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December 16, 2024

**VIA E-FILING**

The Honorable Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Public Service Company of Colorado	Docket No. ER13-75-___
Tucson Electric Power Company	Docket No. ER13-77-___
UNS Electric, Inc.	Docket No. ER13-78-___
Public Service Company of New Mexico	Docket No. ER13-79-___
Arizona Public Service Company	Docket No. ER13-82-___
<b>El Paso Electric Company</b>	<b>Docket Nos. ER13-91-___ and ER13-1465-___</b>
Black Hills Power, Inc.	Docket No. ER13-96-___
Black Hills Colorado Electric Utility Company, LP	Docket No. ER13-97-___
Cheyenne Light, Fuel & Power Company	Docket No. ER13-120-___
Basin Electric Power Cooperative	Docket No. EL25-4-000
Tri-State Generation and Transmission Association, Inc.	Docket No. EL25-2-000 and ER25-___-000
Deseret Generation & Transmission Co-operative, Inc.	Docket Nos. EL25-3-000 and ER25-___-000

**Compliance Filing in Response to October 17, 2024 Order on Remand**

Dear Secretary Reese:

Pursuant to the Federal Energy Regulatory Commission's ("Commission" or "FERC") Order on Remand, Directing Further Compliance, and Establishing a Show Cause Proceeding, issued in these dockets on October 17, 2024 ("October 17 Order on Remand"),<sup>1</sup> Section 206 of the Federal Power Act ("FPA"),<sup>2</sup> and Order No. 1000<sup>3</sup> issued

<sup>1</sup> *Pub. Serv. Co. of Colo.*, 189 FERC ¶ 61,028 (2024) ("October 17 Order on Remand").

<sup>2</sup> 16 U.S.C. 824e (2023).

<sup>3</sup> *Transmission Plan. & Cost Allocation by Transmission Owning & Operating Pub. Utils.*, Order No. 1000, 136 FERC ¶ 61,051 (2011) ("Order No. 1000"), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132,

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by the Commission, the current WestConnect Enrolled Transmission Owners (“WestConnect ETOs”) hereby submit this compliance filing in their respective dockets to reflect changes to the Attachment K (or equivalent)<sup>4</sup> of their Open Access Transmission Tariffs (“OATTs”).<sup>5</sup>

Each ETO<sup>6</sup> is submitting its own Attachment K of the OATT with this filing in both clean and redline formats against the currently effective version, with a requested effective date of December 17, 2024, the day after filing.<sup>7</sup> The changes proposed in each ETO’s respective OATT Attachment K (or equivalent) satisfies the Commission’s directives in its October 17 Order on Remand.

## I. Introduction

The Commission issued Order No. 1000 on July 21, 2011, with the goal of reforming transmission planning and cost allocation.<sup>8</sup> As required by the Order, each public utility transmission provider provided revisions to their applicable OATT regarding regional transmission planning process that produces a regional transmission plan and revisions to the cost allocation of new regional transmission facilities selected in a regional transmission plan.<sup>9</sup>

WestConnect has traditionally been a group of FERC-jurisdictional and non-jurisdictional utilities working collaboratively to assess stakeholder and market needs and to develop cost-effective enhancements to the Western wholesale electricity market,

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*order on reh'g & clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014) (per curiam) (South Carolina).

<sup>4</sup> The WestConnect ETOs note that the term Attachment K is used for simplicity as that is the location of the local and regional planning process information in the pro forma OATT. Some WestConnect ETOs use different OATT attachments for their planning process information; for example, APS uses Attachment E and PSCo uses Attachment R-PSCo.

<sup>5</sup> The other docket numbers listed in the October 17 Order on Remand relate to the filing of the Planning Participation Agreement that provides additional governance for the WestConnect planning process. As Arizona Public Service Company (“APS”) is the lead filer for that agreement, APS is filing the required amendments separately in the specified docket. The other ETOs continue to rely on the certificates of concurrence regarding the Planning Participation Agreement that are on file with the Commission.

<sup>6</sup> The ETOs are each using the same transmittal letter, with in some cases very minor differences to reflect some of the differences (such as numbering and formatting) in their tariffs.

<sup>7</sup> Basin Electric Power Cooperative (“Basin Electric”) is submitting a separate filing pursuant to FPA section 205 to revise Attachment K of its Open Access Transmission Tariff, with a requested effective date of December 17, 2024. Basin Electric is also filing a separate response to the order to show cause included in the October 17 Order on Remand.

<sup>8</sup> Order No. 1000 at P 1.

<sup>9</sup> *Id.* P 3.

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including through coordinated transmission planning.<sup>10</sup> WestConnect ETOs (jurisdictional utilities) and Coordinating Transmission Owners (“CTOs”) (non-jurisdictional utilities that elect to participate in planning) identify the transmission needs of utilities in the region.

As required by Order No. 1000, the WestConnect ETOs filed an initial compliance filing on October 11, 2012. Following a series of compliance filings and appeals to the Fifth Circuit, which is described in more detail in section III.a of this transmittal letter, WestConnect ended up with a structure under which WestConnect planned for CTOs in the same way it planned for ETOs, but the CTOs were not subject to binding cost allocation. Instead, if a CTO benefitted from a project selected in the WestConnect regional plan for purposes of cost allocation but chose not to contribute, that CTO’s share of project costs would be re-allocated to the remaining ETO beneficiaries.

In response to a Fifth Circuit Order on Appeal,<sup>11</sup> the Commission issued the October 17 Order on Remand. The October 17 Order on Remand “require[s, in part,] the WestConnect public utility transmission providers to revise their OATTs so that the WestConnect regional transmission planning process will identify and plan for the regional transmission needs of only enrolled transmission providers because those transmission providers are subject to binding cost allocation.”<sup>12</sup>

As required by the October 17 Order on Remand, the WestConnect ETOs submit this filing modifying the applicable OATTs to only identify and plan for the regional transmission needs of enrolled transmission providers. The CTO option and the resulting structure of Attachment K to accommodate the CTO option has been removed as directed.

All OATT revisions are provided on the attached redline and clean tariff versions and are described in detail in Section IV.

## II. Correspondence & Communications

The WestConnect ETOs request that communications and correspondence concerning this filing be directed to the following persons:<sup>13</sup>

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<sup>10</sup> In recent years, changes to the jurisdictional status of certain WestConnect participants has changed and new jurisdictional entities have joined WestConnect, including Deseret Generation & Transmission Co-operative, Basin Electric, and Tri-State Generation and Transmission Association, Inc.

<sup>11</sup> *El Paso Elec. Co. v. FERC*, 76 F.4th 352 (5th Cir. 2023).

<sup>12</sup> October 17 Order on Remand at P 19.

<sup>13</sup> The WestConnect ETOs respectfully request a waiver of 18 C.F.R. § 385.203(b)(3) to permit service on more than two persons.

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### III. BACKGROUND

#### a. Procedural Background

The Commission issued Order No. 1000 on July 21, 2011, with the goal of reforming transmission planning and cost allocation.<sup>14</sup> Transmission planning reforms required, among other things, that each public utility transmission provider participate in a regional transmission planning process that produces a regional transmission plan.<sup>15</sup> Regional Cost Allocation reforms required each public utility transmission provider to set forth in its OATT a method, or set of methods, for allocating the costs of new regional transmission facilities selected in a regional transmission plan.<sup>16</sup>

The WestConnect ETO's filed an initial compliance filing on October 11, 2012. On March 22, 2013, FERC rejected several of the proposed cost allocation compliance proposals on the grounds that the proposals did not comply with Order No. 1000.<sup>17</sup> Several rounds of compliance filings ensued, with certain changes accepted and rejected each time.<sup>18</sup>

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<sup>14</sup> Order No. 1000 at P 1.

<sup>15</sup> *Id.* P 68.

<sup>16</sup> *Id.* P 482.

<sup>17</sup> *Pub. Serv. Co. of Colo.*, 142 FERC ¶ 61,206 (2013) (First Compliance Order).

<sup>18</sup> *Pub. Serv. Co. of Colo.*, 148 FERC ¶ 61,213 (2014) (Second Compliance Order); *Pub. Serv. Co. of Colo.*, 151 FERC ¶ 61,128 (2015) (Third Compliance Order); *Pub. Serv. Co. of Colo.*, 153 FERC ¶ 61,072 (2015) (Fourth Compliance Order) (collectively, Compliance Orders); *Pub. Serv. Co. of Colo.*, 161 FERC ¶ 61,188 (2017) (Order on Remand).

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In 2014, the WestConnect ETOs appealed the Commission's Compliance Orders to the Fifth Circuit. On August 8, 2016, the Fifth Circuit held that the Commission had acted arbitrarily and capriciously in its mandates regarding the role of non-public utility transmission providers in cost allocation and regional transmission planning in the WestConnect transmission planning region.<sup>19</sup> In response to the Fifth Circuit Remand Opinion, the Commission issued an Order on Remand upholding its prior decision.<sup>20</sup> The WestConnect ETOs submitted requests for rehearing of the Order on Remand, arguing that the Commission failed to address the deficiencies of the Compliance Orders as directed by the Fifth Circuit.<sup>21</sup>

The WestConnect ETOs again petitioned the Fifth Circuit for review. The Fifth Circuit held that the FERC orders implementing Order No. 1000 in the WestConnect region remained insufficient and reversed them.<sup>22</sup> Specifically, the Fifth Circuit agreed with the WestConnect ETOs that the "FERC[] orders violate the [FPA] as a matter of law and, alternatively, the agency has . . . inadequately explained its actions."<sup>23</sup> The Fifth Circuit reasoned that "[t]he cost causation principle that binds FERC does not authorize it to force its regulated jurisdictional utilities to assume the costs of providing service to non-jurisdictional utilities."<sup>24</sup>

#### **b. Compliance Directives**

The Commission issued the October 17 Order on Remand in response to the Fifth Circuit's Second Remand Opinion. The October 17 Order on Remand directed the WestConnect ETOs to remove the CTO framework from the applicable OATTs.<sup>25</sup>

Specifically, the Commission "require[ed] the WestConnect public utility transmission providers to revise their OATTs so that the WestConnect regional transmission planning process will identify and plan for the regional transmission needs of only enrolled transmission providers because those transmission providers are subject to binding cost allocation."<sup>26</sup> As the Commission explained, "[u]nder this new framework, non-public utility transmission providers can choose to voluntarily enroll in the WestConnect transmission planning region (and thus have their transmission needs planned for and be subject to binding cost allocation) or choose to not enroll (in which case

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<sup>19</sup> *El Paso Elec. Co. v. FERC*, 832 F.3d 495, 498-99 (5th Cir. 2016).

<sup>20</sup> Order on Remand, *supra* at fn 17.

<sup>21</sup> *Id.*; *Pub. Serv. Co. of Colo.*, 163 FERC ¶ 61,204 at P 10 (2018) (Order Denying Rehearing).

<sup>22</sup> *El Paso Elec. Co. v. FERC*, 76 F.4th 352 (5th Cir. 2023).

<sup>23</sup> *Id.* at 356.

<sup>24</sup> *Id.*

<sup>25</sup> October 17 Order on Remand, 189 FERC ¶ 61,028.

<sup>26</sup> *Id.* P 19.

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WestConnect would not plan for their transmission needs and they would not be subject to binding cost allocation).<sup>27</sup>

The Commission directed the WestConnect public utilities to revise their OATTs and submit a compliance filing removing the CTO framework within 60 days (i.e. by December 16, 2024).<sup>28</sup> The Commission also ordered WestConnect to make any other tariff changes necessary to account for the removal of the CTO framework. As a result, the WestConnect ETOs are also contemporaneously proposing additional changes to the Planning Participation Agreement<sup>29</sup> in a separate filing.<sup>30</sup>

The Commission also initiated FPA section 206 investigations to ensure that the OATTs of Basin Electric Power Cooperative; Tri-State Generation and Transmission Association, Inc.; and Deseret Generation & Transmission Co-operative, each of which became ETOs subsequent to the original Order No. 1000 submissions of the WestConnect jurisdictional participants, are updated with the same changes.<sup>31</sup>

#### IV. OATT Revisions

As shown in the provided redline and clean formats of Attachment K, the WestConnect ETOs propose the following modifications to comply with the October 17 Order on Remand.

- a. In Section III.A (Regional Transmission Planning Process – Overview), update the list of service areas of the transmission providers to remove California and Nevada and include Montana and Utah. This reflects the current list of states in which the ETOs own transmission facilities.
- b. In Section III.A (Regional Transmission Planning Process – Overview), modified as follows:

Non-public utilities are invited to participate in the Regional Planning Process as Enrolled Transmission Owners or in another membership sector for which they are eligible.

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<sup>27</sup> *Id.*

<sup>28</sup> *Id.* PP 25-26.

<sup>29</sup> The Planning Participation Agreement is referenced throughout the WestConnect provisions of Attachment K regional planning process and creates a WestConnect Order No. 1000 regional transmission Planning Management Committee, which is responsible for administering the WestConnect Regional Planning Process.

<sup>30</sup> October 17 Order on Remand, 189 FERC ¶ 61,028 at P 26.

<sup>31</sup> *Id.* P 31.



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Inclusion of this language is consistent with the October 17 Order on Remand limits regional transmission planning process to ETOs and other membership sectors.

- c. In Section III.A.2 (Regional Transmission Planning Process – Overview – Members), modified as follows to clarify the two types of WestConnect members for regional transmission planning purposes:

WestConnect has two types of members: (i) transmission owners that enroll in WestConnect in order to comply with Order No. 1000 planning and cost allocation requirements, ~~as well 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.

Removing the designated language is consistent with the October 17 Order on Remand as it removes the CTOs as a type of member for Regional Transmission Planning.

- d. In Section III.A.2.c (Regional Transmission Planning Process – Overview – Members - List of Enrolled Entities), update the list of transmission owners enrolled in the WestConnect Planning Region for purposes of Order No. 1000. Modifications include adding Basin Electric Power Cooperative, Deseret Generation & Transmission Co-operative, and Tri-State Generation and Transmission Association, Inc., each of which are now enrolled in WestConnect. Revisions also include modifying existing listed entities due to name changes.<sup>32</sup>
- e. In Section III.B.5 (Regional Transmission Planning Process – Roles in the Regional Transmission Planning Process – WestConnect Planning Governance Process), remove the following language pertaining to who comprises the Transmission Owner sector:

The Transmission Owners sector will be comprised of 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~~

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<sup>32</sup> In some instances individual ETO tariffs already have some or all of these revisions to name the enrolled entities.

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~~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.~~

Removing this language is consistent with the October 17 Order on Remand because it removes the CTOs as being a member of the Transmission Owner sector.

- f. In Section III.C.2 (Regional Transmission Planning Process – Submission of Data by Customers, Transmission Developers, and Transmission Owners – Independent Transmission Developers and Owners), add the following sentence:

The Independent Transmission Developers and Owners sector does not include public utilities subject to Order No. 1000, which can only participate in WestConnect as Enrolled Transmission Owners.

This addition is intended to clarify that entities that are otherwise Independent Transmission Developers and Owners but that are public utilities in WestConnect subject to Order No. 1000 must be enrolled in the WestConnect planning region, consistent with Order No. 1000 and the Commission's October 17 Order on Remand directive that WestConnect only plan for and allocate costs to those enrolled in the region.

- g. In Section III.C.4 (Regional Transmission Planning Process – Submission of Data by Customers, Transmission Developers, and Transmission Owners – [Enrolled] Transmission Owners), modified as follows:

Enrolled Transmission ~~e~~Owners ~~and transmission providers that are members of the WestConnect Planning Region~~ are

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responsible for providing all necessary system information through the Regional Planning Process.

Removing this language is consistent with the October 17 Order on Remand because it removes reference to the CTOs as a responsible party for providing necessary information as part of the Regional Planning Process.

- h.** In Section III.E.1 (Regional Transmission Planning Process – Regional Planning Methodology and Protocols; Evaluation and Selection of Solution Alternatives – Overview of Regional Planning Methodology and Evaluation Process), modified as follows:

The Regional Planning Process is intended to identify regional needs (which are the transmission needs of more than one Enrolled Transmission Owner) and the more efficient or cost-effective solutions to satisfy those needs.

Inclusion of this language is only intended to clarify that “regional needs” requires transmission needs of more than one ETO, consistent with the Commission’s directive that WestConnect plan only for entities enrolled in the planning region.

- i.** In Section III.E.3 (Regional Transmission Planning Process – Regional Planning Methodology and Protocols; Evaluation and Selection of Solution Alternatives – WestConnect Economic Planning Process), add the following language:

As part of the WestConnect 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 transmission systems of Enrolled Transmission Owners located within the WestConnect Planning Region through production cost modeling.

Inclusion of this language is consistent with the October 17 Order on Remand because it clarifies that the regional planning process is intended to provide benefits to ETOs.

- j.** In Section III.E.6 (Regional Transmission Planning Process – Regional Planning Methodology and Protocols; Evaluation and Selection of Solution Alternatives - Approval of the WestConnect Regional Transmission Plan), remove subsections pertaining to CTO’s duty to accept or rescind a cost allocation for a transmission facility; the WestConnect Cost Allocation Subcommittee’s duty to recalculate benefits and costs of reliability, public policy, and economic projects transmission projects if a CTO does not accept the cost allocation; and the eligibility retention of projects. Removal of these subsections is consistent with

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the October 17 Order on Remand because it removes reference to the CTOs right to accept or reject a cost allocation for a proposed facility and the WestConnect Cost Allocation Subcommittee's duty to reevaluate projects due to a CTO's rejection of a cost allocation.

- k. In Section VII.B.11 (Cost Allocation – Regional Transmission Projects – Binding Order No. 1000 Cost Allocation Methods), remove the following language:

Order No. 1000 cost allocation methods as set forth in Section VII of this Attachment E are binding on identified beneficiaries 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 a regional cost allocation in accordance with Section III.E.6;~~

Additionally, this section contains clerical edits renumbering the numerical list due to the removal of this right. These changes are consistent with the October 17 Order on Remand because it removes the CTO structure, a feature of which was that CTOs could agree (or not) to accept a regional cost allocation for a project intended to address their transmission needs.

- l. In Section VII.B.12 (Cost Allocation – Regional Transmission Projects – Impacts of a Regional Project on Neighboring Planning Regions), modify the language as follows:

The PMC is to study the impact(s) of a regional transmission project on neighboring ~~transmission systems in the Western Interconnection~~ planning region, including the resulting need, if any, for mitigation measures in such neighboring ~~planning regions~~ transmission systems. If the PMC finds that a regional transmission project in the WestConnect Planning Region causes impacts on a neighboring ~~transmission system in the Western Interconnection~~ planning region that requires mitigation . . .

These revisions are intended to ensure that, while CTOs may not enroll and, therefore, may not be within WestConnect, they may still be a neighboring transmission system and as a result, effects on their systems are still considered.

- m. Throughout the OATT, modify “Transmission Owners with Load Serving Obligation” or “transmission owners and transmission providers” or “Transmission

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Owners” to state “Enrolled Transmission Owners” for clarity as planning occurs only for utilities enrolled in the WestConnect region.

**V. Filing Contents**

This filing contains the following items:

1. This common transmittal letter;
2. Redline versions of El Paso Electric Company’s Attachment K; and
3. Clean Versions of El Paso Electric Company’s Attachment K, in eTariff format.

Each ETO is also submitting this filing in FERC’s eTariff system per the October 17 Order on Remand’s Code 80 eFiling requirement.

**VI. Conclusion**

For the reasons set forth above, the WestConnect ETOs respectfully request that the Commission accept the Compliance Filing as compliant with the October 17 Order on Remand, effective as of December 17, 2024.

Respectfully submitted,

*/s/ Milena Yordanova*

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Enclosures

## ATTACHMENT K

### Transmission Planning Process

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

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

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

##### 1. Overview

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

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

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

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

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

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

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

3. Stakeholder's Responsibility for Providing Data

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



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

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

information:

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

#### 4. Types of Planning Studies

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

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

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

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

5. Economic Planning Study Requests

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

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

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

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

1. *EPE Proposed Clusters*

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

2. *Requester Proposed Clusters*

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

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

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

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

9. EPE Planning Methodology and Protocols

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



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

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Posting of Public Policy Needs

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

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

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

B. Confidentiality and CEII

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

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

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

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

### C. EPE Open Public Meetings

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

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

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

#### 4. Process

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

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

## II. Subregional Coordination – SWAT

### A. Overview

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

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

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

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

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

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

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

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



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

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

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

1. Overview

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

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the "Regional Plan") and provide a process for evaluating projects submitted for cost allocation in accordance with the provisions of this Attachment K and those business practices adopted by WestConnect in the WestConnect Regional Planning Process Business

Practice Manual, as may be amended from time to time, posted on the WestConnect website [www.westconnect.com](http://www.westconnect.com) (the “Business Practice Manual”).

2. WestConnect Planning Participation Agreement

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

In connection with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements.[1] The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.[2]

[1] If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning process, because the PMC will cease performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

[2] Because the rights and responsibilities of the PMC terminate when the

Planning Participation Agreement terminates, EPE, as a Transmission Provider subject to Order No. 1000 compliance, will have to satisfy its regulatory compliance through other means. At that time, EPE will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the members' relationships and establish obligations among them, including Enrolled Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes and produce a Regional Plan.

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

### 3. Enrollment

WestConnect has two types of members: (a) transmission owners that enroll in WestConnect in order to comply with the Commission's Order No. 1000 planning and cost allocation requirements, and (b) stakeholders who wish to have voting input on the methodologies, studies, and decisions made in the execution of those Order No. 1000 requirements.

#### a. Joining the WestConnect Planning Region

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

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see the WestConnect Planning Participation Agreement, located on the WestConnect website ([www.westconnect.com/planning\\_agreement](http://www.westconnect.com/planning_agreement))

and on file with FERC.

b. Exiting the WestConnect Planning Region

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

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

c. List of Enrolled Entities

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

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

4. WestConnect Objectives and Procedures for Regional Transmission Planning

The Regional Planning Process will produce a Regional Plan that complies

with existing FERC Order No. 890 principles carried forward in Order No. 1000:

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

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

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

The PMC is responsible for bringing transmission planning information

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

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

#### b. Stakeholder Participation and Assistance

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

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

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

ideas are accepted for potential inclusion in that cycle's Regional Plan.

c. Forum for Evaluation

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

d. Stakeholder Meetings

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

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

6. WestConnect Planning Governance Process

a. Membership Sectors

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

- Enrolled Transmission Owners
- 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 Enrolled Transmission Owners membership sector. The Enrolled Transmission Owners sector will be comprised of those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000.

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

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

The PS responsibilities include, but are not limited to, reviewing and making recommendations to the PMC for development of study plans, establishing base cases, evaluating potential solutions to regional transmission needs, producing and recommending the Regional Plan for



PMC approval and coordinating with the CAS. The PS is to provide public notice of committee meetings and provide opportunities for stakeholders to provide comments on the process and proposed plan.

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

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

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

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

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and

stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 3 of this Attachment K.

a. Transmission Customers

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

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

b. Independent Transmission Developers and Owners

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

Each regional transmission planning cycle will include a submission period for project ideas, as described below. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to

WestConnect stakeholders. The submission period will last for no less than thirty (30) days and during this time, any entity that wishes to submit a transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Enrolled Transmission Owners. 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.

The Independent Transmission Developers and Owners sector does not include public utilities subject to Order No. 1000, which can only participate in WestConnect as Enrolled Transmission Owners.

#### c. Merchant Transmission Developers

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

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

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Enrolled Transmission Owners. The project developer is responsible for properly registering with

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

d. Enrolled Transmission Owners

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

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

8. Transmission Project Submittals

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

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs\*

- A detailed project description including, but not limited to, the following:
  - Scope
  - Points of interconnection to existing (or planned) system
  - Operating Voltage and Alternating Current or Direct Current status
  - Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
  - Impedance Information
  - Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost\*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).\* 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.B.
- 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 is to provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that the 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 marked by asterisk.

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

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

was rejected to the satisfaction of the Planning Management Committee in its sole discretion.

9. Submission of Non-Transmission Alternative Projects

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

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

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

10. The WestConnect Regional Planning Cycle

The WestConnect regional transmission planning cycle is biennial. The

WestConnect Planning Management Committee will develop and publish a Regional Plan every other year.

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs (which are the transmission needs of more than one Enrolled Transmission Owner) 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.C.12 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

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



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

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

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

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

## 12. WestConnect Reliability Planning Process

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

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

and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects. As seen in Exhibit 3 of this Attachment K, 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 Enrolled Transmission Owner in the fourth (4<sup>th</sup>) quarter of the planning cycle.

13. WestConnect Economic Planning Process

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

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective. As seen in Exhibit 3 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) quarters of the planning cycle and identify economic transmission projects in the sixth (6<sup>th</sup>) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

14. WestConnect Public Policy Planning Process

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

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning

cycles of the individual Enrolled 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 Enrolled Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Enrolled Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Enrolled Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

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

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

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

Regional Plan those regional transmission needs driven by Public Policy Requirements that were selected by the PMC for evaluation of regional solutions.

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

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

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

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

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

Stakeholders are to have opportunities to participate in discussions during the Regional Planning Process with respect to the development of solutions to regional transmission needs driven by Public Policy Requirements. Such

participation may take the form of attending planning meetings, offering comments for consideration by the PMC on solutions to regional needs driven by Public Policy Requirements, and offering comments on proposals made by other stakeholders or by the PMC. Stakeholders that are members of the WestConnect PMC are performing the function of regional transmission planning, and, developing regional solutions to identified regional transmission needs driven by Public Policy Requirements through membership on subcommittees of the PMC.

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

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

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 Enrolled 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 (6<sup>th</sup>) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

c. Proposed Public Policy

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

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

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

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

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

16. Approval of the WestConnect Regional Transmission Plan

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.

Upon completion of the process outlined above, the Planning Management Committee 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 cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

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

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples

include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
- Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
- Projects with a change in the calculation of benefits or benefit/cost ("B/C") ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.

○ Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient 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 provider's transmission

- planning (TPL) standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

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

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

18. Confidential or Proprietary Information

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

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

#### IV. Recovery of Planning Costs

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

#### V. Dispute Resolution

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

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

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

construction and operating agreements.

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

B. Local Transmission Projects

Local Transmission Projects are projects located within a transmission owner's retail distribution service territory or footprint unless such projects are submitted and selected in the Regional Plan for purposes of cost allocation.[2] A transmission owner is not precluded from proposing Local Transmission Projects

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

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

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

C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project (s) in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

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

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.

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

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

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

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:[3]

[3] References to “transmission owners” in the cost allocation provisions are to transmission owners for whom the Planning Management Committee is performing the function of regional transmission planning. At present, those transmission owners are ETO members.

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

In order to allocate costs to transmission owners for system reliability improvements that are necessary for their system to meet the NERC TPL Standards, the WestConnect cost allocation procedure will allocate costs for

system reliability improvements only when a system improvement is required to comply with the NERC TPL Reliability Standards during the planning horizon.

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

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

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

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

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

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant 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. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

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

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

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

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

- The production cost savings from a project must be present in each year from the project in-service date and extending out at least ten (10) years.
- Cost savings must be expressed in present-value dollars and should consider the impact of various fuel cost forecasts.
- The production cost study must account for contracts and agreements related to the use of the transmission system (this refers to paths in systems that might be contractually limited but not reliability limited).
- The production cost study must account for contracts and agreements related to the access and use of generation (this refers to generators that might only use spot purchases for fuel rather than

firm purchases, or generation that has been designated as network resources for some entities and thus cannot be accessed at will by non-owners).

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

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

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

Where:

- 1 is the total projected present value of economic benefits for the relevant 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 will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified 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, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy will be reported by each entity for its own service territory. Decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

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

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

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

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

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

Where:

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

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

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

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

#### 4. Combination of Benefits

In developing a more efficient or cost effective plan, it is possible for the plan to jointly consider multiple types of benefits when approving projects for inclusion in the Regional Plan. The determination to consider multiple types of benefits for a particular project will be made through the WestConnect stakeholder process, in which interested stakeholders are given an opportunity to provide input as set forth in Section III of this Attachment K. In determining whether a project would provide multiple benefits, the PMC is to categorize the benefits as (a) necessary to meet NERC Transmission Planning Reliability Standards (reliability); (b) achieving production cost savings or a reduction in reserve sharing

requirements (economic); or (c) necessary to meet transmission needs driven by Public Policy Requirements, as applicable, using the methods set forth in this Attachment K. The PMC will identify all three categories of benefits in its regional cost allocation process. If a project cannot pass the cost allocation threshold for any one of the three benefit categories, alone (reliability, economic or public policy), the sum of benefits from each benefit category may be considered, as follows:

- 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 or more to 1, than the result of the equation identified in Section VI.C.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.C.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 or more to 1, than the result of the equation identified in Section VI.C.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 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 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 will be shared according to the amount of cost that is justified by each type of benefit.

## 5. Transmission Developer Qualification Criteria

### 1. In General

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

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

The 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(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.
- d) **Participation in the Regional Planning Process**  
A discussion of the applicant's participation within the Regional Planning Process or any other planning forums for the identification, analysis, and communication of transmission projects.
- e) **Project Execution**  
A discussion of the capability and experience that would enable the applicant to comply with all on-going scheduling, operating, and maintenance activities associated with project development and execution.
- f) **Right-of-Way Acquisition Ability**  
The applicant's preexisting procedures and historical practices for siting, permitting, landowner relations, and routing transmission projects including, acquiring ROW and land, and managing ROW and land acquisition for transmission facilities. Any process or procedures that address siting or routing transmission facilities through environmentally sensitive areas and mitigation thereof. If the

entity does not have such preexisting procedures, it shall provide a detailed description of its plan for acquiring ROW and land and managing ROW and land acquisition.

g) Financial Health

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

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

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

The PMC may request additional information or clarification as necessary.

h) Safety Program

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

i) Transmission Operations

The applicant must: demonstrate that it has 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; demonstration of any existing required NERC certifications or the ability to obtain

any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. 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 they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities. 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 these 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). Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m) WestConnect Membership

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

n) Other

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

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

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

additional information.

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

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

b) Annual Recertification Process and Reporting Requirements

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

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

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

c) Termination of Eligibility Status

The PMC may terminate an Eligible Transmission Developer’s

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

d) 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, chooses to develop and build the project must submit a project development schedule as required by Section VI.C.7 of this Attachment K 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, 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 VI.C.5 of this Attachment K 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.C.7 of this Attachment K.

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.

6. Allocation of Ownership and Capacity Rights



An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries 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 its capital contribution ("Ownership Proposal"). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

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

A transmission project beneficiary should not be expected to pay for its benefits from the project twice: once through a capital contribution, and again through transmission service payments. The Ownership Proposal

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

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

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

transfer capability or ownership rights, and without securing approval for project cost recovery by contract and/or under a separate proceeding under the Federal Power Act.

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

7. Project Development Schedule

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

8. Economic Benefits or Congestion Relief

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

Requester.

9. EPE Rate Recovery

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

10. No Obligation to Construct

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

11. Binding Order No. 1000 Cost Allocation Methods

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

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

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

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

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

application of the region's benefits-to-costs analysis.

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

13. Exclusions

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

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

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

Nothing in this section will preclude any transmission owner or transmission provider

from taking any action it deems necessary or appropriate with respect to any transmission facilities it needs to comply with any local, state, or federal requirements.

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

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

#### **A. Definitions**

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

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

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

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

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

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

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

**Relevant Planning Regions:** means, with respect to an ITP, the Planning Regions that would directly interconnect electrically with such ITP, unless and until such time as a Relevant Planning Region determines that such ITP will not meet any of

its regional transmission needs in accordance with Section VII.D.2, at which time it shall no longer be considered a Relevant Planning Region.

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

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

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

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

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

WestConnect is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by WestConnect in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if WestConnect reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by WestConnect shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under WestConnect's regional transmission planning process. Any Annual Interregional Information made available or otherwise provided by WestConnect



shall be “AS IS” and any reliance by the receiving Planning Region on such Annual Interregional Information is at its own risk, without warranty and without any liability of WestConnect or any of the members of WestConnect, including any liability for (a) any errors or omissions in such Annual Interregional Information, or (b) any delay or failure to provide such Annual Interregional Information.

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

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

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

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

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

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

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

an ITP must include with its submittal to each Relevant Planning Region a list of all Planning Regions to which the ITP is being submitted.

## 2. Joint Evaluation of an ITP

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

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

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

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

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

### 1. Submission Requirements

For any ITP that has been properly submitted in each Relevant Planning Region's

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

## 2. Interregional Cost Allocation Process

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

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

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

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

identified by the Relevant Planning Regions multiplied by the projected costs of the ITP;

- (e) is to share with the other Relevant Planning Regions information regarding what its regional cost allocation would be if it were to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation; WestConnect may use such information to identify its total share of the projected costs of the ITP to be assigned to WestConnect in order to determine whether the ITP is a more cost effective or efficient solution to a transmission need in WestConnect;
- (f) is to determine whether to select the ITP in its regional transmission plan for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and
- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

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

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

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

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

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

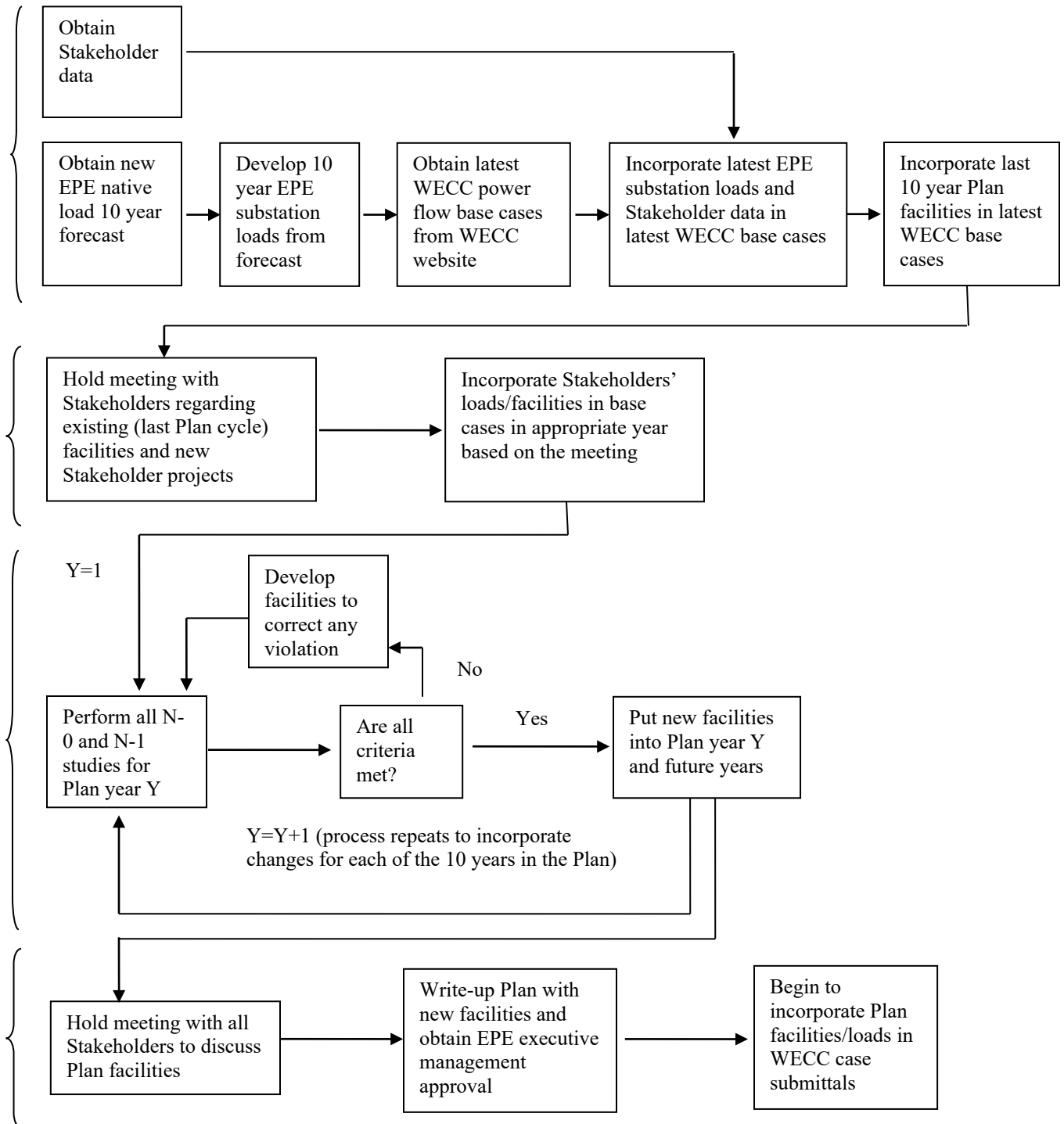
If following such evaluation (or reevaluation), the number of selecting Relevant Planning

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

#### VIII. Role of the Transmission Provider

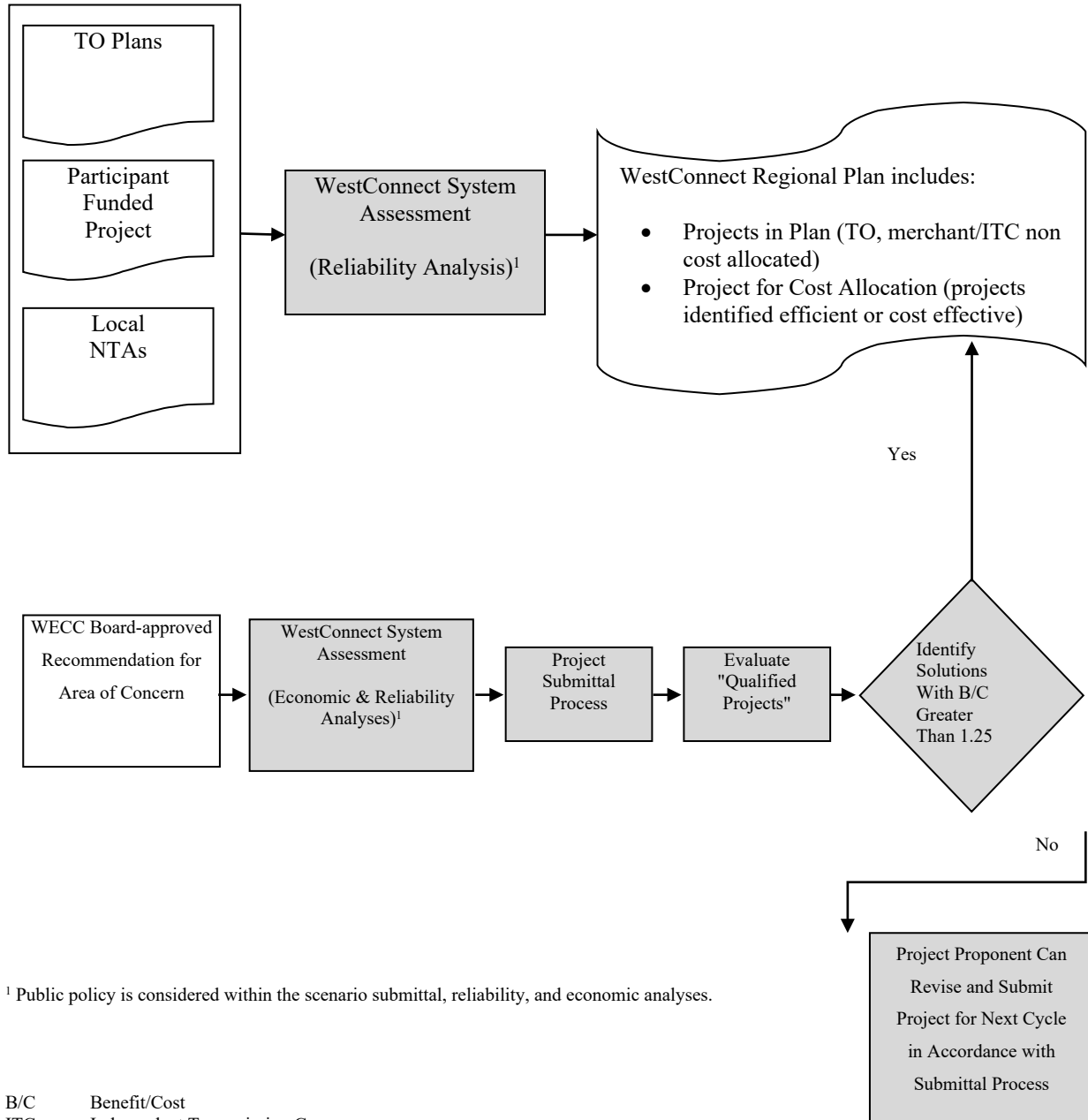
EPE is the Transmission Provider under this Tariff and the entity conducting local transmission planning under this Attachment K. In addition, EPE is a participating utility in the regional entity, WestConnect, which entity is comprised of other utilities, as well as state representatives, customers,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

### Exhibit 1 EPE Planning Process



## Exhibit 2

### WestConnect Regional Transmission Planning Process Chart



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

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

### Exhibit 3

#### WestConnect Regional Transmission Planning Process Activity



Regional Planning Process Activity	Activity Timeframe
<b>Stakeholder meetings</b>	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 transmission plan.
<b>Base transmission plan data collection window</b>	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
<b>Scenario submittal window</b>	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
<b>Identification of regional needs</b>	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
<b>Submission period for regional projects to address identified regional needs</b>	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.





## ATTACHMENT K

### Transmission Planning Process

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

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

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

##### 1. Overview

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

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

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

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

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

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

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

3. Stakeholder's Responsibility for Providing Data

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

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

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

information:

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

#### 4. Types of Planning Studies

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

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

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

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

5. Economic Planning Study Requests

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



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

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

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

1. *EPE Proposed Clusters*

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

2. *Requester Proposed Clusters*

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

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

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

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

9. EPE Planning Methodology and Protocols

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Posting of Public Policy Needs

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

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

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

B. Confidentiality and CEII

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

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



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

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

### C. EPE Open Public Meetings

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

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

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

4. Process

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

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

## II. Subregional Coordination – SWAT

### A. Overview

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

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

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

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

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

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

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

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

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

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

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

1. Overview

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

The purpose of the WestConnect Regional Planning Process is to produce a regional transmission plan (the "Regional Plan") and provide a process for evaluating projects submitted for cost allocation in accordance with the

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

2. WestConnect Planning Participation Agreement

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

In connection with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements.[1] The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.[2]

[1] If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning process, because the PMC will cease performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

[2] Because the rights and responsibilities of the PMC terminate when the Planning Participation Agreement terminates, EPE, as a Transmission Provider subject to Order No. 1000 compliance, will have to satisfy its regulatory compliance through other means. At that time, EPE will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the members' relationships and establish obligations among them, including Enrolled Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes and produce a Regional Plan.

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

### 3. Enrollment

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

#### a. Joining the WestConnect Planning Region

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

A stakeholder that wishes to have voting input may join the WestConnect

Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see the WestConnect Planning Participation Agreement, located on the WestConnect website ([www.westconnect.com/planning\\_agreement](http://www.westconnect.com/planning_agreement)) and on file with FERC.

b. Exiting the WestConnect Planning Region

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

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

c. List of Enrolled Entities

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

- Arizona Public Service Company
- Basin Electric Power Cooperative
- Black Hills Colorado Electric, ~~LLC Utility Company, LP~~
- Black Hills Power, Inc.
- Cheyenne Light, Fuel, & ~~and~~ Power Company
- Deseret Generation & Transmission Co-operative
- El Paso Electric Company
- ~~NV Energy, Inc. Operating Companies~~
- Public Service Company of Colorado
- Public Service Company of New Mexico
- Tri-State Generation and Transmission Association, Inc.
- Tucson Electric Power Company
- UNS Electric, Inc.



4. WestConnect Objectives and Procedures for Regional Transmission Planning

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

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

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

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

## 5. Roles in the Regional Transmission Planning Process

### a. WestConnect PMC Role

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

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

### b. Stakeholder Participation and Assistance

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

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

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

c. Forum for Evaluation

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

d. Stakeholder Meetings

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

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

6. WestConnect Planning Governance Process

a. Membership Sectors

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

stakeholder sectors is available:

- ~~Transmission Owners with Load Serving Obligations~~Enrolled Transmission Owners
- 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 Enrolled Transmission Owners with Load Serving Obligations membership sector. The Enrolled Transmission Owners ~~Transmission Owners with Load Serving Obligations~~ sector will be comprised of ~~(a)~~ those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000; ~~and (b) those transmission owners that elect to participate in the WestConnect Regional Planning Process as Coordinating Transmission Owners.~~

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

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

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

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

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

- 75% of the members voting within at least three sectors approve a motion, where one of the three sectors approving is the Enrolled Transmission Owners ~~with Load Serving Obligations~~ sector; or
- 75% of the members voting within the four member sectors other than the Enrolled Transmission Owners ~~with Load Serving Obligations~~-sector approve a motion, and where two-

thirds (2/3) of the members voting within the Enrolled Transmission Owners ~~with Load-Serving Obligations~~ sector also approve the same motion.

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

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

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

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 3 of this Attachment K.

a. Transmission Customers

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

plans, demand side management resources, proposed transmission upgrade recommendations, and feedback regarding certain assumptions in the planning process.

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

b. Independent Transmission Developers and Owners

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

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

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Enrolled 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.

The Independent Transmission Developers and Owners sector does not include public utilities subject to Order No. 1000, which can only participate in WestConnect as Enrolled Transmission Owners.

c. Merchant Transmission Developers

Merchant transmission developers are entities pursuing completion of projects that do not wish to have their projects considered for regional cost allocation. Nonetheless, coordination between merchant projects and the



Regional Planning Process is necessary to effect a coordinated Regional Plan that considers all system needs.

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

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

d. Enrolled Transmission Owners ~~with Load Serving Obligations~~

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

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



## 8. Transmission Project Submittals

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

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

- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).\* 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.B.
- 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 is to provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that the 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 marked by asterisk.

There is to be an open submission period for project proposals to address identified regional needs. Notice of the submission period will be posted on the WestConnect website and will also be made via e-mail to

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

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

9. Submission of Non-Transmission Alternative Projects

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

- Basic description of the project (fuel, size, location, point of contact)
- Operational benefits
- Load offset, if applicable
- Description of the issue sought to be resolved by the generating facility or other non-transmission alternative, including reference to any results of prior technical studies
- Network model of the project flow study
- Short-circuit data

- Protection data
- Other technical data that might be needed for resources
- Project construction and operating costs
- Additional miscellaneous data (e.g., change files, if available)

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

10. The WestConnect Regional Planning Cycle

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

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs (which are the transmission needs of more than one Enrolled Transmission Owner) 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.C.12 addressing the use of NERC Transmission Planning (TPL)

Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

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

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

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

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

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

## 12. WestConnect Reliability Planning Process

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

The PMC will identify projects to resolve any regional violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria that impact more than one Enrolled Transmission Owner. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete, and the timing of the need. Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects. As seen in Exhibit 3 of this Attachment K, 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 Enrolled Transmission Owner in the fourth (4<sup>th</sup>) quarter of the planning cycle.

## 13. WestConnect Economic Planning Process

As part of the Regional Planning Process, the PMC is to analyze whether there are projects that have the potential to reduce the total delivered cost of energy by alleviating congestion or providing other economic benefits to transmission systems of Enrolled Transmission Owners located within the WestConnect Planning Region through production cost modeling. This analysis also is to utilize WECC Board-approved recommendations to further investigate congestion within the WestConnect Planning Region for congestion relief or economic benefits that have subsequently been validated by WestConnect. Additional projects may also be proposed by WestConnect stakeholders or developed through the stakeholder process for evaluation of economic benefits. Under the Regional Planning Process, the

PMC is to identify more efficient or cost effective regional transmission projects, but will not modify local transmission plans.

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective. As seen in Exhibit 3 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) quarters of the planning cycle and identify economic transmission projects in the sixth (6<sup>th</sup>) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

14. WestConnect Public Policy Planning Process

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

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Enrolled 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 Enrolled Transmission Owners (as opposed to a requirement that is imposed on a geographic region). For those Public Policy Requirements that affect more than one Enrolled Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Enrolled Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

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

The PMC is to provide notice on the WestConnect website of both regional transmission planning meetings convened by the PMC for the WestConnect region, and local transmission planning meetings of the individual [Enrolled 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 [Enrolled Transmission Owners](#) in the WestConnect Planning Region, and including them in the transmission system models (the regional base case) underlying the development of the Regional Plan. Then, the PMC will seek the input of stakeholders in the WestConnect region on those Public Policy Requirements in an effort to engage stakeholders in the process of identifying regional transmission needs driven by Public Policy Requirements. The PMC will communicate with stakeholders through public postings on the WestConnect website of meeting announcements and discussion forums. In addition, the PMC is to establish an email distribution list for those stakeholders who indicate a desire to receive information via electronic list serves.

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

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

- (i) whether the Public Policy Requirement is driving a regional transmission need that can be reasonably identified in the current planning cycle;
- (ii) the feasibility of addressing the regional transmission need driven by the Public Policy Requirement in the current planning cycle;
- (iii) the factual basis supporting the regional transmission need driven by the Public Policy Requirement; and



(iv) whether a Public Policy Requirement has been identified for which a regional transmission need has not yet materialized, or for which there may exist a regional transmission need but the development of a solution to that need is premature.

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

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

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

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

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

The procedures for identifying and evaluating potential solutions to the identified regional transmission needs driven by Public Policy Requirements are the same as those procedures used to evaluate any other project proposed in the local planning process and/or Regional Planning

Process, whether or not submitted for purposes of cost allocation.

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 Enrolled 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 (6<sup>th</sup>) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

c. Proposed Public Policy

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

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

WestConnect will maintain on its website (i) a list of all regional transmission needs identified that are driven by Public Policy Requirements

and that are included in the studies for the current regional transmission planning cycle; and (ii) an explanation of why other suggested regional transmission needs driven by Public Policy Requirements will not be evaluated.

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

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

16. Approval of the WestConnect Regional Transmission Plan

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.

~~a) CTO Acceptance of Cost Allocation~~

~~Each 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.C.16; 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.C.16.a.~~
- ~~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.C.16 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 CEH contained in the information.~~

~~b) — 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.C.16, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.C.11-14 (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.~~

~~c) — 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.C.16, such CTO's transmission need(s) which was included within the identification of the region's transmission needs under Sections III.C.11-14 (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.~~

d) ~~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.C.16, such CTO's transmission benefits which were included within the identification of the regional project's economic benefits under Sections III.C.16 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 Plan to accrue to such CTO.~~

e) ~~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.~~

f) ~~Approval of the WestConnect Regional Transmission Plan~~

Upon completion of the process outlined above, the Planning Management Committee 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 cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

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

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

cost allocation is a more efficient or cost effective regional solution.

- Example 1: Where an increase in the selected project's costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region's B/C ratio and can be found to be a more efficient 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 provider's transmission planning (TPL) standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

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

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



## 18. Confidential or Proprietary Information

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

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

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

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

## V. **Dispute Resolution**

- A. In the event of a dispute concerning either a procedural or substantive matter within the jurisdiction of FERC, the following dispute resolution processes will apply:
1. WECC. If the dispute is one that is within the scope of the WECC dispute resolution procedures, then such procedures will apply.
  2. Non-WECC disputes. For disputes not within the scope of the WECC dispute resolution procedures, and for disputes not between or among the members of the WestConnect Planning Management Committee (which disputes will be subject to separate dispute resolution provisions set forth in

the Planning Participation Agreement), the dispute resolution procedures set forth in Section 12 of EPE's OATT will apply, with the added provision that upon agreement of the parties, any dispute that is not resolved by direct negotiation between or among the affected parties within a reasonable period of time, may be referred to mediation (before or during arbitration), and all applicable timelines will be suspended until such time as the mediation process terminates (unless otherwise agreed by the parties). Notwithstanding that the dispute resolution procedures under Section 12 of EPE's OATT apply only to EPE and Transmission Customers, Section 12 of EPE's OATT will be deemed to be applicable to Stakeholders for purposes of this Attachment K, except as otherwise provided herein.

3. Notwithstanding anything to the contrary in this Section V, any affected party may refer the matter to FERC for resolution at any time, for example, by filing with FERC a complaint, a request for declaratory order or a change in rate.

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

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

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

A. EPE will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:

1. Open Season Solicitation of Interest. For any project identified in an EPE planning study (for reliability and/or economic projects) in which EPE is the project sponsor, EPE may elect to provide an “open season” solicitation of interest to secure additional project participants. Upon a determination by EPE to hold an open season solicitation of interest for a project, EPE will:
  - a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
  - b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
  - c. Post information *via* WECC’s planning project review reports.
  - d. Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.
2. EPE Coordination within a Solicitation of Interest Process. EPE, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be.
3. EPE Projects without a Solicitation of Interest. EPE may elect to proceed with small and/or reliability projects without an open season solicitation of interest, in which case EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider.
4. Allocation of Costs
  - a. Proportional Allocation. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants subject to approval of the participation agreement by FERC. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.

- b. Economic Benefits or Congestion Relief. For a project wholly on the EPE system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
- c. EPE Rate Recovery. Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.
- d. Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles above.

B. Local Transmission Projects

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

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

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

C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project (s) in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

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

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

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

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

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:[3]

[3] References to “transmission owners” in the cost allocation provisions are to transmission owners for whom the Planning Management Committee is performing the function of regional transmission planning. At present, those transmission owners are ~~TOLSO~~-ETO members.

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

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

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

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

Should multiple utilities have separate reliability issues that are addressed more efficiently or cost effectively by a single regional project, that regional project will be approved for selection in the Regional Plan and the

cost shared by those transmission owners in proportion to the cost of alternatives that could be pursued by the individual transmission owners to resolve the reliability issue. The ultimate responsibility for maintaining system reliability and compliance with NERC Transmission Planning Standards rests with each transmission owner.

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

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

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant 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. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

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

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

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

The WestConnect economic planning process will consider production cost savings and reduction in reserve sharing requirements as economic benefits capable of contributing to the determination that a project is economically justified for cost allocation. Production cost savings are to be determined by the PMC performing a product cost simulation to model the impact of the transmission project on production costs and congestion. Production cost savings will be calculated as the reduction in production costs between



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

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

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

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

(1 divided by 2) times 3 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 will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified 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, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy will be reported by each entity for its own service territory. Decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by Public Policy Requirements will be included in the evaluation of reliability and economic projects.

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

Stakeholders may participate in identifying regional transmission needs

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

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

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

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

Where:

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

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

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

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

#### 4. Combination of Benefits

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

- 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 or more to 1, than the result of the equation identified in Section VI.C.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.C.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 or more

to 1, than the result of the equation identified in Section VI.C.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 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 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 will be shared according to the amount of cost that is justified by each type of benefit.

## 5. Transmission Developer Qualification Criteria

### 1. In General

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

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

The 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(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to

demonstrate its compliance history.

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

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

- Funds from operations-to-interest coverage.
- Funds from operation-to-total debt.



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

The PMC may request additional information or clarification as necessary.

h) Safety Program

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

i) Transmission Operations

The applicant must: demonstrate that it has 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; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. 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 they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities.

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

m) WestConnect Membership

A transmission developer must be a member of either the WestConnect Enrolled Transmission Owners ~~with Load Serving Obligations~~ or Independent Transmission Developers

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

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

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

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

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

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

b) Annual Recertification Process and Reporting Requirements

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

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

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

c) Termination of Eligibility Status

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

d) 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, chooses to develop and build the project must submit a project development schedule as required by Section VI.C.7 of this Attachment K 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, 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 VI.C.5 of this Attachment K 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.C.7 of this Attachment K.

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.

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

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries 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 its capital contribution (“Ownership Proposal”). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

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

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

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



identifies that, to the extent it is agreed among the parties that capital may be contributed toward a transmission project's construction, a proportionate share of ownership rights will follow.

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

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

7. Project Development Schedule

The WestConnect Planning Management Committee will not be

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

8. Economic Benefits or Congestion Relief

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

9. EPE Rate Recovery

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

10. No Obligation to Construct

The Regional Planning Process is intended to determine and recommend more efficient or cost-effective transmission solutions for the WestConnect Planning Region. After the Regional Plan is approved, due to the uncertainty in the Regional Planning Process and the need to address cost recovery issues, the Regional Planning Process shall not obligate any entity to construct, nor obligate any entity to commit to construct any facilities, including any transmission facilities, regardless of whether such facilities are included in any plan. Nothing in this Attachment K, the Business

Practice Manual or the Planning Participation Agreement, or any cost allocation under this Attachment K or the Business Practice Manual shall (1) determine any transmission service to be received by, or any transmission usage by, any entity; (2) obligate any entity to purchase or pay for, or obligate any entity to commit to purchase or pay for, any transmission service or usage; 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 K, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

Order No. 1000 cost allocation methods as set forth in Section VI of this Attachment K are binding on identified beneficiaries in the WestConnect Planning Region, without prejudice to the following rights and obligations: (1) ~~the right of a CTO, in its sole discretion, to decide whether to accept a regional cost allocation in accordance with Section III.C.16;~~ (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 VI.C of this Attachment K; (23) 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; (34) the right and obligation of any interested person to intervene and be heard before the Commission in any section 205 or other applicable provision of proceeding initiated by an Eligible Transmission Developer, including the right of any identified beneficiaries of the transmission facility to support or protest the filing and to present evidence on whether the proposed cost recovery is or is not just and reasonable; and (45) the right and obligation of the Commission to act under section 205 or other applicable provision of the Federal Power Act to approve or deny any cost recovery sought by an Eligible Transmission Developer for a transmission facility selected in the regional plan for purposes of Order No. 1000 cost allocation.[4]

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

12. Impacts of a Regional Project on Neighboring Planning Regions

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

The WestConnect Planning Region will not be responsible for compensating a neighboring planning region, transmission provider, transmission owner, Balancing Area Authority, or any other entity, for the costs of any required mitigation measures, or other consequences, on their systems associated with a regional transmission project in the WestConnect Planning Region, whether identified by the PMC or the neighboring system(s). The PMC does not direct the construction of transmission facilities, does not operate transmission facilities or provide transmission services, and does not charge or collect revenues for the performance of any transmission or other services. Therefore, in agreeing to study the impacts of a regional transmission facility on neighboring planning regions, the PMC is not agreeing to bear the costs of any mitigation measures it

identifies. However, the PMC will request of any developer of a regional transmission project selected in the Regional Plan for purposes of cost allocation that the developer design and build its project to mitigate the project's identified impacts on neighboring planning regions. If the project is identified as impacting a neighboring planning region that accords less favorable mitigation treatment to the WestConnect Planning Region than the WestConnect Planning Region accords to it, the PMC will request that the project developer reciprocate by using the lesser of (i) the neighboring region's mitigation treatment applicable to the mitigation of impacts of its own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

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

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

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

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

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

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

### **A. Definitions**

The following capitalized terms where used in this Section VII of Attachment K, are

defined as follows:

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

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

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

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

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

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

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

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

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

- (i) study plan or underlying information that would typically be included in a study plan, such as:

- (a) identification of base cases;
  - (b) planning study assumptions; and
  - (c) study methodologies;
- (ii) initial study reports (or system assessments); and
  - (iii) regional transmission plan

(collectively referred to as “Annual Interregional Information”).

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

### **1. Submission Requirements**

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

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

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

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

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

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

for purposes of Interregional Cost Allocation, based on its regional transmission planning process; and

- (g) is to endeavor to perform its Interregional Cost Allocation activities pursuant to this Section VII.E.2 in the same general time frame as its joint evaluation activities pursuant to Section VII.D.2.

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

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

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

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

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

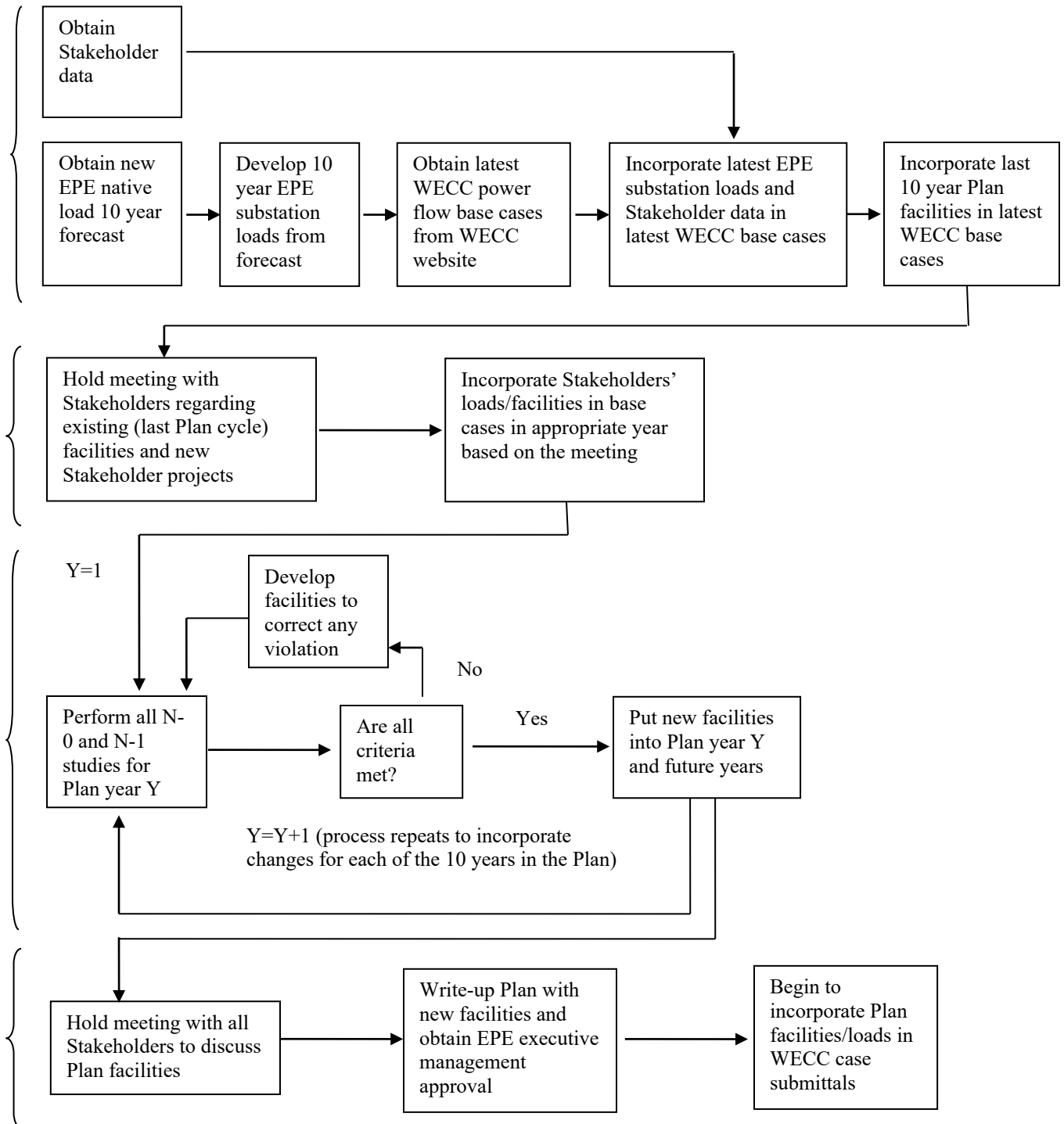
If following such evaluation (or reevaluation), the number of selecting Relevant Planning Regions does not change and the ITP remains selected for purposes of Interregional Cost Allocation in the respective regional transmission plans of WestConnect and at least one other Relevant Planning Region, WestConnect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

## **VIII. Role of the Transmission Provider**

EPE is the Transmission Provider under this Tariff and the entity conducting local transmission planning under this Attachment K. In addition, EPE is a participating utility in the regional entity, WestConnect, which entity is comprised of other utilities, as well

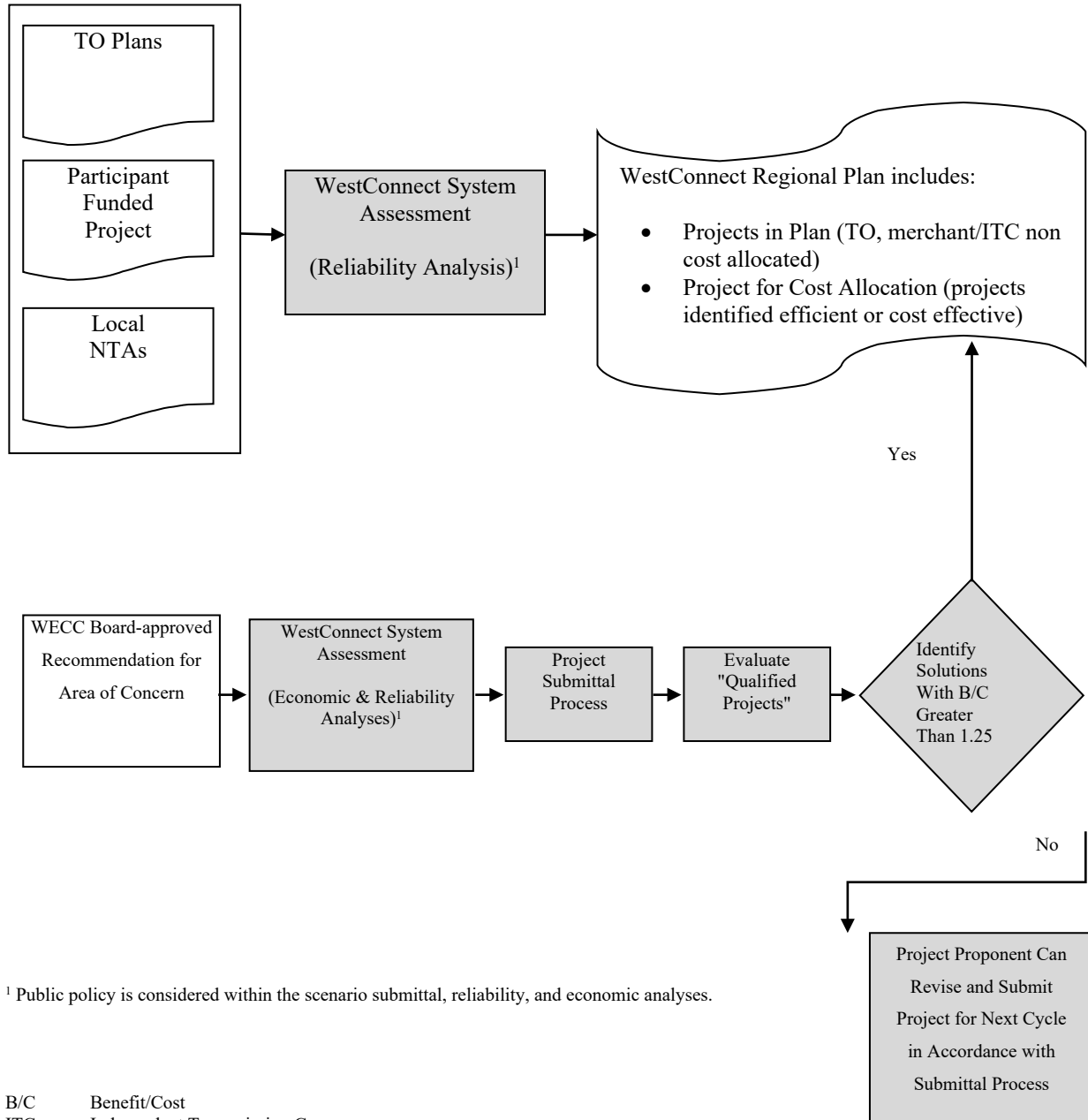
as state representatives, customers, and other stakeholders. WestConnect is to perform the functions of regional transmission planning in the WestConnect region and is to coordinate and jointly evaluate ITPs with other planning regions as set forth in this Attachment K. Attachment K speaks in terms of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

### Exhibit 1 EPE Planning Process



## Exhibit 2

### WestConnect Regional Transmission Planning Process Chart



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

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

### Exhibit 3

#### WestConnect Regional Transmission Planning Process Activity



Regional Planning Process Activity	Activity Timeframe
<b>Stakeholder meetings</b>	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 transmission plan.
<b>Base transmission plan data collection window</b>	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
<b>Scenario submittal window</b>	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
<b>Identification of regional needs</b>	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
<b>Submission period for regional projects to address identified regional needs</b>	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.





**FERC rendition of the electronically filed tariff records in Docket No. ER13-00091-012****Filing Data:**

CID	Filing Title	Company Filing Identifier	Type of Filing Code	Associated Filing Identifier
<b>C000465</b>	OATT Attachment K Compliance Filing to Comply with Oct 17, 2024 Order on Remand	208	80	32
	Tariff Title	Tariff ID	Payment Confirmation	Suspension Motion
	Open Access Transmission Tariff	5		

**Tariff Record Data:**

Record Content Description	<b>Attachment K</b>
Tariff Record Title	<b>Transmission Planning Process</b>
Record Version Number	<b>4.6.0</b>
Option Code	<b>A</b>
Record Narrative Name	
Tariff Record ID	<b>63</b>
Tariff Record Collation Value	<b>670659281</b>
Tariff Record Parent Identifier	<b>0</b>
Proposed Date	<b>2024-12-17</b>
Priority Order	<b>990</b>
Record Change Type	<b>CHANGE</b>
Record Content Type	<b>1</b>
Associated Filing Identifier	

## ATTACHMENT K

### Transmission Planning Process

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

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

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

##### 1. Overview

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

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

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

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

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

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

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

3. Stakeholder's Responsibility for Providing Data

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

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

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

information:

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

#### 4. Types of Planning Studies

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

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

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

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

5. Economic Planning Study Requests

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



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

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

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

1. *EPE Proposed Clusters*

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

2. *Requester Proposed Clusters*

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

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

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

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

9. EPE Planning Methodology and Protocols

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Posting of Public Policy Needs

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

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

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

B. Confidentiality and CEII

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

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



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

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

C. EPE Open Public Meetings

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

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

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

4. Process

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

encourage an open and transparent process and exchange of information. Accommodations will be made for phone bridges.

## II. Subregional Coordination – SWAT

### A. Overview

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

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

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

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

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

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

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

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

#### **B. Role of TEPPC**. EPE will coordinate economic studies through WECC's TEPPC,

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

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

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

1. Overview

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

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

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

2. WestConnect Planning Participation Agreement

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

In connection with creating the new PMC, the WestConnect members, in consultation with interested stakeholders, will establish a separate project agreement (the “Planning Participation Agreement”) to permit interested stakeholders to participate in the Regional Planning Process. Although the Regional Planning Process is open to the public, stakeholders interested in having a voting right in decisions related to the Regional Planning Process will be required to execute the Planning Participation Agreement and any necessary confidentiality agreements.[1] The Planning Management Committee will implement the Regional Planning Process, which will result in a Regional Plan for the ten-year transmission planning cycle.[2]

[1] If the Planning Participation Agreement is terminated, the requirement of becoming a signatory to the Planning Participation Agreement also terminates. In that situation, it would no longer be necessary for an entity to execute the Planning Participation Agreement before engaging in the WestConnect regional planning process, because the PMC will cease performing its functions under this Attachment K upon termination of the Planning Participation Agreement.

[2] Because the rights and responsibilities of the PMC terminate when the Planning Participation Agreement terminates, EPE, as a Transmission Provider subject to Order No. 1000 compliance, will have to satisfy its

regulatory compliance through other means. At that time, EPE will make an appropriate filing with the Commission to demonstrate its continued compliance with Order No. 1000.

Each WestConnect member will be a signatory to the Planning Participation Agreement, which will formalize the members' relationships and establish obligations among them, including Enrolled Transmission Owner coordination of regional transmission planning among the WestConnect participants and the local transmission planning processes and produce a Regional Plan.

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

### 3. Enrollment

WestConnect has two types of members: (a) transmission owners that enroll in WestConnect in order to comply with the Commission's Order No. 1000 planning and cost allocation requirements, and (b) stakeholders who wish to have voting input on the methodologies, studies, and decisions made in the execution of those Order No. 1000 requirements.

#### a. Joining the WestConnect Planning Region

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

A stakeholder that wishes to have voting input may join the WestConnect Planning Region by executing the Planning Participation Agreement, paying annual dues, and complying with applicable provisions as outlined in such agreement. For further information regarding membership dues, please see the WestConnect Planning Participation Agreement, located on the WestConnect website ([www.westconnect.com/planning\\_agreement](http://www.westconnect.com/planning_agreement)) and on file with FERC.

b. Exiting the WestConnect Planning Region

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

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

c. List of Enrolled Entities

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

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

4. WestConnect Objectives and Procedures for Regional Transmission Planning

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



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

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

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

a. WestConnect PMC Role

The PMC is responsible for bringing transmission planning information together and sharing updates on active projects. The PMC provides an open forum where any stakeholder interested in the planning of the regional

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

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

#### b. Stakeholder Participation and Assistance

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

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

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

c. Forum for Evaluation

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

d. Stakeholder Meetings

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

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

6. WestConnect Planning Governance Process

a. Membership Sectors

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

- Enrolled Transmission Owners
- 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 Enrolled Transmission Owners membership sector. The Enrolled Transmission Owners sector will be comprised of those transmission owners that enroll in the WestConnect Planning Region for purposes of compliance with Order No. 1000.

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

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

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

provide comments on the process and proposed plan.

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

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

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

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

When stakeholder feedback on modeling assumptions is requested, the data submittal period for such feedback will be established by the PMC. In all cases, requests for submittal of data from WestConnect members and stakeholders will be followed by a data submittal window lasting no less than thirty (30) days from the date of such requests. In addition, consistent

with the Regional Planning Process, any interested stakeholder may submit project ideas for consideration in the Regional Plan without a need for that stakeholder's project to qualify for a project submittal for purposes of cost allocation. Specific project submittals are treated differently than generalized project ideas. For any project submittal seeking study by the PMC in the Regional Planning Process to address a regional need identified by the PMC (without regard to whether the project seeks cost allocation), a project submittal deposit will be collected and made subject to later true-up based upon the actual cost of the study(ies) performed. Project submittals are to be accepted through the fifth (5th) quarter of the planning cycle (or first (1st) quarter of the second (2nd) year), and are addressed in Section III.C.8 of this Attachment K. A timeline detailing the timing and notice for submission of information and input can be found in Exhibit 3 of this Attachment K.

a. Transmission Customers

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

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

b. Independent Transmission Developers and Owners

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

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

transmission project for consideration in the Regional Planning Process to address an identified regional need may do so.

Projects proposed by Independent Transmission Developers and Owners are subject to the same reliability standards as projects submitted by Enrolled Transmission Owners. 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.

The Independent Transmission Developers and Owners sector does not include public utilities subject to Order No. 1000, which can only participate in WestConnect as Enrolled Transmission Owners.

#### c. Merchant Transmission Developers

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

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

Projects proposed by Merchant Transmission Developers are subject to the same reliability standards as projects submitted by Enrolled Transmission Owners. The project developer is responsible for properly registering with NERC and WECC in accordance with the applicable registration rules in the NERC Rules of Procedure. In addition, project developers shall

observe and comply with regional requirements as established by the applicable regional reliability organization and all local, state, regional, and federal requirements.

d. Enrolled Transmission Owners

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

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

8. Transmission Project Submittals

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

- Submitting entity contact information
- Explanation of how the project is a more efficient or cost effective solution to regional transmission needs\*
- A detailed project description including, but not limited to, the following:



- Scope
- Points of interconnection to existing (or planned) system
- Operating Voltage and Alternating Current or Direct Current status
- Circuit Configuration (Single, Double, Double-Circuit capable, etc.)
- Impedance Information
- Approximate circuit mileage
- Description of any special facilities (series capacitors, phase shifting transformers, etc.) required for the project
- Diagram showing geographical location and preferred route; general description of permitting challenges
- Estimated Project Cost and description of basis for that cost\*
- Any independent study work of or relevant to the project
- Any WECC study work of or relevant to the project
- Status within the WECC path rating process
- The project in-service date
- Change files to add the project to a standard system power flow model
- Description of plan for post-construction maintenance and operation of the proposed line
- A \$25,000 deposit to support the cost of relevant study work, subject to true-up (up or down) based upon the actual cost of the study(ies).\* 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.B.
- 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 is to provide, subject to appropriate confidentiality and CEII restrictions, the information in the possession of the PMC that the 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 marked by asterisk.

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

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

9. Submission of Non-Transmission Alternative Projects

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

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

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

10. The WestConnect Regional Planning Cycle

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

11. Overview of the Regional Planning Methodology and Evaluation Process

The Regional Planning Process is intended to identify regional needs (which are the transmission needs of more than one Enrolled Transmission Owner) 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.C.12 addressing the use of NERC Transmission Planning (TPL) Reliability Standards for regional reliability projects, Section III.C.13 addressing the use of production cost modeling for regional economic projects, and Section III.C.14 addressing the identification of Public Policy Requirements for regional public policy driven projects).

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

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

- a. Regional reliability solutions.

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

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

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

## 12. WestConnect Reliability Planning Process

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

The PMC will identify projects to resolve any regional violations of relevant NERC or WECC Transmission Planning Reliability Standards or WECC criteria that impact more than one Enrolled Transmission Owner. In addition, as part of the Regional Planning Process, an opportunity will be afforded to any interested party to propose regional reliability projects that are more efficient or cost effective than other proposed solutions. The PMC will then identify the more efficient or cost effective regional transmission project that meets the identified regional transmission need, taking into account factors such as how long the project will take to complete, and the timing of the need. Because local transmission owners are ultimately responsible for compliance with NERC Reliability Standards and for meeting local needs, the local transmission plans will not be modified; however, the PMC may identify more efficient or cost effective regional transmission projects. As seen in Exhibit 3 of this Attachment K, 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 Enrolled Transmission Owner in the fourth (4<sup>th</sup>) quarter of the planning cycle.

13. WestConnect Economic Planning Process

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

The WestConnect economic planning process will analyze benefits via detailed production cost simulations. The models employed in the production cost simulations will appropriately consider the impact of transmission projects on production cost and system congestion. The WestConnect economic planning process will also consider the value of decreased reserve sharing requirements in the development of a Regional Plan that is more efficient or cost effective. As seen in Exhibit 3 of this Attachment K, the PMC will develop the production cost modeling analysis in the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) quarters of the planning cycle and identify economic transmission projects in the sixth (6<sup>th</sup>) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

14. WestConnect Public Policy Planning Process

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

It is anticipated that any regional transmission need that is driven by Public Policy Requirements will be addressed initially within the local planning cycles of the individual Enrolled 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 Enrolled Transmission Owners (as opposed to a requirement that is imposed on a geographic

region). For those Public Policy Requirements that affect more than one Enrolled Transmission Owner in the WestConnect Planning Region, a solution identified at the local level to satisfy the local needs of the affected Enrolled Transmission Owner(s), may also satisfy a regional transmission need identified by the PMC for the WestConnect Planning Region.

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

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

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

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

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

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

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

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

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

After allowing for stakeholder input on solutions to regional transmission



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

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

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 Enrolled 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 (6<sup>th</sup>) quarter and parts of the fifth (5<sup>th</sup>) and seventh (7<sup>th</sup>) quarters of the planning cycle.

c. Proposed Public Policy

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

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

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

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

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

16. Approval of the WestConnect Regional Transmission Plan

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.

Upon completion of the process outlined above, the Planning Management Committee 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 cost allocation. Participant funded projects and other types of projects may be included in the Regional Plan; however, those projects are not eligible for regional cost allocation.

17. Project Reevaluation

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

- The underlying project characteristics and/or regional or interregional needs change in the Regional Plan. Examples include, but are not limited to: (a) a project's failure to secure a developer, or a developer's failure to maintain the qualifications necessary to utilize regional cost allocation, or (b) a change (increase or decrease) in the identified beneficiaries of a project (which changes may occur through company acquisitions, dissolutions or otherwise), (c) a change in the status of a large load that contributes to the need for a project, or (d) projects affected by a change in law or regulation;

- Projects that are delayed and fail to meet their submitted in-service date by more than two (2) years. This includes projects delayed by funding, regulatory approval, contractual administration, legal proceedings (including arbitration), construction delays, or other delays;
  - Projects with significant project changes, including, but not limited to kilovolt (kV), megavolt ampere (MVA), or path rating, number of circuits, number of transmission elements, or interconnection locations; and
  - Projects with a change in the calculation of benefits or benefit/cost (“B/C”) ratio that may affect whether the project selected for inclusion in the Regional Plan for purposes of cost allocation is a more efficient or cost effective regional solution.
- Example 1: Where an increase in the selected project’s costs, including but not limited to, material, labor, environmental mitigation, land acquisition, operations and maintenance, and mitigation for identified transmission system and region, causes the total project costs to increase above the level upon which the project was initially selected for inclusion in the Regional Plan for purposes of cost allocation, the inclusion of the regional project in the Regional Plan will be reevaluated to determine if the regional project continues to satisfy the region’s B/C ratio and can be found to be a more efficient 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 provider's transmission planning (TPL) standards compliance assessments to mitigate reliability issues and that have not been proposed for (and selected by the PMC for) regional cost allocation; and
- Planned transmission system upgrades to existing facilities that have not been proposed for (and selected by the PMC for) regional cost allocation.

Projects meeting any of the following criteria as of the Effective Date of the WestConnect FERC-jurisdictional transmission owners' Order No. 1000

compliance filings also will not be subject to reevaluation under the Regional Planning Process:

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

#### 18. Confidential or Proprietary Information

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

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

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

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

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

A. In the event of a dispute concerning either a procedural or substantive matter

within the jurisdiction of FERC, the following dispute resolution processes will apply:

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

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

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

- A. EPE will utilize a case-by-case approach to allocate costs for new projects. This approach will be based on the following principles:
  1. Open Season Solicitation of Interest. For any project identified in an EPE planning study (for reliability and/or economic projects) in which EPE is the project sponsor, EPE may elect to provide an "open season" solicitation of interest to secure additional project participants. Upon a determination by EPE to hold an open season solicitation of interest for a project, EPE will:
    - a. Announce and solicit interest in the project through informational meetings, its website and/or other means of dissemination as appropriate.
    - b. Hold meetings with interested parties and meetings with public utility staffs from potentially affected states.
    - c. Post information *via* WECC's planning project review reports.
    - d. Develop the initial project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.
  2. EPE Coordination within a Solicitation of Interest Process. EPE, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be.
  3. EPE Projects without a Solicitation of Interest. EPE may elect to proceed with small and/or reliability projects without an open season solicitation of interest, in which case EPE will proceed with the project pursuant to its rights and obligations as a Transmission Provider.



#### 4. Allocation of Costs

- a. Proportional Allocation. For any project entered into where an open season solicitation process has been used, project costs and associated transmission rights would generally be allocated proportionally to project participants subject to approval of the participation agreement by FERC. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant.
- b. Economic Benefits or Congestion Relief. For a project wholly on the EPE system that is undertaken for economic reasons or congestion relief at the request of a Requester, the project costs will be allocated to the Requester.
- c. EPE Rate Recovery. Notwithstanding the foregoing provisions, EPE will not assume cost responsibility for any project if the cost of the project is not reasonably expected to be recoverable in its retail and/or wholesale rates.
- d. Exclusions. The cost for projects undertaken in connection with requests for interconnection or transmission service on the EPE system, each of which are governed by existing cost allocation methods within EPE's OATT, will continue to be so governed and will not be covered by the principles above.

#### B. Local Transmission Projects

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

transmission-only company.]

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

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

C. Regional Transmission Projects

For any project determined by the Planning Management Committee to be eligible for regional cost allocation, project costs and associated transmission rights will be allocated proportionally to those entities determined by the Planning Management Committee, as shown in the Regional Plan, to be beneficiaries of the project (s) in the WestConnect Planning Region, as identified in this Attachment K, subject to the processes set forth in Sections III through VI.

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

- Benefits and beneficiaries will be identified before cost allocation methods are applied.
- Cost assignments shall be commensurate with estimated benefits.
- Those that receive no benefits shall not be involuntarily assigned costs.
- A benefit-to-cost threshold of not more than 1.25 shall be used, as applicable, so that projects with significant benefits are not excluded.
- Costs shall be allocated solely within the WestConnect Planning Region, unless other entities or regions voluntarily assume costs.
- Costs for upgrades on neighboring transmission systems or other planning regions that are (i) required to be mitigated by the WECC Path Rating process, FERC tariff requirements, or NERC Reliability Standards, or (ii) negotiated among interconnected parties will be

included in the total project costs and used in the calculation of B/C ratios.

- Cost allocation method and data shall be transparent and with adequate documentation.
- Different cost allocation methods may be used for different types of projects.

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

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

Only projects that fall within one or more of these three categories and satisfy the cost-to-benefit analyses and other requirements, as specified herein, are eligible for cost allocation in the WestConnect Planning Region. EPE encourages all interested stakeholders to consult the Business Practice Manual for additional details regarding the assessment for eligibility for regional cost allocation. Summary provisions are provided below:[3]

[3] References to “transmission owners” in the cost allocation provisions are to transmission owners for whom the Planning Management Committee is performing the function of regional transmission planning. At present, those transmission owners are ETO members.

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

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

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

transmission owner local plans as outlined in Section III.C.12 above.

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

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

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

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

Where:

- 1 is the cost of local reliability upgrades necessary to avoid construction of the regional reliability project in the relevant 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. The B/C ratio shall be calculated by the PMC. This B/C ratio will be determined by calculating the aggregate load-weighted benefit-to-cost ratio for each transmission system in the WestConnect Planning Region. The benefits methodology laid out below ensures that the entities that benefit the most from the completion of an economic project are allocated costs commensurate with those project benefits.

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

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

Other than through the reevaluation process described in Section III.C.17 of

this Attachment K, the benefits and costs used in the evaluation shall only be calculated during the planning period and shall be compared on a net present value basis.

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

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

Access by stakeholders to the PMC's application of its regional cost allocation method for a specific economic transmission project is available in several ways: First, stakeholders that are members of the PMC will have firsthand knowledge of the way in which the regional method was applied to a particular project because the PMC is responsible for performing the application of the regional cost allocation method. Second, stakeholders that choose not to become members of the PMC may access such

information through the WestConnect regional stakeholder process. See Section III.C of this Attachment K. Third, the manner in which the PMC applied this methodology to allocate the costs of each economic project shall be described in the Regional Plan.

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

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

Where:

- 1 is the total projected present value of economic benefits for the relevant 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 will be excluded from cost allocation. Where a project satisfies the B/C ratio, and is determined to provide benefits less than or equal to one percent of total project benefits to an identified 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, as defined by the Regional Planning Process, will be included in the system models used for the WestConnect transmission system studies. Further, any additional system needs that arise from proposed public policy will be reported by each entity for its own service territory. Decisions on the inclusion of those needs will be made during the consideration and approval of the system models. Regional transmission needs driven by Public Policy Requirements will be included in the

evaluation of reliability and economic projects.

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

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

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

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

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

Where:

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



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

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

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

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

#### 4. Combination of Benefits

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

- 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 or more to 1, than the result of the

equation identified in Section VI.C.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.C.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 or more to 1, than the result of the equation identified in Section VI.C.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 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 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 will be shared according to the amount of cost that is justified by each type of benefit.

5. Transmission Developer Qualification Criteria

1. In General

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

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

The 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(ies) under Section VI.C.5. Notwithstanding the foregoing, if at the time the applicant submits the information required by this Section VI.C.5, the applicant has not developed, constructed, owned, operated or maintained electric transmission facilities, the applicant shall instead submit such information for any electric distribution or generating facilities it develops, constructs owns, operates and/or maintains, as applicable, to demonstrate its compliance history.

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

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

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

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

The PMC may request additional information or clarification as necessary.

h) Safety Program

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

i) Transmission Operations

The applicant must: demonstrate that it has 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; demonstration of any existing required NERC certifications or the ability to obtain any applicable NERC certifications; establish required Total Transfer Capability; provide evidence of storm/outage response and restoration plans; provide evidence of its record of past reliability performance, as applicable; and provide a statement of which entity will be operating completed transmission facilities and will be responsible for staffing, equipment, and crew training. 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 they have, or have plans to develop, an adequate transmission maintenance program, including staffing and crew training, transmission facility and equipment maintenance, record of past maintenance performance, NERC compliance process and any past history of NERC compliance or plans to develop a NERC compliance program, statement of which entity will be performing maintenance on completed transmission facilities. 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 these 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). Such affidavits shall not be viewed as binding statements of intent by third-parties. If the transmission developer seeks to satisfy the criteria in whole or in part by relying on one or more Alternate Qualifying Entity(ies), the transmission developer must submit: (1) materials demonstrating to the PMC's satisfaction that the Alternate Qualifying Entity(ies) meet(s) the criteria for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy; and (2) a commitment to provide in any project cost allocation application an executed agreement that

contractually obligates the Alternate Qualifying Entity(ies) to perform the function(s) for which the transmission developer is relying upon the Alternate Qualifying Entity(ies) to satisfy.

m) WestConnect Membership

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

n) Other

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

3. Identification of Transmission Developers Satisfying the Criteria

a) Notification to Transmission Developer

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

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

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

b) Annual Recertification Process and Reporting Requirements



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

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

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

c) Termination of Eligibility Status

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

d) Selection of a Transmission Developer for Sponsored and Unsponsored 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, chooses to develop and build the project must submit a project development schedule as required by Section VI.C.7 of this Attachment K 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, 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 VI.C.5 of this Attachment K 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.C.7 of this Attachment K.

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.

6. Allocation of Ownership and Capacity Rights

An Eligible Transmission Developer that is subject to the Commission's jurisdiction under section 205 of the Federal Power Act may not recover project costs from identified beneficiaries 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 its capital contribution (“Ownership Proposal”). This Ownership Proposal does not create a right of first refusal for transmission beneficiaries.

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

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

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

share of ownership rights will follow.

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

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

7. Project Development Schedule

The WestConnect Planning Management Committee will not be responsible for managing the development of, any project selected for inclusion in the Regional Plan. However, after having selected a project in the Regional Plan, the Planning Management Committee will monitor the status of the project's development. If a transmission facility is selected for inclusion in

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

8. Economic Benefits or Congestion Relief

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

9. EPE Rate Recovery

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

10. No Obligation to Construct

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

transmission service or usage; 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 K, the Business Practice Manual or the Planning Participation Agreement with respect to regional cost allocation shall preclude WestConnect or any other entity from carrying out any of its statutory authorities or complying with any of its statutory obligations.

11. Binding Order No. 1000 Cost Allocation Methods

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

[4] An Eligible Transmission Developer may not be subject to the Commission's section 205 jurisdiction. See Section VI.C.6. If an Eligible Transmission Developer is not subject to the Commission's jurisdiction under section 205 of the Federal Power Act, the Eligible Transmission Developer would have to seek to recover project costs from identified beneficiaries in the WestConnect Planning Region either: (a) through bilateral agreements that are voluntarily entered into between such Eligible



Transmission Developer and the applicable identified beneficiaries; or (b) by obtaining approval from the Commission for project cost recovery pursuant to any other applicable section of the Federal Power Act.

12. Impacts of a Regional Project on Neighboring Planning Regions

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

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

own regional projects on the WestConnect Planning Region, or (ii) the PMC's mitigation treatment set forth above in sub-sections (a) through (d).

13. Exclusions

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

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

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

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

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

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

### **A. Definitions**

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

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

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

**Interregional Cost Allocation:** means the assignment of ITP costs between or

among Planning Regions as described in Section VII.E.2 below.

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

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

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

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

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

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

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

(collectively referred to as “Annual Interregional Information”).

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

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

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

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

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

- (i) each Planning Region’s most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);

- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs in each of two or more Planning Regions more cost effectively or efficiently; and
- (iii) updates of the status of ITPs being evaluated or previously included in WestConnect's regional transmission plan.

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

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

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

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

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

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

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

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

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

### **1. Submission Requirements**

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

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

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

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

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

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

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

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

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

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

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

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

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

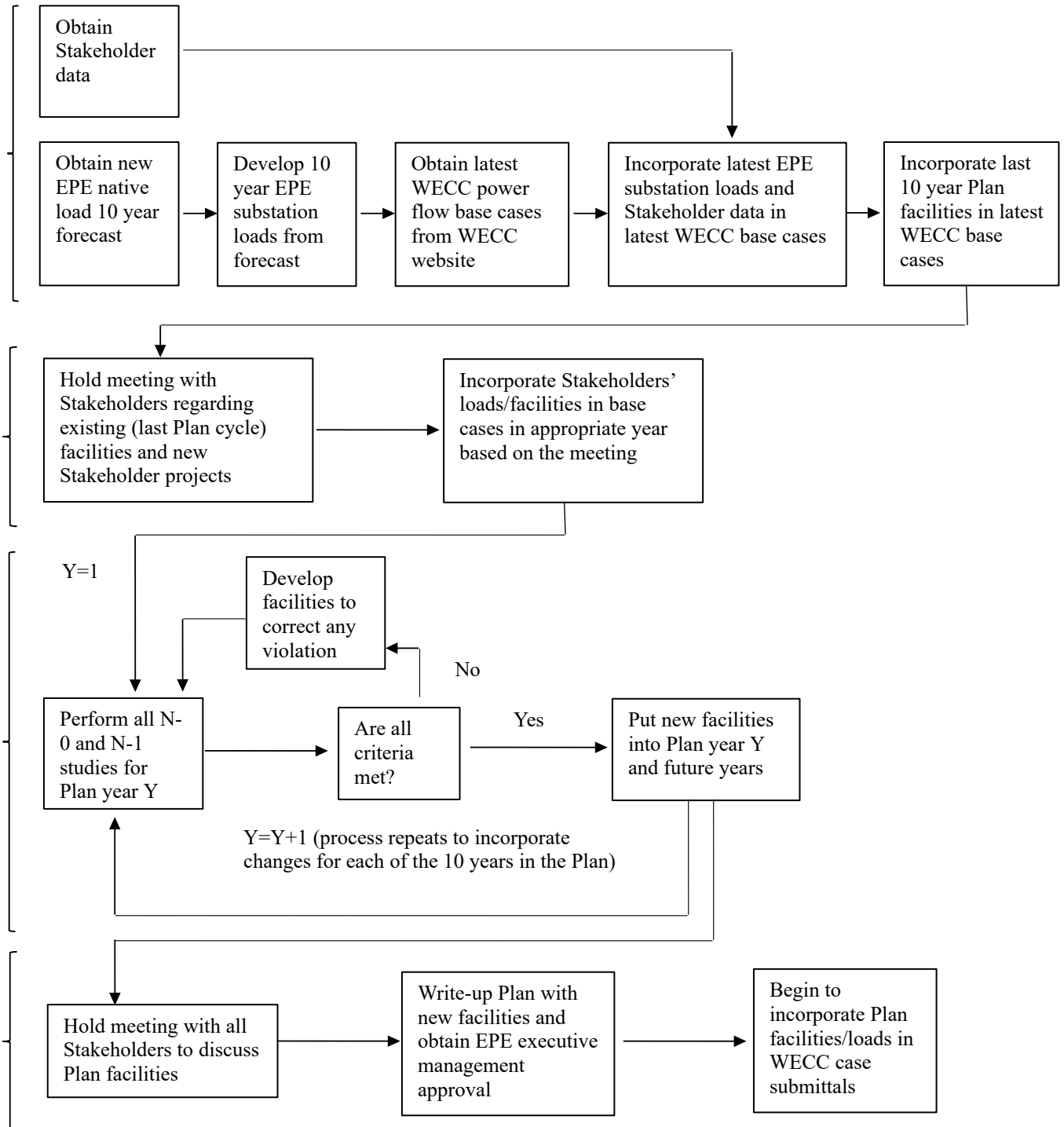
## **VIII. Role of the Transmission Provider**

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



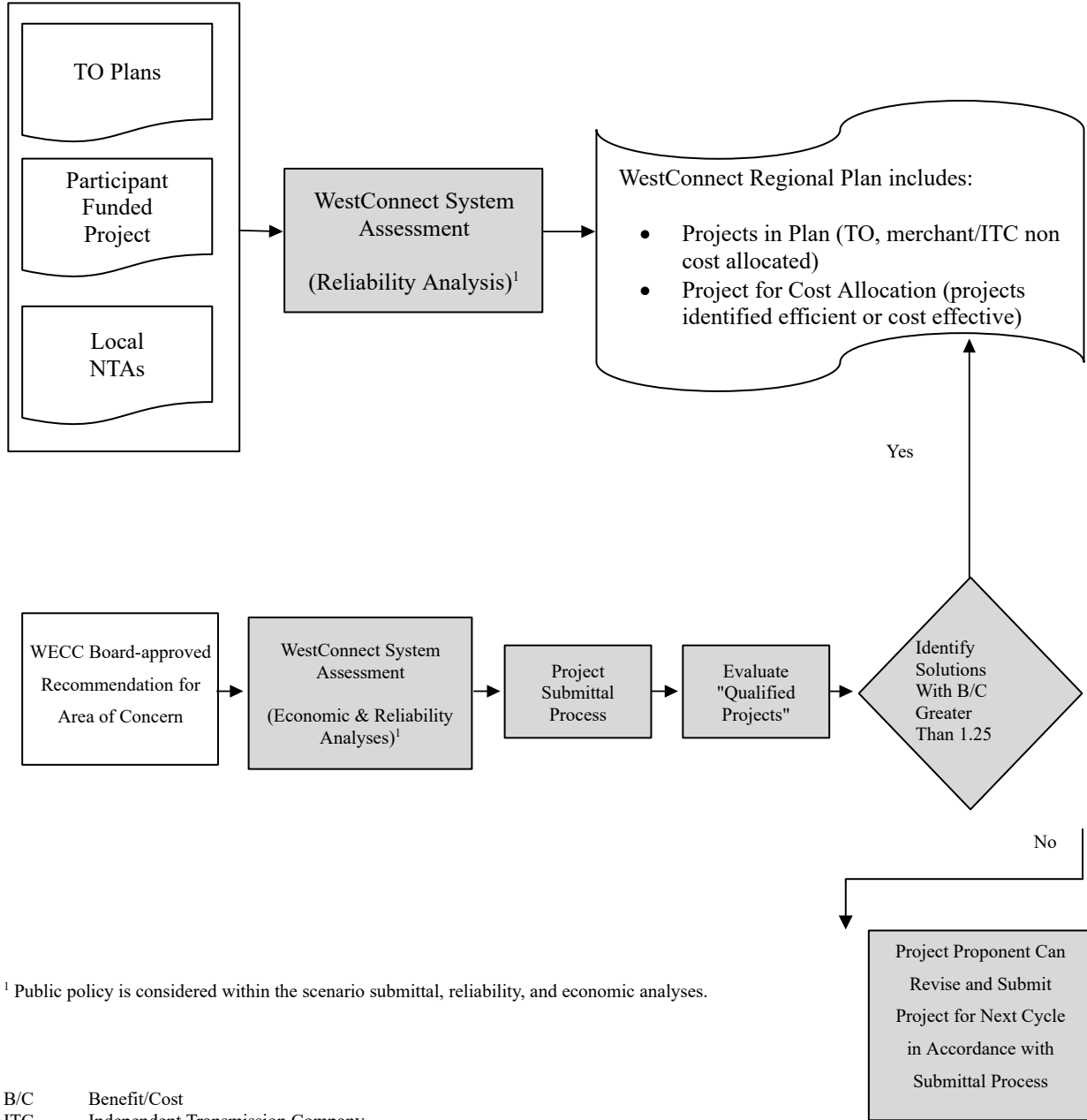
herein is not to be deemed to be a failure of EPE. EPE's duty is to cooperate with and support WestConnect in its implementation of responsibilities under this Attachment K.

### Exhibit 1 EPE Planning Process



## Exhibit 2

### WestConnect Regional Transmission Planning Process Chart



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

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

### Exhibit 3

#### WestConnect Regional Transmission Planning Process Activity



Regional Planning Process Activity	Activity Timeframe
<b>Stakeholder meetings</b>	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 transmission plan.
<b>Base transmission plan data collection window</b>	The PS will initiate development of the base transmission plan no later than Quarter 8 of the previous biennial planning cycle and in conjunction with initiating the development of the Regional Study Plan. The submittal window for projects to be considered as part of the base transmission plan will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
<b>Scenario submittal window</b>	A scenario submittal window will open when the development of the Regional Study Plan commences and no later than Quarter 8 of the previous biennial planning cycle. The scenario submittal window will be noticed a minimum of 15 days before the window opens, and the submittal window will stay open for a minimum of 30 days.
<b>Identification of regional needs</b>	Identified regional needs will be posted to the WestConnect website no later than close of Quarter 4 of the first year of the biennial cycle.
<b>Submission period for regional projects to address identified regional needs</b>	For consideration in the current planning cycle, projects must be submitted following the posting of identified regional needs to the WestConnect website, and must occur before the end of Quarter 5 of the biennial planning cycle. Any project submitted after this date will be considered in the next subsequent planning cycle.



Document Content(s)

Tariff Transmittal Letter_Attachment K_12 16 2024.pdf .....	1
Clean208-70535d2e-8eac-40d9-8138-e5b6162e04b1.pdf.....	14
Marked208-93ac79e8-d23c-4568-b13f-6df7f8b6b351.pdf.....	98
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