

## **ATTACHMENT L**

### **Transmission Planning Process**

#### **I. Overview of Tri-State Transmission Planning Process**

Tri-State Generation and Transmission Association, Inc. (Tri-State) is an electric power cooperative operating on a not-for-profit basis that generates and transmits electricity to its member rural electric cooperatives and public power districts in Colorado, Nebraska, New Mexico and Wyoming. Tri-State is a transmitting utility subject to Section 211 of the Federal Power Act as amended by the Energy Policy Act of 1992 and the Energy Policy Act of 2005. Tri-State's transmission planning process is based on the following three core objectives:

- Maintain safe, reliable electric service to its members at the lowest possible cost, consistent with its obligations under federal and state law.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to the transmission facilities under its control.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

Tri-State's transmission planning process is intended to facilitate the timely and coordinated development of transmission infrastructure that both maintains system reliability and meets customer needs, while continuing to provide reliable low cost electric power to its member cooperatives.

The Tri-State planning process includes an annual open planning meeting to permit all interested parties, including network and point-to-point transmission service customers, interconnecting neighboring transmission providers, regulatory agencies, and all other stakeholders, to provide input into and comment on Tri-State's transmission plan.

Tri-State coordinates its planning process with other transmission providers and stakeholders at the regional and subregional levels of the Western Interconnection through its active participation in the Colorado Coordinated Planning Group (CCPG), the Southwest Area Transmission Planning (SWAT) group, membership in WestConnect,<sup>1</sup> and membership in the Western Electricity Coordinating Council (WECC).

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<sup>1</sup> WestConnect was formed under a memorandum of understanding (MOU) voluntarily entered into by transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market shareholders and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint.

Three subregional planning groups operate within the WestConnect footprint: the Colorado Coordinated Planning Group (CCPG), the Southwest Area Transmission Planning (SWAT) group and the Sierra Coordinated Planning Group (Sierra). WestConnect's planning effort, which includes funding, planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. These responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (the WestConnect STP Project Agreement) dated May 23, 2007. A copy of the STP Project Agreement is available at [www.westconnect.com](http://www.westconnect.com). Tri-State is a signatory to the WestConnect Project Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups as explained in section III of this document.

## **II. Tri-State Local Transmission Planning**

### **A. Tri-State Local Planning Process**

Participation in Tri-State's local planning process is open to all interested parties, including but not limited to, all network and point-to-point transmission service customers, interconnecting neighboring transmission providers, regulatory agencies, and other stakeholders.

#### **1. Confidential or Proprietary Information**

Tri-State's transmission planning studies may include base case data that are WECC proprietary data or confidential information. A stakeholder must hold membership in, or execute a non-disclosure agreement with, WECC in order to obtain requested base case data from Tri-State. (See [www.wecc.biz](http://www.wecc.biz).)

#### **2. Purpose of Planning Studies**

Tri-State's transmission planning process is designed to meet the following needs:

- a. Provide adequate transmission for network resources in order to reliably and economically serve Tri-State's member and other network loads.
- b. Support Tri-State's members subtransmission and distribution systems.
- c. Provide for interconnection of new generation resources.
- d. Coordinate new interconnections with other transmission systems.
- e. Accommodate requests for long-term transmission access.

3. Types of Planning Studies

- a. *Local Reliability Studies.* Tri-State will conduct reliability studies to ensure that all NERC, WECC, and local reliability standards are met for each year of the ten-year planning horizon, including all customer-planned loads and resources. These reliability studies will be coordinated with the other regional transmission planning organizations through the CCPG and WECC study efforts.
- b. *Generator Interconnection Studies.* Tri-State will perform, or cause to be performed, system interconnection studies at the request of an interconnecting customer under the terms and conditions specified in the Generator Interconnection Procedures (GIP) of Tri-State's OATT.
- c. *Economic Studies.* Economic planning studies will be performed under the terms of the WestConnect Regional Planning Process as discussed in section III.G. of this document.

4. Transmission Planning Cycle

Tri-State conducts its transmission planning on a calendar year cycle for a ten-year planning horizon. Tri-State updates its ten-year plan annually. Tri-State summarizes its transmission plans for the state of Colorado in a filing to the Colorado Public Service Commission under the requirements of Commission Rule 3627.

5. Transmission Customer's Responsibility for Providing Data

- a. *Use of Customer Data.* Tri-State uses the information provided by its transmission customers to, among other things, assess network loads and resources, identify transmission needs and operating dates, and to update regional models used to conduct planning studies.
- b. *Submission of Data by Network Transmission Customers.* Pursuant to Tri-State's Open Access Transmission Tariff (OATT), network customers are required to submit ten-year projected network loads and network resources to Tri-State on an annual basis. Such information is to be submitted by October 1<sup>st</sup> of each year.
- c. *Submission of Data by Other Transmission Customers.* In order to provide the most accurate planning models, it is essential that all other transmission customers provide their ten-year load and resource needs for inclusion in the Tri-State transmission planning process. This information must be submitted by October 1<sup>st</sup> of each year in order to be included in the following year's planning process.

- d. *Transmission Customer Data to be Submitted.* To the maximum extent practical and consistent with protection of proprietary information, data submitted by network customers and other transmission customers shall include the following information for the ten-year planning horizon:
- i. Generators – planned additions or upgrades (including status and expected in-service dates), planned retirements and any environmental restrictions.
  - ii. Demand response resources – existing and planned demand response resources and their impacts on demand and peak demand.
  - iii. Network customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
  - iv. Point-to-Point transmission customers – projections of need for service, including transmission capacity, duration of service and points of receipt and delivery.

Each customer is responsible for submitting timely written notice to Tri-State of material changes in any of the information previously provided related to the customer's load, resources, or other aspects of its facilities or operations which may, directly or indirectly, affect Tri-State's ability to provide service.

## **B. Public Meetings**

### 1. Purpose and Scope

Tri-State will conduct open public planning meeting(s) each year that will allow stakeholders to participate in Tri-State's transmission planning process. The public transmission planning meetings will be open to all stakeholders. The meetings will provide an open, transparent forum whereby electric transmission stakeholders can comment and provide input to Tri-State during the transmission planning process. These public transmission planning meetings will serve to:

- a. Promote discussion of all aspects of the Tri-State transmission planning activities, including, but not limited to, methodology, study inputs, study results, and alternative solutions.
- b. Provide a forum for Tri-State to better understand the specific electric transmission interests of all stakeholders.

2. Public Meeting Process

At such meetings Tri-State shall: (a) review its transmission planning process and current study plan with stakeholders; (b) receive transmission study requests from stakeholders for review and discussion; (c) solicit information from its transmission customers on loads and resources and other needs for the preparation of its ten-year plan; and (d) provide updates on its planned projects.

3. Meeting Notices and Communication

- a. Meeting notices, including date, time, place and meeting agenda, will be posted on the Tri-State company website at:  
<http://www.tristategt.org/TransmissionPlanning/>.. Tri-State will establish and post its public planning meeting schedule at least once annually.
- b. The agendas for Tri-State's public planning meetings will be sufficiently detailed, posted on the Tri-State company website at: <http://www.tristategt.org/TransmissionPlanning/>. and circulated to its distribution list in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- c. All existing Tri-State customers, network and point-to-point, will be included on Tri-State's distribution list and actively notified via email of all upcoming public meetings. Any other stakeholder wanting to be included on Tri-State's email distribution list should submit its information to the Tri-State Point of Contact identified on the Tri-State company website at: <http://www.tristategt.org/TransmissionPlanning/>.
- d. Tri-State will post all meeting-related notes, documents and drafts or final reports on its company website at: <http://www.tristategt.org/TransmissionPlanning/>.
- e. In order to permit all stakeholders access to the information posted on the websites listed in Section B.3.d, only public information will be shared, and public business conducted in the Tri-State open public meetings.

**III. Regional Transmission Planning Process**

This Section of Attachment L to the Tri-State OATT implements the requirements for regional planning set forth in Federal Energy Regulatory Commission Order Nos. 890 and 1000. Tri-State engages in regional planning and coordination within the WestConnect

regional process (Regional Planning Process), which also includes Tri-State's participation in interregional planning in the United States portion of the Western Interconnection through its participation in WestConnect.

The purpose of the 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 L and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business Practice Manual, as may be amended from time to time, available on the WestConnect website (Business Practice Manual).

#### **A. Overview**

The WestConnect Planning Region is defined by the Transmission Owners and Transmission Provider members (referred to generally as Transmission Owners) participating in the Regional Planning Process and for whom WestConnect is conducting regional planning. The service areas of the Transmission Owners consist of all or portions of nine states: Arizona, California, Colorado, Nebraska, New Mexico, Nevada, South Dakota, Texas and Wyoming. Non-public utilities such as Tri-State are invited to participate in the Regional Planning Process.

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, WestConnect began its biennial process in 2016. WestConnect conducted an abbreviated planning process in 2015.

In conjunction with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, have established 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 PMC will implement the stakeholder-developed Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning horizon.

Tri-State is a party to the WestConnect STP Project Agreement. The committees formed under the WestConnect STP Project Agreement and the WestConnect Steering Committee have no authority over the PMC and the PMC's decision making in implementing the Regional Planning Process.

##### **1. WestConnect Planning Participation Agreement**

Each WestConnect member will be a signatory to the Planning Participation Agreement, which formalizes the members' relationships and establishes obligations, including

Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes, and producing a Regional Plan.

2. Members

WestConnect has two types of members: (i) Transmission Owners that enroll in the WestConnect Planning Region in order to comply with 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 (ii) stakeholders who wish to have voting input into the methodologies, studies, and decisions made in the execution of those requirements.

a. Joining the WestConnect Planning Region

A Transmission Owner that wishes to enroll or participate in 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. For further information regarding membership dues, please see WestConnect's Planning Participation Agreement, located at [www.westconnect.com](http://www.westconnect.com) and on file with FERC.

b. Exiting the WestConnect Planning Region

Should a Transmission Owner member 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 expenditures approved prior to providing its 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 will forfeit any monies or dues paid to the PMC and agree to remit to the PMC any outstanding monies owed to WestConnect prior to their withdrawal being considered official.

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.

3. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies with existing Order No. 890 principles:

- a. Coordination
- b. Openness
- c. Transparency
- d. Information exchange
- e. Comparability
- f. Dispute resolution

Tri-State, along with the other Planning Participation Agreement participants, shall work through the Regional Planning Process to integrate its transmission plan with the other WestConnect participant transmission plans into a single ten year Regional Plan for the WestConnect footprint 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 Regional Planning Process and all planning management functions pursuant to the Planning Participation Agreement;
- d. Maintaining a regional planning section at [www.westconnect.com](http://www.westconnect.com) where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted;
- e. Posting detailed notices of all regional and local planning meeting agendas on the WestConnect website; and
- f. Establishing a cost allocation process for regional transmission projects selected in the Regional Planning Process for cost allocation.

## **B. Roles in the Regional Planning Process**

### **1. 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, Transmission Owners, 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 transmission plan that treats similarly-situated customers (*e.g.*, network, retail network, and native load) comparably in transmission system planning.

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

### **2. Stakeholder Participation and Assistance**

Stakeholders may participate in the Regional Planning Process by any one or more of the following ways: (a) 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 Transmission Owners with a Load Serving Obligation will be the default source of monies 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. (*See at [www.westconnect.com](http://www.westconnect.com)*). All stakeholders are encouraged to bring their plans for future generators, loads or transmission services to the WestConnect 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.

3. Forum for Evaluation

The WestConnect Regional Planning Process also 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.

4. Stakeholder Meetings

WestConnect will hold open stakeholder meetings on at least a semi-annual basis, or as needed and noticed by the PMC with 30 days advance 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 via email to the Regional Planning Process email distribution list.

The meeting agendas for all WestConnect 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.

5. WestConnect Planning Process Governance

a. Membership Sectors

The Regional Planning Process will be governed by the PMC, 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 PMC membership sectors is available:

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

Only Transmission Owners that have load serving obligations individually or through their members 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 Order No. 1000; and (b) those Transmission Owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.

Except for Public Utilities that are required to comply with Order No. 1000, any entity may join any membership sector for which it qualifies, but may only participate in one membership sector at a time. If a non-public utility is qualified to join the Transmission Owners with Load Serving Obligations sector as well as one or more other sectors, and the non-public utility elects to join a sector other than the Transmission Owners with Load Serving Obligations sector, the PMC will not perform the function of regional transmission planning for that entity. Additionally, if a member of the Transmission Owner with Load Serving Obligations sector owns transmission facilities located in another planning region, the PMC will not perform the function of regional planning for such facilities located in another planning region.

b. Planning Management Committee

The PMC 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 PMC; and to assess fees for projects submitted for evaluation as part of the Regional Planning Process. The PMC is to manage the Regional Planning Process, including approval of the Regional Plan that includes application of regional cost allocation methodologies.

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 PMC (including approval of the Regional Plan) will be made possible by satisfying either of the following requirements:

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

Each entity within a membership sector is entitled to one vote on items presented for decision.

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 active or threatened).

C. 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 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.5 of this Attachment L. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 1 of this Attachment L.

1. Transmission Customers

Transmission customers shall generally submit their load forecast and other relevant data through the WestConnect member's (e.g., Tri-State'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 email or by posting information to a designated website.

## 2. 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 in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website and will also be made via email 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.

## 3. 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 in Section III.C.5 below. Notice of the submission period will be posted on the WestConnect website and will also be made via email 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 transmission system 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.

4. Transmission Owners with Load Serving Obligations

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

At the beginning of each regional transmission planning cycle, Transmission Owners that are participating in the Regional Planning Process shall 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 shall 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 Section III.C.5 below. Transmission Owners shall also be responsible for submitting any project plans developed through their local transmission planning processes for inclusion in the Regional Plan models.

5. 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.B.5.a:

- 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).\* The true-up will include interest on the difference between the deposit and the actual cost, with such interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. A description of the costs to which the deposit was applied, how the costs were calculated, and an accounting of the costs will be provided to each project sponsor within 30 calendar days of the completion of the study. Dispute resolution is addressed pursuant to Section V.
- 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. The PMC will provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that an applicant needs to perform the transmission system impact study and to identify the costs associated with any upgrades required to mitigate adverse impacts.

\* Merchant transmission developers are exempt from these requirements.

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 email to WestConnect stakeholders. The submission period will last for no less than thirty (30) days and will end by the fifth (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) year of the planning cycle). Proposals submitted outside that window will not be considered. The PMC will have the authority to determine the completeness of a project submittal. Project submittals deemed incomplete will be granted a reasonable opportunity to cure any deficiencies identified in writing by the PMC.

Any stakeholder wishing to present a project submittal to address an identified regional need shall be required to submit the data listed above for the project to be considered in the Regional Planning Process. 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. The PMC 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 PMC in its sole discretion.

#### 6. 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 (5th) quarter of the WestConnect planning cycle (or first (1st) quarter of the second (2nd) 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 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.5, those who submit under Section III.C.6 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, as described in Section III.C.5, above. 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.

#### 7. The WestConnect Regional Planning Cycle

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

### **D. 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 applicable 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 under Section III.D.2.1. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section III.D.2, 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 it has an adequate internal safety program, contractor safety program, safety performance record and program execution.

i. Transmission Operations

The applicant must: demonstrate that it has the ability to undertake 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; demonstrate 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. A potential transmission developer will not be required to have an operations entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

j. Transmission Maintenance

The applicant must demonstrate that it has, or has 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, and provide a statement of which entity will be performing maintenance on completed transmission facilities. A potential transmission developer will not be required to have a maintenance entity under contract at the time it seeks to be eligible to use the regional cost allocation method for a transmission project selected in the Regional Plan for purposes of cost allocation.

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, and environmental standards.

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 those criteria, the transmission developer must provide in attestation form, an identification of its preferred third-party contractor(s) and indicate when it plans to enter into a definitive agreement with its third-party contractor(s). 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 agreed 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.

**E. Overview of 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. 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.F addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.G addressing the use of production cost modeling for regional economic projects, and Section III.H 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 fulfill the identified need practically; (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 PMC 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:

- Regional reliability solutions
- Regional economic solutions
- Regional transmission needs driven by Public Policy Requirements
- Non-transmission alternatives

Tri-State encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the planning process, timing, and implementation mechanics.

All WestConnect Transmission Owners with Load Serving Obligation 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.

#### **F. 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 or WECC Transmission Planning Reliability Standards, through appropriate studies, including, but not limited to, steady-state power flow, voltage, stability, short circuit, and transient studies as outlined in the Business Practice Manual. If a reliability violation is identified in this power flow process, the violation will be referred back to the appropriate Transmission Owner.

The PMC will identify projects to resolve any regional violations that impact more than one Transmission Owner of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria. In addition, 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 would 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. As seen in Exhibit 1 of this Attachment L, the PMC will perform the regional reliability assessment and, if necessary, identify a regional need for transmission projects to resolve any violations that impact more than one Transmission Owner in the fourth quarter of the planning cycle.

#### **G. 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 utilizes WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that has 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 will 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 its development of a plan that is more efficient or cost-effective. As seen in Exhibit 1 of this Attachment L, the PMC will develop the production cost modeling analysis in the second (2nd) and third (3rd) quarters of the planning cycle and identify economic transmission projects in the sixth (6th) quarter and parts of the fifth (5th) and seventh (7th) quarters of the planning cycle.

#### **H. WestConnect Public Policy Planning Process**

1. Procedures for Identifying 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 II.E of this Attachment L), 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 the 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.

2. Procedures for Identifying Solutions to 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 transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the Regional Planning Process, whether or not submitted for purposes of cost allocation.

The PMC will perform a Public Policy Requirements analysis to help identify if a transmission solution is necessary to meet an enacted public policy. For a transmission need driven by Public Policy Requirements, the PMC will identify if a more efficient or cost-effective regional transmission solution exists based upon several different considerations, including consideration of whether the project is necessary and capable of meeting transmission needs driven by Public Policy Requirements, while also

- (i) Efficiently resolving any criteria violations identified by studies pursuant to any relevant NERC Transmission Planning (TPL) Reliability Standards for regional

reliability projects or WECC Transmission Planning Reliability Standards or WECC criteria, as applicable, that could impact more than one Transmission Owner as a result of a Public Policy Requirement or,

- (ii) Producing economic benefits shown through detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost, system congestion and the value of decreased reserve sharing requirements.

The PMC will develop the public policy analysis in the sixth (6th) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

### 3. 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.G (WestConnect Economic Planning Process) of this Attachment L, if time and resources permit.

### 4. Posting of Public Policy Needs

WestConnect will maintain on its website (i) a list of all 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 transmission needs driven by Public Policy Requirements will not be evaluated.

## **I. Consideration of Non-Transmission Alternatives**

Non-transmission alternatives submitted in accordance with Section III.C.6 above 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 grid needs driven by Public Policy Requirements. Non-transmission alternatives are not eligible for regional cost allocation.

## **J. Approval of the WestConnect Regional Plan**

The Cost Allocation Subcommittee is to submit, for review and comment, the results of its project benefit/cost analysis and beneficiary determination to the PMC Chair and to the identified beneficiaries of the transmission projects proposed for cost allocation. The PMC shall make available to its Members sufficient information to allow for a reasonable opportunity to comment on the proposed selection. The PMC shall not make a determination on the project benefit/cost analysis and beneficiary determination until it has reviewed all

comments. Upon approval of the PMC, the project benefit/cost analysis and beneficiary identifications shall be posted by the PMC on the WestConnect website.

1. CTO Acceptance of Cost Allocation

- (i) Each coordinating transmission owner (CTO) beneficiary will indicate whether it accepts the cost allocation for the project, as follows:
  - 1. A CTO Member, in its sole discretion, may elect to accept a cost allocation for each separate transmission facility for which it is identified as a beneficiary, but only if it notifies the Chair of the PMC in writing of its decision to accept any such cost allocation within sixty (60) calendar days after the benefit/cost analysis is posted by the PMC under this Section III.J; provided, however, that the PMC has the discretion to extend the 60-day period when additional time is necessary for an identified beneficiary to complete its internal review and deliberation process before deciding to accept the cost allocation.
  - 2. A CTO Member giving notice that it elects to accept a cost allocation for a transmission facility may rescind that notice at any time prior to the end of the sixty (60) day period, or such extended period established in this Section III.J.1.
  - 3. A CTO Member that does not accept a cost allocation for a transmission facility will not be subject to cost allocation for that transmission facility.

The information made available under this Section III.J will be electronically masked and made available pursuant to a process that the PMC reasonably determines is necessary to prevent the disclosure of confidential information or CEII contained in the information.

2. Recalculation of Benefits and Costs for Reliability Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative reliability project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation.

3. Recalculation of Benefits and Costs for Public Policy Requirements Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission need(s) which

was included within the identification of the region's transmission needs under Sections III.F through III.H (for which the regional project would have avoided an alternative Public Policy Requirements project in such CTO's local transmission plan) will be removed as a regional transmission need for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include any such CTO's resource needs necessary to comply with Public Policy Requirements.

4. Recalculation of Benefits and Costs for Economic Projects

The Cost Allocation Subcommittee will adjust, as necessary, its project benefit/cost analysis and beneficiary identification for any transmission project that continues to meet the region's criteria for regional cost allocation. For any CTO beneficiary that does not accept cost allocation for a project under this Section III.J, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.F through III.H will be removed as a regional transmission benefit for purposes of justifying a project's approval as a project eligible for inclusion in the Regional Plan for purposes of cost allocation. This shall include the value of any economic benefits determined through the regional transmission plan to accrue to such CTO.

5. Resultant Increase in Beneficiary Cost Allocation

Any regional transmission project that continues to meet the region's benefit/cost and other criteria for regional cost allocation will remain eligible for selection in the Regional Plan for purposes of cost allocation.

6. Approval of the WestConnect Regional Transmission Plan

Upon completion of the process outlined above, the PMC will vote on whether to accept the proposed 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 regional cost allocation. Projects that meet system needs are incorporated into the Regional Plan. 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.

**K. Reevaluation of the WestConnect Regional Plan**

The PMC 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 December 11, 2014, which is the effective date of the Planning Participation Agreement. 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 or 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 or 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 or 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 Owner's Transmission Planning (TPL) Reliability 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 December 11, 2014 will also 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 December 11, 2014.

## **L. 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 or execute a non-disclosure agreement (NDA) with WECC (See [www.wecc.biz](http://www.wecc.biz)) or (ii) execute a non-disclosure agreement with the applicable WestConnect Planning Region members, 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 <mailto:NDA@westconnect.com>.

## **IV. Coordination at the Western Interconnection Level**

### **A. Tri-State – WestConnect Coordination**

Tri-State shall coordinate its plan on a regional basis through WestConnect. WestConnect will coordinate its Regional Plan with TEPPC.

### **B. Procedures for Interregional Planning Project Review**

1. WECC Coordination of Reliability Planning
  - a. WECC develops the Western Interconnection-wide databases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC-approved base cases are used for study purposes by transmission planners, regional transmission planning groups, and other entities that have signed non-disclosure agreements with WECC.
  - b. WECC maintains a database for reporting the status of all planned projects throughout the Western Interconnection.
  - c. WECC provides for coordination of planned projects through its Procedures for Regional Planning project review.
  - d. WECC's path rating process ensures that a new project will have no adverse effect on existing projects.

2. WECC-TEPPC Open Stakeholder Meetings

Western Interconnection-wide economic planning studies are conducted by the WECC TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website at [www.wecc.biz](http://www.wecc.biz). Tri-State participates in the region-wide planning processes, as appropriate, to ensure data and assumptions are coordinated.

3. Role of WECC TEPPC

WECC TEPPC provides two main functions in relation to the WestConnect Regional Planning Process:

a. Development and Maintenance of the West-Wide Economic Planning Study Database.

- (i) TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
- (ii) TEPPC's database is available for use in running economic congestion studies. For an interested stakeholder to utilize WECC's PROMOD planning model, it must comply with WECC confidentiality requirements.

b. Performance of Economic Planning Studies

TEPPC has an biennial study cycle described in the WECC-TEPPC Transmission Planning Protocol, (See [www.wecc.biz](http://www.wecc.biz).) during which it will update databases, develop and approve a study plan that includes studying transmission customer high priority economic planning study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

c. Identification of Congested Paths for WestConnect Economic Review

Through TEPPC's economic study process, congested paths may be reviewed and identified as being candidates for economic transmission studies. Upon WECC Board approval of a designation for such a path and WestConnect validation, the Regional Planning Process will review the path for potential economic transmission solutions.

**V. Dispute Resolution**

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:

**A. WECC**

If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures contained in the WECC Business and Governance Guidelines and Policies will apply. (See [www.wecc.biz](http://www.wecc.biz).)

**B. 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 PMC (which disputes will be subject to the dispute resolution provisions set forth in Section V.D), the dispute resolution procedures set forth in Section 12 of the Tri-State 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 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 the Tri-State OATT apply only to Tri-State and its Transmission Customers, Section 12 of the Tri-State OATT will be deemed to be applicable to stakeholders for purposes of this Attachment L, except as otherwise provided herein.

**C. Resolution by FERC**

Notwithstanding anything to the contrary in this Section V, any affected party may 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.

**D. Disputes Between PMC Members**

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

1. Initiating Dispute Resolution

The disputing PMC member(s) initiates 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. Arbitration

A dispute may be referred to arbitration under the governing provisions of the Planning Participation Agreement.

3. Resolution by FERC

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.

**VI. Cost Allocation**

**A. 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.

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

Tri-State 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.

1. Open Season Solicitation of Interest

For any transmission project identified in a Tri-State reliability or economic planning study in which Tri-State is the project sponsor, Tri-State may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by Tri-State to hold an open season solicitation of interest for a transmission project, Tri-State will:

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<sup>2</sup> 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 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.

- a. Announce and solicit interest in the project through informational meetings, the Tri-State company website at: <http://www.tristategt.org/TransmissionPlanning> website, and/or other means of dissemination as appropriate.
- b. Hold meetings with interested parties, state public utility commission staffs from potentially affected states, and other affected stakeholders.
- c. Post information via the Tri-State company website at: <http://www.tristategt.org/TransmissionPlanning>.
- d. Develop the initial transmission 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.
- e. Whether as a project sponsor or a participant, coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into Tri-State's Ten Year Transmission Plan any other planned project on or interconnected with Tri-State's transmission system.

## **B. Regional Transmission Projects**

For any project determined by the PMC to be eligible for regional cost allocation, project costs will be allocated proportionally to those entities determined by the PMC, as shown in the Regional Plan, to be beneficiaries in the WestConnect Planning Region, as identified in this Attachment L, subject to the processes set forth in Sections III through VI.

The PMC, 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.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits must 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 must be allocated solely within the WestConnect Planning Region, unless other regions or entities 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 PMC 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. Tri-State 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.<sup>3</sup>

#### 1. Allocation of Costs for Reliability Projects

In order to allocate costs to Transmission Owners for system reliability improvements that are necessary for their systems to meet the NERC TPL standards, the WestConnect cost allocation procedure shall 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 shall be included in the Regional Plan and shall be considered Local Transmission Projects that are not eligible for regional cost allocation. A system performance analysis shall be performed on the collective plans to ensure the combined plans adhere to all relevant NERC TPL Reliability Standards and stakeholders shall 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.F, above.

Should a reliability issue be identified in the review of the included local transmission plan, the project necessary to address that reliability issue shall be included in the Regional Plan and the cost shall 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 shall be approved for selection in the Regional Plan and the cost shall be shared by those Transmission Owners in proportion to the cost of alternatives that could be pursued by the individual Transmission Owners to resolve the reliability

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<sup>3</sup> References to "Transmission Owners" in the cost allocation provisions are to transmission owners for whom the WestConnect Planning Management Committee is performing the function of regional transmission planning. At present, those Transmission Owners are TOLSO members.

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 shall 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 Transmission Owner's retail distribution service territory or footprint
- 2 is the total cost of local reliability upgrades in the combination of 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 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 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. Costs will be allocated on the basis of the average of all scenarios evaluated. The B/C ratio shall be calculated by the PMC. This B/C ratio shall 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 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.J of this Attachment L, 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 shall 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.B of this Attachment L. 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 shall be allocated costs for economic projects, WestConnect shall 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 shall 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 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 Transmission Owner

Any Transmission Owner with benefits less than or equal to one percent of total project benefits shall 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 Transmission Owner, such benefits will be re-allocated to all other identified beneficiaries on a pro rata basis, in relation to each entity's share of total project benefits.

### 3. Allocation of Costs for Public Policy Projects

Any transmission system additions that arise from Public Policy Requirements shall be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy shall be reported by each entity for its own service territory. Decisions on the inclusion of those needs shall be made during the consideration and approval of the system models. 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 in Section II of this Attachment L), any projects arising out of a regional need for transmission infrastructure to satisfy the Public Policy Requirements shall 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 transmission plan for purposes of cost allocation. The identification of beneficiaries of these projects shall be the entities that shall 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 shall 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 shall 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 would be provided for under the generator interconnection section 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 shall be addressed through the Public Policy Requirements section of the Regional Planning Process.

The manner in which WestConnect applied this methodology to each public policy project shall be described in the Regional Transmission 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 shall 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 L. 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 L. 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.

- With respect to a reliability-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VI.B.1 above (where the result is shown as item 4 in the formula).
- With respect to an economic-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater than the project's cost to each beneficiary under each reasonable scenario evaluated, and must yield an average ratio of at least 1.25 to 1 under all reasonable scenarios evaluated, as described in Section VI.B.2 above.
- With respect to a Public Policy Requirements-driven regional transmission project, the quantified benefits of the project to each identified beneficiary must be greater, by a margin of 1.25 to 1, than the result of the equation identified in Section VI.B.3 above (where the result is shown as item 4 in the formula).

If a single regional transmission project is determined to provide benefits in more than one category, but does not meet the cost-benefit threshold for any single category, the PMC may consider the sum of benefits from each benefit category to determine if the regional transmission project provides, in total, benefits per beneficiary that meet or exceed the region's 1.25 to 1 benefit to cost ratio. To illustrate, consider the following example where a regional project developed to provide public policy requirement benefits might also provide for economic benefits to the same beneficiaries:

A regional project submittal has undergone analysis for its quantifiable benefits and costs and is determined to cost \$100 million and produce benefits to identified beneficiaries in two categories: economic benefits of \$101 million (on average, under all economic scenarios quantified), and public policy requirement benefits of \$70 million. The project is found to fail the cost-benefit threshold for each category, individually, but when the total benefits are combined and the project's total regional

benefits per beneficiary are weighed against the project's total costs per beneficiary, the project can be found to meet or surpass the region's 1.25 to 1 benefit to cost ratio per beneficiary:

- The benefits to Beneficiary A of pursuing the regional solution (60% of the regional project's total \$171 million in benefits) = \$102.6 million. When \$102.6 million in project benefits is compared against \$60 million in project costs (60% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary A.
- The benefits to Beneficiary B of pursuing the regional solution (40% of the regional project's total \$171 million in benefits) = \$68.4 million. When \$68.4 million in project benefits is compared against \$40 million in project costs (40% of project costs), it yields a B/C ratio of 1.71 to 1 for Beneficiary B.

Even though the regional project does not pass the cost allocation threshold in any individual benefit category, the PMC may consider the sum of the project's benefits in all categories.

For those regional projects that satisfy the region's cost allocation threshold, the PMC then will continue its evaluation process by considering whether the regional project meets the region's identified reliability, economic and Public Policy Requirements-driven needs more efficiently or cost-effectively than solutions identified by individual transmission providers in their local transmission planning processes.

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

#### 5. 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 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 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 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 their 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 L with respect to Order No. 1000 cost allocation imposes any new service on beneficiaries. Similarly, nothing in this Attachment L 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.B.5 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, (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.

6. Project Development Schedule

The WestConnect PMC will not be responsible for managing the development of any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the PMC 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.

7. 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. A "Requester" is defined as any Tri-State transmission customer or other stakeholder, including sponsors of transmission solutions, generation solutions and solutions utilizing demand response resources.

8. Tri-State Rate Recovery

Notwithstanding the foregoing provisions, Tri-State shall not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in Tri-State's wholesale transmission rates.

9. Selection of a Transmission Developer for Sponsored and Un-sponsored Projects

For any project (sponsored or unsponsored) determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, the PMC shall select a transmission project developer according to the processes set forth in this section, provided that selection according to those processes does not violate applicable law where the transmission facility is to be built that otherwise prescribes the entity that shall develop and build the project. Any entity that, pursuant to applicable law for the location where the facilities are to be built, shall or chooses to develop and build the project must submit a project development schedule as required by Section VI.B.6 of this Attachment L, within the timeframe directed by the Business Practice Manual, not to exceed the time period for request for proposal responses.

For any project determined by the PMC to be eligible for regional cost allocation and selected in the Regional Plan for purposes of cost allocation, either sponsored by a transmission developer or unsponsored, that is not subject to the foregoing paragraph, the PMC shall upon posting the selected projects, issue a request for information to all Eligible Transmission Developers under Section III.D.3 of this Attachment L soliciting their interest in developing the project(s).

Each transmission developer shall respond to the request for information indicating its interest in developing the project. The PMC shall post on the WestConnect website the list of all transmission developers who responded with an expression of interest in developing the project(s). The PMC shall provide to each developer indicating interest in developing a project a request for proposals for the identified project(s) with a specified date of return for all proposals. Each transmission developer, or partnership or joint ventures of transmission developers, shall submit information demonstrating its ability to finance, own and construct the project consistent with the guidelines for doing so set forth in the WestConnect Business Practices Manual. The PMC shall assess the submissions according to the following process and criteria:

The evaluation of the request for proposals will be at the direction of the PMC, and will involve representatives of the beneficiaries of the proposed project(s). The evaluation will include, but not be limited to, an assessment of the following evidence and criteria.

- General qualifications of the bidding entity;
- Evidence of financing/financial creditworthiness, including
  - financing plan (sources debt and equity), including construction financing and long-term financing
  - ability to finance restoration/forced outages
  - credit ratings
  - financial statements;
- Safety program and experience;
- Project description, including
  - detailed proposed project description and route

- design parameters
- design life of equipment and facilities
- description of alternative project variations;
- Development of project, including
  - experience with and current capabilities and plan for obtaining state and local licenses, permits, and approvals
  - experience with and current capabilities and plan for obtaining any federal licenses and permits
  - experience with and expertise and plan for obtaining rights of way
  - development schedule
  - development budget;
- Construction, including
  - experience with and current capabilities and plan for project construction
  - third party contractors
  - procurement plan
  - project management (cost and schedule control)
  - construction schedule
  - construction budget (including all construction and period costs);
- Operations, including
  - experience with and current capabilities and plan for project operation
  - experience with and current capabilities and plan for NERC compliance
  - security program and plan
  - storm/outage response plan
  - reliability of facilities already in operation;
- Maintenance capabilities and plans for project maintenance (including staffing, equipment, crew training, and facilities);
- Project cost to beneficiaries, including
  - total project cost (development, construction, financing, and other non- O&M costs)
  - operation and maintenance costs, including evaluation of electrical losses
  - revenue requirement, including proposed cost of equity, FERC incentives, proposed cost of debt and total revenue requirement calculation
  - present value cost of project to beneficiaries.

The PMC shall notify the developers of its determination as to which developer(s) it selected to develop the project(s) responsive to the request for proposal. The selected developer(s) must submit a project development schedule as required by Section VI.B.6 of this Attachment L.

If the PMC determines that a sponsored or unsponsored project fails to secure a developer through the process outlined in this section, the PMC shall remove the project from the Regional Plan.

After the PMC makes a determination, it will post a document on the WestConnect website within 60 days explaining the PMC's determination in selecting a particular transmission developer for a specific transmission project. The information will explain (1) the reasons

why a particular transmission developer was selected or not selected, and, if applicable, (2) the reasons why a transmission project failed to secure a transmission developer.

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 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 L or the Planning Participation Agreement or any cost allocation under the Business Practice Manual or the Planning Participation Agreement will (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, or (3) 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 L, the Business Practice Manual or the Planning Participation Agreement with respect to an Order No. 1000 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 L are binding on identified beneficiaries enrolled in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) the right of a CTO, at its sole discretion, to decide whether to accept regional cost allocation in accordance with Section III.J; (2) 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 III.K of this Attachment L; (3) 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; (4) the right and obligation of any interested person to intervene and be heard before the Commission in any Section 205 or other applicable provision 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 (5) the right and obligation of the Commission to act under Section 205 or other applicable provisions 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>4</sup>

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<sup>4</sup> An Eligible Transmission Developer may not be subject to the Commission's Section 205 jurisdiction. See Section VI.B.5. If an Eligible Transmission Developer is not subject to FERC's jurisdiction

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.B of this Attachment L, 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 transmission projects undertaken in connection with requests for generation interconnection or transmission service on the Tri-State transmission system, which are governed by existing cost allocation methods within the OATT, shall continue to be so governed and shall not be subject to the principles of this Section VI.

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under Section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries 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.

As provided in Section 13.5 (Transmission Customer Obligations for Facility Additions or Redispatch Costs), Section 27 (Compensation for New Facilities and Redispatch Costs) and Section 31.2 (New Network Loads Connected with the Transmission Provider) of the OATT, and the Transmission Customer's individual service agreement (if applicable), the Transmission Customer or Requester shall be responsible for the installed cost of all new load serving interconnections or upgrades to existing load serving interconnections.

## **VII. Interregional Planning**

This Part VII of Attachment L sets forth common provisions, which are to be adopted by or for each Planning Region and which facilitate the implementation of Order No. 1000 interregional provisions. WestConnect is to conduct the activities and processes set forth in this Part VII of this part of Attachment L in accordance with the provisions of this Part VII of this part of Attachment L and the other provisions of this Attachment L. Nothing in this part 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 (as defined herein) 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 Part VII to any transmission planning processes, including cost allocations, are references to transmission planning processes pursuant to Order No. 1000.

### **A. Definitions**

The following capitalized terms where used in this Part VII of Attachment L, 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 Part VII, which relates to Order No. 1000 interregional provisions.

**Planning Region:** means each of the following Order No. 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, 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. Recovery of Planning Costs**

Tri-State's costs associated with the Regional Planning Process, including WestConnect's participation in interregional planning under Part VII, shall be recovered through existing rate structures. The costs for any local economic planning study shall be paid for by the Requester of those studies, as set forth in Section II.D.6. Any costs incurred by stakeholders for their participation in the Tri-State local planning processes shall be borne by those stakeholders.

For the costs of studies associated with specific wholesale delivery point requests by NITS or PTP customers taking service under the OATT, the requesting customer shall be responsible for the actual costs of such studies. The customer shall pay the full estimated cost prior to Tri-State beginning the study, and Tri-State shall either refund any over-collection or bill any under-collection after completion of the study.

For the costs for any special study requested by a stakeholder, the stakeholder shall be responsible for the actual costs of the study. The stakeholder shall pay to Tri-State the full estimated cost prior to Tri-State beginning the study, and Tri-State shall either refund any overcollection or bill any under-collection after completion of the study.