

ATTACHMENT P

Transmission Planning Process

Overview of Western's Transmission Planning Processes

The Western Area Power Administration (Western) is a Federal agency under the Department of Energy that markets and transmits wholesale electrical power from 56 federal hydropower plants and one coal-fired plant. Western sells about 40 percent of regional hydroelectric generation in a service area that covers 1.3 million square miles in 15 states. To provide this reliable electric power to most of the western half of the United States, Western markets and transmits about 10,000 megawatts of hydropower across an integrated 17,000-circuit mile, high-voltage transmission system.

Western's customers include municipalities, cooperatives, public utility and irrigation districts, Federal and state agencies, investor-owned utilities (only one of which has an allocation of Federal hydropower from Western), marketers and Native American tribes. They, in turn, provide retail electric service to millions of consumers in Arizona, California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah and Wyoming.

Western's role in delivering power also includes managing 10 different rate-setting systems. These rate systems are made up of 14 multipurpose water resource projects and one transmission project. The systems include Western's transmission facilities along with power generation facilities owned and operated primarily by the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers and the U.S. State Department's International Boundary and Water Commission. Western sets power rates to recover all costs associated with our activities, as well as the Federal investment in the power facilities (with interest) and certain costs assigned to power from repayment, such as aid to irrigation development.

Western employees sell power and transmission service, operate transmission and provide maintenance and engineering services. These duty locations include Western's Headquarters Office in Lakewood, Colo., and four regions with offices in Billings, Mont.; Loveland, Colo.; Phoenix, Ariz.; and Folsom, Calif. Western also markets power from the Management Center in Salt Lake City, Utah, and also manages Upper Great Plains Region system operations and maintenance from offices in Bismarck, N.D.; Fort Peck, Mont.; Huron, S.D. and Watertown, S.D.

Since its inception on December 21, 1977, Western and its employees have been dedicated to providing public service, including promoting environmental stewardship, energy efficiency and renewable energy and implementing new technologies to ensure its transmission system is the most reliable possible.

Western's Attachment P is divided into Part I and Part II – Part I outlines the transmission planning process Western uses in the Upper Great Plains Region (UGPR) on both the Eastern and Western Interconnections, while Part II outlines the process used in the remaining Western regions in the Western Interconnection.

Western's transmission planning process is based on three core objectives:

- Maintain reliable electric service.
- Improve the efficiency of electric system operations, including the provision of open and non-discriminatory access to its transmission facilities.
- Identify and promote new investments in transmission infrastructure in a coordinated, open, transparent and participatory manner.

Western's transmission planning process is intended to facilitate a timely, coordinated and transparent process that fosters the development of electric infrastructure that maintains reliability and meets Network load growth, so that Western can continue to provide reliable low cost electric power to its customers.

The transmission planning process conducted by Western includes a series of open planning meetings that allow anyone, including, but not limited to, network and point-to-point transmission customers, interconnected neighbors, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders, input into and participation in all stages of development of Western's transmission plan.

PART I - Upper Great Plains Region

Western's Upper Great Plains Region (UGPR) joined the Southwest Power Pool, Inc. (SPP) as a transmission owner and transferred functional control of all of its eligible transmission facilities to SPP on October 1, 2015. Transmission service over those UGPR transmission facilities is available solely under the SPP Open Access Transmission Tariff (SPP Tariff). SPP is the Transmission Provider for UGPR's transmission facilities under the SPP Tariff and the UGPR transmission system is included in the SPP Transmission Planning Process under Attachment O of the SPP Tariff.

PART II – Western Interconnection of Western's Rocky Mountain, Desert Southwest and Sierra Nevada Regional Offices

Western coordinates its transmission planning with other transmission providers and stakeholders in the Rocky Mountain – located in Loveland, CO, Desert Southwest – located in Phoenix, AZ, and Sierra Nevada - located in Folsom, CA, Regional Offices, and the Western Interconnection as a whole, through its active participation in the Southwest Area Transmission

Planning (SWAT) group, the Colorado Coordinated Planning Group (CCPG), the Sierra Subregional Planning Group (SSPG), membership in WestConnect¹, membership in the Western Electricity Coordinating Council (WECC), and participation in the WECC Transmission Expansion Planning Policy Committee (TEPPC) and its Technical Advisory Subcommittee (TAS).

Three subregional planning groups (SPG) operate within the WestConnect footprint: SWAT, CCPG and SSPG. WestConnect's planning effort, which includes funding and provision of planning management, analysis, report writing and communication services, supports and manages the coordination of the subregional planning groups and their respective studies. Such responsibilities are detailed in the WestConnect Project Agreement for Subregional Transmission Planning (WestConnect STP Project Agreement), dated May 23, 2007 (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm). Western is a signatory to this Agreement.

The subregional planning groups within the WestConnect footprint, assisted by the WestConnect planning manager, coordinate with other Western Interconnection transmission providers and their subregional planning groups through TEPPC. TEPPC provides for the development and maintenance of an economic transmission study database for the entire Western Interconnection and performs annual congestion studies at the Western Interconnection region level.

1.0 Western Transmission Planning

1.1 Western Planning Process.

Participation in Western's planning process is open to all affected parties, including but not limited to all transmission and interconnection customers, state authorities, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders.

1.1.1 Confidential or Proprietary Information

Western's transmission planning studies may include base case data that are WECC proprietary data or classified as Critical Energy Infrastructure Information (CEII) by the Federal Energy Regulatory Commission (FERC). A stakeholder must hold membership in or execute a

¹ WestConnect was formed under a memorandum of understanding (MOU) that has been entered into by 13 transmission providing electric utilities in the Western Interconnection. The purposes of WestConnect are to investigate the feasibility of wholesale market enhancements, work cooperatively with other Western Interconnection organizations and market stakeholders, and address seams issues in the appropriate forums. WestConnect has initiated an effort to facilitate and coordinate regional transmission planning across the WestConnect footprint. Current parties to the WestConnect MOU are: Arizona Public Service Company, El Paso Electric Company, Imperial Irrigation District, Nevada Power Company/Sierra Pacific Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Sacramento Municipal Utility District, Salt River Project, Southwest Transmission Cooperative, Transmission Agency of Northern California, Tri-State Generation and Transmission Association, Tucson Electric Power Company, and Western Area Power Administration.

confidentiality agreement with WECC (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) in order to obtain requested base case data from Western. A stakeholder may obtain transmission planning information classified as CEII from Western upon execution of a confidentiality agreement with Western.

1.1.2 Overview

Western's transmission planning process consists of an assessment of the following needs:

- (a) Provide adequate transmission to serve Firm Electric Service (FES) customers.
- (b) Where feasible, identify alternatives such as demand response resources that could meet or mitigate the need for transmission additions or upgrades.
- (c) Access adequate resources in order to reliably and economically serve FES and network loads.
- (d) Provide for interconnection for new generation resources.
- (e) Coordinate new interconnections with other transmission systems.
- (f) Accommodate requests for long-term transmission access.

1.1.3 Western's Transmission Planning Cycle

- (a) Calendar Year Planning Cycle. Western conducts its transmission planning on a calendar year cycle for a ten year planning horizon.
- (b) Annually Updated Ten Year Plan. Western updates its ten year plan annually and publishes an annual Ten Year Transmission Plan document typically in November.

1.1.4 Transmission Customer's Responsibility for Providing Data

- (a) Use of Customer Data. Western uses information provided by its transmission customers to, among other things; assess network load and resource projections (including demand response resources), transmission needs, in-service dates to update regional models used to conduct planning studies.

- (b) Submission of Data by Network Transmission Customers. Network transmission customers shall supply information on their ten year projected network load and network resources (including demand response resources) to Western on an annual basis. Western requires that this information be submitted electronically to Western Regional Office Contact e-mail address at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm by March 15 each year.
- (c) Submission of Data by Other Transmission Customers. To maximize the effectiveness of the Western planning process, it is essential that all other transmission customers provide their ten year needs in the form of relevant data for inclusion in the Western transmission planning process. Western requires that this information be submitted electronically to Western Regional Office Contact e-mail address at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm by March 15 each year. This will facilitate inclusion of transmission customer data in the planning process for the annual transmission plan.
- (d) Transmission Customer Data to be Submitted. To the maximum extent practical and consistent with protection of proprietary information, data submitted by network transmission customers and other transmission customers should include for the ten year planning horizon:
- i. Generators – planned additions or upgrades (including status and expected in-service dates) and planned retirements.
 - ii. Demand response resources – existing and planned demand resources and their impacts on peak demand.
 - iii. Network customers – forecast information for load and resource requirements over the planning horizon and identification of demand response reductions.
 - iv. Point-to-point transmission customers – projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.
- (e) Notification of Material Changes to Transmission Customer Data. Each transmission customer is responsible for timely submittal of written notice to Western of material changes in any of the information previously provided related to the transmission

customer's load, resources (including demand response resources), or other aspects of its facilities or operations which may, directly or indirectly, affect Western's ability to provide service.

1.1.5 Types of Planning Studies

- (a) Economic Planning Studies. Economic planning studies are performed to identify significant and recurring congestion on the transmission system and/or address the integration of new resources and loads. Such studies may analyze any, or all, of the following: (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 costs associated with relieving congestion through system enhancements (or other means), and, as appropriate, (v) the economic impacts of integrating new resources and loads. All economic planning studies will be performed either by a sub-regional planning group or TEPPC, and will utilize the TEPPC public data base.
- (b) Reliability Studies. Western will conduct reliability planning studies to ensure that all transmission customers' requirements for planned loads and resources are met for each year of the ten year planning horizon, and that all NERC, WECC, and local reliability standards are met. These reliability planning studies will be coordinated with the other regional transmission planning organizations through the SWAT, CCPG, and SSPG studies.

1.1.6 Economic Planning Study Requests (*See Flow Chart Attached as Exhibit 1*)

Requesting Economic Planning Studies. Any Western transmission customer or other stakeholder, including transmission solutions, generation solutions and solutions utilizing demand response resources ("Requester") may submit a study request for an economic planning study directly to Western or TEPPC. All requests must be electronically submitted to Western at Western Regional Office Contact e-mail address at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm. Western will not perform economic planning studies but will coordinate the performance of such studies with TEPPC. The economic planning study cycle will be that of the TEPPC process

- (a) Process for Handling Economic Transmission Planning Study Requests by Western. Western shall ensure that any economic

planning study requests are properly handled under this Attachment P by:

- i. TEPPC Master List. Forwarding the Requestor to TEPPC for inclusion in the TEPPC Master List of economic planning studies for the Western Interconnection and for consideration by TEPPC as a priority request. See Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).
- (b) Process for Handling Economic Study Requests Received by TEPPC. TEPPC will review economic planning study requests received from Requesters directly or from Western. TEPPC shall review such study requests during its open stakeholder meeting and, together with its stakeholders, prioritize requests for economic planning studies. Western will participate in the TEPPC prioritization process and provide input as to whether a study request should be included in the TEPPC study plan. The Requester is also encouraged to participate and provide input in the TEPPC prioritization process. For more detail regarding the TEPPC economic planning study process, see the executive summary overview of the TEPPC Transmission Planning Protocol. See Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).
- (c) Low Priority Economic Study Requests. If TEPPC determines, after reviewing through an open stakeholder process, that the requested economic planning study is not a priority study, the Requester may have a third party perform the economic planning analysis at the Requester's expense. The Requester will have use of the TEPPC economic study data base and Western will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.
- (d) Clustering Local Priority Economic Planning Studies. TEPPC may determine that any number of Requesters' economic planning study requests should be studied together with other requests.
- (e) Cost Responsibility for Economic Planning Studies
 - i. Priority and Non-Priority Local Economic Planning Studies. Western cannot fund any Priority and Non-Priority local economic planning studies due to its spending authorization

being contingent upon Congressional Appropriations. In the event that Western is requested to perform an economic planning study, Western will, at the Requesters expense, provide its assistance in having a third party perform the economic planning study. The Requester will have use of the TEPPC economic study data base and Western will support the Requester in ensuring that the study is coordinated as necessary through local, subregional or regional planning groups.

- ii. Priority Regional Economic Planning Studies. Regional economic studies are performed by TEPPC and funded by WECC.

(f) Exchange of Data Unique to Economic Planning Studies

- i. All data used for its economic planning studies from the TEPPC data base.
- ii. Requester's request for detailed base case data must be submitted to WECC in accordance with the WECC procedures.
- iii. All requests made to Western for economic planning studies and responses to such requests shall be posted on the Western OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm), subject to confidentiality requirements.

- (g) Western Point of Contact for Study Requests. Western will identify a Point of Contact on its OASIS to respond to customer/stakeholder questions regarding modeling, criteria, assumptions, and data underlying economic planning studies. See Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).

- 1.1.7 Stakeholder Participation in Western Study Plans and Planning Results. Western will hold a public planning meeting to review and discuss its transmission study plans and planning results (see Part II Section 1.2.2 below).

- 1.1.8 Western Study Criteria and Guidelines. Requesters should refer to the Western Planning Criteria document for Western planning criteria, guidelines, assumptions and data. The Western Planning Criteria are posted on the OASIS. See Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).
- 1.1.9 Western and Stakeholder Alternative Solutions Evaluation Basis. Western'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 Part II Section 1.1.4 of this Attachment P), including transmission solutions, generation solutions and solutions utilizing demand response resources, whether presented by Western 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.
- 1.2 Open Public Planning Meetings. Western will conduct at least two open public planning meetings each year, in coordination with four SWAT open public transmission planning meetings, including one joint meeting with CCPG and SSPG that will allow and encourage customers, interconnected neighbors, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders to participate in a coordinated, nondiscriminatory process for development of Western's transmission plan.
 - 1.2.1 Purpose and Scope. Western's open public transmission planning meetings will provide an open transparent forum whereby electric transmission stakeholders can comment and provide advice to Western during all stages of its transmission planning. These public transmission planning meetings will serve to:
 - (a) Provide a forum for open and transparent communications among area transmission providers, customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other interested stakeholders;

- (b) Promote discussion of all aspects of Western's transmission planning activities, including, but not limited to, methodology, study inputs and study results; and
- (c) Provide a forum for Western to understand better the specific electric transmission interests of all stakeholders.

1.2.2 Public Planning Meeting Process.

- (a) **Open_Stakeholder_Meetings.** All public transmission planning meetings will be open to all stakeholders.
- (b) **Planning_Meeting Schedule.** Western will establish its public planning meeting schedule as needed, but no less than twice annually.
- (c) **Meeting Purpose.** Meetings will be conducted to (i) allow Western to maximize its understanding of its customers' forecast needs for Western's transmission system; (ii) offer customers, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, and other stakeholders an opportunity to be informed about, offer input and advice into, Western's transmission system and planning process, as well as to propose alternatives for any upgrades identified by Western; (iii) review study results; and (iv) review transmission plans.
- (d) **Coordination with SWAT, CCPG and SSPG.** Western's local transmission planning process will be coordinated with the SPGs through quarterly planning meetings described in more detail below (see Part II Section 2.2.7).
- (e) **Posting of Meeting Notices.** All meeting notices, including date, time, place and draft meeting agenda, will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>), and distributed to Western customer 30 days prior to the public planning meeting.
- (f) **Posting of Study Plans and Planning Results.** Study plans and planning results will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm

<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>), and distributed to Western's customers two weeks prior to the public planning meeting.

- (g) Meeting Process. At the public planning meetings, Western will
 - (i) review its transmission planning process and current study plan with stakeholders; (ii) request stakeholder review of the current study plan; (iii) provide an opportunity for comment on any aspect of its transmission planning process; (iv) invite the submittal of transmission study requests from stakeholders for review and discussion; and (v) provide updates on its planned projects. During the meeting, and for fifteen (15) calendar days following the meeting, all stakeholders and interested parties will be encouraged to provide Western with any comments on the study results presented in the public meeting. The final local study results and study plan will be posted on Western's OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm <http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>).
- (h) Electronic Input and Comments. Stakeholders and interested parties are also encouraged to provide input, comments, advice and questions on Western's transmission planning process at any time by sending e-mails to Western Regional Office Contact e-mail address at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm <http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>.
- (i) Public Planning Meeting Agenda.
 - i. It is anticipated that in the 2nd Quarter meetings, Western will review information on loads, resources (including demand response resources) and other needs received by March 15 from its transmission customers pursuant to Part II Sections 1.1.4(b) and (c) for inclusion in a draft study plan.
 - ii. It is anticipated that in the 4th Quarter meetings, Western will review planning study requests received by each Regional Office pursuant to Part II Section 1.1.6 and present a draft of its ten year plan for stakeholder review and comment.
 - iii. This schedule may be modified to coordinate with the subregional and regional transmission planning processes, subject to posting on Western's OASIS and the WestConnect

website (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).

- (j) Western Customer Distribution List. All existing Western customers, network and point-to-point, will be included on the distribution list and actively notified via e-mail of all upcoming public planning meetings. Any other stakeholder, including but not limited to, sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, wanting to be included on Western's e-mail distribution list should submit its information to Western's Point of Contact at Western Regional Office Contact e-mail address at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>.
- (k) Posting of Meeting Documents. Western will post all meeting-related notes, documents and draft or final reports on its OASIS and the WestConnect website (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm <<http://www.oatioasis.com/WAPA/WAPAdocs/Planning-Process.htm>>).
- (l) Posting of Public Documents. In order to permit all stakeholders access to the information posted on the OASIS and WestConnect websites, only public information will be shared, and public business conducted, in the open public planning meetings.

1.3 Ten Year Transmission System Plan. Each year Western uses the planning process described in Part II Section 1.1 above to update its Ten Year Transmission System Plan. The Ten Year Transmission System Plan identifies all of its new transmission facilities, 115 kV and above, and all facility replacements/upgrades required over the next ten years to reliably and economically serve its loads.

2.0 Subregional and Regional Coordination

Regional Planning and Coordination at the WestConnect-SWAT,-CCPG and-SSPG subregional level.

2.1 Overview. Western is a party to the WestConnect STP Project Agreement (see Western Attachment P Hyperlinks List

(www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)), and is actively engaged in the SWAT, CCPG and SSPG planning groups. The WestConnect footprint, which includes the regions covered by SWAT, CCPG and SSPG, encompasses the states of Arizona, Colorado, New Mexico, Nevada, and parts of California, Texas, and Wyoming. Western submits its transmission plans to its relevant subregional transmission planning group as required for inclusion in and coordination with the SPG's transmission plan. Western actively participates in the SPG transmission planning process to ensure that Western's data and assumptions are coordinated with the subregional plan. The WestConnect planning manager will ensure that the subregional transmission plan is coordinated to produce the WestConnect Transmission Plan.

2.2 The Subregional Transmission Planning Process.

2.2.1 SWAT,-CCPG and SSPG's Role. Each SPG tasked with bringing transmission planning information together and sharing updates on active projects within the various subregions. The SPG's provide an open forum where any stakeholder interested in the planning of the transmission system in each footprint including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, can participate and obtain information regarding base cases, plans, and projects and to provide input or express its needs as they relate to the transmission system. SWAT, CCPG and SSPG do not conduct economic planning studies.

2.2.2 Membership. The subregional transmission planning groups are comprised of transmission providers, transmission users, transmission operators, state regulatory entities and environmental entities. Membership is voluntary and open to all interested stakeholders including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources. Western will participate in SWAT, CCPG and SSPG and relevant SPG subcommittees and work groups and will submit its Ten Year Transmission Plans to the relevant work groups. Western's Ten Year Transmission Plans will then be incorporated with the SWAT, CCPG and SSPG subregional transmission plans in accordance with the WestConnect STP Project Agreement. See Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm). Western will incorporate any applicable information, data or study results from SWAT, CCPG or SSPG into its planning process.

- 2.2.3 Subregional Coordination. The SPG's role is to promote subregional transmission planning and development and to ensure that all of the individual transmission plans are coordinated in order to maximize use of the existing transmission system and identify the transmission expansion alternatives that most effectively meet future needs.
 - 2.2.4 Open Subcommittee Forum. All SPG subcommittee planning groups provide a forum for entities including sponsors of transmission solutions, generation solutions and solutions utilizing demand resources, within each respective region, and any other interested parties, to determine and study the needs of the region as a whole.
 - 2.2.5 Forum for Project Sponsors. The SPGs also provide 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, coordination with other projects, and project participation, including ownership from other interested parties.
 - 2.2.6 Subregional Open Planning Meetings. All SPG transmission planning process for the high voltage and extra high voltage system is open to all transmission customers and stakeholders wishing to participate. Western will assist transmission customers and stakeholders interested in becoming involved in the subregional transmission planning process including sponsor of transmission solutions, generation solutions, and solutions utilizing demand resources, by directing them to appropriate contact persons and websites. All transmission customers and stakeholders are encouraged to bring their plans for future generators, demand resources, loads or transmission services to the SPG planning meetings.
 - 2.2.7 Meeting Agendas. The meeting agendas for the SPG's, WestConnect, Western and any other planning meetings scheduled in conjunction with the SPG meetings will be sufficiently detailed, posted on the WestConnect website (see Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)) and circulated in advance of the meetings in order to allow customers and stakeholders the ability to choose their meeting attendance most efficiently.
- 2.3 WestConnect's Role in the Subregional Transmission Planning Process.

- 2.3.1 WestConnect STP Project Agreement. Each WestConnect party is a signatory to the West Connect STP Project Agreement (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm) which formalizes the parties' relationships and establishes obligations among the signatory transmission providers to coordinate subregional transmission planning among the WestConnect participants and the subregional planning groups (SWAT, CCPG, and SSPG), participate in the SWAT, CCPG and SSPG subregional transmission planning groups, as appropriate, and produce a WestConnect Transmission Plan. The WestConnect STP Project Agreement is also open for participation by other non-WestConnect transmission providers that participate in the transmission planning activities of SWAT, CCPG and SSPG or any other subregional transmission planning group that may form within the WestConnect footprint.
- 2.3.2. WestConnect Objectives and Procedures for Regional Transmission Planning. Under the WestConnect Objectives and Procedures for Regional Transmission Planning, Western, along with the other WestConnect STP Project Agreement participants, agrees to work through the SWAT, CCPG and SSPG planning processes to integrate its Ten Year Transmission Plans with the other WestConnect participant transmission plans into one ten year regional transmission plan for the WestConnect footprint by:
- (a) Actively participating in the subregional transmission planning processes, including submitting its respective expansion plan, associated study work and pertinent financial, technical and engineering data to support the validity of Western's plan;
 - (b) Coordinating, developing and updating common base cases to be used for all study efforts within the SWAT, CCPG and SSPG planning groups and ensuring that each plan adheres to the common methodology and format developed jointly by WestConnect subregional planning groups for this planning purpose;
 - (c) Providing funding for the WestConnect STP Project Agreement planning management functions pursuant to the WestConnect STP Project Agreement;
 - (d) Retaining an independent facilitator to oversee the WestConnect STP Project Agreement process, ensure comparability among the subregional processes and perform the study work required to pull all the plans together;

- (e) Maintaining a regional planning section on the WestConnect website where all WestConnect planning information, including meeting notices, meeting minutes, reports, presentations, and other pertinent information is posted; and
 - (f) Posting detailed notices on all SWAT, CCPG and SSPG meeting agendas on the WestConnect website. See Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm.
- 2.3.3. WestConnect Planning Meetings. WestConnect hosts two open public stakeholder meetings for transmission planning per year, one in the 1st Quarter and one in the 4th Quarter.
- 2.3.4. WestConnect Role in Economic Planning. WestConnect will provide advice, on an as needed basis, to TEPPC regarding prioritizing regional economic planning study requests and potential clustering of requested regional economic planning studies, if those studies involve facilities in the WestConnect footprint. WestConnect will not conduct economic planning studies.
- 2.4. Quarterly Schedule of Subregional and Local Transmission Planning Meetings. Western will coordinate with SWAT, CCPG and SSPG in order to assure that quarterly meetings are times in order to allow projects to escalate from local to subregional to regional councils in a timely fashion.

The proposed focus of the SPG meetings, WestConnect transmission planning meetings and Western public planning meetings will be:

2.4.1. 1st Quarter Meetings

SPG Meetings.

- Approve the final SPG reports for the previous year's study work.
- Approve the SPG study plans for the new year.

WestConnect Planning Annual Meeting (see Western Attachment P Hyperlinks List at www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm).

- Present the WestConnect Ten Year Transmission Plan and WestConnect Transmission Planning Study Report to the Planning Management Committee.

- Recommend approval of the WestConnect Ten Year Transmission Plan by the WestConnect Steering Committee.
- Recommend approval of the WestConnect Transmission Planning Study Report by the WestConnect Steering Committee.
- Approve WestConnect study plans for the new year.
- Propose adjustments to the planning process or budget for the current year as necessary or appropriate.

2.4.2. 2nd Quarter Meeting

SPG Meetings.

- Present preliminary SPG study results.
- Determine additional SPG study sensitivities

Western Planning Stakeholder Meetings:

- Western reviews its transmission planning process and current study plan with transmission customers and stakeholders, and requests their review, comment and advice on any aspect of its transmission planning process. Additionally, Western reviews information on loads, resources and other needs received by March 31 from its transmission customers.

2.4.3. 3rd Quarter Meeting

SPG Meetings.

- Annual Joint SWAT-CCPG-SSPG meeting. SWAT, CCPG and SSPG present current study results and approve key results, findings, and conclusions.
- SWAT specifically invites customer and stakeholder review, comment, advice and transmission study requests for the SWAT transmission planning process.

2.4.4. 4th Quarter Meeting

SWAT Meeting:

- Present draft SPG reports for approval with modifications.

- Specifically invite the submittal of transmission study requests from stakeholders for inclusion in their respective study plans.

WestConnect Planning Workshop:

- Present each current year study supported by (i) final report or (ii) status summary report.
- Present each WestConnect transmission provider's draft ten year transmission plan. Present proposed study plans from SWAT, CCPG and SSPG.
- Discuss future study needs with input from
 - Study groups
 - TEPPC
 - Other subregional planning groups
 - Stakeholders at large

- Draft the WestConnect Ten Year Transmission Plan.

- Draft the WestConnect Transmission Planning Study Report.

Western Planning Stakeholder Meeting:

- Western reviews its transmission planning process and current study plan with stakeholders, and requests stakeholder review, comment and advice on any aspect of its transmission planning process. Additionally, Western reviews planning study requests received and presents a draft of its ten year plan for stakeholder review and comment per each Regional Office calendar.

3.0. Coordination at the Western Interconnection Level

Western will coordinate its plan on a west-wide regional basis through the SPGs and WestConnect. WestConnect will coordinate its subregional plan with the other subregional plans in the Western Interconnection and at the TEPPC level.

3.1. Procedures for Regional Planning Project Review.

3.1.1. WECC coordination of reliability planning.

- (a) WECC develops the Western Interconnection-wide coordinated base cases for transmission planning analysis such as power flow, stability and dynamic voltage stability studies. The WECC

approved base cases are used for study purposes by transmission planners, subregional planning groups, and other entities that have signed confidentiality agreements with WECC.

- (b) WECC also maintains a data base for reporting the status of all planned projects throughout the Western Interconnection.
- (c) WECC provides for coordination of planned projects through its Procedures for Regional Planning Project Review.
- (d) WECC's Path Rating Process ensures that a new project will have no adverse effect on existing projects or facilities.

3.1.2. WECC Open Stakeholder Meetings. Western Interconnection-wide economic planning studies are conducted by the WECC TEPPC in an open stakeholder process that holds region-wide stakeholder meetings on a regular basis. The WECC-TEPPC Transmission Planning Protocol, including the TEPPC procedures for prioritizing and completing regional economic studies, is posted on the WECC website (see Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)). Western participates in the region-wide planning processes, as appropriate, to ensure that data and assumptions are coordinated.

3.1.3. Role of WECC TEPPC. WECC TEPPC provides two main functions in relation to Western's planning process:

- (a) Development and maintenance of the west-wide economic planning study database.
 - i. TEPPC uses publicly available data to compile a database that can be used by a number of economic congestion study tools.
 - ii. TEPPC's database is publicly available for use in running economic congestion studies. For an interested transmission customer or stakeholder to utilize WECC's Pro-Mod planning model, it must comply with WECC confidentiality requirements.
- (b) Performance of economic planning studies. TEPPC has an annual study cycle described in the WECC-TEPPC Transmission Planning Protocol (see Western Attachment P Hyperlinks List (www.oasis.oati.com/WAPA/WAPAdocs/Planning-Process.htm)), during which it will update databases, develop and approve a study

plan that includes studying transmission customer high priority economic study requests as determined by the open TEPPC stakeholder process, perform the approved studies and document the results in a report.

4.0. Dispute Resolution

Western Interconnection Western Regional Offices adhere to the WECC Dispute Resolution process.

5.0. Cost Allocation for New Transmission Projects

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

5.1.1. Open Season Solicitation of Interest. Project sponsor announces project and actively or verbally solicits interest in the project through informational meetings, information posted on the project sponsor's website, and industry press releases. For any transmission project identified in a Western reliability study in which Western is the project sponsor, Western may elect to hold an "open season" solicitation of interest to secure additional project participants. Upon a determination by Western to hold an open season solicitation of interest for a transmission project, Western 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 transmission project specifications, the initial cost estimates and potential transmission line routes; guide negotiations and assist interested parties to determine cost responsibility for initial studies; guide the project through the applicable line siting processes; develop final project specifications and costs; obtain commitments from participants for final project cost shares; and secure execution of construction and operating agreements.

5.1.2. Western Coordination within a Solicitation of Interest Process.

Western, whether as a project sponsor or a participant, will coordinate as necessary with any other participant or sponsor, as the case may be, to integrate into Western's Ten Year Transmission Plan any other planned project on or interconnected with Western's transmission system.

5.1.3 Western Projects without a Solicitation of Interest.

Western may elect to proceed with small and/or reliability transmission projects without an open season solicitation of interest, in which case Western will proceed with the project pursuant to its rights and obligations as a transmission provider.

5.1.4 Allocation of Costs.

(a) Proportional Allocation.

For any transmission project entered into pursuant to an open season solicitation process, project costs and associated transmission rights, will generally be allocated proportionally to project participants' respective ownership shares, subject to a negotiated participation agreement. In the event the open season process results in a single participant, the full cost and transmission rights will be allocated to that participant. Nothing in this section precludes project participants from utilizing another cost allocation methodology, provided, all project participants agree to the alternative.

(b) Economic Benefits or Congestion Relief.

For a transmission project wholly within Western'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.

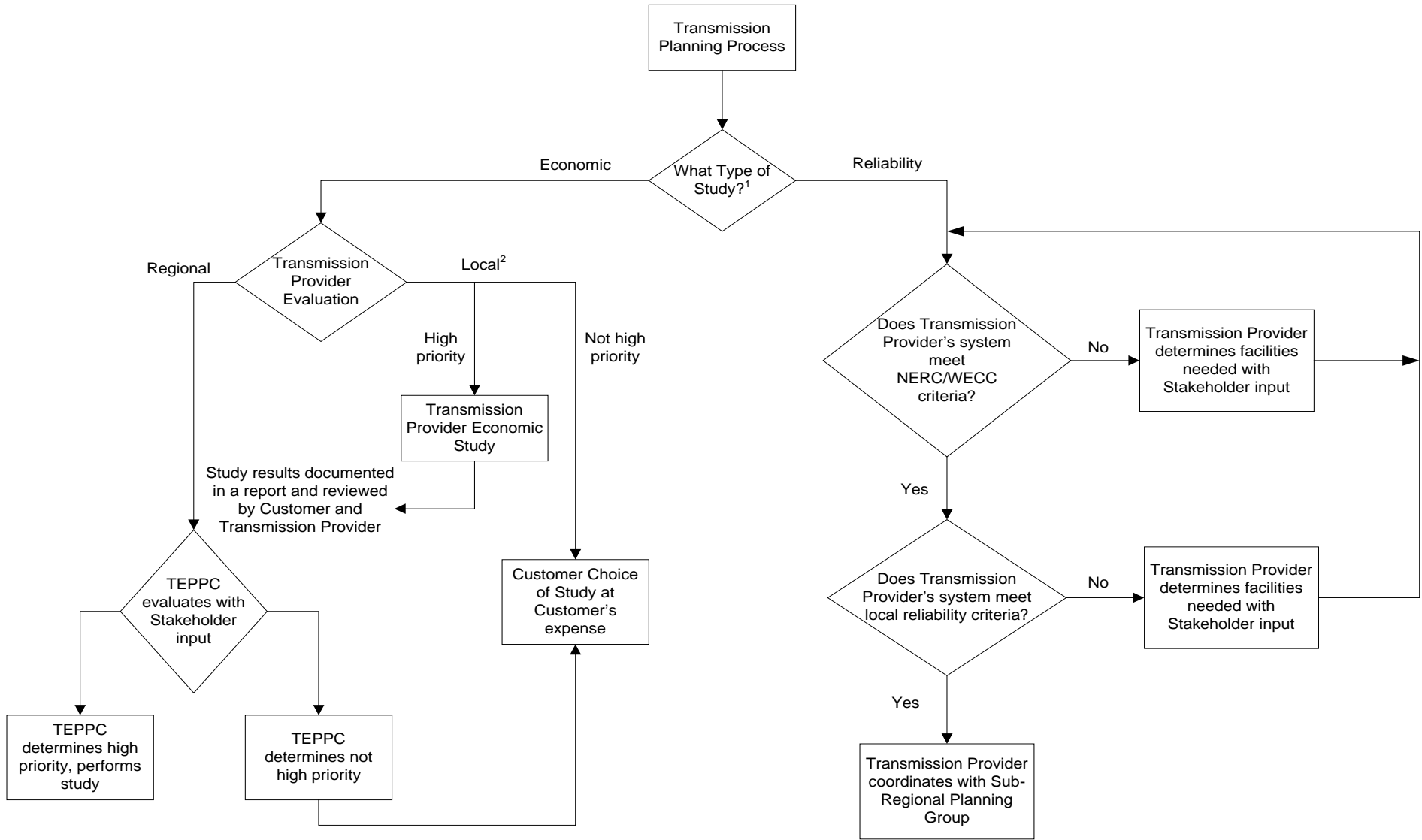
(c) Western Rate Recovery.

Notwithstanding the foregoing provisions, Western will not assume cost responsibility for any transmission project if the cost of the project is not reasonably expected to be recoverable in its transmission rates.

(d) Exclusions.

The cost for transmission projects undertaken in connection with requests for interconnection or transmission service on Western's transmission system, which are governed by existing cost allocation methods within Western's OATT, will continue to be so governed and will not be subject to the principles of this section 5.1.

Exhibit 1



1. Generator Interconnection Request studies are performed pursuant to the Large Generator Interconnection Procedure contained in the Transmission Provider's Open Access Transmission Tariff (OATT). Transmission Service Requests are also performed pursuant to OATT procedures.

2. All requests for economic planning studies received by the Transmission Provider are forwarded to TEPPC for inclusion in the TEPPC Master List. TEPPC will evaluate only those requests that have regional impacts.