are unable to reach an agreement under the ownership scenario, the identified beneficiaries would remain obligated for its allocated share of project costs identified through the regional cost allocation methodology. The Filing Parties believe the proposed language allows for flexibility for both the project developer and identified beneficiaries while still meeting the Commissions objectives for cost allocation.

The OATT Attachment K language proposed by the Filing Parties in Section VI.C.6 clarifies two things. First, it provides for an identified beneficiary to receive transfer capability on a project in exchange for its allocation of cost. Second, it provides an alternative through which an identified project beneficiary that contributes capital toward the construction of a regional transmission project (in lieu of making transmission service payments for transfer capability on a transmission project) to obtain, should it so elect and only upon the agreement of the project developer, a proportionate ownership interest in the project. The proposed language also affords an entity that is willing to front a portion of the cost of a project the opportunity to be fairly compensated for its contribution and in a manner proportionate to its investment in the project—no greater and no less—and opens up the opportunity for a transmission developer to secure capital contributions for its project (a choice a developer may find, in certain instances, superior to the option of securing service subscriptions). Additionally, providing an ownership option (in lieu of transmission service payments) allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an ownership option. Under either scenario, ownership or transmission service, such rights are limited to the extent of the benefit gained by the identified project beneficiary.

### **XIX. COST ALLOCATION, EVALUATION PROCESS FOR SELECTION IN PLAN FOR PURPOSES OF COST ALLOCATION**

The Filing Parties have proposed changes to the language in their respective OATT Attachment Ks addressing the Commission's directives in the March 22 Order regarding

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cost allocation and the evaluation process for selection in the regional transmission plan for purposes of cost allocation. These proposed changes are as follows:

A. Evaluation Process for Transmission Proposals for Selection in the Regional Transmission Plan for Purposes of Cost Allocation

1. Evaluation and Selection Process for Projects and the Role of Each WestConnect Committee and/or Subcommittee.

To address the Commission's issues discussed in P 238 of the March 22 Order regarding the role of certain WestConnect Committees in the process for determining the selection of a project in the regional transmission plan for purposes of cost allocation, the Filing Parties have added language to Section III.C of their respective OATT Attachment Ks that provides additional detail on the role of the PMC in the management of the WestConnect Regional Planning Process. Additionally, the PMC is responsible for the creation of and dissolving of subcommittees such as the Planning Subcommittee and Cost Allocation Subcommittee that provide recommendations to the PMC concerning the evaluation and selection process for projects to be included in the plan for purposes of cost allocation that address identified regional needs.

2. The Role of a Local Transmission Plan in the PMC Selection Process of a Regional Reliability Transmission Project

The Filing Parties have added language to Section III.C of their respective OATT Attachment Ks to address the Commission's issue in P 242 of the March 22 Order, that a local transmission owner's willingness to modify its local transmission plan should not impact the PMC's selection of a more efficient or cost effective regional transmission project for purposes of cost allocation. In Section III.C.12, the Filing Parties state: "Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects." These revised provisions comport with the Commission's clarification on this issue in Order No. 1000-A at P 190 ("we also clarify that we do not require that the transmission facilities in a public utility transmission provider's local transmission plan be subject to approval at the regional or interregional level, unless that public utility transmission provider seeks to have any of those facilities selected in the regional transmission plan for purposes of cost allocation").

B. Cost Allocation for Transmission Projects Selected in the Regional Transmission Plan for Purposes of Cost Allocation

1. Binding Cost Allocation on Identified Beneficiaries

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To address the Commission's issues discussed in P 309 of the March 22 Order regarding binding cost allocation on identified beneficiaries, the Filing Parties have added a new Section VI.C.11 to their respective OATT Attachment Ks. Section VI.C.11 states that the cost allocation methods, as provided in Section VI.C of the Filing Parties OATT Attachment Ks, are binding on the Enrolled Transmission Owners identified as beneficiaries, without prejudice to certain rights and obligations:

- (a) The right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of cost allocation;
- (b) The right and obligation of a transmission developer to make a filing under Section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of cost allocation;
- (c) The right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable proceeding initiated by a transmission developer under the Federal Power Act, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and
- (d) The right and obligation of the Commission to act under Section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by a transmission developer for a transmission facility selected in the regional plan for purposes of cost allocation.

2. Clarification of Which Entities may be Allocated Costs for Reliability Projects Selected for Purposes of Cost Allocation

To address the Commission's issues discussed in P 313 of the March 22 Order, the Filing Parties have added a statement to Section VI.C.12 of their respective OATT Attachment Ks that states that the ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner, and that the costs of reliability projects will be allocated to enrolled transmission owners identified as beneficiaries.

3. Clarification of the Allocation of Costs Less Than or Equal to One Percent of Total Benefits for an Economic Transmission Project Selected for Cost Allocation

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To address the Commission's issues discussed in P 315 of the March 22 Order regarding allocation of costs less than or equal to one percent of total benefits for an economic transmission project selected for cost allocation, the Filing Parties have added a statement to Section VI.C.13 of their respective OATT Attachments to clarify that: "Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an Enrolled Transmission Owner, such benefits will be re-allocated to all other enrolled identified beneficiaries on a pro-rata basis, in relation to each entity's share of total project benefits."

4. Clarification of Which Entities may be Allocated Costs for Economic Projects Selected for Purposes of Cost Allocation

To address the Commission's issues discussed in P 316 of the March 22 Order regarding the entities which may be allocated costs for economic projects selected for purposes of cost allocation, the Filing Parties have added a statement to Section VI.C.13 of their respective OATT Attachments that states that: "The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner."

5. Explanation of the Determination of Whether Multiple Types of Benefits will be considered for a Single Transmission Project

To address the Commission's issues discussed in P 318 of the March 22 Order regarding the determination of whether multiple types of benefits will be considered for a single transmission project, the Filing Parties have provided additional clarification in Section VI.C.4 on this point, stating that interested stakeholders are given the opportunity to provide input to determine whether to consider multiple benefits for a single transmission project, in accordance with Section III (the Regional Transmission Planning Process). Further, the Filing Parties also describe the steps that the PMC will utilize in the determination of whether to consider multiple benefits for a single project, including categorizing the benefits as: (a) meeting NERC Transmission Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements. The PMC will identify all three benefits through the regional cost allocation process, and if the project cannot pass the cost allocation threshold for any one of the three benefit categories alone, the sum of benefits from each benefit may be considered.

6. Calculation of Benefit to Cost Ratios for Economic Transmission Projects

To address the Commission's issues discussed in P 322 of the March 22 Order regarding calculation of benefit to cost ratios for economic transmission projects, the Filing Parties have added clarifying language in Section VI.C.13 of their respective OATT Attachment



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Ks. The additional language states that in order for an economic project to be considered economically justified and receive cost allocation, it must have a benefit to cost ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. The Filing Parties have also included a description of how scenario analyses will be used to ensure that benefits for economic project selected for cost allocation and involving more than one system will be attributed to the beneficiary enrolled transmission owners. The clarification language also incorporates an example of how an aggregate load-weighted benefit to cost ratio calculation will be used to allocate costs of a project to the enrolled transmission owners, based on the extent of each of the enrolled transmission owners economic benefits received, relative to the total project benefits.

7. Consequences of a Transmission Facility Selected in the Regional Transmission Plan for Purposes of Cost Allocation on a Transmission System in Another Region

To address the Commission's issues discussed in P 323 of the March 22 Order regarding the consequences of a transmission facility selected in the regional transmission plan for purposes of cost allocation on a transmission system in another region, the Filing Parties have added a new Section VI.C.12 to their respective OATT Attachment Ks, to address the "Impact of a Regional Project on Neighboring Planning Regions." Under Section VI.C.12, the Filing Parties state that the PMC will study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions resulting from: a) the WECC Path Rating Process; b) under FERC OATT requirements; c) under NERC Reliability Standards requirements, and/or d) under any negotiated arrangements between the interconnected entities. In agreeing to study the impacts of a regional transmission facility on neighboring planning region, the PMC is not agreeing to bear the cost of any mitigation measures it identifies, and will request that developers design and build projects to mitigate the project's identified impacts on neighboring planning regions. Any costs involved in the mitigation shall be included in the regional transmission project's total project costs for purposes of determining the projects eligibility for regional cost allocation under Section VI.C. The Filing Parties state that the WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Authority Area, or any other entity, for the costs of any required mitigation measure, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region.

8. Documentation on Regional Cost Allocation for Reliability and Public Policy Transmission Projects

To address the Commission's issues discussed in P 325 of the March 22 Order regarding documentation of regional cost allocation for reliability and public policy transmission

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projects, the Filing Parties have incorporated an additional statement in Section VI.C of their respective OATT Attachment Ks, stating that the manner in which WestConnect Regional Planning Process applies this methodology for cost allocation shall be described in the Regional Transmission Plan.

9. Production Cost Savings, Reserve Sharing Requirements and Documentation for Economic Transmission Projects

To address the Commission's issues discussed in P 326 of the March 22 Order regarding production cost savings, reserve sharing requirements and documentation for economic transmission projects, the Filing Parties have incorporated additional language in Section VI.C of their respective OATT Attachment Ks. Specifically, the Filing Parties state that production cost savings are to be determined by the PMC performing a production cost simulation that models the impact of the proposed transmission project on production costs and congestion. The production cost savings and reductions in reserve sharing requirements will be calculated as the reduction in production costs between a production cost simulation with the project included, as compared to a production cost simulation without the project. The PMC will identify a transmission project's impact on reserve sharing requirements as it applies to the individual transmission systems involved. The Filing Parties intend that the following production cost principles be applied and that the production cost models appropriately consider the hurdle rates between transmission systems.

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least 10 years.
- Cost savings must be expressed in present-value dollars and consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system.
- The production cost study must account for contracts and agreements related to the access and use of generation.

The Filing Parties have also included language to provide stakeholders several different ways to acquire information regarding how the PMC applies the regional cost allocation method for an economic transmission project to a transmission facility.

## **XX. LOCAL TRANSMISSION PLANNING PROCESSES**

The Commission observed generally in the March 22 Order that the basis for certain revisions in the pre-Order No. 1000 transmission planning provisions of the Filing Parties had not been addressed, and directed that they be addressed in the next compliance

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filing.<sup>54</sup> EPE is submitting Appendix A to address the changes it made in its Attachment K related to or triggered by its Order No. 1000 regional planning tariff changes.

## **XXI. REQUEST FOR EFFECTIVE DATE AND ACCEPTANCE FOR FILING**

In PP 24, 28, and 29 of the March 22 Order, the Commission expressed concern with the Filing Parties proposal to tie the effective date of their respective OATT Attachment Ks with final Commission action and the apparent inconsistency between the implementation date for the Order No. 1000 planning process and the effective date of the OATT Attachments. In the instant filing, the Filing Parties propose an effective date of January 1 of the year following FERC conditional or full acceptance of the instant filing. Should this proposal result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in that odd-numbered year and begin its full biennial process in the following even-numbered year.

The Filing Parties believe this proposal gives FERC and WestConnect flexibility to allow for a January 1, 2014 effective date if the Commission chooses to issue an order prior to the end of 2013 and also gives some certainty to the parties participating in the WestConnect Planning Region that the effective date will be January 1, 2015 if the Commission issues an order after the end of 2013. WestConnect also will need to begin the full biennial planning process on an even-numbered year to align with its interregional neighbors, Northern Tier Transmission Group, ColumbiaGrid, and the California Independent System Operator. In the interim, while the Commission reviews the instant filing, WestConnect plans to continue transition efforts to the extent it can prior to Commission acceptance of this instant filing.

Sincerely,

**R. Nuschler** (e-filed)

Robin M. Nuschler, Esq.  
Attorney for El Paso Electric Company

cc: Docket No. ER13-91-000 Service List

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<sup>54</sup> March 22 Order at P 353.

## APPENDIX A

- Describing “alternatives” as “non-transmission alternatives” to comport with the terminology the Commission uses in Order No. 1000. See EPE OATT Sections I.A.1.a, I.A.3.a, I.A.3.d.iv, I.A.9.b, I.C.2, II.B.2.
- Identifying, where the historical WestConnect entity is first mentioned, that regional transmission planning will be conducted by a new planning management committee to be formed in the WestConnect region. See EPE OATT Section I.A.4.a. See also EPE OATT Section 1.A.5.b, I.A.5.d, I.A.9.a (where specific references to this new WestConnect regional planning entity are necessary).
- Removing the references to WestConnect in the context of the historical sub-regional planning role that it played, in light of the new role WestConnect is to play in regional transmission planning in response to Order No. 1000. See EPE OATT Section II (where changes are made to pre-existing tariff provisions, and other sections are removed). The meeting schedules previously found in Section II.B.C are among the historical provisions removed as a result of Order No. 1000 compliance. The historical WestConnect entity will no longer hold those planning meetings, and SWAT’s historical meeting schedule (and role) under the pre-Order No. 1000 process is in flux at present, and yet to be determined. See also the change to the opening sentences of EPE’s Section III.A.
- Adding new provisions governing the consideration of public policy requirements in the local transmission planning process. See EPE OATT Sections I.A.4.c and new I.A.9.c.
- Providing for the publication of EPE’s local transmission plan “no less frequently than on a biennial calendar year basis,” instead of simply “biennially.” See EPE OATT Sections I.A.1, 1.A.2, I.A.3, I.A.5.a, I.A.9.a, I.A.9.c, I.C.1, I.C.2, I.C.3, I.C.4.a, and Exhibit 1. As EPE addresses in Section I.A.2.a, “EPE may opt to develop and publish its Plan annually on a regular basis in conjunction with regional biennial transmission planning. . . .” This should eliminate the potential risk that might come with a biennial local process that EPE’s local plan is not yet completed when the new WestConnect planning management committee needs it for development of the base case necessary for its regional transmission planning efforts.
- Changing the email address for stakeholder communications regarding transmission planning so that the point of contact for EPE’s local transmission planning process is the same as the point of contact for the new regional transmission planning process. See EPE OATT Sections I.A.5 and I.A.9. This is due to the introduction of new provisions required under Order No. 1000 to introduce into the local planning process the same kind of public policy requirement considerations that are to be part of the regional transmission planning process. EPE anticipates that any stakeholder interested in pursuing a project to address an identified regional need driven by public policy requirements will be participating in the relevant transmission owner local planning processes governing local needs driven by the those public policy requirements.

FERC rendition of the electronically filed tariff records in Docket No. ER13-02407-000

Filing Data:

CID: C000465

Filing Title: Order No. 1000 Compliance Filing - Regional

Company Filing Identifier: 38

Type of Filing Code: 80

Associated Filing Identifier:

Tariff Title: Open Access Transmission Tariff

Tariff ID: 5

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment K, Transmission Planning Process, 3.0.0, A

Record Narrative Name:

Tariff Record ID: 63

Tariff Record Collation Value: 670659281 Tariff Record Parent Identifier: 0

Proposed Date: 9998-12-31

Priority Order: 700

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

## **ATTACHMENT K**

### **Transmission Planning Process**

#### **I. El Paso Electric Company Local Transmission Planning**

##### **A. El Paso Electric Company Planning Process**

Participation in El Paso Electric Company's ("EPE") planning process is open to all affected and interested parties, including, without limitation, potential and current Transmission Customers, interconnection customers, regulatory and state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders (jointly, "Stakeholders").

##### **1. Overview**

The EPE transmission planning process will consist of an assessment of the following needs:

- a. Providing adequate transmission to access sufficient resources (supply or demand resources) in order to reliably and economically serve retail, wholesale and network loads in the EPE service area;
- b. Where feasible, identifying non-transmission alternatives

such as demand response resources that could meet or mitigate the need for new transmission;

- c. Supporting EPE's local transmission and sub-transmission systems; and
- d. Coordinating new interconnections with other transmission systems.

2. Transmission Planning Cycle, 10-Year System Expansion Plan and EPE Transmission System

- a. The EPE 10-Year System Expansion Plan ("Plan") will be developed and published no less frequently than on a biennial calendar year basis. The Plan will be reviewed annually to verify that the modeling, assumptions and planned facilities remain appropriate. If the modeling, assumptions and planned facilities require modification, one or more special studies will be performed to evaluate the impact of the modifications. Any modifications resulting from a special study will be incorporated in the next planning cycle as necessary. To the extent required by system changes, a Plan may be issued in the years between the planned issuances. EPE may opt to develop and publish its Plan annually on a regular basis in conjunction with regional biennial transmission planning in compliance with FERC Order No. 1000.
- b. The purpose of the Plan will be to identify and evaluate, on a regular basis, any future electric transmission system modifications and additions or alternatives that may be required to serve the anticipated area load growth or other customers' transmission needs in the EPE service territory for a ten year planning horizon. The transmission facilities in EPE's local transmission plan are not subject to approval at the regional level unless EPE seeks to have such transmission facilities selected in the regional plan for purposes of regional cost allocation.
- c. Stakeholders may participate in each stage of EPE's development of the Plan and any annual update for EPE's local transmission system. Participation opportunities include two meetings within the twelve month period in which the

Plan is developed and other EPE meetings and opportunities to review data, submit data and request studies (each as further described below). EPE has attached hereto as Exhibit 1 a flowchart of the EPE transmission planning process.

- d. EPE will post on its Open Access Same-Time Information System (“OASIS”) the executive summaries of its Plan. Additional information, including a complete copy of the Plan will be available upon request, subject to appropriate confidentiality measures if needed.
- e. EPE’s transmission system includes (i) jointly owned transmission facilities in Arizona that are part of the Arizona Nuclear Power Project Valley Transmission System (“ANPP VTS”) Participation Agreement and within the balancing authority area of Salt River Project (“SRP”) and (ii) transmission facilities in New Mexico and Texas that are within EPE’s balancing authority area, some of which are jointly owned or operated with other regional utilities. For purposes of Stakeholder participation in planning activities for any EPE transmission facilities other than the ANPP VTS, Stakeholders may contact EPE pursuant to information provided on the EPE website at [www.EPElectric.com](http://www.EPElectric.com). Stakeholders should contact SRP pursuant to information on the SRP website at [www.SRPnet.com](http://www.SRPnet.com) to participate in the planning activities for projects related to the ANPP VTS. EPE will work with the Stakeholder and SRP as necessary to ensure the Stakeholder is put in contact with the appropriate SRP planning representatives.

### 3. Stakeholder’s Responsibility for Providing Data

- a. As outlined in the planning flow chart (Exhibit 1), the EPE planning cycle typically will commence with the issuance by EPE of a notice to Stakeholders that wish to have their needs considered, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources, or other non-transmission alternatives, in EPE’s Plan to submit information and data regarding their needs (as specified in Section I.A.3.d below).
- b. EPE will use the information and data provided by such Stakeholders to, among other things, assess network load and

generation and demand resource projections, transmission needs, operating dates and retirements for generation resources in EPE's system and to update regional models used to conduct planning studies.

- c. EPE will post date-specific schedules on its OASIS at least one month in advance of the due dates that identify when Stakeholder data and information are due in order to be included within EPE's next Plan. If customer data is not submitted in a timely manner pursuant to scheduled due dates, then the data submitted may not be able to be incorporated into the then-current planning cycle, although it will be included in the next annual review and/or planning cycle, if applicable.
- d. Information Submitted by Stakeholders
  - (i) Point-to-point Transmission Customers, Network Customers, interconnected generators, prospective providers of demand-side management and sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, and other customers must provide information to EPE over a ten year planning horizon regarding their needs, proposed expansion plans and updates to previously provided forecasts to the extent they wish to have such information included in developing the EPE Plan. The obligation to make such submittals, however, will not replace or supersede any requirements related to service or interconnection requests of point-to-point Transmission Customers and Network Customers or interconnected generators under other relevant sections and appendices of EPE's Open Access Transmission Tariff ("OATT").
  - (ii) Information for projected loads and resources, including demand response resources, provided by Stakeholders must be submitted in a form that matches the load and resource information developed by System Planning at EPE. The specific power flow and stability program used by EPE and the related data format for both load and generator data will be posted on EPE's OASIS.



- (iii) For loads and demand response resources, the submitted data must include both MW and MVAR (both peak and off-peak values) and for generators, it must include D-Curves, terminal voltage, MW maximum and minimum capabilities and step-up transformer data. Stability data will depend on the type of generator. The format for this information will be supplied to the generator as needed.
- (iv) The data must be submitted electronically to EPE System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com) or on a readable CD or DVD in a readily readable format compatible with EPE's designated power flow and stability program. EPE will treat all similarly-situated Stakeholders and their data on a comparable basis to one another and will consider on a basis comparable to its own data all data submitted by Network Customers, point-to-point Transmission Customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, demand-side management providers and generators ("customer data"). EPE will work with the entity submitting the customer data to format the information for inclusion in the planning process.
- (v) In order to preserve the effectiveness of the EPE planning cycle, Stakeholders must provide relevant data for their ten year needs as described above for the following, consistent with protection requirements for Critical Energy Infrastructure Information ("CEII") and proprietary and confidential information:
  - (a) Generators – planned additions or upgrades (including status and expected in-service date), planned retirements, and environmental restrictions. Such data submittals, however, will not replace or supersede any requirements for interconnected generators under other relevant sections and appendices of EPE's OATT.
  - (b) Demand response resources – existing and planned

demand resources and their impacts on demand and peak demand.

- (c) Network Customers – forecast information for load and resource requirements and identification of demand response reductions.
  - (d) Point-to-point Transmission Customers – projections of need for service, including transmission capacity, duration and receipt and delivery points. Such data submittals, however, will not replace or supersede any requirements for transmission service requests under other relevant sections and appendices of EPE’s OATT.
  - (e) Transmission sponsors – planned additions or upgrades (including status and expected in-service date) and planned retirements.
- e. Each Stakeholder will be responsible for submitting in a timely fashion a written notice of material changes in information and data previously provided by that Stakeholder pursuant to this Attachment K pertaining to load, resources, including demand response resources and generation, transmission service, or other aspects of their facilities and operations, to ensure EPE’s Plan reflects current information to the extent reasonably possible.

#### 4. Types of Planning Studies

- a. Reliability Studies. EPE will conduct reliability studies to ensure that all of the North American Electric Reliability Corporation or its successor (“NERC”), Western Electricity Coordinating Council or its successor (“WECC”) and local reliability standards are met for its planning horizon for service to all EPE and Stakeholder planned loads and resources (based on available information). These reliability studies will be coordinated with the other regional transmission planning organizations through studies conducted by EPE’s subregional planning organization (*i.e.*, the Southwest Area Transmission Planning Group or its successor (“SWAT”) within WestConnect<sup>1</sup> or its successor (“WestConnect”). Reliability studies will be paid for by

EPE and EPE will recover the costs of such studies through its transmission rates. [1. WestConnect was originally formed under a memorandum of understanding ("MOU") voluntarily entered into by transmission –providing electric utilities in the Western interconnection. EPE is a party of the WestConnect MOU. Following the effective date of EPE's Attachment K tariff provisions under which compliance with FERC Order No. 1000 is implemented, as well as the effective dates of the Order No. 1000 compliance filings of other FERC-jurisdictional transmission providers in WestConnect, the members of WestConnect will establish a regional planning management committee which will be responsible for regional transmission planning.]

- b. Economic Studies. Economic planning studies may be performed to identify significant and recurring congestion and/or address the integration of new resources and loads on the EPE transmission system. Subject to the provisions of Sections I.A.5, I.A.6 and I.A.7, such studies will be conducted upon request by a Stakeholder (which may include EPE) to analyze (i) the location and magnitude of the congestion, (ii) possible remedies for the elimination of the congestion, in whole or in part, including transmission solutions, generation solutions and solutions utilizing demand response resources, (iii) the associated costs of congestion, (iv) the cost associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and load.
- c. Consideration of Public Policy Requirements. For purposes of this Attachment K, “Public Policy Requirements” means those requirements enacted by state or federal laws or regulations, including those enacted by local governmental entities, such as a municipality or county. Public Policy Requirements, as applicable, are incorporated into the load forecasts and/or modeled in the local planning studies. For example, EPE incorporates existing and planned energy efficiency, demand response and distributed generation programs that are required as a result of state-mandated renewable energy standards and energy efficiency rules in its transmission planning analysis. Proposed public policy (public policy proposed before a governmental authority but

not yet enacted) may be studied if time and resources permit.

5. Economic Planning Study Requests

- a. Any EPE Stakeholder (“Requester”) may submit a study request for an economic planning study directly to EPE or WECC’s Transmission Expansion Planning Policy Committee or its successor (“TEPPC”). All requests submitted to EPE should be addressed and sent to the Director, System Planning at EPESystemPlanning@epelectric.com. To the extent the Requester does not receive from EPE a confirmation of receipt of the study request within seven calendar days after its submittal, the Requester should contact the EPE Director, System Planning directly pursuant to the contact information provided on EPE’s OASIS.
- b. All economic planning study requests, whether or not the study work is performed by EPE, will be forwarded to TEPPC for inclusion in the TEPPC master list of economic studies for the Western Interconnection (“TEPPC Master List”) (see “EPE URL Master List” at <http://www.epelectric.com/site/transmission.nsf/transmission?openform>) and/or forwarded directly to WestConnect.
- c. Requester’s request for economic planning studies and responses to such requests will be posted on the EPE OASIS and the WestConnect website, (see “EPE URL Master List”), subject to CEII and confidentiality requirements.
- d. If a Requester submits its economic planning study request directly to EPE, EPE will review the request with input from its Stakeholders in a public meeting called for that purpose and noticed on EPE’s OASIS. EPE will determine whether the study should be considered a local request (i.e., if the study request does not appear to affect the interconnected transmission systems outside of EPE’s balancing authority area, any new facilities would be confined to EPE’s balancing authority area, and the study requested could be performed by EPE). If the study request appears to involve a subregional or regional area, EPE will transfer the request to TEPPC or WestConnect.

- e. If EPE determines, with input from Stakeholders, that the economic planning study request is a local study and the request should be designated as a priority local study for the applicable year (“Local Priority Study”), then EPE or its third party contractor will conduct the study and coordinate assumptions and results with its Stakeholders, subject to the below limit on the number of Local Priority Studies conducted by EPE or its contractor per calendar year. The factors, in addition to those listed above in Section I.A.5.d above, considered in a determination of whether the study request is a Local Priority Study are: (i) the number of pending local study requests, (ii) the expected effect on reliability, (iii) whether the modification proposed to be studied would affect multiple system users and (iv) whether the request raises fundamental design issues of interest to multiple parties. EPE will have no obligation to conduct and pay for more than three Local Priority Studies per calendar year. Each study request will be evaluated in the order in which it is received to determine if it meets the criteria for a Local Priority Study. All economic planning studies performed by EPE, its contractor or TEPPC, will utilize the TEPPC public data base.
- f. In the event that more than three economic planning studies are designated as Local Priority Studies in one calendar year (each such Local Priority Study beyond the limit to be conducted by EPE or its contractor, a “Non-conducted Local Priority Study”), the Requester of each Non-conducted Local Priority Study may perform, or request that EPE assist the Requester in having a third party perform, its economic planning study at the Requester’s expense. The Requester of a Non-conducted Local Priority Study will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC. EPE will support such Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.
- g. In the event the study is transferred to TEPPC, TEPPC will review economic planning study requests received from Transmission Providers, subregional transmission planning groups, and Requesters during its open stakeholder meeting (see TEPPC website for meeting schedules) and, together with its stakeholders, will prioritize requests for economic

planning studies. Both EPE and Requester will have an opportunity to participate in the TEPPC prioritization process and provide input as to why the study should be included in the TEPPC study plan. For more detail regarding TEPPC's economic planning study process study request window and criteria utilized to prioritize requests for regional economic studies, the URL to the TEPPC economic planning process is listed in the "EPE URL Master List."

- h. If either EPE or TEPPC determines, after reviewing through an open stakeholder process, that the request for an economic planning study is not a Local Priority Study or TEPPC priority, respectively, the Requester may perform, or request that EPE assist the Requester in having a third party perform, the economic planning study at the Requester's expense. The Requester will have use of the TEPPC economic study data base, subject to any disclosure policy of WECC, and EPE will support the Requester in ensuring that the study is coordinated through local, subregional or regional planning groups, if necessary.
- i. EPE may determine that any number of Requesters' economic planning study requests should be studied together or a Requester may ask that EPE study its request together with other requests. EPE will combine such studies as it deems appropriate in accordance with the following criteria:

*1. EPE Proposed Clusters*

In the event that EPE proposes to cluster certain Local Priority Studies on any reasonable grounds, including without limitation, upon its determination that the proposed cluster of studies are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied as a group, it shall provide notice to each Requester that EPE proposes to include in the study. Each Requester shall be provided the opportunity to opt out of the cluster within ten (10) days of the notice from EPE. If a Requester desires to opt out, it must provide notice to that effect in writing to EPE's Director of System Planning pursuant to the contact information provided on EPE's OASIS.

*2. Requester Proposed Clusters*

If a Requester wishes to propose a cluster study, such request must be given in writing to EPE's Director of System Planning pursuant to the contact information provided on EPE's OASIS. Prior to submitting an economic planning study cluster request to EPE, the Requester must contact all of the other Requesters whose requests it proposes to cluster, and obtain their written consent to have their request clustered. EPE will reasonably determine whether the economic planning study requests that the Requester proposes to cluster, and for which the other affected Requesters have provided consent, are sufficiently similar, from an electrical perspective, to be feasibly and meaningfully studied together. EPE reserves the right to reject a Requester-proposed cluster on any reasonable grounds, including, without limitation, upon its determination that the proposed cluster cannot be feasibly studied as a group or if the proposed clustering impairs administration or timely processing of the economic study process. EPE will make the determination whether to reject a proposed cluster, and provide notice of any decision to reject, within twenty (20) days of receipt of all of the written consents of the Requesters that propose to be clustered.

6. Economic Planning Study Cycle. EPE will coordinate the timing of its economic planning study cycle process with the TEPPC process. EPE will post on its OASIS the submission date by which a Requester must submit its study request, which will be at least one month prior to the beginning of the study request window required for the TEPPC study process (see "EPE URL Master List"). If the Requester misses this deadline, the Requester may submit its request directly to TEPPC or the request will be processed with the next EPE economic planning study cycle, which will be scheduled in coordination with the next TEPPC study process.
7. Cost Responsibility for Economic Studies
  - a. Local Priority Studies conducted pursuant to Section I.A.5.e, whether individual or clustered, will be performed by EPE or a third party chosen by EPE and paid for by EPE. EPE will recover the costs of such studies through its transmission rates.

- b. Non-conducted Local Priority Studies will be paid for by the Requester pursuant to Section I.A.5.f above.
  - c. The costs of economic planning studies performed by WECC (through TEPPC) will be recovered through WECC's membership dues.
  - d. Studies not characterized as a Local Priority Study or TEPPC priority will be performed at the Requester's expense. EPE will have the option to perform such study or work with the Requester and its third party contractor, which in turn would perform the study.
8. Exchange of Data Unique to Economic Planning Studies
- a. EPE will obtain all data used for its economic planning studies from the TEPPC data base.
  - b. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures, as described on WECC's website.
9. EPE Planning Methodology and Protocols
- a. Data, Assumptions and Criteria. EPE's power flow base cases for the Plan will be structured using data from WECC base cases. EPE will review and modify as needed transformer and transmission line data, substation load data as per the most recent native system load forecast and resource data, including Stakeholder data received in a timely manner. The Stakeholder data will include data from sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. EPE planning case assumptions will be chosen to model the maximum stress on the EPE system. EPE will use reliability criteria established by WECC and NERC, such as Reliability Standards TPL-001 through TPL-004, and internal EPE criteria as published in EPE's annual Federal Energy Regulatory Commission ("FERC") Form No. 715, to determine if system plan cases meet acceptable criteria and, if not, what facilities are needed to meet that requirement. Data compiled by EPE in connection with the development of its Plan will be provided to regional and subregional planners, through EPE's data



submittal to the WECC database as outlined in Exhibit 1, to update their models, which in turn will be used in subsequent system Plans by EPE and potentially by others. This data will then be used in the economic planning studies performed by WestConnect, TEPPC, EPE or a Requester.

- b. EPE and Stakeholder Alternative Solutions Evaluation Basis. EPE's planning process is an objective process that evaluates use of the transmission system on a comparable basis for all customers. All solution alternatives that have been presented on a timely basis (per Section I.A.3 of this Attachment K), including transmission solutions, generation solutions and solutions utilizing demand response resources or other non-transmission alternatives, whether presented by EPE or another Stakeholder, will be evaluated on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of Stakeholder. Solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); and (6) where applicable, consistency with State or local integrated resource planning requirements, or regulatory requirements, including cost recovery through regulated rates.
- c. Planning for Public Policy Requirements in the Local Planning Process.
1. Procedures for Identifying Transmission Needs Driven by Public Policy Requirements

Stakeholders may participate in identifying local transmission needs driven by Public Policy Requirements by contacting EPE's point of contact at EPESystemPlanning@epelectric.com. In addition, stakeholders have the opportunity to offer input or make

proposals at EPE's open meetings held pursuant to this Attachment K.

The process by which EPE is to identify those local transmission needs driven by Public Policy Requirements for which a local transmission solution(s) will be evaluated, out of what may be a larger set of local transmission needs, is to utilize the two communication channels it has in place with stakeholders, identified above, through which local transmission needs driven by Public Policy Requirements are to be part of the open dialogue: (a) direct electronic communication to the EPE dedicated email address, through which a stakeholder desiring to communicate directly with EPE transmission planners may offer its views on which local transmission needs are ripe for evaluation for solutions, and (b) through participation in EPE's open meetings held pursuant to this Attachment K.

In selecting those local transmission needs driven by Public Policy Requirements that will be evaluated for solutions in the current planning cycle, EPE is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) Whether the Public Policy Requirement is driving a local transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the local transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the local transmission need driven by the Public Policy Requirement; and
- (iv) whether a Public Policy Requirement has been identified for which a local transmission need has not yet materialized, or for which there may exist a local transmission need but the development of a solution to that need is premature. One example is a renewables portfolio increase that is enacted for implementation in a future year, and for which the process by which the renewable resource is to be identified, selected, and sited under the governing state-regulated resource adequacy process has not yet begun (making it premature to identify the location and scope of the

local transmission need and/or the appropriate solution for the need).

No single factor shall necessarily be determinative in selecting among the potential transmission needs driven by Public Policy Requirements.

EPE is not required to identify any particular set of local transmission needs driven by Public Policy Requirements, but if EPE chooses not to identify any stakeholder-suggested local transmission need driven by a Public Policy Requirement as a transmission need for which solutions will be evaluated in the local transmission planning process, EPE will post on its OASIS an explanation of why the suggested transmission need will not be evaluated. EPE's OASIS posting will include both an explanation of those local transmission needs driven by Public Policy Requirements that have been identified for evaluation for potential solutions in the local transmission planning process, and an explanation why other stakeholder-suggested transmission needs driven by Public Policy Requirements were not identified for further evaluation. After considering the input of stakeholders, EPE is to determine whether to move forward with the identification of a local solution to a particular local need driven by Public Policy Requirements.

## 2. Procedures for Evaluating Solutions to Identified Transmission Needs

Stakeholders may use the two communication avenues identified above (direct electronic communication via email and/or participation in EPE's open meetings) to participate in the evaluation of solutions to identified local transmission needs driven by Public Policy Requirements that are selected by EPE for further evaluation. Stakeholder may provide comments on proposed solutions or may submit other proposed solutions to such local transmission needs.

After seeking the input of stakeholders, EPE is to determine whether to select a particular local solution in its local transmission plan. EPE will post its local transmission plan, which will include any such solutions selected.

The procedures for evaluating potential solutions to the identified local transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process.

### 3. Posting of Public Policy Needs

EPE will maintain on its OASIS (i) a list of all local transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current local planning cycle; and (ii) an explanation of why other suggested transmission needs driven by Public Policy Requirements will not be evaluated.

- d. Disclosure of Data, Assumptions and Criteria. Stakeholders may obtain the WECC base cases (including power flow base cases and associated files for stability cases) through WECC. The EPE data and assumptions and internal criteria (including EPE's FERC Form No. 715) will be made available to Stakeholders (i) through EPE's OASIS or web postings, to the extent possible, (ii) at the EPE planning meeting(s) held within the period in which the Plan is developed and other EPE planning meetings and (iii) upon request, in each case subject to applicable confidentiality, CEII and standards of conduct requirements. The WECC and NERC reliability criteria may be obtained from the WECC and NERC websites, respectively.
- e. Subject to any confidentiality requirements, EPE will post copies of planning studies on EPE's OASIS when completed or make them available upon request, and will make copies of the Plan available upon request. Stakeholders may contact EPE's Director of System Planning to discuss specific planning issues. Contact information is provided on EPE's OASIS.

### B. Confidentiality and CEII

Although the EPE transmission planning process is open to all Stakeholders, Stakeholders will be required to comply at all times with certain applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII.

1. EPE's transmission planning studies may include base case data that are WECC proprietary or classified as CEII by FERC. Access to this information will require membership in WECC or execution of a WECC confidentiality agreement and a review by WECC (as well as compliance with any additional CEII protection measures required by law or regulation). Any person submitting planning data to EPE will be deemed to have consented to allow such information to be used in the development of regional and subregional models and to be made available to others through the WECC base cases, including WECC power flow and stability databases.
2. Certain models and information may be proprietary to third parties. EPE's release or use of proprietary information made available to it by a third party will be governed by the applicable licensing or use agreements. Stakeholders that seek access to or use of models or information subject to such agreements that are inconsistent with EPE's rights to provide such access will be required to secure the rights they require from the third party holder of the rights.
3. Standards of Conduct. EPE is subject to the standards of conduct set forth at 18 C.F.R. Part 358 of FERC's regulations. Stakeholders that obtain non-public transmission information through access to EPE's planning process must protect against disclosure of that information to wholesale market participants to the extent required under 18 C.F.R. Part 358.
4. To the extent confidentiality issues arise that are not otherwise covered above, input from Stakeholders will be solicited, accepted and reviewed to determine the appropriate level of information sharing, the timeline for disclosure of the information as well as the procedures for gaining access to such data and the liability for breach. Such standards and procedures will be posted on EPE's OASIS as developed. However, in all cases, (i) rules regarding information sharing will permit the disclosure of data as required to comply with law, governmental regulations or the order of a judicial or governmental authority with jurisdiction to require its disclosure (provided the party required to make the disclosure seeks to utilize available procedures to limit further disclosure, such as filing under seal) and (ii) any person that releases confidential or proprietary information in contravention of the standards and procedures adopted, willfully or through gross negligence, will be denied continued or future access to all such information. EPE will reserve

the right to avail itself of legal and equitable rights and remedies it may have under federal and state laws and regulations to enforce the confidentiality provisions and the right to require reasonable, non-discriminatory limits on access to information that, if released to the general public, could reasonably be expected to cause commercial harm. EPE will not use the confidentiality measures for discriminatory purposes.

5. To the extent a confidentiality agreement will need to be executed by Stakeholders, EPE will provide notice of such requirement on EPE's OASIS.

### C. EPE Open Public Meetings

EPE will conduct open public planning meetings during its local planning cycle.

1. Stakeholder Input. Opportunity for Stakeholder comment and input to the EPE planning process will be provided through the regular periodic transmission planning meetings during the planning cycle. In addition, Stakeholders may submit written comments to EPE regarding any issues that may arise during the development of the EPE Plan, such comments to be addressed and sent to Director, System Planning at [EPESystemPlanning@epelectric.com](mailto:EPESystemPlanning@epelectric.com).
2. Regular Periodic Meetings. EPE will hold at least two open public transmission planning meetings a year, in coordination with the SWAT open public transmission planning meetings, to allow for EPE planning activities to be coordinated with all Stakeholders on a transparent, non-discriminatory and comparable basis. All transmission planning meetings will be open to any Stakeholders, including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives. In the event this number of meetings is found inadequate, EPE will increase the frequency of the meetings.
3. Purpose. Each public transmission planning meeting will be arranged to (i) allow EPE to maximize its understanding of its customers' forecast needs for the EPE transmission system, (ii) foster discussion and create a transparent planning process and (iii) provide an opportunity for Stakeholders to be informed about and offer input and advice on the Plan during the planning process and before Plan finalization. It is anticipated that the 1st meeting of the

local planning cycle will be used to discuss existing and planned facilities and Plan development and the 2nd meeting of the local planning cycle will be used to discuss the results of the Plan studies and any required facilities arising from those study results.

4. Process

- a. Meeting Notice and Contact Information. Notice of the specific date, time, location and agenda for EPE transmission planning meetings will be posted on EPE's OASIS at least fourteen calendar days in advance of the particular meeting. In addition to posting meeting announcements on OASIS, EPE procedures and contact information, including names and e-mail addresses of EPE contacts, will be supplied on EPE's OASIS. A Stakeholder may send an e-mail to any of the contacts listed requesting its name be added to a distribution list ("E-mail List"). EPE will send via e-mail all meeting notices or announcements regarding transmission planning issues to the E-mail List. In the event that significant projects develop or other significant events occur pursuant to development of the Plan, EPE will post the nature of those events on its OASIS, along with any related planning meetings scheduled to address them, so Stakeholders may elect to participate. EPE will also communicate these events via e-mail to the E-mail List. Any such OASIS posting or e-mail communication may be limited by confidentiality and CEII requirements. To the extent possible and subject to confidentiality and CEII requirements, study results or other information to be discussed at an EPE planning meeting will be posted with the meeting notice to facilitate Stakeholder preparation and constructive comments from the meeting participants.
- b. Meeting Reports. Reports resulting from planning meetings will be posted on EPE's OASIS; however only public information will be posted. In order to permit all Stakeholders access to the information, E-mail List recipients will also receive either copies of the non-public information or information on how to access it, to the greatest extent possible consistent with any applicable confidentiality and CEII requirements.
- c. Meeting Format. The planning meetings will be informal and

will be facilitated by a representative from EPE System Planning to encourage an open and transparent process and exchange of information. Accommodations will be made for phone bridges.

## **II. Subregional Coordination – SWAT**

### **A. Overview**

EPE will coordinate its transmission planning efforts over the WestConnect footprint, a region encompassing a large number of interconnected transmission owners in the Western and Southwestern United States, with SWAT. EPE will continue to participate in the subregional SWAT transmission planning process to ensure that EPE's planning data and assumptions are coordinated with the SWAT subregional transmission plan, which in turn is coordinated with the other subregional groups, such as Colorado Coordinated Planning Group ("CCPG") and the Sierra Coordinated Planning Group ("Sierra"), to produce the ten year WestConnect transmission plan covering the WestConnect footprint.

### **B. SWAT's Role in the Subregional Transmission Planning Process**

1. **SWAT's Role.** SWAT is tasked with bringing transmission planning information together and sharing updates on active projects. SWAT is comprised of both footprint-wide and smaller geographically-based work groups, which are overseen by the SWAT Oversight Committee. SWAT neither conducts nor has a role in conducting economic studies. The geographically-based work groups address transmission planning issues within their geographic areas.
2. **SWAT Participation.** Participation within SWAT and related work groups is open to all interested Stakeholders on a voluntary basis. EPE will participate in SWAT and relevant SWAT work groups (such as the NM work group, AZ/NM work group and the Southern Arizona Transmission System work group) and will submit its Plan to the relevant work group. EPE's Plan, including the Stakeholder data and projects originating from EPE's local planning process and included in its Plan, will ultimately be incorporated within the regional transmission plan of WestConnect in accordance with the regional transmission planning provisions of this Attachment K. EPE will incorporate any applicable information, data or study results from SWAT into the EPE planning process. EPE



Stakeholders are encouraged to participate in SWAT and related work groups. These groups provide an open forum where (i) any party interested in the planning of the transmission system in the SWAT footprint, which includes Arizona, New Mexico, and parts of California, Nevada, and Texas, can go to obtain information regarding base cases, plans, and projects and provide input regarding their needs as they relate to the transmission system, (ii) project sponsors can introduce their specific projects, including projects of sponsors of transmission solutions, generation solutions and solutions utilizing demand resources or other non-transmission alternatives, to interested stakeholders and potential partners and (iii) initiation of joint studies of these projects, coordination with other projects, and project participation, including ownership from other interested parties, may occur.

3. EPE Assistance. Upon request by a Stakeholder, EPE will assist the Stakeholder to contact the appropriate SWAT work group representatives for transmission planning purposes.
4. SWAT Meetings. The SWAT work groups meet or have conference calls on a regular basis. These meetings and conference calls are open to all Stakeholders and are posted on the WestConnect website ([www.westconnect.com](http://www.westconnect.com)). The SWAT Oversight Committee conducts four open meetings per calendar year, generally one each quarter.

### **III. Coordination at the Regional Level with WECC/TEPPC and the Development of a Regional Transmission Plan by WestConnect**

#### **A. Role of WECC**

1. As a member of WECC, EPE will participate in the WECC/TEPPC planning process, as appropriate and pursuant to its agreement with WECC and WECC's procedures, to ensure data and assumptions are coordinated within the Western Interconnection-wide economic studies. These economic studies are conducted by WECC/TEPPC in an open stakeholder process through regular region-wide stakeholder meetings. Stakeholders may review the WECC/TEPPC planning process and protocols on the WECC website (see "EPE URL Master List").
2. WECC develops and maintains the Western Interconnection-wide data bases that EPE and other parties utilize for power flow and

stability studies. EPE submits its planning data, including Stakeholder data and projects originating from EPE's local planning process and included in its Plan, to the WECC data base.

3. WECC develops, through the NERC and WECC processes, all regional reliability criteria that are used by EPE in its planning studies. These criteria are posted on the WECC website (see "EPE URL Master List").
- B. Role of TEPPC. EPE will coordinate economic studies through WECC's TEPPC, as further described in Section I.A.5 above (Economic Planning Study Requests). In relation to the EPE transmission planning process, EPE will work with TEPPC, which (i) develops and maintains the west-wide economic study database that may be used to run economic congestion studies and is compiled from publicly available data, (ii) performs economic planning studies through a regular study cycle described in the TEPPC protocols (see "EPE URL Master List") in which TEPPC updates databases and develops and approves a study plan that includes customer high priority economic study requests determined by the open TEPPC stakeholder process, and (iii) documents the study results in a report.
1. Stakeholders must be a member of WECC or execute a WECC confidentiality agreement to obtain the actual system models that enable the running of congestion studies.
  2. Stakeholders may find more detail on TEPPC and its Transmission Planning Protocol on the WECC website (see "EPE URL Master List").
- C. The Development of a Regional Transmission Plan in Accordance with FERC Order No. 1000 Principles in the WestConnect Planning Region

1. Overview

EPE participates in the regional planning process mandated in FERC Order No. 1000 through its participation in the WestConnect planning region ("WestConnect Planning Region"). The WestConnect Planning Region is defined by the transmission owner and transmission provider members (sometimes referred to generally in this Section III.C and in Section VI) as "transmission owners" participating in the WestConnect regional transmission planning process and for whom WestConnect is conducting regional

transmission planning (“Regional Planning Process”). The service areas of the transmission owners consist of all or portions of nine states: Arizona, California, Colorado, New Mexico, Nebraska, Nevada, South Dakota, Texas and Wyoming. Non-public utilities are invited to participate in the Regional Planning Process.

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the “Regional Plan”) and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, posted on the WestConnect website [www.westconnect.com](http://www.westconnect.com) (the “Business Practice Manual”).

2. WestConnect Planning Participation Agreement

Following the effective date of EPE’s September 20, 2013 Order No. 1000 compliance filing (“Effective Date”), as well as the effective dates of the compliance filings of other FERC-jurisdictional transmission providers in the WestConnect Planning Region, the WestConnect Order No. 1000 regional transmission planning management committee (the “Planning Management Committee” or “PMC”) will be responsible for administering the Regional Planning Process. In order to align its regional process with the western interregional coordination process, it is WestConnect’s intent to begin its biennial process in even-numbered years. Should FERC acceptance of WestConnect’s compliance filing result in an effective date in an odd-numbered year, WestConnect will conduct an abbreviated planning process in its first year and begin its biennial process the next year. To effectuate such an abbreviated process, the PMC will develop a study scope for the first year, including project submission deadlines, and post it to the WestConnect website within the first thirty (30) days of the year.

In connection with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any

necessary confidentiality agreements. The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the members' relationships and establish obligations among them.

EPE has been a party to the WestConnect Project Agreement for Subregional Transmission Planning ("WestConnect STP Project Agreement") for purposes of coordinating the local transmission plan of EPE with those developed through subregional and regional transmission planning processes. The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decisionmaking in implementing the Regional Planning Process.

### 3. Enrollment

WestConnect has two types of members: (a) transmission owners that enroll in WestConnect in order to comply with the Commission's Order No. 1000 planning and cost allocation requirements, as well as transmission owners that elect to participate in the WestConnect Regional Planning Process without enrolling for Order No. 1000 cost allocation purposes, and (b) stakeholders who wish to have voting input on the methodologies, studies, and decisions made in the execution of those Order No. 1000 requirements.

#### a. Joining the WestConnect Planning Region

A transmission owner that wishes to join the WestConnect Planning Region may do so by executing the Planning Participation Agreement and paying its share of costs as provided for in the Planning Participation Agreement.

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement.

#### b. Exiting the WestConnect Planning Region

Should a transmission owner wish to exit the WestConnect Planning Region, it must submit notice in accordance with the Planning Participation Agreement and pay its share of any WestConnect Planning Region expenditures approved prior to the effective date of the formal notice of withdrawal from the WestConnect Planning Region.

Should a stakeholder wish to exit the WestConnect Planning Region, it may do so by providing notice in accordance with the Planning Participation Agreement. Withdrawing stakeholders forfeit any monies or dues paid to the Planning Management Committee and agree to remit to the Planning Management Committee any outstanding monies owed to WestConnect prior to the effective date of such withdrawal.

c. List of Enrolled Entities

Transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000:

- Arizona Public Service Company
- Black Hills Colorado Electric Utility Company, LP
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & Power Company
- El Paso Electric Company
- NV Energy, Inc. Operating Companies
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tucson Electric Power Company
- UNS Electric, Inc.

4. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing FERC Order No. 890 principles carried forward in Order No. 1000:

- Coordination
- Openness
- Transparency

- Information exchange
- Comparability
- Dispute Resolution

EPE, along with the other Planning Participation Agreement signatories, will work through the regional planning group processes, as applicable, to integrate transmission plans into a single, ten-year Regional Plan for the WestConnect Planning Region by:

- a. Actively coordinating development of the Regional Plan, including incorporating information, as appropriate, from all stakeholders;
- b. Coordinating, developing and updating common base cases to be used for all study efforts within the Regional Planning Process and ensuring that each plan adheres to the methodology and format developed for the Regional Plan;
- c. Providing funding for the Planning Participation Agreement planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting on the WestConnect website detailed notices of all regional planning meeting agendas; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

5. Roles in the Regional Transmission Planning Process

a. WestConnect PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The

PMC provides an open forum where any stakeholder interested in the planning of the regional transmission system in the WestConnect footprint can participate and obtain information regarding base cases, plans, and projects and provide input or express its needs as they relate to the transmission system. On a biennial basis and in coordination with its members and other interested stakeholders, the PMC will develop the Regional Plan. The PMC, after considering the data and comments supplied by customers and other stakeholders, is to develop a Regional Plan that treats similarly-situated customers (e.g., network, and native load) comparably in transmission system planning.

The Planning Management Committee is charged with development and approval of the Regional Plan. The Planning Management Committee will be comprised of representatives from each stakeholder sector. The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to facilitate fulfillment of its responsibilities in developing the Regional Plan.

#### b. Stakeholder Participation and Assistance

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) by joining one of five WestConnect regional transmission planning membership sectors described below; (b) by attending publicly-posted WestConnect regional transmission planning stakeholder meetings; and/or (c) by submitting project proposals for consideration and evaluation in the Regional Planning Process.

Attendance at meetings is open to all interested stakeholders. These meetings will include discussion of models, study criteria and assumptions, and progress updates. Formal participation, including voting as allowed by the process, can be achieved through payment of applicable fees and annual dues in accordance with the Planning Participation Agreement. Transmission Owners with a Load Serving Obligation will not be responsible for annual dues because they will be the default source of funding to support WestConnect activities beyond dues paid by other organizations.

WestConnect Planning Region members will assist stakeholders interested in becoming involved in the Regional Planning Process by directing them to appropriate contact persons and websites. All

stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect regional planning meetings. Each transmission planning cycle will contain a period during which project ideas are accepted for potential inclusion in that cycle's Regional Plan.

c. Forum for Evaluation

The WestConnect Regional Planning Process provides a forum for transmission project sponsors to introduce their specific projects to interested stakeholders and potential partners and allows for joint study of these projects by interested parties, coordination with other projects, and project participation, including ownership from other interested parties. This may include evaluation of transmission alternatives or non-transmission alternatives in coordination with the Regional Planning Process.

d. Stakeholder Meetings

WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the Planning Management Committee with thirty (30) days advanced notice to update stakeholders about its progress in developing the Regional Plan and to solicit input regarding material matters of process related to the Regional Plan. Notice for such meetings will be posted on the WestConnect website and sent via e-mail to the Regional Planning Process e-mail distribution list.

The meeting agendas for all WestConnect transmission planning meetings will be sufficiently detailed, posted on the WestConnect website, and circulated in advance of the meetings in order to allow stakeholders the ability to choose their meeting attendance most efficiently.

6. WestConnect Planning Governance Process

a. Membership Sectors

The Regional Planning Process will be governed by the Planning Management Committee, which will be tasked with executing the Regional Planning Process and will have authority for approving the Regional Plan. For those entities desiring to be a part of the



management of the Regional Planning Process, one of five Planning Management Committee stakeholder sectors is available:

- Transmission Owners with Load Serving Obligations
- Transmission Customers
- Independent Transmission Developers and Owners
- State Regulatory Commissions
- Key Interest Groups

Except for members qualified to join the Transmission Owners with Load Serving Obligations sector, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector. Only transmission owners with load serving obligations may join the Transmission Owners with Load Serving Obligations membership sector. The Transmission Owners with Load Serving Obligations sector will be comprised of (a) those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000; and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as coordinating transmission owners.

b. Planning Management Committee

The Planning Management Committee will be empowered to create and dissolve subcommittees as necessary to ensure timely fulfillment of its responsibilities; to assess fees for membership status on the Planning Management Committee; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The Planning Management Committee is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methods.

The PMC is to coordinate and have the decision-making authority over whether to accept recommendations from the Planning Subcommittee (“PS”) and Cost Allocation Subcommittee (“CAS”). The PMC, among other things, is to develop and approve the Regional Plan based on recommendations from the PS and CAS; and develop and approve a scope of work, work plan, and periodic

reporting for WestConnect planning functions, including holding a minimum of two stakeholder informational meetings per year. The PMC is to appoint the chair of the PS and CAS. The chair for each subcommittee must be a representative of the Transmission Owners with Load Serving Obligations member sector.

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

The CAS responsibilities include, but are not limited to, performing and/or overseeing the performance of the cost allocation methodology. The CAS also is to review and make recommendations to the PMC for modifying definitions of benefits and cost allocation methodology as necessary to meet WestConnect planning principles on identification of beneficiaries and cost allocation. The CAS is to review and recommend projects to the PMC for purposes of cost allocation identified in the Regional Planning Process. The CAS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed cost allocation.

All actions of the Planning Management Committee (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

- 75% of the members voting within at least three sectors approve a motion, where one of the three sectors approving is the Transmission Owners with Load Serving Obligations sector; or
- 75% of the members voting within the four member sectors other than the Transmission Owners with Load Serving Obligations sector approve a motion, and where two-thirds (2/3) of the members voting within the Transmission Owners with Load Serving Obligations sector also approve the same motion.

Each entity within a membership sector is entitled to one vote on items presented for decision, except that transmission owners in the Transmission Owners with Load Serving Obligations sector that are not enrolled in the WestConnect Planning Region are not eligible to vote on the regional cost allocation decisions of the PMC.

Any closed executive sessions of the PMC will be to address matters outside of the development of the Regional Planning Process, including matters involving contracts, personnel, financial matters, or legal matters such as, but not limited to, litigation (whether actual or threatened).

7. Submission of Data by Customers, Transmission Developers, and Transmission Owners

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K.

a. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect Planning Region member's (for example, EPE's) local transmission planning process. However, from time to time, there may be a need for transmission customers participating in the Regional Planning Process to submit data directly to WestConnect. This data may include, but is not

limited to, load forecasts, generation resource plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

No less than thirty (30) days notice will be given for customers to submit any required data and data submissions will generally be able to be made via e-mail or by posting information to a designated website.

b. Independent Transmission Developers and Owners

Transmission developers are entities with project ideas they wish to submit into the Regional Planning Process. These may include project submittals that the developer wishes to be considered to address an identified regional need (whether or not the project is eligible for regional cost allocation).

Each regional transmission planning cycle will include a submission period for project ideas, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer shall register with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organizations, and all local, state, regional, and federal requirements.

c. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the Regional Planning Process is necessary to

effect a coordinated Regional Plan that considers all system needs.

Each regional transmission planning cycle will include a submission period for project submittals to address an identified regional need, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. In addition, it is necessary for merchant transmission developers to provide adequate information and data to allow the PMC to assess the potential reliability and operational impacts of the merchant transmission developer's proposed transmission facilities on other systems in the region. The submission period will last for no less than thirty (30) days and during this time sponsors of merchant transmission projects that are believed to impact the WestConnect Planning Region will be asked to provide certain project information.

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Transmission Owners with Load Serving Obligations. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

#### d. Transmission Owners with Load Serving Obligations

Transmission owners that are members of the WestConnect Planning Region are responsible for providing all necessary system information through the Regional Planning Process.

At the beginning of each regional transmission planning cycle, transmission owners that are participating in the WestConnect Regional Planning Process will be responsible for verifying the accuracy of any data (including, but not limited to, system topology and project proposal information) they have previously submitted. Transmission owners will also be required to submit all relevant data for any new projects being proposed for inclusion in the Regional Plan to address an identified regional need in accordance with the section below. Transmission owners will also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan

models.

## 8. Transmission Project Submittals

All submittals of transmission projects to address an identified regional need, without regard to whether or not the project seeks regional cost allocation, are to contain the information set forth below, together with the identified deposit for study costs, and be submitted timely within the posted submittal period in order for the project submittal to be eligible for evaluation in the Regional Planning Process. A single project submittal may not seek multiple study requests. To the extent a project proponent seeks to have its project studied under a variety of alternative project assumptions, the individual alternatives must be submitted as individual project submittals. To be eligible to propose a project for selection in the Regional Plan a project proponent must also be an active member in good standing within one of the five PMC membership sectors described above in Section III.C.3.

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs
- A detailed project description including, but not limited to, the following:
  - Scope
  - Points of interconnection to existing (or planned) system
  - Operating Voltage and Alternating Current or Direct Current status
  - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
  - Impedance Information
  - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost
- Any independent study work of or relevant to the project

- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies)
- Comparison Risk Score from WECC Environmental Data Task Force, if available
- Impacts to other regions. The applicant must provide transmission system impacts studies showing system reliability impacts to neighboring transmission systems or another transmission planning region. The information should identify all costs associated with any required upgrades to mitigate adverse impacts on other transmission systems.

If impact studies and costs are not available at the time of submittal, the project proponent may request that impact studies be performed, at the project proponent's expense, as part of the analysis to determine whether the project is the more efficient or cost effective solution. Requests for transmission system impact studies are approved through the PMC depending on whether the project proponent provides funding for the analysis and if the request can be performed within the planning cycle timeframe.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5<sup>th</sup>) quarter of the WestConnect planning cycle (or first (1<sup>st</sup>) quarter of the second (2<sup>nd</sup>) year of the planning cycle). Proposals submitted outside that window will not be considered. The Planning Management Committee will have the authority to determine the completeness of a project submittal. Project submittals determined incomplete will be granted a reasonable opportunity to cure any

deficiencies identified in writing by the Planning Management Committee.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above to be considered in the Regional Planning Process. Should the submitting stakeholder believe certain information is not necessary, it will identify the information it believes is not necessary and provide a justification for its omission. The Planning Management Committee retains the sole authority for determining completeness of the information submittal. After the completion of the project submittal period, the PMC will post a document on the WestConnect website detailing why any projects were rejected as incomplete. Upon posting of the document, any project submittal rejected as incomplete will be given a reasonable opportunity to cure the reason(s) it was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

9. Submission of Non-Transmission Alternative Projects

Any stakeholder may submit projects proposing non-transmission alternatives to address an identified regional need for evaluation under the Regional Planning Process. The submission period will last for no less than thirty (30) days. The submission window will end by the fifth (5<sup>th</sup>) quarter of the WestConnect planning cycle (or first (1<sup>st</sup>) quarter of the second (2<sup>nd</sup>) year of the planning cycle). The following criteria must be satisfied in order for a non-transmission alternative project submittal to be evaluated under the Regional Planning Process:

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or other non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data
- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs



- Additional miscellaneous data (e.g., change files, if available)

As with entities submitting a transmission project under Section III.C.8, those who submit under Section III.C.9 a non-transmission alternative under the Regional Planning Process must adhere to and provide the same or equivalent information (and deposit for study costs) as transmission alternatives. Should the submitting stakeholder believe certain information is not necessary, it shall identify the information it believes is not necessary and shall provide a justification for its conclusion that the information is not necessary. Although non-transmission alternative projects will be considered in the Regional Planning Process, they are not eligible for regional cost allocation.

10. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The WestConnect Planning Management Committee will develop and publish a Regional Plan every other year.

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs and more efficient or cost-effective solutions to satisfy those needs. Consistent with Order No. 890, qualified projects timely submitted through the Regional Planning Process will be evaluated and selected from competing solutions and resources such that all types of resources, as described below, are considered on a comparable basis. The same criteria and evaluation process will be applied to competing solutions and/or projects, regardless of type or class of stakeholder proposing them. Where a regional transmission need is identified, the PMC is to perform studies that seek to meet that need through regional projects, even in the absence of project proposals advanced by stakeholders or projects identified through the WECC process. When the PMC performs a study to meet an identified regional need in circumstances where no stakeholder has submitted a project proposal to meet that regional need, the PMC is to pursue such studies in a not unduly discriminatory fashion and within the means permitted by PMC funds. The study methods employed for PMC-initiated studies will be the same types of study methods employed for stakeholder-initiated studies (see, e.g., Section III.C.12 addressing the use of NERC Transmission Planning (TPL))

Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

The solution alternatives will be evaluated against one another on the basis of the following criteria to select the preferred solution or combination of solutions: (1) ability to practically fulfill the identified need; (2) ability to meet applicable reliability criteria or NERC Transmission Planning Standards issues; (3) technical, operational and financial feasibility; (4) operational benefits/constraints or issues; (5) cost-effectiveness over the time frame of the study or the life of the facilities, as appropriate (including adjustments, as necessary, for operational benefits/constraints or issues, including dependability); (6) where applicable, consistency with Public Policy Requirements, or regulatory requirements, including cost recovery through regulated rates; and (7) a project must be determined by the Planning Management Committee to be a more efficient or cost-effective solution to one or more regional transmission needs to be eligible for regional cost allocation, as more particularly described below.

The Regional Planning Process provides for an assessment of regional solutions falling in one or more of the following categories:

- a. Regional reliability solutions.
- b. Regional economic solutions
- c. Regional transmission needs driven by Public Policy Requirements.
- d. Non-transmission alternatives

EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics. A flow chart depicting the Regional Planning Process is attached as Exhibit 2.

All WestConnect Transmission Owners with Load Serving Obligations shall be responsible for submitting their local

transmission plans for inclusion in the Regional Plan in accordance with the timeline stated in the Business Practice Manual. Those individual plans will be included in the Regional Plan base case system models.

12. WestConnect Reliability Planning Process

Once the base case is established and verified, the PMC is to perform a regional reliability assessment in which the base case system models will then be checked for adherence to the relevant NERC Transmission Planning Standards through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies, as more specifically outlined in the Business Practice Manual. If a reliability violation is identified in the power flow process, the violation will be referred back to the appropriate transmission owner.

The PMC will identify projects to resolve any regional violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria that impact more than one transmission owner. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete, and the timing of the need. Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects.

13. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other

economic benefits to the WestConnect Planning Region through production cost modeling. This analysis also is to utilize WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that have subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the PMC is to identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective.

14. WestConnect Public Policy Planning Process

a. Procedures for Identifying Regional Transmission Needs Driven by Public Policy Requirements

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual transmission owners in the WestConnect Planning Region (through the consideration of local transmission needs driven by a Public Policy Requirement, since a Public Policy Requirement is a requirement that is imposed upon individual transmission owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one transmission owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected transmission owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

WestConnect transmission owner members that are planning consistent with Order No. 890 will continue to conduct local transmission planning processes (Section I of this Attachment K), which provide a forum for discussions on local transmission needs driven by Public Policy Requirements. These local processes provide the basis for the individual transmission owners' local transmission plans, which are then incorporated into the regional base case at the start of the Regional Planning Process under Order No. 1000.

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual transmission owners in the WestConnect region.

The PMC will begin the evaluation of regional transmission needs driven by Public Policy Requirements by identifying any Public Policy Requirements that are driving local transmission needs of the transmission owners in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

After allowing for stakeholder input on regional transmission needs driven by Public Policy Requirements and regional solutions to those needs, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

In selecting those regional transmission needs driven by Public Policy Requirements that will be evaluated for regional solutions in the current planning cycle, the PMC is to consider, on a non-discriminatory basis, factors, including but not limited to, the following:

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current

planning cycle;

(ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;

(iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and

(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

No single factor shall necessarily be determinative in selecting among the potential regional transmission needs driven by Public Policy Requirements.

The process by which PMC is to identify those regional transmission needs for which a regional transmission solution(s) will be evaluated, out of what may be a larger set of regional transmission needs, is to utilize the communication channels it has in place with stakeholders, identified above (open meetings and discussion forums convened by the PMC), through which regional transmission needs driven by Public Policy Requirements are to be part of the open dialogue.

b. Procedures for Identifying Solutions to Identified Regional Transmission Needs Driven by Public Policy Requirements

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

After allowing for stakeholder input on solutions to regional transmission needs driven by Public Policy Requirements, as part of the Regional Planning Process, the PMC is to identify in the Regional Plan those regional transmission solutions driven by Public Policy Requirements that were selected by the PMC and any regional transmission project(s) that more efficiently or cost-effectively meet those needs.

The procedures for identifying and evaluating potential solutions to the identified regional transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning Process, whether or not submitted for purposes of cost allocation.

c. Proposed Public Policy

A public policy that is proposed, but not required (because it is not yet enacted or promulgated by the applicable governmental authority) may be considered through Section III.C.13 (WestConnect Economic Planning Process) of this Attachment K, if time and resources permit.

d. Posting of Regional Transmission Needs Driven by Public Policy Requirements

WestConnect will maintain on its website (i) a list of all regional transmission needs identified that are driven by Public Policy Requirements and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested regional transmission needs driven by Public Policy Requirements will not be evaluated.

15. Consideration of Non-Transmission Alternatives in the Regional Planning Process

Non-transmission alternatives submitted for evaluation in the Regional Planning Process will be evaluated to determine if they will provide a more efficient or cost-effective solution to an

identified regional transmission need. Non-transmission alternatives include, without limitation, technologies that defer or possibly eliminate the need for new and/or upgraded transmission lines, such as distributed generation resources, demand side management (load management, such as energy efficiency and demand response programs), energy storage facilities and smart grid equipment that can help eliminate or mitigate a grid reliability problem, reduce uneconomic grid congestion, and/or help to meet regional grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

16. Approval of the WestConnect Regional Transmission Plan

Upon completion of studies and stakeholder input, the Planning Management Committee will vote to approve the Regional Plan. The Regional Plan will document why projects were either included or not included in the Regional Plan. In addition, the Regional Plan is to describe the manner in which the applicable regional cost allocation methodology was applied to each project selected in the Regional Plan for purposes of cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

The Planning Management Committee is the governing body responsible for deciding whether to reevaluate the Regional Plan to determine if the conditions, facts and/or circumstances relied upon in initially selecting a transmission project for inclusion in the Regional Plan for purposes of cost allocation have changed and, as a result, require reevaluation. Reevaluation will begin within the second planning cycle following the Effective Date. The Regional Plan and any project selected for cost allocation in the Regional Plan, including any local or single-system transmission projects or planned transmission system upgrades to existing facilities selected for purposes of cost allocation, shall be subject to reevaluation in each subsequent planning cycle according to the criteria below. Upon reevaluation, the Regional Plan and any projects selected for purposes of cost allocation in connection therewith may be subject to modification, including the status as a project selected for cost



allocation, with any costs reallocated under Section VI as if it were a new project. Only the PMC has the authority to modify the status of a transmission project selected for cost allocation. Conditions that trigger reevaluation are:

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;
  - Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
  - Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
  - Projects with a change in the calculation of benefits or benefit/cost ("B/C") ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
- Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional

Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current cost information.

- Example 2: A selected project's benefits may include identification of a reliability benefit in the form of remedying a violation of a Reliability Standard. If the identified beneficiary implements improvements, such as a Remedial Action Scheme, to achieve reliability in compliance with the Reliability Standard at issue, inclusion of the regional project in the regional plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current benefit information.
- Example 3: Where a project's estimated benefits include benefits in the form of avoided costs (e.g., a regional project's ability to avoid a local project), and the project is not avoided, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient and cost effective solution under current facts and circumstances.

Projects selected for purposes of cost allocation will continue to be reevaluated until all the following conditions have been met.

- State and federal approval processes completed and approved (including cost recovery approval under section 205 of the Federal Power Act as applicable);
- All local, state and federal siting permits have been approved; and
- Major construction contracts have been issued.

When the Regional Plan is reevaluated as a result of any of the conditions triggering reevaluation addressed above, the PMC is to determine if an evaluation of alternative transmission solutions is needed in order to meet an identified regional need. In doing so,

the PMC is to use the same processes and procedures it used in the identification of the original transmission solution to the regional need. If an alternative transmission solution is needed, the incumbent transmission owner may propose one or more solutions that it would implement within its retail distribution service territory or footprint, and if such proposed solution is a transmission facility, the transmission owner may submit the project for possible selection in the Regional Plan for purposes of cost allocation.

Projects not subject to reevaluation include, but are not limited to, the following:

- Local or single system transmission projects that have been identified in individual transmission provider's transmission planning (TPL) standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date of the WestConnect FERC-jurisdictional transmission owners' Order No. 1000 compliance filings also will not be subject to reevaluation under the Regional Planning Process:

- Projects of transmission owners who have signed the Planning Participation Agreement and that have received approval through local or state regulatory authorities or board approval;
- Local or single system transmission projects that have been planned and submitted for inclusion in the Regional Plan or exist in the 10-year corporate capital project budgets; and
- Projects that are undergoing review through the WECC Project Coordination and Rating Review Process as of the Effective Date.

18. Confidential or Proprietary Information

Although the Regional Planning Process is open to all stakeholders, stakeholders will be required to comply at all times with certain

applicable confidentiality measures necessary to protect confidential information, proprietary information or CEII. From time to time, the regional transmission planning studies and/or open stakeholder meetings may include access to base case data that are WECC proprietary data, information classified as CEII, or other similar confidential or proprietary information. In such cases, access to such confidential or proprietary information shall be limited to only those stakeholders that (i) hold membership in and/or execute a non-disclosure agreement with WECC; (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members; and/or (iii) are parties to the Planning Participation Agreement, as may be applicable.

Any entity wishing to access confidential information, subject to applicable standards of conduct requirements, discussed in the Regional Planning Process must execute an NDA, and submit it to [NDA@westconnect.com](mailto:NDA@westconnect.com). The NDA can be accessed on the WestConnect website.

#### **IV. Recovery of Planning Costs**

Unless EPE allocates planning-related costs to an individual Stakeholder as permitted under the Tariff, all costs incurred by EPE related to EPE's Transmission Planning process or the sub-regional or regional planning process (including the interregional activities set forth in Section VII) shall be included in the EPE transmission rate base or recorded as O&M expenses, as applicable.

#### **V. Dispute Resolution**

- A. In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:
1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures will apply.
  2. Non-WECC disputes. For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the WestConnect Planning Management Committee (which disputes will be subject to separate dispute resolution provisions set forth in the Planning Participation Agreement), the dispute resolution procedures set forth in Section 12 of EPE's OATT will apply, with the added provision that upon

agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of EPE's OATT apply only to EPE and Transmission Customers, Section 12 of EPE's OATT will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.

3. Notwithstanding anything to the contrary in this Section V, any affected party may refer the matter to FERC for resolution at any time, for example, by filing with FERC a complaint, a request for declaratory order or a change in rate.
- B. For disputes between members of the PMC, the following dispute resolution procedures are to apply:
1. The disputing PMC member(s) must initiate its dispute by providing written notification to the PMC (or a designated sub-committee of the PMC) in accordance with the provisions of the Planning Participation Agreement, in which event the PMC will seek to resolve the dispute through discussion, negotiation and the development of a recommended course of action. The PMC may act to adopt a resolution recommended by its own committee members or sub-committees, or alternatively the disputing parties may act to refer the dispute to arbitration for resolution.
  2. A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.
  3. The availability of the dispute resolution avenues identified above does not eliminate a disputing PMC member's(s') right under the Federal Power Act to refer either a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution, for example by filing with FERC a complaint, a request for declaratory order or a change in rate. A disputing PMC member first must pursue resolution under the provisions of the Planning Participation Agreement before referring a procedural or substantive matter within the jurisdiction of FERC to FERC for resolution.

All disputes, whether they arise under this Attachment K or between members of

the PMC, must be initiated no later than thirty (30) calendar days from the date on which the conduct that gives rise to the dispute occurs.

## **VI. Cost Allocation for New Projects**

- A. EPE will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:
1. Open Season Solicitation of Interest. For any project identified in an EPE planning study (for reliability and/or economic projects) in which EPE is the project sponsor, EPE may elect to provide an “open season” solicitation of interest to secure additional project participants. Upon a determination by EPE to hold an open season solicitation of interest for a project, EPE will:
    - a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
    - b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
    - c. Post information *via* WECC’s planning project review reports.
    - d. Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.
  2. EPE Coordination within a Solicitation of Interest Process. EPE, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be.
  3. EPE Projects without a Solicitation of Interest. EPE may elect to proceed with small and/or reliability projects without an open season solicitation of interest, in which case EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider.

#### 4. Allocation of Costs

- a. Proportional Allocation. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants subject to approval of the participation agreement by FERC. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.
- b. Economic Benefits or Congestion Relief. For a project wholly on the EPE system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
- c. EPE Rate Recovery. Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.
- d. Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles above.

#### B. Local Transmission Projects

Local Transmission Projects are projects located within a transmission owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.<sup>2</sup> A transmission owner is not precluded from proposing Local Transmission Projects for inclusion in the Regional Plan for purposes of cost allocation in the Regional Planning Process. A Local Transmission Project that is not submitted or not selected for inclusion in the Regional Plan is not eligible for cost allocation in the Regional Plan and not subject to the provisions governing regional cost allocation set forth below. [2. The reference to a transmission owner's "footprint" refers to the electrical footprint of the transmission owner (i.e., the location of that transmission owner's electrical assets) and not necessarily to the physical/spatial footprint. Where a transmission owner within the WestConnect Planning Region is a transmission-only company with no retail distribution service territory, the term, footprint, would refer to the location of the transmission

facilities of such transmission-only company.]

For any transmission project where EPE is the sole owner or such project is to be built within or for the benefit of the existing EPE system such as local, small and/or reliability transmission projects, EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider for the local area. Any projects necessary to ensure the reliability or that provide economic benefits to the EPE system and which fall outside the requirements for inclusion in the Regional Plan for purposes of cost allocation are eligible to be considered Local Transmission Projects.

EPE may share ownership, and associated costs, of any new transmission project, based upon mutual agreement between the parties. Such a joint ownership arrangement may arise because of existing joint ownership of facilities in the area of the new facilities, overlapping service territories, or other relevant considerations.

#### C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project enrolled in the WestConnect Planning Region, as identified in this Attachment K. A project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner located within the WestConnect Planning Region, but not enrolled in the WestConnect Planning Region is not eligible for regional cost allocation. Similarly, a project that electrically interconnects with, or that is demonstrated to provide quantifiable benefits (as such benefits are defined in this Attachment K) to a transmission owner not enrolled in any planning region is not eligible for regional cost allocation.

The Planning Management Committee, with input from the CAS, is to determine whether a project is eligible for regional cost allocation, and assesses the project's costs against its benefits in accordance with the following factors:

- Benefits and beneficiaries will be identified before cost allocation methods are applied. If an entity other than a transmission owner enrolled in the region (see Section



III.C.3.c) is an identified beneficiary, the project is not eligible for regional cost allocation.

- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits shall not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs shall be allocated solely within the WestConnect Planning Region, unless other entities or regions voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be included in the total project costs and used in the calculation of B/C ratios.
- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

Specifically, the Planning Management Committee will consider the following projects eligible for cost allocation consideration as further described below based on specified criteria:

- Reliability projects;
- Economic or congestion relief projects; or
- Public policy projects.

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:

1. Allocation of Costs for Reliability Projects

In order to allocate costs to enrolled transmission owners for system reliability improvements that are necessary for their system to meet the NERC TPL Standards, the WestConnect cost allocation procedure will allocate costs for system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

All components of a transmission owner's local transmission plan will be included in the Regional Plan and will be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis will be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards, and stakeholders will be afforded an opportunity to propose projects that are more efficient or cost effective than components of multiple transmission owner local plans as outlined in Section III.C.12 above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue will be included in the Regional Plan and the cost will be shared by the utilities whose load contributed to the need for the project.

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost effectively by a single regional project, that regional project will be approved for selection in the Regional Plan and the cost shared by those enrolled transmission owners in proportion to the cost of alternatives that could be pursued by the individual transmission owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

The costs for regional reliability projects will be allocated according to the following equation:

(1 divided by 2) times 3 equals 4

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant enrolled transmission owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of enrolled transmission owners' retail distribution service territories or footprints necessary to avoid construction of the regional reliability project
- 3 is the total cost of the regional reliability project
- 4 is the total cost allocated to the relevant enrolled transmission owner's retail distribution service territory or footprint

The manner in which the PMC applied this methodology to allocate the costs of each regional reliability project shall be described in the Regional Plan.

2. Allocation of Costs for Economic Projects

Cost allocation for economic projects associated with congestion relief that provide for more economic operation of the system will be based on the calculation of economic benefits that each enrolled transmission owner system will receive. Cost allocation for economic projects shall include scenario analyses to ensure that benefits will actually be received by beneficiaries with relative certainty. Projects for which benefits and beneficiaries are highly uncertain and vary beyond reasonable parameters based on assumptions about future conditions will not be selected for cost allocation.

In order for a project to be considered economically justified and receive cost allocation associated with economic projects, the project must have a B/C ratio that is greater than 1.0 under each reasonable scenario evaluated and have an average ratio of at least 1.25 under all reasonable scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

The cost of any project that has an aggregate 1.25 B/C ratio or greater will be divided among the enrolled transmission owners that show a benefit based on the amount of benefits calculated to each respective transmission owner. For example, if a \$100 million dollar project is shown to have \$150 million in economic benefit, the entities for which the economic benefit is incurred will be determined. The cost of the project will then be allocated to those entities, based on the extent of each entity's economic benefits relative to the total project benefits. This will ensure that each entity that is allocated cost has a B/C ratio equal to the total project B/C ratio. For example:

- Project with \$150 million in economic benefit and \$100 million in cost
  - Company 1 has \$90 million in benefits; Company 2 has \$60 million in benefits
  - Company 1 allocation:  $90/150 (100) = \$60$  million
  - Company 1 B/C ratio:  $90/60 = 1.5$
  - Company 2 allocation:  $60/150 (100) = \$40$  million
  - Company 2 B/C ratio:  $60/40 = 1.5$

Other than through the reevaluation process described in Section III.C.17 of this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

The WestConnect economic planning process will consider production cost savings and reduction in reserve sharing

requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between a production cost simulation with the project included compared to a simulation without the project. Reductions in reserve sharing requirements are to be determined by the PMC identifying a transmission project's impact on the reserve requirements of individual transmission systems, and not on the basis of the project's collective impact on a reserve sharing group, as a whole. The production cost models are to appropriately consider the hurdle rates between transmission systems. The following production cost principles may be applied:

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such information through the WestConnect regional stakeholder process. See Section III.C of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be

described in the Regional Plan.

In determining which entities will be allocated costs for economic projects, WestConnect will compare the economic value of benefits received by an entity with the cost of the project to ensure that each entity allocated cost receives a benefit/cost ratio equal to the aggregate load-weighted benefit-to-cost ratio. These costs allocated to each company will be calculated based on the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the total projected present value of economic benefits for the relevant enrolled transmission owner
- 2 is the total projected present value of economic benefits for the entire project
- 3 is the total cost of the economic project
- 4 is the total cost allocated to the relevant enrolled transmission owner

Any enrolled transmission owner with benefits less than or equal to one percent of total project benefits will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified enrolled transmission owner, such benefits will be re-allocated to all other identified enrolled beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

## 2. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy

requirements, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy will be reported by each entity for its own service territory. Decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

Except for projects proposed through a transmission owner's local planning process, arising out of a local need for transmission infrastructure to satisfy Public Policy Requirements that are not submitted as projects proposed for cost allocation (which are addressed elsewhere in this Attachment K), any projects arising out of a regional need for transmission infrastructure to satisfy Public Policy Requirements will be considered public policy projects eligible for evaluation in the Regional Planning Process.

Stakeholders may participate in identifying regional transmission needs driven by Public Policy Requirements. After seeking the input of stakeholders pursuant to the stakeholder participation provisions of Section III, the PMC is to determine whether to move forward with the identification of a regional solution to a particular regional need driven by Public Policy Requirements. Stakeholders may participate in identifying a regional solution to a regional need driven by Public Policy Requirements pursuant to the stakeholder participation provisions of Section III, or through membership on the PMC itself. After seeking the input of stakeholders, the PMC is to determine whether to select a particular regional solution in the Regional Plan for purposes of cost allocation. The identification of beneficiaries of these projects will be the entities that will access the resources enabled by the project in order to meet their Public Policy Requirements.

If an entity accesses resources that were enabled by a prior public policy project, that entity will need to either share in its relative share of the costs of that public policy project or acquire sufficient transmission service rights to move the resources to its load with the determination left up to the entity or entities that were originally allocated the cost for the public policy project.

The costs for public policy projects will be allocated according to the following equation:

$$(1 \text{ divided by } 2) \text{ times } 3 \text{ equals } 4$$

Where:

- 1 is the number of megawatts of public policy resources enabled by the public policy project for the entity in question
- 2 is the total number of megawatts of public policy resources enabled by the public policy project
- 3 is the total project cost
- 4 is the cost for the public policy project allocated to the entity in question

The process to interconnect individual generation resources is provided for under the generator interconnection section of each utility's OATT and not under this process.

Requests for transmission service that originate in a member's system and terminate at the border shall be handled through that member's OATT. Regional transmission needs necessary to meet Public Policy Requirements will be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which the PMC applied this methodology to each public policy project will be described in the Regional Plan.

4. Combination of Benefits

In developing a more efficient or cost effective plan, it is possible for



the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project will be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered.

The costs for projects that rely upon multiple types of benefits to secure inclusion in the Regional Plan for purposes of cost allocation will be shared according to the amount of cost that is justified by each type of benefit.

## 5. Transmission Developer Qualification Criteria

### 1. In General

A transmission developer that seeks to be eligible to use the regional cost allocation methodology for a transmission project selected in the Regional Plan for purposes of cost allocation must identify its technical and financial capabilities to develop, construct, own, and operate a proposed transmission project. To be clear, satisfaction of the criteria set forth below does not confer upon the transmission developer any right to:

- (i) construct, own, and/or operate a transmission project,
- (ii) collect the costs associated with the construction, ownership and/or operation of a transmission project,
- (iii) provide transmission services on the transmission

facilities constructed, owned and/or operated.

The governing governmental authorities are the only entities empowered to confer any such rights to a transmission developer. The PMC is not a governmental authority.

## 2. Information Submittal

A transmission developer seeking eligibility for potential designation as the entity eligible to use the regional cost allocation for a transmission project selected in the Regional Plan for purposes of cost allocation must submit to the PMC the following information during the first quarter of the WestConnect planning cycle, except that during the first WestConnect planning cycle the PMC shall have the discretion to extend the period for the submission of this information:

### a) Overview

A brief history and overview of the applicant demonstrating that the applicant has the capabilities to finance, own, construct, operate and maintain a regional transmission project consistent with Good Utility Practice within the state(s) within the WestConnect Planning Region. The applicant should identify all transmission projects it has constructed, owned, operated and/or maintained, and the states in which such projects are located.

### b) Business Practices

A description of the applicant's experience in processes, procedures, and any historical performance related to engineering, constructing, operating and maintaining electric transmission facilities, and managing teams performing such activities. A discussion of the types of resources, including relevant capability and experience (in-house labor, contractors, other transmission providers, etc.) contemplated for the licensing, design, engineering, material and equipment procurement, siting and routing, Right-of-Way (ROW) and land acquisition, construction and project management related to the construction of transmission projects. The applicant should provide

information related to any current or previous experience financing, owning, constructing, operating and maintaining and scheduling access to regional transmission facilities.

- c) **Compliance History**  
The applicant should provide an explanation of any violation(s) of NERC and/or Regional Entity Reliability Standards and/or other regulatory requirements pertaining to the development, construction, ownership, operation, and/or maintenance of electric transmission facilities by the applicant or any parent, owner, affiliate, or member of the applicant that is an Alternate Qualifying Entity(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.
- d) **Participation in the Regional Planning Process**  
A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.
- e) **Project Execution**  
A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.
- f) **Right-of-Way Acquisition Ability**  
The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or

procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g) Financial Health

The applicant must demonstrate creditworthiness and adequate capital resources to finance transmission projects. The applicant shall either have an investment grade credit rating from both S&P and Moody's or provide corporate financial statements for the most recent five years for which they are available. Entities that do not have a credit rating, or entities less than five years old, shall provide corporate financial statements for each year that is available. Alternatively, the applicant may provide a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the PMC.

The following ratios must be provided with any explanations regarding the ratios:

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.
- Total debt-to-total capital.
- The applicant must indicate the levels of the above ratios the company will maintain during and following construction of the transmission element.

The PMC may request additional information or clarification as necessary.

h) Safety Program

The applicant must demonstrate that they have an adequate internal safety program, contractor safety program, safety performance record and has executed its safety program.

i) Transmission Operations

The applicant must: demonstrate that it has control

center operations capabilities, including reservations, scheduling, and outage coordination; demonstrate that it has the ability to obtain required path ratings; provide evidence of its NERC compliance process and compliance history, as applicable; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training.

- j) **Transmission Maintenance**  
The applicant must demonstrate that they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.
- k) **Regulatory Compliance**  
The applicant must demonstrate the ability, or plans to develop the ability, to comply with Good Utility Practice, WECC criteria and regional reliability standards, NERC Reliability Standards, construction standards, industry standards, environmental standards, and applicable local, state, and federal permitting requirements.
- l) **Affiliation Agreements**  
A transmission developer can demonstrate that it meets these criteria either on its own or by relying on an entity or entities with whom it has a corporate affiliation or other third-parties with relevant experience (Alternate Qualifying Entity(ies)). In lieu of a contractual or affiliate relationship with one or

more Alternate Qualifying Entity(ies) and to the extent a transmission developer intends to rely upon third-parties for meeting these criteria, the transmission developer must submit an affidavit from the third-parties stating their willingness to perform the tasks identified by the transmission developer. Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

- m) **WestConnect Membership**  
A transmission developer must be a member of either the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector, or must agree to join the WestConnect Transmission Owners with Load Serving Obligations or Independent Transmission Developers and Owners sector and agree to sign the Planning Participation Agreement if the transmission developer seeks to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.
  
- n) **Other**  
Any other relevant project development experience that the transmission developer believes may demonstrate its expertise in the above areas.

### 3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

No later than September 30 each year, the PMC is to notify each transmission developer whether it has satisfied the stated criteria. A transmission developer failing to satisfy one or more of the qualification criteria is to be informed of the failure(s) and accorded an additional opportunity to cure any deficiency(ies) within thirty (30) calendar days of notice from the PMC by providing any additional information.

The PMC is to inform the transmission developer whether the additional information satisfies the qualification criteria within forty-five (45) calendar days of receipt of the additional information.

The PMC is to identify the transmission developers that have satisfied the qualification criteria (the “Eligible Transmission Developers”) by posting on the WestConnect website, on or before December 31 of each year.

b) Annual Recertification Process and Reporting Requirements

By June 30 of each year, each Eligible Transmission Developer must submit to WestConnect a notarized letter signed by an authorized officer of the Eligible Transmission Developer certifying that the Eligible Transmission Developer continues to meet the current qualification criteria.

The Eligible Transmission Developer shall submit to the PMC an annual certification fee equal to the amount of the WestConnect annual membership fee. If the Eligible Transmission Developer is a member of WestConnect and is current in payment of its annual membership fee, then no certification fee will be required.

If at any time there is a change to the information provided in its application, an Eligible Transmission Developer shall be required to inform the PMC chair within thirty (30) calendar days of such change so that the PMC may determine whether the Eligible Transmission Developer continues to satisfy the qualification criteria. Upon notification of any such change,

the PMC shall have the option to: (1) determine that the change does not affect the status of the transmission developer as an Eligible Transmission Developer; (2) suspend the transmission developer's eligibility status until any deficiency in the transmission developer's qualifications is cured; (3) allow the transmission developer to maintain its eligibility status for a limited time period, as specified by the PMC, while the transmission developer cures the deficiency; or (4) terminate the transmission developer's eligibility status.

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer's status if the Eligible Transmission Developer: (1) fails to submit its annual certification letter; (2) fails to pay the applicable WestConnect membership fees; (3) experiences a change in its qualifications and the PMC determines that it may no longer qualify as an Eligible Transmission Developer; (4) informs the PMC that it no longer desires to be an Eligible Transmission Developer; (5) fails to notify the PMC of a change to the information provided in its application within thirty (30) days of such change; or (6) fails to execute the Planning Participation Agreement as agreed to in the qualification criteria within a reasonable time defined by the PMC, after seeking to be an entity eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

6. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region without securing approval for project cost recovery from FERC through a separate proceeding brought by the Eligible Transmission Developer under section 205 of the Federal Power Act. In no event will identified beneficiaries enrolled in the WestConnect Planning Region from whom project costs are sought to be recovered under section 205 be denied either transmission transfer capability or ownership rights proportionate to their allocated costs, as determined by FERC in



such proceeding. An Eligible Transmission Developer that is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act would have to seek cost recovery from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

If a project beneficiary receives transmission transfer capability on the project in exchange for transmission service payments, such project beneficiary may resell the transfer capability. Alternatively, a project beneficiary could seek to make a direct capital contribution to the project construction cost (in lieu of making transmission service payments) in which case, the project beneficiary would instead receive an ownership percentage in proportion to its capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

An ownership alternative will only be pursued if the Eligible Transmission Developer agrees. The Eligible Transmission Developer and the beneficiaries will enter into contract negotiations to address the many details regarding the capital funding mechanics and timing, as well as other details, such as defining (as between the Eligible Transmission Developer, whether a nonincumbent or incumbent transmission developer, and those receiving ownership interests) responsibility for operations and maintenance, administrative tasks, compliance with governing laws and regulations, etc. These negotiations will take place at arm's length, without any one party having undue leverage over the other.

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal permits an ownership share in a project that is in the same proportion to a beneficiary's allocable costs, which costs will have been allocated roughly commensurate with the benefits to be gained from the project. This will allow the beneficiary to earn a return on its investment. In addition, it allows those beneficiaries that may not necessarily benefit from additional transfer capability on a new transmission project, whether due to lack of contiguity to the new facilities or otherwise, to realize the benefits through an

ownership option.

Any transmission project participant that is identified as a beneficiary of the project might be permitted by the Eligible Transmission Developer to contribute capital (in lieu of transmission service payments) and receive a proportionate share of ownership rights in the transmission project. The Ownership Proposal affords an identified beneficiary who contributes toward the project costs the opportunity to obtain an ownership interest in lieu of an allocated share of the project costs through transmission service payments for transfer capability on the project; it does not, however, confer a right to invest capital in a project. The Ownership Proposal merely identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

Nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment K with respect to Order No. 1000 cost allocation imposes on an Eligible Transmission Developer an obligation to become a provider of transmission services to identified beneficiaries simply as a result of a project's having been selected in the Regional Plan for purposes of cost allocation; provided, however, if that Eligible Transmission Developer seeks authorization to provide transmission services to beneficiaries or others, and to charge rates or otherwise recover costs from beneficiaries or others associated with any transmission services it were to propose, it must do so by contract and/or under separate proceedings under the Federal Power Act. The purpose of this Section VI.C.6 is to (a) provide an option to a project developer to negotiate ownership rights in the project with identified beneficiaries, if both the developer and the identified beneficiaries mutually desire to do so, and (b) specify that, although Order No. 1000 cost allocation does not impose any new service on beneficiaries, identified beneficiaries have the opportunity to discuss with the project developer the potential for entering into transmission service agreements for transmission capacity rights in the project, and (c) ensure that Order No. 1000 cost allocation does not mean that a project developer may recover project costs from identified beneficiaries without providing transmission transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

If an Eligible Transmission Developer is not subject to FERC's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries enrolled in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from FERC for project cost recovery pursuant to any other applicable section of the Federal Power Act.

7. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for choosing a developer for, or managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in the Regional Plan for purposes of cost allocation, the transmission developer of that transmission facility must submit a development schedule that indicates the required steps, such as the granting of state approvals, necessary to develop and construct the transmission facility such that it meets the regional transmission needs of the WestConnect Planning Region. As part of the ongoing monitoring of the status of the transmission project once it is selected, the transmission owners and providers in the WestConnect Planning Region shall establish the dates by which the required steps to construct must be achieved that are tied to when construction must begin to timely meet the need that the project is selected to address. If such required steps have not been achieved by those dates, then the transmission owners and providers in the WestConnect Planning Region may remove the transmission project from the selected category and proceed with reevaluating the Regional Plan to seek an alternative solution.

8. Economic Benefits or Congestion Relief

For a transmission project wholly within the Transmission Provider's local transmission system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.

9. EPE Rate Recovery

Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale transmission rates.

10. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement, or any cost allocation under this Attachment K or the Business Practice Manual shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; (3) obligate any entity to implement or effectuate, or commit to implement or effectuate, any cost allocation; (4) obligate any entity to pay, or commit to pay, costs of any project or proposed project in accordance with any cost allocation; or (5) entitle any entity to recover for any transmission service or usage or to recover from any entity any cost of any transmission facilities, regardless of whether such transmission facilities are included in any plan. Without limiting the generality of the foregoing, nothing in this Attachment K, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the

following rights and obligations: (1) the right and obligation of the PMC to reevaluate a transmission facility previously selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation under Section VI.C of this Attachment K; (2) the right and obligation of an Eligible Transmission Developer to make a filing under section 205 or other applicable provision of the Federal Power Act in order to seek approval from the Commission to recover the costs of any transmission facility selected for inclusion in the regional plan for purposes of Order No. 1000 cost allocation; (3) the right and obligation of any interested person to intervene and be heard before the Commission in any section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (4) the right and obligation of the Commission to act under section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.

12. Impacts of a Regional Project on Neighboring Planning Regions

The PMC is to study the impact(s) of a regional transmission project on neighboring planning regions, including the resulting need, if any, for mitigation measures in such neighboring planning regions. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring planning region that requires mitigation (a) by the WECC Path Rating Process, (b) under FERC OATT requirements, (c) under NERC Reliability Standards requirements, and/or (d) under any negotiated arrangement between the interconnected entities, the PMC is to include the costs of any such mitigation measures into the regional transmission project's total project costs for purposes of determining the project's eligibility for regional cost allocation under the procedures identified in Section VI.C of this Attachment K, including application of the region's benefits-to-costs analysis.

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional

transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

The cost for projects undertaken in connection with requests for generation interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles of this Section VI.C above.

## **VII. Interregional Coordination, Evaluation and Cost Allocation**

This Section VII of this Attachment K sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Section VII in accordance with the provisions of this Section VII and the other provisions of this Attachment K.

Nothing in this section will preclude any transmission owner or transmission provider from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

Any Interregional Cost Allocation regarding any ITP is solely for the purpose of developing information to be used in the regional planning process of each Relevant Planning Region, including the regional cost allocation process and methodologies of each such Relevant Planning Region.

References in this section to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order 1000.

#### **A. Definitions**

The following capitalized terms were used in this Section VII of Attachment K, are defined as follows:

**Annual Interregional Coordination Meeting:** shall have the meaning set forth in Section VII.C below.

**Annual Interregional Information:** shall have the meaning set forth in Section VII.B below.

**Interregional Cost Allocation:** means the assignment of ITP costs between or among Planning Regions as described in Section VII.E.2 below.

**Interregional Transmission Project (“ITP”):** means a proposed new transmission project that would directly interconnect electrically to existing or planned transmission facilities in two or more Planning Regions and that is submitted into the regional transmission planning processes of all such Planning Regions in accordance with Section VII.D.1.

**Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language:** means this Section VII, which relates to Order 1000 interregional provisions.

**Planning Region:** means each of the following Order 1000 transmission planning regions insofar as they are within the Western Interconnection: California Independent System Operator Corporation, ColumbiaGrid, Northern Tier Transmission Group, and WestConnect.

**Relevant Planning Regions:** means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of its regional transmission needs in accordance with

Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

## **B. Annual Interregional Information Exchange**

Annually, prior to the Annual Interregional Coordination Meeting, WestConnect is to make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in WestConnect's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
  - (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
- (iii) regional transmission plan

(collectively referred to as "Annual Interregional Information").

WestConnect is to post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process WestConnect's Annual Interregional Information. WestConnect may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions.

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be



subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect shall be "AS IS" and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect or any of the members of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

### **C. Annual Interregional Coordination Meeting**

WestConnect is to participate in an Annual Interregional Coordination Meeting with the other Planning Regions. WestConnect is to host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than March 31<sup>st</sup>. The Annual Interregional Coordination Meeting is to be open to stakeholders. WestConnect is to provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

### **D. ITP Joint Evaluation Process**

#### **1. Submission Requirements**

A proponent of an ITP may seek to have its ITP jointly evaluated by the Relevant Planning Regions pursuant to Section VII.D.2 by submitting the ITP into the regional transmission planning process of each Relevant Planning Region in accordance with such Relevant Planning Region's regional transmission planning

process and no later than March 31<sup>st</sup> of any even-numbered calendar year. Such proponent of an ITP seeking to connect to a transmission facility owned by multiple transmission owners in more than one Planning Region must submit the ITP to each such Planning Region in accordance with such Planning Region's regional transmission planning process. In addition to satisfying each Relevant Planning Region's information requirements, the proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

## 2. Joint Evaluation of an ITP

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region) is to participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the ITP's submittal in accordance with Section VII.D.1 or the immediately following calendar year. With respect to any such ITP, WestConnect (if it is a Relevant Planning Region) is to confer with the other Relevant Planning Region(s) regarding the following:

- (i) ITP data and projected ITP costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the ITP pursuant to its regional transmission planning process.

For each ITP that meets the requirements of Section VII.D.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve any differences it has with the other Relevant Planning Regions relating to the ITP or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's evaluation of the ITP;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.D.2 in accordance with its regional transmission planning process;
- (c) is to notify the other Relevant Planning Regions if WestConnect determines that the ITP will not meet any of its regional transmission needs; thereafter WestConnect has no obligation under this Section VII.D.2 to participate in the joint evaluation of the ITP; and
- (d) is to determine under its regional transmission planning process if such ITP is a more cost effective or efficient solution to one or more of WestConnect's regional transmission needs.

## **E. Interregional Cost Allocation Process**

### **1. Submission Requirements**

For any ITP that has been properly submitted in each Relevant Planning Region's regional transmission planning process in accordance with Section VII.D.1, a proponent of such ITP may also request Interregional Cost Allocation by requesting such cost allocation from WestConnect and each other Relevant Planning Region in accordance with its regional transmission planning process. The proponent of an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions in which Interregional Cost Allocation is being requested.

### **2. Interregional Cost Allocation Process**

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region) is to confer with or notify, as appropriate, any other Relevant Planning Region(s) regarding the following:

- (i) assumptions and inputs to be used by each Relevant Planning Region for purposes of determining benefits in accordance with its regional cost allocation methodology, as applied to ITPs;
- (ii) WestConnect's regional benefits stated in dollars resulting from the ITP, if any; and
- (iii) assignment of projected costs of the ITP (subject to potential reassignment of projected costs pursuant to Section VII.F.2 below) to each Relevant Planning Region using the methodology described in this Section VII.E.2.

For each ITP that meets the requirements of Section VII.E.1, WestConnect (if it is a Relevant Planning Region):

- (a) is to seek to resolve with the other Relevant Planning Regions any differences relating to ITP data or to information specific to other Relevant Planning Regions insofar as such differences may affect WestConnect's analysis;
- (b) is to provide stakeholders an opportunity to participate in WestConnect's activities under this Section VII.E.2 in accordance with its regional transmission planning process;

- (c) is to determine its regional benefits, stated in dollars, resulting from an ITP; in making such determination of its regional benefits in WestConnect, WestConnect is to use its regional cost allocation methodology, as applied to ITPs;
- (d) is to calculate its assigned *pro rata* share of the projected costs of the ITP, stated in a specific dollar amount, equal to its share of the total benefits identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;
- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

#### **F. Application of Regional Cost Allocation Methodology to Selected ITP**

##### **1. Selection by All Relevant Planning Regions**

If WestConnect (if it is a Relevant Planning Region) and all of the other Relevant Planning Regions select an ITP in their respective regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Section VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

##### **2. Selection by at Least Two but Fewer than All Relevant Regions**

If WestConnect (if it is a Relevant Planning Region) and at least one, but fewer than all, of the other Relevant Planning Regions select the ITP in their respective

regional transmission plans for purposes of Interregional Cost Allocation, WestConnect is to evaluate (or reevaluate, as the case may be) pursuant to Sections VII.E.2(d), VII.E.2(e), and VII.E.2(f) above whether, without the participation of the non-selecting Relevant Planning Region(s), the ITP is selected (or remains selected, as the case may be) in its regional transmission plan for purposes for Interregional Cost Allocation. Such reevaluation(s) are to be repeated as many times as necessary until the number of selecting Relevant Planning Regions does not change with such reevaluation.

If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect is to apply its regional cost allocation methodology to the projected costs of the ITP assigned to it under Sections VII.E.2(d) or VII.E.2(e) above in accordance with its regional cost allocation methodology, as applied to ITPs.

#### VIII. Role of the Transmission Provider

EPE is the Transmission Provider under this Tariff and the entity conducting local transmission planning under this Attachment K. In addition, EPE is a participating utility in the regional entity, WestConnect, which entity is comprised of other utilities, as well as state representatives, customers, and other stakeholders. WestConnect is to perform the functions of regional transmission planning in the WestConnect region and is to coordinate and jointly evaluate ITPs with other planning regions as set forth in this Attachment K. Attachment K speaks in terms of what WestConnect and the other Relevant Planning Regions are to do, when they are to do it, and how. However, it is to be understood that EPE does not control WestConnect or any other planning region. Any failure of any planning region to perform the regional and interregional activities set forth herein is not to be deemed to be a failure of EPE. EPE's duty is to cooperate with and support WestConnect in its implementation of responsibilities under this Attachment K.

## **Exhibit 1**

### **EPE Planning Process**

Develop facilities to correct any violation

Y=Y+1 (process repeats to incorporate changes for each of the 10 years in the Plan)

No

Y=1

Write-up Plan with new facilities and obtain EPE executive management approval

Hold meeting with all Stakeholders to discuss Plan facilities

Put new facilities into Plan year Y and future years

Are all criteria met?

Perform all N-0 and N-1 studies for Plan year Y

Incorporate Stakeholders' loads/facilities in base cases in appropriate year based on the meeting

Hold meeting with Stakeholders regarding existing (last Plan cycle) facilities and new Stakeholder projects

Incorporate last 10 year Plan facilities in latest WECC base cases

Obtain new EPE native load 10 year forecast

Obtain Stakeholder data

Incorporate latest EPE substation loads and Stakeholder data in latest WECC base cases

Develop 10 year EPE substation loads from forecast

Obtain latest WECC power flow base cases from WECC website

Yes

Begin to incorporate Plan facilities/loads in WECC case submittals

## **Exhibit 2**

### WestConnect Regional Transmission Planning Process Chart

TO Plans

WestConnect Regional Plan includes:

- Projects in Plan (TO, merchant/ITC non cost allocated)
- Project for Cost Allocation (projects identified efficient or cost effective)

WestConnect System Assessment

(Reliability Analysis)<sup>1</sup>

Participant  
Funded  
Project

Local

NTAs

Yes

Identify  
Solutions  
With B/C  
Greater  
Than 1.25

Evaluate  
"Qualified  
Projects"  
Project  
Submittal  
Process

WestConnect System Assessment

(Economic & Reliability Analyses)<sup>1</sup>  
WECC Board-approved

Recommendation for Area of Concern

No

Project Proponent Can Revise and Submit Project for Next Cycle in Accordance with Submittal Process

<sup>1</sup> Public policy is considered within the scenario submittal, reliability, and economic analyses.

B/C Benefit/Cost  
ITC Independent Transmission Company  
NTA Non-Transmission Alternative  
TO Transmission Owner  
WECC Western Electricity Coordinating Council





Document Content(s)

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